

Alinta Energy Sustainability Report

—
2019/20

ABN 39 149 229 998



alintaenergy



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

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



A message from the MD and CEO

Welcome to Alinta Energy's FY20 sustainability report. Alinta Energy has been operating in Australia for 25 years and I have been the CEO for nearly a decade. During this time, we have worked hard to deliver on our sense of purpose to make energy more affordable, move Australia down the path of decarbonising and bring greater competition to the retail energy market.

Powering through uncertainty

It's fair to say that this year turned out to be a difficult one for many people and businesses across Australia, and indeed the world. Alinta Energy was not immune to these challenges, with the current environment proving to be the most challenging I have experienced. I'm proud of how our people have come together during this tough time to ensure the continuity of supply of essential services to our customers.

I would particularly like to acknowledge the efforts of our power station staff, who have literally kept the lights on throughout the COVID-19 pandemic. Many of them have made significant personal sacrifices to do this, such as spending long periods away from their families and enduring mandatory quarantine. I would also like to acknowledge our customer operations teams in Perth and Manila, who managed the unprecedented move to working from home very quickly, with minimal disruption to our customers.

It goes without saying that many of our customers are being severely tested due to disruptions to their businesses and personal circumstances. In response, we have suspended all disconnection activities, referral of closed accounts to third party debt collection, debt sale and default listing since April 2020 to give our customers experiencing financial difficulties time to adapt to their individual challenges.

Powering a stable future

Beyond COVID-19, we have experienced multiple challenges due to changed conditions in the Australian energy marketplace. We operate in several energy markets, including retail electricity and gas, wholesale electricity and gas and power generation. All of these markets have come under pressure at the same time for a variety of reasons.

Despite the multiple challenges we faced during the year, we were able to achieve our financial budget thanks to significant effort from everyone across the business. While this is a fantastic outcome, we expect many of these challenges to continue into next year and beyond and have reflected this when setting our financial objectives as part of our five-year planning process.

To ensure our business remains sustainable into the future, we needed to make some changes during the year to create a simpler and more efficient operating model. Sadly, this meant some roles were no longer required. This was a very tough decision, which was necessary to help navigate through these difficult times. I'm pleased to say that some of the people impacted by these changes accepted redeployment opportunities. Where this wasn't possible, we provided support throughout the process to the people who were affected, as well as their managers and teams.

Powering our people

The safety of our people is our highest priority. As COVID-19 cases in Australia began to increase rapidly in March 2020, we asked our office-based staff to commence working from home where they could safely and effectively do so. This involved a sudden and unplanned change of working environment for most of our employees. Our safety team supported this transition by providing guidance for people to critically assess their workspace, make changes to improve ergonomics and control the safety hazards in their new work environment.

To help support our people, we implemented a new pandemic leave policy in March 2020 that provides a safety net of up to 15 days of additional paid leave for employees who need to take extra time off to manage their own illness or look after an affected family member.

Powering our governance and assurance

I want to acknowledge the critical importance of governance and compliance to our future business success. For several years we have been implementing substantial improvements in this space. This is essential for us to keep pace with major business growth that's resulted from our highly competitive customer offerings and entering several new markets, and meet significant changes in the regulatory environment across each jurisdiction.

We understand the need to get things right first time, and when we miss the mark, we're transparent with the regulators by self-reporting and conscientious about making things right and fixing the root causes. We have spent tens of millions of dollars to date and will continue investing in new systems, processes and training to ensure we can meet the expectations of all stakeholders including our customers into the future.

Our executive team, Board and owners have a laser focus on continuing to uplift our governance and compliance frameworks, including ensuring we meet the conditions set by the Foreign Investment Review Board (FIRB) on the purchase of our business by Chow Tai Fook Enterprises Limited (CTFE). We remain on track to complete this work and fulfil our FIRB conditions by the end of 2020, which complies with the implementation timeframe agreed with FIRB.

We treat matters of data and privacy with the utmost importance. We initiated an audit on our compliance with obligations under privacy legislation to identify opportunities to improve and that is what has driven our focus on systems

and processes and all our activities in this important area. I want to reassure our stakeholders, including customers, that we actively protect their data.

Powering a renewable future

The construction of the Yandin Windfarm (a RATCH/Alinta Energy investment managed by Alinta Energy) progressed well during the year. Yandin will be Western Australia's largest wind farm with 51 wind turbine generators producing the total equivalent amount of energy that 200,000 homes consume in a year. The Alinta Energy construction team and our business partners have done an excellent job minimising the disruptions and delays caused by COVID-19. The project is expected to become fully operational in late 2020.

After years of planning, work and negotiation, construction on the ground-breaking Chichester Solar Gas Hybrid project commenced in 2020. This project will build a new solar photovoltaic generation facility at Fortescue Metals Group's Chichester Hub iron ore operations, as well as a 60km transmission line linking Fortescue's Christmas Creek and Cloudbreak mining operations in the Pilbara with our existing high voltage transmission network and Newman gas-fired power station and 35MW battery facility. The project is expected to displace 100 million litres of diesel generation annually from Fortescue's operations in the Pilbara delivering a cleaner, more affordable, and more connected energy supply. The project has also been made possible thanks to financing commitments from the Northern Australia Infrastructure Facility and Australian Renewable Energy Agency.

In addition to the Chichester project, we commenced a supplementary project to install approximately 60MW of high-efficiency gas-powered reciprocating engine-driven generators at our Newman power station. These new engines will operate in a coordinated manner with other energy generation and storage assets in the Newman region and further reduce the site's greenhouse gas emissions.

In June 2020, the Australian Energy Council endorsed a net zero emissions target by 2050 across the Australian economy. We are committed to playing our part in reducing emissions, including through energy efficiency projects that reduce our impact on the environment, and by investing in renewable energy.

Powering stronger communities

Alinta Energy's Community Development Program was officially launched in February 2020. Under this program, we have committed to donate \$500,000 per year over a five-year period (a \$2.5 million total spend) to causes that address social disadvantage and environmental sustainability. I'm thrilled that we have entered into corporate community partnerships with three organisations who are renowned for the excellent work they do in the community: the Salvation Army, Foodbank and Conservation Volunteers Australia.

In addition, the first round of our community grants program provided funding to five extremely worthy not-for-profits: Kids Under Cover, Pinchapoo, Young Change Agents, Techgirls

Movement Foundation and Bravehearts. Under the program, our power generation facilities also support activities and organisations in their local communities.

Powering together in tough times

My thoughts go out to those affected by the bushfire crisis that swept across Australia last summer, and I'd like to thank the emergency services who worked tirelessly to protect our communities. During the crisis, we waived the debts of a number of customers who sadly lost their properties and gave hardship support to customers who needed it. We also offered a \$200 credit to the volunteer firefighters among our customers. During Cricket Australia's bushfire appeal match in February 2020, we supported the Red Cross with a total donation of \$60,000, including \$10,000 raised from boundaries hit while our ambassador Matt Hayden was at the crease.

We oppose modern slavery in all its forms, and we expect our contractors and suppliers to do the same. In line with our regulatory obligations, we are on track to submit our first Modern Slavery Statement in December 2020, which will explain how we manage modern slavery risks across our supply chain.

Powering forward

After three decades in the energy industry, Jim Galvin has made the decision to retire as Executive Director Retail Markets. During his time at Alinta Energy, Jim has overseen a significant period of growth and change in our national Retail business. He adapted our approach in the West Coast market to meet the challenge of intensified competition and led the market expansion into the Eastern States helping position Alinta Energy as one of the fastest growing energy retailers in Australia. In 2017, Jim oversaw the South East Queensland market entry, steering the business to achieving its goals by bringing greater competition and lower prices for Queensland customers. I wish Jim well and thank him for his significant contribution to Alinta Energy and to the broader industry over his 30-year career.

For the year ahead, we will continue to focus on developing and investing in the systems and processes required to keep pace with the regulatory requirements of today and provide a platform for future growth.

We will also continue working hard to bring our vision of being the best energy company to life. To do this, we will learn fast, fix problems, improve systems and focus on our customers' needs. In this way, we will deliver certainty and comfort to our stakeholders.

I'm proud to lead a team of great people who have risen together to meet the challenges that this year has brought.



Jeff Dimery
Managing Director and CEO

Alinta Energy at a glance

Our business

3,035 MW

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

\$3,300

million revenue

\$501

million EBITDA



8 power stations

(owned, operated and contracted)



6 wind farms

(contracted)



4 solar farms

(contracted)



1 large scale battery

(owned and operated)

Safety

Zero Class 1 injuries



7.10 TRIFR

(total reportable injury frequency rate)



4.05 LTIFR

(lost time injury frequency rate)



775

safety value adds

Environment



9,908,913 tCO₂-e

Scope 1 greenhouse gas emissions^a



2,820 ML

water used by our power stations



378 tonnes

solid waste disposed to landfill by our power stations



1,500 MW

2025 renewable energy target

836 MW

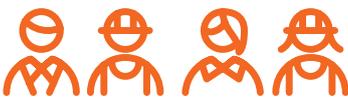
renewable energy capacity



No material environmental incidents

^a From electricity generation exported by owned, operated and/or contracted facilities.

Our people



717
employees



41% women
59% men

48%

of FY20 promotions awarded to women

332

new people joined our team this year

47

years worked by our longest-serving employee

Customers



1.12
million customers



+64
net promoter score^b



89%
customer satisfaction^b



0.20
ombudsman complaints
per month per 1,000
customers^b



6
2020 Canstar Blue
customer service awards

^b Weighted average East and West Coast score

COVID-19



No disconnection activities, referral of closed accounts to third party debt collection, debt sale or default listing^c



93% employees agreed our communication on COVID-19 was clear and timely

^c From April 2020. Disconnections are taking place only where specifically requested by a customer.

Our communities



\$2.5 million over 5 years pledged under our new community development program



360+ hours volunteered by our people this year

FY20 highlights

Our business

- **Vision** – Launched our FY25 vision: We're committed to be the best energy company.
- **Financial performance** – Despite the highly challenging market conditions, we only marginally fell short of our financial budget.
- **Modern slavery** – Reviewed our practices to identify the risks of modern slavery across our supply chain and developed initiatives to strengthen awareness inside our business and beyond on these risks and how to address them.
- **Governance** – Established a Governance and Compliance Sub-Committee of the Board's Audit and Risk Committee to strengthen oversight of regulatory compliance (early FY21, after the end of the reporting period).

A constant focus on safety

- **Safety culture** – Raised safety awareness across all levels of our organisation through a range of engagement initiatives and training activities.
- **Wellbeing** – Provided resources to support our people's wellbeing during physical distancing restrictions due to COVID-19, including developing an e-book on staying happy, healthy and energised.
- **Risk management** – Revised our outage safety plan to implement specific safety initiatives at targeted periods in the outage cycle, where historical data indicates the risk of safety incidents occurring is at its highest.

Working towards a more sustainable environment

- **Renewable energy** – Supported the commissioning of 60MW of renewable energy projects, taking Alinta Energy's total renewable capacity to 836MW.
- **GreenPower** – Signed a 10-year agreement to supply GreenPower to 13 Victorian councils and a local government authority.
- **Energy efficiency** – Achieved the highest ever daily production at our Glenbrook cogeneration power plant in New Zealand after completing a number of multi-year energy efficiency and capacity enhancement projects.

Supporting our people

- **Supporting our people** – Built engagement and resilience during COVID-19 through swift action, open communication and proactive initiatives.
- **Recognition** – Alinta Energy's People and Culture team was selected as a finalist at the Australian HR Awards for 2019 in the Australian HR Team of the Year (<1,000 employees) category.
- **Learning and development** – Focused on building our compliance capability through the One Alinta Essential program.

Investing in our communities

- **Community support** – Launched our Community Development Program, which will invest \$2.5 million into our communities over five years, including through corporate community partnerships with the Salvation Army, Foodbank and Conservation Volunteers Australia.
- **Volunteering** – Contributed over 360 hours to support not-for-profit organisations through our employee volunteering program.

Serving our customers

- **Customer satisfaction** – Received six Canstar Blue awards for customer satisfaction and outstanding value.
- **Customer support** – Maintained customer service excellence across COVID-19, reflected in our net promoter scores and customer satisfaction ratings.
- **Products** – Began retail sales of gas in Queensland, and released new customer deals and rewards to provide even better value.



Our business

Alinta Energy supplies retail electricity and gas to over 1.12 million customers. We have electricity generation, storage and transmission facilities across Australia and New Zealand. Our business employed 717 people at 30 June 2020.

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

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

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





What we do

Alinta Energy is a national energy company which generates and supplies power across mainland Australia. Our main activities include:

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

Where we operate

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

Alinta Energy generates and/or retails energy in New South Wales, Victoria, Queensland, South Australia, the resource rich Pilbara region of Western Australia and the south west region of Western Australia (including Perth). We operate in all major mainland Australian energy markets, as shown below. We also operate a generation facility in Glenbrook, on the North Island of New Zealand.

	Generation	Storage	Transmission and distribution	Customers
Australia - East Coast (NEM)	○		○	○
Australia - West Coast (SWIS)	○		○	○
Australia - West Coast (NWSIS)	○		○	○
Australia - West Coast (off-grid)	○	○	○	○
New Zealand	○			○

NEM

National Energy Market

East Coast of Australia

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

SWIS

South West Interconnected System

West Coast of Australia

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

NWSIS

North West Interconnected System

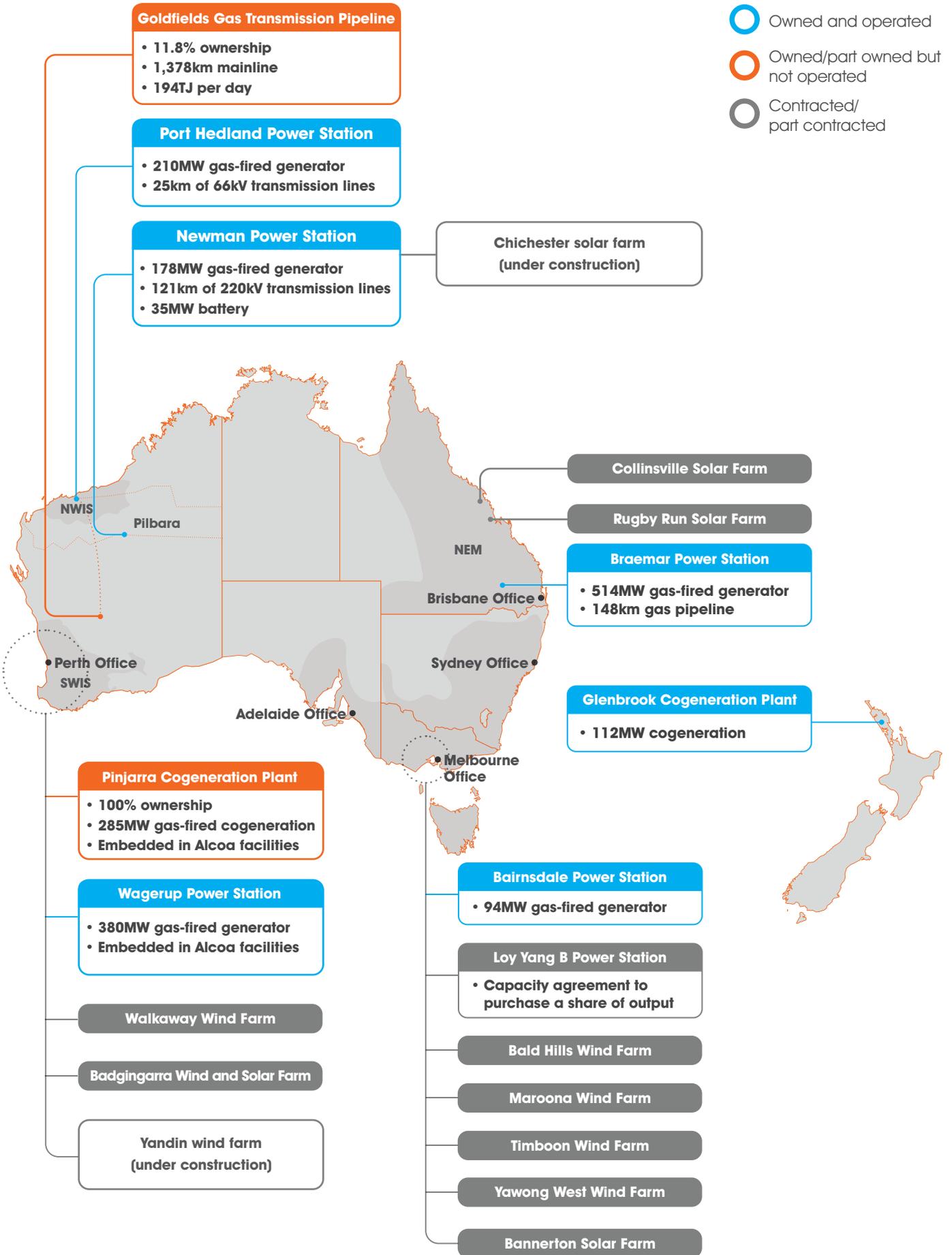
West Coast of Australia

Pilbara region of Western Australia

Did you know?

The NEM is one of the longest interconnected electricity systems in the world. It stretches for around 5,000km and has approximately 40,000km of transmission lines and 850,000km of distribution lines.

Our operating assets, assets under construction and offices at 30 June 2020.



Owned renewable generation

Western Australia Chichester solar farm^a

Owned power stations

Western Australia

Newman power station and battery storage

- Staff: 11
- Capacity: 178MW
- Fuel type: Gas/Distillate
- Load profile: Intermediate
- FY20 availability: 94.5%
- Other: 35MW battery storage facility

Port Hedland Power Station

- Staff: 10
- Capacity: 210MW
- Fuel type: Gas/Distillate
- Load profile: Intermediate
- FY20 availability: 90.8%

Wagerup Power Station

- Staff: 6
- Capacity: 380MW
- Fuel type: Gas/Diesel
- Load profile: Peaker
- FY20 availability: 90.1%

Pinjarra Cogeneration Plant

- Capacity: 285MW
- Fuel type: Gas
- Load profile: Base
- FY20 availability: 94.9%
- No Alinta Energy staff as operated by Alcoa

Queensland

Braemar Power Station

- Staff: 7
- Capacity: 514MW
- Fuel type: Gas
- Load profile: Intermediate Peaking
- FY20 availability: 97.0%

Victoria

Bairnsdale Power Station

- Staff: 4
- Capacity: 94MW
- Fuel type: Gas
- Load profile: Peaker
- FY20 availability: 97.6%

New Zealand

Glenbrook Cogeneration Plant

- Staff: 28
- Capacity: 112MW co-generation
- Fuel type: Surplus gas from NZ Steel and waste heat
- Load profile: Base
- FY20 availability: 94.8%
- Other: Integrated into NZ Steel (BlueScope Steel) facility under long-term power purchase agreement

Transmission Infrastructure

Western Australia

Chichester solar farm transmission line^a

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

Newman to Roy Hill Electricity Transmission Line

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

Goldfields Gas Transmission Pipeline

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

Port Hedland Transmission Line

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

Queensland

Braemar Gas Pipeline

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

Offices

Sydney

- Staff: 170
- Corporate headquarters and base for Alinta Energy's executive leadership team, national wholesale trading team and many supporting commercial functions

Perth

- Staff: 229
- Location of Alinta Energy's 25-year West Coast retail energy business and in-house customer service centre for our Western Australian customers

Adelaide

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

Melbourne Office

- Staff: 212
- Base for our East Coast customer operations

Brisbane and Gold Coast

- Staff: 1
- Base for our Connect Develop business

Other

- Our customer service centre for our East Coast customers is based in the Philippines and are not direct Alinta Energy employees
- We ceased door-to-door field sales activities during the year
- At 30 June 2020, two people were employed in our Geothermal business, which was being wound down. Refer to page 87 for more details

Contracted renewable generation

Western Australia

Walkaway wind farm Badgingarra wind and solar farm Yandin wind farm^a

Victoria

Bald Hills wind farm Maroona wind farm Timboon wind farm Yawong West wind farm Bannerton solar farm Kiamal solar farm^a

Queensland

Collinsville solar PV Rugby Run solar PV

Other contracted generation

Victoria

Loy Yang B power station

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

^a These assets reflect our financial commitments at 30 June 2020 which were not yet operational at that date.

Load profiles – what they mean

Base

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

Intermediate

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

Peaker

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

Vision and values

Our 2025 vision marks a new chapter in Alinta Energy's story. Last year, we announced our bold vision to become Australia's best energy company.

Vision We're committed to be the best energy company

Major stakeholders



Employees



Customers



Owners



Communities



Industry

We held facilitation training and workshops across the business for our people to explore what the vision means to them and how to make it part of their day-to-day work. This will continue next year as we embed our vision alongside our sense of purpose and values.

Sense of purpose We're determined to make energy more affordable

Values



Safety



People Matter



Customer Focus



One Alinta



Commercial Leadership



Respect & Integrity

Business structure and governance

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

Ownership

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

Chow Tai Fook Enterprises

CTFE is the flagship private investment holding company of the Cheng family who is the controlling shareholder of the Chow Tai Fook Jewellery Group Limited (HK stock code: 1929) founded in 1929, one of the world's leading jewellery retailers.

The Cheng family's businesses focus on jewellery, property development, hospitality services, infrastructure, aircraft leasing, energy, healthcare, education, technology, environmental services, retail and media. As of June 2020, the Cheng family had held controlling or significant interests in 14 listed companies on the Main Board of the Stock Exchange of Hong Kong Limited.

CTFE seeks to deliver sustainable growth through professional investing and upholding a relationship-driven philosophy of family-owned businesses. It is a premier family investor with strategic investments in energy, aircraft leasing, healthcare, education and media, marquee investments in prime real estate and hospitality services, private equity investments in quality growth companies mainly in the technology sector, and a liquid portfolio of equities and bonds. CTFE is also the largest shareholder of New World Development Company Limited (HK stock code: 0017), a constituent of the Hong Kong Hang Seng Index. CTFE and its investee companies operate in 25 countries globally.

Loy Yang B power station

Pioneer Sail Australia also owns the 1,100MW Loy Yang B power station, located in the Latrobe Valley in Victoria. Alinta Energy has a capacity agreement with Loy Yang B to purchase a share of its output, which is reflected in the contracted energy generation information included in this report.

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

Our Board of Directors

Alinta Energy's Board has seven members: three independent non-executive directors including the Chairman, three non-executive directors, and the Managing Director and Chief Executive Officer (MD and CEO).

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

As part of its oversight role, the Board directly monitors our sustainability performance and initiatives, including in relation to health, safety, environment and community matters. It also monitors people matters with assistance from a dedicated committee.

Board committees

The Board is assisted by the following standing committees:

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

Board sub-committees are established for specific projects or on a standing basis to provide additional governance and oversight. During the year, the Governance and Compliance Sub-Committee was established, which reports to the Audit and Risk Committee.

