ALINTA ENERGY SUSTAINABILITY REPORT 2023/24

Alinta Energy Pty Ltd ABN 64 614 975 629

Renewable Energy Investment Fund Pty Ltd ABN 85 624 371 259



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Acknowledgement of Country

In the spirit of reconciliation, Alinta Energy acknowledges the Traditional Custodians of the land on which we live, work and conduct our business operations. We acknowledge the continuing connections of Aboriginal and Torres Strait Islander Peoples to Country and community. We pay our respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander people.

INTRODUCTION

Bist

 88 W51

Alinta Energy at a glance

(at 30 June 2024)



50% women, **50%** men, **<1%** non-binary* **1.07 million** customers

 Figures covered by KPMG limited assurance. See pages 82–83 for further information.

Vision, purpose and values

Vision

To be the best energy company.

Purpose

We're determined to make energy better.

thermal power stations (owned, operated or contracted)



5 solar farms (contracted)

1 large scale battery (under construction)

2,988 MW operational capacity across Australia and New Zealand

922 MW operational or committed renewable energy and storage capacity*

\$4.64 billion revenue.\$656 million EBITDA.

Values

Our values underpin everything we do.

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

People matter

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

1A One Alinta

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

Respect & Integrity

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

Customer Focus

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

Commercial Leadership

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



FY24 performance summary

(at 30 June 2024)

Planet

Greenhouse gas emissions

- Safety
- 690,927 tCO₂₋₀ Scope 1 greenhouse gas emissions*.
- 1,416 tCO₂₋₀ net Scope 2 greenhouse gas emissions.
- 16,320,290 tCO2 Scope 3 material greenhouse gas emissions.
- Our net Scope 1 emissions intensity was only slightly above (0.06 tCO₂₋₂/MWh) our FY25 target¹ (page 26).
- 75% of our total Scope 2 emissions were offset using ACCUs (page 27).

Clean energy investment

- 27% increase in our renewable energy pipeline (from 5,865 MW to 7,422 MW).
- 77 MW (8%) decrease in renewable energy generation and storage capacity^a (operational and committed)*.

* Figures covered by KPMG limited assurance. See pages 82-83 for further information.

This was mainly due to the sale of our Pilbara assets in November 2023, which have not been included for the entire year.

People

 Total recordable injury frequency rate (TRIFR) of 2.64, which is below our target of 3 (page 39)*.

Customer satisfaction

86% customer satisfaction nationally

(page 50). (consisting of 90% west

+51 Net Promoter Score nationally

(page 50). (consisting of +66 west

ombudsman complaints - 0.013

west coast* and 0.306 per 1.000

complaints per 1,000 customers on

customers on east coast* (page 51).

First Good Design Awards green tick

award, and our second Canstar Blue

Most Satisfied Customers Award for

small business electricity (page 50).

>\$14 million provided through our

payment support scheme, applied

across 11,000 accounts (page 51).

Launched our first Reconciliation

Training needs analysis and learning

awareness for our people (page 46).

strategy developed for cultural

First Nations reconciliation

Action Plan (page 55-56).

Customer support

coast* and 85% east coast*)

coast* and +48 east coast*)

Maintained very low levels of

- Zero Class 1 injuries (page 39).
- Achieved all safety performance targets for FY24 (page 39).
- 886 safety value adds implemented (page 41).

Gender equity

- Proportion of women in management steady at 37% (page 44).
- 52% of promotions to women (page 43).
- -0.4% gender pay equity gap for comparable roles, achieving our new target for this to be below 1% (page 43-44).

Prosperity

Value distributed to our stakeholders

- \$204 million in wages and benefits to our employees (page 60).
- \$387 million payments to government (income tax, payroll tax and fringe benefits tax).
- 227 staff volunteered for community activities in paid time.
- \$501,502* in community grants and targets, plus \$61,142 for Yandin wind farm community fund (page 60).
- Supported over 400 small businesses nationally.
- \$208 million contributed to the Australian small business community.
- Over \$1 million spent on First Nations businesses.
- 95.1% of invoices paid within 30 days, confirming our commitment to supporting small businesses.
- \$108 million spent on maintenance CAPEX to ensure energy system reliability.
- \$137 million spent on growth CAPEX to invest for the future.

From our MD and CEO

Confronting challenges head-on

FY24 was a tough year for many Australian households. For the energy sector, a number of factors, including the closure of some coal-fired power stations and an extended period of low renewable generation in parts of Australia, impacted power prices and the balance between affordability, sustainability and reliability.

Households continued to struggle in the cost-ofliving crisis, to which we have responded by boosting our payment support. This takes the form of payment matching, debt waivers and other support mechanisms – to an all-time high of more than \$14 million during FY24.

I spoke about this, and other challenges at the National Press Club in April 2024. We've always been open to discussing the difficult truths and challenges related to the transition in a constructive way, which is exactly what I aimed to do in that speech. Please see pages 16–18 for a summary to find out more, or you can watch the whole address on <u>our website</u>.

In this report, we maintain this approach, openly addressing the challenges to reduce our emissions intensity this year. It was a period when our thermal generators operated flat-out to make up for times when intermittent renewable generation was low.

It's also why we launched a new brand campaign, True Power[™], during the year. It makes good on our promise to be honest about the energy transition and help customers make well-informed decisions to obtain value for money.

Operating safely and reliably

While the external environment has been exceptionally challenging, I have never been prouder of our contribution – especially our safety results and the reliability of our generation fleet. During the transition to new forms of energy supply, it is critical for existing ageing coal generators to maintain high levels of availability and reliability prior to closure².

Once again, we achieved excellent safety results with zero Class 1 injuries and meeting our ambitious targets for reportable injuries. We stay committed to embedding safety within our culture, and proactively monitoring the risk of complacency as part of our strong performance.

The diligent maintenance of our generation fleet delivered another year of high reliability and performance across the board. Our Yandin wind farm remains one of Australia's top performers. Assets like our Braemar power station in Queensland were able to run in times of need. And we were proud to be associated with contracted assets like Loy Yang B, which maintained its industryleading low outages and high availability factor. This is a result of the excellent work of many people across the company, backed by the investment in the asset and its maintenance over time.

Committed to sustainability and community

We made great progress across our project development pipeline this year. Construction got underway on our 100 MW Wagerup battery and we received development approval for another 100 MW battery at the site. We found an excellent co-developer, JERA Nex, for the 1 GW+ <u>Spinifex offshore wind farm</u> project in Victoria. JERA Nex is a company created by JERA, Japan's largest energy company, to scale renewable energy. JERA Nex acquired Parkwind, the leading Belgian offshore wind developer, in July 2023, broadening its global focus and expertise. We also submitted the Environmental Impact Statement for our 900 MW <u>Oven Mountain pumped hydro project</u> in NSW, among other milestones.

There were plenty of other great moments this year, including launching our first <u>Reconciliation Action Plan</u>. In doing so, we entered the 'reflect' stage of the process and are grateful to have been able to listen and learn from a variety of First Nations voices to increase our knowledge and understanding in this space. We were proud to support and collaborate with community partners, The Salvation Army, Foodbank and Conservation Volunteers Australia. They all do an amazing job giving practical support to people doing it tough and caring for our environment.

I would like to take this opportunity to thank the teams at our power generation sites, call centres and offices, and show appreciation for great work they do to make a difference.

And finally, I want to extend my deepest thanks to our customers. Their continued support reinforces our commitment to make energy better and are the reason we are determined to be the best energy company.

As always, we would love your feedback on our report and how well it meets your own needs and interests. Contact details are listed on the last page of this report.

What we do

Alinta Energy is one of Australia's largest energy providers, with the capacity to deliver close to 3,000 MW of power. We supply gas and electricity to around 1.1 million homes and businesses. Our customers and operations span mainland Australia and we also operate a power station in Glenbrook, New Zealand.

Our headquarters are in Sydney, with offices in Perth, Melbourne, Morwell (Victoria) and Adelaide. Our other sites are illustrated on the following page. Our main activities include:

Generation

We own, operate, develop and invest in power stations, wind farms and solar farms.

Storage

We own, operate, develop and invest in energy storage facilities such as batteries.

Gas Transmission

We own a gas pipeline in Queensland.

Energy retailing

We sell electricity and gas to large and small customers across the country.

Our generation capacity

The total capacity across all our generation facilities at 30 June 2024 was 2,988 MW. This reflected a decrease of 549 MW from FY23. This is because we sold our Pilbara assets in November 2023, reducing our generation capacity by 549 MW. This will contribute to funding major new generation infrastructure, including renewable energy, which is currently being planned and under development. Our total capacity is made up of:

Owned and operated generation

Energy from facilities we own, part-own or operate. This excludes other generation facilities owned by subsidiaries of our parent company, Pioneer Sail Australia, that are outside the Alinta Energy group. It applies the definition of operational control under the National Greenhouse and Energy Reporting (NGER) Act.

Contracted generation

Energy we buy from entities outside the Alinta Energy group under wholesale contracts associated with plant capacity. This includes the Loy Yang B power station, as well as a range of renewable energy facilities. The stated capacity of our contracted generation excludes financial derivatives (such as swaps and caps) and contracts to buy electricity (such as our joint venture with CS Energy in Queensland), as we do not control a proportion of these facilities' capacity.

Renewable energy is approximately a quarter of our total generation capacity (790 MW) as shown. We are committed to continuing to increase our renewable energy capacity and discuss our approach to doing this on page 24–25.

Operating capacity split at 30 June 2024



Emissions from our owned and operated generation facilities (scope 1 emissions) are shown on page 20. Material scope 3 emissions, shown on page 21–22, include those associated with our contracted generation capacity.

Power station performance

We measure our power stations' performance against targets for availability, start reliability and forced outages. These factors are all important for grid stability. As the proportion of intermittment renewable energy in the grid increases and fossil fuel powered plants are used more sporadically, start reliability is overtaking availability in terms of importance.

Our start reliability performance in FY24 was excellent, with all targets met. Start reliability is important because in periods where solar or wind generation is low, gas generation that can start quickly and reliably is able to meet electricity demand in those periods.

Availability targets are set based on planned outage and upgrade activities. Our availability performance in FY24 was also strong. We met our availability targets for all sites except Glenbrook power station (NZ) and Yandin wind farm (WA). Glenbrook had a –1.3% shortfall, mainly due to unplanned outages on two boilers while repairs were conducted. Yandin missed its target by 3.9% due to downtime attributed to failure of gearbox torque arm bushings, blade bearings and high-voltage grid outage.

Site-specific availability results are shown in our online data centre.



Owned and operated

Owned/part owned but not operated

Contracted renewable assets

Owned/part owned and/or operated renewable assets

Contracted/part contracted

Governance and risk management

Ownership

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

CTFE is a family-owned business which operates in multiple countries globally.

Pioneer Sail Australia also owns Latrobe Valley Power (Holdings) Pty Ltd (Latrobe Valley Power), which operates the Loy Yang B power station in Victoria. Alinta Energy has a capacity agreement to purchase a share of Loy Yang B's output, which is reflected in the contracted energy generation information in this report.

Alinta Energy and Latrobe Valley Power have separate boards, each chaired by independent non-executive directors. Loy Yang B prepares a separate sustainability report which is available on its <u>website</u>.

Board and committees

Our Board is made up of nine members. We have three independent non-executive directors including the Chair, five non-executive directors, and our Managing Director / Chief Executive Officer. Directors' profiles are available on our website.

The Board has primary responsibility for our governance. It approves our overall strategy, monitors its implementation and oversees our operations. Day-to-day authority to run the business is delegated to our MD and CEO. We have three Board committees that oversee specific operational and risk issues. They provide additional governance across these areas and update the Board regularly:

- Environment, Sustainability and Community
 Committee
- Audit and Risk Committee
- People, Remuneration and Benefits Committee.

Risk management and compliance

Our enterprise-level risk and compliance management systems are mature and have been approved by our Board. These systems follow a holistic, systemic approach to identify and assess risks, design and implement controls and monitor their effectiveness. Alinta Energy's Enterprise Risk Management Framework (ERMF) is aligned with the standards AS/NZS ISO 31000 and the Committee of Sponsoring Organizations' Enterprise Risk Management – Integrated Framework (COSO II).

Climate-related risks were officially incorporated into the ERMF during the FY23 Task Force for Climate-related Financial Disclosures (TCFD) process. Given Alinta Energy's focus on decarbonisation in recent years, many of the transitional and physical risks identified were already being managed in Alinta Energy's ERMF process.

We classify risk as financial, strategic, operational or reputational. Each risk is assessed against consequence and likelihood rating criteria. Business units prepare risk reports which include current, new and emerging risks and the progress of mitigating actions. This happens twice a year and follows a bottom-up process to support accountability for risk with a review by business leaders. Divisional risks are reported to the Board and its Audit and Risk Committee. We use an overarching governance, risk and compliance platform, which is well embedded operationally across the business. Our compliance management system contains multiple strands, including sustainability compliance and reporting, health and safety, environment, modern slavery, retail markets, regulatory compliance, merchant energy, power generation and asset management, information security, and privacy and information management.

Alinta Energy has a comprehensive insurance program, including policies that cover property damage, business interruption, combined liability and directors' and officers' liability. We maintain insurance policy deductibles and limits at levels we believe are adequate, reasonable, consistent with our risk profile and align with industry practice. We engage directly with our insurers on a regular basis to understand their objectives and to communicate our decarbonisation strategy.

Thorough planning is undertaken to eliminate or minimise interruptions from events that could affect the ability to operate, including natural disasters like bushfires, cyclones, and changing weather patterns. Our operating facilities have site-specific emergency response plans that include details such as contact numbers, alarm procedures, authority notifications, initial response protocols, roles and responsibilities, emergency equipment, communication guidelines, drills, training, and post-incident recovery. A corporate crisis management plan is also in place for emergency situations. These are reviewed at regular intervals.

During FY24, we laid the foundations for an elevated approach to managing modern slavery risks in our supply chains with new supplier due diligence and screening software. More details are provided on page 58.

Risks to our IT systems, particularly relating to cybersecurity, remain a major area of focus. More details on our cybersecurity response are included on page 52.



In conversation with Tony Howarth, independent non-executive director and Chair of the Alinta Energy Board

It is not an exaggeration to describe Tony Howarth as something of a father figure to Alinta Energy. He's served on our Board since 2011 and been its Chair since 2020. He also has the distinction of being our Chair once before, two decades ago, shortly after we were first formed by Western Australian Government's split and privatisation of the State Energy Commission. Tony oversaw the public float of Alinta Gas back in 2000, before retiring some years later as part of the board's renewal.

As a non-executive director, Tony has been a board member of some of Australia's best-known companies, including Wesfarmers and Bank of Queensland. It follows his 35-year career in banking, which began when he left school to work at the local branch of the Rural Bank of NSW (later State Bank of NSW) in Bathurst, where he grew up. After completing his studies in accounting, he quickly rose through the ranks and spent time managing the bank's offshore branches in London and New York.

After moving to Perth to become CEO of WA local regional bank, Challenge Bank, Tony guided the organisation through its sale to Westpac and the local integration process. Intending to only stay a few years, his family quickly fell in love with Western Australia's thriving innovative spirit and, more than 30 years later, is firmly ensconced. Asked whether he regrets not pursuing a career in either of his two passions of his teenage years, rock music and sports, Tony laughs and says he lives by the philosophy that you don't worry about the things you didn't do, because you'll never know what the outcome would have been. He adds:

'...your responsibility is to take the decisions which you think are the right ones for you and make them work and own them.'

It's a surprise to learn that he finds wisdom from sources as diverse as Yogi Bear, from whom he likes to quote: 'When you come to a fork in the road, take it'. Tony notes that Yogi's success comes from wrapping reflective philosophical thinking in humour.

They say you can take the boy out of the country, but the down-to-earth nature this upbringing instils has never left him. Nor, he recalls with a laugh, did his mother let him get too big for his boots. After being flattered to learn he was to be awarded an Order of Australia in 2002 for services to business and the community, he shared the news with his parents, only for his mum to remind him, 'Your cousin's already got one of those.'

Tony's belief in honesty, integrity and responsiveness guides his leadership of Alinta Energy. Amid increased scrutiny of the role of boards, he maintains that it's more important than ever to focus on these qualities:

Let's focus on doing the things that are in our control and do them excellently.

To this end, Tony notes that the challenge facing the energy sector overall resembles a three-legged stool. All three legs – sustainability, affordability and reliability – must be strong for the stool to stand. Achieving two out of the three isn't so hard, but all three at once is a more complex process. Compounding the challenge, reliability is impacted by the entire energy ecosystem rather than being within the control of any one specific organisation.

Tony is a strong subscriber to the importance of solid foundations in business, which position it for growth when opportunities arise. He highlights the need for systems which meet the regulatory expectations, solid data platforms, and processes to run the business well.

Continuing Alinta Energy's strong growth trajectory, Tony says, will rely on being shovel-ready to respond to opportunities as they arrive, and able to move more quickly than our competitors.

Having lead publicly listed and private companies over many years, Tony observes that Alinta's Board and owners are on the same page when it comes to shaping our proactive participation in Australia's energy market transition. He is optimistic about the ability of Alinta Energy's strong management team, guided by the Board and the ongoing support from the owners, to continue to grow the business and realise its bold future ambitions.



Tony (right) with his former band, Alama.

Business structure and leadership

Alinta Energy is made up of eight business units whose leaders form our executive team and report to our MD and CEO.

We were delighted to welcome Sarah McNamara to our team in May 2024. Sarah has an extensive history in government relations and public affairs and was the CEO of the Australian Energy Council before joining us.

During the year, Daniel McClelland moved into a new role as Executive Director, Program Delivery to grow our business by investigating and negotiating potential partnerships, acquisitions and investments. In August 2024, Chris Campbell moved from Trading and Portfolio Management to head up our Retail Markets team, and his former portfolio was absorbed by Ken Woolley's expanded business unit now renamed to Merchant Energy.

Further information about each of the business units is available on <u>our website.</u>



Jeff Dimery Managing Director and Chief Executive Officer



Vince Nicoletti Chief Financial Officer



Daniel McClelland Executive Director, Program Delivery



Simone Carroll Executive Director, People & Culture



Ken Woolley Executive Director, Merchant Energy



Chris Campbell Executive Director, Retail Markets



Sarah McNamara Executive Director, Corporate Affairs, Sustainability and Governance

Nick Smith Executive Director, Information Technology

Our approach to sustainability

We use the triple bottom line interpretation of sustainability which encompasses the environment (planet), society (people) and the economy (prosperity). Sustainability occurs where all three overlap and are in balance.

Alinta Energy's Board oversees our sustainability strategy, progress and performance, as well as risk and compliance more broadly. The Board's Environment, Sustainability and Community Committee primarily assists it in this role.

Our strategic approach to sustainability is led and supported by the national safety, sustainability and insurance team. They work closely with other teams across the business who share overlapping responsibilities including power generation, asset strategy, government and regulatory affairs, legal, governance and audit, risk, procurement, and strategy and planning.

Sustainability compliance and continuous improvement are embedded across the business with input from the national team. Many project-specific sustainability initiatives are driven by diverse staff in teams across the business. Large project teams have their own dedicated environmental planning and compliance staff.

As the number of people across the business with sustainability, environmental, community and safety responsibility grows, we are introducing new ways to collaborate and learn from our shared insights. For example, this year we set up a community of practice for all staff with environmental, sustainability or community engagement expertise (see page 41 for more). Management committees provide further oversight, advice and consultation on areas that affect sustainability. They include:

- Safety and Wellbeing Council
- Wellbeing Committee
- Climate and Decarbonisation Working Group
- Capital Steering Committee
- Energy Risk Management Committee
- Modern Slavery Working Group
- Reconciliation Action Plan Working Group
- Office Safety Committees
- Community Development Committee
- Security, Architecture, Data and Infrastructure Review Committee
- Information Governance Committee
- Cybersecurity Committee

Sustainability strategy

Alinta Energy's 5-year plan articulates how we intend to achieve our purpose to make energy better. It includes our key strategic goals and the investments and enablers that support their delivery.

Our 5-year Environmental, Social and Governance (ESG) strategy complements our wider business strategy and integrates sustainability as a central element. It comprises 13 specific commitments (see right).

Our approach and progress to meet these commitments are discussed in this report and our previous sustainability reports, which are available on <u>our website</u>.

♀ Environmental

- Commit to no new coal assets
- Invest in clean energy technologies
- Help customers transition to renewables and storage
- Establish and meet our emission reduction targets in line with our pathway to net zero

😲 Social

- Ensure a safe and healthy workplace
- Contribute and engage with our local communities
- Support diversity and inclusion across
 the organisation

Governance

- Contribute to new ESG policy development
- Comply with existing ESG obligations whether legislative or contractual
- Establish a Board Environment, Sustainability and Community Committee
- Establish key management committee to oversee ESG
- Publish annual sustainability reporting
- Maintain an enterprise compliance framework

PLANET

Managing our environmental impacts

As an energy company, by far our largest environmental impact is caused by the emission of greenhouse gases. A materiality assessment we conducted in early 2024 confirmed that our stakeholders also see it as our most significant environmental issue.

Decarbonisation initiatives are where we have the greatest leverage to achieve positive change, and is where we allocate most of our time, capital, and effort to reduce our environmental footprint. This is a journey we have been on for more than a decade now. We describe our approach, our performance data and showcase our work to increase our renewable energy portfolio in detail in the following pages.

In FY23, we published a standalone Task Force on Climate-related Financial Disclosures (TCFD) report, and we include an update for FY24 on pages 25–30.

