

The Energy Charter

Disclosure

30 June 2019



The Energy
Charter

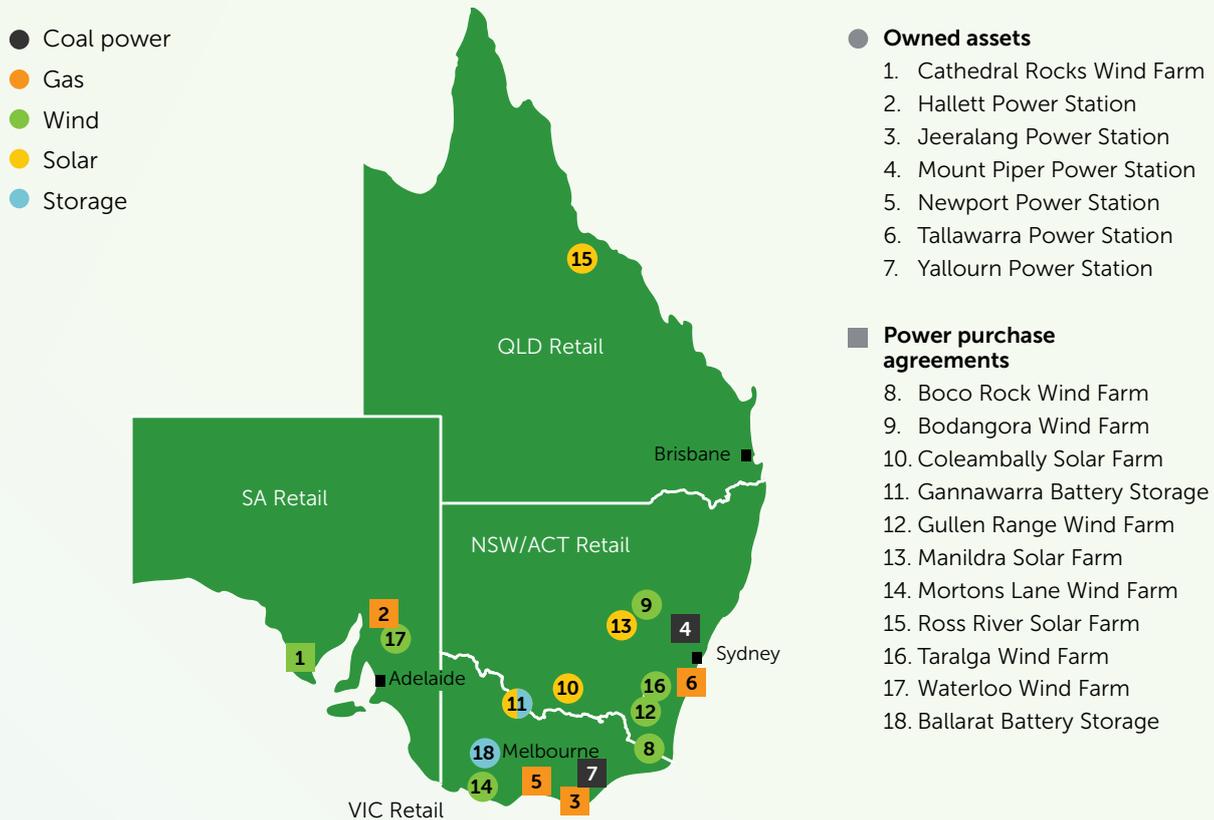


EnergyAustralia
LIGHT THE WAY

About us

EnergyAustralia provides gas and electricity to more than 2.5 million residential and business customer accounts in Victoria, New South Wales, the Australian Capital Territory, South Australia and Queensland. We supply our customers with energy from wholesale markets and our own coal and gas-fired power stations and renewable energy sources. We are a wholly-owned subsidiary of CLP Group, one of the largest publicly-owned integrated power businesses in the Asia Pacific.

EnergyAustralia at a glance



Managing Director's message

When the lights go out, when power bills rise to record highs and when it takes longer than it should to fix a simple billing mistake, it's hard to argue that the energy system is working in the best interest of customers.

Customers are not unreasonable or unrealistic. Most just want reliable access to affordable, cleaner energy. When they flick the switch, they want the light to come on and for it not to cost the earth.

Where did energy go wrong? My guess is from one end of the supply chain to the other, we made a simple, basic business mistake – failing to put the customer at the heart of everything we do.



The Energy Charter aims to put things right. It asks companies to make public promises, and it holds them to those promises.

The last time EnergyAustralia published a report this thorough, this extensive, on how we do business was in 2013. So, while this disclosure wasn't without pain, we know more acutely than ever before where we stand in the community's estimation. Having been through such an exercise, it's hard to go back. This is a line in the sand for us.

But while words are great, it's actions that matter. It's the difference between "we will fix your problem", and "we have fixed your problem".

Customers may ask why the energy industry, or significant parts of it, has suddenly come to its senses. A fair question, but tough to answer.

Partly, it's because customers have brought industry to the table. They've campaigned for change, and a lot of the credit must go to the families, businesses and consumer groups which refused to settle for second best.

And partly, it's because the world is changing. As technology advances, the energy industry is becoming more complex, harder to navigate.

Roof-top solar systems, battery storage, demand response, connected homes, a two-way electricity grid and energy efficient software – these things weren't available to the typical household or business until very recently.

We see a future where energy companies have found ways to harness that technology to create value that is shared, and shared fairly, with customers.

For that to happen, the relationship between company and customer must be a true partnership.

A new modern and cleaner Australian energy system is taking shape. The minimum test of success is whether that system delivers affordable, reliable and sustainable energy. Also, the transformation is increasingly presenting opportunities to create value – and the community rightly expects it will receive its fair share of the benefits.

This disclosure provides a snapshot of how EnergyAustralia performed against the five principles set down in the Charter. We've made mistakes, and I can't claim that we have miraculously fixed every problem in such a short time. But I commit us to trying to bridge the gap, and I invite you to hold us to account.

At the same time, there are good signs that the industry is keen to improve. The Australian Competition & Consumer Commission's report on electricity pricing, published in July 2018, was a seminal work. It described in detail where electricity had gone wrong for customers and recommended ways to get it back on track. We assessed ourselves against the ACCC's findings and took it on ourselves to act, to do something. For example, we ended conditional pay-on-time discounts, introduced automatic discounts for all concession customers on standing offers and we are pushing third-party intermediaries to do better.

Not all companies responded the same way. The Energy Charter then, is a measurable standard applicable across the industry, and we are proud to be a founding signatory.

We all want an industry that does what it says it will do. We're in this together.

Catherine Tanna
Managing Director
September 2019

Executive Summary

Our first Energy Charter disclosure benchmarks our performance against the Charter principles. It sets out what should happen when the principles are applied and assesses how we rate against measures which quantify good and fair customer service. The Charter is our report card; it drives us to improve and it's a means for holding us to account.

Compiling the disclosure was illuminating and confronting. The process revealed areas where we do well, where we're performing serviceably and where we have work to do to raise our performance to the standards people expect of their energy provider. These areas are set out in the chapters which follow.

Areas where we need to do better

- Our safety performance in 2018 was the worst in EnergyAustralia's history, with two fatalities related to our operations. There are early signs we are applying some hard-earned lessons, reflected by our best-ever safety record in the first half of 2019.
- We have reported a number of incidents to the Australian Energy Regulator (AER) regarding registering life support needs for some of our customers, since the new rules and transitional arrangements were introduced in February 2019 and 2018 respectively.
- Research in the first quarter of 2019 showed that of customers who contacted us to resolve an issue, 42 per cent needed to do so more than three times – understandably they find this frustrating. This research has been presented to business leaders as evidence for investment in first-call resolution.

Areas where we're doing ok

- We've applied customer feedback to a range of tools which provide customers with the information they need to track and manage their energy use. These include platforms like My Account, our online platform, EnergyAustralia's Mobile App, a bill-upload tool that allows comparisons between retailers and a range of simple and fair energy plans.
- We're providing a suite of options to support our most vulnerable customers and are continually enhancing our industry-leading hardship programme.
- We have formal programmes, such as the EnergyAustralia Brighter Council, Voice of the Customer, community feedback and Net Promoter Score (NPS) tracking, which harness insights from our employees, customers and partners to improve how we relate to customers and improve service.
- Our Board has a standing agenda item for its meetings where the Managing Director and the senior executives of our Customer team discuss customer matters. The focus is on the 'voice of the customer' and feedback from directors is shared throughout the business so that it informs decision-making.

Areas where we're doing well

- In 2018 we paid \$55 million to offset increased network and green scheme costs to keep electricity prices flat on average for customers in New South Wales and Victoria, whilst also keeping prices on hold in South Australia and Queensland.
- We have the largest battery portfolio of any retailer in the National Electricity Market (NEM). Our two storage plants at Ballarat and Gannawarra came into operation in October 2018.
- We're making significant investments in keeping electricity supply reliable for our customers, including via the acquisition of the Newport and Jeeralang gas-fired power stations which provide capacity during peak demand periods.
- We're helping our customers support a cleaner energy future through the introduction of low carbon products that avoid or offset emissions such as Go Neutral, where over 160,000 customers are part of one of the largest carbon offsetting programmes in Australia. As well, we're giving customers access to solar and battery solutions that best suit their needs.
- We reviewed our practices against the findings of the ACCC's Retail Electricity Pricing Inquiry Final Report from July 2018 and have taken steps to pro-actively address each one, before any regulatory changes were made.

Later in the disclosure, in the expected focus areas under each Principle, we detail how and where we will apply our focus in the next 12 months. The Better Together initiatives (see 2.3) will also be important to progress. We won't solve all the failings customers have identified with the energy sector in one reporting period, or the next. But it doesn't mean we won't try. Our underlying value is perfectly aligned with the Energy Charter – customers are our priority. Now, customers can decide for themselves, based on this report, whether we're living up to that ideal.

We invite our stakeholders to read the report, [to comment](#) and to provide feedback so that we can improve and deliver a better outcome for customers.

Principle 1

We will put customers at the centre of our business and the energy system.

A new modern and cleaner Australian energy system is taking shape. The minimum test of success is whether that system delivers affordable, reliable and sustainable energy. Also, the transformation is increasingly presenting opportunities to create value – and the community rightly expects to share in that value.