Director profiles

Independent Non-Executive Directors



Mark Johnson AO (Chairman)

- Chairman of Alinta Energy from March 2011 to December 2020
- Non-executive director of Dateline Resources (ASX: DTR), among other directorships
- Previously Chairman of AGL and a non-executive director of Westfield Corporation, Sydney Futures Exchange and Pioneer International
- Mark holds a Bachelor of Laws (Hons) from the University of Melbourne, an MBA from Harvard and is a Fellow of the Australian Institute of Company Directors (AICD).



Gary Burg

- Director of Alinta Energy since April 2017
- Chairman of UCW Limited (ASX: UCW) and an independent non-executive director of ClearView Wealth Limited (ASX: CVW)
- Gary holds a Bachelor of Accounting and an MBA from the University of the Witwatersrand.

John Borghetti has been appointed as a new Independent Non-Executive Director as of October 2020.



Tony Howarth AO

- Director of Alinta Energy since March 2011
- Non-executive director of Coventry Group Limited (ASX: CYG) (appointed May 2020)
- Non-executive director of BWP Trust (since 2012)
- Previously non-executive director of Wesfarmers (since 2007)
- Previously Chairman of Home Building Society and MMA Offshore, Deputy Chairman of Bank of Queensland and a director of AWB
- Tony is a Life Fellow of the Financial Services Institute of Australasia and a Fellow of the AICD
- Tony will be taking on the role of Chairman of Alinta Energy following Mark Johnson's retirement in December 2020.



Business structure and governance

Non-Executive Directors



Dr Henry Cheng

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



Patrick Tsang

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



Conrad Cheng

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

Managing Director and CEO



Jeff Dimery

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

Executive leadership team

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

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

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



Managing Director and Chief Executive Officer

Jeff Dimery



Executive Director – Merchant Energy
Ken Woolley

- Power station asset management and operations
- Power development and construction
- National spot trading
- Gas and electricity trading
- Energy pricing
- Systems and analytics
- Environmental products trading
- Commercial and industrial sales and marketing



Executive Director – Retail Markets
Jim Galvin

- East Coast retail
 - West Coast retail
 - Small and medium enterprise
 - Marketing
 - Customer service
- Jim retired as a director of Alinta Energy on 14 August 2020. Amanda Hagan has been appointed as the new Executive Director Retail Markets.*



Chief Financial Officer
Vince Nicoletti

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



Chief Information Officer
David Gillespie

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



Executive Director – Corporate Services
Daniel McClelland

- Safety and sustainability
- Legal
- Regulation and Government affairs
- Community development
- Communications and media
- People and culture
- Company secretarial
- Insurance
- National retail compliance

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

We have also elevated Fiona Osler, our General Manager People and Culture, to the executive leadership team on a temporary basis to provide additional support to the business during a challenging year.

Business structure and governance

Management committees

Alinta Energy has several management committees including:

- **Safety and sustainability council**

The council monitors our safety, sustainability and climate change performance, reviews the progress of improvement actions, considers new initiatives and has been assigned governance responsibility for climate change-related matters. It has representatives from across operations, engineering, large scale power development, wholesale, people and culture, sales, retail, small scale renewables, safety, sustainability, finance and risk. The council meets every two months and is chaired by the Group Safety Manager.

- **Office safety committees**

Each of our offices has their own safety committee and membership is voluntary. The committees are responsible for coordinating the management of health and safety risks associated with their office. This includes ensuring there are sufficient trained fire wardens and first aid officers and performing safety floor inspections using risk-based checklists.

- **Wellbeing committee**

The Committee helps the executive leadership team ensure we have appropriate frameworks, tools, resources, training and reporting in place to support our people's psychological health. It includes representatives from across the business.

- **COVID-19 working group**

This temporary working group is operating during the COVID-19 pandemic and is the key decision-making body on specific workplace controls associated with limiting exposure to, and spread of, COVID-19 among our workforce.

- **Capital steering committee**

This committee reviews significant capital proposals, considering their risks, benefits and strategic alignment. This includes reviewing the project pipeline under development and managing proposals that will be put forward for Board approval. In addition to new projects, the committee also reviews all capital expenditure and expenditure for major outages.

- **Energy risk management committee**

This committee oversees our energy financial market and compliance activities, including the potential for financial loss from unfavourable market outcomes in the energy and environmental commodity markets. Limits on market risk exposures are determined to keep potential financial loss in line with our risk appetite and financial constraints. The committee is chaired by the Chief Risk Officer.

- **Foreign Investment Review Board (FIRB) steering committee**

The committee oversees the activities of the Alinta Energy Group in relation to how it complies, and seeks to continue to comply, with the FIRB conditions, including by reviewing and ensuring new arrangements, processes or systems comply with the FIRB conditions and overseeing performance of the remedial implementation plan activities. For more details on FIRB, refer to page 20.

- **Modern slavery steering committee**

Established during the year to monitor initiatives addressing modern slavery risks and compliance with the Modern Slavery Act. It has representatives from across procurement, safety, sustainability, legal, merchant energy and people and culture. The committee meets every six weeks to discuss the progress of key activities and next steps for continuous improvement.

Risk management and compliance

Enterprise Risk Management

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

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

IT

Alinta Energy's IT function plays a pivotal role in serving both external and internal customers, underpinning regulatory compliance, and developing new solutions to support our growth and innovation objectives. It includes the following specialist teams:

- **Enterprise Technology (Infrastructure and Operations)**
Manages our now mainly cloud-based infrastructure, networks and end user devices and provides enterprise business applications and capabilities for the modern workplace.
- **Cyber Security**
Ensures we have the right controls in place to protect our assets and data from cyber-attack working closely with the Enterprise Technology team.
- **Data and Analytics**
Leveraging industry leading technology to provide well governed, timely, and accurate data, whilst utilising advanced analytics tools to maximise insights and value for our customers and our people.
- **Solution Delivery**
Working closely with each business units to design, develop and supports business applications.
- **Enterprise Architecture**
Plan and guide the evolution of the solutions landscape including utilising new technologies which enhance customer experience, reduce operating cost and improve operational efficiency.

Internal audit

Alinta Energy's internal audit function provides independent assurance by assessing the effectiveness of governance, risk management and control processes. Internal audit reports to the Audit and Risk Committee, with a functional reporting line to the Chief Financial Officer. EY has been appointed to execute the independent internal audits.

Internal audit follows a risk-based approach using an annual internal audit plan approved by the Board's Audit and Risk Committee. This plan ensures appropriate coverage of business activities is achieved over time based on their risk profile. Internal audit reports are presented to senior management and the Committee along with recommended remediating actions that management is committed to completing.

Legislation and policy

Alinta Energy is subject to extensive legislation relating to health and safety, competition, environmental compliance, customer communications, renewable energy, energy efficiency, energy trading and tariff setting.

Our whole business is actively involved in complying with these requirements, supported by specialists from our risk management, legal, regulatory, safety and sustainability teams. We actively monitor legislation and government policy to consider how new requirements and changes affect our business.

Compliance

Alinta Energy has systems and controls which support and monitor our compliance with laws and regulations. During the year, we established a sub-committee to the Audit and Risk Committee. The Governance and Compliance Sub-Committee assists the Board by monitoring, tracking progress and providing advice in relation to the various compliance, assurance and remediation plans as agreed by the Board.

Privacy

Our business is subject to privacy laws and regulations throughout Australia and we are committed to fully complying with them. We recognise that as business practices, technology and cyber risks rapidly evolve, new opportunities to improve continually present themselves.

As part of running our complex business, we listen to our stakeholders and fix things when needed, including continuing to improve our privacy and data handling processes. Our Privacy Policy is available on our website¹.

¹ alintaenergy.com.au/nsw/help-and-support/terms-and-conditions/privacy-policy

Risk management and compliance

Foreign Investment Review Board

In April 2017, CTFE (a Hong Kong based family-owned business) acquired Alinta Energy. At the time of sale to our current owner in 2017, Alinta Energy was already foreign owned. The sale was subject to approval by the Foreign Investment Review Board (FIRB), which imposed conditions on Alinta Energy's operations. These conditions predominantly relate to the operations and maintenance of power generation assets, data security and Board composition. Some conditions were met quickly, such as having majority Australian representation on our Board and an independent Australian Chair. However, requirements relating to data security and the operation and maintenance of power generation assets require significant investment and variations to more than 40 complex IT systems, 560 data sets as well as the review of 1,400 contracts.

FIRB compliance is therefore an extensive and significant exercise involving all our employees.

For us to meet what were essentially new operating requirements, the conditions expressly included a mechanism to transition our operations over time. It would have been impossible to make this transition overnight. Alinta Energy has worked constructively with FIRB to develop and implement our plan to achieve compliance. We remain on track to complete this work and fulfil the FIRB conditions by the end of 2020 – on schedule and as agreed in 2017.

Ethical behaviour

Code of Conduct

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

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

Anti-corruption

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

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

Alinta Energy did not have any confirmed incidents of corruption during FY20, nor were any legal cases regarding corruption brought against Alinta Energy or its employees during the year.

Whistleblowing

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

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

We have reporting channels which enable people to raise concerns without fear of harassment or discrimination. The whistleblower hotline is operated independently by Deloitte and reports are investigated by the General Counsel and Chief Risk Officer for consideration by the MD and CEO. Information about how to use this service is available on our intranet, including the ability to report misconduct directly to Deloitte by email, online or by post.

Modern slavery

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

Alinta Energy is a reporting entity under the Modern Slavery Act (Cth) 2018. In December 2020 we will submit our first Modern Slavery Statement. The statement will be available on our website and the Australian government register of modern slavery statements².

Our Modern Slavery Statement will explain our approach to addressing modern slavery risks in our supply chains, including the governance framework, due diligence, training and awareness campaigns and resources we have implemented to address the issue.

² <https://modernslaveryregister.gov.au/>

During the year, we completed the following activities:

- **Risk identification** – Performed comprehensive supply chain mapping and due diligence to help us identify the risks of modern slavery. This process will assist us to prepare strategies to mitigate potential risks.
- **Training** – Began an internal training program educating our employees on modern slavery and raising awareness of the potential risks. We will continue to increase the breadth and depth of our training over time as part of our continuous improvement plan.
- **Suppliers** – Published a Supplier Code of Conduct that sets out our expectations of suppliers and provides an external grievance hotline for modern slavery complaints. This is available on our website³.
- **Partnerships** – Commenced collaboration efforts with our partners at Yandin wind farm, Loy Yang B power station and an industry working group to share best practice and develop joint initiatives to address modern slavery. We also worked with external consultants with subject matter expertise to develop our modern slavery governance framework.
- **Improvement** – Developed a modern slavery continuous improvement plan that includes initiatives that embed modern slavery into our existing risk identification and mitigation strategies and provide us with tools to measure the impact of our anti-modern slavery efforts over time.
- **Governance** – Established a Modern Slavery Steering Committee with responsibility for successfully delivering the above activities and ensuring compliance with the requirements of the Modern Slavery Act (Cth) 2018.

Insurance

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

Business continuity

This year was an unprecedented year with both the Australian bushfires and the global COVID-19 pandemic testing our business continuity capabilities. Each of our facilities has a site-specific emergency response plan, including details such as contact numbers, how to raise the alarm, how to notify the appropriate authorities, initial response procedures, roles and responsibilities, emergency equipment, communication protocols, drills and training and post incident recovery. We also have a corporate crisis management plan for emergency situations.

Bushfires

Alinta Energy sites run a 'bare earth' policy with land around the sites and key equipment such as transmission lines, meaning that these areas are cleared of fuel loads regularly. Our gas pipelines are also cleared of any surrounding vegetation and we have on-site firefighting facilities. The performance of our power stations can also be affected by bushfire smoke. Eucalyptus oil and resin in bushfire smoke creates very fine sticky particles which can go through the filters and build up on the blades of the compressor. We have plans in place to wash the machines to maintain our operations at peak performance.

COVID-19

Our operational facilities have implemented roster systems to minimise contact between teams. Other site-based employees were encouraged to work from home where possible. Our staff who normally travel between states on a fly-in fly-out roster were offered residence in the state where they work when state borders began to close. Some of the people in our power generation teams made major personal sacrifices, such as spending considerable time away from their families and undergoing mandatory quarantine, so that we could continue providing essential services.

In mid-March our offices shifted to working from home wherever possible. The move to remote working included staff at our customer operations centres in Perth and the Philippines, who play a crucial role serving our customers.

³ alintaenergy.com.au/nsw/help-and-support/terms-and-conditions/

Operational overview

Generation asset strategy

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

This strategy has helped us make a significant contribution to the energy industry's transition to a low carbon economy, particularly in Western Australia where our power stations supplement our solar and wind farms when these renewable generators are not exporting power, including:

- **SWIS:** Yandin wind farm, Walkaway wind farm, Badgingarra wind and solar farm, Wagerup power station and Pinjarra power station
- **Pilbara:** Newman battery storage, Newman power stations and Chichester solar farm
- **NWIS:** Port Hedland power station (our Port Hedland power station provides high efficiency, flexible generation that means we are well placed to incorporate renewables into the future).

We continue to actively pursue our Pilbara vision of an integrated and sustainable network where we reduce customer energy costs through decarbonising the region and contributing to Australia's global competitiveness in the iron ore industry.

Our Merchant Energy team supports our overall asset strategy using a strategic prioritisation framework which guides our decisions on what solutions to develop, where and when. The framework incorporates collaboration across the business and provides a flexible approach to the fast-evolving energy and technology landscapes.

Our Merchant Energy team uses their diverse skill sets to help take options from the ideation phase, through development and analysis and eventually to execution and delivery.

We maintain an innovative culture by creating a safe space for our people to think outside the box, balanced with accountability for specific objectives.

Electricity generation portfolio

Our traded electricity generation portfolio can be divided into three categories:

1. Owned generation

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

2. Operated generation

Electricity generation assets operated by Alinta Energy's group of companies in accordance with the definition of 'operational control' provided in the National Greenhouse and Energy Reporting (NGER) Act. This excludes generation assets operated by subsidiaries of our parent company, Pioneer Sail Australia, that are outside the Alinta Energy group. The only difference between our owned and operated generation assets is the Pinjarra cogeneration plant in Western Australia, which is owned by Alinta Energy but operated by Alcoa.

3. Contracted generation

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

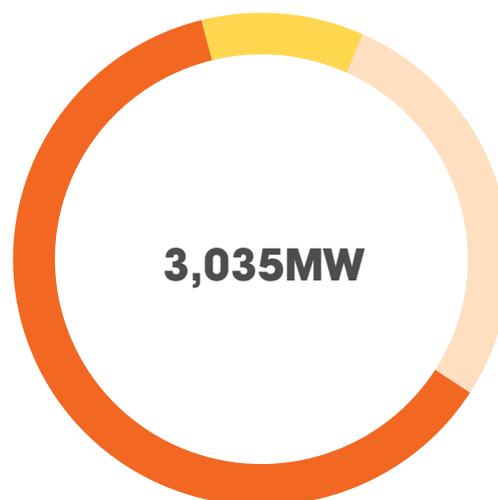
Generation capacity by fuel source

At 30 June, the capacity from our owned and/or operated generation assets was 1,773MW, with an additional 1,262MW in contracted generation assets which were operational at the time.

After taking into account renewable projects which have received final investment decision and projects currently under construction, our percentage of renewables generation capacity will be 25% of our expanded total traded generation capacity.

The emissions from our owned and/or operated generation assets and their emissions intensity compared to the electricity markets in which they operate is shown on page 42.

Capacity split at 30 June 2020



- Owned gas fired power stations - 58%
- Contracted brown coal power station - 25%
- Contracted renewables - 17%

Generation capacity by fuel sources used of our electricity generation portfolio at 30 June 2020 (MW)

Asset name	Fuel type	Ownership and operational status	Capacity traded by Alinta Energy
Newman	Natural gas ^b	Owned and operated – operational	178
Port Hedland	Natural gas ^b	Owned and operated – operational	210
Wagerup	Natural gas	Owned and operated – operational	380
Bairnsdale	Natural gas	Owned and operated – operational	94
Braemar	Coal seam methane ^c	Owned and operated – operational	514
Glenbrook	Other ^d	Owned and operated – operational	112
Pinjarra^a	Natural gas	Owned and externally operated – operational	285
Loy Yang B	Brown coal	Contracted PPA – operational ^e	750
Multiple	Wind	Contracted PPA – operational ^e	348
Multiple	Solar	Contracted PPA – operational ^e	164
Multiple	Wind	Capital investment project – not yet operational ^e	214
Multiple	Solar	Capital investment project – not yet operational ^e	60
Multiple	Solar	Contracted PPA – not yet operational ^e	50

Please refer to the glossary on page 95 for the definitions of the renewable energy project categories above.

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

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

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

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

e Please refer to the glossary on page 96 for the definitions of this category.

Operational overview

Exported electricity

The electricity generated by Alinta Energy owned, operated and contracted sites in FY20 is summarised below:

Generation capacity by fuel sources used of our electricity generation portfolio at 30 June 2020 (MW)

Source	Australia	NZ	FY20 total	FY19	FY18
Fossil fuel and cogeneration	10,429	576	11,005	10,491	7,267
Wind ^a	1,279	-	1,279	983	695
Solar ^a	370	-	370	132	-

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

Performance of electricity generation assets

We measure the performance of the electricity generation assets we own against targets for start reliability, availability and forced outage factors. In FY20, we met all but one of our start reliability targets, four of our seven forced outage factor targets and five of our seven site-specific availability targets.

Availability results of owned and/or operated power stations

Site	FY21 target	FY20 target	FY20 actual	FY19	FY18
Newman	91.0%	88.6%	94.5%	91.9%	93.4%
Port Hedland	89.9%	88.3%	90.8%	80.3%	88.8%
Pinjarra	95.0%	95.8%	94.9%	92.9%	91.1%
Wagerup	87.0%	86.6%	90.1%	98.0%	96.3%
Bairnsdale	97.6%	97.8%	97.6%	95.1%	94.4%
Braemar	94.0%	95.2%	97.0%	88.0%	85.8%
Glenbrook	90.8%	93.1%	94.8%	93.9%	93.1%

Pinjarra Power Station (Western Australia) was slightly below its availability target due to additional time required for a planned outage to overhaul a bypass valve on the heat recovery steam generator on Unit 2. Bairnsdale Power Station (Victoria) was slightly below its availability target due to a forced outage as a result of heater element failure on Unit 1, which impacted the high-pressure compressor.

Sales and customers

A summary of our sales for FY20 and customer numbers are shown below:

Energy sales

Source	NSW	VIC	QLD	SA	WA	NZ	FY20 total
Total gas sales (TJ)	2,564	12,678	1,302	645	21,250	-	38,439
Total electricity sales (GWh)	809	2,243	1,316	516	3,962	576	9,422

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

Customer numbers

At 30 June	NSW	VIC	QLD	SA	WA	NZ	FY20 total	FY19	FY18
Mass market^a	126,479	236,691	213,751	78,261	453,611	-	1,108,793	1,143,416	1,007,604
Business	128	888	90	187	11,029	1	12,323	13,037	8,556

Customer numbers include meters that Alinta Energy is responsible for, even if the premises are unoccupied.

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

Economic health

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

Direct economic value

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

Economic value (\$ million)	Stakeholders	FY20	FY19	FY18
Operating costs	Suppliers and contractors	2,757 ^a	2,885	2,146
Salaries, wages and benefits	Employees	124	115	98
Finance expenses	Financiers	49	48	29
Income tax	Government/public	132	120	(178)
Total economic value distributed		3,062	3,168	2,095
Electricity revenue	N/A	1,432	1,385	1,086
Gas revenue	N/A	644	622	595
Other retail revenue	N/A	22	25	35
Contract and trading revenue	N/A	1,197	1,325	1,006
Other	N/A	5	5	3
Total economic value generated		3,300	3,362	2,725
Total economic value retained		238	194	630

The above data is based on Alinta Energy's FY20 audited consolidated financial statements which comply with Australian Accounting Standards.

^a Includes around \$204,000 (FY19: \$350,000, FY18: \$165,000) in corporate sponsorships, community programs and charitable donations.

Indirect economic value

Our operations indirectly benefit local and regional communities by providing employment and supporting local businesses.

We also contribute to non-profit organisations that assist the community and our environment through donations, fundraising and volunteering, while our sponsorships support social and cultural initiatives. For more information, please refer to Our Communities on page 68.

Our accumulated tax losses have now been used in full and we are moving to being a tax paying entity, increasing the contribution we make to the economy.

Economic health

Financial performance

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

Our earnings declined 13% year on year, which was broadly in line with expectations. The decline is predominantly a result of the highly competitive retail market which led to increasing discounts and lower margins for participants, and the decline in both gas and electricity wholesale prices.

Given the changes observed in the market, our earnings are expected to fall again slightly in FY21.

Target	FY20 target	FY20 actual	FY19	FY18
EBITDA growth	-12%	-13%	1%	50%

Segment Underlying EBITDA (\$ million)	FY20	FY19	FY18
West Coast Integrated	211	246	232
Contracted Assets	153	159	151
East Coast Integrated	201	260	239
Underlying EBITDA before corporate and other costs	565	665	622
Corporate and other ^a	(64)	(86)	(50)
Group underlying EBITDA	501	579	572

^a Reflects corporate costs incurred at head office level

Alinta Energy recently completed a review of our organisational and cost structure in response to increased competition, reduced wholesale prices and the uncertainty associated with COVID-19. The review aimed to ensure we not only have the resilience, capability and financial strength to withstand these external challenges, but also that we are optimally positioned to operate safely, cost efficiently and achieve our strategic goals.

The revised cost structure resulting from this review will sustainably reduce our operating costs and corporate overheads, without compromising the health and safety of our staff or communities. However, it has also resulted in a number of redundancies at our corporate offices. Please refer to page 67 for further details.

Invested capital

Alinta Energy's total invested capital and debt at 30 June 2020 was \$3.0 billion, made up of 64% equity and 36% debt.

Consolidated accounts

Alinta Energy's consolidated financial statements are independently audited by Deloitte to ensure they are a true and fair representation of our financial position and performance, and to ensure they comply with Australian accounting standards. Alinta Energy's FY20 financial report received an unqualified audit opinion.

Our consolidated financial statements comprise of data from 75 subsidiaries which are listed in the Alinta Energy Pty Ltd Annual Financial Report for the Year Ended 30 June 2020.



Safety

Alinta Energy is committed to providing a safe and healthy workplace for its employees and contractors.

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





Safety performance

Alinta Energy's performance against our safety targets and key activities is shown below:

Safety targets	FY21 target	FY20 target	FY20 actual	FY19	FY18
Class 1 incidents^a	0	0	0	0	0
TRIFR^b	<5	<5	7.10	6.71	5.84
LTIFR^c	N/A	N/A	4.05	2.01	2.92

Historical safety data may have been updated since our previous sustainability report to account for issues such as claims that were rejected and injuries that were reclassified during FY20 (at 30 June 2020) on completion of investigation. FY20 data is at 30 June 2020 and is subject to change to account for issues such as those mentioned above. The safety figures reported include data related to major contractors.

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

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

c LTIFR refers to Lost Time Injury Frequency Rate, calculated as the number of lost time injuries relative to one million hours worked. It is a subset of TRIFR. We do not assign a target for LTIFR.

