

# environment.

## We will continue to deliver an environmentally responsible, safe and essential service by:

- Protecting the natural environment in which we operate and managing impacts to biodiversity and landscapes.
- Conforming to the Australian Pipelines and Gas Association ("APGA") Code of Environmental Practice.
- Complying with emissions reporting obligations.
- Contributing to policy and responding to climate change initiatives to promote the use of gas as essential to a cleaner energy mix.
- Including the environment in all investment and procurement decision-making.
- Evaluating complementary clean energy projects.

### FY2016 Performance

- There were no material breaches of Environmental Management Plans (or equivalent), leading to full regulatory compliance.
- Initiated and commenced delivery of the 2015-2017 Environment Strategy and Improvement Plan, designed to improve our corporate environmental governance framework.
- Engaged with government to promote the role of gas in a carbon-constrained economy, directly and through industry associations. In FY2016 APA joined Clean Energy Council to gain further exposure to renewable energy and carbon markets.
- Participated for the sixth time in the Carbon Disclosure Project, a voluntary disclosure to investors on carbon emissions, liability, reduction activities, strategies and management. APA's overall score of ranked highest amongst its direct peers.
- Continued to develop the wind and solar renewable energy projects at Emu Downs Wind Farm. Emu Downs Solar Farm was shortlisted in the \$100 million ARENA large-scale solar program.

### Actions for FY2017

- Continue to apply control measures in line with APA's environmental procedures, leading to compliance with license and regulatory requirements.
- Continue to deliver initiatives according to the Plan schedule, leading to continual improvement of our Environmental Management System.
- Participate in policy discussions and promote the role of gas as an important contribution to meeting Australia's 26-28% Paris COP21 carbon reduction commitment.
- Maintain carbon market expertise and knowledge should energy markets shift to clean fuels such as wind, solar and gas.
- Evaluate wind and solar generation opportunities now that there is greater certainty in the federal Renewable Energy Target policy.

### Key Sustainability Risks

- Significant damage to the environment and breach of environmental regulatory requirements have the potential to result in significant penalties and affect operational activities.

### Risk Management

- The Environment Strategy and Improvement Plan seeks to apply robust controls to manage identified environmental risks and legislative obligations. Controls may include specific procedures, Environmental Management Plans, and training/awareness programs.

### Environmental management at APA

#### Environment Strategy and Improvement Plan

APA is committed to pursuing a high standard of environmental management. In FY2016 we initiated an Environment Strategy and Improvement Plan, consisting of 12 initiatives for delivery between July 2015 and June 2017. The Plan is designed to improve our corporate governance framework for environmental management across all Australian operations. Key initiatives within the Plan include development of corporate environment procedures across eight work streams, and a training and awareness program.

The key focus for FY2016 was development of environment procedures to address our significant risks and legal obligations. This is now complete and the implementation

component is underway. Training and awareness will be delivered to all employees and applicable contractors through various mediums, including video, e-learning and face to face presentations.

#### Biodiversity and land

Biodiversity preservation is a critical global issue. As an energy company that operates in diverse and ecologically sensitive locations, our activities have the potential to impact on flora, fauna and the habitats they depend on.

We are committed to preserving and restoring the long term health and viability of the natural environments in which we operate. We take care to assess environmental values prior to commencing an activity, manage habitat disturbance and restore areas as soon as practical following completion of construction or maintenance.

### LOOKING AFTER THE ENVIRONMENT

Throughout 2015, APA completed construction of the 293 km Eastern Goldfields Pipeline (EGP). The pipeline traverses a large section of previously undisturbed Great Victoria Desert, and consequently, potential habitat for several endangered species, including the endangered Sandhill Dunnart (a small, carnivorous marsupial - see photo).

In order to minimise impacts to the Dunnart and monitor the projects impact on the species, a Threatened Species Management Plan (TSMP) and a specific Sandhill Dunnart Monitoring Plan was developed.

