

# Loy Yang B Power Station

Powering  alintaenergy

Latrobe Valley Power  
**Loy Yang B Power Station**  
Sustainability Report FY22

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## **Acknowledgement of country**

Loy Yang B acknowledges the Traditional Custodians of the land on which we live, work and conduct our operations, the Gunaikurnai people. We pay our respect to their Elders past and present and extend this respect to all First Nations peoples.

Cover photo: The Traralgon Railway Reservoir Conservation Reserve of which Loy Yang B is a proud supporter.



# A message from our Board and management

FY22 was an exceptional year for our business, with many records achieved despite challenging circumstances.

We are beyond proud of our best safety performance ever this year, with zero recordable injuries. This means our total recordable injury rate (TRIFR<sup>1</sup>) and our lost time injury frequency rate (LTIFR<sup>2</sup>) for FY22 were both zero for the first time since Loy Yang B commenced operations. This is our third consecutive year of achieving a record low TRIFR, and demonstrates our commitment to continually improving our safety practices and maturity. It's also the result of strong engagement in our health, safety and wellbeing initiatives, including our Safety Value Add initiative and wellbeing program which both recorded excellent participation rates.

We have a strong history of exceptional plant reliability, availability and performance and were thrilled to record our best results ever during FY22. The importance of this was highlighted in June 2022 when the Australian Energy Market Operator (AEMO) suspended market conditions due to system supply issues and high prices. We are proud that we were fully available to support the market during this high demand period, and believe it is our performance at times like these which continues to set us apart from our competitors.

Our strong availability also demonstrated that the work undertaken to upgrade both our units in 2019 and 2020 was worthwhile. This was confirmed during a planned maintenance outage on Unit 1 this year, which was successfully completed ahead of time, within budget, and with no lost time injuries.

We are committed to a responsible energy transition and continue to explore viable and affordable opportunities to develop our business and support the transition to a low emissions future.

Our environmental performance was excellent, with no notifiable incidents. We have fully implemented the requirements of our new EPA licence that was issued after the power station licence review during FY21 and the new Environment Protection Act. Ongoing compliance with our licence requirements and legislation remains an important focus of our operations.

With the COVID pandemic far from over, our people were again challenged to find new ways of working to continue operating safely. We thank them for adapting to ongoing change with teamwork and resilience.

Operating safely and meeting our external obligations are fundamental to how we work. In June 2022 we were assessed during an independent audit as complying with our Foreign Investment Review Board (FIRB) conditions. We congratulate the team involved in this lengthy project which has put strong processes in place to ensure we continue to meet all FIRB conditions.

Loy Yang B has a strong employee retention rate, with the average tenure of people who left the business this year exceeding 20 years. This year, Tara Turner, our first ever employee, reached 30 years of service. We thank and congratulate Tara on her dedication to our business over the years and look forward to many more of our employees reaching this milestone next year as we celebrate 30 years of operations.

Our new enterprise agreement was successfully negotiated, securing working conditions for our employees for the next four years. We thank our employee representatives and the trade unions that represent them for their collaborative approach to these negotiations.

<sup>1</sup> TRIFR is calculated as the number of recordable injuries relative to one million hours worked.  
<sup>2</sup> LTIFR is calculated as the number of lost time injuries relative to one million hours worked.

It was an honour to be invited to the official opening of the Odyssey House Hope Centre, of which we are a foundation partner. This Gippsland-first rehabilitation facility for alcohol and other drugs is a wonderful example of how our partnerships are making a real difference to our community. We secured some new partnerships this year and are excited to work with them, as well as our existing partners, to achieve positive outcomes for our community.

Pleasingly, we achieved all 20 planned objectives set for FY22, as summarised on the next page.

Thank you to all our employees and contractors for your commitment and contribution to an outstanding year for our business, and to our community for your ongoing support.



**Greg Lewin AM**

Independent Chair  
Latrobe Valley Power



**Tony Hicks**

General Manager  
Loy Yang B

# Our FY22 achievements

Loy Yang B achieved all 20 of our FY22 objectives published in the FY21 Sustainability Report.

Objective	Performance	Page
<b>Our operations</b>		
Maintain plant performance and reliability.	<b>Achieved</b> Our reliability, availability and plant performance were our best ever recorded, with outstanding availability during system supply constraints in June 2022.	13
Embed an innovation culture.	<b>Achieved</b> Twenty innovation captains were trained and are working on projects to refine their skills while seeking opportunities for business improvements.	29
Maximise new business opportunities.	<b>Achieved</b> Opportunities for projects to transform Loy Yang B into a lower emissions generator are being progressed.	29
Prepare for activities to assist with energy transition.	<b>Achieved</b> We have several projects in the pipeline to help us navigate the energy transition.	29
Implement findings from our research and development program.	<b>Achieved</b> Our research and development program has identified a number of business development opportunities which are progressing.	29
Maintain FIRB compliance.	<b>Achieved</b> An independent audit held during FY22 found we are compliant with FIRB conditions. Ongoing assessment occurs annually.	9
<b>Our health and safety</b>		
Achieve a total recordable injury frequency rate (TRIFR) $\leq$ 10.1.	<b>Achieved</b> We were proud to achieve a new record low TRIFR of zero, with no recordable injuries for FY22.	17
Maintain our record of zero Class 1 incidents.	<b>Achieved</b> No Class 1 incidents occurred during FY22.	17
Increase Safety Value Adds.	<b>Achieved</b> We achieved 93% participation by our employees in our Safety Value Add program, up significantly from 67% last year.	18
Continue to improve our safety leadership.	<b>Achieved</b> We assessed our level of safety maturity with a safety climate survey and held leadership workshops to develop ways to further improve.	17

Objective	Performance	Page
<b>Our environment</b>		
Achieve zero notifiable environmental incidents.	<b>Achieved</b> No notifiable environmental incidents occurred during FY22.	23
Implement requirements of new <i>Environment Protection Act 2017</i> (the Act) and meet new licence requirements.	<b>Achieved</b> All aspects of the new <i>Environment Protection Act 2017</i> and our renewed licence conditions have been implemented and all licence requirements were met.	23
Conduct operations in accordance with our new environmental licence.	<b>Achieved</b> We met all aspects of our EPA licence during FY22.	23
Identify opportunities to engage with our stakeholders regarding our environmental performance.	<b>Achieved</b> We appointed a new Manager Strategic Engagement (Rehabilitation and Transition) to help engage our stakeholders on a range of matters.	8
Continue to monitor regulatory changes that may impact our environmental compliance.	<b>Achieved</b> We collaborate with internal and external working groups to ensure we are aware of upcoming developments and continue to meet all requirements.	23
<b>Our people</b>		
Identify and deliver on priority actions from our 2021 engagement survey.	<b>Achieved</b> We continued to embed the Loy Yang B Way, one of the key outcomes from our previous engagement survey.	35
Continue succession planning and develop future talent.	<b>Achieved</b> We continued to develop our people strategy with regard to research and development opportunities to help diversify our portfolio and meet changing market demands.	35, 36
Begin the process to renew our enterprise agreement.	<b>Achieved</b> Negotiations for a new enterprise agreement were successfully completed in August 2022 and the new agreement was approved by the Fair Work Commission in September 2022.	33
Continue to live the Loy Yang B Way with focus on inclusion and recognition.	<b>Achieved</b> Education sessions on inclusion have been delivered to our leadership team, increasing awareness of how to be more inclusive and encouraging continual improvement.	34
<b>Our community</b>		
Demonstrate ongoing local community support.	<b>Achieved</b> In addition to expanding our Community Partnership Program to a total of six major partners, we supported several smaller groups with one-off grants. Activities to develop the next generation of workers also continues.	41



## About us

Loy Yang B Power Station is a brown coal-fired power station in Victoria's Latrobe Valley, approximately 160km east of Melbourne. It consists of two electricity generating units which together provide up to 1,200MW of baseload power and supply approximately 20% of Victoria's energy needs. We have operated since 1993 and are one of the lowest cost and most reliable generators in the National Electricity Market (NEM)<sup>3</sup>.

We are committed to:

- Always operating safely and reliably
- Maintaining a safe environment for our people and our community
- Providing a reliable supply of electricity
- Supporting the energy transition
- Maximising plant performance through ongoing improvement and new initiatives
- Exploring opportunities to reduce our environmental footprint
- Contributing positively to our community and meeting stakeholders' expectations
- Building on our culture of strong employee engagement and developing capable leaders.

## Organisational structure

Loy Yang B is owned by Chow Tai Fook Enterprises Limited (CTFE), the flagship private investment holding company of the Cheng Family in Hong Kong and is operated by its holding company Latrobe Valley Power (Holdings) Pty Ltd (Latrobe Valley Power).

We have a capacity agreement with CTFE's other Australian energy subsidiary, Alinta Energy, providing it with a share of our power output. This delivers a strategic benefit through access to a low-cost reliable energy supply, helping make energy more affordable for Australian homes and businesses in our region and beyond.

Latrobe Valley Power and Alinta Energy are both subsidiaries of a CTFE group entity, Pioneer Sail Australia Pty Ltd.

Loy Yang B operates under local management while also sharing systems and processes with Alinta Energy. A shared services agreement allows us to collaborate on corporate services, including safety, compliance, communications, IT, finance, and sustainability.

3. The NEM is a wholesale market connecting Australia's five eastern and southern states and the Australian Capital Territory. It excludes Western Australia and the Northern Territory.



# Latrobe Valley Power Board

## Independent Non-Executive Directors



### Greg Lewin AM (Chair)

- Chair of Latrobe Valley Power since 2018
- Former chair of the World Chemical Engineering Council
- Awarded a Member of the Order of Australia in 2011
- Greg holds a Bachelor of Chemical Engineering and an MBA from Melbourne University.