FY20 Key Activities ^a	Planned FY21 key activities
Developed a new organisation-wide safety video, Welcome to AlintaSafe.	Train all leaders across the business in Alinta Energy's new safety leadership program.
Began updating our health and safety management system to ensure it is relevant to all Alinta Energy's business activities and consistent with ISO 45001.	Complete and implement the updated One Alinta health and safety management system.
Reviewed and revised our contractor management system to improve our staff's understanding of how to manage contractor safety.	Embed our new contractor management system across the business and launch a dashboard to track contractor management.

a Planned key activities for FY20 were disclosed in last year's report as part of our commitment to reporting performance against our objectives.

Reducing our safety risk profile

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

This year, we made the decision to exit two operational activities with relatively high safety risk profiles, namely:

- Door-to-door retail electricity sales
- Geothermal air conditioning systems.

For several years, we employed field sales agents to sell energy to customers through door-to-door sales. This activity ceased during the year and we do not plan to resume this sales model in the foreseeable future.

We also ran a business installing geothermal air conditioning systems in new housing developments, which involved high risk activities such as drilling. This business ceased operations during the year due to a variety of complex issues that proved challenging to resolve.

The activities associated with these two businesses involved exposure to diverse safety risks and resulted in several injuries during the year. Our annual total recordable injury frequency rate (TRIFR) increased slightly to 7.10 this year, exceeding our target of 5. During the same period, our lost time injury frequency rate (LTIFR) increased from 2.01 to 4.05.

Given these inherently higher risk activities will not be undertaken next year, we expect the relative risk of harm to our employees and contractors to reduce in future and contribute to lower injury frequency rates.

Safety culture and management

Safety governance

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

Our shared safety responsibility^a



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

All Alinta Energy employees and contractors

^a Refer to pages 14-18 for more information on the above groups and committees.

AlintaSafe strategic model

The AlintaSafe model lifts the profile of our safety value and encourages workers to eliminate hazards, reduce risks and improve safety systems. It supports leaders in reinforcing our safety vision of everyone, every day, every job: Zero Harm with specific guidance and practical action.



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

Health and safety management system

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

During the year we began updating the entire system to ensure it is consistent with ISO 45001⁴. The One Alinta SMS project involves reviewing and revising all corporate level safety documentation from across the business, combining it into a single consistent system that encompasses all our operations. This major project is on schedule to be implemented by 30 June 2021.

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

Safety culture and management

Ongoing safety monitoring

Our safety lead indicator dashboard gives managers instant feedback on their team's level of compliance with our lead indicator targets. It is available to all employees on the intranet as part of our shared responsibility for safety.

Each Safety and Sustainability Council meeting begins by reviewing this dashboard, with business unit leaders reporting on their progress towards achieving targets and implementing any corrective actions.



Safety assurance audits

Our approach to undertaking independent safety assurance audits at our power stations was changed last year to target maintenance shutdown periods, which are when safety risks are increased. This has provided new insights into safety management during high-risk periods and has been adopted on an ongoing basis.

Four safety assurance audits were conducted across the business this year, at the Newman and Wagerup power stations, the Yandin wind farm construction project, and geothermal operations. All audit findings and recommendations were recorded in our event management system to monitor completion of the associated actions.

The schedules for maintenance shutdowns and safety audits were disrupted by COVID-19 travel restrictions, preventing some planned audits from being undertaken during the year. Audits recommenced in September 2020, starting with our Wagerup power station and the Chichester Solar Gas Hybrid construction project, which used Western Australian-based personnel and auditors due to border closures.

Disaster and emergency response planning

Emergency preparedness and response processes are a critical part of our health and safety management and environmental systems. Our emergency response plans adopt a risk-based approach to providing workers with resources to effectively manage emergency events.

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



Pictured – Emergency evacuation drill at Wagerup power station.

Managing the impact of COVID-19

Overseas cases of the novel coronavirus that emerged in late 2019 increased rapidly in early 2020. When it became evident that COVID-19 was spreading internationally, including becoming a growing threat in Australia and New Zealand, we acted quickly to limit our employees' risk of exposure and ensure we could continue to reliably supply energy to our customers.

Keeping the lights on

The employees who operate and maintain our power stations were split into shifts to minimise contact between groups. Other site-based employees were encouraged to work remotely from home wherever possible.

Our staff who normally travel interstate to the Pilbara on a fly-in fly-out roster were offered residence in Western Australia when state borders began to close. Some of the people from our Port Hedland power station made major personal sacrifices, such as spending considerable time away from their families and undergoing mandatory quarantine, so that we could continue providing essential services.

For the few unable to leave home for extended periods due to family or personal reasons, employment was maintained through working from home arrangements. While not ideal, this has been used to get ahead in planning and administration – areas that employees do not typically have the capacity to focus on fully when on site. This will hold our Pilbara operations in good stead when normal rosters can resume.

The operational flexibility demonstrated by all our power generation team to maintain business continuity has been simply outstanding.

Remote working arrangements

In early March 2020, we asked all our office-based employees to prepare for a temporary office shutdown and in mid-March, shifted to working from home wherever possible. This reduced potential risks for those people who were unable to do so and continued to come to the office.

The move to remote working included staff at our customer operations centres in Perth and the Philippines, who play a crucial role serving our customers. This was a huge undertaking for these teams due to the nature of their roles and the equipment they need to work effectively. Performance indicators such as customer satisfaction score and net promoter score showed this transition resulted in minimal disruption to our customers, which is a testament to the dedication of our people.



Pictured – Newman power station's fly-in fly-out employees Rick Brodie (Operations and Maintenance Technician) in Darwin, Northern Territory (top) and Andrew Primer (Operations and Maintenance Supervisor) in Cleve, South Australia (bottom) showcasing their home offices.

"Alinta Energy people from every part of our business came together – at a safe distance – to change how we work, live and communicate every day. They were resilient, adaptable and focused on getting the job done without cutting corners or risking safety. Many went above and beyond to serve our customers during a time of major uncertainty and upheaval. I couldn't be prouder of our team and their efforts."

– **Jeff Dimery, Managing Director and CEO**

Staying connected

Throughout the pandemic, employees have received regular updates and guidance from our leaders on how to minimise exposure and other health risks. Information was shared through regular emails, presentations and a dedicated COVID-19 intranet section.

In a pulse check survey held in May 2020, our people were asked if they thought "Alinta Energy's communication about the company's response to COVID-19 has been clear and timely". We were very pleased to learn that 93% of our people said they either agreed or strongly agreed with this statement.

Our Wellbeing Committee developed an e-book for employees about keeping energised while working from home. This shared personal stories and tips about what has helped them to stay happy and healthy during the physical distancing restrictions. People indicated this helped them feel connected with others and was an interesting resource.

As part of our #stayathomeandlearn campaign, we ran an online yoga flow session in May 2020 to help our people connect and use breath and movement to help their mindfulness and productivity. Similar sessions are planned next year.

The next stage

As the community spread of COVID-19 was brought under control in some jurisdictions, we worked through the process of planning a gradual return to offices. Our COVID-19 working group developed detailed plans for what a safe return to working from the office looked like in each state guided by the latest government health advice and a full risk assessment.

In mid-July, people usually based at our Sydney, Perth, Adelaide and Brisbane offices were offered the ability to work from the office on a roster system if they chose. This arrangement ensured physical distancing could be maintained, with additional hygiene measures put in place. This plan also considered employees with elevated health risks, who we've strongly encouraged to continue working from home.

Turn to page 84 to find out how we're supporting our customers through the financial hardships posed by the pandemic.



Keeping energised while working from home

The Alinta Energy Wellbeing Committee share their tips and tricks on how to make working from home - work for you - during COVID-19



Programs and initiatives

Safety Value Add program

The Safety Value Add (SVA) program was introduced across the business last year to engage employees, create a sense of ownership in safety outcomes and increase safety awareness across all our operations and offices.

The program uses an inclusive approach, encouraging all personnel to think about how they could genuinely improve safety.

	FY21 target	FY20 target	FY20 actual	FY19
Valid SVAs raised	95%	95%	95%	92%
Valid and closed SVAs	95%	95%	87%	N/A ^a

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

During the year, 95% of our employees identified at least one relevant SVA they personally committed to completing that would add value to safety at Alinta Energy. A total of 87% of these SVAs were followed through and closed during the year, resulting in 775 SVAs raised and closed across the business (with many employees completing and closing more than one).

Working from home became the new normal for many of our people this year due to COVID-19. Given working from home on a long-term basis was a new experience, we created a new category of safety value add to focus on establishing a safe workspace set-up at home, including an ergonomic assessment. To successfully complete this, employees needed to complete an 11-point checklist and send photos of their workspace to our safety team for review.

To enhance the program next year, we will promote the concept of team-based SVAs and provide guidance on how to ensure all team members contribute to team-based safety initiatives. We will also develop a library of case studies previously implemented by Alinta Energy employees to help inspire others to identify and implement meaningful safety improvements as part of their everyday work.

Wellbeing

Alinta Energy partnered with Headspace last year to offer all employees a free subscription to its award-winning health and happiness mobile app, and we're pleased we were able to continue to provide this benefit to our employees during this challenging year.

Through Headspace, employees can access hundreds of guided meditations on different topics from falling asleep at night to managing stress. It also includes kids' content for those with young ones. The meditations are designed to seamlessly fit into a busy day, including while walking, sitting or lying down. More information on Headspace is available at www.headspace.com.



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

We also have an employee assistance program available to support our people and their families, as discussed on page 66.

Programs and initiatives

Power station maintenance shutdown safety review

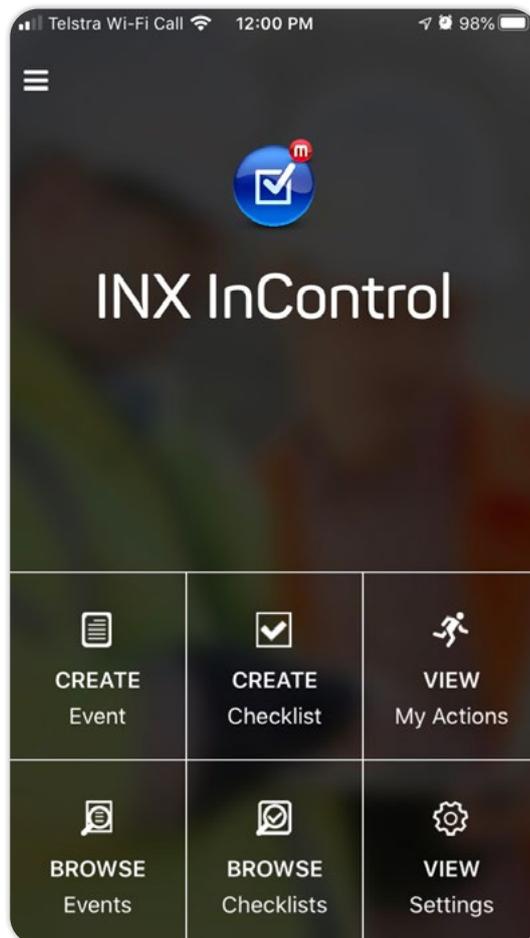
Our Merchant Energy team conducted a detailed review of historical safety performance during maintenance shutdown periods. Safety incident data was analysed to produce a safety risk heat map of the high-risk periods using a colour system to identify, based on activity, the high-risk periods during a typical outage.

It indicated that safety risks historically peak about two thirds of the way through a typical maintenance shutdown, providing valuable guidance on the best timing for key safety initiatives.

This drives a culture of empowerment, engagement and proactivity during high-risk periods and guides the implementation of targeted safety initiatives that aim to address complacency by refocussing and reengaging the workforce focus with targeted shift engagement sessions, spot audits, safety observations, stop work for safety meetings and targeted hazard hunts. Both employees and contractors participate in these activities which achieved better and safer maintenance shutdown outcomes

Event management system

During the year, we upgraded our incident reporting system (InControl) to give employees and contractors access on their mobile devices. They can now complete incident reports, hazard reports and safety checklists in the field, including taking photographs and attaching them to reports and checklists on the spot. This further embeds safety as part of our day-to-day work by making processes easier, more convenient and more efficient



Contractor safety

Our business engages a wide variety of contractors, from experts who perform highly specialised activities through to labour hire for relatively simple tasks. We recognised that our contractor management system needed the sophistication to allow us to tailor our approach to managing safety during contracted works based on the nature of the tasks being performed and the qualifications, skills and experience of the parties involved.

All contractors and subcontractors entering our power generation sites are required to undergo health and safety induction training specific to the site that they will be working on.

During the year, we reviewed our contractor management framework to give our contract managers more guidance on managing safety when contracted works are performed, including the extent to which Alinta Energy should give direction and the extent of contractors' responsibility for performing this important role. The revised contractor management framework was endorsed by our Safety and Sustainability Council and implemented from 1 July 2020.

Leadership, training and awareness



Bringing safety to life

Our executive leadership team took part in an off-site safety event in November 2019 involving some very convincing actors with quite confronting attitudes towards safety. This piece of 'industrial theatre' involved re-enacting the events leading up to a real safety incident that occurred overseas. This was an interactive event, so the Alinta Energy participants were able to engage with the actors to explore why they were making certain decisions that involved taking risks. Feedback from the participants confirmed that this event brought safety to life, reminded everyone why safety is our highest priority, and provided tips on how to manage people with challenging attitudes towards safety.

New safety induction video

During the year, we developed an introduction video for our online general safety induction for all new starters. This video uses storytelling to encourage people to reflect on the importance of safety before learning about our culture and expectations. In the video, a professional actor plays the part of a new Alinta Energy recruit who is doing their online safety induction when they have an unfortunate, but thankfully minor, accident. This shares the message that all accidents are preventable if people apply Alinta Energy's safety principles.

Safety leadership training

We introduced Alinta Energy's safety leadership training following a successful pilot program the year before. This is an interactive full day program based on the following approach:

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

The program helps participants:

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

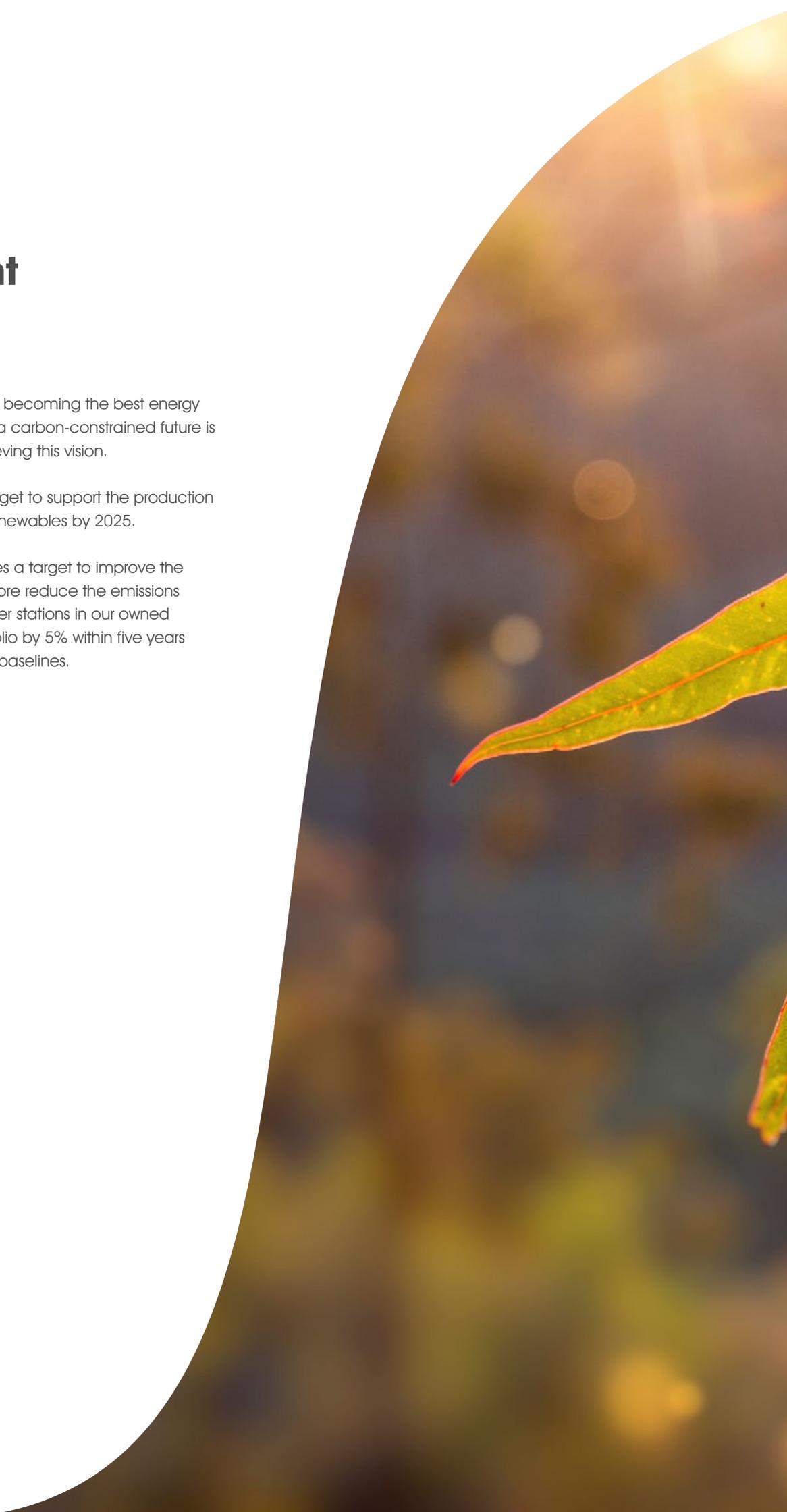
The safety leadership program was disrupted by interstate travel restrictions during COVID-19. This program isn't suited to online learning due to the level of interaction it involved, and therefore we have paused this training program until restrictions are lifted and it is safe to conduct sessions in person again.

Environment

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

In 2020, we increased our target to support the production of 1,500MW of large-scale renewables by 2025.

Last year, we also set ourselves a target to improve the energy efficiency, and therefore reduce the emissions intensity, of the fossil fuel power stations in our owned and traded generation portfolio by 5% within five years compared to their individual baselines.





Environmental compliance

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

Alinta Energy did not have any material⁵ environmental incidents or any material⁶ fines, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance with environmental laws and regulations during FY20.

Target	Ongoing target	FY20 actual	FY19	FY18
Material environmental incidents ^a	0	0	0	0

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

Environmental management

Our commitment to protect all aspects of the environment as a priority, to apply a philosophy of continuous improvement, and to target operational excellence in our environmental performance is set out in our Environment and Community Policy.

This is supported by our environmental management framework which aligns with the ISO 14001 standard on environmental management. The framework provides a systematic and consistent way to oversee and manage our environmental activities and their impacts. It documents the methodology and responsibilities for environmental management across our businesses, facilities, projects and regions. This is implemented through training, monitoring and reporting.

Environmental incidents, hazards and near misses

Alinta Energy site managers are responsible for reporting environmental incidents, hazards and near misses that occur on (or are related to) their sites, both in our online event management system and to external authorities when required. Our operations did not report any material⁷ environmental incidents during FY20.

Biodiversity

Our Braemar and Newman power stations are in two of 15 national biodiversity hotspots identified by the Australian Government's Threatened Species Scientific Committee⁸.

We are committed to minimising our environmental impact and protecting biodiversity in the ecosystems around our operational sites and construction projects. As part of this, we require our contractors to develop an environmental management plan for all major construction projects. These plans must identify how management will maintain compliance and minimise construction impacts on local vegetation, waterways and ecosystems.

Our projects in FY20 did not have a significant⁹ direct or indirect impacts on biodiversity.

⁵ Please refer to our definition of material environmental incidents on page 95.

⁶ Please refer to our definition of material fines on page 95.

⁷ Please refer to our definition of material environmental incidents on page 95.

⁸ www.environment.gov.au/biodiversity/conservation/hotspots/national-biodiversity-hotspots

⁹ Please refer to our definition of significant impacts on biodiversity on page 95.

Supplier environmental impacts

Alinta Energy's activities can impact sustainability across our supply chain, which is reflected in our supplier prequalification process. This process uses a risk-based approach to assess prospective suppliers and contractors against our requirements. It reviews their health, safety and environmental management systems and recent performance, and requires senior management approval before we enter a contract.

Larger suppliers and contractors, and those engaged in higher-risk activities undergo a more detailed risk assessment. Where relevant, they are also subject to an ongoing supplier management process where contractual obligations such as health, safety and environment performance are monitored and periodically reviewed, which can include an audit held at their premises or on one of our sites.

We also consider the broader sustainability and social impacts of our suppliers, as reflected in our updated supplier code of conduct. The code incorporates modern slavery considerations and is discussed further on page 20-21.

Alinta Energy does not undertake gas exploration, extraction, production or processing activities and we do not produce unconventional gas through hydraulic fracture stimulation (fracking). Gas for our power stations and our retail customers is sourced from independent third-party suppliers who are subject to safety and environmental laws nationally and at state and territory level.

Energy consumption and emissions

Fossil fuel consumption and greenhouse gas emissions

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

The energy consumed, Scope 1 greenhouse gas emissions and emissions intensity associated with our owned, operated and contracted sites were relatively consistent in FY20 with the previous year.

Fossil fuel consumption for owned, operated and/or contracted electricity generation assets in Australia (GJ)

	FY20	FY19	FY18
Fossil fuel consumption	125,109,009	119,300,592	74,692,515

Fossil fuel types related to the above figures are natural gas, coal seam methane, brown coal and diesel.