More detailed data can also be obtained from our <u>online</u> <u>data centre</u>. We are actively preparing for the introduction of mandatory climate-related financial disclosures in Australia in FY26. Our other environmental impacts are considerably less significant than climate change in terms of their magnitude or severity. We describe them, and actions we take to minimise them, on page 36.

We are strongly committed to fulfilling our environmental responsibilities and adhere to national, state and local laws and regulations. Across Australia and New Zealand, our operations comply with specific requirements, including permits, licences and consents.

Site managers oversee compliance, reporting incidents and corrective actions through our event reporting system. Governance is provided by the board, whereby material incidents are reported and discussed.

We had no material environmental incidents during FY24. There were also no material fines, non-monetary sanctions or cases brought through dispute resolution mechanisms or the courts for environmental noncompliance. For a definition of material environmental incidents or fines, see page 77.

Our <u>Environment and Community Policy</u> outlines our commitment to environmental protection, climate change response and minimising adverse impacts on communities and ecosystems.



Our transition to renewables continues

Alinta Energy continues to play a significant role in Australia's transition to renewable energy. This is essential to reduce the extent of climate change from burning fossil fuels.

Selling our Pilbara assets in November 2023 meant we lost some of our renewable energy infrastructure, including the Chichester solar farm and Newman battery. However, the deep knowledge gained from their development endures. The sale has liberated funds which will contribute to developing new renewable assets and accompanying assets required for firming. We are also keen to share knowledge with our customers, helping them reduce their carbon footprints.

In addition to the top performing Yandin wind farm and the power purchase agreements in place with numerous solar and wind farms, we have significant new infrastructure in our development pipeline.

We are building a 100 MW battery at Wagerup in WA (described on page 35 and due to be complete by mid 2025) and have received development approval to build a second battery there. We are also delighted with the progress of our two most significant renewables projects: the 1 GW+ Spinifex offshore wind farm project (see page 33) and the 900 MW Oven Mountain pumped hydro project (page 34). These projects, if constructed, would contribute significantly to reducing our carbon emissions and those of Australia as a whole. Their major scale would contribute to our emission reduction targets in a sudden step-change once they reach final investment decision.

Our total pipeline of renewables and storage development is approximately \$10 billion. There is a wide range of potential projects, including onshore and offshore wind, batteries and hydro storage, under feasibility assessment and planning. Despite extensive upfront investment and effort, we know that not all of them will come to fruition. That's why a wide pipeline of options is essential.

We don't typically report on projects in our pipeline until they get closer to a final investment decision. However, we are pleased to share our progress this year in planning another wind farm close to our Yandin wind farm in WA. It's been named the Marri wind farm, acknowledging the iconic Marri trees found in the region (pages 31–32).

The risks and complexities of such major projects, in a shifting political and physical landscape, cannot be underestimated. Projects can take more than a decade to plan, consult and construct. As documented in a range of materials prepared the market operator, the Australian Energy Market Operator (AEMO), project costs and delivery dates are being adversely affected by factors such as supply chain constraints, shortages of skilled labour and social licence concerns³. These delays are emerging as material risks to the delivery of transmission, generation and storage projects in the Australian market⁴.

We operate as part of a wider energy market, bound by regulatory requirements and obligations which affect how we develop and operate our own infrastructure. This is necessary to support wider grid stability and reliability. The effects of this translate to our emissions data. This year, for the first time since we set our target to reduce our greenhouse gas emissions intensity by 40% by 2025, our trend of steady decline has reversed. This largely related to the changing regulatory market in Western Australia, resulting in us using our Wagerup gas-fired power station more intensively, explained on page 26. While this resulted in an increase in our greenhouse gas emissions, it helps to decarbonise WA overall, as Wagerup has a relatively low emissions intensity compared to the other generators that would have supplied the energy, which will improve further as our batteries are built.

We continue to weigh up our portfolio to balance the sustainability imperative with continuing to deliver energy reliably and affordably. This includes operating our existing assets efficiently. We have already implemented many of the opportunities to improve their energy efficiency. Maintaining our portfolio to support strong availability and rapid start up times, important for ramping coming into evening peak as solar generation drops off rapidly to avoid higher prices, involves ongoing investment.

Our pathway to decarbonisation presents some challenges to our people and processes. We are urgently looking at how we enhance our people and culture practices to support our existing workforce while also attracting and retaining new talent. We describe many of these initiatives in the People section of this report.



Our Head of Power Development, Russell Slaughter, checking out one of the wind monitoring devices.

4 AEMO NEM Electricity Statement of Opportunities 2024

³ AEMO 2024 ISP, pages 16, 33 and 81-84

Alinta Energy Press Club address

An industry first

In April 2024, our MD and CEO, Jeff Dimery, was the first CEO of an energy generator and retailer to address the Press Club in Canberra.

In front of a room packed with some of the nation's top journalists, political staffers and public servants, industry representatives and financiers, he drew on more than 30 years of experience working in every part of the energy supply chain to deliver an address titled: 'Straight talking and optimistic? Time for some truths about Australia's energy transition'.

While the transition to renewables is arguably Australia's most important economic and engineering challenge, Jeff posited that it's often oversimplified. In reality, it's considerably more complex. He also raised the question of how much it will cost, who will pay for it, and how.

The era of easy wins is over... the hard wins lay ahead.

Articulating the challenge

Jeff was emphatic in his whole-hearted support for the energy transition. However, public debate about the transition misses some important points in his view. He sought to address these through his speech, and to articulate the urgent conversations we need to have. This included:

 Debunking some myths and misconceptions about the industry, and explaining the role of pricing in enabling the transition.

- Explaining why there has been a drop in investment for large-scale renewables, and the role that households can play in the future.
- Explaining that it's only by successfully working together, across all stakeholders and blending different energy sources, that Australia's transition will be successful.

Sharing some sobering statistics

- To phase out coal by 2050, the NEM is forecast to need 82 GW of utility-scale solar and wind by 2035 – four times the current capacity of 19 GW. By 2050, it needs to hit 126 GW – almost seven times the current capacity. This is taken from AEMO's 2024 Integrated System Plan. Under some scenarios, even more may be required.
- Energy retail margins are down to their lowest levels, confirmed by the ACCC's recent pricing report. For an average annual household electricity bill of \$1,500, the average annual retail margin for electricity is \$34 – about 2% of the total bill. This is contrary to widespread perception that because energy prices have risen, retailers are making super profits.
- Low retail margins are largely due to the rising costs facing energy generators and retailers. In just a few years, the price of everything from equipment to construction to insurance has skyrocketed. Margins are so poor that in the last five years, the top three Australian gentailers have collectively written off more than \$10 billion of shareholder funds.
- Where the bills are really going that 2% retail margin compares to 45% of the bill for network fees and charges, and 33% for wholesale electricity costs.



Learning from experience

Jeff recalled when early in his career, the initial rush to adopt renewables saw many companies trying to get involved. However, inadequate planning and infrastructure led to overwhelming of some sections of the grid and lack of profitability. Many projects failed and loss factors increased.

His lessons from that era were that the transition will not be achieved with many small entrants quickly building new, low-capex projects. A task of this magnitude and complexity needs a group of participants capable of leaning into the bigger issues, as well as large amounts of capital funding. That includes building portfolios that provide generation and firming and potentially gives customers opportunities to invest directly in the transition such as through community batteries, selling back to the grid and peer-to-peer energy trading.

He quoted AEMO who have said that true transformation of the National Electricity Market from fossil fuels to firmed renewables 'calls for levels of investment in generation, storage, transmission and system services that exceed all previous efforts combined'.

Faltering investment in renewables is largely due to increasing costs, but also the uncertainty about being able to recover those costs, Jeff said. For example:

- The cost to insure a gas-fired power plant has increased by 40% since 2020.
- Replacing the capacity of the brown coal-fired power station which sells us electricity (Loy Yang B) with pumped hydro and offshore wind would cost more than \$10 billion today, yet the power station was acquired by our owners for \$1.1 billion in 2018.

Confronting prices, margins and demand

Energy futures prices, he said, are sending insufficient price signals to underpin the development of the renewables and storage needed to replace coal-fired electricity generation. And low retail margins and limited profits are a further barrier to investing in new generation and necessary storage.

Jeff discussed the challenges of particular technologies and their viability based on forward prices. It is hard for renewables to compete with existing coal-fired power stations in terms of current cost per megawatt hour of capacity.

Solar now experiences a glut in the middle of the day, which sends prices deeply negative. Now on some high rooftop solar days, up to 95% of all large-scale renewables are being curtailed – basically switched off – for hours. [We note that subsequent to this speech, the Australian Energy Council identified that in September 2024, around 99.7% of generation from utility-scale solar farms was curtailed in South Australia, according to data from UNSW]. However, rooftop solar is not affected by price signals the way large-scale generators are. A fundamental problem is that continued subsidies at one end of the market are driving higher uptake into a glut. It's undermining the economics of new and existing largescale renewables – and ultimately slowing the pace of emissions reductions.

Business cases for new wind farms built on slim margins mean the financial risks of curtailment could be disastrous.

Despite being a critical part of the future blended energy mix to ensure reliability of supply when intermittent renewable generation is not available, long duration pumped hydro storage, a costly but important technology, does not stack up financially without a clear price signal or government support because of the high cost of construction and the extensive construction timeframe. Curtailment is becoming a growing issue. The percentage of all energy from large-scale renewables that was curtailed increased from 10% in the last quarter of 2022 to 13% in the last quarter of 2023. As Jeff observed, 'no one wants to lose 13 per cent of their output – and no one dares think just how much more could be lost. That could be the difference between profitable and unprofitable.'

Solutions and trade-offs

Intermittent generation technologies have plusses and minuses we need to solve for.

Small-scale batteries help to store and help shift some of the daytime production from rooftop solar, but will fill up quickly, as will big batteries. Electric vehicles will take time to build up a critical mass, and for vehicle-to-home and vehicle-to-grid models and standards to be implemented, if permitted by manufacturers.

The keys are long-duration storage, high-capacity renewables like offshore wind, gas to fill in the gaps, and empowering and being honest with customers.

Long duration storage which can be dispatched quickly, such as the Snowy 2.0 in NSW and Kidston in Queensland, are urgently needed to help absorb some of the daytime solar glut and to provide energy during the evening peak period when the sun is not shining. Without pumped hydro – or in Victoria's case, if the generation profile isn't uplifted by offshore wind to something closer to baseload it could be difficult to replace existing coal-fired power stations without negatively impacting energy reliability.

Working together

Maintaining clear public policy, without getting distracted by new ideas that don't have a firm social mandate, was Jeff's advice for government.

We understand the rationale for the government's intervention through price caps. They may be necessary in extraordinary circumstances such as when Russia invaded Ukraine and gas supplies to Europe were significantly curtailed by Russia, which in turn had global consequences. However, it has impacted badly needed investment.

Government funding, via the Capacity Investment Scheme and state government contributions, is becoming essential for large-scale renewables. The 'Rewiring the Nation' commitments and supporting new transmission are needed for new renewable facilities to connect to the grid and to bring that increased generation to major load centres (for example, capital cities). That said, national and state balance sheets can't bear the full financial burden. Achieving Australia's transition goals won't be possible without new private capital. Despite these significant challenges, Alinta Energy has invested tens of millions of dollars to develop a multi-billion dollar pipeline of renewables. We're doing it because we are optimistic about the future, and well informed about what we are getting ourselves into. Our experience equips us to lean into the challenges and contribute to developing solutions. Our ability to innovate and find solutions to the energy transition has been demonstrated by:

- building Australia's first grid-forming battery (ensuring that power provided to the Newman power grid was stable and reliable);
- building what was at the time Australia's largest remote solar farm; and
- developing and operating a wind farm that products more energy than any other in Western Australia.

There is a huge role for partnering in all directions. With customers, to help them to store and shift their load when energy is cheap, or to invite them to become co-investors in infrastructure. With government, to bring on large duration storage to help shift some of the glut of solar out of the middle of the day for use during peak times and with investors, to provide the significant new levels of private capital to deliver the transition.

Paying the cost – better than the alternative

The hard truth of all of this is it seems inevitable that energy will cost more in the future, both in real terms and as a percentage of GDP. Capital costs more. Labour costs more. Transmission and distribution costs are rising in the electricity supply chain. This is not a reality that many Australians are aware of or prepared for. Whether it's paid for by higher electricity bills or through the tax base, we will all need to pay more in aggregate.

However, some of these cost increases may be partly offset. For example, while electricity costs might rise, petrol bills might reduce with a shift to EVs. And people who are willing to change their behaviour, supported by better technological solutions including smart meters, will have greater control over their costs. For example, customers can get insights about their appliances through itemised bills that show what's being spent on heating, cooling and refrigeration – and even suggest replacements that would be funded by energy savings. More sophisticated solutions might include supporting customers with rooftop solar and batteries to transfer or trade a portion of their output to family members, alleviating some of the imbalance of homeowners dominating solar and battery installations. While the energy transition is extremely tough, and getting tougher, Jeff concluded that he remains optimistic and believes it is can be achieved. But he cautioned that we need to be realistic. We can't shy away from the challenges, as the costs of avoidance, and leaving grid issues unchecked, will also be significant.

Australia has a real opportunity to leverage renewable energy in this country, with proven technologies that we can work to firm up our economic security and resilience. Now we need to get on with it.



Energy consumption, generation and purchases

Fossil fuel consumption

The most significant sources of energy we consume are the fuels we use to generate electricity. Our owned, operated and contracted facilities use a mix of renewable energy sources and fossil fuels.

The main fossil fuels used are natural gas, coal seam gas and brown coal. We buy fuels from third-party suppliers, and we do not produce or extract gas, nor do we operate mining facilities.

Our fossil fuel consumption decreased by 8.4% from FY23 to FY24 on an energy content basis. This reflected the net effect of two factors. The first is the sale of our Pilbara assets in November 2023, which are not included in our FY24 data.

There was also a decrease at our contracted assets because of decreased coal consumption at Loy Yang B, as they operated flexibly to accommodate the increasing integration of renewables into the NEM. This was slightly offset by an increase at our Wagerup power station, which generated more electricity to provide grid stability in the SWIS during the year.

Fossil fuel consumption by electricity generation assets (GJ)

	FY24	FY23	FY22
Operated	13,727,147	20,449,381	22,705,834
Contracted	76,828,664	78,376,282	80,685,420
Total	90,555,810	98,875,763	103,391,254

The consumption data above excludes our Pinjarra (WA) and Glenbrook (NZ) power stations. The Pinjarra power station, which is part of Alcoa's refinery, is excluded because it is not operated by Alinta Energy. The Glenbrook power station, which is part of the NZ Steel mill, is excluded because the waste heat and offtake gas that fuel it are sourced from NZ Steel as surplus energy from production.

The fuels consumed by contracted facilities, which include brown coal used by Loy Yang B power station, only relate to the electricity generation that Alinta Energy is contracted to buy, and not to the facilities' total generation.

Electricity generation and purchases

We generated marginally less electricity in FY24. The loss of generation from our Pilbara assets was largely offset by significantly increased generation at our Wagerup and Glenbrook power stations.

Electricity generation exported or purchased by generation assets (MWh)

	New Zealand	Australia	Total
Fossil fuel	_	7,501,884	7,501,884
Waste heat	591,046	-	591,046
Wind	_	1,963,225	1,963,225
Solar	_	472,842	472,842
FY24	591,046	9,493,543	10,084,589
FY23	512,202	10,140,583	10,652,785
FY22	636,693	10,621,846	11,258,539

The electricity generation data above excludes our Pinjarra power station, which we do not operate. The electricity generated at contracted sites relates only to Alinta Energy's contracted purchases.

Greenhouse gas emissions

Scope 1 emissions

Scope 1 emissions relate solely to the facilities that we operate.

There was a 34% reduction in our Scope 1 emissions from FY23 to FY24, primarily due to the sale of our Pilbara assets in November 2023.

Glenbrook data is not included because it is included in New Zealand Steel's Scope 1 emissions.

Scope 1 emissions from assets operated by Alinta Energy in Australia (tonnes CO_{2-n})

Category	Operated Facilities
Natural Gas	517,275
Coal seam gas	171,698
Diesel	0
Otherª	1,954
FY 2024 total	690,927
FY23	1,045,155
FY22	1,155,596

a Not related to electricity generation (includes vehicles, fugitive emissions etc).

Scope 2 emissions

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

There was a significant decrease of 20% in our total scope 2 emissions in FY24, which mostly came from Western Australia. Because our Wagerup site was used more heavily during the year (see page 26), we did not have to import as much energy as we produced it ourselves. There was a further decrease in our net scope 2 emissions because of the increased proportion of offsets that we purchased (75% of our total scope 2 emissions in FY24, compared to 50% in FY23).

Scope 2 emissions associated with purchased electricity consumed by Alinta Energy (tonnes CO₂₋₂)

State	FY24	FY23	FY22
Western Australia	3,064	4,344	5,967
Queensland	1,809	1,820	1,798
Victoria	704	807	995
New South Wales	85	86	86
South Australia	5	5	11
Total emissions	5,667	7,062	8,857
Less offsets ^a	(4,251)	(3,531)	(2,214)
Net emissions	1,416	3,531	6,643

a Offsets have been purchased since FY22 and increase by 25% of our scope 2 emissions annually until FY25 when they will be fully offset for the year.

Emissions reporting

Alinta Energy reports emissions data under the National Greenhouse and Energy Reporting (NGER) scheme. We report our progress towards achieving our climate targets by participating in the Corporate Emissions Reduction Transparency (CERT) initiative, which is voluntary. Our NGER and CERT reporting is through our parent company, Pioneer Sail Holdings.

Behind the meter refers to energy which is both generated and consumed at a site.

Material scope 3 emissions

Scope 3 emissions are indirect emissions from outside Alinta Energy. They are associated with our wider supply chain both upstream (suppliers) and downstream (customers).

Our scope 3 emissions include the extraction and combustion of the fuel used by power stations that we have an investment in but do not operate, and the combustion of natural gas we sell to our customers. These are the most significant contributors to our total scope 3 emissions.

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

Electricity	Emissions (tCO _{2-e})		Emissions intensity (tCO _{2-e} /MWh)			
generation fuel type	FY24	FY23	FY22	FY24	FY23	FY22
Brown coal ^b	7,228,871	7,355,411	7,541,163	1.23	1.21	1.19
Wind ^c	-	-	-	-	-	-
Solar ^c	-	-	-	-	-	-
Total	7,228,871	7,355,411	7,541,163	0.96	0.96	0.94

a Emissions associated with contracted purchases of electricity from specific generation assets that are not operated by Alinta Energy.

b Relates to Alinta Energy's capacity agreement with Loy Yang B power station.

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

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

Electricity	Emissions (tCO _{2-e})			Emissions intensity (tCO _{2-e} /MWh) ^c		
generation fuel type	FY24	FY23	FY22	FY24	FY23	FY22
Natural gasª	639,325	689,065	524,252	0.43	0.43	0.43
Other ^b	552,623	610,612	397,665	N/A	N/A	N/A
Total	1,191,948	1,299,677	921,917	N/A	N/A	N/A

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

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



Our contracted electricity from the Loy Yang B power station is a material contributor to our scope 3 emissions.

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

Natural Cae Salas	Gas sold (GJ)	Emissions (tCO _{2-e})		
Natural Gas Sales	FY24	FY24	FY23	FY22
End-use customers	45,541,460	2,580,652	2,602,965	2,344,480ª

a FY22 emissions are restated due from 210,636 tCO_{2-e} to the emission factors used. The FY22 figure shown above is consistent with the FY23 Sustainability Report.

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

Scope 3 emissions (tonnes CO_{2-e}) associated with electricity purchased from the grid and sold to end-use customers in Australia

Electricity Sales	Electricity sold (MWh)	Emissions (tCO _{2-e})		
Electricity Sales	FY24	FY24	FY23	FY22
End-use customers	7,413,880	5,318,819	5,103,330	5,467,301

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



Loy Yang B power station

Decarbonisation strategy

Our decarbonisation strategy is summarised below and explained further on the following pages.



1. Invest in clean energy technologies

Our current clean energy investment target is to support the development of 1,500 MW of renewable generation and energy storage capacity by FY25.

922 MW FY24 cumulative progress towards this target

One step back to take two steps forward

Our renewable energy capacity reduced by 8% (77 MW) in FY24.

This was largely because we sold our Pilbara assets in November 2023. These facilities' figures previously contributed to our growth in renewable and storage capacity, including the Chichester solar farm and the Newman battery and the planned Port Hedland solar farm and battery. Together, these added up to 177 MW of renewable capacity. However, the capital unlocked by the sale will help to contribute to investment in more renewable and firming projects to support Australia's transition.

Partly offsetting this, we added 100 MW in storage capacity from the new Wagerup battery. The second Wagerup battery, approved after the end of the reporting period, will contribute a further 100 MW when it reaches FID in FY26.

Despite going backwards slightly, we are hopeful that the Oven Mountain pumped hydro project will reach a final investment decision by FY25, enabling us to achieve our target.

Our pipeline includes a total of 7,442 MW of potential new renewable energy, storage and firming projects that are being evaluated or undergoing planning before seeking final investment approval. This is a 27% increase on our pipeline in FY23. Some of these are expected to contribute to our future renewable energy targets.

30 June 2024	Operational ^a	Future start date ^ь	Pipeline°
Capital assets	214 MW	100 MW	
Contracted PPAs	576 MW	32 MW	
Development			7,442 MW
Total	790 MW	132 MW	7,442 MW

- a. Operational facilities have been commissioned and had a full handover to a registered market operator. Capacity from these facilities contributes to progress towards our renewable energy target.
- b. Future start date projects have received final investment approval and have development contracts and long-term contracted supply agreements in place but are not yet operating. They are also counted towards our target.
- c. Pipeline projects are in the preliminary, development or negotiation stage. Their planned capacity is not counted towards our target. From one year to the next, projects may move from the pipeline to having a future start date, and eventually become operational.

