

Alinta Energy Sustainability Report

—
2018/19

ABN 39 149 229 998



alintaenergy



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A message from the MD and CEO

Welcome to Alinta Energy's sustainability report for FY19. I'm proud to announce this represents the five-year milestone of our sustainability reporting program. We believe our sustainability reports are an important way to provide our stakeholders and the public with information about who we are and what we do.

A renewable energy milestone

In October 2019, we reached our target to support the development of over 1,000MW of renewable energy by 2020. Achieving this milestone was made possible by the hard work of our people to finalise our commitments to a number of key large-scale renewable energy projects. These include the Yandin wind farm in Western Australia, the Solar River project in South Australia, and the Chichester solar farm in Western Australia's Pilbara region.

Achieving our 2020 renewable energy target is one of the highlights of my career at Alinta Energy. Our next goal is to support 1,500MW of renewable energy development by 2025. This continues our focus to remain one of Australia's fastest growing energy companies and to drive us closer to our vision of being the best energy company.

Improving the energy efficiency and emission intensity of our existing fossil fuel power stations is also an important step towards preparing ourselves for a lower carbon future. We have set ourselves a 2025 target to improve the energy efficiency and emissions intensity of our traded fossil fuel generation assets by 5% compared to their individual baseline performance levels.

Work has already begun on a series of projects to help us achieve this objective. We will also continue to look for new ways to convert the fuels combusted at our power stations into electricity as efficiently as possible, as we work towards reaching our energy efficiency target.

Changes to our vision and leadership

My comment above on our new vision to be the best energy company sounds a little different than in the past. During the year we updated our 2020 vision to look further ahead and refocus our efforts to 2025. As part of our new vision, we also set ourselves goals that aim to deliver for our stakeholders including our employees, customers, communities and our owners, as well as benchmarking ourselves against our industry. We have kept our sense of purpose (we're determined to make energy more affordable) and our values.

The right leadership is essential to achieving our vision and this year we welcomed two new members to our executive leadership team: David Gillespie, who joined as our new Chief Information Officer, and Vince Nicoletti, our new Chief Financial Officer.

David joined in January 2019 and brings a wealth of experience from working in a variety of industries globally and is a strong business leader with a background in IT transformation.

Vince started with us in June 2019, hitting the ground running in the lead-up to the end of the financial year. He has extensive experience in the mining and industrial sectors across finance, operational performance management, investment evaluation, credit, risk and governance.

I would like to personally welcome both David and Vince to our team and look forward to working with them to deliver our vision and strategies.

Safety, wellbeing and our people

Operating with zero harm is Alinta Energy's top priority across our operations. Importantly, there were no workplace injuries this year to our employees or contractors which resulted in permanent or long-term impairment, known internally as Class 1 injuries. However, a number of minor injuries meant we fell short of our total recordable injury frequency rate (TRIFR) target, with a result of 6.71. This shows we have more to do as no injuries are acceptable.

I am confident the new and innovative safety programs we introduced this year, such as 'Safety Value Add' and 'safety leadership training', will help improve our operations.

In our latest annual engagement and culture survey, we achieved a safety engagement score of 8.5 out of 10, which places us in the top 10% of companies using the Peakon platform. We're proud of this result, which demonstrates the importance placed on safety across our workforce.

The team at our Wagerup power station combined safety with innovation, introducing a new safety application for smartphones that helps detect falls or car accidents for our people who work alone in remote areas.

I believe we have created an exciting and rewarding work environment for our people, but also recognise the demands of working for an innovative and expanding organisation can be stressful at times. That's why we were delighted to offer our employees a free 12-month subscription to the award-winning Headspace health and wellbeing app this year. Within two months of launching this program more than 300 of our employees had signed up, and we will continue to encourage our people to make use of this fantastic resource in the future.

We achieved an overall employee engagement score of 7.5 in this year's engagement and culture survey, which is just 0.6 below the top quartile performance benchmark on the Peakon platform. I'm very pleased with this result and confident of attaining our long-term objective of top quartile employee engagement. This will be supported by the initiatives implemented across the business this year by our People and Culture team, which included an improved induction process, new recognition programs and expansion of our leadership program.

Delivering excellence for our customers

Customers are at the heart of Alinta Energy's sense of purpose – we're determined to make energy more affordable. That's why we are honoured to be recognised for our service with awards voted by our customers.

For the second year running, we received Canstar Blue's Most Satisfied Customers award for energy providers in Queensland, with second places in New South Wales and South Australia. We were also rated the best electricity provider for small businesses in Australia by Canstar Blue. In Mozo's 2019 People's Choice awards, Alinta Energy took out three wins in the energy category: Most Recommended, Highly Trusted Brand and Excellent Customer Service. A heartfelt thank you to all our new and existing customers for your support each day and for recommending Alinta Energy to your friends and families.

During the year we continued to roll out our transformation program (Fusion), which aims to improve systems and processes across our business. This involved developing an Alinta Energy delivery framework, which guides the identification and implementation of projects that deliver improvements to our customers and enhance their experience.

I hope you find this report useful and encourage all our stakeholders to provide feedback on our sustainability reporting program using the contact details provided on the back page of this report.

Financial performance and business transformation

I am very pleased to announce another year of solid financial performance for Alinta Energy. This result was supported by our strong wholesale electricity position in the National Energy Market, the performance of our generation assets, our expanding retail footprint and an improved wholesale gas position in Western Australia.

While we faced some challenges in retail energy markets this year, including increased competition and changes to pricing regulation, we remain committed to expanding this part of our business given our firm belief in the long-term benefits of vertical integration.

The significant changes to energy retail price regulation introduced this year, such as the Default Market Offer and the Victorian Default Offer, have changed the way we operate. The dedicated people in our retail business unit did an excellent job updating our systems and processes in a short timeframe to ensure Alinta Energy complies with these new regulations that aim to make energy pricing more transparent and affordable for everybody.

Supporting our communities

During the year, our executive leadership team approved establishing the Alinta Energy Community Development Program. We have committed to invest \$500,000 a year in community development projects over five years, starting in 2020, which represents a total new investment of \$2.5 million.

There's been a great response to the community volunteering leave program we introduced last year, with people from across our business helping a wide range of charities. I joined a team volunteering event at a Salvation Army centre in Sydney, where we helped prepare and serve food to people involved in drug and alcohol rehabilitation programs. This was a humbling experience and I was moved by the stories I heard about the great work the Salvos do in the community.

I would also like to congratulate Tracy Ransfield from our Port Hedland power station for winning the inaugural Alinta Energy Excellence Award for outstanding community contribution. Her efforts to support young people in South Hedland are impressive and her commitment has made a genuinely positive impact.



Jeff Dimery
Managing Director and CEO

FY19 highlights

A more sustainable future

- Meeting our target of 1,000MW of renewable energy development commitments by 2020 in October 2019.
- Setting 1,500MW of renewable energy by 2025 as our new target.
- Setting a 5% energy efficiency target for our traded fossil fuel generation assets compared to their individual baselines over the next five years.
- Announcing the development of Western Australia's largest windfarm near Yandin.

Towards zero harm

- Zero Class 1 injuries to our employees and contractors, in line with our target.
- 'Safety Value Add' and 'safety leadership training program' pilots run in Sydney and Melbourne.

Award-winning service and performance

- Canstar Blue Award for Most Satisfied Customers - Queensland electricity retailers and Canstar Blue Award for Most Satisfied Customers - small business electricity providers.
- Mozo People's Choice Awards for Excellent Customer Service, Highly Trusted Brand and Most Recommended.
- Australian Innovative Power Technology of the Year at the Asian Power Awards.
- Western Australian Engineering Excellence Award (innovation category).
- Australian Engineering Excellence Award (innovation category).
- Human Resources Director's Innovative Teams Award.

A strong, positive culture

- Updated our 2020 vision for 2025 to be the best energy company. We have set stakeholder-centric metrics to define what best looks like.
- Retained our sense of purpose: we're determined to make energy more affordable, and our values: people matter, one Alinta, customer focus, respect and integrity, and commercial leadership and safety.
- Achieved a baseline overall employee engagement score of 7.5 out of 10 under our refreshed survey tool.
- Safety engagement score of 8.5 out of 10, placing us in Peakon's top 10% of companies.
- Offered our employees a free 12-month subscription to the award-winning Headspace health and wellbeing app.

Growing our business

- Over 1.14 million customers across Australia and New Zealand (11% increase from FY18).
- Net Promoter Scores of +71 on the west coast and +62 east coast, exceeding our targets.
- EBITDA growth of 1% in a highly competitive retail market which led to increasing discounts and lower margins for participants.

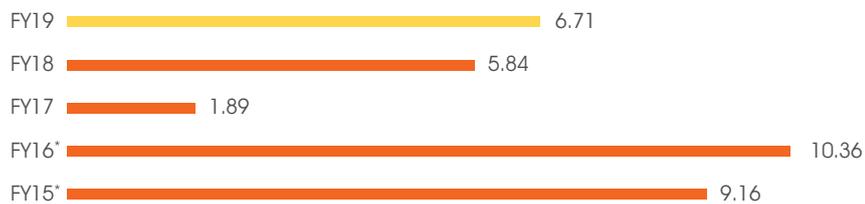
Investing in our communities and people

- Committed to invest \$500,000 a year in community development projects over five years from 2020.
- Over 450 hours volunteered by our staff through our corporate-sponsored volunteering program.
- Implemented phase 2 of our e3 leadership development program.
- Introduced training for emerging leaders.
- Delivered process and system improvements as part of our ongoing Fusion transformation program.

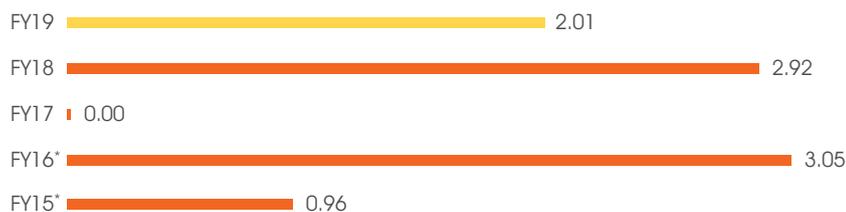


Key sustainability performance measures

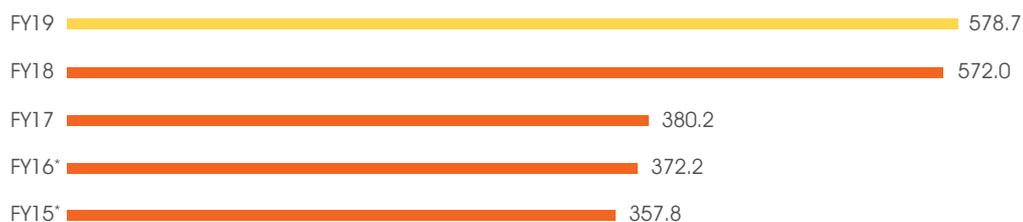
Total Recordable Injury Frequency Rate^a (incidents per 1,000,000 hours)



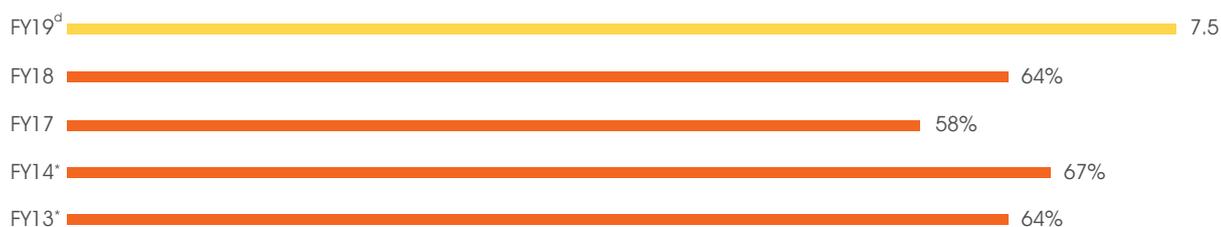
Lost Time Injury Frequency Rate^a (incidents per 1,000,000 hours)



Underlying EBITDA^b (\$ million)



Employee Engagement^c



a Historical safety data may have been updated since our previous sustainability report to account for issues such as claims that were rejected and injuries that were reclassified during FY19 (as at 30 June 2019) on completion of investigation. FY19 data is as at 30 June 2019 and is subject to change to account for issues such as claims that may be rejected and injuries that may be reclassified. The safety figures reported includes data related to major contractors.

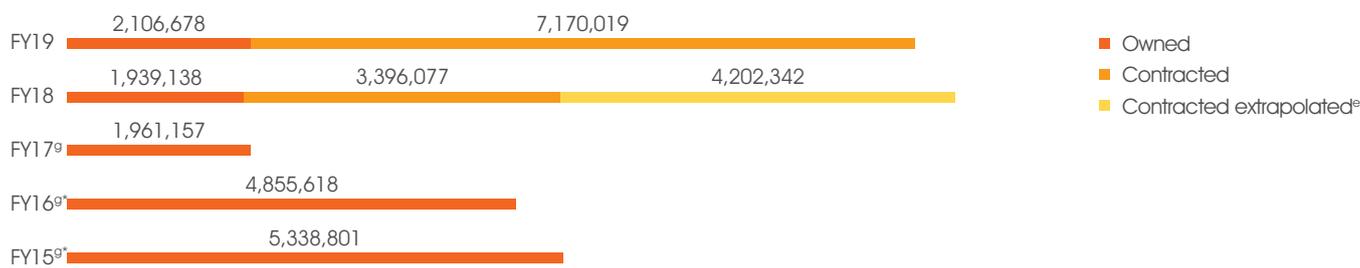
b Underlying EBITDA refers to earnings before interest, tax, depreciation and amortisation from our operating activities. It excludes items that do not reflect our underlying operations including finance lease accounting adjustments, adjustments for contracts that are winding down, unrealised gains and losses on derivative instruments and currency, impairment of intangible assets, restructuring and transition expenses and transaction costs.

c Employee engagement surveys were done in FY13, FY14, FY17, FY18 and FY19. Engagement surveys did not occur in FY15 and FY16 due to large-scale corporate changes that occurred during the periods like the closure of our Flinders operations.

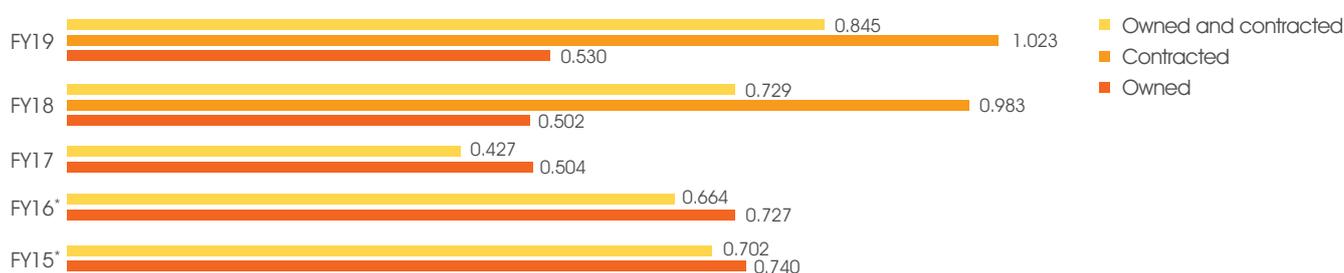
d In 2019 we reviewed our engagement survey approach and implemented a new provider (Peakon), along with a different measurement scale using net employee promoter score and results out of 10, rather than out of 100.

* Data from FY16 and before includes the Flinders operations, including the Augusta Power Stations and Leigh Creek Mine which ceased operations in FY16.

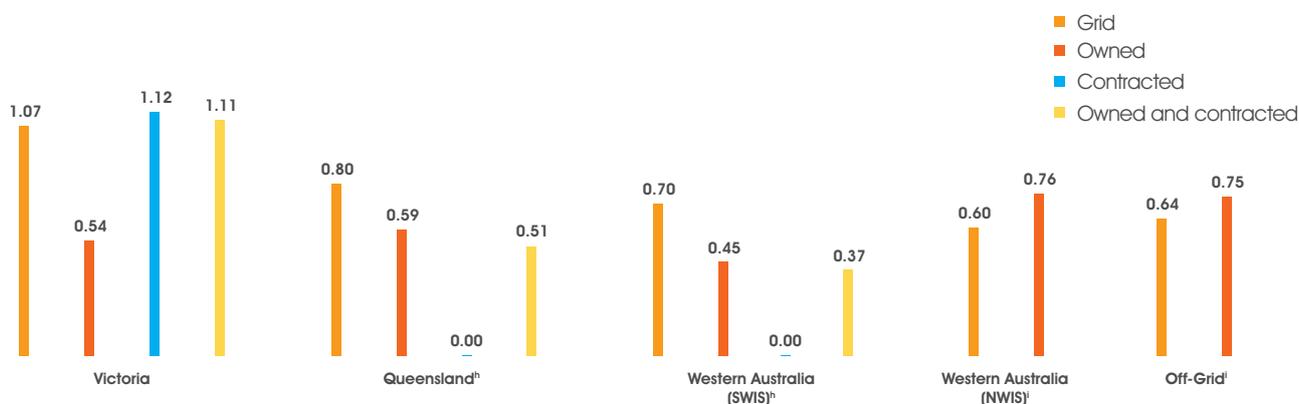
Scope 1 Greenhouse Gas Emissions from Australian Power Generation^f (tonnes CO₂-e)



Emissions Intensity of Australia Power Generation^f (tonnes CO₂-e/MWh)



Alinta Energy Emission Intensities^f compared to State Emission Intensities (tonnes CO₂-e/MWh)



e Contracted extrapolated emissions relate to the emissions from Loy Yang B power station for the period before 16 January 2018. Alinta Energy did not have a contract in place with Loy Yang B at this time, however emissions are shown to improve comparability with FY19.

f Emissions and emission intensities relate to electricity exported from the facility.

g In FY15, FY16 and FY17, contracted assets included only renewable energy projects which have no emissions associated with power generation. Therefore, no Scope 1 emissions are shown for these for these contracted assets.

h In the Queensland and SWIS grids, contracted power is only from renewable energy projects which have no emissions associated with power generation. Therefore, the intensity for these contracted amounts is shown as nil.

i Alinta Energy has not contracted power in the NWIS grid or in off-grid areas and therefore these are not included in the graph above.

* Data from FY16 and before includes the Flinders operations, including the Augusta Power Stations and Leigh Creek Mine which ceased operations in FY16.

A breakdown of fuel sources associated with these emissions is provided on page 42.

Energy and emissions data include only those fuels used to generate electricity, which represents the vast majority of Alinta's Energy's energy consumption and emissions. It excludes Glenbrook cogeneration plant in New Zealand, which is predominantly fuelled by offtake gases from New Zealand Steel. Pinjarra gas consumption is associated with electricity generation only and does not include gas consumed for the generation of steam at this co-generation facility.

Energy consumed for electricity generation in Australia and Scope 1 emissions associated with electricity generation in Australia are calculated in accordance with The National Greenhouse and Energy Reporting (Measurement) Determination 2008.

SWIS refers to the South West Interconnected System and NWIS refers to the North West Interconnected System.

Our business

Alinta Energy is one of Australia's fastest growing energy retailers, with over 1.14 million customers. We supply retail electricity and gas and have electricity generation, storage and transmission facilities across Australia and New Zealand. As at 30 June 2019, we employed 691 people.

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

- West Coast Integrated
- East Coast Integrated
- Contracted Assets.

During the year, we maintained a leading position in the Western Australia retail mass market and a growing retail business in the eastern states of Australia.





Our business

Alinta Energy's operations include generating electricity at power stations we own, energy retailing, distribution, transmission and storage, and renewable energy opportunities, as shown below:

	Generation We design, build, own and operate energy assets	Storage We own and operate energy storage assets	Transmission and distribution We own transmission and distribution networks	Customers We provide energy to mass market, small-medium enterprise, commercial and industrial and major customers
Australia - East Coast (NEM)	○		○	○
Australia - West Coast (SWIS)	○		○	○
Australia - West Coast (NWS)	○	○	○	○
New Zealand	○			○

○ Current activities

Offices

Our headquarters are located in Sydney, however our largest office is in Perth. We also have offices in Melbourne, Adelaide and Brisbane.

Ownership

Alinta Energy is a subsidiary of the Chow Tai Fook Enterprises Limited (CTFE) group entity, Pioneer Sail Australia Pty Ltd (ABN 91 617 846 385).

Chow Tai Fook Enterprises Limited

CTFE is the flagship private investment holding company of the Cheng Family who is the controlling shareholder of the Chow Tai Fook Jewellery Group Limited (HK stock code: 1929) founded in 1929, one of the world's leading jewellery retailers with US\$8.5 billion revenue in the financial year ended in March 2019.

The Cheng Family's businesses focus on jewellery, property development, hospitality services, infrastructure, aircraft leasing, energy, healthcare, education, technology, environmental services, retail and media. As of June 2019, the Cheng Family had held controlling or significant interests in 13 listed companies on the Main Board of the Stock Exchange of Hong Kong Limited with a combined asset value of approximately US\$70 billion.

CTFE seeks to deliver sustainable growth through professional investing and upholding relationship driven philosophy of family-owned businesses. CTFE is a premier family investor with strategic investments in energy, aircraft leasing, healthcare, education and media; marquee investments in prime real estate and hospitality services; private equity investments in quality growth companies mainly in the technology sector and a liquid portfolio of equities and bonds. CTFE is also the largest shareholder of New World Development Company Limited (HK stock code: 0017), a constituent stock of the Hong Kong Hang Seng Index with assets of approximately US\$64.5 billion as of 30 June 2019. CTFE and its investee companies operate in 23 countries globally.

Loy Yang B power station

CTFE also owns the 1,000MW¹ Loy Yang B power station, located in the Latrobe Valley in Victoria. Alinta Energy has a capacity agreement with Loy Yang B to purchase a share of its output. This is reflected in the contracted energy generation information included in this report.

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

¹ Loy Yang B has undergone a recent upgrade. The new name plate capacity will be reported in the FY20 sustainability report.



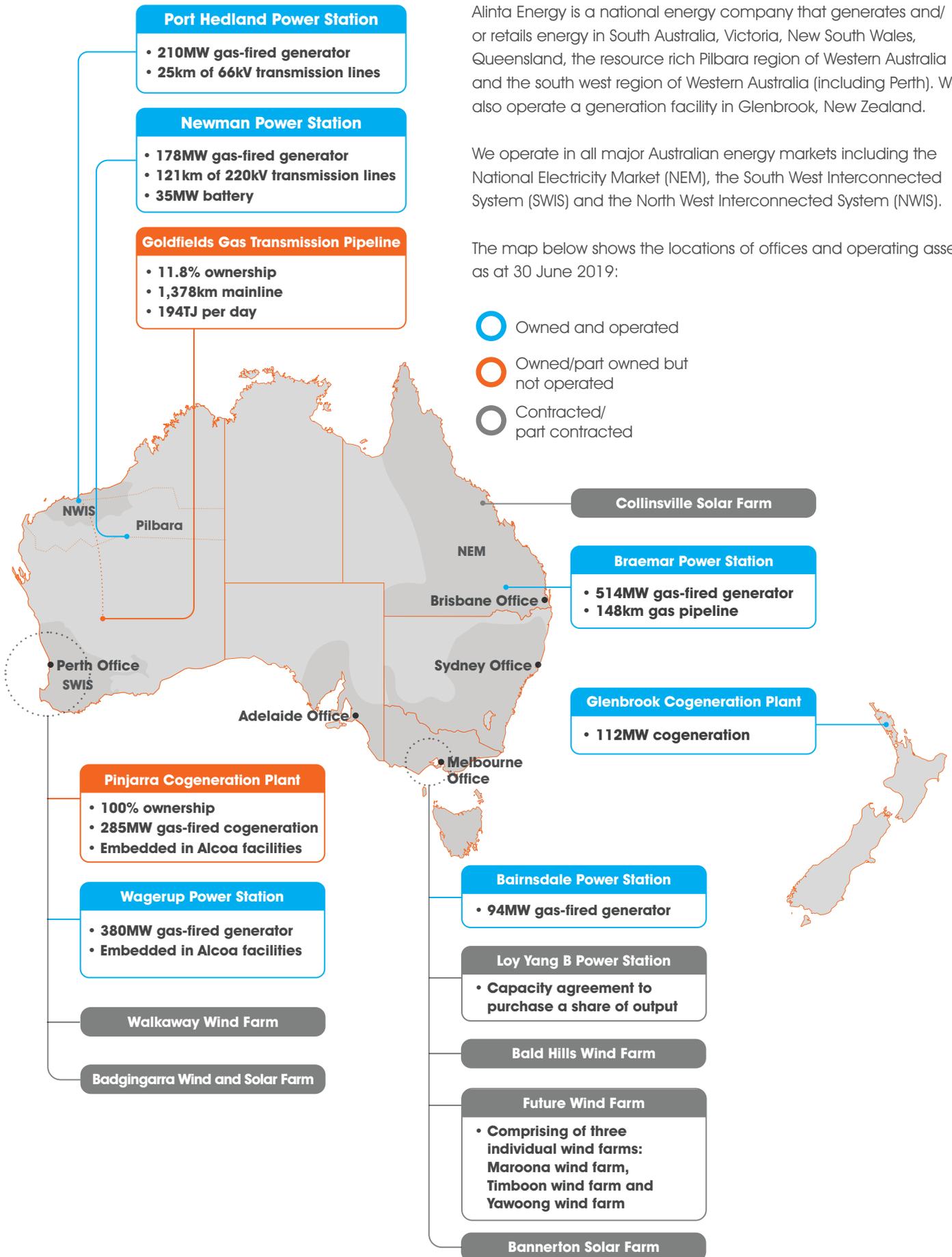
Where we operate

Alinta Energy is a national energy company that generates and/or retails energy in South Australia, Victoria, New South Wales, Queensland, the resource rich Pilbara region of Western Australia and the south west region of Western Australia (including Perth). We also operate a generation facility in Glenbrook, New Zealand.