The TSMP outlined the management measures to be applied during construction to minimise risks to the Dunnart and other endangered species. It was a success, with habitat clearing minimised and no loss of individuals during construction. The Monitoring Plan went above and beyond a basic approach and included radio-tracking to determine habitat preferences, shelter requirements, movements and activity, predation and dietary analysis.

As a result of this comprehensive management program, the Sandhill Dunnart is now known to occur across a much larger area with its range extended well to the north and north-west. New information about habitat selection and utilisation, as well as foraging times and ranges has been discovered and communicated back to relevant stakeholders.



Our activities are formally considered by the relevant state authority before any work commences and we conduct all work in accordance with a license specific Environmental Management Plan or equivalent.

Where some activities present more risk, specific strategies and management plans are developed and implemented.

#### Cultural heritage

APA understands the importance of identifying, recording and managing Aboriginal sites of significance. We have a systematic approach for determining whether significant heritage sites might be affected by projects or works and then protecting them against disturbance. If disturbance is unavoidable, we work with relevant parties (such as indigenous groups, community groups and regulatory authorities) to ascertain how best to plan and undertake activities to manage impacts.

APA takes care to prepare, implement and comply with all Aboriginal cultural heritage documentation as required by law. This may include Cultural Heritage Management Plans, Strategies or equivalent. APA also has a new Aboriginal Cultural Heritage Management Procedure which outlines the minimum management measures to be applied in the absence of site specific documentation. This procedure is being implemented across all applicable business areas in FY2017.

#### National greenhouse and energy reporting

APA complies with the Commonwealth National Greenhouse and Energy Reporting Act 2007 which establishes a national framework for corporations to report greenhouse emissions, energy consumption and production should specific thresholds be met.

APA's emissions are mainly the result of power generation activities, the combustion of natural gas in compressor stations and from fugitive emissions. In financial year 2016, APA reported 350,922 tonnes of carbon dioxide equivalent (scope 1 emissions).

#### Carbon Disclosure Project

APA participated for the sixth time in the Carbon Disclosure Project, a voluntary disclosure to investors on carbon emissions, liability, reduction activities, strategies and management. APA's score of 86 is ranked in the highest band for disclosure (>70), which states that "a company provided comprehensive information about the measurement and management of its carbon footprint, its climate change strategy and risk management processes and outcomes." APA's performance score of D ranked consistently with the rest of the utilities sector. APA could

improve its performance score by setting and achieving carbon emission reduction targets. However, because APA's reduction activities rely on a strong carbon price, management will wait for further certainty on carbon legislation before committing resources to these activities. APA's overall score of 86D ranked second in the utilities sector and highest amongst its direct peers.

#### Clean energy policy

APA continues to support reducing carbon emissions as a responsible risk mitigation response to climate change. APA supports technology agnostic domestic carbon abatement policies to meet Australia's 26-28% Paris COP21 carbon reduction commitment.

In the longer term, as international and domestic carbon policy and markets mature, APA's assets will play an important role in meeting Australia's long-term emission reduction targets as energy consumption shifts from carbon intensive fuels, such as coal, to more carbon efficient fuels, such as natural gas.

#### Expanding our low emission generation portfolio

APA continues to progress the development of the 130 megawatt Badgingarra Wind Development Project adjacent to APA's Emu Downs Wind Farm, as well as the 20 megawatt Emu Downs Solar Project, a small expansion to the wind farm. Both projects are contingent on entering into a long-term off-take agreement and meeting APA's investment hurdles. The Emu Downs Solar Project was shortlisted by ARENA for the competitive \$100 million large scale solar funding program.

#### APA joins the Clean Energy Council

In FY2016 APA joined the Clean Energy Council. The Clean Energy Council is the peak body for the clean energy industry in Australia. APA through its Corporate Membership will gain access to extensive renewable energy industry knowledge, including market and technology developments, as well as input into the Clean Energy Council's policy advocacy groups.

In APA's view, gas-fired generation and renewable energy, predominately wind-powered generation and increasingly solar generation, are technologies that can meet significant emission reduction targets for Australia.

