



# Energy Charter

Disclosure Report 2024



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### Introduction

Ausgrid has participated in *The Energy Charter's* disclosure reporting from the beginning. This year our Disclosure Report 2024 will focus on Ausgrid's 2024 Sustainability Report for several key reasons:

- **Increased Accountability and public scrutiny:** The sustainability report ensures greater organisational accountability with Ausgrid's Executive Leadership Team involvement and CEO endorsement. The report is actively promoted with external partners and investors.
- **Auditability:** The reporting, assurance and governance processes applied to the sustainability report build organisational capability for future audits, providing a higher level of transparency and trust.
- **Alignment with International Standards:** Ausgrid's sustainability reporting will align with international standards, enhancing our credibility and commitment to global best practices.
- **Customer feedback:** Our customer advocates encouraged us to explore alternative solutions that support value for customers while still providing transparency and accountability.

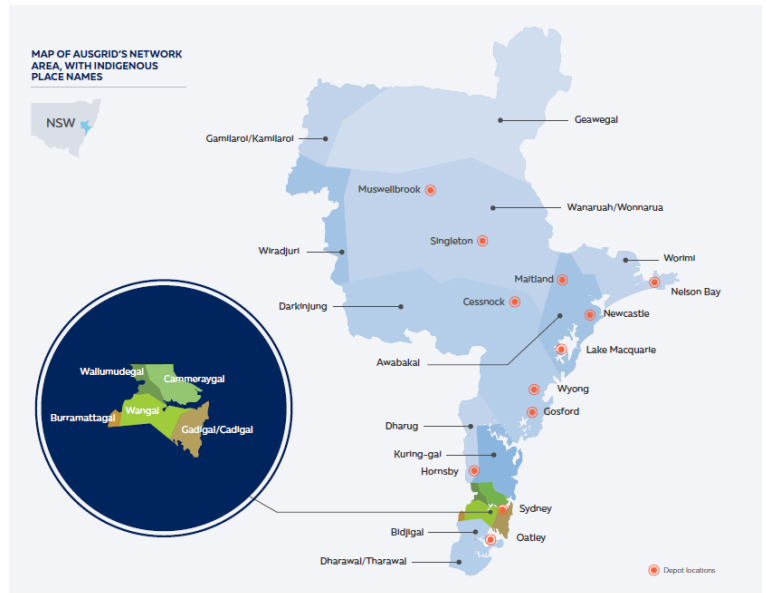
To avoid duplicating efforts and to continue minimising costs for our customers, we have chosen Ausgrid's 2024 Sustainability Report as our primary reporting mechanism. We will provide a brief Energy Charter Disclosure Report that includes our self-assessment in the maturity index and directs readers to the relevant sections of Ausgrid's 2024 Sustainability Report. This approach ensures comprehensive reporting while maintaining efficiency and cost-effectiveness.

### Our customers and our communities

We provide electricity to 1.8 million customers, meaning over four million Australians rely on our services daily. Our network spans 22,275 square kilometres, covering the traditional lands of 17 First Nations language groups in Sydney, the Central Coast, and the Hunter regions of New South Wales. This extensive network includes urban, rural, and bushland areas, with nearly half of Sydney's private dwellings being medium or high density.

Our core business is electricity distribution. We are committed to supporting our customers by responding swiftly to major service disruptions and extreme weather events, which are becoming more frequent due to climate change. With the added pressures of climate change and rising living costs, our communities have expressed the need for us to enhance our efforts to achieve a resilient, affordable, and net-zero future.

For over a century, our team has managed a network of assets that connect communities and empower lives. As the largest electricity distributor on Australia's east coast, we service critical infrastructure, including schools and hospitals, through a network of substations, power lines, underground cables, tunnels, and power poles. We also support the transition to net zero by preparing the network for further electrification and integrating renewable energy sources. Our head office is located in Sydney, NSW.



