



Alinta Energy Group

Sustainability Report - 2020/21

Alinta Energy Pty Ltd - ABN 64 614 975 629
Renewable Energy Investment Fund Pty Ltd - ABN 85 624 371 259



alintaenergy

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This sustainability report covers the results of Alinta Energy Pty Ltd and Renewable Energy Investment Fund Pty Ltd, together referred to as the Alinta Energy Group, or Alinta Energy.

This year's report includes QR codes to allow our readers to access video content.

To scan the QR codes on your smartphone: launch your camera, point it at the QR code, respond to the pop-up to redirect you to the relevant website. If this does not work, you may need to enable QR scanning in your camera settings or download a QR app.



A message from the MD and CEO

This has been another remarkable year for the energy industry, both in Australia and around the world. The winds of change have picked up pace and we are now well into a revolution that will change the way we think about energy forever.

The clean energy transition

From my perspective, Alinta Energy has two key roles to play in the clean energy transition. First, to set our strategy to achieve net zero emissions and second, to help our customers achieve their own climate ambitions.

We recently committed to achieving net zero carbon emissions by 2050, which is accompanied by our Pathway to Net Zero plan. This was informed by our view of Australia's energy future and supports our intention to participate in it.

One of my proudest moments this year was seeing the Yandin Wind Farm (a RATCH/Alinta Energy investment managed by Alinta Energy) commence operations, which will power the equivalent of around 200,000 homes for decades to come. This is now Western Australia's largest wind farm. The opening was a big moment for Alinta Energy, representing the first time we've turned a promising concept for a renewable energy project into a reality. It has set the benchmark for our next projects that will help us meet our renewable energy goals and emissions targets.

Health and safety

I'm very pleased to report an excellent improvement in our safety performance this year.

Our Total Recordable Injury Frequency Rate (TRIFR) for FY21 dropped to 1.9 from 7.1 the year before. During the sustained challenges of COVID-19, our people have lived our safety vision of everyone, every day, every job: zero harm, getting the job done while protecting themselves and their workmates.

Customer service

This year we established a new customer service centre in Morwell, Victoria, with support from the government through its Jobs Victoria program. We have since hired and trained dozens of local people who are now working directly with our customers to meet their energy needs. Training has involved both formal and nesting of our new starters with experienced customer service representatives.

When recruitment is complete, the hub will have supported the job creation of around 250 roles for the local community, making Alinta Energy one of the largest employers in the Latrobe Valley where we already have strong ties through our relationship with the Loy Yang B power station. Establishing sustainable business activities in regions that have traditionally relied on fossil fuel generation enables us to support a just transition to renewable energy over the coming years and decades.

Walking through our newly fitted out customer service centre took me back to the beginning of my career in a Melbourne Water call centre. These early experiences helped me appreciate how easy it can be for people to find themselves in financial hardship due to unforeseen circumstances. For example, recurring lockdowns and restrictions to control the spread of COVID-19 have continued to put pressure on many of our customers. As a result, we suspended disconnection activities, referral of closed accounts to third party debt collection, debt sale and default listing for all customers for the entire reporting period.

Supporting communities

I believe most people want to live in a community where people help each other get back on their feet in hard times and I believe it's important for us to give back to the community that supports our business.

Our Community Development Program has gone from strength to strength this year. In addition to our ongoing major corporate partnerships with Foodbank, Conservation Volunteers Australia and the Salvation Army, we have now supported 13 Australian grassroots organisations through our community grants program. Our people also came out in large numbers to support our community partners through our volunteering program, supported by our COVID-safe volunteering work plans.

Alinta Energy opposes modern slavery in all its forms and believe that the extent to which modern slavery practices, such as forced labour, still exist in local and global supply chains is simply unacceptable. The processes we have put in place to better understand the risks embedded in our supply chain will help us work with others in our industry, and beyond, to eradicate these practices.

We also seek to ensure our business contributes positively to equal social and economic opportunities for Indigenous Australian communities. We acknowledge Aboriginal and Torres Strait Islander cultures as the oldest continuous cultures in the world and we respect the deep connection Australia's first people have with land, water, history and culture. We are committed to working closely with the Traditional Owners of the lands where we operate. This year we worked closely with the Indigenous Australian groups in the Pilbara in the planning and construction phases of our new renewable energy projects. We also support several organisations through our Community Development Program that help Indigenous youth connect with their culture and heritage.

How we work

Alinta Energy's people have continued to adapt to changing work arrangements due to COVID-19, maintaining business as usual and implementing projects that help us evolve.

We expect that working from home will remain an important feature of our flexible work arrangements. However, we also seek to balance this with opportunities for people to come together and share ideas, so we can maintain our vibrant, innovative culture. As part of this, we are trialling several alternatives to inform our future approach.

Leadership changes

Our Chair of the Board, Mark Johnson, retired this year after a long and distinguished career. I would like to thank Mark for his significant contribution to Alinta Energy, and indeed the entire energy industry, over many years. Following Mark's retirement, we welcomed Tony Howarth as Alinta Energy's new Chair. Tony has been a non-executive director at Alinta Energy for over 10 years and is well placed to lead the Board through the energy transition that is currently underway.

I would also like to thank Gary Burg, who recently retired after four years as a non-executive director on our Board and wish him well in the future.

During the year, Alinta Energy appointed four new non-executive directors, enhancing the Board's capabilities. John Borghetti, Kathleen Bailey-Lord, Robert Nicholson and Alison Chan all bring deep knowledge and new perspectives to our business. I look forward to working with them to help us continue to thrive into the future.

Jim Galvin also retired from corporate life after 30 years in the energy industry and six years at the helm of our Retail Markets business. Jim's career is full of impressive accomplishments, and I would like to thank him for his contribution to Alinta Energy and the energy industry.

Following an extensive executive search process, I'm delighted to have welcomed Amanda Hagan as our new Executive Director Retail Markets. Amanda is an experienced leader who has previously worked in the healthcare, health insurance and wealth industries.

We also welcomed Fiona Osler to the Executive Leadership Team in December 2020 as our General Manager of People & Culture. Fiona has been with Alinta Energy since 2006 and brings experience from a range of corporate roles including People & Culture, Investor Relations, Communications, Equities Research and Accounting & Finance.

Moving forward

This year we have made meaningful progress across multiple facets of our environmental, social and governance (ESG) performance, further embedding sustainability principles into our business.

Recognising its strategic importance and in the interest of introducing more balanced performance measures, from FY22 ESG will be part of our annual key performance indicators. Executive Directors and General Managers will have 25% of their bonus payments dependent on successfully achieving our sustainability related work plans.

As we begin a new year, I'm excited about new ways to deliver exceptional service along with improved environmental performance and wellbeing for our people and communities.

Thank you to our people, our customers, our Board, our industry and the community for your ongoing support of our business. We look forward to the opportunities ahead and are eager to continue our journey towards a sustainable future.



Jeff Dimery
Managing Director and CEO

Alinta Energy at a glance

Our business

3,363 MW

operational generation capacity across Australia and New Zealand (owned, operated and contracted)

\$3,035

million revenue

\$478

million EBITDA



8 power stations^a



7 wind farms^b



5 solar farms^c



1 large scale battery^d

Safety

Zero Class 1 injuries



2.10 TRIFR

(total reportable injury frequency rate)



2.10 LTIFR

(lost time injury frequency rate)



812

safety value adds

Environment



1,046,806 tCO_{2-e}

Scope 1 greenhouse gas emissions

4,820 tCO_{2-e}

Scope 2 greenhouse gas emissions

8,505,428 tCO_{2-e}

Scope 3 material greenhouse gas emissions^e



1,500 MW

2025 renewable energy and storage target



860 MW

renewable energy and storage capacity



We have committed to:

1. achieve net zero carbon emissions by 2050
2. not develop or support any new coal-fired generation assets



3,203 ML

water used by our power stations



297 tonnes

solid waste disposed to landfill by our power stations



No material^f environmental incidents

a. Owned, operated and contracted.

b. Six contracted, and one operated.

c. Contracted.

d. Owned and operated.

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

f. Material environmental incidents are defined on page 101.

Our people



871
employees



44% women
56% men
<1% non-binary

49% of FY21 promotions awarded to women

333 new people joined our team this year

43 years worked by our longest-serving employee

Customers



No disconnection activities, referral of closed accounts to third party debt collection, debt sale or default listing during the year^g



1.07
million customers



+58
net promoter score^h



85%
customer satisfaction^h



0.14
ombudsman complaints per month per 1,000 customers^h



2
2021 Canstar Blue customer service awards

Our communities



\$2.5 million over 5 years pledged under our new Community Development Program



194,000+ Foodbank meals fundedⁱ



3,200+ native seedlings funded for Rottneest Island's Longreach Link dune systemⁱ



480+ hours volunteered by our people this year

g. Disconnections are taking place only where specifically requested by a customer.

h. Weighted average east and west coast score

i. Through our Community Development Program.

FY21 highlights

Our business

- **Governance** – Appointed a new Chair and four new non-executive directors to our Board, following the retirement of two independent Directors, including the former Chair. This has helped improve female representation on the Board.
- **Compliance** – Achieved full compliance with the conditions set by the Foreign Investment Review Board (FIRB) in line with agreed timing.
- **Modern slavery** – Submitted our first modern slavery statement in December 2020, following planning, analysis and training.

A constant focus on safety

- **Performance** – Reduced our Total Reportable Injury Frequency Rate (TRIFR) to 2.10, down from 7.10 in FY20.
- **Systems** – Completed a redesign of our One Alinta health and safety management system.
- **Safety culture** – Raised and closed 812 Safety Value Adds across the business.
- **Training** – Implemented the Reach safety leadership program across our power station sites.

Working towards a more sustainable environment

- **Long term net zero target** – Committed to achieve net zero greenhouse gas emissions by 2050, supported by our Pathway to Net Zero plan. See page 44 for more details.
- **Interim emissions reduction target** – Introduced interim emissions reduction targets for Scope 1 and 2 greenhouse gases by FY25. See page 47 for more details.
- **Interim renewable generation and/or storage target** – Achieved cumulative progress of 860MW towards our target to support the development of 1,500MW of renewable generation and/or energy storage capacity by 2025.
- **Renewable energy facilities** – Commenced operations at the Yandin Wind Farm in Western Australia.
- **Energy efficiency activities** – Completed energy efficiency projects at our Newman, Wagerup and Pinjarra sites.

Supporting our people

- **Support** – Continued to engage with our people throughout the ongoing COVID-19 pandemic to understand and respond to their needs by staying connected, offering pandemic leave, implementing wellbeing initiatives and offering flexibility working arrangements.
- **Growth** – Supported business growth by recruiting 333 new employees.
- **Diversity** – Increased the proportion of women on our Board, the executive leadership team, in management positions and across the organisation.
- **Inclusion** – Introduced Indigenous cultural awareness training.

Investing in our communities

- **Community support** – Supported 10 not-for-profit organisations with community grants, as well as continuing our three community partnerships.
- **Community support** – Funded over 194,000 Foodbank meals.
- **Community support** – Supported the rehabilitation of Rottnest Island's Longreach Link dune system with over 3,200 native seedlings.
- **Volunteering** – Despite COVID-19, we increased our volunteering from over 360 to over 480 hours.

Serving our customers

- **Customer service** – Brought our east coast customer support on shore, establishing a new customer experience hub in Morwell, regional Victoria.
- **Customer satisfaction** – Received two new Canstar Blue awards for customer satisfaction.



Our business

Alinta Energy supplies retail electricity and gas to over 1.07 million customers. We have electricity generation, storage and transmission facilities across Australia and New Zealand and employ more than 850 people.

Our operations are divided into three main segments based on geography and business type:

- West coast integrated
- East coast integrated
- Contracted assets.

During the year, we maintained our leading position in the Western Australia retail mass market. On the east coast, we invested in systems and processes for future growth and new customer offerings.

The actions and initiatives described in this section of the report support the United Nations' Sustainable Development Goals (SDGs) shown below. For a summary of our contribution to each of these goals, refer to the SDG Actions and Initiatives section on page 105.





What we do

Alinta Energy generates and supplies power across mainland Australia. Our main activities include:

- **Generation**
We own, operate, develop, and invest in energy generation facilities, including power stations, wind farms and solar farms.
- **Storage**
We own and operate energy storage facilities such as batteries.
- **Transmission and distribution**
We own transmission and distribution networks such as electricity transmission lines and gas pipelines.
- **Energy retailing**
We provide electricity and gas to customers including households, small businesses, commercial and industrial organisations.

Where we operate

Our corporate headquarters are located in Sydney while our largest office is in Melbourne. We also have offices in Perth (where our company first began operating more than 20 years ago) and Adelaide.

Our small office in Brisbane (which was the location of our Connect Develop business) closed shortly after the end of the year. Our Connect Develop business now operates from the office of one of our strategic business partners in Queensland (CS Energy).

Gas business operations

We also retail gas in New South Wales, Victoria, Queensland, South Australia and Western Australia and own (or have an equity share in) gas transmission pipelines in Queensland and Western Australia.

Region	Gas transmission lines	Gas customers
New South Wales		○
Victoria		○
Queensland	○	○
South Australia		○
Western Australia	○	○

Electricity business operations

Alinta Energy generates and/or retails electricity in New South Wales, Victoria, Queensland, South Australia, the resource rich Pilbara region of Western Australia and the southwest region of Western Australia (including Perth).

We operate in all major mainland Australian wholesale electricity markets (as shown below) and own electricity transmission lines in the Pilbara region of Western Australia. We also own and operate an electricity generation facility embedded in the NZ Steel facility in Glenbrook, on the North Island of New Zealand.

Region and electricity grid	Fossil fuel electricity generation	Renewable electricity generation	Electricity storage	Electricity transmission lines	Electricity customers
Australia - east coast (NEM)	○	○			○
Australia - west coast (SWIS)	○	○			○
Australia - west coast (NWIS)	○			○	○
Australia - west coast (off-grid)	○	○	○	○	○
New Zealand	○				○

NEM

National Energy Market

East Coast of Australia

Includes New South Wales, Queensland, Victoria, South Australia, Tasmania and the Australian Capital Territory

SWIS

South West Interconnected System

West Coast of Australia

Perth and surrounding area of Western Australia, including Kalgoorlie and Albany

NWIS

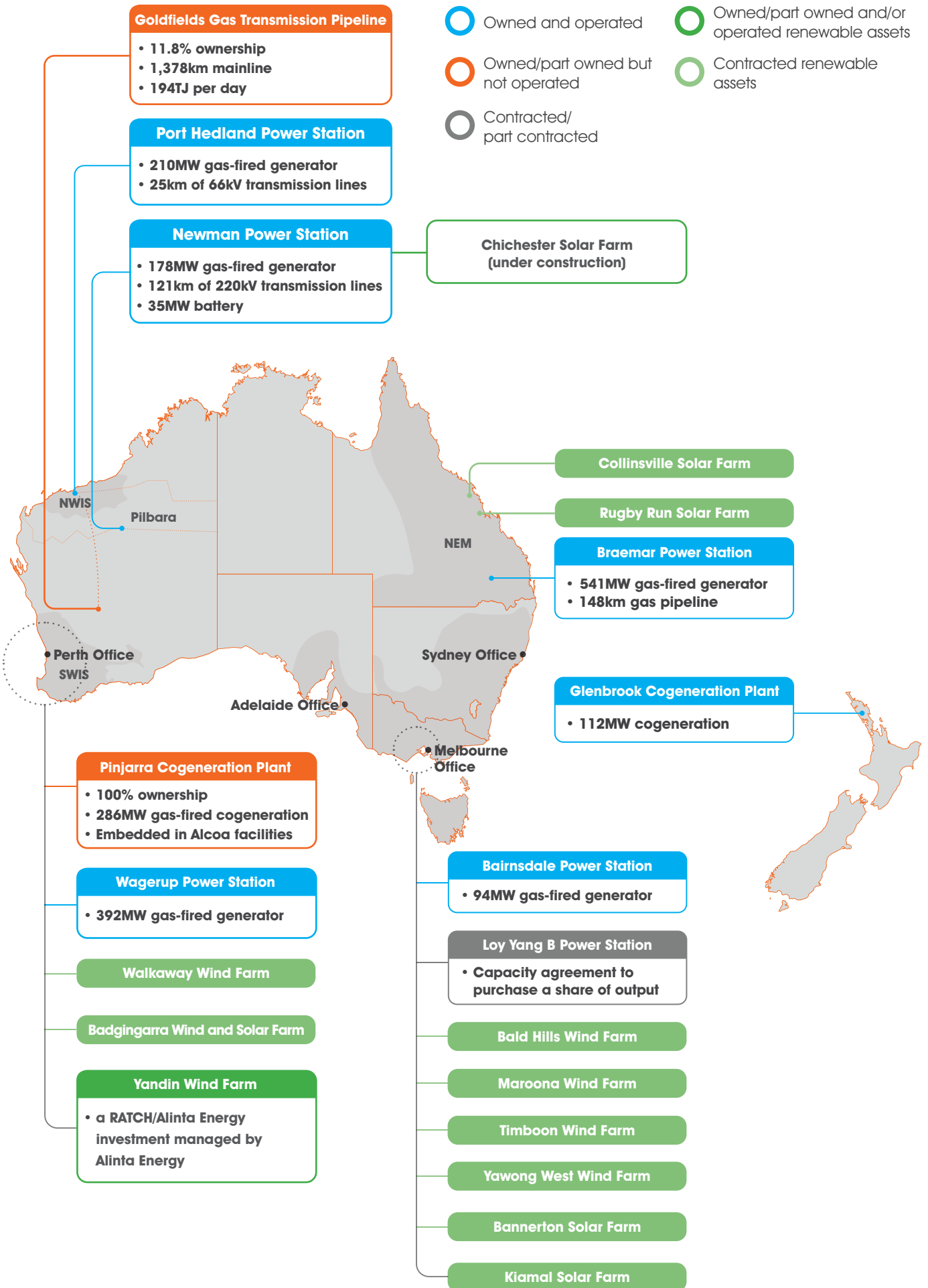
North West Interconnected System

West Coast of Australia

Pilbara region of Western Australia



Our operating assets, assets under construction and offices



Owned or operated renewable generation

Western Australia

Chichester solar farm

Under construction

Yandin Wind Farm

A RATCH/Alinta Energy investment managed by Alinta Energy. Alinta Energy also contracts for the output of the wind farm.

Owned power stations

Western Australia

Newman power station and battery storage

- Employees: 19
- Registered capacity: 178MW
- Fuel type: Gas/distillate
- Load profile: Intermediate
- FY21 availability: 95.1%
- Other: 35MW battery storage facility

Port Hedland power station

- Employees: 10
- Registered capacity: 210MW
- Fuel type: Gas/distillate
- Load profile: Intermediate
- FY21 availability: 91.9%

Wagerup power station

- Employees: 6
- Registered capacity: 392MW
- Fuel type: Gas/diesel
- Load profile: Peaker
- FY21 availability: 88.9%

Pinjarra cogeneration plant

- Registered capacity: 286MW
- Fuel type: Gas
- Load profile: Base
- FY21 availability: 89.9%
- No Alinta Energy employees, operated by Alcoa

Queensland

Braemar power station

- Employees: 7
- Registered capacity: 541MW
- Fuel type: Gas
- Load profile: Intermediate peaking
- FY21 availability: 77.1%

Victoria

Bairnsdale power station

- Employees: 4
- Capacity: 94MW
- Fuel type: Gas
- Load profile: Peaker
- FY21 availability: 97.5%

New Zealand

Glenbrook cogeneration plant

- Employees: 28
- Capacity: 112MW cogeneration
- Fuel type: Surplus gas from NZ Steel and waste heat
- Load profile: Base
- FY21 availability: 89.5%
- Integrated into NZ Steel (BlueScope Steel) facility under long-term power purchase agreement

Transmission infrastructure

Western Australia

Chichester solar farm transmission line

- 61km (220kV) transmission line linking the Roy Hill Mine substation and the Cloudbreak Mine to the Chichester solar farm

Newman to Roy Hill electricity transmission line

- 121km (220kV) transmission line from Newman Power Station to the Roy Hill Mine including substations, a distribution system and 6MW of on-site diesel generation

Goldfields Gas transmission pipeline

- 11.8% investment in 1,378km long pipeline

Port Hedland transmission line

- Three transmission lines totalling 25km (66kV) connecting the Port Hedland site to the Boodarie power station, Horizon Power's Wedgefield substation and Horizon Power's Murdock Drive substation

Queensland

Braemar gas pipeline

- 148km pipeline supplying the Braemar power station and transporting gas to the Roma to Brisbane pipeline

Offices

Sydney

- Employees: 154
- Corporate headquarters and base for Alinta Energy's executive leadership team, national wholesale trading team and many supporting commercial functions

Perth

- Employees: 230
- Location of Alinta Energy's west coast retail energy business and one of two in-house customer service centres

Melbourne

- Employees: 253
- Base for our east coast customer operations

Morwell customer experience hub

- Employees: 122
- Location of our new east coast customer call centre in regional Victoria

Adelaide

- Employees: 37
- Location of many of our IT support services

Brisbane

- Base for our Connect Develop business
- The Connect Develop business does not have any direct employees of Alinta Energy

Contracted renewable generation

Western Australia

Walkaway wind farm

Badgingarra wind and solar farm

Victoria

Bald Hills wind farm

Maroona wind farm

Timboon wind farm

Yawong West wind farm

Bannerton solar farm

Kiamal solar farm

Queensland

Collinsville solar farm

Rugby Run solar farm

Other contracted generation

Victoria

Loy Yang B power station

- Capacity agreement to purchase a share of the output from the Loy Yang B coal-fired power station

Load profiles – what they mean

Base

These facilities generate a reliable ongoing power supply by operating continuously.

Intermediate

Flexible power generation that bridges the gap between base load and peak supplies.

Peaker

Quick to start, these facilities can ramp up operations, providing additional power to meet higher demand.

Vision, sense of purpose and values

Vision

We're committed to be the best energy company

Sense of purpose

We're determined to make energy more affordable

Values



Safety



People Matter



Customer Focus



One Alinta



Commercial Leadership



Respect & Integrity

Business structure and governance

We are committed to doing business ethically. Our governance structures and frameworks are designed to uphold high standards and enable us to achieve our vision, purpose and strategy while operating in line with our values.

Ownership

Alinta Energy Pty Ltd and Renewable Energy Investment Fund Pty Ltd (together referred to as the Alinta Energy Group, or Alinta Energy) are subsidiaries of the Chow Tai Fook Enterprises Limited (CTFE) and Pioneer Sail Australia Pty Limited (ABN 91 617 846 385) (Pioneer Sail Australia).

Chow Tai Fook Enterprises

Chow Tai Fook Enterprises Limited ("CTFE") is the flagship private investment holding company of the Cheng Family who is the controlling shareholder of the Chow Tai Fook Jewellery Group Limited (Hong Kong stock code 1929) founded in 1929, one of the world's leading jewellery retailers with approximately US\$9.1 billion revenue in the financial year ended in March 2021.

The Cheng Family's businesses focus on jewellery, property development, hospitality services, infrastructure, aircraft leasing, energy, healthcare, education, technology, environmental services, retail and media. As of June 2021, the Cheng Family had held controlling or significant interests in 14 listed companies on the Main Board of the Stock Exchange of Hong Kong Limited with total assets of approximately US\$94 billion.

CTFE seeks to deliver sustainable growth through professional investing and upholding the relationship-driven philosophy of family-owned businesses. CTFE is a premier family investor with strategic investments in energy, aircraft leasing, healthcare, education and media; marquee investments in prime real estate and hospitality services; private equity investments in quality growth companies mainly in the technology sector and a liquid portfolio of equities and bonds. CTFE is also the largest shareholder of New World Development Company Limited (Hong Kong stock code 0017), a constituent stock of the Hong Kong Hang Seng Index with assets of over US\$81 billion as of June 2021. CTFE, together with its subsidiaries and jointly controlled entities, has operations in 27 countries globally.

Pioneer Sail Australia

Loy Yang B power station

Pioneer Sail Australia also owns the 1,200MW Loy Yang B power station, located in the Latrobe Valley in Victoria. Alinta Energy has a capacity agreement with Loy Yang B to purchase a share of its output, which is reflected in the contracted energy generation information included in this report.

Alinta Energy and Loy Yang B (operated by Latrobe Valley Power (Holdings) Pty Ltd) have separate boards, each chaired by independent non-executive directors.

Yandin Wind Farm

Pioneer Sail Australia's activities also include its investment in Renewable Energy Investment Fund Pty Ltd (REIF) which holds a 30% ownership in the Yandin Wind Farm. Alinta Energy contracts for the output of the Yandin Wind Farm, and manages the operations of the wind farm. REIF is considered to be part of the Alinta Energy Group for the purpose of this sustainability report.

Our Board of Directors

Composition and review

Mark Johnson retired this year and therefore stood down as Chair of Alinta Energy's Board. In addition, Gary Burg resigned as a non-executive director of the board. We would like to thank both Mark and Gary for their significant contributions to Alinta Energy's success to date.

Tony Howarth was subsequently appointed as Alinta Energy's new Chair, after spending over 10 years as a non-executive director. Tony's experience and deep knowledge of the Alinta Energy business ensures continuity and stability of leadership of our governance processes.

During the year, Alinta Energy appointed four new non-executive directors to the Board – John Borghetti, Kathleen Bailey-Lord, Robert Nicholson and Alison Chan. This has helped improve the gender balance at Board level.

Our existing directors have been invaluable in shaping the success of our business, and our new directors will complement, support and constructively challenge our direction and plans to guide our vision to be the best energy company.

Alinta Energy's Board now has nine members: four independent non-executive directors (including the Chair), four non-executive directors, and the Managing Director and Chief Executive Officer (MD and CEO).

Responsibilities

The Board meets monthly and has primary responsibility for Alinta Energy's governance. It approves our overall strategy, monitors its implementation and oversees our operations. The Board has delegated authority to the MD and CEO to manage the day-to-day business and approves matters beyond management's authority.

As part of its oversight role, the Board directly monitors our sustainability performance and initiatives, including health, safety, environmental and community matters. It also monitors matters related to audit and risk, and people and culture with assistance from two dedicated committees.

Getting to know some of our new Board members

Kathleen Bailey-Lord – Independent non-executive director

As a Board member of Alinta Energy, my role is to support Jeff and the team in creating value for all stakeholders over both the short and long term. In essence, to support Alinta Energy to be the very best it can be.

Outside the office, what do you like to do for fun?

Cooking is my creative outlet, so I love gatherings of family and friends to enjoy wine, food, conversation and lots of laughing. I also enjoy long walks, listening to music (especially jazz), reading crime novels, restaurants and all of the arts - cinema, live performances (theatre, music), galleries.

What achievement are you most proud of?

Easy - my kids! I have a daughter and son - not really kids anymore, they are young adults, and they are great people. Yes, I'm biased.

What changes are you seeing in the energy industry that excite you the most?

The willingness and commitment to support the Australian community in our transition to a carbon free economy in a sustainable manner.

What does sustainability mean to you?

Huge question! In essence, sustainability to me is about leaving the world a better place for all – environmentally, economically and societally. The UN sustainability goals capture this sentiment pretty effectively.

Who inspires you in your personal and professional life?

I could list SO many people from my kids (truly!) and young people generally to political leaders (e.g. Obama, Angela Merkel) to philanthropists (e.g. Melinda and Bill Gates, Carol Schwartz) to actors (e.g. Cate Blanchett, Helen Mirren, Judi Dench, Morgan Freeman, Idris Elba, Anthony Hopkins) to name just a few!



Pictured - Kathleen and one of her sisters cooking up a feast.

Robert Nicholson – Independent non-executive director

As a director of Alinta Energy, and along with the other Board members, I am responsible for setting a strategy for the business that will drive long-term performance, monitoring performance and setting goals and objectives, including with respect to risk management, compliance and the creation of sustainable value.

What is the best part of your role?

The best thing about my role is seeing the energy and professionalism of the Alinta Energy team at work, rising to these challenges. I am proud of the performance which has flowed from these efforts. It is strong relative to our peer organisations.

What changes are you seeing in the energy industry that excite you the most?

The energy industry is challenging on many levels. Most people accept that free markets, appropriately regulated, deliver the most efficient outcome for the economy. But government interventions across multiple dimensions have meant that energy markets no longer operate as originally intended. Changes are needed and are under consideration.

In this environment Alinta Energy, along with our peers, faces pressures to deliver sustainable performance for our owners. Technological challenges, customer preferences and community expectations also present challenges, as they do in many industries.

Outside the office, what do you like to do for fun?

Outside Alinta Energy, I am a director of Landcare Australia, which is involved in sustainable agricultural practices and conservation activities, while also developing and enhancing community spirit. I am a director of Baker Heart and Diabetes Institute, a leading medical research institute, as well as Nucleus Network, Australia's largest phase one clinical trial provider, servicing the global biopharmaceutical industry, and Port of Melbourne, Australia's largest capital city container and general cargo port.



Pictured - Robert enjoying his time out of the office.

Business structure and governance

Director profiles

Independent Non-Executive Directors



Tony Howarth AO (Chairman)

- Director of Alinta Energy since March 2011 and Chair since December 2020
- Chair of the St John of God Foundation Board
- Non-executive director of Coventry Group Limited and BWP Trust
- Previous non-executive director of Wesfarmers
- Former President of the International, West Australian and Australian Chambers of Commerce and Industry, Senator of University of WA
- Tony is a Life Fellow of the AICD and Financial Services Institute of Australasia. He has an Honorary Doctorate of Laws from the University of WA and is an Adjunct Professor of the University's Business School.