We operate in all major Australian energy markets including the National Electricity Market (NEM), the South West Interconnected System (SWIS) and the North West Interconnected System (NWIS).

The map below shows the locations of offices and operating assets as at 30 June 2019:

- Owned and operated
- Owned/part owned but not operated
- Contracted/part contracted



Owned power stations

Western Australia

Port Hedland Power Station

- Staff: 9
- Capacity: 210MW
- Fuel type: Gas/Distillate
- Load Profile: Intermediate
- FY19 Availability: 80.3%

Newman Power Station and Battery Storage

- Staff: 12
- Capacity: 178MW
- Fuel Type: Gas/Distillate
- Load Profile: Intermediate
- FY19 Availability: 91.9%
- Other: 35MW battery storage facility.

Wagerup Power Station

- Staff: 6
- Capacity: 380MW
- Fuel Type: Gas/Diesel
- Load Profile: Peaker
- FY19 Availability: 98.0%

Pinjarra Cogeneration Plant

- Capacity: 285MW
- Fuel Type: Gas
- Load Profile: Base
- FY19 Availability: 92.9%
- No Alinta Energy staff as operated by Alcoa of Australia

Queensland

Braemar Power Station

- Staff: 6
- Capacity: 514MW
- Fuel type: Gas-fired
- Load Profile: Intermediate Peaking
- FY19 Availability: 88.0%

Victoria

Bairnsdale Power Station

- Staff: 5
- Capacity: 94MW
- Fuel Type: Gas-fired
- Load Profile: Peaker
- FY19 Availability: 95.1%

New Zealand

Glenbrook Cogeneration Plant

- Staff: 27
- Capacity: 112MW co-generation
- Fuel Type: Surplus gas from NZ Steel and Waste Heat
- Load Profile: Base
- Other: Integrated into NZ Steel (BlueScope Steel) facility under long-term power purchase agreement
- FY19 Availability: 93.9%

Transmission Infrastructure

Western Australia

Newman to Roy Hill Electricity Transmission Line

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

Goldfields Gas Transmission Pipeline

- 11.8% investment in 1,378km long pipeline in Western Australia

Port Hedland Transmission Line

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

Queensland

Braemar Gas Pipeline

- 148km pipeline, to supply the Braemar Power Station and transport gas to the Roma to Brisbane pipeline

Offices

Sydney Corporate Headquarters

- Staff: 177
- Corporate head office and base for Alinta Energy's executive leadership team, national wholesale trading team and many supporting commercial functions

Perth Office

- Staff: 207
- Location of Alinta Energy's 20-year West Coast retail energy business and in-house customer service centre for our Western Australia customers

Adelaide Office

- Staff: 28
- Location of many of our supporting IT services

Melbourne Office

- Staff: 171
- Base for our East Coast customer operations

Brisbane and Gold Coast Office

- Staff: 2
- Base for our Connect Develop business

Other

Geothermal

- Staff: 19
- Geothermal head office is situated in Murarrie Queensland while drillers are based in Sydney and operate across Australia

Field sales

- Staff: 22
- Door-to-door field sales operate in Brisbane and the Gold Coast

Contracted renewable generation

Western Australia

Walkaway wind farm

Badgingarra wind and solar farm

Yandin wind farm^a

Victoria

Bald Hills wind farm

Future wind farm

- Comprising of three individual wind farms: Maroona wind farm, Timboon wind farm and Yawoong wind farm

Bannerton wind farm

Kiamal wind farms^a

Queensland

Collinsville Solar PV

Rugby Run Solar PV^a

Other contracted generation

Victoria

Loy Yang B power station

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

^a These assets reflect financial commitments as at 30 June 2019, however were not yet operational at that date.

Electricity generation portfolio

Our traded electricity generation portfolio is divided into three categories:

1. Owned generation

Electricity generation assets owned by Alinta Energy's group of companies. This excludes generation assets owned by subsidiaries of our parent company, Pioneer Sail Australia that are outside the Alinta Energy group, such as the Loy Yang B power station.

2. Operated generation

Electricity generation assets operated by Alinta Energy's group of companies in accordance with the definition of 'operational control' provided in the National Greenhouse and Energy Reporting (NGER) Act. This excludes generation assets operated by subsidiaries of our parent company, Pioneer Sail Australia that are outside the Alinta Energy group.

The sole difference between our owned and operated generation assets is the Pinjarra cogeneration plant in Western Australia, which is operated by Alcoa.

3. Contracted generation

Electricity generation purchased through wholesale contracts associated with plant capacity (such as with Loy Yang B power station with which Alinta Energy has a contract for a share of its output). Contracted generation excludes contracts associated with purchasing quantities of electricity (such as our joint venture with CS Energy in Queensland) or financial derivatives (such as swaps and caps).

Generation capacity by fuel source

The fuel sources used by our electricity generation portfolio as at 30 June 2019 are shown below:

Asset Name	Fuel Type	Owned by Alinta Energy	Operated by Alinta Energy	Capacity traded by Alinta Energy (MW)
Owned and/or operated generation assets				
Newman	Natural gas ^a	Yes	Yes	178
Port Hedland	Natural gas ^a	Yes	Yes	210
Pinjarra^b	Natural gas	Yes	No	285
Wagerup	Natural gas	Yes	Yes	380
Bairnsdale	Natural gas	Yes	Yes	94
Braemar	Coal seam methane ^c	Yes	Yes	514
Glenbrook	Other ^d	Yes	Yes	112
Contracted generation assets				
Contracted in operation	Coal	No	No	750
Contracted in operation	Wind	No	No	348
Contracted in operation	Solar	No	No	112
Committed capital^e	Wind	No	No	214
Contracted future operation^f	Solar	No	No	102

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

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

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

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

e Projects classified as committed capital are those in which Alinta Energy has approved an investment decision and committed its own capital to deploy capital to deploy, but are not yet operational..

f Projects classified as contracted future operation are not directly funded by Alinta Energy, but for which we have entered into contracts to purchase a share of generation output or capacity from the facility.

We do not own upstream gas production fields or facilities. Fuel for our electricity generation portfolio is provided under contracts with suppliers, by-products from co-located industrial facilities, and renewable sources.

The emissions from our owned generation assets compared to the electricity markets in which they operate is shown on page 7.

Additional renewable energy facilities

Between July and October 2019, we had committed to support the development of more than 300MW in additional renewable energy projects which are currently under construction:

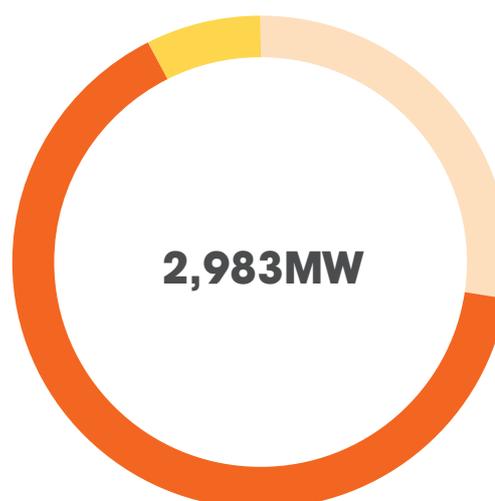
- Yandin wind farm
- Kiamal wind farms
- Rugby Run solar farm.

After FY19, we entered we entered into two new renewable energy contracts:

- Solar River - agreement to purchase a share of the generated electricity from the new facility in Robertstown, South Australia (16 July 2019)
- Chichester solar farm – agreement for construction of a new solar photovoltaic generation facility at the Fortescue Metals Group’s Chichester Hub iron ore operations in the Pilbara region of Western Australia (18 October 2019).

Once operational, these projects will bring our percentage of renewables to 29% of our expanded total traded generation capacity.

Capacity split at 30 June 2019



- Owned gas fired power stations - 59%
- Contracted brown coal power station - 25%
- Contracted renewables - 15%

Sent out and traded electricity

The electricity sent out and/or traded by Alinta Energy in FY19 is summarised by fuel type and location below:

Source/GWh	NSW	VIC	SA	WA	QLD	ACT	NZ	Total
Owned and/or operated generation assets								
Gas-fired	-	192	-	1,296	392	-	-	1,880
Cogeneration	-	-	-	2,095	-	-	622	2,717
Contracted generation assets								
Coal-fired	-	5,894	-	-	-	-	-	5,894
Wind	-	408	-	575	-	-	-	983
Solar	-	73	-	-	59 ^b	-	-	132

a Includes minor amounts while in commissioning phase where the asset is not yet in operation.

Electricity generation portfolio

Generation asset performance

We measure the performance of the electricity generation assets we own against targets for start reliability, availability, and forced outage factors. In FY19, we met all our start reliability targets, three of our site-specific availability targets and five of our forced outage factor targets. Our availability results for each power station are shown below:

Site	FY20 Target	FY19 Target	FY19 Actual	FY18 Actual	FY17 Actual
Newman	88.6%	88.5%	91.9%	93.4%	94.9%
Port Hedland	88.3%	84.8%	80.3%	88.8%	94.5%
Pinjarra	95.8%	93.2%	92.9%	91.1%	97.4%
Wagerup	86.6%	95.6%	98.0%	96.3%	94.1%
Bairnsdale	97.8%	94.4%	95.1%	94.4%	97.7%
Braemar	95.2%	92.9%	88.0%	85.8%	97.4%
Glenbrook	93.1%	94.8%	93.9%	93.1%	92.0%

Availabilities for Pinjarra (Western Australia) and Glenbrook (New Zealand) power stations were marginally less than their targets.

Our Braemar power station in Queensland did not achieve its availability target due to an outage on one of its three turbines to complete repairs required following its MXL2 upgrade and additional outage time was required on another one of its turbines to complete repairs during the MXL2 upgrade.

Our Port Hedland power station in Western Australia did not achieve its availability target due to additional outage time needed to completed required unplanned repairs and replacements following inspections. These impacted three of the five units throughout the year.

Asset strategy

Alinta Energy's strategy to develop new energy generation assets and improve our existing assets aims to drive long-term growth through a portfolio of long-term supply options to meet our future energy requirements. We are proud to take a leading role in Australia's transition to a low carbon economy and achieving our purpose to make energy more affordable.

Our asset strategy is supported by Merchant Energy's strategic prioritisation framework which provides a flexible approach to the fast-evolving energy landscape. This is used collaboratively with stakeholders from across the business and guides our decisions on what solutions to develop, where and when. The wide-ranging skill sets of our asset strategy team helps to take options from the ideation phase, through development and analysis and eventually to execution and delivery. We maintain an innovative culture by creating a safe space for our people to think outside the box, while grounding them with accountability for the organisation's objectives.

Alinta Energy continues to actively pursue our Pilbara vision of an integrated and sustainable network where we reduce customer energy costs through renewables, decarbonise the region and contribute to Australia's global competitiveness in the iron ore industry.

Sales and customers

A summary of our FY19 sales and customer numbers as at 30 June 2019 is shown below:

	NSW	VIC	QLD	SA	WA	NZ	Total
Energy sales							
Total gas sales (TJ)	1,945	9,927	1,686	674	11,395	-	25,627
Total electricity sales (GWh)	844	1,633	1,085	583	2,521	621	7,287
Customer numbers^a							
Mass market^b	119,288	253,231	190,239	84,282	496,376	-	1,143,416
Business	114	296	75	227	1,022	1	1,735

^a Customer numbers are inclusive of those meters that Alinta Energy is responsible for, but where the premises is vacant with no occupier.

^b For the West Coast business, mass market is defined as residential customers. For the East Coast business, mass market is defined as the sum of residential and small-medium enterprise customers.



Vision and values

During the year we updated our 2020 vision to look further ahead to 2025 and to be the best energy company. To help us achieve this bold vision, we set new goals that aim to deliver for our stakeholders including our employees, customers, communities and our owners, as well as benchmarking ourselves against our industry. These stakeholder-centric metrics help define what best looks like as we progress and improve our business.

We have kept our sense of purpose (we're determined to make energy more affordable) and our values (safety, people matter, customer focus, one Alinta, commercial leadership, respect and integrity) to help continue to guide our behaviour and choices every day.

Vision

We're committed to be the best energy company

Sense of purpose

We're determined to make energy more affordable



Employees^a

Top quartile global benchmark for engagement

Setting the industry benchmark for safety outcomes



Customers^b

Deliver industry leading benchmarks for NPS, CSAT and ombudsmen complaints



Owners

Outperform five year plan dividend targets

Double the value of the owners investment by 2025



Communities^c

Maximise benefit of \$2.5m community grant commitment

Underwrite or directly invest in 1500MW of large scale renewable energy



Industry^d

Deliver energy at a level of reliability above global benchmarks

Invest to improve the carbon efficiency of all sites from their baselines by a minimum of 5% by 2025

Net customer growth to 2m customers reflecting Alinta Energy's position as the fastest growing energy company

a Based on Peakon engagement survey and AEC lead/lag/cultural indicators

b Based on AER Ombudsman complaint data

c Renewable energy capacity to come from either internal developments or contracted sources, including
a) in operation and producing MW; or

b) projects that are still in development but have reached FID stage and progressing towards being producing projects

d Based on NERC and AEC benchmarks for forced outage factors, availability and start reliability

Business structure and governance

We are committed to doing business in an efficient and ethical manner that maintains high corporate governance standards. Our governance structures and frameworks are designed to enable us to achieve our vision, purpose and strategy and operate in line with our values.

Board of Directors

Alinta Energy's Board has seven members: three independent non-executive directors including the Chairman, three non-executive directors, and the Managing Director and Chief Executive Officer (MD and CEO). Brief biographies of our directors are provided on pages 21-22.

The Board is the primary governing body responsible for approving our overall strategy, monitoring its implementation and overseeing our operations. The Board has delegated authority to the MD and CEO to manage the business on a day-to-day basis and approves matters beyond management's authority.

The Board is assisted by the following standing committees:

- **Audit and Risk Committee:** Oversees financial reporting, risk management, compliance and internal and external audit functions
- **People, Remuneration and Benefits Committee:** Oversees key people and culture policies and practices and makes recommendations to the Board on remuneration, other benefits, and executive retention and succession plans
- **Executive Committee:** This Committee was in place to assist the Board and consider important matters which arose between Board meetings. During the year, the frequency of Alinta Energy's Board meetings increased to monthly, and therefore the Board decided to abolish the Executive Committee. The Committee was in place from August 2017 until its dissolution in May 2019.

Our sustainability initiatives and performance are reviewed and monitored directly by the Board.



Executive leadership team

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

We have five business units: the two operational pillars of Merchant Energy and Retail Markets and the three supporting functions of Finance, Information Technology and Corporate Services. Each business unit is led by an Executive Director who reports to the MD and CEO.

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



Managing Director and Chief Executive Officer
Jeff Dimery



Executive Director – Corporate Services
Daniel McClelland

- Safety
- Sustainability
- People and culture
- Communications and media
- Insurance
- Legal and regulatory
- Company secretarial
- Government relations
- Community relations



Chief Financial Officer
Vince Nicoletti

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



Chief Information Officer
David Gillespie

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



Executive Director – Retail Markets
Jim Galvin

- East Coast retail
- West Coast retail
- Small and medium enterprise
- Commercial and industrial
- Marketing
- Customer service
- New energy



Executive Director – Merchant Energy
Ken Woolley

- Power station operations
- Power development
- Commercial (power generation)
- National spot trading
- Gas trading
- Energy pricing
- Systems and analytics
- Regulation
- Environmental products trading
- Western Australia wholesale markets
- Commercial (wholesale)

Management committees

Alinta Energy has several management level committees including a Capital Steering Committee, Energy Risk Management Committee and Alinta Energy Safety and Sustainability Council (AESSC).

The AESSC meets every two months and is chaired by the General Manager of Safety and Sustainability. Its representatives from across operations, engineering, large scale power development, wholesale, people and culture, sales, retail, small scale renewables, safety, sustainability, finance and risk. It has been assigned governance responsibility for climate change-related matters.

Board biographies

Independent Non-Executive Directors



Mark Johnson AO (Chairman)

- Chairman of Alinta Energy since March 2011
- Chairman of Dateline Resources (ASX: DTR) and a non-executive director of One Market (ASX: OMN), among other directorships
- Previously Chairman of AGL and a non-executive director of Westfield Corporation, Sydney Futures Exchange and Pioneer International
- Mark holds a Bachelor of Laws (Hons) from the University of Melbourne, an MBA from Harvard and is a Fellow of the Australian Institute of Company Directors (AICD).



Gary Burg

- Director of Alinta Energy since April 2017
- Chairman of UCW Limited (ASX: UCW) and an independent non-executive director of ClearView Wealth Limited (ASX: CVW)
- Director of Global Capital Holdings (Australia) Pty Limited
- Former director of, and investor in, 3Q Holdings Limited, Capital Alliance Holdings Limited, PrefSure Life Limited and Insurance Line Holdings Pty Limited
- Gary holds a Bachelor of Accounting and an MBA from the University of the Witwatersrand.



Tony Howarth AO

- Director of Alinta Energy since March 2011
- Non-executive director of Wesfarmers (since 2007)
- Previously Chairman of Home Building Society and MMA Offshore, Deputy Chairman of Bank of Queensland and a director of AWB
- Tony is a Life Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

Board biographies

Non-Executive Directors



Dr Henry Cheng

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



Conrad Cheng

- Director of Alinta Energy since May 2018
- Non-executive director and non-executive chairman of Greenheart Group Limited (HK stock code: 0094)
- Executive director of New World China Land Limited (a listed public company in Hong Kong until its delisting on 4 August 2016)
- Vice-chairman of Green Council (a non-profit, non-partisan environmental association and certification body of Hong Kong)
- Previously an executive director of New Times Energy Corporation Limited (HK stock code: 0166)
- Conrad holds a Bachelor of Arts in Statistics from University of Toronto.



Patrick Tsang

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



Jeff Dimery

- Chair of the Australian Energy Council
- Previously held energy industry directorships including the National Generator's Forum, the Australian Wind Energy Association, the Renewable Energy Generators of Australia, the Clean Energy Council and the Australian Energy Market Commission's Reliability Panel
- 15 years at AGL prior to joining Alinta Energy
- Jeff holds a Bachelor of Business from RMIT University and has completed the Executive Learning Program at IMD Business School in Switzerland.

Managing Director and CEO

Risk management and compliance

Enterprise Risk Management

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

Twice a year, our business units prepare formal risk reports including current, new and emerging risks and the progress of mitigating actions. The reports are prepared through a bottom-up process that supports accountability for risk and incorporates a divisional risk register that includes all leaders within the group. These divisional risks are reported to the Board and its Audit and Risk Committee. Overall risk management practices are reviewed by internal audit which reports regularly to the Audit and Risk Committee.

Internal audit

Internal audit provides independent and objective assurance over Alinta Energy's operations. The function reports to the Board's Audit and Risk Committee and functionally reports to the Chief Financial Officer.

Internal audit adopts a risk-based audit approach and performs its assurance based on an annual internal audit plan approved by the Committee. Internal audit reports are presented to senior management and the Committee detailing the findings along with recommended remediating actions that management are committed to completing.

Legislation and policy

Alinta Energy is subject to extensive regulations across health and safety, competition, environmental compliance, customer communications, renewable energy, energy efficiency, energy trading markets and tariff setting. The whole business is actively involved in complying with these requirements, supported by specialists from our risk management, legal and regulatory, and safety teams. We actively monitor legislation and government policy to consider how new requirements and changes can affect our business.

Compliance

The Australian energy industry is heavily regulated and managing compliance is a key part of our business. Alinta Energy has systems and controls in place to support and monitor our compliance with all laws and regulations that apply to us. We did not receive any material² fines or non-monetary sanctions for non-compliance with laws and regulations during FY19.

During the period, we worked with the Department of Mines, Industry Regulation and Safety – Consumer Protection Division (Consumer Protection) to resolve a compliance matter relating to correspondence sent by Alinta Energy in September 2016 to residential properties in Western Australia which maintained a gas meter but had no usage for at least 12 months. Alinta Energy took remedial action and no enforcement action was taken by Consumer Protection, however a formal warning was recorded on Consumer Protection's complaints database against Alinta Sales Pty Ltd.

Alinta Energy is currently responding to a number of inquiries from the Victorian Essential Services Commission regarding potential compliance issues regarding marketing communications. The outcome of these inquiries will be documented in our FY20 sustainability report.

Code of Conduct

Our Code of Conduct is available to all employees on the intranet and forms the basis for our policies and procedures. It provides a framework for our people to behave ethically at work and beyond. All Alinta Energy employees are required to complete online training on the Code of Conduct every two years, including a competency test to check they understand their obligations. New employees commence this training from their first day as part of our induction process.

Anti-corruption

Alinta Energy has zero tolerance for bribery and corruption.

This is reflected in our Anti-Corruption and Bribery Policy, which is provided on the intranet. To safeguard the business against corruption and bribery, we set a clear expectation that all our people will act with honesty and integrity in all aspects of their work and adhere to our high ethical and moral standards.

These expectations are reflected in our values, in particular our respect and integrity value, and referred to in our Code of Conduct. Demonstrating behaviours that align with our values forms part of our achievement review process for employees. People who do not comply with these core expectations will face disciplinary action, which can include dismissal.

Alinta Energy did not have any confirmed incidents of corruption during FY19, nor were any public legal cases regarding corruption brought against Alinta Energy or its employees during FY19.

² Please refer to our definition of material fines on page 82.

Risk management and compliance

Whistleblower hotline

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

Our people are strongly encouraged to immediately report illegal or inappropriate acts to their manager, a member of the Executive Management Team or to an independent whistleblower hotline if it is sensitive in nature. This may include actual or suspected theft, fraud, dishonesty, harassment, unethical behaviour and workplace safety hazards.

We have reporting channels to ensure our people have options for how they can raise concerns without fearing harassment or discrimination. The whistleblower hotline is operated independently by Deloitte and reports are investigated by the Executive Director Corporate Services and the General Manager People and Culture for consideration by the MD and CEO. Information about how to use this service is available on our intranet, including the ability to report misconduct directly to Deloitte by email, online or by post.

Insurance

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

Economic health

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

Direct economic value

The generation and distribution of direct economic value produced by our business across key stakeholders is summarised below:

Economic value (\$ million)	Relevant stakeholders	FY19	FY18
Operating costs	Suppliers and contractors	2,885	2,146
Salaries, wages and benefits	Employees	115	98
Finance expenses	Financiers	48	29
Income tax	Government / public	120	(178)
Total economic value distributed		3,168	2,095
Electricity revenue	N/A	1,385	1,086
Gas revenue	N/A	622	595
Other retail revenue	N/A	25	35
Contract and trading revenue	N/A	1,325	1,006
Other	N/A	5	3
Total economic value generated		3,362	2,725
Total economic value retained		194	630

The above data is based on Alinta Energy's FY19 audited consolidated financial statements which comply with Australian Accounting Standards.

Economic health

Indirect economic value

Our operations indirectly benefit local and regional communities by providing employment and supporting local businesses. We also support non-profit organisations that assist the community and our environment through donations, fundraising and volunteering. Alinta Energy's sponsorships, including Cricket Australia and the Country Education Foundation, support social and cultural initiatives that benefit Australians. For more information, please refer to Our Communities on page 60.

Financial performance

Underlying EBITDA refers to earnings before interest, tax, depreciation and amortisation from our operating activities. It excludes items that do not reflect our underlying operations including finance lease accounting adjustments, adjustments for contracts that are winding down, unrealised gains and losses on derivative instruments and currency, impairment of intangible assets, restructuring and transition expenses and transaction costs.

Our business achieved a 1% EBITDA growth, falling short of our 2% target due to the highly competitive retail market which led to increasing discounts and lower margins for participants.

Given the changes observed in the market, our EBITDA is expected to fall slightly in FY20. The main driver is the continuing competitive and uncertain retail market under the Default Market Offer (DMO) and the Victorian Default Offer (VDO). However, the outcome is broadly in line with our five-year plan.

