

SAFETY AND SUSTAINABILITY



Health, Safety & Environment Committee

The Health, Safety and Environment (HSE) Committee governs the implementation and enhancement of the HSE strategy. The committee assesses legislative and regulatory change across the business, focusses on the progress of the HSE lead and lag indicators, and endorses new policies, procedures and initiatives.

Sustainability Committee

The Sustainability Committee governs the implementation of the sustainability strategy and associated initiatives. Current priorities are: reducing Infigen's carbon emissions, improving employee and community engagement, striving for a zero harm and healthy work environment, and increasing securityholder value.

Committee members are representatives of: the Group Executive, Operations, Strategy, Human Resources, HSE, Risk Management and Investor Relations teams.

Global Reporting Initiative framework

Infigen uses the Global Reporting Initiative (GRI) framework for its sustainability reporting and disclosure. This widely known framework enables Infigen's sustainability performance across environmental, social and economic dimensions to be compared with other organisations internationally. The report references the following GRI aspects and indicators:

- electric utilities disclosure (EU18)
- general standard disclosure (G4-10, G4-24, G4-26)
- overall (DMA, EN31)
- occupational health and safety (DMA, LA5, LA6)
- disaster/emergency planning and response (DMA)
- biodiversity (DMA, EN13, EN14)
- compliance (DMA)
- effluents and waste (EN24)
- environmental grievance mechanisms (DMA, EN34)
- energy (DMA, EN3, EN5)
- emissions (DMA, EN15, EN16, EN18, EN19)
- procurement practices (DMA, EC9)
- public policy (DMA, SO6)
- anti-competitive behaviour (SO7)
- compliance (SO8)
- diversity and equal opportunity (DMA, LA12, LA13)
- employment (DMA, LA1)
- non-discrimination (HR3)
- training and education (LA10, LA11)
- local communities (DMA, SO1, SO2)
- economic performance (EC1, EC2)

For Infigen sustainability means maximising our long term value to stakeholders across environmental, social and economic dimensions.



LOOKING FORWARD TO THE 2016 FINANCIAL YEAR

Infigen will continue to strive towards achieving its Zero Harm goal, and improve our injury rate by embedding rigorous risk management principles across our operations, building our safety leadership through more safety conversations on site with our people, implementing an HSE Improvement Action Plan, and linking HSE key performance indicators with performance reviews.

ALEX MCCORMACK
HSE Manager

SAFETY AND SUSTAINABILITY

HEALTH, SAFETY AND ENVIRONMENT (HSE)

HSE Performance

OCCUPATIONAL HEALTH AND SAFETY (LA5, LA6)

YEAR ENDED	30 JUNE 2015	30 JUNE 2014	CHANGE %
Total recordable injury frequency rate (TRIFR) ¹	9.7	14.4	33
Lost time injury frequency rate (LTIFR) ²	–	4.8	n.m.

1 TRIFR = Number (LTI + MTI) X 1,000,000 / total hours worked

2 LTIFR = Number (LTI) x 1,000,000 / total hours worked

n.m. – non-metric

The total recordable injury frequency rate for the 2015 financial year was 9.7, a reduction of 33% from 14.4 in the pcp. In the 2015 financial year two contractors received medically treated injuries, neither of which required notification to regulators; both contractors returned to work the next shift.

Zero Harm

OCCUPATIONAL HEALTH AND SAFETY (DMA)

Infigen’s first priority is the health and safety of its people and facilities, and the sustainability of the environment. This means ensuring everyone returns home safely, our facilities operate safely and the environment is not harmed by our activities.

During the 2015 financial year Infigen launched the “Zero Harm” program. This included the HSE Improvement Action Plan which recognises that everyone has a role to play in ensuring a safe and sustainable workplace. The Action Plan aimed to:

- Foster a Zero Harm culture
- Focus on HSE risk management
- Mature the HSE management system
- Advance our leaders through safety training

The Action Plan included key performance indicators, all of which were achieved and have resulted in positive outcomes, including the reduction of injuries – an outstanding achievement.