### Ken Thompson

- Former Responsible Manager at Alcoa Energy Management Australia Pty Ltd
- Former Executive General Manager at Loy Yang A Marketing Management Company (owned by AGL)
- Previously held a range of senior roles at organisations in the Latrobe Valley
- Ken holds a Diploma of Engineering from Swinburne University and is an Australian Financial Markets Association (AFMA) Accredited Individual with a Diploma of Financial Services.

## Non-Executive Directors



### Conrad Cheng

- Non-executive director of Alinta Energy since May 2018
- Non-executive director and non-executive chair of Greenheart Group Limited (HK stock code: 0094)
- Director of New World China Land Limited (a listed public company in Hong Kong until its delisting on 4 August 2016)
- Vice-chair of Green Council (a non-profit, non-partisan environmental association and certification body of Hong Kong)
- Conrad holds a Bachelor of Arts in Statistics from the University of Toronto.



### Patrick Tsang

- Non-executive director of Alinta Energy since April 2017
- CEO and a director of Chow Tai Fook Enterprises Limited
- Vice-chairman and executive director of i-CABLE Communications Limited (HK stock code: 1097)
- Executive director of UMP Healthcare Holdings Limited (HK stock code: 0722) and Melbourne Enterprises Limited (HK stock code: 0158)
- Governor of Chow Tai Fook Charity Foundation
- Over 20 years of international investment banking experience, including as Managing Director, Head of Asia Fixed Income Capital Markets at Deutsche Bank AG based in Hong Kong prior to joining CTFE
- Patrick holds a Bachelor of Arts in Economics from Columbia University, New York.



### Jeff Dimery

- CEO of Alinta Energy since 2011 and Managing Director since 2017
- Board member of the Australian Energy Council
- Previous energy industry directorships include the National Generator's Forum, the Australian Wind Energy Association, the Renewable Energy Generators of Australia, the Clean Energy Council and the Australian Energy Market Commission's Reliability Panel
- 15 years at AGL prior to joining Alinta Energy
- Jeff holds a Bachelor of Business from RMIT University and has completed the Executive Learning Program at IMD Business School in Switzerland.



### Ken Woolley

- Executive Director, Merchant Energy at Alinta Energy since September 2017
- Prior to this, Ken was Alinta Energy's Executive Director, Power Generation from 2011
- Previously General Manager, Power Development at AGL Energy
- Representative for generators on the Australian Energy Market Commission's Reliability Panel and a Fellow of Engineers Australia
- A director of the Energy Policy Institute of Australia
- Ken holds a Bachelor of Mechanical Engineering from Monash University, is a member of the Australian Institute of Company Directors, and has completed the Executive Learning program at the IMD Business School in Switzerland.



### Daniel McClelland

- Executive Director, Corporate Services at Alinta Energy since 2013
- Prior to this he was Alinta Energy's Chief Risk Officer
- Previously Chief Risk Officer at Goodman Fielder
- Director of the Energy Policy Institute of Australia in his capacity as an Alinta Energy executive
- Daniel holds a Bachelor of Commerce from the University of Wollongong and is a graduate of the Australian Institute of Company Directors.



### Vince Nicoletti

- Chief Financial Officer at Alinta Energy since June 2019
- Previously Chief Financial Officer of Orica and Broadspectrum
- Vince previously spent 14 years at BHP Billiton in multiple roles and was a Vice President for Strategy and Business Development
- Vince holds a Masters in Mineral Economics from the WA School of Mines, a Bachelor of Business from Curtin University and is a Fellow of CPA Australia.

## Loy Yang B leadership team

Our General Manager runs Loy Yang B's business and day-to-day operations and is accountable to the Latrobe Valley Power Board. He is supported by the leadership team which manages our operations and support functions.



### **Tony Hicks**

#### **General Manager**

Responsible for planning, organising, directing, and controlling activities across the business and leading senior management. Tony regularly reports on Loy Yang B's performance to the Board.



### **Sean Halloran-Lavelle**

#### **Manager Production**

Responsible for operational activities including production, chemistry and environmental programs, research and development and new technologies.



### **Matt Bugeja**

#### **Manager Engineering and Maintenance**

Responsible for plant-related engineering, maintenance and reliability programs and activities.



### **Sarah Heath**

#### **Manager Finance**

Responsible for the finance function, including budgeting and business planning, reporting, analysis, and payroll.



### **Doug Day**

#### **Manager Business Support**

Responsible for safety, communications, human resources, IT, procurement, community partnerships, compliance programs, security, and emergency management.



### **Dr Daniel Mainville**

#### **Manager Strategic Engagement (Transition and Rehabilitation)**

Responsible for mine rehabilitation and other energy transition related activities including stakeholder engagement, advocacy, and guidance to the Latrobe Valley Power Board.

\*This is a new management role to which Daniel was appointed in December 2021, having previously held senior roles in public and private organisations.

## Governance

The Latrobe Valley Power Board is ultimately responsible for governance of Loy Yang B, including approving strategy, overseeing operations, and monitoring risk management and control systems such as energy trading, sustainability initiatives, and performance. The Board is assisted by two committees which have charters setting out their responsibilities and objectives:

- Audit and Risk Committee: Oversees financial reporting, risk management, compliance, and audit.
- Asset Management Committee: Considers matters including operational performance, maintenance, and significant proposed expenditure.

Sustainability is governed and monitored by the Board and managed by the Loy Yang B leadership team. It is embedded in our business by robust systems and programs addressing regulatory compliance, stakeholder engagement and community partnerships.

## Risk management and compliance

### Foreign Investment Review Board (FIRB) compliance

Under Australian Government regulations, some foreign owned businesses in Australia must meet strict conditions set out by the FIRB. Specific conditions were applied to Loy Yang B after it was purchased by CTFE in 2018. These primarily relate to how we protect information about our network and operational technology, energy consumption and data, and personal information.

We have worked hard to implement business processes and internal controls to achieve FIRB compliance and are proud to have been assessed as compliant by an independent audit in June 2022. This was achieved in line with agreed timing to demonstrate full compliance. Ongoing compliance is assessed annually.

### Employee behaviour

The Loy Yang B Way is a set of cultural values developed by our people that articulates how we expect everyone will behave at work. Since being introduced in FY20, we have embedded these values into our operations, and they are the compass for how we live and work each day.

The Loy Yang B Way is supported by our code of conduct, which outlines what is acceptable and unacceptable workplace behaviour. Actions which are not tolerated include bullying, harassment, violence, discrimination, unsafe work practices, and failing to follow reasonable instructions.

### Modern Slavery Act

We are committed to doing business fairly and ethically, including protecting human rights. Loy Yang B opposes modern slavery in all its forms including slavery, servitude, child labour, forced labour, human trafficking, debt bondage, slavery-like practices, forced marriage and deceptive recruiting for labour or services. We expect our employees, contractors, and suppliers to do the same.

Latrobe Valley Power is a reporting entity under the *Modern Slavery Act (Cth) 2018*. Our Modern Slavery Statement<sup>4</sup> explains how we manage modern slavery risks across our supply chain.

### Fines and sanctions

No material fines or non-monetary sanctions for breaches of Australian or state laws or regulations were issued to Loy Yang B during FY22<sup>5</sup>.

4. A joint statement published by Pioneer Sail Holdings Pty Ltd can be viewed online at <https://modernslaveryregister.gov.au/statements/file/214e5cf8-d4c8-449d-aeb1-cc4350ed68bd/>

5. KPMG has assured this statement as it relates to matters associated with corporate governance, environmental, employment, and/or safety. For the sustainability report, material fines and sanctions are defined as greater than \$500,000.

## Borrowings

Loy Yang B maintains a sustainable capital structure with appropriate levels of debt to support our business needs and which reflects our role in Australia's energy system, in which we:

- Are recognised as critical infrastructure under federal legislation, defined as an asset that underpins the functioning of Australia's society and economy and is integral to the nation's prosperity.
- Play a significant role in providing grid stability and strength to support the wide-scale roll-out of renewables in the National Electricity Market.
- Work to reduce our environmental impact through major upgrades and ongoing energy transition projects.

Our loan facilities mature in 2026 and 2028 and include a \$25 million Capital Expenditure and Emissions Reduction Facility (CERF) to support research, development and actions to reduce emissions, increase energy efficiency and improve sustainability.

## Quality management

Our quality management systems operate in accordance with the requirements of AS/NZS ISO 9001:2015 Quality Management Systems. An external audit in June 2022 found that we successfully met the ISO standard, and we have been recertified for a further three years.

# Our operations

Loy Yang B generates reliable baseload electricity, operating continuously to provide around 20% of Victoria's electricity supply to the National Electricity Market.

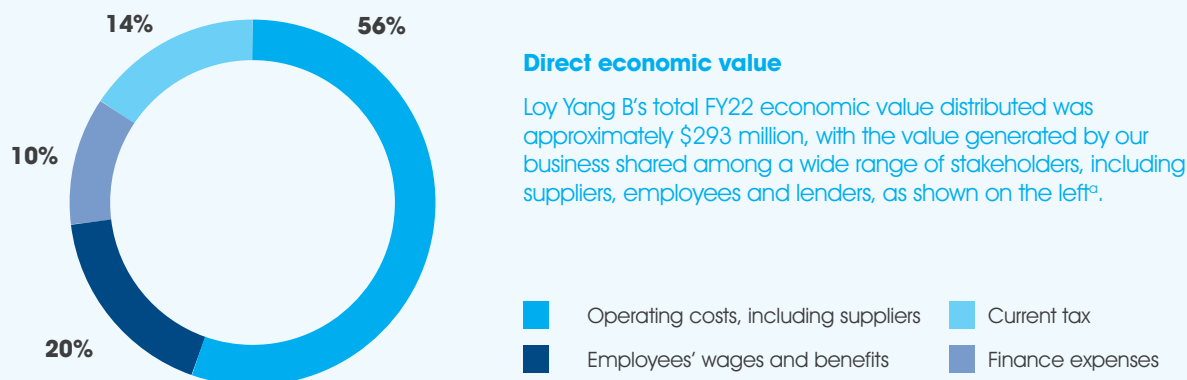
Our capacity agreement with Alinta Energy gives it access to affordable and reliable energy which, combined with Alinta Energy's mix of renewables and gas, reduces the cost of energy and makes it more affordable for customers.

