

1. Key customer outcomes in 2020



Residential and small business customers benefited from the second lowest network charges in the National Electricity Market



138 small business associations and 50 large business groups were given a voice in our Peak Customer & Stakeholder Consultative Committee



Nearly **20,000 customers received COVID-19 hardship assistance** through the NSW Networks Assistance Package*



Councils and customers benefited from an additional 27,475 greener and more energy efficient LED streetlights



56,000 bushfire affected customers had their power restored quickly and safely, with 50% restored within 12 hours and 80% within 48 hours of the fire front passing



All customers will benefit from new science-based targets **to reduce our greenhouse emissions by 40% by 2035**



860 bushfire affected customers received hardship support including a free reconnection



Customers experienced better levels of service across general enquiries, planned and unplanned interruptions **as seen by a +22 net promotor score result**



South Coast, Blue Mountains and Hawkesbury communities benefited from Endeavour Energy's **\$500,000 donation to bushfire recovery**



Ease of **service increased. Customer complaints decreased** by a third over the past three years



Shared data and incident updates with retailers so **bushfire affected customers could quickly and easily access help**

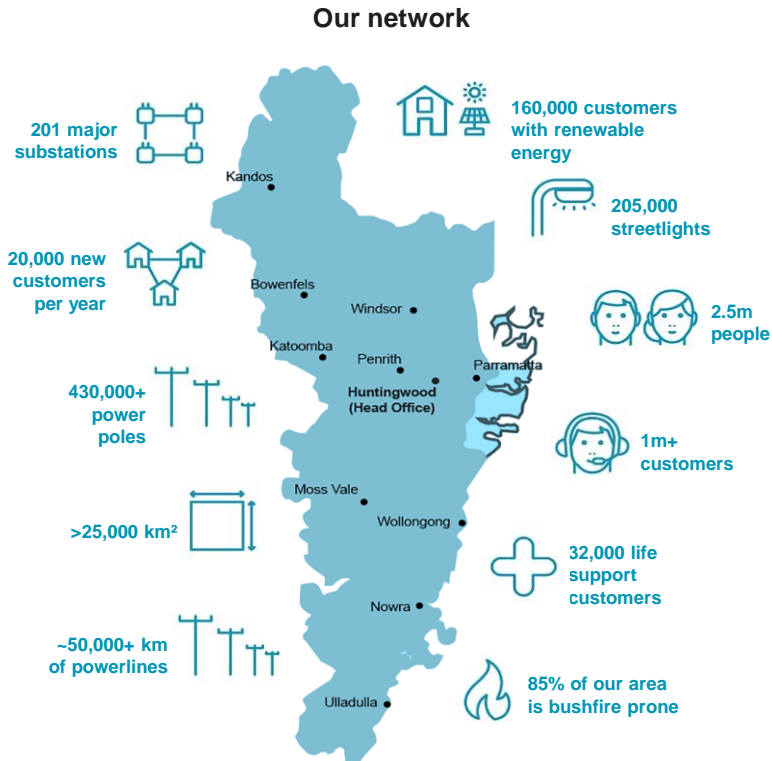


178,355 fault & emergency calls were **answered by our customer service team**

2. About us

Endeavour Energy distributes affordable, safe and reliable electricity to 2.5 million people or one million connected customers in homes and businesses across Sydney's Greater West, the Blue Mountains, Southern Highlands, the Illawarra and the South Coast. Our area includes Sydney's second airport, its surrounding Aerotropolis, and the NSW Government's priority land release areas in Sydney's North West and South West.

