



SUSTAINABILITY REPORT 2019



ABOUT US

Welcome to our inaugural Sustainability Report.

This report details the sustainability efforts and achievements of the group of companies owned by SGSP (Australia) Assets Pty Ltd for 2019. The Group includes organisations operating under the Jemena, Zinfra and Ovida brands.

Our group is an \$11.5 billion leading energy infrastructure, maintenance, and services group.

We employ more than 3,000 Australians who are located across Victoria, New South Wales, Queensland, Western Australia, the ACT, and the Northern Territory.

Through our network of transmission and distribution assets we bring energy to the lives of over 1.7 million Australians; bringing gas directly to more than 1.4 million homes and businesses in New South Wales, and electricity to over 360,000 customers in Victoria.

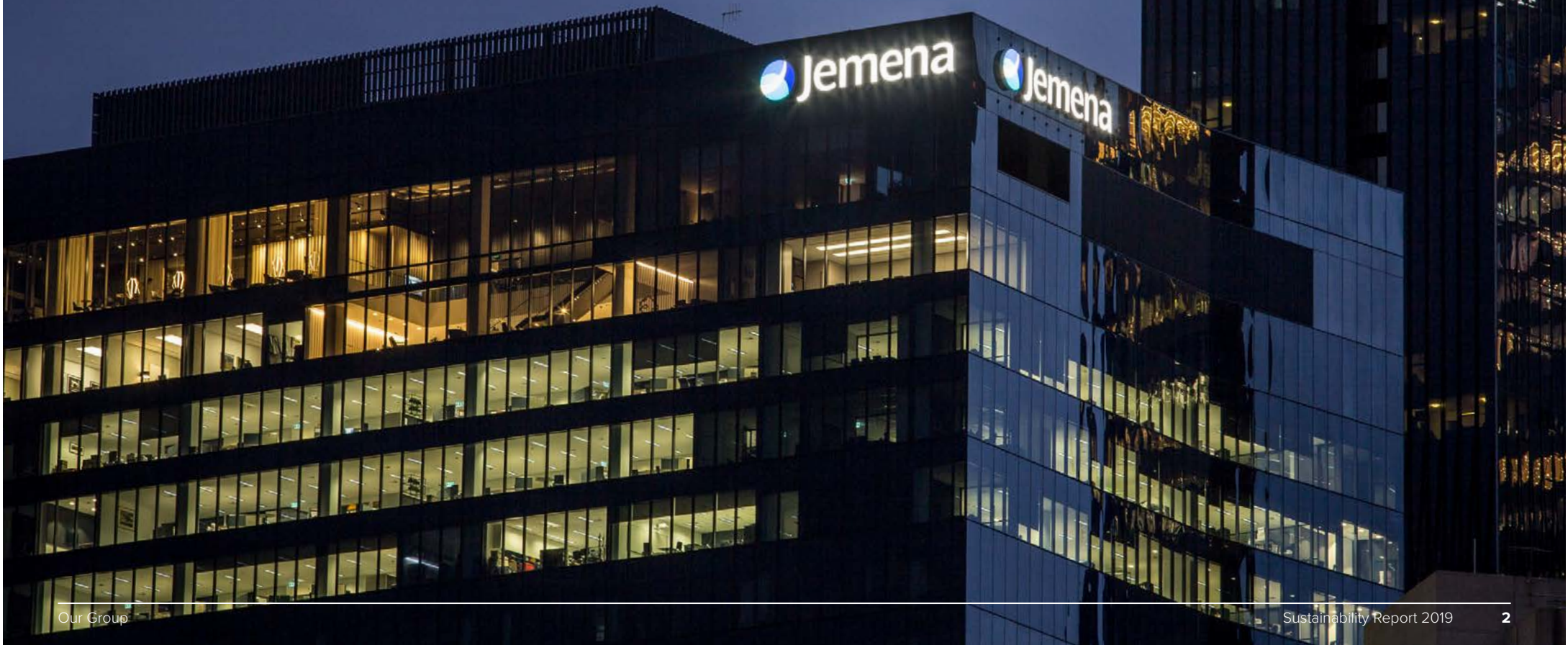
Across the country we transport natural gas through our extensive network of transmission pipelines, connecting gas from major points of supply to urban and regional centres.

Through Zinfra we provide services to the utility sector including a comprehensive range of engineering, construction, maintenance, and operations services.

Through Ovida we deliver sustainable energy solutions to Australian businesses by offering them renewable energy services and products.

Our Leadership Team and management structure are headquartered at our offices on Collins Street in Melbourne, Victoria.

For more information about the Group visit: www.jemena.com.au



2019 HIGHLIGHTS: CREATING SUSTAINABLE VALUE

CUSTOMERS	OUR PEOPLE	COMMUNITY	ENVIRONMENT AND SAFETY	FINANCIAL
1.7M CUSTOMERS	OVER 3,000 EMPLOYEES	\$443,000+ IN DIRECT COMMUNITY CONTRIBUTIONS	TRIFR 3.1 RECORDABLE INJURIES PER 1M MANHOURS WORKED ¹	\$190M NET PROFIT AFTER TAX
99.99% ELECTRICITY RELIABILITY	OVER TWO THIRDS OF EMPLOYEES WOULD RECOMMEND THE GROUP AS A GREAT PLACE TO WORK.	50+ COMMUNITY ORGANISATIONS SUPPORTED	SIFR 2.6 SIGNIFICANT INCIDENTS PER 1M MANHOURS WORKED ²	\$157M TOTAL TAX PAID ³
99.99% NATURAL GAS RELIABILITY	73% OF EMPLOYEES ARE PROUD TO WORK FOR THE GROUP	250+ DAYS EMPLOYEE VOLUNTEERING DAYS	48% WASTE DIVERTED FROM LANDFILL	\$492M CAPITAL EXPENDITURE
10,127 NEW CUSTOMERS – JEMENA ELECTRICITY NETWORK				\$535M WAGES
39,777 NEW CUSTOMERS – JEMENA GAS NETWORK				

¹ TRIFR: Total recordable injury frequency rate

² SIFR: Significant injury frequency rate

³ Total tax paid for calendar year 2018. 2019 returns to be lodged in July 2020

BRINGING ENERGY TO LIFE: AN UPDATE FOLLOWING THE OUTBREAK OF THE COVID-19 PANDEMIC

The outbreak of the COVID-19 Pandemic has changed daily life around the world, with the long-term health, economic, and broader impacts of the disease still to play out. Here in our own country, the lives of many Australians were abruptly disrupted as a result of strict measures designed to control the spread of the disease. While the contents of this Sustainability Report relate to our activities as a Group during 2019, I want to acknowledge the impact COVID-19 had - and continues to have - on all Australians. At the same time, I want to recognise the efforts of not just members of our Group, but the energy industry as a whole, who have come together to provide support to those people who have been impacted by

the disease. In early April 2020, Jemena along with other energy networks in New South Wales, Victoria, and South Australia announced details of a package designed to provide energy bill relief to eligible Australian households. Known as the Energy Networks Relief Package, the package built on many of the requirements outlined in the Australian Energy Regulator's Statement of Expectations of Energy Businesses and will see networks like Jemena defer or waive their portion of eligible customer's electricity and gas bills.

Our response to the COVID-19 Pandemic also saw us swiftly change how we operate our networks in order to keep our people and the community safe so we can continue to deliver vital energy services as more and more people work from home during the pandemic. This demanded we adapt new ways of working while also deferring planned maintenance / outage activities, where we can, so that customer's gas and electricity supply can remain connected while they are at home.

Across our gas and electricity networks, we are working closely with organisations which

are embedded in the communities where we operate so that we can provide our most vulnerable customers with the information they need. In New South Wales, across our Jemena Gas Network, we are using technology to allow customers to provide us with information on their gas usage while our gas meter readers are unable to physically conduct reads, and in Victoria we are implementing practical solutions, like battery back-up technology for vulnerable customers who are required to be disconnected from the network for a short time during planned maintenance. These are just two examples demonstrating how our teams have supported our customers by acting quickly and embracing innovative thinking in response to the COVID-19 Pandemic

I am immensely proud of the efforts of all members of our Group, who - amongst a backdrop of uncertainty and disruption - have adapted quickly and flexibly to ensure we can continue to bring energy to life for our more than 1.7 million customers.



Frank Tudor
Managing Director
May 2020



MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

In 2020, we plan to launch our Group Sustainability Strategy 2020-2024 as part of ongoing moves to make a meaningful difference in the communities where we operate.

The Group's origins can be traced back to more than 170 years ago, to a time when (now) historical gasworks were used to light street lamps in cities like Sydney, Newcastle, and Wollongong. Much has changed since that time, but today - as it was back then - our focus continues to be on delivering the energy Australian homes and businesses need reliably, affordably, and sustainably.

In 2019, this saw us reorient our business to place our customers at the heart of our operations while also paving the way for future growth in new markets.

Today, as a result of these changes, Jemena is comprised of five business units each aligned with a key customer segment or market. This, together with the decision to form one group, by combining Jemena and Zinfra in mid-2019, means we are now well placed to provide tailored solutions to our customers.

Change of this size and scale requires immense coordination and effort, and I'd like to thank our customers and our people for their patience throughout this process.

Customer Commitment Reaffirmed

2019 also saw us implement a number of initiatives designed to better meet the needs of our customers, deliver innovative energy solutions, and place downward pressure on customer energy bills.

These commitments speak to our DNA and, reflecting this, we proudly were one of the founding signatories of an industry-wide Energy Charter designed to breed greater transparency across the sector, drive collaboration between businesses, and help demystify what is often a complex sector for our customers.

