



ATCO GAS AUSTRALIA SUSTAINABILITY STRATEGY

AUGUST 2023

ATCO acknowledges the Traditional Owners of country throughout Australia and their continuing connection to land, sea and community. We pay respect to their Elders past, present and emerging, and in the spirit of reconciliation, we commit to working together for our shared future.

ATCO Gas Australia is proud to present our **inaugural Sustainability Strategy**, central to delivering our commitment to a **safe, reliable, affordable, and sustainable gas network**.

Our industry is in a significant period of change, presenting us with an opportunity to **reshape the energy landscape** and achieve **net-zero by 2050**.

Over the last few years, our world has changed significantly. As we navigate a post-COVID-19 economy, rising inflation, a competitive labour market, and a need to address climate change, we must also continue to meet the changing environmental, social and governance (ESG) expectations of our people, our customers, and our stakeholders.

I am proud to invite you to explore ATCO Gas Australia's first Sustainability Strategy, which outlines our unique contributions towards the commitments and work in action of the broader ATCO Group.

Our sustainability ambition is to deliver short and long term economic, environmental and social benefits for our customers and community partners, through our shared journey towards net zero by 2050.

We will achieve this through our continued focus on health and safety; diversity and inclusion; Indigenous engagement; investment to minimise the impact of our operations on the environment and improve the resilience of our organisation to climate change and the energy transition.

We are continually evolving and maturing our approach to sustainability over time – we are excited to build on our long history of good corporate citizenship both in Australia and globally through our new strategy.

I would like to specifically acknowledge the hard work of our ATCO Gas Australia teams in the development of this strategy, and their continued support in realising our ambition. We look forward to the future, as we contribute to the growth of Western Australia, and support our communities and customers through the energy transition



Russell Godsall

Executive General Manager
Gas Operations



ABOUT ATCO GAS AUSTRALIA



As a gas distributor, we play a unique role across the gas supply chain in Western Australia...



We can **influence** and **enable** our upstream supply chain to increase clean fuel production, by ensuring our distribution network can carry these fuels

We are best placed to **deliver** change through our areas of direct control – the design and operation of our distribution pipelines and business

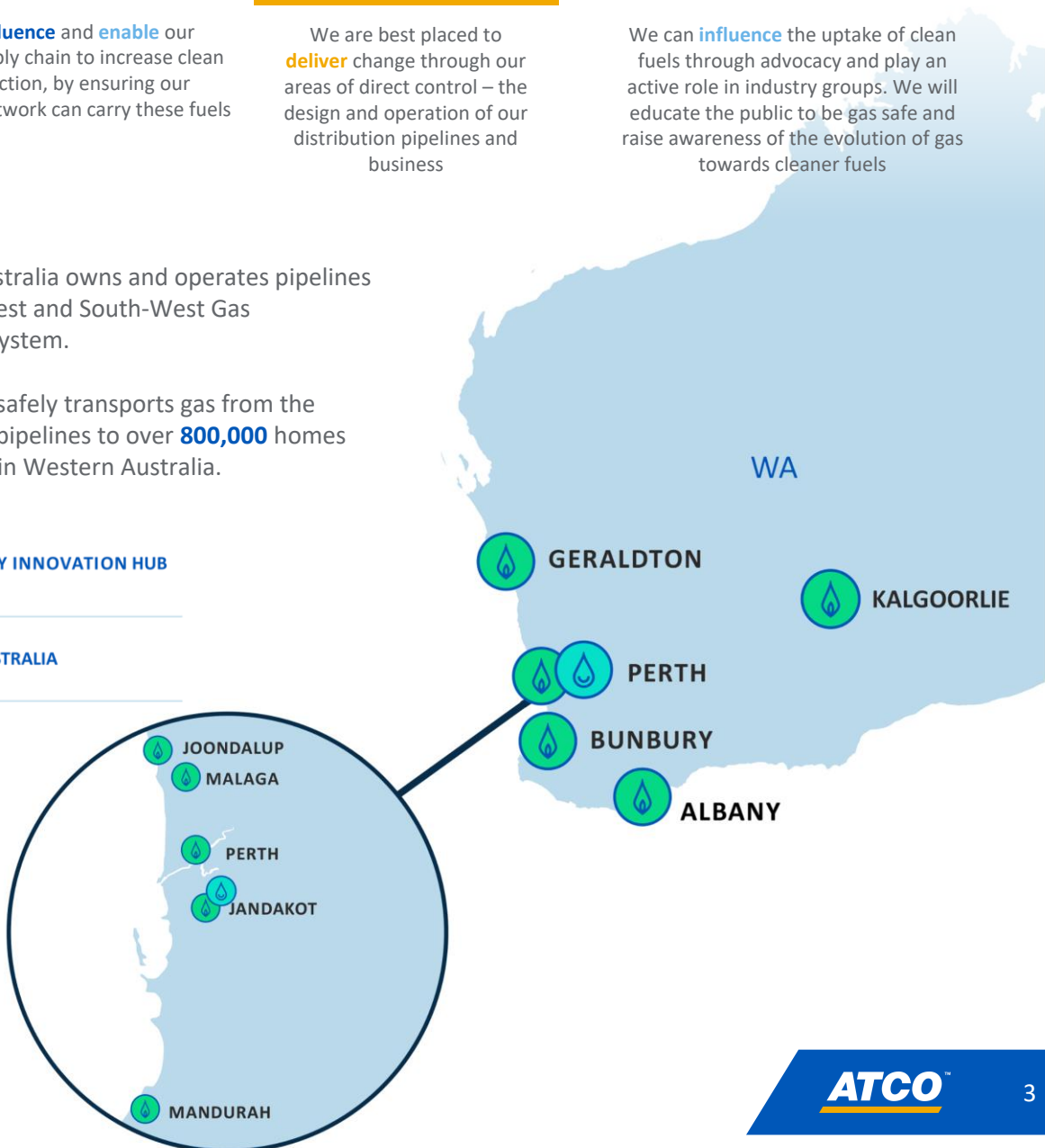
We can **influence** the uptake of clean fuels through advocacy and play an active role in industry groups. We will educate the public to be gas safe and raise awareness of the evolution of gas towards cleaner fuels