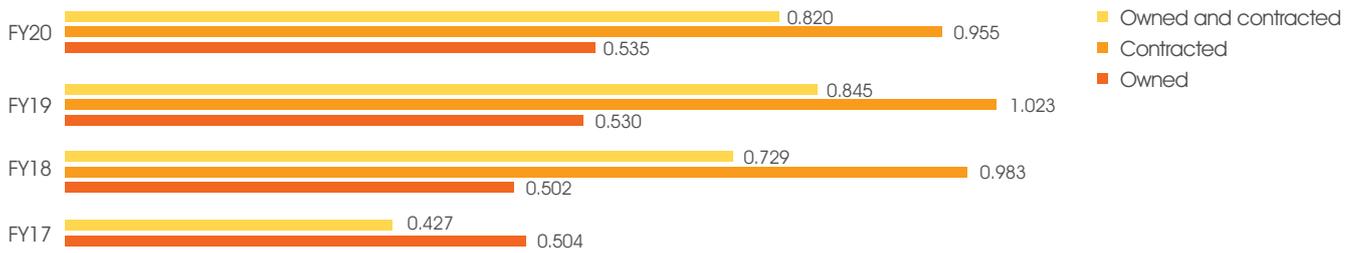
Scope 1 greenhouse gas emissions associated with electricity generation in Australia (tonnes CO₂-e)

State	Brown coal	Natural gas	Coal seam methane	Diesel	FY20 total	FY19	FY18
Owned and/or operated generation assets							
Queensland	-	-	178,958	-	178,958	230,447	248,741
Victoria	-	62,055	-	-	62,055	104,183	137,024
Western Australia	-	1,835,391	-	76	1,835,467	1,835,467	1,553,372
Contracted generation assets^a							
Victoria	7,830,579	1,854	-	-	7,832,433	7,170,019	3,396,077

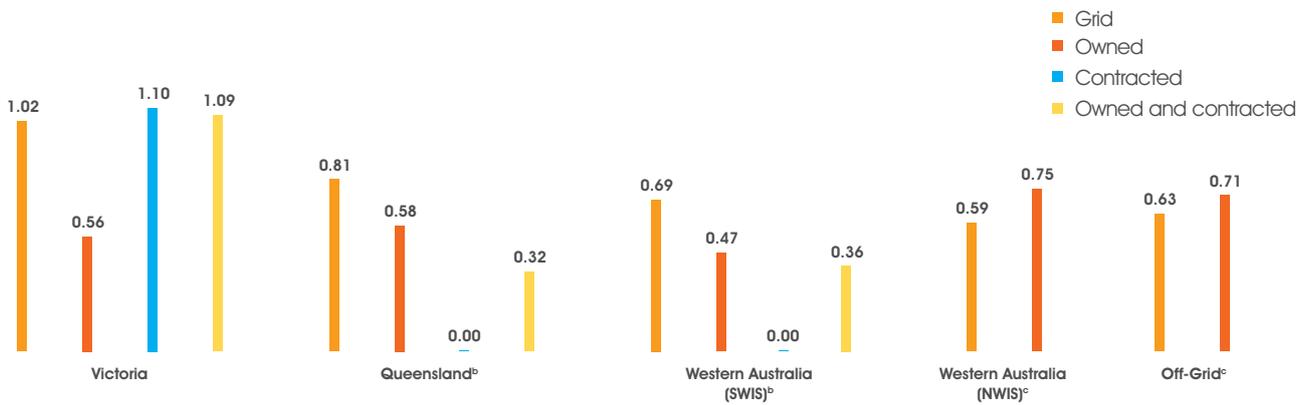
a Relates to Alinta Energy's contract with Loy Yang B power station for a share of its output.

Energy consumption and emissions

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



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



The energy and emissions data above is based on the annual National Greenhouse and Energy Reporting (NGER) report of each facility's controlling entity. It excludes data for the Glenbrook cogeneration plant in New Zealand which does not fall within the scope of Australian NGER reporting. The facility is integrated with NZ Steel's Glenbrook facility and generates electricity using waste heat and offtake gases from the steel production process, making it impractical to quantify the energy it consumes and its emissions.

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

No data is provided for solar and wind generators, which do not consume fossil fuels or emit Scope 1 greenhouse gases.

a Emission intensities are based on Scope 1 emissions for electricity generation exported from the facility.

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

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

Energy efficiency, capacity enhancement and emission reduction projects

Last year, we set ourselves a target to improve the energy efficiency, and therefore reduce the emissions intensity, of the fossil fuel power stations in our owned and traded generation portfolio by 5% within five years, compared to their individual baselines before the improvement projects¹⁰.

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

Glenbrook cogeneration plant

The Glenbrook cogeneration plant supplies steam and electricity to NZ Steel by using the waste heat and offtake gases from the steel making process.

Since 2016, Alinta Energy has completed a number of energy efficiency and capacity enhancement projects. These projects included:

- Installing a gas recycling system including automating the combustion air to improve the Multi Hearth Furnace (MHF) afterburner operation by controlling excess oxygen levels in the flue gas and controlling the afterburner temperature using the recycle gas. This has increased the available waste heat to the MHF boilers.
- Reintroducing melter gas (which would have otherwise been flared) from the electric smelting furnaces into the MHF afterburners. This allows for increased steam generation and has improved the automatic control of melter gas utilisation to minimise the melter gas flared into the atmosphere.
- Upgrading the MHF boiler economisers to recover more waste heat.
- Upgrading the MHF turbine #2 control system to allow extraction steam to be supplied to the deaerator, improving the overall MHF cogen plant output.
- Improving the kilns cogen auxiliary steam system pressure and temperature control, which increases the steam available to the kilns cogen turbine and increases the turbine's output.

With these improvements, the plant achieved new output and efficiency records during FY20.

Most notably, in June 2020, the record average monthly output of 84.6 MW and record low melter gas flared of 2% was achieved. A new daily production record was set on 28 July 2020, when 2,306 MWh was generated.

¹⁰ We have set a target to improve the energy efficiency, and hence the emission intensity, of the fossil fuel power stations in our traded generation portfolio by 5% within five years compared to their individual baselines before the improvement projects. As Alinta Energy's power generation sites have different emission intensities, and the proportion of total power provided by each site changes year on year, a 5% reduction at individual site levels will not necessarily translate into an overall emission intensity improvement of 5% at a group level.

Newman power station

The Newman power station efficiency project involves installing 60MW of high-efficiency gas-powered reciprocating engine generating sets. Once complete, the project will significantly reduce the gas consumption and carbon emissions of the Newman power station by displacing generation from the older, less efficient gas turbines existing at the site and will operate in a coordinated manner with other energy generation and storage assets in the Newman region. This project is registered as an Emissions Reduction Fund project and is eligible to generate Australian Carbon Credit Units (ACCUs).

Wagerup and Braemar power stations

Upgrades to the Wagerup and Braemar 13E2 turbines are taking place between 2017 and 2021, involving installing MXL2 vanes, blading, and implementing a new upflow compressor.

In FY20, Wagerup saw the first of two major turbine overhauls on the GT02 unit completed in October 2019, with the GT01 unit upgraded in September and October 2020. As a result of the MXL2 and upflow compressor upgrade on GT02, the maximum output of the unit has increased from 190MW to 213MW.

This unofficially makes the Wagerup GT02 unit the highest output 13E2 gas turbine in the world and has provided an estimated 9.2% increase from the unit's previous maximum output and a 1.89% increase in efficiency along with a reduction in stack emissions.

The Braemar GT12 unit was upgraded in April and May 2019. After successful completion of testing, our maximum output for the unit has now been lifted by 8.6%, from 173MW to 188MW. This has resulted in an overall unit efficiency increase of 2.17% this year and we have since applied for an increase in our registered capacity to reflect this new maximum output.



Pictured – Wagerup turbine upgrades in progress.

Our approach to renewable energy

Renewable energy target

Alinta Energy last year set an updated, increased renewable energy target:

Support the development of over **1,500MW**

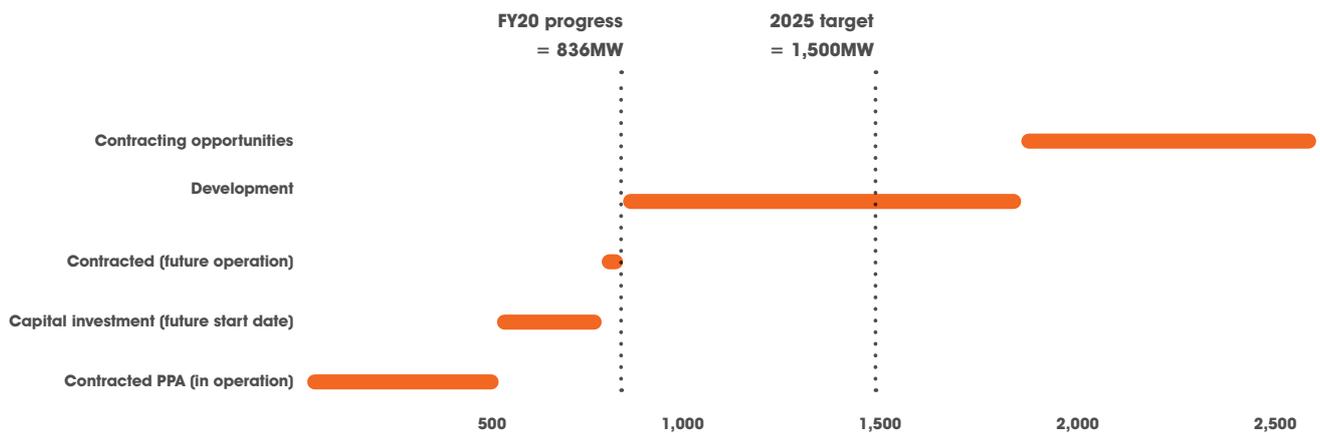
of renewable generation capacity by **2025**

Target (MW)	2025 target	2020 target	FY20 actual	FY19	FY18
Renewable energy development or production	1,500	1,000	836	776	543

We have achieved cumulative progress of 836MW towards this renewable energy target at 30 June 2020. In last year’s sustainability report, we reported that shortly after the end of FY19, we exceeded 1,000MW of renewable generation capacity by reaching financial investment decision on two further projects. One of these projects has since encountered delays due to financing constraints and we have therefore removed this project from our reported progress until we have greater certainty around its future.

Despite this delay and the impact of COVID-19, we have continued to grow our renewable capacity and are committed to our target to support the development of 1,500MW of renewable energy by 2025. To accomplish this, we will continue to assess cost-effective ways to increase our exposure to renewable energy generation, which may include:

- Installing new renewable generation capacity
- Acquiring existing renewable generation assets
- Entering into new long-term offtake agreements with existing and proposed renewable projects.



Please refer to the glossary on page 96 for the definitions of the above categories.

Large-scale renewable projects

Our large-scale renewable energy commitments supported the development of 836MW of generation at 30 June 2020. The renewable projects reflected in this performance are as follows:

Location	Currently operating	Financial commitments
Western Australia	Walkaway wind farm, Badgingarra wind and solar farm	Yandin wind farm Chichester solar farm
Victoria	Bald Hills wind farm, Maroona wind farm, Timboon wind farm, Yawong West wind farm, Bannerton solar farm	Kiamal solar farm
Queensland	Collinsville solar farm, Rugby Run solar farm	

Yandin Windfarm

Yandin Windfarm (a RATCH/Alinta Energy investment managed by Alinta Energy) is located about 175km north of Perth near the town of Dandaragan.

Once complete, Yandin will be Western Australia's largest wind farm, with 51 wind turbine generators generating the equivalent amount of energy consumed by 200,000 homes.

Only one of the 24 tonne wind turbine blades (including frames) can be loaded on to each truck, with a convoy of three trucks (making up the blades for one turbine) travelling at a time to avoid major traffic disturbances along the route.

"To date, these are the biggest wind turbine blades to ever be transported by road in Western Australia. Most people have no concept of just how big these things are, and therefore how tricky it can be to get them from a port to site. A 747 aeroplane generally has a wingspan of about 65 metres and these wind turbine blades are just under 75 metres."

– Timothy Knill, Head of Construction



Watch the blades being transported here – www.youtube.com/watch?v=YNBs_ZXi1xM



Watch the turbines being assembled here – www.youtube.com/watch?v=otKBcLxIz3A

On 12 July 2020, we reached a major milestone with the first wind turbine commencing generation, marking the start of the commissioning and testing period. Over the coming months, each wind turbine will be comprehensively tested and put through a reliability test to achieve 240 hours of faultless operation before moving into commercial operation.

Our approach to renewable energy

Chichester Solar Gas Hybrid project

The Chichester Solar Gas Hybrid project is the result of joint efforts between Fortescue Metals Group, Alinta Energy and Downer, with financing contributions from the Northern Australian Infrastructure Facility (NAIF), Australian Renewable Energy Agency (ARENA), state and federal governments.

The project is expected to displace 100 million litres of diesel generation annually from Fortescue's operation in the Pilbara delivering a cleaner, more affordable, and more connected energy supply.

In August 2020, the project achieved a major milestone with the first of 166,740 solar panels installed.



Pictured – First solar panels being installed at Chichester solar farm.



An overview of the project is available here – www.youtube.com/watch?v=N_pS7sJSlls

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

– **Scott Thomas, General Manager Power Generation**

Oven Mountain Pumped Hydro

OMPS Pty Ltd, in partnership with Alinta Energy, are co-developing the Oven Mountain Pumped Hydro Energy Storage project which is located in the New England Renewable Energy Zone in New South Wales. The project is in a relatively early planning stage though could be designed to provide up to 600MW and 12-hours of dispatchable generation capable of supplying intra-day energy shifting, grid stabilisation and constraint management services.

The NSW Government has legislated that the Oven Mountain Pumped Hydro Energy Storage project is a Critical State Significant Infrastructure project which will assist with the significant amount of planning work required. The AEMO 2020 Integrated System Plan identifies 6-19GW of new dispatchable resources will be needed to firm up increasing amounts of variable distributed and large scale renewable generation by 2040, with utility scale pumped hydro energy storage technology being ideally suited to provide medium and deep energy storage requirements.

Elysian Wind Farm

The proposed Elysian wind farm project is planned for construction in the rural NSW regions of Kybeyan and Tuross, approximately 22km north-east of the village of Nimmitabel and 450km south of Sydney, within the Snowy Monaro Regional Council area. With up to 30 wind turbine generators and supporting ancillary infrastructure, if approved the project will produce the total equivalent amount of energy that 200,000 homes consume in a year.

Alinta Energy continues to progress the development, including engaging with the local community, finalising the necessary planning approvals, assessing the preferred wind farm capacity, selecting the optimal wind turbine technology and evaluating grid connection options ahead of any investment decision.

Commissioning of contracted renewable generators

The contracted Rugby Run solar farm in Queensland became operational and was integrated into our contracted portfolio in September 2020. It incorporates 247,000 solar panels and is connected to the National Electricity Market grid.

Waste and water

We manage waste based on the waste management hierarchy priorities:

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

Water

Our overall water usage in FY20 remained broadly consistent with last year with a 7% decrease to 2,821ML as shown:

Water usage by source category (ML)

Self-sourced surface water	Potable water from water suppliers	Self-sourced groundwater
2,793	19	8

Water usage by usage category (ML)

Cooling	Industrial processing	Domestic and office usage
2,629	185	6

Water usage by discharge category (ML)^b

Lost to evaporation and steam	On-site holding/evaporation ponds ^a	Consumed domestically or treated off-site
2,448	345	27

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

b The FY19 Sustainability Report incorrectly reported the water lost to evaporation and steam as 2,620ML and water discarded to on-site holding / evaporation ponds as 387ML. The two categories were inadvertently transposed.

Total water usage (ML)

FY20	FY19	FY18
2,820	3,043	2,816

Solid waste

We aim to minimise the amount of waste sent to landfill. Our major operating facilities disposed of an estimated 378 tonnes of solid waste to landfill during the year.

Other waste products including steel, wood pallets and waste oil are either sold, reused on-site or sent off-site for recycling. We estimate that our major operational facilities recycled 32 tonnes of waste in FY20. In addition, an estimated 10,422 tonnes of fly ash from our Glenbrook facility in NZ was sent for reprocessing under a commercial arrangement.

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

	FY20	FY19	FY18
Solid waste sent to landfill	378	350	120
Waste recycled	32	51	48
Fly ash sent for reprocessing	10,422	11,760	11,760

At Port Hedland we've stopped buying bottled water and installed a water filtration system in the kitchen where the team can top up their Alinta Energy water bottles with fresh water. This helps minimise the high plastic wastage and pollution created by plastic bottles. Our Braemar site also collects their recyclable bottles and tins for the local primary school as part of its fundraising activities.

Case study – recycling bin audit

We have all heard the 'reduce, reuse, recycle' slogan for our household waste, now expanded to 'refuse, reduce, reuse, repurpose, recycle'. Whichever version you are familiar with, 'recycle' is the last step in the hierarchy and is meant to be a catch-all for our recyclable waste. But efforts to do the right thing can mean the recycling bin becomes a catch-all for more than it should, reducing its effectiveness.

Don't be a wishful thinker when it comes to recycling

A report from Visy (one of the world's largest paper, packaging and recycling companies) referred to a new trend it called 'wish-cycling':

"Wish-cycling is the phenomenon of tossing anything and everything that could possibly, maybe, sort of be recycled into the recycling bin."

Unfortunately, this jeopardises the recycling process and does more harm than good.

Did you know?

When we throw something that can't be recycled into the recycling bin, that bin becomes contaminated. The higher the contamination, the lower the value of the product. If the contamination is too high, the entire batch may be diverted to landfill meaning that those recyclable resources which were there can no longer be recovered. The more we send to landfill, the higher the financial and environmental cost we bear.

Soft plastics are one of the biggest problems. These scrunchable plastics like chip packets and shopping bags clog machinery, often causing recycling plants to be shut down, costing time and money.

How Alinta Energy is helping

Through our safety value add program, Ellie Dickinson developed a plan to audit the recycling bins in the Sydney office during National Recycling Week.

At the end of the week, we held a morning tea where guest speakers presented on proper recycling habits.

We're proud to say that building management has since told us that the recycling habits of our Sydney office are excellent, and we're hoping to find sustainability champions like Ellie across all our offices.



Pictured – Recycling bin audit with Anita Steli-Gajdos (Sustainability Manager), Alister Rathie (Wholesale Strategy Analyst – Trading and Portfolio Management, East Coast), Kranthi Atluri (Application Support Administrator – Information Technology), Ellie Dickinson (Channel Manager – Sales and Marketing).

"Twice a day for a week, we put on gloves and sorted through all of the Sydney office recycling bins to help identify common items that were being incorrectly disposed of. One of the top offenders – soft plastics."

– **Ellie Dickinson,**
Channel Manager – Sales and Marketing

"Phoebe Metcalfe (one of our guest speakers) recently finished her HSC with a project on finding alternative uses for soft plastics – what a wonderful ambassador for the planet!"

– **Anita Steli-Gajdos,**
Sustainability Manager

Getting to know – Russell Slaughter

Project Development Manager – Environmental



Our Asset Strategy team works across the business to ensure Alinta Energy develops the right projects, with the right technology, for the right customers at the right time, and has even picked up a couple of excellence awards along the way.

As part of this team and a member of our Community Development Committee, Rusty understands the environmental and social impacts of our development projects more than most.

What does your role encompass?

I am part of the Asset Strategy team at Alinta Energy. We are a small team that focusses on the identification and development of major capital projects and opportunities. We work on both brown field and green field projects. My role is to manage the land access, approvals and stakeholder and regulator engagement for a project. Essentially that means informing the rest of my team about approval timeframes and statutory requirements that must be built into the technical solution and project schedule. I get to have cups of tea with the locals, join heritage surveys with Indigenous groups and navigate my way through statutory processes to get permits, licences and approvals.

How long have you been with Alinta Energy?

I started at Alinta Energy in October 2013, so just about seven years.

What does sustainability mean to you?

To me, sustainability means going about your business in a way that does not compromise the future, particularly in relation to community wellbeing and environmental function.

What is the best part of your role?

The best part of my role at Alinta Energy is that it is never routine. I get to interact with all sorts of people and learn all sorts of new and interesting things.

What has been your career highlight so far?

Hmmm. This is a hard one. I did really enjoy driving the stakeholder relationships while we developed the Yandin wind farm. It's also been great working with Indigenous groups to negotiate agreements under the Native Title Act to support our projects. Mostly it's just been great to be on a team full of fun, competent and interesting colleagues.

Outside of the office, what do you do for fun?

With two teenagers and a young dog at home I don't seem to have as much fun as I used to. My favourite pastime is playing Ultimate (that's the technical term for Ultimate Frisbee) and I'm desperately looking forward to the social season starting up again. I enjoy doing building jobs around the house and I love working in the garden.

Reducing climate change

The magnitude of climate change risk

All five of the most probable global risks are environmental, according to the World Economic Forum Global Risks Perception Survey 2019-2020¹¹. Among the global risks with the highest impact, three of the top five are environmental.

This is the greatest number of environmental risks in any year since the survey began in 2007, and the first time that all top five most likely risks are environmental.

Top 10 global risks in terms of

Likelihood	Impact
Extreme weather (environmental)	Climate action failure (environmental)
Climate action failure (environmental)	Weapons of mass destruction (geopolitical)
Natural disasters (environmental)	Biodiversity loss (environmental)
Biodiversity loss (environmental)	Extreme weather (environmental)
Human-made environmental disasters (environmental)	Water crisis (societal)

The energy industry's challenge

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

Diverse opinions on how much and how quickly we should reduce emissions are a significant challenge for the industry. Reducing the emissions associated with electricity generation requires major infrastructure investment. It also takes time to prepare the electricity system for withdrawing older thermal generation facilities to minimise energy price shocks and maintain grid stability.

Alinta Energy believes climate change is a significant risk and we agree Australia must reduce the greenhouse gas emissions associated with electricity supply. However, this transition should take place over a timeframe which:

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

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

A renewable energy milestone

Solar, wind and hydro energy combined to deliver more than 50% of the power into the NEM for the first time in November 2019. While it only lasted a moment, this marks a milestone in Australia's renewable energy progress.

¹¹ World Economic Forum – Global Risks Report 2020, http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf

How our investment decisions reflect climate change

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

Our objective to reduce greenhouse gas emissions associated with electricity supply extends beyond renewable energy projects.

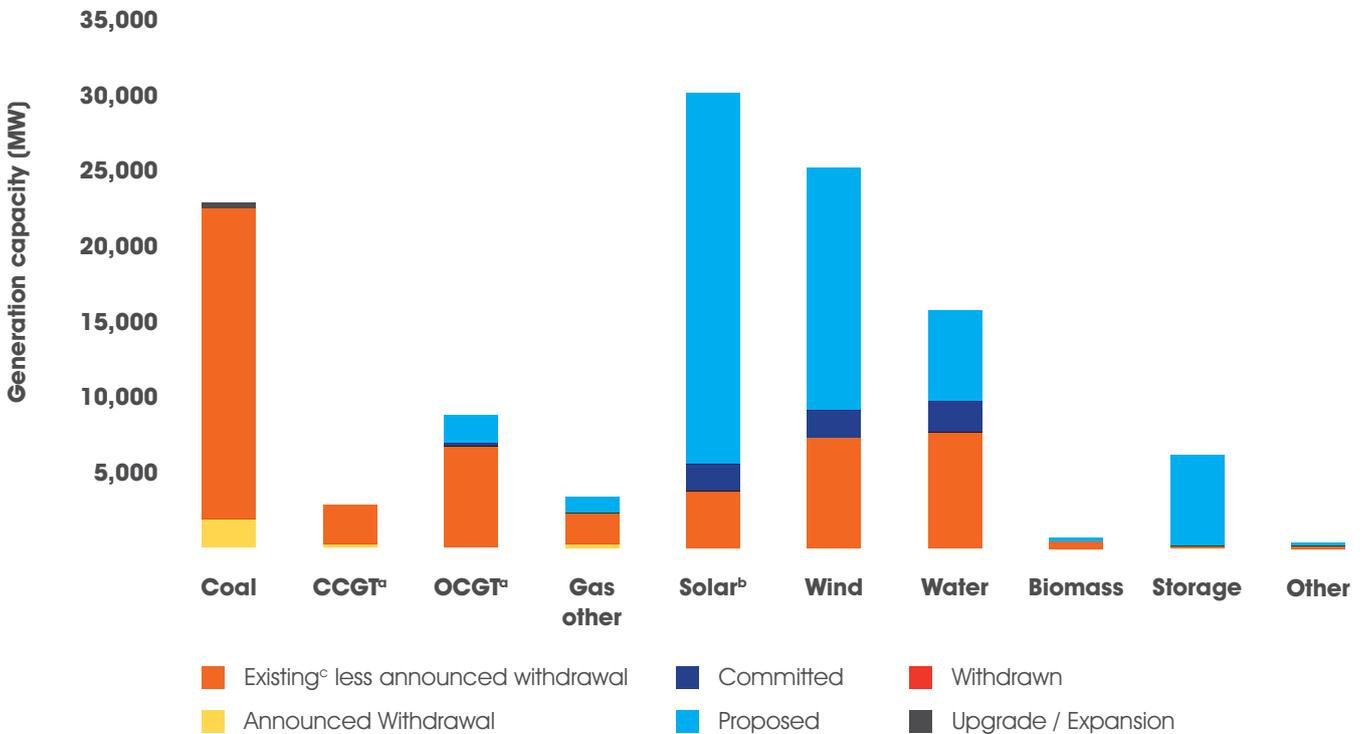
We believe we have a role to play in the energy industry’s transition and the Australian Energy Council’s (AEC) economy-wide target of net zero emissions by 2050 target for Australia. While we will continue to pursue opportunities to invest in large scale clean energy generation projects, we are also assessing emerging energy technologies that may form part of the climate solution, evaluating opportunities that arise from the transition away from coal to renewables and engaging in the development of climate policies.