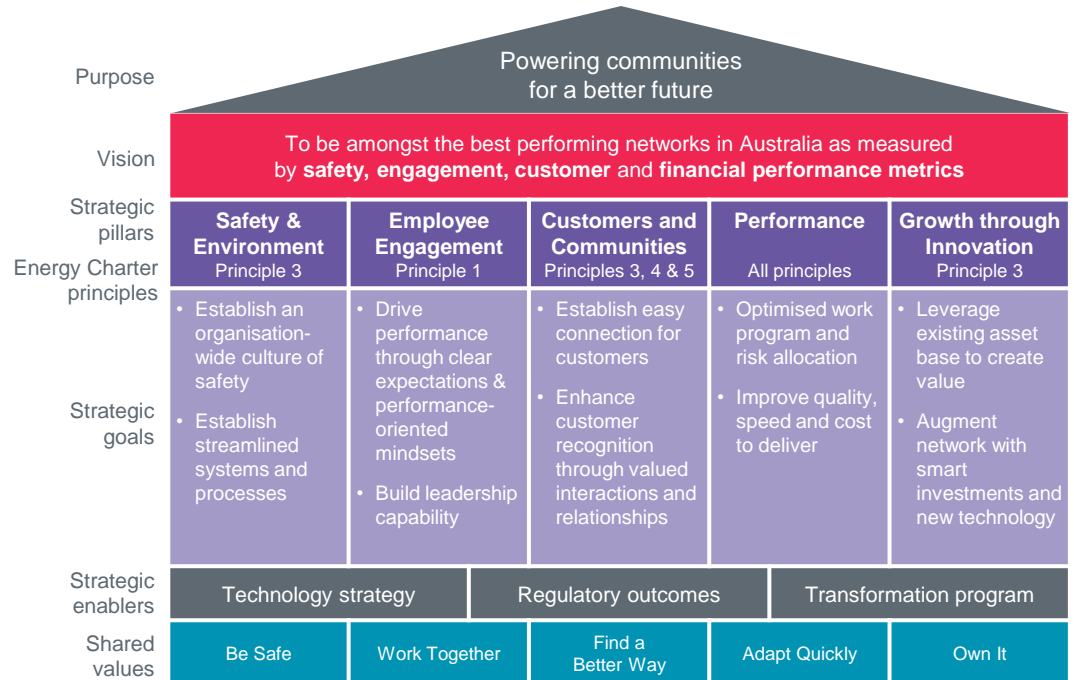
Over the next 20 years, these areas will be home to communities similar in size to Wollongong and Canberra. The population of Western Sydney is expected to increase by 900,000 over this time and we expect more than 20,000 new customers will connect to the network each year.



Due to rapid industry changes, we are transitioning from a traditional 'poles and wires' business to a customer-centred distributed services operator where energy flows in two directions and smart meters, batteries and solar generation enable customers to generate, store and sell back electricity into the grid as we move to a clean energy future.

We're also partnering with government, universities and energy innovators to find new ways to optimise the use of network services to unlock value for customers.

Our strategic framework supports each of the Energy Charter principles



3. Foreword

FY20 was an extraordinary year for our customers, communities and people.

It was a year dominated by unprecedented natural disasters: a lingering drought, devastating bushfires, flooding rains, catastrophic storms and an unprecedented pandemic.

We restored power to more than 56,000 customers over ten days after bushfires burned for three months across 45% of our area, leaving 860 customers without homes.

These fires were only extinguished by an east coast low that cut power to 79,000 Western Sydney customers for three days and flooded communities in the Hawkesbury.

Since March, we have been supporting 2.5 million people navigate the COVID-19 pandemic. A once-in-a-lifetime challenge with unknown long-term community impacts and an unpredictable recovery time.

We have been firmly focused on keeping the lights on, keeping our people and customers well and keeping people in work.

In responding to these natural disasters, we learned the value of agile decision making and working more collaboratively with regulators, industry partners and emergency services to help customers through hardship and uncertainty.

With an innate desire to support our customers when they need it most, our employees have and continue to respond decisively, earnestly and compassionately.

Our customers have been appreciative and employee engagement has reached new heights. We are now using this surging wave of positive spirit to set new behaviours in the work we do every day.

In addition to our response to FY20 challenges, we have prioritised our transformation program as the next step in shaping our business and embedding Energy Charter principles.

We have made solid progress in refining our strategy, with a new mission, business purpose and values, combined with a new structure and leadership team.

Central to the success of this strategy (see p.3) is our Customer and Communities pillar. As our industry changes and we transition to a low carbon future with technological and tariff choice, we know we need an uplift across the business on that initiatives deliver better outcomes for our customers and communities.

