



Sustainability Report

Financial Year 22

People. Power. Possibilities.



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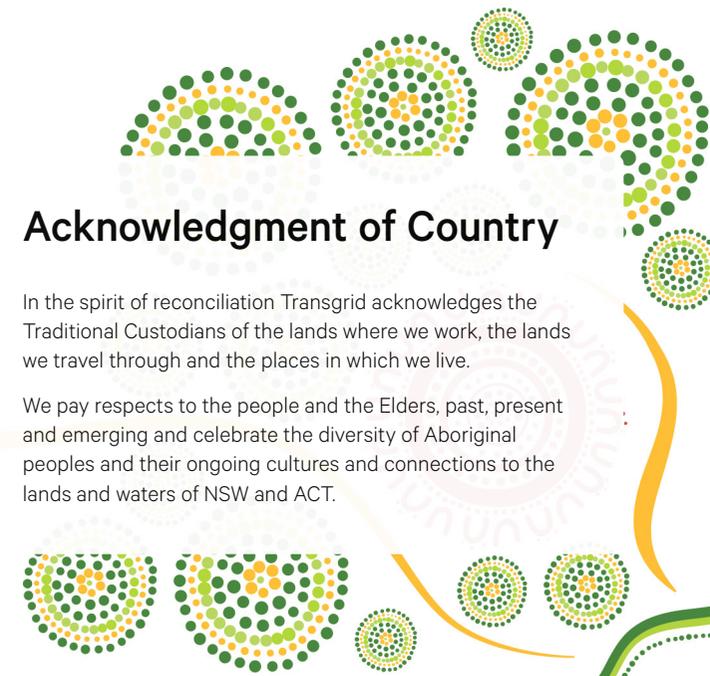
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About this report

This is a joint Sustainability Report covering NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) as trustee for the NSW Electricity Networks Operations Trust (ABN 70 250 995 390) and NSW Electricity Networks Assets Pty Limited (ACN 609 169 922) as trustee for the NSW Electricity Networks Assets Trust (ABN 45 710 374 720) (together referred to as we, us, our or Transgrid). It covers the financial year period 1 July 2021 to 30 June 2022 (this year).



Acknowledgment of Country

In the spirit of reconciliation Transgrid acknowledges the Traditional Custodians of the lands where we work, the lands we travel through and the places in which we live.

We pay respects to the people and the Elders, past, present and emerging and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW and ACT.



FY22 Highlights

Operations



99.99999%

Network reliability

13,160km

Transmission lines and cables

65,900GWh

Electricity moved

\$7.7b

Regulated asset base across NSW and ACT

\$549m

Major projects spend

Stakeholders

54%

Regional procurement (trailing 12 months)

0.5

Employee Total Recordable Injury Frequency Rate (TRIFR)

29%

Women in leadership



67%

Employee engagement score

50%

Females in our graduate program

\$541k

Indigenous owned businesses spend

Environment



93/100 score

GRESB Infrastructure 2022

~2GW

Battery Energy Storage Systems developments

10GW

Renewable energy connected to the NEM since 2018 or under construction

>10GW

Total renewable energy projects in the pipeline in the NEM

4m

Number of equivalent households being powered by renewable energy



Message from the Chair and CEO

On behalf of the Board and executive team, we are proud to present Transgrid’s first Sustainability Report – a critical step towards achieving our aspiration of becoming a recognised leader in sustainability.

Transgrid’s approach to sustainability brings our Vision and Purpose to life. As the operator of Australia’s most critical electricity network, we are on the frontline of sustainable development, leading the nation’s transition to a clean energy future.

To support Australia’s decarbonisation, the transmission network we build and maintain needs to be significantly and rapidly expanded to bring on new renewable generation. As transport and other industries electrify and new green industries emerge, demand for renewable electricity will surge, requiring a new type of transmission network. One that can accommodate new types of generation, store energy and allow efficient energy trading between the states and territories.

Our role is to achieve the biggest energy transformation of our lifetime – as efficiently as possible without sacrificing the grid security and reliability to which our customers have become accustomed, and while keeping the community safe.

It’s a significant time for the business as we play our role in making a better power system for Australia.

This year, we made important steps towards this vision, starting construction on Australia’s largest electricity grid project, the \$1.8 billion EnergyConnect interconnector. This project will allow integration of renewables in the state’s south-west, critical to meeting the nation’s clean energy targets while helping to drive down the cost of wholesale electricity. We also continued work with the NSW Government to plan new transmission infrastructure for Australia’s first coordinated Renewable Energy Zone.

Although our biggest contribution to sustainability is enabling Australia’s clean energy future, like every other organisation, we must also report transparently on our entire ESG performance. In recent years, we have prioritised increasing the sophistication and impact of our approach to managing sustainability issues.

This year, our sustainability program has been enhanced to include key performance indicators, targets and improvement initiatives to uplift performance in our priority areas. We have also significantly progressed our understanding and management of climate change related impacts and opportunities – data that has informed our 2023–2028 Revenue Reset proposal. These and other innovative projects contributed to Transgrid being awarded a four-star GRESB Infrastructure ESG Benchmark rating.

Our leadership in driving the transition to renewables also involves our people and our broader commitment to reducing our environmental impact. In this respect, we have been working on a number of ambitious targets to cut emissions and decarbonise our business.

These include a commitment to:

- Reduce Scope 1 and 2 emissions by 60% by 2030, compared with a base year of 2021 and net zero by 2040.
- Reduce Scope 3 emissions from Purchased Goods and Services, and Capital Goods by 48% per \$M spend on these two categories by 2030, compared with a base year of 2021 and net zero by 2050.

In the coming year, we will continue to make further strides in our sustainability journey. This will include, more explicitly, building ESG data into our decision making and proactively looking for new opportunities to create value for our customers, communities and stakeholders in a low-carbon economy.

Jerry Maycock
Chair

Brett Redman
Chief Executive Officer

“It’s a significant time for the business as we play our role in making a better power system for Australians.”

Jerry Maycock and Brett Redman



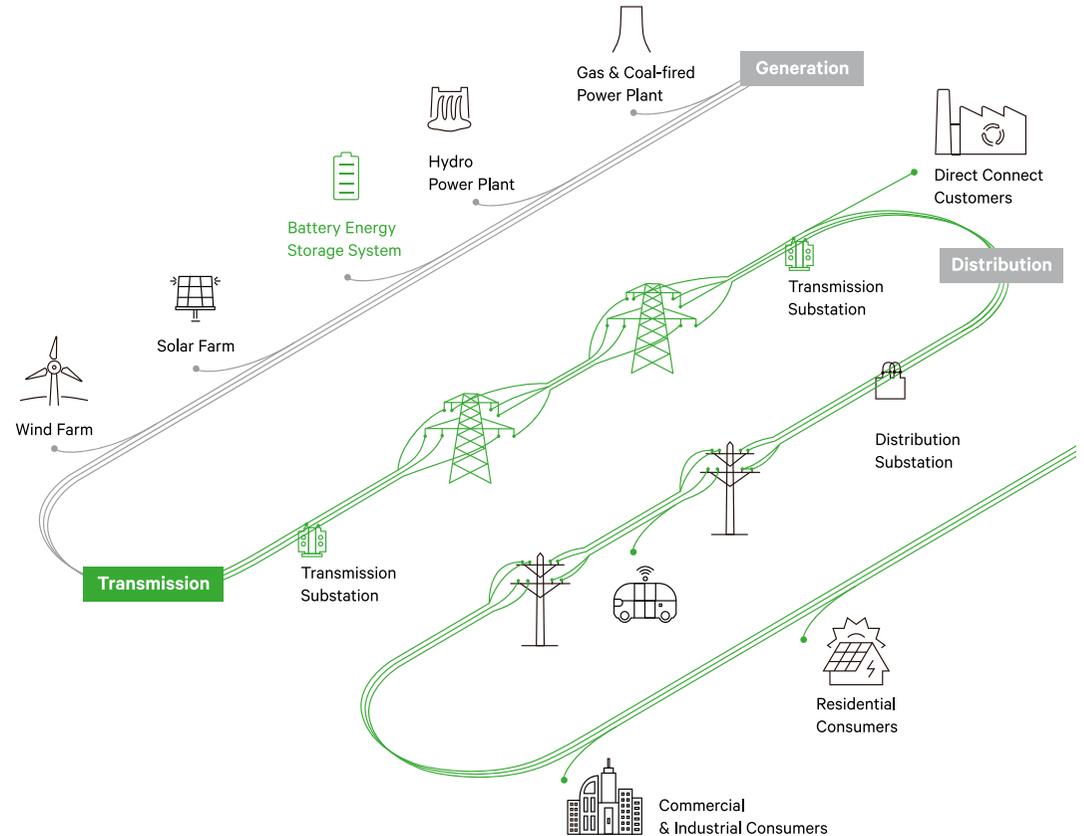


About Transgrid

Our Network

Transgrid operates and manages the most important electricity network in Australia. Our transmission network transports electricity from generation sources, such as wind, solar, hydro, gas and coal power plants, to large directly-connected industrial customers and the distribution networks that deliver it to over 3.7 million households and businesses in NSW and the ACT.

Transgrid within the electricity supply chain



Transgrid Group



Prescribed business

The core transmission network includes a regulated asset base of \$7.7 billion, which stretches over 13,160km of high voltage transmission lines forming the backbone of the National Electricity Market (NEM).

Transgrid is currently developing a number of transmission infrastructure projects which have been identified by the Australian Energy Market Operator (AEMO) and NSW Government as critical to Australia's future energy system and provide long-term benefits to electricity customers.



Contestable business

Lumea is the leading connector of renewables to the NEM, providing new transmission and connection infrastructure as well as energy services.

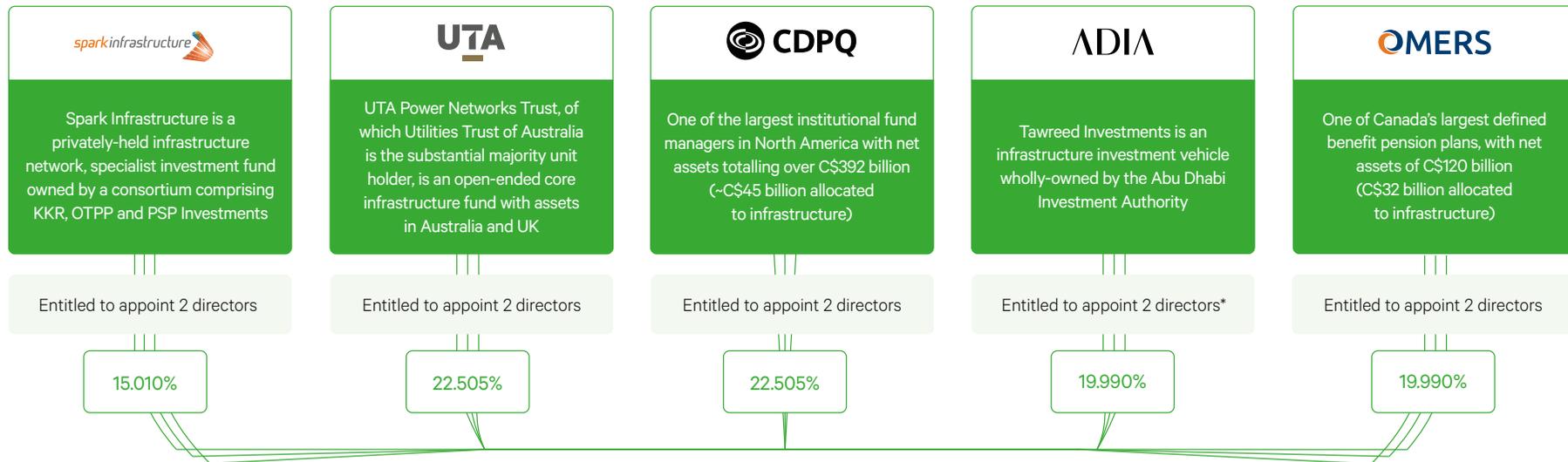
Lumea is also one of the leading telecommunications providers to wholesale, government and emergency services customers, with a focus on regional areas, data transmission and emergency boardcast services.



