

# Wired for good

Ausgrid Group  
FY24 Sustainability Report



# About this report

This publication sets out the Ausgrid Group's environmental, social and governance (ESG) risks, ambitions and performance in accordance with our values, purpose, vision and strategic priorities.

We aim to uphold transparency and have developed our sustainability reporting using internationally recognised frameworks. This report is produced in accordance with the requirements of the Global Reporting Initiative (GRI).

An external assurance provider has not been engaged for this report. We have internal governance and processes in place to ensure that the information contained within this publication is factually correct. The Executive Leadership Team (ELT) has approved this report, and presented it to the Board.

This is our sixth annual GRI sustainability report and reflects our performance for the financial year from 1 July 2023 to 30 June 2024. It is intended to be read in conjunction with the **FY24 ESG Data Book**, available on the Ausgrid website.

The information contained within this report relates to the Ausgrid Group, which includes Ausgrid and PLUS ES. This is the first time that we have produced a combined report.<sup>1</sup>

## Contact

We welcome your feedback on this report and sustainability at the Ausgrid Group.

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## ESG reporting suite

Our annual sustainability report is one of several ESG disclosures. Please refer to the [Ausgrid website](#) to access publications covering topics such as modern slavery, climate change, community engagement, and inclusion and diversity.

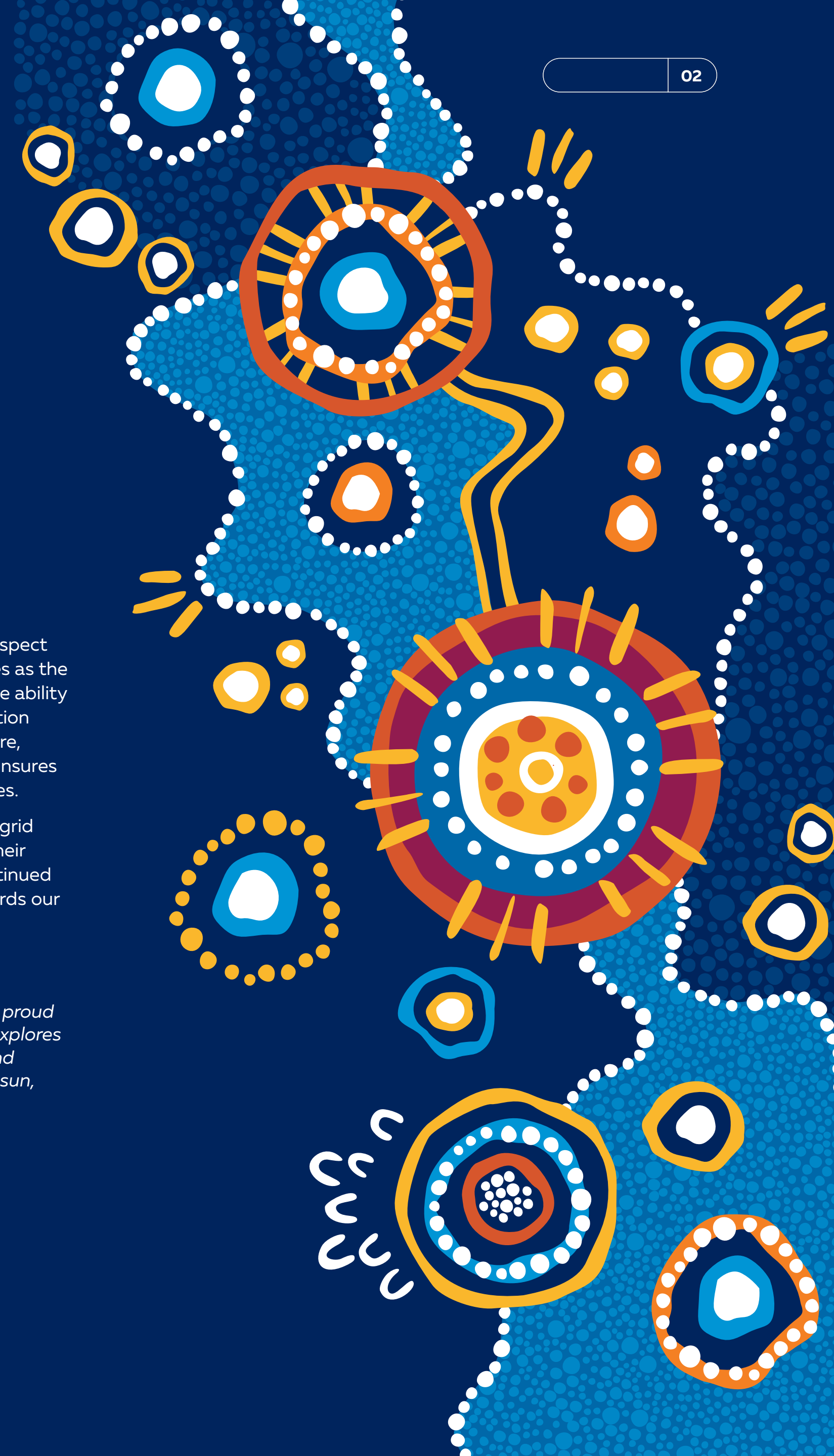
<sup>1</sup> We have sought to clarify where information is limited to either Ausgrid or PLUS ES, as opposed to both entities within the Ausgrid Group.

## Acknowledgment of Country

The Ausgrid Group acknowledges and pays respect to Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of this land, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past, present and future, understanding their knowledge and wisdom ensures continuation of culture and traditional practices.

We acknowledge the contributions of the Ausgrid Group's First Nations employees for sharing their knowledge and experiences, and for their continued work within the organisation to move us towards our future aspirations.

*Artwork designed by Charmaine Mumbulla, a proud Kaurna and Narungga woman. The artwork explores the dynamic relationship of energy sources and pathways on Country for Aboriginal People – sun, lightning, and fire.*



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## Supplement

[Ausgrid Corporate Governance – Overview](#)

# Good for our communities

## Year in review

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# FY24 highlights



Australia's first electric vehicle charger connected to a community battery



Ausgrid community batteries installed



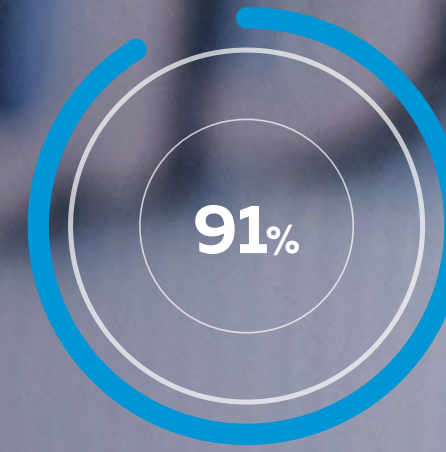
public electric vehicle chargers (70 charging points) installed on Ausgrid poles and kiosks



of embedded PV generation connected to Ausgrid's network



in annual network charge savings per Ausgrid residential customer since 2014



Ausgrid contact centre first contact resolution



of the Ausgrid Group's people completed Modern Slavery Training



(nominal) secured for local network resilience investments for Ausgrid's network over FY25-29



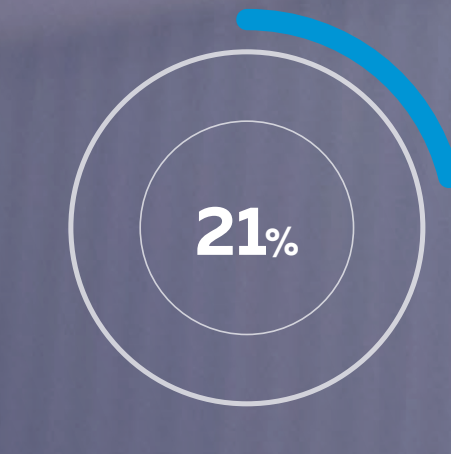
in Ausgrid Group grants to support locally-led community organisations



of Ausgrid Group waste avoided by recycling surplus or redundant equipment and materials



53 apprentices, 7 interns and 19 graduates recruited for Ausgrid



improvement in Ausgrid Group Lost Time Injury Severity Rate on FY23 (down to 52.6 in FY24)



of the Ausgrid Group's people responded positively on inclusion and diversity in our MySay survey



Ausgrid Group malicious, phishing and spam emails blocked



# Message from the Chairman and CEO

**Wired for good.** In FY24 we were pleased to launch our refreshed Business Strategy. In recent years we have worked hard and made difficult decisions to set ourselves up for success, deliver for our customers, and prepare the Ausgrid Group for growth.

The refreshed Business Strategy captures the passion of our people to deliver for our customers and builds on our strengths as a network to provide a platform that advances the energy transition. It is about delivering on our core role, accelerating our growth where sensible and contributing to a net zero future at the lowest cost possible. Over the next decade, Ausgrid will move beyond just distributing electricity to transmitting it, storing it and enabling vehicles to be charged with it. More than a network, we are a company driven by our purpose to make electricity accessible for all.

The role we now play is more important than ever as our communities, stakeholders and partners call on us to help balance the cost of living with Australia's decarbonisation ambitions. The Ausgrid Group is uniquely placed to enable a faster, lower cost and more accessible transition for our customers, and we are excited to take on this challenge.

At the heart of this change in electricity distribution is the intersection of renewable energy sources with changes in grid storage and two-way energy flows. The Ausgrid Group has several initiatives to support the uptake of more renewable energy.

Two key areas are our community batteries, as well as the roll-out of electric vehicle (EV) charging infrastructure across our network. In an Australian first, this year Ausgrid installed a community battery connected to an EV charger in Bexley North so local residents and visitors can utilise the solar generated in their area to charge their cars.