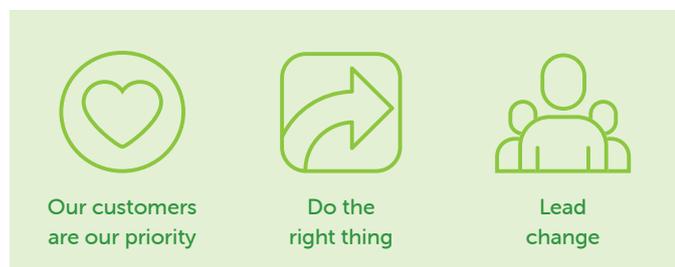
Having the right culture, focused on our end customers, is critical to navigating this transformation. We can directly influence the experience customers have when dealing with us.

EnergyAustralia's culture is guided by three foundations:

Our Purpose – to lead and accelerate the clean energy transformation for all.

Our Vision – Customers choose, trust and stay with us because we do everything in our power for them.

Our Values –



These foundations, endorsed by our Board and Management Team, drive the type of organisation that EnergyAustralia is, our behaviours and the decisions we make.

In a recent practical application of our values, the EnergyAustralia Customer business relaunched our portfolio of retail offers, grounding them in the principles of simplicity and fairness. Early indications are that the new offers have been well received.

The importance of our people

An engaged workforce is critical to favourable customer outcomes. It is our people who live and enact our values every day, whether that is resolving customer queries such as "Why is my bill so high?" or maintenance work at one of our generation sites to keep the lights on.

We aspire to a culture that empowers employees; to listen to different views and perspectives; to try new things; and if we fail, to reset and try again.

We have some way to go, but we are working hard towards this.

We strive to create a great environment where people feel proud, committed and able to bring their whole selves to work to do their best every day.

The commitment we have to Diversity and Inclusion and employee engagement means we're better equipped to listen to the concerns of others. Our people have some great ideas for improving how we work and the services we provide. Their contribution makes EnergyAustralia a better place to work and a place where customer service is better.

An example of how we encourage employees to bring forward their ideas is our Innov8@EA programme. This is an employee innovation programme encouraging employees to contribute, pool and build ideas together to solve problems.

Trust, innovation and partnerships

Success is a customer never having to consider whether or not they trust us - because we do what we say we will do. We respond quickly and we're accountable when we make mistakes. Trust should be a bedrock.

In such a fast-changing industry, innovation is essential. Recognising that innovation comes from many sources including our employees, our customers and partners, we have established programmes to capture and turn good ideas into actionable solutions. For example:

- The EnergyAustralia Brighter Council: a community of customers who trial new and innovative energy products in their homes.
- Startupbootcamp EnergyAustralia: an accelerator programme for energy industry start-ups where participants collaborate on ideas focused on delivering value to end-users.
- We encourage an incubator environment which means we can develop, prototype, test and learn new products, solutions and services in a faster, more focused environment than through our business-as-usual processes.

Principle in Action 1.1

Have a Board that actively oversees the business' culture so as to be aligned with Energy Charter Principles.

Customer outcomes	Activity	Evidence
<p>Guided by our Code of Conduct and the feedback of our customers and communities, our Board actively supports management to change the culture and structure of our business in ways that will best result in positive outcomes for these stakeholders.</p>	<ul style="list-style-type: none"> • Board: The Board holds regular meetings at least six times per year, with additional meetings when required. The Board's standing Committees also hold scheduled meetings throughout the year, including the Audit & Risk, Nomination and Remuneration, and Health Safety Security & Environment Committees. • Code of Conduct: The Board has adopted and oversees the Code of Conduct which requires us to conduct all business activities, including all interactions with customers, with integrity and in accordance with strong business ethics. The Code of Conduct also requires us to be accurate and truthful in dealings with customers and to not misrepresent the quality, features, price or availability of our products and services. • Supporting and endorsing the Energy Charter: The Board has strongly supported adoption of the Energy Charter by EnergyAustralia and other industry participants. • Bringing diversity in opinions: Diversity in Board composition reflects our focus on diversity, both in background, gender (five men and four women) and career experience. Directors have deep experience in retail and energy-focused organisations, bringing different viewpoints to the table, and this is reflected in their decision-making programme. • Holding management accountable on customer metrics: The Board maintains a strong customer focus in its oversight of the business and its operations. At its regular meetings, the Board considers and makes decisions with respect to matters including key customer initiatives and customer service levels which also form part of performance metrics and remuneration assessment. Operation metrics presented include key customer service indicators such as Net Promoter Score (NPS) and Ombudsman complaints. 	<ul style="list-style-type: none"> • Code of Conduct: EnergyAustralia's code of conduct is available on our website. • Customer moments: At each Board meeting an employee presents a customer moment, highlighting a specific customer-related matter. • Hearing customer feedback: The Board's standing agenda items include updates on customer issues, presented by the Managing Director and the Customer Executive. These updates are discussed in detail and often lead to requests for further information and for actions to be taken. For example: <ul style="list-style-type: none"> o <i>The Voice of the Customer</i> is a section of the Managing Director's report and is discussed and considered at each meeting. There are at least two extended voice of the customer focus sessions scheduled across the Board workplan. Examples include random samples of voice recordings of customer calls or verbatim feedback and these are discussed with a view to increasing awareness of customer issues and identifying ways to improve customer service. Directors also visit the contact centres and have sat with our contact centre employees to hear first-hand the interaction with customers. o The Customer business provides briefings to the Board about major customer initiatives and projects, including hardship initiatives, products and pricing, and ways in which implementation may be improved or enhanced in the future. • Holding management accountable on customer metrics: The information reported to the Board at each meeting includes performance against measurable objectives including indicators of customer satisfaction and service. These are taken into account when determining the performance of senior management and management leadership teams. • Understanding our generation business: Our Board members regularly visit sites to keep across the culture and key issues/challenges. Recent site visits include Tallawarra, Yallourn and Jeeralang and form part of a rolling programme of site visits.

Principle in Action 1.2

Have management operationally accountable for embedding a 'customer at the centre' culture.

Customer outcomes	Activity	Evidence
<p>Customers are put at the centre of business decisions and management is accountable to the Board to demonstrate that this occurs.</p>	<ul style="list-style-type: none"> • Internal performance measures: Company performance is measured by a set of key performance metrics, known as the Balanced Scorecard, which is reviewed and approved by the Board annually. • Remuneration: The Board Nomination and Remuneration Committee considers outcomes based on key performance indicators (KPIs) which reflect both how individuals go about their roles from a behaviour perspective, as well as the outcomes for customers as a result of their work. 	<ul style="list-style-type: none"> • 2019 Balanced Scorecard: Features customer metrics such as NPS, customer loss rates, Customer Care and billing system upgrades, demand response capability, product, service and energy innovation. • Company Values: EnergyAustralia's company values.

Customer outcomes	Activity	Evidence
	<ul style="list-style-type: none"> • Investment Committee: Our Investment Committee prioritises investments which are aligned to our purpose, strategy and business priorities. • Our Values: Our values are Customers are our priority, Do the right thing and Lead change. These are embedded across the company and in how we conduct business. Demonstrating these values is rewarded via remuneration structures and through opportunities such as the annual Chairman's Awards which recognises outcomes across three areas: Customer, Innovation and Safety. In 2018, over 70 nominations were received with 30 shortlisted. • Customer Moment: We open all major meetings with customer and safety moments. 	<ul style="list-style-type: none"> • Chairman's Award: 2018 Chairman's awards winners were our Secure Saver retail offer (Customer category), our LGBTIQ+ network, PRISM (Safety category) and our Light the way battery storage (Innovation). • Our Purpose: To lead and accelerate the clean energy transformation for all. (see principle 3) • Our Vision: Customers choose, trust and stay with us.

Principle in Action 1.3

Ensure their work force is engaged and incentives are aligned to drive positive customer outcomes.

Customer outcomes	Activity	Evidence
<p>A more engaged workforce translates to better customer outcomes. Our engaged employees provide outstanding customer service, work to solve customer problems, innovate new processes and understand how their work directly impacts our customers.</p>	<ul style="list-style-type: none"> • Balanced Scorecard: Company performance, as measured by the Balanced Scorecard, impacts incentive payments for all employees eligible for the Annual Incentive Plan (AIP). The Board assesses the company's performance against the Balanced Scorecard annually. • Sales Incentive Plans: Sales Incentive plans consider a range of KPIs that include customer metrics. • Remuneration: The remuneration outcomes for employees, in particular senior management, are determined by a range of short and longer-term outcomes including a set of customer metrics. • Employee engagement survey: People need to be engaged to lead change and improve customer outcomes. We undertake an employee engagement survey each year. Results from January 2019 show that front-line employees have relatively high levels of engagement, although last year's reorganisation of the Customer business had a negative impact on the engagement levels of some individual and teams outside of the front line. • Employee Induction: Until 2018, we had not held formal inductions for new employees for some years. Acknowledging the negative impact on engagement and speed to productivity evidenced in exit interviews, in 2018 we introduced Welcome 2 EA new starter inductions for employees and contractors. These all-day employee inductions are specifically designed to connect people to our brand, values, purpose and each other. So far nine sessions have been run involving 319 employees from across the business, including our generation sites. • Diversity & Inclusion: Our Diversity & Inclusion and community programmes further open our employees' eyes to the world and build understanding of our customers: <ul style="list-style-type: none"> o In 2018, aligned with one of our Financial Inclusion Action Plan (FIAP) actions, we held 'Financial Inclusion Week' internally. This was designed to inform employees about financial hardship and inclusion, growing their ability to relate well to customers who find themselves in that situation. 	<ul style="list-style-type: none"> • Remuneration: Incentives outcomes do vary based on Customer metrics. • Employee engagement survey results: <ul style="list-style-type: none"> o Two percentage point improvement on 2018. o Pride in their workplace: + six per cent. o Job satisfaction: + two per cent. o Personal contribution to success: + five per cent. • Innov8@EA Challenge: A total of seven <u>Innov8@EA</u> challenges, where employees work together to solve business problems, have taken place since 2017. These challenges have focused on a range of opportunities including "Energise change for all" and "Energy partner of the future". • Reconciliation Action Plan: Recognising Aboriginal and Torres Strait Islander peoples as the <u>Traditional Owners of the land on which we operate</u> and the communities we serve. • Financial Inclusion Action Plan: <u>Our FIAP</u>, and how we support those who need it most. • Volunteering: Over 700 <u>volunteering opportunities</u> have been taken up over the past 12 months. • Workplace Giving: More than \$230,000 has been donated through Workplace Giving. The Board and Executive Management support Workplace Giving by donating one per cent of their base salaries.

