

# Adapting to Change

SGSPAA Group  
Sustainability Report 2020



# Bringing energy to life

We're working to secure Australia's energy future by developing innovative solutions to the energy trilemma of reliability, affordability, and sustainability.

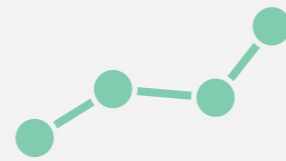
## Part of the Australian energy landscape

We operate some of the country's most important energy assets and have a detailed understanding of the Australian energy market and policy environment.



## Investing for the long-term

With strong governance, capital discipline, and an unwavering focus on our customers, we are helping to drive Australia's energy transition over the long-term.



## Investing in local communities

We partner with local businesses – many in regional Australia – to create jobs and opportunities to help secure Australia's energy future, while bringing significant economic and social benefits to the areas where we operate.



## Transitioning to a low-carbon future

We're advancing efforts to transition to a low-carbon future, while continuing to deliver reliable and affordable energy to Australians.



We acknowledge the Traditional Owners of the lands upon which we operate and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.

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# 2020 Sustainability Highlights

# 2020 Group Performance

## Performance

<b>1.82M</b> Customers	<b>99.99%</b> Electricity reliability across our Victorian electricity network	<b>99.99%</b> Natural gas reliability across our New South Wales gas network	<b>6,343</b> New customers on the Jemena Electricity Network	<b>29,120</b> New customers on the Jemena Gas Network
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## Our People

<b>Over 2,600</b> Employees	<b>20% Female Workforce</b>	<b>75%</b> of employees recommend the Group as a great place to work	Consulted with hundreds of our people to deliver our <b>HSE Strategic Roadmap 2020-2024</b>	Over <b>2,000</b> employees worked from home during the Covid-19 Pandemic	<b>1,000</b> Front-line field crew
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## Community

<b>\$640,000+</b> In direct community contributions	Co-developed and implemented the <b>Energy Network Relief Package</b> to support customers who have been financially impacted by Covid-19	Launched our inaugural <b>Reflect Reconciliation Action Plan</b>
Launched our inaugural <b>Modern Slavery Statement</b>	Contributed to <b>7 Better Together</b> initiatives as part of the <b>Energy Charter</b>	<b>\$254</b> Reduction in distribution charges across the Jemena Gas Network (over five years)

## Safety

**TRIFR 2.9**  
Recordable injuries per 1M hours worked<sup>1</sup>

**SIFR 1.3**  
Significant incidents per 1M hours worked<sup>2</sup>

## Financial

**\$220M**  
Net profit after tax

**\$145M**  
Total tax paid<sup>3</sup>

**\$391M**  
Capital expenditure

**\$434M**  
in wages paid

## Australia's Energy Future

Announced **Australia's First Biomethane Project**

Connecting **Australia's First LNG Import Terminal** to the east coast gas market

Fast-tracking of Australia's largest hydrogen gas trial **The Western Sydney Green Gas Project**

Seeking to invest over **\$5B** in energy infrastructure across the Northern Territory and Queensland

## Performance Measure

## Rating

## Year End Commentary

### Safety

TRIFR: Total Recordable Injury Frequency Rate  
Number of Recordable Injuries (MTIs and LTIs) per 1 million man hours worked



The Group has reported a 12% improvement in TRIFR since December 2017, ending the year at 2.9 against a target of 4.0, performing better than the industry average when compared to the mining, minerals, and oil & gas industries. This aligns to our 2020 – 2024 safety strategy target of <3 and reinforces our approach to focus on lead indicators to drive improved safety performance.

### Finance

NPAT: Net Profit After Tax  
ROE: Return on Equity



The performance of the underlying business exceeded our financial target. However, the impacts of Covid-19, as well as deferred revenue associated with regulation and Government policy in the ACT which could not be recognised in 2020, adversely impacted the 2020 financial results to bring this measure below target.

### Customer & Operations

Defined index of market-specific customer and operational performance indicators



The business performed strongly across all market segments in Customer & Operations KPIs. This is reflective of our strong focus on support for customers and communities during the difficult circumstances created by Covid-19.

### Our People

Workforce Satisfaction Survey



Workforce Satisfaction was above target for CY20, illustrating the commitment the Group made to supporting our people during the challenging year. There was also a strong focus in 2020 on developing and executing our Capability and Diversity & Inclusion strategies.

### Strategic Projects

Business improvement projects delivered per business case



Two Strategic Projects were executed in 2020. Our Cost Efficiency Project exceeded the target – delivering large sustainable benefits for the Group. The Digital Strategy delivered benefits for our Customers and our People; while financial benefits were also identified, the realisation of these benefits has been delayed to 2021.

### Strategic Investments

Pursuit of investment opportunities which benefit our customers and communities



Strategic Investment targets were not achieved in 2020, due to the challenging environment created by lower oil prices and Covid-19 causing delays to investment decisions in the market. However significant progress was made on our project to link the Port Kembla Gas Terminal to the Eastern Gas Pipeline which will bring much needed gas supplies to the east coast.

Achieved Did not meet YE target

<sup>1</sup>TRIFR: Total Recordable Injury Frequency Rate  
<sup>2</sup>SIFR: Significant Injury Frequency Rate  
<sup>3</sup>Total tax paid for calendar year 2019. 2020 income tax return to be lodged in July 2021

# Message from our Chair and Managing Director

While 2020 will long be remembered as a year of great hardship, it is also a year in which our colleagues, neighbours, families and friends came together to demonstrate the true spirit of the Australian community. Like others in our community, our people demonstrated great resilience and adaptability in the face of uncertainty, and we are truly proud of the way we continued to deliver vital energy services – reliably, affordably, and sustainably – throughout the midst of the Covid-19 Pandemic.

Welcome to our Group's 2020 **Sustainability Report: Adapting to Change**. This title is purposeful as it reflects not only the events of 2020, but also the ongoing – and unprecedented – changes faced by our Group and Australia's energy sector.

While the full impact of Covid-19 on our economy and community is still to play out, it is fair to say it has changed, perhaps permanently, how we work and live. From March of last year, many of our 1.82 million customers started to work remotely from home, while for others the impact of Covid-19 was harder felt. At the same time – despite predictions – demand for energy did not materially change, however the nature of that demand shifted from commercial/industrial operations to instead come from Australian homes.

We are very proud that our Group was quick to respond to these changes, and in April of 2020 – along with other energy network businesses – we announced details of the voluntary Energy Network Relief Package. The package provided relief to many of our 1.82 million customers who had been financially impacted as a result of Covid-19 with their network charges (the portion of a customer's energy bill network companies like Jemena are responsible for) being either deferred or waived. Through the Energy Network Relief Package, during 2020 we provided bill relief to over 37,000 customers worth over \$2.5 million.

At the same time, we took practical steps – such as providing battery back-up for vulnerable customers during crucial maintenance activities, or sharing energy savings tips in languages other than English – to ensure our customers could be confident their energy services were there when they needed them. With this in mind we are pleased to advise that both our electricity and gas networks had an average reliability score of 99.99%<sup>4</sup> during 2020.

While responding to the challenges posed by 2020, we also maintained our long-term focus on adapting to Australia's energy future and, throughout the year, we took significant steps towards implementing our key business strategies across our northern and southern markets.

In the north, we are particularly excited by our partnership with shale-gas experts, Tamboran Resources Limited: the holders of premium acreage in the highly prospective Beetaloo / McArthur Basin in the Northern Territory. As soon as sufficient gas is proven, the partnership will see Jemena transport gas produced by Tamboran along our Northern Gas Pipeline to the east coast. We hope Tamboran's work is a catalyst for greater activity in the Beetaloo, and with this in mind we are expediting our Northern Growth Strategy which will bring forward much of the investment, and many of the strategy's projected 4,000 jobs.

In the southern states of New South Wales and Victoria, we have forged a new relationship with Australian Industrial Energy (AIE) the proponents of a planned LNG import terminal at Port Kembla. The import terminal will partially offset declining supply from gas fields off the coast of Victoria and will bring much needed additional gas to the major markets of Victoria and New South Wales. As part of the partnership, we will connect AIE's import terminal to our Eastern Gas Pipeline (EGP), while we will also make the EGP bi-directional so it can dynamically deliver gas across both New South Wales and Victoria. These projects reflect the important role gas plays in providing firming power for intermittent renewable generation and will likely become part of the DNA of Australia's future energy system.

While we are focussed on ensuring gas is well-placed to provide firming power to back-up renewable generation, in 2020 we also spearheaded moves to further develop Australia's innovative renewable gas industry. As part of our hydrogen gas trial in western Sydney we called for the creation of a national certification program to enable customers to purchase verified and accredited zero emission gas, as is currently the case for renewable electricity. An accreditation system will respond directly to customer demand for renewable gas while also providing investors with confidence to back Australia's renewable gas industry. Throughout 2020 we also achieved a number of significant project milestones on our Western Sydney Green Gas Project, including delivery of Australia's first large scale electrolyser into New South Wales, and in the second half of 2020 our Western Sydney Green Gas Project was formally approved by the New South Wales Government.

Through our Renewable Gas Strategy, we are also investigating the application of biomethane. Accordingly, in late November we announced – in partnership with the Australian Renewable Energy Agency (ARENA) and Sydney Water – details of Australia's first biomethane-to-gas project. As part of the agreement Sydney Water will generate biomethane at its wastewater treatment plant in Malabar. The zero carbon emission, high-quality, biomethane gas will then be injected into our New South Wales gas distribution network, and will, initially, provide enough gas to meet the needs of 6,000 homes.

For customers of our electricity network across Melbourne's inner north-west we plan to continue to explore opportunities in 2021 to 'future proof' the electricity grid. Through this process we plan to further explore how we can best support the integration of electric vehicles into the grid, as well as the two-way flow of energy made possible by the uptake of solar panels across our distribution network. We are also looking at firming generation options including pumped hydro and storage.

At the same time, our customers are telling us they are feeling the pressure of high energy prices, and in response, we have reduced our gas distribution charges by \$254 for a typical gas customer over the five years from July 2020. For our electricity customers in Victoria, we have proposed to reduce our network charges by an average of \$201 over the five-year period commencing in July 2021. This proposal is now subject to endorsement by the Australian Energy Regulator (AER).

As we now turn to 2021 we are focused on continuing and extending our strong work in CY20 across all areas of the business. In this regard we are extremely pleased to announce that our Board has adopted an aspiration to achieve net zero emissions by 2050. We have recently kicked off a strategic process to work through how we will achieve this ambition, and will continue to update our stakeholders as this strategy develops.

Despite the challenges posed by Covid-19 significant steps have been taken towards delivering on these projects, and we would like to thank our people, customers, suppliers, and other stakeholders for their commitment and resilience throughout a very difficult year.

We hope you enjoy our Group's 2020 **Sustainability Report: Adapting to Change**.

**Jiang Longhua**  
Chair of the Board

**Frank Tudor**  
Managing Director

<sup>4</sup>Meaning energy is available 99.99% of the time.

# About Us

This report details the sustainability efforts and achievements of the group of companies owned by SGSP (Australia) Assets Pty Ltd (the Group) for 2020.



## Our Businesses

As a leading energy infrastructure, maintenance and services group, our brands consist of energy infrastructure company Jemena, asset service delivery company Zinfra, and business energy solutions provider Ovida.



## Scale of our Organisation<sup>5</sup>

In 2020, we owned **\$11.6B** in assets

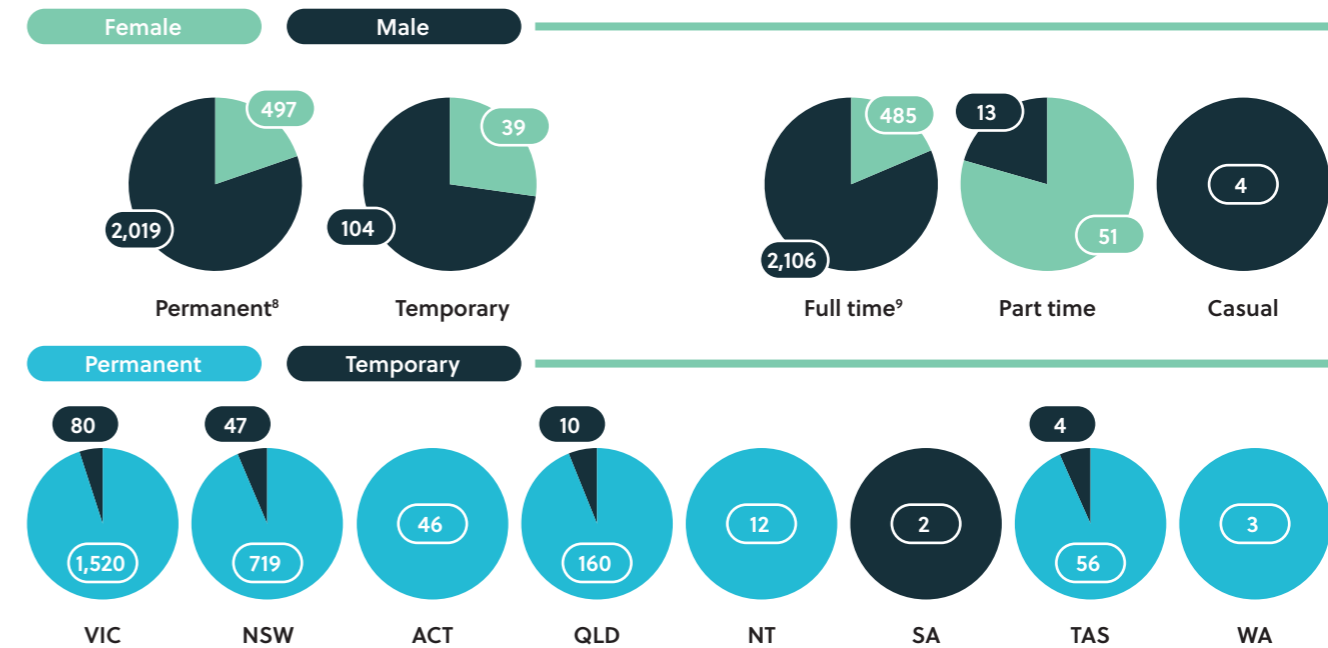
Our revenue was **\$1.7B**

And we had a total capitalisation of **\$10B** \$6.5B debt<sup>6</sup> and \$3.5B equity

We employ more than **2,600** employees and contractors

Who work in over **47** locations across Australia

## Employee and contractor workforce breakdown<sup>7</sup>



<sup>5</sup> All data taken at 31 December 2020

<sup>6</sup> Convertible instruments of \$800M treated as debt (interest bearing liabilities) for accounting policy purposes.