To help achieve this, we acted on the 2019 Independent Accountability Panel recommendations and benchmarked our performance with other network signatories, seeking to better understand our strengths and weaknesses and act where needed.

Results showed that while we have focussed on customers' key concerns about affordability through tariff design and efficiency programs which rank us the sixth most efficient network in the National Electricity Market, we need to make customer communication more accessible and improve service offerings.

We also completed our first maturity self-assessment. We set high standards for ourselves, and our ambition is to improve performance over the next 1-2 years for all principles.

We sincerely thank our Peak Customer & Stakeholder Committee for their time and constructive guidance in helping to improve customer and community outcomes.

In a year that tested our customers to the core, we also want to acknowledge the commitment, resilience and service demonstrated by our people in keeping our customers and communities safe and the lights on.




Hon. Robert Webster
Independent Chair

Guy Chalkley
Chief Executive Officer

Statement from our Peak Customer & Stakeholder Consultative Committee

Our aim is to help Endeavour Energy improve customer and stakeholder outcomes by connecting, understanding and feeding back issues and priorities to its senior leadership team.

We have been encouraged by Endeavour Energy's efforts to elevate the operation of the Committee with expanded membership of small and large business segments and greater engagement with its senior leadership team to reinforce a culture of customer-centred decision making.

We have been involved in Energy Charter planning, including tracking Endeavour Energy's progress in delivering 44 improvement initiatives from its 2019 disclosure, benchmarking their strengths and weakness against other network Charter signatories and applying the Independent Accountability Panel's recommendations to their strategy, plans and operations.

We commend the significant efforts in responding to the bushfires, storms and pandemic to keep people safe while maintaining services so business and communities can function during great uncertainty.

We remain committed to continuing to work with Endeavour Energy and holding them to account for realising the benefits and cultural change the Energy Charter can facilitate for the customers and stakeholders for whom we advocate.

4. Our customers and communities

Our customers and communities depend on us to power their homes and businesses safely, reliably and affordably. They also expect us to plan for Australia's vastly different energy needs as the country rapidly moves to a clean energy future. Our main customer and stakeholder segments are shown here, according to their energy needs and interests.

The largest segment includes 951,507 households located in urban and surrounding rural areas. A rapidly growing subset of this group includes 31,993 life support customers who depend on reliable electricity to power medical equipment. We also have 160,000 solar customers, an annual increase of 2.5%. We expect this group to continue to grow as battery storage becomes more efficient and affordable.

We serve 81,180 commercial customers and 5,415 industrial customers who rely on large amounts of affordable and reliable electricity for their businesses to thrive. They include local councils, hospitals, government businesses, major shopping centres, manufacturers, and a group of high voltage customers.

Retailers are our largest customers by revenue. Due to the challenges of FY20, our focus has been keeping people safe and the lights on for communities, particularly homes, small businesses and vulnerable customers. To this end, we increased our engagement with retailers – large and small – and supported them via the NSW Networks Assistance Package (see also page 10).

Type	Electricity consumption	Number
Residential	<160 MWh per annum	951,507
Commercial	<160 MWh per annum	81,180
Industrial	>160 MWh per annum	5,415
Site specific	>40 GWh per annum or 10MVA	40



5. Principle 1 - We will put customers at the centre of our business and the energy system

Why this is important to customers: Customers can now buy, generate and store electricity, individually or as a community. Emerging technologies and falling prices have reshaped customers' expectations of electricity networks. What was once a highly centralised system is shifting to a highly decentralised system, where customers exercise choice and control. Endeavour Energy's customers live and work in one of the fastest growing economies in Australia. Their success, and ours, is inextricably linked to a workplace culture that is customer focused and constantly looking to find a better way. This culture understands customers' and communities' energy needs and preferences and looks to collaborate with partners to deliver services and products aligned to those understandings. **The Employee Engagement pillar of our strategy (see p.3) helps to drive these behaviours.**