Customer outcomes	Activity	Evidence
	<ul style="list-style-type: none"> o Employees can access two paid days a year to volunteer with one of our community partners. o Employees, together with EnergyAustralia's matched donations, have donated over \$230,000 through our Workplace Giving programme which was launched in October 2018. o Through our Reconciliation Action Plan, all employees have the opportunity to participate in cultural learning activities. Since January 2019, 110 employees have participated. o This year we have run the 'How to be a good trans ally' workshop twice, in collaboration with our partner Sydney Opera House. The audience comprised both employees and external stakeholders. 	<ul style="list-style-type: none"> • Domestic Violence: As part of our Diversity & Inclusion program for employees, the Family Violence Education and Support initiative provides the following: <ul style="list-style-type: none"> o Materials including a detailed online resource. o An employee and leader toolkit outlining the processes to help employees impacted by family violence. o Specially trained family-violence contact officers available. o Special leave for employees impacted by family violence.

Principle in Action 1.4

Have robust processes to determine customer and community needs and be accountable on how feedback has been considered and incorporated into decision making.

Customer outcomes	Activity	Evidence
<p>Feedback from our customers has resulted in products that better suit their needs and meet their expectations. Our communities' voices have influenced our site operations. When customers and communities can see the results of their feedback, they feel more in control of their relationship with us.</p>	<ul style="list-style-type: none"> • Customer research: We have over two million conversations with customers every year, either over the phone or via our digital service channels. We also talk to more than 20,000 customers and stakeholders annually through formal research to help shape business decisions, our products and our services. Examples include: <ul style="list-style-type: none"> o Customer focus groups: Through customer focus groups, we obtain direct feedback on what customers think of our products and services. For example, we received feedback about the length of time to resolve customers' issues and the need to improve it. Improving this 'first call resolution' is a key priority for 2019. o Dedicated customer advocacy team: Produce regular NPS reporting. This team was put in place in 2016 to have a mechanism to gain insights into customer advocacy of brand, product and service; gain better understanding of target audiences and identify feedback and satisfaction in order to take action. There are two key processes: <ol style="list-style-type: none"> 1. Customers who have had a poor experience are contacted promptly and the problem resolved. From this, we have seen customer loss rate improvements and more satisfied customers post-surveyed. 2. Centralising customer feedback and insights consistently (from both the NPS outbound team and directly from the data) and feed back into continuous improvement and strategic programmes. o Community research: Bi-annually, third-party organisations conduct community perceptions research, engaging with many of our government, regulator and industry stakeholders around our Mt Piper and Yallourn power stations. The recommendations of these surveys are shared broadly amongst the business and senior leadership. They provide community feedback on not only what we are doing, but how we do it. Results are used to prioritise our community engagement and social investment strategies in the regions as well as providing a community voice on future projects. 	<ul style="list-style-type: none"> • First call resolution: Q1 2019 customer research showed that of customers who contacted us to resolve an issue, 42 per cent needed to do so more than three times to resolve the issue. They understandably find this frustrating. This research has been presented to business leaders as evidence for investment in first call resolution. • Secure Saver: In 2017 customer feedback identified a need to provide stable, competitive pricing. A three-phase research programme was undertaken with customers to test ways we could provide greater certainty and control for customers over pricing. This led to the launch of Secure Saver, a two-year fixed rate product which had over 300,000 customers. • EnergyAustralia Brighter Council: (see principle 1) • Community feedback: Feedback from community and stakeholders through research and submissions on projects has contributed to the exploration of repurposing the Wallerawang power station site post closure. <ul style="list-style-type: none"> o Adoption of environmental and community impact recommendations received through submissions on the planned Mt Piper Coal Rail Unloader Project. o We communicate with our local communities through public meetings, newsletters and updates on our websites and social media.

Principle in Action 1.5

Demonstrate a culture of innovation and collaboration for positive customer outcomes, including through the sharing of insights with government, research institutions and across the supply chain, as well as joint advocacy on regulatory, policy and operational issues.

Customer outcomes	Activity	Evidence
<p>We work consistently with regulators, governments, consumer groups and independent think tanks to improve the reliability, security and affordability of energy.</p>	<ul style="list-style-type: none"> • Collaboration: Collaboration across the supply chain and with government and regulators is an everyday part of our business. <ul style="list-style-type: none"> ○ We first tabled the concept of advanced notice of closure for assets as part of the Finkel Review. This has since gone on to become a rule and should help to smooth the exit of power stations from the market. ○ In 2018, we endorsed the creation of a reference or comparison rate for retail offers to reduce customer confusion and assist customers' ability to compare offers. ○ We worked with industry to consult with government on the National Energy Guarantee (NEG). It involved having open and frank discussions with government on how we could best balance the transition to clean energy and maintain reliability in the energy system. During the implementation of the Retailer Reliability Obligation, the component of the NEG that was implemented, we also openly discussed our contract trading and helped regulators understand how reliability objectives could be best achieved. ○ We work consistently and transparently with the Australian Energy Market Commission (AEMC) on its Rule Change Market processes, including current rule change proposals on demand response and co-ordination of generation and transmission investment. ○ During 2018-19 we have also engaged with transmission businesses, particularly Electra-Net to help inform inputs for its modelling of the NSW-SA interconnector. • ACCC Inquiry: In 2018, the Australian Competition and Consumer Commission (ACCC) released its report into electricity affordability (Retail Electricity Pricing Inquiry). We have advocated publicly for some of the measures the ACCC has recommended, for example, truly independent comparator websites and creating a nationally consistent comparison rate for electricity prices. We reviewed our retail practices against the ACCC's report and, where unilateral action has been possible, we have taken steps to pro-actively address each one, before required by regulation. • Demand response: We have contributed to industry knowledge sharing as part of our participation in the Australian Renewable Energy Agency (ARENA) funded advancing renewables demand response programme. • Sharing insights: EnergyAustralia also shares information and insights with government departments, regulators, market bodies, community groups and independent think tanks on a regular basis. For example, EnergyAustralia provides extensive information to the AEMC to inform its annual Retail Energy Market Competition Review. 	<ul style="list-style-type: none"> • Advanced notice of closure: We advocated for advance notice of closure in the Finkel review. Three years notice was later implemented by the AEMC. We have also given a commitment to Victorians we will provide at least five years notice of closure, where circumstances are within our control. Advanced notice of closure will help workers, the energy sector and affected communities plan for change and enable a smooth transition to minimise the risk of supply disruptions and spikes in the cost of electricity. • Sharing insights: We presented information on our demand response programme at the Energy Consumers Australia Foresighting Forum in February 2019. We have held discussions on multiple occasions with the Victorian Energy Policy Centre. This included demand response and the Institute's report into the exercise of market power in Australia's National Electricity Market following the closure of the Hazelwood Power Station. • Retail practices: Taking industry-leading positions on: <ul style="list-style-type: none"> ○ Ending conditional pay-on-time discounts. ○ Applying a 15 per cent discount on electricity and gas usage for eligible EnergyAustralia concession card customers (such as pensioners, veterans and healthcare-card holders) on default or standing offer tariffs from November 2017 until reduced regulated default offers were introduced in July 2019. ○ Changing our arrangements with third-party intermediaries to conform with the ACCC's recommendations on good practices. Suspending our dealings with intermediaries who are not yet willing or able to conform.

Expected focus areas for July 2019 – June 2020

- Innovation around energy products and services such as demand response, including collaborating with networks to get the best outcomes for customers.
- Adopting an outside in, customer focused approach to implementing change.
- Developing a new way to trial products with our customers.

Principle 2

We will improve energy affordability for customers.

Any plan for an orderly transition to cleaner energy must deliver reliable, affordable and fair access for all customers, regardless of where people live or what they earn.

Wholesale and retail energy prices remain near historic highs and we know this is having an impact on households and businesses. The number one reason why customers contact us is that they received a bill that was higher than expected.

On our own, we don't have the complete answer to rising electricity costs however our mindset is we have a responsibility to do the best we can for our customers. This means taking direct action for matters within our control, and indirectly by working with stakeholders from across the energy sector and in government.

Indirect action

Customer advocacy

Over the past two years the energy sector has been the subject of several major reviews by state and federal bodies and expert panels. When combined with the increasing pace of rule changes and other market reviews, we calculated that EnergyAustralia made an advocacy submission on average every three days. In addition, we spent many hours with regulators, markets bodies and community groups seeking to improve our regulatory framework. This matters to our customers. Our regulatory framework exists to protect and promote the long-term interests of consumers and that is what guides us in our advocacy activities.

Industry participation

We engage with other industry participants to address customer pain points and discuss joint advocacy on regulatory or policy matters as allowed by competition laws. For example, EnergyAustralia worked with other retailers via our peak body, the Australian Energy Council, to inform the government discussions on the Default Market Offer (DMO).

Direct action

Keeping prices low

Over the past year EnergyAustralia experienced cost input increases in most jurisdictions, largely the result of a combination of increasing wholesale prices, network costs, regulatory costs, and government green scheme costs. The total cost increase amounted to \$55 million, which we chose not to pass on to our electricity customers in NSW and Victoria.

Hardship investment

We are investing an additional \$10 million into the hardship investment programme to improve how we support vulnerable customers. In addition, from November 2017 until the introduction of the Victorian Default Offer (VDO) and DMO, we automatically applied 15 per cent discounts on electricity and gas usage for eligible EnergyAustralia concession-card customers on default or standing offer tariffs.

Creating better plans

We are providing competitive offers and helping customers get on the right plan. We are offering existing customers the opportunity to reduce their bills through participation in demand response.

Investing in change

Since 2014, we have all been working hard to improve customer service and the efficiency of our generation assets. As a result, we have become a consistently profitable business enabling us to invest in cleaner energy in line with our customers' expectations. This investment will help keep wholesale prices down over the longer term – whilst keeping energy more affordable for customers. Our challenge is continuing to ensure that we remain a financially sustainable business whilst we make energy more affordable for our customers. It's a fine balance which we are determined to get right for the benefit of our customers.

Principle in Action 2.1

Ensure that investment, commercial and operational decisions are cost efficient, and explain how customers benefit from these decisions.