Increasing renewable energy capacity

The following graph is sourced from the Australian Energy Market Operator¹² and shows the current generation capacity by fuel type in the National Electricity Market (NEM), which operates across Queensland, New South Wales, Victoria, South Australia, Tasmania and the ACT, including progress towards installing new renewable energy capacity as at 29 July 2019.

Although most of the existing generation in the NEM is from coal, there are significant amounts of committed and proposed large scale renewable generation in the development pipeline.

NEM Installed Capacity



a CCGT refers to closed cycle gas turbine and OCGT refers to open cycle gas turbine.

b Solar excludes rooftop PV installations.

c Existing includes Announced Withdrawal.

12 Refer to the Generation Information Page publications by year section of <https://aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-planning-data/generation-information>.

Reducing climate change

Climate change policy

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

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

Many state and territory governments have established their own renewable energy targets and energy efficiency programs. However, these are not aligned across all states and territories or with Australia's national policy, making it challenging to track their combined progress towards our international commitments.

While recognising the renewable energy leadership aspirations of the states, we consider climate change would be addressed most efficiently and effectively by a single national program. This would avoid complex interactions between separate programs which increase compliance and administration costs and risk creating market distortions.

We believe a single national energy and renewables policy which has a firm bipartisan commitment from both the federal and state governments will deliver the best long-term results for consumers and investors and clearly establish stable investment signals in the market. Alinta Energy is committed to working with government and industry to achieve this goal.

National targets and programs

Emission reduction targets

International action against climate change is driven by the United Nations Convention on Climate Change. During the Convention's 21st Conference of Parties in Paris in 2015 (commonly referred to as COP21), governments from around the world committed to reducing their national emissions. The Paris Agreement, signed a year later, aims to keep global temperature increases this century within 2°C of pre-industrial levels and further attempt to limit the increase to 1.5°C. As part of this, Australia committed to reduce emissions by 26-28% below 2005 levels by 2030.

In June 2020, the AEC endorsed an economy-wide net zero emissions by 2050 target for Australia. The Council has clarified that "the net zero economy-wide target does not imply that electricity emissions must necessarily fall to zero by 2050. Depending on technological developments, it may prove cost-effective to have a small level of emissions offset by carbon sinks elsewhere." This target was supported by many of the AEC's members, including Alinta Energy.

National Greenhouse and Energy Reporting (NGER)

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

Alinta Energy's Australian-based owned and operated facilities are reported in the annual NGER report of Pioneer Sail Holdings Pty Ltd, while the reporting obligations of our Pinjarra facility are met in the annual report of Alcoa, which has operational control over this facility. The energy consumption and emissions of these facilities are summarised in the Energy Consumption and Emissions section on page 41.

Emissions Reduction Fund

The Emissions Reduction Fund aims to reduce carbon emissions, sequester carbon from the atmosphere, and encourage new practices and technologies. The fund purchases Australian Carbon Credit Units (ACCUs) from carbon abatement projects through a reverse auction process. Organisations can also buy credits to offset part or all of their emissions as part of a carbon neutral strategy. Participation in the program is voluntary.

Alinta Energy's Newman expansion project is eligible to generate ACCUs. Refer to page 43 for more details on the Newman expansion project.

Safeguard mechanism

The safeguard mechanism ensures facilities that generate significant emissions keep them at or below a baseline set by the Clean Energy Regulator. If they breach the baseline, the facility must acquire and surrender sufficient ACCUs to offset its excess emissions to the government.

The safeguard mechanism's electricity sectoral baseline applies to all generators connected to one of Australia's five main electricity grids. This includes all Alinta Energy's electricity generation facilities except the Newman power station, which is not connected to one of the five main grids as defined under the safeguard mechanism. Under the current policy, the energy industry operates below the baseline and expects this to continue for the foreseeable future. If the sectoral baseline is exceeded, individual baselines will apply to each generator.

The Newman power station is subject to its own baseline which, like grid-connected power stations and the applicable electricity sectoral baseline, requires it to surrender carbon credits equivalent to any exceedance. The reported baseline for the Newman power station will expire on 30 June 2021, and we are in the process of setting a new calculated baseline for this facility, which is subject to external assurance.

Renewable Energy Target

The Renewable Energy Target (RET) promotes the use of renewable energy. It consists of two parts:

- The large-scale renewable energy target (LRET), which operates by creating large-scale generation certificates (LGCs)
- The small-scale renewable energy scheme (SRES), which operates by creating small-scale technology certificates (STCs).

In February 2020, we applied the shortfall charge provisions under the Renewable Energy (Electricity) Act 2000 to meet the majority of our 2019 LGC surrender obligations. Starting in February 2021, we will make good on our 2017 shortfall, followed by our 2018 and 2019 shortfalls over the subsequent two years using LGCs created from our significant investment in operational renewable projects.

This strategy:

- Complies with the RET, which provides flexibility to make good on LGC shortfalls within three years
- Minimises the cost of meeting our RET liability, which benefits our customers
- Promotes greater competition in the energy market by increasing the number of energy companies generating LGCs
- Has enabled us to make significant investments in renewable energy, assisting in the transition towards a low carbon future.

Underwriting New Generation Investments program

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

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

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

In December 2019, the government announced that key initial support terms had been agreed for two of the 12 projects. The other 10 shortlisted projects, including our Bairnsdale and Reeves Plains projects, are still being considered for support. Alinta Energy is working closely with the Department of Industry, Science, Energy and Resources to progress the potential development of our shortlisted projects to meet the government's objectives.

Reducing climate change

GreenPower

GreenPower is a voluntary government accredited program that enables energy retailers to purchase renewable energy on behalf of customers. Our electricity retail business offers GreenPower carbon offset products to business customers on request, which increases demand for large-scale generation certificates created under the Renewable Energy Target. More information on GreenPower is available at www.greenpower.gov.au.

Alinta Energy to support GreenPower for 13 Victorian councils and a state government authority

Procurement Australia signed an agreement with Alinta Energy in June 2020 to facilitate the execution of 10-year power purchase agreements (PPAs) with 13 Victorian councils and a state government authority, commencing from 1 July 2020.

The Bald Hills wind farm in Gippsland, an accredited GreenPower generator, will supply large-scale generation certificates to meet the specific renewable energy requirements of each signatory under these agreements.

“One of the benefits of these 10-year PPAs is the certainty it will provide those organisations and their constituents, which is important given the volatility we’ve seen in energy markets over the last decade.”

– **Brent Graham, General Manager, Commercial and Industrial**

This builds on the GreenPower program which provides assurance for electricity customers that their voluntary commitments are matched with renewable energy that is added to the grid on their behalf.

“From January 2021 our street lighting will be switched over to 100% renewable power with our large building sites rolled over in July. This will mean at least 80% of Council’s electricity needs will be provided by renewables, which is a fantastic result and something we know the Kingston community is really passionate about.”

– **Georgina Oxley, Mayor of the City of Kingston**



Our people

Our people are dedicated and innovative.

Alinta Energy's culture promotes delivering practical solutions that benefit our customers, add value, and align with our vision, values and sense of purpose.

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





Employment at Alinta Energy

It's been a year of growth and change for Alinta Energy and the People and Culture team. With more than 300 new people joining the organisation, it has been more important than ever to deliver extraordinary experiences across our three strategic levers of talent, capability and culture.

Our key activities from across the year included:

- Conducted a targeted pulse check survey in place of a full engagement survey due to COVID-19 delays
- Embedded values-based behaviours through the rollout of our new vision, engagement survey activities, management essentials learning offering and the #StayAtHomeAndLearn campaign
- Embedded our Indigenous work experience program
- Refreshed the One Alinta Essentials training program
- Introduced a new pandemic leave policy
- Updated our contractor management process to improve contractor experience and business transparency.

Employee engagement

Employee survey

We use our annual engagement and culture survey to monitor key indicators and identify where we can continue to improve in how we support our people.

Due to COVID-19 we delayed our 2020 survey until later in the year. Instead, we sought employee feedback through a shorter targeted pulse check survey. This addressed topics such as communication, work/life balance, collaboration, health and wellbeing, transition back to the office, and future work arrangements.

These survey results were positive, with most employees stating they were satisfied with communication, work/life balance and health and wellbeing. Employees also shared useful insights about returning to the office and the future of work following the pandemic.

Engagement initiatives

During the year, we implemented the following initiatives to strengthen engagement and develop our people:

- Developed a program to roll out our new vision, including team-led workshops to understand and articulate what the vision means at a personal level
- Continued to focus on development planning, introducing new guidance with practical examples
- Conducted the #StayAtHomeAndLearn campaign during COVID-19 to provide timely, bite-sized online learning
- Commenced a project focused on the future of work, which builds on employees' insights and feedback during COVID-19
- Continued the e3 leadership development program, focusing on our enterprise leadership

Recognition

This year we have continued our initiatives to recognise our people across the business:

Excellence awards

Our Excellence Awards were held in November 2019 to recognise employees and key partners. The awards identified outstanding performance and achievement that aligned with our values of People Matter, Commercial Leadership, Respect and Integrity, Safety, One Alinta and Customer Focus.

Shining a light on everyday achievements

The Spotlight program recognises people who demonstrate one of more of our values in their day-to-day work activities. It enables everyone, not just leaders, to easily share success stories, which are profiled on our intranet and in our fortnightly internal e-newsletter.

This year, close to 400 activities were recognised through the program.

Celebrating careers at Alinta Energy

Our service recognition program acknowledges the valuable contribution our people make to the business. The program was introduced in 2019 to honour our longest serving employee as he retired – Ray Myles. To meet the needs of our growing organisation, which has a higher proportion of newer team members, this program has two components:

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

The average employee tenure is 3.9 years, and 7.6% of our workforce has been with us for 10 years or more. During the year, 35 employees received a service recognition award for special milestones.

Australian HR team of the year finalist

Alinta Energy's People and Culture team was delighted to be selected from hundreds of nominations to be one of eight finalists in the Australian HR Team of the Year (<1,000 employees) category at the prestigious Australian HR Awards for 2019.

This outstanding achievement reflects the significant progress we have made in our key areas of talent, capability and culture, the team's commitment to delivering a great experience and acknowledges the team's contribution to our vision to be the best energy company.

Young in-house lawyer of the year awards

We were immensely proud of Jeanette Rose, a member of our legal team based in Perth, for winning an Excellence Award in the Australasian Law Awards, Young In-House Lawyer of the Year 2020. The award recognises lawyers for the quality, quantity, importance and innovation of their work over the previous 12 months.

Currently, one aspect of Jeanette's role involves leading the Modern Slavery Steering Committee, helping ensure that Alinta Energy meets modern slavery reporting requirements and putting us on a path of continuous improvement with the Modern Slavery Act. Refer to pages 20-21 for more details on how we are addressing modern slavery compliance and reporting requirements.



Pictured – Members of Alinta Energy's People and Culture team at the HRD Australian HR Awards.



Pictured – Jeanette Rose, winner of an Excellence Award in the Australasian Law Awards 2020.

Employee data

During FY20, our employee numbers increased from 691 to 717 (3.8%). The tables below summarise our employee composition at 30 June 2020:

	Employee Numbers		Full Time/Part Time		Employment Type		
	Total	FTE ^b	Full Time	Part Time	Salaried ^c	Casual	CEA ^d
All employees^a	717	702	94%	6%	97%	1%	2%
Non-executive directors^e	6	-	-	-	-	-	-
Executive directors^g	6	6	100%	-	100%	-	-
Senior leaders	51	51	100%	-	100%	-	-
New employees	332	326	96%	4%	99%	1%	0% ^f
Departing employees	307	302	96%	4%	99%	1%	-
Average tenure of departing employees (in years)	1.57		1.43	5.53	1.59	0.11	0.26

	Gender		Location		Age		
	Women	Men	Regional ^h	City	Under 30	30 to 50	Over 50
All employees^a	41%	59%	5%	95%	14%	68%	18%
Non-executive directors^e	-	100%	-	100%	-	33%	67%
Executive directors^g	-	100%	-	100%	-	17%	83%
Senior leaders	12%	88%	2%	98%	-	76%	24%
New employees	39%	61%	3%	97%	33%	53%	14%
Departing employees	34%	66%	3%	97%	29%	54%	17%
Average tenure of departing employees (in years)	1.80	1.46	2.44	1.55	0.49	1.90	2.36

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

b FTE refers to full time equivalents.

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

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

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

f There was one new employee in this category this year.

g Executive directors includes the MD/CEO.

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

A standing ovation sends off one of Alinta Energy's longest serving employees

Not many of us know a work colleague who clocked onto work at one organisation and left it 47 years later. Alinta Energy has had the pleasure of working with one such special person, who really was the definition of a long serving employee – Ray Myles.

Ray commenced work as a 16-year-old on 18 January 1972 before working his way up to eventually become our Group Manager Customer Operations, managing Alinta Energy's customer service and operations across the call centre and billing functions in our West Australian business – you may recognise him from his profile in our FY18 Sustainability Report. During the year, Ray decided it was time to begin a well-earned retirement.

There were a number of farewells held for Ray in his last few weeks with so many people wanting to say goodbye to such a driving force in Alinta Energy's history. A formal cocktail party was held at Crown Casino in Melbourne on 23 July 2019, which included industry representatives.

In an emotional moment and one fitting for a colleague who gave the business a lifetime of commitment and dedication, the contact centre team gave the one-of-a-kind Ray Myles a standing ovation as he left the building for the last time.



Pictured – Ray Myles being farewelled by colleagues in the Perth office.

“Ray has been the external face of Alinta Energy for our retail customers throughout all this time and he will be sorely missed by the business. We’re very proud of what he’s achieved, and we wish him every success in his retirement – he’s certainly earned it.”

– **Jim Galvin, Executive Director Retail Markets**



Ray's retirement also made the news, where he featured on a Today Tonight special on which aired on 26 July. Watch his interview here – www.youtube.com/watch?v=_JewOzL7JPw

Supporting our people

We strive to make our people feel valued from when they first join and throughout their career with us. During COVID-19, we found new ways to reconnect through our employee lifecycle from video interviews, organisation-wide online sessions on topics such as staying socially connected, and a pulse check survey seeking feedback on how our people were coping at home.

Joining and leaving Alinta Energy

We want to make sure everybody who joins our business has a positive start to their career with Alinta Energy.

Recruiting

We proactively source candidates for open roles and reward our current employees for successful referrals from their own networks. All our position advertisements are reviewed with gender decoder technology¹³ to ensure language is free from any unconscious bias as part of seeking gender diversity in applicants.

During the year, we updated our interview guide to better reflect our values, helping our hiring managers identify how candidates align with how we work. More of our interviews have been conducted online due to COVID-19, which we supported by providing hiring managers with specific tools and training.

Induction and onboarding

Once the successful candidate accepts an employment offer, we help them get to know their new workmates and forge a good relationship with their manager and team.

Our comprehensive induction program was updated in FY19 for greater consistency across the business and to incorporate automated feedback mechanisms to streamline the process for participants. We seek feedback from hiring managers and newly hired employees on their experience with the onboarding program as well as reviewing monthly metrics to track how the process is performing and identify opportunities for further refinement.

Offboarding

Following the successful onboarding implementation, we rolled out an automated offboarding workflow this year to help with the process when a person moves on from Alinta Energy. This sends online checklists to the employee, their manager and relevant groups across the business. Stakeholder feedback has been overwhelmingly positive, with some of their comments below:

- "Easy and streamlined process."
- "The new process works great on my end, really appreciate all the help and guidance for the onboarding and offboarding processes."

Diversity and equality

We believe a diverse workforce makes better business decisions by being more creative, flexible and productive. Diversity attracts the best people, engages our employees and delivers excellent customer service.

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

Alinta Energy's commitment to eliminate all forms of discrimination, celebrate differences, and ensure financial and other benefits are not limited by a person's characteristics is reflected in our Embracing Diversity Policy. We continued to investigate and resolve workplace incidents during the year, none of which related to diversity. No incidents of discrimination were reported by our employees during FY20. In the rare instance that a discrimination concern arises, all reported incidents of discrimination are taken seriously, documented and investigated. We have grievance procedures and mechanisms like our independent whistleblower hotline and employee support through our employee assistance program described on page 66.

¹³ View the gender decoder at <http://gender-decoder.katmatfield.com/>

Our gold sponsorship of Women in Energy reflects our commitment to increase presentation and support women in our industry.

Gender equality data is reported to the Workplace Gender Equality Agency. In the 2020 report¹⁴:

- We had strong gender representation, with women making up 40% of our workforce. This is higher than the energy industry average of 29.9%¹⁵.
- While we have more work to do building female representation at senior management level, we are making good progress on laying the groundwork – this year 48% of promotions were awarded to women, up from 32% two years ago. For management roles that increase is particularly striking – two years ago, 23% of management-level promotions were awarded to women and this year it has increased to 50%.
- Since the data period for the WGEA report, we have appointed two women to our executive leadership team, in People and Culture and Retail Markets¹⁶.

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

International Women’s Day

On 8 March 2020, International Women’s Day was celebrated around the world. This recognises women’s leadership, economic, cultural, political and social achievements, while also focusing on gender equality and the work remaining for it to be achieved.

This year, we got to see a different side of our MD and CEO, Jeff Dimery, through stories from his mum, Wilma. Across our Sydney, Perth and Melbourne offices, they shared many personal stories and we discovered the significant and influential role that Wilma played in shaping who Jeff is today.



As part of marking International Women’s Day, we asked a number of women across our business a range of questions. Enjoy watching their personal and inspiring responses here – www.youtube.com/watch?v=K9qymv5_FLU

Indigenous diversity

Our Port Hedland power station was very pleased to host Donita Drage, a Nyiyaparli woman and student from Perth College, for a week of work experience in July 2019. Work experience is a great way to strengthen our community connections, support local training and promote a career at Alinta Energy.

Donita shadowed Tracy Ransfield, our Administration Officer, as she is interested in a business administration career. During her time, she created five tips to prevent seasonal cold and flu as a part of a health and wellbeing program, displayed on the site health notice board. She also helped to organise our Port Hedland team building day.

Given the success of the program in Port Hedland, Donita returned to Alinta Energy in January 2020 for another placement, this time at our Perth office. Karlka Nyiyaparli Aboriginal Corporation provided invaluable support to help make this work experience happen and we hope Donita enjoyed her time with us. Special thanks to our Port Hedland team for demonstrating our People Matter and Respect and Integrity values.



Pictured – Donita during her work experience with Tracy at our Port Hedland power station.

¹⁴ The 2020 reports covers the period 1 October 2018 – 20 September 2019.

¹⁵ 2020 NRG HR Practices and Benchmarking Survey.

¹⁶ Fiona Osler, our General Manager People and Culture, has been temporarily appointed to the executive leadership team since April 2020. Amanda Hagan has been appointed as the new Executive Director Retail Markets with a start date in the second half of FY21.

Get to know – Fiona Osler

General Manager – People and Culture

What does your role encompass?

My role involves devising strategies and implementing initiatives across talent, capability and culture – it's a really varied role and every day is quite different.

How long have you been with Alinta Energy?

Thirteen years – which I find hard to believe! It's been a tale of four parts as the organisation has navigated the global financial crisis and changes in structure and ownership.

What is unique about the people at Alinta Energy?

Well as Barbara Streisand sang, "people who need people are the luckiest people in the world". People at Alinta Energy care about their colleagues; they like to achieve great things and have some fun along the way.

What has been your career highlight so far?

My current role working with such a talented team with great ideas, insights and a desire to make a difference to the people and culture of Alinta Energy. We've delivered so many fantastic initiatives over the last few years – a recent highlight was launching International Women's Day with Jeff our CEO and his mum Wilma promoting the power of female role models. It's also a highlight to work with people you like, trust, respect and can have some fun with!

Outside the office, what do you do for fun?

I love spending time with my husband, three children (aged 17, 14 and 11) and friends. With us both working full time, we make the most of our holidays – ocean swimming, hiking, camping and water/snow skiing are our favourite activities.



Learning and development

Our learning and development framework helps our people achieve their goals and succeed in their current roles and future careers through a combination of experience, exposure and education:

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

This year, the learning and development initiatives we have implemented centred on strengthening our compliance capability across the business.

Our One Alinta Essentials program was updated to help employees understand their responsibilities under our key policies, why these responsibilities are so important, the consequences of non-compliance, and where to find more information. Our learning management system was used to deliver this program online, as well as to record and track learning and development activities and compliance training throughout the year.

Bringing our vision to life

To embed our 2025 vision to be the best energy company, we gave our general managers and senior leaders a half-day training session in facilitation skills to help them conduct workshops with teams across the business. These explored what 'best' means to people in their day-to-day roles and what it could look like in 2025. The workshops helped our people relate to the vision at a personal level, whether they work as an accountant, an engineer, or a member of our customer service teams.

Supporting our people

Achievement review

Development plans are set annually to align individual goals with Alinta Energy's objectives and identify opportunities for personal growth. Annual and interim employee achievement reviews consider employees' performance against these goals and are a mechanism for constructive feedback and recognition. All employees are required to complete a formal achievement review and development plan each year to document ongoing discussions and coaching with their managers.

Employee assistance program

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

Employment arrangements

Labour management relations

Our employee relations are underpinned by Alinta Energy's values of People Matter and Respect and Integrity, including acting fairly and supporting equal opportunity and diversity. Decisions on appointments and promotions are solely based on merit. Our employment practices are governed by legislation, regulations and industrial instruments. We comply with minimum notice periods regarding operational changes, including whether these are specified in collective agreements, in accordance with Fair Work Australia requirements and the National Employment Standards.