Our ownership

In 2015, the NSW Government granted NSW Electricity Networks, trading as Transgrid, a 99-year lease over the NSW transmission network. Our current security holders are leading global, financial and strategic investors with the following stakes in Transgrid:

Transgrid securityholders



Our external operating environment

Transgrid is operating in a rapidly changing energy environment driven by:

- **Substantial transmission investment** – Australia's governments, industry and regulatory bodies increasingly recognise and align on the importance of transmission in achieving decarbonisation objectives, continued network reliability and security. Substantial public and private transmission investment has been committed to efficiently enable the energy transition.
- **Global skills and supply challenges** – unprecedented pressure on supply chains and a broad shortage of skilled workers is driving innovative programming solutions.
- **Policy and regulatory reform** – A growing number of energy policy and regulatory reforms are progressing to keep pace with the energy transition and its associated challenges. Developments in the political landscape through greater cooperation between federal and state

governments has resulted in a more consolidated approach in the planning and delivery of the future energy system.

- **Social licence challenges** – The community largely accepts the necessity of the energy transition, the need for decarbonisation, as well as the opportunity for Australia to become a global energy superpower. Despite this, community concerns remain around the potential impacts of major transmission projects and affordability pressures for consumers.
- **Rapid technology landscape changes** – Technological and market developments have resulted in renewable technologies being the most cost-competitive option in meeting future energy system demand and system requirements. As renewable penetration in the grid grows, the need for energy storage and system services increases to maintain system security and reliability.

- **Evolving electricity supply and demand profiles** – Social and market developments such as accelerated coal closures, the electrification of transport and deployment of green hydrogen have led to an evolution of electricity supply and demand profiles. These rapid changes have exacerbated the urgency for substantial investment in transmission upgrades, supporting service mechanisms and new renewable technologies.

To understand the implications of these changes for our business and strategy, Transgrid uses scenario modelling to identify the strategic opportunities and risks associated with emerging trends. By assessing the new and shifting value pools in the energy sector, we can identify products and services that will capture long-term value for Transgrid and deliver safe, reliable and low-cost electricity to our consumers.

* ADIA has not exercised these appointment rights



Strategy

Transgrid’s corporate strategy was refreshed in 2022, guiding updates to our operating model and organisational structure. While our long-term vision and purpose remain the same, we have developed three new strategy pillars that define our core focus. We use four measurable strategic goals to enable organisational planning and guide the subsequent strategic change and business planning process. The sophistication and impact of our approach to managing Environmental, Social and Governance (ESG) enables success against each of the goals.



Values and behaviours

In 2022, we refreshed our corporate values – Through workshop sessions, we agreed to eight organisation-wide behaviours – our commitments – to help our people embody our values. During the year, we embedded our values and commitments across core people processes, including recruitment, reward and recognition, and our learning programs.

Transgrid values and commitments



Safety

- Check in regularly on each other’s safety and wellbeing with authenticity
- Lead safety for myself and others and provide support to make safe choices



Achievement

- Recognise and celebrate the success of our diverse individuals and teams
- Seek and encourage better ways of doing our work and share the learnings



Integrity

- Deliver on my promises and commitment
- Take ownership for my decisions and actions



Service

- Listen actively, respond with respect and assume positive intent
- Represent the customer and the community in what we do to add value



Our approach to sustainability

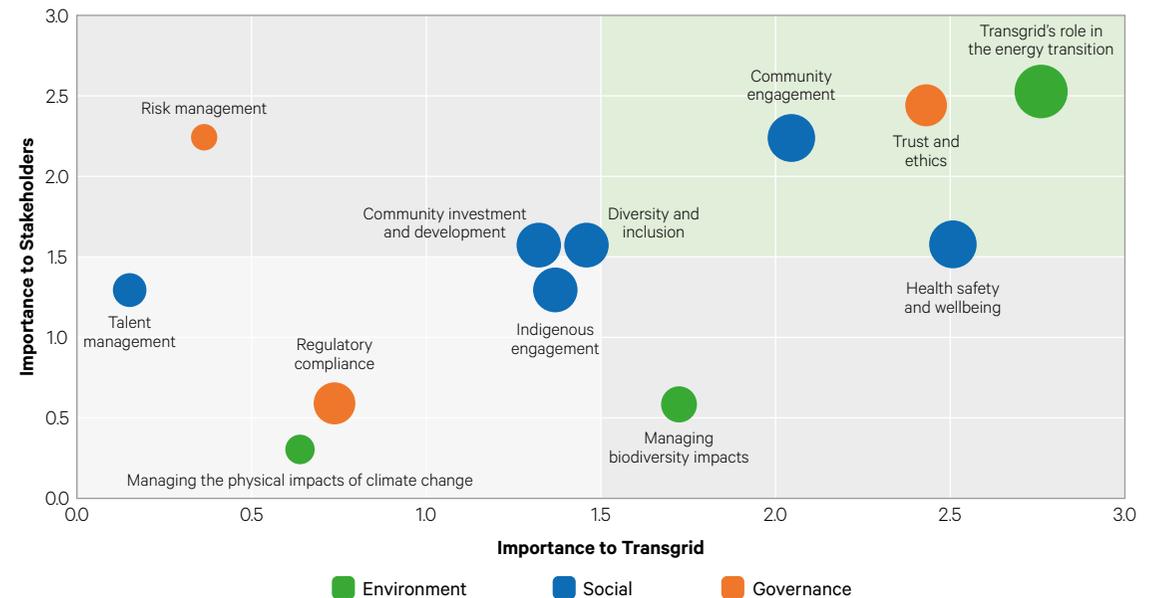
In recent years, Transgrid has taken significant steps to increase the sophistication and impact of our approach to managing Environmental, Social and Governance (ESG) issues to better support our Vision and Purpose.

Historically, our ESG activities have included health and safety initiatives, community investment programs, employee engagement activities and actions to comply with environmental regulations. However, these activities were not centrally coordinated, making it challenging to prioritise and act on the material risks and opportunities critical for our future viability.

As a first step to address this issue, Transgrid completed an independent materiality assessment to identify and prioritise our ESG issues. This impartial assessment was conducted under the auspices of an external consultant and adhered to the requirements of the Global Reporting Initiative (GRI) standards, the International Standards Reporting Framework and the Sustainability Accounting Standards Board standards. It involved:

- Conducting a desktop assessment of internal and external sources, including Transgrid’s Corporate Strategy and Strategic Risk Review, as well as external ESG reporting frameworks, media analysis and the ESG disclosures of selected peers.
- Engaging with internal and external stakeholders, including executives, senior leaders and employees, board members, regulators and Transgrid Advisory Council members, to understand the ESG topics they consider important for Transgrid.
- Testing and validating the results of this stakeholder engagement with the executive leadership team (ELT).

Materiality assessment report conclusion



The assessment concluded that our three ESG priorities are:

Transgrid’s role in the energy transition

Delivering the infrastructure needed to facilitate the transformation of the energy grid and advocating for the adoption of more renewable and alternative sources of energy.

Community engagement

Building trusted and supportive relationships with the communities where Transgrid operates, by listening and engaging in two-way dialogue.

Trust and ethics

Promoting ethical and responsible business practices, centred around building relationships based on trust, transparency and integrity in the way we conduct our business.

Following the assessment, the Transgrid Board approved sustainability goals aligned to the top three issues as the focus of Transgrid’s inaugural sustainability program.

An ESG Program, including key performance indicators, targets and improvement initiatives against the goals, was endorsed by the Transgrid Executive. The ESG Program focuses our efforts to uplift performance in our sustainability priority areas.

Work programs delivering against other ESG topics are also continuing across the business under their existing accountabilities.

Recognising the importance of some of these topics to specific stakeholder groups, the Additional Disclosures section provides information on activities and performance in some of these areas.

Sustainability goals

Be a leader in the energy transition

Sustainability priorities

- 1 **Invest in new infrastructure** and services to support the transition
- 2 **Advocate for the transition** to a clean energy future
- 3 **Reduce Transgrid’s environmental impact**

UN Sustainability Development Goals



Work closely with our customers and community

- 4 **Listen** to our customers and communities
- 5 **Strengthen** community partnerships program to support community initiatives



Be a trusted and ethical organisation

- 6 Operate with **integrity, act transparently**
- 7 Create a **diverse and inclusive** workplace



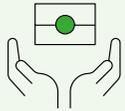


Numbaaydil — Coming together in one place

In 2022, Transgrid renewed its focus on people, places, culture and environment.

We do this through engagement and listening, actively seeking to understand our impacts and opportunities, gathering and assessing information and data and delivering recommendations to achieve positive and sustainable outcomes across the Transgrid group.

By being numbaaydil (the Wiradjuri word meaning ‘together in one place’) we seek to maximise our ESG impacts:



Yura Ngura Indigenous Advisory

The Yura Ngura (People and Places) Indigenous Advisory team is committed to driving reconciliation through inclusive and respectful engagement with Indigenous Australians across the communities in which we work. Connecting community leaders with our business leaders, the team advocates for a culturally safe and inclusive workplace that promotes sustainable development and community partnerships as a key element of our engagement.

The team supports, coordinates and provides advice to the business. Going beyond compliance and industry targets to strengthen internal awareness, understanding and consideration of Indigenous Australians across all areas of our business and delivery partners.



Sustainability

The Sustainability team helps the business to understand our impact on the world around us, monitoring trends, predicting emerging issues and remaining attuned to stakeholder expectations.

This team is responsible for developing, managing, integrating and communicating Transgrid’s sustainability strategy and program. Its focus is expanding understanding of how different sustainability factors affect the organisation and our stakeholders in a connected and compounding way – and guiding the business response. Working closely with the business, the team supports a program of activities to drive performance and deliver against targets.



Community Engagement

The Community Engagement team ensures best practice community engagement practices are implemented across all our project and maintenance activities.

The team is responsible for managing and responding to operational enquiries, easement development applications, consultation with key government stakeholders and councils. The team continually looks for ways to enhance the landowners lived experience of Transgrid assets and maintenance on their land.

Through this work the team seeks to include community in decision-making processes, build community trust, and ensure that our social licence to operate is strong.

Strengthening oversight

A Sustainability Working Group, with representation from across the business, supports ESG strategy development and implementation.

CEO, Brett Redman, has overall accountability for decision-making, with ESG-related issues and objectives also approved by our Board. In addition, Board sub-committees, including the Audit & Risk Committee, Health Safety & Environment Committee and Regulatory & Community Engagement Committee, help to oversee specific ESG-related issues.

To embed an ESG culture, Transgrid’s employee performance review process includes assessing certain values and behaviours, including ESG issues, such as safety, employee well-being, integrity, and transparency, and customer relations.

GRESB Infrastructure

Transgrid was awarded a 2022 (FY21) 4-star GRESB Infrastructure ESG benchmark rating with a score of 93/100, ranking third out of nine electricity transmission companies globally.



Our stakeholders

Transgrid maintains regular and meaningful engagement with our different stakeholder groups. Our approach centres on transparency, accessibility, inclusiveness and communication.



Employees

Our people come from a diverse range of backgrounds that reflect the communities we serve. We engage with them in a values-based culture where we put safety first, act with integrity and make a difference as we deliver for our customers and communities. Our employees know that the work we do improves the lives of millions – from lighting up schools, homes and streets, to powering local businesses and hospitals. Through constant dialogue in our ongoing communications, we cultivate a workplace that develops, empowers and values employees.