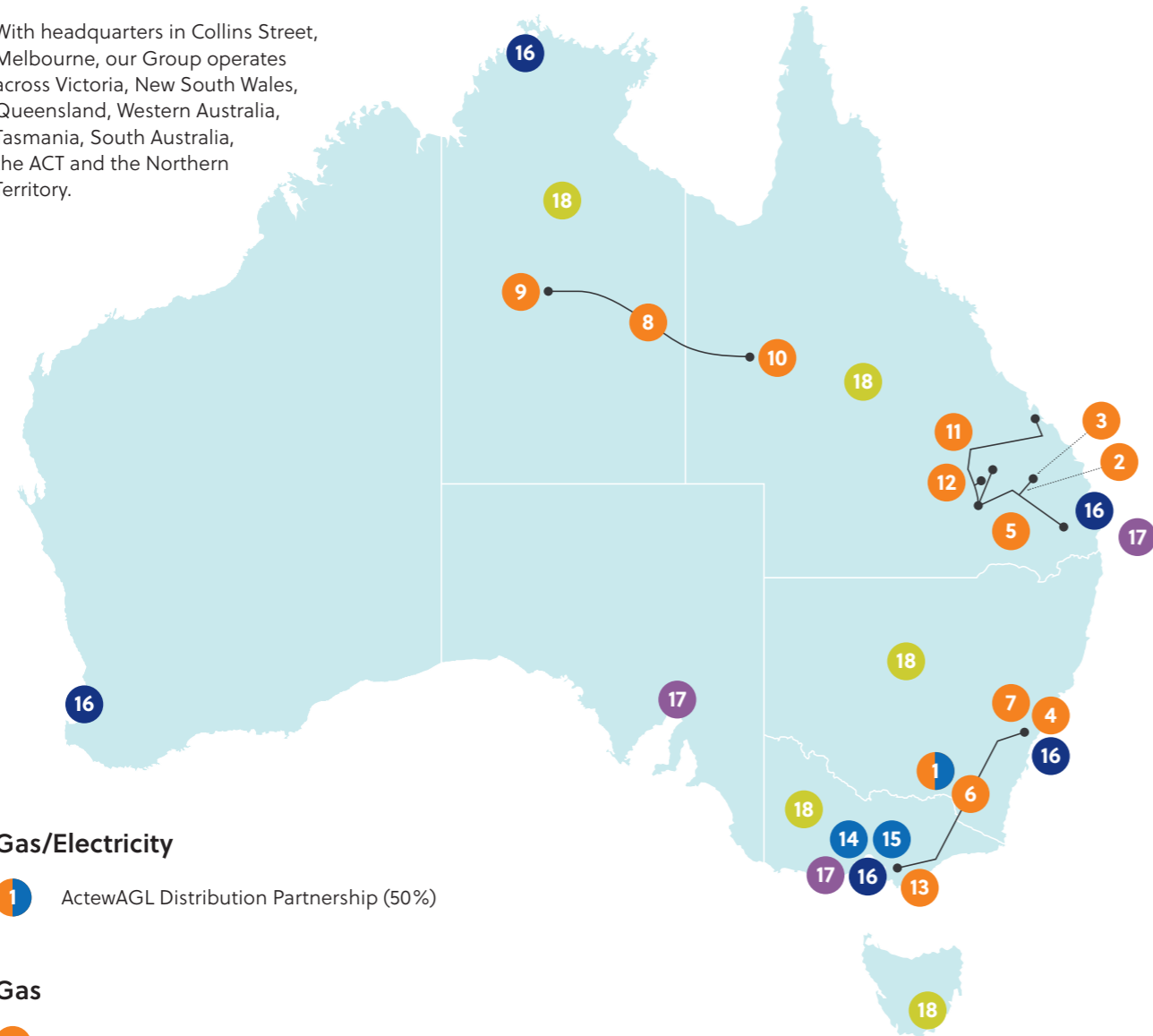
<sup>7</sup> Staff data based on headcount and includes full time, part time and casual employees, employees on long term leave, inpatients and fixed term contractors. Data does not include directors, independent contractors (paid by third parties) or subcontractors.

<sup>8</sup> Permanent staff includes full time and part time permanent employees, and inpatients. Temporary staff includes full time and part time fixed term employees (employed through the Group) and casuals.

<sup>9</sup> Full time staff includes permanent and temporary staff and inpatients. Part time include permanent and temporary staff.

## Our Locations

With headquarters in Collins Street, Melbourne, our Group operates across Victoria, New South Wales, Queensland, Western Australia, Tasmania, South Australia, the ACT and the Northern Territory.



### Gas/Electricity

- 1 ActewAGL Distribution Partnership (50%)

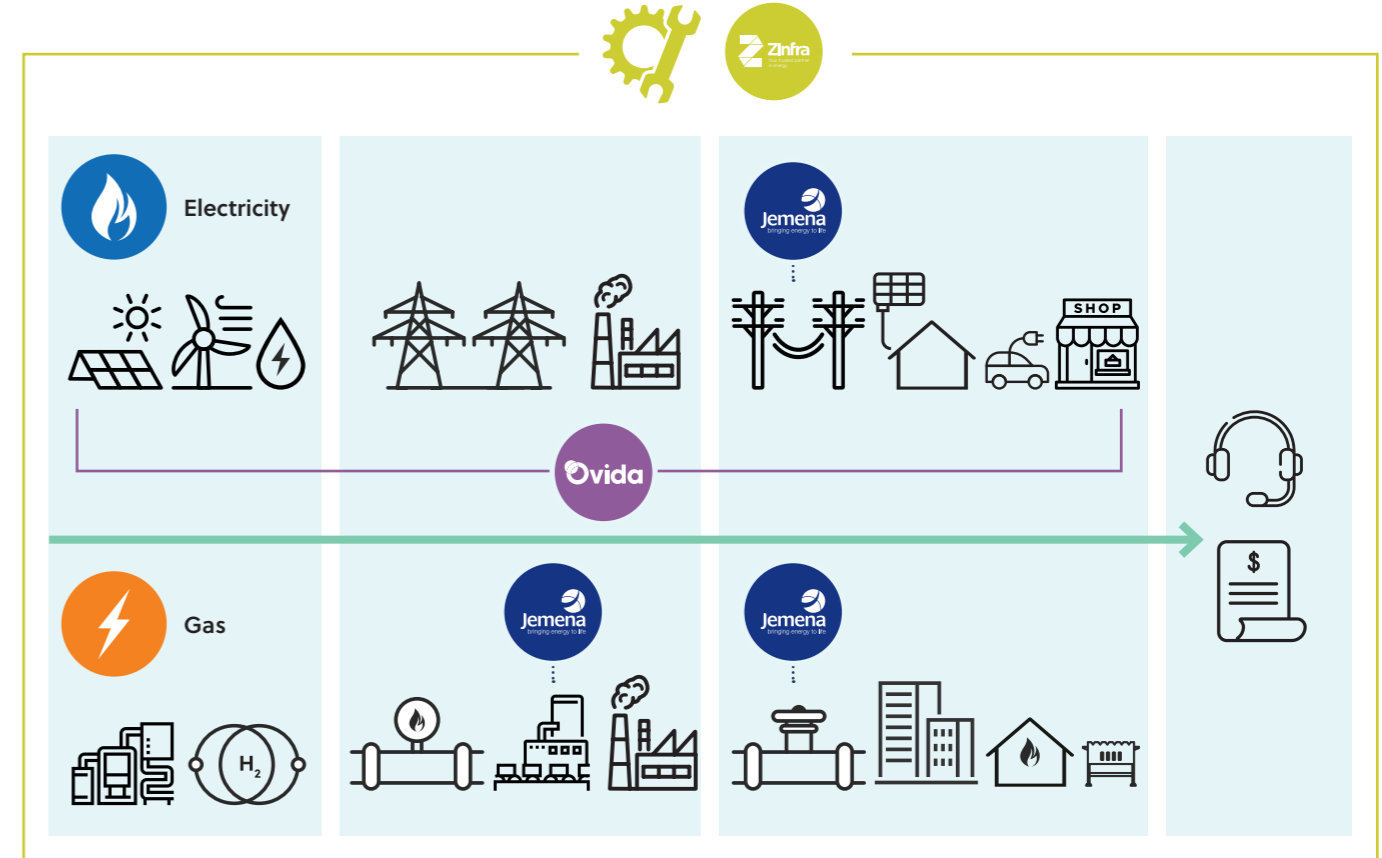
### Gas

- 2 Atlas Gas Pipeline
- 3 Atlas Gas Processing Facility
- 4 Colongra Gas Transmission and Storage Pipeline
- 5 Darling Downs Pipelines
- 6 Eastern Gas Pipeline
- 7 Jemena Gas Network
- 8 Northern Gas Pipeline
- 9 Phillip Creek Compressor Station
- 10 Mount Isa Compressor Station
- 11 Queensland Gas Pipeline
- 12 Roma North Gas Processing Facility
- 13 VicHub

### Electricity

- 14 Regulated Electricity Network
- 15 United Energy Distribution (34% Group ownership)
- 16 Jemena Offices
- 17 Ovida
- 18 Zinfra

## Our Group and the Energy Value Chain



### Energy Generation

### Energy Transmission

Transportation of high voltage electricity or high pressure gas over long distances for use in more populated areas or by generators, industrial users or other large consumers

### Energy Distribution

Delivery of lower voltage electricity or natural gas for use by residential, commercial and industrial customers

### Energy Retail

Customer energy bill & account management by retailers

### Our Group's Role in the Market

### Electricity Markets

We deliver solar and battery solutions for business and large energy users, as well as large scale grid connections and microgrids

### Electricity Networks

We own, operate, and manage electricity distribution lines and equipment across Melbourne's north west

### Gas Markets

Gas transmission pipelines, compressor and storage facilities

### Gas Networks

Underground gas distribution pipelines, metering, new and updated site connections

### Services and Projects (Zinfra)

Provides engineering services and solutions, project management, construction, and operations and maintenance services to customers across the energy and utilities sector

## Our Customers

Gas Markets	Total customers	Volume (per year)
<b>Producers:</b> Seek a route to market for their product.	<b>10</b>	Up to <b>85</b> petajoules
<b>Retailers:</b> Aggregate demand from hundreds of thousands of households and businesses.	<b>12</b>	Up to <b>50</b> petajoules
<b>Industrial Users:</b> Use gas as a feedstock because of its chemical properties or because it can cheaply and rapidly heat to very high temperatures required for many industries.	<b>16</b>	Up to <b>10</b> petajoules
<b>Gas Fired Generation:</b> Gas is used to generate electricity in all states in Australia to meet peak demand, provide baseload power, and deliver system strength and security.	<b>5</b>	Up to <b>7</b> petajoules
<b>LNG Exporters:</b> The newest market segment, LNG Exporters developed their businesses rapidly from 2012, resulting in one of the world's largest LNG export industries.	<b>2</b>	Up to <b>40</b> petajoules

Gas Distribution	Total number of customers	Total consumption (petajoules)
<b>Residential:</b> Non-business home-owners or tenants using gas mainly for heating, hot water and cooking.	<b>1.428M</b> (97.5%)	<b>27.7</b> (33%)
<b>Commercial:</b> Small business and commercial properties using gas for space heating (offices, shopping centres), water heating, and commercial cooking.	<b>36,070</b> (2.5%)	<b>11.2</b> (13%)
<b>Industrial:</b> Mainly representing chemical production, manufacturing and electricity generation.	<b>378</b> (0.0002%)	<b>46.9</b> (55%)
<b>Total</b>	<b>1.46M</b>	<b>85.8</b>

Electricity Distribution	Total customers	Volume (per year)
<b>Residential:</b> Non-business home-owners or tenants using electricity mainly for heating and cooling, appliances and lighting.	<b>332,940</b> (92%)	<b>1,411</b> (35%)
<b>Commercial:</b> Small business and commercial properties using electricity for heating, cooling, lighting, and operation of their equipment.	<b>27,225</b> (8%)	<b>607</b> (15%)
<b>Industrial:</b> Mainly representing manufacturing, large infrastructure facilities, and data centres.	<b>1,474</b> (0.04%)	<b>2,062</b> (51%)
<b>Total</b>	<b>361,639</b>	<b>4,080</b>

### Services and Projects

Utility sector – key clients include AusNet, Ausgrid, United Energy, Jemena, TasNetworks, TransGrid, Powerlink Queensland and more.

### Electricity Markets

Australian businesses, large energy users and electricity generators across the electricity supply chain in Australia.



## Membership of Organisations and External Initiatives

Our memberships are reviewed on a regular basis to ensure good governance, and maximise alignment with our business interests and values.

Our Group is a member of the following organisations:



Energy Procurement Supply Association\*

Respecting Human Rights in our Supply Chain: A practical guide to understand and address the moral and business challenges facing the energy industry



Asia Society



Corporate Tax Association



Energy Charter\*



Clean Energy Council



Future Fuels CRC\*



Ai Group



Australian Hydrogen Council\*



Cyber CRC



Energy Club NT\*



Global Energy Interconnection Development and Cooperation Organization (GEIDCO)



Hydraulic Consultants Association



APGA\*  
Gas Vision 2050  
Energy Charter Better Together Initiatives



Bioenergy Australia\*



Edison Electric Institute



Energy Networks Australia\*  
Gas Vision 2050



C4NET Centre for New Energy Technologies



Urban Development Institute of Australia (UDIA)



APPEA  
Gas Vision 2050



Business Council of Australia (BCA)



Electric Vehicle Council



CEDA (Victoria and NSW)



Energy Users Association Australia



International Association of Project Managers

\* Memberships where our people also hold a leadership position



# Building Long-term Sustainable Value

Partnering to create Australia's energy future

## Our purpose:

Bringing energy to life

## Our values:

Teamwork, accountability, excellence, health and safety, and customer focus

## Our Approach

Our 2020 *Sustainability Report: Adapting to Change*, focuses on the work we've done to enhance outcomes for our people, our customers, and the communities we serve, while continuing to deliver energy reliably, affordably, and sustainably. To identify our material topics for 2020 we consulted our people, while also taking into account the views of our key external partners and broader community sentiment as articulated through the media, expert reports, and other commentary. As a result of these conversations, the material topics below were identified.

## Our Material Topics

### Supporting Australia's Energy Transformation

**Objective:** transform how we operate to support Australia's transition to a low-carbon future and position ourselves for long-term success.

### Climate and Environment

**Objective:** explore opportunities to reduce our impact on the climate and environment, while continuing to deliver reliable, affordable, and sustainable energy.

### Safe and Inclusive Workplaces


**Objective:** continued excellence in the safe operation of our assets, while also creating workplaces and spaces that value diversity and inspire our people to be their best.

### Strong Communities

**Objective:** leave a positive and lasting legacy in the communities where we operate.

## The Sustainable Development Goals

As a Group we support the United Nation's Sustainable Development Goals (SDGs) which provide a blueprint towards "a better and more sustainable future" at a global scale. Throughout this report, we have connected our material topics to the SDGs as summarised in the diagram below.

Focus Area	Sustainable Development Goal
Supporting Australia's Energy Transformation	SDG 7 – Affordable and Clean Energy 
Climate and Environment	SDG 7 – Affordable and Clean Energy  SDG 13 – Climate Action 
Safe and Inclusive Workplaces	SDG 3 – Good Health and Well-being  SDG 5 – Gender Equality  SDG 10 – Reduced Inequalities 
Strong Communities	SDG 8 – Decent Work and Economic Growth  SDG 10 – Reduced Inequalities 

# Supporting Australia's Energy Transformation

Energy is at the centre of our lives. It underpins our economies, enhances living standards, facilitates better health outcomes, and leads to longer life expectancies. The need for energy is also growing, with global and domestic demand expected to increase over the coming decades. At the same time, technology and climate change are influencing how energy is made, distributed, and used.