Target	FY19 Target	FY19 Actual	FY18 Actual	FY17 Actual
EBITDA growth	2%	1%	50%	2%

Segment Underlying EBITDA (\$ million)	FY19	FY18	FY17
West Coast Integrated	246	232	242
Contracted Assets	159	151	145
East Coast Integrated	260	239	33
Underlying EBITDA before corporate and other costs	665	622	420
Corporate and other ^a	(86)	(50)	(40)
Group underlying EBITDA	579	572	380

^a Reflects corporate costs incurred at head office level, as well as gains and losses from the on-sale of Large-scale Generation Certificates (LGCs) to our electricity customers.

This year's financial performance was assisted by our strong wholesale electricity position in the National Energy Market, the excellent performance of our generation assets and an improved wholesale gas position in Western Australia. This helped us meet the challenges of strong competition in retail electricity markets, as well as planned major outages at our owned and contracted generation facilities.

Invested capital

Alinta Energy's total invested capital and debt at 30 June 2019 was \$3.06 billion, made up of 64% equity and 36% debt.

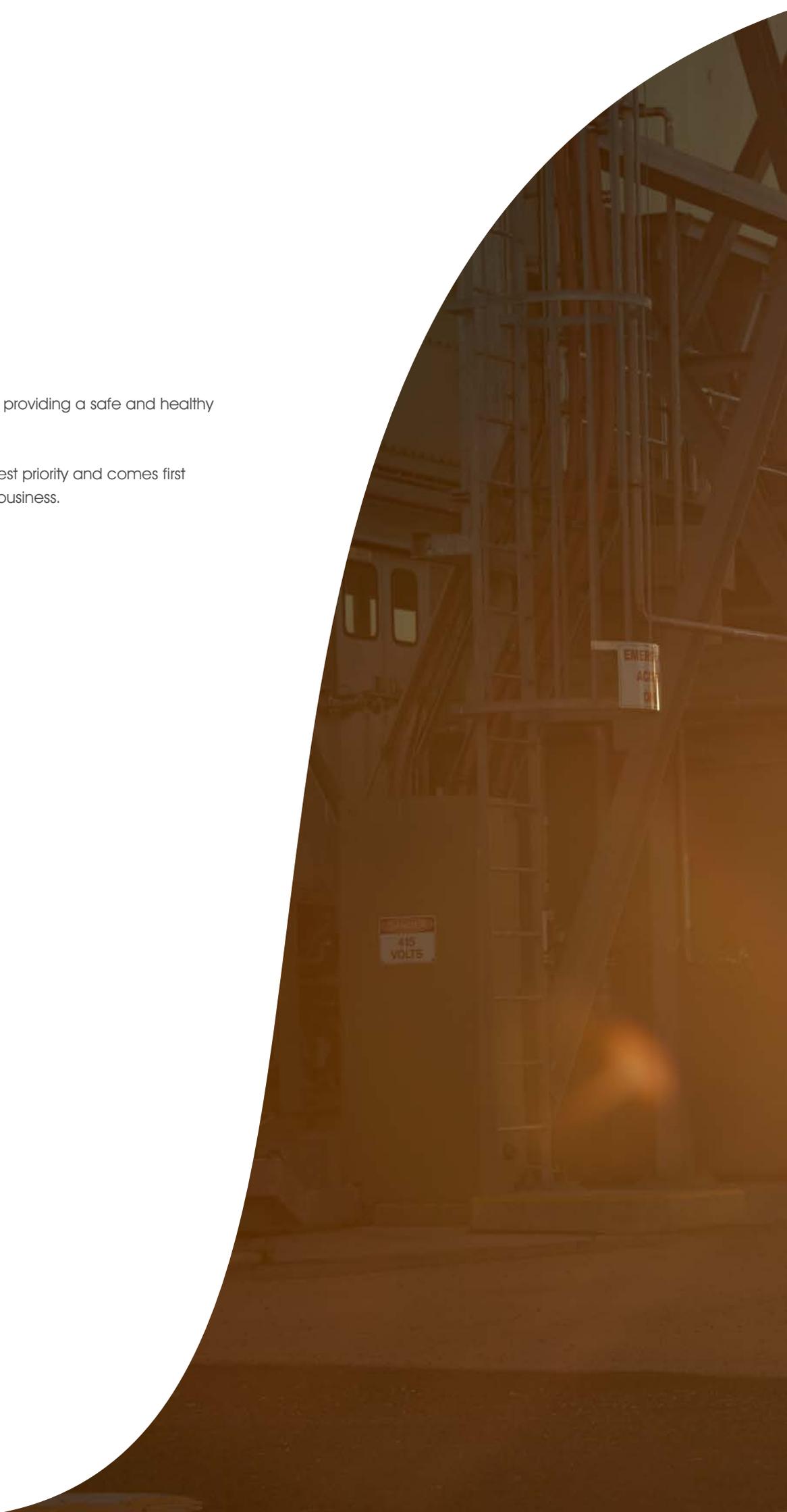
Consolidated accounts

Alinta Energy's consolidated financial statements are independently audited by Deloitte to ensure they are a true and fair representation of our financial position and performance, and comply with Australian accounting standards. Alinta Energy's FY19 financial report received an unqualified audit opinion from Deloitte.

Safety

Alinta Energy is committed to providing a safe and healthy workplace for all workers.

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





Safety performance

Performance against our safety targets and key activities is shown below:

	FY20 Target	FY19 Target	FY19 Actual	FY18 Baseline
Class 1 incidents^a	0	0	0	0
TRIFR^b	<5	<5	6.71	5.84

FY19 Key Activities ^c	FY20 Key Activities
Conducted major hazard standard field verification at all power generation sites through outage / high risk periods	Develop a new organisation-wide 'Welcome to AlintaSafe video' with the assistance from an external supplier
Conducted safety audits for our metering and geothermal operations	Commence updating our health and safety management system to ensure it is relevant to all of Alinta Energy's business activities and consistent with ISO 45001
Completed safety leadership training. Introduced Safety Value Add tracking	Review and revise our contractor management procedure to improve our managers' understanding of how to manage contractor safety

a Class 1 injuries include fatalities and permanent, partial and long-term impairment injuries.

b TRIFR refers to the Total Reportable Injury Frequency Rate and is calculated as the number of recordable injuries relative to one million hours worked.

c Planned key activities for FY19 were disclosed in last year's report as part of our commitment to monitoring performance against our objectives.

Graphs of our current and historical safety performance are provided on page 6 of this report.

We are pleased to report that no Class 1 injuries occurred during the year. This is in line with our target and consistent with our performance last year.

Over the last two years, our retail business has expanded into new operational areas. For example, we employ field sales agents to sell energy to customers through a door-to-door sales model, and we install geothermal air conditioning systems in new housing developments, which involves high risk activities such as drilling. These new activities create exposure to new and more diverse safety risks. These activities have contributed to more recordable injuries in FY19 than the previous two reporting periods. As a result, our annual TRIFR (total recordable injury frequency rate) increase slightly to 6.71, which exceeded our target of 5. Despite these contributing factors, our Lost Time Injury Frequency Rate (LTIFR) decreased to 2.01.

Health and safety engagement

Strong health and safety engagement across our workforce is important to improve our safety performance and move closer to our goal of zero harm.

Our employee engagement surveys include employees' perceptions of the health and safety culture at Alinta Energy. In this year's survey conducted in June 2019, the four statements that determined our safety engagement score were:

- At Alinta Energy, safety and security in the workplace are considered a priority
- At Alinta Energy, safety concerns are acted on quickly and effectively
- If I raise a concern about safety, I know my people leader will take action
- Working here, I feel that I can live a physically healthy lifestyle.

Based on these questions, Alinta Energy's health and safety engagement score was 8.5 out of 10, putting us in the top 10% of organisations using the Peakon platform to measure their engagement. FY19 was our first year on this platform after changing providers from AON Hewitt.

Employees were also asked to rate how their day-to-day experience of working at Alinta Energy aligned with each of our six values: people matter, customer focus, one Alinta, commercial leadership, respect and integrity, and safety. Safety was rated the highest out of these values, scoring of 8.9 out of 10.

We are very pleased with these results, which demonstrate that a strong safety culture continues to thrive across our organisation following a recent period of rapid change and growth. Further details on our employee engagement survey are provided at page 53.

Safety governance

Alinta Energy's safety culture is embedded at every level of our organisation. It is monitored by the Board and the executive leadership team, promoted by managers and people leaders across the business and reflected in our Health and Safety Policy. The Board and management's AESSC receives regular reports on our ongoing safety performance.

AlintaSafe strategic model

The AlintaSafe model lifts the profile of our safety value and encourages workers to eliminate hazards, reduce risks and improve safety systems. It supports leadership to reinforce our safety vision of everyone, every day, every job: zero harm with specific guidance and practical action.



Safety governance

Health and safety management system

Our health and safety management system applies to everybody on our sites and work areas, including directors, employees, contractors, volunteers and others who could be affected by our operations. Managers are required to ensure OHS procedures comply with the system.

During FY20 we will begin updating our health and safety management system to ensure it is consistent with the recently released ISO 45001³ and fully encompasses all activities across our expanding business.

Safety assurance audits

This year our approach to undertaking safety assurance audits at our power stations changed. We changed our external safety auditor to provide a fresh set of eyes. Audits also occurred during maintenance shutdown periods when safety risks are increased and involved checking the safety controls over major hazard standards, relevant to the maintenance works being undertaken at the time of the audit were in place and functioning effectively.

The new approach to safety assurance audits in FY19 has been effective in providing new insights into safety management and confirming key controls are in place during high risk periods, such as major shut-downs. The results and outcomes of these audits were reported to the Board, and opportunities for improvement were entered as actions in our event management system to assign accountability and monitor implementation.

Previously, independent safety assurance audits at our power stations were conducted outside of maintenance shutdown periods and focused on assessing each site's safety management system's compliance with targeted major hazard standards. As of the end of the previous reporting period, each of our power stations had undergone a system audit for each of our major hazard standards. Safety assurance audits across our retail operations continued to focus on the effective implementation of their safety management plan at each business.

Disaster and emergency response planning

Emergency preparedness and response processes are a critical part of our health, safety and environmental system. Our emergency response plans adopt a risk-based approach to providing workers with resources to effectively manage emergency events. Each of our facilities has a site-specific emergency response plan, including details such as contact numbers, how to raise the alarm, how to notify the appropriate authorities, initial response procedures, roles and responsibilities, emergency equipment, communication protocols, drills and training and post incident recovery. We also have a corporate crisis management plan for emergency situations.

During FY19, our Port Hedland facility satisfactorily completed an emergency exercise under the guidance of an external training provider. During the exercise, an emergency was declared, and the evacuation siren was sounded under the Chief Warden's instruction. Emergency services also attended the site as part of the exercise. Appropriate procedures were carried out to search for people within the plant and all individuals on site were directed towards the muster point where their names were checked off. During the evacuation exercise, the facility was managed using offsite IT hardware.

Event management system

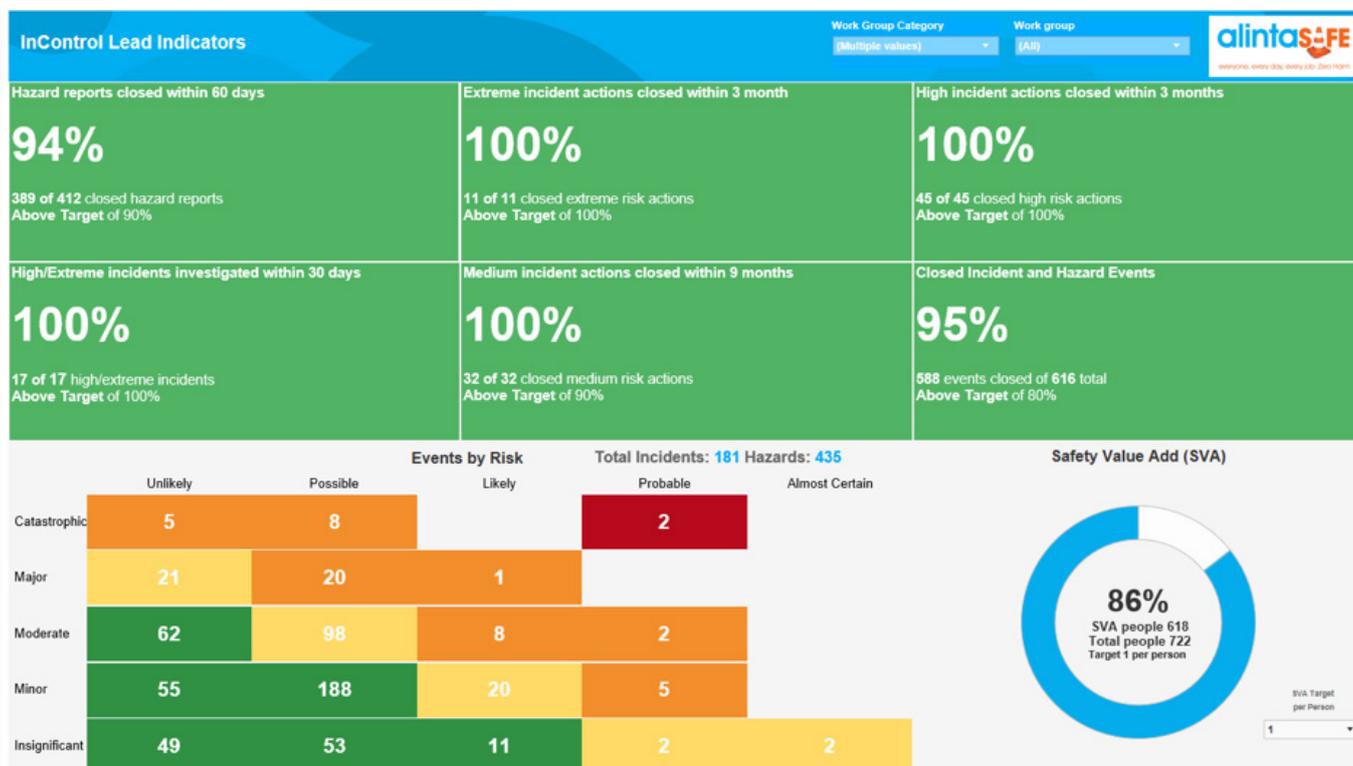
In July 2018, we upgraded our incident reporting system to the INX InControl event management system, which has improved functionality and ease of use for our people, including the ability to:

- Configure the system internally, without needing the software supplier
- Manage other event types (such as regulatory compliance)
- Use the system on mobile devices
- Classify events with greater rigour
- Capture work-hour data and calculate injury frequency rates
- Establish audits and checklists, which can be used on mobile devices
- Obtain technical support from a team located in Australia.

³ ISO 45001:2018 specifies the requirements for facility management systems.

Safety lead indicator dashboard

Following the event management system upgrade, our corporate safety team established a safety lead indicator dashboard using Tableau software. The dashboard is available to all employees on the intranet, giving managers instant feedback on their team's level of compliance with our overall lead indicator targets.



Pictured – Example of the safety lead indicator dashboard

Each AESSC meeting begins by reviewing these dashboards, with all business unit leaders reporting on their progress towards achieving targets and implementing any corrective actions. This initiative has resulted in a substantial improvement in our safety lead indicator performance this year, with all internal targets achieved.

Contractor safety management

Alinta Energy engages contractors both during normal operations and for high labour-demand periods such as major plant shutdowns. Contractor safety is managed through a prequalification process followed by management and supervision on site.

All contractors are required to undertake a safety induction. This process is managed using our contractor management system with Rapid Global software. In addition, the majority of contractors will have undertaken formal health and safety training as part of their qualifications and requirements of their companies.

Documented contractor safety management plans are used on major projects. Before starting work, contractors' competencies and qualifications are confirmed against the agreed scope of work, and site-specific safety induction must be completed through Rapid Global. Access terminals are installed at each Alinta Energy power station and office and all contractors and visitors must sign in on arrival and confirm their induction and prequalification.

During the year, our retail business developed a new holistic model to help our contract managers understand the five critical steps in our contractor safety management process. This was subsequently adopted across the whole Alinta Energy business. During FY20, we plan to update our contractor management procedure and align it with the new model.

Safety and wellbeing initiatives and programs

Safety leadership training

During the year, we developed a safety leadership training program and ran two pilot sessions to seek feedback from participants as well as industry experts who were invited to observe the program.

The full day program is highly interactive and uses a four-step approach:

- First engage yourself
- Then engage others
- Learn from the past
- Create the future.

The program helps participants:

- Appreciate the importance of their contribution to safety leadership
- Recognise how a great safety leader thinks, feels and acts
- Engage and motivate others to be great safety leaders
- Proactively prevent safety incidents
- Effectively manage safety incidents when they occur.

Feedback from the pilot sessions will be incorporated into the training materials and the course will be rolled out to people leaders across the business during FY20.

Wellbeing

Alinta Energy's Wellbeing Committee supports the executive leadership team in ensuring we have appropriate frameworks, tools, training and reporting in place to support our people's psychological health. The Committee includes representatives from across all five business units and established a charter this year to formalise its objectives.

The Committee developed an initiative for Alinta Energy to partner with Headspace to offer all employees a free 12-month subscription to its award-winning health and happiness mobile app. This launched in April 2019 and has been popular across our workforce.

Employees can access hundreds of guided meditations on different topics from falling asleep at night, to managing stress and special kids' content for those who have young ones. The meditations are designed to seamlessly fit into a busy day, including while walking, sitting or lying down.

To register for their subscription, we simply asked employees to share something that makes them happy. This was made into a digital collage that was shared on the intranet, so our employees could get to know each other a bit better by learning what makes us all smile.

More information on Headspace is available on its website at www.headspace.com.

We also have an employee assistance program available to support our people and their families, as discussed on page 58.



Safety Value Add program

The Safety Value Add program was introduced across the business this year as a consistent way to engage employees, create a sense of ownership and increase safety awareness and understanding at all our operations and offices.

Before introducing the new program, we had an organisation-wide requirement for all employees to raise three hazard reports per year, however this resulted in a focus on the number of reports rather than their quality and relevance.

The new program uses an inclusive approach, encouraging all personnel to think about how they could genuinely improve safety. During the year, 92% of our employees entered at least one relevant activity they personally committed to completing with a view to adding value to safety at Alinta Energy.

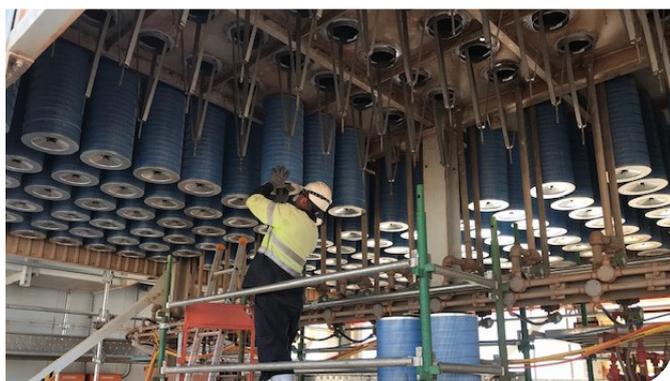
Port Hedland power station – zero harm in 12 months of major works

Over the past 12 months the Port Hedland operations team has completed high risk works on four of the site’s five gas turbines and two of three 66kV transmission lines. These works all presented significant challenges due to weather conditions, the age of the asset, and the coordination involved with major customers and other stakeholders. They included multiple complex lifting operations, working at heights, confined spaces, hot works, excavation, and high voltage.

External suppliers and contractors were used extensively across the work program. The Port Hedland operations team’s effective engagement created a strong safety commitment with all contractors embracing Alinta Energy’s safety empowerment culture and our three safety principles.

These works were completed while the team was also taking operational control of the sites new LM6000 unit.

We are very proud to report all works were completed with zero harm.



Pictured - Port Hedland power station upgrades in progress

Wagerup worker safety pro app

A new mobile app is helping keep workers safe at one of our remote operations.

Our Wagerup power station is in Western Australia, 124km south of Perth. Like most gas-fired power stations, it requires few staff to oversee operations. The limited number of people on site and the remote location can increase the potential consequences of risks. Some of the critical risks at a site like Wagerup are falls from heights and vehicle accidents.

In August 2018, after investigation and refinement of an existing app through direct collaboration with the developer, employees at Wagerup were the first in Australia to receive smartphones loaded with a new safety app to help detect falls or car accidents, provide GPS location and get help in an emergency. The major benefit is a faster response in the event of a vehicle accident, fall or other incident.



Pictured - Jeff Ey, Paige Colley and Chad Butler from the Wagerup power station put site safety first thanks to the new app

Environment

Alinta Energy is committed to our vision of becoming the best energy company and an important aspect of achieving this is preparing for a carbon constrained future.

In October 2019, we met our commitment to support the production of 1,000MW of large-scale renewables by 2020, and established a new target to support the production of 1,500MW of large-scale renewables by 2025.





Environment

This section focuses on our environmental management and compliance practices, efforts to reduce the impact of our business on climate change and the reduction of waste and water. Our performance against key environmental management and renewable energy targets is shown below:

Target	Ongoing Target	FY19 Actual	FY18 Actual
Material environmental incidents ^a	0	0	0

Target	2025 Target	2020 Target	FY19 Actual	FY18 Actual	FY17 Actual
Renewable energy development or production	1,500	1,000	776 ^b	543	402

^a Please refer to our definition of material environmental incidents on page 82.

^b Increased to over 1,000MW in October 2019

Climate change and the energy industry

Climate Change

According to the World Economic Forum's 2019 Global Risks Perception Survey⁴, three of the top five global risks in terms of both likelihood and impact are environmental:

- Extreme weather events
- Failure of climate-change mitigation and adaptation
- Natural disasters.

Top 10 global risks in terms of:	
Likelihood	Impact
Extreme weather events	Weapons of mass destruction
Failure of climate change mitigation and adaptation	Failure of climate change mitigation and adaptation
Natural disasters	Extreme weather events
Data fraud or theft	Water crises
Cyberattacks	Natural disasters

⁴ Global Risks Perception Survey 2019, http://www3.weforum.org/docs/WEF_Global_Risks_Report_2019.pdf

The energy industry's challenge

Electricity generation is a significant contributor to Australia's greenhouse gas emissions meaning there is strong public interest in the role the energy sector should play in reducing emissions. The community expects government and business leaders to reduce the sector's contributions to climate change, while also ensuring energy remains affordable and reliable.

The diversity of opinion on the speed of emissions reduction presents the energy industry with a significant challenge. Reducing the emissions associated with electricity generation requires major investment in infrastructure and time is needed to prepare the electricity system for withdrawing older thermal generation facilities in an orderly manner to minimise energy price shocks and maintain grid stability.

Alinta Energy believes climate change poses significant risks and agrees Australia must reduce greenhouse gas emissions associated with electricity supply. However, this transition should take place over a timeframe which:

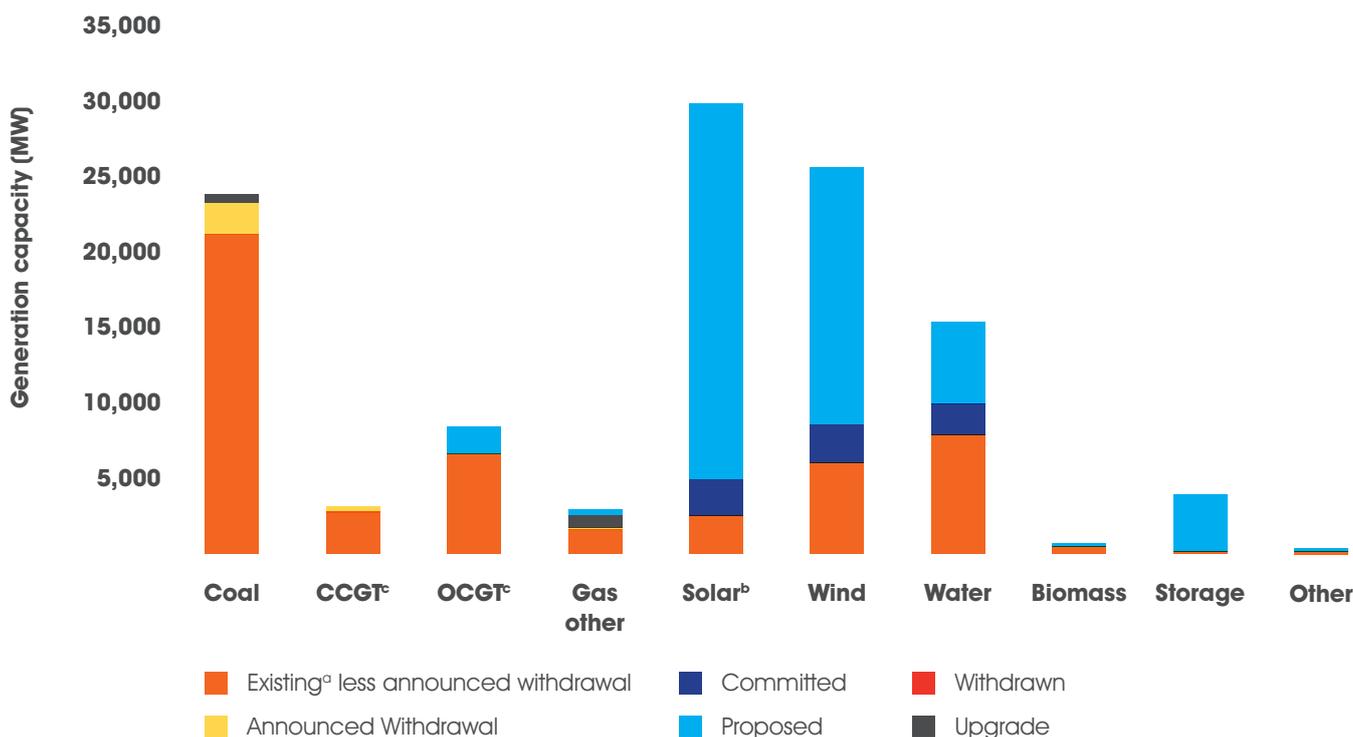
- Allows low emission generation and energy storage technologies to mature and be deployed across the electricity grid at commercial scales
- Enables market participants to thoroughly evaluate investments in new generation assets to avoid expensive and ineffective decisions
- Spreads out capital investment costs and baseload generation capacity withdrawals over an appropriate period so energy prices remain affordable and reliability is not reduced.

