



SUSTAINABILITY  
REPORT 2023  
SNOWY HYDRO LIMITED  
AND ITS CONTROLLED ENTITIES



## Acknowledgment of Traditional Owners

Snowy Hydro acknowledges the Traditional Owners and custodians of the country on which we operate, and we pay our respects to their Elders past, present and emerging.



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# LETTER FROM THE CHAIR AND CEO

We are pleased to provide Snowy Hydro's inaugural Sustainability Report. This report sets out our Sustainability Program, which builds on our exceptional sustainability story to date involving:

- Almost 70 years of carefully managing water, providing long-term security for downstream economic, environmental, cultural and recreational water uses;
- Our role in 'keeping the lights on' for households and industry, backed by low CO<sub>2</sub> hydro generation from the Snowy Scheme;
- Our substantial ongoing support to local communities; and
- The cultural benefits that continue to flow from the diverse workforce that constructed the Snowy Scheme.

Snowy Hydro's Purpose is to be integral to the delivery of Australia's renewable energy future, and the enhancement of energy security and affordability for consumers. Our sustainability approach integrates our Purpose and our Values of safety, teamwork, ownership, agility, decency and courage, and aims to respond to the sustainability priorities that matter most to our internal and external stakeholders.

This report outlines our approach to sustainability, recent progress, and how we will address our material topics through prioritised actions, objectives and targets.

Our Sustainability Program for 2023-2024 prioritises three key opportunities:

1. understanding the risks from climate change and being equipped to mitigate, manage and report on them;
2. reducing greenhouse gas emissions and enabling decarbonisation of the National Electricity Market (NEM) while developing our medium to long-term emission reduction pathways; and
3. strengthening relationships with Traditional Owners and local communities where we operate.

To continue building a better future for everyone, we remain committed to delivering clean, sustainable renewable energy, technological innovation and achieving affordable energy prices.

In a period of significant change in Australia's energy markets, the NEM is being substantially reshaped to support the transition to a cleaner,

low-carbon economy. We play a key role in supporting this process, building on our iconic history of enabling significant economic growth and social change in Australia.

We aim to be a driver and enabler of least-cost NEM decarbonisation and provider of least-cost decarbonised energy products. Our commitment to caring for our workforce, customers, community, and the environment is intertwined with this aim.

Today, we operate eight hydro-power stations and one pumped hydro pumping station, three natural gas power stations and four diesel power stations in New South Wales, Victoria and South Australia. We release 2,300 gigalitres of water each year, which generates approximately 4,250 gigawatt hours (or 4.25 terawatt hours) of renewable energy and mitigates the impact of drier cycles and drought periods to the Murray and Murrumbidgee river systems. In financial year 2024, we anticipate that we will provide approximately 2.5 terawatt hours of wind and solar energy through power purchase agreements, which will grow to approximately 5.2 terawatt hours by financial year 2028.

In 2022, a year characterised by the underperformance of coal generation assets, lower renewable energy generation and higher prices for coal and gas in Australia, we played a pivotal role in "keeping the lights on" for retail and commercial and industrial customers across the NEM during times of insufficient and unstable supply. Our critical infrastructure and workforce responded to provide security of energy supply, which impacted our low emissions intensity profile.

This role that we play in providing security of energy supply has emphasised the importance of reliable firming generation and critical transmission infrastructure to reduce the risk of recurrence and drive a sustainable transition.

Reliability, security of supply, and supporting a sustainable transition will therefore remain the central considerations behind how we operate, develop and maintain our nationally critical infrastructure.

Our existing asset portfolio and investments in the Snowy 2.0 and Hunter Power Projects, our Renewable Energy Procurement Program, and the development of green hydrogen capability directly support our Purpose. These projects will seek to drive structural improvements in energy costs, efficiency, security of supply and emissions reductions whilst creating industrial infrastructure and jobs.

We will continue to use our assets and energy contracts to promote competition and an efficient market by providing price risk management products to wholesale customers and attractive products and exceptional service to our retail and business customers.

We also continue to support local communities through employment and education, and are committed to operating in a way that avoids environmental harm. Guided by our water licence, we deliver water to the Murray, Snowy and Murrumbidgee catchments to improve the security of water supply. We acknowledge our responsibility for biodiversity and land, and are committed to addressing our impacts through good practice.

In the energy retail sector, we continue to enhance our reputation as a retailer of choice, winning trust and satisfaction awards and further developing a strong position in the commercial and industrial segment. We are the fourth largest electricity retailer in the NEM; our renewable products include TrueGreen™, NetZeroMatch™, our renewable matching promise and GreenPower.

We promote our workforce's talent and professional development through targeted training initiatives and scholarships and grants, in addition to fostering

diversity and inclusion in our workforce through actions to promote scientific and technological careers as described in our Diversity and Inclusion Report.

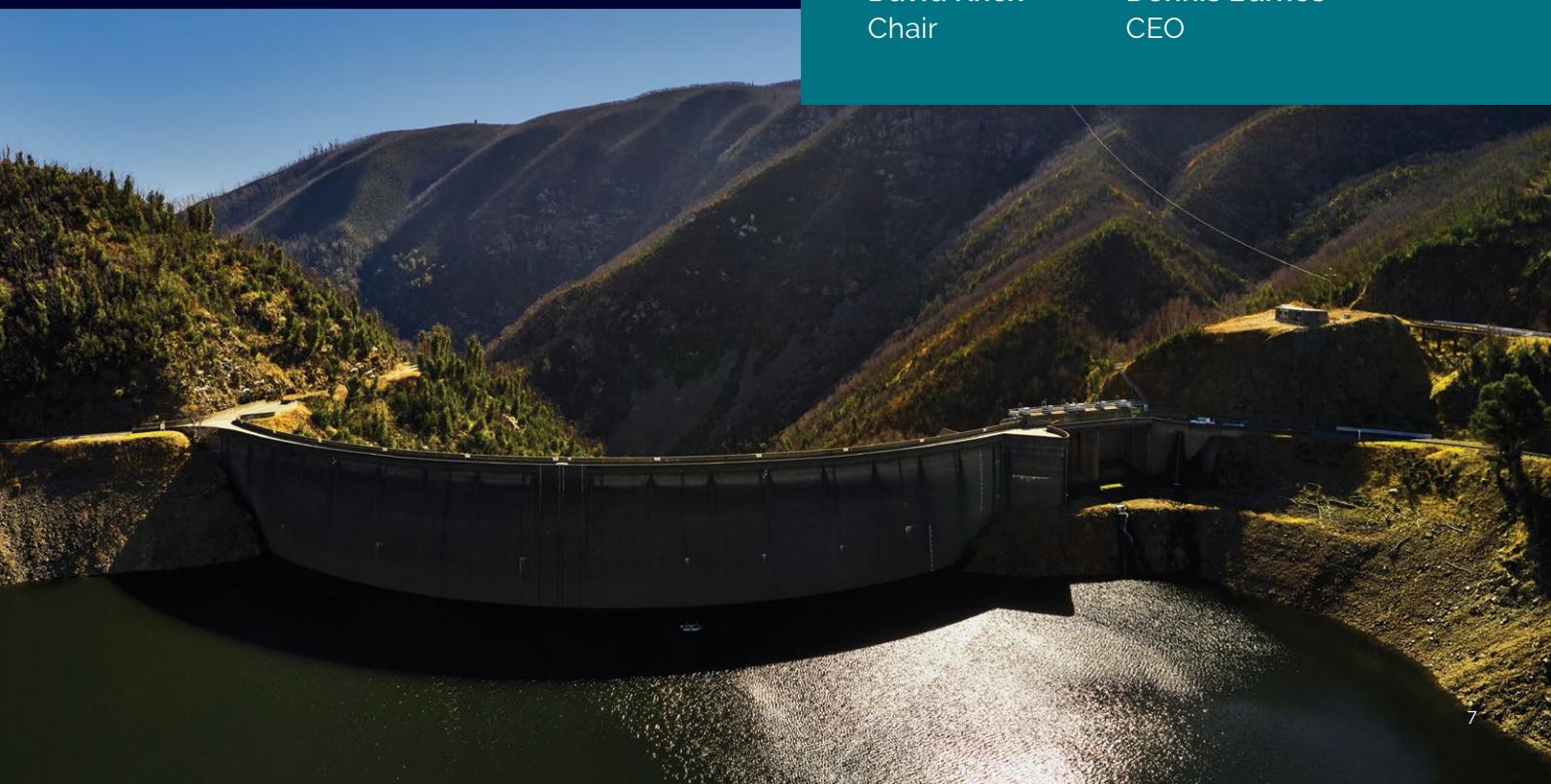
Snowy Hydro employs 1,956 people in Victoria, New South Wales and South Australia, with a further 2,700 for Snowy 2.0, and 460 on the Hunter Power project. 42.5% of our employees are female, 57.4% are male and 0.1% are nonbinary or unspecified. We remain committed to increasing the level of female representation in our workforce, particularly at senior levels.

We are committed to the highest levels of governance. Our Values and our Code of Conduct provide the foundation for our day-to-day activities. We are committed to transparency, accountability and balancing the interests of our stakeholders, the communities and environment in which we operate, our customers and our employees.