In keeping with the principles contained in the Energy Charter, our Price Reset Program saw us spend over 18 months engaging with our customers in order to develop our pricing and service plans for our electricity network in Victoria and our gas network in New South Wales. In practical terms this has seen our proposed network distribution charges in Victoria decrease by around \$320 (in today's dollars) for an average household from the start of the five-year period commencing in July 2021. This proposal is currently subject to approval from the Australian Energy Regulator (AER).

In New South Wales we proposed to reduce our gas distribution charges by \$327 (in today's dollars) over the five-year period commencing in mid-2020. This proposal was approved by the AER in June 2020.

*Reliable
Affordable
Sustainable*

ENERGY

Doing Business Responsibly

Our energy assets span some of our country's most vivid and impressive landscapes from the deserts of the Northern Territory to Victoria's Gippsland region. Regardless of where we are, we continue to remain committed to making a positive economic, environmental, and social contribution to the communities where we operate. As an energy company, environmental concerns and carbon reduction in particular represent a complex, yet crucial, challenge to which we must rise.

In 2019, we advanced work on the largest hydrogen gas trial in the country – the \$15 million Western Sydney Green Gas Project – which aims to demonstrate how, carbon-neutral, hydrogen gas can be seamlessly integrated into the existing gas distribution grid in a first step towards providing customers with reliable, renewable gas. The Project is being co-funded on a 50 per cent basis by Jemena and the Australian Renewable Energy Agency, otherwise known as ARENA.

At the same time, we continue to advance efforts to reduce our overall carbon footprint. This includes doing simple things, like taking steps to minimise waste and increase recycling efforts across our sites, as well as supporting customers to access renewable technologies such as solar panels and micro-grids through Ovida. You can read more about our response to climate change in the environment section of this report.

While we pursue sustainable energy solutions, we are also investing in a diverse range of energy assets to ensure the transition to a low-carbon future is a smooth one.

In our gas business we are making significant investments to bring much-needed additional gas to market. Gas continues to act as an important fuel-stock for Australian businesses, and with around half the carbon intensity of coal is the perfect complement to intermittent renewable technologies. In this way, gas also allows for the timely retirement of coal power plants (as is happening in many jurisdictions across the country) safe in the knowledge a reliable non-intermittent fuel source exists.

2019 has been a year marked by change as we developed our future roadmap; the fruits of which will come to bear in the short, medium, and long-term. I hope you enjoy learning of our endeavours and achievements in our inaugural sustainability report.



Jiang Longhua
Chairman



Frank Tudor
Managing Director

CONTENTS

ABOUT US

2019 Highlights: Creating Sustainable Value	2
Bringing Energy to Life: An Update Following the Outbreak of the COVID-19 Pandemic	3
Message from the Chairman Managing Director	4
Sustainability and Our Group	5
	8

SOCIAL

Reliable, Affordable, Sustainable Energy	9
Jemena Gas Networks (JGN)	10
Jemena Electricity Network (JEN)	10
Ovida: Sustainability in Action – Microgrid Solar	12
Gas Transmission Pipelines	13
ZInfra: Becoming a Trusted Partner in Energy	14
	20

COMMUNITY SUPPORT

Locals First	22
In the Community	23
Diversity and Inclusion	24
A diverse workforce	26
Our Reflect Reconciliation Action Plan	27
Respecting Human Rights	28
	28

ENVIRONMENT

Environment and Our Group	30
Carbon emissions	31
Waste minimisation and reduction	31
Cleaning up historical gasworks	32

GOVERNANCE

Raising the Bar	34
Leading the development of the Energy Charter	35
Our Code of Conduct: Doing the Right Thing	35
Governance Operating Framework	36
Our Board and Management Committees	37
Our Corporate Strategy and Business Plans	37
Remuneration Principles: Our Corporate KPIs	38
	38

SUSTAINABILITY AND OUR GROUP

Whether we are connecting a customer to the electricity grid or working with land holders in remote parts of the country everything we do at the Group is underpinned by our values.

Our values will also guide our inaugural Group Sustainability Strategy which will provide a blueprint for how we will contribute positively to the environment and communities where we operate while continuing to build stakeholder trust, innovate, and play a leading role in the energy transition currently before Australia. To see how the Group's actions contribute to global change, our Sustainability Strategy will also be aligned to the United Nations (UN) Sustainable Development Goals.

Bringing Energy to Life Reliably, Affordably, and Sustainably

Corporate Sustainability Strategy



Environment

Reduce our own operational impacts while also adapting to a changing environment to ensure reliable, affordable, and sustainable energy supply.



Social

Bring energy to life through engaging with our people and communities in a meaningful and constructive way.



Governance

Govern our business and manage our supply chain in an ethical and responsible manner, while continuing to grow and deliver reliable, affordable and sustainable energy.



Partnerships
Culture
Systems
Values



SOCIAL

RELIABLE, AFFORDABLE, SUSTAINABLE ENERGY

Whether we are using it to charge our phones, power our economy, or heat our homes, energy is crucial to modern life.

As a key part of the energy supply chain we know our customers rely on us to bring them reliable, affordable, and sustainable energy. We also know that, while our sector touches the lives of all Australians, its complexity means it is difficult to understand and navigate.

In 2019 we took steps to address these issues across our gas and electricity distribution networks in Victoria and New South Wales.

Jemena Gas Networks (JGN)

Jemena's New South Wales Gas Distribution network is the largest asset in the Group's portfolio supplying gas to over 1.4 million






customers across metropolitan Sydney and parts of regional New South Wales. We aim to provide our customers with a strong, flexible network that:

- supports customer needs now and into the future,
- shapes our energy industry to bring reliable, affordable and sustainable energy to market; and
- is sustainable in the long-term as we move towards a low-carbon future.

The JGN market is broken down into three distinct segments as detailed in the following diagram.

In 2019, growth in customer connections across Jemena Gas Networks was positive with 39,777 new connections being made in 2019, following a record 58,161 new connections in 2018.

This increase is in keeping with feedback from our residential customers who continue to exhibit a preference for gas appliances and products in recognition of gas' ability to deliver instantaneous heat for cooking,

JGN MARKET TYPE		JGN CUSTOMER OVERVIEW	CONSUMPTION
Volume customers (<10 terajoules per annum) 	Residential: Non-business home-owners or tenants who use natural gas for applications such as heating, hot water and cooking. 	97% (1.37M)	30% (26.1 petajoules)
	Commercial: Small business and commercial owners. These customers predominantly use gas for commercial space heating (offices, shopping centres) and commercial cooking (restaurants and bakeries). 	2.6% (36.5k)	15% (13.3 petajoules)
Demand customers (>10 terajoules per annum) 	Industrial: The JGN industrial market comprises of chemical production, manufacturing or electricity generation. 	0.03% (400)	55% (47.9 petajoules)

Note: Numbers may not add due to rounding

2019 Scorecard – Jemena Gas Network

Reputation score reflects stakeholder feedback evaluating Jemena's performance across the following dimensions: products/services; innovation; workplace; governance; corporate citizenship; leadership; and financial performance – measured out of 100.
 Customer Satisfaction (CSAT) – Jemena's Customer Satisfaction Score measured out of 100%
 Net Promoter Score (NPS) – measured from -100 to 100

JGN RELIABILITY 2019	JGN 2020 BILL CHANGE	JGN CUSTOMER GROWTH 2019	STAKEHOLDER 2019 REPUTATION SCORE	2019 CSAT AND NPS SCORE
99.99%	↓ \$52	39,777	76.4	73% & -3

hot water, and heating. In 2019, 66% of our customers said they preferred to use natural gas in their homes (up 11% on 2018 figures). In addition, 2019 saw customers in New South Wales purchase around 2,000 additional gas appliances.

Customers accessing gas across our New South Wales gas distribution network enjoy a service reliability score of 99.99%. This reliability is underpinned by a strong local workforce which maintains the Jemena Gas Network.

Jemena Gas Network: Key Performance Indicators

2019 saw a marked improvement in stakeholder sentiment towards Jemena Gas Networks with a stakeholder satisfaction/reputation score of 76.4 (out of 100) being recorded. This represented a 9.4% increase on 2018's result and reflected greater stakeholder engagement, communication, and the implementation of more thorough issues management processes in 2019. Similarly, we received a customer satisfaction score of 73% and a Net Promoter Score of -3 from our residential customers. Together, these positive scores demonstrate continued improvement (on a year-on-year basis) across JGN. Our ambition is to continue this positive trend in 2020 by establishing a formal stakeholder engagement plan that addresses customer and stakeholder concerns directly.

Listening to our Gas Customers

For the year ending 30 June 2019, gas distribution charges accounted for around 35%-40% of customer gas bills for a typical New South Wales household.

This proportion has reduced from around 50% of customer bills in 2014-15 as we have worked to increase efficiencies and ultimately lower our portion of a customer's total gas bill. This means a typical residential customer now pays around \$175 less (in today's dollars) per year in network service charges than they did five years ago. In addition, the JGN Pricing and Services Plan 2020-25 will further reduce distribution bills for a typical residential customer by approximately 20% or \$55 (in today's dollars) from 1 July 2020.

Creating our Gas Pricing and Services Plan

Every five years, Jemena, along with most other gas network providers is required by the Australian Energy Regulator to review and submit a new customer gas pricing and services plan. Ahead of submitting our proposal for 2020-2025 we met with our customers across New South Wales to ensure their views shaped our plan.