Kathleen Bailey-Lord

- Independent non-executive director of Alinta Energy since April 2021
- Senior executive experience spanning the financial services, technology and professional services sectors
- Non-executive director of QBE Insurance (Auspac), Melbourne Water and Monash College (a not-for-profit subsidiary of Monash University)
- Kathleen holds a Bachelor of Arts (Hons) in political science and history from the University of Melbourne, and has completed executive education programs at Harvard and the Macquarie Graduate School of Management.
- She is a Fellow of the Australian Institute of Company Directors, a member of Chief Executive Women, and has undertaken the non-executive director program in sustainability governance at the Cambridge Institute for Sustainability Leadership.



John Borghetti AO

- Independent non-executive director of Alinta Energy since October 2020
- Over 45 years of experience in the aviation industry including as Managing Director of Virgin Australia from 2010 to 2019 and, prior to this, a long career at Qantas Airways
- Non-executive director of Brisbane Airport Corporation Pty Ltd, Balmoral Pastoral Investments Pty Ltd, and the Charlie Teo Foundation
- Member of the John Sample Advisory Board and the Marprop Advisory Board
- Member of the Art Gallery of NSW Trust and the Technical and Further Education (TAFE) NSW Commission Board
- Previous non-executive directorships include Coca-Cola Amatil Ltd, Energy Australia and V8 Supercars Holdings.



Robert Nicholson

- Independent non-executive director of Alinta Energy since May 2021
- Robert has over 30 years of experience in commercial law, including the energy, infrastructure, resources and forestry industries
- Non-executive director of Port of Melbourne, Nucleus Network, Baker Heart and Diabetes Institute and Landcare Australia
- Senior advisor with Herbert Smith Freehills after serving as a partner for 28 years, and a former Chair and Board member of the firm
- Robert holds a Bachelor of Science, Bachelor of Laws and Master of Laws from Monash University and an MBA from University of Melbourne and is a Graduate of the Australian Institute of Company Directors.

Non-Executive Directors



Dr Henry Cheng

- Non-executive director of Alinta Energy since April 2017
- Director of Chow Tai Fook Enterprises Limited
- Chairman and executive director of New World Development Company Limited (HK stock code: 0017), Chow Tai Fook Jewellery Group Limited (HK stock code: 1929) and NWS Holdings Limited (HK stock code: 0659)
- Executive vice chairman of Silk Road Chamber of International Commerce
- Chairman of the Advisory Council for The Better Hong Kong Foundation
- Awarded the Grand Bauhinia Medal by HK Government
- Dr Cheng holds an MBA from the University of Western Ontario, an honorary DBA from Johnson and Wales University, and an honorary LLD from the University of Western Ontario.



Conrad Cheng

- Non-executive director of Alinta Energy since May 2018
- Non-executive director and non-executive chair of Greenheart Group Limited (HK stock code: 0094)
- Director of New World China Land Limited (a listed public company in Hong Kong until its delisting on 4 August 2016)
- Vice-chair of Green Council (a non-profit, non-partisan environmental association and certification body of Hong Kong)
- Conrad holds a Bachelor of Arts in Statistics from the University of Toronto.



Patrick Tsang

- Non-executive director of Alinta Energy since April 2017
- Chief Executive Officer and a director of Chow Tai Fook Enterprises Limited
- Executive director of UMP Healthcare Holdings Limited (HK stock code: 0722) and Melbourne Enterprises Limited (HK stock code: 0158)
- Non-executive director of SJM Holdings Limited (HK stock code: 0880), Greenheart Group Limited (HK stock code: 0094), i-CABLE Communications Limited (HK stock code: 1097) and Integrated Waste Solutions Group Holdings Limited (HK stock code: 0923)
- Governor of Chow Tai Fook Charity Foundation
- Over 20 years of international capital markets experience, including as Managing Director and Head of Asia Fixed Income Capital Markets at Deutsche Bank AG, Hong Kong Branch prior to joining CTFE
- Patrick holds a Bachelor of Arts in Economics from Columbia University, New York, US.



Alison Chan

- Non-executive director of Alinta Energy since April 2021
- Chief Operating Officer of Chow Tai Fook Enterprises Limited
- Over 20 years of international investment banking and wealth management experience at international banks, including Lehman Brothers, UBS, Bank of America Merrill Lynch and as Head of Greater China Ultra High Net Worth at Standard Chartered Bank prior to joining CTFE
- Alison holds a Bachelor of Science Degree from the London School of Economics at London University.

Managing Director and CEO



Jeff Dimery

- CEO of Alinta Energy since 2011 and Managing Director since 2017
- Board member of the Australian Energy Council
- Previous energy industry directorships include the National Generators Forum, the Australian Wind Energy Association, the Renewable Energy Generators of Australia, the Clean Energy Council and the Australian Energy Market Commission's Reliability Panel
- 15 years at AGL prior to joining Alinta Energy
- Jeff holds a Bachelor of Business from RMIT University and has completed the Executive Learning Program at IMD Business School in Switzerland.



Executive leadership team

Alinta Energy’s organisational structure promotes efficient decision-making supported by individual accountability and effective oversight.

Our executive leadership team consists of the two operational pillars of Merchant Energy and Retail Markets and the four foundational functions of Finance, Information Technology, Corporate Services and People and Culture. Each member of the team reports to the MD and CEO.

Our executive leadership team and their areas of responsibility are shown below:



Managing Director and Chief Executive Officer
Jeff Dimery



Executive Director – Merchant Energy
Ken Woolley

- Power station asset management and operations
- Power development and construction
- National spot trading
- Gas and electricity trading
- Energy pricing
- Systems and analytics
- Environmental products trading
- Commercial and industrial sales and marketing
- Pathway to net zero – clean energy technologies



Executive Director – Retail Markets
Amanda Hagan

- East coast retail sales
- West coast retail sales
- Small and medium enterprise sales
- Brand and marketing
- Customer operations
- Pathway to net zero – customer climate ambition products



Chief Financial Officer
Vince Nicoletti

- Group finance
- Treasury
- Taxation
- Risk management
- Strategy and planning
- Payroll
- Strategic projects
- Capital markets



Chief Information Officer
David Gillespie

- IT security and risk management
- Solutions delivery
- Enterprise architecture
- Employee IT helpdesk
- Data and analytics
- Strategic projects (transformation)



Executive Director – Corporate Services
Daniel McClelland^a

- Safety and sustainability
- Legal and governance
- Regulatory and government affairs
- Enterprise compliance
- Community development
- Communications and media relations
- Company secretariat
- Insurance
- National retail compliance
- Pathway to net zero – interim emissions reduction targets



General Manager – People and Culture
Fiona Osler^b

- Performance management
- Recruitment
- Talent management and succession planning
- Reward and recognition
- Culture and engagement
- Leadership programs
- Policies and procedures
- Learning and development
- Employee relations
- Organisation design

^a Daniel is a director of the Energy Policy Institute of Australia in his capacity as an Alinta Energy executive.

^b During FY21, People and Culture was elevated from Corporate Services and the General Manager now reports directly to the MD and CEO as a member of the executive leadership team.

Supporting committees

Board committees

The Board is assisted by two committees of directors which oversee specific operational and risk issues. These committees update the Board regularly on their responsibilities:

- **Audit and Risk Committee**
Oversees financial reporting, risk management, compliance, and internal and external audit functions.
- **People, Remuneration and Benefits Committee**
Oversees key people and culture policies and practices and makes recommendations to the Board on remuneration, other benefits, and executive retention and succession plans.

Board committees are established for specific projects or on a standing basis to provide additional governance and oversight.

Work is underway to develop a charter for a potential new committee focusing on environmental, social and governance matters and the progress of plans to achieve Alinta Energy's ambitions in these key areas. The outcomes of this work will be reported in next year's sustainability report.

Management committees

Alinta Energy's management committees are made up of members of the executive leadership team, senior leaders and other employees whose skills or roles align to the committees' function.

Safety and sustainability council

Monitors our safety, sustainability and climate change performance, reviews the progress of improvement actions, considers new initiatives and has governance responsibility for climate change-related matters.

Chaired by the General Manager, Safety and Sustainability, with representatives from across operations, engineering, large scale power development, wholesale, people and culture, sales, retail, small scale renewables, safety, sustainability, finance and risk.
Meets every two months.

Capital steering committee

Reviews significant capital proposals, including their risks, benefits and strategic alignment, monitors the project pipeline, and oversees proposals for Board approval.

Considers both new projects and capital expenditure and expenditure for major outages.

Energy risk management committee

Oversees our energy financial market and compliance activities, including potential financial loss from unfavourable market outcomes in the energy and environmental commodity markets.

Monitors limits on market risk exposures in line with our risk appetite and financial constraints.

Chaired by the Chief Risk Officer.

Wellbeing committee

Helps the executive leadership team put in place appropriate frameworks, tools, resources, training and reporting to support our people's psychological health.

Includes representatives from across the business.

Foreign Investment Review Board (FIRB) steering committee

Oversees our ongoing compliance with FIRB conditions, including reviewing new arrangements, processes and systems to ensure they satisfy the conditions.

Monitored the progress of activities in the implementation plan agreed with FIRB to achieve full compliance within the required timeframe. For more details on FIRB, please refer to page 23.

Modern slavery working group

Monitors our actions to address modern slavery risks and comply with the Modern Slavery Act.

Representatives from across procurement, safety, sustainability, legal, merchant energy, and people and culture.

Meets every six weeks to review progress of key activities and next steps for continuous improvement.

Office safety committees

Coordinate the management of health and safety risks associated with their office. This includes maintaining sufficient trained fire wardens and first aid officers and performing safety floor inspections using risk-based checklists.

Each of our offices has their own safety committee and membership is voluntary.

Community development committee

Oversees our community development program's funding allocation framework. This ensures that our community contributions will improve our strategically aligned focus areas of social disadvantage and environmental sustainability.

Includes representatives from across our business and our external Brand Ambassador.

Risk management and compliance

Enterprise Risk Management

Alinta Energy's enterprise risk management framework (ERMF) has been developed in accordance with standards AS/NZS ISO 31000 and the Committee of Sponsoring Organizations' Enterprise Risk Management – Integrated Framework (COSO II). It supports the risk culture across our business and governs how we identify, analyse, evaluate, address, monitor and communicate risks. Risks are classified as financial, strategic, operational or reputational and assessed against a consequence and likelihood rating criteria.

Twice a year, our business units prepare risk reports which include current, new and emerging risks and the progress of mitigating actions. This follows a bottom-up process supporting accountability for risk and incorporates a divisional risk register review including all leaders within the business. Divisional risks are reported to the Board and its Audit and Risk Committee.

Enterprise compliance

Our enterprise compliance management framework (ECMF) complements the ERMF and aligns with the principles and requirements of international compliance standard: ISO 19600: 2014 Compliance Management System – Guidelines. The Board-approved ECMF standardises compliance management across Alinta Energy and serves to:

- Define the key attributes and objectives of our compliance culture
- Describe the roles and responsibilities to manage compliance
- Outline the process for ongoing monitoring, reporting and review.

Embedded within the ECMF is the compliance strand operating model. Alinta Energy's Enterprise Compliance Reporting Framework is underpinned by compliance strands which are defined compliance groupings or exposures that reflect key compliance risk exposures across our business and form the basis of our compliance reporting. Each compliance strand has an accountability structure, with ultimate ownership by the relevant member of the executive leadership team.

Some of these compliance strands include retail markets regulatory compliance, merchant energy power generation and asset management, health and safety, environment, renewable energy (carbon compliance) and sustainability, information security, and privacy and information management. These compliance strands are not static and may change over time to reflect changes in the regulatory and compliance landscape or business operations.

We are rolling out an enterprise compliance program to help monitor and manage the complex array of regulatory requirements that apply to our business. This is using a phased approach which will continue next year, including:

- Establishing an enterprise-wide obligations register
- Evaluating current compliance policies, procedures and frameworks across the business
- Developing a governance, risk and compliance platform
- Implementing an enterprise compliance assurance framework
- Introducing consolidated enterprise compliance reporting to the Board's Audit and Risk Committee.

Regulatory developments are monitored by our specialist regulatory team along with other functions and business units through third-party alert services, regulatory and departmental websites, industry associations, industry working groups, and ongoing stakeholder engagement.

Information technology

Our IT function plays a pivotal role in serving external and internal customers, underpinning regulatory compliance, and developing new solutions to support growth and innovation. It includes the following specialist teams:

- **Enterprise Technology (Infrastructure and Operations)**
Manages our infrastructure (primarily cloud-based), networks and devices, and provides enterprise business applications and workplace capabilities.
- **Cyber Security**
Implements business continuity plans, relevant training and ensures we have strong controls in place to protect our assets and data from cyberattack, working closely with the Enterprise Technology team. Read more about our approach to cybersecurity on page 25.
- **Data and Analytics**
Leverages industry leading technology to provide timely, accurate data, while using advanced analytics tools to maximise insights and value for our people and customers.
- **Solution Delivery**
Collaborates with each business unit to design, develop and support the business applications they need.
- **Enterprise Architecture**
Plans and guides the evolution of our solutions landscape including new technologies which enhance customer experience, reduce cost and improve efficiency.

Internal audit

Alinta Energy's internal audit function provides independent assurance by assessing the effectiveness of our governance, risk management and controls. Internal audit operates with a co-sourced structure, reporting to the Board's Audit and Risk Committee, with a functional reporting line to the Chief Financial Officer. EY has been appointed to conduct internal audits.

An annual internal audit plan is approved by the Committee, providing coverage of business activities over time and based on their risk profile. Reports are presented to senior management and the Committee, including recommendations for actions to address any weaknesses and enhance our control environment. The Committee oversees management's progress to complete agreed actions on a timely basis.

Legislation and policy

Alinta Energy is subject to extensive legislation relating to health and safety, competition, environmental compliance, retail practices (including customer communications and rights and protections we must afford our customers), renewable energy, energy efficiency, energy trading and tariff setting. Our whole business is actively involved in complying with these requirements, supported by specialists from our risk management, legal, regulatory, safety, compliance and sustainability teams.

Our systems and controls support and monitor our ongoing compliance. We actively monitor legislation, government policy and regulatory expectations to consider the impact of changes and new requirements and plan to address them.

We make investments that streamline our processes, improve our data management, develop our people, and allow us to respond to risks before they result in an incident or harm to our customers. This is reflected in an uplift in how we conduct business, and in our people's understanding that compliance is non-negotiable and our shared responsibility to meet our ongoing obligations.

We are currently developing an enterprise compliance program as described under the Enterprise Compliance section on the previous page. This will help us better monitor and manage the complex array of regulatory requirements that apply to our business.

Privacy

Alinta Energy is subject to privacy laws (including privacy principles) and regulations and we are committed to fully complying with them. We listen to feedback from our stakeholders and continue to improve our privacy and data handling processes. Our Privacy Policy is available on our website.

Evolving business practices, technology and cyber risks create new opportunities to improve. We take a proactive approach and continue to look ahead to respond to changing expectations. Read more about our approach to cybersecurity on page 25.

Retail compliance

Throughout the year, we have invested in improving our retail compliance systems and processes, including a robust system for addressing customer complaints.

Foreign Investment Review Board

Alinta Energy is required to meet conditions set during 2017 by the Foreign Investment Review Board (FIRB conditions) when the business was acquired by Hong Kong based Chow Tai Fook Enterprises Limited.

The FIRB conditions relate to a range of governance and operational matters. This includes the composition of our Board. The conditions also require Alinta Energy to take steps to protect information about our network and operation technology, consumption/load data, and personal information. This affects how we manage data, the operations and maintenance of our infrastructure and systems.

Alinta Energy's compliance with the FIRB conditions is independently audited annually and reported to Commonwealth Treasury. We are proud to say that Alinta Energy is fully compliant with the conditions.

Compliance with certain FIRB conditions was achieved quickly, such as having majority Australian representation on our Board and an independent Australian Chair. Compliance with FIRB conditions relating to data security and the operation and maintenance of our power generation assets required significant reviews, variations, and investments in respect of more than 40 complex IT systems, 560 data sets as well as the review of 1,400 contracts.

Following our 2020 FIRB Audit, we received a final 2020 FIRB Audit Outcomes Independent Report which concluded, "Based on the information provided to Treasury, we understand that the plan has now been fully completed. As such, we consider that no further action is required in respect of the audit report or the plan." This confirms that Alinta Energy has demonstrated that we comply fully with the FIRB conditions

Achieving and maintaining FIRB compliance has been an extensive and significant exercise involving all our employees, and we thank everyone for their commitment to our ongoing compliance.

Ethical behaviour

Code of Conduct

Our Code of Conduct provides the framework for our people to behave ethically and is the basis of our policies and procedures.

All Alinta Energy employees must complete online training on the Code of Conduct every two years, including a competency test to check they understand their obligations. New employees commence this training as part of our induction process. The Code of Conduct is available to all employees on the intranet.

Anti-corruption

Alinta Energy has zero tolerance for bribery and corruption. We expect all our people to act with honesty and integrity across all aspects of their work and adhere to our high ethical and moral standards.

This behaviour is reflected in our values and incorporated into our Code of Conduct and our Anti-Corruption and Bribery Policy, both of which are available to all employees. Behaving in accordance with our values is part of our employee review process, and people who do not meet this core expectation face disciplinary action, which can include dismissal.

Alinta Energy did not have any suspected or confirmed incidents of corruption during FY21, nor were any legal cases regarding corruption brought against Alinta Energy or its employees during the year.

Whistleblowing

Alinta Energy is committed to ethical behaviour at all levels of our business.

Our people are strongly encouraged to immediately report any illegal or inappropriate acts to their manager, a member of the executive leadership team, or to an independent whistleblower hotline if it is sensitive in nature. This may include actual or suspected theft, fraud, dishonesty, harassment, unethical behaviour and workplace safety hazards. Reports are investigated by the General Counsel and the Chief Risk Officer and considered by the MD and CEO.

Our reporting channels enable people to raise concerns without fear of harassment or discrimination. This includes an independent whistleblower notification service operated by Deloitte. The Alinta Energy intranet provides details for this service, including how to report misconduct directly to Deloitte by phone, email, online or by post.

Modern slavery

We are committed to doing business fairly and ethically, including protecting human rights. Alinta Energy strongly opposes modern slavery in all its forms including child labour, forced labour, involuntary labour and people trafficking. We expect everybody we work with, internally and at every level of our supply chain, to do the same.

Alinta Energy is a reporting entity under the Modern Slavery Act (Cth) 2018. We submitted our first Modern Slavery Statement in December 2020¹. It explains how we address modern slavery risks across our supply chain, including the governance framework, due diligence, training and awareness campaigns and resources we have implemented.

Our approach and key activities include:

- **Governance** – We established a Modern Slavery Working Group to guide completion of our action plan and compliance with the Modern Slavery Act, as outlined on page 21.
- **Risk identification** – We performed comprehensive supply chain mapping and due diligence to identify the risks of modern slavery. This helped us prepare strategies to mitigate these potential risks.
- **Suppliers** – Our Supplier Code of Conduct sets out our expectations of suppliers and provides an external grievance hotline for modern slavery complaints. This is available on our website². We are also updating our supply contract templates to address modern slavery.
- **Training** – We have continued to educate our people on modern slavery and develop awareness of potential risks. We also updated our Employee Code of Conduct to reflect our expectations of our employees.
- **Partnership** – We collaborate with our joint venture partners (including with our partners at Yandin Wind Farm), the other entities included in our joint Modern Slavery Statement (including Loy Yang B power station) and continue to monitor for the emergence of any new industry working groups on modern slavery. We also seek advice from an external specialist on our activities to support modern slavery compliance and best practice.
- **Improvement** – We have developed a framework to measure the effectiveness of our actions to address modern slavery. This will also be used to perform gap analysis and identify where to focus our future efforts.

Insurance

Alinta Energy has a comprehensive insurance program which includes policies for property damage, business interruption, workers' compensation, combined liability, directors' and officers' liability, corporate travel, motor vehicle, marine transit and group journey injury cover. We maintain insurance policy deductibles and limits at levels we believe are adequate, reasonable, consistent with our risk profile and aligned with industry practice.

¹ This was a joint statement published by Pioneer Sail Holdings Pty Ltd and can be viewed online at <https://modernslaveryregister.gov.au/statements/file/fa2dd7da-cec6-4a5e-89d1-097983dd3c1b/>.

² alintaenergy.com.au/nsw/help-and-support/terms-and-conditions/.

Business continuity

We have planned carefully to eliminate or minimise interruptions from events which could impact our ability to continue normal operations. These might include malicious attacks targeting our business or other events in the physical or virtual environments where we operate.

Each of our facilities has a site-specific emergency response plan including details such as contact numbers, how to raise the alarm, how to notify authorities, initial response procedures, roles and responsibilities, emergency equipment, communication protocols, drills and training and post incident recovery. We also have a corporate crisis management plan for emergency situations.

Three current and recent issues that could impact our business are considered below, along with our controls to minimise their impact.

COVID-19

The insights from our initial experience of COVID-19 in FY20 have been critical to sustaining our ongoing operations throughout this year. They have enabled us to change our approach swiftly with minimal disruption through snap lockdowns around the country and the additional challenges of more transmissible variants of the virus.

Our operational facilities implemented roster systems to minimise contact between teams while other site-based employees were encouraged to work from home where possible. We offered our people who normally travel between states on a fly-in fly-out roster residence in the state where they work when state borders began to close.

Our office-based workforce shifted to working from home in mid-March 2020 and continued to do so periodically throughout FY21. Like many Australians, our business and employees demonstrated exceptional resilience and flexibility adapting to continuing changes and restrictions over the year.

Cybersecurity

Through our cybersecurity policies and actions, Alinta Energy has committed to be a responsible data citizen by respecting and protecting the data our customers entrust with us.

The complexity of cyberattacks and the security measures to detect and prevent them are becoming ever more sophisticated. Critical infrastructure is a growing target and as an essential service provider, we are acutely aware of these risks. We invest in robust cybersecurity measures and have a continuous improvement approach in our dedicated cybersecurity team.

Our cybersecurity measures are designed to protect both our data assets (customer data) and our physical assets (power generation sites) from threats posed by malicious actors as well as inadvertent operational risks. They are made up of three key components:

- Perimeter security such as firewalls, email threat scanning, and robust identity management including two factor authentication.
- Monitoring and scanning for threats and vulnerabilities that are leading indicators of potential compromise of our systems.
- Incident and attack readiness plans that orchestrate our actions when managing a cybersecurity incident.

Alinta Energy uses the Australian Utility Industry AES-CSF security framework to assess our cybersecurity maturity. This is recommended by the Critical Infrastructure Centre (CIC) who are rolling out the Critical Infrastructure Amendment Legislation 2020.

The Critical Infrastructure Bill 2020 has been legislated to protect key facilities across the country such as Alinta Energy's power generation sites. The reform is in place to:

- Protect Australian security, economy, and sovereignty
- Create awareness of the increasing vulnerability, hazards, and risk in critical infrastructure.
- Drive a cybersecurity strategy of protection to minimise and avoid cascaded consequences of disruption to Energy Markets.

Alinta Energy is supporting and contributing to the CIC's consultation with the energy industry on this new legislation.

Bushfires

Alinta Energy sites apply a 'bare earth' policy with surrounding land, including the site as a whole and key equipment such as transmission lines. This means these areas are regularly cleared of fuel loads. Our gas pipelines are also cleared of any surrounding vegetation and we have on-site firefighting facilities.

Smoke from bushfires can affect the performance of our power stations. Eucalyptus oil and resin in the smoke creates very fine sticky particles which can go through the filters and build up on the compressor blades. As part of our ongoing maintenance program, we regularly wash the machines to keep our operations at optimal performance.

Bushfires have a devastating impact on people and communities. We have developed plans to help those who are affected by natural disasters to relieve the pressure of energy costs during such a difficult time.

Operational overview

Generation asset strategy

We are proud to take a leading role in Australia's transition to a low carbon economy and achieving our purpose to make energy more affordable.

Alinta Energy's strategy to develop new power generation assets and improve our existing assets drives long-term growth through a portfolio of supply options that meet markets' future energy needs. This includes making commitments to reduce our greenhouse gas emissions intensity and ultimately achieve net zero by 2050, as outlined at page 44.

Our Merchant Energy team supports our overall asset strategy using a framework to prioritise our decisions about what solutions to develop, where and when. This incorporates collaboration across the business and provides a flexible approach to the fast-moving energy and technology landscapes.

The team uses their diverse skill sets to take options from the ideation phase, through development and analysis, and eventually to implementation and delivery. We maintain an innovative culture by creating a safe space for our people to challenge assumptions and think creatively, balanced with accountability for specific objectives.

Capacity of our traded electricity generation portfolio

The capacity of our traded electricity generation portfolio includes the following three categories:

1. Owned generation

Electricity generation assets owned (or partly owned) by the Alinta Energy group of companies.

This excludes generation assets owned by subsidiaries of our parent company, Pioneer Sail Australia, that are outside the Alinta Energy group, such as the Loy Yang B power station, but includes the Yandin Wind Farm (A RATCH/Alinta Energy investment managed by Alinta Energy) which is considered to be part of the Alinta Energy group of companies for the purpose of the sustainability report. Loy Yang B power station is managed by a separate board of directors and operated independently from Alinta Energy.

2. Operated generation

Electricity generation assets operated by Alinta Energy's group of companies.

Applies the definition of 'operational control' under the National Greenhouse and Energy Reporting (NGER) Act. This excludes generation assets operated by subsidiaries of our parent company, Pioneer Sail Australia, that are outside the Alinta Energy group.

The only difference between Alinta Energy's owned generation assets is the Pinjarra cogeneration plant in Western Australia, which is owned by Alinta Energy, but operated by Alcoa of Australia (Alcoa).

3. Contracted generation

Electricity generation purchased from legal entities outside of the Alinta Energy group of companies through wholesale contracts associated with plant capacity.

This includes Loy Yang B power station with which Alinta Energy has a contract for a share of its output.

The stated capacity of our contracted generation excludes financial derivatives (such as swaps and caps) and contracts associated with purchasing 'quantities' of electricity (such as our joint venture with CS Energy in Queensland), as Alinta Energy does not control a proportion of these facilities' capacity. However, purchasing quantities of electricity are included in Alinta Energy's Scope 3 emissions associated with contracted electricity purchases from third parties.

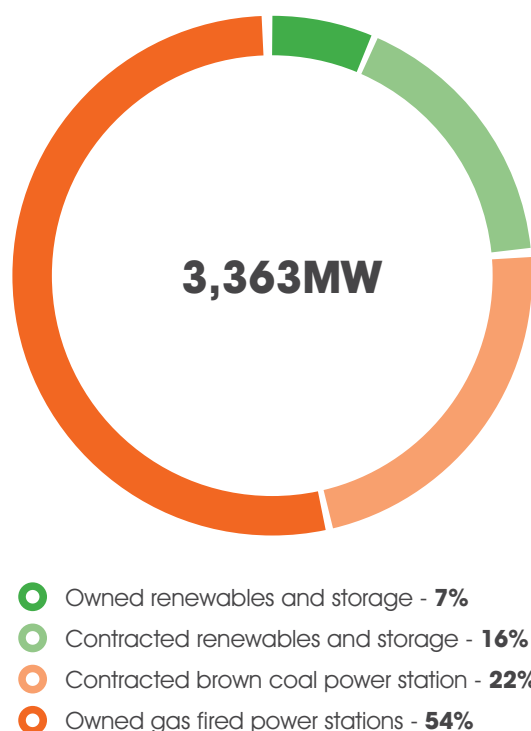
Operating generation capacity by fuel source

The capacity from our owned and/or operated generation assets at 30 June 2021 was 2,062MW, with an additional 1,301MW in contracted generation assets.

Including approved renewable projects and facilities that are currently under construction, our renewables generation capacity will be 25% of our expanded total traded generation capacity.

A range of emissions from our operated, owned and/or contracted generation assets are shown on pages 57-58.

Operating capacity split at 30 June 2021



Generation capacity by fuel sources across our generation portfolio (MW)

Asset name	Fuel type	Ownership and operational status	Capacity traded by Alinta Energy
Newman	Battery storage	Owned and operated – operational	35
Newman	Natural gas ^a	Owned and operated – operational	178
Port Hedland	Natural gas ^a	Owned and operated – operational	210
Wagerup	Natural gas	Owned and operated – operational	392
Bairnsdale	Natural gas	Owned and operated – operational	94
Braemar	Coal seam methane ^b	Owned and operated – operational	541
Glenbrook	Other ^c	Owned and operated – operational	112
Pinjarra^d	Natural gas	Owned and externally operated – operational	286
Loy Yang B	Brown coal	Contracted PPA – operational ^e	750
Multiple	Wind	Contracted PPA – operational ^{e, f}	350
Multiple	Solar	Contracted PPA – operational ^{e, f}	201
Multiple	Wind	Capital assets – operational ^f	214
Multiple	Solar	Capital assets – future start date ^f	60
Total			3,423

a. Newman and Port Hedland use dual fuel turbines fuelled by natural gas with a distillate backup option.

b. Braemar uses coal seam methane supplied by third parties. Alinta Energy does not own or operate gas production facilities.

c. Glenbrook uses a multiple hearth furnace fuelled by surplus production gas and waste heat from NZ Steel.

d. Pinjarra is a cogeneration facility which produces both electricity and steam and is operated by Alcoa.

e. PPA refers to power purchase agreement.

f. Please refer page 104 for the definitions of these renewable energy project categories.