Indigenous groups

We recognise we have a significant role to play in reconciliation with Aboriginal and Torres Strait Islander peoples. Our transmission lines, substations and other assets exist on land that has belonged to First Nations peoples for millennia before European settlement. We are mindful that Aboriginal and Torres Strait Islander organisations and communities hold great knowledge of and have deep connections to these lands. We are working to improve our relationships with, show respect for and increase opportunities for Aboriginal and Torres Strait Islander peoples as colleagues, suppliers, stakeholders, community members and consumers of our services. This includes maintaining a culture that values diversity and equity, and encourages all Transgrid employees and contractors to be role models for reconciliation.

Transgrid's services comprise about 7.5 percent of the average residential electricity bill. The Transgrid Advisory Council (TAC) is our principal customer engagement forum, with representatives from a wide range of interested parties, including Energy Consumers Australia, Energy Users Association of Australia, Aboriginal Affairs NSW, NSW Farmers Association and the Ethnic Communities Council NSW. Through the TAC we engage with customer advocates who represent end-users to ensure customers' current and future needs inform all stages of our work – from operation, to design and delivery. We believe working collaboratively with customer advocates improves the end result, bringing a diverse range of views to the table, including views from customers with culturally and linguistically diverse and lower socio-economic backgrounds.



Communities and landowners

We have enduring relationships with the almost 13,000 landowners with our assets or easements on their property. Our priority is, that when we operate or maintain assets on a landowner's property, the work will have minimal impact on their lives and be of the highest safety and environmental standards. We recognise that the major projects identified by the Australian Energy Market Operator (AEMO) in its Integrated System Plan (ISP) will disproportionately impact regional landowners and communities. We are committed to improving our engagement practices, developing respectful relationships and working sensitively and compassionately with landowners and communities as we deliver these essential projects for the future energy system.



End-user consumers

Transgrid is responsible for the electricity accessed by more than three million households and businesses in NSW and the ACT – and we consider each one a customer. Our customers are diverse, living and working in regional, rural and metropolitan areas, and all rely on safe, reliable and affordable electricity. We plan and operate our network to meet this need for the present and future.



Directly connected customers

We connect directly a range of customers into our transmission network, typically large businesses with whom we have a direct-billing relationship. These organisations include large electricity generators such as solar, wind, pumped-hydro, gas and coal generators, large energy users such as smelters and mines, neighbouring transmission networks through our interconnectors, and distribution networks. We appoint individual customer managers to work with these customers, ensuring we understand their needs, meet their expectations and represent their priorities within our business. We work closely with our directly connected customers to deliver efficiencies through joint planning, aligning maintenance outages and undertaking hazard mitigation work.



Partners and collaborators

We continually establish new partnerships with industry associations, research institutions and commercial partners while deepening our long-standing relationships with our customers. Collaboration with our partners will play an even more important role in the coming years, as Transgrid navigates the transition to renewable energy along with the rest of the industry.

Suppliers

Our direct supply chain consists of more than 3,000 construction, network equipment, facilities management, advisory and corporate services companies headquartered in Australia and 17 other countries. We adopt a holistic approach to procurement, considering a range of aspects, including sustainability, performance, health and safety, and efficiencies when entering into supplier agreements. Mindful that our already large supplier 'pool' is likely to grow, to create a strong, resilient and responsive supplier base, we continue to rationalise, standardise and streamline our supply chain. Our priority is to find ethical companies that share our values, who are capable of supplying the right materials and services, in the right place, at the right time, in the right quantities.

Investors and financiers

Transgrid's equity investors represent some of the largest infrastructure funds in the world, most with their own ESG agendas and portfolio targets. Our debt providers include major local and global banks and bondholders, all of whom place a high and increasing weight on ESG considerations. We value the deep, collaborative relationships we have with our investors and financiers and enjoy an open dialogue with them across all aspects of our business.



Government

We engage proactively with ministerial and departmental offices at Commonwealth and state levels. We liaise with local members of parliament in areas where major projects are being developed to ensure community concerns are understood and addressed. We also make it a priority to respond to inquiries, complaints and requests for information in a timely manner.



Regulators

As a key participant in the NEM, and as the operator of critical infrastructure across NSW, ACT and Victoria, Transgrid is a highly-regulated business, compliance underpins our ability to operate, we engage extensively with regulatory bodies such as the Australian Energy Regulator (AER) and state-based economic and technical regulators wherever we operate. We also engage with the NEM bodies involved in setting rules and operating the market, including the Australian Energy Market Commission (AEMC) and AEMO. Our engagement includes meetings at all levels, workshop attendance and participation, making policy submissions and suggestions for rule changes, and responding to public consultation processes.

Continuing performance monitoring

To help monitor our engagement activities, so we can maintain quality and consistency, Transgrid organises annual, independent stakeholder surveys of direct customers, governments, regulators, consumer advocates, industry, large energy users, suppliers and landowners. This allows us to understand how we can improve on previous year's stakeholder engagement strategies.





Be a leader in the energy transition

PRIORITY 1: Invest in new infrastructure and services to support the transition

Transmission will be central to delivering the energy transition for consumers.



Future-proofing the grid

The electricity system is transitioning away from coal and towards renewables at an accelerating rate – even faster than had been previously planned for. The earlier than anticipated exit of coal, the growing pipeline of renewables

poised to come online and the number of consumers investing in behind the meter solutions suggest transition could happen even more rapidly than the latest Integrated System Plan forecasts expect.

Transmission will be central to delivering the energy transition for consumers. Priority transmission projects must be progressed as urgently as possible because the energy transition is accelerating. Transmission is needed to bring on new renewable generation and storage projects, to provide insurance for a reliable power system for a faster than forecasted change in generation.

We need to act quickly to:

- Strengthen the transmission backbone
- Support the connection of new generation and storage capacity, including Renewable Energy Zones (REZs)
- Deliver essential system security capabilities, assets and services.

Ensuring transition happens reliably

Transgrid remains focused on ensuring that energy supplies continue to be safe, secure and reliable for consumers throughout the energy transition. In FY22, we developed a System Security Roadmap to support the rapid transition we anticipate, ensuring system security capabilities, assets and services will be in place when they are needed.

By 2025, AEMO forecasts that the NEM could experience periods with up to 100% instantaneous renewable energy penetration at certain times. This will be rare at first but, by 2030, dispatch periods at 100% renewables are forecast to be quite common. Recognising we need to be ready for these conditions when they appear, Transgrid set a goal to 'lead the implementation of a transmission system capable of operating at 100% instantaneous renewable generation by 2025 to safely deliver reliable energy to consumers'.

The power system is becoming more distributed, dynamic and unpredictable, and increasingly complex to operate. Looking ahead, system operators will need better planning capabilities and tools to support decision making in real time. As part of the System Security Roadmap, Transgrid identified the new tools and capabilities needed to ensure our control rooms continue to be fit-for purpose to operate securely and reliably, and how they must evolve

to reflect the changing composition of the power system. We have commenced designing and delivering these tools.



Renewable energy connection services

In FY22, the Queanbeyan Battery energy storage system reached practical completion after being delivered on an accelerated schedule.



Transgrid pursues innovative technologies and services as non-network alternatives to conventional projects. We are always looking for new and better ways to deliver our services that are more efficient or provide more value to consumers."

Connecting NSW's largest wind farm

Rye Park Wind Farm, which is being developed by Tilt Renewables, will be the largest wind farm in NSW, producing enough energy to power approximately 215,000 homes per year. During the year, Lumea was appointed to build, own and operate the connection infrastructure required to connect the wind farm to the National Energy Market. Rye Park was one of the first wind farms to reach financial close in 2021, and is expected to reach commercial operations in 2024, just as many coal-fired stations are scheduled to close.



Decoupling system security from coal

The power system currently relies on a certain number of coal or gas generation units being online at all times to keep the system operating securely. But now these units, which provide critical system security services, are starting to retire and operate less frequently. By 2024-25, AEMO forecasts there may be periods when the minimum coal units required for system security in NSW will not be available.

In FY22, we therefore accelerated our efforts to develop system strength from other sources, planning how we will decouple system security from thermal generation – building resilience by ensuring system security services are always available, even when thermal units are offline.

Trialling grid-scale batteries

We are using the Wallgrove battery to provide synthetic inertia services, while renting the rest of the battery to a market participant to trade it in the wholesale energy and ancillary services markets.

By ‘value stacking’ co-optimised services, we will drive efficiencies and reduce costs for consumers. In late 2022, we expect to commission ‘Virtual Machine Mode’ on the battery, when we will start testing and verifying its capabilities to provide system

security services. If successful, we hope to demonstrate that batteries may be able to provide these services at a lower cost than other technology options.

During the year, we also identified opportunities to use grid-scale Battery Energy Storage Systems (BESS) to reduce or defer the need for new poles and wires. BESS deliver services more quickly than conventional transmission infrastructure can be deployed, avoiding the risk of supply outages in the short term.

Smoothing the transition to renewables

As more renewable energy enters the grid, the power system faces new challenges, including increased capacity. During the year, Lumea collaborated with Octopus Investments and the AEMO to develop a unique solution to safely increase the capacity for power flow on the transmission line that forms the backbone of the power system in South West NSW.

The Darlington Point to Wagga Wagga line, has been under increasing capacity pressure as a result of new generation projects. Now, the solution, which uses smart relays and circuit breakers, allows more energy to flow safely through the system. This important change removes the limit on output of local power generators, while protecting the region from widespread disruption due to a potential outage.



Facilitating the penetration of EVs

This year, in a joint venture with Zenobe Energy, Lumea continued to facilitate the penetration of electric vehicles (EVs) by collaborating with

Transit Systems and the NSW Government to transform their Leichhardt bus depot into a next-generation electric bus depot. Launched in October 2021, the \$40 million project, integrates electric buses, chargers, solar generation and batteries with the electricity grid. So far, 40 electric buses have been delivered – the largest single fleet of electric buses in Australia – with an additional 15 electric buses planned for delivery later this year.

Boosting digital connectivity

The telecommunications team at Lumea delivered a high-speed fibre network in the Parkes Shire as part of NSW’s first Special Activation Precinct. Businesses along the path will benefit from full-fibre drop-off flexibility, and connectivity of up to 10Gbps or higher, with options to connect onto the Lumea Data Centre Interconnect ecosystem for edge computing and cloud connectivity. Digital connectivity for Parkes will help accelerate economic growth in the region, which includes key industries of agriculture and mining, as well as a strong transport and logistics industry.





PRIORITY 2: Advocate for the transition to a clean energy future



Creating a vision for Australia's energy transition

In October 2021, Transgrid released our Energy Vision – a vital piece of work guiding our own long-term planning and supporting other energy system stakeholders in formulating policies, reforms and investments that enable the rapid and orderly decarbonisation of our energy system.

Developed in collaboration in independent experts, CSIRO, ClimateWorks Australia and The Brattle Group, our Energy Vision models the implications of six possible futures for Australia's energy system over the coming 30 years to 2050.

The scenarios range from a future based on current trends, to a backwards-looking sharp slump in Australia's economic growth, to more optimistic scenarios where Australia hits the Paris Agreement's aspirational 1.5°C decarbonisation target and becomes a global, clean energy superpower.

Our analysis indicates that Australia's energy system is critical to enabling a decarbonised economy and key to seizing the opportunity to grow our economy and jobs in a clean energy future. The transition towards a clean energy future can create immense opportunity for Australia – if we set ourselves on the optimal course.