Through this process our customers challenged us. They told us that they enjoy cooking and heating with natural gas, but that they want affordable low-carbon gas to be available for themselves and future generations.

Feedback obtained through these sessions has directly contributed to our Jemena Gas Network 2020 Plan (the plan). To read the plan visit the Your Network, Your Say website at yournetwork.jemena.com.au.

The Western Sydney Green Gas Project

JGN is also innovating for a low-carbon future to provide customers with access to renewable gas. By injecting renewable

Making the 2020 Jemena Gas Network Plan

51	169	8
The number of community and stakeholder sessions held throughout the plan's development	hours spent listening to our customers	The number of regions in New South Wales which consultations were held across

gases like biomethane and hydrogen into the existing gas network, Jemena is seeking to provide gas distribution customers with access to lower carbon energy.

In September 2018, Jemena announced a \$15 million power-to-gas demonstration project co-funded by the Australian Renewable Energy Agency (ARENA): the Western Sydney Green Gas Project (the project). The project will produce enough energy to heat approximately 250 homes and businesses and will see renewable gas injected into the network in as little as five years.

The project will use an electrolyser to convert water into hydrogen and oxygen. Energy used to power the electrolyser will be sourced from

renewable generation, meaning the entire project will have a net-zero carbon footprint.

In this way the project will also allow for excess renewable energy to be stored in gas pipelines for weeks and months, making it much more efficient than batteries which can only store excess renewable energy for minutes or hours.

In 2019 several significant milestones were reached as part of the project including:

- the purchase of an electrolyser following a comprehensive procurement process
- Jemena's membership of the Hydrogen Council of Australia (formerly Hydrogen

At a Glance: Western Sydney Green Gas Project

\$15M	250	500KW	0
Co-investment with ARENA	(equivalent) Homes/business powered by hydrogen gas through the trial	Electrolyser converting water into hydrogen and oxygen	Carbon emissions

AUSTRALIA'S LARGEST HYDROGEN GAS TRIAL

Trialling injection, storage and transport

Mobility Australia), and inclusion on the Board's of the Future Fuels Cooperative Research Centre, and Bioenergy Australia

- Jemena holding a community information session in Horsley Park in October 2019.

In late 2019, the project also received endorsement from Australia's Chief Scientist, Dr Alan Finkel, and the New South Wales Government following the November 2019 meeting of the Council of Australian Government's (COAG) Energy Council. At the meeting Dr Finkel released Australia's National Hydrogen Strategy which made specific reference to the project and Jemena's efforts in advancing hydrogen more generally.

Jemena Electricity Network (JEN)

The Jemena Electricity Network (JEN) delivers energy to over 360,000 customers across suburbs in Melbourne's north-west. Despite having a small physical footprint, JEN takes in some of the state's fastest growing suburbs including Kalkallo, Yarraville, Fairfield and North Essendon. As a result JEN is primed for and continues to record strong growth

in new customer connections. In 2019 this saw Jemena connect 8,568 new domestic customers (an increase of 574 from 2018) and 1,559 commercial and industrial customers.

Reliability across our Victorian electricity network also continues to track positively, with JEN recording a reliability score of 99.99% in 2019. This means our customers had electricity 99.99% of the time. These results continue a trend from the mid-1990s which has seen the reliability of JEN double so that today it is more than twice as reliable than it was in 1995.

Key to ensuring the reliability of JEN is a robust maintenance and augmentation plan which guides our investments to ensure the ongoing safety and reliability of our electricity network.

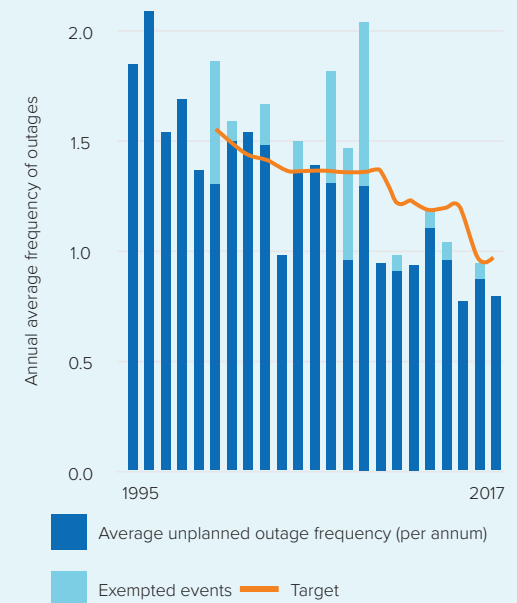
Our People's Panel

To develop our pricing and services plan for Jemena Electricity Networks for the period 2021-26 we established a People's Panel comprised of 43 members drawn from suburbs serviced by JEN. When designing our People's Panel we sought to capture a

diversity of views and opinions. This gave us confidence that the feedback received from panel members was consistent with sentiment across the broader community.

Our People's Panel was tasked with considering what they would like to see from JEN over a short and long-term horizon.

Feedback from the panel was clear, people told us that we need to get ready for the future; specifically that we need to ready the network for an increased feed-in of solar electricity and other renewable generation, while also addressing affordability issues and maintaining system reliability. Our People's Panel made 25 recommendations on the future development of JEN, and pleasingly we accepted all 25 of these. These recommendations now form the basis of the Jemena Electricity Networks 2021-26 Regulatory Proposal which was submitted to the Australian Energy Regulator in January 2020 and will come into effect from 1 July 2021. To view our regulatory proposal visit: yourgrid.jemena.com.au



Above: Annual frequency of unplanned outages 1995-2017

2019 Scorecard – Jemena Electricity Network

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 Customer Satisfaction (CSAT) – Jemena's Customer Satisfaction Score measured out of 100%
 Net Promoter Score (NPS) – measured from -100 to 100

99.99%	70.8	10,127	72%	-7
JEN RELIABILITY 2019	2019 REPUTATION SCORE	NEW CUSTOMER CONNECTIONS	2019 CSAT	NPS SCORE

SUSTAINABILITY IN ACTION – MICROGRID SOLAR

Households across the country are looking to become more sustainable in how they use energy. While many are installing solar panels on their rooftops, some people – like renters and low-income earners – are still unable to access renewable energy.

Ovida's \$2.3 million Community Energy Hubs project is aiming to change that by installing microgrids on apartment buildings that use Australian-first technology to distribute solar

energy to residents throughout the building. The project aims to trial a flexible microgrid solution that would remove barriers - such as high up-front costs, lengthy payback periods, and difficulty obtaining solar installation approvals from property owners – which have traditionally prohibited renters and low-income earners from accessing solar technology.

The project was delivered via Consortium Partnership with Allume Energy (who designed the Australian-first SolShare technology that monitors energy demand and distributes the solar energy to each home connected to the micro-grid) as well as the Australian Energy Foundation and RMIT University. The project received a \$980,000 grant from the Victorian

Government's Microgrid Demonstration Initiative which enabled the Community Energy Hubs project to get underway. A partnership was also established with solar installer RACV/Gippsland Solar, which provided integrated technology design and construction support.

The site selected for the project was a housing apartment building in Preston, Victoria. A solar and battery storage system was installed in December 2019 making solar energy available to all residents.

The initiative uses smart technology to bring a sustainable energy option to people who are not normally able to access it. Residents and

tenants have the opportunity to opt-in to the initiative and will continue to have choice over their electricity retailer.

This is one example of how the Group is promoting sustainable energy options for all Australians.



Gas Transmission Pipelines

Jemena owns and operates some of Australia's most important gas transmission pipelines including: the Eastern Gas Pipeline which transports gas from Victoria to residential and commercial customers in New South Wales; the Queensland Gas Pipeline which links the Wallumbilla gas hub in

central Queensland to large industrial gas users in Gladstone and Rockhampton; the Darling Downs Pipeline; the Colongra Gas Transmission and Storage Pipeline; VICHUB; and the Northern Gas Pipeline. In 2019 our gas transmission assets maintained their strong reliability and safety scores.



At a Glance: the Northern Gas Pipeline (NGP), Creating the Missing Link

>1,200

the number of jobs created throughout the NGP's planning, design, and construction phases

833

jobs for locals (roughly 75% of all jobs)

397

positions filled by people from the communities surrounding the pipeline route, including 268 jobs for Indigenous people

\$213M

positive economic impact of the NGP project in the Northern Territory

344

contracts awarded Australia-wide

288

contracts to QLD and NT businesses

\$4M

invested in training and development programs

More than **\$153M**

in contracts awarded to small and medium-sized business in the Northern Territory and Queensland

Support delivered to over **20***

businesses as part of Jemena's NGP Corporate Social Responsibility program

* investment was up to the commissioning of the pipeline at the start of 2019.

2019 Scorecard – Jemena Gas Pipelines

Reputation score reflects stakeholder feedback evaluating Jemena's performance across the following dimensions: products/services; innovation; workplace; governance; corporate citizenship; leadership; and financial performance – measured out of 100.
⁵Reliability averaged across the Darling Downs Pipeline, Northern Gas Pipeline, Queensland Gas Pipeline, and Eastern Gas Pipeline.

⁵99.3%	41	70.1
RELIABILITY SCORE	NUMBER OF CUSTOMERS SERVICED	REPUTATION SCORE

Our Northern Growth Strategy

Gas shortages and associated high gas prices have been well documented by media and in official forecasts. We believe the best way to place downward pressure on gas prices is to rebalance the gas supply vs. demand equation by bringing more gas to where it is needed, via the most direct and economically efficient route available. This premise forms the basis of our Northern Growth Strategy which seeks to connect major gas basins in the Northern Territory and Queensland with those places where gas is most needed across Australia's east coast.