## FY23 objectives

- Maintain plant performance and reliability
- Support the energy transition.



## Economic value



<sup>a</sup> In line with the guidance under GRI 201-1, from FY22 we are no longer capturing deferred tax in the reported figures as these amounts may not be paid.

### Indirect economic value

Our operations contribute to the local and regional economy by boosting local employment rates, sourcing goods and services from local businesses as well as supporting local not-for-profit community organisations with donations, fundraising and other assistance. This includes through our Community Partnership Program, which is discussed on page 41.

## Operational performance

### Power generation and availability

The power station's electricity exported to the grid increased by 2.56% in FY22 compared to FY21. This was mainly due to improvements made to Unit 2 during last year's upgrade resulting in greater unit output.

Our FY22 equivalent availability factor was 99.31%, reflecting an increase against last year's availability of 91.84%. This was due to the plant's high availability, including at times when it was not needed by the market. We are excited to have achieved this record level of generation availability for the year.

### Unit 1 inspection outage

In April 2022, we conducted a planned inspection outage on Unit 1 to verify work completed during the major upgrade the year before. This was successfully completed ahead of schedule and on budget, but more importantly, our safety performance was exemplary, with no recordable injuries.



## Low load project

This year we completed a project validating the minimum generation levels on both units. The project confirmed our levels of flexibility to support the growth of renewables in the market. It was the result of 18 months of complex trials and tests by our team who collaborated with colleagues at Alinta Energy to realise significant benefits. We were proud to see this project recognised at the 2021 Alinta Energy Excellence Awards with the Commercial Leadership award.



Alinta Energy General Manager Spot Trading Chris Pratt, Alinta Energy Chief Financial Officer Vince Nicoletti, Alinta Energy Senior Energy Trader Sonia Kolar and Loy Yang B Engineering Technologist Mark Soutar.

# Our health, safety and wellbeing

Our safety vision and values set the standard for our day-to-day operations, planning activities, major projects and initiatives.

## FY23 objectives

- Achieve a total recordable injury frequency rate (TRIFR)  $\leq 9.12$
- Maintain our record of zero class one incidents
- Improve safety leadership
- Refine our five-year safety strategy.

Everyone, every day,  
every job - zero harm.



**We speak up for  
safety**



**We always stop  
and think**



**We don't cut  
corners**



## Safety performance

There were zero recordable injuries at our operations in FY22. This means our Total Recordable Injury Frequency Rate (TRIFR) was a record low of zero.

Performance criteria	FY22	FY21
Total Work Hours	350,820	596,464
Total LTIs	0	0
LTIFR	0	0
Total TRIs	0	1
TRIFR	0	1.68
Class 1 incidents	0	0

TRIFR refers to the Total Recordable Injury Frequency Rate, calculated as the number of recordable relative to one million hours worked. Recordable injuries include lost time injuries, restricted work injuries and medical treatment injuries. They do not include first aid injuries or no treatment injuries.

LTIFR refers to Lost Time Injury Frequency Rate, calculated as the number of lost time injuries relative to one million hours worked. It is a subset of TRIFR and not assigned a separate target.

Class 1 incidents include fatalities, total permanent disabilities, and partial permanent disabilities or long-term temporary impairment injuries (greater than six months).

## Safety management

Our safety management system operates in accordance with the requirements of AS/NZS ISO 45001:2018 Occupational Health and Safety Management Systems. An external audit in June 2022 found that we successfully met the ISO standard, and we have been recertified for a further three years.

### Safety governance

Our Occupational Health, Safety, Environment and Wellbeing Committee is a key part of our safety management framework. The committee provides a forum for joint consultation across our workforce, promotes a cooperative safety culture and assists in monitoring and advising on health and safety matters.

### Risk management

Our risk management processes aim to keep risk as low as reasonably practicable and ensure that all employees and contractors understand their obligations and work safely.

During FY22, we completed a detailed risk management review to ensure our processes align with industry best practice. This resulted in some changes being made to strengthen our processes and consistency across the business. This was an important project to ensure we have the most effective tools to provide a safe workplace and foster continuous improvement of our safety culture.

We were proud to see the team who led this project recognised at the 2021 Alinta Energy Excellence Awards for displaying the safety value: We don't cut corners.

We also strengthened our behavioural-based safety program, Fresh Eyes, to make it more streamlined and efficient without reducing its effectiveness. This included introducing the ability to conduct and complete observations in the field using mobile devices, saving time and improving convenience for our people.



Alinta Energy Executive Director Corporate Services, Daniel McClelland and Technician/Operator Andrew Livingstone, who accepted the award on behalf of Shift Supervisor Colin Leach and Operations Coordinator Brendon Puddy.

## Safety culture

Throughout FY22, we focused on improving our safety culture, including implementing findings from an internal safety culture survey conducted the year before. Our leaders came together in a workshop to set the priorities for the year ahead with the aim to keep improving the safety culture of our workforce and progress higher up the safety maturity scale.

## Safety Value Add program

Participation in our Safety Value Add program was strong, with 93% of the workforce contributing to at least one safety improvement for FY22, and many people engaging in multiple initiatives. It is pleasing to see the high level of engagement our people have with identifying improvements which create a safer workplace.

One key Safety Value Add completed during the year was installing wireless vibration probes on our mill gearboxes and boiler circulating pumps so their condition can be monitored remotely. This removes the need for people to physically interact with the plant, eliminating the risk of harm from this activity. We are proud that our people continue to think of innovative ways to improve safety for themselves and their workmates.

Another impressive new Safety Value Add was fun@work, which involves a series of activities that don't need specialist skills or fitness levels, making it accessible for all.

Our inaugural event was a giant Jenga tournament where teams from each workgroup competed in an elimination style competition to be the last one standing. Games ran for several weeks, with the two best teams battling it out in a grand final. With many of our people supporting their workmates from the sidelines, this was a great activity which connected our people through friendly competition, good-natured sledging and lots of laughter.



Wireless plant monitoring has been a valuable Safety Value Add.



Operator/Technician Sarah Daddo makes a move during the Jenga challenge.

## COVID management

With the Victorian Government's move to COVID-normal conditions in December 2021, we needed to make sure we could continue operating reliably as COVID became more widespread in the community.

Our Occupational Health, Safety, Environment and Wellbeing Committee spent a significant amount of time reviewing our COVID controls to ensure the appropriate measures were in place to provide a safe workplace and that they could be scaled up and down to in response to changing situations. We are pleased that there has been no interruption to our operations to date due to COVID.

## Health and wellbeing

Our health and wellbeing program became even more important as the pandemic continued and COVID fatigue set in. Like the previous year, most of our team was affected in some way, whether it was changing work arrangements, following government mandates, or missing family and friends due to lockdowns and restrictions. We're proud of how our team navigated these challenges and appreciate their efforts to continue ongoing operations through this tough time.

The focus of our health and wellbeing program for the year was on both mental and physical health. In addition to our free, confidential Employee Assistance Program, which is always available to our employees and their families, we provided tools to help people manage their own mental health and encouraged them to look out for their mates. This included a series of online wellness sessions to give our people techniques to navigate the challenging environment in a positive way. We also engaged guest speakers on various mental health topics.

The second half of FY22 saw the return of many on-site activities including yoga, Pilates, fitness challenges and guest speakers on a range of health topics. These activities were well attended as our people enjoyed the opportunity to be back together with their workmates. Access to allied health professionals and regular visits from a nurse for one-on-one and group appointments also returned.

We strengthened our commitment to providing a healthy workplace for our people by revising our working from home policy to give people greater flexibility to balance their work and personal commitments.



The return of face-to-face activities like Pilates was well received.



# Our environment

We believe good environmental performance is a strength of our business. We remain dedicated to identifying improvement opportunities to further minimise our impact on the environment. We are committed to meeting the conditions of our EPA licence and are proud to have fully implemented all conditions of our renewed licence which was issued in FY21.

## FY23 objectives

- Achieve zero notifiable environmental incidents
- Comply with our EPA licence.





## Environmental management

Our environment management systems operate in accordance with the requirements of AS/NZS ISO 14001:2015 Environmental Management Systems. An external audit in May 2022 found that we successfully met the ISO standard and we were recertified for a further three years.

## Environmental regulation

### EPA Act and general environmental duty (GED)

The new *Environment Protection Act 2017* (the Act) took effect on 1 July 2021, replacing the *Environment Protection Act 1970*. It shifts the focus from a prescriptive control approach once pollution has occurred, to one of preventing harm to human health and the environment from pollution and waste.

The Act imposes a general environmental duty, or GED, on a person completing an activity that may pose a risk to human health or the environment from pollution or waste to minimise those risks 'so far as reasonably practicable'.

During FY22, we provided our first risk management and monitoring program to the EPA to demonstrate how we fulfil our GED. This program is a new requirement under all EPA licences. It outlines the operational risks we manage, our mitigation and monitoring strategies, and environmental performance objectives and targets. The risk management and monitoring program is fundamental to demonstrating we comply with our GED.