## Sustainable Development Goal 7

Affordable & Clean Energy

### Towards Renewable Gas

Gas has a long and enduring place in Australia's energy mix. From the time when town gas was used to light our city streets in the 1800s, through to the discovery of vast reserves of natural gas throughout the 1950s, 60s, and 70s, the way we have accessed and used gas has continued to evolve. Today, around 21% of Australia's primary energy needs are met through gas and it is one of our largest exports.

Gas, like Australia's energy system, is also changing, with new technologies making zero emissions gases such as hydrogen and biomethane a real possibility.

In 2020 we were proud to support – through our membership of Energy Networks Australia – the release of *Gas Vision 2050: Delivering a Clean Energy Future*<sup>10</sup>. This document outlines gas' decarbonisation pathway and role in the future energy mix. It highlights that green hydrogen (that is renewably generated hydrogen) and blue hydrogen (hydrogen derived from natural gas) can be deployed at around half the cost of electrifying Australia's energy system, while delivering reliable energy that is available when the sun doesn't shine or the wind isn't blowing.

We're committed to making *Gas Vision 2050* a reality and are investing in a number of innovative projects to do so as we believe hydrogen has a critical role to play in addressing difficult carbon abatement areas.

### Renewable Hydrogen and The Western Sydney Green Gas Project

Our Group owns and operates Australia's largest gas distribution network, which provides natural gas for cooking, heating, and other applications to over 1.4 million homes and businesses across New South Wales. Our *Western Sydney Green Gas Project* (WSGG), is an important first step towards allowing these customers to access renewable gas in the form of hydrogen. Through this pilot project the energy needs of around (initially) 250 households will be met via renewable hydrogen. The project will also test the application of hydrogen in transport and storage settings. Throughout 2020 we worked behind the scenes to bring this project to life, and we plan to start delivering hydrogen gas in mid 2021.

More information on the WSGG project, a \$14 million project co-funded by our Group and the Australian Renewable Energy Agency (ARENA) is available on the Jemena website at: <https://jemena.com.au/about/innovation/power-to-gas-trial>



Jemena's 500kW electrolyser, based in Western Sydney, sources wind and solar power, ensuring hydrogen gas supplied to consumers will effectively be carbon neutral

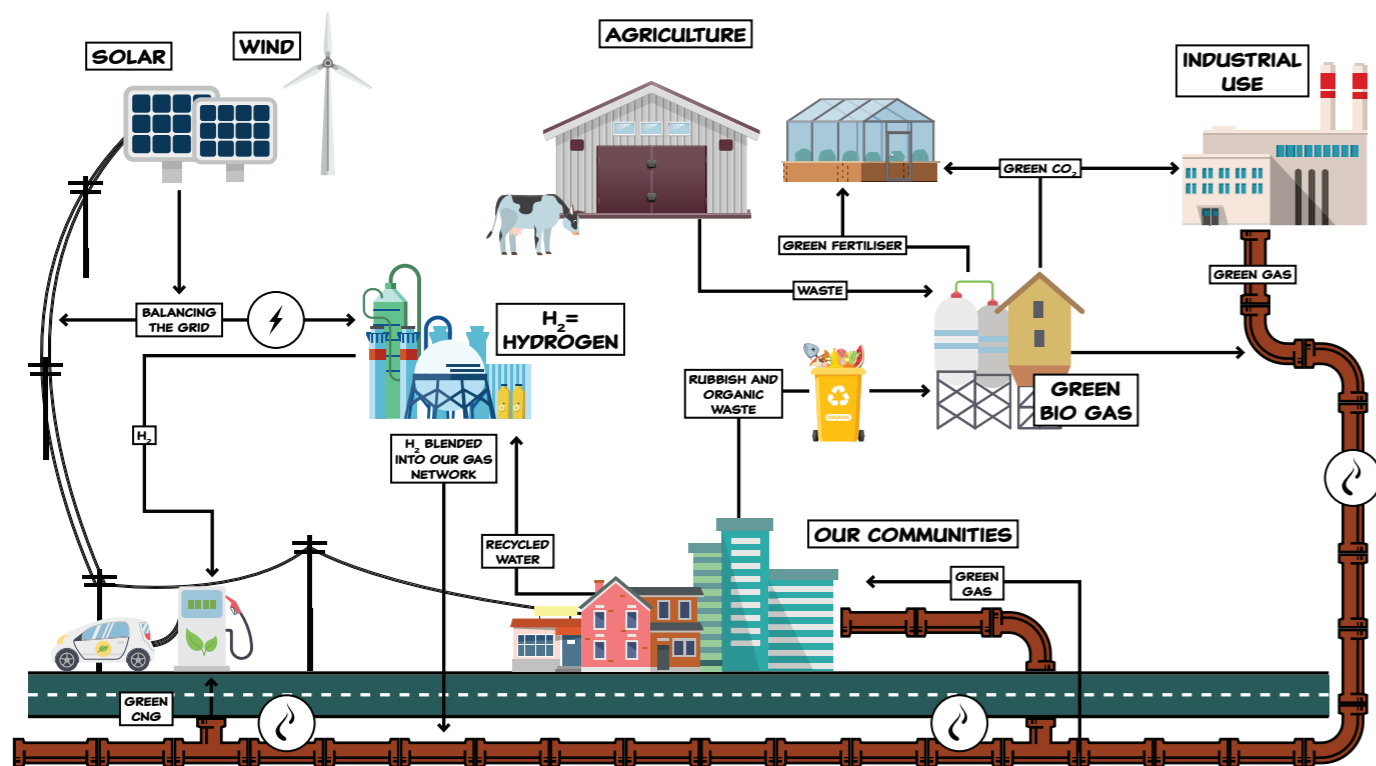
<sup>10</sup> Source: Gas Vision 2050, September 2020 Update, <https://www.energynetworks.com.au/projects/gas-vision-2050/>

## Converting Waste to Energy and the Circular Economy

In November 2020 we announced details of Australia's first waste-to-gas project, which will see more than 6,000 homes and businesses across New South Wales use biomethane (which is a renewable green gas) for their cooking, heating, and hot water.

Biomethane is produced by converting biomass and waste into biogas which is then upgraded, purified, and made suitable for injection into the gas network.

Our waste-to-gas project is a partnership between Sydney Water, our Group, and ARENA. Through the partnership biomethane will be generated at Sydney Water's Malabar Wastewater Treatment Plant in South Sydney and then injected into our New South Wales gas distribution network. We believe the \$15 million project will demonstrate the role biomethane can play in a circular economy – that is a system which eliminates waste by continually reusing resources – while also responding to calls from our customers for renewable gas. While the project will initially provide gas to meet the energy needs of 6,000 customers, it has the potential to be scaled up to 200 Terajoules per year, which is enough gas to meet the needs of around 13,300 homes. In the future we envisage that another 30,000 Terajoules of biomethane can be produced, which is enough renewable gas to meet all of our customers' energy needs in New South Wales. The project is expected to support wider uptake of biomethane technology by the Australian waste industry and is expected to have broader application than just the wastewater treatment sector.



## Supporting the Victorian Clean Technology Fund

We're proud to support the Victorian Clean Technology Fund (VCTF), a venture fund which invests in and assists the commercialisation of novel clean technologies. Established in 2003, the fund has invested in over 25 companies including:

### Allume Energy

In a world first, Allume Energy has developed a single solar-system which can be shared by multiple residents within a building using behind-the-meter hardware and software. Allume is currently focussed on working with governments and property developers to roll out the technology across community housing sites and new estates.

In 2020, Allume also signed a partnership deal with the USA's largest rooftop solar provider, Sunrun, which will see the technology deployed across the United States.

### Southern Green Gas

Southern Green Gas is investigating how hydrogen and other renewable green gases can be produced and used in Australia's existing gas grid. The company has deployed a number of demonstration projects, including a hydrogen production project which is using solar power to produce hydrogen from water, and a methane production project which is using hydrogen combined with extracted carbon dioxide to produce methane which can then be injected into the existing gas grid.

For more information about the VCTF visit: <https://www.vctf.com.au/>

## Evolving the Electricity Grid

Our electricity network provides energy to over 360,000 residential and business customers across Melbourne's inner north-west. Like our gas network, we are evolving our electricity network in response to changing consumption patterns, the uptake of new technologies, and evolving consumer preferences. These themes form the basis of our 2021-26 Regulatory Proposal (available on the Jemena website) for our electricity network and were identified as part of an extensive community engagement program held to shape our proposal.

## Supporting the Move to Electric Vehicles

Modelling prepared by the CSIRO to inform the Australian Energy Market Operator's (AEMO) Integrated System Plan (ISP) forecasts that Australia's entire car-fleet could be electrified in a step-change scenario by as early as 2050<sup>11</sup>. While more modest scenarios see this timeline extended, consumer interest in Electric Vehicles (EV) globally and in Australia continues to flourish. In response, we are taking steps to ensure our electricity grid is able to handle an increase in demand for energy driven by an increase in EV charging. In 2020 we partnered with ARENA and other electricity distribution businesses to test how EV demand on the grid could be managed via the use of "smart wall-charging" technology. This technology will allow electricity distribution networks, like ours, to dynamically adjust charging of an EV to a time when the electricity grid has more capacity, thereby minimising demand on the electricity grid. The trial, titled *EV Grid: Enabling Electric Vehicle Friendly Networks and Neighbourhoods*, will be administered from early 2021 with the results informing our future approach towards supporting the burgeoning EV market.



<sup>11</sup> Source: CSIRO: Projections for small-scale embedded technologies, [https://aemo.com.au/-/media/Files/Electricity/NEM/Planning\\_and\\_Forecasting/Inputs-Assumptions-Methodologies/2020/CSIRO-DER-Forecast-Report](https://aemo.com.au/-/media/Files/Electricity/NEM/Planning_and_Forecasting/Inputs-Assumptions-Methodologies/2020/CSIRO-DER-Forecast-Report)

## Creating Solar Friendly Neighbourhoods

AEMO's ISP forecasts a 200% increase in supply from Distributed Energy Resources (DER) – such as rooftop solar – out to 2040, reflecting consumer preferences to connect to new technologies and state government policies designed to support their uptake. We are committed to supporting our customers who choose to install DER technology while remaining connected to the traditional electricity grid. At the same time, we recognise that the electricity distribution network was designed to support the one-way flow of energy from centralised power stations to households and that the two-way flow of power presents a range of opportunities and challenges which we must rise to. In response, in late November 2019 we announced the *Creating Solar Friendly Neighbourhoods* trial – an alliance between our Group, ARENA, the University of New South Wales, and AusNet Services. Implemented in early 2020, the trial is exploring how existing electricity infrastructure can better work with DER and other technologies. The trial will target around 110 of our customers in Greenvale (an area where one in four customers has installed rooftop solar), and is designed to explore how:

- existing solar customers can feed more excess power into the grid, without compromising grid stability,
- more customers can install rooftop solar, and
- DER technology can help respond to localised demand during high usage times.

The trial is expected to provide insights to help our Group prepare for the future integration of DER and other technologies with the existing electricity grid.

We are also seeking ways to address inequity in the DER system.



Jemena's Grid battery, installed in Greenvale VIC

## Natural Gas: Partnering With Renewable Technology

Today, natural gas supplies around 21% of Australia's primary energy needs. In the future, gas is anticipated to continue to play an important role in the energy system as renewable technologies – which need to be backed up by the firming power offered by gas – are further integrated into the energy system. At the same time, gas supply shortfalls are forecast in the mid-to-late 2020's due to the decline of gas fields off the coast of Victoria<sup>12</sup>. This will reduce the amount of gas Victoria can supply to New South Wales and South Australia, and, as a result – without additional gas supply – winter peak day supply adequacy is forecast to continue to tighten and gas supply restrictions and curtailment of gas-powered generation may be necessary on a peak winter day from 2024.

Our aim is to build the right infrastructure solutions so that we can facilitate an increase in renewable technologies without sacrificing energy reliability. To do this we have developed our *Northern Growth and Southern Gas* strategies to bring additional gas to where it is most needed.

### Southern Gas Strategy: Victoria and New South Wales

In response to forecast changes across Australia's southern gas markets we are taking steps to support the diversification of the country's gas supply. Through our Southern Gas Strategy, we are partnering with Australian Industrial Energy (AIE) to connect Australia's first LNG import terminal at Port Kembla to the east-coast gas grid via our Eastern Gas Pipeline (EGP). We are also advancing plans to make the EGP bi-directional so that it can flexibly supply gas to the Victorian and New South Wales markets. This new gas will help offset declines in gas fields off Victoria's coast, while also placing downward pressure on gas prices which will assist manufacturers in New South Wales and Victoria who have been impacted by rising gas prices. This new gas will also provide the fuel-stock needed to power proposed new gas-powered-generation, which will be used to complement renewable generation as part of an integrated energy system.



Port Kembla, located 8km south of Wollongong's CBD

<sup>12</sup> Source: Victorian Gas Planning Report, AEMO, March 2020 Update  
[https://aemo.com.au/-/media/files/gas/national\\_planning\\_and\\_forecasting/vgpr/2020/2020-vgpr-update.pdf?la=en](https://aemo.com.au/-/media/files/gas/national_planning_and_forecasting/vgpr/2020/2020-vgpr-update.pdf?la=en)

### Supporting a Gas-Fired Recovery from the Covid-19 Pandemic

In September 2020 our Group announced plans to extend the Eastern Gas Pipeline (EGP) north of Sydney's Horsley Park to the Hunter Valley where it can support manufacturing operations. Our proposal will also increase the capacity of the pipeline's northern flows by around 25%. The northern extension would be ideally positioned to provide the gas needed to deliver on the Commonwealth Government's requirements for gas-fired-generation to take over the firming role currently filled by the soon-to-be-retired Liddell Power Station. The extension can also bring gas for generation at Newcastle, or could underpin generation at Eraring or Kurri Kurri.

### Northern Growth Strategy: Queensland and the Northern Territory

Jemena is leading the charge in bringing infrastructure solutions to the country's north to help open up the Beetaloo and Galilee Basins in accordance with the Commonwealth Government's plans for a gas-fired recovery to the Covid-19 Pandemic. To do this, we want to build an interconnected gas network to bring gas from the Northern Territory to where it is most needed via the most direct route available. This will help to shore up manufacturing across northern Australia, increase supply for local and export markets, support the move away from coal, and reinforce intermittent renewable generation.

In 2020, we announced our partnership with shale-gas experts, Tamboran Resources Limited: the holders of premium acreage in the highly prospective Beetaloo / McArthur Basin in the Northern Territory. As soon as sufficient gas is proven in the Northern Territory, the partnership will see Jemena transport gas produced by Tamboran along our Northern Gas Pipeline to the east coast. Tamboran's work is a critical next step in delivering on our Northern Growth Strategy which will bring significant investment, and over 4,000 jobs to the Northern Territory over the next decade.