Contractor management

During the year, we partnered with a new contractor management service provider to improve the experience of our contractors as well as the leaders engaging them. This solution provides greater transparency to the business through aggregated reporting. Periodic reporting will include information such as contractor headcount, location, cost and duration.

Freedom of association and enterprise bargaining

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

Restructuring and redundancy

This year we experienced significant changes to our operating environment and needed to make thoughtful and considered changes to our operations in response to a time of real pressure. To minimise the impact on our people, we first took steps to significantly reduce discretionary costs such as travel, entertainment, consultants and internal events.

We also needed to share the impact of these changes fairly across the business, such as putting a hold on many new roles, implementing a salary freeze and deferring payment of a portion of this year's bonus.

In addition, we streamlined our priorities and put in place a simpler and more efficient operating model to ensure our business is sustainable for the future. Sadly, this meant that there were some redundancies through the year. This was a difficult decision that involved extensive consideration by our senior leaders. The changes in our business were in corporate roles, with no changes at our power stations. Some roles were impacted due to consolidating activities, efficiencies created by new systems and processes, or where activities or projects were discontinued or reprioritised.

Of the people who were in roles impacted by the changes, 24% took redeployment opportunities.

We provided support including outplacement services to people in impacted roles, their managers and teams through the Employee Assistance Program and our People and Culture team.

We appreciate this year has been an uncertain time for our employees and want to thank everyone for their ongoing effort. Despite multiple challenges, it's clear that our people are committed and working hard to ensure ongoing delivery of essential services to customers.

Our communities

During the year we launched our Community Development Program which will invest \$2.5 million back into our communities over five years.

Our ongoing paid volunteering leave program supports our employees to help community organisations that align with their values.

Alinta Energy's sites strive to contribute to their local communities and minimise their operational impact.





Community development program

Community development program

We launched our Community Development Program to make a positive impact on the communities where we live and work through philanthropy. This invests \$500,000 annually over five years, for a total contribution of \$2.5 million, and equates to donating over \$700 per year on behalf of each Alinta Energy employee.



Community Development Program

The program supports activities that focus on:

- **Social disadvantage**, aligning with our sense of purpose to make energy more affordable
- **Environmental sustainability**, recognising our power generation activities.

The Community Development Program is in addition to our community funding programs associated with new power development projects like the Yandin wind farm.

Community partnerships launch

We provide up to \$250,000 each year in corporate community partnerships as part of the program. We were excited to announce our first major partnerships with The Salvation Army, Foodbank and Conservation Volunteers Australia in February 2020.

Our employees were given virtual cash to allocate to their preferred organisation after watching videos from our community partners, which helped to determine how \$100,000 of our contribution was allocated among these partners. The launch helped raise the profile of our community partners and empower our people to contribute to them.



See our Community Partners video here – www.youtube.com/watch?v=I0fdSh134v0

Australians have had it tough with drought, floods, bushfires and the COVID-19 pandemic. In addition to supporting our customers through this time, we are proud to have our community program helping the broader community. We believe this is more critical than ever before.

Did you know our Community Partners are one of Australia's first lines of response to natural disasters?

- Conservation Volunteers are the Federal Government's coordinator for the national environmental volunteering response to the bushfires.
- Foodbank is the only food relief organisation for natural disasters that collects and distributes food to most of the large not-for-profits.
- The Salvation Army distributed \$20 million in response to the bushfires. This included \$10 million in recovery grants and \$1 million in emergency food, water, clothes and bedding for firefighters and people displaced. As a result of COVID-19, their main homeless shelter in central Melbourne has seen a 300% increase in people seeking help, while a centre in Sydney's CBD had a 175% increase in requests for food services.

Round one of community grants

Alinta Energy's Community Development Program provides up to \$200,000 each year in community grants through individual grants of up to \$20,000.

Small to medium not-for-profit organisations seeking support for new activities can apply on our website¹⁷ all year round, with two rounds of grants awarded each year.

The Community Development Committee votes on all new applicants to award grants, based on a rigorous framework which includes eligibility criteria and voting criteria. The Committee has a diverse mix of representatives from across our business and also includes our Brand Ambassador, Matt Hayden.



See what Matt Hayden has to say about our grants program here – <https://www.youtube.com/watch?v=5ZCA0hyyeRQ>

In the first round, we received 48 applications that our Committee shortlisted to a top five who all received grants to help fulfill their goals. We are thrilled to partner with these extremely deserving organisations:

Kids Under Cover

Our grant provides approximately 24 education scholarships for 12 to 25-year-olds at risk of homelessness who are located in Victoria, including East Gippsland where our Bairnsdale power station is located, as well as New South Wales and the Australian Capital Territory.

"This grant is so incredibly important to Kids Under Cover's beneficiaries right now. During the COVID-19 pandemic, many families have been pushed into very difficult circumstances, and the demand for Kids Under Cover's vital services has doubled in just 12 months as a result. With the support of Alinta Energy, we will be able to help young people to avoid homelessness and stay connected to their education."

– **Adam Walsh, Head of Fundraising, Kids Under Cover**



**Building foundations
to prevent youth
homelessness**

¹⁷ Applications can be made via alintaenergy.com.au/wa/about-alinta-energy/community-and-sponsorship/community-development-program/community-grants-program

Our communities

Young Change Agents

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

"We are thrilled to be supported by Alinta to run an environment focused Youth Design Challenge. This grant enables us to reach hundreds of young people and give them the opportunity to develop their entrepreneurial mindset, skillset, and toolset, while working on a real-world problem: reducing our environmental impact.

We'll be sharing resources directly with youth, with teachers, parents and other stakeholders who will all benefit from this grant. We can't wait to share the incredible ideas they develop!"

– **Maya Marcus, Head of Product and Learning, Young Change Agents**



Techgirls Movement Foundation

Our grant supports 40 students from underprivileged or remote areas to participate in The Next Tech Girl Superhero online competition. This competition inspires young women to solve important community problems with Science, Technology, Engineering and Maths (STEM) solutions. It combines problem-solving through a social, business and technical lens, producing high-quality business plans, pitch videos and working app prototypes.

"Partnerships, such as the one being formed with Alinta Energy through their Community Grants Program, are key to our ability to get our hands-on STEM Entrepreneurship program accessible to all Australian schoolgirls.

An ability for girls to get involved in STEM should not depend on the address you have or the school that you attend. We need more companies such as Alinta Energy to be part of the solution on gender equity in STEM."

– **Dr Jenine Beekhuyzen OAM, Techgirls Movement Foundation Founder and CEO**

techgirls»
movement
FOUNDATION

Bravehearts

Our grant funds 200 personal safety education packs provided directly to children aged from three to eight years old. Bravehearts' live show 'Ditto's Keep Safe Adventure' has been paused due to COVID-19 and the packs are provided directly to those at risk during a time where the safety education show is unable to take place.

"It is with support such as yours we are able to continue on our mission to make Australia the safest place in the world to raise a child, so again thank you so much."

– **Michelle Borkowski, Bravehearts Corporate Partnerships Manager**

Bravehearts 
Educate Empower Protect Our Kids

Pinchapoo

Our grant will help Pinchapoo reach over 5,600 students in the most disadvantaged and transitional regions across Australia through their schools' hygiene program. Individuals are identified by the institution's welfare coordinator or chaplain and personal hygiene products are discreetly provided.

These situations include financial struggle, victims of abuse, temporary homelessness or displacement. Students are at a sensitive age where these products can significantly improve their sense of self-worth and self-respect. Schools report all-time-high class attendance and participation levels after accessing the program.



"You have blown me away! I'm so completely thrilled!!!
Everyone is screaming from our end!!! I'm going to burst!!
Kate and the mighty poo crew!"

– **Kate Austin, Pinchapoo CEO**

Operational site community support

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

Bairnsdale power station

The local region near our Bairnsdale power station was seriously impacted by the December bushfires that were close to home for many of our people. The site's \$4,000 donation was matched with an equal donation by our corporate head office.

Glenbrook power station

In New Zealand, our Glenbrook cogeneration plant supports a diverse range of community groups.

During FY20, NZ\$500 donations were made to each of the following organisations to support disadvantaged kids in our local Franklin region: NZ Down Syndrome Association, Remuera Lions Club Charitable Trust, Burns Support, Kidney Kids, New Market Rotary Club Charitable Trust, Southern Stars Kids Day Out, Radio Lollipop and Kids Foundation. We also supported the 'Jammies in June' program by matching employee donations for kids pyjamas to Middlemore Hospital.

A donation of NZ\$5,000 was made to the Graeme Dingle Foundation's Kiwi Can primary school program which focuses on developing respect as part of their anti-bullying program.

Employee volunteering

Our community volunteering program provides our employees an additional day of paid leave each year to support a not-for-profit close to their heart. Our people volunteered over 360 hours this year to help our communities.

Walking for mental health

In January 2020, our tax team undertook a 20km 'Walking About Talking' walk from the Sydney office to Bondi Beach, via Rose Bay, Vaucluse and Watsons Bay to raise awareness and funds to prevent suicide and mental health issues in our community.

The walk was done in silence, to understand how difficult suffering mental illness can be without being able to reach out to speak to someone. The team donated to The Black Dog Institute, a medical research institute and not-for-profit organisation dedicated to improving the lives of people affected by poor mental health.

Supporting the Salvos

Helping the Christmas Appeal

Our Adelaide office joined the Salvation Army's Christmas Appeal that distributes toys and supplies to Australians in need over the holiday period. The team helped to sort, wrap and pack items to bring some Christmas cheer to others.

Members of our legal team also spent a morning gift wrapping to raise funds for the Salvos. Fun was had by all and for a great cause.

Candle packing with the Salvation Army

Employees from our Sydney office packed candle bags for sale at Carols by Candlelight. They had a big target to complete the remaining 3,000 bags, after the previous two groups had only packed 1,800 bags in total. In true Alinta Energy spirit, they banded together and exceeded their goal, packing an enormous 3,200 packs and breaking the Salvation Army record of 1,400 bags!

They even sent the team on a break as the restocking and pallet teams couldn't keep up. Proceeds from the bags packed gave around 500 young people a bed for a night.

A hot meal on a cold night

In Sydney, the team helped to serve a community dinner with the Salvation Army and headed out to the streets to deliver care packages of warm clothing and food.

The evening dinner had a performance from a talented volunteer pianist who donates their time each week while guests enjoyed a main meal and dessert. Following dinner, everyone can pick food and staples that are donated.

Later in the evening some stayed on to go out in the Salvation Army van as part of its Outreach program, giving handmade beanies, hot meals, chocolate and bottled water to people sleeping rough.

Lighthouse Café

The Salvation Army's Melbourne Lighthouse Café is set up in the same style as any other café with orders taken by volunteers at guests' tables. The café is designed in this way to provide a feeling of an everyday normal that many of us often take for granted. At night the café turns into sleeping quarters for those who were not able to find elsewhere to spend the night.

After a day of taking orders, preparing meals, washing dishes and chatting to guests, our group of 12 Alinta Energy volunteers all left the café humbled and appreciative, and said the experience really brought to light what actually matters

Alinta Energy comes in on top in charity pedal-thon

Twelve employees put in an exceptional effort for the Below the Belt charity ride held at the Eastern Creek motor racing circuit with three Alinta Energy women placing in the top five and the Alinta Guns taking home a medal for Industrial Champions. Below the Belt supports clinical trials for urogenital and prostate cancers.

Movember November 2019

Movember supports people that are affected directly or indirectly by Men's Health issues. In addition to our group of participants across Australia, two employees sacrificed their locks for a \$1,000 donation and a morning tea was held in the Perth office to celebrate their success.

In Western Australia, the Alinta Energy moving truck supported St John Ambulance at a Movember charity Shave Down event at the Optus Stadium in Perth. Our moving truck and crew were on-site to help event organisers with bump in and bump out. St John Ambulance, Department of Fire and Emergency Services and Western Australia Police Force attended, along with Movember representatives and West Coast Eagles players.

Find out more about the Alinta Energy moving truck on page 86.



Sponsorships, donations and partnerships

Alinta Energy is proud to support community initiatives and charity organisations across Australia. In addition to our Community Development Program we also sponsor the Alinta Energy Christmas Pageant in Perth, the Country Education Foundation, the McGrath Foundation and the Red Cross.

During the year, we provided over \$200,000 through corporate sponsorships, community programs and charitable donations. This included \$60,000 to the Red Cross Bushfire Relief appeal through our Cricket Australia partnership and a donation of \$30,000 to the McGrath Foundation. Through the donation of signed Cricket Australia merchandise and hospitality we also assisted smaller charitable organisations fundraise over \$40,000 for their causes. We have committed to further contributions of up to \$500,000 a year for the next five years through our partnerships and grants program as described on pages 70-72.

Bushfire support

Our thoughts are with all those who were impacted by the bushfires and we would like to thank all the emergency services who work tirelessly to protect communities across the country. Our support for affected customers included:

- Waiving the debts of customers who informed us of having lost property in the bushfires
- Providing hardship support to customers when they need it
- Pausing bills and debt collection notices for customers in affected areas
- Monitoring a range of sources to update our list of affected communities and stay up to date on where help was needed.

More information is provided in the Financial Hardship section on page 84.

We hosted morning teas in our Perth, Sydney, Melbourne and Adelaide offices to raise funds for the local fire services. Alinta Energy matched all employee donations. Through this fundraising effort, plus a generous contribution from our Bairnsdale power station, we raised an additional \$22,960 towards state firefighting services and WA's WIRES Wildlife Rescue. Alinta Energy also offered a \$200 energy credit for the volunteer firefighters among our customers.



Alinta Energy Christmas Pageant sponsorship

We are proud to be the new naming rights sponsor of Perth's beloved Christmas Pageant. West Australians have grown up enjoying the biggest Christmas event in Perth with many different floats bringing the spirit of Christmas into the heart of the city. The pageant is held every year on the first Saturday in December. It's a place where little kids get to experience the magic of Christmas and big kids get to feel like little kids again – fun for the whole family.

In the lead up, we also ran a customer competition that received 14,250 entries and saw 20 families receive a pass to our designated VIP area at the pageant.



View the highlights from the 2019 Christmas Pageant here and see what some of our competition winners had to say – www.youtube.com/watch?v=oP_RJU-TAxg

Country Education Foundation partnership

In 2019, Alinta Energy formed a new partnership to support the Country Education Foundation of Australia. The Foundation is a non-profit organisation based in Orange, NSW, that provides education, career and personal development opportunities for rural and regional youth through financial assistance and community-based encouragement.

The partnership has enabled the Foundation deliver an exciting series of events for both its 44 community-based local foundations and its almost 5,000 alumni over the next few years. In FY20, the Foundation supported 663 students, an increase of 77 additional young people who are now able to better pursue their education goals. This represents a 13% increase in students supported from 2019.

Alinta Energy shares the Foundation's goals to enrich students' education and provide lasting, positive influences on rural and regional communities.

Yandin Windfarm community fund

Yandin Windfarm (a RATCH/Alinta Energy investment managed by Alinta Energy) is currently being constructed in Dandaragan, WA. It will be the largest wind farm in Western Australia, powering around 200,000 homes when complete. In addition to supporting the wider community with renewable energy, Yandin Windfarm is also having a positive impact on the local community through a fund that allocates \$50,000 per year (grants of up to \$5,000 run over two rounds in each year) throughout construction and operation. This equates to more than \$1,000,000 of support over the life of the Yandin Windfarm.

Other community support initiatives

Community engagement training

During the year, we implemented a revised community engagement framework which will help us become better neighbours and leave positive long-term legacies in the communities where we operate. We put in place our community engagement standard, which is a guide for how we interact with communities, and conducted community engagement training accredited by the International Association of Public Participation.

Indigenous engagement

Because of the long-term operation of our Newman and Port Hedland power stations in the Pilbara region of Western Australia, we naturally want to maintain positive and growing relationships with the Traditional Owner groups in this area. We have therefore formed strong relationships with the Niyaparli and Kariyarra People.

This includes meeting throughout the year to review and plan for the coming year, welcoming Indigenous secondary students for work experience, proactively advising Indigenous contractors of opportunities and endeavouring to engage them, and providing cross-cultural awareness training to our personnel.

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

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

In recognition of working in Nyiyaparli country, we have committed to Indigenous engagement targets that are supported by an Indigenous participation plan that our EPC Contractor, Downer, must comply with, as summarised below:

Target	At 30 June 2020
3% employment (project labour hours)	20% of labour hours provided by Indigenous workers
3% procurement	12% of the value of site-based contracts have been let to Indigenous companies

Downer has six Indigenous employees and engaged Indigenous subcontractors for earthworks, logistics and fencing. Performance has been exceptional in the initial stages of the project, though as specialist expertise is needed for commissioning activities, we expect the final percentage contributions will be lower than those to date but well in excess of the minimum targets above.

Alinta Energy has committed to creating further opportunity for Indigenous engagement over the next 20+ years. This includes an annual minimum spend on Indigenous businesses and contractors for operational aspects of the new project infrastructure. To support these targets, we have also:

- Established a relationship committee with Nyiyaparli People and Alinta Energy representatives
- Required all contractors and Alinta Energy employees who work in Nyiyaparli country to participate in a cross-cultural awareness training workshop delivered by a Nyiyaparli trainer
- Ensured the heritage protection measures set out in the Heritage Protocol were followed. The Protocol provides a framework for the management and protection of Aboriginal heritage with the engagement and guidance of the Nyiyaparli People.

Community impacts from operations

Our operations have the potential to impact residents located near our energy generation facilities. Site managers report all community complaints relating to their facility using our event management system and ensure they are investigated and that necessary corrective actions are implemented. When the person who has made a complaint provides their contact details, the management team communicates the investigation outcome and is responsible for addressing the underlying issues. No people were physically or economically displaced by new, expanding or existing projects during the year.

Excellence Awards – community contribution

Sam Varsaci, Drafting Coordinator at Loy Yang B Power Station, received our annual Alinta Energy Excellence Award for his community contribution in working with children with a disability.

Sam is also the founder and organiser of the All Abilities Sports Program and president of the school council for the Latrobe Special Developmental School. Congratulations Sam on your community contribution, advocacy and work with people with a disability.

Refer to page 58 for more details on the Excellence Awards.



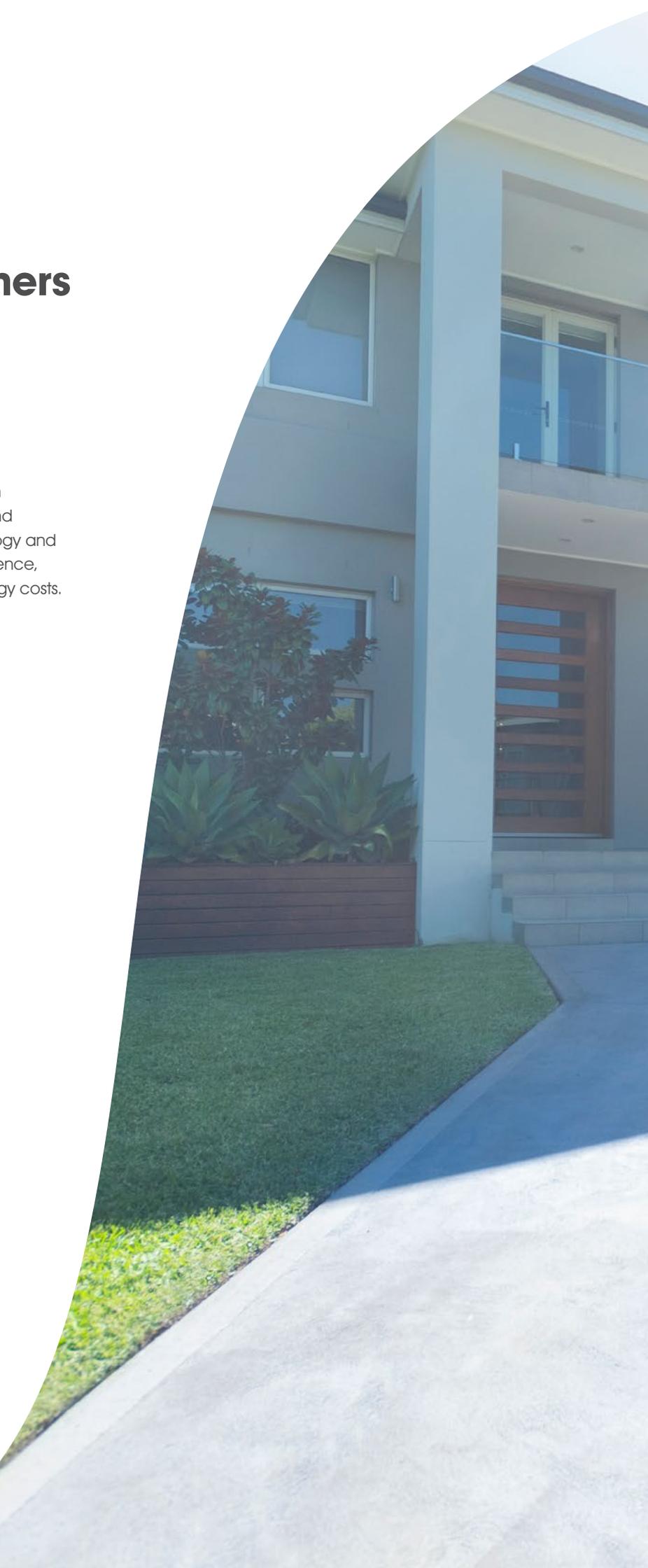
Pictured – Daniel McClelland, Sam Varsaci and Jeff Dimery at the Excellence Awards.



Markets and customers

Alinta Energy is determined to make energy more affordable for our customers.

We retail gas and electricity to customers in Western Australia, Victoria, Queensland, New South Wales and South Australia. Continuing to invest in new technology and innovative solutions improves our customers' experience, reduces their carbon footprint and lowers their energy costs.





Customer service

Multi-award winners

Our increasing number of Canstar Blue awards recognise our great value, customer satisfaction and status as a trusted energy provider. These awards represent our focus on customers' needs and our ongoing investments in technology to create a market-leading customer experience.

Most satisfied customers awards

We were extremely proud to receive three Most Satisfied Customers awards for Queensland, South Australia, and small business. For the third year, our Queensland customers gave us 5-star ratings for value for money, customer service, focus on environmental sustainability and overall satisfaction. We also had our first win in South Australia and appreciate everybody who voted for us.

We're honoured that our small business customers are the most satisfied in Australia. Out of the hundreds of Australian businesses who were surveyed, we outperformed all other major energy retailers. We received top reviews for overall customer satisfaction, value for money, payment plan options, online tools, advice and self-service. Fifty percent of Australian businesses surveyed by Canstar Blue said that electricity is their greatest financial concern, reflecting the importance of our simple and affordable business energy plans.



Pictured – Canstar Blue presenting our retail team with the award for most satisfied small business electricity customers.

Outstanding value awards

Our focus on affordable energy was acknowledged by three Canstar Blue Outstanding Value awards for electricity in Victoria, Queensland and New South Wales. We've also continued to receive impressive ratings from our customers in New South Wales and Victoria, who are happy with our best value deals and service.