In 2024 we also received the outcome of our Regulatory Reset from the Australian Energy Regulator (AER), giving us certainty over the regulated part of our business for the next five years. This allows us to focus on our strategy to contribute to a net zero future by: augmenting the network to allow more customer energy resources like solar, batteries and electric vehicles to connect to the network; providing tariffs that will encourage customers to use the network more efficiently; and prioritising innovation to keep pace with the energy transition. For the first time, the AER approved funds to support our investment in making the network more resilient to climate change. This result follows two-and-a-half years of consultation with our communities on the services that customers value. We were told that they want

us to do more than just deliver safe and reliable energy services. Our customers also want a more innovative and resilient grid that delivers better value and supports the transition to net zero.

We continue to strive to improve our customers' experience. We are proud that this year, not only did Ausgrid have fewer complaints to the Ombudsman per customer than any other electricity distributor, and over 90% of complaints received by our Contact Centre were resolved in less than 20 days. We are also proud that Ausgrid is delivering a cost-efficient service. Despite the rising inflation of the last few years, our annual network charges to customers are still on average \$228 less than they were ten years ago.

The safety and wellbeing of our employees, contractors and communities remains our utmost priority as we carry out our essential work. So, it is with great sadness that we acknowledge a serious incident that resulted in the tragic death of an Ausgrid employee in May. Grant Kemenade was a highly valued and experienced member of our team, and our thoughts remain with his family, friends and colleagues.



None of our achievements would be possible without the Ausgrid Group's people. It is their passion to deliver good outcomes that has built Ausgrid's reputation. We are proud that 69% of our workforce have been with our business for more than 10 years. As well as retaining top talent, we continue to ensure our workforce is fit for the future, this year with 282 new starters, including 19 graduates and 53 apprentices. We have also achieved our highest employee engagement score to date, with 69% in FY24. This puts us just ahead of the Australian utilities benchmark of 68% for the first time and is a 19-point improvement on our first survey in FY21. We still have a way to go, but we are delighted with the progress we have made and our continued improvement each year.

This FY24 Sustainability Report highlights our performance over the past year, supported by our Business Strategy. For the Ausgrid Group, sustainability is about creating long-term value for our customers and shareholders, looking after our people, and ultimately ensuring the resilience of our business. It's good for the community, good for customers and good for the environment.

Over the next 12 months we look forward to finding new ways of continuing to deliver on our vision for our communities to have the power in a resilient, affordable and sustainable future.

**Dr Helen Nugent AC**  
Chairman

**Marc England**  
Chief Executive Officer

# Good for our business

## Our business

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# Our organisation

The Ausgrid Group is a private partnership (non-listed) that is jointly owned by IFM Investors (25.2%), APG Asset Management Group (16.8%), AustralianSuper (8.4%) and the State of New South Wales (NSW) (49.6%) (via the Electricity Retained Interest Corporation or 'ERIC') under a long-term lease.

## Ausgrid

For over a century, our people have overseen a network of assets that connects communities and empowers customers' lives. We are the largest electricity distributor on Australia's east coast, providing electricity to 1.8 million customers. That means, over four million Australians from diverse demographics rely on us daily. These customers encompass households, councils and businesses. We service critical infrastructure within our network footprint, including schools and hospitals.

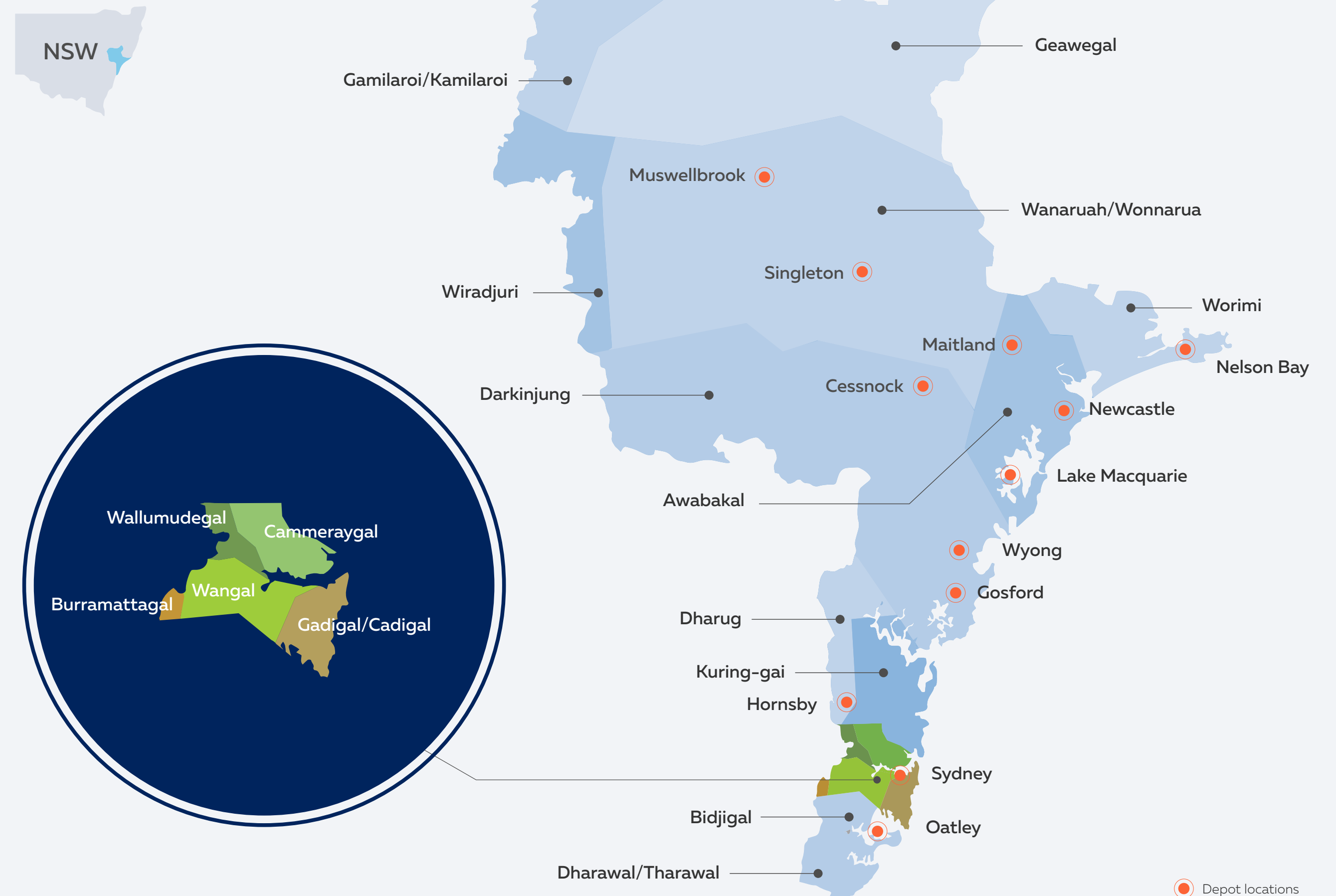
The Ausgrid network comprises substations connected through high- and low-voltage power lines, underground cables, tunnels and power poles, spanning 22,275 square kilometres throughout Sydney, the Central Coast and the Hunter Valley.

Our people manage diverse operations including infrastructure construction and maintenance, customer connections, street lighting and telecommunications. Ausgrid's role is also to support the transition to net zero, ensuring the network is ready for further electrification and a future where renewables play a significant role in the power mix.

The Ausgrid head office is in Sydney, NSW.

**Over four million Australians from diverse demographics rely on us daily.**

MAP OF AUSGRID'S NETWORK AREA, WITH INDIGENOUS PLACE NAMES



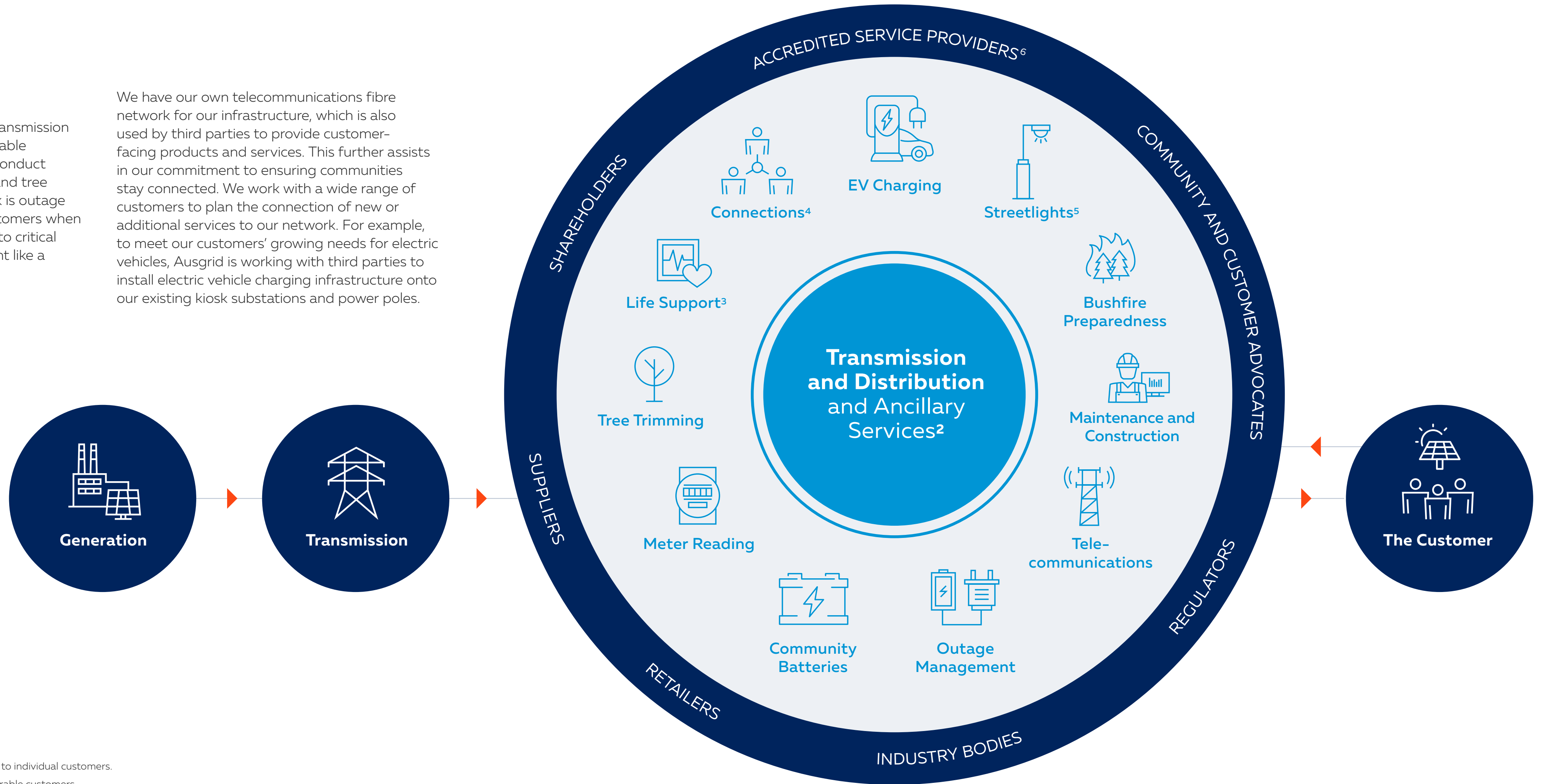


Our organisation (continued)