For more information about Jemena's activities across Northern Australia visit: <https://jemena.com.au/pipelines/northern-gas-pipeline>.



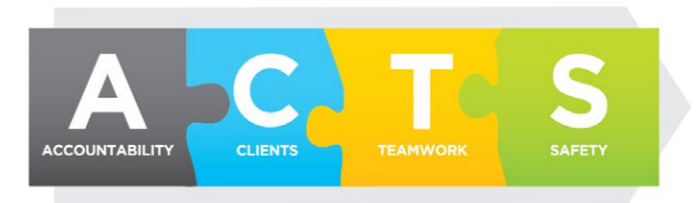
# Leading for Sustainability



## Leading for Sustainability

The behaviour of all of our people is underpinned by our shared values of: teamwork, accountability, excellence, health and safety, and customer focus. These values were developed in consultation with our people and guide how we interact with one another, our stakeholders, and our customers. They are detailed in our *Code of Conduct: Doing the Right Thing*, and are consistent with other commitments the Group has made externally. Any concerns about potential breaches of the Code of Conduct or unethical behaviour can be raised - either by our people or by a member of the community - via our Whistleblower Policy which is available on the Jemena website.

Our approach to sustainability is also underpinned by our values, and we have developed a governance structure that has clear lines of accountability for sustainability matters. As part of this structure, at the most senior level, our Board – with the assistance of its Committees – provides leadership and oversight on all sustainability matters, with day-to-day responsibilities, including strategy planning and implementation, resting with management who are led by our Executive Leadership Team.





### Sustainability Working Group

In 2020, we established a Sustainability Working Group comprised of senior personnel from our Corporate Strategy, Corporate Affairs, and Health, Safety & Environment business areas. Together this working group is charged with coordinating the Group's sustainability efforts and reporting, while ensuring sustainability is incorporated into the Group's Corporate Strategy. The working group works closely with our Finance team (who are responsible for our financial reporting) and regularly briefs our Managing Director on sustainability matters as a part of our ongoing corporate strategy.

Our Sustainability Report has been reviewed by members of our Executive Leadership Team before receiving endorsement by our Managing Director –this approvals process has been designed to ensure all material topics have been considered. Once endorsed by our Managing Director, our report is presented to our Board.

### Anticipating and Managing Risk

Risk management is a fundamental driver of effective corporate governance and the achievement of sustainable business outcomes. Our Group takes a proactive and structured approach to risk management to:

- safeguard our customers, our people, and the communities where we operate,
- protect our assets, reputation, value, and integrity,
- enhance business processes, operations, and practices,
- encourage innovation and provide a source of competitive advantage,
- foster a culture and capability which supports effective decision-making, and to
- ensure compliance with regulatory obligations.

As part of our risk management policy and program, we have committed to establishing and maintaining a risk management framework in accordance with ISO 31000:2018 *Risk Management Guidelines*, that has been tailored to the requirements of the Group. In managing the occupational health and safety risks associated with our scopes of work, the Group complies with local legislation, the ISO 31000:2018 *Risk Management Guidelines* and the *Safe Work Australia: How to Manage Work Health and Safety Risk Code of Practice*. Risk management is also a regular part of strategy planning, with business units holding risk management workshops or reviews on a routine basis.

Our approach to risk management is guided by the Group's Risk Management Policy, with the Risk, Health, Safety and Environment Committee providing risk management oversight in accordance with its terms of reference approved by the Board. Risk, including risks associated with the material topics identified in this report, is discussed at Committee meetings, with resulting determinations shaping future business activities.

### Tax Transparency

Our Group is committed to meeting its Federal and State tax obligations, including payment of all taxes by relevant due dates. The Group has implemented a robust and operationally effective Tax Corporate Governance (TCG) framework which aligns with the Australian Taxation Office's (ATO) Tax Risk Management and Governance Guide. The TCG framework includes strong Board and Management level controls which are tested periodically. Our Board has also approved a Tax Risk Management Framework (TRM Framework), which is used to categorise tax risks and mandate the steps the Group needs to take to manage such risks.

The Group has an experienced in-house Tax team that formally reports to the Audit and Compliance Committee (ACC) on a quarterly basis. The Tax Team also provides specific updates on significant tax legislative changes and developments to the Board and ACC where appropriate. Further information on relevant practices and governance arrangements is available in our Group's Tax Transparency Report, which is [available on the Jemena website](#).

The controlling entity of the Group is SGSP (Australia) Assets Pty Ltd. The Board of Directors of SGSP (Australia) Assets Pty Ltd is the body that governs the activities of the Group. The Board is currently constituted according to an Investors Deed, which provides that the Board must consist of:

- Four Directors appointed by the State Grid International Development Australia Investment Company Limited;
- Three Directors appointed by the Singapore Power International Pte Ltd; and
- One Director appointed jointly by the Shareholders, who shall be the Managing Director.

Further information relating to current Board composition can be located via the Offering Circular for the Group's Medium Term Note Programme at [https://jemena.com.au/documents/reports/sgspaa-offering-circular\\_july-2020.aspx](https://jemena.com.au/documents/reports/sgspaa-offering-circular_july-2020.aspx)

## Our Leaders

Our leadership team, based in Melbourne, is responsible for setting the business' overall strategy and direction, as well as managing day-to-day activities across the Group. Following a restructure in late 2020, our leadership team includes:



**Frank Tudor**  
Managing Director



**Mr Kin Wah Yew**  
Deputy MD



**Jodie Blake**  
EGM  
People, Safety, Legal,  
Corporate Affairs



**Antoon Boey**  
EGM  
Gas Markets



**Cameron Dorse**  
Chief Digital Officer



**Mr Sun Peng**  
Deputy MD



**Peter Iancov**  
EGM  
Services & Projects



**Chris Judd**  
EGM  
Electricity Markets



**Shaun Reardon**  
EGM  
Networks



**David Gillespie**  
Chief  
Financial Officer

## Fair and Responsible Remuneration

Executive remuneration is designed to be market competitive with external data, provided by Mercer, being used to inform the Group's overall executive remuneration framework. This framework details how executive pay is set and reviewed and how performance is recognised and rewarded, as well as other executive benefits. With some minor exceptions, our executive remuneration structure is largely consistent with the remuneration structure for our non-executive employees.

## Setting Executive Pay

Our executives are remunerated through a combination of fixed pay, and short-term and long-term performance-based bonuses. To ensure market competitiveness, executive roles across the Group are evaluated and benchmarked against external remuneration data for roles of the same size. This data is provided by an independent third-party, Mercer, using their IPE methodology, to inform executive fixed pay and total reward quanta.

Executive pay is reviewed in April of each year as part of the Group-wide salary review process, with any pay increases being approved by the Nomination and Compensation Committee (NCC) of the Board in March of each year. Proposed increases take into account:

1. the individual's performance rating
2. relativity between the individual's current pay and the market rate
3. relativity between executive members, including a focus on gender equity
4. the overall budget for pay increases across the Group.

Regular meetings are held with shareholder representatives, prior to formal NCC meetings, to discuss upcoming proposed pay increases. Shareholder feedback is taken on board such that any papers submitted to the NCC should reasonably represent their views, together with all other valid considerations.

Out-of-cycle pay reviews are conducted where an executive's role has changed materially throughout the year, with all out-of-cycle pay adjustments being reviewed and endorsed by the NCC.

## Recognising Executive Performance

Our executives are eligible for two types of variable — performance-based — pay to incentivise, reward, and recognise executive performance over the short and long term.

### Short Term Incentives Program

Our short term rewards program is designed to evaluate and reward executive performance annually against our corporate KPIs as outlined in our corporate scorecard. Where annual results have been achieved the NCC will consider and approve an incentive payment for executives in March of the following calendar year (noting a similar process is conducted for non-executive employees). In the event an executive resigns from the Group before a short term reward is paid they forfeit the reward earned during the previous calendar year. If an executive is made redundant, retires, or if they are seriously injured or unwell a pro-rated reward is paid.

### Long Term Incentives Program

Our long term rewards program is designed to motivate, recognise, and reward executive performance over a longer horizon of three years. At the end of this three-year period executive performance against Total Shareholder Return Targets is evaluated by the NCC. If targets have been met, executives will receive three equal payment tranches over the next two year period (for example, long-term incentives for the 1 Jan 2018 - 31 Dec 2020 period are paid at the beginning of 2021 followed by an additional payment in 2022 and 2023).

Similar to the Short Term Incentives Program, where an executive resigns from the Group they forfeit any unpaid payments under the Long Term Incentives Program. If an executive is made redundant, retires, or if they become totally and permanently disabled a pro-rated reward is paid.



# Climate and Environment



## Sustainable Development Goals 7 & 13

Affordable and Clean Energy | Climate Action

**Why the topic is material:** global demand for energy is forecast to continue to grow over the coming decades, particularly as other parts of the world continue to industrialise. At the same time, the risks associated with climate change and rising global temperatures simply cannot be ignored. As a leading energy infrastructure company we are well placed to contribute to global efforts to reduce carbon emissions by supporting Australia's transition to a low-carbon future.

**Our management approach:** we support the framework established by the Paris Agreement to avoid dangerous climate change and recognise our activities either directly or indirectly generate greenhouse gas (GHG) emissions. While we are taking steps to improve the efficiency of our operations today, we are also spearheading research and development into technologies that can help contribute to a reduction in GHG emissions without compromising energy affordability or reliability.

**Our Vision:** we believe Australia's energy future – and indeed the world's – depends on businesses like ours investing today in solutions and technologies which effectively balance the energy trilemma of reliability, affordability, and sustainability. Our vision is supported by our strategy which focuses on:

In 2020 we furthered work to align our approach with the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD). Our work in this space is maturing, and we look forward to further progress being made in 2021. Throughout 2021 we also plan to establish goals to guide our emissions reduction activities.



### Delivering Renewable Gas

Through our Western Sydney Green Gas and bio-methane trials

Giving customers the option to keep using gas today and in the future



### Evolving the Energy Grid

To support the integration of Distributed Energy Resource (DER) technologies into the grid, and greater uptake of electric vehicles



### Partnering with Renewables

To provide critical firming power to support intermittent renewable generation when the wind isn't blowing and the sun isn't shining.

## Financial Implications and Other Risks and Opportunities Due to Climate Change

In 2020, we commenced work to understand how the Financial Stability Board's climate-related financial risk disclosures could be used by our Group to provide investors, lenders, insurers and other stakeholders with transparent information about the financial implications of climate change as they relate to our Group. The Task Force for Climate-Related Financial Disclosures (TCFD) considers the physical and transitional risks associated with climate change and aims to help organisations like our Group to understand what financial (and other) information markets require when evaluating how a business is responding to climate change.

In the 2019-20 Financial Year we engaged external consultants to conduct a gap analysis of our current climate-related risk management approaches and external disclosures against the TCFD Recommendations. The gap analysis focused on the disclosure and management practices of our Group's Market-facing functions, namely: Electricity Distribution, Gas Distribution, Gas Markets, Electricity Markets, and Services and Projects (Zinfra), and benchmarked our approach against our industry peers. The analysis also developed scenarios to assess climate-related physical and transition risks against as well as opportunities across our Group's value chain. The resilience of our Group was then evaluated against these scenarios. Following this, the first of a series of risk workshops was held to explore various scenarios of differing social, technological and economic outcomes that took into consideration the short, medium, and long term impacts of climate-related risks and opportunities. We plan to hold additional workshops in 2021 to complete this work. Once completed, this gap analysis will provide insight into the Group's maturity regarding climate-related disclosures as compared to our peers, and will recommend how we can better align with the TCFD Recommendations.

While we recognise we still have much work to do in order to respond to the financial risks and opportunities associated with climate change, we see this as a positive first step and anticipate publishing the outcomes of this work in our 2021 Sustainability Report.

### Energy Consumption Within The Organisation

The Group continues to report on our fuel and electricity usage, as well as our greenhouse gas emissions under the *National Greenhouse and Energy Reporting Act 2007*. While energy is used throughout all of our operations, larger amounts of energy are used to power our natural gas distribution and transmission assets across Queensland, the Northern Territory, and in New South Wales. In this context, energy –derived from natural gas –is used to power compression stations, heaters, and Gas Engine Alternators. Across our electricity network in Victoria energy is also used to power public lighting, while our Zinfra field crew use fuel for transportation.

### Greening Our Fleet

As businesses across Australia look for ways to reduce their carbon emissions, transitioning to an electric vehicle fleet can play a significant role in moving towards a low-carbon future.

For energy companies like our Group, this can be a bigger challenge due to the use of larger vehicles –like elevated work platform trucks –that are used to maintain the poles and wires on our electricity network across north-west Melbourne. In 2020, these vehicles were not available in electric-powered models.

In response to this, we partnered with Australian automotive technology company, SEA Electric, and Victorian elevated work platform design and manufacturing company: Nifty-Lift, to custom-build Australia's first electric-powered elevated work platform truck.

Bringing the truck to life was a complex process that took over two years. SEA Electric converted the elevated work platform truck into a 100% electric vehicle equipped with a 138kWh battery pack which provides around 120km of range. The elevated work platform is powered by the truck's battery which is charged at the end of each day and takes around six hours.

The truck will reduce Jemena's carbon emissions by 30 tonnes per year. This is in addition to other energy efficiency initiatives already rolled out within our network including the installation of 500 LED 'smart street lights' that use up to 75% less energy than traditional lighting.

Not only is this electric-powered elevated work platform truck the first step in greening our fleet, it will also benefit customers and field workers with a quieter operation and zero exhaust emissions.



*Jemena and Zinfra's Australian-first electric-powered cherry picker truck hit the road in August 2020*

Group Energy Consumption	
<b>Total annual energy consumption within the organization, in joules or multiples.</b>	Total energy consumption = 6,625,944 GJ
<b>Total fuel consumption within the organisation from non-renewable sources, in joules or multiples, and including fuel types used.</b>	<p>The total fuel consumption from non-renewable sources (excluding electricity) in FY19-20 is 4,079,834 GJ, comprising the following:</p> <ul style="list-style-type: none"> <li>• 3,875,973 GJ of natural gas combustion for system use and</li> <li>• 203,861GJ of transport fuel (mainly petrol, diesel. Ethanol and LPG)</li> </ul> <p>In addition to the above, 915,181 GJ of natural gas was flared within during the operation of NGP, RNP and Atlas Pipeline.</p>
<b>Total electricity consumption in joules, watt-hours or multiples.</b>	Total electricity consumption = 50,075MWH (180,270 GJ)
<b>Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.</b>	Total energy generated and consumed from solar generation in FY19-20 is 61 MWH (220GJ).

## Green House Gas Emissions (GHG)

In the 2019-20 Financial Year our Group's Scope One and Scope Two emissions decreased by 12% compared to 2018-19 levels. This came despite the addition of two new pipeline assets to our network: the Atlas Gas Pipeline and the Roma North Pipeline (RNP). The decrease can be attributed to operational improvements across the Northern Gas Pipeline (NGP), as well as an overall reduction in the volume of gas being delivered to our customers within the gas transmission and gas distribution networks as a result of the Covid-19 Pandemic.

