

employees.

We will continue with our commitment to provide a stimulating and rewarding working environment that strives and ensures:

- Commitment to a culture of Zero Harm by continually improving our health, safety and environmental performance in the workplace.
- Fit for purpose learning and development programs to attract, retain and develop employees.
- We encourage and foster diversity of thought and inclusion.

279+

vehicles installed with In Vehicle Monitoring Systems

95%

compliance rating in independent Health and Safety audit

FY2016 Performance

- 18% increase in the number of incidents reported compared to last year with a large proportion being near miss incidents.
- Lost Time Injury Frequency Rate (LTIFR) increased from 0.64 in FY2015 to 1.06 in FY2016 – slightly above our target of <1.0. However, this is still in-line with our overall improving injury trends. Total Recordable Injury Frequency Rate (TRIFR) was 10.41.
- We achieved all of our lead Health and Safety performance measure targets.
- Final year of APA's three-year Health, Safety and Environment ("HSE") Strategic Improvement Plan, and each initiative has been achieved with the following key highlights:
 - Conducted regular Leading Zero Harm awareness modules for our employees;
 - Successful implementation of the SafeDrive+ campaign that included education and awareness for specific driving risks such as speeding and fatigue, resulting in a reduction of vehicle incidents; and
 - Further enhancements to the incident reporting platform, Safeguard+ that lead to improved quality of data and better understanding of our risk exposures.
 - Completed an independent Health and Safety audit program across the business achieving a 95% compliance rating with no major non-conformance findings.
- As part of SafeDrive+ program, installed In Vehicle Monitoring Systems to over 279 vehicles enabling tracking and monitoring of driver safety, and are already realising the benefits of improved driver safety.
- Continued sponsorship of health-focused activities for employees including the Global Corporate Challenge in which 351 APA employees participated across 51 teams.
- Refreshed the Talent Management framework incorporating a capability framework and encouraging greater business involvement in sponsoring and implementing development plans with employees.
- Commenced a program of leadership training and assessment designed to improve leadership climate.
- Employee Survey achieved an overall engagement score of 74%.
- Launched a new Graduate Program.

Actions for FY2017

- Continue to support a reporting culture in safety to effectively manage our risk profile and take corrective measures in preventing injuries.
- Target an LTIFR of less than 1 and a TRIFR target of no more than 9.89.
- Lead safety indicators will focus on hazard reporting rates, permit reviews and management interactions.
- A new three year HSE Strategic Improvement Plan has been developed building upon the previous plan including a number of new initiatives such as Health and Wellbeing and Fitness for Work.
- Launch a Health and Wellbeing platform for all employees supported by targeted initiatives and awareness programs.
- Continue development, improvement and promotion of three fundamental programs already established within APA, being:
 - Fatal Risk Protocols;
 - Contractor Management; and
 - SafeDrive+ Campaign.
- Development and implementation of a Drug and Alcohol awareness program targeting 'Fitness for Work' for all employees.
- Provide Incident Investigation training to frontline managers to improve the quality of investigations and corrective actions.
- Continue with Leadership Climate program and associated training and workshops to improve leadership capability
- Commence project to upgrade and improve APA's HR systems.
- Further develop and grow the Graduate Program and introduce an Intern Program for undergraduates.
- Continue work on diversity and inclusion strategy with key areas of focus being gender, age and diversity of thought.

Key Sustainability Risks

- Safety – Failure to provide a safe workplace resulting in serious or fatal injuries.
- Potential for legal proceedings for failure to comply with Health, Safety and Environmental legislative obligations.
- Employee capability, recruitment and engagement – Failure to develop, attract and retain talented employees.

Risk Management

- APA maintains a comprehensive workplace HSE Management system. It is predicated on the principles of hazard and risk identification, control measures and a robust assurance framework.
- HSE training, education and awareness is a cornerstone of the HSE management system.
- As part of our assurance framework, Health and Safety audits are undertaken across all parts of the business to ensure that health and safety risks are effectively controlled.
- Maintain and monitor compliance to APA's HSE Management System including undertaking regular compliance monitoring through audits and workplace inspections.
- Provide all necessary Health, Safety and Environment training to managers and employees.
- APA maintains a number of initiatives to ensure there is a pool of talent and internal capability for now and in the future.
- These include formal succession and talent management, a diversity and inclusion strategy, as well as technical, functional, business and leadership development.
- The business has introduced a strong internal recruitment capability to ensure we identify and secure external resources as and when needed.

APA Workforce Gender Profile as at June 2016	Female	Male
Non-Executive Directors	29%	71%
Workforce	26.5%	73.5%
Leadership roles	20%	80%
Technical and trades roles ¹	4%	96%
Leadership roles (CEO and KMP)	25%	75%
Other Executives/General Managers	16%	84%
Senior Managers	16%	84%
Other Managers	24%	76%

Our people

APA values inclusiveness and encourages a safe, high performance working culture, where the contributions of our people are harnessed and developed to achieve successful outcomes for the business. We are committed to building sustainable organisational capability that enables continued growth and development of our people and supports APA's strategic vision.

Since listing 16 years ago, our workforce has grown from six people to over 1,600 skilled people located across mainland Australia. Throughout FY2016, we continued to challenge our organisation with regards to effective and efficient organisational design and made structural and work practice changes through people, processes and systems to enhance our capability.

Attracting talent

The skilled job market that APA operates in continues to be highly competitive and our ability to attract and retain a diverse range of talent remains critical as our business continues to grow.

Talented and skilled employees are central to creating value for our stakeholders and the more diverse the thinking and skills we apply to our business, the more innovative we can be in creating value and return for them. To this end, in FY2016 we piloted an Intern Program as well as launched our first Graduate Program. Both of these programs are fundamental to APA positioning itself to grow, develop and harness talent from an early entry point and providing wide and varied career paths to enable APA to continue to build sustainable organisational capability.

Developing potential

We continue to focus on growing and developing our people, as we recognise this is critical to our success. During FY2016, we supported the development and training requirements of our people through a range of compliance, technical, leadership and professional development programs totalling 5,277 attendances.

Our annual succession and talent review process continues to be a successful means of identifying critical role and capability requirements, as well as providing a healthy talent pool.

Diversity and inclusion

In FY2016, we continued our focus on key initiatives under our Diversity and Inclusion Strategy which was developed in 2014. Our strategy focuses on initiatives aligned to the strategic focus areas of improving diversity of thought, diversity of gender and diversity of age at APA. During the year, we achieved a number of critical initiatives to include promoting awareness and benefits of a diverse and inclusive workforce via our Diversity and Inclusion committee; facilitating career transition workshops; launching our Women In Leadership program; and new entry programs for graduates, interns and apprentices.

1) Leadership roles are defined in accordance with the Workplace Gender Equality Agency ("WGEA", Australia and New Zealand Standard Classification of Occupations) occupational categories and comprise all levels of management (i.e. general managers, key management personnel, manager roles) excluding team leader and supervisory roles. APA's public report to the WGEA is available at <https://www.apa.com.au/careers/working-at-apa>.