Customer outcomes	Activity	Evidence
<p>There is a clear link between cost efficient decision making and customer benefit. Our customers directly benefitted by EnergyAustralia being financially able to pay costs on behalf of our customers, keep prices stable or lower and supporting concession customers with guaranteed discounts. Cost savings also allowed us to invest in a significant upgrade to our customer technology to improve the customer experience.</p>	<ul style="list-style-type: none"> • Paid supply chain costs: We have paid over \$55 million in network supply chain and other costs, such as green schemes, that would have otherwise been passed through to customers in 2018/19 price rises. • Decision making: This includes our Investment Committee and Quarterly Business Review process which are forums mindful of cost-efficiency as part of investment approval. These forums span commercial investments in our customer and generation portfolios and new technologies. • Low cost operating model: In line with our strategic pillar to build a sustainable, low cost business we undertook a significant transformation of Customer business units, consolidating four units to one in order to reduce operational cost. • Reducing complexities: We have placed a greater focus on how we can eliminate waste and drive lower costs. • Investing in customer technology: We are making investments in technology infrastructure to improve the customer experience and to reduce cost. In March we launched an updated customer system which is used for all customer interactions, including billing. Over 300 frontline employees were involved in testing the system to ensure it would deliver simplicity for agents and a better experience for customers. 	<ul style="list-style-type: none"> • Keeping customer prices flat in 2018/19: <ul style="list-style-type: none"> o Committed to keep 2018 average energy prices flat for NSW customers. NSW Secure Saver customers received a <u>3 per cent reduction</u> in their usage and supply charges. o Paid more than \$15 million worth of increases in supply-chain and other costs so the average EnergyAustralia household customer in <u>Victoria would avoid a 1.9 per cent or \$39 increase</u> in their annual electricity bill for 2019. o As a result of a sustainable financial position, we were able to pay the costs associated with automatically applying 15 per cent discounts on electricity and gas usage for eligible EnergyAustralia concession card customers (such as pensioners, veterans and healthcare-card holders) on default or standing offer tariffs from November 2017 until end June 2019. o Further information can be found <u>here</u>. • Reducing complexities: Our Enterprise Systems Transformation project is underway to deliver efficiencies in our processes. To date we have refreshed our Procurement and People processes. • Investing in technology: Following the upgrade of our customer system our frontline employees are finding it faster to provide over the phone quotes and greater ability to track ongoing investigations in to customer issues.

Principle in Action 2.2

Offer customers energy deals that best meet their needs, supported by effective tools and incentives for customers to manage their energy use and cost.

Customer outcomes	Activity	Evidence
<p>Technology improvements allow our customers increasingly to be in control of their energy consumption and bills. Products like Secure Saver and tools and incentives such as My Account and demand response help our customers manage their usage and cost in real time, reducing bill shock.</p>	<ul style="list-style-type: none"> • Customer feedback influencing product development: We have an established customer research and testing programme to understand customer preferences and expectations. This programme informed recent changes to our product suite, including: <ul style="list-style-type: none"> o Eliminating frustrating plan features like pay-on-time discounts. o Applying discounts off the total energy bill (rather than off usage rates only). o Ensuring the rates customers sign up for apply for the full benefit period. o Refining our products to reduce complexity and target specific customer needs. • My Account: My Account was introduced in 2014 and responded to customers looking for more control and visibility of their energy accounts. It is an online, self-service tool for our customers to manage their accounts and usage. It includes features that enable customers to make payments and modifications to their accounts such as plan changes and payment arrangements. (see principle 4) 	<ul style="list-style-type: none"> • Customer feedback influencing product development: Our Anytime Saver plan was launched in 2016 to offer flexibility with a guaranteed discount to support those who found it challenging to pay their bills on time. Customer satisfaction data showed these customers experienced higher bill shock than those on our Secure Saver (fixed rate) product. When we updated our plans on 1 July 2019, we reflected on the learnings from Anytime Saver and Secure Saver products in the development of our new product portfolio. • Online Digital Experience: Our online digital experience, named by Global Reviews as the <u>number one Digital Customer Experience Index</u> for 2015, 2016, 2017 and 2018. • My Account: 43 per cent of our customers are registered for My Account.

Customer outcomes	Activity	Evidence
	<ul style="list-style-type: none"> • Customer Mobile App: The EnergyAustralia Mobile App was introduced in 2018 and is available to all our customers. The app was in direct response to customer research, which indicated our customers wanted an app experience to interact with us in real-time and on the go. The app is designed to help our customers monitor their energy usage, manage their bills and minimise bill shock. It enables customers to self-serve and easily access their energy information. It uses the same login as My Account and provides a seamless experience for customers across the two platforms. • E Voltage Pro App: Available for Commercial & Industrial (C&I) customers, the app provides real-time insights to the National Electricity Market (NEM) demand and generation, energy flows between states and inter-connectors, and spot and wholesale markets. Customers can set alerts based on spot market price events and receive Australian Energy Market Operator (AEMO) notices. (see principle 4) • Demand response: We are undertaking the largest single commitment in a three-year demand response trial in Australia which received funding under the ARENA advancing renewables programme. Over 13,000 residential customers are registered with our programme, with a further six large business customers also participating. This totals over 50MW of electricity on call which can be made available to the electricity grid during periods of peak demand. Customers participate in demand response by actively managing their energy consumption in exchange for a financial reward or other incentives. (see principle 3) 	<ul style="list-style-type: none"> • Mobile App: Approximately four per cent of customers are registered mobile App users, however we have seen a 36 per cent increase in registrations in the last six months. • Demand response: For results of our demand response programme see principle 3 and 3.3. • New energy plans: As part of changes we have made to our product suite, we contacted around 167,000 residential and small business customers to make them aware of simpler, fairer energy plans to reduce their power bills. Since May 2019, 43,000 customers have moved to more affordable energy plans with the majority making the switch online. • CHOICE recognition: A survey by consumer advocacy group CHOICE of energy offers for the 12 months to April 2019 found we offered the most competitively-priced deals of any retailer in New South Wales and South-East Queensland.

Principle in Action 2.3

Work cooperatively across the supply chain and with other stakeholders to improve affordability over the short and long term.

Customer outcomes	Activity	Evidence
<p>Customers benefit when supply chain or other stakeholders work together with the aim of improving affordability.</p>	<ul style="list-style-type: none"> • The Energy Charter: Involved in the development and implementation in the business of the Charter. • Hardship customers: Ongoing discussions with a network business around supporting hardship customers. • Better Together: Working on solutions to customer pain points through these Better Together initiatives with Charter signatories and a range of other stakeholders including members of the Energy Users Consultative Group, consumer groups and customer representatives. We are involved in initiatives around improving the customer experience during outages and the re-energisation process, including leading with another signatory on the work around 24/7 connection availability. We are also examining what role the Charter can play in helping to improve the system of concessions for customers. Finally, EnergyAustralia is sharing the work it has done in introducing a code of conduct for its third party intermediaries (energy brokers) and the benefit to customers. 	<ul style="list-style-type: none"> • Time of use solar tariffs: In 2018, we became the first and only retailer to support the Victorian Government's recommendation to implement <u>time-of-use solar tariffs</u>, allowing solar customers to receive almost triple the standard retailer tariff (at the time of implementation) during times when demand for electricity is highest. • Code of Conduct for Energy Business Brokers: <u>Code of conduct</u> for third party intermediaries for sale of energy products and services to large business customers.

Principle in Action 2.4

Innovate to deliver competitive energy solutions for business and residential customers.

Customer outcomes	Activity	Evidence
Customers can benefit from the innovation occurring within the energy sector. Providing competitive energy solutions can help our residential and business customers take control of their energy usage and asset performance to deliver potential savings.	<ul style="list-style-type: none"> • Demand response: Established demand response programme. (see 2.2 and principle 3) • Innovation for Commercial customers: Panoramic Power is a new solution which enables C&I customers to monitor electricity usage at a circuit level. This in-depth data can help commercial organisations take control of their energy usage and asset performance to deliver potential savings. Access is through an easy to use web interface and mobile application, with daily/weekly/monthly reports and training also provided. • Go Neutral: Carbon neutral electricity in the home is available at no additional cost for customers who opt-in to our Go Neutral initiative. We have one of the largest carbon offset programmes in Australia and source offsets from international and Australian projects. • Solar for Renters proposition: We have been running a trial for a solar for renters proposition. This arose from one of our Innov8@EA challenges. (see principle 1) 	<ul style="list-style-type: none"> • Go Neutral: In 2018 we offset over half a million tonnes of carbon emissions as part of our carbon neutral programme. <p>More information on Go Neutral can be found here. (see principle 3)</p>

Principle in Action 2.5

Advocate on behalf of customers to improve energy affordability through engagement in regulatory and policy processes.

Customer outcomes	Activity	Evidence
Our advocacy with governments and regulators on behalf of our customers have resulted in changes to processes and savings on bills. Our engagement via the regulatory and policy processes ensure customer voices are heard and customer impacts considered by decision makers.	<ul style="list-style-type: none"> • Advocating on behalf of our customers across the supply chain: As part of our Victorian price review at the end of 2018, we wrote to key distributors that support our customer base, asking them not to pass through their price increases. • Government advocacy on affordability: We played a role in advocating to the Victorian Government for reform of the Utility Relief Grant Scheme (URGS). This started with raising the cap from \$500 to \$650 from 1 July 2018 as well as the current process overhaul which will benefit customers by: <ul style="list-style-type: none"> o Upgrading the URGS Information System to allow for integrated data between retailers and the department and developing an online application form that can be sent by email or SMS, completed over the phone with a retailer or printed and sent by post. o Revising and simplifying the eligibility criteria and application process. 	<ul style="list-style-type: none"> • Supply Chain advocacy: In Victoria we decided to pay <u>\$15 million in increases</u> in supply chain and other costs on behalf of our customers. We participated in the regulatory process to ask distributors to confirm their investments and the benefits to customers. • NSW-SA Interconnector (Project EnergyConnect): We engaged with Electra-Net and the AER, during the Regulatory Investment Test for Transmission process, to improve the quality of the assumptions used in Electra-Net's modelling, which should better reflect the true benefits to customers. • Government advocacy: Advocacy to Federal Government on adoption of ACCC recommendations 11, 19, 24, 25 and 26, with a combined saving of \$150-\$250 per customer. We will continue this advocacy. • Embedded networks reforms: We <u>advocated in favour of increasing customer protections</u> and enabling customers in embedded networks to access competitive retail markets.

Expected focus areas for July 2019 – June 2020

- A number of projects are expected to deliver more cost efficiencies.
- EnergyAustralia continues to advocate for adoption of outstanding ACCC recommendations. In particular, by removing small-scale renewable energy scheme (SRES) and Feed in Tariff costs or putting them on the government budget, customers could immediately save up to \$50 annually off their bill.
- Continue to review and refine product offerings to ensure they align with customer preferences. New products introduced from 1 July 2019 are designed to make customer plans simpler, fairer and more affordable.

Principle 3

We will provide energy safely, sustainably and reliably.

Three global megatrends will have a great impact on the energy sector. Decarbonisation is happening as the shift from a power system dominated by large, centralised fossil-fuel generation to one based on intermittent, renewable energy ramps up. Falling technology costs mean that there's a new world of products and services emerging that can help households and businesses save energy and money. Finally, a focus on fairness means that people are looking for a 'fair go', making clear their expectations for how energy companies should behave.