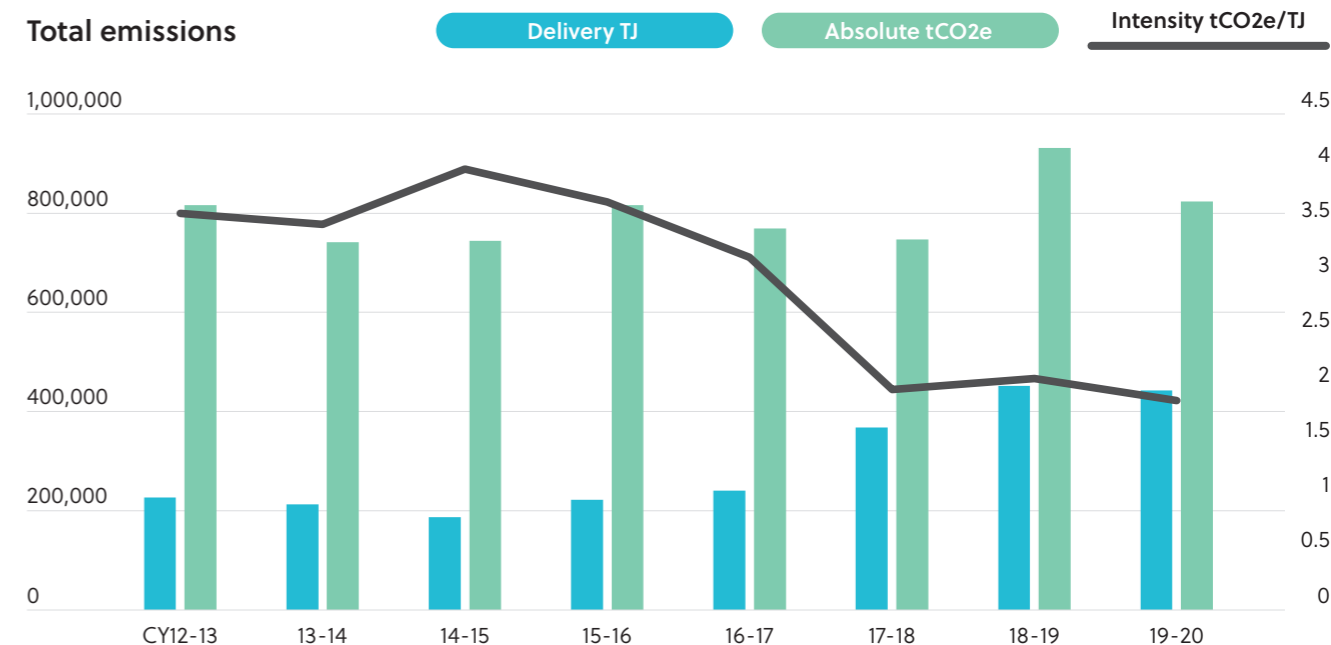
The overall emissions intensity across our Group also improved by 10% this reporting year, reducing from 2.1 tCO<sub>2</sub>e/TJ of energy delivered in the FY18-19 to 1.9 tCO<sub>2</sub>e/TJ of energy delivered in FY19-20.

Greenhouse gas emissions across our Safeguard Facilities<sup>13</sup>, namely Jemena Gas Networks in New South Wales, the NGP in the Northern Territory and Queensland, and the Eastern Gas Pipeline, are monitored monthly to ensure that any increase in fuel use and hence Scope One emissions is accounted for and that there are no unexpected exceedances of the facility's baseline at the end of the reporting period.

We are continually looking for ways to improve the way we collect, analyse, and report our GHG emissions data. With this in mind, in 2020 we brought our reporting capabilities inhouse to leverage internal capabilities and deliver greater insight and clarity on our limitations as well as opportunities for improvement.

<sup>13</sup> Facilities which emit more than 100,000 tonnes of carbon dioxide equivalent (CO<sub>2</sub>-e) covered emissions in a financial year, which have an approved baseline.

Scope One And Two Emissions	
<b>Gross direct (scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent</b>	643,787 tonnes CO <sub>2</sub> e
<b>Gross direct (scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent</b>	179,740 tonnes CO <sub>2</sub> e
<b>Gases included in the calculation</b>	Carbon dioxide (CO <sub>2</sub> ), Methane (CH <sub>4</sub> ) and Nitrous Oxide (N <sub>2</sub> O). Sulphur Hexafluoride (SF <sub>6</sub> ) has also been assessed within the Group's electricity network in Victoria
<b>Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent</b>	Not applicable
<b>Base year for calculation</b>	FY19-20 (1 Jul 19 to 30 Jun 20)
<b>Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source</b>	The emission factors, as well as GWP of methane, have been sourced from the National Greenhouse and Energy Reporting (Measurement) Determination of 2008
<b>Consolidation approach for emissions; whether equity share, financial control, or operational control</b>	Our Group has several facilities which meet the reporting requirements under the National Greenhouse and Energy Reporting Act 2007 (NGER Act)
<b>Standards, methodologies, assumptions, and/or calculation tools used</b>	Emission calculations are undertaken in accordance with the National Greenhouse and Energy Reporting (Measurement) Determination of 2008, using a combination of the approved methodologies



## Environmental Management

In late 2019, Zinfra and its sister company, Jemena, came together to form the one Group. As a result of these changes our Group has two separate Environmental Management Systems (EMS) – noting Zinfra's EMS has received ISO 14001:2015 accreditation. Throughout 2020, Jemena and Zinfra continued to operate these separate systems, however from 2021 we will commence work on an integrated EMS to cover both Jemena and Zinfra's operations. This new EMS will define the Group's approach to environmental management while leveraging the strengths of our existing systems. Our ambition is to ensure the new EMS aligns with ISO 14001:2015. The development of the new EMS will be guided by Business Unit committees, with high-level oversight being provided by the Group's Risk, Health, Safety, and Environment Committee and our Group HSE Council.

## Our World-First Remediation Program

As a result of a corporate transaction, our Group acquired a number of sites across New South Wales which had been historically used to produce town gas. Due to the processes associated with production of this gas, these sites became contaminated with a number of materials which pose a risk to the health and wellbeing of the local community and environment. At the same time, the contamination of this land limits how it can be used.

Following remediation of a number of contaminated sites in 2019, in 2020 our Group completed clean-up works at the former Newcastle Gasworks and at Kendall Bay, Breakfast Point in Sydney.

Our group invested over \$60 million to complete clean-up works at both sites, with the projects generating a number of jobs and bringing a healthy boost to the local economy.



*Jemena's Kendall Bay Remediation Project, completed in October 2020*

At Kendall Bay, we adopted an innovative project approach and used in-situ stabilisation to remediate contaminated marine sediments. The use of in-situ stabilisation saw contaminants stabilised using a marine cement that is capable of interacting with water over the long-term. Following the stabilisation of contaminated sediments, clean sand and rock was installed to provide a suitable environment for marine organisms to inhabit. We understand the project was the first time in-situ stabilisation has been used to remediate contaminated marine sediments on a large scale anywhere in the world.

Pleasingly, our people were able to complete these projects during the Covid-19 Pandemic and were quick to adopt new, Covid-safe ways of working, to ensure their own safety while finishing this critical work.

In 2020, the efforts of our people on our Goulburn Remediation Project, which was completed in 2019, were also recognised with our Group receiving several external awards including being recognised for upholding best practice while retiring and disposing of a former asset. Our Group was also commended for planting 4,500 native trees and shrubs, adopting work practices to reduce noise and air pollution, choosing to use local suppliers, and reinvigorating the community foreshore area and creating a cycle track as part of this project.



# Safe and Inclusive Workplaces



## Sustainable Development Goal 3 Good Health and Wellbeing

**Why the topic is material:** we recognise that there are risks inherent in the work we do and seek to eliminate and minimise these risks to the full extent practicable. We also recognise that the health of our people will fluctuate throughout the course of their employment, which has the potential to affect the complex set of interactions between them, their work, and their work environment. In light of this, we remain committed to protecting and caring for our people so they can return home safe at the end of each day.

**Our management approach:** last year, we refreshed our Group Health, Safety & Environment Strategy for 2020-2024 following extensive consultation and partnership across the Group. Our HSE Strategy is focused on enabling a workplace that promotes the health and safety of its people and the sustainable use of its built and natural environment. Our strategy outlines activities in three key areas:

- **Leadership** - Our leaders consistently engage with our people to instil a shared HSE vision.
- **Risks and Systems** - Our systems and actions support us to effectively manage HSE risk.
- **Engagement** - Our people are empowered to deliver and improve our HSE practices.

### Health and Safety Committees

Our HSE strategy is administered by a number of committees across the Group including our HSE Council, the Risk, Health, Safety & Environment Committee (RHSE), as well as Market-Facing HSE Steering Committees. This committee structure is detailed in the table below.

Our HSE Council	
Group-wide committees	Risk, Health, Safety, & Environment (RHSE) Committee HSE Council
Market-based committees	Market Facing Business HSE Steering Committees
Workplace level	Site/Asset/Business Unit HSE Committees

Our HSE Council comprises our Group's leadership team, senior HSE representatives and nominated health and safety representatives from across the business. The Council provides HSE leadership and strategic guidance, and ensures the Group fulfils its due diligence, communication, and consultation obligations. The council – which meets quarterly – considers all HSE and public safety matters arising from asset management and work practices and also includes representatives from Workplace Level HSE Committees who attend council meetings for a 12-month period.

Outside the HSE Council, other HSE Committees are established when requested by the workforce. Members comprise of employees and elected Health and Safety Representatives. These committees develop a constitution detailing their scope and functions, with meetings being held (at a minimum) once every three months. During meetings committee members review and consider incidents/hazards, corrective actions, and changes to legislation or the Group's HSE Management Systems.

## Worker Participation in Occupational Health and Safety Matters

We recognise that HSE outcomes can be significantly improved and risks reduced when we consult and listen to our people. This principle informed the development of our 2020-2024 HSE Strategy (the Strategy). When developing our strategy, we referred to our HSE Governance Framework which establishes governance structures that provide our people with a safe place to voice their opinions and concerns. Additionally, we have a mature communications framework within our two HSE Management Systems (one for Zinfra and the other for Jemena) to facilitate ongoing and effective communication and consultation between business units on relevant HSE matters. The frameworks specifically prescribes the minimum requirements for worker involvement/participation, communication, and consultation.

In addition to formal communication and consultation arrangements, HSE Business Partners are allocated to support the Group's business units, with Business Partners working closely with management and employees to support the implementation, delivery, and assurance of the HSE Management System.

## Worker Training on Occupational Health and Safety

Upon commencing with the Group, all employees complete training in the Group's Occupational Health and Safety (OHS) policies, relevant legislation, and our HSE Management system. This training is reinforced throughout the year, via mandatory e-Learning compliance modules, which are completed annually. Managers are also required to ensure the onboarding process includes providing the employee with general information related to HSE management as well as specific information that may be required for the employee to perform their work. Activities related to the OHS induction are monitored for completion to ensure all employees are appropriately inducted.

In addition to induction requirements, the Group also has a dedicated team which works closely with the business to ensure that the training needs of employees are identified and met, with an analysis being undertaken to determine the training competencies required for all employee and subcontractors using a compliance matrix. The analysis is completed in consultation with the relevant HSE Business Partner and Training Coordinator prior to the worker mobilising to a worksite. Documentary evidence of an individual's competency is also sought, and where gaps exist, a training plan is developed and implemented.

During the Covid-19 Pandemic training was provided flexibly to protect worker health and incorporated on the job assessments and monitoring to demonstrate competence as well as blended learning and practical assessments instead of classroom training.

Competency based training is designed and delivered in accordance with the relevant units of competency as per the Group's training matrix, with the frequency of training depending on the topic (noting training for high-risk activities is refreshed on an annual, biannual, or triannual basis).

All HSE related training is provided free of charge to employees and is delivered during paid working hours. Once they have completed training, participants are invited to evaluate the effectiveness of the program.

## National Safe Work Month: Safety Matters

Keeping our people safe at work is a responsibility our Group takes seriously, and in October each year we take part in *National Safe Work Month*. While safety is our priority every day, *National Safe Work Month* provides another opportunity to put a spotlight on the health, safety, and wellbeing of our people.

In 2020 our Group's *National Safe Work Month* theme was Safety Matters. This theme allowed us to continue the conversation about why safety matters to us as a Group, in our businesses, and in our teams. Due to the large amount of employees working from home, a range of virtual events were held throughout the month. For one event, employees were asked to share a photo of their family in meetings to highlight why it's important to return home safe at the end of every day. We also launched a new safety video series and an online learning survey throughout the month.

These events were designed to further ingrain the Group's safety messages in addition to the formal HSE training our employees complete on a regular basis.



CASE STUDY

## Promoting Worker Health

We recognise the risks that accompany the work our people do, and take seriously our responsibility in ensuring they return home to their families safe and healthy each day. For this reason, the Group has a broad health and wellbeing offering for our people.

To guide our efforts at managing psychosocial risk we have adopted a framework that we refer to as the 'Six domains for creating a mentally healthy workplace'. The framework, aligned to academic research and best-practice, ensures that we consider the full breadth of factors that may harm or protect team members mental wellbeing and incorporate measures into every day practices and processes to support team member wellbeing. Key focus areas and programs are outlined below.

A core component of our offering is our *Thrive* program, which provides workers and their immediate family with access to short-term independent counselling, legal advice, financial coaching, nutrition advice and wellbeing coaching at no cost.

Pleasingly, our usage of this service has more than doubled in recent years, supported by a significant increase in peer-to-peer referrals. In 2020 the Group recognised the need to better support worker mental wellbeing. To do this, the Group developed a Mental Wellbeing Conversation Guide. The conversation guide provides guidance on what to look out for and what to say or do to support a team member who may be showing signs of mild, moderate, or severe distress.

Additionally, the Group ended 2020 by having a keynote speaker from The Resilience Project speak to over 300 workers in an online session on evidence-based practical methods to build resilience. All of our people now have access to a 10-part digital series from The Resilience Program. We also take seriously the sensitive nature of health information and have clearly documented Personal Information Collection Statements which are adapted to suit each circumstance where personal health-related information is collected.

These statements govern why we collect and how we hold personal information, its use and disclosure. In instances where personal health information is collected, access to this information is strictly restricted via either system permissions and/or password protection. Any disclosure of this information to another party or person within the business is only done with express consent from the individual concerned and on a strictly 'need to know' basis. Employees are also required to complete e-learning modules relating to privacy and security and access control which educate workers on the appropriate handling and use of personal information.

We also support our people's physical wellbeing through "Fitness Passport" memberships, which provide access to competitively priced gym and pool memberships for our people and their immediate family.

For our Zinfra personnel we are also taking steps to deliver our extensive drug and alcohol awareness program. Through this program, our people attend face-to-face sessions which are delivered by a facilitator who speaks from a lived experience perspective. The sessions are then further supported by a helpline workers can access.

Other programs delivered to support worker health are summarised in the diagram below.