HSE Management System

Infigen has an integrated HSE Management System that is aligned to international standards. During the 2015 financial year Infigen introduced a Group HSE Risk Register that is fully embedded within the business and forms part of regular risk management reporting and governance reviews.

Contractor Safety and Consultation

The Inaugural Contractor Leadership Safety Forum was held in Sydney in February 2015, with discussions focussed on sharing safety knowledge and experiences across our operating sites. Monthly site HSE meetings bring together representatives from our major contracting companies to discuss HSE performance and improvement strategies.

Leadership

Safety Observations and Conversations, and Critical Control Assessment programs were implemented to encourage more executives and general managers to attend operational sites and engage with the workforce through one-on-one safety discussions and assessments of risk controls.



Emergency Response

DISASTER / EMERGENCY PLANNING AND RESPONSE (DMA)

The threat of bushfire is a common risk in Australia. Infigen operates high voltage equipment within areas with a potential for bushfire, and therefore has stringent management strategies in place that control and mitigate this risk including:

- Familiarisation visits by emergency response personnel
- Maintenance of fire breaks and fire extinguishers for spot grass fires
- Training and awareness raising programs

Infigen's policy is that no hot work is conducted on fire ban days and that work is scheduled in accordance with the rural fire service's daily fire warnings.





SAFETY AND SUSTAINABILITY

ENVIRONMENT

Environmental Studies

Infigen dedicates resources to ensuring our operations do not negatively affect the environment through intensive environmental studies, offset programs, fauna monitoring, a compliance management system, and fire management strategies. The progress is monitored and audited by the compliance and environment teams.

In accordance with State planning requirements and Infigen's policies, detailed environmental assessments are carried out by external specialist consultants in order to determine the management strategies required to ensure environmental sustainability. Implementation of the relevant environmental management plans and site specific inductions on the operational sites continued throughout the 2015 financial year. Environmental assessments were undertaken for the proposed Capital 2 wind farm project as part of the successful development application.

GRI INDICATOR	DISCLOSURE	2015 FINANCIAL YEAR
G4-EN14	Number of IUCN Red List Species Habitats in the areas of Infigen's operations	Critically endangered – Endangered – Vulnerable – Near threatened –
G4-EN24	Total number and volume of significant spills	–
G4-EN31	Total environmental protection expenditures and investments by type	\$356,177
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	15



Visual mitigation

COMPLIANCE (DMA)

During February 2015 the NSW Department of Planning and Environment (DPE) undertook an audit to confirm the adequate progression of landscaping requirements for the Capital and Woodlawn wind farms. The DPE found Infigen was compliant with its approval requirements.

Fauna monitoring

BIODIVERSITY (DMA, EN13)

Infigen continues to monitor and implement protection strategies of bird and bat species on its sites and has in place adaptive management plans that meet the standards of Clean Energy Council's Best Practice Guidelines.



According to external specialists, the Glossy Black Cockatoos continue to forage undeterred at the Capital wind farm.

SAFETY AND SUSTAINABILITY

CLIMATE CHANGE

Infigen is a developer, owner and operator of renewable energy assets. Infigen's core product – renewable energy – positively affects adaptation to climate change. Having a 100% renewable energy development project portfolio of large-scale onshore wind and solar photovoltaic projects is a strategic advantage over competitors who have generation assets that are exposed to the expected future cost of carbon emissions.

Reducing our carbon emissions

Infigen reports its energy consumption and scope 1 and scope 2 emissions under the National Greenhouse and Energy Reporting (NGER) framework in accordance with Australian legislation. Infigen also reports under the Carbon Disclosure Project framework, which identifies risks and opportunities from climate change and risk management procedures with regard to reducing the potential exposure. The 2015 report was published on Infigen's website at www.infigenenergy.com/CDP.html.

Scope 1 emissions are defined as the release of greenhouse gases into the atmosphere as a direct result of an activity from a facility such as a wind farm (for example, from diesel fuel use in vehicles on site). Scope 1 emissions of Infigen's wind and solar farms increased 27% to 274 tCO₂e.