Our evidence-based vision is for Australia to become a global clean energy leader, benefitting communities, the economy and the environment. Modelling shows that, with the right policies – and if all energy system stakeholders work together, towards a mutually agreed goal – this future is highly achievable. But the pace of change needs to rapidly accelerate.



Working with policy makers, regulators and consumer advocates

Transgrid influences the development of energy policy and regulatory changes through a coordinated advocacy program to ensure customers see the benefits of the energy transition. This program includes continually engaging with regulators and policy makers, and lodging public submissions.

This year, we progressed the regulatory processes for projects in the AEMO 2022 ISP, which sets out an actionable whole-of-system plan for eastern Australia's power system.

We continued to advocate for better customer outcomes through policy and regulatory platforms. At a national level, we are continuing to engage with the AEMC and AER on reform to enable the transmission investment required for a net zero emissions economy. The AEMC took into account our views in its draft recommendations on stage 2 of its Transmission Planning and Investment Review report. At a state level we are continuing to engage with the NSW Government on reforms to deliver its Electricity Infrastructure Investment Roadmap. We are also engaging in broader market reform such as the Energy Security Board's transmission access reform work and its work to design a capacity market for the National Electricity Market. Our aim is to assist policy makers deliver on reforms which enable a low emissions and reliable electricity supply at a lower cost to consumers.

The revenue that we recover from customers via our prices, is regulated by the AER National Electricity Rules (NER). Every five years, the AER undertakes a Revenue Determination to assess the revenue that we can recover from customers over the next five year period. This involves us submitting a Revenue Proposal to the AER.

On 31 January 2022, we submitted our initial Revenue Proposal for the period 1 July 2023 to 30 June 2028 to the AER. This explains how will continue to deliver on our customers top five priorities over the 2023–28 period, being:

- Affordability
- Safety, security and reliability
- Serving rapid localised demand growth
- Supporting the energy transition
- Supporting technology and innovation.

As a transmission business, Transgrid does not have direct relationships with most end-user customers, so our engagement with customer advocates is essential to considering the voice and experience of the customer at the strategic level of our business. This engagement is primarily through the TAC comprising representatives of consumer, community and industry groups.

Over the past year, a program of regular TAC meetings, Deep Dives and Working Groups have provided a key forum for our CEO and Executive General Managers to hear directly from customer advocates and exchange views. Transgrid Directors and/or Shareholders have attended all but one of the nine regular TAC meetings held over the past year, which has increased Board members' exposure to customer voices.

However, we acknowledge and appreciate feedback from customer advocates that there have been shortfalls in our engagement on major projects and the Revenue Reset. We anticipate with the positive steps we have put in place for Phase 2 of the Revenue Reset and future engagement on major projects, we will improve.



Broader industry advocacy

To support industry capacity building and influence system change, Transgrid engages and collaborates with a broad range of stakeholders, often supporting each other's positions and advocacy programs. We are a member of key industry associations (see Appendix B), including: Energy Networks Australia, the national industry body representing Australia's electricity transmission and distribution and gas distribution networks; and the Clean Energy Council, the peak body for the clean energy industry in Australia.



Targets

Priority	Targets
Advocate for the transition to a clean energy future	Sponsor three industry forums annually
	Present at 10 industry forums per year
	Publish one or more thought leadership papers in FY22 and four per year by FY25



PRIORITY 3: Reduce Transgrid's environmental impact

Protecting the environment is important for business success and a key consideration in everything we do.

Implementing our Environmental Management System

Transgrid's ISO 14001 certified environmental management system, provides a structured approach to environmental management, including procedures, training, records, inspections, objectives and policies. This year, environmental management included:

- Progressing policy, program and procedure planning and implementation
- Monitoring performance and correcting problems
- Periodically reviewing the entire system in a repeating cycle of: plan, do, check and act.

Assessing the environmental impact of our projects

We consider the environment at the beginning of and throughout every construction or maintenance project. Site and route selection is guided by environmental, property, community, economic, technical and regulatory considerations. To identify environmental and social values, we engage with multiple stakeholders leading up to and during the environmental impact assessment stage of each major project. For example, this year, as part of the Environmental Impact Statement (EIS) exhibition phase for EnergyConnect NSW-Eastern Section, team members delivered a series of information sessions to local communities along the route. Once all environmental risks are identified, we embed any avoidance, mitigation and management measures into project design, construction, operation and maintenance.



Addressing greenhouse gas emissions

Transgrid reports on Scope 1 and 2 greenhouse gas (GHG) emissions as required under the *National Greenhouse Energy Reporting Act 2007* (Cth). This year, for the first time, we also quantified the Scope 3 GHG emissions occurring indirectly in our value chain, which Transgrid is also responsible for. We also undertook a comprehensive forecasting exercise of emissions out to 2050 as a basis for considering credible emissions targets.

As transmission line losses are the largest component of our emissions footprint, our primary reduction driver is the speed at which the energy system transitions to one based on renewable energy. We are hastening this process by building interconnectors and supporting development of renewable energy zones, – and, through Lumea, physically connecting renewable generators to the network.

The main sources of our Scope 1 emissions are Sulphur Hexafluoride (SF6) gas leakage and diesel emissions from transport. SF6 is an electrical insulator with a high Global Warming Potential used by circuit breakers, instrument transformers and gas insulated switchgear. We are continuing to explore SF6 alternatives and transitioning our assets to low carbon alternatives. We also completed a process review to improve the accuracy of the recording our SF6 gas usage across the business. Detailed GHG data is included in the performance data section.



Electrifying our fleet

We are transitioning our pool passenger vehicle fleet over to full electric and hybrid vehicles. To date, we have seven full electric vehicles and 11 hybrid vehicles out of the 29 vehicles in our pool passenger fleet. Each depot has 50kw rapid charging to allow our people to attend meeting and site visits in our electric vehicles. The transition is lowering operating costs and when complete, will reduce emissions by more than 80%. Work is also underway on transitioning the light commercial fleet, looking to overcome transition pain points early before the market releases light commercial electric vehicles on a large scale.

Conserving and enhancing biodiversity

Biodiversity plays an essential role in supporting healthy ecosystems and is critical to preserving our natural environment for future generations. During the year, we assessed the impact of our major augmentation projects on biodiversity and worked with regulators to identify appropriate biodiversity offsets, including identifying and securing properties to establish long-term biodiversity values.

We use a robust risk assessment process to protect the natural habitat of the many endangered species living near our assets, including consulting with stakeholders, such as the National Parks and Wildlife Service and landowners, to help gauge biodiversity risks. We incorporate this knowledge in due diligence assessments and update our risk assessment annually based on government changes to threatened species listings.

Before starting works that involve ground disturbance or vegetation removal, we use a geospatial information system to identify any potential biodiversity impacts. Where potential impacts are identified, environmental professionals specify any restrictions or mandatory controls required to authorise the works. Our approach is to comply with legislative requirements and balance the need to both manage biodiversity impact risks and also mitigate bush fire risks in a practical and efficient manner. Staff and delivery partners must adhere to our schedule of approved pesticides, which we review periodically to ensure we continue to address stakeholder expectations regarding the use of pesticides in the environment.

In FY22, our conservation initiatives included:

- **Planting trees** – During the Powering Sydney's Future project, we only had to remove four trees. We planted 30 more in their place and gave away 200 native tube stock plants at community workshops. After removing 52 trees at Tamworth substation to allow for augmentation works, our delivery partner planted 78 trees – a net gain of 17 trees at the site.
- **Protecting threatened species** – When one of our Nowra transmission line easements became overrun with the threatened species *Triplarina nowraensis* (Nowra Heath Myrtle), we found a way to maintain clearances and keep the species recovery on track (see case study below).



- **Identifying biodiversity restoration sites** – This year, a detailed assessment of our non-operational land portfolio identified two sites for biodiversity restoration. Ecological surveys are being undertaken to determine the current state of biodiversity values and recommendations for improvement.
- **Establishing a Biodiversity Stewardship Agreement** – This was achieved as part of our EnergyConnect obligations under the NSW Biodiversity Offsets Scheme.
- **Monitoring endangered species** – As part of the NSW Government Saving our Species (SoS) program, we continued to survey the critically endangered plant species, *Grevillea caleyi* (Caley's grevillea), on non-operational land around our Sydney East Substation at Belrose. We also continued to work closely with the Biodiversity & Conservation Division to see how we can assist in other SoS programs around the state.

In the coming year, we will continue to build stronger relationships with key ecological and heritage regulators and stakeholders to improve how we manage these important issues.

Sustainability rating agreement for Project EnergyConnect

Project EnergyConnect involves building a 900-kilometre transmission line to connect NSW, South Australia and Victoria. Transgrid's construction delivery partner, SecureEnergy, has set sustainability targets for the project under a rating agreement with the Infrastructure Sustainability Council. The rating agreement means the project will be independently evaluated for sustainability across its planning, design, construction and operational phases.

Construction, which began in August 2022, is using best-practice initiatives to meet the targets including:

- Reducing the project's carbon footprint by 20% through optimised tower design
- Working with the supply chain to minimise unnecessary packaging and maximise recyclability and reusability of packaging
- Diverting a minimum of 50% of construction waste from landfill
- Conserving and beneficially reusing 80% of spoil
- Maximising opportunities to use renewable sources of energy for construction
- Integrating sustainability when procuring products and services, with an emphasis on environmental attributes as well as other social and ethical criteria as appropriate
- Using recycled grey water from camps and using polymer additives for dust suppression to reduce potable water use
- Designing and locating transmission line structures to avoid sensitive biodiversity and culturally sensitive sites and reduce requirement for vegetation clearing.

Reducing waste to landfill

Operational waste at Transgrid predominantly arises from construction and maintenance activities, adding considerably to our overall environmental footprint. Our controls to minimise this impact are based on the waste hierarchy principles.

This year, Transgrid commenced several collaborations to increase the amount of waste being diverted from landfill including:

- Reuse of redundant timber poles to create architectural products.
- Reuse of crushed porcelain insulators for road base or other composite materials.
- Recycling of aluminium from transmission line conductors.
- Working with Australian-based textile recycling company, Upparel, to recycle our old, branded uniforms.

Improving hazardous substances practices

In FY22, we began a risk review of how we use hazardous substances in our construction and maintenance activities. The bulk of the substances being reviewed are pesticides and herbicides used in our vegetation management activities. Once this review is complete, we intend to reduce the overall environmental impact of the use of hazardous substances.

Protecting the Nowra Heath Myrtle

Our environmental risk assessment for vegetation maintenance works on Transmission Line 3W, identified the Nowra Heath Myrtle as being present on site. The plant is registered as endangered by both the Commonwealth and NSW governments and has only five known populations in the Shoalhaven region. After consultation with the NSW Government Senior Threatened Species Officer, we put controls in place to limit the risk of harm to the Nowra Heath Myrtle while still maintaining safe clearances around the transmission line.



Targets

Priority	Targets
Maximise our positive environmental impact through improving internal operations	Set Scope 1, 2 and 3 GHG emissions reduction targets in FY22.
	Reduce total energy consumed by Transgrid office and depots by 15% by 2028.
	Identify further habitat to be enhanced or restored by 2025.
	Obtain a Infrastructure Sustainability Design and As-Built Rating of Excellent for Project EnergyConnect.



Work closely with our customers and community

PRIORITY 4: Listen to our customers and communities

With assets across urban, regional and rural areas of NSW, ACT and Victoria, landowner and community engagement and communication is essential to build and maintain our social licence.

Improving our ways of working with landowners and communities

The transition to a lower carbon future requires expanding our existing transmission network to ensure more renewable generation can connect to the system. We are committed to developing better ways of working with the landowners and communities affected by these projects to build trust, minimise the impacts of new infrastructure, while maximising shared community benefits.