The good news is the transition to a cleaner energy future has clearly already begun. Significant investment in new renewable generation capacity has occurred and older coal-fired generators have begun to exit the market. With enough time and a stable energy policy environment, we believe the industry will be able to materially lower its greenhouse gas emissions, maintain energy affordability at reasonable levels and solve the reliability issues of increasing intermittent generation capacity.

Climate change and the energy industry

The following graph is sourced from the Australian Energy Market Operator⁵ and shows the current generation capacity by fuel type in the National Electricity Market (NEM), which operates across Queensland, New South Wales, Victoria, South Australia, Tasmania and the ACT, including progress towards installing new renewable energy capacity as at 12 July 2019. Although most of the existing generation in the NEM is from coal, there are significant amounts of committed and proposed large scale renewable generation in the development pipeline.

NEM Installed Capacity



^a Existing includes Announced Withdrawal.

^b Solar excludes rooftop PV installations

^c CCGT refers to closed cycle gas turbine and OCGT refers to open cycle gas turbine

Climate change and investment decisions

Alinta Energy and our parent company, Pioneer Sail Australia, forecast future carbon pricing scenarios into all significant capital expenditure decisions on energy generation. Our capital projects currently concentrate on constructing and supporting new renewable generation assets and improving the energy efficiency of our existing generation assets. These projects will provide our business with an advantage in a carbon constrained future.

⁵ <https://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Planning-and-forecasting/Generation-information>. This data is current as at 12 July 2019.

National government programs, policies and targets

Australia requires efficient, market-based policies on energy and climate change to ensure market participants can confidently make investment decisions. We believe this would be best achieved through a national, technology agnostic, long-term energy policy that has bipartisan support. Alinta Energy remains committed to continuing to work with government and industry to achieve this goal.

Currently there are numerous programs, policies and targets aiming to reduce carbon emissions, promote renewable energy, improve energy efficiency and support grid stability both at state and national level.

Emission reduction targets

International action against climate change is driven by the United Nations Convention on Climate Change. During the Convention's 21st Conference of Parties in Paris in 2015, governments from around the world committed to reducing their national emissions. As part of this, Australia has committed to reduce emissions by 26-28% below 2005 levels by 2030.

National Greenhouse and Energy Reporting (NGER)

The National Greenhouse and Energy Reporting Act 2007 (NGER Act) is a foundation piece of legislation requiring Australian facilities to report their emissions and the energy they produce and consume to the Clean Energy Regulator. Alinta Energy and our predecessor companies have participated in the NGER program since its inception. To ensure its accuracy and completeness, our NGER data is subject to a voluntary external audit.

Emissions Reduction Fund

The Emissions Reduction Fund aims to reduce carbon emissions and sequester carbon from the atmosphere. The fund purchases Australian Carbon Credit Units (ACCUs) from carbon abatement projects through a reverse auction process. This is a voluntary program aiming to incentivise new practices and technologies.

Safeguard Mechanism

The safeguard mechanism ensures facilities that emit significant emissions keep their emissions at or below a baseline set by the Clean Energy Regulator. Where the baseline is breached, the facility must acquire and surrender excess emissions to the government in the form of ACCUs.

The safeguard mechanism's electricity sectoral baseline applies to all our electricity generation facilities except the Newman power station. Under the current policy, the energy industry operates below the sectoral baseline and expect this to continue for the foreseeable future.

Amendments to the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 took effect from March 2019, which could influence how the Newman power station's baseline is set in the future. As at 30 June 2019, the prescribed production variables in the amended rule were not finalised by the Department of the Environment and Energy. We will continue to monitor the potential effect of the amendments as changes occur.

Renewable Energy Target (RET)

The RET promotes the use of renewable energy. It consists of two parts:

- The Large-scale Renewable Energy Target (LRET), which operates through the creation of Large-scale Generation Certificates (LGCs)
- The Small-scale Renewable Energy Scheme (SRES), which operates through the creation of Small-scale Technology Certificates (STCs).

In February 2019, we applied the shortfall charge provisions under the Renewable Energy (Electricity) Act 2000 to meet the majority of our 2018 LGC surrender obligations. We intend to use our significant renewable investments to make good on our shortfall once they are operational and creating LGCs.

This strategy:

- Complies with the RET, which provides flexibility to make good on LGC shortfalls within three years
- Minimises the cost of meeting our RET liability, which benefits our customers
- Promotes greater competition in the energy market by increasing the number of energy companies generating LGCs.

This strategy has enabled us to make significant investments in renewable energy and assists us to transition towards a low carbon future.

Retailer Reliability Obligation (RRO)

The reliability component of the Australian Government's former National Energy Guarantee policy has evolved into the RRO, which took effect from 1 July 2019.

It requires companies to hold contracts or invest directly in dispatchable energy or 'on demand' sources (coal, gas, pumped hydro and batteries) to meet demand in the National Electricity Market (NEM). The RRO is set to meet forecast energy demand in each state.

National government programs, policies and targets

Under new sections of the National Electricity Rules developed by the Energy Security Board, if a reliability gap exists three years and three months from the identified forecast gap, the Australian Energy Market Operator (AEMO) must request the Australian Energy Regulator (AER) make a 'T-3' Reliability Instrument to trigger the RRO.

The AER must determine whether to make the instrument at least three years and one month prior to the start of the identified forecast gap. If a gap remains one year and three months out from an identified gap period, the AEMO will request AER make a 'T-1' Reliability Instrument. If it is made, liable entities must report their net contract positions to the AER for compliance purposes.

The South Australian Government has passed an amendment which gives them an option to trigger the RRO reliability instrument (T-3) 15 months before the forecast gap period if the Energy Minister has reasonable grounds, that there is a real risk that the supply of electricity to all or part of South Australia. This amendment is unique to South Australia.

In the AEMO's most recent 2019 Electricity Statement of Opportunities forecast planning report released in August 2019, no material reliability gaps have been forecast over the coming period (T-3), meaning the RRO will not be triggered for any NEM state.

Underwriting New Generation Investment program

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

In December 2018, the government sought registrations of interest for projects under the program. Twelve of the 66 submissions received were shortlisted in March 2019. Alinta Energy submitted two of the successful proposals:

- Expansion of our existing gas-fired power station in Bairnsdale, Victoria
- Construction of a new gas-fired power station in Reeves Plains, South Australia.

Alinta Energy is currently working closely with the Federal Department of Energy and the Environment to progress the potential development of our shortlisted projects to meet the government's objectives.

GreenPower

GreenPower is a voluntary government accredited program that enables energy retailers to purchase renewable energy on behalf of customers. Our electricity retail business offers GreenPower carbon offset products to business customers on request, which increases demand for LGCs created under the RET. More information on GreenPower is available on its website (www.greenpower.gov.au).

State government programs, policies and targets

Many state and territory governments have established their own renewable energy targets and energy efficiency programs. However, these are not aligned across all states and territories or with Australia's national policy. The differences in the objectives and rules of the state and territory policies make it challenging to determine whether consolidated efforts across the schemes are on track to achieve Australia's international commitments.

While recognising the renewable energy leadership aspirations of the states, Alinta Energy considers climate change would be most efficiently and effectively addressed by a single national program. This would avoid complex interactions between separate programs which increase compliance and administration costs and risk creating market distortions. We believe a single national energy and renewables policy which has a firm bipartisan commitment from both the federal and state governments will deliver the best results for consumers and investors in the long-term and therefore should be adopted to clearly establish stable investment signals in the market.

State and territory renewable energy and net emission targets at 30 June 2019

State/territory	Renewable energy targets	Net emissions targets
New South Wales ^a	N/A	Zero net emissions by 2050
Victoria ^a	25% by 2020 and 40% by 2025	15-20% reduction below 2005 levels by 2020 Zero net emissions by 2050 The Premier and the Minister are responsible for setting the interim emissions reduction targets for 2025 and 2030 by 31 March 2020. The Independent Expert Panel's report on Interim Emissions Reduction Targets was tabled in parliament in June 2019 and recommended target reductions of: <ul style="list-style-type: none"> • 32-39% below 2005 levels by 2025 • 45-60% below 2005 levels by 2030
Queensland ^a	50% by 2030	Zero net emissions by 2050
South Australia ^a	33% by 2020 and 50% by 2025	Zero net emissions by 2050
Western Australia ^a	N/A	N/A
Tasmania	100% by 2022	Zero net emissions by 2050 60% reduction below 1990 levels by 2050
Northern Territory	50% by 2030	N/A
Australian Capital Territory	100% by 2020	Zero net emissions by 2045

State and territory programs and policies as at 30 June 2019

State/territory	Programs and policies	Targets of programs and policies
New South Wales ^a	Energy saving scheme ^a	Annual energy saving target of 8.5% by 2025
Victoria ^a	Energy efficiency target (VEET) ^a	Carbon abatement target of 6.5m tCO ₂ -e by 2020
Queensland ^a	Energy efficiency scheme ^a	In July 2017, the Queensland Government released its Climate Transition Strategy. This strategy committed to exploring energy efficiency opportunities and the potential to establish an energy efficiency scheme. The Department of Natural Resources, Mines and Energy has engaged KPMG to develop options and consultation papers discussing the potential design of an energy efficiency scheme. As at 30 June 2019, these documents were still in development. If the government decides to proceed with the establishment of such a scheme, it is not anticipated to become operational before 2021.
South Australia ^a	Retailer energy efficiency scheme ^a	Energy efficiency target of 2,350,000 GJ by 2020
Western Australia ^a	Greenhouse gas emissions assessment guidance ^a	The Western Australia Environmental Protection Authority (EPA) is currently in the process of producing revised guidance on mitigating greenhouse gas emissions from significant new or expanding projects. This guidance provides specific environmental advice to both potential project proponents and the Western Australia minister when making planning and licencing decisions. In relation to emissions reductions policy development, in August 2019, the Western Australia Minister for Mines and Petroleum, Energy, Industrial Relations announced that: <ul style="list-style-type: none"> • The Western Australia Government supports the Australian Government target to reducing emissions by 28% by 2030 • In response to industry and community calls for a State-wide approach to reducing emissions, the government will work towards achieving net zero greenhouse gas emissions by 2050 • With regard to major new projects or project expansions that emit significant emissions, the policy supports the development of greenhouse gas management plans that detail their contribution towards achieving the State's aspiration of net zero emissions by 2050.
Tasmania	N/A	N/A
Northern Territory	N/A	N/A
Australian Capital Territory	Energy efficiency improvement scheme	Annual energy saving target of 8.6% by 2020

^a Policies that are relevant to Alinta Energy's business.

Energy consumption and emissions

Fossil fuel consumption and greenhouse gas emissions

The most significant materials our business consumes relate to the fuels used at our facilities to generate electricity. For owned and operated sites, the main fuel is natural gas and coal seam methane sourced from third party suppliers for use in our gas turbine generation facilities across Australia. The energy consumed and scope 1 greenhouse gas emissions associated with our owned and operated sites remained relatively consistent in FY19 with the previous year.⁶

This year we have expanded our reporting of fossil fuel consumption and greenhouse gas emissions to also show our contracted generation assets, as defined on page 14.

Fossil fuel consumption for electricity generation in Australia (GJ)⁷

State	Brown coal	Natural gas	Coal seam methane	Diesel	Total energy content of all fuel
Owned and/or operated generation assets					
Queensland	-	-	4,630,326	-	4,630,326
Victoria	-	2,032,185	-	-	2,032,185
Western Australia	-	35,015,256	-	506	35,015,762
Contracted generation assets^a					
Victoria	77,542,885	79,434	-	-	77,622,319

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

Scope 1 greenhouse gas emissions associated with electricity generation in Australia (tonnes CO₂-e)⁸

State	Brown coal	Natural gas	Coal seam methane	Diesel	Total emissions from all fuel
Owned and/or operated generation assets					
Queensland	-	-	230,447	-	230,447
Victoria	-	104,183	-	-	104,183
Western Australia	-	1,772,012	-	36	1,772,048
Contracted generation assets^a					
Victoria	7,165,926	4,093	-	-	7,170,019

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

The energy and emissions data above exclude the Glenbrook cogeneration plant in New Zealand. This is integrated with NZ Steel's Glenbrook facility and generates electricity using waste heat and offtake gases from the steel production process, making it impractical to quantify the energy it consumes and its emissions.

The energy and emissions data for the Pinjarra cogeneration facility in Western Australia are solely associated with electricity generation and exclude energy and emissions associated with the generation of steam used by Alcoa.

No data is provided for solar and wind generators, as they do not consume fossil fuels or emit scope 1 greenhouse gases in association with generating electricity.

⁶ We have set a target to improve the energy efficiency, and hence the emission intensity, of the fossil fuel power stations in our traded generation portfolio by 5% compared to their previous performance. As Alinta Energy's power generation sites have different emission intensities, and the proportion of total power provided by each site changes year on year, a 5% reduction at individual site levels will not necessarily translate into an overall emission intensity improvement of 5% at a group level.

⁷ Energy consumed for electricity generation in Australia is calculated in accordance with The National Greenhouse and Energy Reporting (Measurement) Determination 2008.

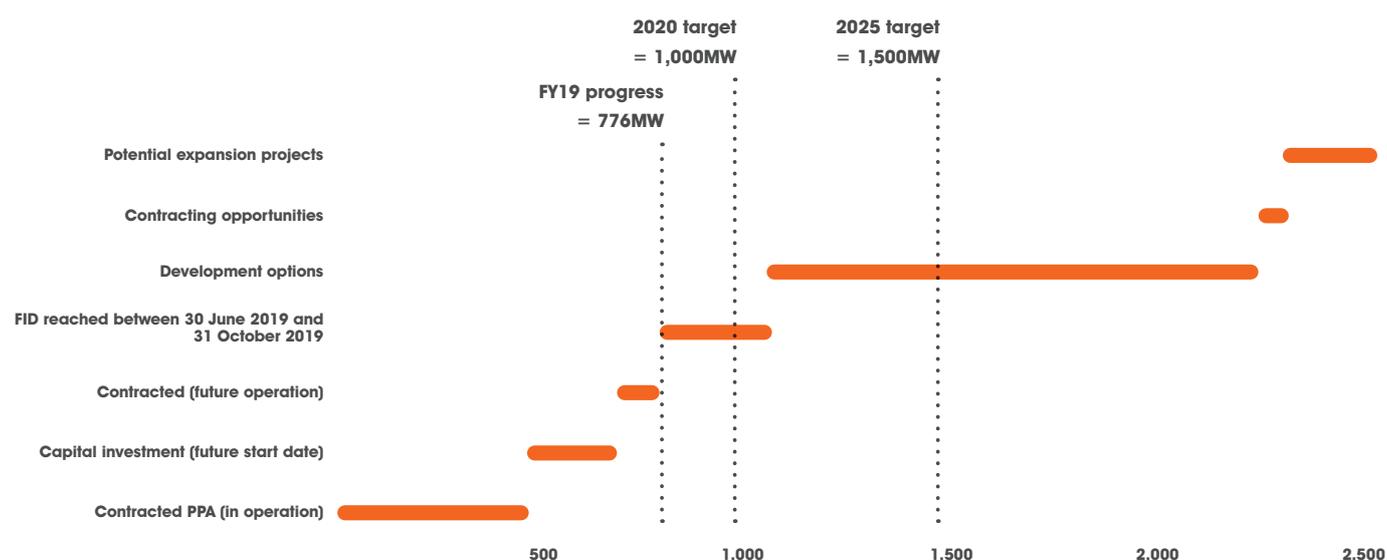
⁸ Scope 1 emissions associated with electricity generation in Australia is calculated in accordance with The National Greenhouse and Energy Reporting (Measurement) Determination 2008.

Our approach to renewable energy

Renewable energy target

As at 30 June, Alinta Energy achieved a cumulative progress of 776MW towards our target to support the development of over 1,000MW of renewable energy by 2020. As at October 2019 (shortly after the end of FY19) we met our 1,000MW target by reaching financial investment decision (FID) on two further projects. Our team is thrilled with this outcome.

We are now turning our attention to a new renewable energy target to support the development of 1,500MW of renewable energy by 2025. To accomplish this, we will continue to assess cost-effective ways to increase our exposure to renewable energy generation, which may include installing new renewable generation capacity, acquiring existing renewable generation assets and entering into new long-term offtake agreements with existing and proposed renewable projects.



Please refer to the Glossary on page 84 for clarification of definitions around each one of the above categories.

Large-scale renewable projects

Our large-scale renewable energy commitments as at 30 June 2019 supported the development of 776MW of generation. The renewable projects reflected in this performance, and our subsequent commitments, are as follows:

State/territory	Currently operating	Financial commitments at 30 June 2019	Financial commitments between 30 June 2019 and 31 October 2019
Western Australia	Walkaway wind farm Badgingarra wind and solar farm	Yandin wind farm	Chichester solar farm
Victoria	Bald Hills wind farm Maroona wind farm Timboon wind farm Yawoong wind farm Bannerton wind farm	Kiamal wind farms	
Queensland	Collinsville solar farm	Rugby Run solar farm	
South Australia			Solar River Project

Our approach to renewable energy

Yandin wind farm

Alinta Energy announced on 25 February 2019 that we will develop Western Australia's largest wind farm.

The Yandin wind farm will be located about 175km north of Perth near the town of Dandaragan. When up and running in mid-2020, it will have 51 wind turbine generators producing the total equivalent amount of energy that 200,000 homes consume in a year.

At a cost of approximately \$500 million, the Yandin wind farm is our largest development commitment in over a decade. We have signed an agreement with Vestas, a Danish wind turbine supplier, to design and construct the wind farm. Vestas is a global leader in wind turbine technology, and they will also operate and maintain the facility under a long-term service agreement.

During July 2019 RATCH-Australia Corporation Pty Ltd's listed parent company announced to the Stock Exchange of Thailand that its subsidiary had invested in the Yandin wind farm, and shall be purchasing 70% of common shares in Yandin WF Holding Pty and 70% of investment units in Yandin WF Holding Unit Trust, the entities that shall own the windfarm. Under this agreement Alinta Energy's parent company, Pioneer Sail Australia Pty Ltd, shall retain ownership of the remaining 30%.

Alinta Energy will continue to manage the construction and operational phases of the Yandin wind farm. Alinta Energy shall also be the offtaker for all of the renewable energy from the project.

At the Yandin wind farm sod turning on 5 August 2019 we also announced a community fund that will contribute at least \$50,000 to projects and groups within the Shire of Dandaragan each year, through two annual rounds of \$25,000.



Pictured – Stephanie Mippy, Yued People, Project Officer, Nyoongar Enterprise Development Support, RDA Wheatbelt; Peter Shields, Landowner; Peter Scharf, Deputy President, Shire of Dandaragan; Shane Love MLA, Member for Moore; Ken Woolley, Executive Director Merchant Energy, Alinta Energy and Steve Culbert, Project Director, Vestas

Solar River project

On 16 July 2019, Alinta Energy signed an agreement with the Solar River project, which is one of the world's largest solar power developments, located in South Australia's solar rich mid north region, halfway between the townships of Burra and Morgan.

The Solar River project will consist of more than 640,000 solar photovoltaic panels and one of the largest battery storage systems in the Southern Hemisphere. Importantly, with our support, the project can progress with securing the necessary funding arrangements before construction commences in late 2019. The project's construction is expected to create more than 350 regional jobs and is scheduled to generate renewable energy from early 2021.

Alinta Energy will purchase the bulk of the electricity generated by the Solar River project under the agreement for a term of 15 years.

The project will deliver long-term community benefits through a Mid North Regional Community Fund as well as a Ngadjuri Nation Aboriginal Corporation Heritage Agreement, which facilitates opportunities for local employment, education, sport and arts programs over 25 years.

Chichester solar

On 18 October 2019, Fortescue Metals Group (FMG) announced the Chichester Solar Gas Hybrid project. The ground-breaking project is the result of joint efforts between FMG, Alinta Energy, Downer (the Engineering, Procurement and Construction (EPC) contractor) and includes funding commitments from the Northern Australian Infrastructure Facility (NAIF), Australian Renewable Energy Agency (ARENA) and State and Federal governments. The project will see the construction of a new solar photovoltaic generation facility at FMG's Chichester Hub iron ore operations, as well as a 60km transmission line linking FMG's Christmas Creek and Cloudbreak mining operations in the Pilbara with our Newman gas-fired power station and 35MW battery facility.

This project is expected to displace 100 million litres of diesel generation annually delivering a cleaner, affordable, and more connected energy supply. Once completed, up to 100% of daytime stationary energy requirements at the Chichester Hub will be provided by solar generation, with the remaining power requirements to be met through the integrated battery storage and gas power station facilities.

It is expected that the project will be completed in mid-2021.

Our approach to renewable energy

Commissioning of contracted renewable generators

In FY19, two new solar farms in the National Electricity Market (Collinsville in Queensland and Bannerton in Victoria) and one new wind farm in the South West Interconnected System (Badgingarra in Western Australia) were contracted and fully integrated into Alinta Energy's generation.

Residential solar business

In February 2019, we made the difficult decision to close our residential solar business in Western Australia. This followed a significant review of the solar market and our potential role in it, both in Western Australia and more broadly across the country. Our review indicated we were not able to grow this opportunity into a scalable and sustainable business. We have worked with our people who have been impacted by this decision regarding redeployment opportunities within our broader business and implemented a managed transition, so customers' needs continued to be met.

Energy efficiency and emission reduction projects

Based on the results of our energy efficiency projects completed to date, we have set ourselves a target to improve the energy efficiency, and therefore reduce the emissions intensity, of the fossil fuel power stations in our owned and traded generation portfolio by 5% compared to their performance before the improvement projects.

Newman battery storage system

In April 2018, we commissioned Western Australia's largest lithium ion battery at our Newman power station in the Pilbara region. The 35MW (11.4MWh) battery is among the world's largest and is the biggest battery developed for an industrial application in Australia.

Innovation recognised in Australia and beyond

The battery storage project won several awards in 2018, including:

- Asian Power Awards – Australian Innovative Power Technology of the Year
- Western Australian Engineering Excellence Award – Innovation category
- Australian Engineering Excellence Award – Innovation category.

Testing confirms greater efficiency and lower emissions

In late 2018, we conducted operational testing of the battery storage system. The tests involved running a single gas turbine unit at the site and then deliberately tripping (turning off) the turbine. In these scenarios, the storage system automatically steps in and maintains the supply of electricity to the customer until an alternative generation source, such as gas turbines or diesel engines, is brought online. During this period, the batteries are the only source of electricity and so manage system voltage and frequency.

We were very pleased to find the battery storage system and the power station control system both responded better in the tests than our modelling predicted, maintaining an uninterrupted and stable electricity supply to our customer during all testing scenarios. The backup gas turbines and diesel generators also responded as planned to support the battery storage system.

The battery storage system has enabled the power station to optimise the dispatch of gas with the confidence there will be an uninterrupted electricity supply to our customer if there is an unplanned disruption in the turbine's operation. As a result, the power station is now operating more efficiently, reducing both gas consumption and greenhouse gas emissions.

“We've increased reliability for our customer and we're able to lower our emissions as a result. The most exciting outcome is that the project has opened a range of potential applications to use this 'grid-forming' capability. The technology can support further rollout of renewables and it has implications for remote communities.”

– Kris Lynch, Manager – Manger Project Development, Asset Strategy

Other energy efficiency and emission projects

Other energy efficiency projects recently implemented at Alinta Energy owned and contracted generation facilities include:

- **Port Hedland** – An existing turbine at our power station was replaced with a new, high efficiency aero-derivative gas turbine, resulting in greater operating efficiency from mid-February 2019 onwards
- **Braemar and Wagerup** – Upgrades to the MXL2 turbines are taking place between 2017 and 2021, involving vane and blading upgrades and combustor enhancements
- **Loy Yang B (contracted)** – An upgrade of the power station's Unit 2 turbine and generator occurred in April and May 2019, with Unit 1 scheduled to be upgraded in 2020. Alinta Energy has a capacity agreement with Loy Yang B to purchase a share of its output.