Our Northern Growth Strategy commenced in 2015 when Jemena was awarded the right to construct the Northern Gas Pipeline (NGP) – a 622km buried gas pipeline connecting Northern Territory gas fields to the east coast.

The Northern Gas Pipeline: Creating the Missing Link

In early 2019, Jemena commissioned the \$800 million Northern Gas Pipeline (NGP), which – for the first time – connected Northern Territory gas fields to Australia's east coast.

Spanning 622km from Tennant Creek in the Northern Territory to Mount Isa in Queensland,

gas from the NGP is now being used as a crucial feedstock by local manufacturers in Queensland.

Throughout the development of the NGP, Jemena and our contractors relied on the knowledge, skills, and capability of people living in areas surrounding the pipeline route, with around 75 per cent of the more than 1,200 jobs which were created throughout the construction, planning, and commissioning phases of the NGP being filled by locals.

Local businesses also proved crucial to the success of the NGP, with contracts worth more than \$52 million being awarded to local businesses between early 2016 and October

2018. In fact, more than 80 per cent of all contracts tendered throughout the project were awarded to Queensland and Northern Territory businesses. This achievement was recognised when we received the Significant Investment Award from the Commonwealth Government in 2018, as well as the Local Content Award at the 2018 Northern Territory Export and Industry Awards night.

Working with Aboriginal People

Jemena worked closely with Aboriginal People throughout the planning, development, and construction of the Northern Gas Pipeline including Traditional Owners from the Warlunpa, Warumungu, Arruwurra, Wakaya, Bularnu, Waluwarra, Indjalandji-Dhidhanu and Kalkadoon People, who assisted with cultural awareness as well as facilitating land access.



Training and Development Opportunities

Aboriginal people played a key role in all parts of the project and participated in a number of training and development programs, including the Project Ready Training Program and Gas Operator Training Program. These programs were designed to equip local people with an interest in the gas sector with skills so they could contribute to the construction of the NGP.

More than 75 trainees received tutoring through one of the NGP's training programs, with nearly all trainees going on to successfully graduate from one of the project's training programs.

Northern Gas Pipeline Training Programs

Project Ready Training Program NT	15 trained	14 graduated	Tennant Creek
Gas Operator Training Program	13 trained	12 graduated	Tennant Creek
Project Ready Training Program QLD	30 trained	30 graduated	Camooweal
Project Ready Training Program (Spinifex)	14 trained	14 graduated	Camooweal
Health & Safety Traineeship	2 trained	1 partially	Tennant Creek and Mount Isa
Gas Operator Apprenticeship	2 current apprentices		Tennant Creek and Mount Isa



Businesses Involved in the Development of the Northern Gas Pipeline

- Battery Hill Mining Centre
- Tennant Creek Caravan Park
- Sparks NT
- Barkly Homestead Roadhouse
- Outback Caravan Park Tennant Creek
- Bluestone Motor Inn
- Remote Concrete NT
- Phillips Earthmoving Contractors
- Eldorado Motor Inn
- Leading Edge Computers
- Tennant & District Times
- The Sign Shop
- Doug's Place
- Karen Sheldon Catering
- Katerina's Deli
- Darrin's Rubbish Removal
- Northern Land Council
- Central Land Council
- Crucible Enterprises
- JJ Cleaning
- Barkly Hardware and Gas
- T&J Contractors
- Little Rippers Lifestyles
- Barkly Plumbing
- Dexter Barnes Electrical
- Tennant Creek Transport
- Julalikari Council Aboriginal Corporation
- BP Tennant Creek
- Gurus Maintenance and More
- Tennant Creek Tyre Centre
- RC and I Holmberg Tennant Creek
- Andrews Property
- Papulu Apparr-Kari Aboriginal Corporation
- Barber Hire
- Tennant Creek Security Services
- McKelvey Nominees
- Prospect NT
- Tennant Creek Security Services
- Far Northern Contractors
- G.K Building Contractors
- Tennant Creek Tyre Centre
- Andrews Property
- Dazza Harry Pty Ltd
- Barkly Quality Butchers
- Gryanic Training Solutions
- Western Hire and Fuels
- Sporties Club
- LTrish Consultancy (Patricia Frank and Linda Turner)
- Lavery Plumbing
- Tennant Creek Mini Excavator Hire
- Mike Nash Electrical
- Thrifty Car Rental Northern Territory
- Kevin Rowland Auto Electrical
- Tennant Creek Freight Services
- Tennant Creek Emporium and Total Sports
- Tennant Creek Memorial Club
- Outback Outfitters
- Tennant Creek GP Service
- Arruwurra Labour Hire
- United Chemists Tennant Creek
- Safari Lodge Motel
- Tennant Creek Newsagents

Helping to Ease Gas Shortages Across Australia's East Coast

While estimates vary, it is widely acknowledged that the Northern Territory has enough gas to meet the future gas needs of Australia for much of the foreseeable future.

While the NGP has been initially designed to transport around 90TJs of gas per day, in the event viable gas is proven in the Northern Territory, Jemena plans to expand and extend the Northern Gas Pipeline so that it can transport around 700TJs of gas per day. Put into context, that's enough gas to meet the

average daily gas needs of Adelaide, Sydney, and Brisbane combined.

It is estimated the Northern Territory has enough gas to meet Australia's future supply needs for the next 200 years or more. The NGP is the missing link that will connect that gas with Australian homes and businesses.

While it is early days, Jemena estimates the expansion and extension of the NGP will create around 4,000 jobs and attract investment upwards of \$5 billion.



Powering Australian Industry and Manufacturers in Regional Queensland

A productive manufacturing sector is a critical component of a thriving economy. The viability and future success of Australian manufacturing, and the millions of jobs the sector supports, relies on a number of factors including access to a reliable fuel and feedstock such as natural gas.

In Queensland, our gas transmission assets include the Northern Gas Pipeline,

Queensland Gas Pipeline, the Atlas Gas Pipeline, the Roma North Gas Processing Facility, and the Darling Downs Pipeline Network. These assets deliver natural gas to major industry and manufacturers across central, north-west, and south-east Queensland which then go on to produce everyday items such as fertilisers, alumina, and building materials, like bricks and insulation.

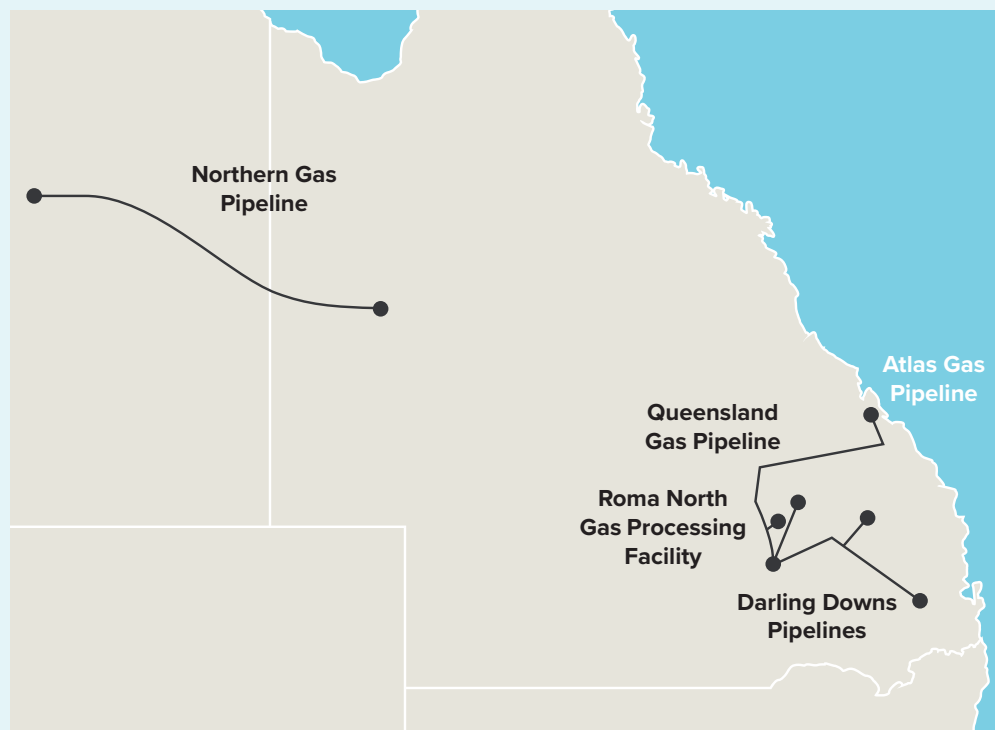
Our Queensland customers are described in greater detail in the table overleaf.

At a Glance: Queensland's Manufacturing Sector

In 2019, Queensland's manufacturing sector:

Accounted for over 9% of GDP	Employed 165,000 people directly	Received 300PJ's of gas	SIXTH largest industry in Queensland	\$20B value of Queensland manufacturing sector
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Jemena is a proud part of the Queensland Gas Industry, being a member of the Australian Petroleum, Production, and Exploration Association and the Australian Pipeline and Gas Association.



Overview of Queensland Natural Gas Customers

Category Type	Description of Service / Activity / End-user
Producing and refining	<ul style="list-style-type: none"> Fertiliser manufacturer Refines waste lube oil into base lube oil
Manufacturing	<ul style="list-style-type: none"> Aluminium production, including the production of carbon anodes, raw and cast aluminium Plasterboard and building materials Explosives and cyanide manufacturer Magnesia manufacturers Support to mining operations including silver, lead, and zinc
Electricity generation	<ul style="list-style-type: none"> We deliver more than 20,000TJ of gas per year for power generation across north west and south east Queensland. This gas goes on to power more than half a million homes and businesses in these regions.