One of the most trusted energy providers

Canstar asked more than 7,000 Australians to rate their level of trust with their current energy provider on a scale of zero to 10. The highest average ratings determined the most trusted energy providers. We were in the top five shortlisted energy providers and couldn't be prouder of receiving recognition for doing the right thing by our customers.

More information is available from the Canstar Blue website.



Customer experience

Measuring our customer service performance

We continually survey our customers to monitor customer satisfaction and the Net Promoter Score (NPS), which measures customers' willingness to recommend our services to others. Both measures are widely used in the Australian energy industry. The quality of our service is evident from strong NPS and customer satisfaction results that average nationally at +64 (NPS) and 89% (customer satisfaction). We are particularly proud of our people for maintaining a high level of customer service while transitioning to working from home during COVID-19.

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

Target	FY21 target	FY20 target	FY20 actual	FY19	FY18
Net Promoter Score					
West Coast	> +60	> +60	+74	+71	+71
East Coast	> +60	> +60	+56	+62	+62
Monthly customer satisfaction survey					
West Coast	> 90%	> 90%	93%	92%	93%
East Coast	> 90%	> 90%	86%	89%	79%

Our customer service contact centres in Perth, Manila and Cebu assist our customers with their energy needs from general enquiries through to moving premises. We have team members who have been serving customers for more than 10 years, giving us the experience to listen and learn from our customers.

New digital platforms

We use a range of digital platforms to engage with our customers in new and better ways and at more convenient times for them. Our customers' time is valuable and meeting their needs quickly is imperative.

Some of these platforms being used in our retail business include:

- Core billing system**
 This state-of-the-art technology is owned by Alinta Energy including My Billing, which allows customers to access accurate data and on-time billing. Core is currently implemented with our east coast consumer and industrial business gas and electricity and will be rolled out to residential customers by 2021.
- Power Pilot**
 This portal for our largest consumer and industrial customers provides more transparency and control over their wholesale electricity cost. It shows how their energy prices are calculated and the impact of their purchasing decisions on their final bills.
- New website**
 Our new website was launched in September 2019 and provides a consistent and seamless visual design for our customers to engage with us.
- Webchat**
 Triggered when a customer views our product page or during the sign-up process, allowing them to chat directly with a sales agent if they need any help.
- Data hub**
 This database supports reporting to regulators and makes compliance easier.
- Connect Develop**
 Two cloud-based apps including CX Movers and CX Builders that make it quick and easy for tenants, property managers, service providers and new building sites to manage energy connections.

Customer service

Complaints

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

If a customer believes an issue they raised with us was not addressed adequately, they can escalate it to the relevant state ombudsman. Monitoring complaints to the ombudsman is one way for us to assess the effectiveness of our customer processes.

Average monthly complaints

	FY20	FY19	FY18
West Coast	0.02	0.02	0.01
East Coast	0.33	0.49	0.86

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

The average level of ombudsman complaints per 1,000 customers per month during FY20 was 0.33 for the East Coast and 0.02 for the West Coast. While the West Coast has remained relatively stable (FY19: 0.02), the results represent a significant improvement for East Coast (FY19: 0.49). This reflects initiatives and improvements in our call centre which mean a greater rate of calls are resolved before customers approach the ombudsman.

An escalation team was established to manage customer interactions that could not be resolved within the first contact and expedite customer concerns. The continuous improvement and escalation teams work together to provide root cause analysis and coaching requirements to the wider customer service teams to lift the level of service for customers moving forward. Where root cause analysis identifies system and process issues, these insights are fed back to functional specialists in the business to make further improvements, enhance processes and provide increased training to the teams.

Financial hardship

The impact of a severe bushfire season and the COVID-19 pandemic which rapidly followed it have put pressure on people and businesses across the country. The support we provided for bushfire affected areas is outlined on page 76.

We understand that energy is an essential service and disconnections have significant implications for people. Alinta Energy has backed the industry-wide COVID-19 customer support measures¹⁸, and exceeded them by applying for them all customers and not just those impacted by the pandemic. From April 2020 we have suspended all disconnection activities¹⁹, referral of closed accounts to third party debt collection, debt sale and default listing.

Our MD and CEO, Jeff Dimery, has a simple message for our customers:

"If you've lost your job, if your hours have been cut back, or if your business is struggling and you're having trouble paying your bills, please ring us because we will help, and we will figure out a plan that works for you".

Alinta Energy's continuous energy program (hardship program) recognises that customers experiencing financial hardship must be treated with respect and dignity. Our specialist team of professionals is trained to support these customers, which may involve giving them extra time to pay, instalment payment plans, or referral to government programs to help them manage their bills.

¹⁸ <https://www.energycouncil.com.au/news/assistance-available-for-energy-customers/>.

¹⁹ Unless specifically requested by a customer.

Rewarding our customers

It's important to us to say thank you to our customers and reward their loyalty. Our online reward shop offers a range of discounts on everything from attractions to movie tickets, gift cards and electronics. This is another way we make life more affordable and give value to our customers.

We also reward customers with exclusive competitions. This year, a range of lucky customers had the opportunity to see and meet the Australian cricket team at home games, as well as at the Ashes through a fully paid trip to London.

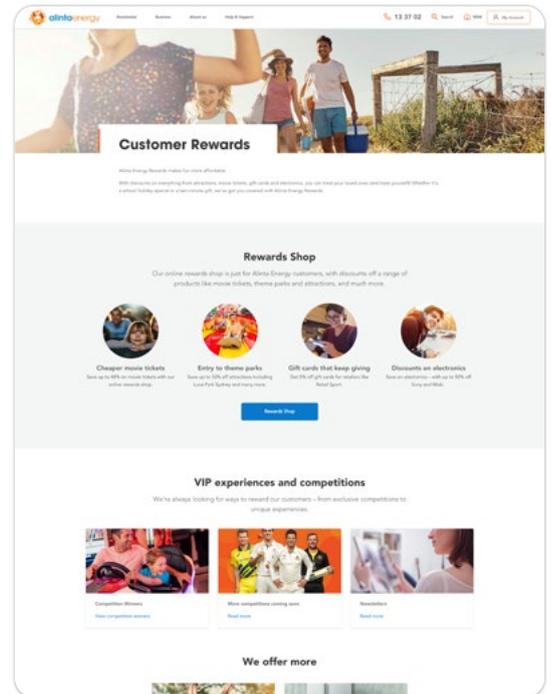
Voice of the Customer executive program

Our customer-focused culture is cultivated by our executives and is the foundation of our customer experience program. The Voice of the Customer program is an example of how our executive leadership team creates this culture. It involves regularly scheduled customer-facing activities with our executive team including customer thank you calls, customer service team double jacking (where members of the executive team listen in on real customer calls to better understand our customers' experience) and customer immersion sessions.

The program is about:

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

The outcomes of the activities are shared on our intranet and in employee roadshow presentations.



"It's always insightful speaking with our customers. I was particularly impressed with our customer service team's passion and positive attitudes in their interactions with our customers."
– Ken Woolley, Executive Director Merchant Energy

New products and projects

New regulation has changed the energy landscape by creating benchmark prices as a reference for retailers' discounts. This has made it easier for our customers to see how our energy deals provide value and simplicity.

We continue to invest in systems that differentiate us by giving our customers transparency over their energy use and costs, as well as decarbonising our power generation portfolio through efficiency and renewable energy projects.

Our products have competitive, simple rates, no lock-in contracts or exit fees, and flexible payment options to give our customers choice. We are excited to offer new products and deals to our customers, and proud to be awarded Canstar Blue awards in a range of markets for most satisfied customers, outstanding value, and overall trust.

Gas launched in Queensland

This year marked the first time we've retailed gas to Queenslanders since we entered the market in August 2017, giving new and existing customers the ability to sign up for both electricity and gas online or over the phone. Offering dual fuel in Queensland as well as Victoria, New South Wales and South Australia will continue to drive competition and make energy more affordable for our customers.

HomeDeal and Sports Pack energy deals

During the year we released our HomeDeal on the East Coast and our Sports Pack product nationally.

- **HomeDeal** is our most competitively priced energy deal in the market
- **Sports Pack** offers a great energy deal plus the ability to enjoy sports live and on demand with Kayo Basic for up to 12 months.

Kayo is an Australian sports streaming service which allows customers to stream over 50 sports, live and on demand, on up to two devices at once. Sports lovers can also stream up to four videos at once, plus gain access to interactive statistics and spoiler-free catch-ups once a match has ended.



Watch our promotional video here – www.youtube.com/watch?v=1IRp38HKKvs

Alinta Energy moving truck in Western Australia

We're moving like no other energy company. In October 2019, we announced a unique partnership with Adlam Transport, delivering a new benefit for Alinta Energy customers who move home in Western Australia.

Customers can request our Alinta Energy moving truck with two crew members and get the first five hours of their move for free. If the truck is not available, they can access a discounted rate, subject to terms and conditions. This is worth over \$650 and is a new way to give our customers even greater value.

The home move is a first for any energy retailer in Australia, going beyond a smooth sign-up and connection process. It showcases our commitment to go further and do more for our customers by taking away some of the financial burden and stress associated with moving.



Find out how to book the Alinta Energy moving truck here – www.alintaenergy.com.au/wa/residential/moving-home/moving-truck/

Merchant Energy ideas hub

Our Merchant Energy ideas hub has been created to foster a culture of innovation and give us the agility to adapt and succeed. This internal initiative offers our people a forum to contribute innovative ideas and opportunities for assessment, incubation and, if selected, the chance to implement the project on secondment.

CS Energy joint venture

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

Alinta Energy Geothermal

Alinta Energy's five-year strategy prioritises our core activities that support most of our retail customers. Despite the sales successes of the geothermal team, underpinned by excellent technology and the outstanding contribution made by employees, the business did not align to the scale of our retail operations. We realised it needed a strongly devoted business in Australian heating, ventilation and air conditioning (HVAC) or energy efficiency to have the best chance to grow and, in the absence of an organisation of this type looking to acquire the business, we commenced a managed wind-down of the geothermal business.

We will continue to provide warranty support and service enquiries for existing Alinta Energy Geothermal HVAC installations.

Market regulation and compliance

Customer privacy

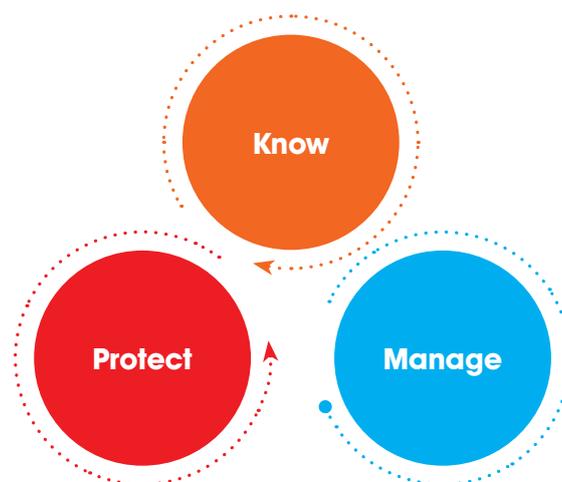
Protecting our customers, business partners and internal information from loss, unauthorised access, manipulation or deletion is paramount. We operate within an information governance framework that requires us to know our data (classify and label), protect our data (physically and electronically) and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

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

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

This year we worked hard to further strengthen our framework for privacy and data protection to support full ongoing compliance, guided by advice and input from internal and external specialists. More information on compliance is provided on pages 19-20.

In January 2020 we had an eligible data breach which related to a single customer. The affected customer made us aware of the issue and we acted quickly to manage the matter including mitigating any impact to the individual. The Office of the Australian Information Commissioner was notified and satisfied with our actions to address the matter. There were no other eligible data breaches as defined under the Privacy Act or formal investigations by privacy regulators.



Market regulation and compliance

Competition and consumer law

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

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

There were no identified non-compliances with regulations concerning marketing communications, including advertising, promotion and sponsorship in FY20.

We did receive a number of individual infringements from the Essential Services Commission in Victoria associated with process breaches when signing up new customers during a previous period through third-party door-to-door sales agents. After 30 June 2020 we received a penalty and entered into an enforceable undertaking with the Australian Energy Regulator following identified non-compliances in relation to life support customers. The material aspects of the breaches involved failure to register premises for life support after being advised by a customer that it was required, and failure to provide the required life support notifications to distributors and information to customers.

Alinta Energy is also currently responding to inquiries from the Victorian Essential Services Commission and the Australian Energy Regulator regarding potential compliance issues. The outcome of these inquiries will be documented in our FY21 sustainability report.

Retail price regulation

The Default Market Offer and the Victorian Default Offer became effective on 1 July 2019. We welcome the introduction of reference prices because they make it easier for customers to compare energy offers from different retailers and support fair competition in the market.

For a recap on what these changes meant for energy customers, watch Alinta Energy's pricing education



video here – www.youtube.com/watch?v=QrL5EPVBXVs

Default Market Offer

The Australian Government adopted the Australian Competition and Consumer Commission's (ACCC) recommendation from its Retail Electricity Price Inquiry Report (June 2018) to establish default market offer prices in the National Energy Market jurisdictions where price regulation is not in place.

The Australian Energy Regulator determines 'reference bill amounts' for each network distribution region, based on the government's estimated cost of delivering electricity to customers in those regions. From 1 July 2019, all discounted retail energy offers must be compared to the reference bill amount for that region. To encourage competition and innovation in the retail energy market, we strongly believe the default market offer should remain at a level that allows room to provide discounted prices to consumers.

Victorian Default Offer

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

We support the Victorian Government's aim to provide a safeguard "without impeding the consumer benefits experienced by those who are active in the market" as it aligns with the ACCC's recommendations to increase transparency without under-pricing reference prices that would be a barrier to new entrants and challengers to create competition for the large retailers.

Pilbara electricity reforms

In April 2020, the Western Australian State Parliament passed the Electricity Industry Amendment Bill 2019, which provides the heads of power to establish a light-handed regulatory option for networks in the Pilbara compared to the state's larger South West Interconnected System.

The new regime will support greater competition for customers supplied through Horizon Power's network in the North West Interconnected System and Alinta Energy's Port Hedland network. Once the reforms are implemented in July 2021, we will be able to compete in new markets by accessing other networks and supplying electricity to new customers in the Pilbara, giving more organisations the opportunity to make their energy more affordable.

Branding

Alinta Energy is a growing brand in the Australian energy market that is committed to reliable and affordable energy that also considers the future. In Western Australia, we are the number one provider of residential gas and have built trust over 25 years of excellent customer service and community contribution. In the last decade, we have grown in the East Coast of Australia and brought increased competition to the market, making energy more affordable for consumers.

In response to our expanding national presence, we established a partnership with Cricket Australia in 2018 to take our affordable energy message further than ever before. We continue to build our profile through this partnership to increase consumer awareness and create a platform to reach new customers. By 2022, our goal is to power the experience and homes of Australian cricket fans.

Cricket Australia partnership

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

The Cricket Australia partnership has allowed us to build brand awareness and consideration with a highly engaged audience across Australia. This year, our campaign incorporated competitions, activities, advertising, and charity support.

Ashes trip customer competition

We ran a national customer competition to win a trip to the 2019 Ashes in the UK. This saw six lucky Alinta Energy customers (pictured right) travel to London to see the fifth Ashes Test at the Oval in September 2019.



On top of return flights, accommodation, tickets to the cricket and a travel card, our winners received a surprise once in a lifetime experience on the third day of the Test match. They were taken onto the field on the morning of day three to watch the Australian team warm up and meet the players for autographs and photos.

TV advertisements

In the second season, we worked with some of the players to develop a humorous suite of television commercials which ran nationally across the summer cricket season on the official broadcasters Channel 7 and FoxSports. Our broadcast partnership extended to include branding and branded content pieces within the cricket coverage.

In conjunction with the television commercials, we ran a digital campaign on cricket.com.au and across our social media channels.



Watch some of the players star in one of our ads here – www.youtube.com/watch?v=3Gt8PP3cZtc

Meet the team customer competition

To kick off the start of the Domain Test Series, we held an Alinta Energy family day for a group of over 50 of our Queensland customers who entered our competition to meet the Australian cricket team. The event was held at Cricket Australia’s world class facility, the Bupa National Cricket Centre in Brisbane. Our customers were joined by Australian Test players Tim Paine, Pat Cummins, Steve Smith, Mitchell Starc, Josh Hazlewood and Marnus Labuschagne, taking part in several cricket activities followed by the opportunity to mingle with the cricketers over morning tea.



Watch highlights of this great event here – www.youtube.com/watch?v=9AhhWOfzW4

Branding

Ticket competitions

Rewarding our loyal customers is a key objective of the partnership with Cricket Australia. We offered access to discounted tickets in Western Australia, and opportunities throughout the season to win tickets to matches across Australia.

Winning customers in Perth were upgraded to the Boundary Beach Club during the Perth Test, where they enjoyed a chance to escape the heat with an ice-cold orange slushie while watching the cricket poolside.



"Thanks for caring about us and sending me the tickets. It was a treat we'll never forget. I would like to thank Alinta Energy for giving me the opportunity to enjoy the game with some unforgettable moments and catering us so well."

– Alinta Energy customer cricket ticker winner

Fan meter at games

At all the summer matches, Alinta Energy had integrated signage around the ground, along with branded lockable mobile phone charging stations free of charge for fans in the stadium. We also ran a big screen fan meter competition for a fan at every game to win an Asics playing shirt and meet the players after the game.



"Thanks so much for the fantastic photos and amazing experience! Kynan has not stopped talking about last night! He says it was the best birthday ever! We are so grateful for such an amazing experience for our cricket loving country kids!"

– Alinta Energy Fan Meter winner

"We really really wanted to say a big thank you to you and Alinta Energy for that most awesome experience on Friday. The boys are still on cloud 9 and have been talking about it non-stop. Really a once in a lifetime experience."

– Alinta Energy Fan Meter winner

Power Hit match activity

We increased our activity at matches throughout the Test Series this season with the addition of our 'Power Hit' activation. At each Test match, four fans were selected to go onto the field and attempt to hit a cricket ball through an inflatable target from 30 metres away, with successful hits rewarded with a year's supply of energy. Two lucky winners scored a power hit this summer.



Watch our Adelaide Test competitors score a 'Power Hit' – www.youtube.com/watch?v=bF6200lrM5A

At all games around Australia, we also hosted our partners and customers and provided unique experiences including watching the team warm up at the ground, and meeting coach Justin Langer and the team captains.

Hitting a six for charity

The McGrath Foundation Pink Test

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

McGrath Foundation support and the Red Cross bushfire relief match

Cricket Australia brought together legends of the game and sporting stars for a 10-over-a-side match in February 2020 to raise funds for bushfire relief. The match was televised on Channel 7 and Foxtel, raising over \$7.5 million for the Red Cross bushfire appeal.

Our ambassador Matt Hayden was part of the match, playing on the Alinta Energy branded Ponting XI. We supported the Red Cross with a total donation of \$60,000 from this match, including \$10,000 raised from boundaries hit while Matt was at the crease.



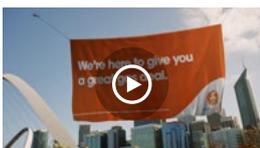
Moonee Valley Racing Club partnership

Alinta Energy announced a three-year partnership with Moonee Valley Racing Club in 2019. We are the exclusive partner for its Lunar New Year race meeting for the duration of the partnership.

The Lunar New Year race meeting is one of the highlights of the Club's Friday night race calendar throughout the year. The event gives us the opportunity to advertise through the race book, on-course big screens, signage and branding of the main stage. Through the partnership we rewarded some of our Victorian customers with member tickets to help enhance their experience on the night of the event.

2019 Winter Campaign – 'Operation Drop Down'

Our television commercials in Western Australia featured helicopters flying over Perth CBD with Alinta Energy banners, raising awareness that we offer great deals while ensuring we remain a highly visible energy retailer.



Watch our 2019 Winter Campaign here – www.youtube.com/watch?v=jOBg9BiCVHI

Our report

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

Selected performance metrics in this report were subject to external assurance by Deloitte, as outlined in the Independent Limited Assurance Report on pages 107-110.





Reporting principles

To provide greater transparency over our sustainability performance, this report's content is aligned to the GRI reporting principles for defining report content and reporting principles for defining report quality.

Report content principles

Stakeholder Inclusiveness

Our stakeholders include:

- Customers
- Employees
- Suppliers
- Regulators
- Community groups
- Government
- Owners
- Business partners
- Contractors
- Media
- Financiers
- Insurers
- Auditors
- Rating agencies
- Industry associations
- Non-government organisations
- Grant providers
- The general public.

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

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

Sustainability context

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

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

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

Materiality

Based on information provided during engagement with stakeholders, we consider that the following GRI topics are most material to our business:

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

There have been no significant changes from previous reporting periods in the list of material topics and topic Boundaries. Other material areas that we report on include: indirect economic impacts, procurement practices, system efficiency, materials, biodiversity, supplier environmental assessment, grievance mechanisms, labour/management relations, equal remuneration for women and men, non-discrimination, freedom of association and collective bargaining, anti-corruption, preventing anti-competitive behaviour, disaster/emergency planning and response, marketing communications, customer privacy, access and provision of information.

Our sustainability materiality assessment is detailed on pages 100-101 and this report addresses the key sustainability issues from this assessment across sections on Our Business, Safety, Environment, People, Communities, and Market and Customers. Specific United Nations Sustainable Development Goals and Global Reporting Initiative Standard disclosures are in the Content Index on pages 97-99.

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 those where construction projects have not obtained or follow environmental management plans.

Completeness

This report contains information on material topics and reflects the significant economic, environmental, and social impacts of our operations for the period 1 July 2019 to 30 June 2020 (FY20), but also includes major events that occurred soon after the end of the financial year.

Report quality principles

Accuracy

Many of the performance metrics presented in this report were subject to limited external assurance provided by Deloitte, as shown in the Independent Limited Assurance Report provided on pages 107-110.

Balance

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

Clarity

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

Comparability

The format of this report is reasonably consistent from year to year and contains historical performance data (where available) to allow our performance over time to be assessed. The current report is for the period 1 July 2019 - 30 June 2020 (FY20) and the previous report was for the period 1 July 2018 - 30 June 2019 (FY19). No restatements to prior year numbers have been made.

Reliability

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

Timeliness

Alinta Energy prepares an annual sustainability report. Our sustainability reports are based on our financial years, which end on 30 June, and made public within a reasonable timeframe after the relevant financial year end.

Other important information

In January 2018, our parent entity CTFE acquired the Loy Yang B power station, which is owned and operated by Latrobe Valley Power Pty (Holdings) Limited. Latrobe Valley Power is a separate legal entity and is not part of the Alinta Energy group. For more information about Loy Yang B, please refer to its separate FY20 Sustainability Report (<https://www.loyyangb.com.au/environment-and-sustainability/>).

