Energy Charter Maturity Model

1. Background

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
Strategic	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.
Insightful and collaborative	Needs to benefit customers for different businesses within the 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.
Accountable	Need to establish credibility, ability to improve accountability of industry, garner support of customers, end-user representatives, regulators and government.
Flexible	Needs to be simple, open and accessible for all signatories and customers, no matter what their size or position in the supply chain.
Complementary	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
1. We will put customers at the centre of our business and the energy system	Limited alignment between the business culture and "customer at the centre" principles with limited reporting on culture to the CEO and Board.	Some alignment between business culture and "customer at the centre" principles with some measurement and reporting on culture to the CEO and Board.	Alignment between business culture and "customer at the centre" principles, with decision making reflective of customer and community needs. Regular measurement and reporting to the Board and CEO on a number of customer culture and commitment measures with Executives and Senior Managers accountable for embedding the culture.	Regular measurement and reporting to the CEO and Board on insightful lead and lag measures that drive proactive and continuous improvement, reflective of evolving customer and community needs. Performance targets of Executives and Senior Managers linked to accountability for embedding the culture.	Demonstrable "customer at the centre" culture at all levels within the business, employing, transparency, accountability and collaboration, internally, across the supply chain and with external customer and community representatives. Ambitious customer centric culture targets being met and delivering positive customer outcomes. Board and CEO/Executive proactively involved in meeting with customers and community members directly to hear issues and explore solutions.

	Capabilities				
	Elementary	**Emerging**	**Evolved**	**Empowered**	**Exceeding**
2. We will improve energy affordability for customers	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 that best meet their needs. Basic online tools and limited direct engagement available to help customers 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 that best meet their needs with monitoring and basic measurement and metrics in place for continuous improvement. Customer needs reflected in decision making, design of products, services, programs and policies related to affordability. Customer collaboration is sought on energy usage, pricing mechanisms and education/awareness-based communications. Consultation mechanisms in place to address affordability issues with customer advocates/community representatives.	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, design of products, services, programs and policies related to affordability. Evidence of innovation being driven out of customer feedback analysis, advocacy* and affordability opportunities.	Investment decisions demonstrably optimised for the benefit of the customers by working cooperatively across the supply chain. Collaboration with customers, advocates/community representatives to address affordability issues. Customer feedback demonstrates that energy services are considered to be good value.
3. We will provide energy safely, sustainably and reliably	Basic management system in place to meet safety regulatory requirements. Oversight is focused on compliance.	Comprehensive management system in place to meet safety regulatory requirements. Safety and wellbeing incident reporting undertaken.	Safety standards operating above minimum required standards, with continual improvement measured. Proactive corporate safety and wellbeing initiatives in place and routinely attended by employees.	Safety standards operating above minimum required standards, with continual improvement measured. + Performance targets of Executives and Senior	Safety standards operating above minimum required standards, with continual improvement measured. + Culture of safety and well-being deeply embedded into business and its people at all levels.

Capabilities					
	Elementary	**Emerging**	**Evolved**	**Empowered**	**Exceeding**
	Safety policies and procedures inaccessible and/or require updates. Culture of incident non-reporting. Limited wellbeing initiatives in place for employees.	Reactive as opposed to proactive approach to safety and well-being issues.. Limited sharing of safety and well-being performance beyond key internal stakeholders.		Managers linked to accountability for embedding a culture of safety and wellbeing. Employees proactively engaged in in safety and well-being improvements and initiatives.	Best practice and innovative approaches to safety and wellbeing implemented and continuously improving with involvement of customers, community, and employees.
	Basic management system in place to meet environment and sustainability regulatory requirements. Policies and procedures inaccessible and/or require updates. Culture focused on operational and financial targets with little motivation for environment and sustainability. Culture of incident non-reporting.	Understanding of environment and sustainability impacts, however not integrated into business. Decisions on sustainability are based on a balance risk/reward (reputational basis) and culture is based on compliance. Limited sharing of performance beyond key internal stakeholders.	Environment and sustainability impacts managed and with some integration into the core business strategy. External reporting and transparency emerging and some targets set. Sustainability costs begin to be internalised and shared among processes and activities. Performance shared widely with internal stakeholders.	Established environment/sustainability goals, indicators, tracking and reporting established. Utilisation of benchmarking and reporting. Public commitments made. Performance regularly reported to senior management and with customers/external stakeholders. Evidence of customer and community environmental concerns being analysed in decision making.	Business recognised for leadership in environmental and sustainability. Demonstrating restorative action that enhances environmental resilience. Sustainability strategy and reporting is actively aligned to international sustainability and climate frameworks. Sustainability is leveraged as a strategic growth opportunity. Ambitious sustainability performance targets publicly committed. Transparent public reporting of positive and negative impacts. Evidence of customer and community environmental concerns influencing decision making.