Scope 2 emissions are those greenhouse gases released into the atmosphere as a result of activities at Infigen's wind and solar farms and our offices. Examples are the emissions from the electricity used in site offices during periods when the wind farms are not generating. Scope 2 emissions increased by 6% to 2,664 tCO₂e due to higher fuel consumption on site. Both scope 1 and scope 2 include the emission of carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

Total energy consumption of Infigen's operations increased 8% to 17,450 gigajoules in the 2015 financial year compared to previous year due to higher Scope 2 emissions.

In May 2015 Infigen joined the City Switch Green Office program, through which Infigen committed to reduce its energy consumption and greenhouse gas emissions. As a City Switch Green Office Program signatory, Infigen has volunteered to achieve a NABERS Energy tenancy rating of five stars before May 2016, and committed to procuring 100% of its office electricity consumption from renewable sources.

GRI INDICATOR	DISCLOSURE	UNIT	2015 FINANCIAL YEAR	2014 FINANCIAL YEAR	CHANGE %
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	tCO ₂ e	274	216	(27)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	tCO ₂ e	2,664	2,502	(6)
G4-EN18	Greenhouse gas (GHG) emissions intensity	tCO ₂ e/MWh	0.002	0.002	–
G4-EN3	Energy consumption within the organisation	GJ	17,450	16,200	(8)
G4-EN5	Energy intensity*	GJ/GWh	12.0	10.3	(17)

* 1 gigajoule (GJ) = 277 kilowatt hours (kWh)

ROAD TO PARIS COMMITMENTS

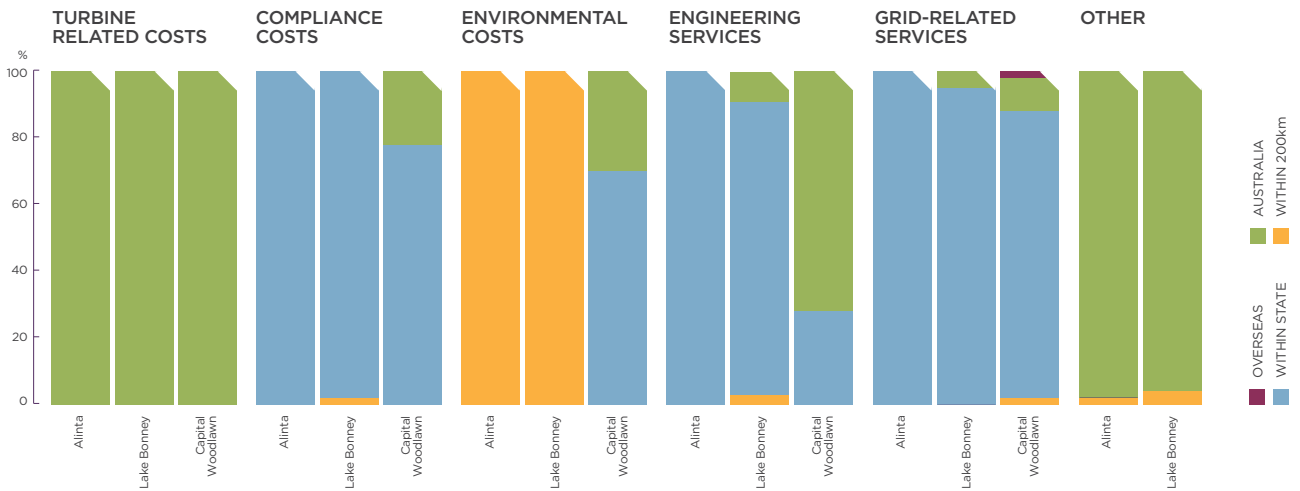
G4 ASPECT: EMISSIONS (DMA)

In June 2015 Infigen became a signatory to the Carbon Disclosure Project's Road to Paris commitments:

1. Set greenhouse gas emissions reduction targets that limit global warming to below 2°C
2. Put in place a strategy to procure 100% of electricity from renewable sources
3. Commit to responsible corporate engagement in climate policy
4. Provide climate change information in corporate reports
5. Put a price on carbon

PROCUREMENT PRACTICES (DMA, EC9)

Infigen is committed to sourcing materials and services from locally based suppliers to support the local economy, enhance community engagement, and to reduce its impact on the environment from transportation.