Led by our Purpose, we are responding to these trends and playing our role in the clean energy transition. In doing so, we are acutely aware of balancing all parts of the 'energy trilemma' – clean, affordable and reliable energy.

Safety First

Safety hazards are an inherent part of our everyday operations. We have worked to improve safety processes and develop a safety culture. And yet, we had the worst possible outcomes in 2018 with the loss of two lives. We've reported a number of incidents to the AER regarding registering life support needs for some of our customers, since the new rules and transitional arrangements came in February 2019 and 2018 respectively (see case study). We cannot undo what has happened in the past; however, we are taking steps to ensure these incidents do not happen again.

Whilst not wanting to downplay these incidents, in the first half of 2019 the business has recorded our best ever safety results with year to date total injury frequency rate (TIFR) of 1.7. Our Energy (Generation) business had a TIFR of 4.27 which is below the generation industry average of 5.0. This means for every million hours worked at EnergyAustralia there were 1.7 workers injured. Although this result compares favourably with industry averages, one injured worker is one too many. We think zero injuries is possible and will continue to put the systems and processes in place to achieve that.

At EnergyAustralia, providing a safe environment extends to being physically, socially, spiritually, and emotionally safe in the environments we operate. This is why we have a Diversity and Inclusion strategy that includes a Reconciliation Action Plan, Family Violence policies and procedures as well as our award-winning PRISM network, our internal LGBTIQ+ network.

Transitioning to a Modern Energy Future

The emissions intensity of the NEM has decreased by 18 per cent in the last decade. This has largely been the result of increasing penetration of wind and solar farms, households and businesses putting solar on their roofs, and the retirement of high emitting thermal generation.

We're proud of the contribution EnergyAustralia, as one of the largest 'gentailers' in the NEM, is making to this transition. For example, in 2014 we closed the Wallerawang coal fired power station. We have committed to buying around \$3 billion worth of renewable energy supply via long-term contracts. We have also helped our customers reduce their own carbon footprints through enabling them to opt-in to our Go Neutral product in which we offset the emissions of their electricity use in the home.

Society is not going to accept a cleaner energy system if it is unreliable. As more variable renewable generation is built, and thermal generation leaves the market, the system will need more flexible generation to run at peak times and/or when the sun is not shining, or the wind is not blowing.

We have invested in grid scale batteries, demand response and gas generation to help provide that flexible generation. We are also exploring new flexible generation projects, including gas and pumped hydro. As we do this, we continue to invest in our power stations so these critical assets are there when they are needed most, stabilising the system and supporting the integration of cleaner forms of energy.

Investments like these are vital to a modern, cleaner energy system, one which provides affordable and reliable power for customers, wherever they live and no matter how much they earn.

A devastating year unites employees around safety

2018 was a devastating year for us. We had two terrible incidents in which workers lost their lives.

In September, a young man from Newcastle, died from injuries he sustained in a fall while working for one of our contracted solar panel installers.

In November, a Unit Controller who had worked at Yallourn power station for over three decades, was fatally injured after reinstalling a high-voltage circuit breaker on one of the plant's four generation units.

These two men lost their lives working on behalf of EnergyAustralia and we cannot express how sorry we are. We are also

determined to do everything in our power to learn the lessons from these incidents so that they never happen again.

Thorough internal investigations were conducted, and we fully cooperated with relevant regulators in their investigations.

As a result of the incident at Yallourn, there has been an upgrade of electrical protection relay systems, blast resistant doors are being installed and new personal protective equipment has been introduced at Yallourn. As well, arc flash studies have been conducted at all EnergyAustralia generation sites, and information has been shared with other operators of large power plants.

We never would have wished to learn the lessons we have through the loss of our people. It is an important reminder that every one of us must commit to safety.

A spotlight on the safety of our customers

As a business supplying an essential service, customer and community safety is a top priority for us.

Retailers are required to register any customer who advises they have life support equipment in their homes on our system. We must also notify their distributor to prevent their property from being unexpectedly disconnected.

On 1 February 2019 the Australian Energy Regulator (AER) introduced new protections for life support customers. We've reported a number of incidents to the AER regarding registering life support needs for some of our customers, since the new rules came in.

Fortunately, as part of a review of this matter, we have not identified any wrongful disconnections of registered life support customers. We have taken immediate action; working with the regulator and initiating an urgent fix of the current process to ensure our life support customers are protected.

Recently we have

- Written to all customers (not already registered) to ask if they rely on life support equipment.
- Diverted all service calls for life support to a specialised support team.
- Updated mandatory life support training modules.

Principle in Action 3.1

Maintain the highest standards of safety for their people, the community and the environment.

Customer outcomes	Activity	Evidence
<p>Our customers and communities benefit when we take a broad view of safety.</p>	<ul style="list-style-type: none"> • Internal culture of safety: Shared commitment for safety among all employees, regardless of location. <ul style="list-style-type: none"> o Open all major meetings with a safety and customer moment. o Safety reporting is published internally and forms part of the balanced scorecard which impacts employees' performance and salary reviews. o Mandatory safety management activities include a drug and alcohol policy, safety inductions and working at heights procedures. • Employee Assistance Programme: EAP Service offers independent, confidential, short term and solutions-oriented counselling and coaching support 24/7 for personal and work-related issues. • Family Violence: People leaders can complete training to better understand Family Violence and how to respond to an employee identifying as being a victim or perpetrator. Customers who identify as being affected by Family Violence are automatically supported through our EnergyAssist team. Whilst an individual's family circumstances are their own, we are making sure they feel that the workplace is a safe place they can share any troubles they may have. • Reconciliation Action Plan (RAP): Cultural learning activities are made available to all employees to engage in learning the history of Aboriginal and Torres Strait Islander peoples. All training contributes to increased understanding of First Nations' culture amongst our people enabling Aboriginal and Torres Strait Islander employees to feel culturally safer at work. Our increased knowledge also allows us to have more respectful conversations with our customers. • PRISM: EnergyAustralia established our PRISM Network which is open to all employees who identify as LGBTIQ+ or allies who are passionate about workplace inclusion and diversity. It encourages all employees, but particularly those who identify as LGBTIQ+, to bring their whole selves to work and reinforces that the workplace is a safe place to be yourself. The network runs a series of events throughout the year to increase awareness and understanding. This understanding extends to all discussions with our customers and communities. • Life Support customers: See case study 'A spotlight on the safety of our customers'. • Safety: The safety of our communities is paramount in how we run our operations. All sites hold various environmental licences on which we report air emissions, waste water emissions and any site rehabilitation. Emergency information, including numbers to call in the event of a concern, is shared with neighbours. 	<ul style="list-style-type: none"> • Family Violence: <ul style="list-style-type: none"> o Internally we run Family Violence training. o Our Leave Policy and Enterprise Bargaining Agreements allow for paid time off supporting victims of family violence. o We have an internal family violence support network with published contact details on our intranet. o Customer data is protected by entering details about any safety concerns in a reduced-access system. • RAP: Our Reflect RAP saw employees attend cultural awareness training, build new relationships with local Traditional Owners and the launch of policies to support Aboriginal and Torres Strait Islander employees and businesses. Our Innovate RAP, launched in 2019, puts us on the path to further make a contribution to reconciliation in Australia. • Customer safety: All contact centre employees have processes to support customers who are feeling unsafe, for any reason. This process includes escalation to team managers, identifying whether 000 or the police are required, offering emergency accommodation and working with them on any resolutions required with regards to their account or outstanding bills. • PRISM: A Silver Tier employer for LGBTIQ+ inclusion by the Australian Workplace Equality Index (AWEI). We proudly and publicly showed our support of our LGBTIQ+ employees and customers through participation in the 2018 Mardi Gras, sponsorship of the 2019 Geelong Rainbow Festival, and internal events including one in partnership with Sydney Opera House; 'How to be a good trans ally'. • Environment: Our environmental performance is published annually in our Group Sustainability Report and on our website: <ul style="list-style-type: none"> o Group Sustainability Report - Environment o Yallourn Environmental Performance Report o Mt Piper Environmental Performance.
<p>Customers can talk to us openly knowing that our employees are trained to support them when they need us and always through respectful conversations.</p>		
<p>The communities around our sites can trust that EnergyAustralia has the environmental monitoring to ensure they are safe from pollutants.</p>		
<p>Any safety breach is regarded as very serious in our business and we continue to invest in training and business improvements.</p>		

Principle in Action 3.2

Engage with customers and the community on investments, and manage operations in line with their expectations, demonstrating how communities benefit.

Customer outcomes	Activity	Evidence
<p>The communities in which we operate, or are exploring potential developments, are starting to better understand who we are, what we are doing and why. We always ensure they have an avenue to voice their opinion and have processes to listen and reflect our understanding of their concerns.</p> <p>Effective stakeholder management also reduces operational costs which is reflected in lower wholesale prices.</p>	<ul style="list-style-type: none"> • Customer feedback guiding investments: As the number of Australians renting increases, we are hearing customer frustrations on the lack of ability to benefit from solar. As part of our Innov8@EA programme, our business collaborated on how we could design a solar solution for renters. The business subsequently invested in a small trial to capture landlord and tenant feedback on our proposed solution. This is an area of continued focus in 2019 as we analyse the results. • Community engagement at our sites: Each of our generation sites are a part of the communities surrounding them. We encourage our communities to proactively engage with operations in a variety of ways: <ul style="list-style-type: none"> ○ Local community members can be a part of our community liaison groups. We share environmental, operational, new investment and social investment information and receive direct feedback. ○ Mt Piper, Yallourn and Tallawarra have dedicated Community Engagement Lead employees who proactively engage with our key stakeholders and their communities. ○ Every two years the broader local community around Mt Piper and Yallourn is surveyed. These community perception surveys guide how we engage as a business and help identify concerns we need to address. ○ Key stakeholders and the local community are invited to participate in feedback on any site projects. Their feedback is considered when finalising our approach to new investments in the region. • In April 2018, Mt Piper held an Open Day and Lithgow Information Sessions, sharing information on our projects in the community (including the repurposing of Wallerawang and our Energy Recovery project) with an opportunity for community feedback and questions. This day was supported with 'Bring your Bill' sessions for advice on energy usage and plans. 	<ul style="list-style-type: none"> • Surveys: As a direct result of Community Perception surveys, we have created Community Engagement roles. • Mt Piper Open Day: We promoted the day within the local community, including the Lithgow Mercury. Post event we shared a video celebrating the community involvement in the site's history and in the activities on the day. • Community Liaison Groups (CLG): Referred to as CLGs or CCCs, these panels of local community members provide direct quarterly feedback.