Power station performance

We measure our power stations' performance against targets for availability, start reliability and forced outage factors.

In FY21, we met four of our seven site-specific availability targets, which are set based on planned outage and upgrade activities. We also met all but one of our start reliability targets and four of our seven forced outage factor targets.

Availability results of owned and/or operated power stations

Site	FY22 target	FY21 target ^a	FY21 actual	FY20	FY19
Newman	88.4%	91.3%	95.1%	94.5%	91.9%
Port Hedland	96.5%	89.9%	91.9%	90.8%	80.3%
Pinjarra	90.4%	95.0%	89.9%	94.9%	92.9%
Wagerup	95.1%	86.1%	88.9%	90.1%	98.0%
Bairnsdale	97.6%	97.6%	97.5%	97.6%	95.1%
Braemar	79.5%	95.9%	77.1%	97.0%	88.0%
Glenbrook	96.6%	89.2%	89.5%	94.8%	93.9%

a The FY21 targets in our FY20 Sustainability report for Newman, Wagerup, Braemar and Glenbrook were incorrect. The figures above have been updated to reflect the correct values.

Pinjarra power station (Western Australia) was slightly below its availability target due to additional time lost during a torque converter failure on Unit 2.

Braemar power station (Queensland) was below its availability target due to repairs required after a crack was identified on the combustion casing of the GT21 turbine.

Sales and customers

Our sales and customer numbers by region are shown below:

Energy sales^a

Energy type	NSW	VIC	QLD ^b	SA	WA	NZ	FY21 total	FY20
Total gas sales (TJ)	2,916	14,329	1,234	922	20,538	-	39,939	38,439
Total electricity sales (GWh)	733	2,236	91	437	3,602	672	7,771	9,422

a. Figures relate to sales to third-party customers who consumed the energy themselves. Volumes related to Alinta Energy group intercompany sales or sales to an energy market are excluded.

b. Queensland energy sales includes sales to those customers that are serviced as part of a joint venture with CS Energy.

Customer numbers

Customer type	NSW	VIC	QLD	SA	WA	NZ	FY21 total	FY20	FY19 ^b
Residential	114,026	200,685	198,766	61,803	448,166	-	1,023,446	1,068,338	1,089,649
SME ^a	6,947	14,585	7,675	6,109	6,122	-	41,438	46,942	49,838
C&I ^a	140	1,148	111	203	3,418	1	5,021	5,836	6,144
Total	121,113	216,418	206,552	68,115	457,706	1	1,069,905	1,121,116	1,145,631

a. SME stands for small-medium enterprise, while C&I stands for commercial and industrial customers.

b. The total FY19 customer numbers previously reported were 1,156,453. To present a split of customer number by residential, SME and C&I, this data was re-extracted. The total above reflects customers who may have been in the process of changing energy providers, but where this change was not yet finalised at the time of extracting the data originally reported.

Economic health

Alinta Energy's sustained economic health is important to the stakeholders who receive income from our business, including employees, suppliers, owners and lenders. Our approach to create economic value is based on efficient operations accompanied by targeted strategic investments.

Economic value

Alinta Energy directly generates and distributes economic value, which benefits a wide range of stakeholders.

Our operations also indirectly benefit local and regional communities by providing employment and buying goods and services from local businesses.

We also contribute to not-for-profit organisations that assist the community and our environment through donations, fundraising and volunteering, while our sponsorships support social and cultural initiatives. For more information, please refer to Our Communities on page 76.

Direct economic value

Economic value (\$ million)	Stakeholders	FY21	FY20	FY19
Operating costs	Suppliers and contractors	2,652 ^a	2,757	2,885
Salaries, wages and benefits	Employees	113	124	115
Finance expenses	Lenders	51	49	48
Income tax	Government/public	37	132	120
Total economic value distributed		2,853	3,062	3,168
Electricity revenue	N/A	1,256	1,432	1,385
Gas revenue	N/A	639	644	622
Other retail revenue	N/A	16	22	25
Contract and trading revenue	N/A	1,123	1,197	1,325
Other	N/A	1	5	5
Total economic value generated		3,035	3,300	3,362
Total economic value retained		182	238	194

Data is based on Alinta Energy's FY21 audited consolidated financial statements.

a. Includes around \$510,000 in corporate sponsorships, community programs and charitable donations.

Financial performance

Underlying EBITDA refers to earnings from our operating activities before deducting interest, tax, depreciation and amortisation. It excludes items that do not reflect our underlying operations such as adjustments for contracts that are winding down, unrealised gains and losses on derivative instruments and currency, impairment of intangible assets, restructuring and transition expenses and transaction costs (to the extent they apply in the year).

Our earnings declined 5% year on year. These results reflect the fall in FY21 wholesale electricity prices (particularly on the east coast). The impact of these price falls is expected to continue through FY22.

EBITDA growth

Target	FY21 target	FY21 actual	FY20	FY19
EBITDA growth	-1%	-5%	-13%	1%

Segment underlying EBITDA (\$ million)

Segment	FY21	FY20	FY19
West coast integrated	220	211	246
East coast integrated	198	201	260
Contracted assets	137	153	159
Underlying EBITDA before corporate and other costs	555	565	665
Corporate and other ^a	(77)	(64)	(86)
Group underlying EBITDA	478	501	579

a. Reflects costs incurred at head office.

Invested capital

Alinta Energy's total invested capital and debt at 30 June 2021 was \$2.96 billion, made up of 65% equity and 35% debt.

Consolidated accounts

Alinta Energy's consolidated financial statements are independently audited by Deloitte to verify they are a true and fair representation of our financial position and performance and ensure they comply with Australian accounting standards. Alinta Energy's FY21 financial report received an unqualified audit opinion.

Our consolidated financial statements include data from 75 subsidiaries which are listed in the Alinta Energy Pty Ltd 2021 Annual Financial Report.



Safety

Alinta Energy is committed to providing a safe and healthy workplace. Safety will always be our highest priority and comes first whenever we make choices in our business.

Our culture is underpinned by our safety vision of everyone, every day, every job: zero harm. This is incorporated across everything we do.

The actions and initiatives described in this section of the report support the United Nations' Sustainable Development Goals (SDGs) shown below. For a summary of our contribution to each of these goals, refer to the SDG Actions and Initiatives section on page 105.





Safety performance

Planned safety activities

Update on FY21 planned activities	FY22 planned activities
Completing the roll-out of Alinta Energy's safety leadership program has been postponed until interstate travel restrictions are permanently lifted.	Resume our safety leadership program once interstate travel restrictions is permitted.
We have substantially completed updating our One Alinta health and safety management system.	Complete the final components of the One Alinta system and implement it across our business.
Our updated contractor management system has been embedded across the business.	Develop a series of short videos for safety moments in meetings across our business.

Safety lead indicator performance

Lead indicators focus on the critical tasks that drive safety and effective risk management.

Our safety lead indicator dashboard gives managers real-time feedback on their team's compliance with our targets. It is available to all employees on the intranet as part of our shared responsibility for safety. The dashboard is reviewed at each Safety and Sustainability Council meeting, and business unit leaders report on their progress to achieve targets and implement any corrective actions.

We performed strongly against our targets throughout the year, with two exceeded, two met, and were close to reaching the two remaining targets, as shown below:

Lead performance indicators	FY21 target	FY21 actual
Safety Value Adds (SVA) identified	1 per person	95%
Hazard reports closed out within 60 days	90%	88%
High / Extreme events investigated within 30 days	100%	100%
Extreme risk: incident actions completed within 3 months	100%	N/A a
High risk: incident actions completed within 3 months	100%	100%
Medium risk: Incident actions completed within 9 months	90%	100%
Closed incident and hazard events	80%	94%

a. No extreme risks in FY21.

Safety lag indicator performance

Lag indicators measure the occurrence of safety incidents and demonstrate how effectively our safety framework and controls are operating.

Our annual total recordable injury frequency rate (TRIFR) is 70% lower than last year, dropping from 7.10 to 2.10 this year. This significant improvement comprehensively achieves our target TRIFR of 5. During the same period, our lost time injury frequency rate (LTIFR) also decreased from to 4.05 to 2.10. This represents three recordable injuries associated with repetitive strain and slips and falls. This great result reflects the hard work of our dedicated people across the business to put safety first every day to protect themselves and their team mates.

We are pleased there continued to be zero Class 1 injuries during the year. This is consistent with our target and last year's results.

Performance against our safety targets

Safety targets	FY22 target	FY21 target	FY21 actual	FY20	FY19
Class 1 incidents^a	0	0	0	0	0
TRIFR^b	<5	<5	2.10	7.10	6.71
LTIFR^c	N/A	N/A	2.10	4.05	2.01

Split by employees and non-employees	Employees	Contractors
Number of Class 1 injuries ^a	0	0
Number of recordable injuries ^b	3	0
Number of lost time injuries ^c	3	0
Number of hours worked	1,286,129	140,567
Class 1 injury rate ^a	0	0
TRIFR ^b	2.33	0
LTIFR ^c	2.33	0

Historical safety data may have been updated since our previous sustainability report to reflect claims that were rejected and injuries that were reclassified during FY21 when investigation was completed. FY21 data is at 30 June 2021 and is subject to change to account for issues such as those mentioned above.

From FY21 and onwards, injury statistics include employees and major contractors over which Alinta Energy exercises material influence and control. They do not include contractors where Alinta Energy has a influence and control assessment score of less than 25%, determined using Alinta Energy's Influence and Control Assessment Tool. On this basis, injuries related to contractors on the Yandin and Chichester projects are not captured as this work is under the control and influence of the relevant EPC contractor. All contractor injuries are reported to senior management and the Board, regardless of their score.

- The Class 1 injury rate is calculated as the number of Class 1 injuries relative to one million hours worked. Class 1 injuries include fatalities and permanent, partial and long-term impairment injuries.
- TRIFR refers to the Total Reportable Injury Frequency Rate, calculated as the number of recordable injuries relative to one million hours worked. Recordable injuries include lost time injuries, restricted work injuries and medical treatment injuries. They do not include first aid injuries or no treatment injuries.
- LTIFR refers to Lost Time Injury Frequency Rate, calculated as the number of lost time injuries relative to one million hours worked. It is a subset of TRIFR and not assigned a separate target.

Safety culture and management

Safety governance

Alinta Energy's safety culture is embedded at every level of our organisation.

It is monitored by the Board and the executive leadership team, promoted by managers and people leaders across the business and reflected in our Health and Safety Policy. The Board and our Safety and Sustainability Council receive regular reports on our ongoing safety performance.

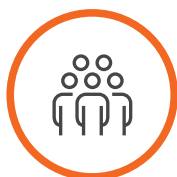


Our shared safety responsibility^a



Alinta Energy Board

Oversees performance



Executive leadership team

Leads and monitors



Wellbeing Committee

Supports psychological health



Safety and Sustainability Council

Reviews and advises



Office safety committees

Manages safety risks in office workplaces



Managers and people leaders

Promote safety across our workforce

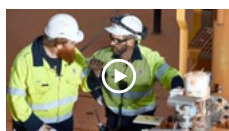
Safety vision: Every one, every day, every job: Zero Harm

All Alinta Energy employees and contractors

AlintaSafe strategic model

The AlintaSafe model illustrates our safety expectations. It incorporates the safety principles and pillars that support how we work throughout the organisation. It lifts the profile of our safety value and encourages people to eliminate hazards, reduce risks and improve safety systems.

This reinforces our safety vision of everyone, every day, every job: zero harm with specific guidance and practical action.



What do our people have to say about what the AlintaSafe program means to them personally? Watch this video to find out more – www.youtube.com/watch?v=UsuJJ_FDkP8

Health and safety management system

Our One Alinta health and safety management system applies to everybody on our sites and workplaces. This includes directors, employees, contractors, visitors, volunteers and others who could be affected by our operations. Managers are required to ensure site-specific work health and safety procedures comply with the system.

This year, we substantially redesigned the entire One Alinta system to be consistent with ISO 450014. This brings together our corporate safety documentation from across the business into an updated system that encompasses all our operations. In FY22, this update will be finalised and implemented throughout the organisation.

⁴ ISO 45001:2018 specifies the requirements for facility management systems.

Major hazard standards

Our major hazard standards outline the process to identify, assess and control the risks that commonly lead to high-consequence injuries in industries like ours. Our current major hazard standards cover:

- Confined spaces
- Electrical
- Fire and explosion
- Hazardous substances and dangerous goods
- Lifting operations and equipment
- Mobile plant and traffic management
- Working at heights and falling objects.

We conduct regular hazard identification activities via site walkthroughs and audits. All identified risks are entered into our incident reporting system, after which they are required to be investigated, rectified, and closed out within 60 days. During the year, 88% of identified hazards were closed out within the required time frame.

Thankfully, the risks identified in our major hazard standards did not cause or contribute to any high-consequence injuries during the reporting period.

As part of next year's safety assurance program, we plan to undertake an independent review of our major hazard standards documentation in line with our commitment to continuous improvement.

Safety assurance audits

We carry out independent safety assurance audits and implement major hazard standards controls at our power stations during maintenance shutdowns. This focuses on the periods when safety risks are at their highest.

The schedules for these shutdowns and accompanying audits were disrupted by COVID-19 travel restrictions, preventing some planned audits from being undertaken during the year. Major hazard standards audits were conducted at our power stations in Wagerup, Port Hedland and Glenbrook.

All audit findings and recommendations were recorded in our event management system and tracked through to completion.

Contractor safety

We engage a wide variety of contractors, from experts who perform highly specialised activities through to labour hire for straightforward work. All contractors and subcontractors undergo site-specific health and safety induction.

Our contractor management framework was updated last year, giving our contract managers more guidance to manage safety when contracted works are performed. This includes the extent to which Alinta Energy should give direction and the extent of contractors' responsibility. The revised framework has now been rolled out across our business.

Disaster and emergency response planning

Emergency preparedness and response are a critical part of our health and safety management and environmental systems. Our emergency response plans adopt a risk-based approach to help people manage emergencies effectively.

Each of our facilities has a site-specific emergency response plan, including details such as contact numbers, raising the alarm, notifying authorities, initial response procedures, roles and responsibilities, emergency equipment, communication protocols, drills and training and post incident recovery. We also have a corporate crisis management plan for emergency situations.

Managing the impact of COVID-19

Keeping the lights on

Throughout the year, the employees who operate and maintain our power stations continued to operate in shifts to minimise contact between groups. Other employees based at our generation sites were encouraged to work from home wherever possible. This has held our operations in good stead for when normal rosters can resume. Adjusting to these ongoing changes to maintain business continuity throughout the year has been an outstanding effort by our team.

Remote working arrangements

Our people have become adept at responding quickly to snap lockdowns in various locations throughout the year. This has minimised disruption to our operations and maintained productivity. We actively track vaccination rates across Australia and look forward to a future where these lockdowns are a thing of the past.

Staying connected

Throughout the pandemic, our leaders have shared regular updates and guidance on how to minimise exposure and other health risks. We provide information through regular emails, presentations and a dedicated intranet section. Refer to page 66 for more details on how we are supporting our people through COVID-19.

Programs and initiatives

Safety Value Add program

The Safety Value Add (SVA) program engages employees, creates ownership of safety outcomes, and increases awareness. It uses an inclusive approach to encourage everyone to think about how they could make work safer.

This year we promoted team-based SVAs and provided guidance to help people contribute to these initiatives. We also developed a library of case studies previously implemented by our employees to inspire others to improve safety as part of their everyday work.

Performance against our SVA targets

Safety targets	FY22 target	FY21 target	FY21 actual	FY20	FY19
SVAs raised	90%	1 per person	95%	95%	92%
Closed SVAs	90%	N/A	93%	87%	N/A ^a

a. As FY19 was the first year for the SVA program, we did not measure or set a target for closed SVAs.

This year, 95% of our employees identified at least one relevant SVA they personally committed to complete that would add value to safety at Alinta Energy. A total of 93% of these SVAs were followed through and closed during the year. This resulted in 812 SVAs raised and closed across the business, with many employees completing and closing multiple items.

Wellbeing

Alinta Energy partners with Headspace to offer all employees a free subscription to its award-winning health and happiness mobile app. It includes hundreds of guided meditations on topics from managing stress to mindfulness and better sleep to help our people and their families have healthy, balanced lives.

We also have an employee assistance program available to support our people and their families, as discussed on page 67.

Reach Program

Our power generation sites participated in a new safety program during the year. The Reach program stands for Refocus Everyone And Change Hearts and minds. This aims to further develop safety leadership capability and make progress towards a resilient safety culture. It applies a safety culture maturity model which was first developed for coal mining operations in the UK by Patrick Foster and Stuart Hoult.

Safety culture maturity model



Progress from one level of maturity to another requires REACH

One level at a time for sustained growth

The program helps participants evolve from safety management to safety leadership, where there is true ownership and accountability for safety. People will operate within leaders' 'safety shadow', meaning they will:

- Repeat what you say
- Mirror your behaviour
- Judge your values based on what you do.

Each site selected a field-based activity for analysis to identify ways it could be improved following a four-step process:

1. Engage
2. Empower
3. Innovate
4. Influence.

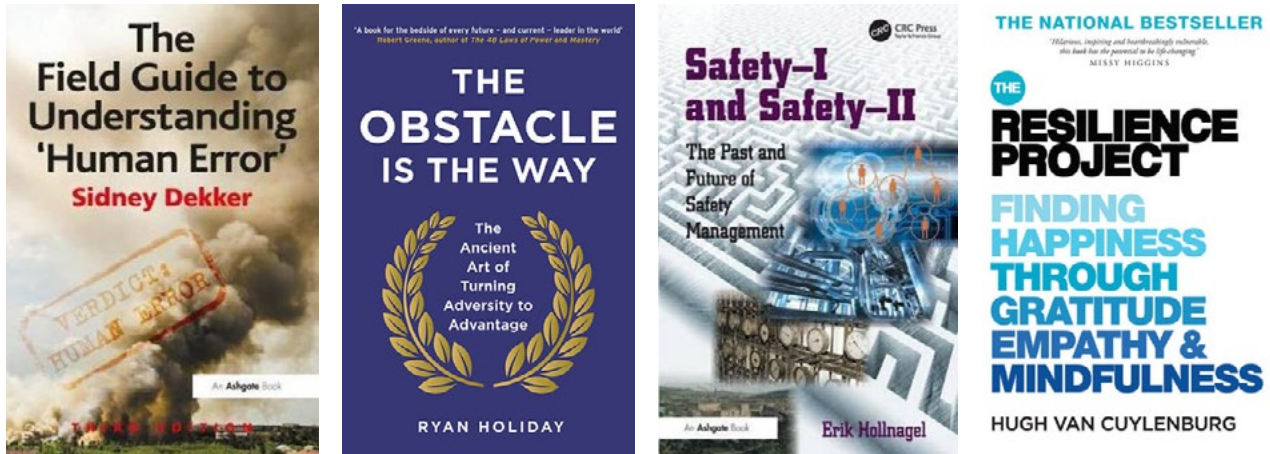
This was followed by a strengths, weaknesses, opportunities and threats (SWOT) analysis. Sites identified how to implement these improvements, their intended benefits, and relevant key performance indicators to measure success.

Next year, each site will complete a trial of their safety initiative. Their insights will be incorporated into a comprehensive plan to introduce their initiative to our other power generation sites.

Leadership, training and awareness

Read a book in 10 minutes video series

The safety team developed a series of four videos during the year on the key concepts from influential books about health, safety and wellbeing. These shared ideas made famous by some of the brightest minds in these fields with our people. The videos have sparked interesting discussions across the business and received great feedback from our people. The books chosen for the series were:



Watch Mike Searles' (General Manager – Safety and Sustainability) summary of *The Obstacle is the Way* by Ryan Holiday here – www.youtube.com/watch?v=o7REulMsb9c

Safety leadership training

Alinta Energy's safety leadership training is an interactive full-day program aimed at our new people leaders. It's based on a four-step approach:

1. First engage yourself
2. Then engage others
3. Learn from the past
4. Create the future.

The program helps participants:

- Appreciate the importance of their contribution to safety leadership
- Recognise how a great safety leader thinks, feels and acts
- Engage and motivate others to be great safety leaders
- Learn from previous safety incidents
- Proactively prevent safety incidents from occurring in the future.

Travel restrictions have unfortunately continued to disrupt this training. While we have implemented a strong online learning program, as discussed on page 67. Our safety leadership training isn't suited to a virtual format because of its high level of interaction. We look forward to resuming the program when it is safe to conduct sessions in person again.

Environment

Alinta Energy is committed to becoming the best energy company. We are proud to take a leading role in Australia's transition to a low carbon economy while achieving our purpose to make energy more affordable.

In this report, we are delighted to announce our new climate commitments and Pathway to Net Zero plan. We have continued to make progress towards our current target to increase renewable energy and storage capacity, and to reduce the emissions intensity of our power stations.

The actions and initiatives described in this section of the report support the United Nations' Sustainable Development Goals (SDGs) shown below. For a summary of our contribution to each of these goals, refer to the SDG Actions and Initiatives section on page 105.

<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>13 CLIMATE ACTION</p> 	





Our climate commitment



“Our long-term climate target is to achieve net zero greenhouse gas emissions by 2050. This will be achieved by delivering the clean energy strategies outlined in our Pathway to Net Zero.”

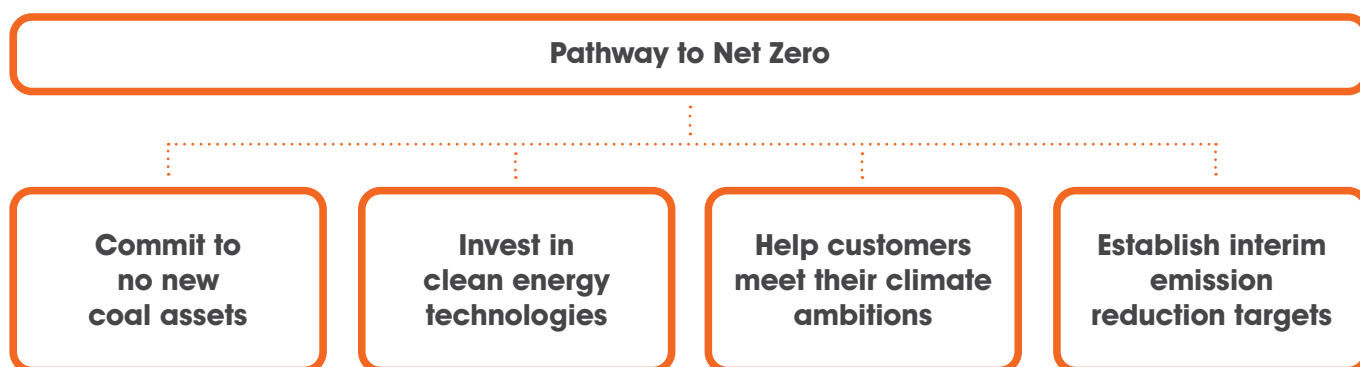
– Jeff Dimery, CEO and MD, November 2021

Pathway to Net Zero

Our approach to achieve net zero by 2050 involves two steps:

1. Reduce our Scope 1 and 2 greenhouse gas emissions as close to zero as practical
2. Offset any residual emissions using credible⁴ carbon offset and/or renewable energy certificates⁵.

How we will achieve this is set out in Our Pathway to Net Zero and includes the following strategies:



Commit to no new coal assets

We will not invest in, support, or underwrite any new coal-fired power generation assets.

While coal-fired generation is still critical to Australia’s electricity grid stability right now, the transition to a low carbon future is well underway. Scientific research, economic and community sentiment all support phasing out coal-fired generation over time.

Indirect exposure to coal generation

Alinta Energy is owned by Chow Tai Fook Enterprises (CTFE), which also owns the brown coal-fired Loy Yang B power station in regional Victoria. We have a capacity agreement with Loy Yang B to purchase a significant portion of its output, meaning its emissions are classified as a Scope 3 emission for Alinta Energy. Loy Yang B is managed and operated separately from Alinta Energy, as outlined on page 14.

With a closure date of 2047, there is an existing pathway for Loy Yang B to cease generation before 2050, however we believe there is a low probability that the power station will still be operating, or operating with the same technology and emissions profile, in 2047.

Loy Yang B has commenced work on a decarbonisation roadmap which sets out a range of scenarios to achieve zero carbon emissions over the power station’s remaining life. This identifies several technical pathways towards stepped carbon reductions between now and 2047 for consideration.

⁴ Credible carbon offset certificates are defined as certificates that are eligible under the Australian Government’s Climate Active program. Credible renewable energy certificates are defined as certificates created under the Australian Government’s Renewable Energy Target.

⁵ Renewable energy certificates can only be used to reduce the quantity of electricity consumed from the grid when calculating Scope 2 emissions, in accordance with rules set out under the Australian Government’s Corporate Emissions Transparency Report (CERT) rules. Renewable energy certificates will not be used to offset Scope 1 emissions.

Invest in clean energy technologies

We have a target to support development of 1,500MW of renewable generation and/or energy storage capacity by 2025. As at 30 June 2021, we have achieved cumulative progress of 860MW toward this target.

The Pathway to Net Zero incorporates our existing renewable and energy storage target as part of its overall approach, combined with additional commitments. Refer to page 44 for further information on the progress we have made towards this target.

Power generation

Our investment in clean energy technology is already well advanced, with the Yandin Wind Farm now completed and operational, and the and Chichester solar in its last phase.

We are actively pursuing opportunities to build further wind and solar facilities in the Pilbara region of Western Australia. Longer term, we are also open to exploring large-scale offshore⁶ wind farms to potentially replace fossil fuel baseline generators.

Auxiliary services

Australia's clean energy transition requires more than new renewable generation. It also needs technologies that provide important auxiliary services to support grid stability and reliability, such as inertia, frequency control and dispatchability. This involves gradually replacing existing services, which are largely provided by fossil-fuel fired generators, with clean alternatives such as energy storage.

Alinta Energy's 35MW battery storage project at our Newman power station in the Pilbara is the largest battery in Western Australia developed for a specific industrial application. Together with our solar gas hybrid power station, it enables our Newman facility to provide our customers with an efficient and reliable energy supply.

As part of our renewable energy strategy for the Pilbara region, we are actively pursuing further opportunities to install large scale batteries.

Our Board also recently approved the 600MW Oven Mountain pumped storage facility, near Armidale in New South Wales, continuing to the next stage of development. Please see page 60 for more details.

Help customers meet their climate ambitions

We are expanding the range of renewable and carbon neutral energy products we offer our customers.

For example, the recently commissioned Yandin Wind Farm puts us in a great position to help our customers source renewable energy for their businesses from a combination of GreenPower products, renewable energy supply agreements, and corporate power purchase agreements.

Next year, we plan to develop the capability to offer carbon neutral products certified under the Australian Government's Climate Active program.

Some of the other low emission solutions we are exploring for our customers include hydrogen fuel cells and electrified vehicle fleets. We are also considering green hydrogen generation to support customers with hard-to-abate emissions, such as heavy transport and industrial processes.

Alinta Energy is committed to developing our capability in trading a number of international environmental certificates during FY22. This will give us additional flexibility to help customers meet their renewable energy and carbon reduction targets. It also allows us to support a range of renewable energy and carbon sequestration projects across the world.

⁶ Offshore wind farms are generation assets located in the open ocean just off the coast of Australia that feed into an Australian energy grid.

Powering the Victorian government with GreenPower

Through a power purchase agreement with the Bald Hills wind farm, Alinta Energy supplies electricity to 13 Victorian councils and a state government authority.

Procurement Australia hosted a visit to the wind farm during the year for these GreenPower customers. Attendees included mayors, CEOs, sustainability and procurement managers, along with guest speakers.

The farm landowner explained how the 52 wind turbines, each with an electricity generating capacity of 2.05MW, help our customers to secure renewable energy for their organisations.

We offer GreenPower carbon offset products to our business customers on request; see [greenpower.gov.au](https://www.greenpower.gov.au) for more information.



Pictured – Alinta Energy GreenPower customers visiting the Bald Hills wind farm.