Capabilities					
	Elementary	**Emerging**	**Evolved**	**Empowered**	**Exceeding**
	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. Investment in research and development (R&D) and pilot projects and evidencing how that research has influenced decisions.	Planned transition to a cleaner energy system has been developed and is being implemented in collaboration with government, other energy businesses, communities and other stakeholders. Roadmap considers equity, inclusivity and future skills required for a clean energy workforce.
	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 solutions to assess success and improvement of connection, service, and reliability. Involvement of customers and key stakeholders in providing feedback and solutions that affect them in relation to connection, service, and reliability.	Forward looking solutions implemented across the supply chain leading to optimised customer outcomes.

	Capabilities				
	Elementary	Emerging	Evolved	Empowered	Exceeding
4. We will improve the customer experience	Consideration of equity and inclusive customer outcomes is limited or informal.	Principles for equity and inclusive customer outcomes is formalised including adding value, transparency and "making it easy" for customers.	Principles for equity and inclusive customer outcomes are well understood and implemented. Customer and community engagement promotes trust and positive social impact.	Insightful lead and lag measures to assess equity and inclusive outcomes, the customer experience for innovation and continual improvement.	Customers agree they get equal and inclusive 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 having some access to their own data.	Design principles are reflected in all forms of communication with customers. Customers provided with useful information and tools with greater access to their customer data.	Customers encouraged to utilise their data with streamlined, portable and trustworthy access for improved decision making.	Customer experience exceeds customers' expectations. Optimised access and portability of data to empower customers to make energy decisions. Customer privacy goes beyond technical controls to build a holistic program that considers customer trust and experience.
	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 Limited quality assurance in place.	Complaints management and dispute resolution policies and processes the consider findings / recommendations of external bodies and/or evidence of audits undertaken. Simple monitoring and basic measurement metrics in place for continuous improvement.	Insightful analysis, measures and metrics in place to determine root cause(s) of complaints and disputes. Across the supply chain complaints handling processes in place with	Complaints and dispute resolution processes are accessible, coordinated and resolved across the supply chain as a one stop shop, within the context of an industry wide dispute resolution approach. Ambitious performance targets being met and processes in place for continuous improvement.

			Capabilities		
	Elementary	**Emerging**	**Evolved**	**Empowered**	**Exceeding**
			Customer needs and preferences drive product and service design. Some consideration of accessibility in service design.	performance reporting to senior management. Inclusivity and accessibility key features of service design.	Services accessible and inclusive to all people with focus on ease of experience, and options available to meet different needs and preferences.
5. We will support customers facing vulnerable circumstances	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 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. Potential short, medium, and long-term customer vulnerabilities are identified.	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.	Business participating in, and/or recognised for innovation and thought leadership on customer vulnerability. Overall positive outcomes measured and showing activity is actively reducing vulnerability risks, interrupting long-term vulnerability cycles and/or enhancing the capability and resilience of vulnerable customers/communities. Mechanisms in place across the industry and with critical service organisations to support customers/communities experiencing vulnerable circumstances.

*A note on advocacy

Energy Charter signatories are encouraged to advocate for improved customer and community outcomes – in line with the Principles of the Energy Charter – under their individual business names. In some instances, this may include collaborating with other signatories to progress policy outcomes, especially where aligned to #BetterTogether Collaborations.

However, the Energy Charter as a collective and secretariat, is not intended to be a policy advocacy body and does not formally participate in policy or political lobbying under the Energy Charter banner.

While lobbying and direct policy advocacy does not fall within the Energy Charter remit, the practice of facilitating and sharing customer research and insights, as well as enabling collaboration to define, implement and encourage better practice across the energy sector is a core part of the Energy Charter's DNA, and is considered an accepted and appropriate form of indirect customer advocacy.