ATCO Gas Australia owns and operates pipelines in the Mid-West and South-West Gas Distribution System.

Our network safely transports gas from the transmission pipelines to over **800,000** homes and business in Western Australia.

 **CLEAN ENERGY INNOVATION HUB (HYDROGEN)**

 **ATCO GAS AUSTRALIA**



STRATEGIC DRIVERS

As a business that operates to serve the public, we have a duty to act responsibly, ethically, and proactively in responding to the global and domestic industry trends that are shaping our future operating environment including:

The **WA economy** is still in recovery from the **impact of COVID-19**.

There is **competition** for **labour and materials** that will impact delivery of future projects.

Rising inflation is impacting both our **supply chain** and **our customers** making the imperative to keep prices low even more important.

The **energy transition** has **momentum**, presenting challenges to our business including decarbonisation of the network and diversification of energy sources.

Sustainability is an expectation from our stakeholders and defines the ongoing resilience and longevity of our organisation.

AS AN EMPLOYER

- We are responsible for the safety and wellbeing of our people, contractors and communities across our operations.
- We must continue to meet and uphold the expectations of our workforce in regard to sustainability issues that are important to our community.
- We are committed to Indigenous engagement and the economic development of our communities more broadly.

AS A DISTRIBUTOR OF GAS

- We have a responsibility to maintain downward pressure on gas prices for the benefit of our customers and communities.
- We must ensure the ongoing sustainability and resilience of our operations to meet current and evolving customer demand over the long term while meeting the expectations on us to support the net-zero transition.

AS AN ENERGY INDUSTRY PARTICIPANT

- We are uniquely placed to facilitate and support sustainable natural gas alternatives that can be used to fuel our economy and maintain the relevance of Western Australia's existing gas network infrastructure.

REGULATORY DRIVERS

The regulatory landscape is rapidly changing, with a range of environmental, social and governance (ESG) focused legislation, policy reforms, and reporting requirements expected to be implemented in the near term.

ATCO Gas Australia anticipates that the following reforms will impact our business directly, or indirectly through our supply chain, as they come into effect. A priority within this Sustainability Strategy is to ensure we comply with emerging obligations, and proactively adjust our business in anticipation of impacts up and down our supply chain.

Under review

Modern Slavery Act 2018 and Ethical Procurement Trends: In May 2023, a review of the *Modern Slavery Act 2018* was tabled in Parliament to impose more stringent accountabilities on organisations to manage Modern Slavery risk. ATCO Gas Australia will ensure ongoing compliance with this legislation.

Coming 2023/24

Western Australia Climate Change Legislation: With its operations in Western Australia, ATCO Gas Australia will be subject to climate change legislation expected to be introduced by the WA Government in 2023 to establish a framework for responsible emissions reduction to meet WA's net-zero targets.

National Gas Objectives: As an energy market operator, ATCO Gas Australia will be subject to proposed reforms to incorporate an emissions reduction objective into the *National Energy Objectives*. The proposed reforms sends a clear signal of the Australian Government's commitment to achieve a decarbonised, modern and reliable energy system, and therefore influence investment and regulated expenditure decisions.

Safeguard Mechanism Reforms: The *Safeguard Mechanism* requires Australia's largest GHG emitters to keep their emissions below a limit, with these limits to be gradually reduced over time. The recent reforms will directly influence ATCO Gas Australia's requirements to decarbonise our distribution network.