Please refer to page 79 for detailed definitions of the above categories.

Where we invest in renewable energy

We develop and invest in increasing renewable energy capacity, and the supporting technology required to integrate this capacity into the power grid.

Renewable energy generation

Before coal-fired power stations can close, replacement renewable generation facilities need to be built and connected to the grid. We directly develop new renewable generation facilities and we also underwrite new projects through power purchase agreements with other facilities.

Firming capacity and ancillary services

As the proportion of renewable energy increases and coal-fired generators close, alternative sources of firming capacity and ancillary services, such as inertia and frequency control, will be required to maintain a reliable, stable power grid. We develop new storage projects like large-scale batteries and pumped hydro that can stabilise the grid and deliver reliable energy. We will also need to develop more gas-fired generation, the need for which is recognised by AEMO and government.

In conjunction with Latrobe Valley Power, we are investigating innovative ideas to transform the power station site to continue producing and storing energy and related grid services after coal operations cease, including large scale batteries.

With the release of the Capacity Incentive Scheme, 9 GW of new storage and 23 GW of new renewable energy projects are expected to be commissioned between 2024 and 2030. As the existing fleet of coal-fired generators progressively withdraws from the market over the coming decades there will be significant challenges in managing system strength on the network; that is the ability of the power system to maintain a stable voltage waveform at any given location in the power system, both during steady state operation and following a disturbance.

System strength has traditionally been provided by synchronous generation such as coal, gasfired and hydro-electric power generation that is electromagnetically coupled to the power system. Inverter-based resources (IBR) – which include wind, large scale solar, and batteries – do not inherently provide system strength, and most existing IBR which use gridfollowing technology require adequate system strength for the inverters to work reliably.

The transition from a power system with predominantly synchronous generation to a power system with high levels of IBR generation has introduced a need to replace the system strength provided by synchronous generators to ensure system security can be maintained and allow IBR to work reliably.

How our existing facilities provide practical support

We work to maintain the energy efficiency of our existing power stations and improve it where possible. These facilities contribute to a sustainable and reliable energy system as the transition progresses.

Gas-fired power stations can provide firming capacity, activating quickly to fill the gap between energy demand and intermittent renewable generation. Adding renewable infrastructure to our existing power stations, as we've done in the past for example adding a major solar farm and battery at Newman power station, can contribute significantly to decarbonisation.

2. Establish interim emission reduction targets

Our interim emission reduction targets keep us moving towards our long-term target of net zero scope 1 and scope 2 emissions by 2050.

Cumulative progress to FY25 net Scope 1 target



Net scope 1 emissions reduction

Our Net scope 1 emissions reduction target is:

<mark>40%</mark>

FY25 target reduction in net scope 1 emissions intensity from FY18 base year (adjusted baseline – see explanation to the right) Reduces net scope 1 emissions to 0.344 tCO₂ /MWh

of total generation

39%

FY24 cumulative reduction in net scope 1 emissions intensity compared to FY18 (adjusted baseline – see explanation to the right) Compared to 37% in FY23 (non-adjusted figures)



FY24 increase in net scope 1 emissions intensity Compared to our adjusted emission intensity in FY23 of 0.244 tCO_{2-a}/MWh of total generation

Explaining the impact of our Pilbara asset sale

While we sold our Pilbara assets in November 2023, from an emissions reporting perspective, the impact of the sale goes back much further.

Under the GHG Protocol, we must remove the emissions contribution of these sites from every year going back to (and including) our baseline year of FY18. This means we have a consistent asset base when we evaluate the changes in our emissions intensity over the period of our interim targets. The requirement is outlined further in the Our Reporting section.

This significantly changes our FY18 baseline, and so it also changes the FY25 target required to achieve a 40% reduction, as shown below:

Emissions intensity in tCO _{2-e} /MWh	FY18 baseline	FY25 target	% reduction
Current (excludes Pilbara assets)	0.573	0.344	40%
Previous (includes Pilbara assets)	0.667	0.400	40%

Under the recalculated figures, we first met our target in FY21 and for the next two years, before this year falling slightly short (0.350 tCO_{2-e}/MWh , so only 0.06 tCO_{2-e}/MWh above our target figure).

See graph on following page for a representation.

The scope 1 emissions data in the graph (see right) relates to Australian facilities which are operated by Alinta Energy.

The increase in emissions intensity this year was for three reasons:

1. Increased generation at Wagerup (WA)

Our Wagerup power station produced significantly more electricity this year. This was due to the introduction of a competitive real time market for Essential System Services. Facilities like Wagerup providing Essential System Services keep the grid stable by balancing fluctuations in demand and supply. Whereas these services were mainly provided by Synergy at regulated rates; in the new market, facilities are dispatched based on their relative competitiveness of their offers, leading Wagerup to run much more often. Less competitive offers typically indicate less efficient and more emissions-intensive facilities. As follows, although Wagerup's increasing operations have increased Alinta Energy's emissions intensity, it is likely to have reduced reliance on more emissions-intensive facilities.

2. Helping WA move forward

At a company level, the above change has meant our emissions intensity has increased. However, the reverse is true for the SWIS grid overall, where our increased generation has contributed to a drop in emissions intensity (assuming nothing else changes). This is because the increased generation from Wagerup has replaced more carbon-intensive generation.

This shows the complex interplay of factors that are involved in decarbonisation at a grid–wide level. It underpins the importance of a coordinated approach that results in the best overall outcomes.



Progress towards achieving net Scope 1 emissions intensity target

3. Impact of selling the Pilbara assets

The sale of the Pilbara assets in November 2023 means they no longer contribute to our total emissions. Consequently, the overall proportion of our emissions that are contributed by the Wagerup power station has increased. This amplifies the impact of Wagerup's increased generation, as discussed in item 1 above.

Net scope 2 emissions reduction

We have committed to fully offsetting our scope 2 emissions by FY25 by voluntarily surrendering credible carbon offsets and/or renewable energy certificates.

75%

FY24 net reduction in scope 2 emissions (using offsets)

50%

Increase in the proportion of scope 2 emissions offset, from 50% in FY23

This year, we offset 75% of our scope 2 emissions using Australian Carbon Credit Units (ACCUs) generated from the Lenroy forest regeneration project in Queensland. It continues our staged progress towards our target of zero net scope 2 emissions by FY25, as shown below:

Scope 2 emissions offsets	FY24	FY23	FY22
Offset %	75%	50%	25%
Offsets (tonnes CO ₂₋₀)	4,251	3,531	2,214

The volumes of our scope 1 and 2 emissions are provided on page 20 of this report, followed by material scope 3 emissions associated with our operations.

3. Help customers meet their climate ambitions

We use our proven experience in developing renewable energy projects to support our customers' progress towards decarbonisation through a combination of three approaches:

Direct connected renewable energy and storage

Our New Markets team offers behind-the-meter solar PV and battery energy storage solutions for our commercial and industrial customers. This helps extend their renewables capacity and decarbonise operations while maintaining reliability. It's provided on a build, own and operate basis, optimised against customer demand side response capabilities as well as their energy contract.

The team has continued to develop its offering in behind the meter Solar PV and Battery Energy Storage solutions with our commercial and industrial customer base. During FY24 the business received Alinta Energy Board approval to deploy rooftop mounted solar PV, delivering approximately 4.5 MW at up to four sites for a customer within the food and beverage sector. Other opportunities currently being worked on include projects within the health sector as well as integrated solar PV and wind projects for Tier 1 mining sites.

Carbon offset and renewable energy retail products

Retail energy products linked to renewable energy or carbon offset certificates are available to our household and business customers for both electricity and gas. These include government programs such as GreenPower and Climate Active.

Our Carbon Balance plan enables our customers to offset the carbon emissions associated with their electricity or gas usage. The offsets we buy are Australian Carbon Credit Units (ACCUs) and the plan is certified under the Climate Active Carbon Neutral Product Standard. We conducted two trials during the year, and worked on two new products, to help our retail customers to decarbonise (see following page).

Quality carbon offset certificates

The quality of carbon offset schemes is under heightened scrutiny. Poorly designed or administered offsets can fall far short of their claims to reduce emissions and deliver few real environmental benefits.

Our Nature-based Solutions business within the New Markets team is working with ecologists and not-forprofit land regeneration experts to deliver solutions to the agricultural sector in Western Australia through undertaking mixed native species plantings under the ACCU Scheme's Environmental Planting Methodology. To raise interest, the team has attended many agricultural shows to explain the benefits of such plantings to landholders including improved soil carbon content and water retention as well as biodiversity benefits and alternate income streams for farmers.

Once we start creating our own offset certificates, we will be able to offer our customers greater confidence in the integrity of their offsets.



Carbon balance is our carbon offset product supporting Australian-based offset projects.

Product trials and new product development

Our retail team ran two trials this year to explore how we can support our customers to reduce both their emissions and their energy bills. We also developed two new products to reward customers who have invested in sustainability and are willing to adjust their lifestyles.

Customer trials

Solar Together Program VPP (Virtual Power Plant)

This trial is currently taking place in NSW. We partnered with another supplier to offer our customers the chance to have solar power and battery storage without an upfront cost to them. We believe it will help our customers to be part of the renewables transition when upfront cost is a barrier.

We sought up to 50 volunteers from among our existing customers. With no upfront costs, solar and battery was installed at the household. Alinta Energy leases the equipment from our partner who owns and installs it, while we own any electricity produced. The customer receives a monthly credit of \$30 off their bill. They can also elect to buy the equipment at any time at a depreciated rate.

Energy efficiency app

We've trialled an app which empowers customers with information to reduce their energy bills by making wise decisions and small changes to their behaviour.

Using a process developed with two business partners, the trial relied on smart meter data taken at 30-minute intervals. It then applied data science and algorithms, combined with historical data drawn from widespread customers and research, to identify consumption by appliance type. We used the trial to better understand what information customers might be most interested in, for example if an electrical fault is impacting consumption or if they are well over a budget they have set. It also enabled us to evaluate the app's accuracy with feedback from trial participants.

This initial trial was only offered to employees who are also customers, with 25 people choosing to participate. It had a successful outcome, and participants agreed that the conclusions appeared reliable, with accuracy rates of up to 95% measured.

We are currently working through how this offering may be made available to our customers once finalised.

Product development

Next year, we expect to launch the following two new products which we've been building during FY24:

Discount electric vehicle (EV) charging

This product offers an extremely competitive off-peak rate to owners of electric vehicles from 10.00am to midday and midnight to 6.00am. It will reward customers for charging their EVs at times that will reduce pressure on the grid and we hope it will also incentivise further ownership of EVs.

Solar panel benefits

This product offers customers with solar panels a higher solar feed-in rate for energy they contribute to the grid, with the trade-off of a higher rate when they use energy from the grid. It means customers who manage when they use energy use to align with when solar production is high will reduce their bills and benefit from their investment in renewable energy. It enables customers to move closer to self-sufficiency, while also using the grid as a back-up energy source.

4. Commit to no new coal assets

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

Alinta Energy has indirect exposure to coal generation through our owners Chow Tai Fook Enterprises also owning the brown coal-fired Loy Yang B power station in regional Victoria. Loy Yang B is managed and operated separately from Alinta Energy, as outlined on page 9.

Under our capacity agreement with Loy Yang B, we purchase a significant portion of its output. This means its emissions are classified as scope 3 emissions for Alinta Energy.

Loy Yang B is investigating several innovative ideas to decarbonise the power station to continue energy production while supporting the energy transition. For more information, please refer to their separate <u>sustainability report</u>.



In conversation with Siraj Jardine, Carbon Manager

Siraj is a passionate advocate for rapid decarbonisation and uses his data analysis skills to track our greenhouse gas emissions and coordinate our statutory greenhouse gas reporting.

However, he almost didn't work in sustainability. Growing up in South Africa, he had visions of becoming a doctor until it dawned on him that this was not a good fit for a self-described 'germophobe'. A chemical engineering degree proved better suited to his enthusiasm for 'explaining a narrative out of a bunch of almost meaningless numbers'. He then went on to work for a petrochemical company in process engineering.

Siraj's interest in sustainability was piqued when he overheard the lectures of an online course in sustainable development that his wife was taking. He decided to study a Masters in sustainable development, and after arriving in Australia almost six years ago, set his sights on a career in the field. He gained employment at Alinta Energy as a sustainability data analyst, before being promoted to Sustainability Data Manager. His newly created role as Carbon Manager retains a strong reporting focus while also taking a more strategic approach to decarbonisation. Siraj now oversees preparing and tracking progress against our upcoming Climate Transition Action Plan and net zero target, while still managing statutory reporting on greenhouse gases and pollutants.

He's excited about the opportunity to be more closely involved with our pipeline of renewable energy projects.

'There are many challenges to balancing sustainability, energy security, and affordability while ensuring a just transition, but climate science is clear on what needs to be done and by when, to avoid the worst effects of climate change on the human population,' he says.

Thanks to an increasing focus on emissions beyond a company's own activities (scope 3 emissions), investors are now a key driver pushing the industry in a positive decarbonisation trajectory.

Siraj acknowledges that decarbonisation is an industrywide issue that requires coordination across the energy system to ensure that consumers' needs are met throughout the journey.

'Change can be inconvenient and painful in the short term, but it is important that we deal with change now to avoid the larger and more unpleasant changes that will be inflicted on us if we can't address these issues in time.'



Our transition towards greater use of renewables to reduce our carbon emissions was highlighted in our new brand campaign, True Power™

Task Force on Climate-related Financial Disclosures

The following table outlines where our climate-related financial disclosures can be found within our reporting suite.

TCFD recommended disclosure	Where to find more information
Governance	
a. Describe the board's oversight of climate-related risks and opportunities.	Website.
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Website.
Strategy	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	FY23 TCFD report. Strategy.
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	FY23 TCFD report. Strategy.
	A Climate Transition Action Plan is currently in development.
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios,	FY23 TCFD report. Strategy.
including a 2°C or lower scenario.	A Climate Transition Action Plan is currently in development.
Risk Management	
a. Describe the organisation's processes for identifying and assessing climate-related risks.	Sustainability report. Governance and risk management. Page 9
b. Describe the organisation's processes for managing climate-related risks.	Sustainability report. Governance and risk management. Page 9
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Sustainability report. Governance and risk management. Page 9
Metrics and Targets	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability report. Planet. Pages 13–36.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Data centre. Planet.
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sustainability report. Planet Pages 13–36.

Solar energy

Around 5% of our total electricity generation comes from solar energy from owned or contracted facilities.

Alinta Energy previously owned and operated the 60 MW Chichester solar farm and the accompanying transmission lines supplying energy to the Fortescue Metals Group's iron ore operations. The solar farm was among our Pilbara assets that we sold to APA Group in November 2023.

Since then, our remaining interests in solar energy are through contracted supply. They include power purchase agreements with solar farms in various states, as shown on page 8.

Our current strategy is to continue sourcing solar energy from facilities run by other organisations, but our primary focus in the short-term is to develop our wind farm and storage capabilities, as outlined in the following section.



Wind energy

Around 19% of our total electricity generation comes from wind energy from owned or contracted facilities.

The 214 MW Yandin wind farm in Dandaragan, Western Australia (a RATCH-Australia and Alinta Energy investment, managed by Alinta Energy), remains one of Australia's best-performing wind farms. With 51 wind turbines, it produces enough energy to power 200,000 homes.

This year, we commenced feasibility studies into expanding the site capacity at Yandin. We're also exploring constructing a second wind farm nearby (the Marri wind farm, described later in this section).

Our proven experience developing onshore wind facilities will be augmented with expertise and infrastructure in offshore wind development, which is expected to play an increasingly significant role in Australia's renewable energy transition given our excellent wind resources. Our proposed 1000 MW <u>Spinifex offshore wind farm</u> project in Victoria is gathering momentum (see page 33). We are also investigating the feasibility of developing new offshore wind farms in Queensland and Western Australia.

We also purchase wind energy from a number of wind farms owned and operated by other organisations around the country. These sites are shown on page 8.

Expanding our wind capacity – planning the Marri wind farm

Our Yandin wind farm is consistently a top performer in terms of capacity factor. This success, coupled with the great relationships we have built up with the local community since the project's inception in 2019, has encouraged us to explore further opportunities in this area.

For more than a year, we've been engaging with Dandaragan landholders to find a suitable site to develop a new wind farm. There have been many cups of tea shared with the local community as we've discussed our plans, experience and ambitions for renewable energy projects. This process is important to build trust and lasting engagement. We're recognised for having the people, capability and finances to successfully deliver large-scale projects for the broader community.

Marri wind farm at a glance

Planned completion:	2028
Capacity:	300-500 MW
Approximate area:	10,000 hectares

The proposed Marri wind farm takes its name from the iconic Marri tree, a native forest giant of southwest Western Australia.

With rapid technological advances, we intend to install 6-8 MW turbines at Marri, which are significantly larger than the 4.2 MW turbines as used at the Yandin wind farm.

We are continuing work on the environmental impact studies and collecting other data required to seek regulatory approval for the project. Developing a benefit sharing program is also being explored to meet local needs and best support the community. The existing grants program from Yandin has supported numerous worthwhile community projects (see page 69 for further details).

Our Board has approved signing a number of agreements with landowners who may potentially host the turbines. We're delighted with this positive milestone for the project in its early stages.



The iconic Marri tree, after which our planned wind farm has been named

Spinifex offshore wind farm project

Our <u>Spinifex offshore wind farm</u> project, proposed to be built in the windswept waters of southwest Victoria, has moved from strength to strength this year.

Based near Portland, the project will benefit from the area's high, consistent winds, the relatively shallow coastline, potential use of the all-weather, deep-water port, and close proximity to transmission lines to connect into the grid.

The 1+ GW project will involve an investment of up to \$4 billion. A recent local study estimated the project could contribute up to \$1.6 billion to the regional economy during construction and \$40 million annually once operational.

Spinifex will be critical to Victoria's renewable energy future, providing about 10% of the state's electricity needs – enough to power about 650,000 homes. Its proximity to Victoria's largest energy consumer, Alcoa's Portland aluminium smelter, may support the smelter's decarbonisation.



A map highlighting the Spinifex Project Area (bold green) and the government's Declared Area for offshore wind development (green with dotted line) This project will need the support of a government contract to be viable and we hope to engage with government during 2025.

Project partnership established

To deliver the Spinifex wind farm, we announced in April 2024, that we are joining forces with JERA Nex, through its wholly owned subsidiary Parkwind. JERA Nex is a newly launched renewable energy company created by JERA, Japan's largest power generation company. Parkwind brings significant expertise to the project. They have developed wind farms in locations including Belgium, Germany, Japan, Taiwan and the UK.

There is huge potential for offshore wind in Australia and we're confident that the combination of Alinta Energy's local expertise and experience and our offshore credentials provide a strong foundation for this project.

- Francois van Leeuw, Co-CEO of Parkwind

South Ocean region declared offshore wind area

The Southern Ocean region was declared suitable for offshore renewables, including wind energy by the Minister for Climate Change and Energy. This occurred in March 2024, after public consultation during June to August 2023.

We identified our proposed project footprint in the declared area with Parkwind in April 2024.

Feasibility licence application

We submitted our feasibility licence application for the project site in early July 2024.

This was a huge milestone and the culmination of almost four years of work by the team.

Research and education collaboration

During the year, we entered a memorandum of understanding with the University of Melbourne to collaborate on opportunities for industry research and education involved with the project.

The university will draw on its world-leading facilities and multi-disciplinary expertise to help us and our partners deliver the best project possible. We will share findings and create opportunities to prepare a future workforce for Victoria's growing offshore wind sector, with the potential for thousands of future jobs in Australia.

Community engagement

We've continued to build strong relationships with the Portland community.

Our project team was part of the region's Upwelling Festival in November 2023. Our presence was a chance to mingle and discuss the project with local people.



University of Melbourne academic staff with the Project Director, Offshore Wind Development, Linden Blair (front left) and Spinifex Lead Structural Engineer Elaine Trantor, (back, second from right), at the recent signing of our agreement. Read more about Linden on page 42.

Pumped hydro storage

The Oven Mountain pumped hydro project is one of our key renewable energy initiatives. Located in NSW's New England Renewable Energy Zone, the project, if approved, will provide up to 900 MW of dispatchable capacity up to 8 hours. This infrastructure will be pivotal to stabilising the grid during NSW's transition to renewable energy. Given the scale and significance of the project, its development will need broader support including from the NSW Government.

Obtaining final investment approval for this project is critical to meet our interim renewable energy target of 1,500 MW. We are still on track to reach a final investment decision by the end of FY25 if the necessary contract with government agencies can be achieved. Construction is expected to take around five years, with the facility then beginning operations by 2030.

It will be a monumental feat. The facility will hold 6.5 billion litres of water in its upper and lower reservoirs, connected by a tunnel wider than the Sydney Harbour Tunnel. The power waterway will exceed 600 metres in height, with an underground cavern for the powerhouse of up to 50 metres tall. We became the project's sole owner after buying the remaining shares in September 2023. This followed the Environmental Impact Statement (EIS) being submitted to the NSW Department of Planning and Environment. Our Response to Submission and Amendment Reports were submitted in August 2024.

Our project team is now focusing on engaging with the local communities, including First Nations people. These interactions have been positive and constructive. We discuss the community benefits sharing consultation process on page 54, and an on-Country session held with Traditional Owners on page 57. We anticipate the project will create more than 600 direct jobs during construction, with 30 to 50 more new jobs as part of ongoing operations.