Establish interim emissions reduction targets

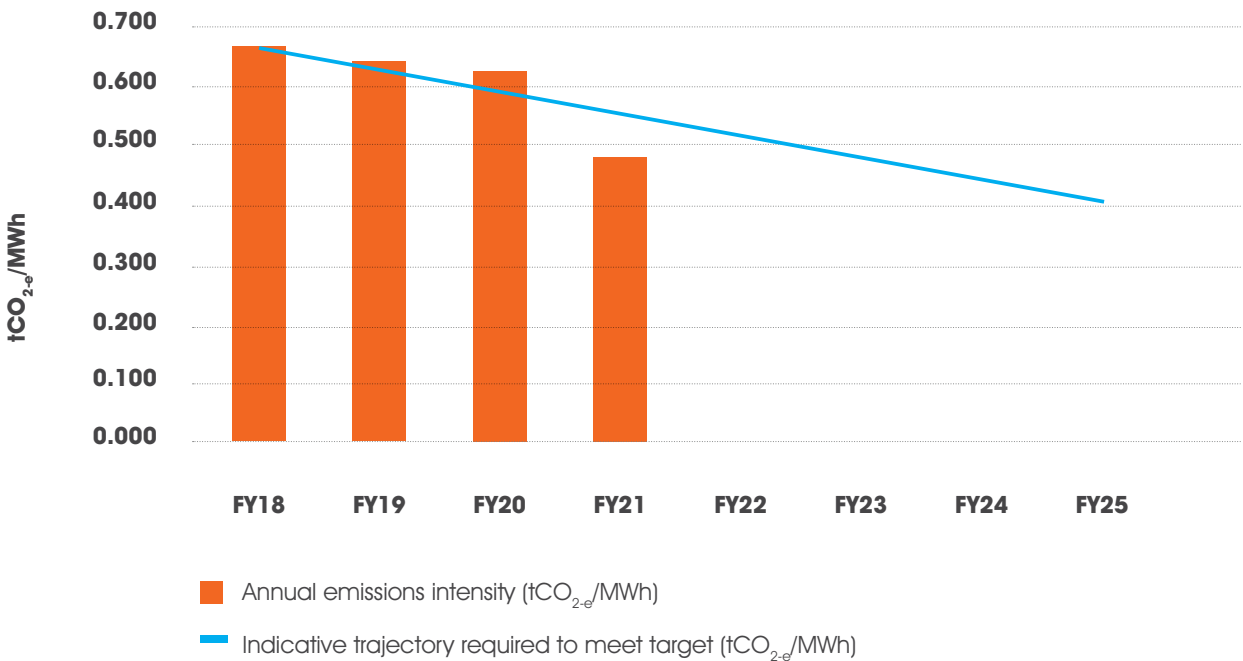
We will contribute to the ongoing decarbonisation of Australia electricity grid by meeting our Scope 1 and Scope 2 targets.

- Scope 1 Target: Reduce the emissions intensity⁷ of our net⁸ Scope 1 emissions by 40% by FY25:
 - From: 0.667 tCO₂-e/MWh (in FY18 base year)
 - To: 0.400 tCO₂-e/MWh (by FY25).
- Scope 2 Target: 100% of our Scope 2 emissions will be offset by voluntarily⁹ surrendering credible¹⁰ carbon offset and/or renewable energy certificates by FY25.

Our next interim emissions targets will cover the period from FY26 to FY30 and will be set before December 2024.

Progress against net Scope 1 interim emissions target

As shown in the graph below, we have already reduced the net Scope 1 emissions intensity of our business from 0.67tCO₂-e in the FY18 base year to 0.48tCO₂-e in FY21. We are expecting a step change improvement in the next reporting period due to the commissioning of the Yandin Wind Farm, which will put us on track to achieve our interim Scope 1 emissions reduction target.



7 We calculate emissions intensity using data from Pioneer Sail Holdings' National Greenhouse and Energy Reporting (NGER) submissions. This does not include emissions and energy from Loy Yang B power station, which are indirect (Scope 3) emissions of Alinta Energy. Scope 1 emissions include all emissions associated with Alinta Energy's activities, not just the fuel used to generate electricity. Energy produced is based on 'energy produced for use offsite' (sent out electricity), which excludes on-site auxiliary electricity use.

8 Net Scope 1 emissions take into account the carbon abatement attributable to credible carbon offsets and/or renewable energy certificates that have been voluntarily surrendered by Alinta Energy, excluding those associated with Climate Active carbon neutral gas products.

9 Voluntary surrender of certificates excludes certificates surrendered for regulatory compliance purposes. It includes all other certificate surrenders outside of regulatory compliance program, such as those associated with the GreenPower and Climate Active programs.

10 Credible carbon offset certificates are certificates which are eligible under the Australian Government's Climate Active program. Credible renewable energy certificates are certificates which are created under the Australian Government's Renewable Energy Target.

Renewable energy projects

Alinta Energy is playing an important role in the energy transition.

In line with our commitment to support the development of renewable energy generation, energy storage systems and minimise our carbon footprint, we are continuously looking for new opportunities to:

- Invest in large-scale clean energy generation projects
- Acquire existing renewable generation assets
- Invest in storage technologies that enable increased penetration of renewables
- Assess emerging energy technologies that may form part of the climate solution
- Evaluate opportunities from the transition away from coal to renewables
- Enter new long-term offtake agreements with renewable projects
- Engage in climate policy development
- Make our existing generation assets more energy efficient.

Renewable energy and storage target

**Our target is to support development of 1,500MW
of renewable generation and/or energy storage capacity by 2025**

Achieving this target is part of our strategy to reach net zero by 2050. Over the period since this target was set in FY19 we have achieved cumulative progress of 860MW, putting us more than halfway to our target at 30 June 2021. The individual projects which contribute to this total are shown on the next page.

The need for medium-term storage has emerged as a key requirement for a decarbonised future. The Australian Energy Market Operator (AEMO) expects renewable curtailment will occur more frequently as installed renewable capacity exceeds average demand. Storage enables renewable energy to be kept so it can be used when it's needed, reducing the need for curtailment.

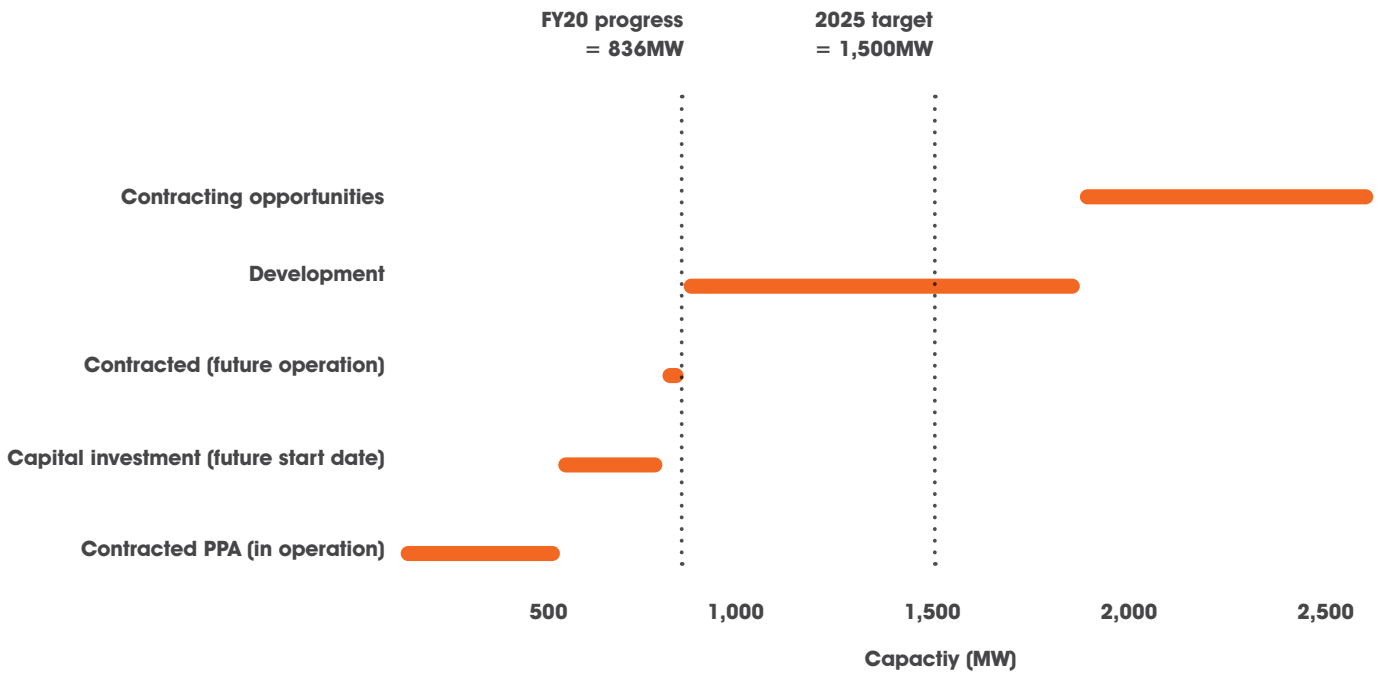
Recognising the increasing importance of storage technologies to maximise the potential of renewables, we expanded the scope of our renewable energy target this year to include large-scale batteries and storage. In line with this new definition, we have re-stated our prior year comparative figures in the following table:

Capacity (MW)	2025 target	FY21 actual	FY20	FY19
Renewable energy development or production	1,500	860	860 ^a	800 ^a

a. The FY20 and FY19 figures were previously reported as 836MW and 776MW, respectively. They are restated above to include the Chichester solar farm (under our expanded definition) and to reflect only our share of capacity of other smaller projects where we have power purchase agreements in place.

Our capital investment decisions are based on a long-term perspective and consider a range of likely future scenarios. We regularly review our project pipeline for ongoing relevance and to help us make investment decisions that are responsible not only for our owners, but also to our employees, customers, communities and the market as whole.

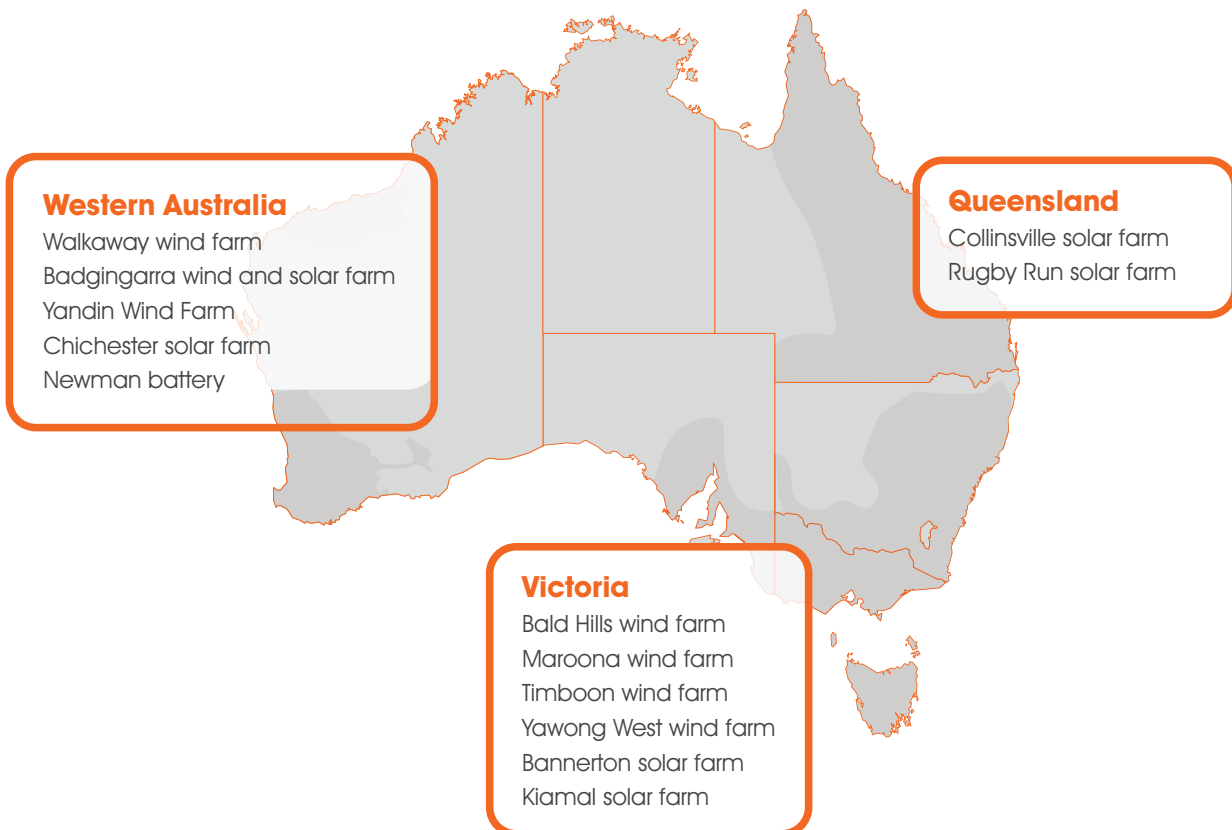
Our project pipeline at 30 June 2021



Please refer to page 104 for the definitions of the above categories.

Large-scale renewable and energy storage projects

The following projects have contributed towards our progress of 860MW of renewable generation and storage capacity. Of these projects, all were operational at 30 June 2021, except for Chichester solar farm, which is in the final stages of construction.



Yandin Wind Farm

Yandin Wind Farm officially opened in May 2021 with the WA Minister for Energy and management from Alinta Energy and RATCH in attendance.

Yandin Wind Farm (a RATCH/Alinta Energy investment managed by Alinta Energy) is Western Australia's biggest wind farm, located about 175km north of Perth near the town of Dandaragan. Together, 51 wind turbine generators produce enough energy to power 200,000 homes.

The project supported job creation of 150 jobs during the construction phase and engaged 19 local businesses. In addition, around a dozen operational staff will be based in Dandaragan in the long-term.

The opening was a proud moment for all of us, coming just over three years from when we began investigating the project. Its successful completion took place despite the challenges of COVID-19, including its impact on fly-in fly-out workers and construction lockdowns.

“This project has been a true One Alinta effort – from Asset Strategy, Trading and Portfolio Management, Treasury, Finance, Legal and Insurance to Safety, Construction and C&I.

I've seen so many people give this project their best effort through some very demanding periods, and what we have achieved as a team is stunning. Thank you all.”

– Ken Woolley, Executive Director, Merchant Energy



Pictured – Dandaragan grain and sheep farmer John Glashurst is one of five local landowners who directly benefit from the Yandin Wind Farm.



Watch the highlight from the opening ceremony for the Yandin Wind Farm here – www.youtube.com/watch?v=IgzniCT68wk

Chichester solar gas hybrid project

A major milestone was reached on the Chichester solar gas hybrid project shortly after the end of FY21 with practical completion of the Roy hill to Christmas Creek transmissions line.

The project will provide solar power to the Cloudbreak and Christmas Creek iron ore mines owned by Fortescue Metals Group (FMG) in Western Australia's Pilbara region. This will support up to 100% of the mines' daytime operations, backed up by battery storage and our Newman power station.

It is expected to displace 100 million litres of diesel generation annually from FMG's operations delivering a cleaner, more affordable, and more connected energy supply.

The project is a joint effort between FMG, Alinta Energy and Downer, with financing contributions from the Northern Australia Infrastructure Facility (NAIF), Australian Renewable Energy Agency (ARENA), state and federal governments.

Practical completion of the 26km transmissions line from Roy Hill to Christmas Creek took place in July 2021. It means Alinta Energy now provides all FMG's electricity needs at its Christmas Creek mine site, displacing the existing diesel generation with more efficient energy from the Newman power station. This will connect them to the future energy supply from the new Chichester solar farm when construction is completed.

The remaining two major project milestones are extending the connection by 36km to the Cloudbreak mine and delivering energy from the Chichester solar farm. Progress is continuing strongly with the project on track for completion in FY22.

The project supported job creation of around 200 jobs during the construction phase and several additional operational jobs. With this project hit particularly hard by the impact of the pandemic, we are very proud of the team for meeting this first significant milestone.



An overview of the project is available here – www.youtube.com/watch?v=N_pS7sJSIls

Oven Mountain pumped hydro energy storage

Alinta Energy is undertaking early-stage feasibility investigations on the Oven Mountain pumped hydro energy storage project, a planned power generation facility with capacity of up to 600MW from renewable sources.

This is an early-stage pumped hydro energy storage project, and will provide 600 MW of electricity generating capacity to the NEM and 12 hours of energy storage.

Alinta Energy is funding pre-investment feasibility activities in order to progress towards a development approval. Alinta Energy also has a strategic option to acquire the project from its owners, OMPS Pty Ltd.

The site is off-river with excellent compact pumped hydro attributes. It is situated on private land between Armidale and Kempsey and will connect to the proposed New England Renewable Energy Zone (REZ). Being off-river or a 'closed loop' scheme means that once filled, the project will have little annual water needs over an operational life in excess of 50 years.

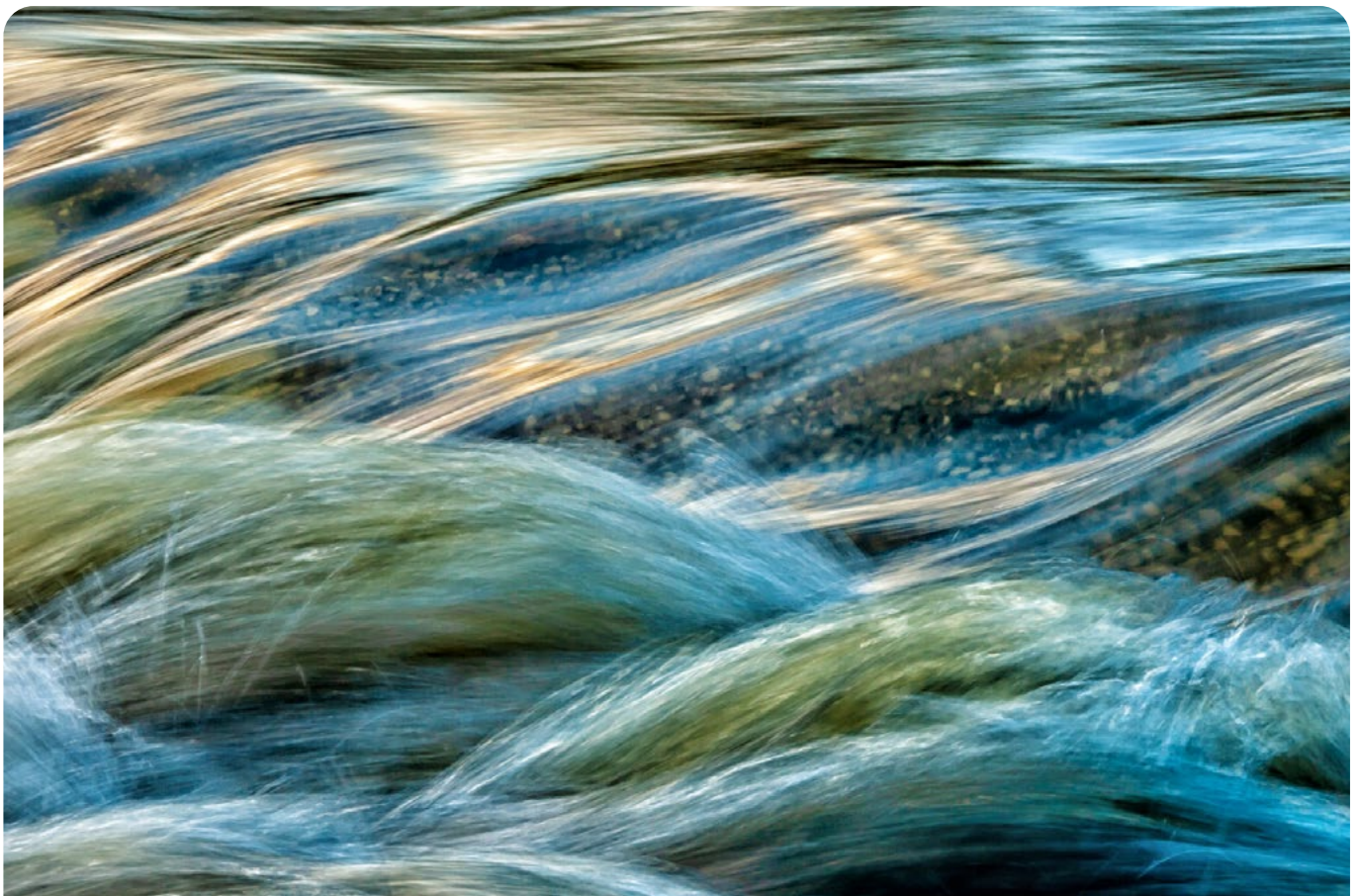
The project has been declared Critical State Significant Infrastructure (CSSI) in accordance with the NSW Environmental Planning and Assessment Act 1979, with the declaration coming into effect on 4 September 2020. This means the NSW Minister for Planning and Public Spaces has determined the project is essential to the State for economic, environmental or social reasons.

The Oven Mountain project will provide significant scale, deep storage and flexible, dispatchable generation to serve NSW energy reliability needs and the objectives of the NSW Government's Electricity Infrastructure Roadmap and the Electricity Infrastructure Investment Act 2020. On completion it will provide network benefits and services directly to the transmission backbone within the New England REZ.

Commissioning of contracted renewable generators

The contracted Kiamal solar farm in Victoria became operational and was integrated into our contracted portfolio in February 2021. The solar farm is connected to the NEM grid.

As noted above, the Yandin Wind Farm officially opened in May 2021. This is Western Australia's largest wind farm and is connected to the SWIS grid.



Pilbara case study

Our renewable energy projects have enabled us to make a significant contribution to the energy industry's transition to a low carbon economy, particularly in Western Australia where our power stations supplement our solar and wind farms when these renewable generators are not exporting power. The specific assets in each of the key regions in Western Australia that have enabled us to do this are:

- **SWIS** – Yandin Wind Farm, Walkaway wind farm, Badgingarra wind and solar farm, Wagerup power station and Pinjarra power station
- **NWIS** – Port Hedland power station (our Port Hedland power station provides high efficiency, flexible generation that means we are well placed to incorporate renewables into the future)
- **Pilbara (off grid)** – The Chichester solar gas hybrid project, which comprises the Newman battery storage, Newman power stations and Chichester solar farm.

“The Chichester solar gas hybrid project is an amazing project. Displacing diesel generation with clean solar energy has never been tried at this scale in Australia. This project will be a major contributor to Fortescue’s goal of achieving net zero operational emissions by 2040 and Alinta Energy’s commitment to invest in 1,500MW of renewable energy projects by 2025.”

– Scott Thomas, General Manager Power Generation

We continue to actively pursue our Pilbara vision of an integrated and sustainable network where we partner with large consumers to reduce their energy costs by decarbonising their energy sources. This makes the Pilbara a great case study of what can be achieved in a region that is committed to reducing its emissions profile.

Extractive industries are setting some of the most ambitious emissions reduction targets. Consequently, the technologies that have emerged to support their transition are rapidly evolving. We are excited to use our experience and help ambitious organisations achieve their net zero goals across the Pilbara region and the country.

We are also in discussions with our partners on what to do with surplus renewable power in the Pilbara, and are working to integrate the currently fragmented network so that renewables can benefit the broader region.



Getting to know –

Gary Bryant, General Manager Asset Strategy

While his responses below may lead you to think Gary is a man of few words, listening to his guest appearance on Renew Economy's podcast Batteries Accelerating Shift to Renewables would soon change that view. You can listen to the podcast here – www.soundcloud.com/reneweconomy-646697966/batteries-accelerating-shift-to-renewables

Gary won the Australian Institute of Energy, WA Energy Professional of the Year in 2020 and the Engineers Australia Professional Engineer of the Year Highly Commended award in 2019.

Often affectionately referred to as Dr G by his colleagues at Alinta Energy, Gary is awash with knowledge about new and emerging technologies that play a key role in our climate journey.

What achievement are you most proud of?

The Newman battery project. It was a multi-award-winning, world-first application of battery energy storage systems and it was fantastic to watch my team work with all parts of the business to develop, install and commission a first of its kind project.

What changes are you seeing in the energy industry that excite you the most?

The move away from oil to electricity and hydrogen to be more self-reliant for our energy use.

What does sustainability mean to you?

Investing our finite resources of today in the renewable energy future of tomorrow.

If you could switch lives with anyone for a day, who would it be with?

Brian May – then I could play guitar properly for at least one day.

If you could witness any historical event, what would you want to see?

Martin Luther King's 'I have a dream' speech in August 1963.



Climate change and the energy industry

Generating electricity contributes significantly to Australia's greenhouse gas emissions and there is strong public interest in the energy industry's role to reduce emissions. The community expects government and the energy industry to reduce the impact of climate change, while also keeping energy affordable and reliable. This presents a 'trilemma' for the energy industry to meet expectations across sustainability, affordability and reliability.

There has been a significant shift in investment preferences away from fossil fuels and carbon-intensive industries towards the low carbon sector. However, we are now starting to see examples of renewable energy projects that haven't secured funding due to a fall in wholesale energy prices and concerns around system reliability leading to delays in grid connections.

We are keen to work with the state and federal governments and other interested stakeholders to ensure the reliability of the grid is maintained as the industry transitions to renewable energy sources.

A renewable energy milestone

The industry passed a significant milestone in at the end of 2020, with more than a quarter of Australia's total electricity generation coming from renewable sources for the first time.

Climate change regulation

Australia requires stable, efficient, market-based climate change and energy policies so that market participants can confidently make investment decisions.

There are currently numerous programs, policies and targets at state and national level which aim to reduce emissions, promote renewable energy, improve energy efficiency and support grid stability. Many state and territory governments have established their own renewable energy targets and energy efficiency programs. We believe the effectiveness of these programs could be enhanced with a coordinated policy approach.

We have mature compliance procedures in place and continued to comply with all the programs during the reporting period.

National targets and programs

National Greenhouse and Energy Reporting (NGER)

Large Australian entities and facilities are required to report annually to the Clean Energy Regulator on the energy they consume and produce, and on their carbon emissions.

Alinta Energy's owned and operated facilities are included in NGER reporting by Pioneer Sail Holdings Pty Ltd. Our Pinjarra facility is captured in the annual report of Alcoa, who has operational control over this facility (we own the facility). The accuracy and completeness of our NGER data is subject to a voluntary external audit.

The energy consumption and emissions of our power stations are summarised on pages 56-57.

Emissions Reduction Fund (ERF)

The ERF aims to reduce carbon emissions, sequester carbon from the atmosphere, and encourage new sustainable practices and technologies. As part of the ERF, the Clean Energy Regulator issues Australian Carbon Credit Units (ACCUs) for eligible carbon abatement projects. ACCUs can be purchased by the ERF through a reverse auction or by organisations to offset their emissions as part of a carbon strategy.

Alinta Energy's Newman expansion project is eligible to generate ACCUs. Refer to page 58 for more details on this project.

Safeguard mechanism

The safeguard mechanism sets a maximum emission ceiling (or baseline) for large facilities or industries. Alinta Energy's facilities operate under the electricity sectoral baseline, except for our Newman power station which is not connected to one of the five main electricity grids and has its own baseline.

The energy industry continues to operate below its sectoral baseline. In the unlikely event that it is exceeded, individual baselines apply to each generator. Exceeding an individual baseline requires a surrender of ACCUs equivalent to any exceedance.

Renewable Energy Target (RET)

The RET is designed to reduce emissions in the electricity sector and encourage generation from sustainable and renewable sources. It consists of two schemes:

- The small-scale renewable energy scheme (SRES), which creates small-scale technology certificates (STCs) when households and businesses invest in or generate renewable energy or reduce their consumption from the grid.
- The large-scale renewable energy target (LRET), which creates large-scale generation certificates (LGCs) when power stations produce energy from renewable sources.

Alinta Energy participates in the LRET as a creator of certificates. When our renewable energy facilities generate power, we generate LGCs based on the number of megawatt hours produced.

When we sell energy to the retail market, we must surrender both STCs and LGCs to the Clean Energy Regulator to meet our obligations under the RET. In relation to any shortfall of LGCs surrendered, retailers have up to three years to submit certificates or forfeit a refund of the shortfall charge paid. This is referred to as 'making good' on a RET liability.

During the second half of FY21, Alinta Energy began to make good on our shortfalls related to 2017 to 2019. We plan to make good on the balance of these shortfalls within the allowable refund period, which will allow us to apply for a refund of the shortfall charges paid. This strategy:

- Complies with the permitted timeframes and minimises the cost to meet our RET liability, benefitting our customers.
- Promotes greater competition in the energy market by increasing the number of energy companies generating LGCs.
- Has enabled us to make significant investments in renewable energy as part of the transition towards a low carbon future.

Underwriting New Generation Investments program

This program provides financial support for investments in dispatchable electricity generation that will increase reliability in the system, lower energy prices and increase competition. The four-year program is technology neutral and open to both new generation projects and upgrades to existing generators.

We have continued to work with the Department of Industry, Science, Energy and Resources to progress the potential development of our two shortlisted projects at Bairnsdale and Reeves Plains.

Energy consumption, generation and emissions

Fossil fuel consumption

The most significant materials we consume are the fuels our facilities use to generate electricity. At our owned, operated and contracted sites, the main fuels are natural gas and coal seam methane sourced from third-party suppliers for use in our gas turbine generation facilities across Australia.

Due to increased renewable generation in the SWIS in Western Australia, our operated Wagerup power station has reduced its electricity generation in FY21. Upgrades conducted throughout the year at the contracted Loy Yang B power station have also resulted in a decrease in electricity generation, and therefore in the total fossil fuel consumption over the year.

Fossil fuel consumption for operated or contacted electricity generation assets in Australia (GJ)

	FY21	FY20	FY19
Operated	20,451,275	24,920,232	23,923,040
Contracted	78,179,937	83,948,637	77,622,319
Total	98,631,212	108,868,869	101,545,359

Fossil fuel types related to the above figures are natural gas, coal seam methane, brown coal and diesel. Brown coal consumption relates solely to the contracted generation from Loy Yang B power station. Coal seam methane is sourced from third party suppliers; we do not produce or extract gas.

Our Pinjarra power station is embedded in Alcoa's facility. As Alinta Energy does not have operational control over this site, the energy consumption is not included in the figures above.

Our Glenbrook power station in New Zealand uses waste heat and offtake gas from the NZ Steel facility in which it is embedded. The energy consumed by Glenbrook is not measured and is not included in the figures above.