Measure	Description	FY19	FY20	Trend
Customer service	Net promoter score (aggregate FY20 avg) relating to customer experience with general enquiries, planned and unplanned interruptions	-	+ 22	-
	Customer Satisfaction Index - outages and general enquiries (not comparable with FY19 due to different measures)	8.0	7.5	-
Customer improvement	Milestones met for customer improvement commitments from FY19 Energy Charter disclosure	-	43%	-



Completed	In progress	The future
<ul style="list-style-type: none"> To better know our customers, and to improve service delivery and engagement in new customer and communities, we refined our corporate strategy and structure, defined a new business purpose and set of values after extensive employee engagement. To encourage greater senior leader accountability of customer outcomes, we increased Board reporting on: customer satisfaction and improved engagement with regulators, customer groups and stakeholders; progress with cultural change initiatives; and customer service improvement. 	<ul style="list-style-type: none"> Embedding 44 customer improvement commitments made in our FY19 disclosure into our transformation program and reporting progress to the Board. Cultural change is underway to place customers at the centre of our business within our revised corporate strategy and business transformation program, shown in our strategy framework (see p.3). To maintain and improve services to customers amid the rapid growth in distributed energy resources, particularly regarding the quality of electrical supply and the development of future power systems, we are investing in the University of Wollongong's Power Quality Centre. 	<p>To better understand customers' expectations, we are:</p> <ol style="list-style-type: none"> prioritising stakeholder engagement as a leadership behaviour by conducting monthly 'deep dives' led by the Executive team on customer and community priorities; undertaking a stakeholder perception audit so that we set a baseline to measure and track sentiment and performance over time; and reporting leading and lagging customer centricity measures to the Board each quarter to drive continuous improvement under our transformation program.

5. Principle 2 - We will improve energy affordability for customers

Why this is important to customers: Given the impact of COVID-19 on employment, businesses and the economy, affordable electricity is now more important than ever and will be a critical factor in kick starting economic recovery. We can improve affordability by running our day to day operations efficiently, without comprising safety and reliability; by designing tariffs that retailers can use to help customers manage their electricity use and costs, and by supporting retailers offering hardship programs for customers. The Performance pillar in our strategy is designed to drive value for customers and achieve more efficient outcomes to keep downward pressure on electricity bills. **All pillars of our strategy contribute to this outcome.**

Measure	Description	FY19	FY20	Trend
Affordability	Average residential network charges (5MWh p.a.)	\$574.56	\$556.88	●
	Average small business network charges (23MW p.a.)	\$2,226.15	\$2,159.31	●

Elementary	Emerging	Evolved	Empowered	Exceeding
		● →		

Completed	In progress	The future
<ul style="list-style-type: none"> To pass savings on to customers and meet regulatory outcomes, we have become more efficient and offset the costs of necessary investment as far as possible by: <ul style="list-style-type: none"> ➢ delaying expensive expenditure and reducing peak demand with demand management and energy efficiency programs; ➢ reducing overheads, developing a flexible workforce and an agile, innovative culture; ➢ equipping the network to connect solar, batteries, microgrids and smart meters, and offering customers a greater variety of tariff options; and ➢ reducing peak demand by utilising the network better which keeps prices low. 	<ul style="list-style-type: none"> To reduce costs for residential and small businesses, we have in collaboration with the regulator, locked in plans to decrease their network charges by 17.7% by FY24 in real terms. Customers can reduce energy use via energy saving tips on our new easy-to-use <i>AtHomeSaver</i> app. To keep downward pressure on prices for customers, business decisions recognise the value of non-network solutions with lower cost technology options beginning to feature instead of traditional network augmentation solutions. 	<ol style="list-style-type: none"> To maintain downward pressure on prices for customers, we are improving productivity and making sure network investment decisions are optimised to balance cost, risk and performance aided by granular insights and analytics. Energy affordability and pricing remain a key focus with wide use of demand-based tariffs improving customer choice, network outcomes and affordability.