**Ausgrid value chain**

Ausgrid's core business is electricity transmission and distribution. To provide a safe, reliable and resilient network, we continually conduct maintenance, bushfire preparedness and tree trimming. An integral part of this work is outage management and supporting our customers when experiencing a service disruption due to critical maintenance or responding to an event like a storm.

We have our own telecommunications fibre network for our infrastructure, which is also used by third parties to provide customer-facing products and services. This further assists in our commitment to ensuring communities stay connected. We work with a wide range of customers to plan the connection of new or additional services to our network. For example, to meet our customers' growing needs for electric vehicles, Ausgrid is working with third parties to install electric vehicle charging infrastructure onto our existing kiosk substations and power poles.



**KEY**

- Ausgrid
- Third party

2 Ancillary Services. Non-routine services provided to individual customers.  
 3 Life Support. Keeping the power on for our vulnerable customers.  
 4 Connections. These include solar panels, emerging technologies such as batteries, connecting new customers and upgrading existing customers.  
 5 Streetlights. Maintenance to keep our communities safe and upgrading to LED for more energy efficiency.  
 6 Accredited Service Providers. Third parties authorised to work on or near our network on behalf of customers.

Our organisation (continued)

**PLUS ES**

Launched in late 2017, PLUS ES helps businesses in New South Wales, Queensland, South Australia, Victoria and Tasmania to optimise energy consumption through advanced data delivery and end-to-end energy infrastructure solutions. PLUS ES provides expertise and delivers infrastructure services for contestable metering, telecommunications and energy industries in Australia.

The PLUS ES head office is in Sydney, NSW.

PLUS ES is ring-fenced from the regulated Ausgrid distribution network business.<sup>7</sup>



<sup>7</sup> Ring-fencing refers to the separation of the regulated and competitive business activities of an electricity network service provider.

# FY24 overview

## Ausgrid

**3,039**  
employees<sup>8</sup>

**24,431**<sub>GWh</sub>  
of power supplied

**515,101**  
power poles

**259,328**  
streetlights

**22,275**<sub>KM</sub>  
of area supplied

**33,351**  
small substations

**230**  
large substations

**46,957**<sub>KM</sub>  
of powerlines and underground cables  
• 61% overhead  
• 39% underground

**1.8**<sub>M</sub>  
customers  
• 1.6M households  
• 0.2M businesses

**4**  
customer and stakeholder consultative committees

**\$855**<sub>M</sub>  
supply chain spend

## PLUS ES

**72**  
employees<sup>9</sup>

**6**  
Australian States and Territories serviced

**1.7**<sub>B</sub>  
smart meter readings

**>1**<sub>M</sub>  
smart meters installed

**\$237**<sub>M</sub>  
supply chain spend

<sup>8</sup> Includes Ausgrid, Distribution Services and Emerging Energy Solutions employees under the Enterprise Agreement or individual contract. Excludes PLUS ES, labour hire and contractors.

<sup>9</sup> Includes PLUS ES employees under individual contracts. Excludes Emerging Energy Solutions, Distribution Services, labour hire and contractors.

# Ausgrid Group Business Strategy

## Our purpose

**Making electricity accessible for all.**

## Our vision

Our vision is for our communities to have the power in a resilient, affordable and sustainable future.

## Our values

- Work safe, live safe
- Customer-focused
- Commercially minded
- Collaborative
- Honest and accountable
- Respect

## Our refreshed Business Strategy

This year we refreshed the Ausgrid Group Business Strategy to build on our role as a network platform to enable and advance the energy transition. We are expanding our core business, accelerating our growth and contributing to a net zero future through six focus areas. The Board and ELT are responsible for defining our vision and strategic direction; and provide governance and oversight to achieve it.

## FOCUS AREAS

We have identified six focus areas to further evolve our existing core business.

<p><b>Efficiency</b></p> <p>Continue to lift efficiency across our core business</p> <p>Reduce the cost of an essential service</p>	<p><b>Electrification</b></p> <p>Enable and accelerate electrification</p> <p>Lower total energy bills</p>
<p><b>Renewable energy zones</b></p> <p>Become a leading player in the development of new transmission</p> <p>Link households &amp; businesses to renewable electricity</p>	<p><b>Battery storage</b></p> <p>Support the network with batteries and develop storage as a service</p> <p>Accessible low-cost storage</p>
<p><b>Electric vehicle charging infrastructure</b></p> <p>Encourage EV adoption by building and operating a fleet of curbside EV chargers</p> <p>Accessible 'EV' charging</p>	<p><b>Better value</b></p> <p>Innovate to commercialise the public assets we manage for new uses</p> <p>Revenue offsets bills</p>

Descriptor Outcome

## STRATEGIC GOALS

We also introduced six new strategic goals.

<p><b>Building an engaged workforce</b></p> <p>Build a safe, engaged and highly capable team, guided by a clear purpose.</p>	<p><b>Driving electrification</b></p> <p>Increase the share of energy provided by electricity.</p>
<p><b>Building our trusted brand</b></p> <p>Earn the reputation we need to have customer support to pursue our goals.</p>	<p><b>Providing efficient infrastructure</b></p> <p>Minimise what we need to build by integrating new load outside of peak; when we do need to build, do so efficiently.</p>
<p><b>Decarbonising the energy system</b></p> <p>Enable the transition from fossil fuels to firm renewables.</p>	<p><b>Growing shareholder value</b></p> <p>Generate returns to support enterprise value growth.</p>

# Delivering for customers

## The outcome of Ausgrid's 2024-29 Regulatory Reset


Every five years, we submit a proposal to the Australian Energy Regulator (AER) outlining our plans for serving our communities in the five years ahead, including our planned expenditure and pricing. The AER reviews and consults on our proposal to ensure it reflects the services our customers value at the lowest sustainable cost. This process is known as a 'Regulatory Reset'. Our 2024-29 Regulatory Proposal was shaped by extensive consultation with our residential and business customers, delivery partners, and other stakeholders such as customer advocates and government agencies.

### AUSGRID'S 2024-29 REGULATORY PROPOSAL ON A PAGE

 <p><b>Improving customer experience</b></p> <p>More timely and accurate outage information</p> <p>Making connection processes easier and increasing support for our delivery partners</p> <p><b>\$21m</b></p>	 <p><b>Transforming the grid</b></p> <p>Introducing pricing arrangements that empower customers and support net zero (see our <b>Tariff Structure Statement</b>)</p> <p>Prioritising innovation and continued transformation through modernising our systems</p> <p><b>\$135m</b></p>	 <p><b>Delivering net zero</b></p> <p>Connecting 700,000 customer energy assets (including rooftop solar systems, batteries and electric vehicles)</p> <p>Investing to allow another 1 million customer energy assets to connect beyond 2029</p> <p><b>\$59m</b></p>	 <p><b>Building resilience</b></p> <p>Protecting against cyber-attacks by implementing industry best practice safeguards</p> <p>Reducing the impact of outages caused by severe weather and supporting community resilience</p> <p><b>\$129m</b></p>	 <p><b>Safety and reliability</b></p> <p>Ensuring the safety of our people and the community</p> <p>Maintaining the performance of our 5 million network assets</p> <p><b>\$1,587m</b></p>	 <p><b>Connecting customers</b></p> <p>Expanding network capacity to accommodate growth</p> <p>Connecting 55,000 new homes and businesses</p> <p><b>\$191m</b></p>	 <p><b>Diversity and Inclusion</b></p> <p>Delivering our Reconciliation Action Plan (RAP)</p> <p>Improving services for culturally and linguistically diverse (CALD) customers</p> <p>Exceeding our employee diversity targets</p>
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**Legend** ● Increasing priorities ● Continuing priorities

### AER, FINAL DECISION, APRIL 2024



**Final Decision**  
**Ausgrid Electricity Distribution Determination 2024 to 2029**  
 (1 July 2024 to 30 June 2029)

Overview

April 2024

AER AUSTRALIAN ENERGY REGULATOR

<https://www.aer.gov.au/industry/registers/determinations/ausgrid-determination-2024-29>

# Ausgrid Group leadership











Our Board, chaired by an independent Board member Dr Helen Nugent AC, assumes overall responsibility for the Ausgrid Group's corporate governance, overseeing the organisation's performance, our management, employees, and the interests of our shareholders and other stakeholders. The Board appoints the independent chairman and the other Board members are appointed by our shareholders in accordance with the organisation's constituent documents, considering relevant skillsets and experience. As at 30 June 2024, the Board had nine members comprising three women and six men.