The Board, senior leadership team and management support our sustainability priorities and remain committed to managing the risks and opportunities of climate change.

**David Knox**  
Chair

**Dennis Barnes**  
CEO



Providing on-demand,  
reliable electricity to Australians



Generation capacity  
**5,500 MW**

One of the largest renewable  
generators in the NEM

Third largest generator by capacity

16 power stations - 9 hydro;  
3 gas; 4 diesel / 4,250GWh  
generation per annum



Retail accounts  
**>1.2M**

Fourth largest retailer in the NEM

100% carbon neutral certified  
Retail business

## The Snowy Scheme

- 16 major dams
- 145 km of interconnected tunnels and pipelines
- 80 km of aqueducts
- 33 generators, 9 hydro power stations, including pumped hydro at Tumut 3
- National Heritage listed
- Civil engineering wonder of the world

# OVERVIEW

## OUR CUSTOMERS



One of the NEM's largest renewable generators  
 -----  
 Third largest generator by capacity  
 -----  
 Fourth largest retailer in the NEM

## OUR GENERATING ASSETS



### Power stations

<b>T3</b>	Tumut 3	<b>BL</b>	Blowering
<b>M1</b>	Murray 1	<b>GU</b>	Guthega
<b>M2</b>	Murray 2	<b>JM</b>	Jindabyne Mini Hydro
<b>T1</b>	Tumut 1	<b>JS</b>	Jounama Small Hydro
<b>T2</b>	Tumut 2		



Hydro



Gas



Diesel

# Snowy 2.0 Project

## Investing in clean, on-demand electricity generation and storage through the expansion of the Snowy Scheme

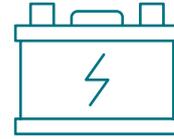


Generation capacity  
**2,200 MW**

Enough to power 3 million homes for one week

Important to firm planned renewable investment and replace withdrawing thermal generation capacity

Construction approximately 51% complete



Storage capability  
**350,000 MWh**

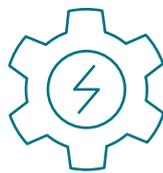
Dispatchable, on-demand energy and large-scale storage for many generations to come

### Project outcomes

- 150 years design life
- Vital for grid security and reliability
- Enables investment in intermittent renewable sources
- An investment in Australia - billions of dollars invested with approximately 80% going into Australian jobs, goods, services and skills
- 2,700 Australian construction jobs (with a further 1,500 to come)
- Helps Australia meet clean energy targets
- Target date for commercial operation of all units is December 2028

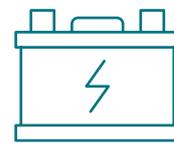
# Hunter Power Project

Enabling variable renewable energy sources (wind/solar) to operate in the NEM by providing dispatchable, on-demand electricity that covers periods when renewables cannot operate



Generation capacity

**660 MW**



Gas storage capability

**70 TJ**

## Project outcomes

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Important to firm renewable investment, replace withdrawing generation capacity, and manage the energy transition

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By providing firming energy, the Hunter Power Project can facilitate an estimated ~2 GW of renewables

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Generating units operate on gas, with diesel used as a back-up fuel

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Generating units capable of initially running on 15% hydrogen and with some investment up to 30%<sup>1</sup>

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- Enables investment in intermittent renewable sources
- Displaces approximately 5.8 megatonnes of CO<sub>2</sub> per annum from black coal fired power stations in New South Wales
- 460 workers currently engaged on the project
- Currently 70% of all workers inducted to the site are local to the Hunter Valley region
- Completion on-track for December 2024

<sup>1</sup> Snowy Hydro is assessing the capability of the units of running up to 30% hydrogen. The ability to run on hydrogen is dependent on the balance of plant modifications and the availability of green hydrogen.

# Renewable Energy Procurement Program

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The energy purchased through Snowy's wind and solar offtakes continues to grow, towards a current target of approximately 5,200 GWh per annum, which exceeds Snowy Hydro's expected long-term hydro-electric generation

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# OUR ROLE IN THE NEM

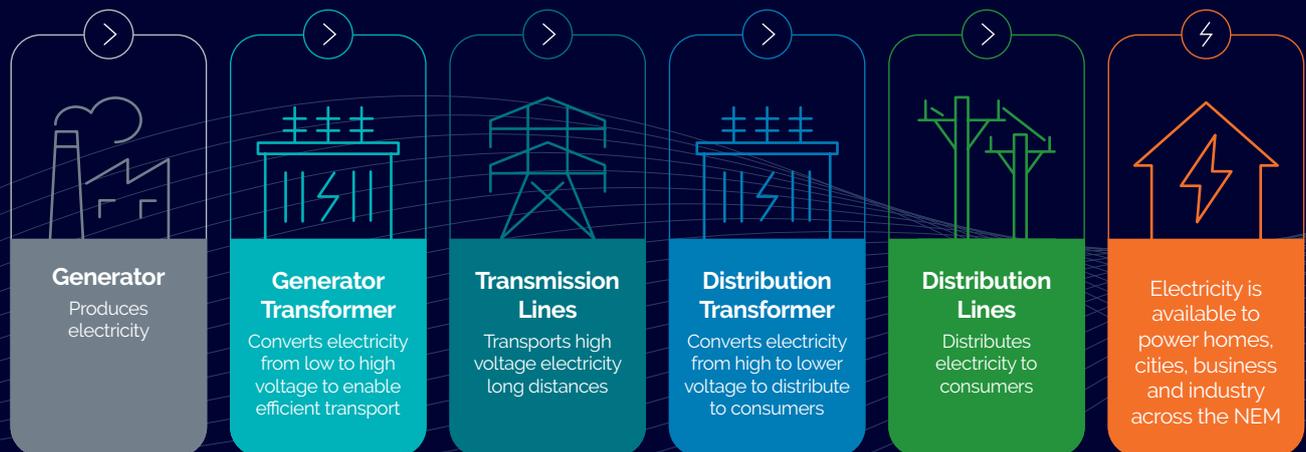


## The National Electricity Market (NEM)

The NEM is an interconnected power system reaching from Queensland to South Australia and across the Bass Strait to Tasmania (approximately 5,000 km). Western Australia and the Northern Territory are not connected to the NEM.

The NEM's transmission network (comprising approximately 40,000 km of transmission lines and cables) transfers power from electricity generators to businesses and households via distribution transformers and lines. The NEM supplies approximately 9 million customers and delivers approximately 80% of all electricity consumed in Australia.

### Transport of Electricity



Most electricity in Australia is generated, bought, sold and transported in markets that match supply and demand in real time. The NEM is a wholesale electricity market where generators sell electricity and retailers buy to on-sell to businesses and households. Snowy Hydro participates in the NEM as both a generator and retailer.

There are 569 registered participants in the NEM including:

- **Generators** produce electricity from renewable sources (hydropower, wind, solar) and non-renewable sources (coal and gas).
- **Electricity transmission and distribution providers** maintain the poles and wires that take the electricity from the generators to your homes and businesses.
- **Retailers** purchase electricity to meet the demand of their customers.

## The Energy Trilemma

Our role in the energy system requires our sustainability approach to focus on people and environmental issues concurrently. We aim to find a balance between the three main challenges of our energy future - the World Energy Council<sup>2</sup> refers to these as the "energy trilemma":

- **Energy Security** - the ability to meet current/future energy demand reliably, and withstand or recover from system shocks with minimal disruption to supply.
- **Energy Equity** - the ability to access reliable and affordable energy for domestic/commercial use.
- **Environmental Sustainability** - the transition of an energy system towards mitigating/avoiding potential environmental harm and climate change impacts.

Our sustainability approach recognises that we must consider how to reduce our carbon emissions while using our assets to support a sustainable transition and decarbonisation of the NEM.

Historically, the most affordable energy sources, such as coal-fired power, also release the most carbon dioxide and other greenhouse gases. The lowest emissions sources, such as wind and solar, produce power intermittently, making them less secure and reliable. The transition to 100% renewable energy must occur at a pace that considers both energy price affordability and security of supply.

We will look for material ways to reduce our emissions without compromising the security of energy supply and affordability in the short term. We aim to understand what can be physically and commercially achieved with our assets, technology, balance sheet, and in what timeframes, while being mindful of the impacts on energy consumers and the broader NEM.

## Greenhouse Gas Emissions

Approximately 94% of our generation comes from renewable sources.

Our emissions are reported annually through a National Greenhouse and Energy Report (NGER), which measures Scope 1 (direct) and Scope 2 (indirect) emissions (tonnes of carbon equivalent (t CO<sub>2</sub>-e)) produced by our primary sources of carbon, which are a combination of gas and fuel oil combustion and the electricity used in pumping for pumped hydro. Our Scope 2 emissions from electricity consumed for pumping are calculated by applying a predetermined emissions factor set by the Clean Energy Regulator each year which is based on the average generation mix throughout the previous reporting year, noting that we often pump during times of high renewable generation.

