

always
powering
ahead

apa

Effective Date

July 1, 2023

APA Group Climate Change Policy



1 Purpose

The Climate Change Policy establishes APA's strategic position and commitments that informs our approach to addressing the global challenge of climate change and the transition to a Net Zero economy. Application of this Policy is key to ensuring our activities are conducted in line with our group purpose, vision and strategy and that risks and opportunities are appropriately managed and realised.

2 Scope

This policy applies to APA, its directors, employees, contractors and all other people when they represent APA.

3 APA Position / Strategic intent

APA acknowledges the impact of human-induced climate change.

Climate change presents both opportunities and risks not only to our business, but also to the long-term prosperity of the economy and communities we serve. We are committed to being part of the successful transition to a Net Zero economy and are taking the necessary steps to understand how we can best respond to the challenges and opportunities inherent in this transition

Our purpose is to strengthen communities through responsible energy. For us, that means we need to take a long-term view and be here for future generations. It also means innovating for a sustainable future by investing in technology and new ways of generating energy. These are key tenets of the way we do business and are reflected in our principles-based approach to climate change.

Our position:

- The science of climate change as assessed by the Intergovernmental Panel on Climate Change is unequivocal. The Paris Agreement goal to limit global temperature increase to 2°C and to pursue efforts to limit this increase to 1.5 °C is fundamental to reducing the adverse impacts of climate change.
- Natural gas and natural gas infrastructure will play a critical role in the transition to Net Zero by 2050 or earlier, through firming in the electricity market and the provision of decarbonised gases. Technology is a key enabler in delivering Net Zero including through hydrogen, renewable electricity, energy storage and carbon capture and storage.
- The transition to a Net Zero economy is accelerating presenting APA with risks to manage and opportunities to realise, and in doing so, we will play our role in facilitating this transition.
- Effective planning, policy certainty and well-designed market-based mechanisms provide for the most orderly, efficient and least cost transition in support of the Paris Agreement.
- Emissions reductions should be prioritised where reasonable to do so. If costs or technology are prohibitive, we support the use of high-quality carbon offsets, with co-benefits which meet our defined criteria as being responsible.
- Communities should be supported to adapt to and benefit from the transition to Net Zero.

Our commitments:

- Pursue our ambition to achieve net zero operations (scope 1 and 2) emissions by 2050 for our gas infrastructure portfolio and by 2040 for our power generation and electricity transmission investments.
- Develop and maintain a climate transition plan, set interim targets, and embed consideration of this goal and climate risks into our business strategy, processes and decision-making, consistent with the Paris Agreement.
- Disclose progress against our commitments and plan and in accordance with the Taskforce for Climate Related Financial Disclosures.
- Ensure the appropriate resources and capability are in place to enable our transition, including to collaborate, partner with and support our value chain to achieve emissions reductions.
- Enhance the resilience of our asset portfolio by periodically undertaking scenario analysis and resilience testing and adapting to the physical impacts of climate change.
- Advocate consistent with this Climate Policy including with Industry Associations we are members of.
- Align executive remuneration to ensure consistency with climate transition ambition and goals.
- Support measures to ensure communities adapt to and benefit from the transition to Net Zero.

4 Objectives

The objectives of this policy are to:

- Communicate our position on climate change.
- Set out guiding principles to ensure we appropriately manage the risks and opportunities associated with climate change and the transition to a Net Zero economy.
- Articulate commitments that guide our actions now and into the future.
- Ensure alignment with our Vision, Purpose, Strategy and Climate Ambition.

5 Key roles and responsibilities

For the purposes of the Climate Change Policy across APA, the following specific responsibilities apply:

| Position | Responsibility |
|--|---|
| <i>APA Safety and Sustainability Committee</i> | <ul style="list-style-type: none"> • Approve APA's Climate Change Policy |
| <i>Sustainability Management Committee / Executive Leadership Team</i> | <ul style="list-style-type: none"> • Promote the Climate Change Policy across APA • Monitor adherence to the Climate Change Policy including the established principles and commitments |

| Position | Responsibility |
|---|---|
| <i>Group Executive Sustainability and Corporate Affairs</i> | <ul style="list-style-type: none"> • Ownership of the Climate Change Policy • Accountability for the implementation of the Climate Change Policy and associated frameworks, systems and procedures which support adherence to the Climate Change Policy principles and commitments across APA |
| <i>Head of Net Zero & Climate</i> | <ul style="list-style-type: none"> • Review the Climate Change Policy as per the review dates • Development of related climate frameworks, standards, systems and procedures which support the APA Climate Change Policy |
| <i>APA Employees All other people when they represent APA</i> | <ul style="list-style-type: none"> • Compliance with this policy • Adhering to related climate frameworks, standards, systems and procedures which support the APA Climate Change Policy |

6 Glossary

| Term | Definition |
|-----------------|---|
| Net Zero | 'Net Zero Emissions' refers to achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere. |
| Paris Agreement | In 2015, Parties to the UNFCCC agreed in Paris to keep the global temperature rise this century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. The agreement requires all Parties to put forward "Nationally Determined Contributions" (NDCs). There will also be a global stocktaking every five years to assess the collective progress towards achieving the agreement and to inform about further individual actions by Parties. |

7 Related Documents

Climate Change Standard

8 Version Control

| Date | Changes |
|------------------------|--|
| 17/06/2022 (version 1) | Final approved |
| 23/08/2022 (version 2) | Amended section 3 to reflect release of Climate Transition Plan and establishment of targets. |
| 29/06/2023 (version 3) | Roles and responsibilities updated In the Our Position section, the word International changed to Intergovernmental |

APPROVED