Our ELT, led by CEO Marc England, provides a forum for oversight and endorsement of strategic and operational decisions on significant matters that affect the Ausgrid Group. This team monitors performance against a scorecard and the delivery of our strategy. The ELT also acts as a review mechanism for matters to be considered by the Board or Board sub-committees. In FY24, the ELT had nine members, comprising two women and seven men.

A profile on each current Board and ELT member can be found on the [Ausgrid website](#).

More information about the Ausgrid Group's corporate governance is set out in the **Ausgrid Corporate Governance – Overview**, attached as a supplement to this document




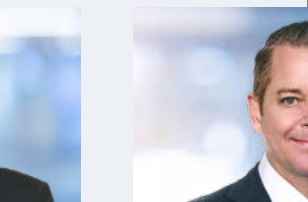
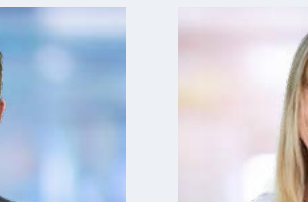



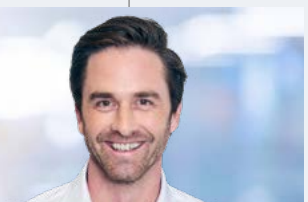
## AUSGRID GROUP FY24 BOARD

									
<b>Dr Helen Nugent AC</b> Independent Chairman	<b>Jason Peasley</b> Non-executive Director (AustralianSuper)	<b>Michael Hanna</b> Non-executive Director (IFM Investors)	<b>Michael Byrne</b> Non-executive Director (IFM Investors)	<b>Josh Crane</b> Non-executive Director (IFM Investors)	<b>Jay Ryu</b> Non-executive Director (APG Asset Management)	<b>Hans-Martin Aerts</b> Non-executive Director (APG Asset Management)	<b>Steven MacDonald</b> Non-executive Director (ERIC) <sup>10</sup>	<b>Gillian Brown</b> Non-executive Director (ERIC) <sup>10</sup>	<b>Belinda Gibson<sup>11</sup></b> Non-executive Director (ERIC) <sup>10</sup>

## AUSGRID GROUP FY24 BOARD COMMITTEES

<p><b>HEALTH, SAFETY AND ENVIRONMENT COMMITTEE</b></p> <p>Assists the Board to discharge its responsibilities in relation to work, health and safety matters, environmental matters, and related legal and regulatory compliance.</p>	<p><b>RISK COMMITTEE</b></p> <p>Assists the Board to discharge its responsibilities in relation to the risk management framework (including risk appetite), insurance program and compliance (including the Code of Conduct).</p>	<p><b>AUDIT COMMITTEE</b></p> <p>Assists the Board to discharge its responsibilities in relation to tax-related risk management, financial reporting, accounting policies, internal controls, and internal and external audit performance.</p>	<p><b>REMUNERATION COMMITTEE</b></p> <p>Assists the Board to discharge its responsibilities in relation to executive remuneration and succession planning.</p>
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## AUSGRID GROUP FY24 ELT

								
<b>Marc England</b> CEO	<b>Nigel Lowry</b> Group Executive – Legal, Governance and Property	<b>Rob Amphlett Lewis</b> Group Executive – Distributed Services and PLUS ES	<b>Patrick Boocock</b> Chief Financial Officer and Group Executive – Business Services	<b>Kelly Wood</b> Group Executive – Transmission Development and Growth	<b>Tim Jarratt</b> Group Executive – Market Development and Strategy	<b>Celina Cross</b> Group Executive – People and Culture	<b>Junayd Hollis</b> Group Executive – Customer, Assets and Digital	<b>Sam Sofi</b> Group Executive – Safety, Delivery and Operations
			<b>Edwin Waters</b> Acting December 2023 to March 2024		<b>Alex McPherson</b> Acting July 2023 to March 2024			
			<b>Michael Bradburn</b> Resigned December 2023					

<sup>10</sup> ERIC means the Electricity Retained Interest Corporation (NSW Government).

<sup>11</sup> Belinda Gibson retired from the Ausgrid Group Board on 4 May 2024. As at end June 2024, the Ausgrid Board had one ERIC Director vacancy.

# Ausgrid Group sustainability

The Ausgrid Group strives to be a sustainable business. We work safely and responsibly to deliver on our vision for our communities to have the power in a resilient, affordable, and sustainable future.

To be a sustainable organisation, we follow a set of overarching principles that guide our conduct in all business activities. These principles help us manage present and emerging ESG issues and create long-term value for our stakeholders:

- Supporting the organisation’s vision for our communities to have the power in a resilient, affordable, sustainable future.
- Supporting the achievement of our business plan and strategic goals by managing material risks to our business.
- Creating a social dividend through supporting the principles of our aligned United Nations (UN) Sustainable Development Goals (SDGs) and applying this in our decision making.
- Fostering stakeholder trust and improving our reputation by taking actions valued by our employees, customers and communities.
- Encouraging a culture of ethical behaviour that lives our values as outlined in our Human Rights Policy, Code of Conduct and External Partner Code of Conduct.
- Increasing business transparency to create legitimacy with our stakeholders.
- Building employee engagement through our sustainability initiatives.

We are committed to continually improving our performance on all material ESG issues. Ausgrid and Plus ESG’s guiding principles are set out in our Sustainability Policies.

Our ESG risks are integrated into our Enterprise Risk Register and managed through ownership by the ELT or individual Group Executive(s), with oversight of the Board. ESG metrics aligned to key strategic objectives are tracked on a regular basis through a Business Performance Report and frequently reported at Board meetings.

All parts of our business play a role in delivering a more sustainable future; and in recognising the importance of this work, the Ausgrid Group also has a dedicated Sustainability Team responsible for leading our sustainability strategy and being transparent about our performance.

## United Nations Sustainable Development Goals (SDGs)

The UN SDGs are core elements of the Ausgrid Group’s sustainability approach. In FY24, the Ausgrid Group developed 2030 goals, targets and metrics for our six aligned UN SDGs to show how our business supports these international ambitions. From FY25, we will begin reporting on our progress.



## CURRENT ESG RATINGS

**GRESB ESG rating:**  
**96/100** GRESB RATING ★★★★★

This year the Ausgrid Group received a 96/100 (5 star – the highest rating and recognition for being an industry leader) GRESB rating for 2023. The assessment is based on self-reported data. GRESB is a global ESG agency that rates Infrastructure Assets and Infrastructure Funds on their overall sustainability performance.

**Sustainalytics ESG rating:**  
**Low Risk 16.2**

The Ausgrid Group received an ESG rating of 16.2 from Sustainalytics in 2024, an improvement from 16.7 in 2023. Ausgrid Group is ranked 12th out of 245 electric utility companies in its peer group. In Sustainalytics’ ESG rating system, a lower score indicates stronger ESG performance. The assessment is based on publicly available information. Sustainalytics is a global ESG ratings agency that rates organisations on their overall sustainability performance.



Ausgrid Group sustainability (continued)

**Materiality assessment**

Materiality assessments help organisations identify and prioritise the ESG issues most relevant to their business and stakeholders. Undergoing this process assists us in shaping our sustainability approach and structuring how we report on ESG. We aim to deliver a comprehensive, GRI-compliant materiality assessment at least every three years. Led by external experts, our materiality assessments involve:

- Business current state analysis and external landscape assessment, complemented by a review of industry trends and peer benchmarking.
- Stakeholder engagement with internal and external subject matter experts and senior leaders.
- ELT validation.<sup>12</sup>

Annual refreshes are conducted in consultation with our Senior Leadership Team and ELT, to ensure our list of material ESG topics remains current.

**Changes in materiality this year**

In FY24 we conducted an annual refresh of our material topics. Key changes include updated definitions to refine scope and integrating 'Circular economy' into 'Environment and biodiversity'.

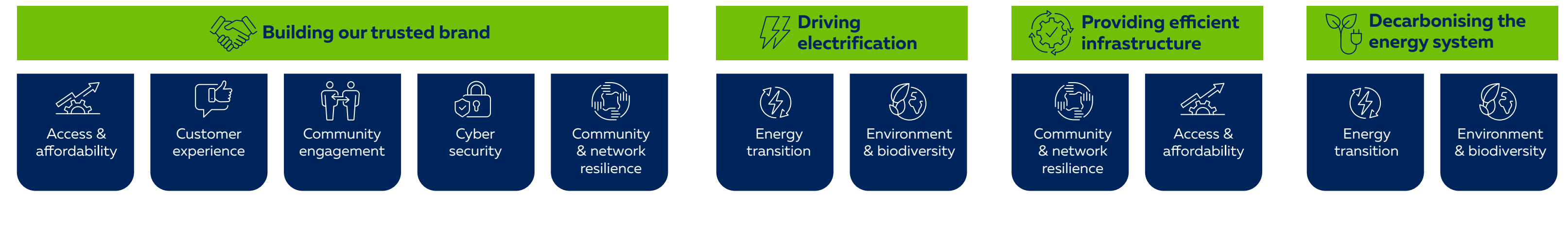
This year we also considered PLUS ES as part of our refresh.

**AUSGRID GROUP STRATEGIC GOALS, MATERIAL TOPICS AND UN SDGS**

**People**



**Purpose**



**Profit**



<sup>12</sup> In FY23, we incorrectly reported that the Board validated our materiality assessment. In FY24, the Board was informed of our material topics as part of their FY24 Sustainability Report review.



# Good for our world

## Our material topics

Community engagement	18	Diversity, equity and inclusion	39
Customer experience	22	Employee development, attraction and retention	43
Access and affordability	24	Supply chain and human rights	46
Energy transition	27	Environment and biodiversity	48
Network and community resilience	33	Cyber security	51
Health, safety and wellbeing	36		



MATERIAL TOPIC 1

# Community engagement

Continuing to build trust and social licence to operate by proactively engaging and collaborating with communities, including First Nations Australians.

