

Definitions – CSR Material Issues

1. Renewable Energy Transition

TasNetworks' preparedness to accommodate an increase in renewables, either through distributed PV or wind, solar farms and EVs, including the challenges of:

- Ensuring our network can accommodate household solar and batteries, and electric vehicles
- Slower and most costly grid connections for renewable customers.

This also includes TasNetworks' role in improving the reliability and carbon footprint of the national electricity grid, through infrastructure projects such as Project Marinus and through investing in clean/sustainable energy opportunities.

2. Affordable Services

Concern to ensure that TasNetworks is providing the lowest prices possible to customers and the potential risks of not doing so (i.e. Tasmania losing industrial customers and decreased financial security of residential customers). Tasmanian households generally use more electricity than those interstate, due to heating and spend more of their income on power than families interstate.

3. Better Communication

Desire for better communication (including improved consistency and better inter-agency communication), and improved levels of engagement and transparency, especially around current and upcoming projects, power outages, and the community support that TasNetworks' offers. This is especially important when work directly affects the customer or is being performed on private property.

4. Wildlife & biodiversity

As a large linear infrastructure business, there is significant potential for TasNetworks operations and assets to impact on features of our natural environment including animals, plants, waterways, air and soil. Supporting biodiversity recognises the interconnection of all aspects of our natural environment and the importance of maintaining healthy ecosystem function for social and economic systems.

5. Aboriginal engagement

TasNetworks role in building Aboriginal participation through consultation, procurement and employment opportunities. Its approach and policies to achieve this.

6. Regional Economic Development

The direct and indirect economic benefits provided to Tasmania through TasNetworks' presence. Includes jobs, and flow-on spending in the economy, facilitating economic activity through delivering power etc.

Demand that the costs of major infrastructure projects are fairly born by regions which reap the benefits of them, in particular in relation to Project Marinus. Includes the idea that

network investment costs to customers will be balanced by benefits to those same customers.

7. Climate change Risk

Impact of changing climate on the network including increased outages due to bushfire and extreme weather events. How TasNetworks integrates climate change risks into its transmission planning, especially design standards.

8. Vulnerable customers

With a higher proportion of Tasmania's population classified as most disadvantaged compared to other states, TasNetworks is also likely to have a higher proportion of its customers who are experiencing an episode of economic or social vulnerability. How the organisation identifies and responds to these circumstances in its customers' lives and TasNetworks' efforts to contribute to positive outcomes for individuals and communities.

9. Respecting Heritage

Impact of infrastructure/maintenance on cultural heritage sites (Indigenous and non-Indigenous). TasNetworks operations may impact on both Aboriginal sites and European heritage, which may in turn have consequences for TasNetworks' reputation and relationships.

10. Responsible Procurement

TasNetworks' approach to responsible procurement, including environmental and human rights due diligence, but also positive actions including social procurement. Response to the Australian Modern Slavery Act (MSA). Also includes a desire to ensure procurement processes are clean, rigorous, open and transparent.

11. Customer Focus

Improving TasNetworks' customer focus and ensuring employees are customer-centric in their approach to their jobs. TasNetworks' efforts to engage with customers and develop a trusting relationship.

12. Economic Performance

The need for TasNetworks to be a profitable business and to find sustainable revenue growth, with challenges including the perceived conflict between demands to deliver the lowest prices to customers versus returning dividends to the owner, the State Government. Impact of more distributed generation on revenue.

13. Community Safety and Education

TasNetworks role in supporting community safety, including education campaigns about electrical safety. Includes managing the risk of bushfire caused by TasNetworks' assets.

14. Transparency and Disclosure

With a welter of energy offers in the marketplace and a society-wide focus on greater transparency, the energy industry faces stakeholder expectations about improved transparency and disclosure. Calls for greater transparency across what TasNetworks do,

including its role as a monopoly, partnerships and procurement, decision-making areas and board independence.

15. Sustainable resource management

This captures TasNetworks approach to how we use renewable and non-renewable resources to minimise waste and our ecological footprint including:

- Cradle to grave or cradle to cradle thinking about how TasNetworks creates, uses and consumes renewable and non-renewable resources
- Considering environmental costs and benefits when asset investments decisions are made
- How we effectively and carefully dispose of controlled waste and dangerous goods (and limit their use and impact)
- Encouraging our people to make more ethical, environmental friendly consumption choices
- Effectively applying the waste management hierarchy (avoid, reduce, reuse, recycle, recover and disposal)

16. Contamination and hazardous substances

Historic and continued use of hazardous substances and the generation of pollutants and controlled waste poses significant known and unknown risks for TasNetworks, the Tasmanian community and environment. This includes legacy use of PCBs, PFAS, 245T, asbestos and herbicides, and continued use of oil, hydrocarbons, SF6, herbicides.

TasNetworks has a responsibility to effectively manage the past and future use of hazardous substances and where contamination is known, ensuring that sites are cleaned-up to acceptable standard.

17. Transition adaption - skills

How TasNetworks is adapting to changes to its business and supporting its workforce to adapt to the changing requirements through engagement, upskilling, recruitment and change management. Developing the required capabilities for the energy industry of the future.

18. Greenhouse gas (GHG) emissions

Two areas of particular concern arise in relation to operational environmental efficiency: GHG emissions related to losses in transmission and emissions from TasNetworks transport fleet, which is extensive. Stakeholder expectation that this will be addressed.

19. Health and wellbeing

TasNetworks' approach to ensuring the health and wellbeing of its workforce.

20. Diversity and inclusion

Policies and practices around diversity and inclusion and efforts to ensure that policy is implemented.

21. Transition adaption

How TasNetworks is adapting to changes to its business and supporting its workforce to adapt to the changing requirements through engagement, upskilling, recruitment and

change management. Developing the required capabilities for the energy industry of the future.

22. Cyber Security

As energy infrastructure is increasingly connected to the internet, and internet-enabled appliances become part of the landscape, the risks of cyber-attack become greater. TasNetworks' risk management approach to cyber security and data protection, including sensitive customer data.

23. Regulatory Compliance

The good handling of regulatory affairs is a critical success factor for TasNetworks and good processes and management systems respond to this. A view that processes and systems need improvement to make them more efficient, and more strategic management of the grid i.e. to prevent rather than repair outages or impacts.