Alinta Energy's past and present sustainability reports are prepared to provide general information to a wide audience of internal and external stakeholders. The information contained has been prepared with due care and diligence to the best of our ability and knowledge. The reports may not contain all information related to the topics covered and may not meet the information needs of specific readers. Where relevant, this report may contain forward-looking statements including statements of intended future businesses 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 be materially different from the events or results expressed or implied by such statements. Statements about past performance are not necessarily indicative of future performance. We disclaim any assumption of responsibility for any reliance on our current and past sustainability reports to any person.

Glossary

ACCC	Australian Competition and Consumer Commission	MD	Managing Director
ACCU	Australian carbon credit unit	MHF	Multi hearth furnace
AEC	Australian Energy Council	NEM	National Electricity Market
Alcoa	Alcoa of Australia Ltd	NGER	National Greenhouse and Energy Reporting
ARENA	Australian Renewable Energy Agency	NPS	Net promoter score
CEA	Collective employee agreement	NWIS	North West Interconnected System (Western Australia)
CTFE	Chow Tai Fook Enterprises Limited	PPA	Power purchase agreement
EBITDA	Earnings before interest, tax, depreciation and amortisation	PV	Photovoltaic
FIRB	Foreign Investment Review Board	RET	Renewable Energy Target
FTE	Full time equivalent	SRES	Small-scale Renewable Energy Scheme
FY	Financial year	STC	Small-scale technology certificates
GRI	Global Reporting Initiative	SVA	Safety Value Add
GSD	General standard disclosures	SWIS	South West Interconnected System (Western Australia)
LGC	Large-scale generation certificate	TRIFR	Total recordable injury frequency rate
LTIFR	Lost time injury frequency rate	UNSDG	United Nations Sustainable Development Goals
LRET	Large-scale renewable energy target		

Alinta Energy classifies renewables projects into the following categories to track progress towards our target to support 1,500MW of renewable energy projects by 2025:

Category	Definition	Contributes to our renewable energy target?
Capital projects (in operation) <small>(Note: no projects in this category at 30 June 2020)</small>	<ul style="list-style-type: none"> Facility is operational (commissioning complete with a full handover to a registered market operator) Owned and operated by Alinta Energy. 	✓
Contracted PPA (in operation)	<ul style="list-style-type: none"> Facility is operational (as above) Alinta Energy is contracted to purchase energy from the facility. 	✓
Capital investment projects (future start date)	<ul style="list-style-type: none"> Not yet operational Alinta Energy is the project developer Final investment approval given by our Board and all other approvals obtained to progress Engineering, procurement and construction contract is in place Commercial agreement for offtake is in place Contracts may include conditions precedent that are yet to be satisfied. 	✓
Contracted PPA (future start date)	<ul style="list-style-type: none"> Not yet operational Alinta Energy is not the project developer but has an offtake agreement to purchase energy from the facility Developer has obtained final investment approvals and all other approvals required to progress Engineering, procurement and construction contract is in place Contracts may include conditions precedent that are yet to be satisfied. 	✓
Development options	<ul style="list-style-type: none"> Project is at development stage Alinta Energy is the primary project developer. 	✗
Contracting opportunities	<ul style="list-style-type: none"> Alinta Energy is in negotiations for the offtake of energy from a renewable energy development. 	✗
Potential expansion projects	<ul style="list-style-type: none"> Alinta Energy has identified potential to add renewable energy capacity to one of our existing generation sites. 	✗

GRI and UNSDG content index

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

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

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

Material general standard disclosures (GSD)

Aspect	GRI Standards	Page	UNSDG
GRI102: General Disclosures 2017			
Name of the organization	102-1	10	N/A
Activities, brands, products, and services	102-2	10	N/A
Location of headquarters	102-3	10	N/A
Location of operations	102-4	10-12	N/A
Ownership and legal form	102-5	14	N/A
Markets served	102-6	10	N/A
Scale of the organisation	102-7	10, 25-26, 60	N/A
Information on employees and other workers	102-8	60	8
Supply chain	102-9	41, 20-21	N/A
Significant changes to the organisation and its supply chain	102-10	22-23, 43-46	N/A
Precautionary Principle or approach	102-11	94	N/A
External initiatives	102-12	94	N/A
Membership of associations	102-13	94	N/A
Statement from senior decision-maker	102-14	2-3	N/A
Values, principles, standards, and norms of behaviour	102-16	13	N/A
Governance structure	102-18	14-17	N/A
List of stakeholder groups	102-40	94	N/A
Collective bargaining agreements	102-41	66	8
Identifying and selecting stakeholders	102-42	94	N/A
Approach to stakeholder engagement	102-43	94-100	N/A
Key topics and concerns raised	102-44	101-106	N/A
Entities included in the consolidated financial statements	102-45	27	N/A
Defining report content and topic Boundaries	102-46	94-95	N/A
List of material topics	102-47	94	N/A
Restatements of information	102-48	95	N/A
Changes in reporting	102-49	94	N/A
Reporting period	102-50	95	N/A
Date of most recent report	102-51	95	N/A
Reporting cycle	102-52	95	N/A
Contact point for questions regarding the report	102-53	Back cover	N/A
Claims of reporting in accordance with the GRI Standards	102-54	97	N/A
GRI context index	102-55	97-99	N/A
External assurance	102-56	95, 107-110	N/A
GRI103: Management Approach 2017			
Explanation of the material topic and its Boundary	103-1	94, 101-106	N/A
The management approach and its components	103-2	101-106	N/A

Note

The GSD table shown above only contains topics that are material to our business and the indicators addressed (or partially addressed) consistent with reporting in accordance with the GRI standards at a Core level.

GRI and UNSDG content index

Note:

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

Material specific standard disclosures (SSD)

Aspect	GRI Standards	Page	UNSDG
GRI200: Economic			
Economic Performance – Direct economic value generated and distributed, and	201-1	25,76	2
Financial implications and other risk and opportunities due to climate change	201-2	50,101,103	13
Market Presence – Proportion of senior management hired from the local community	202-2	60	8
Indirect Economic Impacts – Significant indirect economic impacts	203-2	25	1
Anti-corruption – Confirmed incidents of corruption and actions taken	205-3	20	16
Anti-competitive Behaviour – Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	206-1	88	16
GRI300: Environmental			
Energy – Energy consumption within the organization	302-1	41	12
Water – Water withdrawal by source	303-1	47	6
Biodiversity – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, and	304-1	40	14
Significant impacts of activities, products, and services on biodiversity	304-2	40	14
Emissions – Direct (Scope 1) GHG emissions, and GHG emissions intensity	305-1	41	12
	305-4	42	13
Effluents and Waste – Waste by type and disposal method	306-2	47	12
Environmental Compliance – Non-compliance with environmental laws and regulations	307-1	40	N/A

Material specific standard disclosures (SSD)

Aspect	GRI Standards	Page	UNSDG
GRI400: Social			
Employment – New employee hires and employee turnover	401-1	60	N/A
Labour/Management Relations – Minimum notice periods regarding operational changes	402-1	66	5
Occupational Health and Safety – Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	403-2	30	8
Training and Education – Programs for upgrading employee skills and transition assistance programs, and	404-2	65	8
Percentage of employees receiving regular performance and career development reviews	404-3	66	3
Diversity and Equal Opportunity – Diversity of governance bodies and employees, and	405-1	60	8
Ratio of basic salary and remuneration of women to men	405-2	63	5
Non-discrimination – Incidents of discrimination and corrective actions taken	406-1	62	5
Freedom of Association and Collective Bargaining – Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	20-21	8
Local Communities – Operations with significant actual and potential negative impacts on local communities	413-2	78	1
Marketing and Labelling – Incidents of non-compliance concerning marketing communications	417-3	88	N/A
Customer Privacy – Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	87	16
G4 Sector Disclosures Electric Utilities 2013			
Average generation efficiency of thermal plants by energy source and by regulatory regime	EU11	42	N/A
Percentage of contractors and subcontractor employees that have undergone relevant health and safety training	EU18	36	N/A
Number of people physically or economically displaced and compensation, broken down by type of project	EU22	78	N/A
Average plant availability factor by energy source and by regulatory regime	EU30	24	1

Sustainability materiality assessment

Our sustainability materiality assessment involves four steps:

1. Engage with stakeholders

We engage with key stakeholders²⁰ through:

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

2. Identify and prioritise

We identify key sustainability issues and prioritise them based on their importance to multiple stakeholder groups and their impact on our business. These issues and their relative rankings are shown in the following matrix and discussed in the relevant sections of this report.



²⁰ A list of key stakeholders is provided in the Stakeholder Inclusiveness section on page 94.

3. Review materiality

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

- Board oversight and monitoring
- Gap analysis against the United Nations Sustainable Development Goals (UNSDG), Global Reporting Initiative (GRI) standards and utility sector peers
- Feedback received from stakeholders during engagement activities listed in step 1.

4. Determine outcomes

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

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

Topic	Page Number
Our business	8-27

Energy prices and affordability

Impact: Energy is an essential service and its price can affect everybody's day-to-day lives and financial wellbeing.

Challenge: High energy prices affect people and businesses of all kinds but have the most drastic impact on people experiencing financial hardship. Energy affordability is a prominent economic and social issue. This is at the heart of our business and underpins our sense of purpose that we are determined to make energy more affordable.

Governance: Our prices are managed by our retail business unit and are influenced by retail price regulations, network charges, costs associated with environmental policies, wholesale prices and other costs.

Energy availability and reliability

Impact: People, businesses and communities depend on having a continuously available energy supply to meet many of their daily needs.

Challenge: Interruption to energy supply has a significant effect on our customers.

Governance: We report internally on the performance of all power stations each week, including their availability, reliability start factor and forced outage factor, and compare it to our annual targets. This information is distributed to internal decision makers and our executive leadership team. We have rigorous preventative maintenance programs in place to maximise our generation assets' availability and reliability.

Economic health

Impact: We focus on creating direct and indirect economic value for our key stakeholders.

Challenge: The economic sustainability of our business relies on operating profitably. This depends on an efficient cost base, great service, competitive pricing, and a strong reputation with our customers and communities. We are also conscious of the need for our industry to reduce greenhouse gas emissions by continuing to invest in lower emission generation.

Governance: The Board and its Audit and Risk Committee review and approve annual business plans and budgets set by the business and monitor our financial performance throughout the year against targets such as EBITDA. These plans and budgets are developed through a rigorous process involving stakeholders across the business to embed accountability and specific financial measures which are reflected in relevant employees' performance goals where appropriate.

Sustainability materiality assessment

Topic	Page Number
Our business	8-27

IT Systems

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

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

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

Legislation and policy

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

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

Governance: Changes in key legislative requirements are monitored and managed by teams across our business, including our regulatory and government relations, legal, and sustainability teams and individual operating sites.

Operational excellence

Impact: We are subject to external and internal expectations to meet our customers' energy needs while managing our impacts on the environment.

Challenge: We have set a target to improve the energy efficiency, and hence the emission intensity, of the fossil fuel power stations in our traded generation portfolio by 5% compared to their previous performance.

We have also set targets around customer satisfaction and net promoter scores (addressed further in the Customer Support section) and asset operation targets (addressed further in the Energy Availability and Reliability section).

Governance: Alinta Energy's governance programs include annual asset management strategic planning meetings, monthly reviews of the annual work and plant condition plans, and quarterly operational excellence meetings. We report against agreed performance targets weekly and monthly to provide visibility and accountability and ensure asset operations are in line with good engineering and operating practices.

Topic	Page Number
Safety	28-37

Safety

Impact: Workplace health and safety is our highest priority. A safety incident at work can change lives and have serious ramifications for our people.

Challenge: Our power generation business involves operations with higher risks to health and safety than, for instance, working in an office environment. Everybody has the right and the responsibility to be safe at work and to go home safely at the end of every day, whatever their job and wherever they work. Managing health and safety is essential to every aspect of our business.

Maintaining employee engagement in safety can be challenging, especially over long periods of time. People can become complacent and distracted or sacrifice safety best practice during times of high pressure and conflicting priorities.

Governance: Our Board actively monitors our safety performance, supported by executive leadership team accountability and line management responsibilities that are clearly articulated across the business. Each month, the Board receives a report tracking key safety metrics against targets. The Safety and Sustainability Council meets every two months to review safety performance and share insights between divisions.

We focus on maintaining a strong safety culture and delivering our safety vision of **everyone, every day, every job: Zero**

Harm. This is brought to life by our three safety principles: we always stop and think, we don't cut corners and we speak up for safety. Our policies, systems and training are designed and implemented to effectively identify and manage safety risks. Our safety value add program involves each employee personally committing to completing actions that contribute to strengthening safety.

Environment	38-55
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Climate change and energy emissions

Impact: We recognise the importance of our role in transitioning towards affordable and sustainable energy and reducing our impacts on the climate.

Challenge: We operate in a complex industry where there are differing perspectives on how to balance the affordability, reliability and sustainability of our energy supply. Electricity production is the single largest industrial contributor to Australia's greenhouse gas emissions, because most electricity comes from fossil fuels such as coal.

There is increasing public interest in the climate change impacts associated with electricity generation and an expectation that government and business leaders will lower greenhouse gas emissions over time, while ensuring energy remains affordable and reliable. A range of state and national compliance programs for energy efficiency, renewable energy and energy reliability are implemented in Australia.

Governance: The Board receives a monthly safety and sustainability report which includes material issues relating to climate change and energy emissions. The Safety and Sustainability Council meets every two months and discusses any significant sustainability-related matters such as policy developments.

Sustainability materiality assessment

Topic	Page Number
Environment	38-55

Waste and water

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

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

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

Environmental management

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

Challenge: Environmental laws change and evolve over time and differ between jurisdictions.

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

Our people	56-67
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Employee engagement

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

Challenge: During rapid growth or challenging social and economic periods, it can be difficult to maintain a consistent corporate culture as new ways of working and other changes may disrupt normal business operations and affect our people.

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

Our people**56-67****Diversity and equality**

Impact: We aim to be accessible to a wide range of people, reflective of the communities where we work and operate, to be open to new ideas that create constructive challenges and promote better decision making.

Challenge: When dealing with a customer base with diverse experiences and perspectives, a workforce lacking in diversity is likely to result in inferior approaches to problem solving and potentially subpar business outcomes.

Governance: Our People and Culture team develops plans, processes and training to help embed diversity across our business including recruitment, promotion and remuneration processes.

We report our gender diversity through the annual Workplace Gender Equality Agency survey. Mechanisms are in place to confidentially investigate and address any reports of inappropriate behaviour, including an independent whistleblower hotline and an employee assistance program.

Training and education

Impact: We are committed to helping our employees gain and maintain the knowledge and skills to achieve success in their careers, deliver superior value for our stakeholders, and make Alinta Energy the best energy company.

Challenge: Ensuring our people have the knowledge and skills required to serve our customers, meet changing compliance requirements, and also continue to feel valued, engaged and equipped to grow in their roles involves a wide range of activities and experiences across the employee life cycle.

Governance: Our learning and development framework provides the structure to assist our people develop through a combination of experiences, exposure and education. We provide a range of development opportunities and support employees to undertake learning related to their careers with us. Employee feedback is sought and reviewed through our annual engagement survey process.

Our communities**68-79****Community support**

Impact: Our energy facilities provide employment and business opportunities in regional communities. It is important to us to be good corporate citizens, particularly among the communities that depend on us and for people in vulnerable circumstances.

Challenge: There has been increased need for community support recently due to major external challenges such as widespread bushfires and the COVID-19 pandemic. This has heightened the need to contribute to our communities. Identifying how best to provide support and which causes and organisations to assist involves difficult decisions. There are also growing expectations placed on organisations to maintain their social licence to operate.

Governance: Community governance is outlined in our Environment and Community Policy and monitored by the Board. The Community Development Committee oversees our Community Development Program, including reviewing applications, awarding grants, and selecting long term community partners. The Committee has a diverse mix of representatives from across our business and externally.

Our paid volunteer leave program provides choice and flexibility for teams and individuals across the business to support initiatives that are personally meaningful to them and helps cultivate a culture of contributing to the communities where we live and work.

Sustainability materiality assessment

Topic	Page Number
Markets and customers	80-91

Customer support

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

Challenge: Trust is vital to customer-centric organisations. An ever-changing regulatory landscape and increased media scrutiny contribute to the challenge of maintaining trust for our business, as it does for other companies and institutions. Significant unexpected events such as major bushfires across the country and the worldwide COVID-19 pandemic have also created new challenges for supporting our customers.

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

We keep track of major state and national events that may impact our customers, including reviewing and change our policies and customer service approach where needed to provide necessary support.

Our Privacy Policy sets out how we collect, manage and use our customers' personal information, including the procedure for reporting any breach of privacy. We also have a Cybersecurity Policy and an Information Classification and Handling Standard that govern how we protect information.

New products and projects

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

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

Governance: Developing new customer and household products is the responsibility of our Retail Markets group. Our Merchant Energy business unit is responsible for new large-scale renewable projects, including negotiating agreements and managing construction. There is a robust process to review proposed capital expenditure associated with new generation facilities, which is managed through our Capital Steering Committee.

Branding

Impact: Alinta Energy's brand is a public reflection of our reputation and integrity. We strive to be accountable, transparent, honest, straightforward and innovative.

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

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

Independent Limited Assurance Report to the directors and management of Alinta Energy Pty Ltd

Conclusion

We have undertaken a limited assurance engagement on Alinta Energy Pty Ltd's ('Alinta Energy') 'Subject Matter Information' disclosed in the 2020 Alinta Energy Sustainability Report detailed below for the year ended 30 June 2020.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that, the 'Subject Matter Information' is not prepared in all material respects, in accordance with the 'Reporting Criteria' detailed below for the year ended 30 June 2020.

Subject Matter Information and Reporting Criteria

The 'Subject Matter Information' and 'Reporting Criteria' for our limited assurance engagement for the year ended 30 June 2020 is as follows:

Sustainability Performance Indicators ('Subject Matter Information')	Reporting Criteria	Page Reference
Progress towards renewable energy target	Alinta Energy's 2020 Sustainability Metrics Definitions and related internal policies and procedures	P. 4, 6, 44
Group underlying EBITDA	Alinta Energy's 2020 Sustainability Metrics Definitions and related internal policies and procedures	P. 4, 26
Total recordable injury frequency rate ('TRIFR') and Lost time injury frequency rate ('LTIFR')	GRI 403-2 2016	P. 4, 30
Number of material environmental incidents	Alinta Energy's 2020 Sustainability Metrics Definitions and related internal policies and procedures	P. 4, 40
Scope 1 greenhouse gas emissions from Australian power generation (tCO ₂ -e)	GRI 305-1 2016	P. 4, 41
Quantity of fly ash sold and Quantity of solid waste to landfill	GRI 306-2 2016 and Alinta Energy's 2020 Sustainability Metrics Definitions and related internal policies and procedures	P. 4, 47

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Sustainability Performance Indicators (‘Subject Matter Information’)	Reporting Criteria	Page Reference
Water by source, usage and discharge category (ML)	GRI 303-1 2016	P. 4, 47
Employee and governance bodies’ information and composition statistics	GRI 405-1 2016	P. 4, 60
Availability of operational power stations	EU30 2013	P. 24
Direct economic value distributed	GRI 201-1 2016	P. 25
Value of significant fines, number of non-monetary sanctions and number of cases brought through dispute resolution mechanisms for non-compliance with environmental laws and regulations	GRI 307-1 2016	P. 40
Fuel energy used for Australian power generation (GJ)	GRI 302-1 2016	P. 41
Emissions intensity of Australian power generation (tCO ₂ -e/MWh)	GRI 305-4 2016	P. 42
Alinta Energy Pty Ltd’s Emission Intensities compared to State Emission Intensities (tCO ₂ -e/MWh)	GRI 305-4 2016 and Alinta Energy’s 2020 Sustainability Metrics Definitions and related internal policies and procedures	P. 42
Number of confirmed incidents of discrimination and status of the incidents.	GRI 406-1 2016	P. 62
Value of community contribution via corporate sponsorships, community development programs and charitable donations	Alinta Energy’s 2020 Sustainability Metrics Definitions and related internal policies and procedures	P. 76
East and West Coast retail business customer satisfaction and net promoter scores	Alinta Energy’s 2020 Sustainability Metrics Definitions and related internal policies and procedures	P. 83
East and West coast average retail business complaints made to the ombudsman per 1,000 customers per month	Alinta Energy’s 2020 Sustainability Metrics Definitions and related internal policies and procedures	P. 84
Number of eligible data breaches as defined under the Privacy Act or inquiries or investigations by privacy regulatory bodies	GRI 418-1 2016	P. 87
Number of legal actions for breaches of the Competition and Consumer Act, and outcomes of associated legal actions.	GRI 206-1 2016	P. 88
Number of non-compliance with regulations concerning marketing communications, including advertising, promotion and sponsorship	GRI 417-3 2016	P. 88

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Basis for Conclusion

We conducted our limited assurance engagement in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000'), issued by the Australian Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities

Management is responsible for:

- ensuring that the 'Subject Matter Information' is prepared in accordance with the 'Reporting Criteria'
- confirming the measurement or evaluation of the underlying subject matter against the 'Reporting Criteria', including that all relevant matters are reflected in the 'Subject Matter Information'
- designing, establishing and maintaining an effective system of internal control over its operations and financial reporting, including, without limitation, systems designed to assure achievement of its control objectives and its compliance with applicable laws and regulations
- the electronic presentation of the 'Subject Matter Information' and our limited assurance report on their website.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* in undertaking this assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the Alinta Energy 'Subject Matter Information' as evaluated against the 'Reporting Criteria' based on the procedures we have performed and the evidence we have obtained. ASAE 3000 requires that we plan and perform our procedures to obtain limited assurance about whether, anything has come to our attention that causes us to believe that the 'Subject Matter Information' is not properly prepared, in all material respects, in accordance with the 'Reporting Criteria'.

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

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

Our procedures included:

- Interviewing respective Subject Matter Information data owners to understand and assess the approach for collating, calculating and reporting respective Subject Matter Information across the 2020 reporting period
- Undertaking detailed walkthroughs of key systems and processes used / relied upon to compile the Subject Matter Information for the 2020 reporting period

- Assessing the supporting process documentation developed to support the collation, calculation and reporting process in accordance with Alinta Energy's policies and procedures
- Completing analytical reviews over material data streams to identify any material anomalies / gaps for the Subject Matter Information and investigate further where required
- Agreeing overall data sets for the Subject Matter Information to the final Alinta Energy data contained in the 2020 Sustainability Report.

Inherent Limitations

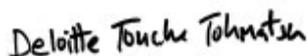
Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

Restricted use

The applicable criteria used for this engagement was designed for a specific purpose of assisting the directors and management report on the 'Subject Matter Information' presented in the 2020 Alinta Energy Sustainability Report, as a result, the 'Subject Matter Information' may not be suitable for another purpose.

This report has been prepared for use by the directors and management for the purpose of reporting on the 'Subject Matter Information' presented in the 2020 Alinta Energy Sustainability Report.

We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors and management or for any purpose other than that for which it was prepared.



DELOITTE TOUCHE TOHMATSU



Chi Mun Woo
Partner
Sydney
27 November 2020

Report feedback

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

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