## Why it is important to the Ausgrid Group

To enable our business to deliver value for all, it is important that we engage broadly and meaningfully, including with First Nations<sup>13</sup> communities. We aim to maintain our social licence by understanding what our customers want from our network now and into the future.

## How we manage community engagement

In FY24, our community engagement work was led by the Group Executive – Customer, Assets and Digital and the Group Executive – Market Development and Strategy. Ausgrid’s approach to engagement is embedded in the planning, construction, operation and maintenance of our electricity network. We recognise that every community is different, and we apply flexible, scalable and adaptable engagement activities to suit individual projects.

The Ausgrid Community Engagement Policy guides how we work with our communities and is informed by the International Association of Public Participation (IAP2) spectrum, relevant regulatory guidance and obligations, and industry best practice.

Ausgrid’s engagement practice is maturing through increasing collaboration between engagement practitioners across the business and is supported by an internal Community of Practice.

## WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



## FY24 PERFORMANCE AGAINST TARGETS

69.3 Ausgrid RepTrak community score (FY24 target = 68.9)



We endeavour to communicate openly to inform people about our activities and decisions, and we create opportunities to involve the community in decisions that affect them. Our integrated project teams strive to develop mitigation measures to minimise impacts of activities and maximise outcomes for communities.

Ausgrid seeks to work alongside a broad range of customers to co-plan for the future. This is enabled by various customer advocacy committees. Members are appointed to represent the views of our full-customer base across our network, including those who are often under-represented. First Nations engagement is an increasing focus area for our business. We want to learn more from these community members by working with them. We have a dedicated Senior Cultural Heritage Officer driving this and our Stakeholder and Engagement team coordinate engagement with Local Aboriginal Land Councils to establish ongoing and meaningful relationships with First Nations communities. Our approach focuses on first understanding key aspirations and challenges, to identify how Ausgrid can support communities.



<sup>13</sup> When referring to First Nations Peoples in this report, the Ausgrid Group recognises Aboriginal and Torres Strait Islanders as Australia’s First Peoples.

Community engagement (continued)

**Ausgrid customer advocacy committees**

**Customer Consultative Committee**

This group provides a forum where customer advocates can advise and challenge Ausgrid to maintain a customer-centric business. It has three sub-committees that provide in-depth advice and feedback on specific topics:

**Pricing Working Group** – assists Ausgrid in developing its approach to tariffs to provide flexibility for customers to lower their bills.

**Network Innovation Advisory Committee** – assists Ausgrid in driving our \$20 million network innovation program for the 2024-29 period. This informs decisions about customer energy resource trials and the management of new technologies within our network.

**Reset Customer Panel** – assisted Ausgrid through the development of our 2024-29 Regulatory Proposal on behalf of our customers. This independent panel drew primarily from members of the Customer Consultative Committee, with an independent chair and its own resourcing to ensure independence and robust feedback. This panel's engagement concluded in January 2024.

**Voice of Community (VoC) panel**

Our 'citizen jury' style panel was comprised of 86 randomly selected members of the public who represented the diverse range of household customers we serve across the Ausgrid network. This panel helped to inform our 2024-29 Regulatory Proposal and concluded in October 2023.

**PRINCIPLES**

Our engagement principles are:

**Accountable**

Do what we say we will do, and encourage customers and stakeholders to hold us to account

**Inclusive**

Provide information from customers' and stakeholders' perspective in a convenient, timely and accessible format

**Collaborative**

Partner in the design of alternative options and the preferred outcome where possible

**Dynamic**

Be progressive, open to new ideas, and prepared to change based on feedback from customers and stakeholders

**Transparent**

Be as open as possible on the role of stakeholders and customers in the decision-making process

We engage with Federal and State governments, local councils, water authorities, regulators, industry peers, customer advocacy organisations, emergency response partners and research institutions to consider the current and future needs of our customers in our decision making.

We also undertake engagement with the broader community through consultation on specific initiatives, including major infrastructure and innovation projects. Our approach is tailored and may include a range of communication tools such as printed letters, onsite events, digital engagement tools, surveys, contact centre calls, website, direct and bulk email, social media and SMS alerts.

We measure the success of our engagement through RepTrak, an external independent agency. RepTrak conducts Ausgrid's annual stakeholder survey and monthly 'community' surveys. The survey is conducted annually in May for four weeks with stakeholders who hold relationships with Ausgrid at a strategic level – customer advocates, government representatives, councils, Accredited Service Providers (ASPs), major customers, and retailers. The monthly community survey seeks responses from a representative sample of Ausgrid's customers from the general public. Both surveys monitor progress against key reputational drivers such as conduct, citizenship, products and services. Results are reported to the Board and allow us to benchmark ourselves within the energy sector.

**FY24 HIGHLIGHTS**



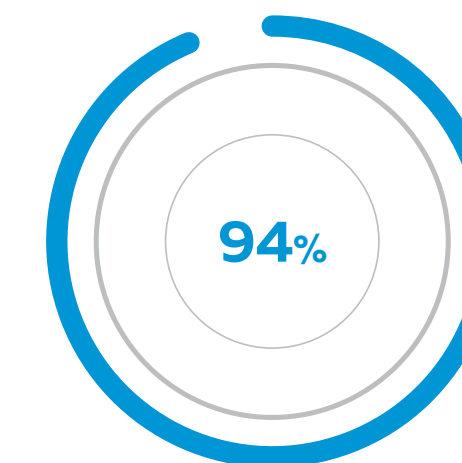
Establishment of an Ausgrid engagement Community of Practice



Wrap-up of over 2 years of community engagement on Ausgrid's 2024-29 Regulatory Proposal



\$125k in Ausgrid Group grants to support locally-led community organisations



94% of primary schools in our network participated in Ausgrid's Electricity Safety Week program

**“We recognise that every community is different and we apply flexible, scalable and adaptable engagement activities to suit individual projects and communities.”**

Community engagement (continued)



## Engaging the next generation on electricity safety

In FY24 our Electricity Safety Week program reached 813 (94%) primary schools in our network. Thanks to the 75 Ausgrid volunteers who supported our 2023 program, our people spoke to over 4,800 students at over 40 primary schools. Ausgrid is proud to have delivered this program since 2002, educating children about electricity and its potential dangers. The program material and teaching resources align with the NSW K-6 Syllabus. This program gives students the opportunity to learn through fun and interactive presentations, which offer a great introduction to electrical safety.

### What we did this year

#### New engagement Community of Practice

In FY24 we launched an internal Ausgrid Community of Practice to enable cross-organisational collaboration. The purpose of this group is to empower Ausgrid’s people to deliver engagement excellence and meet community expectations, manage risk to project delivery, and build our reputation. The Community of Practice facilitates knowledge, experience, and resource sharing.

#### Community Giving Grants

We seek to be a positive contributor to our communities. In FY24, the Ausgrid Group granted \$125,000 through our Community Giving Grants program, to support 35 organisations across the Hunter, Central Coast and Sydney that were nominated by our employees. These grants have seen us support vulnerable women, increase women’s participation in local sport, facilitate local First Nations groups to better support their community, and much more.

#### Delivering better energy outcomes for customers and communities

As a signatory member of The Energy Charter since 2019, Ausgrid works with other energy providers and customer and community groups to deliver customer-led solutions that meet the changing needs of customers and communities as part of the energy transition. In FY24, Ausgrid continued to participate in #BetterTogether initiatives, including the Agriculture and Energy Social Licence Roundtable, First Nations Community of Practice, Resilience Community of Practice, an energy literacy program targeting culturally and linguistically diverse (CALD) communities, and various cost of living support options for customers experiencing vulnerabilities.

#### Monitoring our reputation with stakeholders and the community

In FY24 our community score remained stable across the year at 69.3, slightly above the FY24 target of 68.9. The stakeholder survey participation rate increased from 8% to 11% however the stakeholder score declined from the previous year across all stakeholder segments. This softening reflects a return to the long-term trend, following a significant increase in 2023 after the extensive regulatory engagement.