## 2023-24 Customer and community highlights

- **Electricity Safety Week:** Reached 813 primary schools, engaging over 4,800 students with the help of 75 volunteers.
- **Community Giving Grants:** Granted \$125,000 to 35 organizations, supporting various community initiatives, including First Nations organisations.
- **The Energy Charter Initiatives:** Participated in #BetterTogether initiatives, including programs for CALD communities and cost of living support.
- **Reputation Monitoring:** Community score stable at 69.3; stakeholder survey participation increased, but scores declined.
- **First Nations Engagement:** Supported First Nations communities with donations and integrating local stories and art on community assets.
- **EWON Complaints:** Reduced complaints by 5.34% from FY23 and 29.14% from FY21; 91% of cases resolved without investigation.
- **Hazard Reporting:** Launched a new website service for public hazard reporting with photo uploads.
- **Outage Communication:** Continued development and partial implementation of the OneNetwork program for real-time outage updates and implemented new SMS notification service.
- **Connections Excellence Program:** Established to improve customer and employee experience, making processes more transparent and efficient.
- **Customer Assistance:** Received 13 applications for assistance, with timely follow-ups and completion, supporting vulnerable customers.
- **Customer Service Incentive Scheme:** Co-designed with customers to enhance services and tie financial rewards to critical outcomes.
- **Community Education:** Participated in EWON's Redfern Community Assist Day and Hunter Homeless Connect, providing advice on energy concessions.
- **Solar Connections:** Connected 30,000 customers with solar, totalling 264,000 solar customers and 1,860 MW capacity.
- **Battery Energy Storage Systems (BESS):** Installed three pole-mounted batteries and seven community batteries; explored grid-scale batteries.
- **EV Fleet:** Rolled out heavy EVs and expanded the passenger EV fleet, aiming to electrify 900 vehicles over the next five years.
- **Standalone Power Systems (SAPS):** Began construction of seven SAPS, aiming to increase reliability and reduce maintenance costs.
- **Microgrid Construction:** Started building the first microgrid in Merriwa to provide off-network supply during extreme weather outage

# Reporting against The Energy Charter Principles

## Principle 1: We will put customers at the centre of our business and the energy system

Ausgrid’s refreshed strategic approach puts customers at the centre of decision making. Our focus for FY24 was improving access for customers to participate in the energy transition. To do this, we are supporting growth in electrification in homes and business and increased availability of EV chargers for those without parking to improve EV ownership equity as well as range anxiety.

### 2023-24 Commitments.

2023-24 commitment	Delivered	Sustainability report section	Page
Increase installation of community storage, with <5MW batteries at 1-2 hours located in our substation as well as grid scale batteries.	✓	Material topic 4: Energy transition	Pages 27-31
Utilise existing network infrastructure to enable the growth of EV charging infrastructure in targeted areas.	✓	Material topic 4: Energy transition	Page 32
Implement a Customer Service Incentive Scheme (CSIS) that we designed with customers.	✓	Material topic 2: Customer experience	Pages 21, 23

### Maturity Assessment

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Evolved	Empowered	Empowered	Exceeding	Exceeding

## Principle 2: We will improve energy affordability for customers

As an essential service provider, we at Ausgrid know how important it is to keep electricity accessible and affordable. With network charges making up about 29% of a residential bill in FY24, we're focused on being efficient and using new technologies to keep costs down.

We regularly engage with our customers to understand their needs, which helps us manage network costs effectively. Our regulatory framework ensures our prices reflect efficient costs. Our Pricing Working Group and Customer Consultative Committee (CCC) help us create fairer, more flexible tariffs and provide valuable advice.

We're reforming tariff structures to distribute costs fairly and give smart meter customers more control over their bills. Demand tariffs, which reflect peak demand costs, help reduce overall network costs. We're also improving our communication materials to help customers understand their bills better.

For those facing financial difficulties, we offer support through our Customer Assistance Framework, helping with payments for safety rectification work, network damage, or safety equipment rental, ensuring flexible debt management.

### 2023-24 Commitments.

2023-24 commitment	Delivered	Sustainability report section	Page
Continue our focus on operational efficiencies.	✓	Material topic 3: Access and affordability	Page 25
Support the proposed regulatory changes for an accelerated smart meter rollout so more customers have access to flexible and cost reflective network tariff options.	✓	Material topic 3: Access and affordability	Page 25
Work with retailers to promote the pass through of our network price signals to customers where appropriate.	✓	Material topic 3: Access and affordability	Page 25
Continue Behaviour Demand Response (BDR) and network infrastructure trials to increase customers choice on how they use electricity and increase distribution of renewable energy	✓	Material topic 4: Energy transition	Page 27

### Maturity Assessment

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Evolved	Evolved	Empowered	Empowered	Exceeding

**Principle 3: We will provide energy safely, sustainably and reliably**

On May 13, we experienced a tragic incident where an employee suffered a fatal fall while working from height. In response, we immediately paused all overhead work involving climbing, with few exceptions, and are now carefully resuming these activities. Despite this tragic incident our teams have continued to focus on delivering energy for our customers, reducing our impact on the environment and helping our customers to reduce their emissions.