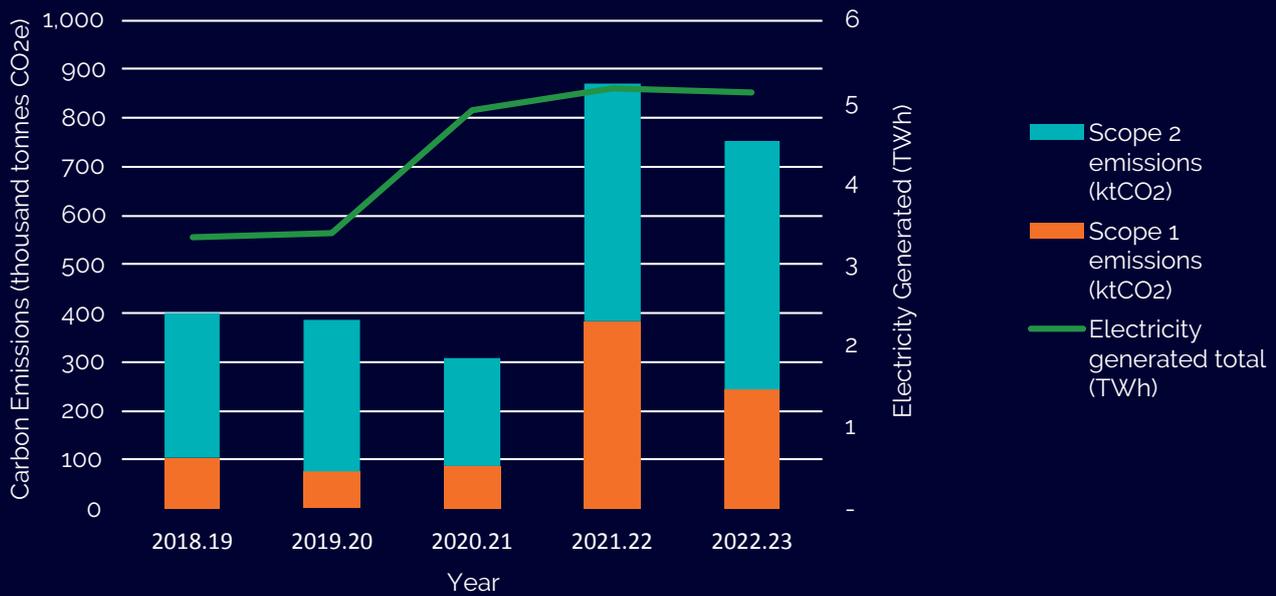
These Scope 1 and 2 emissions are shown below. Prior to the financial year 2022, we produced less than 400,000 t CO<sub>2</sub>-e on average per year. In the financial year 2022, we produced approximately twice this amount due to increased fuel usage following our extraordinary and sustained contribution to system security throughout the energy crisis in May/June 2022.

This is an illustration of the role we play and how we balance the energy trilemma.

We are prioritising further identification and understanding of our emissions (including Scope 3), and reducing these where and when we can.

<sup>2</sup> See <https://www.worldenergy.org/transition-toolkit/world-energy-trilemma-index>.

## Snowy Hydro's Scope 1 and 2 Carbon Emissions



Source: Snowy Hydro data. Note: Scope 2 emissions for pumping are based on the carbon intensity for an average generation mix as set by the Clean Energy Regulator each year. However, we largely pump when renewable generation is abundant and the intensity is much lower. For instance, in FY2022-2023 the carbon intensity during times of pumping at Tumut 3 Power Station was 0.54 t CO<sub>2</sub>-e/MWh compared to the annual average of 0.73 t CO<sub>2</sub>-e/MWh. If we assume this lower carbon intensity then Scope 2 emissions for Tumut 3 pumping drop by approximately 25% (from 270 kt CO<sub>2</sub>-e to 201 kt CO<sub>2</sub>-e for FY2022-2023).

The terms Scope 1, Scope 2 and Scope 3 define the types of emissions that an entity creates or is responsible for either directly or indirectly. For Snowy Hydro:

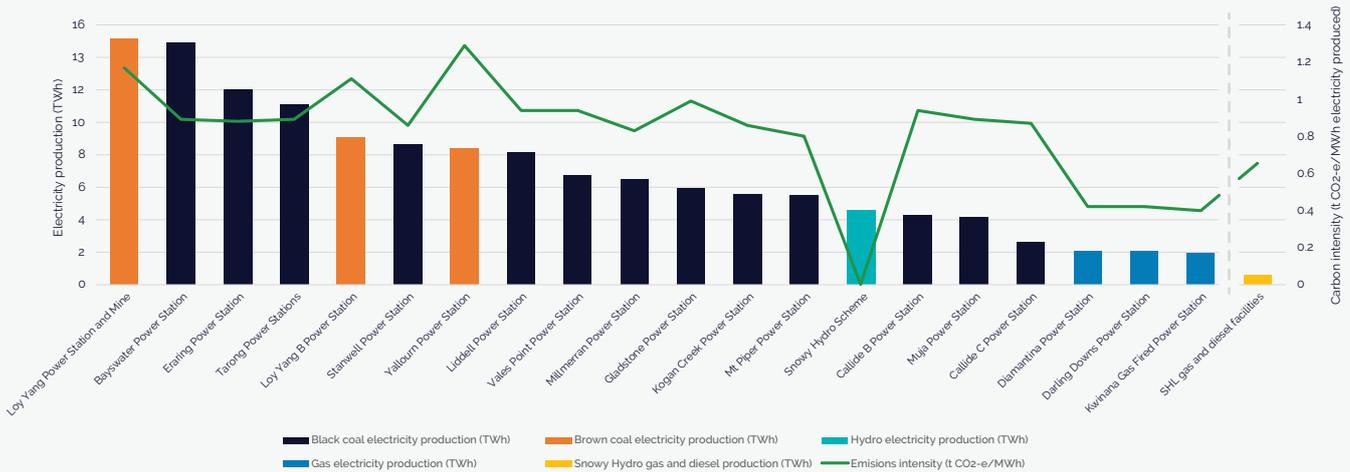
- Scope 1 includes the emissions that we create directly — for example, while running gas or diesel power stations and from the use of vehicles.
- Scope 2 includes the emissions we create indirectly – for example, when the electricity is being produced by someone else and used by us. This includes electricity consumed for pumped hydro and the electricity we buy for powering, heating and cooling buildings.
- Scope 3 includes the emissions that we are indirectly responsible for in our value chain. For example, the emissions produced from the production of construction materials we purchase for the maintenance of our existing assets and development of new electricity generating plant.

The data displayed in the figure below is sourced from the Clean Energy Regulator, where carbon intensities are calculated based on Scope 1 emissions for the financial year 2021-2022. Carbon intensity is the ratio of emissions to electricity production, and depends largely on the fuel source. In this graphic, the Snowy Hydro Scheme refers to the hydro assets, with negligible Scope 1 emissions. We have also included Snowy Hydro's gas and diesel power stations as a comparison, although they do not fall within Australia's top 20 generators individually, nor combined. For the same period, firming generation from our gas and diesel assets produced 0.58 TWh of electricity with a carbon intensity of 0.68t CO<sub>2</sub>-e/MWh.

Our hydro operations have additional Scope 2 emissions due to consumption of electricity for pumping and other activities ancillary to the operation of the Scheme. When both Scope 1 and Scope 2 emissions are considered, the carbon intensity for our hydro operations for the period was 0.10t CO<sub>2</sub>-e/MWh, which remains the lowest carbon intensity of the largest electricity generators by power station in the NEM. The carbon intensity (Scope 1 and 2) of our combined hydro, gas and diesel generation over the last five financial years ranges from 0.06 to 0.17t CO<sub>2</sub>-e/MWh.

## Our hydro operations have the lowest carbon intensity of Australia's largest generators

### Australia's top 20 generators - Electricity production and emissions intensities



Source: Clean Energy Regulator

# Enabling decarbonisation in the NEM

We are reducing emissions for our customers and are committed to driving the least-cost decarbonisation of the NEM with critical dispatchable energy and storage to enable the growth in renewable energy

## 1955 onwards

- Snowy Hydro is integral to the delivery of Australia's renewable future as one of the largest renewable energy providers in the NEM.
- Our existing assets provide energy security at times of peak demand and/or low supply.
- Through power purchase agreements with new wind and solar projects, we provide investment security which is accelerating the renewable transition.
- Red Energy's 100% renewable products backed by hydro, wind and solar, empowers our growing customer base to join the net zero journey.

## 2023-2030

- As the NEM transitions from coal, firming capacity and storage from our hydro and gas generating assets will be critical to enable the growth in variable renewable energy.
- Over the next few years we will deliver our Snowy 2.0 and Hunter Power Projects, which will provide 2,860 MW of on-demand, dispatchable energy required to help maintain energy security and reliability while enabling decarbonisation.
- We commit to identifying further emission reduction actions.

## 2030-2050

- As renewable generation grows to provide reliable capacity in the NEM, we will accelerate our program of reducing emissions from our carbon-intensive assets.
- We will support the development of green hydrogen capabilities through site trials, aiming for hydrogen transition of gas assets in the long-term.