### Occupation Health And Safety Management System(s)

In late 2019, Zinfra and its sister company, Jemena, came together to form the one Group. As a result of these changes our Group has two separate Occupational Health and Safety Management Systems (OHMS): one for Jemena, the other for Zinfra. We are currently consolidating and simplifying these systems to ensure information is simple to find, easy to read and understand and consistently implemented across the Group.

Our occupational health and safety risk management methodologies are designed to meet local legislation in Australia, the International Standard for Risk Management ISO 31000:2018, and the *Safe Work Australia: How to Manage Work Health and Safety Risk* Code of Practice.

All employees of the Group are required to adhere to the requirements of the OHMS. The Group's scope of work includes the provision of design management, project management, construction, installation, maintenance, network operation services, logistics and asset management across electricity and gas industries and includes internal teams and contractors undertaking work on behalf of the Group. It is also a requirement –within the Group's Contractor Management process –that all contractors and subcontractors engaged by the Group have an effective OHMS in place. Our Zinfra OHMS holds the following certification, which is regularly audited by both internal and external auditors:

- AS 4801:2001 Occupational Health & Safety
- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management Systems
- Office of Federal Safety Commissioner Certificate (OFSC)

### Hazard Identification, Risk Assessment, and Incident Investigation

We reduce occupational health and safety risks via a mix of hazard identification, risk assessment, and control measures which accord with the 'as low as is reasonably practicable' principle. These measures are monitored for effectiveness and reviewed regularly at the project, Business Unit, and Group level through formal and informal risk workshops and risk review sessions. In addition, we actively monitor and verify compliance with specific licences, and related training and competency requirements before authorising internal and contractor teams to undertake work on the Group's behalf.

Our workers (including contractors) are supported and encouraged to identify health and safety hazards and risks, stopping work as necessary to ensure that the maintenance of our people's health and safety is a top priority. This culture and the associated behavioural expectations are further embedded in our Group Code of Conduct, Health and Safety Policy, and the broader HSE Management System.

### Management and Reporting of Work-Related Injuries

We support our employees to notify us of injuries promptly in a safe, non-judgemental, and non-adversarial environment. We are committed to intervening early, and ensure medical assessments, referrals, and investigations, are conducted promptly, with return-to-work programs being developed (under medical guidance) as soon as possible so that employees remain engaged and connected to the workplace. We also assist our people throughout the insurance process and ensure prompt payment of entitlements under workers compensation.

Number and rate of fatalities as a result of work-related injury (contractors and employees)	0
The number and rate of high-consequence work-related injuries (excluding fatalities)	11
The number and rate of recordable work-related injuries	24
The main types of work-related injuries	Musculoskeletal injuries (knees and back) and hands
The number of hours worked	8,287,636

## Northern Gas Pipeline Improvement Program

Stretching 622km, our Northern Gas Pipeline (NGP) transports gas from the Northern Territory through to Mount Isa in north-west Queensland, delivering much of the region's gas needs. Critically, the gas the NGP transports enables thousands of local manufacturing and mining jobs and helps generate electricity for over 20,000 homes and businesses – making the pipeline a vital source of energy and income for regional industry and communities.

As part of ensuring the pipeline's continual safe operation, key maintenance works were conducted at the Phillip Creek Compressor Station in late 2020. While these were initially delayed several months due to the Covid-19 Pandemic, they were deemed essential to ensure the ongoing delivery of a safe and reliable gas supply for the NGP's customers and communities.

Following broad stakeholder consultation, the NGP Improvement Program – which consisted of major plant maintenance activities within the enclosed Phillip Creek Compressor Station (PCCS) – ran from July to November of 2020, with a two week shutdown period in October. Over 85% of the program's 120 personnel were drawn from the Northern Territory or Queensland, with specialists sourced from other states only where expertise could not be sourced locally.



Crews performing key maintenance works at Jemena's Phillip Creek Compressor Station

In line with Northern Territory Government guidelines, Jemena worked hard to develop a rigorous Covid-19 Management Plan for its interstate personnel, which was approved by the Northern Territory Chief Health Officer. Key actions included Covid-19 tests for all interstate workers prior to and during their stay, daily staff safety briefings and temperature checks, and the separation of all interstate personnel from the local community.

Our Group also invested around \$10 million into the local economy throughout the improvement program.

With all works completed successfully and safely, the improvement program has succeeded in making the NGP more efficient, thereby helping to lower its GHG emissions.





# Diversity and Inclusion



## Sustainable Development Goals 5 and 10

### Gender Equality and Reduced Inequalities

**Why the topic is material:** we're passionate about creating a workplace that's inclusive and supportive; a place where everyone can truly be themselves. We know that diversity fosters innovation and better customer connections, and helps individuals and teams to thrive. We see difference as an opportunity to drive innovation and realise our strategic priorities and we believe that diversity and inclusion needs to be woven into the way things are done. We understand that diversity of thought, backgrounds, and experiences strengthens relationships and delivers meaningful benefits to our people and customers. It also makes the Group a great and interesting place to work.

**Our management approach:** our Group's approach towards fostering diversity and inclusion is outlined in our *Diversity and Inclusion Plan 2020* (the Plan). The Plan seeks to develop the culture and behaviours necessary to build an inclusive workplace. Our Plan centres on three focus areas:

1. **Community Partnering:** we will provide social and economic support across the communities in our operational areas.
2. **Inclusivity:** we will continue to build an inclusive environment that embraces diversity and provides a place where people feel valued and can contribute.
3. **Flexibility and Equity:** we are embedding flexible working arrangements which recognise the diverse needs of our workforce where everyone is treated equitably.

For more information about our Plan visit: [www.jemena.com.au/careers/working-with-us/our-approach](http://www.jemena.com.au/careers/working-with-us/our-approach)

### Our Diversity and Inclusion Employee Committee

Established in 2019, the focus of our Diversity and Inclusion Committee is to develop organic, grass-roots, support for diversity and inclusion initiatives which support and enable our *Group Diversity and Inclusion Plan*. The Committee has been a reference source for our diversity and inclusion initiatives and has also taken a lead role in the acknowledgement of important diversity days throughout the year.

### Addressing the Gender Pay Gap

We identified the gender pay gap as an area we need to improve in. In 2020 we significantly enhanced our gender pay equity analysis and reporting to include a wider variety of pay influencers across the employee lifecycle such as recruitment, salary changes, and promotions. The review found a 2.8% gender pay gap overall, which will be addressed through the salary review process, where a specific budget allocation will be set aside to address discrepancies. Prior to the 2020 analysis our reportable gender pay gap was based on the Workplace Gender and Equality Reporting (WGEA) framework. As a result, our reportable gender pay gap has historically been higher than this year's figure of 2.8%.

### Mitigating Bias in Recruitment and Promotions

In 2020, our recruitment and promotional processes were reviewed and modified by adopting a four tiered approach focussed on tools, education, practices and partnerships. Each focus area was reviewed to identify and mitigate potential bias, while also taking positive steps to mature our talent and resourcing approach as an enabler of an inclusive workplace. In 2020 we received accreditation as an employer of choice for women with Work 180 and continued our involvement with the *Cadetship to Career Program* by committing to increase the number of cadet placements across the Group.



## Reconciliation Action Plan

As part of the Group's ongoing commitment to reconciliation, we recognise Aboriginal and Torres Strait Islander peoples as the Traditional Owners and Custodians of the land, and we pay our respects to elders past, present, and emerging.

In 2020 we launched the Group's first Reflect Reconciliation Action Plan (RAP).

The RAP forms a key part of our commitment to diversity and inclusion. At the beginning of 2020, a working group came together with representation from across the Group and, under the guidance of an Independent Indigenous consultant, developed our inaugural Reflect RAP. Our Group's Reflect RAP builds on our history of partnering with Aboriginal communities through the development of major projects such as the Northern Gas Pipeline in the Northern Territory and Queensland, and the many positive and long standing relationships we have built with Aboriginal and Torres Strait Islander peoples through supporting local communities and Indigenous employment.

Committing to a Reflect RAP means we will spend time scoping and developing deeper relationships with Aboriginal and Torres Strait Islander peoples, understanding key relationships, and committing to actions or initiatives. We have also developed our Group vision for reconciliation to guide us as we embark on our own reconciliation journey.

To bring our RAP to life and help tell the story of our reconciliation journey, we engaged Chern'ee Sutton, a proud Kalkadoon woman and artist from Mount Isa, Queensland to develop a piece of artwork reflective of our Group's commitments and to tell our story through one of the oldest art traditions in the world. You can view the artwork and story and our RAP on the Jemena website at: <https://jemena.com.au/about/about-us/our-community>.

## Supporting Our Next Generation of Leaders

### Cadetship To Career Program

Since 2018 our Group has participated in the *Cadetship to Career* Program which is a youth employment initiative jointly developed by The Smith Family and the Business Council of Australia. The *Cadetship to Career* Program provides tertiary students, supported by The Smith Family's Learning for Life scholarship, with a structured pathway to undertake a minimum eight week paid work placement each year for the duration of their studies. It is an opportunity to develop valuable skills, form relationships and gain work experience and knowledge to help kick-start their career. The Group now has six Cadets on placement across our business in areas such as Human Resources, Digital, Corporate Affairs and Finance.



Julius Daguman Jr – Cadet

*"Jemena has allowed me to put my studies into practice and nurtured my growth throughout the process. My team at Jemena are all very caring and have provided me with all the resources and support I needed."*

### Group Graduate Program

Our Group Graduate Program, a component of our "growing talent internally" approach is designed to broaden the skills, knowledge, and competencies of graduates within their discipline and areas of interest while completing four rotations over a two-year period. Graduates are provided with structured development, ongoing learning, mentoring and networking throughout the program. Our graduates are currently working across our business in the areas of Corporate Affairs, Marketing, Electricity Markets, Finance and Digital.

### Apprenticeship Program

In 2020, Zinfra welcomed 25 new apprentices and trainees, commencing in both the Power and Gas businesses across four states, with orientation programs held in both Victoria and New South Wales. We also offered six apprentice trainee positions to our existing team members for upskilling.

The Apprenticeship Training Program is comprehensive with a strong focus on execution of tasks to aid practical learning, a range of job rotations to enhance learning on-the-job and career pathway options working on some of the most exciting energy projects being delivered around the country, partnered with effective training by external quality providers.

Since 2012, more than 200 apprentices and trainees have completed their programs, with an outstanding completion rate of more than 80%.





## Strong Communities



## Sustainable Development Goal 10 Reduced Inequalities

**Why the topic is material:** as a major energy infrastructure company we have a key role to play in ensuring the communities we serve are able to access reliable, affordable, and sustainable energy. Our responsibilities however extend beyond this, and we recognise our presence in a community has the potential to impact the local economy and the lives of the people living there. As a business we also recognise that having strong, positive, and enduring relationships with the communities we serve can enhance our social licence to operate, giving us confidence to invest over the long-term.

**Our management approach:** we endeavour to make a positive contribution to the communities where we operate, with management plans in place ensuring we act responsibly and uphold local heritage and cultural values.

Our *Locals First* approach ensures we seek goods and services from businesses located in the areas where we operate, while our people are proud members of the communities (many located in regional parts of the country) where they work.

Across Queensland, the Northern Territory and Western Australia, we employ dedicated, locally-based Corporate Development Managers to provide an on-the-ground touchpoint for local stakeholders. The managers develop annual engagement calendars and meet with community members, customers, government and other stakeholders on a regular basis to discuss community matters, current operations and address any questions or concerns.

In Western Australia, Jemena has also reached agreement with the Murujuga Aboriginal Corporation (MAC) on the terms of a proposal to jointly build a transmission network on the Burrup Peninsula. As part of the agreement Jemena and MAC will form a Special Purpose Investment Vehicle to seek to build the transmission requirements for future industrial development on the Burrup Peninsula.

We give back to the community and advocate for social change through our *Corporate Social Responsibility* and *Community Grants* programs which work towards achieving positive education, health, and safety outcomes amongst vulnerable and disadvantaged communities.

We have established a series of consultative forums (our Customer Councils) so we can hear directly from our customers, members of the communities where we operate, and their representatives.



## Our Vision and Achievements:

### Reputation Management

	2020 (actual)	2021	2022	2023	2024	2025
Target Corporate Reputation Score (out of 100)	77.3	76.5	77	77.5	78	78.5

### Customer Sentiment

	2020 (actual)	2021	2022	2023	2024	2025
GD Journey CSAT	7.8	8.4	8.5	8.5	8.6	8.6
ED Journey CSAT	8.5	8.5	8.6	8.6	8.7	8.7
Jemena Journey CSAT	8.15	8.5	8.6	8.6	8.7	8.7

**Evaluating our management approach:** We use a range of methods to identify the positive impact of our work as well as opportunities for future improvement. This includes:

- **Reputation Management Program:** In October each year, through our annual Reputation Management Program, we canvass stakeholder sentiment across a range of areas –including in the area of corporate citizenship. Business leads are then empowered to develop and champion Reputation Action Plans which address feedback obtained through this process in quarter one of the following year.
  - In 2020 our corporate reputation score was elevated to a Group Key Performance Indicator, with each business unit setting KPIs with a view to enhancing our overall corporate reputation score.
  - The 2020 outcome of 77.3 benchmarks positively against our peer group
- **Customer Sentiment Scores:** Our annual customer sentiment survey helps us to understand customer satisfaction and perceptions of the Group across our Victorian and New South Wales electricity and gas networks.

Each year in September we undertake corporate community investment reporting with the Business for Societal Impact (B4SI). Insights from this activity help us to measure and manage our social investment and impact against businesses both in and outside of our industry across the world. While we recognise our contributions benchmark below the ANZ average, this information provides a useful baseline for us to develop our future plans against.

Annual Corporate Community Investment Reporting – key metrics <sup>14</sup>	2019		2018	
	Jemena	ANZ avg	Jemena	ANZ avg
Community contribution as a % of pre-tax profit Best practice is 1%	0.07%	0.95%	0.08%	0.79%
Contribution per full time employee	\$576	\$923	\$497	\$1,129
% employees making a workplace giving contribution	1.1%	4.3%	0.6%	4.6%
% employees actively volunteering in company time	15%	10.3%	2.3%	15.6%
Number of staff dedicated to community investment	1	5.3	0.7	4.5

<sup>14</sup> Due to the reporting lifecycle, 2020 calendar year data will not be available until later in 2021

## Putting our Customers First

Across all states, business areas, and operations, our Group seeks to incorporate strong stakeholder engagement into our strategic, operational, and project planning and management processes, to ensure we're informed about and acting in the best interests of the local community while also upholding our legislative and regulatory requirements. For major projects, formal stakeholder engagement plans are mapped out prior to the beginning of any works, while during project works, project teams will proactively share updates and seek feedback using channels such as email updates, newsletters, mailbox drops, community briefings and where possible site tours.

In line with the Electricity Distribution Code and The National Energy Customer Framework, all energy network customers and members of the public can contact us directly to raise an enquiry, issue, or make a claim through a range of channels including our website, call centres and via email. All queries are then managed by a dedicated customer service team who aim to resolve them within five business days. Should we be unable to mutually resolve an issue, the matter may be escalated to the relevant State Energy and Water Ombudsman for further resolution. In line with the Electricity Distribution Code, a Customer Charter is also available on our website which outlines our guaranteed service levels and grievance process.