In 2021, we established the Office of the Landowner and Community Advocate to represent the needs of landowners and communities affected by transmission projects, appointing former NSW Fair Trading Commissioner, Rod Stowe, as Advocate, reporting to our CEO and board. This year, we accepted all 20 recommendations of Mr Stowe's initial report, into our HumeLink project which found our historical engagement process did not meet best practice.

We are now re-setting our processes as recommended, on HumeLink and for our future projects. This includes establishing independent Community Consultative Groups to provide local communities and landowners with a structured, ongoing forum to provide input about HumeLink. We have also implemented a Landowner Assistance Program to provide confidential, independent support and counselling services to landowners affected by Transgrid's work – across all projects and maintenance activities.

This year, we participated in the #BetterTogether Landholder and Community Engagement initiative. We worked with a number of signatory partners and representatives from state and national landowner and farming groups to develop the Better Practice Landholder and Community Guide, which was launched with the National Farmers Federation. The Guide helps transmission businesses and landowners navigate the processes of working together as we plan and deliver new assets.

Improving our communication and complaints management

This year, an audit of our complaints management system found that more than 90% of complaints were resolved within 14 days. We are committed to continue improving the way we manage complaints and the overall customer/community service experience. To this end, we work collaboratively with the Australian Energy Infrastructure Commissioner and the NSW Energy and Water Ombudsman to resolve any Transgrid-related complaints received by their offices. Our procedure for handling complaints and enquiries is being reviewed as part of a wider community engagement transformation plan, including reviewing response and close-out times. We have also recruited a specialist whose responsibilities include primary group administration for enquiries and complaints, including managing standards, procedures and case management tools, allocating cases, overseeing case resolution and reporting.

Independent research to examine undergrounding feasibility

In response to landowner requests to build HumeLink underground, Transgrid worked with representatives from the Community Consultative Groups to form a joint steering committee, with an independent technical advisor. The steering committee commissioned an Underground Feasibility Study to be carried out by GHD/Stantec under the direction of the steering committee. Following review by the steering committee members the final report will be published, and Transgrid's decision released.

Designing in response to community consultation

An integral part of identifying and refining an alignment for a new transmission line is to consult with communities and landowners to understand land use constraints and social impacts. Throughout the project development process, Transgrid seeks to make decisions that balance environmental, social and technical constraints with capital costs (that are passed on to NSW energy consumers). This continual balancing can periodically result in major realignments (when previously unknown issues arise), and often result in micro-siting negotiations with affected landowners (such as following existing tracks and fence lines).

As a result of ongoing community consultation, several changes were made to the HumeLink project corridor, including removing some of the proposed transmission lines. These changes reduce the project's footprint, minimising the expected environmental and social impacts.



PRIORITY 5: Strengthen Community Partnerships Program to support community initiatives

Bolstering local communities and not-for-profit group initiatives have a measurable impact on the wellbeing and development of communities and individuals.



Investing to support our communities

Our Community Partnerships Program benefits communities in areas where our assets are under development. Through the program, we provide not-for-profit groups with funding to help deliver initiatives that will have a tangible and lasting impact on local communities. Priority areas include: mental health, women, people with disabilities, education, environmental sustainability and safety.

This year, program recipients included:

Bonshaw Public School – The small Bonshaw Public School near the NSW/Queensland border has a new playground for its students, after receiving a Community Partnership Program grant as part of Transgrid's QNI project. According to Principal, Hilary Dance-Wilson, the playground is a very welcome addition to the school after a tough few years.

Do It for Batlow – As part of our HumeLink project, Transgrid provided a community grant to the local community group, Do It For Batlow, to deliver an initiative to increase solar lighting and festivity lighting in the town of Batlow. Batlow was heavily impacted by the 2019/20 bushfires, and this initiative aims to provide social benefit to the community while increasing the attraction of tourists.

Murrumbidgee Men's Group – As part of our EnergyConnect project, Transgrid has provided the Murrumbidgee Men's Group with a community grant to help fund local initiatives in men's mental health support. The group provides support and mateship to help men through their toughest struggles.

ErinEarth and Carevan – As part of our Project EnergyConnect we partnered with ErinEarth and Carevan to enable ErinEarth's native garden and The Carevan Foundation to provide vegetables and hot meals for disadvantaged local communities. ErinEarth is a small not-for-profit focusing on environmental education and helping people to live more sustainably at home. The Wagga Wagga based organisation used the financial grant to establish a small vegetable garden on site, with the vegetables being used as ingredients for meals prepared and delivered by Carevan.

Tumut Art Society – As part of our HumeLink project, Transgrid has provided the Tumut Art Society with a community grant to help deliver a series of weekend visual art workshops for the communities in the Snowy Valley regions. The Tumut Art Society aims to utilise these workshops to encourage participation in the creative arts and promote diverse arts and culture to the local communities.

Canterbury Community Garden – As part of Powering Sydney's Future, this piece of land at Canterbury Boys High School will soon be a community garden. We're proud to support a project that will bring the community together and promote sustainability.

Defence Shed Wagga Wagga – As part of EnergyConnect, Transgrid provided a community grant to fund the purchase of new tools for the Defence Shed Wagga Wagga. The Shed supports veterans and first responders, creating a place where they can continue serving the community.

Hilda Sid Farm – As part of EnergyConnect, Transgrid provided a community grant to support Hilda Sid farm, which works with people with disabilities in sensory and community gardens. The farm, which is quite a distance from Wagga, used the grant to purchase a potentially lifesaving defibrillator to help provide peace of mind.



Supporting native regeneration in Wagga Wagga

Rotary Club of South Wagga Wagga is using its Community Partnership grant to purchase equipment to support their work regenerating native flora on Rocky Hill, a reserve close to central Wagga Wagga. Volunteers visit the site weekly to remove invasive weeds and grasses and plant native seedlings to help regeneration. The site is home to kangaroos and a variety of birds, including cockatoos and kites.



Creating local economic opportunities

Transmission projects create major economic benefits for local communities and the broader state. For example, this year, Project EnergyConnect saw 826 businesses registered on the NSW Government’s Business Connect and Industry Capability Network, generate 1,658 Expressions of Interest (EOI) responses for work packages. Of the 826 companies, 454 are NSW-based, 83 are located in the Local Government Areas in the project footprint, and 56 are Indigenous-owned. Our delivery partner, SecureEnergy, has also released two new EOIs specifically targeted at manufacturing opportunities for local businesses.



Transgrid partners with Charles Sturt University

This year, Transgrid signed a Memorandum of Understanding (MoU) with Charles Sturt University to bring opportunities for students and research as well as helping to create jobs and a substantial economic boost for the Riverina. As part of the MoU, Transgrid and Charles Sturt will develop training, education and employment pipelines for Charles Sturt students and First Nations people to support EnergyConnect and HumeLink, which are centred on Wagga Wagga.

Projects stemming from the MoU are likely to include:

- Scholarships, cadetships, training and graduate employment opportunities for students, including First Nations students
- Co-created educational programs, including in electrical engineering, virtual reality and drone training
- Collaborative research projects and programs
- Joint industry and research activities, such as courses, conferences, seminars, symposia or lectures.

Community Achievement Award

The Community Achievement Awards encourage, acknowledge and reward the valuable contributions that individuals, communities and businesses make throughout regional and rural NSW and the ACT. Transgrid sponsors the Leadership Award, which this year was won by Tara McClelland, the 2021 ACT Young Australian of the Year. The award recognises Tara’s bold advocacy to the Prime Minister and other government ministers, ensuring that young people’s voices are heard on issues like mental health, housing and climate justice.



Driving Aboriginal and Torres Strait Islander community reconciliation



Reconciliation Action Plan

Transgrid is committed to driving reconciliation with Aboriginal and Torres Strait Islander communities as we expand our network to enable the transition to a decarbonised energy system. Our vision is for the communities we work in to grow and achieve sustainable economic prosperity.

Transgrid’s reconciliation journey and commitments are embedded in its Reconciliation Action Plan (RAP). At the end of 2021, Transgrid was invited by Reconciliation Australia to move on to a Stretch RAP, reflecting a strong approach to advancing reconciliation internally and within the Transgrid’s sphere of influence.

Our Stretch RAP is currently being drafted for endorsement by Reconciliation Australia.



It includes a large range of proactive actions in five core areas of focus:

1. Continuing to develop respectful and meaningful relationships with Aboriginal and Torres Strait Islander communities across our transmission network.
2. Deepening cultural awareness and respect within our employees and leaders.
3. Delivering measurable and sustainable economic benefits to Aboriginal and Torres Strait Islander businesses and communities that we work with.
4. Improving employment opportunities, retention and professional development of Aboriginal and Torres Strait Islander peoples within Transgrid.
5. Leading and championing reconciliation within the Energy Industry, by facilitating professional networking development opportunities and leading the conversation on reconciliation.

The purpose of this next RAP is to consolidate on the success of the past three years, stretch the business further and unite and inspire our staff and communities to be part of the reconciliation journey.

Cultural awareness training for employees

To help us maintain long-standing relationships with Aboriginal and Torres Strait Islander communities, Transgrid has begun to provide cultural awareness training to our staff. More than 28% of employees participated in our first year of this program, with 175 senior and customer-facing employees undertaking face-to-face cultural awareness training with the Aboriginal-owned Mirri Mirri organisation. A further 225 completed the Corporate Culcha e-learning module, which now forms part of our induction process. We are currently developing a further education module for our staff and contractors working across major projects out on country. This module will ensure that people in the field act with respect, understanding and value for Aboriginal and Torres Strait Islander Peoples and Country.

Maximising Aboriginal and Torres Strait Islander participation and procurement on EnergyConnect

This year, Transgrid formed a Strategic Working Group to help our EnergyConnect delivery partner, SecureEnergy, achieve its First Nations participation targets. As well as Transgrid and SecureEnergy, the Working Group includes representatives from the National Indigenous Australians Agency, Department of Skills, Jobs and Employment, NSW Aboriginal Affairs, Workforce Australia and NSW State Training Services. The Working Group, which meets every three weeks to monitor and support progress, has identified a number of actions and engagement opportunities, including in civil construction and earth works, truck driving, administration, rigging and hospitality to support the project camps. This approach is now being expanded across other Transgrid projects.

Transgrid Indigenous Achievement Award

In May 2022, Kamilaroi man Corey Tutt OAM, won the Transgrid Indigenous Achievement Award at the 2022 7NEWS Young Achiever Awards NSW & ACT. He was recognised for his work supporting remote schools and creating books like First Scientists and the DeadlyScience series with cultural experiences that help young people understand Australia's Indigenous history with science.



Targets

Priority	Targets
Listen to our customers and communities	Host 2+ community engagement forums for each project with state significant infrastructure status
	100% compliance with complaints management policy timelines
Strengthen community partnerships program to support community initiatives	Donate 0.1% of major project expenditure to community-based initiatives
	\$75,000 Indigenous and 'other' community giving for areas outside of major projects
	Implement Innovate RAP initiatives and gain invite to develop Stretch RAP
	Spend 2.5% of major projects expenditure on Indigenous owned business suppliers



Be a trusted and ethical organisation

PRIORITY 6: Operate with integrity. Act transparently.



Adhering to a robust corporate governance framework

Transgrid's experienced board of directors and executive team establish our corporate governance framework and provide ongoing leadership, direction and advice. This includes providing effective guidance and direction, independence in decision making, and executive development and succession planning. Visit the 'Leadership' section of our website (<https://www.transgrid.com.au/about-us/leadership>) to see full details of all directors.