5. Principle 3 - We will provide energy safely, sustainably and reliably

Why this is important to customers: It is hard to overstate how essential safe, reliable and sustainable electricity is to our customers and communities. The natural disasters that threatened Endeavour Energy's communities in FY20 brought this into sharp focus. The safety of our customers, our people and the environment continue to be our priority. Our customers also expect us to be environmentally responsible by working with communities and innovating our services to protect the natural environment and help bring about a low carbon future. **The Safety & Environment and Performance pillars of our strategy help this focus.**

	Elementary	Emerging	Evolved	Empowered	Exceeding
3.1 Safety performance			● → → →		
3.2 Environment performance			● → → →		
3.3 Shift to a cleaner energy system			● → → →		
3.4 Connection, service and reliability			● → → →		

Measure	Description	FY19	FY20	Trend
Worker safety	TRIFR - Number of lost time and medical treatment injuries per million hours worked for employees and contractor	15.2	11.5	●
	LTIFR - Frequency of lost time injuries per million hours worked by employees and contractors	1.1	0.7	●
Public safety	Public safety incidents (car hit pole pole failures domestic shocks conductor strikes)	241 2 128 3	207 2 100 7	● ● ● ●
Sustainability	Greenhouse gas emissions (direct)	676kt CO2-e*	669kt CO2-e**	●
	Global Real Estate Sustainability Benchmark	-	Completed baseline	-
Reliability	Unplanned SAIDI (normalised) average duration of minutes interrupted per customer. # Result reflects the impact of bushfires and storms on reliability during FY20.	78.0 minutes	87.6 minutes	● #

Completed	In progress	The future
<ul style="list-style-type: none"> To sharpen our cultural focus on safety and sustainability, we created a new position, General Manager Health, Safety & Environment. To improve customer safety, we raised customer awareness about electrical safety risks in line with targeted awareness programs for at-risk groups. Our Electricity Network Safety Management System, in place since 2014, provides for comprehensive risk assessments for managing public risks to keep customers safe. To improve our environmental sustainability, we certified our Environmental Management System with IS:14001:2015 and decreased direct emissions from our operations by 28% over the past five years. To reduce network risk and keep downward pressure on prices, we successfully implemented 280 demand management initiatives across 11 programs with approximately 180 industrial and commercial customers. 	<ul style="list-style-type: none"> Keeping customers, communities and our people free from COVID-19 by prioritising infection control across our 19 sites and our operations in the field. Ensuring our workforce is not impacted by COVID-19 is crucial in maintaining power supply to operations for our customers. To keep customers and communities safe, we are working nationally and internationally to share our learnings about planning, responding and recovering from major natural disasters to keep people and communities safe. We have set science-based emissions reduction targets under the Science Based Targets initiative to deliver 40% reduction in scope 1 & 2 emissions by 2035. We have developed a Future Networks strategy and roadmap to provide a pathway for driving long term customer centred network innovation. Service levels for connection, supply quality and reliability are well defined and constantly measured. Action plans are implemented where service levels fall below benchmarks and the results monitored to deliver service improvements mindful of customers willingness to fund such initiatives. 	<ol style="list-style-type: none"> So public safety is considered in all decisions, we will integrate our Electricity Network Safety Management System with other comprehensive environmental, health and asset management systems. Communities will benefit from our commitment to sustainability through our participation in the Global Real Estate Sustainability Benchmark (GRESB). To drive long term customer centred network innovation that keeps downward pressure on prices and gives customers greater choices, we are targeting the delivery of five new test cases for future grid initiatives over the next two years. To maintain reliability of supply to customers, we will deploy leading network monitoring and control systems to enable more agile responses to adverse weather events. This will enable parts of the network to 'self-heal' and deliver even better reliability performance for customers. We have set an ambitious five-year target to maintain the highest service level of customer connection services in NSW.