This year, two of our community grants were awarded to groups in the local community, the Rotary Club of Kempsey West Inc, for a science and engineering challenge in local high schools, and the Dunghutti Elders Council, for a local ranger program. More information about these projects is included on pages xx.

Read more at our dedicated Oven Mountain pumped hydro project website.

Batteries

Batteries will play an increasingly important role in energy grids as the renewable energy transition progresses.

We gained valuable experience in building major batteries with our pioneering 35 MW battery at Newman power station. This was among our Pilbara assets which we sold in November 2023. Now, we're applying the knowledge from that project to develop new, bigger batteries and to explore the feasibility of several new major battery projects around the country.

Wagerup big battery project

We're currently constructing a 100 MW battery near our Wagerup power station, about 120 km south of Perth.

It will be able to run at maximum capacity for approximately two hours and will connect to existing high voltage infrastructure at the power station. The battery will provide backup capacity and essential system services for the South West Interconnected System (SWIS) when needed after it's completed in mid-2025, slightly later than originally planned after construction delays. It will benefit our power station as well as the grid, making operations more efficient and reliable by smoothing out stops and starts.

'We're one of the only private operators to have a big battery in the SWIS, in partnership with the state government' says Ken Woolley, our Executive Director, Merchant Energy.

Having engaged an EPC (Engineering, Procurement and Construction) contractor in early FY24, we celebrated a ground-breaking ceremony in November 2023. The WA Minister for Energy, The Hon. Bill Johnston MLA gave a speech before picking up a shovel to help us to mark the project's next stage along with media and other invited guests. Construction is progressing, with earth works and civil works underway. The workforce is expected to grow to 120 people in the peak of activity. Major components have been shipped from the manufacturers, including the switchgear and high voltage cables, which together were enough to fill 17 40-foot shipping containers! Battery storage units and power conversion systems are also now on their way.

The big battery project gets bigger

We have started planning for a second battery, also located nearby our Wagerup power station. The 100 MW battery will be able to run at maximum capacity for approximately four hours to support more solar and other intermittent renewable energy sources being introduced into the existing network. The project received development approval in July 2024 and is expected to be completed in late 2027.

There's been a lot of work involved in planning this second battery. It has included reviewing bushfire risk and determining how to protect the Wagerup scar tree, a lodged heritage site located within the project site.



The ground-breaking ceremony in November 2023. The Hon. Bill Johnston MLA holds a shovel, as do Chris Campbell, Executive Director, Retail Markets and local member Robyn Clarke MLA

Other environmental impacts

Water consumption

36

We used 2,596 ML of water in FY24, similar to the previous year. This included surface water, groundwater and water from third parties such as municipal suppliers. In total, 94% of our water use is for cooling purposes, with almost 90% lost as steam or evaporation.

Our largest consumer of water remains the Glenbrook power station, which powers and is embedded within the NZ Steel facility, and mostly uses water for cooling purposes.

Water discharges

Several of our power stations including Glenbrook, Braemar (Qld) and Bairnsdale (Vic) discharge small amounts of water to the environment. We monitor our Australian sites to ensure they stay under EPA licence limits. Our Glenbrook site follows processes to comply with limits under an environmental management agreement with NZ Steel.

Solid waste generation

We generated 11,974 tonnes of solid waste in FY24. This has been steady for the past three years. The vast majority (97%) is fly ash from our Glenbrook power station in NZ. This is sent for reprocessing, such as becoming raw material in cement manufacturing.

An estimated 318 tonnes (2.6%) of our waste was sent to landfill.

While our offices produce negligible quantities of waste by comparison, sound waste management practices reinforce the importance of sustainability to our people. Our offices recycle paper and commingled materials. We also recycle food waste where this is supported by building management, including at our Sydney head office.

This year, our Sydney office also began recycling a new waste stream, collecting used coffee pods for recycling by our coffee manufacturer. We hope to expand this program across our other offices.

Air pollution other than greenhouse gases

Each of our power stations has air quality limits set by the relevant state environmental regulator under our licences. We engage specialist contractors to monitor our stack emissions against these limits. If the limits are exceeded, this is reported internally and we take corrective action. We notify the regulator of any emissions that go above our limits wherever required.

Biodiversity

Our Braemar (Qld) power station is in one of the Australian Government's 15 national biodiversity hotspots. We carefully consider biodiversity as part of each facility's regulatory approvals process and comply with any licencing requirements.

Our contractors develop environmental management plans for all major construction projects. These plans outline how they will maintain compliance and minimise construction impacts on local vegetation, waterways and ecosystems. Our projects in FY24 did not significantly impact biodiversity directly or indirectly⁵.

As the nature-based solutions section of our New Markets team continues to grow, we expect to strengthen our ability to meaningfully quantify our impacts on biodiversity. This will position us to better understand and engage with the Taskforce on Nature-related Financial Disclosures and integrate nature more fully into our decision making.

Find out more

Additional data about our waste and water is available from our <u>online data centre</u>.
13.

PEOPLE

EMPLOYEES

Health and safety

Alinta Energy is committed to providing safe and healthy spaces for our people, customers, visitors, business partners and others. Our industry is inherently higher risk, and every employee, whether at a power station or in an office, is required to contribute to a healthy and safe workplace. Health and safety will always be our highest priority.

Our approach to health and safety

Our health and safety vision of **everyone, every day, every job: zero harm** is part of everything we do. It's brought to life through three practical health and safety principles and supported by five organisation-wide safety pillars.

Health and safety are everyone's responsibility at Alinta Energy.

- The Board monitors our health and safety performance, providing strategic guidance.
- Our executive leadership team establishes the positive health and safety culture we pride ourselves on.
- Our people leaders drive health and safety practices and awareness in their teams.
- Everyone is expected and empowered to follow healthy, safe working practices, identify improvements, and look out for each other.

Collaboration and consultation are an important part of our proactive health and safety approach. Our organisation-wide and local committees and forums each meet regularly to share insights, address issues and elevate any concerns.



Health and safety performance

Lead indicators

Lead indicators focus on proactively monitoring the effectiveness of controls. We track an agreed set of lead indicators for this purpose.

Our health and safety lead indicator dashboard provides real time data and is available to all our people on the intranet. This high level of visibility reinforces our shared responsibility for health and safety across the business and at every level. Managers have continuous feedback on their teams' performance against our targets to support their leadership and ongoing compliance.



We achieved our six ambitious safety targets in FY24:

Lead performance indicators	FY24 actual	FY24 target
Safety Value Adds (SVA) identified	100%	90%
Hazard reports closed out within 60 days	93.24%	90%
High/extreme events investigated within 30 days	100%	100%
Extreme risk: incident actions completed within 3 months	N/Aª	100%
High risk: incident actions completed within 3 months	93.75% ^b	100%
Medium risk: incident actions completed within 9 months	100%	90%
Incidents and hazard events closed	95.76%	80%

a There were no extreme risk incidents in FY24.

b Two high risk incidents at our Glenbrook power station in New Zealand influenced our target performance. These incidents were swiftly investigated and subsequent control improvements were implemented. However, some longer-term controls took longer to implement than the target timeframe given our site is embedded in NZ Steel's facility, meaning that consulting with them is a critical part of our best practice management of change process. Our Safety and Wellbeing Council officially granted the site an extension of time to ensure the control were implemented effectively, which is in accordance with safety processes.

Lag indicators

Lag indicators measure the occurrence of workrelated injuries and incidents. They reflect how well our safety controls and processes are working.

There were zero Class 1 injuries' in FY24, consistent with last year.

2.64

Total recordable injury frequency rate (TRIFR) met our target of less than 3. This related to five recordable injuries.

0.53

Four of the five recordable injuries did not involve time off work for recovery, meaning the lost time injury frequency rate (LTIFR) was below the TRIFR of 2.64.

Class 1 injuries are deaths, total or partial permanent disabilities, or impairments which last longer than 6 months.

Find out more

More details on our safety performance trends and historical performance and the split of injury rates between employees and contractors is available in our <u>online data centre</u>.

Health and safety programs and activities

Our 5-year health, safety and environment roadmap is summarised below:



VISION **EVERYONE, EVERYDAY, EVERY JOB: ZERO HARM Empower** Mature **OBJECTIVES** PEOPLE **SYSTEMS** WORKPLACE **LEADERSHIP** CULTURE **Uplift HSE framework Elevate skills** Simplify systems Clarify roles and responsibilities. Adopt the Hudson model to help Apply a holistic approach to risk Configure and optimise Ensure continuous training guide our decisions, and actions. opportunities. management. functionality of systems. Integrate HSE in operating model. Mature through co-creation. Identity collaborative learning Expand risk program to include Digitise to enable real time Identity KPIs to drive outcomes. on the job. psychosocial hazards. access via smart devices Commit to embed and Integrate lead indicator metrics for frontline. share learning. Uplift of safety training content Ensure HSE risk management through the organisation. to a blended work world. practice consistency. Simplify interface for end users. Encourage cross-functional Engage through relations working. Refresh onboarding with Align with other compliance strands. Strengthen support to guide and stories. clear expectations. user compliance. Embed effective use of Ensure positive duties are met. Track and celebrate our progress. committees and forums to ensure Ensure consultation and Provide real-time and Ensure best practice risk issues are raised and resolved. quality safety conversations dashboard view. management across all across One Alinta. business areas. PRINCIPLES **STOP AND THINK DON'T CUT CORNERS SPEAK UP FOR SAFETY**

Update on FY24 planned activities	FY25 planned activities
Implemented our OneAlinta Safety Culture Action Plan across Alinta Energy. We continue to consult on improvement opportunities as we learn more about the psychosocial risk profile across our business.	Continue consultation and standardisation of the methodology used to assess our psychosocial risk profile.
Resilience Shield training was offered to all employees across all locations to help them develop proactive and protective insights and tools to better predict and prevent stressors at personal or team levels. A total of 452 people completed the full program during the year (see page 42 for further details).	Roll out targeted Resilience Shield training volume 2.0 for frontline leadership (training).
Updated and rolled out our safety leadership training program for people managers, which included psychosocial risk management. During the year, 42% of our people managers participated in the updated training (see page 42 for further details).	Continue to offer safety leadership training to new people leaders.
Completed 85% of the committed review and useability mapping process across our entire health safety and environment management system following consultation.	Complete useability mapping process across safety management system. Perform gap analysis of the HSE Management System and develop new procedures to ensure material gaps are addressed.
Identified an opportunity to make our health, safety and environment monitoring more proactive by improving our risk management tool.	Redesign and launch new risk register and management tool.

Safety culture program

A highly engaged workforce with a strong sense of ownership is essential for a safe workplace. Our people are best equipped to identify hazards and improvement opportunities in areas relating to their work. Active engagement also helps prevent complacency, especially when health and safety processes are mature and well established.

Getting our culture right is critical to driving safe practices and behaviours. We empower our people to be proactive with health and safety and foster a mindset of continuous learning.

We continue to use the Hudson model to track and develop the maturity of our safety culture. Our goal is to reach to model's top level, described as a generative culture, where safety practices are deeply embedded and a natural part of behaviour at every level, making safe operations self-sustaining. This is embedded in our 5-year health safety and environment roadmap illustrated above. It's also incorporated in our learning and development framework (see page 47 for more on this).

To help us track our progress and capture vital feedback from our people, we include safety culture as part of our wider process to monitor employee engagement. This includes frequent pulse checks to get real time feedback.

Safety Value Add (SVA) program

Our SVA program is a key health, safety and environment initiative at Alinta Energy. Everyone is encouraged to think about how they can add value to improve our health and safety. Participating in the SVA program is part of everyone's annual achievement review cycle. This reflects its importance and our shared role to contribute to safety across the organisation. And it's making a difference. This year, 100% of our people were involved in completing at least one verified SVA, exceeding our target of 90%. In total, 886 SVAs were completed in FY24, with each one helping achieve our health and safety vision. The number is lower than our total number of staff as many people participate in team SVAs, and people who join after the start of the year are not required to complete one.

We welcome SVAs of every scale and impact, as long as they promote health, safety, wellbeing or the environment in an impactful way. This recognises that even small changes can be powerful and enable people at every level and across every part of the business to make a meaningful difference. SVAs are also anchored to our values, connecting them to our culture and providing opportunities for employee recognition.

Over its lifetime, our SVA program has evolved and now includes team-based efforts for collaboration. People managers are discussing and allocating time for the SVAs process in their teams, and it is exciting to see the ideas our people bring to life adding value to health and safety.

Some of this year's SVA highlights are shared here.

Portable barricading for arc flash boundaries when performing HV/feeder switching

Isolating arc flash zones are a critical control to prevent injury. And in a stellar effort, our power generation crew honed in on portable barricading supported by signage to eliminate risks when high voltage switching and feeder switching is occurring. These designs have high fit ability and can be placed almost anywhere as needed.

Work from home emergency evacuation plan

Our retail crews in regional Victoria came up with some robust plans for their work from home weeks to make sure everyone knows what to do in an emergency at home. This is another great example of how we see our vision of everyone every day every job zero harm being applied in practice. As we have made a permanent commitment to flexible working, their plans quickly took off.

Lunch and learn sessions

Our finance management team was motivated by some tragic events in the Sydney CBD business community to explore holistic safety risks, in particular the risk of suicide and partnering with RUOK to bring those conversations into every day at work. The results were bite-size sessions focused on caring for self and others, timed for delivery ahead of critical times of year when people may be at heightened risk. This initiative's popularity has resulted in it continuing as a regular feature into the future.

ESG experts group

Not all SVAs focus on safety – sustainability is also a part of the program given its importance to our business and how we work every day. This SVA created a community of practice of environmental and community engagement staff across the business. The group discusses challenges, brainstorms or arranges presentations on topics of mutual interest.

Holding virtual meetings every couple of months, the group has developed stronger relationships which foster knowledge sharing and support. This has been important for the many newly recruited staff with environmental planning or community engagement expertise who are part of our rapidly expanding pipeline of renewable energy projects. The ESG experts group helps these staff collaborate with their peers across our decentralised organisation and geographically-dispersed project teams.

Safety training

Several initiatives to enhance our safety training were implemented during the year with our expanded Learning and Development team (see pages 47–48).

Induction enhancements

The Safety Essentials induction provided to all our new starters sets out clear expectations. It explains the importance of everyone's safety and wellbeing, through the implementation of our vision of 'everyone, every job, every day – Zero Harm'. During the year, this training program was updated to be more dynamic, flexible and timely. We also developed a more holistic definition of health and safety which encompasses wellbeing and mental health.

Safety leadership training

Our safety training for people managers was updated to incorporate the holistic safety and consequences of both physical and psychological risks. It focuses on strategies to engage teams in driving health and safety performance.

There was highly positive feedback from the course. Almost all (97%) of attendees agreed that the topics were relevant to them, and everyone agreed they could apply the content to their current role.

The personal stories shared highlighted what makes Alinta Energy the place it is with the vision it has. A strong reminder to know and hold your "why" close.

- Training participant

At the end of each training session, we asked what each participant would now do differently having participated in the course. Some of their responses included:

- Tell more safety stories encourage safety discussions and creative SVAs.
- Learn more such as by reading safety research and legislation or studying peers.
- Promote wellbeing emphasise 1 on 1 time with direct reports, ask and listen more, focusing on gratitude.
- Be (more) visible with safety initiatives.
- Communicate more on psychosocial risks.

Resilience Shield training

Resilience Shield training teaches participants about their personal resilience layers and how to strengthen their mind, body, social, and professional layers of resilience.

After great feedback from our executive leadership team who completed the program last year, we implemented it across the business in FY24. It is offered to all employees through an in-person setting with a further self-service modular program. Around 450 employees completed the voluntary program, with its practical content getting a very positive response.

It's provided strong benefits to our customer service centre employees particularly. Answering calls from customers who may be going through difficulty can be highly stressful. This has been exacerbated during the heightened cost of living crisis. Building personal strategies to maintain resilience helps team members cope better with the demands of their roles.

One of the senior leaders at our Morwell customer service hub noted, 'Attendance was great at Morwell, and the feedback was outstanding. I've had several people reach out after the session asking if they can do the accreditation program.'



In conversation with Linden Blair, Project Director, Offshore Wind Development

2024 has been a productive year for Linden Blair. He was promoted to his current role after our first offshore wind farm project, Spinifex (see page 33), had gone from strength to strength.

The finalisation of a partnership with Parkwind, part of JERA Nex, who will manage offshore activities while Alinta Energy controls activities on shore, represented a significant milestone. It also created the need to clarify how safety and risk at the interface of the two safety management systems would be handled. Linden was proactive in consulting with the health and safety teams at both organisations to develop a HSE execution strategy as part of the feasibility licence application.

This clearly demonstrates our commitment to safety to all stakeholders right from the start. Currently focused on the development phase, the strategy will be expanded as the project progresses and risk exposure increases.

Our Group Head of Health and Safety, Camilla Windfeld-Khanna, recognised Linden's work as a great example of people working together to meet our goal of zero harm.

Capping off a great year, Linden was honoured to be named WA Emerging Professional Engineer of the Year 2024 in the Engineers Australia Excellence Awards – People and Projects WA.

A better place to work – supporting diversity, equity and inclusion

Alinta Energy's commitment to diversity, equity and inclusion is at the heart of our workplace and embodied in our key value of People Matter. Fostering a supportive environment with a values-driven culture benefits our employees, contractors, customers, and the broader community.

Our exceptional team of over 1,200 individuals strives to achieve our vision to be the best energy company. We contribute to our team's success by nurturing their talent, enhancing their capabilities, and promoting our positive culture. Representing our customers' and communities' diverse needs allows us to serve them better.

This year, we expanded the capability of our People and Culture team to further strengthen our diversity and embed a culture of inclusion across our workplace.

Some major milestones were achieved during the year, including establishing a diversity, equity and inclusion centre of excellence, a five-year roadmap, and an annual action plan commencing in FY25.

More robust preventive measures were also put in place to prevent and address discrimination and sexual harassment, aligning with our obligations to promote a safe and inclusive workplace. These included:

- Comprehensive respect@work training for our board
 and executive leadership team
- Updating our board charter to integrate directors' respect@work responsibilities

- Thoroughly reviewing and updating our code of conduct and our policies on personal relationships at work, fair treatment in employment, and employee grievances
- Actively enhancing our reporting mechanisms for greater transparency.

We continue to build on key partnerships through our membership with the Diversity Council of Australia and WORK180 to embed best practices across our business. We are pleased to have retained our status as a WORK180 Endorsed Employer for All Women and received our annual certificate of compliance with WGEA. We also celebrated our one-year milestone as a founding member of the Champions of Change Energy Group.

Detailed data on diversity and our workforce composition is available in our <u>online data centre</u>. We also report on our <u>gender pay gap</u> to the Workplace Gender Equality Agency (WGEA) each year.

Towards gender equity

This year, we were proud to achieve gender parity in our workforce for the first time. Half our workforce are women, a total of 608 out of 1,209 people, while one employee identifies as non-binary.

Our proportion of female managers remained at 37% this year, consistent with the previous year. We consistently award a high proportion of promotions to women, a trend which has extended over multiple years, with 46% in FY23, increasing to 52% in FY24. Our new internship program, which will commence in late 2024, has a target of 50% women and 10% First Nations Australians.

The proportion of job applications from women continues to increase. It rose from 38% in FY23 to 42% in FY24, an increase of 4%. Over half of these applications were successful, with 59% of female applicants receiving an employment offer. This year, we set out to further close the gender pay gap. Our gender pay equity gap for comparable roles has been very small for some years (it was 2.6% in FY23). In FY24, we set a target for the gap to be less than 1%, and started tracking this twice yearly. We're pleased to say that at the end of the year it was -0.4%, well below the target maximum, meaning women are paid marginally more than men for the same roles.

The average total remuneration gender pay gap, as measured by WGEA, slightly decreased this year, from 30.4% in FY23 to 30.1% this year. The median gender pay gap for total remuneration was 39.4%. This means if you compared the total remuneration for our middle ranking (median) male to our middle ranking (median) female, that midpoint for men is 39.4% higher.

There are lots of reasons for why this is the case, including factors like:

- Having significantly more women than men in the contact centre. When we onshored our contact centre in 2021 and created around 250 new jobs in the process (and hired mostly women), we saw our median gender pay gap increase from 25.3% to 42.4%.
- Our industry being male-dominated and having more men in senior roles or high paid technical roles than women.
- Australia having fewer female engineers (and STEM graduates in general).
- Other historical industry trends and societal norms that we're trying to turn around, which takes time.
 We are committed to keep improving on our recent progress improving gender equity.

Improving gender equity requires changes that impact all genders. We encourage men to take parental leave, as it normalises shared caring responsibilities and enables women to return to work earlier, sharing the impact of career breaks and supporting continued progression. The proportion of men taking primary carer parental leave continues to increase across the business. In FY24 men took 41% of primary carer's leave (up from 30% in the comparable period the year before).

Other key initiatives to improve gender equality this year included:

- 17 women from across the business attended the UN Women in Leadership Summit in November 2023. This explored a range of complex issues facing women in leadership and raised funds for UN Women programs worldwide.
- Developed a graduate program with gender targets, due to launch in FY25.
- Introduced targets for gender balanced interview panels and a consistent balance of genders among speakers at events.
- Celebrated International Women's Day, including profiling women across our business, launching a Diversity, Equity and Inclusion learning hub, and announcing the establishment of an employee community focused on women and gender balance.

Key statistics for the period 1 April 2023 – 31 March 2024

In conversation with Elaine Trantor,







Our delegates at the UN Women in Leadership conference in Melbourne (left) and Sydney (right)



Lead Structural Engineer, Power Generation and Development

We talk with one of the Spinifex wind farm project leaders about the occasional challenges of being a female engineer and how supporting diversity allows an organisation to attract the best talent – especially in cutting edge technologies such as offshore wind.