Energy efficiency and emission reduction projects

Energy efficiency products – Alinta Energy Geothermal

Alinta Energy owns an Australian designed and manufactured geothermal heating and cooling system that is installed at large residential developments and commercial premises. To date, there are 900 geothermal systems installed throughout Australia with a total capacity in excess of 14MW of cooling and heating. We have contracts to install additional geothermal units in both residential and education sectors helping them to improve the efficiency of their heating and cooling requirements.

Our geothermal business has a partnership with the Green Building Council of Australia and the Living Futures Institute of Australia to support improved sustainability within the built environment.

Geothermal heating and cooling systems, commonly known as ground source heat pumps, can significantly improve a building's sustainability. Globally, they are widely used to reduce the impact from traditional air conditioning systems, which can account for 40% of an average household's energy use⁹.

Environmental compliance

Alinta Energy takes our environmental responsibilities seriously and embeds compliance processes across the business. We are subject to national, state and local environmental laws and regulations. Each of the jurisdictions where we operate across Australia and New Zealand has specific environmental regulations, including permits, licences and consents that are required for our operations.

Alinta Energy did not have any significant environmental incidents or receive any material¹⁰ fines or non-monetary sanctions for breaches of environmental laws or regulations during FY19.

Environmental policy and framework

Our Environment and Community Policy sets out our commitment to protecting all aspects of the environment as a priority and to implement a continuous improvement philosophy targeting operational excellence in the environmental performance of our operations.

This is supported by our Environmental Management Framework which aligns with the ISO 14001 environmental management standard. The framework provides a

systematic and consistent way to oversee and manage our environmental activities and their impacts. It documents the methodology and the responsibilities for environmental management across our businesses, facilities, projects and regions. This is implemented through monitoring, reporting and training.

Biodiversity

Our Braemar and Newman power stations are in two of 15 national biodiversity hotspots identified by the Australian Government's Threatened Species Scientific Committee¹¹.

We are committed to minimising environmental impacts and protecting biodiversity in the ecosystems around all of our operational sites and construction projects, and require our construction contractors to develop a construction environmental management plan for all major construction projects. These plans must identify how management will maintain compliance and minimise construction impacts on local vegetation, waterways and ecosystems. The projects we undertook during the year all fully complied with these obligations and did not have a material impact on biodiversity.

Environmental incidents, hazards and near misses

Alinta Energy site managers are responsible for reporting environmental incidents, hazards and near misses that occur on (or are related to) their sites, both in our online event management system and to external authorities when required. Our operations did not report any material¹² environmental incidents during FY19.

Supplier environmental impacts

Alinta Energy's activities can impact sustainability across our supply chain, which is why we have a supplier prequalification process.

The prequalification process uses a risk-based approach to assess whether prospective suppliers and contractors meet our requirements. It reviews their health, safety and environmental management systems, recent performance and requires approval by senior management before we enter into a contract. Our larger suppliers and contractors undergo a risk assessment which can include an audit held at their premises or one of our sites. Some are also subject to an ongoing supplier management process where certain contractual obligations such as health, safety and environment performance are monitored and periodically reviewed.

⁹ www.yourhome.gov.au/energy/heating-and-cooling

¹⁰ Please refer to our definition of material environmental incidents and breaches of environmental legislation on page 82.

¹¹ www.environment.gov.au/biodiversity/conservation/hotspots/national-biodiversity-hotspots

¹² Please refer to our definition of material environmental incidents on page 82.

Environmental compliance

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

Gas for our power stations and our retail customers is sourced from independent third-party suppliers who are required to comply with safety and environmental laws at both national and state levels. We support efficient and effective environmental protection legislation that ensures our gas suppliers undertake these activities in a sustainable manner that minimises its impacts to the environment and community.

Waste and water

Our facilities aim to manage waste based on applying the priorities of the waste management hierarchy:

The waste hierarchy	
1. Avoid	Maximum conservation of resources
2. Reuse	Reusing materials
3. Recycle	Recycling and reprocessing material
4. Waste to energy	Energy recovery prior to disposal
5. Disposal of waste	Zero conservation of resources

Water

Our overall water use in FY19 remained broadly consistent with the previous reporting period with an 8% increase to 3,043ML as shown:

Water usage by source category (ML)

Self-sourced surface water	Potable water from water suppliers	Self-sourced groundwater
2,999	25	19

Water usage by usage category (ML)

Cooling	Industrial processing	Domestic and office usage
2,838	195	10

Water discharge by category (ML)

On-site holding / evaporation pond ^a	Lost to evaporation and steam sales to customers	Consumed domestically or treated off-site
2,620	387	36

^a Some on-site ponds have natural, licensed overflows to the off-site environment

Solid waste

We aim to minimise the amount of waste sent to landfill. Our major operating facilities disposed of an estimated 350 tonnes of solid waste to landfill during the year.

Other waste products including steel, wood pallets and waste oil are either sold, reused on site or sent off site for recycling. We estimate that our major operational facilities recycled 51 tonnes of waste in FY19. In addition, an estimated 11,760 tonnes of fly ash from our Glenbrook facility in NZ was sent under a commercial arrangement for reprocessing.

Case study – coffee cup recycling

From trees to oil to water to waste, takeaway coffee cups are quietly leaving their mark on Australian culture and the environment to the tune of 1 billion cups landfilled and littered every year.

Did you know?

- Coffee cups are now estimated to be the second-largest contributor to litter after plastic bottles
- Australians throw out approximately 2,700,000 coffee cups every day
- Around 90% of our coffee cups go into landfill
- Takeaway cups have a polyethylene lining to prevent drinks seeping through the paper, making them notoriously difficult to recycle
- Many cups end up in the ocean where they break into small pieces that marine life mistake for food, claiming countless lives.

What is Alinta Energy doing to help?

During the year, our Sydney office installed Simply Cups tubes in our internal kitchens. People now put their used takeaway coffee cups into a tube, which are collected by Simply Cups and turned into new products like construction material, outdoor furniture and traffic management products.

This small action will help us to do our part to minimise waste and pollution, help keep our oceans cleaner and our marine life safer.

Pictured - Alinta Energy lawyer Josh Saville shows us how it's done



Employment

Our people are the foundation of our success.

We aim to attract and develop the best people, with a mix of diverse experience and perspectives to foster innovation across our business. Our culture allows our people to achieve and thrive while delivering business outcomes that align with our vision, value and sense of purpose.

The People and Culture team focuses on three key levers: talent, capability and culture. Promoting excellence across these areas develops leadership that supports sustainable growth. The team partners with the business to meet employees' needs throughout their careers with us.





Employment at Alinta Energy

Our progress against People and Culture targets and key activities during the year is shown below:

	FY19 target	FY19 actual	FY18 actual
Employee engagement	10% gap closure	7.5^a	64%

^a In 2019 we reviewed our engagement survey approach and implemented a new provider, Peakon, along with a different measurement scale with results out of 10, rather than a percentage.

FY19 key activities	FY19 actual
Enhance talent review methodology	Achieved
Improve the recruitment experience for managers and candidates	Achieved
Implement onboarding and induction approach	Achieved
Implement organisational design principles	Achieved
Improve the management of performance through goals and development plans	Achieved
Build manager capability in goal setting and feedback	Achieved
Develop leadership by continuing to deliver, embed and enhance our e3 leadership program	Achieved
Review and update the current engagement survey approach	Achieved
Develop and embed values-based behaviours	Underway

Innovative Teams award

Our People and Culture team was delighted to win Human Resources Director (HRD) magazine’s fourth annual Innovative Teams award in April 2019. These awards set a benchmark for new thinking in human resources and celebrate organisations who are successfully pushing the boundaries, something that’s dear to us at Alinta Energy as a challenger brand in the highly competitive energy industry.



Pictured - Members of Alinta Energy’s People and Culture team

“The Alinta Energy People and Culture team has innovated in numerous ways during 2018, to support significant growth of the business.”

– HRD profile

The award acknowledged the team’s innovative work in developing our leadership development program, implementing technology to support more efficient achievement and remuneration reviews, and ongoing refinement of our gender pay analysis.

“I am really proud of the team. Having their efforts recognised is a wonderful confirmation of their commitment to the business and their colleagues.”

– Fiona Osler – General Manager, People and Culture

Employee engagement

We use our annual engagement and culture survey to track a range of indicators which form the basis to deliver continuous improvement.

This year, we changed providers for the survey, moving from AON Hewitt to Peakon, a global employee retention specialist. In this year's survey, conducted in June 2019, we achieved an employee engagement score of 7.5 out of 10, which was 0.6 below Peakon's top quartile benchmark. Our engagement score in FY18 was 64% and while this is not directly comparable to this year's result, we are very pleased with the FY19 result and consider it a solid step towards our target of top quartile engagement.

The People and Culture team implemented the following initiatives in FY19 to strengthen engagement and develop our people:

- Implemented a new employee induction and onboarding approach
- Launched new recognition programs to acknowledge achievement (Spotlight) and service milestones
- Introduced the second phase of our e3 leadership development program for executives, senior leaders and people leaders
- Developed new management essentials learning and extended our e3 program with a new component for emerging leaders
- Implemented the One Alinta Essentials learning pathways to reinforce compliance responsibilities
- Published a parental leave toolkit to support new parents
- Improved processes and key policies, such as doubling our paid domestic/family violence leave.

Recognition

In response to feedback from our employee engagement survey last year, recognition was a key FY19 delivery initiative. Focus groups provided valuable input around the elements of recognition that resonated with people, aiding the design of the new program.

Shining a light on everyday achievements

The Spotlight program enables everyone, not just leaders, to easily share success stories and recognise people who demonstrate behaviour aligned to our values. Those people are profiled on our intranet and in our fortnightly digital newsletter for Alinta Energy employees, highlighting the great things they do every day.

Launched with a comprehensive communications plan including a video, more than 20% of employees were recognised through the program in its first three months. It was well received by employees, with recognition ranked close to the top quartile in the 2019 engagement and culture survey and a significant number of specific positive comments, including:

"I think the Spotlight program supports recognition in a positive way across the broader business."

"The employee Spotlight is a great initiative."

"Being acknowledged through Spotlight is great!"

Celebrating careers at Alinta Energy

A new service recognition program was also launched in 2019 allowing us to acknowledge the valuable contribution our people have made to the business.

Considering the significant growth in employee numbers and therefore the large proportion of newer team members, the program combines two approaches:

- A networking and social opportunity for people reaching one and two-year milestones, to build their connections and profile
- A more traditional program presenting awards to acknowledge people reaching significant employment milestones.

Feedback on the program has been very positive.

Employee data

During FY19, our employee numbers increased from 575 to 691 (20%) due to significant business growth. The tables below summarise our employee composition at 30 June 2019:

	Employee Numbers		Full Time/Part Time		Employment Type		
	Total	FTE ^b	Full Time	Part Time	Salaried ^c	Casual	CEA ^d
All employees^a	691	677.0	95%	5%	97%	1%	2%
Directors^e	7	NA	14%	86%	100%	-	-
Executives	6	6.0	100%	-	100%	-	-
Senior leader positions	53	52.8	98%	2%	100%	-	-
New employees	334	328.5	97%	3%	98%	1%	1%
Departing Employees	220	212.8	95%	5%	97%	2%	1%
Average tenure of departing employees (in years)	1.59		1.46	3.83	1.54	0.94	5.73

	Gender		Location		Age		
	Women	Men	Regional ^f	City	Under 30	30 to 50	Over 50
All employees^a	39%	61%	5%	95%	15%	68%	17%
Directors^e	-	100%	-	100%	-	29%	71%
Executives	-	100%	-	100%	-	17%	83%
Senior leader positions	25%	75%	2%	98%	-	81%	19%
New employees	34%	66%	1%	99%	24%	62%	14%
Departing Employees	35%	65%	-	100%	30%	54%	16%
Average tenure of departing employees (in years)	2.20	1.26	2.98	1.58	0.76	1.78	2.49

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

b FTE refers to full time equivalents.

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

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

e Directors are a combination of six non-executives and one executive, who is our MD and CEO.

f Regional locations are considered to be more than 80km from the nearest capital city.

Supporting our people

At Alinta Energy, we have a variety of programs and policies to support our people. We pride ourselves on making everyone feel valued from when they first join and supporting them throughout their career with us.

Induction and onboarding

Alinta Energy's significant growth is accompanied by a focus on ensuring our new employees have the best start possible to their careers with us. This goes beyond logistics and aims to establish a positive relationship between the employee and their manager and help them become part of our team.

In 2019, we completed a detailed review and update of our induction and onboarding approach and introduced a technology module and a learning management system loaded with a mix of off-the-shelf and custom induction content to help our new starters to hit the ground running and feel like part of the team from day one.

Some elements of the new program include:

- An informal team welcome video shared by the new employee's manager before joining. This introduces some of their workmates, helping them feel connected ahead of their first day.
- A short survey completed by the employee that helps their manager get to know them. This has a light-hearted and personal approach, enabling managers to choose a suitable buddy to support the new starter and providing some conversation starters when they join.
- An individual gift pack including some practical items, our printed values, and an element of fun with some carrot seeds for growth (and because orange is our favourite colour at Alinta Energy).
- Personalised task lists for new employees and their managers, which outline the actions involved in induction and onboarding to provide a clear journey and consistent approach.
- Automated feedback mechanisms for new starters and managers to help gauge attachment in the early months of employment and evaluate their induction and onboarding experience.

Over 100 new starters experienced this new approach during FY19, with positive feedback received from them and their hiring managers:

"The team video was really fun to create, the team all got involved and were engaged with the process."

"I now care more about the experience my new starter has. Before it was more about the logistics."

"Getting the team video made my day! Such a great feeling."

Diversity and equality

At Alinta Energy, we believe the variety of perspectives that result from having a diverse workforce promotes better business decisions by making us more creative, flexible, productive and competitive. Diversity drives our ability to attract, motivate and develop the best people, engage our employees, deliver excellent customer service and continue to expand our business.

Diversity encompasses not only gender, but also race, ethnic origin, nationality, culture, religion, language, age, sexual orientation, family/marital status, socio-economic status, physical and mental ability, experience and education.

Alinta Energy's Embracing Diversity Policy sets out our commitment to eliminate all forms of discrimination, celebrate differences and ensure financial and other benefits are not limited by a person's characteristics. In the rare instance that a concern relating to discrimination ever arose, we have investigation mechanisms including an independent whistleblower hotline and provide support through our employee assistance program.

As part of our public commitment to gender diversity, Alinta Energy is a gold sponsor of Women in Energy, which aims to increase female representation and support women in our industry.

Supporting our people

Gender equality data is reported to the Workplace Gender Equality Agency. In FY19:

- We had strong gender representation, with 39% of our workforce being female. This is higher than the energy industry average of 29%¹³
- We had a very strong ratio of promotions awarded to women at 47%, which shows gender equity and exceeds our overall female representation level. While we have more work to do building further representation at a senior management level, encouragingly our pipeline of key talent has strong female representation.

During the year, we improved our policy supporting employees facing domestic or family violence, by doubling access to paid special leave.

Alinta Energy’s support for diversity extends beyond our own business. Our Environment and Community Policy embeds our commitment to respect the diverse cultures of the communities in which we operate.

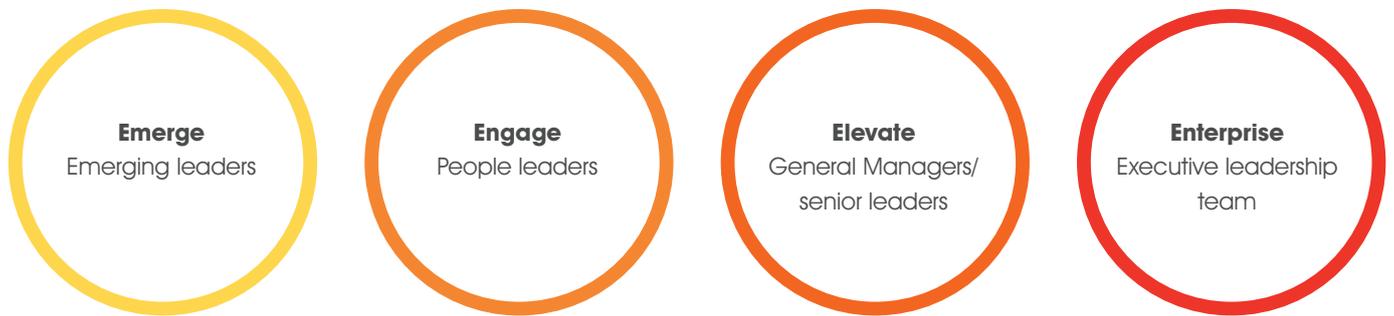
Learning and development

We are committed to helping our people develop skills and experience to succeed in their roles and future careers. This is underpinned by our learning and development framework, as shown below:

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

¹³ 2019 NRG HR Practices and Benchmarking Survey

We continued to implement and expand our professional leadership development program following its launch last year. Our e3 program aims to produce exceptional outcomes for our customers, teams and the broader business. In FY19, we extended the program to include our emerging leaders:



The new Emerge program is a 5-day course focused on essential leadership capabilities including leading self, leading others, managing change and developing commercial acumen.

Our leadership programs focus on building knowledge, skills and capabilities across ten competencies, collectively referred to as our Leadership DNA. These span our purpose, culture, profitability, sustainability and operating excellence, as shown:



Supporting our people

Additional learning and development initiatives implemented during FY19 included:

- New online training, One Alinta Essentials, was introduced to ensure employees understand their responsibilities under our key policies, why these responsibilities are so important, the consequences of non-compliance and where to find more information.
- A competency framework is being developed to identify the key requirements for each role and the development required to help build them. This process started with our spot trading and IT teams and will be progressively implemented across the business.
- A new learning management system was implemented to record and track learning and development activities and deliver online training. The system was used to deliver the One Alinta Essentials training this year.

Achievement review

Annual employee achievement reviews provide constructive feedback and recognition to our people and maintain our focus on achieving success individually and across our teams, business units and entire organisation. All employees are required to complete a formal achievement review and development plan each year to supplement ongoing discussions and coaching with their managers.

Employee assistance program

Our employee assistance program is a free, confidential service for our employees and their families which is available at any time. It is delivered by Assure Programs, who employ specialist psychologists with at least five years of post-registration experience. The program can assist with specific personal or work-related situations such as anxiety, stress, depression, overwhelming situations, fly-in fly-out challenges, family difficulties, team conflict, career progression and return to work following an injury, as well as general mental health and wellbeing.

Freedom of association and enterprise bargaining

All our people, both employees and contractors, have the right to associate freely, including to choose whether to join industrial associations such as trade unions. Employees also have the right to engage in an enterprise bargaining process, where a worker and their representative (such as a union) negotiate with the organisation for an enterprise agreement.

Labour management relations

Our employee relations are based on Alinta Energy's values of people matter and respect and integrity, including acting fairly and supporting equal opportunity and diversity. Decisions on appointments and promotions are solely based on merit.

Our employment practices are governed by legislation, regulations and industrial instruments. We comply with minimum notice periods regarding operational changes, including whether these are specified in collective agreements, in accordance with Fair Work Australia requirements and the National Employment Standards.

Restructuring and redundancy

During the year, approximately 20 people were made redundant due to changed business requirements. We provided affected employees with access to outplacement and other services to support them through this transition.

Our communities

During the year our employees used Alinta Energy's paid volunteering leave program to give back to a range of organisations and communities which align with their personal or team values.

Alinta Energy continues to work with local communities to minimise any impacts of our operations.

Starting in 2020, our community development program will invest \$500,000 annually over five years in grants to organisations that make a positive difference to people and the environment.





Our communities

Community development program

Alinta Energy has approved a community development program to make a positive and lasting contribution. Starting in 2020, we will invest \$500,000 annually over five years, representing a total investment of \$2.5 million.

The program will include community partnerships and grants processes to support organisations that align with our vision, values and purpose, such as social disadvantage and environmental sustainability. This in addition to our community funding programs associated with new power development projects like the Yandin wind farm.

We envisage that funds will be allocated across a mix of:

- Large organisations with the capability to deliver benefits across wide areas of the community
- Grass roots activities in the local communities near our power stations
- Indigenous communities in the areas that we operate.

Systems and processes to run the program are currently being developed, including:

- Eligibility criteria to determine who can apply for a grant
- Communication plans to optimise the number of organisations that are aware of the program
- An electronic platform to gather the information required to assess individual grant applications
- Selection criteria to assess the relative merits of eligible grant applications
- Establishing a community development committee to determine our community partnerships and the successful grant applications
- Standard terms and conditions to ensure funds are used in line with the intent of our donations
- Methodologies to assess the benefits delivered by the organisations we fund.

We look forward to providing an update on the program in the FY20 report.

Employee volunteering

Our community volunteering program allows our employees to take an additional day of paid leave each year to help a charity of their choice. During the year, our people volunteered over 450 hours of their time to help a wide variety of organisations including the following examples.

Sydney – Merchant Energy is all about options

Our Merchant Energy business unit organised a series of volunteering days. A total of 36 members of their team participated in five different group sessions across the year at three organisations in Sydney:

- **Sydney Cat and Dog Shelter** – Helping care for the animals, including cleaning, feeding, grooming, dog walking and playtime
- **Our Big Kitchen** – Assisting with food preparation, packaging, cleaning and food distribution to provide meals for people in need
- **Landcare** – Planting, mulching and weeding outdoor sites in Sydney's Huntleys Cove.

This is how some of them felt about their experience:



Sydney cat and dog Shelter

"It was a bittersweet experience, however it felt good to give back. The team enjoyed the experience together and were happy that they were able to add some joy to the animals' day."

– Will Dimery, Project Developer – Asset Strategy

Landcare

"The whole team felt great being able to do something positive not only for the community but also the environment. While some of the work was physically challenging, it was extremely rewarding."

– Chris Pratt, Team Leader Spot Trading



Our Big Kitchen

"The feedback from the Alinta Energy group on the experience was unanimously positive and the crew at Foodbank were organised, professional and welcoming. Everyone felt like they were able to make a meaningful contribution which is fantastic."

– Chris McDonagh, General Manager, Spot Trading



Adelaide – breaking records for Foodbank

Volunteers from Alinta Energy's Adelaide office spent a day in the Edwardstown warehouse of Foodbank South Australia in March 2019.

Foodbank is South Australia's largest food relief organisation, feeding over 117,260 people every month, one third of whom are children. It distributes more than 2.5 tonnes of food each year, providing 5.1 million meals to South Australians in need.

The team was involved in sorting, labelling and packing products to be distributed and packed a total of 10,625 products during the day. That included breaking a record for packing over 740 snack packs to be sold at Foodbank Food Hubs.

Early in the morning, volunteers from a pool of 586 local welfare agencies and community groups such as the Hutt St Centre arrived at the warehouse to collect their daily fresh fruit, vegetables, milk and bread supplies to distribute to recipients.



Perth – bringing Christmas cheer where it counts

A team from our Perth office volunteered at The Salvation Army in Heathridge to provide Christmas cheer to those less fortunate, through the Doorways community service program in December 2018.

Our team helped sort food donated by families, schools and members of the community for Christmas hampers. Every year, the Salvos provide thousands of food and toy hampers to spread some much-needed Christmas cheer to people who need it most. The team had a great day working together and were blown away by the generosity of people within the community.

Earlier in the year, our legal and procurement teams also helped prepare for Christmas by spending an afternoon at The Salvation Army sorting and packing 65 boxes of toys ahead of its annual toy appeal.



Our communities

Sponsorships, donations and partnerships

Alinta Energy is proud to support community initiatives and charity organisations across Australia.

We provided over \$350,000 in FY19 through corporate sponsorships, community development programs and charitable donations.

The Pink Test - McGrath Foundation

In honour of the Pink Test in Sydney, Alinta Energy donated \$30,000 to the McGrath Foundation towards its goal to raise \$2.1 million to provide 15 more McGrath Breast Care Nurses for a year.

Ronald McDonald House

Ronald McDonald House Charities in Western Australia keeps families close by providing a home away from home for regional families who have a sick child receiving hospital treatment in Perth. The Ronald McDonald House Charities team visited our Perth office to meet our commercial and industrial team and explain how the savings they make as an Alinta Energy customer go to helping families with a sick child in hospital.

“It was great to hear about how the savings Alinta Energy has put forward for their gas supply agreement provides 171 nights of accommodation to the kids and their families.”

– Courtney Gray, Senior Business Account Consultant



Pictured - The Ronald McDonald House Charities team visit our Perth office

Excellence Awards – community contribution

Our annual Alinta Energy Excellence Awards acknowledge outstanding achievement against each of our values. This year, we also acknowledged our people who make a positive contribution in their community and introduced the inaugural Outstanding Community Contribution Award.

We were delighted to recognise the efforts of Tracy Ransfield from our Port Hedland power station at the Alinta Energy Excellence Awards for her outstanding community work. Examples of the great community initiatives Tracy has driven are described on the next page.

Building a community at South Hedland skate park

On the weekend you can find Tracy at the South Hedland Skate Park, but she's not showing off her skills on the board.

During the year, Tracy and two friends noticed an increase in children on the streets of Port Hedland and decided to do something. One Sunday, they bought fruit, water, sandwiches and hot food and set up a table at the local skate park to feed the hungry children.