We're a proud member of Queensland's Natural Gas sector, and consciously partner with smaller Australian gas exploration and production companies in order to bring more competition to Australia's gas markets, while supporting Australian businesses and jobs. This approach also helps to make more gas available to market, while helping place downward pressure on gas prices. In 2018-19 this thinking saw us partner with Senex Energy to deliver the Atlas Gas Pipeline.

From Bricks to Beer Bottles, Atlas Brings More Gas to the Domestic Market

In 2018, the Queensland Government released the first gas acreage ear-marked solely for the domestic market. At that time the state government sought tenders to develop

the acreage by the end of 2019. Seeing the natural synergies with our Northern Growth Strategy, Jemena partnered with Senex Energy to construct a 60km gas pipeline and compressor station near Wandoan in south-west Queensland. Jemena invested around \$140 million in the project, which created over 500 jobs (almost 200 of which were filled by people from the local community).

Gas from the Atlas acreage is now being used to shore up local industries and jobs in Queensland. From 1 January 2020 gas from the operation was used by building products maker CSR, as well as glass packaging companies Orora and O-I, which make many of the beer, wine, and non-alcoholic beverage bottles Australians use every day.

The Atlas Gas Pipeline is also transporting gas to customers like CleanCo, the new Queensland Government-owned corporation focussed on delivering reliable, affordable, and sustainable energy. Atlas gas will fuel Swanbank E, CleanCo's highly efficient 385 MW gas-fired power station near Ipswich in south-east Queensland.

At a Glance: Atlas Gas Pipeline

\$140M

Investment to design and construct a 60km pipeline

>500

Jobs created (200 across regional Australia)

40TJ OF GAS

Delivered to Queensland industry per day

4 MONTHS

To construct the pipeline (exceeding industry standard timeframes)



ZINFRA: BECOMING A TRUSTED PARTNER IN ENERGY

Zinfra partners with companies across the utility and infrastructure sectors to deliver maintenance, operations, engineering, and construction services. For our partners our work is crucial to maintaining the safety and reliability of their electricity and gas transmission and distribution assets which deliver energy to millions of Australian homes and businesses. In 2019, we supported clients across Queensland, New South Wales, the ACT, Victoria, Tasmania, and South Australia. Our team of over 1,800 personnel operated across 37 locations in these jurisdictions and shored up energy reliability across 42 municipalities.

In addition to our maintenance work, in 2019, we contributed to a number of innovative energy projects designed to ensure the long-term reliability of Australia's energy grid.



At a Glance: Zinfra

1,800	37	42
MEMBERS OF THE ZINFRA TEAM	LOCATIONS ACROSS METROPOLITAN AND REGIONAL AUSTRALIA	MUNICIPALITIES SERVED

Future-proofing the network with smart substations

As power generation sources become increasingly distributed and intermittent, balancing supply and demand requires a more agile and intelligent grid. This is now possible thanks to significant advances in grid automation technology, including the development of digital substations. In 2019, Zinfra partnered with Jemena to deliver a digital substation as part of the rebuild of the Preston Zone Substation.

The Preston Zone Substation rebuild was part of a larger program of work to convert the Preston distribution network – which

has operated since the 1920s with a primary voltage level of 6.6kV through the Preston and East Preston Zone Substations – to 22kV, matching the surrounding zone substations at Coburg North, Coburg South and North Heidelberg.

For Jemena, the rebuild improved network reliability and ensures long-term demand for electricity in the area can be met, while supporting growth in the wider Preston area by reducing the cost and complexity of connection for new residences and businesses.

The new Preston Zone Substation is a ‘smart’ substation and is a further step in




implementation of the international industry standard IEC61850 in the Jemena Electricity Network.

A smart substation is a key component enabling a smart grid. Digital communications are achieved by replacing traditional copper connections using analog signals with fiber optic cables, and integrated digital protection and control systems – Intelligent Electronic Devices (IEDs) – which enable improved system visibility, diagnostics, and operation.

Energy networks across the world are transitioning to smart grids, as user demands and preferences in relation to how and when they use their energy evolve. The

new Preston zone substation will enable a smarter grid with improved communications to respond to our customer needs more effectively.

Zinfra’s Services

 <p>OPERATING AND MAINTAINING GAS</p>	<p>Operating and Maintaining gas transmission and distribution networks and assets</p>	<p>Geographic Market: Australia</p> <p>Service Offering: Operations and maintenance transmission and distribution; shutdown/restart management; testing and commissioning</p>
 <p>OPERATING AND MAINTAINING POWER</p>	<p>Operating and Maintaining electricity transmission and distribution networks and assets</p>	<p>Geographic Market: Australia</p> <p>Service Offering: Operations and maintenance transmission and distribution; shutdown/restart management; testing and commissioning</p>
 <p>PROJECTS</p>	<p>Constructing energy networks (transmission and distribution; electricity and gas) and facilities and connections</p>	<p>Geographic Market: Australia</p> <p>Project Offering: Regulated and unregulated energy utility asset infrastructure “construct” or “design & construct” projects</p>

COMMUNITY SUPPORT



LOCALS FIRST

We believe energy has a pivotal role to play in not only powering our homes, workplaces, and ultimately our lives, but in shaping our communities for the better.

We adopt a Locals First approach which seeks to deliver social and economic benefits to the communities where our assets are located. This can be achieved directly as a result of policies which encourage local training and job opportunities or through the use of local contractors/businesses. Indirectly, we know our presence in a community has flow-on benefits for the whole of the local economy.

We also know that many of our projects positively impact the lives of people who have traditionally experienced disadvantage – particularly in the form of barriers to employment, jobs, and training opportunities. In keeping with the spirit of our Locals First approach, in 2019 we provided training and job opportunities to almost 200 people living in regional and rural Australia in communities surrounding our assets and infrastructure.

The Pipeline to Success

In 2019, Jemena joined forces with Saltbush Social Enterprises - a leading education and training business based in the Northern Territory - to deliver an Aboriginal Workforce Mentoring Program: the Pipeline to Success. The program builds on Jemena’s previous success delivering training, development, and job opportunities across remote parts of the country as part of our Northern Gas Pipeline project. The program will provide Aboriginal Tennant Creek based locals with a six-month paid position in a mentoring, research, and development program. Our ambition is to develop a program which, over the long-term, will support the development of a local workforce which is capable of contributing not only to Jemena’s projects in regional Australia, but also to other parts of the local economy.



2019 Scorecard – Community Support

>\$443,000	OVER 50	250+ DAYS	200	\$24M
IN DIRECT COMMUNITY CONTRIBUTIONS	ORGANISATIONS SUPPORTED	EMPLOYEE VOLUNTEER DAYS	REGIONAL JOBS CREATED IN 2019	FLOW-ON ECONOMIC BENEFITS

IN THE COMMUNITY

In 2019, through our Corporate and Community Partnerships Program we delivered direct and in-kind support to over 50 community organisations and groups and approximately 2,500 hard-to-reach individuals. Our investment totalled over \$443,000 targeting organisations in the Northern Territory, Queensland, New South Wales, and Victoria.

In 2019, we launched the Jemena Grants Program which sought to deliver grass-roots change by providing grants of up to \$10,000 to community organisations based in our electricity and gas distribution networks in New South Wales and Victoria. Launched in August, we received 17 applications as part of the program and were able to provide support to 12 organisations.

The table on the following page provides an overview of those organisations we partnered with and the types of support we delivered in 2019.

Helping Vulnerable Victorians to become Power Changers

In the summer of 2017-18 we launched our inaugural demand-response program, Power Changers. The Power Changers program challenged residents living in the Jemena Electricity Network in Melbourne's north-west to make small changes in relation to how they used their energy which, collectively, would help to reduce overall pressure and stress on the electricity grid during times of peak demand (such as hot weather days). Key to the program were a series of energy savings

tips which empowered people to make smarter choices around how they used their energy. To complement the Power Changers program we launched Power Changers – Community Connections which saw us partner with community services organisation, Uniting Vic.Tas, to deliver energy literacy training to hard-to-reach and culturally and linguistically diverse individuals across the Jemena Electricity Network.

In focus: Power Changers

- delivered 9 community information sessions (one entirely in Arabic)
- provided 40+ one-on-one home energy assessments for participants requiring some extra advice, with translator support also provided as needed
- visited community outreach centres, public shopping centres, adult education centres, local community group meetings and council events to share the Power Changers message across a wide range of audiences
- provided support to over 150 individuals who took part in the program.