During a routine site inspection in February 2022, EPA officers reviewed documents relating to management and assessment of environmental risks, training materials and records, risk assessments, asset maintenance strategies, past incident investigation and follow up action records. Further information was also requested and provided.

The EPA confirmed that no compliance issues were identified and was satisfied we meet the requirements of the new Act and GED.

### New EPA licence requirements

We have fully implemented all requirements of our new EPA licence, following the EPA's power station licence review which concluded in FY21. Two significant activities involved in this were dedicated air emission testing campaigns for Class 3 indicators<sup>6</sup>, and PM<sub>10</sub> and PM<sub>2.5</sub><sup>7</sup>, which were identified as topics of interest by the EPA and the community during the licence review process.

Results from the extensive PM<sub>10</sub> and PM<sub>2.5</sub> monitoring campaign have identified the relationships for each with total particulate matter that is continuously monitored with our existing dust measuring equipment. Improved knowledge of the relationships between fine particle size fractions and continuous dust measurements will help us better understand our emissions.

The results from the Class 3 monitoring campaign were consistent with historic testing and each of the indicators was found to be below the policy criteria by a significant margin. There are no Class 3 indicators in our discharge to air EPA licence conditions.

The results from both testing campaigns can be found in summary reports on our website<sup>8</sup>.

<sup>6</sup> Class 3 indicators are a broad range of chemical compounds including heavy metals that are classified as a highly hazardous pollutant under air policy. Some examples include benzene, polycyclic aromatic hydrocarbons (PAHs), dioxins and furans, cadmium and nickel.

<sup>7</sup> PM<sub>10</sub> and PM<sub>2.5</sub> refer to particle size fractions smaller than 10 and 2.5 microns in diameter and are a subset of total particulate emissions from the main flue gas discharge. These small particle sizes are also produced by a range of activities including agriculture, mining, vehicle emissions, bushfires, planned burns.

<sup>8</sup> [www.loyyangb.com.au/environmental-reporting](http://www.loyyangb.com.au/environmental-reporting)

# Environmental reporting

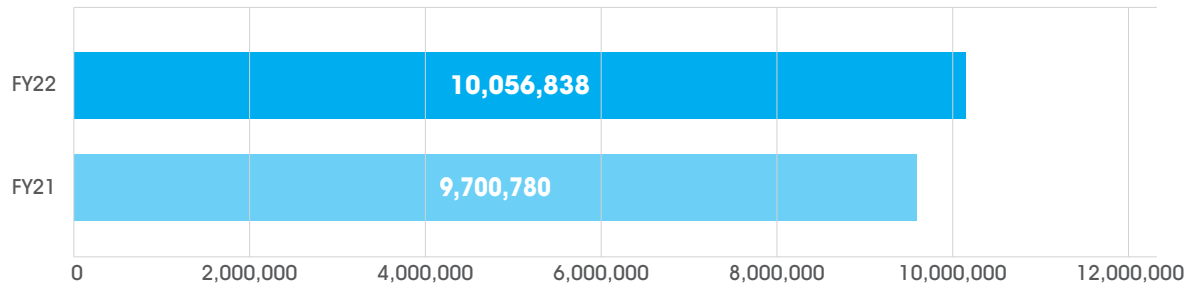
## National Greenhouse and Energy Reporting (NGER)

We report our emissions and energy production and consumption to the Clean Energy Regulator annually under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act)<sup>9</sup>. This enables the Australian Government to monitor our emissions.

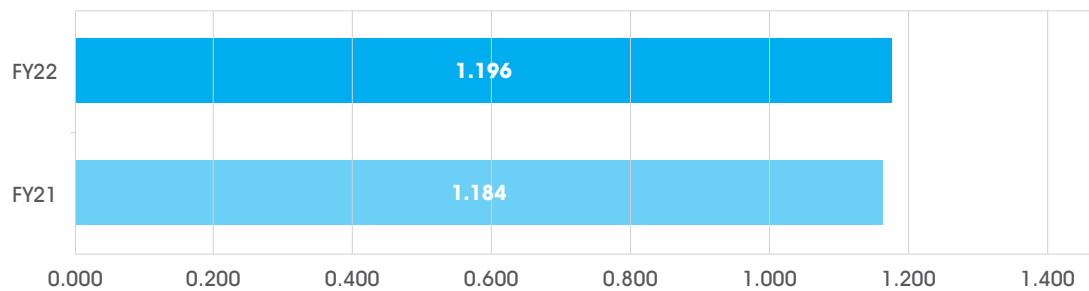
Loy Yang B and our predecessor companies have completed this reporting since its inception. Our reports are subject to a voluntary external audit.

An average station emissions intensity of 1.196 tonnes CO<sub>2-e</sub>/MWh sent out was achieved in FY22. This is an increase on last year's result of 1.184 and is due to a combination of lower energy coal and large periods of wholesale electricity market off-loading requests.

### Scope 1 emissions (t CO<sub>2-e</sub>)<sup>a</sup>



### Emissions intensity of Loy Yang B (t CO<sub>2-e</sub>/MWh sent out)<sup>a</sup>



<sup>a</sup> Excludes emissions not directly related to electricity generation activities.

<sup>9</sup> Loy Yang B's facility-level information is reported by Pioneer Sail Holdings Pty Limited which has operational control over Loy Yang B for NGER purposes.

## Emissions compliance reporting

We publish a daily licence compliance status of continuously monitored air emissions (sulphur dioxide, particulates, oxides of nitrogen, and carbon monoxide)<sup>10</sup>.

Reporting also includes a more detailed monthly update, which is released before the 14<sup>th</sup> day of each month for the preceding month. Monthly reports provide the daily maximum and rolling 90<sup>th</sup> percentile values for each of the continuously monitored air emissions, a statement of any exceedances for the month, and the downtime or availability percentage of emissions monitoring instruments. These reports have been published and are available from our website for the period since June 2021.

## Other environmental reporting

We report environmental information to regulators under programs including the National Pollutant Inventory program. Additionally, we await details of the EPA's new Performance Information and Performance Statements (PIPS) reporting process, which replaced the Annual Performance Statement (APS) under the new Act. We were not required to submit an APS for FY22 and will complete our first PIPS when the EPA requests.

## Environmental emissions and resource use

Our environmental aspects register details how our operations interact with the surrounding environment and their potential impacts. This includes emissions to air, water discharges, and disposal of ash wastes to the adjacent AGL-owned and operated ash ponds.

## Air emissions measurement and reporting

We measure emissions through a combination of continuous measurement and periodic stack testing techniques. Calibration of continuous measurement equipment and supply of periodic testing services is undertaken by accredited NATA<sup>11</sup> third parties. We assess compliance with discharge to air licence parameters, other than those detailed below, by stack testing techniques.

We saw an increase in our sulphur dioxide emissions this year due to changes in fuel quality.

Air emissions (tonnes) <sup>a</sup>	FY22	FY21
Sulphur dioxide	28,125	23,181
Particulates (includes PM <sub>10</sub> and PM <sub>2.5</sub> ) <sup>b</sup>	731	919
Oxides of nitrogen (as NO <sub>2</sub> )	12,152	12,276
Carbon monoxide	563	611

a The emissions shown in this table are measured using Continuous Emissions Monitoring (CEMS).

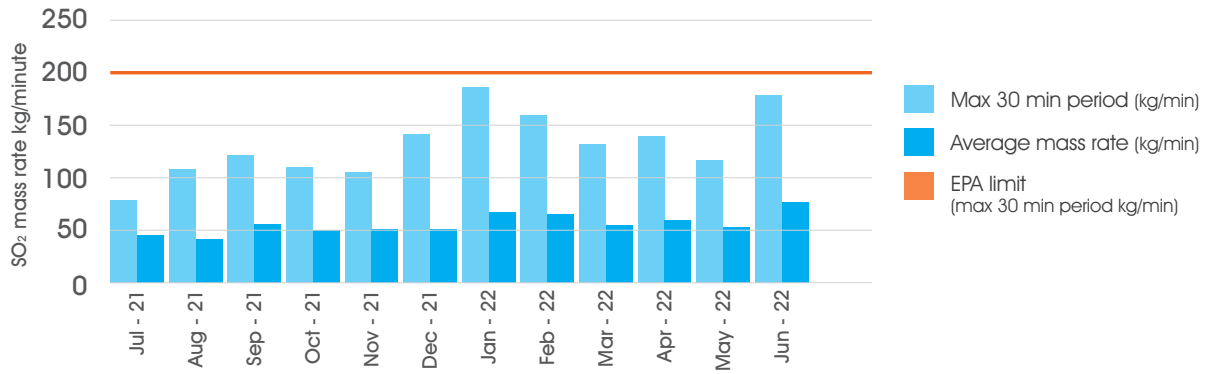
b PM<sub>10</sub> refers to particulate matter which is 10 micrometres or less in diameter (coarse particles), while PM<sub>2.5</sub> refers to particulate matter 2.5 micrometres or less in diameter (fine particles). Both can include solid particles and aerosols.

<sup>10</sup> <https://www.loyyangb.com.au/environmental-reporting>.