Through our assets and investments in dispatchable capacity, we are enabling more than 20% of additional wind, solar and hydro generation in the NEM.

The new wind and solar generation we are enabling is equivalent to displacing more than 33 million tonnes of CO<sub>2</sub> per annum.

This equates to a 28% reduction in NEM emissions from 2022 levels and approximately 13% of Australia's total emissions reduction target for 2030.

NOW	2024	2028
<p>Snowy Hydro dispatchable capacity: <b>~5,500 MW</b></p>	<p>Hunter Power Project dispatchable capacity: <b>660 MW</b></p>	<p>Snowy 2.0 dispatchable capacity: <b>2,200 MW</b></p>
<ul style="list-style-type: none"> <li>— Every 1 MW of dispatchable energy with storage or reliable fuel supply can enable 3 MW of variable renewable energy.</li> <li>— We have directly procured 1,674 MW of solar and wind through power purchase agreements which is equivalent to <b>displacing ~4.8 million tonnes of CO<sub>2</sub> per annum</b> out of the electricity system.</li> <li>— As a foundation customer we have helped enable new wind and solar projects to develop a further ~1,300 MW capacity which is equivalent to <b>displacing ~3.7 million tonnes of CO<sub>2</sub> per annum</b>.</li> </ul>	<ul style="list-style-type: none"> <li>— HPP will enable 1,980 MW of new variable renewable generation which is equivalent to <b>displacing ~5.8 million tonnes of CO<sub>2</sub> per annum</b> out of the electricity system.</li> <li>— Emissions from HPP generation are estimated to be ~0.14 million tonnes of CO<sub>2</sub> per annum.</li> <li>— HPP is targeting full commercial operation by December 2024.</li> </ul>	<ul style="list-style-type: none"> <li>— Snowy 2.0 will enable 6,600 MW of new variable renewable generation which is equivalent to <b>displacing ~19.4 million tonnes of CO<sub>2</sub> per annum</b> out of the electricity system.</li> <li>— New hydro generation from Snowy 2.0 is equivalent to displacing ~4.7 million tonnes of CO<sub>2</sub> per annum.</li> <li>— Emissions associated with electricity for pumping are estimated to be ~3.6 million tonnes of CO<sub>2</sub> per annum based on our pumping profile in the NEM in 2022-2023. Note: as the carbon intensity of the NEM decreases over time, emissions associated with Snowy 2.0 pumping will decrease.</li> <li>— Snowy 2.0 is targeting full commercial operation by December 2028.</li> </ul>

Assumptions:

- Future renewable capacity is based on Snowy Hydro internal modelling which determines that every 1 MW of dispatchable capacity enables 3 MW of variable renewable capacity with average capacity factor of 36%.
- Additional (20%) renewable generation enabled by Snowy Hydro is based on the annual average generation of (a) Snowy 2.0 hydro, (b) new wind and solar associated with our power purchase agreements, and (c) future wind and solar enabled by HPP and Snowy 2.0. This is compared to the annual consumption of the NEM for 2022-2023 of 188.4 TWh/annum.
- Emission displacement calculations are based on NEM 2022 emissions of 120 Mt-CO<sub>2</sub>e/annum (AEMO CDEII data, 2023) and Australia 2005 emissions of 621 Mt-CO<sub>2</sub>e/annum. Calculations assume a displacement carbon intensity of 0.93 t-CO<sub>2</sub>e/MWh based on the thermal displacement approach by the Clean Energy Regulator (2022).
- Total emissions displacement of 33 Mt-CO<sub>2</sub>e/annum is based on the statements shown in bold for new wind and solar generation displacing Scope 1 thermal generation i.e. (a) new wind and solar associated with our current power purchase agreements (4.8 Mt-CO<sub>2</sub>e/annum and 3.7 Mt-CO<sub>2</sub>e/annum), (b) future wind and solar enabled by HPP (5.8 Mt-CO<sub>2</sub>e/annum) and (c) future wind and solar enabled by Snowy 2.0 (19.4 Mt-CO<sub>2</sub>e/annum).
- Projected HPP emissions assume generation with a 4.8% capacity factor based on Snowy Hydro internal modelling and a carbon intensity of 0.52 t-CO<sub>2</sub>e/MWh (HPP Environmental Impact Statement, 2021).
- Projected Snowy 2.0 emissions assume average pumping of 6578 GWh/annum with electricity consumption from the grid with intensity of 0.54 t-CO<sub>2</sub>e/MWh based on our current pumping profile in the NEM for 2022-2023. Note: the future carbon intensity will very likely be below this given the expected retirement of coal generation and growth in renewables.

The background is a solid teal color with a subtle, lighter teal image of a mountain range. A bright sunburst is visible on the left side, partially obscured by the teal overlay. The text is positioned in the upper left quadrant.

# SUSTAINABILITY PROGRAM 2023-2024

Snowy Hydro's Sustainability Program is informed by our materiality assessment, which evaluates the following:

- internal impact - the significant sustainability factors that may positively or negatively impact our ability to perform; and
- external impact - our impact on our stakeholders and social value.

We have considered Environmental, Social and Governance sustainability areas of our business in the context of the 17 UN Sustainable Development Goals as the foundation to inform our materiality assessment. The assessment provides the framework for identifying our most important sustainability topics, risks and opportunities, and actions to address these challenges.

Following this assessment, we have identified three key opportunities which form the priorities of our Sustainability Program:

1. Understanding the risks from climate change and being equipped to mitigate, manage and report on them;
2. Reducing emissions and enabling decarbonisation of the NEM while developing our medium to long-term emission reduction pathways; and
3. Strengthening relationships with Traditional Owners and local communities where we operate.



## Opportunity 1: Climate Risk

**Understanding the risks from climate change and being equipped to mitigate, manage and report on them.**

Our water, environment, operations, and communities are vulnerable to extreme weather, climate variability and climate change.

Our highest physical climate risk areas are:

- Water availability for our hydro generation and irrigation downstream.
- Flood risk to dams and other Scheme infrastructure.

- Extreme temperature risk to our generation assets and transmission networks.
- Bushfire risk to our assets and supporting infrastructure.

We will continue to work with government bodies, leading scientific institutions, and our team of in-house scientists to understand and predict weather and climate impacts to our business.

We are committed to continually strengthening our climate risk management framework and meeting upcoming Commonwealth climate-related financial disclosure standards (and other relevant reporting standards). This includes assessing energy transition risks (for example, market, regulatory, technological, reputational, and demand changes or variations).



## Opportunity 2: Emissions Reduction

**Reducing emissions and enabling decarbonisation of the NEM while developing our medium to long-term emission reduction pathways.**

We will:

- Identify and understand all sources of our emissions.
- Develop a framework for making long-term asset investment decisions that provide visibility of security of supply, affordability and emissions factors.
- Reduce our emissions where and when we can.
- Support the decarbonisation of the NEM.

Our Renewable Energy Procurement Program underwrites the investment and, therefore the entry into the NEM of new zero-emission renewable energy, which directly displaces emissions intensive coal fired generation. Accordingly, our Renewable Energy Procurement Program directly contributes to the decarbonisation of the NEM.

We will continue to support Australia's ambition to transition to net zero by 2050 by supporting the NEM to decarbonise and reduce our emissions where and when we can.



## Opportunity 3: Traditional Owner and Community Relationships

### **Strengthening relationships with Traditional Owners and local communities where we operate.**

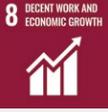
We have established and continue to build and maintain relationships with the Traditional Owner groups where we operate. We aim to support reconciliation and contribute to improved social, economic and environmental outcomes. We acknowledge shared history and support joint aspirations to work in partnership using an authentic, collaborative and action-oriented approach.

Due to the nature of our diverse and geographically distributed operations, connecting with all Traditional Owners and stakeholder groups in all areas remains a challenge and opportunity that we are committed to resolving in collaboration with each of our Traditional Owner communities.

Our actions include the development of Traditional Owner Plans, including collaboratively exploring procurement opportunities; elevating cultural awareness and education through our Discovery Centre (approximately 100,000 visitors per annum), many of whom are school students; continuing partnerships with Indigenous youth-aligned organisations such as Police Citizens Youth Club NSW, Clontarf Foundation, Stars Foundation and Career Trackers; and employment, acknowledgement and celebration of our Indigenous employees.