Security of Critical Infrastructure Act 2018 Reforms: Gas assets are subject to 'positive security obligations' under recent reforms. From July 2023, ATCO Gas Australia will ensure risk management programs align with the new obligations, including cyber and information security hazard requirements, and comply with ISO/IEC 27001:2015 and the Essential Eight Maturity Model (or equivalent).

2024+

Workplace Gender Equality Amendment Bill 2023: From 2024, the Workplace Gender Equality Agency (WGEA) will publish private sector employer gender pay gaps, and ATCO Gas Australia will be required to report on instances of harassment on the grounds of sex or discrimination. ATCO Gas Australia will also be required to have a policy or strategy for all six Gender Equality Indicators.

Mandatory Reporting Frameworks: We are aware of reporting frameworks that may soon become mandatory, such as the Task Force on Climate Related Financial Disclosures (TCFD). ATCO Gas Australia will continue to be proactive in planning to align with best practices and international frameworks.

OUR SUSTAINABILITY STRATEGY

We embed our sustainability philosophy into our business operations, culture, and investment decisions with the understanding that sustainability is an inherent part of achieving our overall corporate vision and future success. This Sustainability Strategy supports delivery of the ATCO Group and ATCO Australia’s corporate and sustainability objectives.

Our Vision	Creating prosperity and opportunity for generations to come.
Our Mission	To be the leading gas network operator providing safe, reliable, affordable and sustainable energy. As a business that operates to serve the public, we have a duty to act responsibly and ethically in proactively responding to the global and industry trends that are defining the future.
Our Sustainability Ambition	To deliver short and long-term economic, environmental and social benefits for our customers and community partners through our shared journey towards net zero emissions by 2050.

Our Priority Areas							
PEOPLE				PLANET		GOVERNANCE	
Health & Safety	Diversity, Equity & Inclusion	Talent Attraction & Retention	Community & Indigenous Engagement	Climate Change & GHG Emissions	Energy Transition & Resilience	Compliance & Performance	Risk Management
Work Health & Safety	Representation	Employer of Choice	Indigenous Engagement	Operational Emissions Reduction	Enabling the Energy Transition	Compliance	Risk Management Systems
Mental Health & Wellbeing	Inclusive Workplace Environment	Training & Development	Community Partnerships	Resilience to Physical Climate Risks	Managing Transitional Risks	Accountability & Disclosure	Cyber Security
Community and Customer Safety				Environmental Stewardship			



People

Our people are core to our business, and we have a responsibility to create a safe and inclusive workplace, with an engaged and thriving workforce. It is our duty to be good corporate citizens, provide opportunities, partnerships and education to the communities we serve.

In this section:

- Health & Safety
- Diversity, Equity & Inclusion
- Talent Attraction & Retention
- Community & Indigenous Engagement

HEALTH & SAFETY

We embrace safety as part of our culture; and we aspire to achieve the highest safety standards across all our products, Services, and business.

OUR VISION FOR THE FUTURE

We are committed to maintain and improve our culture of safety and wellbeing amongst our workers. We will continue to strive for excellence in all aspects of our health and safety performance.

We work to ensure the provision of a safe gas supply now and into the future.

We continue to promote gas safety awareness among our communities and provide accessible and effective leak and incident reporting avenues.

STRATEGIC OUTCOMES

Work health and safety

- Maintain and continue to build on our strong safety performance in accordance with good industry practice
- Engage workers and key stakeholders for good health and safety outcomes
- Ensure suppliers have effective health and safety management systems in place

Mental health and wellbeing

- Continue to actively promote and demonstrate ATCO's commitment to support the mental health and wellbeing of its workers
- Provide workers with ready access to contemporary programs, tools and support
- Foster a supportive and accepting environment where workers feel safe to discuss and learn about mental health and wellbeing and its impact in the workplace
- Align practices to ISO 45003 Psychological Health and Safety at Work

Community and customer safety

- Maintain and continue to build on our strong public safety performance in accordance with good industry practice
- Educate the public on safety around gas, and increase awareness on how to act if a hazard is suspected

ALIGNMENT TO COMMITMENTS

UN Sustainable Development Goals



ATCO Group 2030 ESG Targets








Maintain leading health and safety practices and performance

WORK HEALTH & SAFETY

We work to ensure all our employees get home safely. We continue to build a positive health and safety culture across our workforce.

Our measures of success	Measure
Total Recordable Injury Frequency Rate ¹ (TRIFR) <1.0	Cases / 200,000 hrs worked
Zero Lost Time Injuries ² (LTIs)	# LTIs
Zero instances of non-compliance from regulator safety authorities	# instances
Zero fatalities	# instances

What we will do	Focus
Contribute to the development of ATCO Australia's HSE Blueprint	
Understand and mitigate critical risks in the workplace, through learning and understanding how work is done	
Engage our workers to develop innovative solutions to health and safety issues	
Ensure all suppliers have effective health and safety management systems in place, and those working on our sites comply with our health and safety standards	 



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MENTAL HEALTH AND WELLBEING








We are committed to promote, support and protect the mental health and wellbeing of every worker and will continue to improve our understanding of mental health and well-being.