Electricity generation and purchases

In FY21, the percentage of renewable and cogeneration electricity which we have generated through our contracted and operated facilities has increased to 23% (FY20: 17%, FY19: 14%). This is expected to increase even further in FY22 as other renewable projects become operational and the Yandin Wind Farm has a full year of operation.

Electricity generated or purchased by operated or contracted generation assets in Australia and New Zealand (MWh)

	Fossil fuel and cogeneration ^a	Wind ^b	Solar ^b	FY21 total	FY20	FY19
Operated facilities in New Zealand	672,272	-	-	672,272	576,424	621,822
Operated and contracted facilities in Australia	7,730,681	1,748,353	377,301	9,856,334	10,111,428	8,815,298
Total	8,402,953	1,748,353	377,301	10,528,606	10,687,853	8,815,298

a. Fossil fuel types related to the above figures are natural gas, coal seam methane, brown coal and diesel. Brown coal consumption relates solely to the contracted generation from Loy Yang B power station. Coal seam methane is sourced from third party suppliers; we do not produce or extract gas.

b. May include minor amounts while in commissioning phase where the asset is not yet in operation.

c. In relation to the electricity generation by Loy Yang B power station, the data in the above table relates only to Alinta Energy's contracted share and does not represent the full electricity generation volume of Loy Yang B power station.

Our Pinjarra power station is embedded in Alcoa's facility. As Alinta Energy does not have operational control over this site, the electricity generation is not included in the figures above.

Scope 1 greenhouse gas emissions

Scope 1 emissions relate solely to the Alinta Energy facilities under our operational control, in line with our NGER reporting. As noted above, due to increased renewable generation in the SWIS in Western Australia, our operated Wagerup power station has reduced its electricity generation in FY21 and therefore our Scope 1 emissions over the year have decreased.

Scope 1 emissions associated with assets operated by Alinta Energy in Australia (tonnes CO_{2-e})

	Natural gas	Coal seam methane	Diesel	Other ^a	FY21 total	FY20	FY19
Operated facilities	837,723	206,579	508	1,996	1,046,806	1,267,479	1,215,822

a. Not related to electricity generation.

Scope 2 greenhouse gas emissions

Scope 2 greenhouse gas emissions relate to electricity purchased from the grid for use by our offices and the power stations we operate. They, exclude any behind the meter usage by our power stations, consistent with our NGER reporting.

Scope 2 emissions associated with purchased electricity that is consumed by Alinta Energy (tonnes CO_{2-e})

State	FY21	FY20	FY19
Western Australia	5,332	4,092	4,719
Queensland	1,676	1,943	1,953
Victoria	905	329	985
New South Wales	107	131	145
South Australia	12	16	16
Total	8,032	6,511	7,818

Material Scope 3 greenhouse gas emissions

Scope 3 emissions are emissions associated with our wider supply chain. We have reported below on the material Scope 3 emissions, which contribute the most to our total Scope 3 emissions.

Scope 3 emissions (tonnes CO_{2-e}) and intensities (tonnes CO_{2-e}/MWh) associated with contracted electricity in Australia^a

Electricity generation fuel type	FY21 emissions (tonnes CO _{2-e})	FY21 emissions intensity (tonnes CO _{2-e} /MWh)	FY20 emissions intensity (tonnes CO _{2-e} /MWh)	FY19 emissions intensity (tonnes CO _{2-e} /MWh)
Brown coal ^b	7,269,445	1.18	1.20	1.22
Wind	-	-	-	-
Solar	-	-	-	-
Total	7,269,445	0.94^c	0.97^c	1.03^c

a. Emissions associated with contracted purchases electricity from specific generation assets that are not under Alinta Energy's operational control.

b. Relates to Alinta Energy's contract with Loy Yang B power station for a share of its output.

c. While wind and solar generation do not have any material emissions associated with their electricity generation, they reduce our overall emission intensity.

Scope 3 emissions associated with gas sold to end-use customers in Australia (tonnes CO_{2-e})

	FY21 gas sold (GJ)	FY21 emissions (tonnes CO _{2-e})	FY20 emissions (tonnes CO _{2-e})	FY19 emissions (tonnes CO _{2-e})
End-use customers	27,603,885	149,184	140,610	130,872

Combustion and upstream extraction emissions are calculated based on factors included in the National Greenhouse Account Factors published by the Department of Industry, Science, Energy and Resources.

Scope 3 emissions (tonnes CO_{2-e}) and emissions intensity (tonnes CO_{2-e}/MWh) associated with owned but not operated facilities in Australia^a

Fuel type	FY21 emissions (tonnes CO _{2-e})	FY21 emissions intensity (tonnes CO _{2-e} /MWh)	FY20 emissions intensity (tonnes CO _{2-e} /MWh)	FY19 emissions intensity (tonnes CO _{2-e} /MWh)
Natural gas	668,073	0.43	0.44	0.37
Other ^b	418,726	N/A	N/A	N/A
Total	1,086,799	N/A	N/A	N/A

a. This relates to our Pinjarra power station which is embedded in Alcoa's facility.

b. This relates to other emissions of the Pinjarra power station that are not for the purpose of generating electricity, and therefore have no associated emissions intensity.

Energy efficiency, capacity enhancement and emissions reduction projects



Our energy efficiency target

Improve the energy efficiency, and therefore reduce the emissions intensity, of the fossil fuel power stations in our owned and traded generation portfolio by 5% within five years, compared to their individual baselines before the improvement projects¹¹.

A series of maintenance and upgrade projects are planned to achieve the above target, which we set in FY19. The projects implemented this year at our owned and contracted generation facilities include:

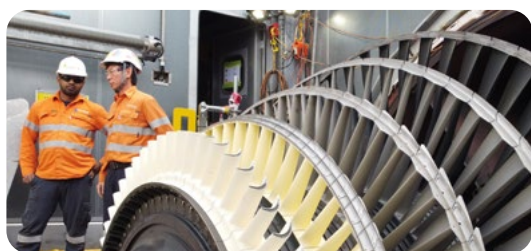
Newman power station

What's involved	Installing approximately 60MW of high-efficiency gas-powered reciprocating engine generating sets.
Result	Once complete the project will reduce the power station's gas consumption and therefore carbon emissions by reducing the operation of the older, less efficient gas turbines at the site. The reciprocating gas engine will operate in a coordinated manner with other generation and energy storage assets at the Newman power station. This will operate in a coordinated manner with other energy generation and storage assets in the Newman region.
Other	The project is eligible to generate Australian Carbon Credit Units (ACCUs) under the government's Emissions Reduction Fund.

¹¹ As power generation sites have different emissions intensities, and the proportion of total power provided by each site changes year on year, a 5% reduction at individual site levels will not necessarily translate into an overall emissions intensity improvement of 5% at a group level.

Wagerup power station

What's involved	The GT01 unit was upgraded in September and October 2020, following a turbine overhaul on the GT02 unit in October 2019.
Result	As a result of the MXL2 and upflow compressor upgrade on GT01, the unit's output has increased by 12.3% at base load conditions. This unofficially makes the Wagerup GT01 unit the highest output 13E2 gas turbine in the world and has provided a 7% increase from the unit's previous maximum output to 215 MW and a 1.94% increase in efficiency along with a reduction in stack emissions.
Other	The upgrade involved over 100 contractors (45 from outside Australia), requiring careful planning to manage COVID-19 risks. The project was successfully completed without any recordable safety incidents.



Pictured – Raj, Lead Blader, and Wong, Chief Lead Engineer, taking a moment to admire their work.

Pinjarra cogeneration plant

What's involved	The growth of renewables on the network, and the associated increase in the number of low and negative price occurrences, provides an opportunity for facilities who can absorb this excess power. GT motoring software and generator protection modifications were performed, along with commissioning and performance tests, in April 2021.
Result	GT motoring is a way to avoid feeding power into the grid at selected times, while keeping the machines operating and continuing to produce the steam Alcoa needs. This reduces gas input to the gas turbine until the generator starts to absorb power from the grid and motor the turbine, all while keeping the unit synchronised.

Environmental compliance

We take our environmental responsibilities seriously and have robust processes across our business to comply with national, state and local environmental laws and regulations. Each of the jurisdictions where we operate across Australia and New Zealand has specific environmental requirements, including permits, licences and consents.

Environmental management

During the year, we updated our Environment and Community Policy which is available on our website¹². The policy reflects our commitment to protect the environment as a priority, implement continuous improvement, and target operational excellence in our environmental performance.

This is supported by our environmental management framework which aligns with international standard ISO 14001. The framework:

- Provides a systematic and consistent way to oversee and manage our environmental activities and their impacts.
- Documents the methodology and responsibilities for environmental management across our businesses, facilities, projects and regions.
- Is implemented through training, monitoring and reporting.

¹² <https://www.alintaenergy.com.au/nsw/-/jssmedia/alinta-website/documents/about/environment-and-community-policy.pdf>

Alinta Energy's environmental impacts

Incidents, hazards and near misses

Site managers are responsible for reporting any environmental incidents, hazards and near misses on (or related to) their sites. This includes in our online event management system and to external authorities when required.

We did not have any material environmental incidents or any material fines, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance with environmental laws and regulations during the year¹³.

	FY21 Target	FY21 actual	FY20	FY19
Material ^a environmental incidents	0	0	0	0

a. Please refer to our definition of material environmental incidents on page 95.

Biodiversity

Our Braemar and Newman power stations are in two of 15 national biodiversity hotspots identified by the Australian Government's Threatened Species Scientific Committee¹⁴.

To minimise our environmental impact and protect the ecosystems around where we operate, we require contractors to develop an environmental management plan for all major construction projects. This must identify how the contractors will maintain compliance and minimise construction impacts on local vegetation, waterways and ecosystems.

Our projects in FY21 did not have a significant¹⁵ direct or indirect impact on biodiversity.

Where we obtain gas fuels

Alinta Energy does not undertake gas exploration, extraction, production or processing activities. We also do not produce unconventional gas through hydraulic fracture stimulation (fracking).

The gas we supply to retail customers and which fuels our power stations is sourced from independent third-party suppliers who are subject to safety and environmental laws.

Supplier environmental impacts

Our supplier selection process assesses prospective suppliers and contractors against our requirements using a risk-based approach. This may include considering their health, safety and environmental management systems and recent performance, and also requires senior management approval before we enter a contract.

Larger suppliers and contractors, and those engaged in higher-risk activities, must undergo more detailed risk assessment and potentially additional ongoing management. This can include monitoring their compliance with contractual obligations such as health, safety and environment performance and conducting periodic reviews or audits.

Our updated Supplier Code of Conduct considers broader sustainability and social impacts, including prevention of modern slavery. This is discussed further on page 24.

¹³ Please refer to our definition of material environmental incidents and material fines on page 95.

¹⁴ www.environment.gov.au/biodiversity/conservation/hotspots/national-biodiversity-hotspots

¹⁵ Please refer to our definition of significant impacts on biodiversity on page 95.

Waste and water

Water

Our overall water usage in FY21 increased by 14% as shown. This was largely driven by increased power generation at our Glenbrook power station in New Zealand which requires water for cooling purposes.

Glenbrook is Alinta Energy's largest consumer of water, which it draws from water from NZ Steel. NZ Steel maintains environmental licences and ensures adherence to standards in relation to water withdrawal and discharges to the environment. An environmental management agreement is in place between NZ Steel and Glenbrook power station which details relevant limits that Alinta Energy is required to abide by.

Our Braemar and Bairnsdale power stations also discharge small amounts of water to the environment. These discharges are monitored to ensure that they are below EPA licence limits.

Water withdrawal (ML)

Water withdrawal by source	Volume (ML)
Surface water (total)	3,180
Freshwater ($\leq 1,000$ mg/L total dissolved solids)	-
Other water ($> 1,000$ mg/L total dissolved solids)	3,180
Groundwater (total)	8
Freshwater ($\leq 1,000$ mg/L total dissolved solids)	3
Other water ($> 1,000$ mg/L total dissolved solids)	5
Third-party water (total)	16
Freshwater ($\leq 1,000$ mg/L total dissolved solids)	16
Other water ($> 1,000$ mg/L total dissolved solids)	-
Total water withdrawal	3,203

Water discharge (ML)

Water discharge	Volume (ML)
Water discharge by destination	
Surface water	3
Seawater	386
Third-party water	6
Other	2,808 ^a
Water discharge by freshwater and other water	
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	2,845
Other water ($> 1,000$ mg/L Total Dissolved Solids)	358
Total water discharge	3,203

a. Other water is largely linked to losses to the atmosphere as steam and evaporation.

Water consumption (ML)

Water consumption by usage	Volume (ML)
Cooling	3,027
Industrial	170
Domestic / other	6
Total water consumption	3,203

Total water usage per year (ML)

FY21	FY20	FY19
3,203	2,820	3,043

While Yandin Wind Farm was operational during the year, it has not reached technical facility completion. Water usage is managed by the EPC contractor and therefore not reported here. Once the facility is formally handed over to Alinta Energy, we will commence reporting on the associated water usage.

Solid waste

We apply the waste management hierarchy priorities in our approach to the resources we consume. This ranks waste reduction as the top priority, whereas waste disposal should only occur once other options have been exhausted. Through this approach, we aim to minimise the waste we send to landfill.

- 1. Avoid** – Reduce resource consumption
- 2. Reuse** – Find alternative uses which don't require further processing
- 3. Recycle** – Reprocess to create new or different resources
- 4. Recover** – Extract energy from resources before disposal
- 5. Treatment** – Stabilise resources to minimise environmental impact
- 6. Disposal** – Zero conservation of resources.

Maximum resource conservation



Zero resource conservation

We estimate that our major operational facilities recycled 30 tonnes of waste through general recycling facilities in FY21. In addition, an estimated 10,760 tonnes of fly ash from our Glenbrook facility in NZ was sent for reprocessing under a commercial arrangement. Other waste products including steel, wood pallets and waste oil are either sold, reused on-site or sent off-site for recycling.

Our major operating facilities disposed of an estimated 295 tonnes of solid waste to landfill during the year.

Waste generated, recycled and reprocessed by operational sites (tonnes)

	FY21	FY20	FY19
Solid waste sent to landfill	297	364 ^a	350
Waste recycled	30	28 ^b	51
Fly ash sent for reprocessing	10,760	10,422	11,760
Total	11,087	10,814	12,161

a. Previously reported as 378 tonnes. This has been restated after we identified a transcribing error in the FY20 figures.

b. Previously reported as 32 tonnes. This has been restated after we identified a transcribing error in the FY20 figures.

While Yandin Wind Farm was operational during the year, it has not reached technical facility completion. Waste related to the site is managed by the EPC contractor and therefore not reported here. Once the facility is formally handed over to Alinta Energy, we will commence reporting on the associated waste generation.



Our people

Our people are dedicated to Alinta Energy. We provide a supportive workplace with a values-led culture that promotes practical solutions which benefit our customers, add value, and align with our vision and sense of purpose.

The People and Culture team focuses on three key levers: talent, capability, and culture. Achieving excellence across these areas is the foundation for sustainable leadership and strong engagement. We partner with the business to unlock people's potential and maximise their development.

The actions and initiatives described in this section of the report support the United Nations' Sustainable Development Goals (SDGs) shown below. For a summary of our contribution to each of these goals, refer to the SDG Actions and initiatives section on page 105.





Navigating change

It has been a year of change for Alinta Energy's people.

Setting up our Customer Experience Hub in regional Victoria was a major achievement, with more than 100 people recruited and inducted to join our team. Read more about this on page 89.

We supported our people with practical tools and care-based initiatives helping provide guidance and relieve pressure on individuals and their families through the ongoing challenges of COVID-19.

Our team also continued our focus on delivering experiences across our three strategic levers of talent, capability and culture, including:

- Ongoing flexible work practices to build on our experience of remote working during COVID-19
- Introducing blended working to maintain our culture
- Surveying our people on their experience of engagement and culture at Alinta Energy
- New online learning and targeted learning initiatives
- Supporting leaders and employees amid ongoing change
- Recognising our people and offering rewards, development opportunities and promotions.

Supporting our people

At every stage of their career at Alinta Energy, we strive to show our people they are valued and give them the support and resources to succeed.

As a growing business in an industry going through rapid transformation, this is an important part of our everyday activities. The pandemic has made it even more crucial for us to look after our people and help them manage the different challenges it presents.

Supporting our people through COVID-19

The COVID-19 pandemic has had significant social impacts, with snap lockdowns, social distancing and self-isolation becoming the norm and causing disruptions to the way that people live their lives, the activities they can engage in, the people they can see and their overall mental wellbeing. Below are some of the measures we have implemented to help support our people through these difficult times.

Staying connected

We have connected regularly with our employees through organisation-wide online sessions such as staying socially connected, team trivia online, regular live business updates at organisation, pillar and team levels, and employee check-ins by our MD and CEO and the executive leadership team. A pulse check survey provided valuable feedback on how our employees are managing the rapid change to working from home, helping us refine our approach to employee support.

Pandemic leave

Under our industry-leading arrangements, we give our people 15 days of paid pandemic leave to use if they have exhausted their personal leave and have COVID-19 symptoms, are caring for their immediate family or household member who has contracted the virus, are caring for a child due to school shutdowns, or if they need to self-isolate or quarantine and can't work from home.

Wellbeing

A program of practical activities has continued this year to help our people maintain their mental and physical wellbeing through the stress and changes of the pandemic. This included our #StayAtHomeAndLearn bite-sized learning series, subscription to the Headspace mindfulness app, online live yoga sessions, and a wide range of wellbeing information. For our Melbourne workmates, during the extended lockdowns we held extra online check-in sessions and provided Woolworths vouchers to help them eat well at home.

Flexibility

After the first wave of lockdowns eased, we introduced flexible work arrangements in early 2021 to help our people safely transition back to the workplace. This began gradually, with an initial trial of working a minimum of two days in the office or on site. After adjusting, this was increased to a minimum of three days to support continuity of our culture and give people a welcome opportunity to collaborate and interact. It has been balanced with retaining remote working arrangements for the remainder of the week to give people ongoing flexibility in how they structure their work.

Throughout the year, we ensured employees with any concerns for their own or their family's health were able to continue working remotely. We also continue to meet our obligations regarding government restrictions applied due to the pandemic, including complying with COVID-safe work practices.

Learning and development

Building our learning culture

The learning and development initiatives we implemented this year centred on supporting our business through COVID-19, including:

- **Leadership** – We invested in our leadership teams to equip them to guide our people through the transition to flexible working. We provided a series of five short live modules focusing on their role as leaders and setting up flexible working for success.
- **Online learning** – We launched a LinkedIn Learning subscription to help our people achieve their personal and professional goals. This is a world class platform that offers over 5,000 courses taught by industry experts in business, creative and technology skills.

Learning and development framework

Our learning and development framework provides structure to help our people achieve their goals and succeed in their current roles and future careers through a combination of experience, exposure and education.

We believe the best way to develop is through action, which we do by giving our employees real on-the-job experience. This helps accelerate learning and sets people up for the next step in their career.

Learning and development framework			
Support Manager	Development discussion and plan		
Development focus	Technical	Behavioural	Leadership (if relevant)
Experience - 70%	Expanding your current role, stretch/challenging assignments, special projects, rotational assignments, volunteering/community involvement		
Exposure - 20%	Career discussions, networking, mentoring, coaching, professional or trade associations		
Education - 10%	Instructor led courses, self-study/online courses, books/journals, advanced degree/professional certification, conferences		
Organisational Support	<ul style="list-style-type: none"> • Manager • Learning and Development Specialist within the business • 70/20/10 Examples tool 	<ul style="list-style-type: none"> • Manager • Behavioral development tool • People and Culture • 70/20/10 Examples tool 	<ul style="list-style-type: none"> • Manager • Behavioral development tool • Leadership program • Leadership competencies • People and Culture • 70/20/10 Examples tool

Development plans and achievement review

All employees complete an achievement review and development plan each year to supplement ongoing discussions and coaching with their manager. Development plans align individual goals with Alinta Energy's objectives and identify opportunities for personal growth. Progress is evaluated through annual and interim achievement reviews, which are also a formal mechanism for constructive feedback and reward.

Employee assistance program

Alinta Energy provides a confidential, free employee assistance program for our people and their families. It is delivered by experienced psychologists and available at any time. The program can assist with specific personal or work-related situations such as anxiety, stress, depression, overwhelming situations, fly-in fly-out challenges, family difficulties, team conflict, career progression, and returning to work after an injury, along with general mental health and wellbeing.

During COVID-19, we have actively promoted the employee assistance program to remind our people that help is available for the challenges they and their families may be facing. It recognises the increased pressure experienced by people from all walks of life, which has led to record calls to crisis helplines across the community. Approximately 10.8% of our people used this service during the year, in line with industry standard.

For readers in our wider community, please reach out for help if you are struggling:

Lifeline **13 11 14 or [lifeline.org.au](https://www.lifeline.org.au)**
Beyond Blue **1300 224 636 or [beyondblue.org.au](https://www.beyondblue.org.au).**

Diversity and inclusion

A diverse workforce is important to reflect the communities where we operate and the customers we serve. It brings together a range of characteristics including background, experience, career path, communication style, and perspectives. Together, this shapes what we do and how we do it.

We focus on recognising, respecting and valuing these differences.

Alinta Energy strives to be a positive, inclusive workplace where people are empowered to be their authentic selves. We welcome people from all genders, ethnicities, faiths, ages, backgrounds and family structures, LGBTQ+ people, people with a disability, neurodiverse people and First Nations Australians.

Our support for diversity extends beyond our own business. Our Embracing Diversity Policy embeds our commitment to respect the diverse cultures of the communities where we operate. No incidents of discrimination were reported by our employees during FY21. In the rare instance that a discrimination concern arises, all reported incidents of discrimination are taken seriously, documented and investigated.

Gender equality

We're proud of our gender equality results and have implemented 14 out of the Workplace Gender Equality Agency's recommended 15 policies/strategies/actions.

Representation in senior leadership

During the year we significantly improved our gender balance on the Board and the executive leadership team with the following appointments:

Overall gender representation

Alinta Energy reports gender equality data to the Workplace Gender Equality Agency (WGEA) each year. Our 2021 report highlighted our progress to improve gender diversity, including that the proportion of new hires and promotions of women was greater than the proportion of women across our workforce.

Women's representation increased at multiple levels of our organisation over the year:

- **43%** of our employees workforce is female (2020: 40%)
- **29%** of our managers are female (2020: 25%)
- **48%** of our non-managerial employees are female (2020: 45%)
- **49%** of promotions were awarded to women, greater than the proportion of female employees and continuing an upward trend over the last four years, from 32% in 2017
- **52%** of candidates interviewed for roles were women, which was 15% higher than the proportion of female applicants (37%).

There was good retention of women at managerial level, with only 23% of the managers who resigned in 2020 being female. At an organisation-wide level, 42% of resignations were from women, largely in line with overall employee composition.

Supporting our families

Improving gender equality involves more men changing their behaviour. We were pleased to see that 18% of primary carer's parental leave was taken by men. This rate was almost doubled among managers taking primary carer's parental leave, of whom 33% were men.

In 2021, Alinta Energy joined the Stillbirth Foundation Australia's corporate registry, recognising our commitment to employees by including specific paid leave provisions in the tragic event of a stillbirth.

Board	Executive Leadership Team
Kathleen Bailey-Lord – Independent Non-Executive Director Alison Chan – Non-Executive Director	Amanda Hagan – Executive Director, Retail Markets Fiona Osler – General Manager, People and Culture
22% Female representation	29% Female representation

The General Manager, People and Culture was permanently elevated to the executive leadership team this year, after previously reporting to the Executive Director, Corporate Services.

International Women's Day

On International Women's Day (IWD) we celebrate the social, economic, cultural, and political achievements of women, raise awareness about women's equality and lobby for accelerated gender parity.

2021 Theme: #ChooseToChallenge

A challenged world is an alert world. Individually, we're all responsible for our own thoughts and actions – all day, every day. At Alinta Energy we choose to:

- Challenge and call out gender bias and inequity
- Seek out and celebrate women's achievements.

We aim to create an environment where people are comfortable to challenge bias, celebrate achievements and have the tools to do this effectively.

We celebrated #ChooseToChallenge by sharing a series of short interviews with people from across our business, focusing on a range of topics including supporting women to develop their career, overcoming adversity, challenging unconscious bias, and keeping fairness and equity front of mind in leadership and recruitment.

Our other activities to mark IWD included:

- Inviting employees to share a #ChooseToChallenge pledge and post a photo on the intranet
- Sharing a #ChooseToChallenge background for employees to use on video calls
- Encouraging employees to share stories of women's achievements.

Indigenous diversity and inclusion

Our new learning program: Aboriginal and Torres Strait Islander Inclusion and Culture Safety has been developed to educate employees about Indigenous inclusion in the workplace. It looks at the history and diversity of First Nations Australians and the severe, lasting outcomes of injustice and exclusion. The program also provides practical steps to promote Indigenous inclusion in the workplace and explains why this is important.

During the year we continued to build our indigenous cultural awareness with 75 Alinta Energy employees on the Chichester solar gas hybrid project completing Indigenous cultural awareness training. The training was delivered by Coongan, the training provider nominated by the Nyiyaparli people. It was well received with participants saying it improved their understanding of the Nyiyaparli people who have been custodians of the land for over 40,000 years.

More information about our engagement with First Nations Australians on the Chichester project and further afield is provided at page 84.



Pictured – Premela Abrham (Information Security Analyst) and Jonathan Mindel (P&C Operations Manager) sharing their #ChooseToChallenge pledges for International Women's Day.

Engagement, recognition and reward

Employee engagement survey

Periodically surveying our employees allows us to monitor the priority drivers of culture and engagement and identify where we can continue to improve.

A company-wide survey was held in November 2020 and pleasingly we had a 92% participation rate. Our engagement score of 7.5 out of 10 was assessed by our survey provider as a 'good' result and placed us in the middle range of their survey participants worldwide.

Health and safety responses were very positive and featured in the top quartile globally, reflecting the strength of our safety culture. Other areas that received positive employee feedback included our alignment with our values, equality, wellbeing, and how we respond to any misconduct concerns. The priorities identified for improvement related to workload, equipment, and inspiring our people with our purpose and vision.

Our actions during the year to strengthen engagement largely centred around the findings from this survey and the continued challenges of remote working, and included:

- **Workload** – Team discussions and forums to address workload through self-management, prioritisation, focus, and managing overload, plus using the newly developed Alinta Energy IQ Hub for practical advice.
- **Equipment** – A new home office equipment expense policy was introduced which reimburses employees up to \$500 for equipment to help them be safe and productive while working remotely.
- **Vision** – MD and CEO quarterly roadshow updates continued both virtually and, where permitted, in person. These reinforce our purpose and vision and give employees an overview of business performance and strategic plans.
- **Reward and recognition** – Equipping leaders to have well-informed conversations with their team members about competitive pay, bonuses, and opportunities for recognition in a challenging market.

Reward and recognition

Excellence Awards

Our Excellence Awards recognise employees and key business partners, showcasing exceptional performance and celebrating achievements by individuals and teams that align with our shared values. We also have a community contribution category that recognises people who make a significant difference outside the workplace. This year, the awards were held as a virtual event in February 2021.



Shining a light on everyday achievements

Spotlight is our platform for peers to recognise colleagues living our shared values in their day-to-day work. It makes it easy for everyone to share success stories, which are profiled on our intranet and in our fortnightly internal e-newsletter.

A total of 450 activities were recognised through the Spotlight platform this year.

Career milestones

Our service recognition program acknowledges the valuable contribution our people make. It presents service awards to employees at important milestones in their career with Alinta Energy.

To meet the needs of our growing organisation, which has a higher proportion of newer team members, the program has two components:

- A networking and social opportunity for people reaching their one and two-year milestones to build their connections and profile.
- Awards to acknowledge employees reaching significant employment milestones.

During the year, 64 employees reached a special service recognition milestone. Almost 7% of our workforce has been with us for 10 years or more, compared to our average employee tenure of 3.5 years.

Industry recognition

Two of our people were recognised at the Australian Institute of Energy's WA Energy Awards in December 2020.

Dr Gary Bryant, General Manager Asset Strategy was the winner of the Energy Professional of the Year.

Joshua Wozniuk, Plant Manager at our Wagerup power station was selected as a finalist for the 2020 Young Energy Leader of the Year.

This is well deserved recognition of Gary and Joshua's professional contribution by a peak body that represents all sectors of the energy industry. We are proud to congratulate Gary and Joshua on their outstanding achievements.

Celebrating four decades of employment

Much can happen in 40 years and progressing your career at a single workplace is an increasingly rare accomplishment. Glenbrook power station in New Zealand has had the privilege to work with Stephen Spring who really is the definition of a loyal and (very) long-serving employee.

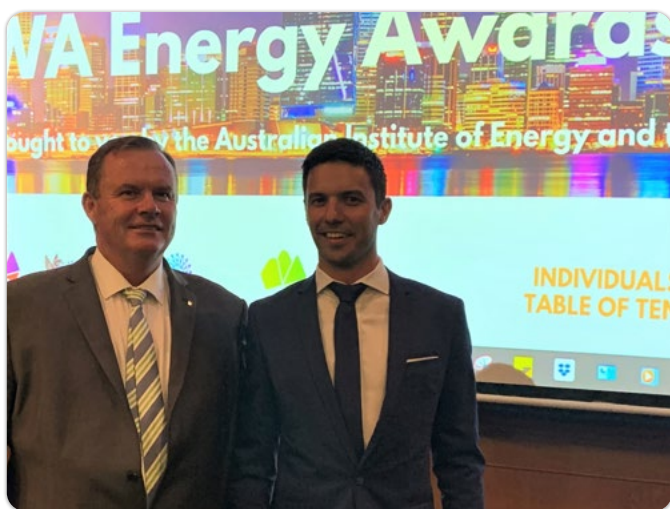
When Stephen began work in March 1981, the Glenbrook generator was owned by New Zealand Steel (our current customer). Stephen is a qualified panel operator in the power station control room, but 40 years ago, he ran a single waste heat boiler or coal fired boiler. Eventually this became eight boilers and three turbines. Over the decades, Stephen has seen two changes of ownership and Alinta Energy's purchase of the asset in 2004.