## Our material topics for 2023-2024

These three strategic opportunities are achieved through the actions in the following eight material topics:

Material Topic	What does this mean at Snowy Hydro and what are our objectives?	Link to UN Sustainability Goal	Link to Sustainability Opportunity
<b>Emissions and energy management</b>	Understand our net carbon position, reduce emissions and commit to net zero within realistic timeframes. Support Australia's transition to renewable energy by providing firming capacity.	  	
<b>Climate risks and opportunities</b>	Building our understanding of climate risks to assets, operations, and our communities and improving our resilience to change.	 	
<b>Balancing water rights and obligations</b>	Balancing rights to manage water under the licence and obligations for downstream economic, environmental, cultural and recreational uses.	 	
<b>Ecological impacts</b>	We will continue to work with government bodies, universities and local communities to identify and support rehabilitation and conservation initiatives to improve the biodiversity values of the different environments in which we operate.	 	
<b>Employee sustainability</b>	Maintain a workplace that attracts, inspires and retains the very best people and supports them to reach their potential.	  	
<b>Community engagement sustainability</b>	Maximise positive social impact through education, engagement, Traditional Owner support and community partnerships	  	
<b>Customer sustainability</b>	Keeping the lights on, being a successful business while caring for customers. Our products reflect our values, providing sustainable products to our customers. We help to lower prices for consumers through the promotion of competition in wholesale and retail energy markets.	 	
<b>Responsible business practices</b>	We are committed to achieving best-practice corporate governance, which is critical to the organisation's ongoing sustainability. This includes providing transparent reporting and supply chain management, including safety, environment, modern slavery and cyber and data security.	  	

These material topics are detailed in the next section of this report.

We will regularly review the currency of our material topics to ensure we remain focused on the most important challenges and opportunities of our internal and external stakeholders.



# MATERIAL TOPICS, OBJECTIVES AND ACTIONS FOR 2023-2024

# Environmental Sustainability

We are committed to the care and protection of the environment. We know that this is vital to the ongoing sustainability of our business and the wellbeing of the communities around us. The most significant positive contribution we make to the environment is through our role as the biggest renewable generator by capacity in the NEM and as an enabler of decarbonisation at a broad scale.

We have a >70-year record of stewardship and minimising our impacts on the land, water and air at a local scale. We do this through our well maintained assets, skilled people and integrated Environmental Management System (EMS). The EMS provides the framework for us to competently manage our day to day activities, continually improving and reporting on performance. The EMS has been independently certified to the ISO14001 international standard each year since June 2000.

We deliver through strong working relationships with our neighbours, government agencies and local communities.

All of this provides the foundation for us to minimise any negative impacts and make a positive contribution where we can, for the benefit of future generations.

## Emissions and Energy Management



Snowy Hydro plays a critical role in reducing greenhouse gas and carbon in the NEM and displacing coal generation with lower-emission electricity sources. Snowy Hydro also invests in new wind and solar projects, and maintains a relatively low carbon intensity compared to Australia's top generators. Our retailers, Red Energy, Lumo Energy and our Direct Connect business have their business operations certified by Climate Active.

### Objective

Understand our net carbon position, reduce emissions and commit to net zero within realistic timeframes. Support Australia's transition to renewable energy by providing firming capacity.

### Links to UN Sustainable Development Goals



### Key actions underway

- Continue to generate an average 4,250 GWh per annum of renewable hydropower electricity into the NEM through our existing hydropower stations.
- Continue to support the decarbonisation of the NEM through the construction of new hydropower and lower emissions gas projects (including Snowy 2.0 and the Hunter Power Project) with peak generation capabilities necessary to replace retiring coal power plants.
- Firming new renewable energy projects through solar and wind power purchase agreements.
- Snowy Hydro retail entities, Red Energy and Lumo Energy, and Direct Connect business, have their business operations certified by Climate Active.

### Future actions

- Identify and further understand all sources of our emissions (including initial assessment of material Scope 3).
- Develop a framework for making long-term asset investment decisions that provide visibility of security, affordability and emissions factors.
- Produce an emissions reduction opportunities strategy.
- Reduce and offset our emissions where possible (e.g., vehicle fleet, travel, SF6).
- Continue to implement existing actions that will result in reduced emissions.

### Existing metrics

- Scope 1 and 2 emissions.
- Carbon intensity (tonnes CO<sub>2</sub>/MWh).
- Business travel emissions.
- Volume of energy in renewable power purchase agreements (GWh).
- % of hydro MWhs.

### 2024 Targets

- Emissions reduction opportunities strategy developed.
- Offset 100% of corporate air travel.
- Continue to develop our low emissions fleet strategy.

## Climate Risks and Opportunities



While we have a strong history of operating under highly variable conditions, an increase in climate variability and extremity is expected over the coming decades. Meanwhile, the NEM is rapidly transitioning to variable renewable energy sources to support a low-carbon economy. More than ever, there will be a need for Snowy Hydro to operate flexibly and reliably and provide much-needed system stability for the NEM.

### Objective

Building our understanding of climate risks to assets, operations, and our communities and improving our resilience to change.

### Links to UN Sustainable Development Goals



### Key actions underway

- Working with government bodies, leading scientific institutions and utilising a team of in-house scientists to understand and quantify the risks relating to short (<1 year), medium (1-10 years) and long (> 10 years) term weather and climate impacts to our business.
- Integrating short- and medium-term climate risk scenarios into hydro generation, portfolio modelling, and business strategy.
- Long-term climate risks are implemented into relevant business areas, particularly regarding our priority areas of water availability, dam safety, extreme temperature and bushfire risks.
- Dam flood risks are addressed through the Dam Safety Assurance Program, ensuring safe dam management in future extreme inflow scenarios in accordance with dam safety regulatory requirements.
- Our Cloud Seeding Program continues to play a small but essential role in enhancing winter-time precipitation in the Snowy Water Catchment.
- Continuing to support and engage with regulators and other stakeholders on climate and energy-related policy and developments.

### Future actions

- Scenario modelling to develop asset-level climate risk profiles to help prioritise maintenance and investment and mitigate climate risks to our generation portfolio.
- Scenario modelling to quantify climate-related transition risks and the resilience of our long-term business strategies.
- Refinement of our climate-risk management framework and reporting in line with upcoming Commonwealth climate-related financial disclosure standards.
- Improving the communication of our 'climate story' to external stakeholder groups.

### Existing metrics

- Volume of climate-related inflow and hydro risk in short (<1 year) and medium (1-10 year) terms.
- Number of cloud seeding operating hours and volume of additional water.
- Submission of the Cloud Seeding Program Annual Report and compliance against the Environmental Management Plan.
- Compliance with Snowy Water Licence requirements.

### 2024 Targets

- Meet required Commonwealth standards in climate-related financial disclosure reporting.

# Water releases and electricity generation are inseparably linked in the Snowy Scheme.

## Balancing Water Rights and Obligations



The Snowy Scheme plays a crucial role in managing inflow variability into the Murray and Murrumbidgee river systems, storing rainfall and snow melt in the vast long-term storages during high inflow cycles, and then releasing this stored resource through drier cycles and droughts. It is the certainty of “base” water availability underpinned by the Snowy Scheme that facilitates a vast agricultural industry and a significant amount of the country’s food supply.

We do not own any of the water that flows into the Snowy Scheme, but have flexibility in release timing to generate electricity as long as it meets the requirements set out in the Snowy Water Licence.

We must reach specific targets for these downstream irrigation and environmental water releases each year. We carefully manage our generation and water releases while at the same time giving long-term security to downstream water users.

### Objective

Balancing rights to manage water under the licence and obligations for downstream economic, environmental, cultural and recreational uses.

### Links to UN Sustainable Development Goals



### Key actions underway

- Communicate Snowy Hydro’s water story through public reporting and stakeholder engagement activities.
- Responsible for dam and emergency management and planning for extreme weather and climate events.
- Delivery of environmental flow programs within and downstream of the Scheme to boost regional river health, including infrastructure improvements.
- Support river works programs in the Murray and Tumut areas.
- Work with Snowy Water Licence stakeholders to enable more flexible water releases and efficient hydro generation.

### Future actions

- Support research projects on the delivery and benefits of environmental flows, including economic evaluation of proposed changes to Snowy Hydro assets and systems.
- Conduct further modelling and analysis of the variability of water resources with climate change.

### Existing metrics

- Public reporting of Snowy Hydro’s water operations.
- Compliance with Snowy Water Licence requirements (percentage of requirements met).

### 2024 Targets

- 100% conformance with Snowy Water Licence Obligations.
- Delivery of five “8-hour peak flow” environmental water events from Jindabyne Dam.
- Public reporting of 2023/2024 Annual Water Operations Plan.
- Long-term modelling of the Snowy Scheme completed for input to the NSW Government’s Regional Water Strategy Program, Snowy Water Licence Review and climate-related financial disclosure reporting.



## Ecological impacts



Snowy Hydro has successfully managed large areas of freehold land and leasehold land inside Kosciuszko National Park (KNP) since construction of the Snowy Scheme. We have financially supported the NPWS former scheme sites rehabilitation program along with important Spotted Tree frog, pygmy possum and pest control programs within the KNP. Snowy Hydro invests around \$500,000 per annum in weed control in KNP. Through the Snowy 2.0 approval ~\$120 million has been committed towards biodiversity offsets which will be directed towards substantial conservation programs for species like the Smoky Mouse, Alpine She Oak Skink, Broad Toothed Rat and Alpine Sphagnum Bogs and Fens.

The Snowy Scheme has regulated rivers and waterways while underpinning water security in the southern Murray-Darling Basin, providing critical water for agriculture town water supply and funding social, cultural and recreational projects to the community. A program of environmental flows has been in place since 2002 that provides water to the Snowy and Montane Rivers.

### Objective

We will continue to work with government bodies, universities and local communities to identify and support rehabilitation and conservation initiatives to improve the biodiversity values of the different environments in which we operate.