For projects, community members are invited to provide feedback both as a part of any public planning exhibitions and on an ongoing basis. Feedback channels include email, project website pages, and portals, a 1300 hotline and physical public information and consultation sessions. All issues are formally logged, responded to and made publicly available via a complaints register.

## Hearing from our Customers

We regularly seek advice from external experts on key customer and community issues via our Customer Councils.

Comprised of representatives from peak industry bodies, community organisations, and customer representatives, members of our Customer Councils help shape our regulatory and commercial strategies, customer communications, and our policies and procedures. Importantly, the Councils provide insight into current and emerging customer and community issues, challenge our thinking, and allow us to understand and consider the broader impacts of our actions.

While guidance offered by Council members in recent years has helped shape our strategic five-year regulatory price and service proposals, in 2020 these forums also informed the support we provided to our customers in response to the Covid-19 Pandemic.

In both Victoria and New South Wales, our teams partnered with Council members to understand consumer energy usage trends and concerns during the pandemic. This information enabled us to better understand our customers' lived experiences and provided us with insights into how we could respond. We also worked with Council members to develop information about the support we were providing to our customers throughout the Covid-19 Pandemic. This information was delivered in multiple languages and provided people with information about what to do during an electricity outage, planned maintenance activities, and other supports including the availability of battery back-up for life support customers.

### Customer Council membership:

#### For Victoria:

- Brotherhood of St. Laurence
- St Vincent de Paul Society
- Energy & Water Ombudsman Victoria
- Australian Energy Foundation
- Energy Users Association of Australia
- Australian Energy Council
- Consumer Challenge Panel
- Alternative Technology Association
- Northern Alliance for Greenhouse Action
- Clean Energy Council
- Victorian Chamber of Commerce
- Energy Consumers Australia
- Australian Industry Group
- Monash University

#### For New South Wales:

- St Vincent de Paul Society
- Ethnic Communities' Council of NSW
- Council on the Ageing
- Public Interest Advocacy Centre
- Energy & Water Ombudsman NSW
- Energy Users Association of Australia
- NSW Business Chamber
- Energy Consumers Australia

## Keeping Energy Prices Low

From 1 July 2020, distribution charges across our natural gas network in New South Wales were reduced by around \$254 for a typical customer over five years (from July 2020), after our pricing and services plan was endorsed by the Australian Energy Regulator (AER) in June last year.

For our electricity customers in Victoria we propose reducing our network charges by \$201 for a typical customer over five years from July 2021. This proposal is currently subject to approval by the AER.

These price reductions follow significant feedback from our customers and stakeholders obtained over a two year period.

## Maintaining our Electricity Network throughout the Covid-19 Pandemic

In Victoria, our team is tasked with restoring our customers' electricity supply following an outage event as well as the ongoing maintenance of our network. With the onset of the Covid-19 Pandemic in March 2020, we knew many of our customers would be working from home and that schools were moving to online learning. As a result the reliability of our electricity network was as critical as ever.

To ensure the reliability of our network, as well as the safety of our people and the community, we modified our maintenance program to minimise the impact on our customers. This saw us delay or shorten all non-essential planned maintenance outages, proceeding only with maintenance works that were needed to maintain the safety and reliability of our network. We also changed how we communicated with our customers ahead of maintenance works, and began actively calling customers who would be impacted by an outage to notify them and discuss their individual circumstances. If customers had medical needs or required uninterrupted power supply to perform their work from home, we were able to loan them a battery back-up for the day free of charge.

Our customers responded positively to our new approach with one commenting:

*"Jemena gave three weeks' prior notice of the power outage via the post. Then they called a number of days prior and also sent out another letter to remind people of the expected outage listing the date and expected outage times.*

*Obviously they replace power lines and do this sort of thing every day so the amount of communication to just one household, let alone the thousands that they would contact every week has been tremendous."*

## Giving Back to the Community

With a footprint across hundreds of local communities, we know that our business operations and purchasing decisions have the potential to impact local economies and communities – particularly in regional and remote areas experiencing higher levels of social disadvantage or lower economic parity. We also recognise that in many of these locations, our business is reliant on the skill base, services, and resources available locally to deliver new growth opportunities and provide reliable and sustainable energy for our customers; giving us a vested business interest in their ongoing development and success.

In line with our values and *Locals First* approach we take a long-term approach to partnering with our local communities to create lasting social and economic value; awarding local suppliers' substantial contracts, working with community organisations on local development programs, offering jobs and training opportunities that build local talent and industry, and investing in events that bring community together.

During 2020, \$1,446,635,356 of total Group spend was spent on goods and services, or paid to suppliers based locally near our assets and/or operations. A total of \$1,427,580 of procurement spend went to suppliers in Australia in 2020.

As a voluntary signatory to the Business Council of Australia's Supplier Payment Code we are committed to paying small business suppliers promptly, enhancing their cash liquidity and ability to operate, pay staff, and seek further investment.

Furthermore, as part of the Payment Times Reporting Scheme (PTRS) introduced by the Australian government, the Group worked to effectively identify Small Business within the supply chain and increase transparency of payment performance.

## Major Projects

During the procurement process to select major contractors on the Atlas and Northern Gas Pipeline (NGP) projects we delivered Local Content Plans. These plans ask contractors to identify work packages that could be filled by local suppliers or by local employees, and sets an expectation for this to occur. Furthermore, for our NGP project, we broke large packages of works into smaller contracts allowing local businesses more opportunities to contract. Of the 1,100 jobs we created on the project, 816 were filled by people in the Northern Territory and Queensland, 390 of which were created in regional areas. We also spent more than \$153 million in the Northern Territory and Queensland.

Additionally, civil works contracts were established between local Indigenous people and our major construction contractors, so that Indigenous people had a say over who worked on their land. We had human resources dedicated to monitoring and delivering Indigenous jobs, contracts, and training. Through this, we delivered 250 indigenous jobs, and provided contracts worth over \$18 million to indigenous businesses and organisations in the Northern Territory and Queensland. We also provided training courses to 70 Indigenous people to prepare them for apprenticeships.

## Learning and Development Programs

Our Group is committed to contributing to the long-term wellbeing and prosperity of the communities we serve, particularly in more remote regions where we know community development and/or employment opportunities can be scarce.

A key part of our Group Corporate Social Responsibility Program, *Jemena's Pipeline to Success Aboriginal Workforce Mentoring Program* aims to equip disadvantaged job seekers in the Northern Territory with skills to support others from their community into employment. In 2020, six Aboriginal trainee mentors were successfully onboarded to the program, receiving on-the-job mentor training and general upskilling including training in time management, communication and problem solving. Mentors are currently on-track to graduate and the program looks to be formally accredited in 2021. The program builds on previous successful learning and development programs delivered by our Group and our partners targeting Aboriginal people living in the areas surrounding our Northern Gas Pipeline in the Northern Territory and Queensland, including our Project Ready Training Program and Gas Operator Training Program.

Jemena's Apprenticeship and Trainee Programs also support new (and where possible local) talent to develop the practical skills and knowledge needed for a long and successful career in the energy sector. Since 2019, two Apprentice Pipeline Operators have been completing supervised training at our Mount Isa Compressor Station in Queensland. Through this program they have developed practical skills in installation, maintenance, repair, and asset operation. Apprentices are expected to complete training and graduate with their Certificate III in Gas Supply Industry Operations in early 2022.



*Pipeline to Success program trainee mentors receive hands-on, practical training*

## Our Community Grants Program

Following an incredibly challenging start to 2020 due to devastating national bushfires and the Covid-19 Pandemic, we pivoted our Corporate Social Responsibility Programs and approach to respond to the immediate support needs of our community members.

Launched in 2019, our *Community Grants* Program traditionally focused on supporting local groups, charities and schools to foster inclusion and make a positive difference in the local community.

In response to the Covid-19 Pandemic, in 2020, we realigned our grants program to address four key issues worsened by Covid-19: food relief, energy affordability, homelessness and family and domestic violence.

In early August, our Group awarded \$80,000 worth of grants to OzHarvest, Uniting Victoria Tasmania, Orange Sky Australia, St Vincent de Paul Society NSW and Vincent Care Victoria – helping to fund over 40,000 nutritious meals, 70 home energy advice calls, ongoing mobile laundry and shower services, and vital crises services and support for those in need across Victoria, New South Wales and Queensland.

Through our partnerships with the St Vincent de Paul Society and Brotherhood of St. Laurence we saw an opportunity to support Victorians struggling due to a long-term lockdown. Working together, our Group gifted 330 refurbished laptops to in-need individuals and families, helping them to feel connected and navigate the challenges of job seeking, working, and studying from home with dignity.

In recognition of their incredible dedication and care for our local communities, we provided a \$10,000 donation to both Austin Health and Western Health, helping to fund the daily coffee run for many healthcare workers as well as new technology and additional Covid-19 safety measures in hospital.

While volunteering was off the table for much of the year due to safety restrictions, we also collaborated with employees to jointly raise over \$49,000 for the Australian Red Cross' *Disaster Relief & Recovery Fund*, helping to support Australians impacted by the devastating 2019/20 bushfires.

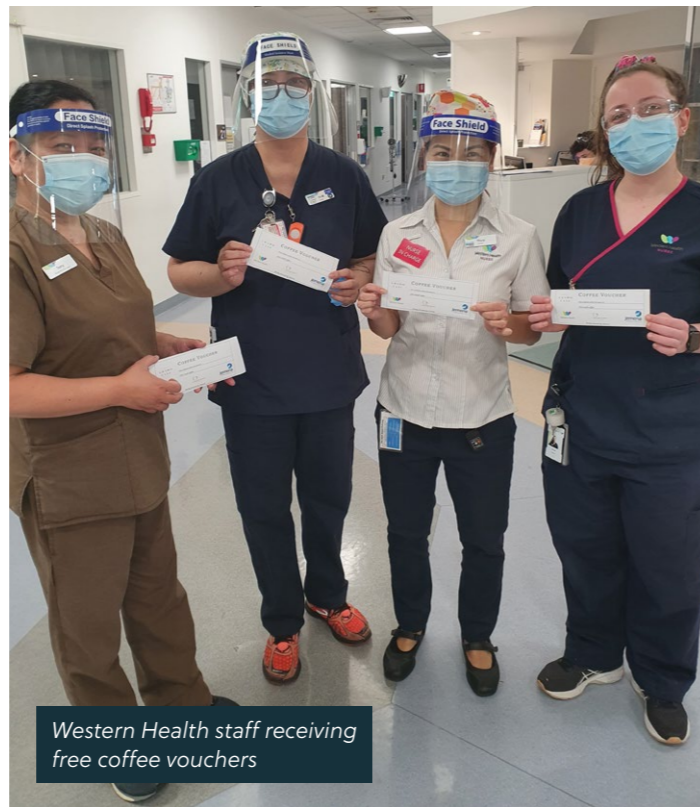
As we look to a new year we will continue to work closely with our community partners to understand the longer term recovery efforts our local communities face, and how we can best support them.

## Social and Environmental Impact Assessments

Social impact assessments form a critical part of our project planning process with community engagement plans being developed to help us understand, monitor, and manage the effects –both positive and negative –our actions may have on people living in the areas where projects are underway. We develop our social impact assessments using a mix of desktop research and stakeholder feedback, with the results informing our local participation plans (including our understanding of local capability). Cultural assessments are also undertaken to ensure matters around native title, sensitive sites, or sites of historical significance are noted and actions taken to avoid, preserve, or protect.



Orange Sky Australia volunteers on-shift in Preston, VIC



Western Health staff receiving free coffee vouchers

Our Group is committed to reducing its environmental footprint and protecting the environment and natural resources around us, particularly when developing major projects.

In Victoria, our Group complies with strict electricity safety regulations (including vegetation and easement management and bushfire mitigation), as outlined in our *Jemena Electric Line Clearance Management Plan 2020-2021*.

In New South Wales, Queensland, and the Northern Territory our Environmental Management Plan and Operational Environmental Management Plans ensure all work activities are undertaken consistently and with minimal impact on the environment.

For operational sites subject to environmental remediation, projects are conducted in line with relevant State Government requirements. For projects deemed "significant", an Environmental Impact Statement (EIS) is developed which includes a range of specialist studies, such as noise and air quality, to assess the environmental and social acceptability of proposed works. Upon submission and in line with the various legislative requirements across the States and Territories, Statements are made available for public viewing via the Jemena, Government and EPA websites. Stakeholders and Community members are encouraged to ask questions, share feedback or request a copy of the Statement through a dedicated online project portal or by calling a 1300 hotline. Ongoing environmental monitoring reports are also uploaded for public viewing on the Jemena website each month.

## Better Together: Championing the Energy Charter

As a foundation member, we are proud to be a signatory, an industry-wide initiative which promotes customer-centric practices to deliver greater outcomes for our customers and the communities we operate in. We are also pleased that our Group Managing Director was appointed Chair of the Energy Charter's CEO Council for the 2021 Calendar Year.

In a year of hardship, our group is proud to have been involved in seven of the 12 Better Together initiatives, including:

### Streamlining the connection process:

We partnered with Energy Australia, AGL, Origin, and Powershop to expedite new customer connections across our electricity distribution network in Melbourne. Since rolling out our initiative in August 2019, 90% of our customer connections are completed within one hour.

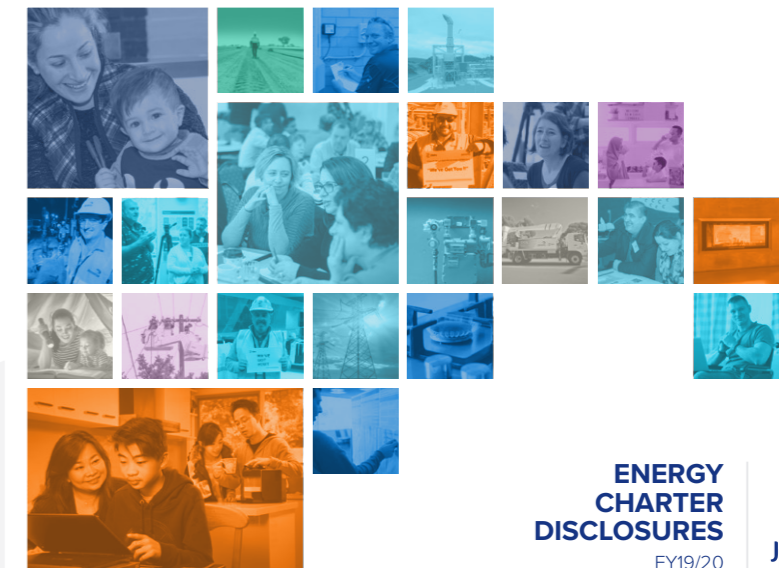
### Supporting our customers through Covid-19:

2020 was a challenging year for many of our customers. With the backing of all signatories, we have provided financial support to households and small businesses impacted by Covid-19, and through the "We've Got You" initiative, we have assisted customers with flexible re-payment options, tailored energy plans, energy literacy resources, and fee reductions and waivers.