5. Principle 4 - We will improve the customer experience

Why this is important to customers: Customers value experiences that are easy, fair and respectful, especially when things go wrong. Changes in the energy industry should benefit all customers. Customers expect businesses to be well placed to understand where their pain points exist across industry sectors and work to overcome them. **Our Customers and Communities and Employee Engagement pillars drive our strategy.**

Measure	Description	FY19	FY20	Trend
Ease of service	• Customer complaints (per 10,000 customers)	15.5	13	● Complaints have declined by a third over the past three years
	• EWON referrals	1.6%	1.4%	

	Elementary	Emerging	Evolved	Empowered	Exceeding
4.1 Fair outcomes for customers		● →			
4.2 & 4.3 Clear customer communication	● →				
4.4 Handling complaints		● →			

Completed	In progress	The future
<ul style="list-style-type: none"> • To improve response times in our customer contact centres and meet regulatory outcomes, we set a revised Grade of Service target (% calls answered in 30 seconds) from 82% in FY19 to 90% in FY20. • We helped our customers to use less electricity and keep their bills in check by launching our free <i>AtHomeSaver</i> app. • To efficiently reconnect bushfire affected customers, we installed our first Stand-Alone Power System, with plans for more to come. 	<ul style="list-style-type: none"> • Giving a sharper focus to customer and communities by making it a key pillar of our corporate strategy. • Offering customers real time data on outages and network performance by progressing a major overhaul of our business technology platforms and systems. • Ensuring customers can stay safe and connected to vital information ahead of and during major outages through the use of SMS messages - we sent 700,000 messages in FY20. • Helping customers to navigate digital information by developing a new website to meet international accessibility standards. 	<ol style="list-style-type: none"> 1. Building our knowledge of each customer by improving customer-focused information systems over the next two years. 2. Optimising the customer experience by completing journey mapping across our customer touch points. 3. Driving “first contact resolution” so customer issues are resolved as quickly as possible. 4. Helping customers make informed choices about their energy usage by expand our self-service offering through multi-channel options and real-time data tools and calculators.

5. Principle 5 - We will support customers facing vulnerable circumstances

Why this is important to customers: It's hard to be safe without access to electricity. We understand the importance of our role in proactively monitoring and supporting customers in vulnerable circumstances by recognising that vulnerability exists in many forms. Customers in vulnerable circumstances need tailored support and extra levels of care and flexibility to stay connected. It is important for customer-facing staff to be trained in identifying the varied underlying causes of vulnerability, and in aiding vulnerable customers into the pathways that will provide the right support. **Our Customer and Communities pillar of our strategy supports this focus.**

Measure	Description	FY19	FY20	Trend	
Network hardship support	• Customer payment plans (% affected customers for network defects)	30%	14%*	-	
	• Ex gratia payments	58	474	●	
	COVID-19 NSW Network Assistance Package (number of retail customer rebates/deferrals/ \$M) – <i>cumulative as at 4 September</i>	-	8,538	\$1.55 M	-
			11,039	\$1.88 M	-

Elementary	Emerging	Evolved	Empowered	Exceeding
	●	→		

Completed	In progress	The future
<ul style="list-style-type: none"> • Trained customer-facing staff to identify and assist customers in vulnerable circumstances. • Proactively contacted life support customers affected by prolonged, unplanned supply interruptions to check on their welfare and offer help and advice. • We made it easier for customers to receive information and support during storms, bushfires and floods by improving the consistency and frequency of communications across a greater variety of customer preferred channels including social media. 	<ul style="list-style-type: none"> • Keeping people safe and the lights on for customers facing hardship during COVID-19 by: <ul style="list-style-type: none"> ○ implementing the NSW Networks Relief Package to help electricity retailers support people and small businesses; ○ building customer awareness of support programs; and ○ minimising the disruption of electricity supply for routine planned maintenance and prioritising critical maintenance. • Providing support and assistance for customers that cannot afford the cost of repairing private defects or maintaining a safe distance between trees and private powerlines. 	<ol style="list-style-type: none"> 1. Assist bushfire affected customers and communities by rebating reconnection fees and charges when they rebuild their home or business. 2. Implement new claims and complaints system to better monitor and measure financial hardship. 3. Helping culturally and linguistically diverse communities access energy literacy and safety information via their preferred networks. 4. Assisting customers to access digital communication by designing our new website to WCAG 2.1 Level AA accessibility standards and embedding an automated translator so people are able to access information in their preferred languages.

Regrets: We recognise the ENA assistance package was developed quickly by networks and did not allow for engagement with retailers and consumer groups before it was announced. We then worked with retailers to agree on a workable scheme to help people through a time of great uncertainty.