Six months later, more people, including adults started turning up. Today, there's a line of people waiting every Sunday at Tracy's table. It's apparent that her work has become something special in the community, with many of the children looking forward to seeing them.

Tracy has recruited more friends and family to help, including her husband and daughter. She has worked with the Julyardi Aboriginal Corporation to receive funding, and with Coles in South Hedland to get leftover bakery goods. Recently, Alinta Energy was honoured to support her work by providing grocery store vouchers to buy more food and drinks.

Tracy's actions are a clear demonstration of Alinta Energy's respect and integrity value by your personal responsibility to embrace all people and treat them with kindness and respect.



Pictured - Snacks prepared by Tracy with the help of friends and family

Port Hedland careers expo

Thanks to Tracy's efforts, many local students visited our display at the annual Hedland careers expo. This annual event is hosted by the Bloodwood Tree Association, which provides services and support to at-risk Aboriginal people in Port Hedland.

The expo is a great way to support young people from the local community with their career decisions. For example, students from Hedland Senior High School attended the Expo on 3 May 2019 to visit stalls showing employment and training opportunities.

Tracy organised staff from our Port Hedland power station to represent Alinta Energy at the expo and promote careers in the energy industry.



Pictured - Port Hedland staff at the careers expo

Community impacts from operations

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

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

Markets and customers

At Alinta Energy, we're determined to make energy more affordable for our customers.

We invest in innovative solutions that help our customers decrease their carbon footprint and lower their costs.





Customer service

Multi-award winners

This year we embarked on a major program of work under our Retail 2020 initiative to better understand what customers need and want from their energy provider, helping us to shape a business where our customer experience is industry leading and we are the retailer of choice for all Australians.

The resulting improvements across our customer service performance measures are a testament to our commitment to our customers and contributed to Alinta Energy receiving the Canstar Blue Award for Most Satisfied Customers category in Queensland for the second consecutive year and improving significantly in the other states to achieve second place in New South Wales and South Australia.

Our simple and affordable energy plans are a big advantage for small businesses. Our small and medium business customers awarded us 5-star reviews through Canstar Blue for overall customer satisfaction and we proudly secured top marks for value for money, payment plan options, online tools & advice, and self-service.

More information is available from the Canstar Blue website: www.canstarblue.com.au/electricity/qld-providers and <https://www.canstarblue.com.au/electricity/electricity-providers-for-small-businesses/>

“Alinta Energy has made it two years at the top of our customer satisfaction ratings for electricity providers in Queensland. Alinta Energy achieved five-star reviews for its ease of sign-up, bill clarity, value for money and overall satisfaction, leading the way from Red Energy, Click Energy, Origin, AGL and EnergyAustralia.”

- Canstar Blue



Pictured - Representatives from Canstar Blue visited our offices to present the award to our team

This year we were also awarded in three different categories of the Mozo People’s Choice awards, coming top in three categories: Excellent Customer Service, Highly Trusted Brand and Most Recommended.

These awards are a significant milestone for Alinta Energy and highlight that our values are lived by our customer service teams. Receiving this acknowledgement means everything to the people that speak with our customers daily.

These awards were even more meaningful with the knowledge that our customers were the ones who voted for Alinta Energy.

Customer satisfaction

Alinta Energy constantly strives to deliver exceptional customer service through a friendly and dynamic team of people who aim to help our customers in a caring, timely and efficient manner.

Our customer service contact centres in Perth, Manila and Cebu assist our retail and business customers with their energy needs from basic enquiries through to moving premises.

We continually survey our customers to monitor customer satisfaction and the Net Promoter Score (NPS), which measures customers’ willingness to recommend our services to others. Both standard lagging measures are widely used in the energy industry in Australia. Our contact centres’ customer focus is evident through the excellent NPS and customer satisfaction scores which average nationally above +60 (NPS) and 90% (customer satisfaction).



Customer service

Our performance against the targets for these measures is shown below:

Target	FY20 Target	FY19 Target	FY19 Actual	FY18 Actual	FY17 Baseline
Net Promoter Score					
West Coast	> +60	> +50	+71	+65	+60
East Coast	> +60	> +40	+62	+43	+13
Monthly customer satisfaction survey					
West Coast	> 90%	> 85%	92%	93%	93%
East Coast	> 90%	> 85%	89%	79%	74%

Customer service team profile

Our Perth customer service contact centre is home to a diverse team of professionals, led by our Customer Service Manager, Charlotte Garlick.

Charlotte joined Alinta Energy in 2018 and leads our Perth team to provide all our customers, new and existing, with service that goes above and beyond their expectations.



What does customer service mean to you?

Servicing the customers' needs and resolving their enquiries in a timely manner, taking every opportunity to resolve their enquiry on the first call. While sometimes this may not be possible, a quick turnaround in a resolution and clear communication with the customer is key – we appreciate our customers' time is valuable, servicing their needs quickly is win-win for them and us.

Rewarding our customers is important too. Introducing our customer rewards program is a great way to say thank you to our customers for their loyalty. We want to ensure that customers know the extra value they can receive from us.

What is one of the best things about working for Alinta Energy?

Our new Perth offices have really made working at Alinta Energy a great experience. For me though, I am extremely proud to lead the customer service team and the results we deliver. The investment made by Alinta Energy in training our people, supporting and encouraging their development and recognising the great ways the team delivers exceptional service to our customers has created a culture that respects Alinta Energy's values and the desire to do the right thing.

What sustainable activities does your office do?

In helping to reduce our environmental impact, we aim to be a paperless office, moving from paper documents and manuals into digital form. This is enabling us to be consistent, share content easily across the business and keep information secure as well as lowering costs, saving time and reducing space.

What is unique about Alinta Energy?

Our Perth customer service contact centre is located at the birthplace of Alinta Energy, here in Western Australia. We have team members here who have been serving Western Australia customers for more than 10 years.

This experience along with our home-grown roots means we have learnt a lot from our customers. We are passionate about making their interactions with Alinta Energy simple and reliable while making energy affordable.

We are in a challenging and competitive market, we know our customers are price conscious however they should expect exceptional customer service no matter what the price – and that is what we are working to deliver at Alinta Energy.

Customer service

Complaints

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

If a customer believes that an issue they have raised with us was not addressed adequately, they can escalate it to the State or Territory Ombudsman. Monitoring complaints to the Ombudsman is one way for us to assess the effectiveness of our customer processes.

The average level of Ombudsman complaints per 1,000 customers¹⁴ during FY19 was 0.49 for the East Coast and 0.02 for the West Coast. While the West Coast has remained relatively stable (FY18: 0.01), the results represent a significant improvement for East Coast (FY18: 0.86). This reflects initiatives and improvements in our call centre which have enabled a greater rate of calls to be resolved before customers approach the Ombudsman.

Financial hardship

There are times when some of our customers may struggle to pay their energy bills on time, perhaps because of unemployment, illness or changed financial conditions. Energy is an essential service and disconnections have significant implications for people.

Alinta Energy's Continuous Energy Program (hardship program) recognises that these customers need to be treated with respect and dignity. We have a specialist team of professionals trained to support customers in potential financial hardship and to help them in the most effective way. This may involve giving them extra time to pay, instalment payment plans, or referral to government programs to help them manage their bills and keep the lights on.

During FY19, our West Coast and East Coast businesses accepted 9,885 and 12,492 customers respectively into the hardship program. In the same period 3,168 and 3,468 customers respectively exited because they successfully completed the program or exited the program by mutual agreement.

Rewarding our customers

At Alinta Energy, we want our customers to feel rewarded for their ongoing loyalty. In 2018, we launched an online reward shop especially for our customers. The shop continues to offer a range of discounts on everything from attractions, movie tickets, gift-cards and electronics.

We're continually looking for ways to reward our customers from exclusive competitions to unique VIP experiences. This year some of our lucky customers enjoyed a fully paid trip to the Ashes in London to see the Australian Cricket Team take on England and had the opportunity to meet the team.

We have also held several popular competitions offering our customers the opportunity to attend Alinta Energy's preview screenings of newly released movies including Goosebumps and the ever-popular Toy Story 4. The event saw many children dressed as their favourite characters from the movie with prizes awarded to the "Best Dressed".

Executive Voice of the Customer program

Establishing a customer-focused culture is the foundation for any successful customer experience program. Alinta Energy's Voice of the Customer program is one example of our Executive Leadership Team's commitment to our customers and is an embodiment of our customer first value.

This program offers the opportunity to put our Executives in our customers' shoes and understand Alinta Energy's products and services through customers' eyes. It is based on our internal employees' and external stakeholders' feedback who have told us we need to continue to build a more customer centric culture.



Pictured - Ken Woolley (Executive Director - Merchant Energy) talking to customers in our Perth call centre

¹⁴ The rate of ombudsman complaints is calculated based on mass market customer numbers and is inclusive of those meters that Alinta Energy is responsible for, but where the premises is vacant with no occupier.

The program is not about problem-solving; it's about:

- Regular and sustained contact with our customers
- Getting behind, and supporting our customer-facing employees
- Demonstrating the importance of putting customers front and centre in our business and decision making.

The program structure involves regularly scheduled customer-facing activities with our Executive team including customer thank you calls, customer service team double jacking (where members of the executive team listen in on real customer calls to better understand our customers' experience) and customer immersion sessions.

Having the opportunity to talk to real customers and discuss their feedback on Alinta Energy was a very humbling experience. For me, it has really affirmed our sense purpose and the importance that our service plays in the lives of Alinta Energy's customers.

– Jeff Dimery, Chief Executive Officer

The outcomes of the activities are shared internally and externally via intranet by pictures and video, LinkedIn and Facebook posts, and roadshow presentations.

Our customer feedback

We value feedback from our customers. Its helps affirm that everything we are going as a business is supporting our sense of purpose to make energy more affordable for our customers.

Below are some examples of what our customers have had to say about us on our social media pages:

**Ronald, VIC** 

I've been with Alinta for the last 2 years, really happy with the discount and rates. No issues at all, highly recommend.

 **REPLY** 

**Alice, NSW** 

I love Alinta Energy, I always pay on time and get an excellent discount.... I've had many companies trying to get me to switch and I won't.... Thanks for the great deals Alinta.

 **REPLY** 

**Mandy, VIC** 

I've been with Alinta Energy for a long term fantastic discounts and very helpful staff if you need to phone them never had an issue would highly recommend them.

 **REPLY** 

**Jennifer, VIC** 

My bills have dropped dramatically am more than happy.

 **REPLY** 

**Anne, QLD** 

We've been with Alinta for 2 years now and have saved \$\$ every quarter! Very pleased, thank you!

 **REPLY** 

Branding

Alinta Energy is a dynamic, growing brand in the Australian energy market. The opportunities we enjoy and the challenges we face differ markedly between the east coast and the west coast of Australia.

In the west, Alinta Energy is synonymous with West Australians as the number one provider of residential gas, warming the homes of Western Australia for more than two decades. This enables us to strengthen our positioning for Alinta Energy as the market leader, with a reputation for trust, being easy to deal with, being part of the Western Australian community and importantly, great customer service.

These strong brand attributes are reflected in our Western Australian winter 2019 gas campaign, as shown in the following image:



On the east coast, Alinta Energy is a challenger brand with a very clear purpose – to make energy more affordable for Australian consumers. We have built on the profile from our partnership with Cricket Australia to increase consumer awareness, creating a platform to deliver strong sales growth.

We have continued to leverage our competitive market position on the east coast, not only delivering great value but also, in our most recent promotion, the chance for our customers to win an exclusive trip to watch The Ashes in the UK.



Pictured - Matthew Hayden promoting Alinta Energy

Cricket Australia partnership

Alinta Energy announced a four-year partnership with Cricket Australia in 2018. This reflects our growth into a national energy player and provides a great opportunity to take our affordable energy message further than ever before.



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

Our vision for the partnership is by 2022 to be powering the experience and homes of Australian cricket fans. This vision led the strategy to deliver a highly integrated campaign that launched our brand for the first time on a national stage. We opened the season with a customer event in Perth, where 100 lucky customers had the opportunity to bring their family to an afternoon of games and prizes with the Australian T20 cricket team.

From an advertising perspective we worked with some of the players to develop a humorous authentic suite of television commercials which ran nationally across the summer cricket season on the official broadcasters Channel 7 and FoxSports. Our broadcast partnership extended to a presence within cricket coverage including consumer competitions, branding and branded content pieces.

In conjunction with the television commercials, we ran a digital campaign on cricket.com.au, FoxSports and across our social media channels. We developed a content series with Matthew Hayden and Justin Langer and had a constant presence in video content on the cricket.com.au website.

As part of a cohesive presence, we rebranded all our sales collateral, kiosks, staff uniforms and our website over the summer to include the Cricket Australia branding. This supported our national customer competition to win a trip to the Ashes.

Rewarding current customers is a key objective of the partnership. We offered access to priority ticket sales, discounted tickets in Western Australia and South Australia, and opportunities throughout the season to win tickets. Winning customers in Brisbane were upgraded to our Gabba Pool Deck where they enjoyed a barbecue and a meet and greet with our ambassador Mathew Hayden.

At all the summer matches, Alinta Energy had integrated signage around the ground and a competition for a fan at every game to win an Asics playing shirt and meet the players after the game.

We hosted our partners and customers around the country and provided unique experiences including watching the team warm up at the ground before play and meeting Justin Langer and the team captains.

The partnership was also an opportunity for Alinta Energy to support some worthwhile Australian charitable organisations.

Throughout the Sydney Test, we supported the McGrath Foundation with a pink Alinta Energy logo on all signage and the players' shirts, before making a \$30,000 donation which was announced on Channel 7 on day 3, the Jane McGrath Day.

During the Brisbane Test match, we worked with Cricket Australia and Rural Aid to repurpose the water from the pool deck and transport it to the Darling Downs region for dairy cattle.

To celebrate the start of the partnership, all employees received an Alinta Energy branded International T20 shirt and the Perth office was lucky enough to receive a visit from the players.

The Cricket Australia partnership has allowed us to build brand awareness and consideration with a highly engaged audience across Australia. As we move into its second year, we will continue to drive brand awareness and consideration to assist with customer acquisition and retention.



Pictured – Our Perth team had a visit from Mitchell Starc, Pat Cummins and Josh Hazlewood before the Perth Test got under way

Country Education Foundation partnership

This year, Alinta Energy has formed a new partnership to support the Country Education Foundation of Australia (CEF). CEF is a non-profit organisation based in Orange, NSW, that provides education, career and personal development opportunities for rural and regional youth through financial assistance and community-based encouragement.

The partnership will see CEF deliver an exciting series of events for both its 44 community-based local foundations and its almost 5,000 alumni over the next few years. CEF's interim figures for 2019 show that they will have supported over 580 students this year, an increase of over 85 young people who are now able to better pursue their education goals. This represents an 18% increase in students supported from 2018.

Alinta Energy and CEF share common goals to enrich students' education and provide lasting, positive influences on rural and regional communities. One way that Alinta Energy has already supported CEF was by sponsoring its 200km Pig Push.

New products and projects

At Alinta Energy, we recognise that the energy landscape is rapidly changing. Greater uptake of renewables (both small and large scale), along with the ever-increasing economics of battery storage and other technologies, mean our customers want more flexible ways to obtain their energy and manage its cost.

We continue to work with vendors, regulators, and delivery partners to understand how we can best add value to our customers and when to enter new markets.

A dedicated new energy team

Our Retail business's new energy team monitors emerging technologies, operating models and the evolving regulatory landscape to help guide our plans and activities. The team concentrates on opportunities that benefit our customers and are also economically sustainable, viable, and use our capital responsibly.

Focus areas for the new energy team during the year were to:

- Support our future research and development roadmap and seek external support for our geothermal business
- Explore better retail products for our customers with solar panels (both residential and commercial)
- Explore demand response opportunities
- Prepare for the uptake of electric vehicles and battery storage
- Investigate alternative retail models for community networks and similar schemes.

Many of these technologies provide the opportunity for significant sustainability benefits to our customers.

The team also supported the internal assessment of several technology M&A opportunities throughout the year.



Brightspark innovation fund

Alinta Energy aims to foster a culture of innovation to give us the agility needed to adapt and succeed. Brightspark is an internal initiative that offers our people a forum to contribute innovative ideas and opportunities for assessment, incubation, and, if selected, the chance to implement the project on secondment. A total of \$10 million has been allocated over five years to support the fund's investment in successful ideas.

In the inaugural year of Brightspark, our review committee identified four proposed ideas for pre-feasibility and further investigation. These include the application of data science and artificial intelligence to improve the dispatch of one of our power stations, and an evaluation of opportunities in the electric vehicle market.

CS Energy joint venture

We participate in a joint venture with CS Energy in South East Queensland, which has brought greater competition to this electricity market and helped reduce the energy prices for our customers in this region.

Market regulation and compliance

Retail price regulation

During the year, significant changes to energy retail price regulation occurred that affect how we operate, namely the introduction of the Default Market Offer (DMO) and the Victorian Default Offer (VDO).

We adopted a detailed change management framework to implement the updates to our systems and processes required by these regulatory changes as efficiently and effectively as possible. These included significant updates to our marketing, sales, product development, billing and contact centre functions.

The updates involved a sustained and coordinated effort from contractors and employees across the business to carefully implement, review and test each change. Thanks to the hard work of our dedicated people, we implemented these changes before the regulatory deadlines with minimal disruption to our customers.

Alinta Energy is now monitoring how the customers, industry and other stakeholders respond to these significant regulatory changes. We will continue to pursue new and innovative ways to deliver customer value and grow our business.

Default Market Offer

During the year, the Australian Government adopted the Australian Competition and Consumer Commission's (ACCC) recommendation from its Retail Electricity Price Inquiry Report released in June 2018 to establish Default Market Offer (DMO) prices. The DMO covers the National Energy Market jurisdictions where price regulation is not in place, excluding Victoria.

Under the DMO, the Australian Energy Regulator (AER) determined 'reference bill amounts' for flat tariffs and flat tariffs with controlled load for each network distribution region, based on the government's estimated cost of delivering electricity to customers in those regions. From 1 July 2019, all discounted retail energy offers must be compared to the reference bill amount for that region.

We welcome the introduction of the DMO as a reference price, as it makes it easier for customers to compare energy offers from different retailers. It has helped close the gap between consumers on attractive market offers and those who remain on high-priced standing offers, predominantly with the large incumbent retailers rather than new market entrants such as Alinta Energy.

In its submission to the AER's Position Paper on the DMO in 2018, the ACCC stated that "to facilitate effective competition, retailers would need room to discount well below the DMO." It went on to warn that if the DMO became a viable alternative for engaged consumers, it would not be in the long-term interest of consumers as "engaged consumers drive efficiency and innovation in the electricity sector by responding to new offerings from retailers." The AER subsequently established a policy objective of "not dis-incentivising competition and market participation by customers and retailers."

Alinta Energy agrees the DMO should remain at a level that allows room for competition and innovation in the retail energy market.

Victorian Default Offer

The Victorian Government took a different approach to regulating retail energy prices than the DMO, and subsequently implemented the VDO, which also took effect from 1 July 2019.

We support the Victorian Government in its stated aim to provide a safeguard "without impeding the consumer benefits experienced by those who are active in the market." This is consistent with the ACCC's recommendations for an adequate safeguard within a competitive market in which new entrant and second-tier retailers can invest, differentiate and maintain competitive pressure on the large incumbent retailers.

However, we are concerned that the current VDO is set at a level that is likely to negatively affect retail competition and limit the ability of second-tier retailers to compete against the dominant market position of the large incumbents. When revising future VDO rates, we believe they should be set to complement the significant investment made by the Victorian Government to encourage consumer engagement in the retail electricity market, ensuring challenger brands can continue to incentivise customers to switch through competition and innovation.

Customer privacy

With increasing examples of data breaches from around the world, the security of our customers' information is paramount. We manage personal information in accordance with the Australian Privacy Principles in the Privacy Act 1988.

Our Privacy Policy sets out how we collect, manage, use and outlines our customers' personal information. It also discloses the procedure to report a breach of privacy. The policy and our internal systems and processes are reviewed regularly to ensure ongoing regulatory compliance.

We did not receive any material¹⁵ fines or non-monetary sanctions for non-compliance with the Privacy Act during FY19. We also had no notifiable data breaches, nor have we made any notifications to the Australian Information Commissioner.

¹⁵ Please refer to our definition of material fines on page 82.

¹⁶ Please refer to our definition of material fines on page 82.

Market regulation and compliance

Competition and consumer law

We take compliance with consumer law, including the Competition and Consumer Act 2010, very seriously and have a robust compliance program in place. This includes mandatory annual compliance training and assessment for relevant staff through an online program to ensure they clearly understand their legal responsibilities. We regularly monitor the activities of our business partners, particularly marketing and outsourced service providers, to identify and rectify any compliance concerns in a timely manner.

Alinta Energy did not receive any material¹⁶ fines or non-monetary sanctions for non-compliance with Australian Consumer Law during FY19. During the period, we worked with the Department of Mines, Industry Regulation and Safety – Consumer Protection Division (Consumer Protection) to resolve a compliance matter relating to correspondence sent by Alinta Energy in September 2016 to residential properties in Western Australia which maintained a gas meter but had no usage for at least 12 months. Alinta Energy took remedial action and no enforcement action was taken by Consumer Protection, however a formal warning was recorded on Consumer Protection's complaints database against Alinta Sales Pty Ltd.

Customer communications

Communication with our customers is essential to accurately and clearly explaining the benefits of being an Alinta Energy customer, our products and our services. Customer interactions vary from face to face conversations in the field, phone calls with our customer service centres, letters and bills or online by email, on our website or by social media. It also includes advertising, sponsorship and promotional materials.

Our communication materials must be accurate, clear and succinct so that people can make informed choices about their energy.

We did not receive any material¹⁷ fines or non-monetary sanctions for non-compliance with regulations concerning marketing communications (including advertising, promotion and sponsorship) during FY19, nor did we identify any material non-compliance with voluntary codes. Alinta Energy is currently responding to a number of inquiries from the Victorian Essential Services Commission regarding potential compliance issues. The outcome of these enquires will be documented in our FY20 sustainability report.

Modern slavery

Alinta Energy is committed to conducting business fairly, ethically and in a manner consistent with the protection of human rights. We oppose modern slavery in all its forms including the use of child labour, forced labour, involuntary labour and people trafficking and expect our partners across our supply chain to do the same.

The Modern Slavery Act took effect from 1 January 2019 and requires businesses with annual revenue of over \$100 million to publish a modern slavery statement each financial year, addressing:

- Its structure, operations and supply chain
- The risks of modern slavery practices in its operations and supply chain
- The actions it is taking to assess and address those risks
- How the effectiveness of its response is determined.

We will submit our first annual statement at the end of 2020 in accordance with the prescribed timeframes. To prepare for this, we will review our agreements with existing suppliers and our processes to onboard new suppliers to ensure that we reduce the risks of modern slavery in our business and across our supply chain. We will also review and update our internal policies, such as our Code of Conduct and Anti-Bribery and Corruption Policy, to reiterate the importance of protecting human rights.

¹⁷ Please refer to our definition of material fines on page 82.

Fusion – our transformation program

Due to our rapid growth and the evolving regulatory, industry and competitive environment in which we operate, we recognise the need to effectively manage and prioritise our business initiatives. Our transformation program, Fusion, began in early 2018 and focuses on delivering tangible and sustainable change across our business over a three-year period.

It includes a range of projects to help Alinta Energy achieve our strategic goals and growth objectives. These aim to capitalise on emerging opportunities in the market and provide an exceptional experience for our customers and our own people.

“The program supports us to deliver the right projects in the right way, using a consistent approach across the business, incorporating people, processes and technology. This is aligned with our core value of One Alinta.”

- Tanya Graham, Chief Transformation Officer

Fusion groups projects into five critical streams aligned with our business units:



A profile of some of these areas is provided below.

Cristal – supporting the future of finance with the right technology

A strong finance function is important to our future success. In particular, our planning, budgeting and forecasting processes are critical to set the right foundations for sustainable strategic growth.

We plan to implement an integrated financial planning and reporting tool across the business that provides accurate, timely and consistent reporting capabilities. Currently, we are reviewing the suitability of three potential platforms through engaging with a broad cross-section of people from across our business. Through this process, we aim to identify a solution that meets key criteria including:

- Greater speed and access to information
- Automatic month-end and monthly rolling forecast reports
- Scenario analysis and predictive analytics to support decision making.



Head of Group Financial Planning and Analysis, Ben Ramsey, is leading the feasibility review and says it is critical to get the fundamental finance and reporting tools right as building blocks to creating a solid, industry leading finance operation:

"This is particularly critical for future scenario planning to clearly identify where our expected returns and risks will be and where we can identify new opportunities for growth.

It's vital not only in our business, but for the energy sector as a whole to create an industry that attracts talented finance professionals by giving them the most relevant and up-to-date technologies to produce meaningful outcomes.

Following workshops to assess vendor solutions and capabilities throughout June and July 2019, we expect to select a vendor partner in late 2019 and develop an indicative roadmap to implement this solution.