Engagement in climate policy

PUBLIC POLICY (DMA)

Raising awareness about renewable energy is one of Infigen’s commitments in the Community Engagement Policy. In June 2015 Infigen became a signatory to CDP’s Road to Paris commitment of responsible corporate engagement in climate policy. The commitment involves setting up processes to internally audit all activities that a company takes part in that influence climate policy, working to ensure that all of this activity is consistent, and communicating on movement.

The Clean Energy Council (CEC) reported that the uncertainty from the review of the renewable energy target legislation resulted in an 88% drop in investment in large-scale renewable energy in 2014¹. In the 2015 financial year Infigen donated \$160,000 to industry associations and support groups to lobby for a favourable regulatory outcome.

GRI INDICATOR	DISCLOSURE	2015 FINANCIAL YEAR	
G4-SO6	Total monetary value of political contributions made directly and indirectly		\$32,210
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes		–
G4-SO8	Monetary value of fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Significant fines	–
		Non-monetary	–
		Cases brought through dispute resolution mechanisms	–



Rally for renewables, September 2015

1 Clean Energy Australia Report 2014

HOW CARBON PRICING WORKS

Carbon pricing systems encourage innovation and help ensure sustained economic competitiveness. By setting appropriate internal carbon prices and publicly disclosing the details of them, companies help provide confidence to investors that risks posed by climate change over the long term are recognised and addressed. Infigen committed to the UN Global Compact’s Business Leadership Criteria on Carbon Pricing which entails:

- Setting an internal price on carbon that is sufficiently high to have a material effect on investment and procurement decision-making
- Publicly advocating for policies that account for the cost of GHG pollution
- Reporting on progress

SAFETY AND SUSTAINABILITY

PEOPLE AND DIVERSITY

People and Diversity

Infigen is committed to responsible corporate governance and has implemented a Diversity Policy in accordance with the ASX Corporate Governance Principles and Recommendations.

The Nomination and Remuneration Committee of Infigen's Board is responsible for monitoring Infigen's Diversity Policy and achievement of the Diversity Targets.

We want to ensure a workplace culture that encourages and promotes diversity, where our employees benefit from exchanging ideas and learning from each other in order to capture the diverse backgrounds, experiences and perspectives that each of our employees brings to the workplace.

DIVERSITY TARGETS

DIVERSITY TARGET BY 30 JUNE 2015	PROGRESS IN FY15	DIVERSITY TARGET BY 30 JUNE 2017
Increase the workforce participation of females and persons from minority backgrounds by 10% compared to 1 July 2013.	Female participation has increased by 4% since 1 July 2013 when this target was established.	Increase workforce participation of females and persons from minority backgrounds by 20% compared to 1 July 2015.
Increase the participation of females and persons from minority backgrounds within the professional, middle and senior management positions by 10% on a merit basis.	An increase of 9% has been achieved since 1 July 2013 as a result of external recruitment and internal promotion to Middle Management and the Professional positions.	Increase participation of females and persons from minority backgrounds within the middle, senior, executive and non-executive director occupational categories by 25% on a merit basis.
		Achieve pay equality within each occupational group.



Diversity Targets

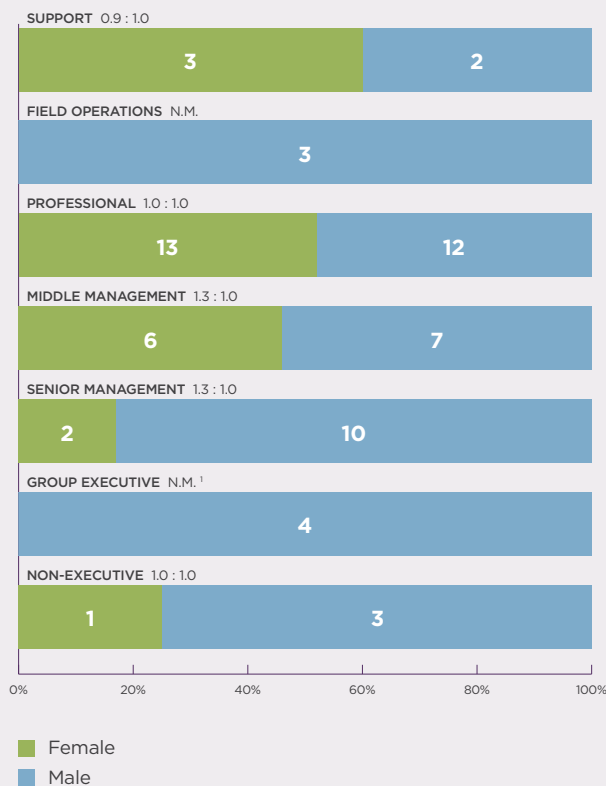
EMPLOYMENT (DMA, LA1)