An international career in the oil and gas industry seems an unlikely path to a leading role with one of Australia's most important sustainability projects. But that's exactly what happened to Elaine Trantor, Spinifex's Lead Structural Engineer. She couldn't be happier with her shift to offshore wind, as it benefits from the skills she developed from her time in offshore oil and gas and, more recently, onshore wind farms, while aligning with her values to support sustainable energy. 'There's no going back!' she says with a laugh.

Born and educated in Scotland, Elaine's aptitude for maths and science led her to follow her father into engineering. She's also grateful that engineering paid better than being a ski instructor, an alternative career prospect she once briefly considered! A shortage of engineers in Australia saw a former employer send her here to work on a project, and she decided the outdoor lifestyle agreed with her although, she jokes, not with her fair Scottish skin. Once here, she met an Australian who went on to become her husband and now, with a young family, Melbourne is home. The Spinifex wind farm project has enabled Elaine to expand her skills and knowledge. Having typically become involved later in the design and construction phases of other projects, she's enjoyed being part of running the development phase of a major project. In particular, she's learned a lot about strong stakeholder engagement during the feasibility licence application (see page 33 for more).

Since joining Alinta Energy in February 2023, Elaine has found it to be more flexible and supportive environment to combine work and parental responsibilities. Elaine's engineering studies had prepared her somewhat for being a minority as a female, one of only five women in a class of 150 by graduation. But her three years working on a Russian island a few years ago, as one of only two women from her company, was nonetheless a culture shock. Often the only woman in the room, she recalls that the clients would start meetings by shaking hands with everyone at the meeting except her, despite her seniority. The experience, she notes wryly 'was tough, but toughened me up!'. It also taught her how important it is for other men to speak up when they witness discrimination. Male champions have played critical roles in supporting Elaine's advancement at key times in her career and she notes the importance of recognising the additional challenges that women working in non-traditional roles commonly face. However, a downside of the pandemic and the rise of hybrid working is that finding mentors and champions organically has become more difficult. To address the challenge, Elaine has been talking with other senior technical women across Alinta Energy about establishing a more formal program to mentor young women in non-traditional roles.

The renewable energy sector has an enormous demand for skilled workers. Attracting capable young women to the industry becomes easier when positive role models, like Elaine, are more numerous and more visible.



Juggling work and life in real-time, Elaine attends the Offshore Wind for Kids Day in Port Melbourne, with her fouryear-old son (centre photo, in the green top being carried by Elaine).

Celebrating First Nations people

There has been a significant increase in the number of our people who identify as Aboriginal or Torres Strait Islander. There are now 22 First Nations employees, up from 10 last year.

Alinta Energy is committed to supporting First Nations inclusion and actively seeks opportunities for increased engagement, participation and cultural learning. We also support First Nations organisations and programs through our community development grants and sponsorships.

Guiding us on our journey to support authentic and meaningful outcomes, we have developed a guiding framework which calls for us to listen, learn and act. Some highlights from the past year included:

- Finalised and shared our first Reconciliation Action Plan (RAP) (see more on page 55).
- Established a RAP Working Group to oversee the implementation of the RAP.
- Grew our engagement with First Nations businesses to provide services including training, advice, catering for reconciliation events, artwork for our RAP, and printing of employee notebooks featuring our RAP artwork. During the year, our spend with First Nations businesses exceeded \$1 million.

- Conducted an organisational-wide training needs analysis and developed a learning strategy to deliver cultural awareness training. This includes three elements. Firstly, Inclusion & Cultural Safety online training is available to all employees. There is also face-to-face tailored training for executive and key project roles, exploring topics relevant to working with Traditional Owners and First Nations stakeholders. Finally, we offer training and tools to help employees deliver authentic Acknowledgements of Country. We will continue to learn and offer further training for more staff as we continue our journey.
- Continued to subscribe to the fortnightly Koori Mail newspaper so our people can connect to Indigenous stories and culture.
- Celebrated NAIDOC Week in July 2023, which honours more than 60,000 years of Aboriginal and Torres Strait Islander history. The 2023 theme was 'For our Elders', acknowledging the vital role Elders play as teachers, survivors and leaders within communities and families.
 Wilman Noongar man Tony Hansen from Bringing Them Home WA Inc (bottom right) and Menang Noongar man, Jim Morrison from Yokai Healing our Spirit (bottom left), spoke about the intergenerational impact of the Stolen Generations and the work they do to support healing through advocacy, truth telling and Eldercare outreach services.



 Celebrated National Reconciliation Week in May/ June 2024, which focused on action to support Aboriginal and Torres Strait Islander people's rights, recognition and justice. We held events at all our offices and a company-wide keynote talk by the founders of 'Acknowledge This!', Emma Gibbens and Noongar, Yamatji and Budimia man Rhys Paddick. They discussed how to follow through on good intentions with authentic action to support reconciliation. Members of our RAP Working Group also attended external events including the WA Reconciliation Week launch.



- Installed Acknowledgement plaques in our office foyers. These customised plaques that acknowledge the Traditional Custodians for our sites were created by a First Nations business and feature our RAP artwork. They are a visible statement of our commitment to reconciliation to everyone who enters our sites.
- Supported four First Nations projects through our Community Grants program (see more on pages 67–68).

Learning and development

A culture of ongoing learning and curiosity is essential for our goal to make energy better. We support our people to develop skills through a combination of experience, exposure and education.

In addition to a comprehensive onboarding process, staff undergo mandatory refresher training about our policies, compliance requirements and critical topics, as well as on-the-job and formal training relevant to their roles. Access to LinkedIn Learning for all staff provides an invaluable resource to enable them to build skills for their current and future roles at times which are convenient to them.

Building the skills for a renewable energy future

The renewable energy transition requires the development of new skills at an unprecedented rate. This affects both our existing employees, many of whom will need to upskill, as well as our pipeline of future talent. Sourcing the skills we need for this transition is a critical driver of our success. A strong learning and development program is integral to strategic workforce planning, preparing our organisation for future trends.

Creating pathways for our existing people is also critical. Not all our current roles will necessarily exist in the future. Creating pathways to future roles which use transferable skills enables us to support and retain our people, preserving corporate knowledge. We are exploring opportunities for our existing employees without a degree, to work towards one with our support, particularly in areas with skills shortages.

Some disciplines, such as human resources, are more directly transferable across industries. There are also many skills, such as problem-solving, critical thinking, and communicating with influence that are important in a wide variety of roles. The challenge is to develop accessible ways to teach specific technical skills – whether through formal training, coaching, mentoring or other approaches – which allow people to transition more easily into different roles.

Collaboration and peer to peer learning support a knowledge sharing environment where everyone benefits. Project teams and secondments also create new learning pathways.





In conversation with Vicki Nichols, General Manager, Learning and Development

Acknowledging the strategic importance of learning and development to our success, this year we introduced a new general manager role to lead this function. Enter Vicki Nichols, who brings an extensive track record in developing similar initiatives in mining and resources, as well as managing curriculum at TAFE.

Since joining Alinta Energy in November 2023, Vicki has been tasked with shifting Alinta Energy to what she describes as a 'skills-based organisation' rather than a 'role-based organisation'. To do this, she has been busy recruiting a new team to rapidly enhance our learning and development systems and capabilities. Her focus is on moving beyond training primarily for compliance purposes, to truly developing our people and expanding our organisational capabilities.

'Learning and development over the last 10 years has shifted significantly. There's no longer a lack of access to knowledge, it's available to all of us, all the time. The challenge is to implement a learning ecosystem, which includes different ways of learning – such as microlearning, mentoring, job shadowing, communities of practice – so we can find the right information at the right time.'

In what feels like 'slowing down to go fast', Vicki is putting a lot of initial effort into building solid foundations to support a faster pace of change as the renewable energy transition accelerates. This included recruiting an expanded team to help achieve their significant remit. She's excited to share some of the team's key activities so far:

Establishing learning and capability frameworks

Our learning management framework clearly sets out how we plan, prioritise, build, manage and implement learning. It includes accompanying governance and processes. It also addresses equal access to learning opportunities, considering the needs of groups such as women, minorities, and people with caring responsibilities.

The capability framework maps skills to each role in the business, using a consistent skills taxonomy. It identifies gaps, directly links employee development to roles, and supports recruitment.

Learning needs analysis and streamlined training

The team introduced a learning needs analysis process for new training courses. It's part of building a learning ecosystem which supports different needs and preferences, recognising that not everyone learns the same way. This increases the uptake of knowledge and provides prompt opportunities to apply it to boost retention.

They also developed a matrix of all our current training programs, capturing key information about each of them, and established a regular review cycle. This has been used to review training content and archive courses we no longer need.

Consultation and engagement

A learning and development community of practice has been introduced to seek stakeholder input and bring people along with proposed changes. It includes key people from across the business and meets monthly to share information and provide varied perspectives. Active consultation with senior leadership has also been important to ensure endorsement. Building relationships with external stakeholders is vital to influencing the wider environment. Vicki has joined advisory groups with the Clean Energy Council and Powering Skills Organisation, the Australian Government's new jobs and skills council for the energy sector. This helps to represent our industry's needs among other interest groups.

Creating pathways for future talent

Competition for graduates in digital, data and engineering fields is fierce. Developing pathways to get them into the workforce before they even graduate is one strategy to attracting top talent. This includes providing opportunities to combine work and study. It supports students during the cost-of-living crisis, especially young people who wouldn't otherwise be able to afford to study. We are thrilled to have eight interns joining us for three months starting in late 2024.

Enhancing onboarding

The team and content owners have started reviewing and updating the onboarding induction program to make it more structured, staggered and less overwhelming. Opportunities to promote networking between new starters are also being explored.so they can support each other during their initial steep learning curve. It's been a vast amount of work in a short space of time, but Vicki is undaunted by the challenge. She's grateful that our smaller size and culture of being willing to try new things has supported her work.

I think we have a real can-do attitude – and I also think we just don't have a choice, or we're not going to have the skills we need.

Her team's efforts will allow our people to grow as Alinta Energy continues to evolve, helping us fulfil our vision to be the best energy company.



In conversation with Belinda White, Project Development Manager, Power Generation and Development

Our increasingly complex world requires multidisciplinary thinking to come up with effective and lasting solutions. While increasing collaboration across organisational silos is one way to achieve this, it also helps when individuals can apply a broadly informed perspective to problem-solving.

Belinda White, who joined Alinta Energy in 2023, embodies a commitment to life-long learning, both for herself and her colleagues. Originally trained as an electrical engineer with the Royal Australian Navy, Belinda remains passionate about the profession.

However, as her career progressed and she started developing and managing maintenance contracts, she realised legal skills would be a real benefit. Belinda obtained a law degree, juggling her study with the demands of a full-time sea-going military role, often working in foreign countries. Not content to stop there, she later completed post-graduate studies both in finance, and in risk and governance.

Being qualified in such diverse disciplines has helped Belinda consider problems through different lenses. She sees it as analogous with benefits offered from greater diversity in teams or on boards of directors.

'Thinking as an engineer, I see particular problems and will ask a question a particular way. Thinking as a lawyer, I see different problems and ask different questions. Having both those qualifications, along with finance, governance and risk qualifications, means that I'm also asking myself, "OK what precisely is the problem we need to solve?" While diverse experience often reminds me how little I know, it does help me to be comfortable in navigating through complexity.'

I think having different people in the room who all have different skills helps everyone remain curious and work through what we need to solve.

One of Belinda's central responsibilities is developing more consistent approaches to project management across our power generation operations. She's also embraced the opportunity to support our engineers' professional development, including pathways for engineers in technical roles to obtain chartered status from Engineers Australia. Belinda is keen to aid our many incredible engineers who apply their knowledge to make a meaningful contribution in diverse areas such as trading, sustainability, finance or governance.

Belinda has been active in encouraging Alinta Energy, and our talented people to be nominated for awards and to access unofficial and industry mentoring opportunities. Far from being an altruistic activity, she sees it as vital to futureproofing our organisation and our employees.

'Our juniors are the future. I have been in the workforce now for almost 30 years and as much as I intend to be in the workforce for at least another 30, so much of the innovation, the ideas, the diverse views, the passion ... it is going to come from those entering the industry. They are going to come up with questions and solutions that I simply am not seeing! The joy that you get from working with people who are looking to progress their careers, and looking to learn – it is completely infectious.'

Belinda has worked closely with our General Manager, Learning and Development, on our graduate program as well as on a broader approach to mentoring which will support people across our organisation.

Given Belinda's obvious passion for supporting the development of others, it is not surprising that when asked what study she might pursue next she pauses briefly before responding, 'Maybe a coaching course?"

CUSTOMERS

Our customers drive our purpose to make energy better. We strive to be Australia's first choice in energy. To give customers the best experience, we focus on affordable pricing, exceptional service, responsible operations and benefiting the wider community.

We offer a range of great value energy plans that are easy to understand, with flexible payment options, no lock in contract or exit fees, and exclusive bonuses through our rewards program.

1,071,265

Total electricity and gas customers across our business at 30 June 2024.

Find out more

Our customers are in New South Wales, Victoria, South Australia, southeast Queensland, Western Australia, and the north island of New Zealand. For details of their geographic distribution and historical customer numbers, please visit our <u>online data centre</u>.

Providing better service

Making energy better for our customers means it's quick, easy and convenient for them to manage their accounts and get help when they need it. Delivering great service is a big part of what we do.

We operate our own customer service centres, located in Australia and staffed by people who are directly employed by Alinta Energy. More than 300 staff work at our two centres in Perth and Morwell, in regional Gippsland, Victoria. They aim to resolve queries at the first point of contact, whether that's online or over the phone.

A better user experience

Customers can access online self-service at any time with MyAccount. More than 70% of our interaction with customers is now through digital channels. This follows our work over the past couple of years to increase the functionality of the MyAccount platform and reflects evolving consumer preferences.



We're excited to have won our first ever Australian Good Design Award. Our online movers experience for west coast gas customers received a green tick award in July 2023, acknowledging design excellence.

Our conversion rate optimisation team wanted to reduce stress for customers when they moved homes and transferred their gas connections. The team came up with a personalised online movers' service that replicated our call centre experience, reducing customer effort and driving higher conversions. It analysed user engagement with AI to help identify and solve customers' key issues. The solution saves customers 35 to 45 minutes on the phone, and has led to a 200 per cent increase in customers completing their moving process online.

Another initiative we've worked on during FY24 was developing an app to help customers save money by becoming more energy efficient. Coupled with a smart meter, the app will give customers more granular information about how they are using electricity, allowing them to make simple changes to significantly reduce their bills. This initiative, discussed further on page 28, was piloted during the year with employees who are also Alinta Energy customers. It is expected to be introduced during FY25.

Measuring customer satisfaction

How our customers rate our service is crucial to our success. We saw a slight decline this year compared to the previous year, with our net promoter score (NPS) decreasing from +61 to +51 (+66 in west coast and +48 in east coast), and our customer satisfaction survey score decreased from 89% to 86% (split by 90% west coast and 85% east coast). This was disappointing and understood to be primarily due to two key factors:

- Retail energy price increases due to higher input costs resulted in fewer promoters
- We introduced a new NPS measurement system

We will strive to increase our scores next year. More detailed data on our NPS and customer satisfaction survey results are available in our online data centre.





Canstar Blue Most Satisfied Customers

Small Business Electricity Providers 2022-2023

We've won Canstar Blue's award for Most Satisfied Small Business Electricity Customers twice in a row

Helping with hardship

The cost-of-living crisis remains a major challenge for many people around the country. Prices for groceries, utilities, petrol and housing continued to rise during the year. Our team that specialises in dealing with vulnerable customers has been very busy providing support to a significant number of people experiencing financial hardship.

For customers who are having trouble paying their bills, we offer a variety of tools and payment options to help. 'We recognise the need to balance social responsibility against making profits' says Todd McDonald, Vulnerable Customers Manager. 'It's in our interests to help our customers to get back on track where we can.'

Our national payment support program has been in high demand. Through this program, we work with customers to reduce their debt to a manageable level. This year, we have contributed over \$1 million each month to help our most vulnerable customers. Over the full year, we provided more than \$14 million in payment support. Credits were applied to 11,000 accounts and we matched 132,000 payments.

We've streamlined our processes to make it easier for affected customers to get help when experiencing financial hardship. We continue to review the program to ensure that it is appropriate to needs.

Working with customers to find practical ways to reduce their energy consumption is also important. Using energy more efficiently brings down bills, making them easier to pay. This year, we expanded our Alinta Assist Program to introduce referrals to energy assessments and appliance swaps in a new Better Energy Efficiency Program (learn more about this initiative on page 65). We also offer payment matching and debt waivers to customers who enter the program. Our partnership with HelpPay has continued. This facilitates customers asking friends or relatives to contribute to their bills through a free, secure app developed by an Australian-owned social impact company.

We've also continued to participate in the Victorianbased Thriving Communities Partnership. This is a notfor-profit organisation that fosters collaboration between business, government, academia, charities and people with lived experience of vulnerability. Our exposure to these networks, and participation in several workshops, have provided useful guidance on how to continue to improve our hardship programs, particularly for people who are impacted by family violence.

Market regulation and compliance

Customer communications

We communicate with our customers to explain our products, services and benefits clearly and accurately. This occurs in person, by phone, email, social media, our website, and through letters, bills and other correspondence. Our customer communications also include advertising, sponsorship and promotional materials.

Customers can choose how they prefer to interact with us. That includes selecting paperless communications and opting out of marketing materials.

Ombudsman complaints

This year, our national average rate of ombudsman complaints remained extremely low at 0.19 complaints per 1,000 customers, a decrease from 0.21 the previous financial year. It decreased on the east coast from 0.34 to 0.31 complaints per 1,000 customers and remains minimal on the west coast, at 0.01.

We try to resolve customers' issues promptly, meeting their needs and minimising complaints.

Competition and consumer law

Employees in designated roles complete mandatory online compliance training and assessment each year. This provides a thorough, up-to-date understanding of our legal obligations.

No legal action was taken against us under Schedule 2 of the *Competition and Consumer Act 2010* (the Australian Consumer Law) in FY24.

Branding and marketing activity

A new brand campaign was launched to help consumers understand the challenges of the transition and how Alinta Energy are working to keep energy as reliable, affordable and sustainable as possible whilst we move towards a renewable future.

Research has shown that most Australian's don't trust energy companies and find the category confusing, so we're taking a clear and responsible approach in talking about where Australia's energy comes from and what's involved in the transition to net zero. We call it <u>True Power™</u>. We want to give customers, and Australians more broadly, the information they need to make betterinformed decisions when they choose their energy provider and use energy in their home or business. 52

Since launching in February 2024, the brand campaign has been received well, with people indicating high likeability and message comprehension. In a category not known for being likeable, we are pleased our campaign is positively resonating with people, and that our straightforward explanation of the transition and what's required is being understood.

The campaign is just the beginning of a long-term, enduring investment in brand building, and work is continuing to deeply embed the brand in everything we do.

We monitor our marketing and outsourced service providers to promptly identify and resolve any compliance concerns and make any required regulatory reports.

During the year, we were not held by a court or regulator to have any regulatory breaches of the Australian Consumer Law regarding our marketing communications, including advertising, promotion or sponsorship.

Compliance

No enforcement action was taken against Alinta Energy in FY24 by the Australian Energy Regulator (AER), the Economic Regulation Authority (ERA) or the Essential Services Commission (ESC).

We did, however, report some breaches to the AER, ERA and ESC throughout the year. This includes four breaches relating to the Payment Difficulty Framework in Victoria which were, at the end of FY24, under review by the regulator. The ESC has also indicated its intention to review how Alinta Energy has implemented the Payment Difficulty Framework. Two other retailers will also be subject to a similar concurrent review. We will report the outcomes of these reviews in our next sustainability report.

Protecting our customers' information

Privacy

Safeguarding sensitive personal and commercial data entrusted to us by our customers is more critical than ever. This is highlighted by high-profile privacy breaches affecting major organisations in recent years. It is also vital to protect the security of our operations so that we can continue to reliably deliver essential services without disruption.

We maintain rigorous measures to comply with the *Privacy Act 1988* and adhere to the *Australian Privacy Principles*. Our comprehensive information and compliance framework forms the bedrock of our privacy approach.

Our policies on privacy, customer credit, and cybersecurity reinforce this framework. We follow an information classification and handling standard, along with a privacy impact assessment process, to effectively manage information and privacy risks and protect confidential data.

Our Information Governance Committee oversees privacy management and control effectiveness. All employees undergo mandatory privacy training during induction and receive annual refresher training.

Alinta Energy had no substantiated eligible data breaches as defined by the Privacy Act during FY24. Our network monitoring did not detect any leaks, theft, or loss of customer data.

Building strong cybersecurity

Prominent companies and public institutions continue to face significant cyber attacks, increasing community concern over data security. These increasingly sophisticated and widespread attacks expose sensitive information, erode trust and disrupt operations.

Alinta Energy is very aware of the risk of cyber attacks. In response to heightened risk, we are fortifying our preparedness, strengthening our cyber defences and systems.

During the year, we bolstered our security with a well-defined, robust program that exceeds regulatory requirements under the *Security of Critical Infrastructure Act* (SOCI). Our approach is based on the Australian Energy Sector Cyber Security Framework (AESCSF) and we collaborated with top-tier Australian cybersecurity firms to independently verify our progress against program targets.

Fostering a strong culture of awareness among our people is a powerful defence against behaviour which could expose us to cyber attacks or data breaches. Our people receive frequent refresher training on cyber security risks and good practice.