Our board operates four committees:

- **Health and Safety Committee** – Advises the board on Health, Safety and Environment (HSE) matters, including risks and impacts arising from our activities. The committee considers specific HSE matters at the board's request or where the committee feels that additional attention will benefit HSE governance. The committee reports its findings to the board.
- **Audit and Risk Committee** – Helps the board fulfil its statutory and oversight responsibilities relating to: risk management processes and determination of risk appetite; financial reporting processes and audit; systems of internal control; and processes for monitoring regulatory compliance and the Code of Conduct.
- **Remuneration Committee** – Supports the board in fulfilling its obligations relating to people matters and non-enterprise agreement remuneration.
- **Regulatory Committee** – Oversees our activities in relation to regulatory changes arising from the National Electricity Law, National Electricity Rules and Regulations or other economic regulation. The committee also assists the board in reviewing and verifying Transgrid's revenue proposals to the AER, and guiding engagement with the regulator and other stakeholders.

Risk Management Framework

Transgrid uses a risk management process aligned to ISO 31000:2018, the globally accepted standard for identifying and managing risks. Our Enterprise Risk Management (ERM) framework provides an integrated and structured approach to managing risks within the risk appetite established by the board. This ERM framework enables a consistent, efficient and effective approach to risk management at all levels of the organisation. We also use the 'Three Lines Model' to ensure clearly defined responsibilities around risk ownership, assurance and independent audit.

Maintaining high levels of ethical behaviour and conduct

At Transgrid, a condition of employment is to uphold our Business Ethics Guide and Code of Ethics and Conduct, which outlines the principles, standards and values that guide our decisions and behaviours. We also expect our contractors, suppliers and business partners to adhere to these standards when working with Transgrid. The Code takes precedence over any other Transgrid policy or procedure. Breaches may lead to disciplinary action, including dismissal, and civil or criminal proceedings. Our compliance framework encourages the open reporting of concerns about conduct and potential non-compliance via an anonymous, third-party operated whistle-blower service. In line with our values, we treat anyone who reports issues, or who is the subject of a report, with respect and dignity.

Supply chain management

Our suppliers play an essential role in helping us to deliver Australia's clean energy future. We invest in building sustainable working relationships with all our business partners, focusing on:

- Entering into agreements that deliver value for all parties
- Adhering to policies and processes that support effective operations
- Continually improving the user experience throughout the supply chain.

New suppliers undergo a pre-qualification process to identify potential commercial, reputational, environmental and modern slavery risks. Existing suppliers also undergo periodic risk assessment and must demonstrate compliance to human rights and fair employment practices in accordance with international standards.



Guarding against modern slavery

Transgrid acknowledges our fundamental responsibilities to respect human rights and address modern slavery risks in our supply chain. We support the Commonwealth Modern Slavery Act 2018 and are committed to continually improving the way we identify, address and guard against modern slavery risk. We are in the early stages of embedding modern slavery mitigation mechanisms into our operations.

Part of the challenge is that our efforts to identify Modern Slavery risks have occurred during a significant period of disturbance. War in the Ukraine represents a risk of increased human trafficking globally. Lockdowns in China have impacted shipping delays and shifts in production and increased labour risks. We are working to improve transparency and traceability across our supply chain to capture these risks as these issues are expected to worsen.

Alleviating modern slavery depends not only on supply chain transparency and increased due diligence, but also on designing circularity into our business model. Embracing a circular economy is an opportunity to design out waste and pollution, keep materials in use and regenerate natural systems. If done correctly, it can combat forced labour by professionalising a mostly informal workforce.

Our three-year Modern Slavery Roadmap sets out a long-term program of works to address modern slavery. Highlights from the past 12 months include:

- Launching our Modern Slavery Working group with cross business heads discussing risks and opportunities quarterly
- Training the Supply Chain team on Modern Slavery Risks
- Investigating systems to capture Tier 1 Modern Slavery risks on our risk management platform
- Continuing sector collaboration with Energy Procurement Suppliers Association
- Conducting a deep dive into Modern Slavery High Risk Categories: Cleaning/PPE/Laptops
- Updating Modern Slavery standard purchasing conditions
- Updating standard contract terms and conditions to include Modern Slavery clauses
- Updating procurement documentation to include a Modern Slavery Policy.

Strengthening cyber security

As a critical infrastructure provider, Transgrid needs to comply with the enhanced regulatory framework proposed by the Critical Infrastructure Bill (2020), which builds on the Australian Energy Sector Cyber Security Framework. We must also adhere to the NSW Transmission Operators license requirements as well as frameworks used by regulatory bodies, such as the Energy Sector Cybersecurity Capability Maturity Model. Our Enterprise Security Team is responsible for ensuring the resilience of Transgrid’s assets against cybersecurity, using our Information Security Management System aligned to ISO 27001.

The team’s mandate includes:

- **Security risk management** – Identifying, managing and reporting on cyber security risks, including facilitating information security risk
- **Security compliance** – Providing assurance that Transgrid adheres to our regulatory requirements and frameworks noted above
- **Security consulting** – Providing security expertise to the business and projects
- **Security awareness and training** – Uplifting security knowledge across Transgrid
- **Policies and standards** – Developing and managing security policies and standards
- **Security assurance** – Managing assurance activities to ensure third parties fulfil their security obligations
- **Security assessment** – Managing or delivering security control assessment services, including technical security assessments and penetration testing.

We also use protective security to cover the physical environment and Operational Technology requirements of protecting the electricity grid. This is assured and overseen by the Enterprise Security Group.



Targets

Priority	Targets
Operate with integrity. Act transparently.	Zero tolerance for major breaches
	Maintain 90% or greater of employees compliance training complete
	100% of compliance reporting is on time and accurate
	Maintain a dedicated and robust ESG webpage that includes information on ESG performance
	Report annually on ESG performance in alignment with one market recognised framework in 2012 and at least two others by 2025
	Maintain a result in the 70 percentile in the trust and reputation sections of our stakeholder reputation survey
	Maintain a Net Advocacy position of +10 (BAU target)



PRIORITY 7: Create a diverse and inclusive workplace



At Transgrid, we have a diverse workforce of more than 1,000 full-time equivalent employees, all based within Australia. Their skillsets range from engineers and power workers to professionals.

Diversity and Inclusion

In 2022, Transgrid continued to support Diversity and Inclusion from the top, with our CEO taking on the role of Chairing our employee-led Diversity Council. The Council supported the refresh of our overall D&I strategy under three pillars:

1. Attract diverse talent

Female employees: In 2022, 50% of our apprentices and 35% of graduates were women. Women make up 26% of the Transgrid workforce, 28% of leadership positions and 15% of trades and operations. To continue our journey to gender equity, our gender strategy during the year included:

- Continuing our coaching program for women
- Running our first pre-apprenticeship program for women in partnership with Belmont TAFE in the Hunter Valley
- Continuing our electrical engineering scholarships for women
- Improving access to 10 days of paid domestic violence leave.

First Nations employees: Transgrid has 2% of employees who self-identify as Aboriginal and Torres Strait Islander. Initiatives to include more First Nations employees in our workforce and talent pipeline, included:

- Offering electrical engineering scholarships for Aboriginal and Torres Strait Islander students through partnerships with UTS
- Continuing to place students through our partnership with Career Trackers.

2. Build an inclusive culture

Transgrid retains talent by ensuring all our people feel a sense of belonging, regardless of gender, cultural identity, age or sexual orientation. During the year, our efforts to strengthen our inclusive culture included a strong focus on employee networks as visible signs of inclusion. This year, around 12%-15% of our employees were involved in one or more of the networks.

Each employee network is sponsored by Executive Leaders, has an active committee and blog, and a program of work that aligns to the D&I strategy. During the year, engagement in the networks was high, with network-organised events, including International Women's Day organised by the Energise gender Network, a IDAHOBIT speaker event and a Wear it Purple panel event.

2022 was the first year Transgrid participated in the Australian Workplace Equity Index. We also launched the Rise Ally Network to support LGBTQI+ inclusion by:

- Raising awareness and promoting LGBTQI+ inclusion in the workplace.
- Promoting the use of LGBTQI+ inclusive language
- Providing learning opportunities for Allies
- Providing a platform through which we can promote and share our experience of LGBTQI+ inclusion externally, and learn from other organisations
- Creating a visible presence of support for LGBTQI+ employees.

During the year, we launched an Inclusive Workplace project to better understand the lived experience of women at Transgrid. The results of this project will inform the program of work we are undertaking in 2023.

3. Equity in all we do

Hybrid and flexible working are great enablers of workplace equity. During the year, we formalised our approach to hybrid working and took steps to train leaders and embed this new way of working into our culture.

On International Women's Day 2022, we introduced an industry-leading parental leave policy, offering 20 weeks of leave, which can be commenced at any stage within 12 months of birth. This is a significant change aimed at giving dads and partners the flexibility to participate in primary care in the first important year of their child's life. In 2022, 62% of those taking primary care leave were men. When men have equal access to become primary carers for their children, this supports women to return to the workforce and the parenting load to be shared.

Improving our people processes

During the year, we reviewed our performance management process to ensure it helps to grow, empower and develop our people. We also improved our employee onboarding process to make it simpler and more seamless for new starters in their first few months.



Growing our workforce capabilities

Transgrid continually develops our people with a wide range of learning and development opportunities that balance immediate capability requirements with longer-term sustainability. During the year, we reviewed our Learning Catalogue and worked closely with training vendors to better equip employees with the right skills to meet our customers' needs. As a result, we refreshed our internal leadership training modules, including creating a new, Inspire, program focused on coaching, managing change, setting goals and managing performance, recognition and motivating individuals and teams. We also delivered Leading for Performance to front-line and mid-level managers and team leaders, providing skills and tools to help create more effective working relationships. Our top 50 leaders received Life Styles Inventory and leadership coaching.



Offering the freedom of association

Transgrid gives our employees the right to choose whether or not to be a member of a union, with two-thirds of our people protected by Transgrid's Enterprise Agreement. In April 2022, Fair Work Commission approved Transgrid's Enterprise Agreement 2020, which came into effect seven days later, replacing Transgrid's Employee Agreement 2016.

Protecting wellbeing

Transgrid recognises that a mentally healthy workplace benefits everyone: our people, our business and the broader community. We are committed to promoting mental wellbeing, minimising workplace risks to mental health, supporting our employees experiencing a mental health issue and reducing the stigma associated with mental health. We continue to embed programs and measures to create a culture that facilitates early identification of mental health issues and encourages help-seeking behaviour including:

- **WorkMates** – A formal support structure with 90+ WorkMate volunteers trained to confidentially respond to colleagues struggling with aspects of their mental health. The program, which leverages our safety culture, was well received and used by employees as an important first-line mental health support intervention.
- **Thrive** – An online wellbeing hub available on mobile phones offering all employees, including those in the field, free physical and mental health resources.
- **Mental health early intervention** – This approach ensures that people are supported early, with a view to preventing mental health conditions from developing and supporting individuals during recovery.

Allan Fels Mental Health Award

In November 2021, Transgrid received the Allan Fels Mental Health Award at the 2021 Australian HR Institute Awards. The award recognises organisations that work to improve understanding, awareness and the general mental health of their workforce and the wider community.



All-female crew makes history with Transgrid

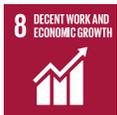
In June 2022, the first all-female team completed a high-voltage switching at Transgrid. The switching was carried out on the 330KV Line from Wollar to Wellington to allow footings for the new straining tower to be installed for the New Solar Farm at Wollar.

The job wasn't planned as all-female but just happened organically through normal rostering, selecting the closest team to the job. The project demonstrates the success of Transgrid's initiatives to attract more women into the sector, which includes a new pre-apprenticeship program just for women. The first course was run this year in conjunction with Belmont TAFE in Lake Macquarie, where 14 women received hands-on electrical training and an insight into the career options in energy.