At the end of the 2015 financial year Infigen's Australian workforce comprised 66 employees. Whilst no senior level employment opportunities emerged throughout the year, the gender balance within the Middle Management and Professional categories demonstrates Infigen's effort to achieve its Diversity Targets. Gender and remuneration parity was achieved within the Professional employment category, which represents 38% of the workforce.

The gender pay ratio in the Middle and Senior management categories is distorted by the absence of homogeneity within the comparator groups. Infigen will continue to monitor gender and remuneration ratios to ensure pay equality.

As Infigen moves into the 2016 financial year, we will continue to pursue our Diversity Targets in our employment practices including recruitment, indigenous scholarship and promoting career opportunities for female and minority groups.

OCCUPATIONAL GROUPS OF FULL TIME EMPLOYEES RATIO OF REMUNERATION (MEN : WOMEN) G4-10/G4-LA13



Infigen's ability to maintain a capable, agile and motivated team in FY15 was challenged by the regulatory uncertainty, which seriously limited employment and career opportunities that would have otherwise existed within a thriving renewable energy sector.

¹ Excludes US CEO David Smith



Why diversity matters

An international study by McKinsey found that companies in the top quartile for gender diversity are 15%, and companies with racial and ethnic diversity 35%, more likely to have financial returns above their respective national industry medians². The Sustainability Committee's role from an economic and social sustainability perspective is to implement bottom-up activities to achieve the Diversity Targets. During the 2015 financial year these activities included:

- participation in the Women in Leadership forums
- interaction with Women in Engineering at the UNSW to support the network and sponsorship of the university's Women In Renewable Energy (WIRE) group
- partnership with CareerTrackers, a national non-profit organisation that creates private sector internship opportunities for Indigenous university students, by providing two Indigenous Scholarships in Accounting and Finance
- requiring all external recruitment processes to present persons from diverse backgrounds within the short listed candidates

G4-LA12

GOVERNANCE COMMITTEE	AGE UNDER 30	30-50	OVER 50
Male employees:			
Audit, Risk & Compliance	–	–	2
Remuneration	–	–	2
Female employees:			
Audit, Risk & Compliance	–	–	1
Remuneration	–	–	1

² Why diversity matters, McKinsey & Company, February 2015

³ All contractors and subcontractors are required to undergo relevant health and safety training to ensure they carry out work safely. Training records and relevant licences are maintained by each OEM contractor as part of their health and safety management system which is reviewed by Infigen on a regular basis

GRI INDICATOR	DISCLOSURE	2015 FINANCIAL YEAR
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	100% ³
G4-HR3	Total number of incidents of discrimination and corrective actions taken	–
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Infigen has in place a Personal Development program as part of the Annual Performance Review. The equivalent of 2.25% of employees' annual wages is budgeted for training purposes
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	100%

SAFETY AND SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

ASX Corporate Governance

Australian Securities Exchange (ASX) Listing Rules require listed entities to disclose in a Corporate Governance Statement the extent to which they have followed the ASX Corporate Governance Council's Principles and Recommendations, including continuous disclosure policy, code of conduct and communications with shareholders.