Our measures of success	Measure
	Alignment to international best practice ISO 45003

What we will do	Focus
Promote access to mental health and wellbeing education, information and support	
Understand and address the factors that may affect the mental health and wellbeing of our workers to create a psychologically safe workplace	

COMMUNITY AND CUSTOMER SAFETY

We are committed to educating Western Australians to be safe around gas and provide accessible ways for hazards and leaks to be safely and quickly reported. We commit to maintain the highest standards of asset performance and safety to support the ongoing delivery of safe and reliable gas to our customers.*

What we will do	Focus
Maintain and improve asset condition and emergency response capability, as per the Strategic Asset Management Plan and the Safety Case	  
Increase public awareness of gas safety initiatives such as leak detection activities and damage prevention activities (Before You Dig Australia)	 
Understand the needs and segments across our diverse community to better communicate gas safety awareness campaigns	 

* Targets and activities relating to asset management should be referred to in the relevant ATCO Gas Australia asset lifecycle strategies.



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DIVERSITY, EQUITY & INCLUSION

ATCO Gas Australia recognises and upholds the value that a diverse and included workforce brings to our business, and the role we play in enabling positive experiences in the workplace.

OUR VISION FOR THE FUTURE

Across ATCO Gas Australia we proactively celebrate and embrace diversity across a range of dimensions including (but not limited to) gender, Indigenous peoples, multi-generational career stages, all abilities and cultural diversity.

We will nurture a workplace environment representative of the communities within which we operate, where our people feel included, cared for and have a strong sense of belonging.

Our Diversity, Equity & Inclusion (DE&I) activities will support broader ATCO Australia targets.

STRATEGIC OUTCOMES

Representation

- Achieve gender balance and representative participation from a range of cultures, abilities, generations and backgrounds

Inclusive workplace environment

- Cultivate a safe and respectful environment where people belong, are treated fairly and are engaged and comfortable to voice their ideas and opinions

ALIGNMENT TO COMMITMENTS

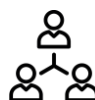
UN Sustainable Development Goals



ATCO Group 2030 ESG Targets



Achieving and maintaining a minimum of 30% female representation at the Board of Director and Senior Leadership levels





Achieving and maintaining a minimum of 25% minority representation within the ATCO Group workforce

DIVERSITY EQUITY & INCLUSION

REPRESENTATION

Our Western Australian community is diverse, and we seek to ensure our workforce reflects that diversity. There are many dimensions to diversity, which we seek to better understand and support.



Our measures of success	Measure
Diverse representation at the Board and senior leadership levels (40% women, 40% men, 20% open to either gender or non-binary) by 2030	FTEs

What we will do	Focus
Attract greater diversity through enhanced recruitment practices and leverage early career program levers and employment pathways	
Proactively support career progression through focused development, coaching, mentoring, and succession planning	

INCLUSIVE WORKPLACE ENVIRONMENT

It is not enough to have a diverse workforce – we must celebrate our community and ensure that our work practices are inclusive of a range of diversity dimensions, to encourage full participation in our workforce and that our staff can reach their aspirations.

Our measures of success	Measure
80% Engagement Survey satisfaction score	Score

What we will do	Focus
Boost enablers and break down the barriers to attract, engage and retain greater diversity for people across a range of diversity dimensions	
Promote cultural awareness and understanding, inclusion and belonging through the continued celebration of diverse cultural events, holidays and development activities	



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TALENT ATTRACTION & RETENTION

Our people are our foundation. Attracting, developing, engaging and retaining skilled and talented people is vital to meeting the needs of our customers.

OUR VISION FOR THE FUTURE

Our vision is for a skilled, diverse workforce of people who are committed to building their careers with us.

We will foster an engaging environment that promotes growth and development and reward and recognition, enabling people to realise their career ambitions.

Our talent and attraction activities are specific to ATCO Gas Australia's recruitment and staffing needs, and will be a subset of broader ATCO Australia activities that we support.

STRATEGIC OUTCOMES

Employer of choice

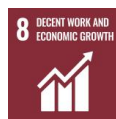
- Be an employer of choice for new talent
- Develop skilled and capable personnel through inclusivity and increased diversity (see Diversity, Equity & Inclusion)
- Provide and encourage flexible work arrangements
- Boost recognition of employee contribution and innovation

Training & Development

- Our workforce is equipped with future-ready skills
- Our workforce are supported in advancing their careers
- Leaders are equipped to confidently lead high performing, inclusive teams

ALIGNMENT TO COMMITMENTS

UN Sustainable Development Goals



ATCO Group 2030 ESG Targets








This will help enable the delivery of all ATCO Group targets at each level of the organisation

TALENT ATTRACTION & RETENTION

EMPLOYER OF CHOICE





We will cultivate a workplace environment that attracts and retains talented individuals. We want our people to feel valued, supported and included within our workplace.