For anyone visiting Glenbrook it's impossible not to notice the complexities of the site. For Stephen, this means his role "is really about being prepared, putting safety first and then reacting to whatever is required on the day."

Stephen plays an important role in training employees as part of the operations team and has noticed priorities change with the times. "Over the years I've seen an increasing emphasis on health and safety; we make the rules, and we stick to them", says Stephen.

Outside of work, Stephen lives with an ethos of service and contribution. "Since 2014 I've been travelling to Kenya to support the work of Christian missionaries over there", explains Stephen. "We support young men living in poverty and provide an on-site farm work program for two years. Those that decide to participate receive an education and a pathway to permanent employment."

Congratulations to Stephen on an outstanding contribution in 40 years of service at Glenbrook.



Pictured – Dr Gary Bryant (left), and Joshua Wozniuk at the 2020 WA Energy Awards



Pictured – Steve Taylor, Operations Manager (left), with Stephen Spring (right) in the control room.

Employment at Alinta Energy

Employee data

During FY21, our employee numbers increased from 717 to 871 (21.5%), and have grown by over 50% in the last three years. The onshoring of our Customer Experience Hub in Morwell, our transformation projects particularly in technology, and the continued focus on compliance have all contributed to the growth in our team.

The tables below summarise our employee composition at 30 June 2021:

	Employee Numbers		Full Time/Part Time		Employment Type		
	Total	FTE ^b	Full Time	Part Time	Salaried ^c	Casual	CEA ^d
All employees^a	871	857	95%	5%	97%	1%	2%
Non-executive directors^e	9	N/A	-	100%	100%	-	-
Executives^f	7	7	100%	-	100%	-	-
Senior leaders	53	53	100%	-	100%	-	-
New employees	333	330	98%	2%	99%	1%	0% ^g
Departing employees	179	174	94%	6%	98%	1%	1%
Average tenure of departing employees (in years)	2.81		2.39	9.91	2.78	0.29	8.14

	Gender			Location		Age		
	Women	Men	Non-binary	Regional ^h	City	Under 30	30 to 50	Over 50
All employees^a	44%	56%	0% ^g	19%	81%	18%	65%	17%
Non-executive directors^e	22%	78%	-	-	100%	-	22%	78%
Executives^f	14%	86%	-	-	100%	-	29%	71%
Senior leaders	15%	85%	-	-	100%	-	68%	32%
New employees	53%	47%	0% ^g	46%	54%	33%	55%	12%
Departing employees	46%	53%	1%	14%	86%	19%	63%	18%
Average tenure of departing employees (in years)	2.98	2.69	0.47	0.96	3.12	1.28	2.38	5.99

a. All employees includes all people paid through the Alinta Energy payroll. This includes our MD and CEO as well as other permanent, maximum term and casual employees. It excludes non-executive directors and contractors.

b. FTE refers to full time equivalents.

c. Salaried employees are permanent or maximum term employees on a fixed salary that is reviewed annually.

d. CEA refers to a Collective Employee Agreement which applies to some of our New Zealand employees.

e. Non-executive directors are the members of Alinta Energy's Board, other than the MD and CEO who is an executive director and is included in the Executives category. They are not assigned an FTE and are remunerated through a fixed fee.

f. Executives includes the MD and CEO and the executive leadership team.

g. These categories include employees but because the data is rounded to the nearest percentage, it appears as 0%.

h. Regional locations are those more than 80km from the nearest capital city.

Joining and leaving Alinta Energy

Recruitment

Our recruitment function has a strong focus on engaging with candidates and leaders, enabling us to source most roles through our internal recruitment team.

During remote working, we found new ways to connect with candidates throughout the recruitment process including video and online interviews and team coffee catchups with candidates.

This year, we joined the Circle Back Initiative which improves candidate communication, with members agreeing to respond to every job applicant. Our processes provide candidates with a timely response and feedback, keeping them well informed at every stage of their application.

New employees

Once a successful candidate accepts our employment offer, we send them a personal video welcoming them to the team.

New starters also receive a welcome pack containing our values along with a pen, notebook, hand sanitiser and drink bottle. We also include a packet of carrot seeds – these reflect our focus on growth and sustainability (and orange is our favourite colour!).

New employees are invited to complete a survey on their 3-month anniversary, which gives us valuable insights to help us keep improving how we bring new starters on board. Recently, it's also provided feedback on how well our revised processes for new employees are working during the pandemic. We're glad to find this has largely been a positive experience.

In FY21, 86 of our new starters completed the survey – here's some of what they told us:

- The recruitment process exceeded their expectations
- The pre-employment and induction process largely met or exceeded their expectations
- They have great rapport with both leaders and team members and feel well supported
- They understand how and where to get help and are clear about what's expected from them
- Our leaders model our values and behaviours
- Joining Alinta Energy was the right decision.

Other aspects that contributed to their experience included our buddy system for new employees, support from management and great flexibility.

Offboarding

Departing employees are invited to complete an exit survey, which helps us understand their employee experience and their reasons for leaving. During the year, 160 people took the opportunity to share their feedback through this process.

- **72%** said their sentiment on leaving was overwhelmingly positive, that they like Alinta Energy and its people, and that it was a great place to work.
- **68%** felt we are well aligned to our values of Safety, People Matter, Respect & Integrity, Customer Focus, One Alinta and Commercial Leadership.

During the year, the reasons for leaving Alinta Energy were:

- **46%** are continuing a career in a new industry.
- **36%** are pursuing a new opportunity.
- **13%** for personal reasons.
- **5%** are not able to satisfy their goals.

Some of the comments made by departing employees in their exit surveys were:

“The people at Alinta are great, not only in my immediate team but across the broader company. I'm grateful that I've had wonderful, supportive leaders and colleagues and also the support from the company to further my education.”

“I've really liked the way Alinta Energy has allowed me to independently work and take decisions on behalf of the business. This creates an additional sense of responsibility and accountability and brings the best out of resources.”

Employment arrangements

Labour management relations

Our employee relations are underpinned by Alinta Energy's values of People Matter and Respect & Integrity, including acting fairly and supporting equal opportunity, diversity and inclusion. Decisions on appointments and promotions are based on merit and we have processes to challenge and reduce unconscious bias.

Alinta Energy's employment practices are governed by legislation, regulations and industrial instruments. We comply with minimum notice periods regarding operational changes in accordance with Australian and New Zealand legislation.

Freedom of association and enterprise bargaining

Our employees and contractors have the right to associate freely and join industrial associations such as trade unions. Employees also have the right to engage in enterprise bargaining, where they and their representative (such as a union) negotiate with us for an enterprise agreement.

Stabilising our structure

People and Culture assisted the business to stabilise our structure following last year's restructure by ensuring the right people were in the right roles, clarifying roles and responsibilities, and providing support to areas of the business where people were affected.



Getting to know –

Amanda Hagan, Executive Director Retail Markets

Amanda joined Alinta Energy in December 2020 as our Executive Director of Retail Markets. She is responsible for developing the strategy for our Retail Markets business, along with retail customer service and mass market sales.

Her role looking after our retail customers ranges from making sure their bills are accurate and meter readings are timely, answering customer questions through their channel of choice, helping them lower their energy costs, and exploring opportunities for new products and services.

What is the best part of your role?

The breadth of interesting things that happen in a day; there is certainly never a dull moment. My role is very broad and I get to work with a fantastic group of people.

What changes are you seeing in the energy industry that excite you the most?

The pace of the transition to renewable energy, and Alinta Energy's role in that, is why I joined the industry and Alinta Energy in particular. It's exciting to be part of an industry that delivers an essential service and is transforming at a rapid pace.

What does sustainability mean to you?

To me, sustainability is every single person's responsibility. It is about creating as small a footprint as you can in terms of the waste you generate, being careful about your choices in terms of packaging, and taking personal responsibility for how you live your life for the sake of generations to follow.

If you could switch lives with anyone for a day, who would it be with?

Nigella Lawson.

Outside the office, what do you like to do for fun?

I absolutely love to cook. My weekend would not be complete if I didn't spend hours on a Sunday afternoon trying out a new recipe and generally cooking up a storm. I find it incredibly therapeutic and a real creative outlet. I also have a new passion: growing my own food.



Our communities

Alinta Energy's Community Development Program has committed \$2.5 million over the five years to 2025 to support our communities.

We also have a paid volunteering leave program for our employees to help community organisations that are important to them.

Our sites contribute to their local communities by donating to local charities and not-for-profit organisations.

The actions and initiatives described in this section of the report support the United Nations' Sustainable Development Goals (SDGs) shown below. For a summary of our contribution to each of these goals, refer to the SDG Actions and Initiatives section on page 105.





Community development program

Alinta Energy's Community Development Program has committed \$500,000 annually to 2025, with a total contribution of \$2.5 million. We support organisations that:

- Alleviate social disadvantage, aligning with our sense of purpose to make energy more affordable
- Promote sustainability, aligning with our objectives to reduce our environmental impacts.



Community Development Program

Since we established the program in 2020, charities have faced mounting demand to support more people and areas hardest hit by Australia's natural disasters and COVID-19.

The program incorporates three tiers:

- **Partnerships** – Ongoing collaboration with large charities to achieve longer term outcomes
- **Grants** – One-off amounts to support small and medium-sized groups
- **Site donations** – Financial support for organisations in the local communities of our major operations.

Community partnerships

Our major partnerships are with The Salvation Army, Foodbank and Conservation Volunteers Australia.

Australians have had it tough with drought, floods, bushfires and COVID-19. As well as supporting our customers through this challenging and uncertain time, our community program provides broader support.

Some of the work done through our community partnerships includes:



The Salvation Army

Our partnership supports people experiencing homelessness and financial hardship with financial assistance, accommodation, and essential supply packs.

While some employees were able to volunteer during the year, COVID-19 restrictions limited participation compared to previous years.

The Salvation Army kindly shared their deep expertise in working with people experiencing vulnerability by facilitating a workshop with a group of Alinta Energy leaders. This was an invaluable experience for our people, particularly amid the pandemic.



Foodbank

Foodbank provides food and groceries to over 2,600 Australian charities who distribute them to people experiencing food poverty. Alleviating food poverty is critical to wellbeing because immediate nutrition improves physical health, social relationships, self-worth, emotional wellbeing and school performance.

Though our partnership with Foodbank, we funded 194,518 meals to help those in need. This had a social return on investment to the individuals and community of \$1.07 million.

Our people had the opportunity to join Foodbank's emergency NSW flood response volunteering appeal. They were also able to join the Foodbank and Alinta Energy employee-wide online event that shared with our people in real time how COVID-19 affects charities like Foodbank, and how they could get involved in the fight against food poverty.



Conservation Volunteers Australia (CVA)

Our partnership helps CVA's Wild Futures program, which has ensured the critically endangered Cumberland Plain Woodlands in Western Sydney's Londonderry Woodland Reserve habitat is maintained for rare and threatened species like the glossy black cockatoo, swift parrot and the barking owl.

Once COVID-19 restrictions eased, there was a surge in employee volunteering with CVA's #SeaToSource program to remove and monitor ocean litter, and their annual tree planting corporate competition. Feedback from these events found that as a result of volunteering, 90% of people were strongly inspired to reduce their impact on the environment.

Community grants

Each year, our community grants program allocates up to \$200,000 to small to medium not-for-profit organisations. Applications can be made all year round and are awarded twice a year, with individual grants of up to \$20,000.

Our Community Development Committee votes on all new applicants to award grants, based on a rigorous framework which includes eligibility and voting criteria.



Some of the Committee members shared with us why giving back is important to them. See what they had to say here – www.youtube.com/watch?v=ozfzgtW6unY

This year we've been inspired by the work of our community grants recipients. There are so many innovative, grass roots activities happening around Australia that are making real and practical changes.

Congratulations to the 10 amazing organisations that were awarded grants this year.



Seed the Ground

The team at Seed the Ground was awarded a grant to regenerate soil by composting used coffee grinds from cafes in Miami, Queensland.

Miami Compost Hub reduces the amount of organic resources going to landfill, where they decompose anaerobically and produce methane gas. The grant's two objectives are to:

- Divert 2 tonnes of spent coffee grinds, collected from 3-5 local cafes, from landfill and into our composting systems.
- Educate 100 members of their community about the benefits of composting through offering memberships, mentoring and support and running regular composting workshops.

In just a few months, they've got six cafes on board, have diverted 1.5 tonnes of spent coffee grinds, and educated more than 50 local community members.

"We're here to shake up the energy in our community and really get the concept of composting at the top of everyone's thinking."

– Nat, Director, Seed the Ground



Tech Girls Movement Foundation

The Tech Girls Movement Foundation successfully held its Techgirls Competition in 2020, despite the instability caused by lockdowns and remote learning.

The competition inspires young women to solve important community problems with Science, Technology, Engineering and Maths (STEM) solutions. It combines problem-solving through a social, business, and technical lens, producing high-quality business plans, pitch videos and working app prototypes.

Our grant directly supported 119 students from 23 schools across Queensland, Victoria and Western Australia. Eleven of the teams were from regional, remote or low socio-economic status schools.

Of the students who participated in the annual 12-week STEM Entrepreneurship competition, 80% are now more confident about developing new ideas using technology, and 45% are more likely to consider a career in STEM.



Rottnest Island Foundation

Our grant and teams of volunteers will help stabilise and rehabilitate the Longreach Link at Rottnest Island.

The funds have allowed the collection of endemic seeds, resulting in a higher survival rate, and propagation of 3,200 coastal species by island nursery volunteers and Rottnest Island Authority staff. It has also enabled the Foundation to install fencing and jute matting to protect and stabilise the site.

In August 2021, Alinta Energy and island nursery volunteers started planting to minimise future erosion and improve the habitat for native fauna.



Young Change Agents

Our grant funds a Virtual Environmental Impact Challenge that explores people's impact on the environment. The challenge is inclusive of all youth including marginalised and disadvantaged young Australians. It empowers them to ideate, validate and share ideas to reduce environmental impact.



Check out some of the ideas from the Challenge's finalists here – www.youtube.com/watch?v=MlleQV54FLw

Site donations

In addition to our partnerships and grants, Alinta Energy's Community Development Program provides up to \$5,000 each year to each of our Australian operational sites to support charities and organisations of their choice, helping local communities where we operate.



Port Hedland power station

Hedland Men's Shed provides a safe and inclusive space that welcomes all men from the Hedland community. Through that engagement, they not only build projects but also mateship and wellbeing.



Newman power station

Newman Women's Shelter is a safe place that is open 24/7 for women and children experiencing domestic violence.



Glenbrook power station

The Graeme Dingle Foundation's Kiwi Can program is aimed at children from five to 12 years old. Kiwi Can focuses on developing respect as part of their anti-bullying program.

It is the first step of a journey that takes young people through the Foundation's programs at different stages in their schooling. This develops values and life skills students take with them through school and into later life. Each student visits a Kiwi Can class once a week to enjoy a positive, uplifting environment that encourages self-belief and confidence.



Braemar power station

The Helping Hands outreach project for Dalby INC. provides support and relief to struggling families in the local area.

Yandin Wind Farm community fund

Yandin Wind Farm (a RATCH/Alinta Energy investment managed by Alinta Energy) has a separately funded and governed community development fund. This contributes \$50,000 per year in individual grants of up to \$5,000 throughout the wind farm's construction and operation. This equates to more than \$1,000,000 of support over the life of the Yandin Wind Farm.

To find out more about the Yandin Wind Farm, which commenced operations this year, please see page 50.

Community impacts from operations

Our operations have the potential to impact residents located near our energy generation facilities. Site managers report all community complaints relating to their facility using our event management system and ensure they are investigated and that necessary corrective actions are implemented. When the person who has made a complaint provides their contact details, the management team communicates the investigation outcome and is responsible for addressing the underlying issues.

No people were physically or economically displaced by new, expanding or existing projects during the year.

Employee volunteering

Our volunteering program gives employees an additional day of paid leave each year to support a not-for-profit close to their heart.

We protected the safety of our employees and the community by implementing a COVID-19 risk assessment for all volunteers. With this in place, we contributed over 480 hours of volunteer service to help our communities.

Excellence Awards – community contribution

Dave McDonald, Maintenance Team Leader at Loy Yang B power station received this year's Community Contribution Award for his dedication to helping his local community.

Dave volunteers regularly with St Vincent de Paul, preparing and delivering meals to people doing it tough. He is a passionate advocate for junior basketball and has helped numerous young people in his role as a volunteer coach for the past 20 years. He's also involved in the Latrobe Valley All Abilities Sports Program that runs sessions with children with a disability.

Refer to page 70 for more details on the Excellence Awards.



Sponsorships, donations and partnerships

During the year, we have supported a number of organisations and events through sponsorships and charitable donations. This includes our support of the Alinta Energy Christmas Pageant in Perth (see below for more details) and the McGrath Foundation (see page 96 for more details).

Alinta Energy Christmas Pageant

We were delighted to bring the magic of Christmas to the city of Perth once again. In 2020, the pageant was held in a new location at Langley Park. This gave families more space to bring picnics and chairs, while supporting physical distancing. It also meant there was space for new rides and attractions for everyone to enjoy.

Twenty families won a pass to our VIP section at the pageant through a customer competition, making their experience even more special.



Indigenous Australians

Indigenous engagement

We recognise Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia and acknowledge their ongoing connection to country.

Our long-term operations in the Pilbara region of Western Australia means we maintain positive and growing relationships with the Traditional Owners, the Nyiyaparli and Kariyarra People.

Each year, we meet with the Nyiyaparli and Kariyarra People to review and plan for the coming year. These discussions include opportunities for work experience, Indigenous contractors and providing cross-cultural awareness training to our personnel.

At a project level, we follow agreed heritage survey and management protocols, consult on the preferred location of infrastructure, ensure traditional custodians of the land are included in environmental surveys, and require the tenders we assess to have Indigenous involvement as a selection criteria.

Chichester Solar Gas Hybrid Project (East Pilbara, Western Australia)

In recognition of working in Nyiyaparli country, we committed to Indigenous engagement targets that are supported by an Indigenous participation plan.

During the construction phase of this project, our EPC Contractor, Downer, met these required targets as shown below:

Target	As at 30 June 2021
3% Indigenous employment (project labour hours)	7.25% hours and 8 FTEs ^a
3% Indigenous procurement	4.32%
Cross cultural awareness training	100% ^b

a. Full time equivalent workers at peak employment

b. A total of 299 Downer workers undertook the training, which comprises 100% attendance for eligible workers that met minimum time requirements for training and where training was available and not impacted by COVID-19 restrictions. Additionally, 75 Alinta employees received cross cultural awareness training from Coongan Training.

These results surpassed the project's initial targets and are a great example of how a large organisation like Alinta Energy can support local and Indigenous communities.

One of the project's Indigenous subcontractors was Maramara, who provided civil construction services. Find out more about their work in our case study which is available on the Northern Australia Infrastructure Facility (NAIF) website .

Alinta Energy has committed to creating further opportunity for Indigenous engagement over the next 20 years and beyond. This includes an annual minimum spend on Indigenous businesses and contractors for operational aspects of the new project infrastructure. To support these targets, we have established a relationship committee with representatives from the Nyiyaparli People and Alinta Energy.

We also follow the heritage protection measures set out in the Heritage Protocol. This provides a framework to manage and protect Aboriginal heritage with the engagement and guidance of the Nyiyaparli People.

Morwell customer experience hub

Alinta Energy engaged with AMAROO on the fit-out for our new customer service facility in regional Victoria. They are an Australian corporate furniture and joinery company that supports Indigenous young people, communities and businesses

Through this work, we helped secure employment for four young First Nations Australians as part of AMAROO’s Lead with Culture sponsoring and mentoring program.

Kids Under Cover

Alinta Energy’s Community Development Program supported Kids Under Cover with a community grant this year. This funded 22 education scholarships to young people in regional Victoria formerly at risk of homelessness. These scholarships provide critical financial relief to offset the costs of their education and training. Six of the students who were awarded scholarships were First Nations Australians.

Kids Under Cover helps the increasing number of young people who are at risk of disengaging from family, community and their education due to the COVID-19 pandemic.

Many students in vulnerable circumstances face digital exclusion, lacking appropriate tools and technologies to engage effectively with their schooling, friends and communities, especially during lockdown. Coupled with increased family disruption, under-employment and reduced social interactions, this is resulting in more young people disengaging at a critical time for their life outcomes and longer-term mental health.

Three young people from the same Bairnsdale family were awarded scholarships to enable them to continue with their education. All three children have intellectual disabilities, are engaged with their secondary education, and have clear goals for the future.

The eldest girl is completing year 12 and hopes to become a dental nurse. She has already enrolled in a school-based training course at RMIT to assist her with achieving this goal.

Her younger brothers are in years 8 and 9. One of the younger children spoke of the value of the scholarship: "For Koorie kids it’s hard to get the everyday things at school so this will help me pay for some of the course electives," Both boys would like to pursue trades when they leave school. The scholarships for this family were used to fund software, books and other resources as well as fees to take part in activities which otherwise would not have been possible.



Pictured – Our plaque from AMAROO that is proudly displayed at our Morwell Customer Experience Hub



“They are looking forward and actually talking about their career path, not hanging about the streets, they are not doing anything illegal.”

“It was life changing for us, really brought us all together and got her off the streets.”

16 <https://naif.gov.au/what-we-do/indigenous-engagement/indigenous-engagement-strategy/progress-on-chichester-ies-strategy/>

Markets and customers

Alinta Energy is determined to give our customers a big deal that offers savings on energy and so much more – from investing in local customer service, a more sustainable future, giving back to the community, and finding new ways to reward our customers.

The actions and initiatives described in this section of the report support the United Nations' Sustainable Development Goals (SDGs) shown below. For a summary of our contribution to each of these goals, refer to the SDG Actions and Initiatives section on page 105.





Customer service

Multi-award winners

We are honoured to have received two more Canstar Blue Most Satisfied Customer awards in 2020 in Queensland and New South Wales.

This was our fourth Canstar Blue award in Queensland for most satisfied electricity customers, reflecting 5-star ratings for factors including value for money, customer service, online tools and advice, and overall satisfaction.

In New South Wales, we're celebrating a brand new Canstar Blue win, receiving the most satisfied gas customers award for the first time in 2020.

Once again, thank you to all our customers for supporting us – you're the reason we are dedicated to being Australia's best energy company.



Customer experience

Our customer service contact centres assist customers with their energy needs, from general enquiries through to moving premises. We are extremely proud of how our people have maintained a high level of customer service throughout COVID-19, including during lockdowns and extended periods of remote work.

The executive leadership team places a high importance on our customers' experience, and we have a program in place in which they listen to real customer service calls. This gives them a first-hand view of what our customers are saying, providing unmatched practical understanding about the issues that matter to them.

Bringing customer experience on shore

In January 2021, we announced we would be moving our customer service call centre from the Philippines to the Latrobe Valley in Victoria, investing in Australian jobs and regional employment.

Our MD and CEO, Jeff Dimery, said the change demonstrates our commitment to deliver even better service to all our customers.

“We know our customers enjoy speaking to local people; now they’ll be speaking to local people in Victoria.”

It's particularly meaningful for Jeff, who began his working life in a contact centre for Melbourne Water, right after he finished high school and began his university studies part-time.

“I believe that any worker with the right level of enthusiasm, focus, drive and intellect can achieve anything they want with an organisation. I think I'm proof of that, and this is our culture at Alinta Energy.”

Our new customer experience hub in Morwell officially opened in April and is now taking customer service calls from across the east coast. Our Perth-based customer service team will continue to support customers on the west coast.

Morwell customer experience hub

In January 2021, we signed a 5-year lease with Federation University to base our new customer experience hub at its Morwell Innovation Centre in Victoria's Latrobe Valley. This is the home of Alinta Energy's new east coast call centre, serving our customers across Victoria, New South Wales, Queensland and South Australia.

People came together from across the business to manage the resourcing, fit-out and systems to get the customer experience hub up and running smoothly.

Employing local people

When recruitment is complete, the hub will support the job creation of around 250 people, with most coming from the local community in the Latrobe Valley. At 30 June 2021, we're halfway to this target, with 122 employees working at the call centre.

Recruitment and induction

We began recruiting in January 2021, with over 30 careers sessions held weekly for frontline roles. These were conducted virtually or in person, according to COVID-19 restrictions in place at the time, and followed our COVID-safe plan.

Candidate responses were extremely positive, and in the last week of July 2021, we welcomed the 14th wave of new employees.

The training and development team implemented a comprehensive three-week induction course to set our new starters up for success. The first four induction courses were held at local venues while the hub was still being fitted out. We are grateful to the Italian Australian Club, Latrobe Valley Enterprises, and Morwell Bowling Club for supporting us during this period.

Fit-out and setup

The customer experience hub accommodates 188 people and includes two training rooms.

We engaged Jones Lang LaSalle in late January to project manage the design and construction of the site fit-out. It was completed on time and within budget by mid-April.

In the week leading up to the hub's official launch, we received 20 pallets of IT equipment along with several pallets of general supplies. Support staff came from our Adelaide, Melbourne and Sydney offices to make sure everything was ready.

Helping our team were staff from the nearby Loy Yang B power station, which supplies electricity to Alinta Energy. We also received significant support from Latrobe Valley Enterprises, who sent over their entire team to our site to collect and recycle all the cardboard and packaging.

Official launch

Jeff Dimery, our MD and CEO, and Amanda Hagan, our Executive Director for Retail Markets, officially launched the Morwell customer experience hub in April 2021. We are proud of the team effort to deliver the project on time and on budget, embodying our One Alinta value.



The Morwell customer experience hub in operation

In just a few short months, our new facility is busy with team members helping our east coast customers meet their energy needs.

Meet two of our Morwell customer experience hub team members

We spoke to Wendy, a Customer Service Representative, and Elisa, a Training Specialist, on how their time at the customer experience hub was going.

What are you enjoying most about your role with Alinta Energy so far?

Wendy: I'm enjoying the team spirit and the way we've really bonded as a team. Starting in the first wave of new starters, we had to forge the way forward and set the bar for future waves. Joining Alinta Energy is a great way for future career opportunities within the company and it's exciting to be a part of the initial team starting in Morwell.

I recently returned to Latrobe Valley after living in Melbourne for a number of years, so it's been a pleasure to come to work in the new Hub. The amenities are second to none, the location is set by a lake with ducks and a nice lunchtime walking path – it has to be one of the best working environments in the Valley.

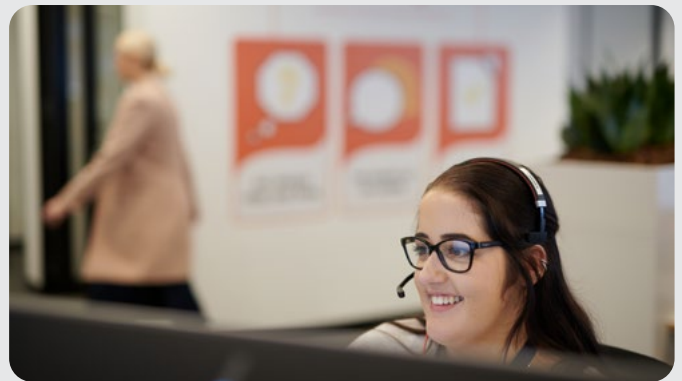
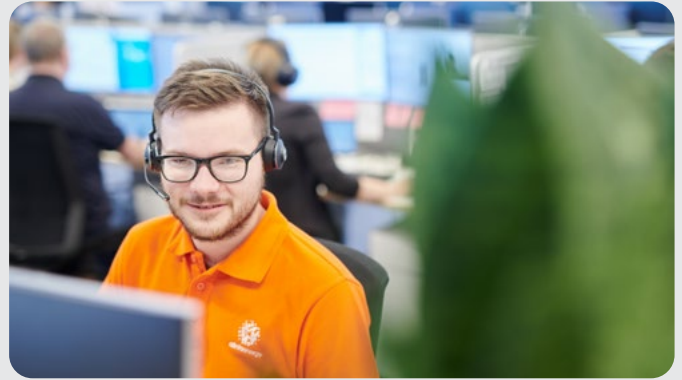
Elisa: I love the energy (no pun intended) of the company. Everyone is excited to be here and are wanting this to be a huge success. Every person you speak to is passionate about their role and making the Hub the best it can possibly be.

It's been a whirlwind learning curve for me – being a trainee in the first wave of intakes, to assisting with the training in the second intake, and now I am lead facilitating the current intakes. Every day is busy, exciting, and different!

Tell us something you love about Morwell and why.

Wendy: After growing up in the Latrobe Valley, I was happy to return to the country life from the hustle and bustle of the city. I settled in Yarragon, which is a very picturesque area with lots of places for me to venture to on weekends to take photos. Alinta Energy setting up in the Latrobe Valley is a big boost for the community, which has suffered during the past few years. Hopefully the Hub's presence can be a positive boost for local job opportunities.