With the right tool in place to support our growth requirements, we are taking our next big step towards developing a finance function for the future."

"A program of strategic security initiatives is underway in the corporate and operational technology areas to improve security governance, operations and culture across Alinta Energy and ensure the secure and appropriate treatment of our customer information."

– Catherine Buhler, Head of IT Security and Risk

Engine – IT solutions to power our growing business

Our existing IT infrastructure services current business needs, however upgrades are needed to support our growth plans and allow us to remain competitive in the marketplace.

Cloud platform strategy

"Alinta Energy is adopting the latest technology to enhance our competitiveness in the market. Our cloud strategy will provide us with the most effective cost modelling, flexibility and agility to meet our business and customer needs."

– David Gillespie, Chief Information Officer

Our cloud strategy involves designing and building a hybrid cloud architecture, allowing the migration of existing on-premises services to cost-effective cloud-based services. This will better support our rapid growth and future business demands.

Significant benefits of this strategy are to:

- Reduce costs, simplify the environment and facilitate better service management
- Leverage cloud solutions to increase business agility
- Facilitate more 'elastic' infrastructure capacity
- Future-proof the network to cope with online services
- Enable fast turnaround in development and operations
- Optimise IT services resources and reduce inefficient activities.

Some of the foundational hybrid infrastructure is already in place to support our Retail2020 transformation program, providing a path to migrate the rest of our business. We expect to have completed the foundation by the end of 2019, and approximately 70% of the project by the end of FY20.

Data and analytics

Data and analytics are increasingly critical to understanding customers and optimising business operations. The energy sector is on this journey with an increasing number of energy companies making significant investment in their data and analytics functions.

We are developing a dedicated internal data and analytics function. In February 2019 we appointed a Head of Enterprise Data and Analytics to help address our current data environment and challenges and accelerate Alinta Energy's data strategy.

“In many parts of the business, we currently spend considerable amounts time finding and accessing data, leaving only a small amount of time to utilise this information. We need to flip that paradigm to ensure we get the insights quickly and can focus our attention on developing strategies for responding to these insights.”

– Brad Walker, Head of Enterprise Data and Analytics

During the year, several design thinking workshops were held with stakeholders across our Sydney, Melbourne, Adelaide and Perth operations. Deep dive workshops were also carried out with IT and Architecture, Merchant and Retail teams to provide a detailed current state assessment and understand our opportunities around data and analytics.

The valuable insights collected from these workshops have informed the initial roadmap to enable our data and analytics function to effectively meet business needs now and in the future. This involves making improvements to our operating, governance and architecture models to support capability, engagement and quality.

“The data and analytics team are building solutions that deliver accurate and actionable insights for our people, therefore facilitating data-driven decisions at speed that will help us make energy more affordable.”

– David Gillespie, Chief Information Officer

Merchant Energy

Fusion involves an ongoing initiative to streamline business processes and integrate systems to improve employee experience and deliver cost savings across the business.

One of the largest systems in our Merchant Energy business unit is the Energy Trade and Risk Management System (ETRM). When Alinta Energy first entered into a capacity agreement to purchase a share of the output from the Loy Yang B power station, our spot traders initially had to log into one system when trading Loy Yang B and another system for the rest of our east coast generation portfolio.

The Merchant Energy team established a project to consolidate our ETRM system with the Loy Yang B spot trading system. In September 2018, the energy bidding systems were consolidated into a unified cloud environment. The project was subsequently finalised in 2019, effectively merging the Loy Yang B and Alinta Energy ETRM systems without any business disruptions. This has helped us achieve operational efficiencies and reduce licensing and support costs.

Enterprise Program Management Office

The Enterprise Program Management Office is a critical enabler for our transformation program and its team focuses on three key areas:

1. Strategic plan alignment and delivery
2. Prioritisation and funding approval
3. Project establishment.

This enables us to view and assess all projects through the same lens and adopt a strategic and transparent approach to project prioritisation. It provides visibility of emerging opportunities, what’s currently being worked on, and what is required to move us closer to achieving our strategic plan.

Alinta Energy delivery framework

The Alinta Energy delivery framework was introduced to help manage the scope, resources, time and cost of all Fusion projects consistently and effectively.

The framework is designed to be scalable and fit for purpose. It links in with our change management process and is about continuously improving the overall view of the portfolio, programs and projects to provide:

- Project visibility and transparency
- Project delivery accountability
- Project benefits realisation tracking
- Processes, tools and templates.

The framework is tightly integrated with our leadership and executive steering committee forums and enables our people to successfully deliver projects for both internal and external customers.

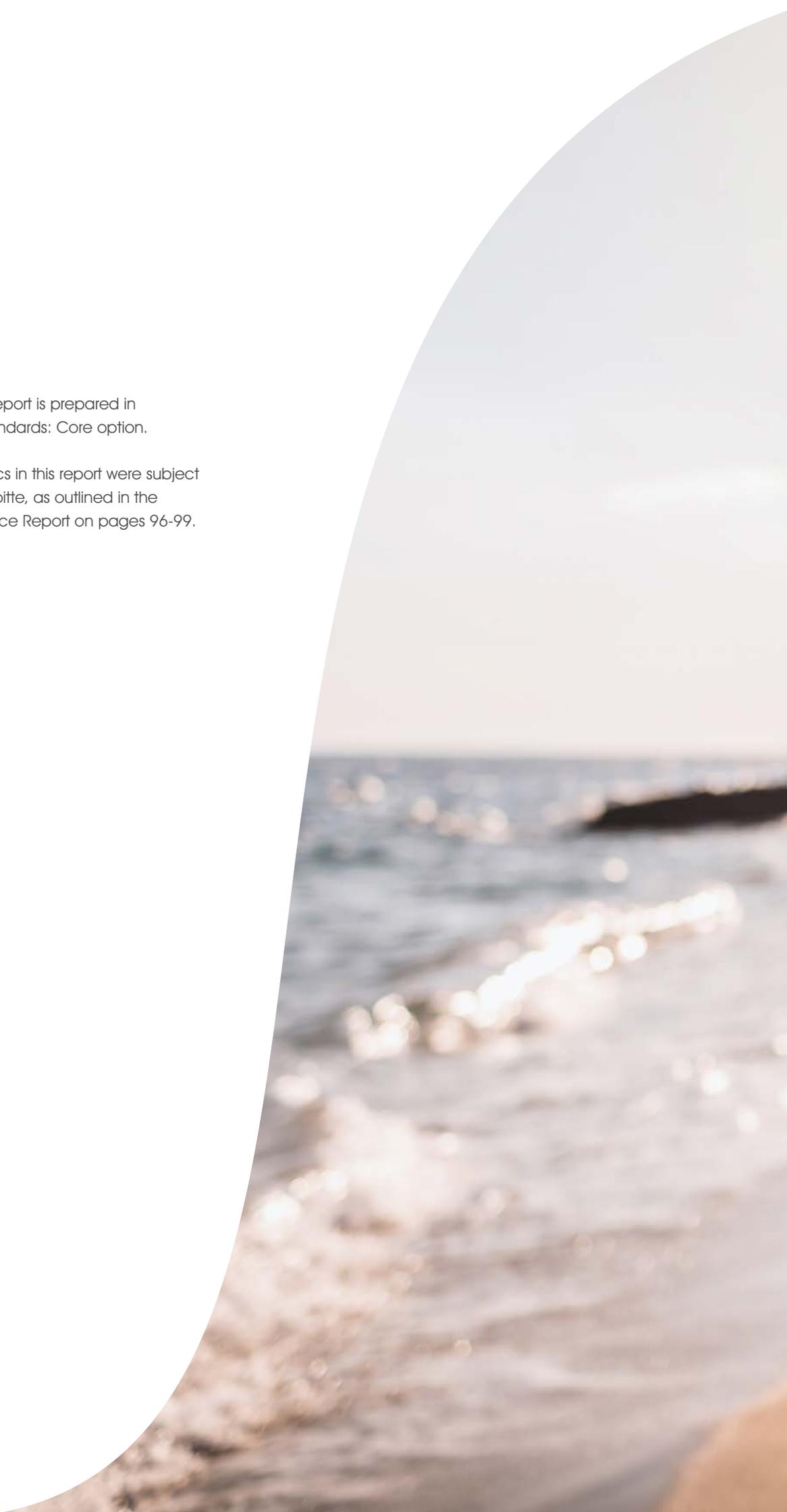
Supporting change

Our change management process is a key component of the Fusion program. It aims to strengthen leadership alignment and business engagement and support our people through this period of transformation. The team is working to create a portfolio view of cumulative change impacts across initiatives to encourage cross-collaboration and give the leadership team transparency on the effort required to achieve organisational transformation. Our people are trained in change management principles to support affected teams during the delivery of major projects.

Our report

Alinta Energy's sustainability report is prepared in accordance with the GRI Standards: Core option.

Selected performance metrics in this report were subject to external assurance by Deloitte, as outlined in the Independent Limited Assurance Report on pages 96-99.





Reporting principles

Stakeholder inclusiveness

Our stakeholders include customers, employees, owners, financiers, insurers, government, business partners, suppliers, rating agencies, regulators, contractors, external auditors, non-government organisations, the media, industry associations, grant providers, the community and the general public.

The process of identifying the material sustainability issues covered in this report included assessing our key stakeholder groups' views and opinions, which were obtained from a number of sources, including customer feedback provided to our service centres, customer ombudsman concerns, customer surveys and meetings, employee engagement surveys, owners meetings, community relations, supplier meetings, market research and participation in external initiatives like industry forums, memberships and associations. These forums include Women in Energy, the Australian Energy Council (AEC), Living Future Institute of Australia and the Committee for Economic Development of Australia (CEDA). Since December 2017 our MD and CEO, Jeff Dimery, has served as Chair of the AEC

We welcome comments from our stakeholders on our sustainability reporting program and performance. Contact details are provided on the back cover of this report.

Sustainability context

This report discusses our targets and performance in the context of the limits and demands placed on the relevant environmental and social resources at local, regional and global levels. Where applicable, the precautionary principle is applied to the assessment of our impacts.

Materiality

Based on information provided during engagement with stakeholders, we consider that the following GRI topics are most material to our business: energy prices, energy availability and reliability, economic health, IT systems, safety, diversity and equality, operational excellence, training and education, employee engagement, climate change and energy emissions, legislation and policy, environmental management, waste and water, community and customer support, new products and projects and branding.

Other material areas that we report on include: indirect economic impacts, procurement practices, demand-side management, system efficiency, materials, biodiversity, supplier environmental assessment, grievance mechanisms, labour / management relations, equal remuneration for women and men, non-discrimination, freedom of association and collective bargaining, anti-corruption, preventing anticompetitive behaviour, disaster / emergency planning and response, marketing communications, customer privacy, access and provision of information.

A sustainability materiality assessment is detailed on pages 88-89 and this report addresses the key sustainability issues from this assessment across sections on Our Business, Safety, Employment, Environment, Our Communities and Market and Customers. Specific United Nations Sustainable Development Goals and Global Reporting Initiative Standard disclosures are in the Content Index on pages 85-87.

For the sustainability report:

- Material fines and sanctions are defined as greater than \$500,000
- Material environmental incidents and breaches of environmental legislation are defined as having a combined value of associated clean-up costs, fines and sanctions greater than \$500,000.

Completeness

This report contains information on our environmental and social activities and economic performance from 1 July 2018 to 30 June 2019 (FY19), with the exception of major events that occurred soon after the end of the reporting period, such as achieving our target of supporting 1,000MW of renewable energy by 2020, which occurred in October 2019.

Operational scope

To the extent practical, the information provided in this report covers our operations in Australia and New Zealand, including joint ventures and members of the value chain over which Alinta Energy exercises significant influence.

Glossary

For example, data on energy consumption, associated greenhouse gas emissions and emission intensities relate to all power stations that are owned, operated and/or traded by Alinta Energy, except for the Glenbrook cogeneration plant in New Zealand. This is embedded in NZ Steel's Glenbrook facility and generates electricity using waste heat and offtake gases from the steel making process, making it impractical to quantify its energy consumption and emissions.

In January 2018, our parent entity CTFE acquired the Loy Yang B power station, which is owned and operated by Latrobe Valley Power Pty (Holdings) Limited (LVP). LVP is a separate legal entity and is not part of the Alinta Energy group. For more information about Loy Yang B, please refer to its separate FY19 sustainability report (www.alintaenergy.com.au/nsw/about-us/power-generation/loy-yang-b-power-station).

Report quality principles

To provide greater transparency of our sustainability performance, we aligned this report's content to the GRI reporting quality principles:

Balance

This report includes information on both the positive and negative impacts of our operations.

Comparability

The format of this report is reasonably consistent from year to year and contains historical performance data (where available) to allow the assessment of our performance over time.

Accuracy

Many of the performance metrics presented in this report were subject to limited external assurance provided by Deloitte, as shown in the Independent Limited Assurance Report provided on pages 96-99 of this report.

Timeliness

Our sustainability reports are based on financial years and made public within a reasonable timeframe after the relevant financial year end.

Clarity

The information in this report is presented as simply as possible to assist all stakeholders in understanding how we manage sustainability issues.

Reliability

This section specifically addresses the report's design and contents and outlines how the reporting principles specified in the GRI standards are met.

ACCC	Australian Competition and Consumer Commission
ACCU	Australian carbon credit unit
AEC	Australian Energy Council
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AESSC	Alinta Energy Safety and Sustainability Council
Alcoa	Alcoa of Australia Ltd
ASIC	Australian Securities and Investment Commission
CEA	Collective employee agreement
CEF	Country Education Foundation of Australia
CTFE	Chow Tai Fook Enterprises Limited
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPC	Engineering, procurement and construction
ETRM	Energy trade and risk management system
DMO	Default Market Offer
FID	Financial investment decision
FTE	Full time equivalent
GRI	Global Reporting Initiative
LGC	Large-scale generation certificate
LTIFR	Lost time injury frequency rate
LRET	Large-scale renewable energy target
LVP	Latrobe Valley Power Pty (Holdings) Limited
MD	Managing Director
NEM	National Electricity Market
NGER	National Greenhouse and Energy Reporting
NPS	Net promoter score
NWIS	North West Interconnected System (Western Australia)
PPA	Power purchase agreement
RET	Renewable Energy Target
RRO	Retailer Reliability Obligation
SRES	Small-scale Renewable Energy Scheme
STC	Small-scale technology certificates
SWIS	South West Interconnected System (Western Australia)
TRIFR	Total recordable injury frequency rate
UNSDG	United Nations Sustainable Development Goals
VDO	Victorian Default Offer

Glossary

Alinta Energy renewable energy target category definitions

Alinta Energy classifies renewables projects into categories as defined below in relation to tracking to achievement of our targets of supporting 1,000MW and 1,500MW of renewable energy projects by 2020 and 2025 respectively.

Category	Definition	Contributes to Alinta Energy's renewables target?
Capital projects (in operation) (Note: no projects fall within this category as at 30 June 2019)	<ul style="list-style-type: none"> The facility is operational (commissioning complete with a full handover to a registered market operator) The project is owned and operated by Alinta Energy 	✓
Contracted PPA (in operation)	<ul style="list-style-type: none"> The facility is operational (as per above) Alinta Energy is contracted to purchase all or a portion of energy produced by the facility 	✓
Capital investment projects (future start date)	<ul style="list-style-type: none"> The project is not yet operational Alinta Energy is the project developer The project has received FID from the Board and has secured all approvals required to progress, an EPC contract is in place and there is a commercial agreement for off-take 	✓
Contracted PPA (future start date)	<ul style="list-style-type: none"> The project is not yet operational Alinta Energy is not the project developer and has an off-take agreement to purchase energy from the facility The project has received FID from the developer and has secured all approvals required to progress and an EPC contract to construct the facility is in place 	✓
Development options	<ul style="list-style-type: none"> Alinta Energy is the primary project developer The project is still in a development stage 	✗
Contracting opportunities	<ul style="list-style-type: none"> Alinta Energy is in negotiations with a counterparty for the off-take of energy from a renewable energy development 	✗
Potential expansion projects	<ul style="list-style-type: none"> Alinta Energy has identified potential to add renewable energy capacity to an existing Alinta Energy power generation site 	✗

GRI and UNSDG content index

This report is prepared in accordance with the GRI Standards: Core option and under GRI 101: Foundation 2017, GRI102: General Disclosures 2017, GRI103: Management Approach 2017, GRI200: Economic, GRI300: Environmental, GRI400: Social and G4 Sector Disclosures Electric Utilities 2013.

The specific GRI Standard references and associated UNSDG disclosures and where they are addressed in this report are shown in the tables below.

Two new GRI Standards relate to Alinta Energy's reporting (GRI-303 Water and Effluents 2018 and GRI-403 Occupational Health and Safety 2018, replacing GRI-303 Water 2016, GRI-306 Effluents and Waste 2016 and GRI-403 Occupational Health and Safety 2016), however the 2016 standards can continue to be used for reports and other materials published on or before 31 December 2020, which Alinta Energy elected to do..

Material general standard disclosures (GSD)

Aspect	GRI Standards	Page	UNSDG
GRI102: General Disclosures 2017			
Name of the organization	102-1	10	N/A
Activities, brands, products, and services	102-2	10	N/A
Location of headquarters	102-3	10	N/A
Location of operations	102-4	12-13	N/A
Ownership and legal form	102-5	10	N/A
Markets served	102-6	10	N/A
Scale of the organisation	102-7	10, 24-25, 54	N/A
Information on employees and other workers	102-8	54	8
Supply chain	102-9	15, 46-47, 76	N/A
Significant changes to the organisation and its supply chain	102-10	12-13, 46-47, 76	N/A
Precautionary Principle or approach	102-11	82	N/A
External initiatives	102-12	82	N/A
Membership of associations	102-13	82	N/A
Statement from senior decision-maker	102-14	2-3	N/A
Values, principles, standards, and norms of behaviour	102-16	18	N/A
Governance structure	102-18	19-22	N/A
List of stakeholder groups	102-40	82	N/A
Collective bargaining agreements	102-41	58	8
Identifying and selecting stakeholders	102-42	82, 88	N/A
Approach to stakeholder engagement	102-43	82, 88-89	N/A
Key topics and concerns raised	102-44	88-95	N/A
Entities included in the consolidated financial statements	102-45	12-13, 25	N/A
Defining report content and topic Boundaries	102-46	82-83	N/A
List of material topics	102-47	82, 88	N/A
Restatements of information	102-48	6	N/A
Changes in reporting	102-49	82-83, 88-95	N/A
Reporting period	102-50	82	N/A
Date of most recent report	102-51	82	N/A
Reporting cycle	102-52	82	N/A
Contact point for questions regarding the report	102-53	Back cover	N/A
Claims of reporting in accordance with the GRI Standards	102-54	80, 85	N/A
GRI context index	102-55	85	N/A
External assurance	102-56	83, 96-99	N/A
GRI103: Management Approach 2017			
Explanation of the material topic and its Boundary	103-1	82-83, 88-95	N/A
The management approach and its components	103-2	88-95	N/A

GRI and UNSDG content index

Note:

This table contain only topics that are material to our business and the indicators addressed (or partially addressed) consistent with reporting in accordance with the GRI Standards at a Core level.

Material specific standard disclosures (SSD)			
Aspect	GRI Standards	Page	UNSDG
GRI200: Economic			
Economic Performance – Direct economic value generated and distributed, and	201-1	24, 62, 91	2
Financial implications and other risk and opportunities due to climate change	201-2	37, 90-95	13
Market Presence – Proportion of senior management hired from the local community	202-2	54	8
Indirect Economic Impacts – Significant indirect economic impacts	203-2	25, 91	1
Anti-corruption – Confirmed incidents of corruption and actions taken	205-3	23	16
Anti-competitive Behaviour – Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	206-1	23, 75, 76, 91	16
GRI300: Environmental			
Materials – Materials used by weight or volume	301-1	42	12
Energy – Energy consumption within the organization	302-1	42	12
Water – Water withdrawal by source	303-1	47	6
Biodiversity – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, and	304-1	46	14
Significant impacts of activities, products, and services on biodiversity	304-2	46	14
Emissions – Direct (Scope 1) GHG emissions, and	305-1	7, 42	12
GHG emissions intensity	305-4	7	13
Effluents and Waste – Waste by type and disposal method	306-2	47	12
Environmental Compliance – Non-compliance with environmental laws and regulations	307-1	23, 36, 46, 92	N/A

Material specific standard disclosures (SSD)

Aspect	GRI Standards	Page	UNSDG
GRI400: Social			
Employment – New employee hires and employee turnover	401-1	54	N/A
Labour/Management Relations – Minimum notice periods regarding operational changes	402-1	58	5
Occupational Health and Safety – Types of injury and rates of injury, occupational diseases, lost	403-2	6, 28, 90	8
Training and Education – Programs for upgrading employee skills and transition assistance programs, and	404-2	56-58	8
Percentage of employees receiving regular performance and career development reviews	404-3	56, 58	3
Diversity and Equal Opportunity – Diversity of governance bodies and employees, and	405-1	54	8
Ratio of basic salary and remuneration of women to men	405-2	55-56, 93	5
Non-discrimination – Incidents of discrimination and corrective actions taken	406-1	93	5
Freedom of Association and Collective Bargaining – Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	58	8
Local Communities – Operations with significant actual and potential negative impacts on local communities	413-2	65	1
Marketing and Labelling – Incidents of non-compliance concerning marketing communications	417-3	23, 75, 76, 91	N/A
Customer Privacy – Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	23, 75, 91	16
Socioeconomic Compliance – Non-compliance with laws and regulations in the social and economic area	419-1	23, 65, 91	16
G4 Sector Disclosures Electric Utilities 2013			
System Efficiency	EU11	7	N/A
Percentage of contractors and subcontractor employees that have undergone relevant health and safety training	EU18	31	N/A
Number of people physically or economically displaced and compensation, broken down by type of project	EU22	65	N/A
Access / Average Plant Availability Factor	EU30	13, 16, 90	1

Sustainability materiality assessment

Our sustainability materiality assessment involves four steps:

1. Engage with key stakeholder groups
2. Identify and prioritise the most important sustainability issues and capture them in this report
3. Review the materiality assessment each year
4. Determine outcomes from the review and continuously improve the sustainability report.

Engage with stakeholders

We engage with key stakeholders¹⁸ through:

- Customer surveys, meetings and Ombudsman investigations
- Employee engagement surveys
- Sustainability email (sustainability@alintaenergy.com.au)
- Meetings with owners, customers, suppliers, financiers and creditors
- Community relations activities
- Industry working groups
- Meetings with government and regulatory officials
- Liaising with media organisations and responding to queries.

Review materiality

We review the materiality of stakeholders' interests each year through:

- Board oversight and monitoring
- Alinta Energy Safety and Sustainability Council (AESSC) review
- Gap analysis against the United Nations Sustainable Development Goals (UNSDG), Global Reporting Initiative (GRI) standards and utility sector peers
- Feedback from stakeholders during the engagement activities shown above.

Determine outcomes

We determine the outcomes of this review which are reflected in our action to:

- Understand the risk to the business and establish our response to manage these risks
- Set or update sustainability targets
- Report progress against targets
- Update, add to and review information presented in the sustainability report
- Investigate and implement new products or projects.

Identify and prioritise

We identify key sustainability issues and rank them based on their importance to multiple stakeholder groups and their impact on our business. These issues and their relative rankings are shown in the matrix on the next page.

