

## Energy Charter Maturity Model

### 1. Background (Charter in Operation)

Energy company signatories are at different stages of maturity in relation to the Principles articulated in the Energy Charter. A maturity model has been developed so that signatories can assess their maturity against the Energy Charter Principles by reference to articulated criteria, as well as indicating where on the maturity scale they intend to progress to, over what period and how they plan to achieve this progress.

### 2. Objective of the Maturity Model

The objective of the Maturity Model is to allow signatories to:

- Subjectively assess their level of maturity against the Principles and Principles in Action
- Articulate their current position of maturity
- Indicate where they intend to get to, and how they intend to make that progress.

The Maturity Model allows constructive comparison of improvement in performance over time, understanding that each signatory has different capabilities and priorities. The Maturity Model is not a compliance tool, it is a tool to encourage continuous improvement internally within the business.

### 3. Design principles

Principle	Imperatives
<b>Strategic</b>	Need to see the 'long game' and encourage continuous improvement through capability building – e.g. balance encouragement of more signatories and keeping standards high, create reputation/desirable positioning for the Energy Charter, understand signalling value of positive and critical assessments, maintain aspirational philosophy, focus on moving signatories towards better customer outcomes in line with Energy Charter principles of continuous improvement.
<b>Insightful and collaborative</b>	Needs to benefit customers for different businesses within energy sector, ability to evaluate a range of initiatives and disclosures, ability to provide value-adding commentary, recommendations, develop meaningful measures, obtain own research as needed, able to analyse trends, effectiveness – underpinned by collaboration.
<b>Accountable</b>	Need to establish credibility, ability to improve accountability of industry, garner support of customers, end-user representatives, regulators and government.
<b>Flexible</b>	Needs to be simple, open and accessible for all signatories and customers, no matter what their size or position in the supply chain.
<b>Complementary</b>	Complements existing internal models and methodologies focusing on strategic customer centricity, including building on existing models to be resource effective.

## 4. The Maturity Model

### Classification of maturity levels

	Elementary	Emerging	Evolved	Empowered	Exceeding
Definitions/ characteristics of capability	No formal approach to the majority of the Principles in Action	Emerging and repeatable approach to the majority of the Principles in Action	Evolved and defined approach to the majority of the Principles in Action and implemented	Empowered and proactive approach to the Principles in Action and customer outcomes measured and managed	Exceeding all Principles in Action and achieving optimal customer outcomes