### Driving energy literacy in our CALD Communities:

We know many of our customers speak a language other than English as their first language at home. With this in mind, we partnered with Ausgrid, Endeavour Energy, AGL and Origin Energy, to provide energy information in range of languages other than English. This messaging helped dispel energy myths, provided tips on how customers can take charge of their energy bills, and outlined the supports energy companies were providing their customers in response to the Covid-19 Pandemic.

For more information on how we are supporting our customers through the Better Together Initiatives, you can access our *Energy Charter Disclosures FY 19/20 report* at: [www.jemena.com.au/documents/reports/energy-charter-disclosures\\_fy19-20\\_jemena.aspx](http://www.jemena.com.au/documents/reports/energy-charter-disclosures_fy19-20_jemena.aspx)



**ENERGY CHARTER DISCLOSURES**  
FY19/20



## Supporting our Communities



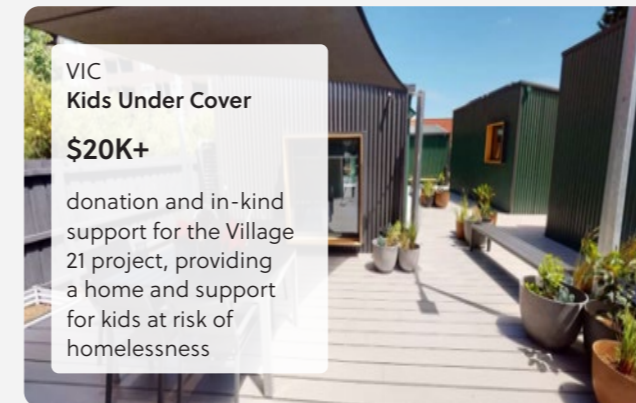
**NT**  
**Saltbush Social Enterprises**  
**\$100K**

to support development of the Pipeline to Success Aboriginal Workforce Mentoring Program



**NSW**  
**Sydney Alliance**  
**\$50K**

to support development of the Voices for Power 'Train the Trainer' Project



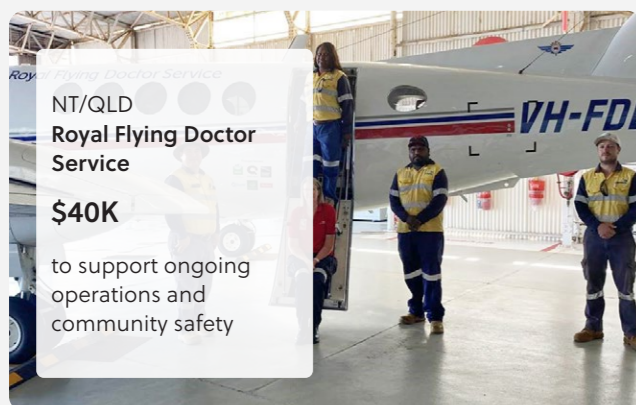
**VIC**  
**Kids Under Cover**  
**\$20K+**

donation and in-kind support for the Village 21 project, providing a home and support for kids at risk of homelessness



**QLD**  
**Northern Outback Business Awards**  
**\$10K**

sponsorship of annual awards celebrating the best of NW Queensland regional business



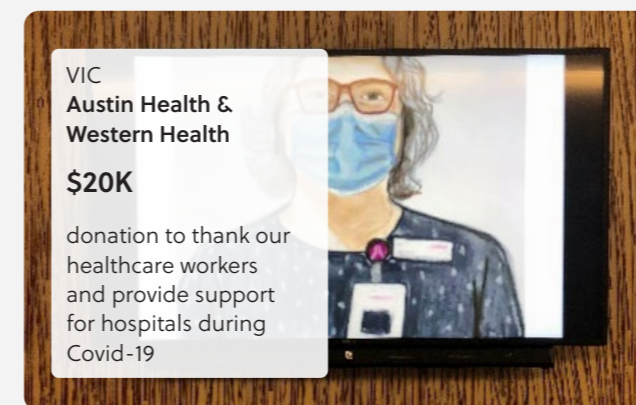
**NT/QLD**  
**Royal Flying Doctor Service**  
**\$40K**

to support ongoing operations and community safety



**NATIONAL**  
**Australian Red Cross**  
**\$20K**

donation to the Disaster Relief & Recovery Fund to support bushfire effected communities




**VIC**  
**Austin Health & Western Health**  
**\$20K**

donation to thank our healthcare workers and provide support for hospitals during Covid-19



**VIC**  
**Bright Future STEM Program**  
**\$15K**

sponsorship of STEM program education packs and talks for primary school students across our network



**VIC/NSW**  
**Uniting Vic.Tas**  
**\$20K**

grant to provide free home energy advice calls for vulnerable customers during Covid-19



**VIC/NSW**  
**Orange Sky Australia**  
**\$20K**

grant to provide free laundry services for people experiencing homelessness during Covid-19



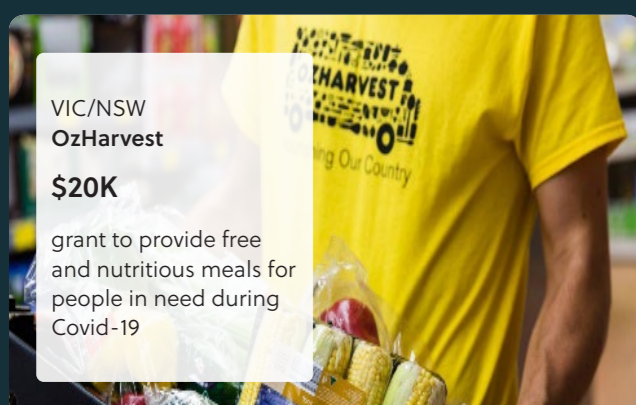
**NT**  
**Tennant Creek Women's Refuge**  
**\$10K**

donation to support this integral service for remote communities



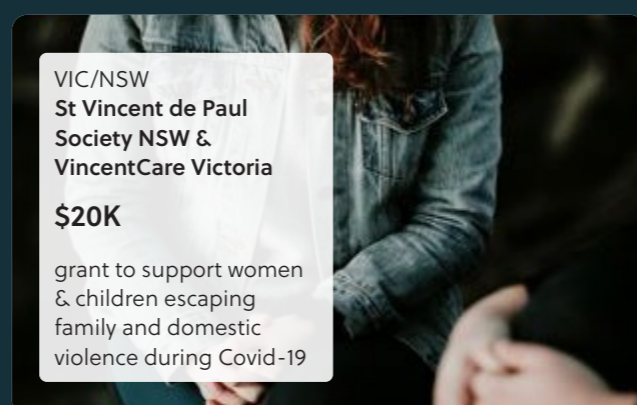
**WA**  
**Murujaga Aboriginal Corporation**  
**\$10K**

donation to help provide vital hygiene products for vulnerable communities during Covid-19



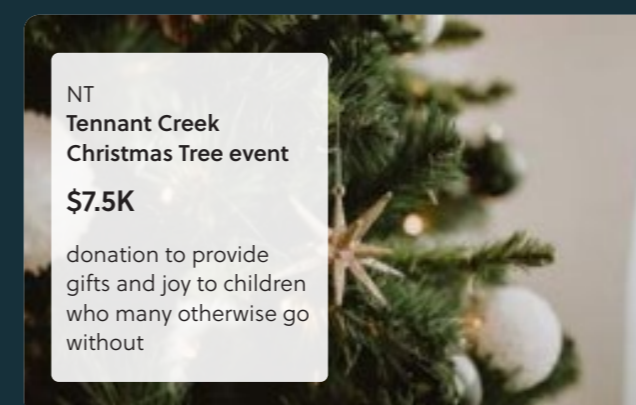
**VIC/NSW**  
**OzHarvest**  
**\$20K**

grant to provide free and nutritious meals for people in need during Covid-19



**VIC/NSW**  
**St Vincent de Paul Society NSW & VincentCare Victoria**  
**\$20K**

grant to support women & children escaping family and domestic violence during Covid-19



**NT**  
**Tennant Creek Christmas Tree event**  
**\$7.5K**

donation to provide gifts and joy to children who many otherwise go without



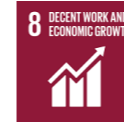
**QLD**  
**RACQ Capricorn Helicopter Rescue Service**  
**\$6K**

Rescue 300 Club member and sponsorship of local community events





# Tackling Modern Slavery



## Sustainable Development Goal 8 Decent Work and Economic Growth

**Why the topic is material:** we recognise that modern slavery is a global issue, and that despite operating in Australia – a highly regulated and developed country – the size and scope of our supply chains can inadvertently expose us to acts of modern slavery. We are supportive of legislative changes implemented by the Commonwealth Government in recent years to tackle this issue head on and take seriously the role we have to play in ending modern slavery and other abuses of human rights.

**Our management approach and its evaluation:** while Australia has a low presence and strong stance against slavery, we are reviewing our supply-chain to understand the practices of our suppliers and our exposure to modern slavery risks in order to develop mitigation actions to address these risks. With this in mind, we have already updated our supplier contracts and purchase order trading terms to incorporate modern slavery clauses.

### Working with the Energy Procurement Supply Association

Since January 2020, our Group has participated in the Energy Procurement Supply Association's (EPSA) Joint Initiative which is working towards the establishment of a common framework to address the compliance requirements outlined in the *Modern Slavery Act 2018*. Through the initiative a common Supplier Self-Assessment Questionnaire (SAQ) was developed. Throughout 2020, the SAQ was issued to a number of suppliers (a process which will continue throughout 2021). Supplier responses will be clarified, and a risk rating determined. Simultaneously, the EPSA is also working to normalise a set of follow-up questions, for ease of consolidation.

To date we have issued 114 SAQs, of which 85 have been completed and returned. From this set, 50 surveys are available for sharing with EPSA members.

Further the EPSA is considering developing a shared platform, which would be made available to EPSA members to carry out supplier assessments.

We acknowledge there is more work for the group to do to build on the EPSA actions. To do this, the group has engaged an external consultant to support the development of a recommended modern slavery action plan for the next reporting period.

For more detail about our Group's approach to modern slavery visit the [Jemena](#) or [Zinfra](#) websites.



## About this Report

This report details the sustainability activities, achievements, and ambitions of the Group for CY20, and follows the release of our Group's inaugural Sustainability Report in May 2020. Our Group will endeavour – as best as possible – to report annually on our sustainability performance, with report publication scheduled for the end of Q1 of each calendar year. Questions about the content contained in this report should be directed to [Corporate\\_Affairs@jemena.com.au](mailto:Corporate_Affairs@jemena.com.au) in the first instance.

## Claims Against the Global Reporting Initiative (GRI) Standards

We recognise our approach to sustainability management and reporting is continuing to mature. As a result, while our CY2020 report references the GRI reporting standards, no formal claims of alignment with the standards have been made. Full details of the standards referenced in this report are detailed in the GRI Content Index below. Further, while we have not sought external assurance over disclosures in this report, we are working towards incorporating this into our 2021 reporting program.

## GRI Content Index

GRI Standard	Disclosure	Page number	Section title
<b>GRI 201: Economic Performance, 2016</b>	201-2: Financial implications and other risks and opportunities due to climate change	33	Financial Implications and Other Risks and Opportunities Due to Climate Change
<b>GRI 203: Indirect Economic Impacts, 2016</b>	203-2: Significant indirect economic impacts	58	Giving Back to the Community
<b>GRI 302: Energy, 2016</b>	302-1: Energy consumption within the organisation	34-37	Energy Consumption within the Organisation
<b>GRI 305: Emissions, 2016</b>	305-1: Direct (Scope 1) GHG emissions	34-37	Energy Consumption within the Organisation
	305-2: Energy indirect (Scope 2) GHG emissions	34-37	Energy Consumption within the Organisation
<b>GRI 403: Occupational Health and Safety, 2018</b>	403-1: Occupation health and safety management system	44	Occupation Health and Safety Management System(s)
	403-2: Hazard identification, risk assessment, and incident investigation	45	Hazard Identification, Risk Assessment, and Incident Investigation
	403-3: Occupational health services	43	Promoting Worker Health
	403-4: Worker participation, consultation, and communication, on occupational health and safety	42	Worker Participation in Occupational Health and Safety Matters
	403-5: Worker training on occupational health and safety	42	Worker Training on Occupational Health and Safety
	403-6: Promotion of worker health	43	Promoting Worker Health
	403-8: Workers covered by an occupational health and safety system	44	Occupational Health and Safety Management System(s)
	403-9: Work-related injuries	45	Management and Reporting of Work-Related Injuries
	<b>GRI 405: Diversity and Equal Opportunity, 2016</b>	405-2: Ratio of basic salary and remuneration of women to men	49
<b>GRI 413: Local Communities, 2016</b>	413-1: Operations with local community engagement, impact assessments, and development programs	60-61	Social and Environmental Impact Assessments

General Disclosures	Disclosure	Page number	Section title
<b>GRI 102: General Disclosures, 2016</b>	102-1: Name of the organisation	8	About Us
	102-2: Primary brands, products, and services	9	
	102-3: Location of headquarters	10	
	102-4: Location of operations	10	
	102-5: Ownership and legal form	9	
	102-6: Markets served	11	
	102-7: Scale of the organisation	9	
	102-8: Information on employees and other workers	9	
	102-12: External initiatives	14-15	Membership of Organisations and External Initiatives
	102-13: Membership of associations	14-15	Membership of Organisations and External Initiatives
	102-14: Statement from senior decision maker	6-7	Message from our Chair and Managing Director
	102-16: Values, principles, standards, and norms of behaviour	27	Leading for Sustainability
	102-18: Governance structure	27-28	
	102-19: Delegating authority	27-28	
	102-20: Executive level responsibility for economic, environmental, and social topics	27-28	
	102-30: Effectiveness of risk management processes	29	Anticipating and Managing Risk
	102-32: Highest governance body's role in sustainability reporting	28	Sustainability Working Group
	102-35: Remuneration policies	30-31	Our Leaders
	102-36: Process for determining remuneration	30-31	
	102-37: Stakeholder's involvement in remuneration	31	
102-44: Key topics and concerns raised	17	Our Material Topics	
102-45: Entities included in the consolidated financial statements	29	Tax Transparency	
102-47: List of material topics	17	Our Material Topics	
102-50: Reporting period	66	About this Report	
102-51: Date of most recent report	66	About this Report	
102-52: Reporting cycle	66	About this Report	
102-53: Contact point for questions regarding the report	66	About this Report	
102-54: Claims or reporting in accordance with the GRI standards	66-67	About this Report	
102-55: GRI Content Index	66-67	GRI Content Index	
<b>GRI 103: Management Approach, 2016</b>		33	Climate and Environment: Our Approach
		41	Safe and Inclusive Workplaces: Our Approach
	103-2: The management approach and its components for each material topic	49	Diversity and Inclusion: Our Approach
		53	Strong Communities: Our Approach
		65	Tackling Modern Slavery: Our Approach
	103-3: Evaluation of the management approach	41	Safe and Inclusive Workplaces: Our Approach
		53	Strong Communities: Our Approach
<b>GRI 201: Economic Performance, 2016</b>	201-2: Financial implications and other risks and opportunities due to climate change	33	Financial Implications and other Risks and Opportunities Due to Climate Change