Our measures of success	Measure
Employee engagement score of 80% or higher	%

What we will do	Focus
Enable and promote a range of flexible working arrangements and use employee feedback to continually improve the working environment	
Survey emerging talent to find out what they value when looking for employment	  
Build brand awareness to position ATCO as an employer of choice	 
Implement an integrated reward and recognition program to boost recognition of our people's work	

TRAINING & DEVELOPMENT

We aim for our workforce to thrive by providing training and development opportunities, with a focus on leadership and future-ready skills.

What we will do	Focus
Activate a leadership development program to equip our leaders with the knowledge, skills and supportive coaching needed to confidently lead and inspire high performing and inclusive teams	
Identify emerging skill requirements for future industries and provide training to relevant staff	 
Proactively support skill development and career progression through focused training and development, coaching, mentoring, and succession planning	



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COMMUNITY & INDIGENOUS ENGAGEMENT

At ATCO Gas Australia, we see ourselves as part of the fabric of the communities in which we operate. Our values of 'collaboration' and 'caring' drive our commitment to local community and Indigenous partnerships.

OUR VISION FOR THE FUTURE

We have a role to play in sharing the economic value created by ATCO Gas Australia to support a healthy, prosperous community.

We will ensure that our engagement and partnerships are genuine, and are appropriate for our sphere of influence.

STRATEGIC OUTCOMES

Indigenous engagement

- Increase procurement spend from Indigenous suppliers
- Reduce barriers to enable Indigenous employment and retention, and supplier engagement
- Actively develop the cultural competency of all our employees

Community partnerships

- Foster healthy, sustainable, and prosperous communities
- Support and engage local businesses

ALIGNMENT TO COMMITMENTS

UN Sustainable Development Goals



ATCO Group 2030 ESG Targets







Increasing net economic benefits to our Indigenous partners by 40 percent

COMMUNITY & INDIGENOUS ENGAGEMENT

INDIGENOUS ENGAGEMENT

We are committed to engaging with and creating positive economic benefit for Indigenous people and organisations through our recruitment, procurement and organisational culture.

Our measures of success	Measure
Increased year on year spend with Indigenous suppliers	\$AUD

What we will do	Focus
Take the next step on our Reconciliation journey by supporting the development of ATCO Australia's new Reconciliation Action Plan	
Partner with Indigenous organisations that foster healthy, sustainable and prosperous communities	
Investigate further opportunities to increase Indigenous business development, employment, procurement, and retention	
Ensure all staff receive Indigenous Cultural Awareness training	

COMMUNITY PARTNERSHIPS

We are committed to supporting and empowering individuals, groups and organisations where we live, work and operate. By partnering with a range of community organisations and participating in and sponsoring community events and activities, we can help create a long-lasting positive impact.

What we will do	Focus
Continue to support community initiatives and partner with organisations that support the communities in which we live, work and operate	
Reduce barriers for, and encourage local procurement from small and medium sized businesses	 



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Planet

We recognise our role in minimising environmental impacts, and playing our part in the transition to cleaner energy sources to protect our planet.

In this section:

- Climate Change & Greenhouse Gas Emissions
- Energy Transition & Resilience

CLIMATE CHANGE & GHG EMISSIONS

We take responsibility for our environmental footprint and support the decarbonisation of Western Australia.

OUR VISION FOR THE FUTURE

We are focused on reducing our scope 1 and 2 emissions, in line with ATCO Group priorities, State and Federal targets. Our long-term vision of being net zero by 2050 is supported by realistic and actionable 2030 emission reduction targets, with a focus on reducing the occurrence and climate-related impacts of unaccounted for gas (UAFG).

We will understand the physical climate-risk profile of our assets, and take action to address risks, taking into account safety and economic impacts.

We will maintain our positive environmental record, and strengthen our capability and capacity in this area.

OUR CHALLENGES AND OPPORTUNITIES

There is a renewed focus on tackling climate change from both Federal and State Governments, with policy changes impacting ATCO Gas Australia. The role of gas, and definitions of 'renewable gas' and 'green hydrogen', in the context of decarbonisation are also areas of uncertainty.

Our customers are also supportive of our decarbonisation journey, but expect us to balance that interest with safety, affordability, and reliability.

STRATEGIC OUTCOMES

Operational emissions

- Reduce scope 1 and 2 emissions
- Maintain compliance with mandatory reporting frameworks
- Influence our scope 3 emissions in our upstream supply chain*

Resilience to physical climate risk

- Continually improve prevention programs to reduce and minimise damage to our assets

Environmental stewardship

- Maintain a record of zero significant environmental incidents
- Increase our environmental knowledge and capability across the business
- Reduce waste and promote a circular economy

*Note: ATCO Gas Australia has the opportunity to influence the emissions intensity of the gas delivered through our network. We have addressed our activities in this area in our 'Energy Transition & Resilience' strategic priority (page 21).