VIC
Kids Under Cover
\$2.7K+
 in workplace giving support



VIC
Victoria State Emergency Service
\$20K
 towards new Community Engagement Facilitator Training for volunteers



NSW
NSW Rural Fire Service
\$20K
 to support volunteer wellbeing plus brigades employees volunteer with



QLD / NT
Royal Flying Doctor Service
\$35K
 to support Queensland and Central Operations (NT / SA) divisions



QLD
RACQ Capricorn Helicopter Rescue Service
\$10K
 as a Rescue 300 Club member and in local community event support



National Australian Red Cross
\$10K
 towards National Disaster Relief & Recovery Fund



NSW
House to Grow
\$10K
 grant to develop a new Emotional Intelligence course for community volunteers



Happiness Habits
 CREATE YOUR BEST LIFE
NSW
Happiness Habits
\$10K
 grant for a new volunteer mentor training program



NSW
Sailors with DisABILITIES
\$5K
 grant so young people can enjoy a 'Winds of Joy' sailing day



NSW
Marathon Health
\$10K
 grant to support the 'Cook Smart' program for indigenous clients in Bathurst



NSW
Paint the Town REAd
\$12K
 grant to produce a book celebrating the joy / benefits of early reading for kids



NSW
St Ives Preschool
\$5K
 grant towards new energy efficiency lighting for classrooms



VIC
Very Special Kids
\$5K
 sponsorship of the VSK Treadmill Challenge



NSW
Autism Spectrum Australia
\$9.7K
 grant to support a suite of incursions for school children in East Sydney



VIC
Bolton Clarke
\$9K
 grant towards free de-fibrillation & CPR classes for older people across northern Melbourne



VIC
Orange Sky Australia
\$15K
 grant to support free laundry services for people experiencing homelessness



VIC
Hume Men's Shed Craigieburn
\$5K
 grant towards a new metal workshop and tools for members



VIC
Westmeadows Indigenous Community Garden
\$2K
 grant towards garden supplies for members



VIC
Bellfield Community Garden
\$5K
 grant towards garden supplies for members

DIVERSITY AND INCLUSION



A DIVERSE WORKFORCE

We respect and value the diversity of our people, customers, clients, stakeholders and communities and we are committed to finding ways to actively support and encourage a diverse workforce and inclusive workplace.

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 our Group a great and interesting place to work.

Over recent years we have increased our emphasis on diversity and inclusion activities across our business. In 2019, we took steps towards developing our inaugural Diversity and Inclusion Plan. Our Plan will seek to entrench the culture and behaviours necessary to build an inclusive workplace. Our approach focuses on embracing the many different views, experiences, and backgrounds our people bring to work each day to help foster innovation and ultimately deliver better outcomes for people and our customers. Our plan will focus on three

strategically important opportunities:

1. Community Partnering - we seek to partner with the communities in our operational areas to provide social and economic support that promotes business sustainability, including the development and delivery of our Group's inaugural Reflect Reconciliation Action Plan, and the extension of programs designed to support disadvantaged youth with meaningful and practical access to career opportunities.
2. Inclusivity - We seek to enable an inclusive environment that embraces diversity and provides a place where
3. Flexibility and equity – We seek to further imbed a flexible workplace that recognises the diverse needs of our workforce where everyone is treated equitably, which helps our people to balance their lives with work, while separately identifying and addressing the drivers of pay inequity across the business.



Northern Territory Chief Minister, Michael Gunner, with graduates of Jemena's Work Readiness Programs.

Flexibility and equity

We have identified flexibility and gender as an area of specific focus. In 2019 this saw us identify a series of initiatives designed to encourage the recruitment and retention of female employees; identify and address drivers of pay inequity for existing team members and new hires; and support women into leadership and management roles.

In CY2019 compared to the preceding six years we achieved:

- the highest proportion of females across our workforce
- the highest proportion of female managers across our business, and
- in the last four years, the highest proportion of female promotions and appointments across the group.

We have a suite of formal and informal work practices designed to support our people to balance their lives and work. Our 2019 employee engagement survey told us that 73% of our people favourably responded to the questions: we value diversity and inclusion and feel supported to utilise flexible work arrangements and we will continue to seek to improve access to flexible work practices to allow current and future team members the opportunity to integrate work with their personal requirements.

Inclusivity

In 2019 we established our first volunteer Diversity and Inclusion Committee. The Committee's focus is on developing organic, grass-roots, support for diversity and inclusion

initiatives to support and enable our group Diversity and Inclusion Plan.

Our Reflect Reconciliation Action Plan

We have a proud history of partnering with Aboriginal communities throughout the development of major projects, like our Northern Gas Pipeline. As part of this, we have delivered jobs, training, and development opportunities to people from remote communities across the Northern Territory and Queensland.

As part of our broader Diversity and Inclusion Plan 2020 we will launch our Reflect Reconciliation Action Plan (RAP). We want to work towards making a real difference for Aboriginal and Torres Strait Islander communities within our operational areas across Australia.

Our vision is to continue to build relationships and have meaningful engagements with Traditional Owners that are respectful, mutually beneficial and enduring. We seek to be a trusted partner, working with Aboriginal People.

Our Reflect RAP will focus on the following areas:

1. Relationships - by opening up communication and starting conversations, we will start to build our relationships with Aboriginal and Torres Strait Islander people and communities in areas where we work and operate
2. Respect - from these relationships, our people will gain a better understanding of Aboriginal and Torres Strait Islanders

people, their histories and their culture.

3. Opportunities - building on these relationships we will find opportunities to work together with Aboriginal and Torres Strait Islander people, communities and businesses.

Respecting Human Rights

Despite global efforts, in 2018 it was estimated that 40.3 million people were living in modern slavery globally.

Following in the footsteps of the United Kingdom and the United States, in 2018 the Australian Government passed the Modern Slavery Act 2018. The Act requires organisations with an annual turnover of more than \$100 million to produce an annual report which identifies and outlines the risks of modern slavery in their operations and supply chains, alongside actions being taken to mitigate these risks.

In response, in 2019 Jemena contributed to the development of a 55 page white paper developed by the Energy Procurement Supply Association (EPSA) in conjunction with Action Sustainability Asia Pacific titled: Respecting Human Rights in our Supply Chains. Jemena was one of six energy companies to contribute to the paper which aims to provide energy businesses with practical advice so that their procurement teams and leaders at all levels are able to easily understand and address modern slavery issues as they impact their supply chain.

Often it is perceived that human rights issues are not prevalent in highly regulated and developed countries like Australia. However we know that modern slavery still exists, and that our actions as a company can contribute to and/or perpetuate those human rights issues that exist in the countries we buy from.

In keeping with the recommendations in the paper we are developing a roadmap to identify and address modern slavery.



Members of Jemena's Procurement team at the launch of "Respecting Human Rights in our Supply Chains" along with other representatives of the energy industry, including representatives from Western Power, Horizon Power, Energy Queensland, SA Power Networks, and AusNet.

IN FOCUS: ZINFRA'S APPRENTICESHIP AND TRAINEESHIP PROGRAM

Many Australian companies offer apprenticeships to help them recruit and train the next generation of industry professionals; however, choosing the right apprenticeship with the right company can be a trying task. Elena, a Gas Apprentice at the Zinfra Greystanes depot in NSW, has not only found herself in a career she wants to pursue, but also in an inclusive workplace environment.

Zinfra's Apprenticeship and Traineeship Program is committed to providing a range of job rotations to enhance on-the-job learning, along with mentoring and effective training partnerships with quality training providers. Furthermore, Zinfra has developed a range of career pathway options to assist its apprentices in planning and developing for their future.

The Gas Apprenticeship Program in particular is an opportunity for apprentices to gain valuable hands-on skills for a long-term career in the gas sector.

For Elena, who is in her final year of the apprenticeship, it was the opportunity for a rewarding career that sparked her interest.

"I was looking at a few apprenticeships and was after a role that was more career-based, so Zinfra really stood out," she said.

After applying for the Gas Apprenticeship as her first choice, Elena said she felt privileged

to be selected for such a great learning opportunity.

"There's so much I've enjoyed," Elena said.

"Being exposed to all the different parts of the company and getting trained. We do a lot of rotation, so we do get an insight into different sections of the company, with higher pressures, a little bit more exposure. That's been a highlight for me."

According to Elena, one of Zinfra's greatest assets is its approach to equality in the workplace. With this apprenticeship often pursued by males, she said that having female apprentices on board who are equally capable and equally treated is important to see.

"Being a female in the industry, coming into it I was a bit nervous as I guess the infrastructure and construction sectors can be very male-dominated. However, once I started, I was made to feel welcome and treated equally and fairly, not only by management but also by all of the field staff and the guys," Elena highlighted.

"Zinfra is a great place to work – my supervisors are very supportive and there is plenty of personal development and training on offer."

With her apprenticeship almost complete, and her training giving her a new appreciation for how the company works as a whole, Elena is excited to discover what her future looks like within Zinfra.



Elena from Zinfra's apprenticeship program



ENVIRONMENT

ENVIRONMENT AND OUR GROUP

All companies in the Group respect the natural and built environments within which we operate. This section outlines the actions we are taking to minimise the impact of our activities on the environment.

Carbon emissions

The group supports the need for Australia to meet its emissions reductions obligations to meet the Paris Agreement’s long-term goal to keep the increase in global average temperature to well below 2°C above pre-industrial levels; and to pursue efforts to limit the increase to 1.5°C. We also acknowledge the role that the energy sector will have in delivering this. We would support a bipartisan, nationally coordinated, market-driven approach to enabling Australia’s lower carbon future in line with the Paris goals.

In this context we know we have a real role to play in helping Australia transition to a low-carbon future.

We report annually on our emissions under the National Greenhouse and Energy Reporting Act 2007 (NGER). Since 2012, emissions from our activities have remained relatively stable, declining slightly from 816,200 tCO₂e in 2012-13, to 746,803 tCO₂e in 2017-2018.

Absolute emissions (i.e. total emissions) rose to 931,377 tCO₂e in 2018-19 compared to 2017-18 with the commissioning of the Northern Gas Pipeline. Commissioning has resulted in more emissions than is expected for normal operations, however actions were

taken to rectify this, with improvements seen in the latter half of 2019. While absolute emissions are not expected to decrease significantly in 2019-20, the amount of energy we deliver is expected to increase. This in turn should improve our emission intensity value.