Elisa: I had never spent much time in Morwell prior to starting at Alinta Energy, even though I live 10 minutes away. What I have found is that everyone helps each other out, looks after one another and is a tight knit community. These values have flowed into the Hub and you see them demonstrated daily.



Pictured - Elisa (left) and Wendy (right)

Measuring our customer service performance

We continually survey our customers to monitor customer satisfaction and the Net Promoter Score (NPS), which measures customers' willingness to recommend our services to others. Both measures are widely used in the Australian energy industry.

The quality of our service is evident from strong NPS and customer satisfaction results that nationally average +58 (NPS) and 85% (customer satisfaction).

NPS and customer satisfaction results

	FY21 Target	FY21 Actual	FY20 Actual	FY19 Actual	FY18 Actual
Net promoter score					
West coast	> +60	+79	+74	+71	+71
East coast	> +60	+50	+56	+62	+62
Customer satisfaction					
West coast	> 90%	93%	93%	92%	93%
East coast	> 90%	82%	86%	89%	79%

The fall in our east coast NPS and customer satisfaction results were driven by technical challenges encountered by our call centre staff during the periods with the strictest COVID lockdowns when they were required to work from home.

Handling complaints

Our customer complaints process was developed in accordance with the Australian Standard on complaints handling and the Gas Customer Code. It addresses how we deal with complaints, how we distinguish general queries from complaints, and how and when we respond to customers when they lodge a complaint.

If a customer believes we haven't adequately addressed an issue they have raised with us, they can escalate it to the relevant state ombudsman. Monitoring complaints to the ombudsman is one way for us to assess the effectiveness of our customer processes and identify improvements.

Average monthly complaints per 1,000 customers

Market	FY21 Actual	FY20 Actual	FY19 Actual
West coast	0.01	0.02	0.02
East coast	0.24	0.33	0.49

The rate of ombudsman complaints is calculated based on mass market and small business customer numbers. It includes meters that Alinta Energy is responsible for, but where the premises may be unoccupied.

The average level of ombudsman complaints per 1,000 customers per month during FY21 for the east coast was 0.24 (FY20: 0.33) and for the west coast was 0.01 (FY20: 0.02). These improvements reflect a combination of reduced credit activity, and initiatives and improvements in our call centres which mean a greater rate of calls are resolved before customers approach the ombudsman.

Our escalation team manages customer interactions that aren't resolved during the first contact and expedites customer concerns. The continuous improvement and escalation teams work together to analyse the root cause of complaints and coach the wider customer service teams to lift the level of customer service.

Where analysis identifies system and process issues, insights are shared with functional specialists in the business to make improvements designed to address the problem at its source. This includes enhancing processes and providing increased training to the teams.

Rewarding our customers

As well as great value energy and award-winning service, we offer our customers a range of benefits including exclusive competitions, VIP experiences and an online rewards shop.

Competitions

Over the year customers had multiple opportunities to win energy credits:

- **National competition** – Across the country, 28 lucky participants won a \$500 credit off their power bills, representing total savings of \$14,000.
- **West coast promotion** – Our popular promotion to win free gas received over 18,000 entries from May to October 2020. Five customers won free gas for a year, receiving a credit for the full amount of their gas bills. This was a total prize value of up to \$2,500 for each winner.

We also ran a range of customer competitions with Cricket Australia prizes. Find out more in our Cricket Australia partnership section on page 95.

Online rewards shop

Our rewards shop offers the best deals in entertainment, attractions and lifestyle products, enabling customers to take advantage of discounts ranging from movie tickets to gift cards and electronics.

This year, our customers saved a total of more than \$20,000 off recommended retail prices, or an average of 24% per order.



Find out more about our online rewards shop here – www.youtube.com/watch?v=_8PfJUyKh-w

Digital platforms


We engage with our customers across a range of digital platforms that make it easier and more convenient for them to connect with us. This helps us meet their needs quickly so they can get on with the rest of their day.

Some of the key digital platforms our retail business uses include:

- **CORE Billing Platform** – This state-of-the-art technology is owned by Alinta Energy and manages operations across our east coast commercial and industrial gas and electricity customers. Next year, we will extend CORE across our east coast consumer and small to medium enterprise (SME) customers.
- **Alinta Energy MyAccount** – The digital hub for our residential east coast customers is currently undergoing a major transformation. In early 2022, the initial release will be introduced for our residential and SME customers. Planning is underway to launch further new features over the following year which will provide greater functionality and accessibility for customers to manage their energy with us.
- **Power Pilot** – This portal for more sophisticated energy buyers provides more transparency and control over their wholesale electricity cost. Customers can spread their risk over several energy purchases, rather than purchase all annual energy requirements up front.
- **Connect Develop** – This solution incorporates two cloud-based apps, CX Movers and CX Builders, that make it quick and easy for tenants, property managers, service providers and new building sites to manage their energy connections. During the year, we acquired the remaining 25% of the Connect Develop business, bringing it wholly into Alinta Energy.

Alinta Energy PowerPilot

Be in control with progressive purchasing designed by energy buyers for energy buyers



Progressive purchasing helps manage the risk of purchasing electricity by letting you buy your electricity in smaller, ongoing parcels.



And now, with the **PowerPilot** progressive purchasing platform from Alinta Energy, you have a simple and secure way to take control of your electricity price.

How PowerPilot puts you in control

Designed in collaboration with energy brokers and large business buyers, PowerPilot provides a simple and intuitive solution for managing price and volume risk.

PowerPilot lets you:

<ul style="list-style-type: none"> Monitor wholesale electricity prices Choose the timing and volume of your purchases Manage everything in a simple dashboard environment Track the impact of each purchase with real-time price calculations 	<ul style="list-style-type: none"> See your current position in either percentage or dollar terms Stay updated with energy market data Generate insightful reports Ensure only authorised users complete transactions with two-step identification
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Customer service

Customer privacy

Protecting our customers, business partners and internal information from loss, unauthorised access, manipulation or deletion is paramount. We operate within an information governance framework that requires us to know our data (classify and label), protect our data (physically and electronically) and manage our data in accordance with regulatory requirements.

Our Privacy Policy sets out how we collect, manage and use our customers' personal information and outlines the procedure for reporting a breach of privacy. Our Cybersecurity Policy and Information Classification and Handling Standard governs how we protect information. These documents, along with our internal systems and processes, are reviewed regularly to ensure ongoing compliance with the Australian Privacy Principles in the Privacy Act 1988.

All employees are required to be good corporate data citizens so that our customers can trust us to handle their personal information.

During FY21, Alinta Energy did not have any substantiated eligible data breaches as defined under the Privacy Act, and Alinta Energy network monitoring has not identified any leaks, thefts, or losses of customer data. In March 2021, we were issued with, and have responded to a notice of investigation from the Office of the Australian Information Commissioner. The outcome of this investigation will be documented in our FY22 sustainability report.

Competition and consumer law

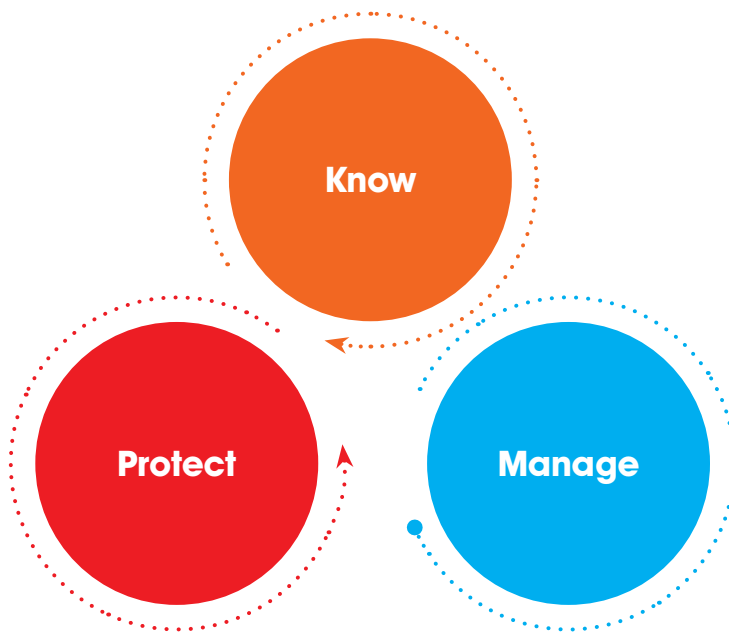
We take compliance with consumer law very seriously and have a robust program in place to adhere to the Competition and Consumer Act 2010. This includes a mandatory annual online compliance training and assessment program for relevant staff to ensure they clearly understand their legal responsibilities. There were no instances of legal actions taken against Alinta Energy for breaches of the Competition and Consumer Act during FY20.

We regularly monitor the activities of our business partners, particularly marketing and outsourced service providers, to identify and rectify any compliance concerns in a timely manner. Communicating with our customers is essential to clearly and accurately explain our products, services, and the benefits of being an Alinta Energy customer. We interact with customers through face to face conversations, phone calls with our customer service centres, correspondence such as letters and bills, email, our website, and social media. Our customer communications also include advertising, sponsorship and promotional materials.

In the event that compliance breaches are identified, Alinta Energy reports these to relevant regulator. During the year, we engaged with the Essential Services Commission Victoria and the Australian Energy Regulator in relation to the following self-reported matters:

- **Payment Difficulty Framework:** In December 2020 we were issued with 75 infringement notices in relation to compliance breaches during FY20 and FY21 for the processes by which customers were deemed eligible for hardship assistance.
- **Life support:** In November 2020 we received a penalty and entered into an enforceable undertaking with the Australian Energy Regulator (AER) following identified non-compliances in relation to life support customers. The material aspects of the breaches involved failure to register premises for life support after being advised by a customer that it was required, and failure to provide the required life support notifications to distributors and information to customers. Since then, Alinta Energy's obligations under the enforceable undertaking have been discharged. We are currently undergoing an audit and the AER will make a determination in relation to our compliance with the enforceable undertaking in FY22.

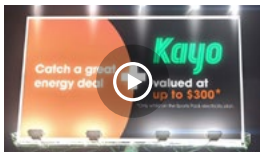
There were no identified non-compliances with regulations concerning marketing communications, including advertising, promotion and sponsorship in FY21.



New products and projects

We're making energy simple, with great value easy-to-understand plans, transparent pricing, and local support and call centre staff to help customers when they need it.

Our award-winning HomeDeal and Sports Pack deals have competitive, simple rates, no lock-in contracts or exit fees, no credit card fees including for AMEX, and give access to a range of rewards. HomeDeal is our most competitively priced energy deal in the market, while Sports Pack offers a great energy deal plus the ability to enjoy sports live and on demand with Kayo Basic for up to 12 months. Due to COVID-19 initially reducing international sport, we extended the benefit period for our customers who had signed up to Kayo in the first year of this plan for an additional 12 months.



Check out some of the players from the Australian men's cricket team in our new Sports Pack ad here – www.youtube.com/watch?v=uwyl8O8turQ

During February and March 2021 we offered a special deal to our Western Australia customers in association with BINGE streaming service. New or returning BINGE customers could access a free 3-month standard subscription to their huge range of TV shows and movies. This saw around 10,000 Alinta Energy customers sign up for our Binge redemption codes.

Alinta Energy moving truck in Western Australia

From moving house to removing stress, our partnership with Adlam Transport makes it easier for our customers by providing moving services. To receive this benefit, you just need to be an Alinta Energy customer at your new place.

Customers can request our Alinta Energy moving truck with two crew members and get the first five hours of their move for free. This is worth over \$650 and gives our customers even greater value.

If our moving truck is not available on the day a customer wants, or they are moving on the weekend, the customer will be offered an exclusive discounted rate on another moving truck with Adlam Transport.



**Over 1,700
booking requests
(since launched)**



**Friday is the most
popular day**



**November is the most
popular month**



**The average move
takes 5 hours**



**Valued over
\$650**



Tara Andela ★★★★★

Best moving experience we've ever had! My husband and I have moved houses a few times, and seem to acquire more items everytime we move! Our removalists (Shane and Ash) were friendly and professional, and got stuck into the move right away, all the while assuring me it would all fit somehow :)

They completed the move in just a few hours, and we couldn't be happier with the service. Added bonus that by signing up with Alinta Energy, we got to utilise the free truck so most of our move was free! That being said, we both agreed that even if we paid full price for it, Shane and Ash would have been well worth the money.

Branding

Alinta Energy is a growing brand in the Australian energy market committed to reliable and affordable energy that also considers the future.

In Western Australia, we are the number one provider of residential gas and have built trust over 25 years of excellent customer service and community contribution. Over the last decade, we have grown our business on the east coast, bringing increased competition to the market and making energy more affordable.

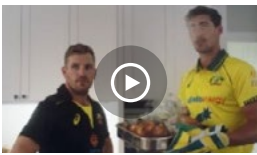
Cricket Australia partnership

Our partnership with Cricket Australia began in 2018, taking our affordable energy message across the nation. We continue to build our profile through this partnership to increase consumer awareness and create a platform to reach new customers. Our goal is to power the experience and homes of Australian cricket fans.

We are the principal partner of the Australian men's cricket team and partner of the national digital grassroots platform MyCricket. Under this four-year partnership, we are the first long-term principal partner of the Australian men's cricket team, with branding rights across the playing shirts of all three formats of men's international cricket – one of the most visible sponsorships in Australian sport.

TV advertisements

In the third year of our partnership, due to COVID-19 restrictions we adapted our previous seasons' suite of television commercials featuring some of the Australian cricket players. This ran nationally across the summer cricket season on the official broadcaster, Channel 7. We also incorporated branding and promotional content segments in the cricket coverage on Channel 7, including 'Getting to know your home team' and 'Quick singles'.



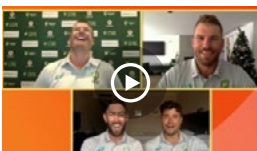
Watch some of the players star in one of our ads here – www.youtube.com/watch?v=gaFc9ES-3KE

Exclusive customer competitions

Virtual cricket experience with Aussie players

To celebrate the start of the Vodafone Test Series, we held a competition to join a special online live event with members of the Australian team.

Over 100 customers were entertained by Aaron Finch, Glenn Maxwell and Marcus Stoinis who discussed their playing experiences throughout the year being in various hubs, the Dettol ODI and T20 series against India, as well as answering some questions from their fans.



Watch this great event here – www.youtube.com/watch?v=p1471n-gl8c

Tickets to matches across Australia

Rewarding our loyal customers is a key objective of the Cricket Australia partnership. We provided opportunities throughout the season to win tickets to matches.

Winning customers were able to enjoy the Test cricket action in Adelaide, Melbourne, Sydney and Brisbane. At games around Australia, we always hosted our partners and customers in a COVID-safe manner.



Virtual business event

Our exclusive event featured two Aussie cricket legends who had one of the best opening batting partnerships in Test history – Matthew Hayden (Alinta Energy Ambassador) and Justin Langer (Australian Cricket Coach).

The virtual event was attended by invited guests who included corporate customers and key stakeholders. Hosted by our MD and CEO Jeff Dimery, they were entertained for an hour as Matt led a conversation with Justin, discussing their career experiences and leadership insights as well as answering guest questions.



Hitting a six for charity

The McGrath Foundation Pink Test

During the Sydney Test, we supported the McGrath Foundation with a pink Alinta Energy logo across all signage and the players' shirts.

Alinta Energy made a \$30,000 donation that helped launch the Virtual Seat Donation campaign which ran throughout the Pink Test and raised more than \$3 million for the McGrath Foundation.



See what Glenn McGrath had to say about Alinta Energy's contribution to the 2021 Pink Test here – www.youtube.com/watch?v=KaqS1QC2XNg

Moonee Valley Racing Club partnership

Under our three-year partnership with Moonee Valley Racing Club, Alinta Energy is the exclusive partner for its Lunar New Year race meeting.

The Lunar New Year race meeting is one of the highlights of the Club's Friday night calendar and is an opportunity for the local area to embrace and celebrate the Lunar New Year event.

Through the partnership, which commenced in 2019, we have the opportunity to reward our Victorian customers with member packages that enhance their experience at the event.



Our report

Alinta Energy's sustainability report is prepared in accordance with the GRI Standards: Core option.

Selected performance metrics in this report are subject to external assurance by Deloitte, as shown in the Independent Limited Assurance Report on pages 117-120.



Reporting principles

To provide greater transparency over our sustainability performance, this report is aligned to the GRI reporting principles for defining report content and quality.

Report content principles

Stakeholder Inclusiveness

Our stakeholders include:

- Customers
- Employees
- Suppliers
- Regulators and government
- Community groups
- Owners
- Business partners
- Contractors
- Media
- Lenders and grant providers
- Insurers
- Auditors
- Rating agencies
- Industry associations
- Non-government organisations
- The general public.

To identify material sustainability issues, we assess our key stakeholder groups' views and opinions, which are obtained from a variety of sources including:

- Feedback provided to our customer service centres
- Customer ombudsman concerns
- Customer surveys and meetings
- Employee engagement surveys
- Owners' meetings
- Community relations and engagement
- Supplier meetings
- Market research
- Participation in industry forums, memberships and associations.

We welcome comments from our stakeholders on our sustainability practices and provide contact details on the back cover of this report.

Sustainability context

This report discusses our targets and performance in the context of the limits and demands on environmental and social resources locally, regionally and globally. Where applicable, the precautionary principle is applied to assessing our impacts.

As far as practical, this report covers our operations in Australia and New Zealand, including joint ventures and members of the value chain over which we have significant influence.

These forums include Women in Energy, the Australian Energy Council (AEC), Living Future Institute of Australia and the Committee for Economic Development of Australia (CEDA).

For example, data on energy consumption, greenhouse gas emissions and emissions intensities relate to all power stations that are owned, operated and/or contracted by Alinta Energy, except for the Glenbrook cogeneration plant in New Zealand. The Glenbrook plant is embedded in NZ Steel's Glenbrook facility and generates electricity using waste heat and offtake gases from the steel making process, making it impractical to quantify its energy consumption and emissions.

Materiality

Material topics

Based on stakeholder engagement and ongoing analysis, we consider that the following GRI topics are most material to our business:

- Energy prices and affordability
- Energy availability and reliability
- Creating and sharing economic value
- Safety
- Employee engagement, training and diversity
- Resource efficiency
- Climate change and decarbonisation
- Legislation and compliance
- Internal policy and ethical business
- Clean air, water and soil, and pollution management
- Community support
- Customer support.

This list of material topics and their boundaries has not materially changed since last year's report.

Other material areas

Other material areas that we report on include indirect economic impacts, procurement practices, system efficiency, materials, biodiversity, supplier environmental assessment, grievance mechanisms, labour/management relations, equal remuneration for women and men, non-discrimination, freedom of association and collective bargaining, anti-corruption, preventing anti-competitive behaviour, disaster/emergency planning and response, marketing communications, customer privacy, access and provision of information.

Materiality assessment

Our sustainability materiality assessment is detailed on page 113. This report addresses the key sustainability issues from this assessment across sections on Our Business, Safety, Environment, Our People, Our Communities, and Market and Customers.

Materiality definitions

In this report:

- Material fines are defined as greater than \$500,000.
- Material environmental incidents are defined as having a combined value of associated clean-up costs or fines greater than \$500,000.
- Significant impacts on biodiversity are defined as construction projects which have not obtained or followed environmental management plans.

Completeness

This report contains information on material topics and reflects the significant economic, environmental, and social impacts of our operations for the year from 1 July 2020 to 30 June 2021 (FY21). It also includes significant events which occurred after the end of the financial year.

Report quality principles

Accuracy

Many of the performance metrics presented in this report were subject to limited external assurance. Deloitte's Independent Limited Assurance Report is provided on pages 117-120.

Balance

This report includes both the positive and negative impacts of our operations.

Clarity

This report presents information in the most straightforward way possible to enable stakeholders to understand how we manage sustainability.

Comparability

The format of this report is reasonably consistent from year to year and includes historical performance data where available so our performance over time can be assessed.

The current report is for the year from 1 July 2020 to 30 June 2021 (FY21), while the previous report was for the year from 1 July 2019 to 30 June 2020 (FY20). Any restatements of previous years' data are identified within footnotes to charts or tables. The effects of any such restatements are not considered to be material.

Reliability

Alinta Energy has implemented appropriate procedures and controls in relation to the data reported in this report, and maintains necessary records to support the data reported.

Selected performance metrics in this report are subject to external assurance by Deloitte, as shown in the Independent Limited Assurance Report on pages 117-120.

Timeliness

Alinta Energy's sustainability reports are prepared annually based on our financial year, which ends on 30 June. They are published within a reasonable time after the relevant financial year end.

Other important information

In 2018, our parent entity CTFE acquired the Loy Yang B power station, which is owned and operated by Latrobe Valley Power (Holdings) Pty Limited (Latrobe Valley Power). Loy Yang B and Latrobe Valley Power are not part of the Alinta Energy group.

Alinta Energy and Latrobe Valley Power are separate legal entities with their own boards, each chaired by independent non-executive directors. For more information about Loy Yang B, please refer to its FY21 Sustainability Report (<https://www.loyyangb.com.au/environment-and-sustainability/>).

Alinta Energy's current and past sustainability reports are prepared to provide general information to a wide audience of internal and external stakeholders. The information they contain has been prepared with due care and diligence to the best of our ability and knowledge. The reports may not contain all information related to the topics covered and may not meet the information needs of specific readers.

Where relevant, this report may contain forward-looking statements including statements of intended future business activities, opinions on the likelihood and impact of future events, and future financial prospects. Forward-looking statements are not statements of fact, are based on assumptions, and are subject to uncertainty, risk and other factors that could cause the actual outcomes to materially differ from the events or results expressed or implied by such statements.

Statements about past performance are not necessarily indicative of future performance. We disclaim any assumption of responsibility for any reliance on our current and past sustainability reports to any person.

Glossary

ACCU	Australian carbon credit unit
AEC	Australian Energy Council
Alcoa	Alcoa of Australia Ltd
ARENA	Australian Renewable Energy Agency
CEA	Collective employee agreement
CIC	Critical Infrastructure Centre
CERT	Corporate emissions reduction transparency
CTFE	Chow Tai Fook Enterprises Limited
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECMF	Enterprise compliance management framework
EEP	Emerging energy program
EPC	Engineering, procurement and construction
ERF	Emissions Reduction Fund
ERMF	Enterprise risk management framework
ESG	Environmental, social and governance
FIRB	Foreign Investment Review Board
FMG	ortescue Metals Group
FTE	Full time equivalent
FY	Financial year
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GSD	General standard disclosures
IWD	International Women’s Day
LGC	Large-scale generation certificate
LTIFR	Lost time injury frequency rate
LRET	Large-scale renewable energy target
MD	Managing Director
NAIF	Northern Australia Infrastructure Facility
NEM	National Electricity Market
NGER	National Greenhouse and Energy Reporting
NPS	Net promoter score
NWIS	North West Interconnected System (Western Australia)
PPA	Power purchase agreement
RET	Renewable Energy Target
REZ	Renewable Energy Zone
SDG	Sustainable Development Goals
SRES	Small-scale renewable energy scheme
SSD	Specific Standard Disclosures
STC	Small-scale technology certificate
SVA	Safety Value Add
SWIS	South West Interconnected System (Western Australia)
TRIFR	Total recordable injury frequency rate
WGEA	Workplace Gender Equality Agency

Definitions

Pathway to Net Zero – Basis of Preparation

This section outlines the greenhouse gas accounting practices to establish and monitor progress against our long-term and interim greenhouse gas emissions reduction targets (emissions targets). These practices are based on the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard (GHG Protocol).

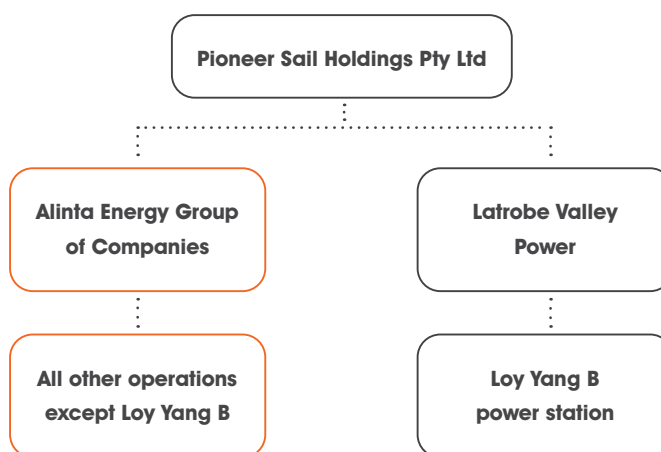
Organisational boundaries

For the purposes of emissions targets, Alinta Energy’s gross¹⁸ Scope 1 emissions will be calculated using the ‘operational control’ approach defined in the GHG Protocol. Scope 2 emissions will be calculated using the market-based method. These approaches align with the Australian Government’s National Greenhouse and Energy Reporting (NGER) and Corporate Emissions Reduction Transparency (CERT) programs.

Alinta Energy is owned by Chow Tai Fook Enterprises (CTFE) and operated by Pioneer Sail Holdings Pty Limited (Pioneer Sail Holdings), which is a subsidiary of CTFE. The Loy Yang B power station is also owned by CTFE and is operated by Latrobe Valley Power (Holdings) Pty Limited (Latrobe Valley Power), a subsidiary of Pioneer Sail Holdings.

Alinta Energy’s emissions targets were established and will be monitored from the perspective of the Alinta Energy group of companies, and therefore do not include the Loy Yang B power station as shown below.

Organisational structure under NGER Program



Alinta Energy’s greenhouse gas accounting and targets do not include the Glenbrook cogeneration plant in New Zealand. This is because the Glenbrook facility is integrated with NZ Steel’s Glenbrook facility and generates electricity using waste heat and offtake gases from the steel production process, making it impractical to quantify its emissions.

¹⁸ Gross is defined as emissions prior to the application of carbon offset and/or renewable energy certificates.

Operational boundaries and calculating emissions

Scope 1 and 2 emissions are defined in the GHG Protocol and are designed to ensure that multiple organisations will not account for emissions in the same scope. Alinta Energy's Scope 1 and 2 greenhouse gas emissions are calculated in accordance with the Australian Government's National Greenhouse and Energy Reporting (NGER) and Corporate Emissions Reduction Transparency (CERT) programs.

Alinta Energy's Scope 1 and 2 emissions include:

- Alinta Energy's gas fired generation assets (except Pinjarra which is operated by Alcoa of Australia)
- Yandin Wind Farm (which is operated by Alinta Energy)
- Renewable generation assets and energy storage facilities in the Pilbara, which are operated by Alinta Energy companies.

Scope 1 and 2 emissions do not include power purchase agreements for renewable assets, as they are operated by third parties.

The GHG Protocol describes Scope 3 emissions as an optional reporting category that allows for the treatment of indirect emissions. Alinta Energy has reported Scope 3 emissions metrics that are:

- Material to our indirect greenhouse emissions footprint, and
- Able to be accurately estimated using reliable data sources.

These Scope 3 emissions metrics that are included in this sustainability report are associated with:

- Contracted electricity purchases from third parties
- Gas sold to end-use customers
- Facilities that are owned but not operated by Alinta Energy.

Base year emissions recalculation policy

We have selected FY18 as the base year to establish and monitor progress against our emissions targets.

Our policy is to retroactively recalculate base year emissions to reflect changes in our business that would otherwise affect the consistency and relevance of the reported emissions information. The types of events that could trigger a recalculation of our base year emissions include:

- Mergers, acquisitions, divestments or insourcing of operations that existed prior to the base year
- Discovery of significant errors
- Changes in calculation methodology.

The significance threshold that would trigger base year emissions recalculation is an impact of more than 5% on base year Scope 1 emissions, determined on a cumulative basis from when the base year is established.

Base year emissions will not be recalculated because of the acquisition or insourcing of operations that did not exist in the base year, organic growth or decline.

Verification

Data used to track progress against climate targets will be verified by Deloitte under our sustainability report assurance program.

Carbon offset and renewable energy certificates double counting policy

The GHG Protocol states that "given that there is currently no consensus on how such double counting issues should be addressed, companies should develop their own Target Double Counting Policy. This should specify how reductions and trades related to other targets and programs will be reconciled with their corporate target, and accordingly which types of double counting situations are regarded as relevant."

The GHG Protocol also provides examples which "illustrate that double counting is inherent when the GHG sources where the reductions occur are included in more than one target of the same or different organizations. Without limiting the scope of targets, it may be difficult to avoid this type of double counting and it probably does not matter if the double counting is restricted to the organizations sharing the same sources in their targets (i.e. when the two targets overlap)".

Carbon offset certificates used to supply carbon neutral gas products to customers will not be applied to our Scope 1 emissions target calculations. Doing so would represent double counting because the customer could also apply these offsets to their Scope 1 emissions.