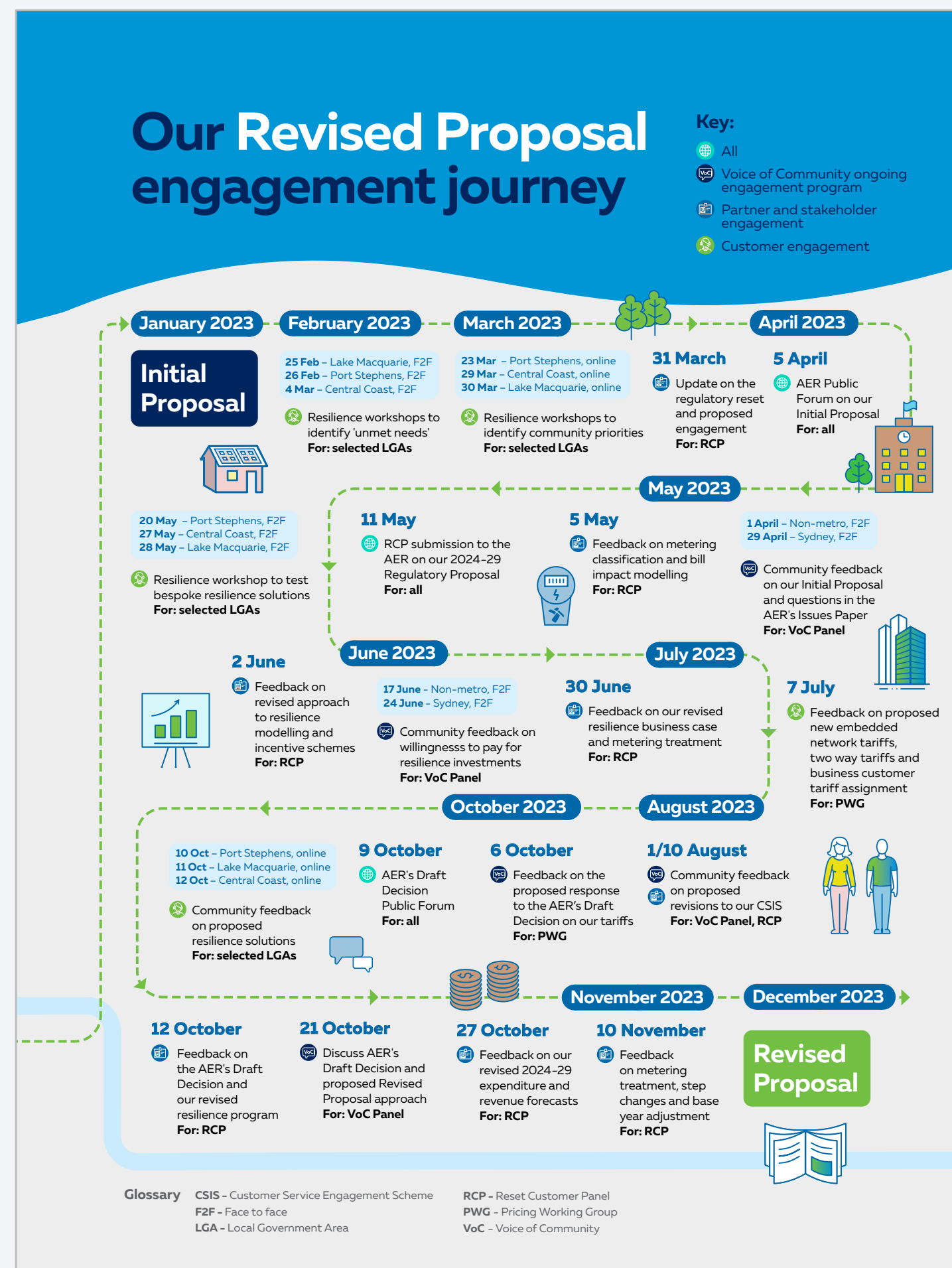


## Engagement with First Nations communities

The Ausgrid Group continued to support our First Nations communities through various engagement initiatives and donations over the year including PPE for trainees and jobseekers, refurbished phones, emergency food and items, Christmas hampers, and football team uniform sponsorship. We also improved the visual amenity of our assets and reflected the rich heritage of our communities by displaying First Nations art as permanent installations on seven of our community batteries and on an additional 25 EV chargers during National Aborigines and Islanders Day Observance Committee (NAIDOC) week. More information about our work to empower First Nations communities can be found in the ‘Inclusion, equity and diversity’ and ‘Supply chain and human rights’ sections of this report.

Community engagement (continued)

REGULATORY RESET ENGAGEMENT WRAP-UP



2024-29 Regulatory Reset engagement wrap-up

This year Ausgrid wrapped up over two years of extensive engagement on what our customers and stakeholders value and their priorities for the future, including further engagement on our Revised Proposal, beginning in January 2023.

In FY24 Ausgrid engaged with the Reset Customer Panel, councils, retailers, embedded networks and end-use residential customers (via the VoC Panel) to inform our Revised Proposal submitted to the AER.

**“Ausgrid seeks to work alongside a broad range of customers to co-plan for the future.”**



MATERIAL TOPIC 2

# Customer experience

Striving to ensure a positive customer experience by resolving customer challenges quickly and continuing to build trust with proactive communication.

## Why it is important to the Ausgrid Group

The Ausgrid Group provides an essential service to its customers, and our success is built on the ability to respond to customers' diverse and evolving needs. This includes resolving customer issues quickly, building confidence through continual improvement in the quality-of-service delivery, and adapting to external challenges by placing customers at the centre of our decision-making. The energy transition and climate change impacts exacerbate the importance of customer service excellence, as we endeavour to give customers choice and flexibility, and improve our responsiveness to emergencies. Long-term trust in the energy sector and the transition starts at this grassroots level, based on how people experience services today.

## How we manage customer experience

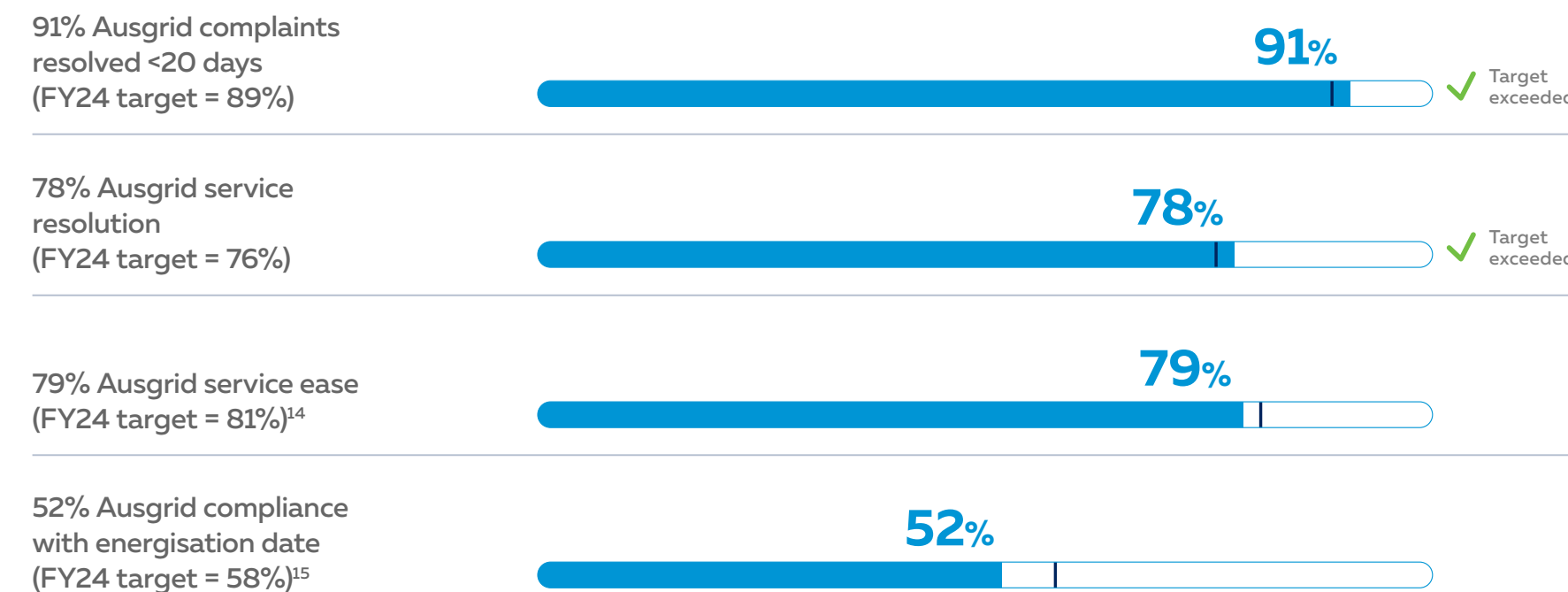
We seek continuous improvement in the services we offer, and the experience our customers have when interacting with us. In FY24, our Group Executive – Customer, Assets and Digital drove our continuous improvement. This is supported by our CCC and various Customer Teams that use feedback to identify areas for improvement in meeting customer requests, connections, contact centre interactions, and our digital channels. The Board is provided with regular updates on key customer service delivery metrics such as compliance with energisation date, median energisation time, reliability, service resolution and service ease, complaint resolution timeframes, and digitally contactable customers.

Connecting customers to the network is a critical service that Ausgrid provides, and we are working to improve our processes to deliver a faster, easier and better value connections experience through our Connections Excellence Program. This includes reducing connection timeframes and helping our customers and partners meet their construction milestones.

### WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



### FY24 PERFORMANCE AGAINST TARGETS



We seek to make it easy for customers to engage with us by offering multiple platforms and channels of communication such as our dedicated contact centre, website, email, and social media.

The Ausgrid Group has a complaint and dispute resolution process, consistent with Australian Standard AS/NZS 10002:2022 'Guidelines for complaint management in organisations', which helps us keep our customers satisfied.

We measure customer experience through the 'Always On' Voice of Customer Program, which collects data on our customers' experiences to inform our business decisions. This data reveals what we are doing well and where we can improve. This program supports us to quickly re-connect with dissatisfied customers to resolve issues and facilitate a better customer experience.

<sup>14</sup> Ausgrid's service ease final result was 2% below target as the duration of graffiti clean-up and council streetlight repair was longer than what was anticipated by customers. We aim to uplift the customer experience in these areas over FY25.

<sup>15</sup> Lifting compliance with energisation date is one of the key metrics targeted for improvement by the Connections Excellence Program.



Customer experience (continued)



**What we did this year**

**Energy and Water Ombudsman NSW (EWON) complaints**

We continued to reduce volumes of complaints escalated to the Ombudsman by a further 5.34% compared to FY23, and by 29.14% compared to FY21. 91% of 'Referred Higher Level' cases from EWON were resolved without the need for investigation. Ausgrid is currently the leading distributor for complaints per 10k customers, sitting at 1.5.

**Making it easier to report hazards**

We launched a new service on our website, enabling the public to easily alert Ausgrid to hazards by uploading photos of the impacted areas or assets. The photos provide our field maintenance crews with a visual reference of the hazard, helping to improve efficiency and prioritisation.

**Keeping customers in the loop on outages in real time**

The OneNetwork program that is currently underway will integrate and digitise the way Ausgrid manages the network, executes planned and unplanned work, and communicates with our customers. The program will streamline communication between our people in the field, the control room, depot and contact centre, so we can keep our customers up-to-date on outages.

**A new SMS service for planned outage notifications**

This year Ausgrid changed the way we inform customers of planned network outages. SMS is now used to notify all mobile numbers on an account (with some exceptions for life support customers). This solution provides near real time and accurate outage information to customers, while reducing our carbon emissions and waste.