Targets

Priority	Targets
Create a diverse and inclusive workplace	30% Women in Transgrid & Women in Leadership by 2023 and 40% by 2030 Achieve 3% Aboriginal & Torres Strait Islanders by 2023 and maintain this



Improving employee engagement

To measure engagement and understand employee perspectives on what we are doing well and areas for improvement, Transgrid conducts regular employee engagement surveys. This year, 75% of employees responded to our 2022 survey, delivering an engagement score of 67%, 4% higher than last year.



Additional disclosures



Health and safety

This year's HSE performance of both Transgrid and Lumea was industry-leading, with the best results since the organisation began to track HSE statistics back in July 1998.

Transgrid is committed to safety as a pre-condition to anything we do. We strive to achieve zero harm to our employees, visitors, delivery partners and the public, continuously improve our performance, and demonstrate compliance to relevant legislation, codes of practice and industry standards.

Building our health and safety culture

Safety is our first priority.

In Transgrid's 2022 Employee Engagement survey, 91% of staff said they felt Transgrid values safety and they can raise issues with their manager.

Transgrid has implemented a 'Felt and Visible' Leadership program to capture the safety conversations our leaders are having with teams and delivery partners in the field. This, in combination with our new ZIP (Zero Incident Process) Leadership program is implemented with great success and our Leaders are being trained in key Leadership skills.

The year also saw a significant improvement in safety culture on the back of a dedicated and consistent campaign centred on positive reporting, hazard management and leadership-led safety.

During the year, our Hazard Identification initiative, 'Look High, Look Wide, Look Low', generated significant improvements in our hazard reporting culture. Notably, our primary leading indicator metric,

hazard reporting, increased by 42% from 2074 to 2935 in FY22, the highest ever reported in the history of Transgrid. The proactive hazard reporting is demonstrating the expanding risk awareness of our staff and delivery partners, and an improvement in our culture of reporting. Each hazard report gave us invaluable data to inform better risk mitigation, system improvement and innovation.

Our 'Golden Hour Injury Management' intervention initiative is teaching our people to assess, triage and implement early interventions to improve physical and emotional outcomes in the crucial 60 minutes after injury.

We commenced with the implementation of our new Critical Risk Management Framework, training our operational leaders in the University of QLD Critical Risk Management Program. We also introduced a new CEO Stop Work video empowering our people to stop any unsafe work, knowing that they are supported by the Executive Team in doing this.

Embedding HSE resources deeper in the business

Our Health Safety and Environment (HSE) Business Partners and Environmental Business Partners were embedded within functional streams, providing dedicated first line coaching, assurance and support for leadership.

Monitoring bushfire safety

Every year, Transgrid carries out aerial inspections of our high voltage electricity lines as part of our annual bushfire safety program. This comprehensive aerial survey and inspection maintenance program ensures the transmission network is safe for the community and our people. This year there were 270 hours of helicopter use and 185 hours of fixed wing aerial survey work completed. These aerial patrols identify potential bushfire risks so we can respond and maintain our network before these issues become a problem. This data set contributes to condition assessments of network structures and vegetation intrusions to transmission lines where growth is close to lines.

Tracking our health and safety metrics

This year's HSE performance of both Transgrid and Lumea was industry-leading, with the best results since the organisation began to track HSE statistics back in July 1998.

Lost time and medical treatment injuries are Transgrid lag indicators, which we report as a combined metric that covers both Transgrid employees and our delivery partners, who are a critical extension of our business. Transgrid's health, safety and environment key performance indicators have improved significantly. Our combined LTIFR has decreased by 57%, from 1.8 down to 0.8. Our combined TRIFR has decreased by 62%, from 7.4 down to 2.8.

Safety and environmental processes proved at Dapto

In June 2022, Transgrid's safety and environmental processes were put to the test after a transformer failure and subsequent fire at our Dapto substation, which took nine days to be completely extinguished.

While customer supply continued uninterrupted, Transgrid teams managed the incident on site, successfully collecting the initial discharge of over 60,000 litres of hot oil without overflow into the containment dam. They then maintained a 24-hour roster of supervision and support for the fire crews and continued to communicate with the local community.

No one was injured in the explosion and no oil was spilt in waterways. Because the transformer oil had been replaced in a refurbishment program to eliminate PCBs (Polychlorinated Biphenyls), the fire did not contain carcinogens.



Performance data

Be a leader in the energy transition

PRIORITY 2: Advocate for the transition to a clean energy future

Priority		2021	2022
Advocate for the transition to a clean energy future	Number of industry forums sponsored/participated regarding the energy transition	2 sponsored and 5 presented	3 sponsored and 10 presented
	Number of thought leadership papers	1	2
	Number of industry forums facilitated, bringing together global experts on key energy customer issues	0	1

PRIORITY 3: Reduce Transgrid's environmental impact

Energy and emissions										
	2021					2022				
	Amount consumed	Energy (GJ)	Emissions tCO ₂ -e	% of energy	% of emissions	Amount consumed	Energy (GJ)	Emissions tCO ₂ -e	% of energy	% of emissions
DIRECT (SCOPE 1)										
Diesel oil (stationary energy)	7 kL	268	19	0.0	0.0	4,468 kL	172	12	0.0	0.0
Diesel oil (transport) post 2004	1,453 kL	56,077	3,948	1.0	0.3	1,372 kL	52,955	3,702	0.7	0.2
Ethanol (transport) post 2004	0.357 kL	8	0	0.0	0.0	0.273 kL	6.4	0	0.0	0.0
Petrol (transport) post 2004	5,361 kL	183	12	0.0	0.0	6,171 kL	211	14	0.0	0.0
Natural gas distributed in a pipeline	235 GJ	235	12	0.0	0.001	3,445 GJ	3,445	178	0.0	0.0
SF6 (method 2 – calculated losses)	6,514 tCO ₂ -e	–	6,514	–	0.5	10,941 tCO ₂ -e	–	10,941	–	0.7



Energy and emissions

	2021					2022				
	Amount consumed	Energy (GJ)	Emissions tCO ₂ -e	% of energy	% of emissions	Amount consumed	Energy (GJ)	Emissions tCO ₂ -e	% of energy	% of emissions
ENERGY INDIRECT (SCOPE 2)										
Electricity (NSW metered use)	2,026,572 kWh	7,296	1,642	0.1	0.1	2,878,748 kWh	10,363	2,274	0.1	0.1
Electricity (NSW transmission loss)	1,494,000,000 kWh	5,378,400	1,210,140	98.8	99.0	2,093,000,000 kWh	7,534,800	1,653,470	99.1	99.0
Total Scope 1 & 2		5,442,468	1,222,287			7,601,952	1,670,591			
OTHER INDIRECT (SCOPE 3)						2022				
GHG Protocol Scope 3 Category	Emission Source					Emissions (tCO₂-e)		% of Scope 3 Total		
1. Purchased goods & services	Major Projects – Construction					14,058		5%		
	Maintenance and minor construction projects					55,088		21%		
	Other purchased goods and services)					107,050		41%		
2. Capital goods	Electrical Equipment					22,991		9%		
	Fleet vehicles					2,938		1%		
	Machinery & Equipment					4,036		2%		
3. Fuel & energy related activities	Stationary Fuel					49		0%		
	Transport Fuel					191		0%		
	Electricity					42,004		16%		
4. Upstream transportation & distribution	Road transport					10,333		4%		
5. Waste generated in operations	Waste – landfill					222		0%		
	Waste – recycled					0		0%		
	Water Consumption					24		0%		
6. Business travel	Flights					176		0%		
	Accommodation					117		0%		
	Ground Transport					54		0%		
7. Employee commuting	Employee commuting					459		0%		
	Work from home					515		0%		
	Total (tCO₂-e)					260,307				

**Other**

	2021	2022
Percentage of sites that have completed a preliminary energy efficiency audit.	100%	NA
Number of electric fleet vehicles.	7	7
Habitat maintained	6,171ha	6,171ha
Infrastructure Sustainability Council rating for major projects	0	Project EnergyConnect entered rating agreement with the Infrastructure Sustainability Council.
Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:	Nil	Nil
1. Total monetary value of significant fines.		
2. Total number of non-monetary sanctions.		
3. Cases brought through dispute resolution mechanisms.		



Work closely with our customers and community

PRIORITY 5: Strengthen Community Partnerships Program to support community initiatives

Priority		2021	2022
Listen to our customers and communities	Number of community forums held per project	Not measured	HumeLink: 13 CWOREZ: 0 EnergyConnect: 16 Snowy Connection: 1
	% of complaints resolved within complaints management policy timelines (14 days)	100%	85%
Strengthen community partnerships program to support community initiatives	\$ donated to community initiatives	\$370,000	\$344,000
	Progress against RAP commitments	Innovate RAP commitments on track	Invited by Reconciliation Australia for Stretch RAP
	\$ spent on Indigenous owned businesses	\$301,695	\$542,000
	% of spending on regional suppliers	Not measured	54%

Be a trusted and ethical organisation

PRIORITY 6: Operate with integrity. Act transparently.

Priority		2021	2022
Operate with integrity. Act transparently.	Number of whistle-blower reports	2	2
	Number of major and material non-compliances reported by regulators	1	0
	% of employees that have completed compliance training	NA	73%
	% of compliance reporting on time and accurate	96%	100%



Priority			
		2021	2022
	Maintain dedicated ESG webpage	Achieved	Achieved
	Release of ESG performance disclosures in alignment with market recognised framework(s)	Not achieved	Achieved

PRIORITY 7: Create a diverse and inclusive workplace

Employee data					
		2021		2022	
Total number of employees		1,082		1178	
		Permanent	Temporary	Permanent	Temporary
By employment contract, by region	Adelaide			1	0
	Melbourne	0	1	2	0
	Newcastle	137	3	157	1
	Orange	34	4	39	1
	Sydney City	263	89	404	29
	Sydney West	298	69	399	9
	Tamworth	49	6	46	0
	Wagga Wagga	54	7	68	0
	Yass	52	6	62	0
		Permanent	Temporary	Permanent	Temporary
By employment contract by gender	Females	164	19	292	27
	Males	700	2	885	13
	Prefer not to say			1	0



PRIORITY 7: Create a diverse and inclusive workplace (continued)

Employee data		2021		2022	
		Full time	Part time	Full time	Part time
By employment type, by age	Under 30	166	3	150	5
	31-50	607	18	702	20
	Over 50	280	8	326	15

Other		2021	2022
Employee engagement score		63%	67%
Average hours of training per year per employee		37.3 training hours per person	13.4 training hours per person
Percentage of employees receiving regular performance and career development reviews		Performance: 85% Career Development: 59%	Performance: 99% Career Development: 62%
Gender Pay Gap		Base Salary: 6.27% Total Remuneration: 14.69%	Base Salary: 4% Total Remuneration: 12%
Women in leadership		27%	29%
Aboriginal & Torres Strait Islanders in workforce		2%	2%
Number/amount of Women in STEM sponsorships/partnerships		5	4
Total number of employees who have taken primary parental leave by gender		Not measured	Female: 18 Male: 13
12 Month Rolling Voluntary Attrition %		5%	11.50%
12 Month Rolling Involuntary Attrition %		2%	1.60%
12 Month Rolling Total Attrition %		8%	13.10%
Total new issues raised with Workplace Behaviours Hotline		Not measured	26



Health and safety

KPI		2021	2022
Work-related injuries			
Transgrid employees	Fatalities	0	0
	High consequence work injuries	0	0
	Transgrid recordable injuries	10	1
	Transgrid Total Recordable Injury Frequency Rate (TRIFR)	4.8	0.5
	High potential work related incidents	2	4
Contractors	Fatalities	0	0
	High consequence work injuries	2	0
	Contractor Recordable Injuries	5	10
	Contractor TRIFR	4.0	5.4
	High potential work related incidents	12	11
	Combined near misses (Transgrid and contractor)	163	127
Work-related ill health			
Transgrid Employees	Fatalities as a result of ill health	0	0
	Number of recordable injuries as a result of work-related ill health	6	1
Contractors (where Transgrid is in-control of site)	Fatalities as a result of ill health	0	0
	Number of recordable injuries as a result of work-related ill health	0	0



Appendix A – Memberships

Transgrid holds a number of memberships.