ALIGNMENT TO COMMITMENTS

UN Sustainable Development Goals



ATCO Group 2030 ESG Targets










Reduce GHG emissions to earnings intensity by 30 percent (scope 1 & 2)

OPERATIONAL EMISSIONS

We are focused on reducing the emissions within our operational control (scope 1), with unaccounted for gas (UAFG) being one of our key focus areas. We will revise purchasing policies to ensure emissions are considered in purchasing decisions and continue to utilise renewable energy at our operational depots (scope 2).

Our measures of success	Measure
Net emissions (scope 1) reduced to 30% below 2020 levels by 2030	tonnes CO ₂ -e
Scope 2 emissions to be no higher than 2020 levels by 2030	tonnes CO ₂ -e

What we will do	Focus
Continue energy efficient office improvements and implementation of solar panels on ATCO Gas Australia buildings	
Improve leak detection and reduce network leaks to maintain network safety and reduce GHG emissions	
Develop a procurement strategy to cost effectively source renewable gas or other renewable sources (including Australian Carbon Credits Units (ACCUs)) when purchasing replacement UAFG.	 
Ensure continued compliance with relevant emissions regulations and laws	
Revise procurement processes to ensure factors such as carbon emissions, energy consumption, resource use, and waste generation are considered. Our goal is to select products and services with lower environmental footprints, promoting resource efficiency and emissions reduction.	 



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RESILIENCE TO PHYSICAL CLIMATE RISKS

We are committed to building infrastructure that is reliable, limits emissions, and is resilient to physical climate risks. We are determining all areas where we may be affected in the coming decades.

Our measures of success	Measure
All assets assessed periodically against updated climate risk indicators	% of assets
All risk management plans for assets incorporate physical climate risk	% of assets

What we will do	Focus
Undertake an analysis that includes physical risk and opportunity assessment under different climate change scenarios	
Review emergency response capabilities based on climate risk analysis and continue proactive bushfire management work with Department of Fire and Emergency Services	

ENVIRONMENTAL STEWARDSHIP

We seek to minimise and mitigate our environmental impacts through best practices and robust environmental management systems. In order to meet strict regulatory requirements in Australia we must maintain our position of environmental stewardship.

Our measures of success	Measure
Reduced number of total incidents reported	No. and severity of incidents
Decreased waste to landfill rate from ATCO Gas Australia offices	%
Increased industrial waste diversion from landfill	%

What we will do	Focus
Embed root-cause thinking to proactively manage assets, reduce spills & leaks	
Develop an environmental capability matrix for each level and section of the business, with accompanying training plans to achieve this	
Incorporate circularity into asset planning and procurement, including consideration of end-of-life treatment of components, and sourcing materials with lower environmental footprints	 
Ensure suppliers on our sites can comply with legal and contractual requirements around waste production and management	 
Develop and implement plan to improve waste management behaviours and availability of data within ATCO Gas Australia office spaces	



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ENERGY TRANSITION & RESILIENCE

ATCO Gas Australia aspires to support a clean energy future, by ensuring our network remains efficient while enabling the introduction and blending of renewable gases such as biomethane and renewable hydrogen.

OUR VISION FOR THE FUTURE

Our operations and investments will support the transition for a clean energy future. Success in this area will help to create and sustain new employment opportunities, and reduce our customer's emissions by ensuring our network is able to accept increasingly larger volumes of renewable gases. This will be driven by, and be consistent with, the global and industry trends that are defining our energy future.

OUR CHALLENGES AND OPPORTUNITIES

The energy transition presents opportunities and challenges for ATCO Gas Australia now and into the future.

There is an opportunity for ATCO Gas Australia to support the energy transition through investment in our infrastructure network to be renewable gases ready and by using the gas distribution network for energy storage.

STRATEGIC OUTCOMES

Enabling the energy transition

- Ensure the suitability of our gas distribution network to accept, store and transport various proportions of renewable gas
- Increase our preparedness to receive renewable gases into the gas network
- Engage with industry to ensure end-user's appliances are suitable for use with renewable gas
- By ensuring the network can receive, store and deliver renewable gases, we will reduce our customers' emissions related to using gas in their homes and businesses

Managing transitional risks

- Ensure our strategies account for transitional risks, and minimise the risk of asset stranding
- Maximise use of existing network assets and ensure more energy options remain open and available to respond to the decarbonisation challenge
- Reduce barriers for retailers injecting and transporting renewable gases through ATCO's network

Note: ATCO Gas Australia's plans to reduce the emissions within our operational control are largely separate to this focus area. We have addressed our activities in this area in our 'Climate Change & GHG Emissions' strategic priority (page 18).