**Connections Excellence Program established**

The Connections Excellence Program was established this year to enhance the way we do business, shift our culture, and set the bar higher for our customer and employee experience. This will enable Ausgrid to deliver a faster, easier and better value connections experience. It will also address key customer and employee pain points, making our processes more transparent and efficient, reducing connection timeframes and helping our customers and partners meet their construction milestones.

**Supporting customers experiencing vulnerabilities**

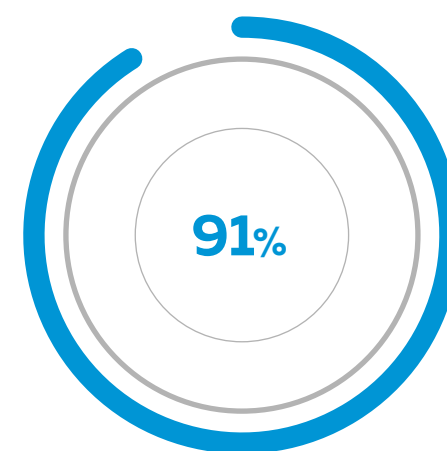
In FY24, we received 13 applications for assistance under our Customer Assistance Framework.<sup>16</sup> All initial inquiries were acknowledged on the same day and our team followed up with a call to confirm receipt, averaging 1.46 days (longest follow-up taking five days). The completion of applications averaged nine days (longest taking 14 days). We remain committed to supporting customers in vulnerable circumstances, ensuring timely and effective assistance. Our dedicated team continuously strives to enhance our response processes and provide compassionate, comprehensive support tailored to individuals' needs.

**Placing customers at the heart of our performance**

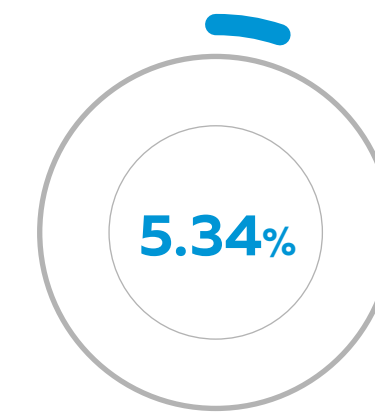
As part of our regulatory review process, we took the opportunity to re-evaluate our customer incentive schemes. Collaborating closely with our customers, we co-designed a new Customer Service Incentive Scheme that ensures we focus on enhancing services that matter most to customers by tying financial rewards and penalties to critical customer service outcomes.

<sup>16</sup> The Customer Assistance Framework aims to help those who need to pay us directly for safety rectification work, damage to our network, or the rental of tigertail safety equipment.

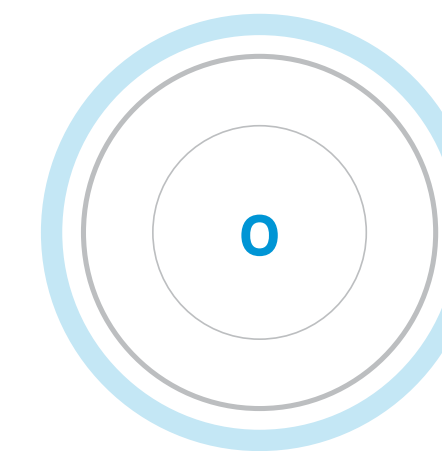
**FY24 HIGHLIGHTS**



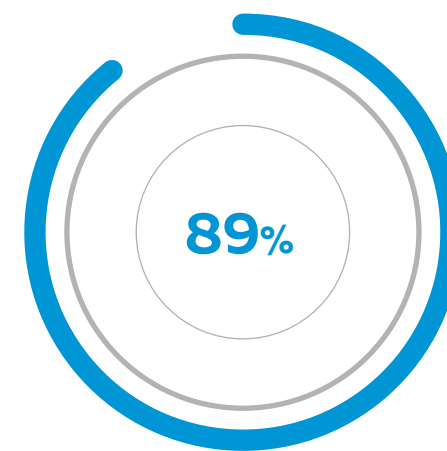
Ausgrid contact centre first contact resolution



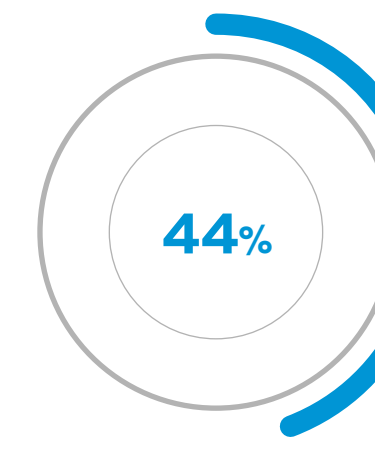
reduction in Ausgrid EWON complaints on FY23



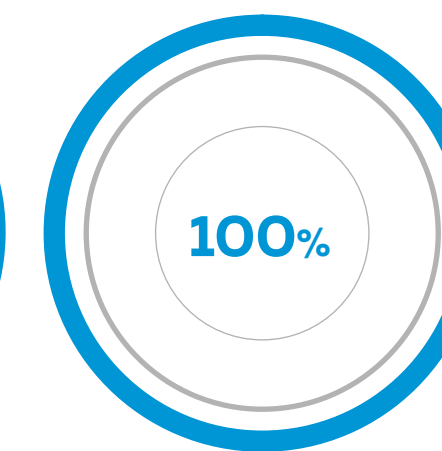
Zero immediately reportable National Energy Customer Framework breaches



of Ausgrid outages and emergency calls answered within 30 seconds



improvement in PLUS ES Net Promoter Score on FY23



of applications for Customer Assistance responded to within 5 business days

**“Long-term trust in the energy sector and the transition starts at this grassroots level, based on how people experience services today.”**

MATERIAL TOPIC 3

# Access and affordability

Efficient and effective management of our organisation to ensure consumers pay no more than necessary to access safe and reliable services.

## Why it is important to the Ausgrid Group

As an essential service provider, we understand that keeping electricity accessible and affordable is vital for all our customers. Electricity affordability remains a top cost of living issue for households<sup>17</sup>. With network charges accounting for approximately 29% of a residential customer's bill in FY24<sup>18</sup>, Ausgrid is focused on reducing our cost to serve by being as efficient as possible. We are realising efficiencies in our business, including through new technologies, to ensure that the network charges passed on to our customers remain affordable and fair without compromising safety or reliability. We also enable customers to control how they use energy and seek that affordability does not prevent consumers from benefitting from the energy transition.

## How we manage access and affordability

We work with customers on an ongoing basis to understand what matters most to them, which informs in part how we manage network costs. The regulatory framework guides our approach to contributing to electricity affordability, by ensuring our network prices reflect efficient costs.

Ausgrid's Pricing Working Group has helped our network tariffs to be fairer and more flexible, while ensuring they facilitate the energy transition. Our CCC also provides us with frank advice on how to become a better business for our customers, and we undertake extensive engagement to inform our Regulatory Resets. This helps us reflect consumer preferences and make balanced investments informed by a willingness to pay.

Ausgrid continues to reform tariff structures so that they more fairly share the costs of the network across all customers, and to offer customers with smart meters more control over their bills. For example, our demand tariffs allow customers to lower their bills by choosing lower electricity cost periods, for discretionary or flexible energy use. Peak demand is a material driver of our network costs, and demand tariffs are cost reflective. Therefore, demand tariffs can also reduce overall network costs shared by all customers. We are reviewing our communication materials to make it easier for customers to know what is driving changes to their bills.

We are aware that customers may experience vulnerabilities and have difficulties paying their electricity bills. While retailers are responsible for customer billing, Ausgrid seeks to help customers understand how to reduce their costs and what supports are available. Ausgrid has a Customer Assistance Framework to help those who need to pay us directly for safety rectification work, damage to our network, or the rental of tiger tail safety equipment. It outlines our commitment to working flexibly with customers to manage their debt.

### WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



### FY24 PERFORMANCE AGAINST TARGETS

\$68m in total Ausgrid operational expenditure savings compared to FY19 (target is \$68m by FY24)



<sup>17</sup> AER Default Market Offer 2023-24 Final Decision, 25 May 2023.

<sup>18</sup> Ausgrid charges are 23.5% of the total bill, Transgrid fees are 3.8% and NSW Government Schemes 1.7%.



Access and affordability (continued)

The Ausgrid Group’s business transformation initiatives are also designed to make our operations more efficient by achieving more for less, while improving customer services. This work focuses on our strategic priorities and streamlines our operations to pave the way for significant cost savings that can be passed on to our customers in the coming years. The Board is regularly updated on our performance.

The Ausgrid Group is also helping achieve cost savings through new customer technologies and services. More information about this work and our participation in leading research to drive the energy transition can be found in this report’s ‘Energy transition’ material topic.



**PLUS ES’s work installing smart meters may help customers save money on their electricity bills by shifting energy consumption to off-peak and solar soak hours. Smart meters can provide near real-time usage readings, helping customers to track and adjust consumption to prevent bill shock, access innovative tariffs that could reduce costs, and avoid estimated reads.**

**What we did this year**

**Transforming our business to keep customer bills down**

Ausgrid delivered on its operational expenditure savings target through targeted transformation activities of \$68 million since FY19 (set as part of privatisation). Continued savings through business improvements will also be delivered over the next regulatory period. Our major transformation programs include the right-sizing of our property footprint, technology enablement and productivity improvements. In FY24 we had a savings target of \$8 million, which was delivered through a mixture of efficiency and property savings.