The federal Safeguard Mechanism applies an asset specific ‘baseline’ to facilities that emit over 100,000 tCO₂e. If the baseline is exceeded a price on carbon results. Jemena had three assets with baselines under this Mechanism in 2018-19. Jemena Gas Networks and the Eastern Gas Pipeline remained below their baselines, however the NGP exceeded its calculated baseline; as a result carbon credits will need to be purchased to offset the exceedance.

Until 2018-19 none of the Group’s assets had exceeded their baseline so no carbon credits have been purchased previously.

Waste Minimisation & Reduction

As part of our commitment to caring for the environments within which we operate we are incorporating waste minimisation and reduction as a key pillar of our inaugural Group Sustainability Strategy 2020 - 2024. This portion of the strategy will identify actions we can take at a corporate and operational level to minimise waste, enhance existing reduction and recycling efforts, and foster a waste minimisation mindset amongst our people. This work will build on achievements in 2019 which saw the Group:

- Divert approximately 50 per cent of waste generated through our operations away from landfill. This included paper and plastic waste, waste batteries, metals,

and fluorescent globes.

- Introduce a Simply Cups recycling program for disposable coffee cups. Over 15,000 cups were collected from our Melbourne office alone.
- The trialling of a recycled composite plastic valve surrounds in non-trafficked areas of the Jemena Gas Network. These surrounds are made of recycled

composite thermoplastic and their use helps to reduce the consumption of virgin materials.



Above: emissions profile across the Group assets

Cleaning up Historical Gasworks

In 2006, through a series of transactions the Group acquired a number of sites where local town gas-work operations were conducted from the 1800s until relatively recent times. As a by-product of these operations a number of contaminants were leached into the soil and groundwater. Since acquiring these sites we have worked to remediate them so they no longer pose a risk to human health or the environment. In 2019 a number of significant milestones were achieved for our Kendall Bay, Newcastle, and Goulburn sites in New South Wales

Kendall Bay

Kendall Bay is located on the Parramatta River in the City of Canada Bay, and is approximately 10km from the Sydney CBD lying between the suburbs of Cabarita and Breakfast Point.

Contamination of sediments in Kendall Bay occurred as a result of historical discharge from the (then) Mortlake Gasworks Site which operated between 1886 - 1971. In 2018, we successfully trialled the proposed clean-up methodology for the site. Following this in late 2019, we constructed a staging site and environmental controls were installed in preparation for remediation activities to commence in 2020.

Remediation of the site will cost approximately \$33 million and will create around 35 jobs.

We anticipate remediation of the Kendall Bay site will be completed by the fourth quarter of 2020.



Aerial view of the Kendall Bay remediation site during the trial phase.

Newcastle Gasworks

The former Newcastle Gasworks, located on Clyde Street in Newcastle, was operated from 1913 to 1985 by the Newcastle Gas and Coke Company.

Following several years of planning, investigation, community consultation, and preparatory work, remediation of the Clyde Street gasworks site commenced in earnest in October 2019.

Remediation of the site will cost \$11.4 million, has created 44 jobs, with opportunities available for local people.

We anticipate remediation of the Clyde Street gasworks will be completed by quarter 3 of 2020.

Goulburn Remediation Project

The Goulburn Gasworks was originally operated by the Goulburn Gas and Coke

Company between 1878 and the 1970s.

In 2019 Jemena invested \$12.5M creating 20 jobs to undertake remediation and restoration activities at the site which was successfully completed in December 2019.

Wollongong Remediation Project

The former Wollongong Gasworks was operated by the Wollongong Gas Light Company as a coal gasification plant

(gasworks) between 1883 – 1977.

Remediation of the site will commence in early 2020 at a cost of \$19M and will create around 30 jobs, with job opportunities available for local people.

We anticipate remediation of the former Wollongong gasworks will be completed by July 2021.



Members of the Goulburn Remediation Project team.

A photograph of three men sitting at a table in a meeting. The man on the left is wearing glasses and a patterned shirt, with a name tag that says 'Shaun' and 'Jemena staff'. The man in the middle is wearing glasses and an orange shirt. The man on the right is wearing a grey jacket and a pink shirt. They are all looking towards the left. The word 'GOVERNANCE' is overlaid in large white text on the left side of the image.

GOVERNANCE

RAISING THE BAR

2019 saw energy and energy companies like those within the Group continue to feature prominently in political and public debate. While the issues surrounding energy are complex, we know that our customers, and the community more generally, have a keen interest in understanding our sector and that they would like to have a say in the decisions which impact them. In response we have taken steps to ensure our customers continue to be at the heart of our decision making.

Customer Councils

Our Customer Councils consist of a range of consumer advocates, industry representatives and customers, who meet regularly to provide input into our business strategy. The Councils are a trusted source of advice for customer

initiatives and in 2019 were instrumental in shaping our Price Reset engagement plans, our price paths, and the design of our community partnerships. Membership details for each of our Customer Councils are captured in the images below.

Leading the Development of the Energy Charter

In a first for the energy sector, 2019 saw 23 energy businesses sign up to a voluntary Energy Charter designed to demystify the energy sector, refocus signatories on their customers, and provide interested stakeholders with insight into the innerworkings of each company.

Jemena and Ovida are both proud foundation members of the Energy Charter. Underpinning the Energy Charter is a set

of principles designed to drive cross-sector collaboration as well as the internal activities of individual Charter signatories. The Energy Charter principles include:

1. Placing customers at the centre of each business and the energy system more generally.
2. Improving energy affordability for customers.
3. Providing customers with access to reliable, affordable, and sustainable energy.
4. Improving the customer experience.
5. Supporting vulnerable customers.

Our people were proudly a driving force behind the Energy Charter with employees at all levels taking on responsibilities to implement the Energy Charter not just within our own

business, but across the sector more broadly. In October 2019 we issued our inaugural Energy Charter Disclosures report. This 30-page document provides tangible examples of how the Group is working to address the Charter principles and the principles in action.

Our disclosures report was reviewed by the Independent Accountability Panel. The Panel is the accountability mechanism underpinning the Energy Charter. Its role is to constructively evaluate individual performance of Charter signatories and the whole of the sector against the principles in the Energy Charter. Feedback from the panel was supportive of a number of initiatives – particularly our approach to customer engagement – which are designed to ensure customers continue to be at the heart of our activities, while also highlighting areas for further focus in 2020.

Members of Jemena's Customer Councils

Residential & Vulnerable Customers

- Renew
- Kildonan Uniting Care
- Energy Consumers Australia (ECA)
- St Vincent de Paul
- Brotherhood of St Laurence
- Council on the Ageing VIC (COTA)

Small Business Customers

- Victorian Chamber of Commerce and Industry (VCCI)

Large Customers

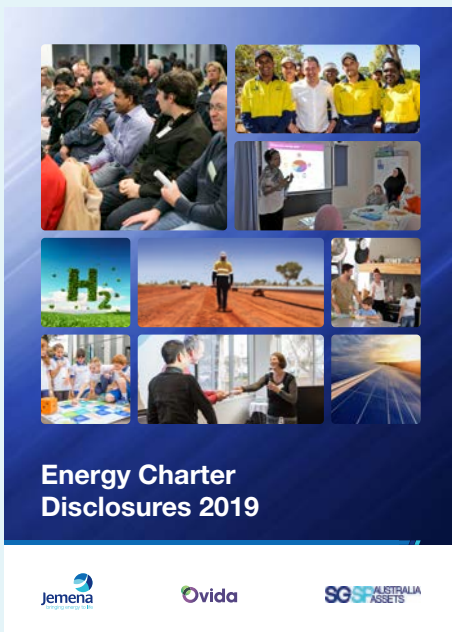
- Energy Users Association of Australia (EUAA)
- Australian Industry Group (Ai Group)
- CSL Behring

Retailers

- Australian Energy Council (AEC)

Other Stakeholders

- Energy & Water Ombudsman - Victoria (EWOV)
- Australian Energy Foundation
- Northern Alliance for Greenhouse Action (NAGA)
- Emerging Technologies Research Lab at Monash University
- Clean Energy Council (CEC)
- Western Alliance for Greenhouse Action



Better Together Initiatives

The Better Together initiatives are a suite of activities stemming from the Energy Charter designed to promote cross-sector collaboration in order to enhance customer outcomes. Stemming from work initiated in 2019, in 2020, Jemena is supporting a range of better together initiatives including:

- collaborations to enhance customer engagement and energy literacy
- work to progress 24/7 electricity network connections
- work looking at network access and pricing reforms, and
- work focussed on improving information disclosure in the pipeline sector.

OUR CODE OF CONDUCT: DOING THE RIGHT THING

To live our purpose and live up to the trust placed in us to deliver energy as an essential service in our community, we hold ourselves to the highest standards of business conduct. We meet these standards through the commitment of every team member to our Code of Conduct: Doing the Right Thing. Our Code of Conduct is the reference document that guides our day-to-day actions and decision-making including:

- how we handle customer information
- whistle-blower protections
- health and safety responsibilities, and
- fraud and corruption (including anti-bribery) provisions.

Our Code of Conduct is underpinned by our values (as detailed in the image below).



Protecting our Customers' Privacy

Like other energy companies we access sensitive data in order to meet the energy requirements of our customers. We take our responsibilities under the Privacy Act 1988 seriously and have implemented a comprehensive Privacy Policy. Our policy governs how and why we collect personal information, the types of information we collect, as well as how we will use this information and in what circumstances it will be disclosed.