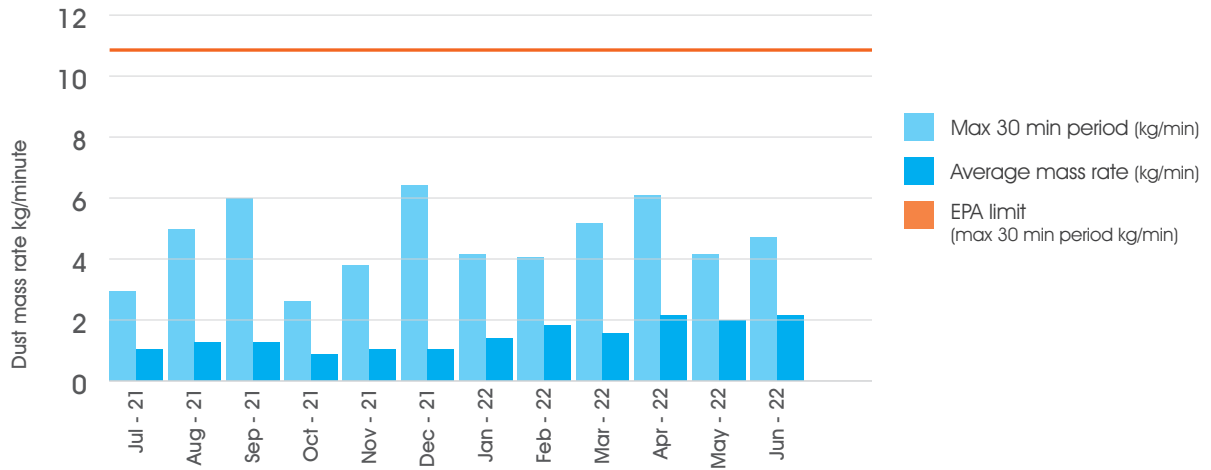
<sup>11</sup> National Association of Testing Authorities.

The charts below compare our emissions with our EPA licence conditions for sulphur dioxide, particulates (dust), oxides of nitrogen, and carbon monoxide using continuous emissions monitoring equipment.

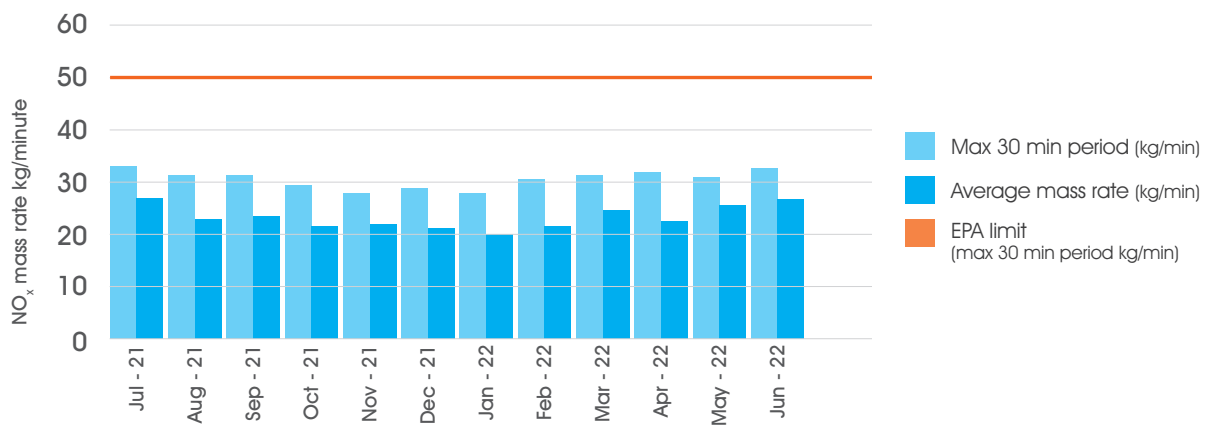
### Sulphur Dioxide



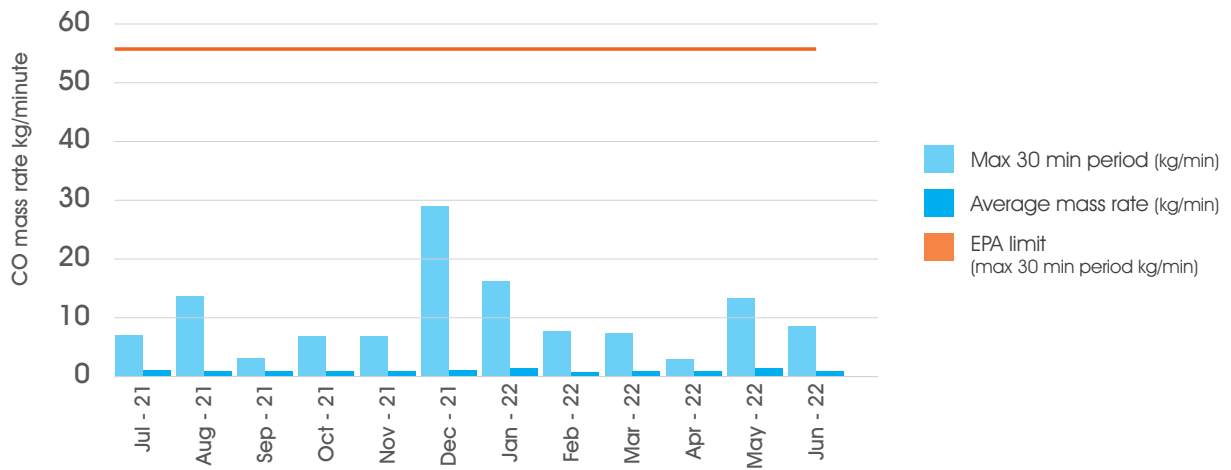
### Particulates (including PM<sub>10</sub> and PM<sub>2.5</sub>)



### Oxides of nitrogen (as NO<sub>2</sub>)



### Carbon monoxide



## Water and waste

Operating our power station requires significant amounts of water. We have robust systems in place to use this limited resource as efficiently as we can, in line with regulations, and minimise the environmental impacts of managing wastewater.

Water by source (ML)	FY22	FY21
Self-sourced surface water (other than ocean water) <sup>a</sup>	16,506	16,057
Recycled water from site <sup>b</sup>	1,055	881
Potable water from water suppliers <sup>c</sup>	296	225

Water by use (ML)	FY22	FY21
Cooling	17,560	16,938
Industrial processing (other than cooling)	287	209
Other	10	16

Water by discharge <sup>d</sup> (ML)	FY22	FY21
Off-site treatment facility	1,739	1,906
Other	-	-

a Low quality water sourced from Blue Rock storage under bulk water entitlement held by Southern Rural Water and delivered to site by AGL Loy Yang. Direct measurement provided by AGL Loy Yang.

b Site drainage recovery re-used for cooling water (untreated). Contains some rainfall site harvest/capture. Direct measurement.

c High quality water sourced from Moondarra Reservoir provided by Gippsland Water in a raw state and made potable by AGL Loy Yang. Also includes demineralised water feedstock. Direct measurement provided by AGL Loy Yang.

d The difference between water sourced and water discharged is assumed to be from the evaporation of water from the cooling towers, which is not measured and therefore not reported.

We continue to look for ways to reduce our waste to landfill. Our waste management and disposal control instruction supports responsible activities to minimise the environmental impact and comply with all relevant legislation.

Waste type (tonnes)	FY22	FY21
Total ash <sup>a</sup> transferred to AGL Loy Yang ash settling pond	98,729	96,036
Steel sent for recycling	239	382
Total domestic <sup>b</sup> waste to landfill	37	97
Total domestic recycled (diverted from landfill)	23	36
<b>Total waste</b>	<b>99,028</b>	<b>96,551</b>

a Ash residue produced during the coal combustion process.

b Internally classified to be general waste excluding recyclables such as paper, cardboard, co-mingled recyclables which are not classified as environmentally hazardous.

## Mine rehabilitation

We are working with AGL to plan for the rehabilitation of the Loy Yang Mine once mining activities cease. We continue to engage with stakeholders as part of the Latrobe Valley Mine Rehabilitation Advisory Committee, which is investigating options to deliver a safe and stable landform.

Our activities in this process are led by the newly appointed Manager Strategic Engagement (Transition and Rehabilitation) who represents our interests in this process and provides advice and guidance to our General Manager and the Board. You can find out more about the role on page 8.

# Energy transition and new opportunities

In line with our current asset strategy and operating licences, Loy Yang B will close in 2047, or earlier, recognising that the power station's retirement is unlikely to be a unilateral decision by the owners and will be heavily influenced by key stakeholders and the requirements of the National Electricity Market.

We support the energy transition by providing system strength alongside firm supply. This reliable supply will remain critical until the transitioning electricity system we see today becomes mature enough to provide the stability the market needs.

We are also investigating other emission reduction opportunities, including net zero carbon scenarios where Loy Yang B could supply dispatchable, renewable energy to support network stability. As part of this, we have committed to an ongoing annual budget for energy transition activities to determine where there are feasible and affordable opportunities.

## FY23 objectives

- Explore and implement new business opportunities
- Seek opportunities that leverage our resources and maximise business value
- Embed an innovation culture.

## Decarbonisation

Our research and development program has given us some valuable information and uncovered potential opportunities to reduce our greenhouse gas emissions. Options including biomass conversion, carbon capture and storage, and hydrogen production to power fuel cell vehicles are now being explored as part a project to decarbonise Loy Yang B.

We are investigating the opportunity to transform our power station to one that generates essential baseload electricity via sustainably sourced biomass. Although in its infancy, the project has the potential to significantly reduce our carbon footprint and create additional jobs for our region. If combined with carbon capture technology, this project could also deliver negative emissions using the carbon transport and storage infrastructure that's being developed in our region. We are excited to explore these opportunities further.

## Innovation

We continue to build a culture of innovation within our workforce, delivering a program that has equipped our people with the skills to identify and drive future innovation projects. Work is underway to assess the viability of some opportunities identified which would transform our existing asset into one which reduces emissions.





# Our people

Our people are the key to our success, and we strive to provide a workplace where they feel safe, supported, empowered and acknowledged for their contributions.