G4-24: STAKEHOLDER GROUPS INFIGEN ENGAGES WITH

OPERATIONAL	COMMUNITY	CORPORATE
<ul style="list-style-type: none"> original equipment manufacturers and maintenance service providers customers market operators transmission network service providers municipal, State, Territory and Federal government departments, authorities, agencies and other regulators in areas of planning, energy and environment local and regional emergency services surveyors and contractors 	<ul style="list-style-type: none"> employees landowners neighbours traditional owners local businesses and chambers of commerce local, regional, state or national social and environmental interest groups local schools and clubs local, regional, state and national media social media followers 	<ul style="list-style-type: none"> investors and securityholders financial services industry regulators (Australian Securities and Investments Commission etc) Australian Securities Exchange financiers analysts and brokers governance and proxy advisors registry providers insurance providers industry associations corporate service providers Australasian Investor Relations Association national and finance media

STAKEHOLDER ENGAGEMENT (G4-26)

The principle of continuous disclosure means that Infigen is obliged to ensure that all investors have equal and timely access to material information concerning Infigen. The objective of Infigen's Code of Conduct is to ensure that all stakeholders dealing with Infigen can be assured that Infigen will conduct its affairs in accordance with ethical values and practices.

Stakeholder identification and mapping

LOCAL COMMUNITIES (DMA)

Infigen has developed a community engagement strategy that has adopted engagement tools from the CEC's Community Engagement Guidelines:

1. Stakeholder alignment of interests matrix
2. Community engagement spectrum
3. Consultation register
4. Engagement activities: forming partnerships and community committees, holding workshops, and open days

Consultation committees

LOCAL COMMUNITIES (SO1)

Community committees discuss community concerns and provide Infigen with feedback. Establishing community committees may not be appropriate for all projects or operating assets and is considered on a community and site basis. Bodangora and Flyers Creek consultative community committees continued to meet throughout the 2015 financial year. The Capital community committee continued to meet to provide recommendations as to how Infigen can further contribute to the local economy, community and environment.

LOCAL COMMUNITIES (SO2)

Infigen continues to monitor scientific research on acoustic emissions of wind farm projects around the world, along with media coverage and proposed scientific investigations. The most recent study was released by Health Canada in November 2014. The study involved 1,238 homes and 4,000 hours of indoor and outdoor wind turbine noise measurements, as well as a large number of medical, neurological, acoustic, academic and industry experts. This study found no linkage between wind turbine noise exposure and health impacts, but reiterated the need for strong community engagement.

Complaints management

ENVIRONMENTAL GRIEVANCE MECHANISMS (DMA, EN34)

Infigen places a high priority on addressing complaints received from stakeholders about its operations. Infigen follows a formal process to channel and resolve legitimate issues, concerns or problems that community stakeholders have in relation to an operating wind or solar farm. It provides an alternative to legal procedures through collaboration between parties to resolve issues in a more efficient and collaborative way that builds community ownership of solutions.

During the 2015 financial year 15 complaints were made compared to 28 in the previous year. Complaints related to noise, mobile reception and farm gates being left open. Infigen's complaint management process involves acknowledgement of receiving the complaint with the stakeholder as soon as practicable, and resolving the concern within 30 days where possible. At the end of the 2015 financial year one complaint remained open but is being actively addressed with the complainant. All complaints made in the pcp were resolved.

SAFETY AND SUSTAINABILITY

ECONOMIC SUSTAINABILITY

Direct economic value generated and distributed

ECONOMIC PERFORMANCE (EC1)

Economic value distributed was \$105.9 million in the 2015 financial year, and economic value retained was \$27.3 million.

YEAR ENDED (\$M)	30 JUNE 2015	30 JUNE 2014	CHANGE %
Direct economic value generated			
Revenue	133.2	145.4	(8)
Economic value distributed			
Operating costs*	37.9	39.0	3
Employee wages and benefit	12.4	13.8	(10)
Payments to providers of capital	55.3	58.1	5
Payments to government	0.1	0.1	–
Community investments	0.2	0.2	–
Economic value retained	27.3	34.2	(20)

* Includes Infigen’s operating and development costs

Infigen supports various community groups that play an important role in making life better, healthier and safer for individuals and their communities through direct contributions to community funds. In the 2015 financial year \$189,000 was donated to local community groups.



Infigen has continued to grow the Run with the Wind fun run at the Woodlawn wind farm. The fun run raises money for local communities and is an opportunity for people to experience the wind farm.