### Links to UN Sustainable Development Goals



### Key actions underway

- Provide financial support for small conservation and research projects in collaboration with government bodies, universities and local communities to preserve threatened species and manage pests, including an annual weed control program worth around \$500K annually.
- Delivery of biodiversity monitoring and rehabilitation program as part of Snowy 2.0 construction approvals.
- Payment of \$61M to date for biodiversity offset credits for Snowy 2.0 project (against a total of ~\$120M by the end of the project).

### Future actions

- Demonstrate our continued commitment to biodiversity improvement by providing financial support to tangible projects, including:
  - Waterway and fish habitat restoration projects
  - Tree planting and habitat restoration projects, and
  - Targeted pest species control projects.

### Existing metrics

- Biodiversity offsets paid.
- Number of projects supported and partnered.
- Reporting on any regulatory breaches of our licences.

### 2024 Targets

- The identification and funding of new biodiversity improvement projects.

# Case Study:

# Environmental flows to improve river health

Since corporatisation, Snowy Hydro, in collaboration with NSW government agencies, has been progressively implementing programs of environmental flows below a number of major storages throughout the Scheme in order to assist in the rehabilitation of sections of rivers. The mechanism for these releases are set out in the Snowy Water Licence.

The volume of releases made to the various rivers are determined by a package of water entitlements held by the New South Wales and Victorian governments, which ensures that other water users are not unfairly affected by the consequent reduction in water releases down the Murray and Tumut Rivers.

The largest environmental releases, of up to 212 gigalitres per year, are made to the Snowy River below Jindabyne Dam. In order to provide releases to the Snowy River below Jindabyne, Snowy Hydro undertook a major refurbishment of Jindabyne Dam to ensure large releases of clean, fresh water could be delivered downstream, including large volume 'flushing flows' that simulate large natural runoff events from snowmelt.

We also make regular environmental flow releases to the Snowy River below Guthega Dam and Island Bend Dam, the Geehi River below Geehi Dam, the Murrumbidgee River below Tantangara Dam and the Goodradigbee River below Goodradigbee Weir.

Macroinvertebrate studies undertaken following the commencement of these environmental releases in the Geehi and Upper Snowy River catchments found positive evidence of recovery of the waterways in which these flows are being released.

# Social Sustainability

Our social sustainability has two focus areas:

- **Employee sustainability** - maintaining and evolving a workplace that attracts and retains the very best people, ensures safety standards are maintained to a high level and creates career fulfilment at all levels of the organisation; and
- **Community sustainability** - maintaining and improving our existing relationships and building better ones with Traditional Owners and the communities in which we live, work and serve.

## Employee safety, diversity and inclusion

Safety is always our number one priority. Our commitment to the safety of our people, contractors and visitors, including their health and wellbeing, is a core Value. We are responsible for providing a safe working environment, allowing our people and businesses to thrive. In this environment, preventing harm to health and well-being is paramount.

We operate in unique and often hazardous environments. From power stations to dams, tunnels, aqueducts and remote sites within Kosciuszko National Park, we have in place an ISO45001-certified safety risk management system, supported by our Life-Saving Rules, induction and Health and Safety procedures and programs, to ensure the safety of our people and contractors.

Our Wellbeing Strategy underpins our long-standing commitment to our employees and their families' physical and psychological health. In response to new Workplace Health and Safety regulations for managing psychosocial hazards, we have evolved our Wellbeing Strategy to proactively and comprehensively manage the well-being of our people. This strategy includes:

1. Taking care of the basics of physical and psychological health
2. Maintaining connection with the important things
3. Thriving at work
4. Coping with life's stages
5. Let's talk about money

# Case Study: Our Story

The Our Story program commenced implementation in 2021 as the 'next step' in our safety journey.

Our Story goes to the heart of understanding the psychology of our values, mindset and attitudes and how they impact our safety practices and decisions. It focuses on being 'human' and the importance of social connection in keeping us, our families and work colleagues psychologically and physically safe.

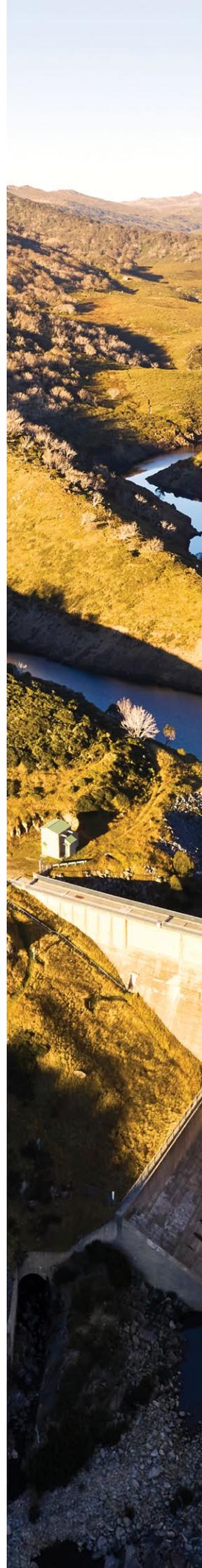
The program is run as a series of 'chapters' (see model below) by employee facilitators from across the business and attended by all employees and embedded contractors.

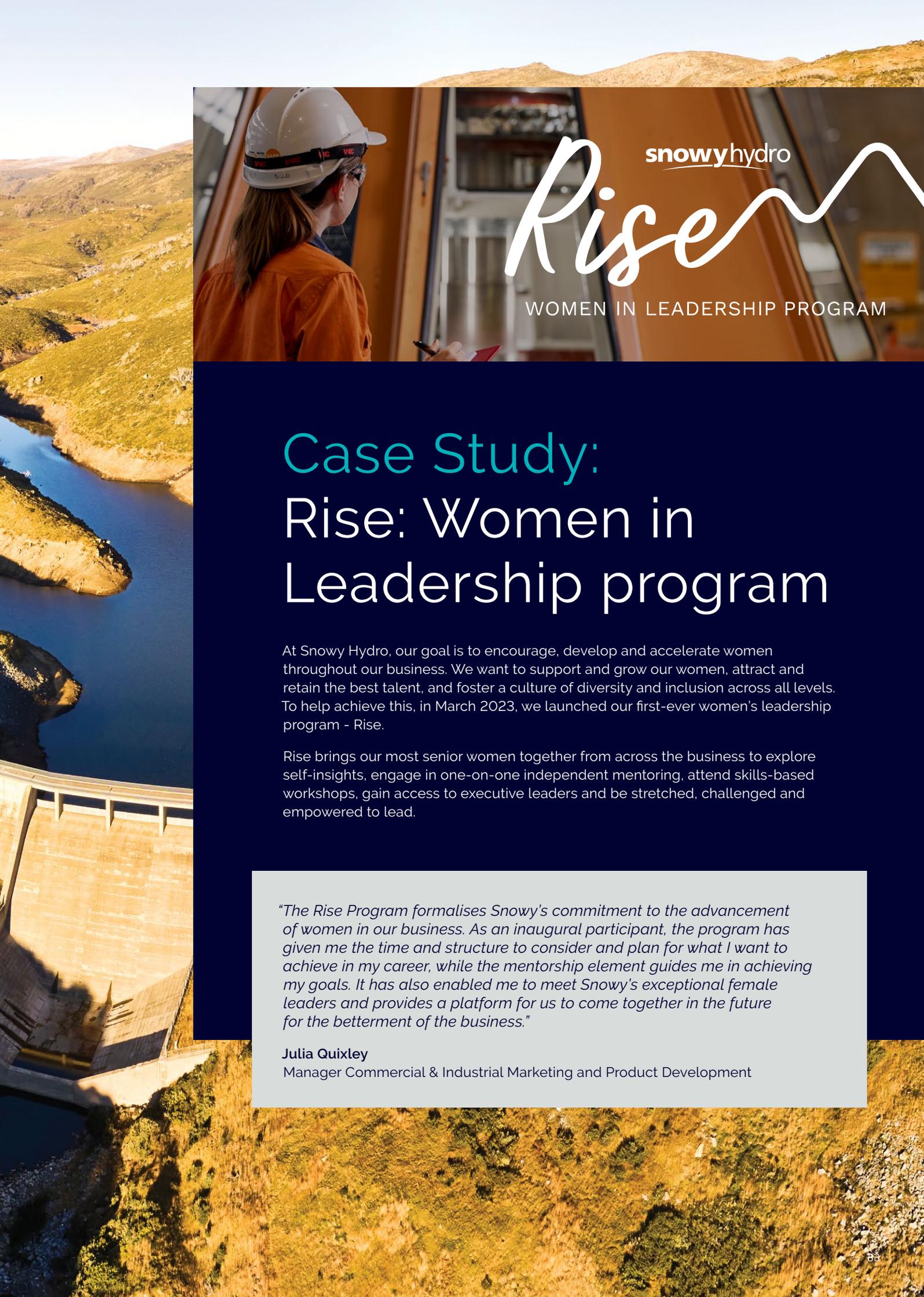


## Diversity and Inclusion

Diversity and Inclusion have been part of our story for almost 75 years when 100,000 people from more than 30 countries came together to construct the Snowy Scheme. Today, as an integrated and dynamic energy business with a growing energy portfolio and retail customer base, diversity and inclusion remain a key part of our success.