Renewable energy and storage target

Alinta Energy classifies renewable energy and storage projects into the following categories to track progress towards our target to support 1,500MW by 2025:



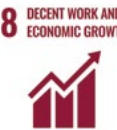


Category	Definition	Contributes to our renewable energy target?
Capital projects (in operation)	<ul style="list-style-type: none"> Facility is operational (commissioning complete with a full handover to a registered market operator) Owned or part owned, and/or operated by Alinta Energy. 	✓
Contracted PPA (in operation)	<ul style="list-style-type: none"> Facility is operational (as above) Alinta Energy is contracted to purchase energy from the facility. 	✓
Capital investment projects (future start date)	<ul style="list-style-type: none"> Not yet operational Alinta Energy is the project developer Final investment approval given by our Board and all other required approvals obtained Engineering, procurement and construction contract is in place Commercial agreement for offtake is in place Contracts may include conditions precedent that are not yet satisfied. 	✓
Contracted PPA (future start date)	<ul style="list-style-type: none"> Not yet operational Alinta Energy is not the project developer but has an offtake agreement to purchase energy from the facility Developer has obtained final investment approvals and all other approvals required to progress Engineering, procurement and construction contract is in place Contracts may include conditions precedent that are yet to be satisfied. 	✓
Development options	<ul style="list-style-type: none"> Project is at development stage Alinta Energy is the primary project developer. 	✗
Contracting opportunities	<ul style="list-style-type: none"> Alinta Energy is in negotiations for the offtake of energy from a renewable energy development. 	✗
Potential expansion projects	<ul style="list-style-type: none"> Alinta Energy has identified potential to add renewable energy capacity to one of our existing generation sites. 	✗

SDG actions and initiatives

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries (developed and developing) in a global partnership. They recognise that ending poverty and other deprivations must go hand in hand with strategies to improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

During the year, Alinta Energy performed an exercise to map the various activities and initiatives of our business against the SDGs. We were particularly pleased to see that all parts of our business were contributing in some way towards the achievement of the SDGs.

The table below shows how our activities and initiatives align with the relevant SDGs. Each SDG has further sub-goals associated with it and, where relevant, we have also identified the specific sub-goals that we address.

SDG	Actions and initiatives
Our business	
<p>Goal 7: Affordable and Clean Energy</p> <p>Goal 9: Industry innovation and infrastructure</p>  	<p>SDG goal 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.</p> <p>SDG goal 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> <p>Contribution: Alinta Energy’s strategy to develop new energy generation assets and improve our existing assets to support Australia’s transition to a low carbon economy while achieving our purpose to make energy more affordable. We monitor the availability of our power stations against targets and investigate the causes of unplanned outages.</p>
<p>Goal 8: Decent Work and Economic Growth</p> <p>Goal 16: Peace, Justice, and Strong Institutions</p>  	<p>SDG goal 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</p> <p>SDG goal 16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children.</p> <p>Contribution: We are committed to conducting business fairly and ethically, including protecting human rights. Alinta Energy prepares an annual modern slavery statement which is available from the Australian Government’s online register of modern slavery statements . This sets out the processes we have in place to identify and eliminate modern slavery across our supply chain. Our Supplier Code of Conduct documents our expectations of suppliers, including to operate ethically.</p>
<p>Goal 12: Responsible Consumption and Production</p> 	<p>SDG goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p> <p>Contribution: We prepare an annual sustainability report. A monthly safety and sustainability update is provided to the Board and the Safety and Sustainability Council meets every two months to review our safety performance and share insights between divisions.</p> <p>SDG goal 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.</p> <p>Contribution: Our supplier pre-qualification uses a risk-based approach to assess prospective suppliers and contractors against our requirements. It reviews their health, safety and environmental management systems and recent performance, and requires senior management approval before we enter a contract.</p>

Safety

Goal 3: Ensure healthy lives and promote well-being for all at all ages



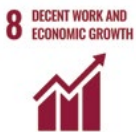
Contribution: Alinta Energy supports many initiatives and programs across our business aimed at improving the health and wellbeing of our people. These include:

- Access to Headspace which offers a range of guided meditation sessions
- Access to our employee assistance program – a free, confidential service for our employees and their families which is available at any time
- Oversight of current and potential future initiatives by our Wellbeing Committee.

SDG goal 3.6: By 2020, halve the number of global deaths and injuries from road traffic accidents.

Contribution: Our Power Generation business has established a vehicle safety procedure which includes sections on emergency procedures and fatigue.

Goal 8: Decent Work and Economic Growth



SDG goal 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Contribution: Alinta Energy is committed to providing a safe and healthy workplace for its employees and contractors. Safety will always be our highest priority and comes first whenever making choices in our business. Safety performance and culture is monitored by the Board and the executive leadership team, promoted by managers and people leaders across the business and reflected in our Health and Safety Policy.

Environment

Goal 7: Affordable and Clean Energy

Goal 9: Industry innovation and infrastructure

Goal 12: Responsible Consumption and Production



SDG goal 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

Contribution: We have set a target support the development of over 1,500MW of renewable generation and storage capacity by 2025. Once operational, these projects will increase our portfolio's share of renewables from 17% to 25%.

SDG goal 7.3: By 2030, double the global rate of improvement in energy efficiency.

SDG goal 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

SDG goal 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Contribution: We have set a target to improve the energy efficiency, and hence the emissions intensity, of the fossil fuel power stations in our traded generation portfolio by 5% within five years compared to their individual baselines before the improvement projects.

Goal 11: Sustainable Cities and Communities



SDG goal 11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage

Contribution: We conduct cultural awareness training and maintain ongoing relationships with the traditional custodians of the land where our developments occur. On projects, such as the Chichester solar gas hybrid project, we follow agreed heritage survey and management protocols, consult on the preferred location of infrastructure, ensure Indigenous participation in environmental surveys, and require the tenders we assess to have Indigenous involvement as a selection criteria.

Goal 13: Climate Action



Contribution: Our Pathway to Net Zero includes a plan to reduce Scope 1 and Scope 2 emissions as close to zero as practical and achieve net zero emissions by 2050.

SDG goal 13.2: Integrate climate change measures into national policies, strategies and planning.

Contribution: Alinta Energy regularly participates in and responds to government consultation papers and requests for comment on climate policies and related programs and schemes at both national and state level.

Goal 5: Gender Equality
Goal 10: Reducing Inequality



Contribution: To help drive gender equality, Alinta Energy has implemented a number of policies and initiatives, including:

- Providing 10 days of paid leave to employees experiencing family/domestic violence (this is above Australian legislated requirements)
- Access to parental and adoption leave for all genders
- Offering a free employee assistance program for our employees and their families which is available at any time.

Our People and Culture team develops plans, processes and training to help embed diversity across our business including recruitment, promotion and remuneration processes. Alinta Energy's commitment to eliminate all forms of discrimination, celebrate differences, and ensure financial and other benefits are not limited by a person's characteristics is reflected in our Embracing Diversity Policy.

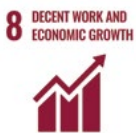
SDG goal 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Contribution: Alinta Energy has actively increased the proportion of women in leadership in our organisation, including on our Board and executive leadership team. We have an upward trend in the overall proportion of promotions awarded to women, which this year exceeded the proportion of women in our business.

Gender equality data is reported to the Workplace Gender Equality Agency.

Our gold sponsorship of Women in Energy reflects our commitment to increase presentation and support women in our industry.

Goal 8: Decent Work and Economic Growth



Contribution: Alinta Energy employs more than 850 people. Our construction projects are often located in regional areas and provide employment opportunities to surrounding communities. Our operations indirectly benefit local and regional communities by providing employment and supporting local businesses.

This year, we brought our east coast customer service function on shore. Our new Customer Experience Hub, located in Morwell in the Latrobe Valley has led to job creation in regional Victoria.

SDG goal 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Contribution: Our employees and contractors have the right to associate freely and join industrial associations such as trade unions. Employees also have the right to engage in enterprise bargaining, where they and their representative (such as a union) negotiate with us for an enterprise agreement.

Our communities

- Goal 1:** No poverty
- Goal 2:** Zero hunger
- Goal 3:** Good health and well-being
- Goal 4:** Quality education
- Goal 5:** Gender equality
- Goal 6:** Clean water and sanitation
- Goal 11:** Sustainable cities and communities
- Goal 12:** Responsible consumption and production
- Goal 14:** Life below water
- Goal 15:** Life On land
- Goal 16:** Peace, justice, and strong institutions

Contribution: Contribution: During FY21, the partnerships and grants through our Community Development Program have supported numerous organisations that focus on social disadvantage and environmental sustainability to reduce poverty and hunger, improve education, gender equality, health, hygiene and wellbeing, and support sustainable and environmental initiatives.

- SDG goal 2.1:** By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.
 - SDG goal 3.5:** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.
 - SDG goal 5.B:** Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.
 - SDG goal 6.2:** By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.
 - SDG goal 11.5:** By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.
 - SDG goal 12.3:** By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
- Contribution:** The work of organisations through our Community Development Program has supported the above specific SDGs.



Goal 11: Sustainable Cities and Communities



SDG goal 11.4: Strengthen efforts to protect and safeguard the world’s cultural and natural heritage.

Contribution: We have formed strong relationships with the Niyaparli and Kariyarra People who are the Traditional Owners of the land in the Pilbara region of Western Australia where our Newman and Port Hedland power stations operate.

At a project level, we follow agreed heritage survey and management protocols, consult on the preferred location of infrastructure, ensure Indigenous Australian’s participation in environmental surveys, and require the tenders we assess to have Indigenous involvement as a selection criteria.

Goal 7: Affordable and Clean Energy



SDG goal 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.

Contribution: We are proud to be at the forefront of Australia's transition to a low carbon economy while achieving our purpose to make energy more affordable.

We understand that energy is an essential service and disconnections have significant implications for people. Alinta Energy's continuous energy program recognises that customers experiencing financial hardship must be treated with respect and dignity. Our specialist team of professionals is trained to support these customers, which may involve giving them extra time to pay, instalment payment plans, or referral to government programs to help them manage their bills.

GRI content index

This report is prepared in accordance with the GRI Standards: Core option and under GRI 101: Foundation 2017, GRI102: General Disclosures 2017, GRI103: Management Approach 2017, GRI200: Economic, GRI300: Environmental, GRI400: Social and G4 Sector Disclosures Electric Utilities 2013.

The specific GRI standards and where they are addressed in this report are shown in the following tables.

These tables are consistent with our reporting in accordance with the GRI standards at a Core level and so contain only the topics that are material to our business and the indicators that we address (or partially addressed) consistent with reporting in accordance with the GRI standards at a Core level.

Material general standard disclosures (GSD)

Aspect	GRI Standards	Page
GRI102: General Disclosures 2017		
Name of the organization	102-1	Front cover
Activities, brands, products, and services	102-2	10-11
Location of headquarters	102-3	10
Location of operations	102-4	10-13
Ownership and legal form	102-5	14
Markets served	102-6	10-11
Scale of the organization	102-7	10-11, 29-30, 72
Information on employees and other workers	102-8	72
Supply chain	102-9	24, 60
Significant changes to the organization and its supply chain	102-10	26-27, 48-51
Precautionary Principle or approach	102-11	100
External initiatives	102-12	100
Membership of associations	102-13	100
Statement from senior decision-maker	102-14	2-3
Values, principles, standards, and norms of behaviour	102-16	14
Governance structure	102-18	14-21
List of stakeholder groups	102-40	100
Collective bargaining agreements	102-41	74
Identifying and selecting stakeholders	102-42	100
Approach to stakeholder engagement	102-43	113
Key topics and concerns raised	102-44	113-117
Entities included in the consolidated financial statements	102-45	30
Defining report content and topic Boundaries	102-46	100-101
List of material topics	102-47	100
Restatements of information	102-48	101
Changes in reporting	102-49	100
Reporting period	102-50	101
Date of most recent report	102-51	101
Reporting cycle	102-52	101
Contact point for questions regarding the report	102-53	Back cover
Claims of reporting in accordance with the GRI Standards	102-54	98
GRI context index	102-55	110-112
External assurance	102-56	117-120
GRI103: Management Approach 2017		
Explanation of the material topic and its Boundary	103-1	100, 113-117
The management approach and its components	103-2	113 - 117

Material specific standard disclosures (SSD)

Aspect	GRI Standards	Page
GRI200: Economic		
Economic Performance – Direct economic value generated and distributed, and	201-1	29-30
Financial implications and other risk and opportunities due to climate change	201-2	52, 113, 115
Market Presence – Proportion of senior management hired from the local community	202-2	72
Indirect Economic Impacts – Significant indirect economic impacts	203-2	29
Anti-corruption – Confirmed incidents of corruption and actions taken	205-3	24
Anti-competitive Behaviour – Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	206-1	93
GRI300: Environmental		
Energy – Energy consumption within the organization	302-1	56
Water and effluents – Water withdrawal, and Water discharge, and Water consumption	303-3	61
	303-4	61
	303-5	62
Biodiversity – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, and Significant impacts of activities, products, and services on biodiversity	304-1	60
	304-2	60
Emissions – Direct (Scope 1) GHG emissions, and GHG emissions intensity	305-1	57
	305-4	47
Effluents and Waste – Waste by type and disposal method	306-2	62
Environmental Compliance – Non-compliance with environmental laws and regulations	307-1	60

Material specific standard disclosures (SSD)

Aspect	GRI Standards	Page
GRI400: Social		
Employment – New employee hires and employee turnover	401-1	72
Labour/Management Relations – Minimum notice periods regarding operational changes	402-1	74
Occupational Health and Safety – Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	403-2	34-35, 38
Training and Education – Programs for upgrading employee skills and transition assistance programs, and	404-2	67
Percentage of employees receiving regular performance and career development reviews	404-3	67
Diversity and Equal Opportunity – Diversity of governance bodies and employees, and	405-1	72
Ratio of basic salary and remuneration of women to men	405-2	68
Non-discrimination – Incidents of discrimination and corrective actions taken	406-1	68
Freedom of Association and Collective Bargaining – Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	24
Local Communities – Operations with significant actual and potential negative impacts on local communities	413-2	81
Marketing and Labelling – Incidents of non-compliance concerning marketing communications	417-3	93
Customer Privacy – Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	93
G4 Sector Disclosures Electric Utilities 2013		
Percentage of contractors and subcontractor employees that have undergone relevant health and safety training	EU18	38
Number of people physically or economically displaced and compensation, broken down by type of project	EU22	81
Average plant availability factor by energy source and by regulatory regime	EU30	28

Sustainability materiality assessment

Our sustainability materiality assessment involves four steps:

- 1. Engage with stakeholders** – We engage with key stakeholders²⁰ through:
 - Stakeholder materiality survey
 - Customer surveys, meetings and ombudsman investigations
 - Employee engagement surveys
 - Sustainability email (sustainability@alintaenergy.com.au)
 - Meetings with customers, suppliers, owners and lenders
 - Community funding and volunteering activities
 - Industry working groups
 - Meetings with government and regulatory representatives
 - Liaising with media organisations and responding to queries.
- 2. Identify and prioritise** – We identify key sustainability issues and prioritise them based on their importance to multiple stakeholder groups and their impact on our business. These issues are discussed in the relevant sections of this report.
- 3. Review materiality** – We review the materiality of stakeholders' interests each year through:
 - Board oversight and monitoring
 - Gap analysis against the SDGs, GRI standards and utility sector peers
 - Feedback received from stakeholders during the engagement activities listed in step 1.
- 4. Determine outcomes** – We determine the outcomes of this review which are reflected in our actions to:
 - Understand the risk to the business and establish our response to manage these risks
 - Set or update our sustainability targets
 - Report our progress against targets
 - Update, add to and review information presented in our sustainability report
 - Investigate and implement new products or projects.

Topic	Page Number
Our business	8-31

Energy prices and affordability

Impact: Energy is an essential service and its price can affect everybody's day-to-day lives and financial wellbeing.

Challenge: High energy prices affect people and businesses of all kinds but have the most severe impact on people experiencing financial hardship. Energy affordability is a prominent economic and social issue. This is at the heart of our business and underpins our sense of purpose that we are determined to make energy more affordable.

Governance: Our prices are managed by our retail business unit and are influenced by retail price regulations, network charges, environmental policies, wholesale prices and other costs.

Energy availability and reliability

Impact: People, businesses and communities depend on a continuously available energy supply to meet many of their daily needs.

Challenge: Interruption to energy supply has a significant effect on our customers.

Governance: We report internally on the performance of all power stations each week, including their availability, reliability start factor and forced outage factor, and compare it to our annual targets. This is distributed to internal decision makers and our executive leadership team. We have rigorous preventative maintenance programs to maximise our power stations' availability and reliability.

²⁰ A list of key stakeholders is provided in the Stakeholder Inclusiveness section on page 91.

Creating and sharing economic value

Impact: We focus on creating direct and indirect economic value for our key stakeholders.

Challenge: The economic sustainability of our business relies on operating profitably. This depends on an efficient cost base, great service, competitive pricing, and a strong reputation with our customers and communities. We are also conscious of the need to reduce greenhouse gas emissions by continuing to invest in lower emissions generation and improve the efficiency of our existing generation assets.

Governance: The Board and its Audit and Risk Committee review and approve annual business plans and budgets and monitor our financial performance throughout the year against targets such as EBITDA. These plans and budgets are developed through a rigorous cross-functional process to embed accountability, and specific financial measures which are reflected in relevant employees' performance goals where appropriate.

Legislation and compliance

Impact: A high level of regulation applies to our business across areas such as safety, energy trading markets, pricing, competition, and environmental management.

Challenge: Expanding into new activities can involve additional legislation and policy compliance requirements while changes in the policy environment may result in new legislation.

Governance: Changes in key legislative requirements are monitored and managed by teams across our business, including our regulatory and government relations, legal and sustainability teams and individual operating sites.

Internal policy and ethical business practices

Impact: Implementing policies over and above minimum legislated requirements is a demonstration of the values of the business and the commitment to do right by our stakeholders.

Challenge: With a large number of internal and external stakeholders, it can be challenging to balance competing views on the policies and business practices that should be adopted, while still meeting the expectations placed on the business.

Governance: We have implemented a wide range of policies across the business, striving for best practice whether or not required by legislation and pride ourselves on conducting business efficiently, and ethically and with transparency.

Resource efficiency

Impact: We are subject to external and internal expectations to meet our customers' energy needs while managing our usage of limited resources. We aim to operate our facilities as efficiently as possible.

Challenge: We have set a target to improve the energy efficiency of the fossil fuel power stations in our traded generation portfolio by 5% compared to their previous performance.

Governance: Alinta Energy's governance programs include annual asset management strategic planning meetings, regular reviews of the annual work and plant condition plans, and regular operational excellence meetings. We report against agreed performance targets to provide visibility and accountability and ensure operations are in line with good engineering and operating practices.

Safety

Impact: Workplace health and safety is our highest priority. A safety incident at work can change lives and have serious ramifications for our people.

Challenge: Our power generation business involves operations with higher risks to health and safety than, for instance, working in an office environment. Everybody has the right and the responsibility to be safe at work and to go home safely at the end of every day, whatever their job and wherever they work. Managing health and safety is essential to every aspect of our business.

Maintaining employee engagement in safety can be challenging, especially over long periods of time. People can become complacent and distracted or sacrifice safety best practice during times of high pressure and conflicting priorities.

Governance: Our Board actively monitors our safety performance, supported by executive leadership team accountability and line management responsibilities that are clearly communicated across the business. Each month, the Board receives a report tracking key safety metrics against targets. The Safety and Sustainability Council meets every two months to review safety performance and share insights between divisions.

We focus on maintaining a strong safety culture and delivering our safety vision of every one, every day, every job: zero harm. This is brought to life by our three safety principles: we always stop and think, we don't cut corners and we speak up for safety. Our policies, systems and training are designed and implemented to effectively identify and manage safety risks. Our safety value add program involves each employee personally committing to completing actions that contribute to strengthening safety.

Climate change and decarbonisation

Impact: We recognise the importance of transitioning towards renewable energy and reducing our impacts on the climate.

Challenge: Electricity production is the single largest industrial contributor to Australia's greenhouse gas emissions, because most electricity comes from fossil fuels such as coal.

There is increasing public interest in the climate change impacts associated with electricity generation and an expectation that government and business leaders will lower greenhouse gas emissions over time, while ensuring energy remains affordable and reliable.

Governance: We have made a commitment this year to achieve zero net greenhouse gas emissions by 2050. This is supported by our Pathway to Net Zero, which sets out the strategies to achieve this outcome, including interim emissions reduction targets.

The Board receives a monthly safety and sustainability report which includes material issues relating to climate change and energy emissions. The Safety and Sustainability Council meets every two months and discusses any significant sustainability-related matters such as policy developments.

Clean air, water and soil and pollution management

Impact: Environmental legislation is necessary to protect our environment and communities and applies at both national and state levels, with significant fines and penalties for non-compliance.

Challenge: Environmental laws change and evolve over time and differ between jurisdictions.

Governance: Our approach to environmental management is outlined in our Environment and Community Policy and implemented through reporting and monitoring programs.

We use an event management system to track environmental incidents and community complaints and manage incident investigations, corrective actions and community responses. Where appropriate, lessons learned from incidents are shared and communicated across the business. Any significant environmental incidents are also included in our monthly reporting to the Board.

Environment**64-75****Employee engagement, training and diversity**

Impact: A diversified, educated and engaged workforce is resilient, helping deliver superior results for the business, customers and the community. We aim to be accessible to a wide range of people, reflective of the communities where we work and operate and are committed to helping our employees gain and maintain the capabilities to achieve success in their careers.

Challenge: Ensuring our people have the capabilities required to serve our customers, meet changing compliance requirements, and also continue to feel valued, engaged and equipped to grow in their roles.

Understanding communication barriers and group biases, is a critical step in creating a more diverse workforce.

Governance: Our People and Culture team develops plans, processes and training to help embed diversity and inclusion across our business including recruitment, promotion and remuneration processes. We report our gender diversity through the annual Workplace Gender Equality Agency survey. Mechanisms are in place to confidentially investigate and address any reports of inappropriate behaviour, including an independent whistleblower hotline and an employee assistance program.

Our learning and development framework provides the structure to help our people develop through a combination of experiences, exposure and education related to their careers with us. The impact of our talent, capability and culture initiatives are monitored by annual employee surveys. The results are discussed across all levels of staff and leadership and used to develop and monitor the progress of improvements.

Our communities**76-85****Community support**

Impact: Our energy facilities and our new customer experience hub provide employment and business opportunities in regional communities. It is important to us to be good corporate citizens, particularly among the communities that depend on us and for people in vulnerable circumstances.

Challenge: There has been increased need for community support recently due to major external challenges such as COVID-19. This has heightened the need to contribute to our communities. Identifying how best to provide support and which causes and organisations to assist involves difficult decisions. There are also growing expectations placed on organisations to maintain their social licence to operate.

Governance: Community governance is outlined in our Environment and Community Policy and monitored by the Board. The Community Development Committee oversees our Community Development Program, including reviewing applications, awarding grants, and selecting long term community partners. The Committee has a diverse mix of representatives from across our business and externally.

Our paid volunteer leave program provides choice and flexibility for teams and individuals across the business to support initiatives that are meaningful to them and helps cultivate a culture of contributing to the communities where we live and work.

Markets and customers**86-97****Customer support**

Impact: Ensuring customers have a positive experience and offering affordable energy products underpins Alinta Energy's vision to be the best energy company.

Challenge: Trust is vital to customer-centric organisations. An ever-changing regulatory landscape and increased media scrutiny contribute to the challenge of maintaining trust for our business, as it does for other companies and institutions. Significant unexpected events such as natural disasters and COVID-19 create new challenges to support our customers.

Governance: Our customer service team speaks with households every day to understand their circumstances, help them access more affordable energy, and maintain supply if they are in financial difficulty. Ongoing training and monitoring are provided to help our service representatives meet our customers' needs. We also review monthly NPS and customer satisfaction scores against our targets and review ombudsman complaints to assess the effectiveness of our customer service and support.

We keep track of major state and national events that may impact our customers, including reviewing and updating our policies and customer service approach where needed to provide necessary support.

Our Privacy Policy sets out how we collect, manage and use our customers' personal information, including the procedure to report any privacy breaches. We also have a Cybersecurity Policy and an Information Classification and Handling Standard that govern how we protect information.

Independent Limited Assurance Report on the 2021 Sustainability Report to the Directors of Alinta Energy Pty Ltd

We have undertaken a limited assurance engagement relating to the selected Sustainability Performance Indicators detailed below (the 'Subject Matter Information') presented in Alinta Energy Group's ('Alinta Energy') Sustainability Report for the year ended 30 June 2021.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that, the Subject Matter Information disclosed in the 2021 Alinta Energy Sustainability Report has not been reported, in all material respects, in accordance with the Reporting Criteria detailed below for the year ended 30 June 2021.

Subject Matter Information and Reporting Criteria

The Subject Matter Information and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2021 is as follows:

Sustainability Performance Indicators	Reporting Criteria	Page No.
Group underlying EBITDA	Alinta's 2021 Sustainability Metrics Definitions and related internal policies and procedures	Pg. 4, 30
Total recordable injury frequency rate ('TRIFR') and Lost time injury frequency rate ('LTIFR')	GRI 403-9 2018	Pg. 4, 34-38
Progress towards renewable energy target	Alinta's 2021 Sustainability Metrics Definitions and related internal policies and procedures	Pg. 4, 48
Scope 1 greenhouse gas emissions (tCO ₂ -e)	GRI 305-1 2016	Pg. 4, 57
Number of environmental incidents causing material environmental harm	Alinta's 2021 Sustainability Metrics Definitions and related internal policies and procedures	Pg. 4, 60
East and West Coast retail business customer satisfaction and net promoter scores	Alinta's 2021 Sustainability Metrics Definitions and related internal policies and procedures	Pg. 5, 91
East and West coast average retail business complaints made to the ombudsman per 1,000 customers per month	Alinta's 2021 Sustainability Metrics Definitions and related internal policies and procedures	Pg. 5, 91
Availability of operational power stations	EU30 2013	Pg. 28
Direct economic value distributed	GRI 201-1 2016	Pg. 29

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Sustainability Performance Indicators	Reporting Criteria	Page No.
Value of community contribution via corporate sponsorships, community development programs and charitable donations	Alinta's 2021 Sustainability Metrics Definitions and related internal policies and procedures	Pg. 29
Emissions intensity of Australian power generation (tCO ₂ -e/MWh)	GRI 305-4 2016	Pg. 47
Progress against Scope 1 emissions intensity target (tCO ₂ -e/MWh)	Alinta's 2021 Sustainability Metrics Definitions and related internal policies and procedures	Pg. 47
Fuel energy used for Australian power generation (GJ)	GRI 302-1 2016	Pg. 56
Number of material fines or non-monetary sanctions for non-compliance with environmental laws and regulations	GRI 307-1 2016	Pg. 60
Water by source, usage and discharge category (ML)	GRI 303-3 2018 GRI 303-4 2018 GRI 303-5-2018	Pg. 61-62
Quantity of fly ash sold and Quantity of solid waste to landfill	GRI 3016-2 and Alinta's 2021 Sustainability Metrics Definitions and related internal policies and procedures	Pg. 62
Number of confirmed breaches or incidents of discrimination	GRI 406-1 2016	Pg. 68
Employee and governance bodies' information and composition statistics	GRI 405-1 2016	Pg. 72
Number of eligible data breaches as defined under the Privacy Act or inquiries or investigations by privacy regulatory bodies	GRI 418-1 2016	Pg. 93
Number of legal actions for breaches of the Competition and Consumer Act, and outcomes of associated legal actions	GRI 206-1 2016	Pg. 93
Number of non-compliance with regulations concerning marketing communications, including advertising, promotion and sponsorship	GRI 417-3 2016	Pg. 93

Basis for Conclusion

We conducted our limited assurance engagement in accordance with the Australian Standard on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ASAE 3000"), issued by the Australian Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management

Management of Alinta Energy is responsible for:

- Ensuring that the Subject Matter Information is properly prepared and presented in accordance with the Reporting Criteria

- Confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information; and
- Designing, establishing and maintaining an effective system of internal control over its operations and reporting to ensure that the Subject Matter Information is properly prepared and presented in accordance with the Reporting Criteria.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* in undertaking this assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on Alinta Energy's Subject Matter Information as evaluated against the Reporting Criteria based on the procedures we have performed and the evidence we have obtained. ASAE 3000 requires that we plan and perform our procedures to obtain limited assurance about whether, anything has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter Information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria.

The procedures we performed were based on our professional judgement and consisted primarily of:

- Inquiry with respective Sustainability Performance Indicator data owners to understand and assess the approach for collating, calculating and reporting respective Sustainability Performance Indicators across the 2021 reporting period
- Undertaking walkthroughs of key systems and processes used / relied upon to compile the Sustainability Performance Indicators for the 2021 reporting period
- Reviewing the supporting process documentation developed to support the collation, calculation and reporting process in accordance with Alinta Energy's policies and procedures
- Analytical reviews over material data streams to identify any material anomalies / gaps for selected Sustainability Performance Indicators and investigate further where required
- Agreeing overall data sets for selected Sustainability Performance Indicators to the final Alinta Energy data contained in the 2021 Sustainability Report.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

Restricted Use

This report has been prepared for use by Directors of Alinta Energy Pty Ltd for the purpose of assisting the Directors of Alinta Energy Pty Ltd to report on their Sustainability Performance Indicators in their 2021 Alinta Energy Sustainability Report. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors of Alinta Energy, or for any purpose other than that for which it was prepared.

Matters relating to electronic presentation of information

It is our understanding that Alinta Energy may publish a copy of this report on their website. We do not accept responsibility for the electronic presentation of this report on the Alinta Energy website. The security and controls over information on the web site is not evaluated or addressed by the independent assurance practitioner. The examination of the controls over the electronic presentation of this Report on the Alinta Energy website is beyond the scope of this engagement.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chi Mun Woo

Chi Mun Woo

Partner

Sydney, 25 November 2021

Report feedback

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

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