Principle in Action 3.3

Develop business strategy and manage operations to respond to the shift to a cleaner energy system that is already underway.

Customer outcomes	Activity	Evidence
<p>By participating in our Go Neutral and demand response programmes, EnergyAustralia customers have offset over 173,000 metric tonnes of CO₂e and delivered over 57MW of demand response power to the NEM at peak times, reducing the need for high emitting generation, like diesel generators, to run.</p>	<ul style="list-style-type: none"> • Backing renewables: EnergyAustralia has signed long-term renewable contracts worth \$3 billion. Our agreements contribute more than 80 per cent of 1,000 MW in wind and solar capacity to the national electricity market. • Improving the efficiency of existing thermal plants: We are investing more than \$80 million in operational upgrades at our Mt Piper power station to expand the plant's capacity by 60 MW. The upgrade means Mt Piper will be able to power an additional 55,000 homes without burning a single, additional lump of coal. <ul style="list-style-type: none"> o We have undertaken an upgrade to Hallett power station in South Australia, including the installation of a new open cycle turbine with the capacity to be able to run on both natural gas and diesel fuels. This unit is twice as efficient as the older units. o Completing a \$10 million maintenance programme at the Tallawarra power station in NSW, including works so the 435MW plant can react more quickly to electricity grid shortfalls. • Investment in flexible generation: We are exploring the development of flexible generation to complement increasing wind and solar projects. • Clean energy with low carbon products: Products to help customers avoid emissions or offset any emissions: <ul style="list-style-type: none"> o GreenPower: Called "PureEnergy" this option allows customers, for a cost, to offset a percentage (10, 20 or 100 per cent) of their total home or business electricity usage with certified renewable energy sources which are added to the grid on their behalf. o Go Neutral: When our customers opt in to our Go Neutral programme, we calculate the emissions associated with their home electricity use and purchase corresponding carbon offsets to offset their emissions, making their home electricity use carbon neutral, all at no added cost to them. • New acquisitions: Acquiring Newport and Jeeralang gas-fired power stations in Victoria for an enterprise value of \$205 million, providing capacity during peak electricity demand. • Solar and batteries: Customers can access solar power systems and battery solutions that best suit their needs, reduce their emissions and reduce their energy costs. 	<ul style="list-style-type: none"> • Efficiency of Thermal Plants: Managed gas-fired Newport and Jeeralang assets to generate 65 per cent more energy than the corresponding period last year, providing greater reliability and lower-priced electricity. • Emissions: Our electricity generation assets emitted <u>21.7 million tonnes of carbon-dioxide equivalent in 2017/18</u>, unchanged from the year before. • Solar and batteries: 186,000 active solar accounts. More information on our Solar and batteries can be found here. • GreenPower: In December 2018, EnergyAustralia had <u>15,236 customers</u> on a GreenPower product. • Go Neutral: Over 160,000 customers have opted in to Go Neutral. • Carbon Credits: In 2018 we offset over <u>500,000 tonnes of carbon emissions</u>, the equivalent of taking 170,000 cars off the road for a year. • Clean energy transformation: customers and the public can access our approach to the clean energy transformation on our website and through our contribution to CLP's annual Sustainability Report. • Demand response: <ul style="list-style-type: none"> o Over 13,000 residential customers and six commercial customers have signed up to participate in our programme. o Exceeded our <u>goal of 50MW delivered</u> through demand response, delivering 57.2MW. o On 24 January 2019, temperatures in Victoria soared to over 40 degrees placing the state at risk of blackout. Over half of our registered residential demand response customers reduced their energy consumption after being prompted by our event SMS. This single event contributed 2.54MW of reserve capacity to the grid.
<p>The emissions intensity of the NEM has decreased by 18 per cent in the last decade. EnergyAustralia has played a key role in this reduction through closure and efficiency upgrades to thermal generation and supporting investment in renewable power.</p>		
<p>We continue to work with Federal and State governments to supply a reliable, cost-effective base load of energy from our coal assets to keep prices low during the transition.</p>		

Principle in Action 3.4

Engage with customers and the community on investments, and manage operations in line with their expectations, demonstrating how communities benefit.

Customer outcomes	Activity	Evidence
<p>In the absence of a national energy policy, we continue to make investments in lower carbon and renewable generation assets that provide commercially cost-effective power into the NEM.</p>	<ul style="list-style-type: none"> • Collaborating with Government on the clean energy transition: We saw the development of the NEG as an opportunity to address our customers, communities and employees concerns on affordability, reliability and the transition to a modern, clean energy system. We advocated in support of the NEG when engaging with federal ministers. Unfortunately, despite industry and government collaboration, the NEG was ultimately unsuccessful in being adopted as policy in 2018. • Collaborating on renewables: In October 2018, our large-scale battery storage sites started operation: <ul style="list-style-type: none"> ○ Gannawarra Energy Storage System (GESS): GESS was the result of collaboration by a consortium comprising Australian renewable energy and storage company, Edify Energy, Tesla and EnergyAustralia and co-financed by WIRSOL Energy. ○ Battery Energy Storage System (BESS): BESS was commissioned by a world-class consortium comprising of Downer Spotless, AusNet Services, EnergyAustralia and Fluence, and funded by the Victorian Government and Australian Renewable Energy Agency (ARENA) on behalf of the Australian Government. 	<ul style="list-style-type: none"> • GESS: Victoria's <u>GESS</u> is capable of powering more than 16,000 homes through two hours of peak demand before being recharged. • BESS: <u>Capable of powering more than 20,000 homes</u> for an hour of critical peak demand before being recharged and is able to respond to changing grid needs within milliseconds. • ARENA Funding: The proposed development of a <u>pumped hydro energy storage project in SA</u> received two rounds of funding from ARENA and the SA Government Renewable Technology to continue feasibility studies and advance the project to a final investment decision. Our demand response trial also received funding under the ARENA advancing renewables programme. (see 2.2)

Principle in Action 3.5

Facilitate new services and technologies that support sustainable energy solutions that meet the changing needs of the market.

Customer outcomes	Activity	Evidence
<p>EnergyAustralia is investing in improving efficiencies of our existing gas portfolio and new flexible generation (gas, pumped hydro and renewables) that will replace the old coal-assets as they retire from the market.</p> <p>This should see a stabilisation of prices as the market corrects, allowing all parties to benefit from lower cost energy.</p>	<ul style="list-style-type: none"> • Investment in grid scale batteries: We have the largest battery portfolio of any retailer in the NEM. Our two storage plants at Ballarat and Gannawarra came into operation in October 2018. These plants recharge from the grid at night when excess generation capacity is available, and prices are low, and dispatch energy during times of peak demand when prices are high. The plants can respond to demand and supply imbalances within a fraction of a second, which helps improve grid stability and reliability. The batteries are industry leading and will help inform future investment in this type of technology, which will become more important as more renewable generation is built. • Investing in flexible capacity: Together with partners Melbourne Energy Institute and Arup Group are investigating a pumped hydro project in South Australia using seawater. • Energy recovery project: In partnership with Re.Group we are developing a project to augment the Mt Piper power station with lower emission generation. • Solar PV & battery storage: Selling power back into the grid and demand response are becoming increasingly popular services with households and small businesses. 	<ul style="list-style-type: none"> • Keeping lights on: In 2018, we completed a <u>\$9.5m maintenance programme at Tallawarra power station</u> to allow it to react more quickly to electricity grid shortfalls. • Investing in flexible capacity: In 2018 we added <u>Newport and Jeeralang gas power stations</u> to our portfolio. • Investing in low-cost renewables: In addition to the large scale batteries of BESS and GESS, we are exploring the feasibility of building pumped hydroelectricity plants near <u>Port Augusta</u> in South Australia and <u>Kidston</u> in Queensland to complement renewable generation in those regions. • Energy Recovery: <u>The project</u>, an Australian first in the NEM, involves using non-recyclable plastics, linen and cardboard, known as refuse derived fuel (RDF), in a specifically-designed boiler to create steam.

Principle in Action 3.6

Implement solutions across the supply chain: a) That support energy connection, service and reliability that meets customers' needs. b) To resolve service issues that impact customers and the community.

Customer outcomes	Activity	Evidence
<p>Our collaboration through the supply chain and with governments and regulators is governed by an understanding of our customers' priorities – reliable, affordable energy.</p> <p>In all of our work with partners, we aim to deliver these benefits to our customers.</p>	<ul style="list-style-type: none"> • Maintaining supply: As more renewable energy is integrated into the system, our coal-fired power stations will continue to perform a valuable role in supplying reliable power and maintain grid stability. <ul style="list-style-type: none"> o Access to reliable, high-quality black coal supply for Mt Piper continues to be a risk. We are exploring investment in a coal unloader project to diversify coal and reliability risk. o We operate the brown coal mine that supplies Yallourn. It is Australia's second-largest open cut mine and is just next door to the power station. Yallourn provides 22 per cent of the electricity in Victoria. 	<ul style="list-style-type: none"> • Rail unloader project: This project will allow us to guarantee continued supply for our Mt Piper power station. The site is currently experiencing issues with obtaining high quality coal, impacting its ability to operate efficiently.

Expected focus areas for July 2019 – June 2020

- Continue to explore the flexible generation options with investment decisions for some projects likely over the next 12 months.
- Continue to invest in our existing plants to ensure they remain as reliable and efficient as ever.
- We are committed to ensuring we are a safe place to work. In 2019 and 2020 we will introduce new risk assessment process designed to ensure every job is safe and that hazards are controlled each and every day.
- Improving our Life Support systems and processes including training and automation.
- Acquire a 49 per cent stake in solar and LED lighting company Echo Group to better cater for commercial and industrial customers with cutting-edge technologies.
- Maintaining open community dialogue with the communities and stakeholders around our sites, particularly in Yallourn who are very keen to understand our plans around the future of the site and its impact on the local economy.

Principle 4

We will improve the customer experience.

Over the past few years, people have experienced record high power prices and the lights have gone out in some places. Customers want a 'fair go'; reliable, affordable and cleaner energy.

Preventing things going wrong for our customers is key to delivering a fair outcome. While problems still exist, we have come a long way. We continue to see a reduction in the number of complaints received. In 2018, we saw a 15 per cent decrease in the total number of complaints from 2017.

However, it is taking us longer to resolve problems than we (or customers) would like and this drives repeat phone calls and more frustration.

Recognising this need for improvement, in late 2018 we changed our approach. Rather than considering individual customer touch points and technologies, we are now addressing end-to-end customer experiences. We call this the Customer Journey. This means we take a holistic view of our customers' needs and experiences. Anchored in this customer journey approach is the importance of how customers think about their experience with us. This is different to the way we define their experience, often the way we have worked in the past. This work is new for us but over time we plan that it will shift customers' experience to one that is easy and effortless.