We appreciate the adaptability of our people to work in new ways during the COVID pandemic and thank them for their dedication to ensure safe and reliable operations in an ever-changing environment.

## FY23 objectives

- Improve employee engagement
- Build our internal leadership capabilities
- Improve employee recognition processes.

## Employment

Loy Yang B has a minimum fixed workforce, as defined within our enterprise agreement. Our employee numbers vary from time to time depending on vacancies and business requirements.

At 30 June 2022, Loy Yang B employed 157 people. This year, seven employees left our business – one was a fixed term employee completing a graduate placement, there was one resignation, and five people celebrated retirements.

We remunerate the two independent non-executive directors of Latrobe Valley Power. The other six directors do not receive separate remuneration as they undertake their roles in their capacity as executives of CTFE or Alinta Energy.



The following tables summarise our employment information and composition at 30 June 2022:

Employment and governance bodies' employment information summary	Employee numbers		Full time / Part time		Employment type		
	Total	FTE <sup>c</sup>	Full time	Part time	Salaried <sup>d</sup>	Casual	EA <sup>e</sup>
All employees <sup>a</sup>	157	155.5	97%	3%	5%	-	95%
Directors <sup>b</sup>	8	N/A	-	100%	100%	-	-
Leadership team <sup>f</sup>	6	6.0	100%	-	100%	-	-
Supervisors and leaders <sup>g</sup>	15	15.0	100%	-	13%	-	87%
New employees	10	10.0	100%	-	10%	-	90%
Departing employees	7	7.0	100%	-	-	-	100%
Average tenure of departing employees (in years)	20.57						

Employment and governance bodies' composition statistics	Gender		Location		Age		
	Women	Men	Regional <sup>h</sup>	City	Under 30	30 to 50	Over 50
All employees <sup>a</sup>	15%	85%	100%	-	3%	41%	56%
Directors <sup>b</sup>	-	100%	13%	87%	-	25%	75%
Leadership team <sup>f</sup>	17%	83%	100%	-	-	33%	67%
Supervisors and leaders <sup>g</sup>	20%	80%	100%	-	-	20%	80%
New employees	20%	80%	100%	-	30%	60%	10%
Departing employees	-	100%	100%	-	14%	-	86%
Average tenure of departing employees (years)	20.57						

a All employees includes all people paid through the Loy Yang B payroll. This includes vacation students but excludes apprentices, Structured Workplace Learning students, work experience students and Brightstart scholarship recipients. Director positions are excluded from the total headcount and FTE as they do not have a set contract with Loy Yang B but work as required and do not accrue employment benefits other than superannuation.

b Our directors include two independent non-executive directors and six non-executive directors who are representatives of Alinta Energy or CTFE.

c FTE refers to full time equivalents.

d Salaried employees are permanent employees on a fixed salary that is reviewed annually.

e EA refers to enterprise agreement.

f Leadership team positions include the General Manager and Department Managers.

g Supervisors and leader positions include shift supervisors, team leaders and other function managers.

h Regional locations are considered to be more than 80km from the nearest capital city.

## Enterprise agreement

In May 2022, we began negotiating a new enterprise agreement. In principle agreement was reached on a proposed enterprise agreement by management and our employees, represented by the Mining and Energy Union (MEU) and Australian Services Union (ASU).

In August 2022, the proposed agreement was voted on by the workforce, with a strong majority voting in favour of the proposed agreement. The enterprise agreement was ratified by the Australian Fair Work Commission in September 2022.

## Employee recognition

Almost three decades since Loy Yang B's first unit came online in 1993, employee retention remains strong. This was highlighted by the milestone of our first employee achieving 30 years of service in June 2022.

Tara Turner started working at Loy Yang B in June 1992 as a 22-year-old who was unsure what to do with her life.

Having finished a Bachelor of Arts at university, Tara was working at her family's hospitality venue which was hosting executives from the company that would eventually purchase Loy Yang B from the State Electricity Commission, when she convinced them to hire her.

Tara subsequently became the power station's first employee, starting as a secretary in the administration department, and helped set up the business ahead of the first unit coming online in 1993. She has since held a range of roles in administration, finance, safety, security, compliance, and environmental management, and, as a "naturally helpful person," has been responsible for implementing many improvements within the business over the years.

"I had no formal training in administration, but I always had a crack and gave everything my best with the view to make things better," Tara said.

"I have been well supported and had managers who have pushed and challenged me to be more than I thought I could be, and I have always appreciated that the business has given me opportunities."

Currently Loy Yang B's Security and Compliance Systems Coordinator, Tara has no plans to move on from Loy Yang B anytime soon.

"I don't feel like I've peaked yet," she said.

"There are still things I haven't done yet, and while I feel like I can still add value and be excited to come to work, there is no point moving on.

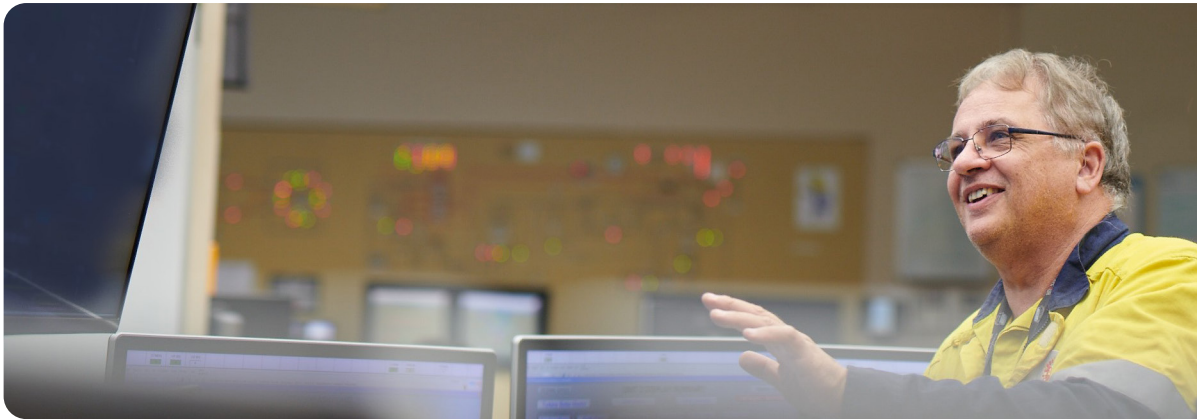
"I don't know what they are, but I know that I have more to give."



Tara Turner celebrated 30 years of service.

### Vale Geoff Dyke

We were saddened by the passing of a member of our Loy Yang B family, Geoff Dyke, just weeks after his retirement. Geoff was a diligent unit operator, a great workmate and someone always prepared to stand up for his colleagues and for what he believed was right. He made a significant contribution to our business during his 29 years with us in his roles as a production operator, health and safety representative and employee representative. He will be sadly missed.



Geoff Dyke operating the Unit 2 panel.

## Employee engagement

We value our strong level of employee engagement and continually seek opportunities to improve our workplace and the work experience for our people.

During the year, we addressed trends and areas for improvement identified in our engagement survey conducted in FY21. In line with our strong culture of employee involvement, representatives from each workgroup identified and implemented actions to ensure our strong culture is preserved and Loy Yang B remains a positive place to work.

## Planning for the future

### Succession planning

In preparation for upcoming retirements, we have increased our staffing levels to provide sufficient resources to fill key roles as experienced people leave our business. This includes employing supernumeraries for specialist operational, maintenance and engineering positions so that critical roles can be adequately filled when vacancies arise.

### Emerging leaders' program

Fifteen of our high performing employees are participating in a leadership development program, equipping them to take on future leadership roles within our business while also gaining skills relevant to their personal development. This is an important program to maintain our strong culture and give our people the right skills to lead our business into the future.



Our emerging leaders at one of their workshops.

## Developing the next generation

### Apprentices

We hosted six apprentices during the 2021 calendar year across electrical, metal fabrication and fitting fields. Apprentices work within our maintenance teams where they learn from experienced people willing to share their knowledge and passion for their trade. After their four-year apprenticeship, apprentices earn a nationally recognised trade qualification, while also developing skills transferrable to other roles and industries.

Kyle Heusmann completed his four-year metal fabrication apprenticeship in January 2021. He gained valuable hands-on experience, including working on a major upgrade to our units – the biggest project in our power station's history.

Now a fully qualified metal fabricator, Kyle said there has been no shortage of work, including outside of the power industry, where he's helped construct bridges, build trailers and create structures for large scale building developments.

"I was initially worried about finding work when I finished my apprenticeship, but there is actually a lot of work out there. When you have the right skills, the work comes to you and you get calls out of the blue for all kinds of jobs," he said.

"Working in a power station during my apprenticeship, and in a structural workshop before that, has given me a good variety of skills so I can now take on jobs that I wouldn't have previously been confident doing."



Kyle Heusmann is now a fully qualified metal fabricator.

## Graduates

We offer a range of graduate roles within our business, giving graduates the chance to work in a challenging and innovative power station environment where they are supported by their colleagues and offered opportunities for personal growth and development.

In 2021 we hosted Amandeep Dhillon for a 12-month placement after his mechanical engineering degree.

Amandeep said the experience was valuable and gave him a good understanding of how different disciplines of engineering work together.

"People at Loy Yang B trust that you're capable of handling responsibilities which led me to get involved with as many things as I could," he said.

"I enjoyed working with people from different engineering backgrounds and learnt how important it is to be able to communicate concisely about technical topics and solve plant related problems."

"I have gained not only technical and management knowledge but also great values by following 'the Loy Yang B Way' cultural values."



Amandeep Dhillon completed a 12-month graduate placement at Loy Yang B.