ALIGNMENT TO COMMITMENTS

UN Sustainable Development Goals



ATCO Group 2030 ESG Targets











Reduce our customers' GHG emissions by 2 million tonnes



Derive 20 percent of revenues from transitional product categories


ENABLING THE ENERGY TRANSITION

Readying gas networks for the energy transition will require significant investment in research and development. We commit to provide Western Australians with choice of energy into the future by upgrading the gas distribution network to allow for the blending, injection, storage and delivery of renewable gases.

What we will do	Focus
Develop new renewable gas injection points for blending of renewable gas in to the gas distribution network.	
Demonstrate the use of 100% renewable gas appliances at our Clean Energy Innovation Hub in Jandakot.	
Research the viability and case for the gas network to be used for energy storage by converting excess electricity into renewable hydrogen gas via electrolysis	
Determine a system for accurately measuring delivered energy in a system with a disparate and dynamic hydrogen-methane blend	
Test the workability of introducing zero-emission fuels into the network by testing customers' receptiveness, including identifying technical and social prerequisites for acceptance	 
Engage with end-use industry (e.g., appliance manufacturers, industrial energy users) to proactively prepare them for hydrogen and biomethane blends)	 

MANAGING TRANSITIONAL RISKS

As a gas network operator, the future of gas is a transitional area of attention. The gas network has an important role in the future energy mix, and monitoring these trends and proactively adapting our business is key to our long-term business strategy.

What we will do	Focus
Undertake a transitional risk assessment under different climate change scenarios	



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Image: Muminbulah Wilak – ATCO Gas Australia’s Six Season Garden, Jandakot Operations Centre

Governance

The trust our stakeholders have in us is built through continued commitment to good governance practices, transparency and customer engagement. As the regulatory environment and stakeholder expectations change, ATCO Gas Australia must adapt to maintain that trust.

In this section:

- Compliance & Performance
- Risk Management

COMPLIANCE & PERFORMANCE

Compliance with Australian laws and regulations is vital to our business success, and our stakeholders expect transparent reporting. We take responsibility for ensuring that we operate with integrity and accountability for our stakeholders.

OUR VISION FOR THE FUTURE

We are committed to compliance with all laws and regulations that may apply to us as an Australian business, both now and in the future.

We are efficient and thorough in our compliance, with a non-siloed system that encourages subject matter ownership with rigorous central oversight.

We value transparency and integrity and hold ourselves accountable to our stakeholders by aligning ourselves with best practice ESG frameworks, and reporting on instances of non-compliance within our annual sustainability report.

We actively work to anticipate ESG compliance and reporting developments so that we can plan strategically for the future.

OUR CHALLENGES AND OPPORTUNITIES

Recent and upcoming policy and reporting obligation changes will have direct impacts on our organisation. By anticipating and prioritising our alignment to relevant frameworks early, we hope to demonstrate leadership as an energy network of the future.

STRATEGIC OUTCOMES

Compliance

- Maintain compliance to mandatory regulatory frameworks
- Improve efficiency of compliance practices and supporting platforms
- Improve our assessment of, and action against modern slavery in our supply chain
- Continue to monitor developments in ESG policy and legislation

Accountability & Disclosure

- Measure, monitor and record progress on actions and targets outlined in this strategy
- Identify opportunities to align reporting practices to ESG compliance and reporting frameworks, and stakeholder expectations
- Communicate ESG performance and impact through internal and external sustainability reporting

ALIGNMENT TO COMMITMENTS

UN Sustainable Development Goals






ATCO Group 2030 ESG Targets

This is linked to ATCO Group's commitment to high-quality governance, rather than a specific 2030 target

COMPLIANCE

We comply with relevant ESG and industry frameworks. We commit to fulfil all our obligations to state and national regulators and ensure that we continue to do so in the future as these requirements evolve.






Our measures of success	Measure
Zero fines or penalties for regulatory non-compliance	\$AUD
Reduced year-on-year number of compliance incidents	# instances

What we will do	Focus
Develop and implement governance structures and supporting technology platforms to reduce silos in compliance and reporting	
Refresh our modern slavery risk assessment of suppliers' processes to go beyond basic compliance with the Modern Slavery Act 2018	 

ACCOUNTABILITY & DISCLOSURE

We are creating the internal processes and governance structures to embed ESG within our business, and are working towards transparent and accurate external ESG reporting. This is in line with our commitment to be a trusted and effective organisation.

Our measures of success
Commence formalised reporting against the targets in this strategy by 2025, aligned to ATCO Group direction

What we will do	Focus
Define internal and external reporting commitments and develop robust data collection and reporting processes with collated documentation that can be easily traced to the source	
Implement a TCFD-compatible sustainability reporting system to help measure, manage, analyse, and communicate our ESG performance and impact, in anticipation of emerging ESG compliance frameworks	
Develop and publish a comprehensive external sustainability report that monitors progress towards sustainability objectives and compares performance to industry benchmarks, aligned to ATCO Group	 
Assign ESG accountability to an existing Executive and develop a dedicated ESG committee	



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RISK MANAGEMENT

Risk management is essential to the longevity of our business operations. With a changing regulatory and industry environment, we must ensure that our risk and opportunity management practices are modern, and used to inform effective decision-making.