Our cyber security team remains focused on continual improvement and assurance and continue to expand their expertise and maintain currency in this rapidly evolving field.

COMMUNITIES

Community engagement

Our social licence to operate depends on treating the public, and particularly local communities, with respect and consideration. It is essential that we carefully consider the impacts of our major projects and proposals, both positive and negative, on surrounding communities. We always seek to communicate openly and to find the best ways to give back to the communities we serve and operate within.

We employ an increasing number of people who specialise in community engagement to support our project development teams. They help us build local relationships and conduct meaningful consultation throughout the project's duration.



In conversation with Renee Preece, Head of Community Engagement, Power Generation and Development

Renee joined us in this newly created role, established to boost our expertise in the critical discipline of community engagement, in April 2024.

She emphasises that community engagement is about more than finding ways to avoid adverse impacts. Done well, it involves understanding and helping benefit communities, build long-term collaborative relationships, and share value. Renee has deep community engagement expertise in mining and resources which is highly transferrable to the energy industry. One notable difference she observed is that the infrastructure for many energy projects is often much closer to communities, which makes best practice engagement even more important.

Since joining, Renee has designed an approach to expanding our internal community engagement standard, which informs our project teams' approach. It embeds consistency in how key activities are undertaken and sets out non-negotiable tasks so that our projects have a consistent way of approaching engagement but can design and deliver in a way that is most appropriate for the community. This flexibility recognises that different projects require different approaches, depending on their type, size, scale, complexity, and the nature of the community itself.

Renee has been visiting our key renewable energy project sites and consulting with the executive. She is also developing strategies to uplift engagement skills across our organisation.

Effective community engagement relies on developing a good understanding of who the community is, which makes an interest in people paramount to success. A selfdescribed 'people person' and connector, Renee chose to study social work at university. After learning early in her career that the clinical environment wasn't for her, she moved into roles supporting oil and gas, and later mining companies, to work better with their local communities and found her niche. She attributes her affinity to this work partly to growing up in a regional town in South Australia which was strongly impacted by industrial activity – now identified as a key renewables zone for the state. 'In social work, you don't see people thriving a lot of the time, whereas working with large companies such as Alinta Energy in community engagement, you have the opportunity to see communities thrive as a result of us being there.'

You're connecting with people, and there is opportunity for uplift and positivity if we get it right. That's important to me.

Making internal connections also matters, including with stakeholders across our business so they understand and embed our commitment to communities.

Renee is excited by seeing communities come together and work collaboratively in ways which might never had happened without infrastructure projects. She gives the example of the community engagement work for the Oven Mountain pumped hydro project, where she's had an active role (see the following page).

One thing that's impressed Renee is the extent to which First Nations engagement is being addressed by Alinta Energy. 'That's not something I've seen done to this level so early in project development anywhere else in my career', she observes. 'Alinta Energy engages experienced advisers to help us get it right, which includes facilitating dialogue with indigenous communities during the design, construction and operational phases of our projects, to ensure mutual benefits and partnerships are achieved.' She highlights the First Nations engagement by the Oven Mountain project team as a great example of Alinta Energy's commitment to First Nations engagement and relationships built on trust and transparency (see page 57 for more).

Case study – Community benefits sharing, Oven Mountain pumped hydro project

The Oven Mountain pumped hydro project represents an enormous opportunity to support community initiatives and create a legacy which will bring lasting value to the region.

The project covers two council areas, Armidale Regional Council and Kempsey Shire Council, with quite different approaches to community benefits. Armidale has a fund which Alinta Energy contributes to, with the council administering the program and determining the priorities. By contrast, the process in Kempsey has involved more direct contact with the community and focuses on developing a framework and identifying individual initiatives identified by the community.

The first community benefits sharing workshop for the project was held on 19 June 2024. The 30 attendees from the Kempsey and Upper Macleay catchment communities represented residents and landholders, First Nations groups, tourism and accommodation operators, community service providers, business organisations and community and special interest groups.

Our team was there to listen, engage and develop a shared understanding of local needs to prioritise longerterm benefits the project could potentially support. 'We identified more than 40 initiatives that could positively contribute to addressing community needs and leave a legacy in the region,' said Renee Preece, Head of Community Engagement. Some early opportunities to focus on included:

- Small business coaching to help local entrepreneurs.
- Support in local schools such as STEM scholarships or breakfast clubs.
- A mentoring program for farmers.
- Refurbishment and improvements to local parks.
- Support for the National Trail through sponsorship or new basic infrastructure.

Some more ambitious, longer-term possible projects were also discussed, including:

- Investing in community housing with a shared ownership model for essential workers.
- Establishing a local drug and alcohol rehabilitation centre.
- Building a new refuge for the local area.
- Establishing a new youth centre as a hub to support local kids.
- Improving mobile phone coverage for the Upper Macleay Valley community.

This feedback will now shape the next steps in designing the project's community benefit sharing program.

'Feedback from the workshop was overwhelmingly positive with many participants saying they would like to be involved in future workshops,' said Renee.

The project has also sponsored several community members to attend a Social Impact in the Regions Forum. This event aims to address the challenges and opportunities regional areas face and provide tools, techniques and practices to create impact in communities.

tandaas at the first community benefits sharing

Attendees at the first community benefits sharing workshop for the Oven Mountain pumped hydro project

Some of the feedback from workshop attendees:

This was the first time First Nations Elders have been invited to work together with other community members on the project.

Keep engaging with broad section of community as done tonight. Well done.

Well done. We are a complicated community of communities, and the workshop drew together diverse representatives.

I see that your group is trying very hard to get further, keep going, don't stop.

This type of workshop is collaborative and the preferred way to work for Aboriginal inclusivity.

First Nations reconciliation and engagement

We respect Aboriginal and Torres Strait Island peoples' relationship with Country that has endured for thousands of years. Our business is committed to learning from their knowledge and expertise as we work to operate more sustainably. Across our business, we:

- Follow national and state legislation and agreed heritage survey and management protocols
- Engage with First Nations people on the proposed locations of planned new facilities
- Include Traditional Custodians in our environmental, cultural and heritage surveys
- Support economic participation for First nations businesses.

Celebrating our first Reconciliation Action Plan

This year, we reached a significant milestone on our journey to better engage with First Nations people by launching our first 'Reflect' Reconciliation Action Plan (RAP).

Our RAP is just one of many steps in an ongoing journey, it is significant as it formalises our commitment with a practical plan for action to support reconciliation. Our actions are focused around the four pillars of respect, relationships, opportunities and governance. I believe if we are supporting reconciliation, we are living our values of respect, integrity and people matter. We are committed to hearing our First Nations stakeholders, listening, and learning so we can take meaningful action to support reconciliation and better outcomes.

– Jeff Dimery, MD and CEO

Community grants supporting First Nations people

Four of this year's community grants were to organisations that support First Nations students or communities. This year we are pleased to have supported the following organisations and initiatives:

- Dunghutti Elders Council
- Shoreline
- Hunter Region Working Women's Group
- Welfare Rights Centre.

For further details, refer to pages 67-68.

Alinta Energy also sponsored two Aboriginal students from Newman to participate in the <u>YMCA WA</u> <u>Kokoda Program.</u>



Members of our RAP working group celebrating the launch of the Reconciliation Action Plan with MD and CEO Jeff Dimery (holding the acknowledgement plaque) and First Nations and Community Manager, Melissa Galland (fourth from right)

About the artwork

To launch our first RAP we were thrilled to collaborate with Yamatji, Budimia and Noongar man, Rhys Paddick, to commission the original artwork which graces its cover. Titled Ngangk Kolbang (Noongar for 'sun going forward'), the image brings together the elements of our business alongside the important connection to country and environment.

The wind blowing to the left represents moving away from old power (steam) and harnessing new power (wind). The people represented are also abstract, moving from dots, closer to the fire, revealing the people and our connection to this energy, and finally moving away forming 'energy'. Through this, the artist hoped to represent our relationship to fire, and how we gather or 'form' around it and its importance to our lives, communities and wellbeing.

Rhys explains:

'Like the sun, we draw all our energy from it, a common source – both modern and traditional. The sun is what connects us, as energy, relates to life, living, power and community. While drawing this, I used curves in the black line to represent the reality we live in, the environment. All four elements are represented here – air, earth, water and fire. The dots are our traditional art and I placed lines within the ground and the sea to represent our grounding.'

As well as using this artwork throughout our RAP, it's also featured on employee notebooks, Acknowledgement plaques and in a beautiful video version of an Acknowledgement of Country.

Rhys and his business partner in Acknowledge Thisl, Emma Gibbens, delivered the keynote presentation as part of our National Reconciliation Week celebrations (see page 46). I've always been fascinated by people, and by association, culture. In fact, it is my favourite thing to explore. To bring us together (both personally and culturally) through our commonalities is my passion. One way I express this is through art, specifically, traditional Aboriginal art and art expression, in a modern, contemporary and digital way.

> - Rhys Paddick Artist and co-founder and director of Acknowledge This!

Case study – Learning on Country – Oven Mountain pumped hydro project

Engaging with local First Nations groups for the <u>Oven</u> <u>Mountain pumped hydro</u> project embodies the value of deep listening to build mutual trust, understanding and respect. After being a joint-owner of this project since 2018, in September 2023 we became the sole owner of the project. This calls for us to build stronger community relationships and deepen our understanding of local concerns and aspirations.

The project is on the traditional lands of the Dunghutti Peoples, with several other Aboriginal nations across the region holding important cultural links to the area. Working through GIRA (our First Nations Advisory partners), members of the Dunghutti Elders Council asked us to arrange a cultural heritage inspection on Country. This was an opportunity for the project team to learn more about how to nurture the cultural and ecological values of Country during project planning, and how we can continue to learn from the knowledge of the Traditional Owners through the duration of the project.

Project team staff and GIRA came together with senior Aboriginal knowledge holders from the Dunghutti Elders Council and Thunggutti Local Aboriginal Land Council on Country. This was the first time in more than two decades that the two Aboriginal communities had met on Country, as it is on private land and their access had not previously been facilitated.

The meeting revealed that they'd only seen crosssections of the plans and hadn't been able to discern what that meant for the land and waterways. To address this, Alinta Energy prepared large land maps to help tell the story of how the project would be developed and answered questions at the site. Planning and Environment Manager for the project, Amanda Weston, found the process deeply moving: 'Their stories reinforced to us how critical preserving and honouring the profound cultural heritage embedded within the land and waters is to development of projects like Oven Mountain.'

The team shared details of the project's investigations so far and described our commitment to help protect and conserve the crucial cultural and ecological values of Country. We also showed how we're taking a proactive approach to sustainable development and making cultural preservation central to the project's planning and implementation. Since the meeting, we've agreed to create, together with the community, an Aboriginal advisory group for the project to continue these types of collaborative discussions with a shared vision.

This process marked a significant step forward for the project. It illustrates the value of building real partnerships with the Traditional Owners of the land by meeting them where they are – literally and figuratively – and giving their voices and knowledge a seat at the table.

Seeing the Elders gather around those maps, pointing out landmarks, and sharing their own stories was a rare and special moment for the project. Taking the time to really get to know their history and the significance of this land provided the opportunity for the project and senior leaders of the Aboriginal community to build trust. Several Elders reflected that they hadn't accessed these parts of Country for many years, in some case since their childhood.

> – Amanda Weston Planning and Environment Manager





Sustainable supply chain management

Our business relies on over 1,400 suppliers to provide goods and services that support our operations. They range from equipment manufacturers to travel agents to contractors.

Strong supplier relationships are critical to both our success and our reputation, which is why it's important to us to work with businesses that act responsibly. All our suppliers must comply with our Supplier Code of Conduct, which aligns with our internal Code of Conduct.

Our sourcing decisions consider performance, value and ethical conduct. We evaluate prospective suppliers and contractors based on risk. Larger businesses and higherrisk activities undergo more detailed risk assessments, including health, safety and environmental performance, as well as reviews or audits.

We encourage the businesses we collaborate with to embrace sustainability. Our ethical sourcing working group, an expansion of our original modern slavery working group, comprises people from across our business units. The group considers how best to integrate environmental management, human rights, and international sanctions into our supplier due diligence.

To strengthen our due diligence process, we are currently implementing a specialist screening tool, Verimus. Once configured to our business, it will enable us to screen suppliers against a range of media outlets and international environmental and human rights databases and use this information to conduct informed risk assessments. It also incorporates a supplier portal, which we intend to use to generate our supplier selfassessment questionnaires. We have started to redesign these questionnaires to better capture information from our high-risk suppliers without unnecessarily burdening our suppliers whose risk profile is low. The screening tool will be particularly helpful in managing risks of modern slavery in our supply chains.

Modern slavery describes situations where offenders coerce, threaten or deceive victims to exploit them and undermine their freedom. It includes human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and the worst forms of child labour.

Modern slavery is an enormous problem, with around 50 million people worldwide estimated to be victims of modern slavery, and even within Australia, approximately 41,000 people. Many imported products and resources are understood to be high risk. Some of the high-risk items in the renewable energy sector are solar panels and their raw materials, and the minerals used in batteries.

Accordingly, regulators are increasing their focus on how organisations manage risks within their supply chains. Alinta Energy, through our parent company Pioneer Sail Holdings, produces an annual Modern Slavery Statement. This is publicly available on the Commonwealth Attorney General's Department's <u>Modern Slavery Register</u>. Our most recent statement provides greater detail on our supplier due diligence process and our broader strategic approach to managing modern slavery risks.

We remain actively involved with the Clean Energy Council's Risks of Modern Slavery Working Group. This group collaborates to understand emerging trends, share information and develop resources. It also explores how it can best leverage its shared influence for a positive impact. Through this group, we had input into the drafting of a new Code of Practice for the renewable energy sector by the NSW Anti-slavery Commissioner. This code, which will be voluntary, is still under development in late 2024. 100.

PROSPERITY

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FINANCIAL PERFORMANCE

All businesses need to achieve a reasonable return on investment to be sustainable. But many organisations take a broader view of success. Operating more responsibly is typically also associated with stronger financial performance, meaning profitability isn't a zerosum game.

For us, success means building trust and fulfilling our social licence to operate. We're not only accountable to our owner but also a diverse group of stakeholders, including customers, employees, lenders, regulators and the wider community. We won't pursue short term profits at the expense of our long-term future and our goal to be Australia's best energy company. We focus on efficiency and strategic investments to create economic value.

Our sustained economic health matters to the organisations and people who receive income from our business. It's also essential to the businesses and households who depend on us to supply them with reliable, affordable energy. Energy affordability has become an increasingly widespread concern as escalating cost of living pressures affect growing numbers of people. Through our payment support program, we have provided more than \$14 million in relief to vulnerable customers during the year. More information is provided on page 51.

Across Australia and New Zealand, our operations indirectly benefit local communities by providing jobs and local trade.

Not-for-profit organisations with a community or environment focus also benefit from our donations, fundraising, sponsorships and employee volunteering. We're pleased to share some of this year's highlights over the coming pages. Financial data in this section of the report:

- Excludes the Renewable Energy Investment Fund (REIF), which holds a 30% ownership in the Yandin Wind Farm.
- Includes 50% of our joint venture with CS Energy Ltd, which reflects our equal share in the joint venture.
- Includes the Pilbara assets, which we sold in November 2023, only up until the time of sale. Please note that these
 assets are excluded from our emissions data.

Economic value (\$ million)	Stakeholders	FY24	FY23	FY22	
Economic value distributed					
Operating costs ^a	Suppliers and contractors	3,957	3,215	3,215	
Salaries, wages and benefits ^b	Employees	214	166	158	
Finance expenses	Lenders	28	53	59	
Income tax	Government/public	376	172	91	
Total economic value distributed		4,575	3,606	3,223	
Economic value generated					
Energy retail revenue	Customers	2,587	2,019	1,812	
Other retail revenue	Customers	113	9	12	
Contract and trading revenue	Customers	1,941	1,953	1,695	
Total economic value generated		4,641	3,981	3,520	
Total economic value retained		573	375	297	
Effective tax rate		40%	31%	23%	

a Includes \$501,502 in donations and grants through our community development program and sponsorships, \$61,142 through the Yandin wind farm community fund, and approximately \$14 million in support to customers under our hardship program.

b includes payroll tax and fringe benefits tax

Underlying EBITDA

EBITDA refers to earnings before deducting interest, tax, depreciation and amortisation.

Underlying EBITDA also excludes items that are outside our normal operations. This can relate to adjustments for contracts that are winding down, unrealised gains and losses on derivative instruments and currency, impairment of intangible assets, restructuring and transition expenses and transaction costs (to the extent they apply in the year). It's used to show a more accurate reflection of our earnings.

Our earnings this year increased by 34% compared to FY23 reflecting the excellent operating performance of our assets. Alinta's profitability is enabling the Group to invest in the renewables transition and also provide increased support to our most vulnerable.

Sales volumes

Our total gas sales were 45,541 TJ in FY24, slightly down from 45,984 TJ from the previous year. We sold 8,005 GWh of electricity in FY24, down from the previous year's value of 8,554 GWh.

Debt and equity

Alinta Energy's total invested capital and debt at 30 June 2024 was \$2.14 billion. This was made up of 61% equity and 39% debt.

Financial reporting

Our consolidated financial report is independently audited by KPMG to verify it gives a true and fair representation of our financial position and performance and complies with Australian accounting standards. Alinta Energy's FY24 financial report received an ungualified audit opinion.

Our consolidated financial report includes 53 subsidiaries which are listed in the report.

Segment underlying EBITDA (\$ million)

Business area	FY24	FY23	FY22
West coast integrated	235	234	220
East coast integrated	562	195	185
Contracted assets	56	164	138
Underlying EBITDA before corporate and other costs	853	593	543
Corporate and other	(197)	(102)	(81)
Group underlying EBITDA	656	491	462
Group EBITDA growth	34%	6%	-3%





In conversation with Jason Mabee, General Manager Corporate Strategy

A sliding doors moment led to Jason Mabee's career in energy finance and strategy. As a young accountant hailing from Vancouver which, along with Sydney, he considers one of the two best cities in the world, Jason moved to Australia in the early 2000s.

Boasting experience in audit from a Big 4 firm in Canada and from working for a bank in London, Jason's heart was set on a finance role in the booming technology sector.

After applying for a technology analyst role with an investment bank, he was told that the role had just been filled and offered an interview with them for a role focused on energy and utilities. Despite thinking 'Oh geez, that sounds pretty boring', practicality won out and Jason's initial reservations turned out to be unfounded.

Two decades later, he's the first to say the energy sector is anything but boring. Indeed, the dynamic pace and evershifting commodity cycles keep everyone on their toes trying to predict price movements. He likens the energy sector to a game of chess, but one with multiple players and where the rules about where and how pieces can move are constantly changing. Thankfully for him, these challenges make it a lot more interesting. 'I actually don't like chess because I find the rules so static,' he laughs. Jason found the value of his early accounting was seeing businesses from the inside and discovering what makes them tick. He found that experience invaluable as he moved on to become a financial analyst.

Among his initial challenges at Alinta Energy was helping get the company into better financial shape. Then private equity owned, there was a strong focus on establishing financial discipline. A lot of Jason's role back then involved initiatives to reduce debt to more manageable levels, improve the performance of neglected assets, and implement operational improvements. The company was much smaller, very agile, and he recalls it was a lot of fun.

While he's still having fun at work, one of the biggest differences Jason sees since then is how many exciting opportunities are available.

The transition opportunity is so phenomenally huge that it's almost staggering when you take a moment to think about it.



COMMUNITY DEVELOPMENT PROGRAM

Alinta Energy's community development program contributes \$500,000 each year from 2020 to 2025, a total of \$2.5 million.

We support organisations that:

- Alleviate energy poverty and social disadvantage, aligning with our People Matter value.
- Promote environmental sustainability, aligning with our goals to reduce our environmental footprint.

Our Community Development Program has three elements:

1. Community partnerships

Ongoing collaboration with large charities to achieve longer term outcomes. Find out more about our longterm relationships with our three community partners The Salvation Army, Foodbank and Conservation Volunteers Australia.

2. Grants

One-off contributions of up to \$20,000 to small and medium-sized not-for-profit organisations. Discover our grant recipients for FY24.

3. Site donations

Financial support for organisations in the local communities around our major facilities. Check out who our sites have chosen to help.

We also have an employee volunteering program for our staff to support not-for-profit organisations with an extra day of paid leave.



Food to be used in meals for people affected by family or domestic violence in a program run by Christian City Church, Indooroopilly

Community partnerships

The Salvation Army

The Salvation Army brings hope to people experiencing difficult times. Our long-standing relationship with the Salvos helps us do better, particularly supporting customers experiencing hardship.

Our financial support helps the Salvos provide a diverse range of services across the community, in areas such as homelessness, family and domestic violence, youth services, aged care, alcohol and addiction, strategic emergency and disaster management, financial inclusion and reducing poverty. After several particularly challenging years with bushfires, floods and COVID-19, helping growing numbers of people sinking into poverty from cost-of-living pressures is now a major challenge.

This year, we donated \$50,000 to the Light the Way campaign, a collaboration across the energy sector that brightens Christmas for struggling families. We also gave a further \$15,000 to support the Salvos in their essential work. Our people volunteered at a variety of activities, including:

- Revamping crisis accommodation (see page 70 for more details).
- Helping at The Salvos Surry Hills Street level Mission.
- Working at the Cooking with Kindness community lunch in Perth.
- Selling candle bags at Sydney Carols in the Domain.
- Collecting food and toiletry items at our Sydney office to restock the pantries at crisis refuges and transitional housing.