### **Structured Workplace Learning**

Despite an interrupted year due to pandemic lockdowns, we were pleased to host eight local students as part of our Structured Workplace Learning program. Secondary students interested in pursuing a trade are given the opportunity to attend Loy Yang B one day a week for 20 weeks, giving them a taste of what it is like to work in their chosen trade. As this occurs in conjunction with their schooling, students can make informed choices about their future studies and careers.

### **Brightstart**

Support for students through our Brightstart scholarship program continued throughout FY22. Eight students received scholarships to help them pursue educational opportunities in STEM (science, technology, engineering and maths) subjects at a secondary or tertiary level. We look forward to continuing to mentor these students into their chosen fields, while also hosting tertiary students for work placements during their third year of university.

# Our community

Loy Yang B has been part of the Latrobe Valley community for almost 30 years. During this time, we have formed enduring local relationships which continue to go from strength to strength.

We're proud of what we have helped our community achieve through our community partnerships, working collaboratively with other businesses and organisations, and helping develop the next generation. Our Community Partnership Program allocated more than \$290,000 to projects in the Latrobe Valley and Gippsland during FY22.

## FY23 objectives

- Demonstrate community leadership and fulfil our social licence.



## Community Partnership Program

Loy Yang B welcomed three new major partners and extended existing partnerships with a further three as we finalised our major partnerships for FY22. We have committed to these partners for a period of three years to help them make significant changes within the Latrobe Valley and wider Gippsland regions. Our major partners are:



### Olivia's Place

A pregnancy and early parenting resource centre which supports underprivileged or struggling Gippsland families during pregnancy and in the first year of life. Our partnership has allowed Olivia's Place to expand to reach more local families, which included moving to larger premises to meet demand.



Olivia's Place Material Aid Volunteer Pam Wernert and Material Aid Program Coordinator, Junelle Wilson show Loy Yang B General Manager Tony Hicks and Loy Yang B HR Manager Ilona Laurie-Rhodes around their warehouse.

### Gippsland League

A three-way major partnership arrangement with Alinta Energy, Loy Yang B and the Gippsland League to support the local football and netball communities. As part of the support, Alinta Energy is the major partner of the Gippsland's largest football and netball league, supporting the clubs, their members and the local community by providing affordable energy options.

Loy Yang B's support enables clubs to deliver education and awareness sessions around social issues such as mental health, substance abuse and gambling each year, promoting social inclusion and community connectedness. We also support an annual mental health awareness round in the competition.



Loy Yang B General Manager Tony Hicks, Gippsland League General Manager Daniel Heathcote and Alinta Energy General Manager Customer Operations David McNeil launch the Gippsland League partnership.



## Making better mental health our goal

With the aim of 'Making better mental health our goal,' we joined with the Gippsland League to shine a light on mental health and its impact on our community by supporting an awareness round during the 2022 season.

One mental health champion was selected from each team competing on the day. Footballers who embraced this role wore a jumper featuring a blue 'zero' on the back to represent the push for zero lives lost to mental health, and all netballers wore blue bibs and played the games with a special blue ball. This represented the league and member clubs' united position to support better mental health across our clubs and communities.

Loy Yang B General Manager Engineering and Maintenance Matt Bugeja (far right) with Traralgon Football Netball Club president Kevin Foley (far left) and players Dylan Loprese and Amy Harrison.





**Traralgon Railway Reservoir Conservation Reserve**

Financial and in-kind support for the 30-hectare public reserve. Our support allows volunteers to maintain this important space which is enjoyed by up to 4000 people each week. It continues a long running partnership of more than 20 years.



Traralgon Railway Reservoir Conservation Reserve volunteer Gary Deane talks Loy Yang B staff through works occurring at the reserve.



**Interchange Gippsland Roadies**

A program allowing Gippsland teenagers with a disability to gain independence from their families and carers in a supported environment. This is another important partnership which we have developed over more than 20 years.



Interchange Roadies enjoy some time at the beach with friends.



**LATROBE VALLEY  
& DISTRICT CRICKET LEAGUE**

**Latrobe Valley and District Cricket League**

A partnership which encourages inclusivity and participation for people of all backgrounds and abilities, in particular women, juniors and low-socio economic groups by reducing or removing the financial cost associated with playing cricket. This is a continuation of a previous three-year partnership.



Latrobe Valley and District Cricket League Women's 2021/22 premiership team.

# P.A.R.T.Y. PREVENT

## Alcohol and Risk-Related Trauma in Youth

Latrobe Regional Hospital

### P.A.R.T.Y. (Prevent Alcohol and Risk-related Trauma in Youth) Program

Our partnership has enabled a program to be established which demonstrates the possible traumatic and often preventable consequences that may result from high-risk behaviour. Facilitated by Latrobe Regional Hospital in a hospital setting, the eye-opening and informative program is offered to secondary schools free of charge for students in years 11 and 12.



Lowanna College students participate in the first P.A.R.T.Y. program.

## Making a difference in our community

This year we supported 15 other community groups and charities through our Community Partnership Program, including:

- Supplies for 110 suitcases given to foster kids when they are taken out of the home and placed into care in emergency situations.
- Respite opportunities for carers of people with a disability.
- Sporting clinics to get kids moving and improve their coordination skills.
- A women's social participation program.
- Performing arts opportunities for local school students, and people with a disability.
- Assistance for three Foodbank programs.
- Assistance to the Gippsland Pride Initiative to roll out the largest of its kind LGBTQIA+ survey in Gippsland, providing the data needed to advocate for change.

We also made some large donations to local not-for-profits in the areas of welfare, mental health and food relief.

## Rainbow Brick Road

Our partnership with local LGBTQIA+ charity Gippsland Pride Initiative helped bring the Rainbow Brick Road project to life. This project produced a first of its kind survey to gather the opinions and experiences of Gippsland's LGBTQIA+ people and allowed for 18 separate events to be held across Gippsland's six shires, where businesses, agencies and local people could socialise, share experiences, and explore how to be more inclusive for people from all backgrounds.

Data and evidence gathered from these activities resulted in a Rainbow Brick Road report. Gippsland Pride Initiative President Caitlin Grigsby said the report would make their advocacy work much more credible.

"Gippsland Pride is looking for where the opportunities for inclusion and improvement can occur and I'm excited that with evidence and data, more can be done," she said.

"You recognised the burden a project like this would have on our small charity and you jumped in to help when we really needed it."



Gippsland Pride Initiative committee members Sally Conning, Clinton Savage, Caitlin Grigsby, Kylie Dubrich-McLoughlin and Danni Frantz.



### Odyssey House Hope Centre

We were honoured to be invited to an official opening ceremony to mark two years of operations at Gippsland’s first residential rehabilitation facility, the Odyssey House Hope Centre.

As a foundation partner of the Hope Centre, we were thrilled to congratulate the volunteers responsible for creating this life-changing facility in person and tour the centre after years of pandemic restrictions. We proudly accepted a plaque recognising our contribution to the centre’s construction and its ongoing operations.



Loy Yang B Accountant Craig Milligan and Loy Yang B General Manager Tony Hicks with Hope Restart Board Members Ricky Ross, Margaret and Peter Down, and Odyssey House Victoria CEO Dr Stefan Gruenert.

### Employee contribution

Our people opted to forego a family Christmas party and instead donated the funds that would be spent on this activity to three local charities who support Gippslanders doing it tough. Donations to Lifeline Gippsland, Quantum Support Services and the Salvation Army helped their clients have a merry Christmas.

For Lifeline Gippsland, this meant training more volunteers to respond to calls to the 13 11 14 telephone crisis line, which were at their highest level in 58 years.

“People are hurting, and we are committed to ensuring that no one has to face their darkest hour alone,” Lifeline Gippsland CEO Michelle Possingham said.

“We are so heartened by the support of everyone at Loy Yang B who has played a role in helping us to meet this challenge...and it was such a good news story to tell our team of volunteers, who took so much of a morale boost from the fact that Loy Yang B continues to care and value the service they provide our community.”

Lifeline Gippsland was also one of three charities to benefit from our employees and contractors participating in Australia’s largest mental health and fitness initiative, the Push-up Challenge. As well as coming together to support this important initiative, many participants continued their daily push-ups long after the challenge ended to improve their overall health and wellbeing.



Many of our people have continued push ups as part of their daily routine.

### Latrobe Regional Hospital

Support by our company and employees for Gippsland's largest hospital remains strong. In addition to our P.A.R.T.Y. program partnership, our employees led initiatives to help fundraise for the hospital. This included regular donations made as a salary sacrifice to help raise money for specialist medical equipment, patient facilities and support programs via our workplace giving program. Through this program, many employees also contribute to costs associated with running the hospital's Gippsland Cancer Care Centre.

Our people also supported the hospital at its annual fun run, with Loy Yang B matching all funds raised by participating employees. This helped contribute new clothing to The Wear House, giving patients new clothes to replace torn or damaged items they arrive in at hospital in and making their stay more comfortable. As well as supporting a fantastic cause, the fun run was an opportunity for people to reconnect after periods of lockdown during the pandemic.



Loy Yang B employees participate in the Latrobe Regional Hospital fun run.

### Toy Run

We have supported the Gippsland Toy Run annually for 22 years, and it has become a cause which is close to our employees' hearts. In FY22, more than \$7000 worth of toys and gifts were donated to the cause, which St Vincent de Paul and the Salvation Army distributed to local families doing it tough to help them have a merry Christmas.

Toy Run organiser Alf Vella said our contribution had made a real difference.

"We are so fortunate to be surrounded by organisations, such as Loy Yang B Power Station, whose generosity to our community is manifested in so many ways, including our quest to support families in need at Christmas time," he said.