Membership	Category
Australian Human Resource Institute (AHRI)	P&C membership
Australian Institute of Project Management (AIPM)	Corporate membership
Australian Industry Group (AiG)	Corporate membership
Australian National Committee of CIGRE	Engineering membership
Australian Power Institute (API)	Engineering membership
Business Council of Australia	Corporate membership
Clean Energy Council (CEC)	Corporate membership
Committee for Economic Development of Australia (CEDA)	Corporate membership
Diversity Council of Australia	P&C membership
Energy and Water Ombudsman NSW (EWON)	Corporate membership
Energy and Water Ombudsman Victoria (EWOV)	Corporate membership
Energy Networks Australia (ENA)	Corporate membership
Electric Power Research Institute (EPRI)	Engineering membership
Energy Users Association of Australia (EUAA)	Corporate membership
Infrastructure Partner Australia	Corporate membership
International Association for Public Participation (IAP2)	Corporate membership
NSW Business Chamber	Corporate membership
NSW Workers Compensation membership	HSE membership
Pride in Diversity	P&C membership
The Australian Association of Graduate Employers Ltd (AAGE)	P&C membership
The NSW Equal Employment Opportunity Practitioners' Association (NEEOPA)	P&C membership
Regional Australia Council	Corporate membership



Appendix B – GRI Content Index

Transgrid has reported the information cited in this GRI content index for the period 1 July 2021 to 30 June 2022 with reference to the GRI Standards.

Indicator	Content	Page
Organisational profile		
Disclosure 102-1 Name of the organisation	Yes – About Transgrid	4
Disclosure 102-2 Activities, brands, products, and services	Yes – About Transgrid	4
Disclosure 102-3 Location of headquarters	180 Thomas Street, Haymarket NSW 2000	
Disclosure 102-4 Location of operations	Yes – About Transgrid	4
Disclosure 102-5 Ownership and legal form	Yes – About Transgrid	4, 6
Disclosure 102-6 Markets served	Yes – About Transgrid	4
Disclosure 102-7 Scale of the organisation	Part – Performance data Part – About Transgrid	5, 31, 32
Disclosure 102-8 Information on employees and other workers	Yes – Performance data	31, 32
Disclosure 102-9 Supply chain	Yes – Suppliers	12
Disclosure 102-12 External initiatives	Part – Our Approach to sustainability	9
Disclosure 102-13 Membership of associations	Yes – Appendix A	34
Strategy		
Disclosure 102-14 Statement from senior decision-maker	Yes – Chair and CEO statement	3
Disclosure 102-15 Key impacts, risks, and opportunities	Yes – Materiality Assessment	8
Ethics and integrity		
Disclosure 102-16 Values, principles, standards, and norms of behaviour	Part – About Transgrid	7
Disclosure 102-17 Mechanisms for advice and concerns about ethics	Part – Ethical behaviour and conduct	22, 30, 31
Governance		



Indicator	Content	Page
Disclosure 102-18 Governance structure	Yes – Our Approach	10
Disclosure 102-19 Delegating authority	Yes – Our Approach	10
Disclosure 102-20 Executive-level responsibility for economic, environmental, and social topics	Part – Our Approach	10
Disclosure 102-21 Consulting stakeholders on economic, environmental, and social topics	Yes – Stakeholders	11, 12
Disclosure 102-22 Composition of the highest governance body and its committees	Part – Our Approach	10
Disclosure 102-23 Chair of the highest governance body	Jerry Maycock	
Disclosure 102-26 Role of highest governance body in setting purpose, values, and strategy	Part – Our Approach	10
Disclosure 102-29 Identifying and managing economic, environmental, and social impacts	Part – Our Approach	10
Disclosure 102-30 Effectiveness of risk management processes	Part – Our Approach	
Disclosure 102-33 Communicating critical concerns	Part – Our Approach	10
Stakeholder engagement		
Disclosure 102-40 List of stakeholder groups	Yes – Stakeholders	11, 12
Disclosure 102-43 Approach to stakeholder engagement	Part – Stakeholders Part – Listen to our customers and communities Part – Create a diverse and inclusive workplace	11, 12, 18, 24
Disclosure 102-44 Key topics and concerns raised	Part – Stakeholders Part – Listen to our customers and communities Part – Create a diverse and inclusive workplace	11, 12, 18, 24
Reporting practice		
Disclosure 102-47 List of material topics	Yes – Materiality Assessment	8
Disclosure 102-48 Restatements of information	Not Applicable	
Disclosure 102-49 Changes in reporting	Not Applicable	
Disclosure 102-50 Reporting period	Yes – About this report	1
Disclosure 102-51 Date of most recent report	Yes – First report	
Disclosure 102-52 Reporting cycle	Yes – Annual	
Disclosure 102-53 Contact point for questions regarding the report	Yes – Disclosures	39
Disclosure 102-55 GRI content index	Yes – This table	
Disclosure 102-56 External assurance	No external assurance	



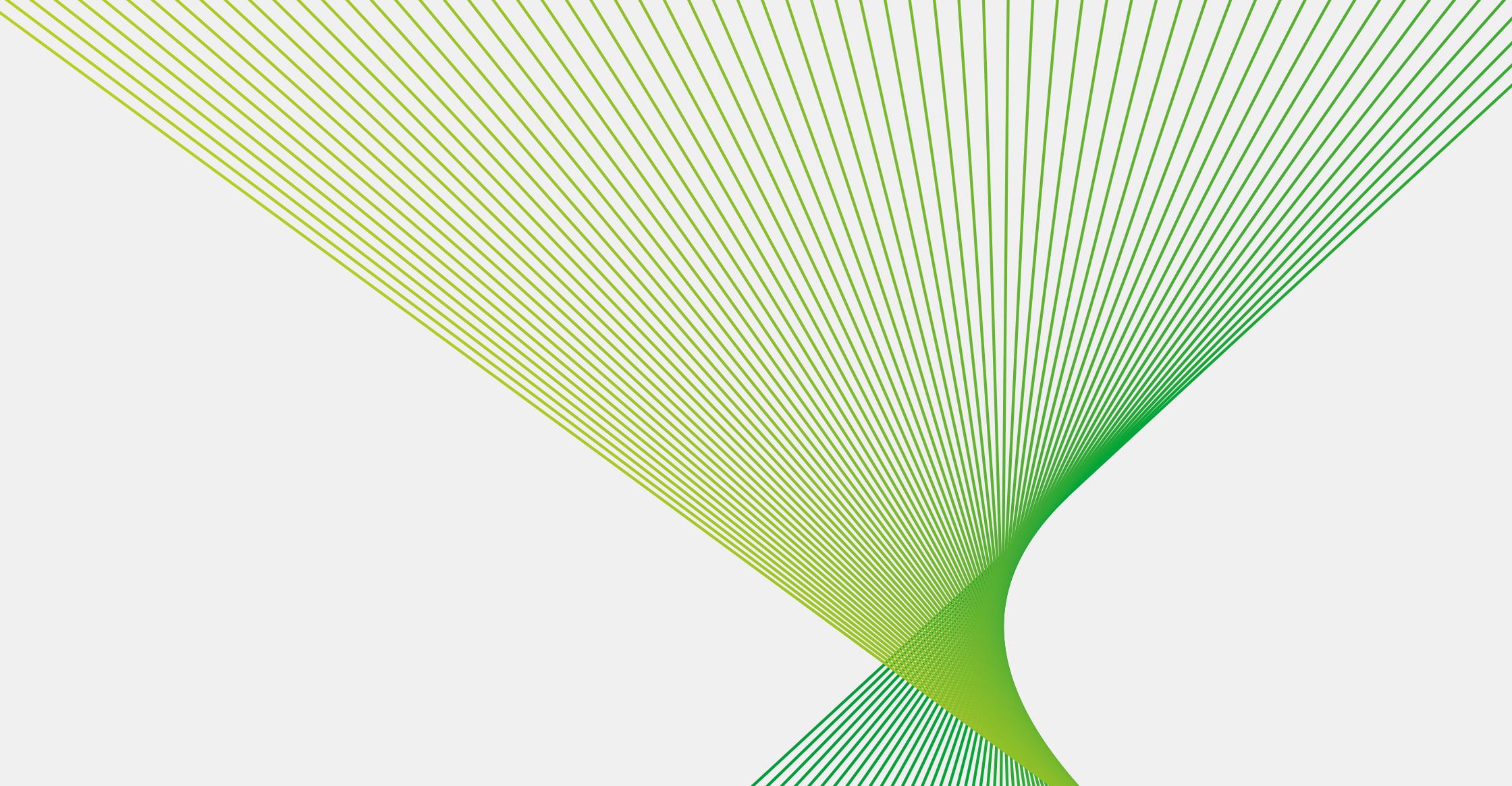
Material topics specific disclosures

Indicator	Content	Page
GRI 200: Economic		
Disclosure 201-1 Direct economic value generated and distributed	FY22 Annual Review	
Disclosure 203-1 Infrastructure investments and services supported	Part – FY22 Annual Review	30
Disclosure 204-1 Proportion of spending on local suppliers	Part – Performance Data	22
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	Part – Maintaining high levels of ethical behaviour and conduct	
GRI 300: Environmental		
Disclosure 302-1 Energy consumption within the organisation	Part – Energy and emissions	27,28
Disclosure 304-2 Significant impacts of activities, products, and services on biodiversity	Part – Conserving and enhancing biodiversity	16, 17
Disclosure 304-3 Habitats protected or restored	Part – Conserving and enhancing biodiversity	16, 17
Disclosure 305-1 Direct (Scope 1) GHG emissions	Part – GHG emissions	27, 28
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Part – GHG emissions	27, 28
Disclosure 307-1 Non-compliance with environmental laws and regulations	Part – Performance data	30
GRI 400: Social		
Disclosure 401-3 Parental leave	Part – People	32
Disclosure 403-1 Occupational health and safety management system	Yes – Safety	26
GRI 400: Social		
Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	Part – Health and safety	26
Disclosure 403-5 Worker training on occupational health and safety	Part – Health and safety	26
Disclosure 403-8 Workers covered by an occupational health and safety management system	1085	
Disclosure 403-9 Work-related injuries	Part – Health and safety	33
Disclosure 403-10 Work-related ill health	Part – Health and safety	33
Disclosure 404-1 Average hours of training per year per employee	Part – Performance Data	32
Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	Part – People	32
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	Part – Performance Data	32
Disclosure 405-2 Ratio of basic salary and remuneration of women to men	Part – Performance Data	32



Indicator	Content	Page
Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	FY22 Modern Slavery Statement	
Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labour	FY22 Modern Slavery Statement	
Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	FY22 Modern Slavery Statement	
Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Part – Community Engagement	18, 19, 20, 21
Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	Part – Community Engagement	18, 19, 20, 21

**We welcome feedback on our sustainability reporting and performance.
Please send your comments to: sustainability@transgrid.com.au**



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NSW Electricity Networks Operations Holdings Pty Limited (ACN 609 169 959),
as trustee for NSW Electricity Networks Operations Trust (ABN 70 250 995 390).
Registered business name is TransGrid (ABN 70 250 995 390).