Alongside improvements to processes and procedures we are investing in improvements to our customer system to make it easier for our employees to service customers (see 2.1) and build self-service options for customers to engage with us when they want to, via our My Account web portal and app (see 2.1 and 2.2).

Listening to our customers

We use NPS to understand what our customers think of us. We have been doing so since 2012. We collect NPS surveys covering overall relationship, specific episodes such as moving home and also individual interactions with contact centres and webchats. In 2018, over 130,000 surveys were received from customers. Customers with unresolved issues are followed up by a specialist outbound team. We have improved our overall NPS score by nearly 18 points in the last three years. In 2018 our NPS improved +1.7 points, slightly below the target of +two.

We regularly identify drivers of NPS and key pain points. Findings from this study are shared with senior leaders as well as people from across the business to ensure that employees are familiar with the pain points and can respond to them when designing products and services.

Insights from our customers show us five consistent problems:

- Customer received a bill that was higher than expected.
- We did not follow up on an action following a customer request.
- We did not adequately resolve the customer's problem.
- The discount was not applied.
- The bill was confusing.

These five issues contribute to the emphasis of our Customer Journey room where they will receive the focus and testing required to better understand what is causing the issue and then how to resolve them.

Fairer and simpler plans

One key piece of feedback received from customers over the past few years is that purchasing energy is too confusing. Whilst not deliberate, we do understand why customers may feel that way.

In July 2019 we made changes to our plans that will make them simpler and fairer for customers. As customer preferences evolve we try and adapt products to ensure customers can access the best deal for their circumstances. The new plans include removing pay-on-time discounts, offering fixed rates for a benefit period and making all discounts off the whole energy bill (usage and supply component). For those customers that choose not to engage in the market we prominently display our Basic Plan which reflects the DMO/VDO as set by respective regulators.

Principle in Action 4.1

Enable customers to get fair outcomes regardless of their ability or desire to participate in the energy market.

Customer outcomes	Activity	Evidence
<p>Whilst some customers are keen to engage in the energy retail market and search for the best deal possible regularly, many customers are not. By proactively taking action, we are helping those customers secure a better deal and save money.</p>	<ul style="list-style-type: none"> • Protecting customer discounts: Before 1 July 2019, whilst on EnergyAssist, customers were guaranteed to receive their discount regardless of when they were able to pay. (Post 1 July, conditional discounts have been removed.) • Automatic discounts for concession customers: Until the introduction of the VDO and DMO, from November 2017 we applied automatic discounts of 15 per cent on electricity and gas usage for eligible concession-card customers, such as pensioners and veterans, on default tariffs. • Removing annoying fees: Removing fees for paper bills and over-the-counter transactions by cash or cheque via Australia Post for all customers in Victoria, South Australia and Queensland. • Third-party comparator websites: We announced we would conclude commercial arrangements with third-party comparator websites unable to put into effect measures that make the online "shopping around" experience more transparent. The proposed changes include listing the percentage of active retail brands being compared, noting those which do not participate in the comparison service, disclosing the actual amount of commission a comparator receives based on search results and presenting offers which represent the best value for customers (that is, those not boosted by undisclosed payments). The ACCC's final report in the Retail Electricity Pricing Inquiry recommended a mandatory code of conduct for third-party intermediaries. 	<ul style="list-style-type: none"> • Reaching out to disengaged customers: In 2019, we proactively contacted around 167,000 Victorian residential and small business customers to make them aware of simpler, fairer energy plans to reduce their power bills.

Principle in Action 4.2

Empower customers by: a) Making sure all communication is clear, in plain terms, accessible and understandable; b) Providing insightful and useful information and accessible tools; and c) Streamlining access to, and portability of, customer energy data.

Customer outcomes	Activity	Evidence
<p>We provide customers with efficient, accurate information. The outcome of this is that customers are able to participate in the market should they wish and get a fair deal.</p>	<ul style="list-style-type: none"> • Communications: We have an accessible website and support multiple channels such as phone, webchat, app and My Account. Customer communications are tailored based on customer preferences, speed to market and cost efficiencies. We continue to monitor with our customers and update how we communicate, including the platforms and tools that we use. Depending on the communication, we use a wide range of research from focus groups through to online testing with customers. • My Account is an online service for all EnergyAustralia's customers. (see 2.2) • Customer specialists: We have dedicated sales forces for different customer bases including the Customer Support and Service Team, Grid Transformation and C&I customers. The EnergyAustralia Embedded Networks Company (trading as SEENE) has a dedicated customer service team that utilises a digital customer service and billing platform. This means our customers are always talking to people trained specifically on their energy needs. 	<ul style="list-style-type: none"> • Global Reviews: Global Reviews named EnergyAustralia the <u>no. 1 energy retailer for the Digital Customer Experience Index</u> including mobile and desktop for the fourth year running (since 2015).

Customer outcomes	Activity	Evidence
	<ul style="list-style-type: none"> • Helping to find the right plan: Our recently released Energy Bill Upload tool enables current and prospective customers to compare their existing electricity bill with our current offers. We advise where they would be better off with us or if they are on a better deal with their current retailer. 	<ul style="list-style-type: none"> • Bill Upload Tool: Customers can access the bill upload tool on our website.

Principle in Action 4.3

Ensure that innovation and design in products and services, as well as communication platforms and tools, are driven by customers' needs and preferences.

Customer outcomes	Activity	Evidence
By taking customer feedback and needs into account, customers will have access to tools, products and services that they want.	<ul style="list-style-type: none"> • New products: All products are launched from a foundation of customer feedback, taken from NPS commentary, customer research panels and focus groups. • Customer feedback informs desirability: To progress, we focus on Desirability (customer), Viability (business benefit) and Feasibility (technical/regulatory/process ability to deliver). Potential products are excluded based on customer feedback that they are not desirable. • Innovation: To ensure innovation and design in products and services are driven by customers' needs and preferences we have an NPS process in place where customers who have had a poor experience are contacted promptly and the problem resolved. Teams also engage with the customer research team or our Customer Voice team to understand how their initiative impacts on customer engagement. We deliver market research programmes and customer trials, with customers participating in product testing and feedback sessions. • Human Centred Design (HCD): HCD sessions included the customer experience around: <ul style="list-style-type: none"> o Billing o New products o Hardship o Customer energy plans • Additionally, the HCD team has supported our award-winning website functionality, applying customer preferences to the design and then testing the customer experience. 	<ul style="list-style-type: none"> • Customer input in new products: In 2017, customer feedback identified a need to provide stable competitive pricing. A three-phase research programme was undertaken with customers to test a variety of mechanisms that EnergyAustralia might help to provide greater certainty and control over pricing for customers. This led to the launch in 2017 of Secure Saver, a two-year rate fix product that provided customers with greater certainty over their energy rates and led to over 300,000 customers signing up. • HCD: In 2019, our HCD team has conducted 15 customer testing and validation sessions. As a result of this research, multiple solutions have been developed to meet the changing needs of our customers. HCD research has also informed the pivot of solutions to deliver a more customer centric outcome, along with advising to cease developing solutions which were not resonating with customers.

Principle in Action 4.4

Have effective and accessible dispute resolution processes, co-ordinated across the supply chain, to resolve customer issues and implement process improvements in response.

Customer outcomes	Activity	Evidence
A well-performing dispute resolution process needs to be in place to ensure customers have a pathway to raise issues and have them resolved as quickly as possible. Learnings should be taken from disputes so that other customers do not face the same issues.	<ul style="list-style-type: none"> • Internal and Ombudsman complaints: We have a team in place to investigate complaints and to escalate within the business where needed. • Enhancement: The Credit and Collections team continued to focus on enhancing the performance of the pre-disconnection collection strategies throughout 2018 and have offered customers various pre-disconnection treatment to reduce volumes processed. • Register: We maintain complaint registers at our Energy sites for community complaints. • Escalations: Escalations to distributors and transmission companies on urgent, systemic or critical customer issues occur in the first instance via our Industry Regulation team. Where necessary, there is a process to escalate systemic and long-term issues. Metrics are not captured. 	<ul style="list-style-type: none"> • Escalations: Addressing a distributor systemic issue, focused on metering asset location. The distributor has not ensured installation adhered to guidelines; this has resulted in reductions in actual meter readings, and reconnection and disconnection issues. There are financial impacts imposed on retailers and customers as a result of this issue. • Reduction in complaints: In 2018 there was a 15 per cent decrease in the total number of complaints received, consisting of a 23 per cent decrease in internal complaints and a two per cent decrease in Ombudsman complaints. For 2019 year to date, we are at 14 per cent decrease on same period 2018 numbers. • Disconnections: The number of disconnections was down 47 per cent in 2018 (7,981) as compared to 2017 (15,021). A determination by the Essential Services Commission (ESC) in Victoria came into effect in August which prevented a significant number of disconnections from occurring.

Expected focus areas for July 2019 – June 2020

- Introduction of the Code of Conduct for Third Party Intermediaries to incentivise behaviour that better aligns with customer interests.
- From 1 July 2019, new plans responding to customer feedback for simplicity and affordability are in market.
- Expanding services, we provide to commercial and industrial customers with the acquisition of 49 per cent stake in solar and LED lighting company, Echo Group.
- The Customer Journey programme has been established as a permanent commitment by EnergyAustralia to continuously improve our customers' experience. Small packages of change are released to our customers and then further developed, shaped and grown based on continuous customer consultation and feedback.

Principle 5

We will support customers facing vulnerable circumstances.

EnergyAustralia considers customers to be in a position of hardship, vulnerability or payment difficulty when circumstances make it hard for them to pay their energy bills.

Our customers might be facing or anticipating a short-term setback, or something that is ongoing.

When we engage with our customers to understand their situation, we do so respectfully, individually, and without judgment. We consider circumstances that each customer shares with us, whether they be financial, cultural or personal. We have had previous circumstances where we haven't treated some of our vulnerable customers as well as we should have, and in some cases caused them to be disconnected. We have worked hard to improve the identification of our hardship customers and ensure that they receive the assistance they need.

EnergyAssist

We have developed the EnergyAssist programme in cooperation with Kildonan Uniting Care. The programme is designed to make it easier for our hardship customers to stay on track and in control of their energy bills.

Through this programme, we:

- Act fairly and reasonably having regard to our customers' circumstances.
- Work with customers to create a suitable payment plan.
- Ensure customers don't lose any pay-on-time discounts for late payments (Post 1 July, conditional discounts have been removed on our new plans. Customer remaining on older plans still receive their guaranteed pay-on-time discount.)
- Review payment plans to make sure our customers are on track.
- Make sure customers have information on relevant concessions, government and non-government assistance/grants.
- Let customers know where they can get free independent financial counselling in their area.
- Provide customers with tips on energy efficiency and ways to reduce energy costs.
- Ensure energy supply remains connected while we work together.