In addition to the joy that this much-loved event brings to our local community, we were proud to see the team that organises our contribution recognised for their efforts with the Community Contribution Award at the 2021 Alinta Energy Excellence Awards.



Loy Yang B Technician/Operator Andrew Livingstone and Loy Yang B Communications Coordinator Nicole Boskma with Alinta Energy CEO and Managing Director Jeff Dimery.

### Royal Children's Hospital

We provided a boost to the Traralgon Royal Exchange Cork Club by hosting a hot cross bun fundraiser, making the most of additional people on site during our inspection outage. It raised more than \$1300 for the Good Friday Appeal, which was topped up by Alinta Energy with a \$25,000 donation, bringing the total raised from the Latrobe Valley community towards the appeal to more than \$100,000 for the Royal Children's Hospital.

# About this report

## Background

This is Loy Yang B's fifth annual sustainability report and provides information on our activities during the year from 1 July 2021 to 30 June 2022 (FY22). It addresses areas including operational performance, health and safety, environmental management, employment and community support.

The report is structured around the Global Reporting Initiative (GRI) Standards: Core option, however it does not claim to be prepared in strict accordance with the GRI.

## Scope

Loy Yang B Power Station was acquired by Hong Kong-based Chow Tai Fook Enterprises Limited (CTFE) on 15 January 2018. From that time, our business was transferred to a new holding company, Latrobe Valley Power (Holdings) Pty Ltd (Latrobe Valley Power). We have continued to operate under the Loy Yang B name.

In line with CTFE's mature approach to sustainability, this report has been prepared each year since the acquisition date to share information on Loy Yang B's operations.

Loy Yang B's operations are also referred to in the sustainability report of CTFE's other Australian-owned energy company, Alinta Energy. Visit [alintaenergy.com.au/nsw/about-us/sustainability-report](http://alintaenergy.com.au/nsw/about-us/sustainability-report) for further information.

## Inclusivity

The key issues included in this report are based on local knowledge and experience that reflect our understanding of community and stakeholder areas of interest.

## Material issues

This report outlines Loy Yang B's performance against a range of material aspects, informed by the GRI.

Our most material topics were identified and determined by Loy Yang B management, Latrobe Valley Power directors and key Alinta Energy stakeholders. These were informed through informal engagement forums and existing communication channels which collected feedback and made observations during the year.

We also reflected on the increased importance of regulatory frameworks and community support to gauge the issues that matter most to our stakeholders and topics that are central to us continuing to operate as a sustainable business.

## Measurement

The measurement framework adopted by management has been informed by the GRI.

## FIRB compliance

This report is prepared in compliance with our FIRB conditions (refer to page 9).

## Report quality principles

To provide greater transparency of our sustainability performance, this report's content is aligned to the GRI reporting quality principles:

### Comparability

This report's format remains reasonably consistent from year to year and contains historical data (where available) showing our performance over time.

### Accuracy

Many of the performance metrics in this report were subject to external assurance by KPMG, as shown in the Independent Limited Assurance Report provided on page 51 of this report.

### Timeliness

Our sustainability reports are based on financial years (1 July to 30 June) and published within a reasonable timeframe after the end of the year.

### Clarity

We present the information in this report as simply as possible to help all stakeholders understand how we manage sustainability issues. External links, definitions and explanations are included to provide background on technical terms and industry references. Where possible, we minimise the use of acronyms and have provided a glossary on the following page.

### Balance

This report includes both the positive and negative impacts of our operations.

### Reliability

This report's design and content are based on the outline of the GRI standards guidelines.

## Important information

Loy Yang B Power Station's sustainability reports are prepared to provide general information to a wide audience of internal and external stakeholders. They have been prepared with due care and diligence to the best of our ability and knowledge. The reports may not contain all information related to the topics covered and may not meet the information needs of specific readers.

Where relevant, this report may contain forward-looking statements including statements of intended future businesses activities, opinions on the likelihood and impact of future events and future financial prospects.

Forward-looking statements are not statements of fact, are based on assumptions and are subject to uncertainty, risk and other factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements.

Statements about past performance are not necessarily indicative of future performance.

We disclaim any assumption of responsibility for any reliance on our current and past sustainability reports to any person.

# Glossary

<b>AEMO</b>	Australian Energy Market Operator
<b>APS</b>	Annual Performance Statement
<b>CERF</b>	Capital Expenditure and Emissions Reduction Facility
<b>Class 1 incidents</b>	Class 1 incidents include fatalities and permanent life altering injuries
<b>CTFE</b>	Chow Tai Fook Enterprises Limited
<b>EA</b>	Enterprise agreement
<b>EPA</b>	Environment Protection Authority Victoria
<b>FIRB</b>	Foreign Investment Review Board
<b>FTE</b>	Full time equivalent
<b>GED</b>	General Environmental Duty
<b>GRI</b>	Global Reporting Initiative
<b>ISO</b>	International Organization for Standardization
<b>LTI</b>	Lost time injury
<b>LTIFR</b>	Lost time injury frequency rate
<b>NEM</b>	National Electricity Market
<b>NGER</b>	National Greenhouse and Energy Reporting
<b>PIPS</b>	Performance Information and Performance Statements
<b>Scope 1 greenhouse gas emissions</b>	Greenhouse gas emissions released to the atmosphere as a direct result of an activity, or series of activities at an operational level. Also referred to as greenhouse gas emissions
<b>TRIFR</b>	Total recordable injury frequency rate



# Independent Limited Assurance Report to the Directors of Latrobe Valley Power (Holdings) Pty Limited

## Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Selected Sustainability Information, which has been prepared by Latrobe Valley Power (Holdings) Pty Limited in accordance with measurement methodologies as described for the period 1 July 2021 to 30 June 2022.

## Information Subject to Assurance

The Selected Sustainability Information subject to assurance as presented in the Latrobe Valley Power, Loy Yang B Power Station Sustainability Report FY22 is identified below:

Selected Sustainability Information	FY22 Value Assured	Sustainability Report page number
Number of material fines or non-monetary sanctions for breaches with Australian or state laws or regulations associated with corporate governance, environmental employment, and/or safety <sup>1</sup>	0	9
Direct economic value (\$M) and split (%)		
Direct economic value (\$M)	293	13
Operating costs, including suppliers (%)	56	13
Employees' wages and benefits (%)	20	13
Finance expenses (%)	10	13
Current tax (%)	14	13
Availability of the operational power station – equivalent availability factor (%)	99.31	13
Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR)		
TRIFR	0.0	17

<sup>1</sup> material fines and sanctions are defined as greater than \$500,000

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<b>Selected Sustainability Information</b>	<b>FY22 Value Assured</b>	<b>Sustainability Report page number</b>
LTIFR	0.0	17
Scope 1 emissions <sup>2</sup> (tCO <sub>2</sub> -e)	10,056,838	24
Emissions <sup>1</sup> intensity of Loy Yang B (tCO <sub>2</sub> -e/MWh sent out)	1.196	24
Air emissions (tonnes)		
Sulphur dioxide (tonnes)	28,125	25
Particulates (includes PM10 and PM2.5) (tonnes)	731	25
Oxides of nitrogen (as NO <sub>2</sub> ) (tonnes)	12,152	25
Carbon monoxide (tonnes)	563	25
Water by source, use and discharge category (ML)		
Water by source: Self-sourced surface water (other than ocean water) (ML)	16,506	28
Water by source: Recycled water from site (ML)	1,055	28
Water by source: Portable water from water suppliers (ML)	296	28
Water by use: Cooling (ML)	17,560	28
Water by use: Industrial processing (other than cooling) (ML)	287	28
Water by use: Other (ML)	10	28
Water by discharge: Off-site treatment facility (ML)	1,739	28
Water by discharge: Other (ML)	0	28
Total waste (tonnes)	99,028	28
Employee information and composition	Various	33
Value of community contribution via Community Partnership Program (\$)	290,000	39

<sup>2</sup> excluding emissions not directly related to electricity generation activities



## Criteria Used as the Basis of Reporting

The methodology used by management to measure the Selected Sustainability Information (the Criteria) are described in the Latrobe Valley Power, Loy Yang B Power Station Sustainability Report FY22.

## Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Selected Sustainability Information, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

## Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Latrobe Valley Power (Holdings) Pty Ltd personnel to understand the internal controls, governance structure and reporting process of the Selected Sustainability Information;
- reviews of relevant documentation;
- analytical procedures over the Selected Sustainability Information;
- walkthroughs of the Selected Sustainability Information to source documentation;
- evaluating the appropriateness of the criteria with respect to the Selected Sustainability Information; and
- reviewing the Latrobe Valley Power, Loy Yang B Power Station Sustainability Report FY22 in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

## How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Selected Sustainability Information.





## Use of this Assurance Report

This report has been prepared for the Directors of Latrobe Valley Power (Holdings) Pty Ltd for the purpose of providing an assurance conclusion on the Selected Sustainability Information and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Latrobe Valley Power (Holdings) Pty Ltd, or for any other purpose than that for which it was prepared.

### Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Selected Sustainability Information in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Selected Sustainability Information that is free from material misstatement, whether due to fraud or error.

### Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Selected Sustainability Information for the year ended 30 June 2022, and to issue an assurance report that includes our conclusion.

### Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG

Sydney

11 November 2022

# Report feedback

We welcome feedback and suggestions about our sustainability reporting program and performance, which can be submitted using the following contact details:

**General Manager**

Loy Yang B  
Traralgon Locked Bag 2500  
Traralgon Victoria 3844

**Phone** 03 5177 2000  
**Email** [contactus@loyyangb.com](mailto:contactus@loyyangb.com)  
**Web** [loyyangb.com.au](http://loyyangb.com.au)

# Loy Yang B Power Station



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