OUR VISION FOR THE FUTURE

We will ensure that we are always equipped with appropriate and up-to-date risk management systems. We will disclose our risk management performance internally and in our sustainability report. We will be equipped to respond to anticipated sustainability-related risk framework developments.

We are vigilant to cyber security threats and proactively maintain effective prevention strategies.

OUR CHALLENGES AND OPPORTUNITIES

Maintaining privacy and data security has become a critical challenge in our digital world. As the energy transition and digital transformation brings new kinds of risk to our business, our risk management activities are essential to maintaining trust, security and transparency in ATCO Gas Australia.

New sustainability-related reporting frameworks that may become mandatory have a heavy focus on risk management, which ATCO Gas Australia must prepare for.

STRATEGIC OUTCOMES

Risk Management Systems

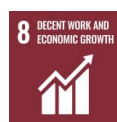
- Utilise risk frameworks to support prudent investment and industry productivity, while aligning to regulatory requirements
- Maintain identification and prevention programs to reduce and minimise impacts to our business, with a view to incorporating potential future sustainability-related risk requirements
- Work with our stakeholders to find innovative solutions and technology improvements to reduce risks

Cyber Security

- Continuously improve data security and system reliability to ensure our customer data and operational systems are protected

ALIGNMENT TO COMMITMENTS

UN Sustainable Development Goals






ATCO Group 2030 ESG Targets

This is linked to ATCO Group's commitment to high-quality governance, rather than a specific 2030 target

RISK MANAGEMENT SYSTEMS

We will continue to implement risk management systems to ensure that we can quickly and effectively identify, manage, mitigate, and prevent risks. Our risk management systems allow us to assess and plan for future challenges.




Our measures of success	Measure
Zero incidents of corruption	# incidents
Effective treatment of significant business risks	# incidents

Key programs of work	Focus
Align risk management systems with the requirements in the Security of Critical Infrastructure Act 2018	
Expand existing risk management systems to incorporate ESG related risks (e.g., climate risk) per sustainability-related risk requirements (e.g., TCFD)	
Upgrade of our Geographic Information System to improve asset location services for maintenance and emergency response	

CYBER SECURITY

We are actively and thoroughly addressing cyber security threats and proactively developing and maintaining effective prevention strategies aligned with best practice.

Our measures of success	Measure
Zero cybersecurity or data breaches	# incidents
Compliance with ISO/IEC 27001:2015 and the Essential Eight Maturity Model (or equivalent)	
100% completion of privacy and data security training by employees and contractors	Completion rate (%)

Key programs of work	Focus
Update practices, capabilities and implementation of controls (including cybersecurity architecture review and data governance) to comply with cyber security obligations and industrial cyber security frameworks	
Implement specialised cyber awareness training for maintenance teams to ensure that critical field assets are maintained in accordance with enhanced cyber security obligations	
Implement planning exercises for cyber security incidents, including adversary simulations, cyber-attack tabletop exercises and incident response preparedness	



Improve our workplace



Influence our industry



Support our communities & customers

OUR COMMITMENT

ATCO'S COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

- The 17 Sustainable Development Goals ('SDGs') are a United Nations call to action, to create peace and prosperity for people and the planet.
- While these are committed to at a country level, ATCO Gas Australia has recognised the role that we can play in supporting the achievement of these goals.
- Where relevant, we have linked our strategic priorities and outcomes to which SDG they support the achievement of.
- ATCO Gas Australia is not reporting progress or data to the United Nations or to a national body linked to these goals.
- The following 12 SDG's are strongly linked to strategic priorities in ATCO Gas Australia's Sustainability Strategy:



- Health & safety



- Energy transition & resilience



- Climate change & GHG emissions
- Energy transition & resilience



- Diversity, equity & inclusion



- Diversity, equity & inclusion
- Community & Indigenous engagement



- Climate change & GHG emissions



- Energy transition & resilience
- Climate change & GHG emissions



- Community & Indigenous engagement



- Compliance & performance
- Risk management



- Talent, attraction & retention
- Community & Indigenous engagement
- Energy transition & resilience
- Risk management



- Climate change & GHG emissions
- Compliance and performance



- Community & Indigenous engagement

The remainder of the SDGs (below), may be indirectly influenced by ATCO Gas Australia's operations, but are not specific focus areas or outcomes.





Thank you to our teams for their significant contribution to this strategy and their enthusiasm to make a positive contribution for our people and planet. We are excited by the journey ahead on our road to 2030.