Due to this incident, we have self-assessed our safety performance from Exceeding in 2022-23 to Empowered in 2023-24.

In FY23, we committed to “prepare for future International Sustainability Standards Board (ISSB) disclosure”. This preparation began during 2023-24 and is continuing. The Australian Accounted Standards Board has adopted ISSB – S1 (sustainability) and S2 (climate), so in Australia they are now referred to as AASB S1 and S2. Ausgrid will report on AASB S2 from FY26 onwards, in line with Australian Federal Government requirements.

**2023-24 Commitments.**

2023-24 commitment	Delivered	Sustainability report section	Page
Boost EV charging accessibility and do more to improve equity in the delivery of EV chargers	✓	Material topic 4: Energy transition	Pages 27-31
Scope 1 and 2 CO2e reduction relative to FY20 baseline: 50% by 2030.	✓	Material topic 4: Energy transition	Page 28
Improve our measurement of scope 3 emissions	✓	Material topic 4: Energy transition	Page 28
Net zero by 2045 for our scope 1, 2 and 3 emissions.	✓	Material topic 4: Energy transition	Page 28
Continue implementation of our Modern Slavery roadmap.	✓	Material topic 9: Supply chain and human rights	Page 46

**Maturity Assessment**

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Evolved	Evolved	Empowered	Exceeding	Empowered



## Principle 4: We will improve the customer experience

In FY24, our Group Executive – Customer, Assets and Digital led our continuous improvement efforts, supported by our CCC and Customer Teams who use feedback to enhance customer interactions. The Board receives regular updates on key service metrics. We aim to improve network connections through our Connections Excellence Program, reducing timeframes and aiding construction milestones.

We offer multiple communication platforms, including a contact centre, website, email, and social media. Our complaint resolution process aligns with Australian standards, ensuring customer satisfaction. The ‘Always On’ Voice of Customer Program collects data to inform business decisions and quickly address customer issues, enhancing their experience.

### 2023-24 Commitments.

2023-24 commitment	Delivered	Sustainability report section	Page
Commence delivery of our three-year CEP – improving the connections process.	✓	Material topic 2: Customer experience	Page 22
Implement our SMS 'Going paperless', end to paper communications program	✓	Material topic 5: Network and community resilience	Page 33
Undertake CRM enhancements to provide a more seamless customer experience.	✓	Material topic 2: Customer experience	Page 22

### Maturity Assessment

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Evolved	Empowered	Empowered	Empowered	Empowered

## Principle 5: We will support customers facing vulnerable circumstances

Ausgrid is dedicated to supporting customers who are facing challenges, particularly with the increasing cost of living. Although retailers handle customer billing, we help customers understand how to reduce their energy costs and what support options are available. We are committed to providing timely and effective assistance through a dedicated team that continuously improves our response processes. This team offers compassionate and comprehensive support tailored to individual needs.

This year, we participated in several community events, such as the EWON's Redfern Community Assist Day and Hunter Homeless Connect, where we provided advice and support about energy concessions to customers in Sydney and Newcastle. We also attended regional events like the TOCAL field days, Bengalla Upper Hunter Show, and Merriwa community events to assist customers with their queries and demonstrate how to access available support.

### 2023-24 Commitments.

2023-24 commitment	Delivered	Sustainability report section	Page
Respond to all enquiries within 5 days, hold a meaningful assistance discussion with the customer within 10 business days of referral and complete all applications within 30 days.	✓	Material topic 2: Customer experience	Page 23
Partner with Mindaroo to develop Resilience plans for communities at risk from both climate change and vulnerability.	✓	Material topic 5: Network and community resilience	Page 33
Uplift in assisting people who are experiencing hardship through a commitment to fund the proposed Financial Counselling Scheme and providing support for EWON community days.	✓	Material topic 3: Access and affordability	Page 26
Commit to 2024 Voices for Power CALD train the trainer energy literacy and safety program	✓	Material topic 1: Community engagement	Page 20

### Maturity Assessment

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Evolved	Evolved	Empowered	Empowered	Empowered