Our Diversity Strategy aims to build diversity and foster inclusion and each person's potential through four key strategic pillars of gender balance, culture and identity, flexibility, and community. To support the implementation of this strategy, a D&I Council, made up of representatives from across the organisation, was established in early 2023. We will continue to measure our progress and impact through annual D&I surveys.





snowyhydro

Rise

WOMEN IN LEADERSHIP PROGRAM

## Case Study: Rise: Women in Leadership program

At Snowy Hydro, our goal is to encourage, develop and accelerate women throughout our business. We want to support and grow our women, attract and retain the best talent, and foster a culture of diversity and inclusion across all levels. To help achieve this, in March 2023, we launched our first-ever women's leadership program - Rise.

Rise brings our most senior women together from across the business to explore self-insights, engage in one-on-one independent mentoring, attend skills-based workshops, gain access to executive leaders and be stretched, challenged and empowered to lead.

*"The Rise Program formalises Snowy's commitment to the advancement of women in our business. As an inaugural participant, the program has given me the time and structure to consider and plan for what I want to achieve in my career, while the mentorship element guides me in achieving my goals. It has also enabled me to meet Snowy's exceptional female leaders and provides a platform for us to come together in the future for the betterment of the business."*

**Julia Quixley**

Manager Commercial & Industrial Marketing and Product Development

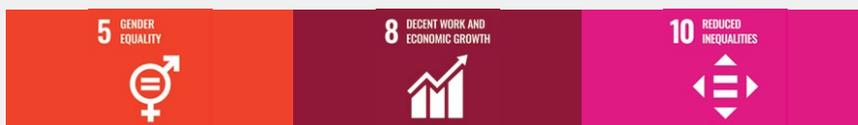
# Employee Sustainability



## Objective

Maintain a workplace that attracts, inspires and retains the very best people and supports them to reach their potential.

## Links to UN Sustainable Development Goals



## Key actions underway

### Safety

- Delivery of 'Our Story' cultural safety program across the business.
- Implementation of a Wellbeing Strategy and dedicated Wellbeing Team staffed by health professionals to ensure a proactive focus on supporting and improving the health and well-being of our people.

### Diversity & Inclusion

- Creation of a Diversity & Inclusion (D&I) Council and establishment of an experienced Diversity & Inclusion team to develop and implement the Snowy Hydro D&I Strategy.
- 'The Line' training program: changing workplace behaviour through deepening our employee's understanding of psychological safety, unconscious bias, inclusion and discrimination beyond legal obligations.
- Rise: Women in Leadership Program: introduced this year to accelerate the development and careers of our most senior women through a tailored CEO-led mentoring and networking program.
- Engagement with Traditional Owners to provide Indigenous employment and work experience opportunities in the Snowy Mountains regions.
- Employment of young Indigenous students through the CareerTrackers Indigenous Employment Program.
- Provision of work experience and employment opportunities through our Clontarf partnership.

### Employee attraction and retention

- Approximately 10% of our workforce are engaged in formal development programs, including graduates, apprentices and trainees.
- Our study assistance program supports employees in furthering their formal education.
- WorkLife@Snowy program implemented to enable flexible, hybrid and remote work.

## Future actions

- Develop plans to encourage Traditional Owner and Indigenous employment.
- Establish a process to support skills development in core capability areas.
- Continue our focus on Diversity and Inclusion through implementation of the D&I strategy, and regular annual measurement and reporting on progress.
- Continue the Rise: Women in Leadership Program and expand to include emerging female leaders.

## Existing metrics

- Safety performance and engagement lead and lag indicators (including TRIFR).
- Results from the bi-annual employee engagement, D&I and safety surveys.
- Women participating in accelerated leadership programs.
- Gender pay equity, senior leader representation.
- Onboarding and exit interview data.

## 2024 Targets

- Increase the employment and work experience opportunities available to Indigenous people.
- Implement a process to support skills development in targeted capability areas.
- Increase female senior representation.
- Build employee wide understanding on the D&I business case for change.
- Two cohorts of the Rise: Women in Leadership Program.

## Community Engagement and Relations

We have a long history of supporting the local communities we live and work in. Each year, the company invests in partnerships and sponsorships with not-for-profit organisations, and we contribute to local infrastructure projects to encourage regional growth and economic investment in communities.

As an example, we are proud to be a foundation sponsor and continuing supporter of the Country Universities Centre (CUC). The CUC was established in 2013 to provide higher education learning support to students in the New South Wales town of Cooma, where our headquarters are located. Since then, the CUC has expanded to become a network of 13 Centres operating in 18 communities across New South Wales, Queensland, and Victoria.

While our focus has historically been on Snowy Mountains regions, we have expanded community support beyond this region by establishing the Hunter Power Project Community Grants Program and will continue to consider opportunities to support other communities where we have operations.

Nationally, our retailer Red Energy is a major supporter of Breast Cancer Network Australia (BCNA), donating vital funds and providing staff volunteers. The partnership is complemented by Red Energy's BCNA energy product, allowing customers to support the cause with Red Energy making monthly contributions to BCNA for so long as the customer remains on the BCNA product.



# Case Study: Snowy Hydro Community Grants Program

The bi-annual Snowy Hydro Community Grant Program offers grants of up to \$10,000 to support and deliver positive and lasting outcomes for our communities.

Grants are allocated via a process where applications are assessed for eligibility and against a set of criteria aligned with our Community Commitment Pillars. In round one of 2023, \$143,000 was granted to 20 not-for-profit organisations and events across the regions where we operate in the Snowy Mountains.

More recently, Snowy Hydro has also launched the Hunter Community Grants Program, supporting communities surrounding the Hunter Power Project.

Community Grants 2023  
Round one



49  
applications  
received

20  
applications  
approved

21  
thousand  
locals impacted

\$143K  
total monies  
approved

# Case Study: Gudja Gudja Mura Yarning Circle

Through our bi-annual Community Grants Program in FY22, we provided funding to support the Gudja Gudja Mura Area project in Tumberumba. The project aims to establish an Indigenous interpretive walking trail to secure and protect a culturally significant site for the Ngarigo people.

This involved re-establishing the Yarning Circle/Corroboree area and recognising a message tree, concluding in an area where the Ngarigo culture and heritage can be celebrated. The project's success has resulted in securing further funding from Snowy Hydro for phase two, enabling further development.

We are proud to play our part in empowering future generations of Indigenous and Non-Indigenous people to understand our Traditional Owners' culture and heritage.

We are proactively exploring ways to extend and deepen our engagement with the Traditional Owners of the lands where we operate in collaboration with them. More broadly, we partner with the Clontarf Foundation, PCYC NSW, Career Trackers and Stars Foundation to support the education and employment of young Indigenous Australians.

Connecting with all Indigenous people across our geographically dispersed operations is challenging, however we recognise the enormous opportunity and goodwill to do more with the Traditional Owners in the Snowy Mountains region as a priority.

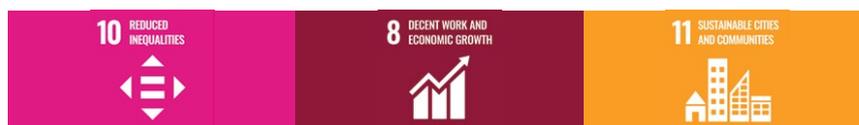
## Community Engagement Sustainability



### Objective

Maximise positive social impact through education, community engagement, Traditional Owner support and community partnerships.

### Links to UN Sustainable Development Goals



### Key actions underway

- Provide financial support for local community initiatives through the Snowy Mountains Community Grants Program and the Hunter Power Project Community Grant Program.
- Education initiatives in local Snowy Mountains areas schools through the Local School STEM Fund and Next Generation Education Academy.
- Support for the education and development of Indigenous students through partnerships with the Clontarf Foundation and Stars Foundation.
- Support for Police Citizens Youth Club NSW, supporting and empowering young people to reach their potential through school holiday face-to-face STEM programs.
- Provision of Young Driver Training for school children across the Snowy Mountains to encourage safe driving.
- Country Universities Centres - CUC Snowy Monaro.
- Support regional capacity building through partnership with Snowy Valleys Sculpture Trail and previously through the long-term partnerships with the Snowy Ride and Country Universities Centre network.
- Utilise the Snowy Hydro Discovery Centre as a community asset to provide opportunities for local not-for-profit organisations.