Capabilities					
	Elementary	Emerging	Evolved	Empowered	Exceeding
<b>1. We will put customers at the centre of our business and the energy system</b>	Limited alignment between the business culture and “customer at the centre” principles with limited reporting on culture to the Board.	Some alignment between business culture and “customer at the centre” principles with some reporting on culture to the Board.	Alignment between business culture and “customer at the centre” principles with decision making reflective of customer and community needs.  Regular reporting to the Board on a number of culture measures with relevant personnel accountable for embedding the culture.	Regular reporting to the Board on insightful lead and lag measures that drive continuous improvement and clear links between accountability for embedding the culture and remuneration.	Demonstrable culture of collaboration and innovation, internally and with organisations across the supply chain and with other stakeholders delivering positive customer outcomes.
<b>2. We will improve energy affordability for customers</b>	Decisions largely made on the basis of maximising short-term financial benefit for the business recognising the context of any applicable regulatory regime, rather than value and affordability for customers.	Processes to ensure business decisions are cost-effective, recognising the cost implications across the supply chain.  Policies, processes and mechanisms to offer customer energy offerings or deals that best meet their needs.  Basic customer on-line tools available to help with energy usage and affordability.	Business decisions recognise cost implications along the supply chain with customer benefits articulated.  Mechanisms in place to enable customer energy offerings or deals that best meet their needs implemented with monitoring and basic measurement and metrics in place for continuous improvement.  Customer needs reflected in decision making, design of products and services and online tools.  Customer advocacy processes operating to address affordability issues.	Business decisions proactively reflect cost in the supply chain aligned to customer benefits.  Insightful lead and lag measures that drives continuous improvement, and innovation incorporated into decisions for better customer offerings or deals and online tools.  Innovation programs driven out of customer analysis, advocacy and affordability opportunities.	Investment decisions demonstrably optimised for the benefit of the customers by working cooperatively cross supply chain.  Customers consider energy to be good value.
<b>3. We will provide energy safely, sustainably and reliably</b>	Basic management system in place to meet safety and environmental regulatory requirements.	Comprehensive management system in place to meet safety and environmental regulatory requirements.	Safety and environment standards operating to best in class standards (above regulatory requirements) with continual improvement measured.	Not applicable – Evolved capability level considered to exceed principles in action recognising superior safety management system in place.	Not applicable – Evolved capability level considered to exceed principles in action recognising superior safety management system in place.
	Limited response to managing risks and opportunities arising from the shift to a cleaner energy system.	Business strategy and operations plans reflect risks and opportunities arising from the shift to a cleaner energy system.	Business strategy and operations plans reflected in investment decisions with new products and services and technologies developing, arising from the shift to a cleaner energy system.	Insightful lead and lag measures focussed on customer benefits driven by investment in new products and services arising from the shift to a cleaner energy system.	Planned transition to a cleaner energy system has been developed in collaboration with government, other energy businesses, communities and other stakeholders.
	Approaches to connection, service and reliability have little or no regard for supply chain solutions to meet customer needs.	Defined principles and initial approach in place to connection, service and reliability which considers supply chain solutions to meet customer needs.	Defined principles and approach to connection, service and reliability implemented.	Measurement and monitoring of solution to assess success and improvement of connection, service and reliability.	Forward looking solutions implemented across the supply chain leading to optimised customer outcomes.
<b>4. We will improve the customer experience</b>	Consideration of fairness of customer outcomes is limited or informal.	Principles for consideration of fairness of customer outcomes is formalised including adding value, transparency and “making it easy” for customers.	Principles for fair customer outcomes are well understood and implemented.	Insightful lead and lag measures to assess fairness of outcomes, the customer experience for innovation and continual improvement.	Customers agree they get fair outcomes.
	Customer communication is limited, transactional and not user oriented with no access to their own customer data.	Design principles are used to ensure customer communications are clear, in plain terms, accessible and understandable, with customer	Design principles are reflected in all forms of communication with customers.  Customers provided with useful information and tools with	Customers encouraged to utilise their data with streamlined, portable and trustworthy access for improved decision making.	Customer experience exceeds their expectations.  Optimised access and portability of data to

Capabilities					
	Elementary	Emerging	Evolved	Empowered	Exceeding
		having some access to their own data.	greater access to their customer data.		empower customers to make energy decisions.
	No or limited policies or processes in place for complaints handling and dispute resolution.	Policies and processes defined for complaints handling and dispute resolution with supply chain interdependencies understood and complaints redirected correctly.	Complaints management and dispute resolution policies and processes which consider findings / recommendations of external bodies implemented.  Simple monitoring and basic measurement metrics in place for continuous improvement.  Customer needs and preferences drive product and service design.	Insightful analysis, measures and metrics in place to determine thematic or systemic root cause(s) of complaints and disputes, including some across the supply chain complaints handling processes in place with reporting and review by senior management to drive improvement.	Complaints and dispute resolution processes are coordinated across the supply chain as a one stop shop, within the context of an industry wide dispute resolution approach.
<b>5. We will support customers facing vulnerable circumstances</b>	No or limited policies or processes to support customers facing vulnerable circumstances other than those required by regulation.	Policies and processes to support customers facing vulnerable circumstances defined with appropriately trained staff.  Products and services have some simple variations to accommodate customers facing vulnerable circumstances.  Supporting external community service groups and agencies to improve outcomes for customer facing vulnerable circumstances.	Policies and processes implemented with monitoring and basic measurement metrics in place for continuous improvement.  Products and services are developed to reflect the specific needs of customers facing vulnerable circumstances with outcomes measured and incorporated into product/services design.  Partnering with external community service groups and agencies to improve outcomes for customer facing vulnerable circumstances.	Early identification of customers at risk of vulnerability with interventions that can prevent customer falling into hardship.  Products and services are tailored to reflect the specific needs of customers at risk of vulnerability with outcomes measured and incorporated into product or services design.  Partnering with external community service groups and agencies, the supply chain and other stakeholders to improve outcomes for customers at risk of vulnerable circumstances with outcomes measured.	Customer experience for customers at risk of vulnerable circumstances exceeds their expectations.