Additionally, we take steps to protect the personal information which we hold from misuse or loss and from unauthorised access, modification or disclosure. We do this by having physical and electronic security systems, which limit who can access our customers' personal information, and we regularly train our staff to keep customer information safe and secure. We also have

online and network security systems in place for our websites, so that the information provided to us is protected and secure.

Safe to Speak Up: Whistle-blower Protections

The Group is committed to a culture of corporate compliance, good corporate governance, and ethical behaviour. Whistle-blower protections are designed to encourage the reporting of unlawful or unethical behaviour by protecting those who wish to raise concerns about actual, suspected, or anticipated wrongdoing within the business.

As part of our Whistle-blower Policy, information received from a Discloser will be held in confidence and will only be used for purposes related to the investigation and resolution of the matter, and always in accordance with the law. Our approach to whistle-blower protection goes beyond our legislative requirements in reflection of the important value the Group places on ensuring whistle-blowers can act with confidence.

The policy covers notifications in relation to fraud, corruption, illegal activity, breach of company policy, unethical behaviour, behaviour which may result in financial loss, or behaviour which may jeopardise workplace safety.

Health and Safety Responsibilities

The Group is committed to caring for our people, the environment and the communities in which we operate. This means that we take care when conducting our business activities and that every employee and contractor returns home safe every day.

We understand the work we do has health, safety and environmental risk and everyone within the Group must take responsibility to actively identify and manage those risks.

Our Group health, safety, and environment practices are governed by our policy, standards and procedures including our Health, Safety, and Environment Policy, our Safe Work Method Statements, and tailored site-based health, safety and environment plans. All employees and contractors must abide by these plans. In all cases, these resources are established with the objective of meeting or exceeding recognised legal and technical obligations as we believe that all workplace-related injuries and illnesses are preventable.

These policies require our people to:

- understand and follow all relevant health, safety and environment requirements
- report any circumstances that represent a risk to health, safety or the environment
- identify opportunities for improvement and participate in developing and implementing health, safety, and environmental solutions
- ensure Group policies, standards, and procedures are followed
- ensure that appropriate resources and supporting systems are in place to meet our health, safety, and environment requirements
- encourage and support team members to participate in health, safety, and environment activities.

Fraud and Corruption (including anti-bribery) Provisions

We have zero tolerance towards fraud and corruption (including bribery) and require our people to comply with anti-corruption laws.

Fraudulent and corrupt conduct in the course of business operations will not be tolerated in any form or degree. In keeping with our approach towards health and safety, our fraud and corruption provisions have been established with the objective of meeting or exceeding recognised legal and technical obligations.

Our fraud and corruption provisions:

- articulate our zero tolerance towards any level of fraud
- support a culture of fraud risk awareness at all times
- support sound internal controls to prevent and detect fraud and corruption.

Our people receive regular training to ensure they understand how our fraud and corruption policies apply to their role, and are required to seek approval before:

- providing commercially sensitive information to an external person
- engaging a supplier who will interact with others on our behalf
- offering to undertake a community donation or project
- offering to provide sponsorship of an event.

GOVERNANCE OPERATING FRAMEWORK

Governance within the Group is underpinned by a set of principles and controls designed to ensure the business meets its strategic objectives, performs ethically, and maintains stakeholder confidence. The six principles underpinning our operating framework are:

- Performance / leadership: focuses on ensuring everyone understands their role and how it is aligned to the business' objectives.
- Authority delegated: which necessitates clear lines of responsibility and role clarity resulting in empowered people.
- Transparency and openness: focussed on clear communication, reporting across all levels of the business, and well-informed people.
- Efficient, capable, and competent: ensuring we have quality systems, people, and processes.
- Ethical behaviour and integrity: doing the right thing, ethically performing, and meeting objectives.
- Stakeholders: recognising and responding to our stakeholder responsibilities.

We bring our governance operating principles to life through our key organisation documents, policies, guidelines, and business structures.

OUR BOARD AND MANAGEMENT COMMITTEES

Jemena is backed by the strong resources of our shareholders the State Grid Corporation of China and Singapore Power. Together with our Executive Leadership team our Board and Management Committees drive the strategic direction and management of our business.

Board and Management Committees

SGSPAA BOARD			
AUDIT & COMPLIANCE COMMITTEE	RISK, HEALTH, SAFETY & ENVIRONMENTAL COMMITTEE	FUNDING & DISCLOSURE COMMITTEE	NOMINATION & COMPENSATION COMMITTEE

OUR CORPORATE STRATEGY AND BUSINESS PLANS

Our strategy and business plan set out our vision, priorities, and goals, which in-turn shape our Corporate KPIs.

In 2019 we had four key focus areas that drove achievements across our Key Performance Indicators (KPIs).

REMUNERATION PRINCIPLES: OUR CORPORATE KEY PERFORMANCE INDICATORS (KPIs)

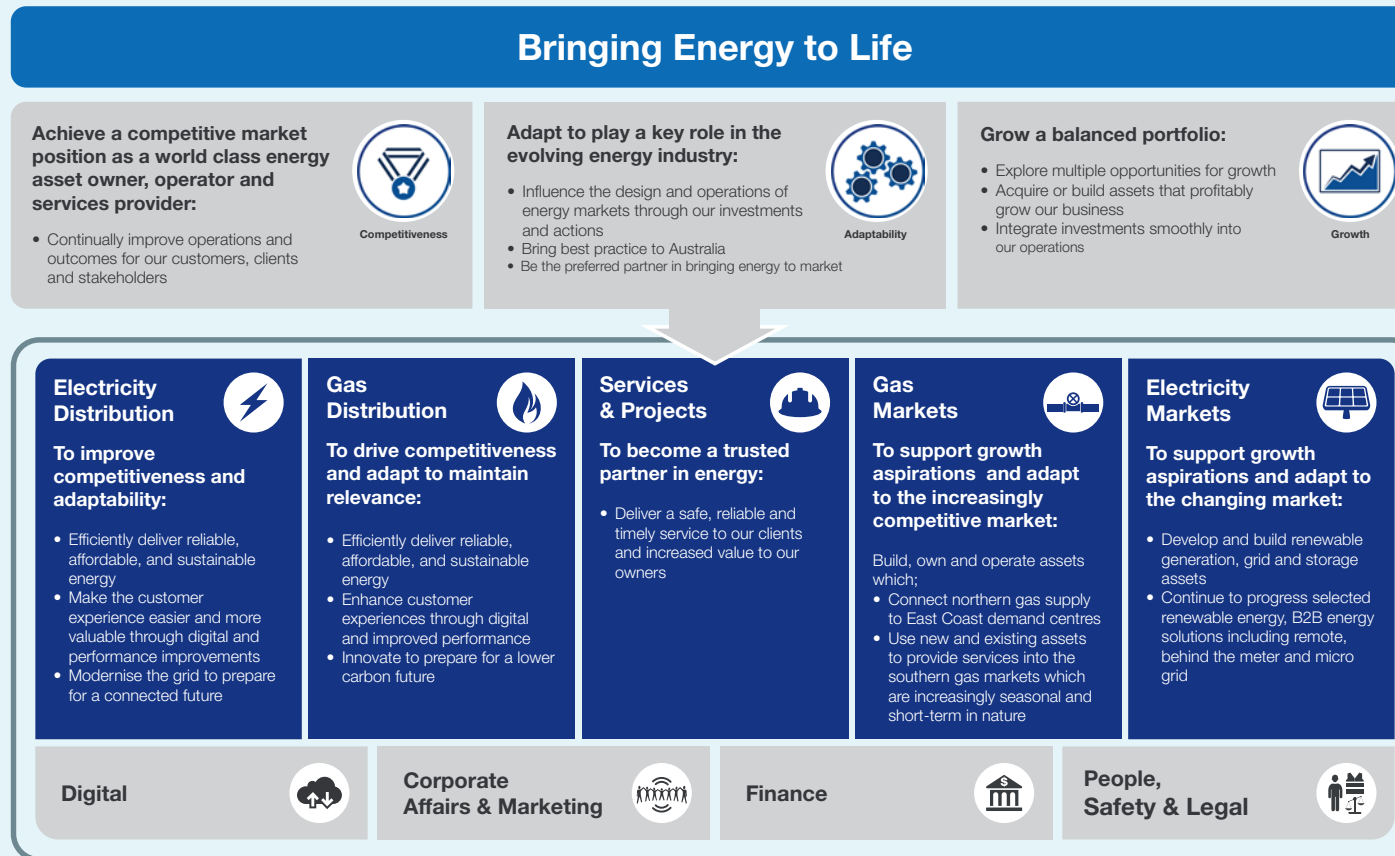
The performance of our business and our people is monitored and assessed through a Balanced Scorecard of Corporate KPIs which is set jointly by management and

shareholders. For 2019, our Corporate KPIs comprised metrics aligned to our corporate strategy, including measures of performance against customer outcomes, our operational performance and safety, financial performance, and our people/workplace. Management and employee compensation is aligned with these KPIs to ensure that each area remains a focus for all levels of the business at all times.

All permanent Jemena and Ovida employees on individual contracts (those not employed

under enterprise bargaining agreements) have a variable performance bonus paid in April each year based on the previous year's performance, but only if corporate KPIs are achieved.

As a Group in 2019 we delivered solid full year results, with further opportunity to enhance our safety credentials and performance being identified across both Zinfra and Jemena.






Jemena
bringing energy to life

 **Zinfra**

 **Ovida**

SGSP AUSTRALIA
ASSETS