### Future actions

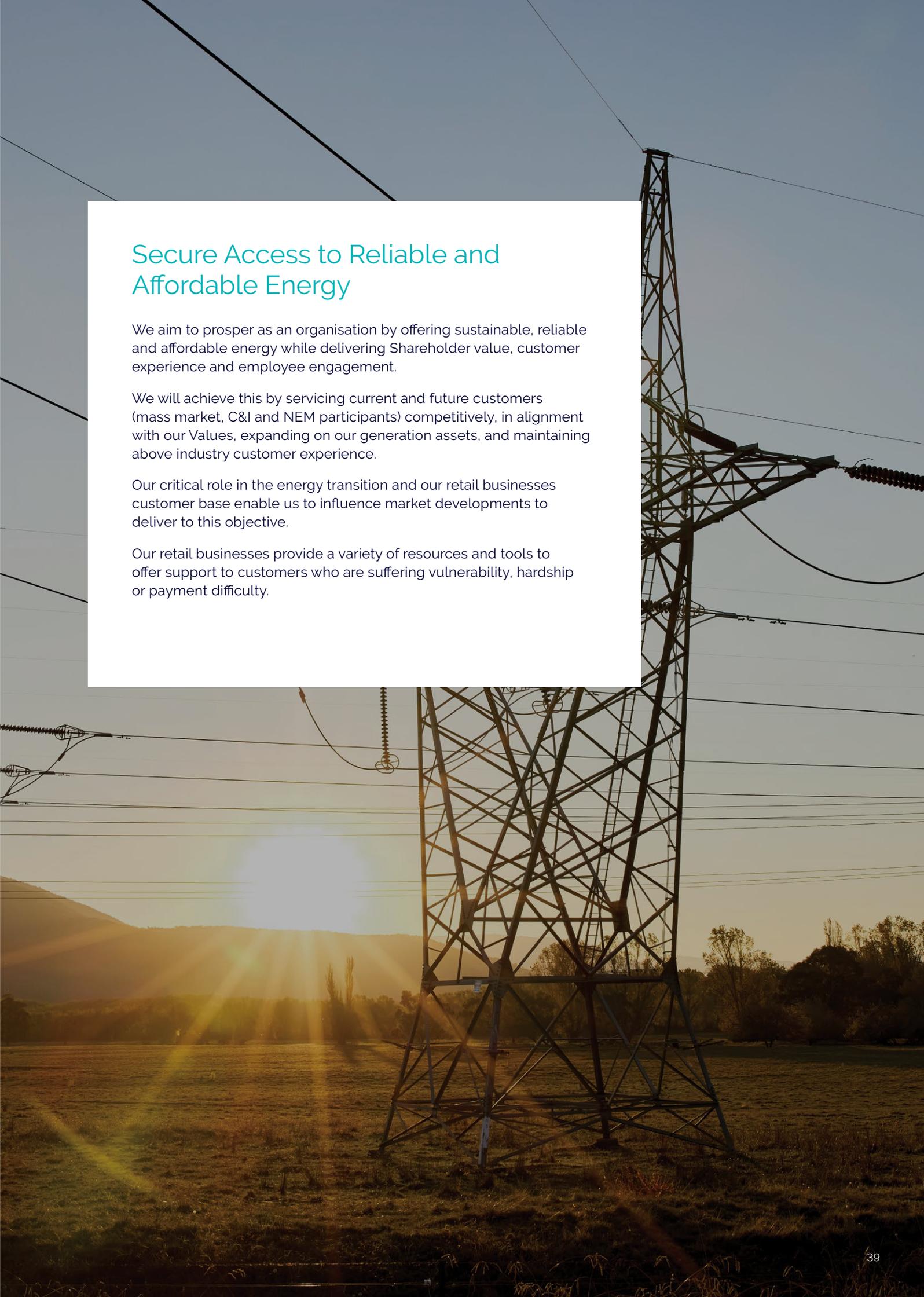
- Explore further volunteering opportunities for employees to engage with Snowy Hydro's community partners.
- Develop a Traditional Owner Engagement Strategy.
- Support the creation of the local Social Enterprise-led Nursery Project which will provide native plants for Kosciuszko National Park.

### Existing metrics

- Number of community grants & Local School STEM Fund applications, geographical diversity and annual spend.
- Visitation numbers to the Snowy Hydro Discovery Centre (public and school groups).
- Number of not-for-profits using the Snowy Hydro Discovery Centre.
- Social media and advertising data and sentiment analysis.
- Customer feedback and complaints.

### 2024 Targets

- Planning and development of the Traditional Owner Engagement Strategy has commenced.



## Secure Access to Reliable and Affordable Energy

We aim to prosper as an organisation by offering sustainable, reliable and affordable energy while delivering Shareholder value, customer experience and employee engagement.

We will achieve this by servicing current and future customers (mass market, C&I and NEM participants) competitively, in alignment with our Values, expanding on our generation assets, and maintaining above industry customer experience.

Our critical role in the energy transition and our retail businesses customer base enable us to influence market developments to deliver to this objective.

Our retail businesses provide a variety of resources and tools to offer support to customers who are suffering vulnerability, hardship or payment difficulty.

## Customer Sustainability



### Objective

Keeping the lights on, being a successful business while caring for customers. Our products reflect our values, providing sustainable products to our customers. We help to lower prices for consumers through the promotion of competition in wholesale and retail energy markets.

### Links to UN Sustainable Development Goals



### Key actions underway

- Continue to provide reliable firming generation to facilitate security of energy supply in the NEM.
- Drive regulatory reforms aligning with our Sustainability Program and Values by preparing public submissions to proposed changes to legislation, e.g., changes to the National Energy Retail Rules.
- Maintain active stakeholder influence planning and strategy, including membership of industry bodies and informal regular review of how best to advocate effectively.
- Red Energy and Lumo Energy have dedicated specialist teams to actively help and support residential customers anticipating or facing vulnerability, such as payment difficulties, family violence and/or other factors. We actively work with our customers to tell them about assistance options they are entitled to and which of those options are best suited to their circumstances. Such options range from flexible and tailored payment plans, advice on concessions and grants, practical advice on how to use less energy, access to community services, better offers available and the availability of our hardship program (among others).
- Red Energy offers customers the option to purchase 100% GreenPower electricity and Carbon Neutral Gas opt-in products, which is Climate Active certified, meaning Red Energy offsets the emissions of a customer's natural gas usage.
- Red Energy's market-leading TrueGreen™ product is certified carbon-neutral by Climate Active, and provides C&I customers with 100% renewable energy with 100% matching Large scale Generation Certificates (LGCs).
- Red Energy also offers C&I customers an alternative renewable product, NetZeroMatch™ providing 100% renewable energy with mandatory LGCs and the remaining usage matched with International Renewable Energy Certificates.

### Future actions

- Continue to lead energy regulation to help vulnerable customers.
- Formalise our framework of sustainability principles to be considered when preparing submissions to ensure alignment.
- Advocate for regulatory change to enable retailers to set vulnerable customers on the cheapest market offer without the need for explicit informed consent.

### Existing metrics

- Net Promoter Score.
- Percentage of customers completing hardship payment arrangements.
- Plant start reliability.

### 2024 Targets

- Net Promoter Score remains above the industry average.
- Plant start reliability above 99%.

# Governance Sustainability

Underpinning all aspects of our Sustainability Program is Snowy Hydro's best practice corporate governance and risk management framework. Our approach to Corporate Governance, and our Board and Leadership team, are set out in our Annual Report for the financial year 2023.

Due to the intrinsic and interconnected nature of sustainability-related matters, risks within the 'energy trilemma' are integrated into our broader strategic enterprise risks and opportunities. We review and update these risks each year to consider changes in the external environment and our internal operations. We follow the ISO 31000:2018 standard for risk management.

## Responsible Business Practices



### Objective

We are committed to achieving best-practice corporate governance, which is critical to the organisation's ongoing sustainability. This includes providing transparent reporting and supply chain management, including safety, environment, modern slavery and cyber and data security.

### Links to UN Sustainable Development Goals



### Key actions underway

- Due diligence risk assessments are undertaken on all suppliers before contract award covering Modern Slavery, Environmental and Safety Performance, Cyber Security risk.
- The Whistleblower Policy and hotline have recently been updated, and new training packages will be released.
- Adherence to the Security of Critical Infrastructure (SOCi) Act by:
  - Aligning with the Australian Energy Sector Cyber Security Framework (AESCSF)
  - Executing on our Risk Management Plan (RMP)

### Future actions

- External assurance audits on current or new sustainability and/or ESG-related reporting.
- External assurance on sustainability indicators and metrics.
- Revision of conflicts of interest policy and procedure.

### Existing metrics

- Number of material regulatory compliance breaches.
- Procurement and supplier management practices.
- Modern Slavery Statement.

### 2024 Targets

- Establishment of a sustainability governance oversight committee.
- Development of our sustainability governance management and reporting.
- Aligning our social, economic and environmental disclosures to external reporting frameworks.



Our operations consider climate and extreme weather risks such as fire, drought, storm and high rainfall events.



We are investing in and supporting activities that are important for the communities we live and work in.



Supporting Aboriginal people and organisations like Clontarf and PCYC to improve education and employment outcomes.



We are developing targeted health and wellness programs for our employees.



We are reducing the Company's already low emissions intensity profile by investing in new-generation technology and increased renewable capacity.



We are developing a new environmentally-focused product class for C&I customers.



Over everything else, we are prioritising the safety of people in the design, construction and maintenance of assets.



We are designing, operating and maintaining our plant for very high reliability, which also minimises pollution risks.

**snowy**hydro