Foodbank

Australia's largest food relief organisation, Foodbank fights hunger by helping frontline charities across the country. More than 500,000 Australians struggle to put food on the table on any given day, with the number increasing during the cost-of-living crisis. A significant proportion of people experiencing food insecurity are facing that challenge for the first time.

Working across the entire local supply chain, including farmers, manufacturers, wholesalers and retailers, Foodbank rescues and redirects surplus product. This reduces food waste and maximises supplies for 2,625 charities nationwide.

In 2023, Foodbank sourced 51 million kilos of food and groceries, the equivalent of 92 million meals, from farmers, manufacturers and retailers to make it available to individuals and families in need.

We're proud to have supported Foodbank since our Community Development Program began in 2020. Here's how this year's contribution has helped:

Surplus with Purpose

Supports the harvesting and transport of fruit and vegetables from the farm gate, reducing food waste, saving food from landfill, and supporting the community.

Key Staples program

Provides a consistent and sustainable supply of a variety of essential foods that are nutritious, convenient, and don't come in sufficient quantities through traditional food rescue channels. This includes cereal, milk, canned vegetables, pasta, meal bases, rice and meat, among many more items. In FY24, Alinta Energy's donations of \$100,000 to Foodbank resulted in:



Conservation Volunteers Australia (CVA)

Founded in 1982, CVA empowers people to take action for nature through restoration projects which improve ecosystems. Their focus includes biodiversity restoration; the health of ocean, wetlands and rivers; and on strengthening climate resilience.

Our support in the form of both funding and time has contributed to meaningful programs such as the City Nature Challenge, World Environment Day and Revive #SeaToSource.

Through a total of 84 days of volunteering by our people, we removed 321 kgs of litter, planted 4,150 native trees and improved 2,000m² of natural habitat for our wildlife.

The benefits go both ways. Our people's physical and mental wellbeing benefits from connecting with nature, whether to remove weeds or collect litter, while also promoting team building by working together in a new environment.

Introducing our Better Energy Efficiency Program

This year, we began developing a new initiative within our Community Development Program to support customers experiencing vulnerability and communities facing energy poverty and social disadvantage. It will support them to reduce the amount of energy they use without having to cut corners. As well as helping participants lower their energy bills for the long term, it will also support the energy transition and decarbonisation.

It will incorporate three streams, designed in collaboration with human-centred design experts. Feedback on the process and our early pilot has helped us enhance the approach to extend its reach and impact.

1. Direct-to-customer appliance swap

Swapping inefficient appliances for energy-efficient models for eligible customers who are experiencing vulnerability or hardship. This will support reducing their energy consumption, helping reduce their bills. It was piloted during FY24 with Uniting in Queensland and Victoria. The insights gained from the pilot are being incorporated as we refine stream one and expand to include two other streams.

2. Direct-to-customer appliance provision

Providing new, energy-efficient appliances to people experiencing vulnerability. This stream is currently being planned and will initially focus on helping customers who are impacted by family and/or domestic violence.

3. Not-for-profit energy efficiency upgrades

Partnering with not-for-profit organisations that support people experiencing vulnerability or hardship, lowering their energy costs and improving their efficiency and self-sufficiency. This will enable organisations to upgrade their crisis and transitional housing with efficient appliances and to install solar power and batteries. It will reduce how much electricity they need to buy, freeing up funds to further help their clients.



Giving back through community grants

We award approximately \$200,000 a year in grants as part of our Community Development Program. Small to medium not-for-profit organisations can receive up to \$20,000 towards their cause. To find out more, visit <u>our website</u>.



Case study – Empowered Women in Trades' Experience Trades program

Empowered Women in Trades exists to create a gender inclusive culture and increase diversity in these skilled workforces. They aim to boost the number of women who choose a career in trades, who currently make up only 3% of this workforce across the country.

Our grant supported a three-day program for women in regional Queensland with five participants who ranged in age from teens to mid-40s. Participants learned about practical topics such as:

- What's involved in an apprenticeship
- Types of trade-based roles available locally
- Employability skills
- Building confidence and strengths assessment
- Job search skills including where to find jobs, applications and interviews.
- Using hand and power tools
- Importance of planning, design and engineering through an interactive workshop
- Confined spaces, working at heights, fire safety
- Training options in civil construction including funded programs

Since completing the program, attendees have gone on to pursue further study in trades or seek employment opportunities. One has signed up to do a Certificate I in construction, two are applying for local apprenticeships in electrical and auto-electrical, and another is doing a short course to develop civil construction knowledge.

Everyone who completed the program said they'd recommend it to others. They all rated the program a 9 or above out of 10 for outcomes, engagement and enjoyment. Some of their feedback is shared below:

Loved this program, it has done more for me than you know.... I was reluctant to come but I am so glad I did.

The activities in this program allowed me to experience trades, not just talk about them. It helped me understand what a career in trades could be for me and I am so grateful.

The conversation that has now been created for women in the region is a lasting impact.

Our community grant recipients in FY24

Christian City Church Indooroopilly, dinners for people impacted by family and domestic violence (QLD)

The church supports adults and children who have been impacted by family and domestic violence, as well as those experiencing homelessness. Our grant provides essential equipment and supplies for services including continuing with monthly dinners. These dinners offer a safe and private environment where individuals can foster a sense of community, support and belonging, particularly when they may feel displaced, isolated, and alone. Not just a hot meal, they also build trust within the community and offer referrals to other support services. Diners are also offered pantry staples, children's toys, books, and clothing.

Eat Up Australia, fruit for hungry school kids in Perth (WA)

Eat Up works to address child food insecurity by delivering school lunches for kids experiencing disadvantage who would otherwise come to school with no food from home. Australian children, especially from low socioeconomic backgrounds, often don't eat enough fruit and vegetables and one in five kids go to school hungry in Australia.

Eat Up Australia services 113 schools, an increase from 70 in 2022. Our grant is providing fresh fruit in Eat Up Australia's lunch program for schools across Perth for the remainder of the school year.

ECHO Empowering Services, extension to emergency relief room (QLD)

ECHO Empowering Services is a fast-growing organisation offering neighbourhood housing, aged care, emergency relief and welcoming, inclusive spaces to several local communities in Far North Queensland. The centre assists 120 people a month, and community pantry volunteers deliver emergency relief three days each week. Our grant supported an extension for their emergency relief room to accommodate more food and supplies, and provided storage for packs distributed to people experiencing homelessness.

Echuca Neighbourhood House, food for the soul (VIC)

Echuca Neighbourhood House has provided community services and programs for the past 30 years to people facing social disadvantage. Our grant has expanded the community meals program, enabling the House to provide an extra 3,140 home cooked, nutritious meals throughout the remainder of 2024. These meals not only nourish the body but also serve as a focal point for community unity, fostering connectedness, promoting positive mental health and learning about other available services.

Emmaus Community, Going Green at Emmaus (WA)

Emmaus Community is a supportive, communitybased home environment for adults with mental health challenges. Our grant was used to install a new solar battery and heat pump hot water system. The battery continues to provide most of Emmaus' energy needs by storing the energy from their existing solar panels, while the heat pump has reduced consumption and emissions. With the reduction of energy costs, the savings are being used to support residents.

Empowered Women in Trades, Experience Trades program (QLD)

Empowered Women in Trades exists to create an inclusive culture of gender equality for tradeswomen and to increase diversity in skilled trades. Our grant helped to run a three-day program for women in regional Queensland, as outlined in our case study on the previous page.

Hornsby Ku-ring-gai Women's Shelter, battery for existing solar system (NSW)

The shelter offers safe emergency accommodation and support for women facing homelessness and family and domestic violence. Our grant has been used towards a 15 kWh solar battery installation and additional upgrades so the shelter can store and use solar energy and reduce their energy costs. The cost savings will be used to meet other needs such as access to health, legal, education and employment support services.

Hunter Regions Women's Working Group, Aboriginal women's circle (NSW)

The women's circle creates a safe space where Aboriginal women can focus on self-discovery, individual self-care and learning about healthy and respectful relationships. Many women who attend may have experienced or are currently experiencing family and domestic violence, mental health issues, relationship challenges and lifestyle risk factors. Our grant supported a 10-week workshop for 20 women to build trusting relationships and decrease isolation, with facilitated follow up through case management and referrals.

Leading Youth Forward, big day out one and two (WA)

Leading Youth Forward provides mentoring and group activities for at-risk teens in school years 7-10. Our grant supported two Big Day Out events which paired teens with a young adult mentor and introduced them to key life skills. The first day was held in May, involving 50 at-risk Perth teenagers who were exposed to new experiences to stretch themselves. They participated in various challenges and activities such as art therapy, journalling and martial arts.

Lefevre Uniting Church Taperoo, building community with the disadvantaged (SA)

The church operates a food centre that distributes frozen meals and other food items, clothing and blankets to local residents experiencing financial hardship, poverty or distress. Beyond food relief, the program provides important social contact for attendees, who often lack connections to family, friends or neighbours. Our grant has supported a new initiative, providing meal and coffee vouchers for visitors to the food centre, giving them the opportunity to chat and build relationships.

Rotary Club of Kempsey West Inc, Kempsey science and engineering challenge (NSW)

The challenge is a day-long competition designed to provide Year 9 and 10 students with a positive experience in science and engineering. It originated in Kempsey in 2000 through a partnership with the Newcastle University, Engineers Australia and Kempsey West Rotary Club. Our grant has supported the program's expansion to more schools and participants while ensuring its continual evolution. This year a new program was introduced in Port Macquarie by Deadly Science, which has sparked interest among both Indigenous and non-Indigenous students.

The Dunghutti Elders Council, Gurrgiyn Gurrgiyn rangers program (NSW)

The Dunghutti Elders Council Aboriginal Corporation is committed to preserving the cultural heritage and natural resources of the Dunghutti people. In collaboration with the Dunghutti Traditional Owners, the corporation is developing a comprehensive management plan for the Gurrgiyn Gurrgiyn ranger program. This aims to restore and protect the Macleay River's ecosystem through sustainable land and water use practices, cultural heritage protection and community engagement. Our grant will be used to engage environmental experts for site assessments and conservation strategy development. Finally, new partnerships with local, regional, and national organisations will be forged to support ongoing conservation efforts.

The Shoreline Foundation Ltd, Perth program expansion (WA)

We're continuing our support for previous grant recipient Shoreline, which facilitates educational and long-term employment opportunities for First Nations students. This grant has supported two trainees from the program at Perth Zoo. Thanks to their program, the Perth Zoo has now employed First Nations trainees, one of whom returned home to work as a ranger on Country, while another has secured a permanent role at the Zoo. The trainees deliver the Zoo's newly introduced First Nations tours.

Welfare Rights Centre, First Nations Community Legal Support & Workshops (NSW)

Welfare Rights Centre is a small community legal centre specialising in social security and family assistance law. Our grant has helped to fund their First Nations Access Program and enable collaboration with Aboriginal community controlled organisations to develop culturally appropriate training opportunities and resources. Supporting First Nations community workers to navigate Centrelink processes more effectively will enhance outcomes for their clients, who often face significant barriers to accessing their entitlements.



Year 9 and 10 kids from the region participating in the Kempsey science and engineering challenge

Site donations

Each year, our Community Development Program gives our operating sites \$5,000 to support their chosen local charities and community organisations of their choice.

This year, our sites supported the following organisations through site donations:

Bairnsdale power station, VIC – Bairnsdale U3A (University of the Third Age)

Bairnsdale U3A is a volunteer cooperative of older people committed to learning. Our donation helps them to maintain their operations and update technology.

Braemar power station, QLD – Waminda Services

Waminda Services provides numerous forms of support to clients with disabilities across the Western Downs Region.

Glenbrook power station, NZ – Graeme Dingle Foundation, Kiwi Can program

The foundation's Kiwi Can program helps primary school kids develop life skills, confidence and resilience. The 12-month program reduces bullying and truancy and currently runs at 100 schools across Aotearoa New Zealand.

Morwell customer contact centre, VIC – Lifeline Gippsland, The WES

The WES, a supportive space provided by Lifeline Gippsland, offers free wellbeing and emotional support outside of standard hours. The WES has both mental health practitioners and peer support members who have been trained to have these challenging and supportive conversations.

Wagerup power station, WA – Bridge Builders, Nanna's Kitchen

Bridge Builders runs a community pantry serving the City of Mandurah and the wider Peel region in WA. Nanna's Kitchen is a program that provides a safe and welcoming space for families who are struggling with the lack of affordable housing. Volunteer 'nannas' are available two nights a week to help share their knowledge and experience in the kitchen as well as helping children with homework and other activities, giving parents some relief and support.

Yandin Wind Farm community fund

Yandin Wind Farm (a RATCH/Alinta Energy investment managed by Alinta Energy) has a separately funded and governed community development fund. Each year, the fund awards around \$50,000 per year in individual grants, indexed to inflation. This will add up to more than \$1 million over the wind farm's operation.

During the year, grants totalling \$57,000 were awarded to 3 organisations:

- Dandaragan Heritage and Cultural Centre Inc
- Dandaragan Primary School
- Dandaragan Bowling Club.

With overwhelming support from the community, the bulk of this year's funding went to the Heritage and Cultural Centre to develop plans and start early earthworks on land leased from Council. Other community groups decided not to apply for grants in favour of supporting this project, with a record 18 letters of support received.

The primary school and bowling club received smaller grants to replace a shade cloth sail and to sponsor their tournament respectively.

Full details are available from the <u>Yandin Wind Farm</u> <u>Community Fund</u> website.



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Employee volunteering program

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Closely aligned with our Community Development Program, our volunteering program encourages our people to give back to the community. Each year, we provide a day of paid leave for employees to support causes they care about.

Employees can volunteer with one of our Community Development Program partners or choose another not-for-profit organisation that resonates with them. Volunteering often brings teams together and provides a rewarding experience.

In FY24, 227 of our employees volunteered for a total of 222 days. This was more than double the number of people participating compared to FY23. We're immensely proud that our volunteering rate of 19% exceeds the national corporate average of 15% (based on data from Volunteering Australia).

Worthy organisations that received our support included The Salvation Army, Conservation Volunteers Australia, Foodbank and Rottnest Island Foundation, among others.



Reflecting the extent of the cost-of-living crisis, Foodbank are seeing Australians seeking help who have never had to use such services before, including working professionals.

Here, people from our Melbourne office help to pack meals for those in need. Our Safety, Sustainability and Insurance team volunteered for a working bee at a Salvation Army domestic violence shelter in Sydney's inner west.

In addition to spring cleaning, assembling furniture, redecorating and setting up a children's play area, the team also came bearing gifts donated by people from Alinta Energy – everything from bean bags, art, rugs and plants to cheer up the space, through to food, toiletries and clothing for the use of the families.



ABOUT OUR REPORTING

HOW WE REPORT ON SUSTAINABILITY

About our report

This report relates to the operations of Alinta Energy Pty Ltd and Renewable Energy Investment Fund Pty Ltd, which together are known as the Alinta Energy Group or Alinta Energy.

It does not include the operations of Latrobe Valley Power (Holdings) Pty Ltd, which operates the Loy Yang B power station. Latrobe Valley Power is a separate legal entity with its own board, chaired by an independent non-executive director. Loy Yang B prepares a separate sustainability report which is available from its <u>website</u>.

Reporting standards

This report is prepared with reference to, rather than in accordance with, the Global Reporting Initiative (GRI) Standards. We include a GRI Content Index, showing where each of the relevant GRI disclosures is published, on page 81. Selected performance metrics are also subject to external assurance (refer to pages 82–83 for more details).

We align this report with the GRI reporting principles to make our sustainability performance more transparent. These are discussed further below.

To help make this report shorter and easier to read, it concentrates on the most significant information that we believe is relevant to its users, as outlined further in the following pages. Supporting data and information for many GRI metrics is presented in our online data centre, which is consistent with the GRI structure.

Report principles

1. Accuracy

Selected performance metrics in this report were subject to limited external assurance. KPMG's Independent Limited Assurance Report is provided on page 82–83.

2. Balance

We report on both the positive and negative impacts of our operations.

3. Clarity

We present information in the most straightforward way possible to help stakeholders understand how we manage sustainability.

4. Comparability

We keep this report's format reasonably consistent from year to year and include recent historical performance data where available so stakeholders can assess our performance over time. Notes to charts or tables identify any restatements of previous years' data.

5. Completeness

We provide information on material topics and which reflects the significant economic, environmental, and social impacts of our operations for the year from 1 July 2023 to 30 June 2024 (FY24). We also include significant events which occurred after the end of the financial year.

6. Sustainability context

We discuss our targets and performance in the context of the limits and demands on environmental and social resources locally, regionally and globally. As far as practicable, this report covers our operations in Australia and New Zealand. This includes joint ventures and parts of the value chain which we significantly influence.

For example, data on energy consumption, greenhouse gas emissions and emissions intensities relates to all power stations Alinta Energy owns, operates and/or contracts with, except for the Glenbrook cogeneration plant in New Zealand. The Glenbrook plant is embedded in NZ Steel's 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.

7. Materiality

Our approach to materiality is described further on the following page.

8. Timeliness

We report on sustainability annually, based on our financial year which ends on 30 June. Our reports are published within a reasonable time after the end of the financial year.

9. Verifiability

Selected performance metrics presented in this report were subject to limited external assurance. KPMG's Independent Limited Assurance Report is provided on pages 82–83.
Other important information

Alinta Energy's current and past sustainability reports are prepared to provide general information to a wide audience of internal and external stakeholders. The information they contain has been prepared with due care and diligence to the best of our ability and knowledge. The reports may not contain all information related to the topics covered and may not meet the information needs of specific readers.

Where relevant, the reports may contain forward looking statements including statements of intended future business activities, opinions on the likelihood and impact of future events, and future financial prospects. Forward-looking statements are not statements of fact, are based on assumptions, and are subject to uncertainty, risk and other factors that could cause the actual outcomes to materially differ from the events or results expressed or implied by such statements. Statements about past performance do not necessarily indicate future performance. We disclaim any assumption of responsibility for any reliance on our current and past sustainability reports by any person or organisation.

Stakeholders

A key GRI principle is for sustainability reporting to consider all stakeholders, and for them to have input into determining our material sustainability issues. We seek the views of our stakeholders from our formal materiality assessment process and also through customer feedback, customer ombudsman concerns, employee engagement surveys, supplier meetings and market research.

Our diverse stakeholders include:

- Customers
- Employees
- Suppliers

- Regulators and government
- Community groups
- Owners
- Business partners
- Contractors
- Media
- Lenders and grant providers
- Insurers
- Auditors
- Rating agencies
- Industry associations
- Non-government organisations
- The general public

We participate in industry associations including the Australian Energy Council (AEC), the Clean Energy Council and the Committee for Economic Development of Australia (CEDA).

Materiality assessment and material topics

Our sustainability reporting focuses on topics we have assessed as material. GRI 3 Material topics 2021 defines these as topics that 'represent an organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights'.

Materiality influences the strategies we develop and the targets we set so that we focus our effort and resources on the topics most likely to achieve positive impacts (or to minimise negative impacts).

We engage with stakeholders to determine which topics are material. Every few years we update our materiality survey to identify the environmental, social and governance (ESG) topics that our stakeholders consider are material to our business (that is, they have a particularly significant impact on the environment, society or our business operations).

Updating our materiality survey

During the year, we invited over 100 internal and external stakeholders to complete our survey. External stakeholder groups included customers, suppliers, consultants, auditors, regulators, government, financiers and grant providers, rating agencies, insurers, community groups, industry associations and our owners. Internal stakeholders included our executive leadership team, general managers, and other staff whose roles regularly intersect with ESG matters.

Stakeholders could complete the survey anonymously, to encourage more candid responses, or could provide their email address if they were comfortable to do so.

We asked stakeholders to rate each of 41 ESG topics against the following:

- Please rate the importance of this topic to your stakeholder group (very important / somewhat important / not important / not sure)
- How well does our current reporting on this topic meet your needs? (current information meets my needs / need more information / don't require information on this topic / not sure).

The topics were as follows:

Environment		Social		Governance	
 Air po 	ollution (other than greenhouse)	•	Community support (financial, volunteering)	•	Adoption of innovation
• Biodiv	versity management (minimising adverse impacts	•	Creation of local employment opportunities	•	Anti-corruption
to flor	ra and fauna)	•	Customer experience and complaints	•	Avoiding anti-competitive behaviour
 Clima 	ate change/ decarbonisation initiatives	•	Diversity, equity and inclusion statistics and initiatives	•	Business ethics/integrity and governance
Clima	ate resilience initiatives	•	Employee engagement, talent attraction and retention	•	Collaboration with industry for sector-wide progress
 Energ 	y sources and amount consumed	•	Employee health, safety and wellbeing	•	Compliance with regulations
 Envirc 	onmental compliance	•	Employee learning and development	•	Economic performance/ profitability
Green	nhouse gas emissions and intensity	•	Energy affordability	•	Economic value creation and sharing (e.g. support for
Other	Other natural resource consumption (raw materials)		Energy availability and reliability		SMEs, grants)
Reger	neration (positive impacts to biodiversity)	•	Fair pay and terms for suppliers	•	Financial implications and other risks and opportunities
 Waste 	e quantities, impacts and diversion from landfill	•	Human rights and modern slavery for suppliers		Grievance mechanisms (e.g. whistloblower botting)
• Water	r and/or soil pollution		and contractors		Lobbying and public policy organization
• Water	r consumption	•	Impacts on surrounding communities to	•	Lobbying and public policy engagement
	1		operational sites		kisk management
	1	•	Industrial relations including freedom of association		
	1	•	Privacy and cybersecurity		
	1	•	Responsible sourcing / supply chain management		
	1	•	Support for First Nations people and closing the gap		
		•	Support for vulnerable customers		

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Based on the responses we received from 51 stakeholders, we consider the following GRI topics are most material to our business.