The ultimate goal of our EnergyAssist programme is to set customers up so they can independently and effectively manage their energy costs. Once a customer is no longer

in a position of hardship or financial difficulty, they graduate from the programme and return to our standard billing and collection terms.

In 2016 our EnergyAssist programme was ranked the number one hardship programme by the Financial and Consumer Rights Council (FCRC) in its 'Rank the Energy Retailers' (the last report published). We are proud of this achievement, particularly as two years earlier we ranked last.

Collaboration and community

Understanding our customers and the communities in which they live to obtain first hand feedback is key to the success of the programme. To achieve this, we:

- Attend community Bring Your Bills days to engage directly with customers and offer assistance ranging from understanding their energy bills to tailored hardship assistance.
- Participate in community events and forums to understand the varying needs of the community.
- Sponsor and participate in state and national financial counselling conferences to engage directly with financial counsellors around support we provide to vulnerable customers and how we can improve. This includes us, in turn, getting a better understanding of the support financial counsellors provide.

We understand the value of working with knowledge experts to help provide better services to our vulnerable customers. Amongst other partnerships we have, we are a founding member of Thriving Communities Partnership. TCP is a cross-sector collaboration ensuring that everybody has fair access to the modern essential services they need to thrive in contemporary Australia.



Principle in Action 5.1

Have processes to enable early identification of and engagement with customers at risk of vulnerability, coupled with intervention measures that can prevent customers falling into hardship.

Customer outcomes	Activity	Evidence
<p>By engaging our customers early, they have a greater ability to get back on track more quickly.</p> <p>Setting up payment plans based on each individual customer's capacity to pay ensures it is achievable and sustainable for them, putting them back in control of their energy bills.</p>	<ul style="list-style-type: none"> • Front of house training: Trained front of house employees that identify hardship triggers and pass customers through to specialist EnergyAssist consultants who can provide customers with recommendations specific to their situation. • Payment plans: Offer a range of payment plans to try to help customers. • Bill smoothing: is available as an early intervention to support customers who prefer to make regular, known payments. 	<ul style="list-style-type: none"> • Information for customers: All customers can access information on what to do if they are having difficulty paying a bill, as well as our Hardship Policy. This provides information about payment extensions and instalment plans to encourage them to take advantage of our early support rather than entering our EnergyAssist programme when their debt level increases.

Principle in Action 5.2

Provide products and services that are tailored to customers facing vulnerable circumstances and support them to get back on track.

Customer outcomes	Activity	Evidence
<p>Providing our customers with payment matching and debt relief gives them the support needed to graduate from our hardship programme and get back in control of their energy costs.</p> <p>Replacing old, inefficient appliances that customers otherwise couldn't afford to replace can have a significant positive impact on the household's energy efficiency and bills.</p> <p>We empower customers to take control of their energy usage with home audits and assistance to reduce bills.</p>	<ul style="list-style-type: none"> • Payment matching: For customers on the hardship programme, we may match payments made in full and on time with a credit to their account. This tailored approach incentivises customers to make regular payments and as such gives them the best chance of graduating from the programme. • Debt waivers: In extreme hardship cases where the likelihood of being able to pay back the debt is low, our eligible customers can have portions of, or all of their debt waived. This eliminates the burden of debt and sets them on a path to better manage their energy bills in future. • Appliance swaps: Our EnergyAssist customers potentially have old, inefficient essential appliances that are contributing to their higher than average bills however don't possess the capacity to change them. We will review the circumstance and for eligible customers, replace the item at no cost. • Clean slate waiver: We provide debt relief to eligible vulnerable customers to help remove barriers to recovery. • Guaranteed discount: We appreciate that there are varying priorities of customer facing hardship and while on EnergyAssist, customers are guaranteed to receive their discount regardless of when they are able to pay. (Post 1 July, conditional discounts have been removed.) • Home audits: We understand that some vulnerable customers do not understand what habits and appliances contribute to their growing energy bills. Eligible customers participating in the EnergyAssist programme can be referred through to our community partner to arrange a phone or in-home energy efficiency visit to review their household items and be educated on practical ways to reduce usage and costs. 	<ul style="list-style-type: none"> • Hardship Policy: available on our website for all customers, this outlines our commitment to customers on the EnergyAssist programme and their support options. • Payment matching: EnergyAssist credited over \$1.4 million to customer accounts throughout the reporting year. • Appliance swap: 55 Appliance swaps completed throughout the year. • Home audits: 287 home audits completed. Seventy per cent of customers receiving an audit reduced their energy usage. • Graduations: 20.5 per cent increase in graduations in 2018 compared to the previous year. • Clean slate waiver: \$1.8 million of waivers provided to over 1,000 eligible customers.

Principle in Action 5.3

Provide flexible solutions that are easy to access and are provided by specially trained frontline employees with expertise in supporting those customers who face additional barriers to engaging with the energy market.

Customer outcomes	Activity	Evidence
<p>Our EnergyAssist employees are some of the most trained and highly engaged members of EnergyAustralia. This enables them to have respectful conversations with our customers facing hardship which creates a roadmap for graduating from the programme. Our customers have recognised this, consistently providing positive NPS feedback after their interactions with our team.</p>	<ul style="list-style-type: none"> • Employee training: All EnergyAssist employees are provided regular and ongoing 'Connect' training to provide support to hold respectful conversations with customers. All front of house employees receive ongoing training around recognising hardship triggers. • Education: As part of our commitment to financial inclusion, in 2018 we held 'Financial Inclusion Week' for employees. The objective was to educate all employees about vulnerability, financial exclusion and its impacts. A range of forums were offered as well as online content. • Induction training: Developed and implemented hardship specific training to all new consultants working in EnergyAssist. 	<ul style="list-style-type: none"> • EnergyAssist NPS: The EnergyAssist customer service operators are some of the most accomplished at EnergyAustralia, constantly receiving high NPS results and strong verbatims. • Training modules: 14 training modules specifically created for EnergyAssist consultants.

Principle in Action 5.4

Take a collaborative approach, partnering across the energy supply chain and with government and community service organisations to implement innovative solutions that improve outcomes (affordability or experience) for customers facing vulnerable circumstances.

Customer outcomes	Activity	Evidence
<p>Together, our partnerships are working to help customers get back in control of their energy costs as quickly and as easily as possible.</p> <p>Our cross-referral project as part of the Thriving Communities Partnership (TCP) aimed to save our vulnerable customers explaining their circumstance more than once, reducing time, stress and ensure they receive the right support.</p>	<ul style="list-style-type: none"> • ICAN: We partner with ICAN Learn to deliver a Financial Counselling Development Programme which is a three-year, \$1.2 million investment to grow, strengthen and build career development opportunities for financial counsellors in Australia. • Thriving Communities Partnership (TCP): Working across sectors, EnergyAustralia is a founding partner of Thriving Communities Partnership. Its remit is to ensure everyone has fair access to essential services including utilities, financial services, telecommunications and transport. • Kildonan Uniting Care: Our community partner since 2014, Uniting provides a range of services to us including training, home audits for customers as well as reviewing our hardship programme and offer suggestions for improvement. • Financial Inclusion Action Plan (FIAP): This initiative, managed by Good Shepherd Microfinance, brings together business, government bodies, academic institutions and non-profit organisations as trailblazers for financial inclusion. • VincentCare: Our partnership supports the energy needs of Ozanam House homeless hub and resource centre, to allow VincentCare to direct its funding to helping Melbourne's homeless find stable, long-term accommodation. 	<ul style="list-style-type: none"> • ICAN: Through our partnership with <u>ICAN</u> we invest to boost the Financial Counselling sector to give people a career and also provide quality support services to many Australians facing financial difficulty. To date, 70 scholarships have been awarded. • TCP: Joining <u>TCP</u> allows us to work on initiatives collaboratively and share learning to develop better support programmes for our customers. • FIAP: Our FIAP is available for all customers to view on our <u>website</u>. The guaranteed discount for all hardship customers, as well as the updating of our hardship policy are examples of FIAP initiatives. • VincentCare: We have provided \$500,000 of energy-efficient heating and cooling systems at the <u>Ozanam House homeless hub and resource centre</u> in North Melbourne to reduce their energy costs. They have directed these savings back in to their programmes.

Customer outcomes	Activity	Evidence
	<ul style="list-style-type: none"> • The Queen's Fund: We lead a collaboration with AGL and Origin to provide a fund of \$30,000 in debt waivers for Victorian women in crisis. This is for any customer, regardless of retailer. Referrals are received through The Queen's Fund with approved energy debt grants applied through the respective retailer. In addition, we provide \$15,000 per annum towards essential appliances for women in need. These appliances range from everyday necessities such as refrigerators and washing machines through to computers that support job hunting. • Yarra Valley Water: Established a cross referral programme whereby customers facing hardship in either company can be referred to the other, relieving the need for the customer to repeat their situation to a second organisation. • WEstjustice Restoring Financial Safety: Collaborating on responses to economic abuse. As a champion in this project, the Vulnerability team took the role as the 'single entry point' for caseworkers working with family violence victims and managed the cases end to end. 	<ul style="list-style-type: none"> • The Queen's Fund: Currently, we have contributed \$25,000 to The Queens Fund that has provided appliances to 41 women in need and a further \$10,000 in debt waivers.

Expected focus areas for July 2019 – June 2020

- We are introducing a system to identify potential early hardship indicators which will allow us to engage customers sooner with options and support. This aims to reduce the level of debt they may have when entering the programme, the length of time to get back on track or even better, reducing their likelihood of entering hardship altogether.
- While employees respond empathetically and respectfully to customers who identify as being impacted by family violence, specialised training will support employees to feel more confident in their interactions.
- As a founding member of Thriving Communities Partnership, we are supporting TCP's vision of the One Stop/One Story Hub. The Hub is designed to offer consumers and community organisations the opportunity to identify and access tailored support in a holistic, simplified and dignified way.

Our Energy Charter disclosure was designed by Marcus Lee Design and printed by Print Junction, certified Aboriginal businesses with Supply Nation.

At EnergyAustralia, we recognise the Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the land on which we operate and the communities we serve. Our goal is to build working relationships with Aboriginal and Torres Strait Islander peoples, communities and businesses. Through reconciliation we live our values of doing the right thing and leading change. We thank Marcus Lee Design and Print Junction for their continued support of our business.

Have your say

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