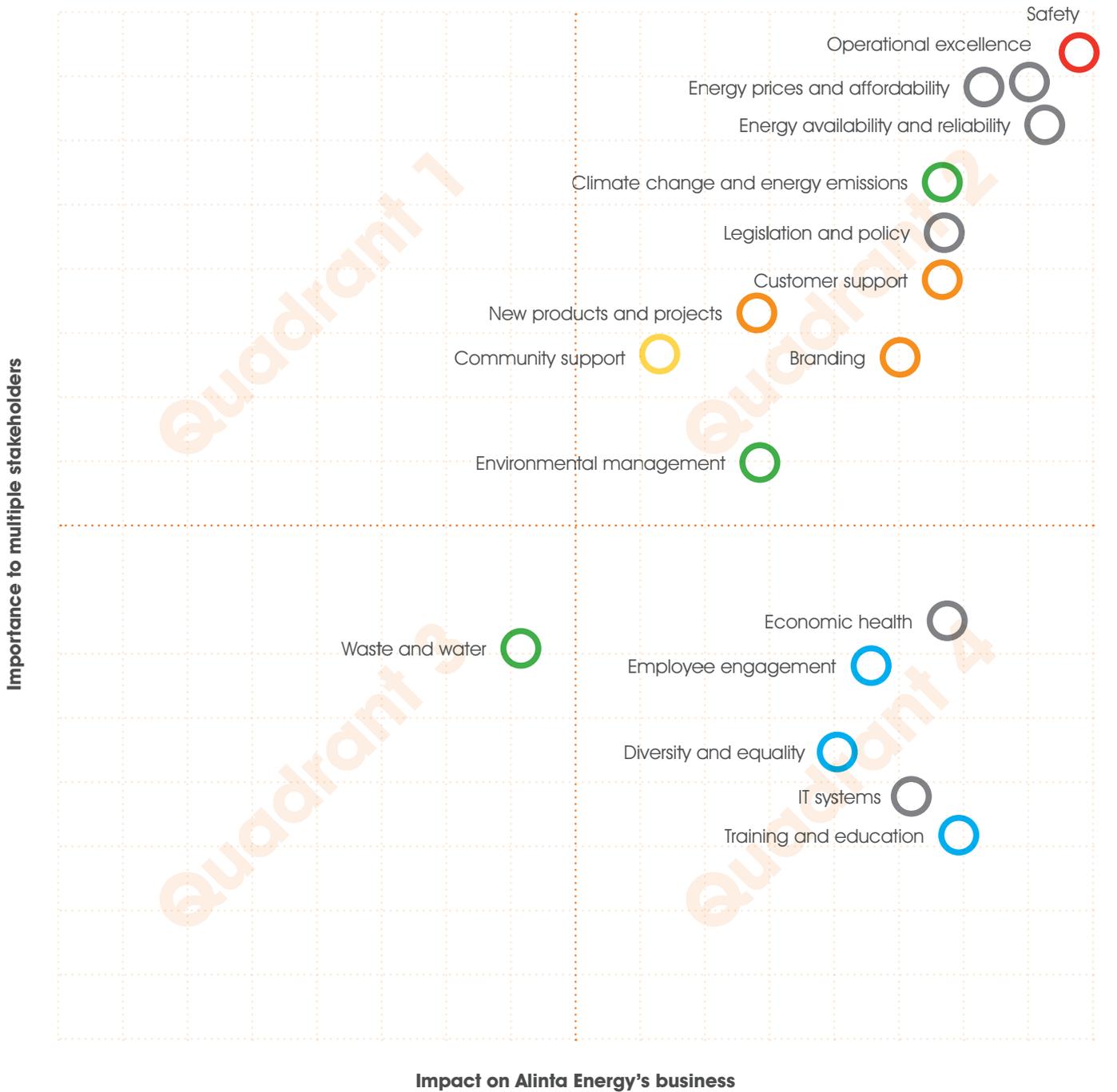
- Safety
- Energy prices and affordability
- Operational excellence
- Energy availability and reliability
- Climate change and energy emissions
- Legislation and policy
- Customer support
- New products and projects
- Community support
- Branding
- Environmental management
- Economic health
- Employee engagement
- Diversity and equality
- IT systems
- Training and education
- Waste and water.

¹⁸ A list of key stakeholders is provided in the Stakeholder Inclusiveness section on page 82.

Priority matrix

We determine material issues through a process of prioritising the interests of Alinta Energy and our stakeholders. Our key sustainability issues are mapped below and discussed in the relevant sections of this report.

Identified issues are discussed further in the relevant sections of the report.



Our Business Safety Employment Environment Our Communities Markets and Customers

Sustainability materiality assessment

Topic	Page Number
Our business	8-25
Energy prices and affordability	
Impact: Energy is an essential service which can affect everybody's day-to-day lives and financial wellbeing.	
Challenge: High energy prices affect people and businesses of all kinds but have the most drastic impact on people who are experiencing financial hardship. Energy affordability is a prominent economic and social issue. This is at the heart of our business and underpins our sense of purpose that we are determined to make energy more affordable.	
Governance: Our prices are managed by our retail business unit and take into account network charges, costs associated with environmental policies, wholesale prices and other costs.	
Performance: To put downward pressure on energy prices we are developing competitive new energy offers; entering new markets to increase competition; building, acquiring and contracting competitive energy supply; and using existing resources more efficiently.	
Energy availability and reliability	
Impact: People, businesses and communities depend on a continuously available energy supply.	
Challenge: Interruption to energy supply has a significant effect on our customers.	
Governance: We report the performance of all power stations (including their availability) internally on a weekly basis and compare it to annual targets. This information is distributed to internal decision makers and our executive leadership team. We have rigorous preventative maintenance programs to keep our generation assets as reliable as possible.	
Performance: Overall, across our seven gas-fired power stations, we met all our start reliability targets, three of our site-specific availability targets and five of our forced outage factor targets. Availabilities for Pinjarra (Western Australia) and Glenbrook (New Zealand) power stations were marginally less than their target. Our Braemar power station in Queensland did not achieve its availability target due to an outage on one of its three turbines to complete repairs required following its MXL2 upgrade and additional outage time was required on another one of its turbines to complete repairs during the MXL2 upgrade. Our Port Hedland power station in Western Australia did not achieve its availability target due to additional outage time required to complete unplanned repairs and replacements following inspections. These impacted three of the five units throughout the year.	
Economic health	
Impact: We focus on creating direct and indirect economic value for our key stakeholders.	
Challenge: The economic sustainability of our business relies on profitable operation. This depends on an efficient cost base, great service and competitive pricing. We are also conscious of the need for our industry to reduce greenhouse gas emissions by continuing to invest in lower emission generation.	
Governance: Our economic health is predominantly governed by the Board and its Audit and Risk Committee, which monitor our performance throughout the year against financial targets such as EBITDA.	
Performance: During the year, the scale of our business increased substantially due to new electricity and gas supply contracts, increased retail customer numbers as a result of competitive retail electricity usage rates, and reinvestment into our assets and people. This resulted in strong financial performance and EBITDA growth close to our target level.	

IT Systems

Impact: Our operations depend on stable and secure systems and software for functions such as customer billing, trading, asset performance and finance.

Challenge: With the rise of cyberattacks and data theft, information security is paramount. Maintaining our new and existing IT systems is also critical for ongoing business operations, while our strategy involves expanding the scale and sophistication of our IT platform.

Governance: Our information technology governance practices are outlined in our IT Security Policy. Regular secure backups of information are performed so we are prepared for any emergencies such as unplanned outages. We also have IT and assurance specialists who review the security, reliability, accuracy and completeness of our systems.

Performance: Alinta Energy's Fusion transformation program began in early 2018 and focuses on delivering tangible and sustainable improvements across our business to support improvement for our customers and our employees. This includes enhancing our core IT systems and platforms which underpin our business functions and making improvements to support future growth.

We did not receive any material¹⁹ fines or non-monetary sanctions for non-compliance with the Privacy Act during FY19. There were no notifiable data breaches, nor have we made any notifications to the Australian Information Commissioner.

Legislation and policy

Impact: We are subject to a high level of regulation across areas such as energy trading mats, pricing, safety and competition.

Challenge: Our expansion into new activities can subject the business to additional legislation and policy compliance requirements while changes in the policy environment may result in new legislation.

Governance: Changes in key legislative requirements are monitored and managed by a variety of teams across our business. This includes our regulatory and government relations team, legal team, sustainability team and individual sites.

Performance: We did not receive any material²⁰ fines or non-monetary sanctions for non-compliance with laws and regulations during FY19. Alinta Energy worked with regulators in Western Australia to address a compliance matter and is continuing to work with regulators in Victoria over another matter as detailed in the Risk management and compliance section of this report

Operational excellence

Impact: We are subject to external and internal pressures to deliver energy to our customers efficiently and with the least impact on the environment.

Challenge: We have set a target to improve the energy efficiency, and hence the emission intensity, of the fossil fuel power stations in our traded generation portfolio by 5% compared to their previous performance. We have also set targets around customer satisfaction and net promoter scores (which are discussed further in the Customer support section below) and asset operation targets (which are discussed further in the Energy availability and reliability section above).

Governance: Alinta Energy's governance programs include annual asset management strategic planning meetings, monthly annual work plan and plant condition review meetings, quarterly operational excellence meetings. Weekly and monthly performance reports are also published to provide visibility and accountability on agreed performance targets and to ensure the operation of the assets is in line with good engineering and operating practises.

Performance: Several energy efficiency projects have been implemented at Alinta Energy owned and contracted generation assets including the battery storage project at Newman, replacing an existing turbine at the Port Hedland power station with a new, high efficiency aero-derivative gas turbine, and undertaking MXL2 upgrades at the Braemar and Wagerup power stations between 2017 and 2021.

The Loy Yang B power station, which has a capacity agreement with Alinta Energy for a share of its output, completed an upgrade of its Unit 2 turbine and generator during FY19 to improve capacity, reliability and efficiency of the site with Unit 1 scheduled to be similarly upgraded in 2020.

¹⁹ Please refer to our definition of material fines on page 82.

²⁰ Please refer to our definition of material fines on page 82.

Sustainability materiality assessment

Topic	Page Number
Safety	26-33
<p>Impact: Workplace health and safety is our highest priority. A safety incident at work can change lives and have serious ramifications for our people.</p> <p>Challenge: As our business expands across new and diverse activities, this brings different types of safety risks to understand and manage. Newly acquired companies can have different safety approaches and maturity levels which need to be integrated into Alinta Energy's safe systems of work. Our approach to business changes prioritises addressing safety challenges and establishing processes to manage new risks.</p> <p>Governance: Safety is overseen by the Board and supported by executive leadership team accountability and line management responsibilities that are clearly articulated across the business. Each month, the Board receives a report on key safety and sustainability matters which is prepared by management. The Alinta Energy Safety and Sustainability Council (AESSC) meets every two months to review safety performance and share learning between divisions. We focus on maintaining a strong safety culture and delivering our safety vision of everyone, every day, every job: zero harm. This is brought to life by our three safety principles: we always stop and think, we don't cut corners and we speak up for safety. Our policies, systems and training are designed and implemented to effectively identify and manage safety risks.</p> <p>Performance: The expansion of our retail business over the last two years, including expanding field sales channels and installing geothermal air conditioning systems, have created exposure to new safety risks for this business unit, some of which are high-risk (such as drilling).</p> <p>This change in risk profile has contributed to more recordable injuries in FY19 compared to the previous two reporting periods. As a result, our annual TRIFR increased slightly (6.71 compared to a target of 5.0).</p> <p>Despite these contributing factors, our LTIFR decreased to 2.01, and we achieved our target of zero Class 1 injuries. We will continue to work towards improved safety performance, including by introducing and embedding new practices and controls and further strengthening our safety culture.</p>	
Environment	34-49
<p>Climate change and energy emissions</p> <p>Impact: We recognise the importance of our role in transitioning towards affordable and sustainable energy and reducing our impacts on the climate.</p> <p>Challenge: We operate in a complex industry where there are differing perspectives on how to balance the affordability, reliability and sustainability of our energy supply. In Australia, electricity production is the single largest industrial contributor to the country's greenhouse gas emissions, because most electricity comes from fossil fuels such as coal. There is increasing public interest in the climate change impacts associated with electricity generation and an expectation that government and business leaders will lower greenhouse gas emissions over time, while ensuring energy remains affordable and reliable. A range of energy efficiency, renewable energy and energy reliability compliance programs are implemented in Australia as described in the National government programs, policies and targets section and the State government programs, policies and targets section of this report.</p> <p>Governance: On a monthly basis, the Board receives a report on key safety and sustainability matters. This paper includes material issues relating to climate change and energy emissions.</p> <p>Performance: In October 2019, Alinta Energy achieved its target of supporting the development of 1,000MW of renewable energy by 2020, ahead of schedule. The target has since been revised and increased to 1,500MW by 2025. Progress against this target is tracked and monitored by senior management and our Capital Steering Committee. We also monitor and report our emissions to the Australian Government under the National Greenhouse and Energy Reporting Act 2007 and engage external auditors to review the accuracy of this data.</p>	

Environment**34-49****Waste and water**

Impact: The environmental impact of the waste generated, and water consumed by our business is relatively low compared to other aspects of our operations, meaning it has a lower sustainability ranking.

Challenge: Services for water and waste management are often provided by third parties, which can make it harder to obtain accurate data to monitor our performance.

Governance: Our approach to environmental governance is outlined in our Environment and Community Policy which is available to our employees on the intranet and on display at all Alinta Energy offices and power stations. Data is captured by our power stations throughout the year and reported annually in our sustainability reports.

Performance: We aim to divert as much of our waste from landfill as practical, and recycle water wherever feasible, including by finding markets for our waste materials.

Environmental management

Impact: Environmental legislation is necessary to protect our environment and communities and applies at both national and state levels, with significant fines and penalties for non-compliance.

Challenge: Environmental laws change and evolve over time, at both state and national levels.

Governance: Our approach to environmental management is outlined in our Environment and Community Policy and implemented through reporting and monitoring programs. Our event management system tracks environmental incidents and community complaints and manages incident investigations, corrective actions and community responses. Where appropriate, lessons learned from incidents are shared and communicated across the business. Any significant environmental incidents are also communicated to the Board in a monthly report from Alinta Energy management.

Performance: Alinta Energy did not have any significant environmental incidents or receive any material²¹ fines or non-monetary sanctions for breaches of environmental laws or regulations during FY19.

Employment**50-59****Employee engagement**

Impact: The success of our business relies on our ability to recruit and retain high performing people. Our People and Culture team focuses on talent, capability and culture, as prioritising these areas enables us to have highly engaged people working to achieve superior results in line with our values.

Challenge: During rapid growth, it can be challenging to maintain a consistent corporate culture as new people and acquired companies may have different ways of working.

Governance: The impact of our talent, capability and culture initiatives are monitored by an annual employee engagement survey. The results are discussed across all levels of staff and leadership and used to develop and monitor the progress of improvements.

Performance: In FY19 we achieved an employee engagement score of 7.5²², putting us close to top quartile performance. We implemented several initiatives during the year including a new induction approach, updated recognition programs and enhanced training.

²¹ Please refer to our definition of material breaches of environmental legislation on page 82.

²² In 2019 we reviewed our engagement survey approach and implemented a new provider (Peakon), along with a different measurement scale with results out of 10, rather than out of 100.

Sustainability materiality assessment

Topic	Page Number
Employment	50-59
Diversity and equality	
Impact: We aim to be accessible to many and open to new ideas that create constructive challenges and promote better decision making.	
Challenge: Compared to diverse experiences and perspectives, a workforce lacking in diversity is likely to result in inferior approaches to problem solving and potentially subpar business outcomes.	
Governance: We report our gender diversity through the annual Workplace Gender Equality Agency survey to the Australian Government. We have mechanisms in place to confidentially investigate and address any reports of inappropriate behaviour, including an independent whistleblower hotline operated by Deloitte and an employee assistance program to support people confidentially with challenges at or beyond the workplace.	
Performance: All reported incidents of discrimination are taken seriously, documented and investigated. We continued to investigate and resolve workplace incidents during the year, none of which related to diversity or discrimination. This is supported by having a diverse workforce, where people are respected and rewarded regardless of gender, age, disability, culture, religion, caring responsibilities or sexual orientation.	
In FY19 we had strong gender representation, with women comprising 39% of our workforce. This is higher than the average for the energy industry, which is at 29% ²³ . We also had a strong ratio of promotions awarded to women at 47%, which shows gender equity and exceeds our overall female representation level.	
We also achieved equal gender pay, evidenced by the average market position being the same for both males and females. In addition, we launched a new parental leave toolkit as an additional support mechanism for families and improved our support for domestic violence. Further to this, we launched new One Alinta Essentials training covering harassment and discrimination.	
Training and education	
Impact: We are committed to helping our employees gain and maintain the knowledge and skills to deliver superior value for our stakeholders and make Alinta Energy the best energy company.	
Challenge: Without developing our employees, they may not feel valued, engaged or equipped to grow in their roles. Appropriate development is also important as part of succession planning.	
Governance: We have introduced a learning and development framework to assist our people through a combination of experiences, exposure and education. We provide a range of internal training programs and support employees to undertake studies related to their careers with us. Employee feedback is sought and reviewed through our annual engagement survey process.	
Performance: During the year we launched the second phase of our e3 leadership development program for executives, senior leaders and people leaders. The program was also expanded with a new element for emerging leaders. We also introduced new management essentials learning and a learning management system.	
Our communities	60-65
Community support	
Impact: Our energy facilities provide employment and business opportunities in regional communities. It is important to us to be good corporate citizens, particularly among the communities that depend on us and for people in vulnerable circumstances.	
Challenge: There are growing expectations of organisations to maintain their social licence to operate. There are also many worthy causes and it can be challenging to determine which charity organisations to support when so many of them do valuable work.	
Governance: Community governance is outlined in our Environment and Community Policy and monitored by the Board.	
Performance: We give back to the community through donations, fundraising and volunteering our time. This year our people volunteered over 450 hours with a variety of organisations. We provided over \$350,000 in FY19 through corporate sponsorships, community development programs and charitable donations.	
During the year, the Alinta Energy Executive Leadership Team approved the establishment a formal community development program, through which we will invest \$500,000 a year for five years, representing a total investment of \$2.5 million. This program is currently being developed and will formally commence in early 2020.	

23 2019 NRG HR Practices and Benchmarking Survey

Markets and customers**66-79****Customer support**

Impact: Ensuring customers have a positive experience and offering affordable energy products underpins Alinta Energy's vision to be the best energy company.

Challenge: Trust is vital to customer-centric organisations. A variety of changes in government policy and associated media reports during the year have made it challenging for businesses to communicate effectively with their customers.

Governance: Our customer service team speaks with households every day to understand their circumstances, help them access more affordable energy and maintain supply if they are in financial difficulty. We provide ongoing training and monitoring at our call centres to help service representatives meet our customers' needs. We also review monthly NPS, customer satisfaction scores and Ombudsman complaints to assess the effectiveness of our customer service and support.

Performance: In FY19, we exceeded our NPS targets in both the East and West Coast retail energy businesses with +62 and +71 respectively (FY19 targets: +43 and +65). We also achieved 89% for our East Coast customer satisfaction score (FY19 target: 79%) but were slightly below our target on the West Coast with 92% (FY19 target 93%). Overall, our performance showed marked improvements compared to the previous year.

New products and projects

Impact: Openness to innovation and technology enables us to evolve with our changing industry, capitalise on new growth opportunities and expand our business. We aim to invest in technologies, products and projects that benefit our new and existing customers.

Challenge: New businesses and products generally have higher levels of risk and establishment costs, especially projects associated with commercialising new technologies.

Governance: Developing new customer and household products is the responsibility of our Retail Markets group. New retail technologies undergo a rigorous due diligence process managed by a dedicated new energy team.

Our Merchant Energy business unit is responsible for new large-scale renewable projects, including negotiating agreements and managing construction. There is a robust process to review proposed capital expenditure associated with new generation facilities, which is managed through our Capital Steering Committee.

Performance: During the year our new energy team focused on supporting research and development, seeking external support for our geothermal business, exploring better retail products for our solar customers, exploring demand response opportunities, preparing for the uptake of electric vehicles, and alternative retail models for community networks and similar schemes.

The Merchant Energy team pursued opportunities to support new renewable capacity, which resulted in Alinta Energy achieving our target of supporting the development of 1,000MW of renewable generation by 2020 in October 2019 (shortly after the end of the reporting period).

Branding

Impact: Alinta Energy's brand is a public reflection of our reputation and integrity. We aim to enhance our brand value by being accountable, transparent, honest, straightforward and innovative.

Challenge: Our brand and reputation are influenced by many factors including our products, customer service, public image, electricity reliability and availability, safety and environmental performance and our social licence to operate. Some factors that may influence our reputation are outside our control, such as the behaviour of competitors and changes to government policy.

Governance: We review our external communications to ensure they are honest, fair, easy to understand, consistent and comply with laws and regulations.

Performance: Our brand is brought alive by every member of the Alinta Energy team. During FY19 we communicated our activities through our website and publications.

Our four-year sponsorship of Cricket Australia supports an iconic sport from the elite level through to grassroots teams, while increasing our brand awareness at a national level.

Alinta Energy's commitment to transparency and accountability is reflected in our ongoing voluntary publication of our sustainability report and application of globally recognised sustainability reporting principles.

Independent Assurance Practitioner's Limited Assurance Report on the 2019 Sustainability Report to the Directors of Alinta Energy Pty Ltd

We have undertaken a limited assurance engagement relating to the selected Sustainability Performance Indicators detailed below (the 'Subject Matter') presented in Alinta Energy Pty Ltd's ('Alinta Energy') Sustainability Report for the year ended 30 June 2019 ('2019 Sustainability Report'), in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been reported, in all material respects, in accordance with the reporting criteria described in the table below ('Reporting Criteria').

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2019 is as follows:

Sustainability Performance Indicators	Reporting Criteria	Page Reference
Total recordable injury frequency rate ('TRIFR') and Lost time injury frequency rate ('LTIFR')	GRI 403-2 2016	P.2, 6, 28, 90
Group underlying EBITDA	Alinta's 2019 Sustainability Metrics Definitions and related internal policies and procedures	P.6, 25
Fuel energy used for Australian power generation (GJ)	GRI 302-1 2016	P.42
Scope 1 greenhouse gas emissions from Australian power generation (tCO ₂ -e)	GRI 305-1 2016	P.7, 42
Emissions intensity of Australian power generation (tCO ₂ -e/MWh)	GRI 305-4 2016	P.7
Alinta Energy Pty Ltd's Emission Intensities compared to State Emission Intensities (tCO ₂ -e/MWh)	GRI 305-4 2016 and Alinta's 2019 Sustainability Metrics Definitions and related internal policies and procedures	P.7
Number of material fines or non-monetary sanctions for non-compliance with the Privacy Act	GRI 418-1 2016	P.75, 91
Number of material fines or non-monetary sanctions for non-compliance with laws and regulations	GRI 418-1 2016, GRI 206-1 2016, GRI 417-3 2016, GRI 307-1 2016 and Alinta's 2019 Sustainability Metrics Definitions and related internal policies and procedures	P.23, 91
Number of confirmed breaches or incidents of discrimination	GRI 406-1 2016	P.93

East and West Coast retail business customer satisfaction and net promoter scores	Alinta's 2019 Sustainability Metrics Definitions and related internal policies and procedures	P.4, 69, 94
Availability of operational power stations	EU30 2013	P.13, 16
Number of material fines or non-monetary sanctions for non-compliance with Australian Consumer Law	GRI 417-3 2016	P.75
Direct economic value distributed	GRI 201-1 2016	P.24
Number of environmental incidents causing material environmental harm	GRI 307-1 2016	P.36, 46, 92
Progress towards renewable energy target	Alinta's 2019 Sustainability Metrics Definitions and related internal policies and procedures	P.36, 43
Number of material fines or non-monetary sanctions for non-compliance with environmental laws and regulations	GRI 307-1 2016	P.46, 92
Quantity of fly ash sold and Quantity of solid waste to landfill	GRI 306-2 2016	P.47
Water by source, usage and discharge category (ML)	GRI 303-1 2016	P.47
Employee and governance bodies' information and composition statistics	GRI 405-1 2016	P.54, 56, 93
Value of community contribution via corporate sponsorships, community development programs and charitable donations	GRI 201-1 2016	P.64
Combined East and West coast average retail business complaints made to the ombudsman per 1,000 customers per month	Alinta's 2019 Sustainability Metrics Definitions and related internal policies and procedures	P.70

Responsibilities of management

Management of Alinta Energy is responsible for:

- Ensuring that the Subject Matter is properly prepared and presented in accordance with the Reporting Criteria
- Confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information
- Designing, establishing and maintaining internal controls to ensure that the Subject Matter is properly prepared and presented in accordance with the Reporting Criteria.

Assurance Practitioner's Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been reported, in all material respects, in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and consisted primarily of:

- Interviewing respective Sustainability Performance Indicator data owners to understand and assess the approach for collating, calculating and reporting respective Sustainability Performance Indicators across the 2019 reporting period, including conducting a site visit to Bairnsdale
- Undertaking a sample of detailed walkthroughs of key systems and processes used / relied upon to compile the Sustainability Performance Indicators for the 2019 reporting period
- Assessing the supporting process documentation developed to support the collation, calculation and reporting process in accordance with Alinta Energy's policies and procedures
- Completing analytical reviews over material data streams to identify any material anomalies / gaps for selected Sustainability Performance Indicators and investigate further where required
- Agreeing overall data sets for selected Sustainability Performance Indicators to the final Alinta Energy data contained in the 2019 Sustainability Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter has been reported, in all material respects, in accordance with the Reporting Criteria.

Inherent Limitations

There are inherent limitations in performing an assurance engagement - for example, assurance engagements are based on selective testing of the information being examined - and it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the year that is the subject of the engagement and the procedures performed on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

The procedures performed in a limited assurance engagement vary in nature from, and are narrower in scope than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than that in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the agreed selection of Performance Indicators disclosed in the 2019 Alinta Sustainability Report have been reported, in all material respects, in accordance with the GRI Standards, the EU Disclosures and related internal sustainability policies and procedures.

Limitations of Use

This report has been prepared for use by Directors of Alinta Energy for the purpose of assisting the directors of Alinta to report their Sustainability Performance Indicators in their 2019 Alinta Sustainability Report.

We disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors of Alinta Energy, or for any purpose other than that for which it was prepared.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the agreed selection of Performance Indicators disclosed in the 2019 Alinta Energy Sustainability Report have not been reported, in all material respects, in accordance with the GRI Standards, the EU Disclosures and related internal sustainability policies and procedures.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



PR Dobson
Partner
Sydney
31 October 2019

Report feedback

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

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