Category	Торіс	Where addressed in this report	
Environmental	Climate change/ decarbonisation initiatives	Pages 23-35	
	Greenhouse gas emissions and intensity	Pages 20-22; 26	
	Environmental compliance.	Pages 14; 36	
Social	Employee health, safety and wellbeing	Pages 38-42	
	Privacy and cybersecurity	Page 52	
	Energy availability and reliability	Page 7. See also our MD and CEO's discussion of the challenges on pages 16–18.	
Governance	Compliance with regulations	Pages 9; 14; 38; 51–52	
	Economic performance/ profitability	Pages 60-61	
	Risk management	Page 9	

The top three topics in each category for which stakeholders said they **needed more information** were:

Category	Торіс	Where addressed in this report
Environmental	Climate change/ decarbonisation initiatives	Addressed in detail on pages 23–35.
	Climate resilience initiatives	Our focus is primarily on mitigation. Resilience is an area where we our building capabilities. The formation of a new Program Management Office, which seeks to standardise project management approaches, better enables us to systematically consider resilience as part of broader project risk assessment processes. Examples of how this has been considered are a widening of the entry road to the Wagerup battery (currently under construction, page 35) to enable better access for fire trucks.
	Biodiversity management	Page 36



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Social	Responsible sourcing/ supply chain management	Page 58
	Energy affordability	Our MD and CEO discussed this at his address to the Press Club (pages 16–18). See also how we are supporting customers experiencing affordability challenges (page 51).
	Diversity, equity and inclusion statistics and initiatives	Pages 43-44
Governance	Financial implications and other risks and opportunities relating to climate change	Page 30
	Adoption of innovation	Examples of innovations we have adopted this year include:
		• the ongoing work of our New Markets team supporting customers with behind-the-meter solutions
		• the virtual power plant pilot trial which we have been piloting with a view to making available to all interested customers (page 28)
		• the new customer energy efficiency app pilot which uses smart meter data and algorithms to provide useful insights to customers about how they can reduce consumption or control costs (page 28)
		 a new, discounted tariff under development for electric vehicle owners (page 28);
		• a new, high solar feed-in rate under development for customers with solar panels (page 28).
	Collaboration with industry	This year, significant collaboration initiatives included:
	for sector-wide progress	• Working with other energy gentailers to support the Salvation Army's Light the Way initiative tacking energy poverty (page 64)
		• our MD and CEO working with other CEOs to tackle gender equality through Champions of Change (page 43);
		• collaborating across the renewable energy value chain to address risks of modern slavery through the Clean Energy Council (page 58)
		• Working with universities, the vocational sector, the Powering Skills organisation and other energy companies and stakeholders to influence the development of programs and curriculum which will produce industry-ready graduates and tradespersons (pages 47-48).

Most of the material topics stakeholders raised align with topics we have previously prioritised.

We acknowledge that our stakeholders are interested in additional information. Some of this, particularly about climate change and climate resilience, will be addressed in our Climate Transition Action Plan. This is currently being developed and will be released in late 2024.

We also note stakeholders' interest in seeing more about biodiversity management, responsible sourcing/ supply chain management (addressed in greater detail this year on page 58), the adoption of innovation, and how we collaborate with industry for sector-wide progress for example, our role as part of the wider energy market supporting the transition to renewables (pages 16-18) or working collaboratively to develop solutions to modern slavery (page 58).

A materiality survey is, by its nature, limited in the number of representative inputs obtained. We encourage anyone with feedback about our reporting to contact us directly at sustainability@alintaenergy.com.au.

Materiality definitions

In this report:

- Material fines are defined as greater than \$500,000.
- Material environmental incidents are defined as having a combined value of associated clean-up costs or fines greater than \$500,000.
- Significant impacts on biodiversity are defined as construction projects which have not obtained or followed environmental management plans.

Glossary and Definitions

Glossary

ACCU	Australian carbon credit unit
AEC	Australian Energy Council
Alcoa	Alcoa of Australia Ltd
CEO	Chief Executive Officer
CERT	Corporate emissions reduction transparency
CTFE	Chow Tai Fook Enterprises Limited
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESG	Environmental, social and governance
FID	Final investment decision
FIRB	Foreign Investment Review Board
FY	Financial year
GRI	Global Reporting Initiative
LTIFR	Lost time injury frequency rate

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
REIF	Renewable Energy Investment Fund
SVA	Safety Value Add
SWIS	South West Interconnected System (Western Australia)
TCFD	Task Force on Climate-related Financial Disclosures
TRIFR	Total recordable injury frequency rate
WGEA	Workplace Gender Equality Agency

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Definitions

Where possible, data for our climate targets is sourced from the Pioneer Sail Holdings' National Greenhouse and Energy Reporting (NGER) submissions. As NGER data relates solely to Australian facilities, for consistency, all our climate targets relate to Australian facilities and projects.

We have defined the following terms which are relevant for one or more of our climate targets:

Renewable generation – Relates to all renewable energy technologies (including wind and solar) as well as renewable storage technologies with generation capability (such as pumped hydro projects), but not those that simply store and subsequently export power (such as batteries).

Storage - Relates to technologies that store and subsequently export power (such as batteries and pumped hydro projects).

Total generation – Relates to all technologies with generation capability (including renewables, fossil fuel and cogeneration), but not those that simply store and subsequently export power (such as batteries).

Generation – Relates to 'energy produced for use offsite' (sent out electricity), which excludes on-site auxiliary electricity use.

Net Scope 1 emissions – Take into account the carbon abatement from credible carbon offsets we have voluntarily surrendered, excluding those associated with Climate Active carbon neutral gas products.

Net Scope 2 emissions - Take into account the carbon abatement from credible carbon offsets and/or renewable energy certificates we have voluntarily surrendered, excluding those associated with Climate Active carbon neutral gas and/or electricity products.

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

Credible carbon offset certificates – These are certificates which are eligible under the Australian Government's Climate Active program.

Credible renewable energy certificates – These are certificates which are created under the Australian Government's Renewable Energy Target.

Operational control – Has the meaning set by the Clean Energy Regulator for the purpose of NGER reporting.

Useful Energy Transition Concepts

Synchronous Generation – Synchronous generation refers to the generation of electricity by machines (like traditional power plants) that operate in sync with the frequency of the electricity grid. This means the generator's rotor spins at a constant speed, directly linked to the grid's frequency. Synchronous generation is crucial because it helps maintain grid stability and reliability.

Synchronous Services – Synchronous services include a range of support functions provided by synchronous generators, including:

- **Inertia:** Helps to stabilise the grid when there are sudden changes in generation or load.
- **Frequency Response:** Rapid adjustments to generation to maintain frequency within acceptable limits.
- **Voltage Control:** Maintaining voltage levels within a specified range to ensure power quality.

These services are vital for grid stability, especially as more variable renewable energy sources (like wind and solar) are integrated. They help prevent blackouts and ensure that the power supply remains reliable.

Firming – Firming refers to the ability to provide a consistent and reliable supply of electricity, even when renewable sources are not generating power (e.g., during calm days for solar or windless nights). Firming is essential because renewable energy generation is often intermittent, meaning it cannot consistently meet demand. Current renewable technologies cannot provide the synchronous services needed for firming. Therefore, backup generation sources, such as natural gas or energy storage systems, are necessary to ensure a stable power supply when renewables are insufficient.

Grid Forming Technology – Grid forming technology refers to advanced systems, often using inverter-based resources (like batteries or solar inverters), that can create and maintain grid frequency and voltage independently. This technology is vital for integrating high levels of renewable energy. It allows for a more flexible and resilient grid, enabling the use of renewable resources while providing necessary services traditionally offered by synchronous generators.

Grid Following Technology – Grid following technology describes inverter-based systems that adjust their output to match the grid's frequency and voltage. They are designed to follow the existing grid's signals rather than form the grid themselves. While grid following systems are effective for integrating renewable energy, they rely on existing synchronous generation to maintain stability. This creates challenges as more renewables enter the system, potentially leading to stability issues if synchronous resources decrease.

Ramping – Ramping refers to the ability of a power generation source to increase or decrease output quickly in response to changing demand or supply conditions. Ramping is critical in a renewable-heavy grid because it helps balance the fluctuations in generation from intermittent sources like wind and solar. Flexible generation (like gas or energy storage) is needed to meet these demands quickly.

Rapid Startup/Restart – Rapid startup/restart describes the capability of power plants, especially gas turbines, to quickly come online or return to full generation capacity after being offline. This capability is essential in a renewable-dominant grid where sudden drops in generation can occur due to variability. Rapidly responsive backup generation is necessary to maintain grid stability and meet demand during these fluctuations.



Pathway to Net Zero - Basis of Preparation

This section outlines the greenhouse gas accounting practices to establish and monitor progress against our long-term and interim greenhouse gas emissions reduction targets (emissions targets). These practices are based on the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard (GHG Protocol).

Organisational boundaries

For the purposes of emissions targets, Alinta Energy's gross Scope 1 emissions are calculated using the operational control approach defined in the GHG Protocol. Scope 2 emissions are calculated using the market-based method.

These approaches align with the Australian Government's National Greenhouse and Energy Reporting (NGER) and Corporate Emissions Reduction Transparency (CERT) programs.

Alinta Energy is owned by Chow Tai Fook Enterprises (CTFE) through Pioneer Sail Holdings Pty Limited (Pioneer Sail Holdings), which is a subsidiary of CTFE.

The Loy Yang B power station is also owned by CTFE and is operated by Latrobe Valley Power (Holdings) Pty Limited (Latrobe Valley Power), a subsidiary of Pioneer Sail Holdings. Alinta Energy's emissions targets were established and will be monitored from the perspective of the Alinta Energy group of companies, and therefore do not include the Loy Yang B power station as shown right.

Organisational structure under NGER Program

Pioneer Sail Holdings Pty Ltd

Alinta Energy Group of Companies	Latrobe Valley Power
All other operations except Loy Yang B	Loy Yang B power station

Alinta Energy's greenhouse gas accounting and targets do not include the Glenbrook power station in New Zealand. This is because the Glenbrook cogeneration plant is integrated with NZ Steel's Glenbrook facility and generates electricity using waste heat and offtake gases from the steel production process, making it impractical to quantify its emissions.

Operational boundaries and calculating emissions

Scope 1 and 2 emissions are defined in the GHG Protocol. They are designed to avoid multiple organisations accounting for emissions in the same scope.

Alinta Energy's scope 1 and 2 emissions are calculated in accordance with the Australian Government's National Greenhouse and Energy Reporting (NGER) and Corporate Emissions Reduction Transparency (CERT) programs.

Our scope 1 and 2 emissions include:

- Alinta Energy's gas fired generation assets (except Pinjarra which is operated by Alcoa of Australia).
- Yandin Wind Farm (which is operated by Alinta Energy).

Scope 1 and 2 emissions do not include power purchase agreements for renewable assets. This is because they relate to energy generated at facilities that are operated by third parties. The GHG Protocol describes scope 3 emissions as an optional reporting category that allows for the treatment of indirect emissions. We have reported scope 3 emissions metrics that are:

- Material to our indirect greenhouse emissions footprint, and
- Able to be accurately estimated using reliable data sources.

These scope 3 emissions metrics that are included in this report are associated with:

- Contracted electricity purchases from third parties
- Gas sold to end-use customers
- Facilities that are owned but not operated by Alinta Energy.

Base year emissions recalculation policy

We have selected FY18 as the base year to establish and monitor progress against our emissions targets.

Our policy is to retroactively recalculate base year emissions to reflect changes in our business that would otherwise affect the consistency and relevance of the reported emissions information. The types of events that could trigger a recalculation of our base year emissions include:

- Mergers, acquisitions, divestments or insourcing of operations that existed prior to the base year
- Discovery of significant errors
- Changes in calculation methodology.

The significance threshold that triggers recalculation of base year emissions is an impact of more than 5% on base year scope 1 emissions. This is determined on a cumulative basis from when the base year is established. Base year emissions will not be recalculated due to acquiring or insourcing operations that did not exist in the base year, organic growth or decline.

This method has been applied to how we have adjusted the emissions data relating to the Pilbara sale in FY24.

Verification

Data used to track progress against climate targets is audited by KPMG under our sustainability report assurance program.

Carbon offset and renewable energy certificates double counting policy

The GHG Protocol states that 'given that there is currently no consensus on how such double counting issues should be addressed, companies should develop their own Target Double Counting Policy. This should specify how reductions and trades related to other targets and programs will be reconciled with their corporate target, and accordingly which types of double counting situations are regarded as relevant.'

The GHG Protocol also provides examples which 'illustrate that double counting is inherent when the GHG sources where the reductions occur are included in more than one target of the same or different organisations. Without limiting the scope of targets, it may be difficult to avoid this type of double counting and it probably does not matter if the double counting is restricted to the organisations sharing the same sources in their targets (i.e. when the two targets overlap)'.

Carbon offset certificates used to supply carbon neutral gas products to customers are not applied to our scope 1 emissions target calculations. Doing so would represent double counting because the customer could also apply these offsets to their scope 1 emissions.

Renewable energy and storage target

We classify renewable energy and storage projects into the following categories to track progress towards our target to support 1,500 MW of development by FY25.

Category	Definition	Contributes to our renewable energy target?
Operational		
Capital assets	 Facility is operational (commissioning complete with a full handover to a registered market operator) Owned or part owned, and/or operated by Alinta Energy 	\checkmark
Future start date		
Capital investment projects	 Not yet operational Alinta Energy is the project developer Final investment approval given by our Board and all other required approvals obtained Engineering, procurement and construction contract is in place Commercial agreement for offtake is in place Contracts may include conditions precedent that are not yet satisfied. 	~
Contracted PPA	 Not yet operational Alinta Energy is not the project developer but has an offtake agreement to purchase energy from the facility Developer has obtained final investment approvals and all other approvals required to progress Engineering, procurement and construction contract is in place Contracts may include conditions precedent that are yet to be satisfied 	~
Pipeline		
Development options	 Project is at development stage Alinta Energy is the primary project developer 	×
Contracting opportunities	 Alinta Energy is in negotiations for the offtake of energy from a renewable energy development. 	×
Potential expansion projects	 Alinta Energy has identified potential to add renewable energy capacity to one of our existing generation sites. 	×

GRI CONTENT INDEX

Statement of use

Alinta Energy has reported the information cited in this GRI content index for the period 1 July 2023 to 30 June 2024 with reference to the GRI Standards.

GRI 1 used

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GRI 1: Foundation 2021

Standard	Disclosure	Location	Standard	Disclosure	Location
	2-1 Organisational details	7, 9		304-1 Operational sites owned, leased, managed in or adjacent	
	2-2 Entities included in the organisation's sustainability reporting	9, 60	GRI 304: Biodiversity	to, protected areas and areas of high biodiversity value outside protected areas	36
	2-3 Reporting period, frequency and contact point	72,84	2010	304-2 Significant impacts of activities, products and services on biodiversity	36
	2-4 Restatements of information	72			
	2-5 External assurance	72, 82-83	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	20
GRI 2: General	2-6 Activities, value chain and other business relationships	7, 58		305-4 GHG emissions intensity	25-26
disclosures 2021		GRI 306: Waste 2020		306-3 Waste generated	36
	2-7 Employees	centre	GRI 401: Employment	401-1 New employee hires and employee turnover	Online data
	2-9 Governance structure and composition	9,12	2016		centre
	2-11 Chair of the highest governance body	9	GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	39, Online data centre
	2-13 Delegation of responsibility for managing impacts	12, TCFD report	GRI 404: Training and	404-2 Programs for upgrading employee skills and transition	47-48
	2-28 Membership associations	58,73		405-1 Diversity of governance bodies and employees	12 11
ODI O. Matarial Taria	3-1 Process to determine material topics	73-75	CRI 405: Diversity and		Online data
GRI 3: Material Topics	3-2 List of material topics	75	Equal Opportunity 2016		centre
2021	3-3 Management of material topics	75		405-2 Ratio of basic salary and remuneration of women to men	43-44
CDI 2011 Economia	201-1 Direct economic value generated and distributed	60	GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	
performance 2016	201–2 Financial implications and other risks and opportunities	30			36
GRI 203: Indirect	due to climate change	60	GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	51-52
Economic Impacts 2016	203-2 Significant indirect economic impacts	00	GRI 418: Customer	418-1 Substantiated complaints concerning breaches of	
GRI 206: Anti-competitive	206-1 Legal actions for anti-competitive behaviour, anti-trust	Website	Privacy 2016	customer privacy and losses of customer data	52
Behaviour 2016	and monopoly practices				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	19			
	303–3 Water withdrawal	36			
effluents 2018	303-4 Water discharge	36			
0	303–5 Water consumption	36			

KPMG

Independent Limited Assurance Report to the Directors of Alinta Energy Pty Ltd

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Information Subject to Limited Assurance, which has been prepared by Alinta Energy Pty Ltd in accordance with management's Criteria for the period 1 July 2023 to 30 June 2024.

Information Subject to Assurance

The Information Subject to Assurance comprises the Selected Sustainability Information as presented in the Alinta Energy Group 2023/24 Sustainability Report, and the Sustainability ata Centre (see links) as shown in the table below:

Selected Sustainability Information	Value Assured FY24	Sustainability Report Page Reference				
Plant Availability: Availability of owned and/operated power stations and generation						
facilities	0.1.10/					
Yandin wind farm	94.1%	Contained in				
Pinjarra power station	90.3%	Data Centre				
Wagerup power station	94.8%	only: see Plant				
Bairnsdale power station	94.7%	availability -				
Braemar power station	92.6%	Alinta Energy				
Glenbrook power station	92.0%	FY24 actual column				
Total economic value distributed (\$m)	4,575	60				
Value of community contribution via corporate sponsorships, community development programs and charitable donations (\$)	501,502	5 & 60				
Group underlying EBITDA (\$m)	656	4 & 61				
Total recordable injury frequency rate (TRIFR)	2.64	20				
Lost time injury frequency rate (LTIFR)	0.53					
Emissions intensity of Australian power generation (tCO2-e/MWh)	0.350	25				
FY18 baseline year emissions intensity – excluding Pilbara assets (tCO2-e/MWh)	0.573	25				
Cumulative progress to FY 25 net scope 1 emissions intensity target	97%	25				
Progress towards renewable energy and storage target (MW)	922	4 & 24				
Fuel energy used for Australian power generation (GJ)	90,555,810	19				

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Selected Sustainability Information	Value Assured FY24	Sustainability Report Page Reference
Scope 1 greenhouse gas emissions (tCO2-e)	690,927	20
Scope 2 greenhouse gas emissions (tCO2-e)	5,667	20
Number of material fines or non-monetary sanctions for non-compliance with environmental laws and regulations	0	14
Number of environmental incidents causing material environmental harm	0	14
Water by source, usage and discharge category (ML)	2,596	36
Quantity of fly ash sold and quantity of solid waste to landfill (t)	11, 974	36
Diversity of governance bodies and employees – Employee data	All data in the FY24 "Employee Data" table	Contained in Data Centre only: see – <u>Diversity of</u> <u>governance</u> <u>bodies and</u> <u>employees</u> – Employee data
West Coast Net Promoter Score	+66	5 & 50
East Coast Net Promoter Score	+48	5 & 50
West Coast Customer Satisfaction Score	90%	5 & 50
East Coast Customer Satisfaction Score	85%	5 & 50
West Coast average monthly complaints per 1,000 customers	0.01	5 & 51
East Coast average monthly complaints per 1,000 customers	0.31	5 & 51
Number of substantiated eligible data breaches as defined under the Privacy Act or inquiries or investigations by privacy regulatory bodies	0	52
Number of legal actions for breaches of the <i>Competition and Consumer Act 2010</i> , and outcomes of associated legal actions	0	51
Number of non-compliance with regulations concerning marketing communications, including advertising, promotion and sponsorship	0	52
Total emissions from gas sales (tCO2-e)	2,580,652	22
Total emissions from electricity sales (tCO2-e)	5,318,819	22

Criteria Used as the Basis of Reporting

We assessed the information subject to assurance against the Criteria. The information subject to assurance needs to be read and understood together with the Criteria. The Information Subject to Assurance was prepared in accordance with Alinta Energy's FY24 Sustainability Metrics Definitions and the related footnotes to the Information Subject to Assurance as described in the Alinta Energy Group 2023/24 Sustainability Report ("Criteria").

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Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3000 we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the information subject to assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we
 do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant personnel to understand the internal controls, governance structure and reporting process of the information subject to assurance;
- · analytical procedures over the information subject to assurance;
- walkthroughs of the information subject to assurance to source documentation;
- evaluating the appropriateness of the criteria with respect to the information subject to assurance; and
- reviewed the Alinta Energy Group 2023/24 Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Alinta Energy Ptv Ltd.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the information subject to assurance may occur and not be detected. 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 estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

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

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that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Alinta Energy Pty Ltd.

Use of this Assurance Report

This report has been prepared solely for the Directors of Alinta Energy Pty Ltd for the purpose of providing a limited assurance conclusion on the information subject to assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Alinta Energy Pty Ltd, or for any other purpose than that for which it was prepared.

Management's Responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Information Subject to Assurance in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Information Subject to Assurance that is free from material misstatement, whether due to fraud or error.

KPMG Sydney 22 November 2024

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the period ended 30 June 2024, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants (including Independence Standards) issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

Report feedback

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

Sustainability Manager

Alinta Energy Level 13, Grosvenor Place, 225 George Street Sydney NSW 2000 Phone +61 2 9372 2600 Email <u>sustainability@alintaenergy.com.au</u> Web alintaenergy.com.au