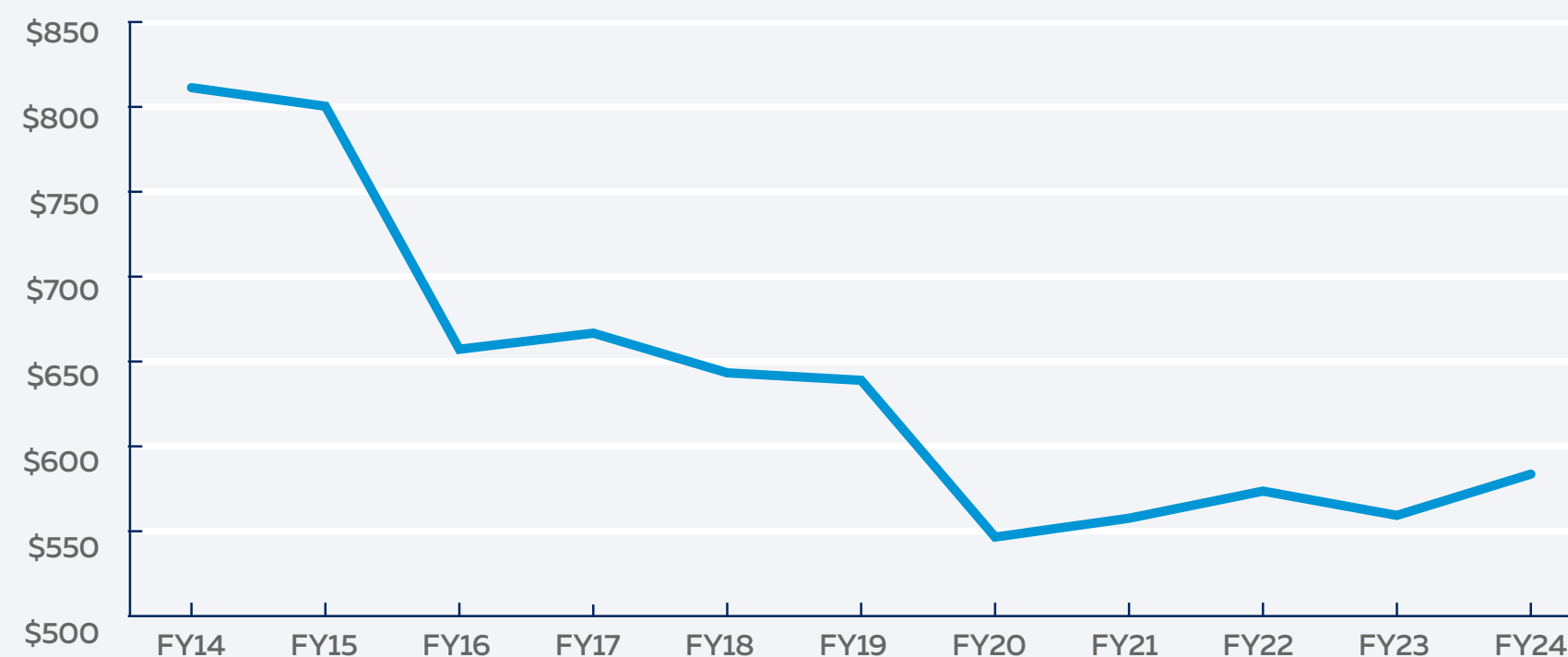
**Network charge changes to customer bills**

In FY24, Ausgrid network charges increased 4.6% (nominal) and -3.0% (real) for a typical residential customer, which was well below the prevailing rate of inflation. We note that this customer bill impact assumes a full pass-through by retailers and should therefore be considered an estimate.

**Continuing to boost demand tariff numbers**

Ausgrid continues to incentivise customers to move to demand tariffs, so that they use less electricity during peak times, and reduce pressure on the grid. In FY24 we had 76,662 new and existing residential and business customers transferring to demand tariffs. We now have 316,912 residential and business customers on these tariffs (299,385 residential), the largest number in the National Electricity Market (NEM)<sup>19</sup>. When combined with 344,513 residential customers on time-of-use tariffs, 40% of all residential customers in our network are on cost-reflective network tariffs.

**AUSGRID NETWORK CHARGE FOR A TYPICAL RESIDENTIAL CUSTOMER**



**Tariffs into the future**

Ausgrid’s Tariff Structure Statement for the 2024–29 period allows more business customers to access demand tariffs and choose whether they prefer to be on time-of-use tariffs. We are allowing more flexibility and tariff options for customers in the medium business segment, helping them find the most affordable tariff option to suit their needs. We are also introducing tariffs for embedded networks so that customers who are not in an embedded network do not pay more than they should. Additionally, we are offering an opt-in export tariff for residential and small business solar customers. This tariff encourages these customers

to either shift their energy exports to later in the day or shift their energy load to the middle of the day. This tariff has been designed to encourage customers to use their own solar first and keep energy bills lower for everyone across the network in the long term. This supports fairness for all customers, including those who cannot access rooftop solar.

**FY24 HIGHLIGHTS**



**\$228**  
in annual network charge savings per residential customer since 2014



**+31.9%**  
316,912 Ausgrid customers assigned to demand tariffs (31.9% increase in customers on FY23)

<sup>19</sup> The move to demand tariffs is underpinned by the rate energy retailers install smart meters.

Access and affordability (continued)

## PLUS ES smart meter installations

In preparation for the accelerated roll-out of smart meters across the NEM, several energy retailers ramped up their smart meter deployment programs in FY24 with PLUS ES as a partner. This brings the total PLUS ES smart meter portfolio to over one million across all markets.



## On the ground community education about energy costs and supports

Ausgrid is committed to helping our customers experiencing vulnerabilities with the rise in costs of living. This year we participated in the EWON's Redfern Community Assist Day and Hunter Homeless Connect, providing advice and support about energy concessions to customers across Sydney and Newcastle. We also attended local community events such as TOCAL field days, Bengalla Upper Hunter Show and Merriwa community events, to assist customers with their queries and show them how to access support.



MATERIAL TOPIC 4

# Energy transition

Reducing our emissions and addressing transitional climate change risks and opportunities by providing customers with access to technologies and solutions that enable energy choice, resilience and affordability.

## Why it is important to the Ausgrid Group

Climate change is one of the most significant risks to our business, communities and planet. The Ausgrid Group is taking proactive steps to address the carbon footprint of our operations and support NSW's transition to net zero by making it a strategic priority and ensuring that our network is an enabler of clean energy solutions. A net zero future also brings opportunities for growth for the Ausgrid Group as technologies or processes that use fossil fuels are replaced with electrically powered equivalents.

## How we manage the energy transition

The Ausgrid Group's Board considers climate change a material risk to the organisation and its Business Strategy. Our Board Health, Safety and Environment Committee, Audit Committee and Risk Committee oversee our climate-related risks. In FY24, our Group Executive of Customer, Assets and Digital primarily managed our climate change impacts. Regular updates are provided to the Board.

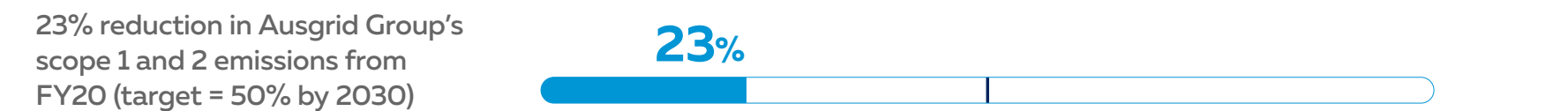
Our Sustainability Policy contains a set of guiding principles that factor climate action into our decision making:

- Understand climate-related risks and impacts on our business and communities, and act by seeking opportunities to provide resilient infrastructure and innovative network solutions that support clean energy.
- Actively promote and support decarbonisation of the economy, and work to facilitate emissions reductions in our operations and value chain.

## WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



## FY24 PERFORMANCE AGAINST TARGETS



- Integrate science-based, data-driven climate change variables into internal decision-making processes, analysis and management of long-term risks and opportunities.
- Identify targeted ways to increase the resilience of the most vulnerable communities we serve to manage the physical impacts of climate change.

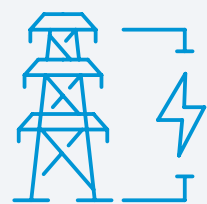
## Our emissions reduction

The Ausgrid Group has increased its emissions reduction targets to align with net zero objectives. This increase in our targets reflects the significant progress made by us and the broader industry to reduce emissions and decarbonise the electricity grid. With a scope 1, 2 and 3 footprint of over 991,000 tonnes of CO<sub>2</sub>-e, actions to reduce this footprint have a significant impact.

This year the Science Based Targets initiative (SBTi) validated that the Ausgrid Group's targets conform with the SBTi Corporate Net Zero Standard and have classified our scope 1 and 2 target ambition as in line with a 1.5°C trajectory. Our baselines were developed to meet SBTi requirements.



Energy transition (continued)



The majority of Ausgrid Group’s greenhouse gas emissions are from its scope 2 line losses which occur in the distribution of electricity. These line losses are 61.4% of the total scope 1, 2 and 3 footprint and 3.5% of the electricity distributed. We are therefore heavily dependent on the decarbonisation of the electricity grid to meet our targets.

“A net zero future brings opportunities for growth for the Ausgrid Group as technologies or processes that use fossil fuels are replaced with electrically powered equivalents.”

These targets are:

- **Overall Net Zero Target:** Ausgrid Group commits to reach net zero greenhouse gas emissions across the value chain by FY45.
- **Near-Term Targets:** Ausgrid Group commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2020 base year.
- **Long-Term Targets:** Ausgrid Group commits to reduce absolute scope 1 and 2 GHG emissions 97% by 2045 from a 2020 base year. Ausgrid Group also commits to reduce absolute scope 3 GHG emissions 90% by 2045 from a 2021 base year.

Ausgrid annually reports its scope 1 and 2 emissions performance to comply with the Federal Government’s National Greenhouse and Energy Reporting scheme. Our annual Carbon Emissions Performance Report summarises our activities and performance in reducing our carbon emissions.

Our scope 3 emissions footprint includes Ausgrid Group’s full annual procurement spend. Now that our targets have been SBTi approved, we will improve our understanding of key procurement items for us to target in reducing this footprint. This will involve engaging with suppliers to develop a roadmap to achieve our 2045 target.

In 2024, the Ausgrid Group published its inaugural Taskforce on Climate-related Financial Disclosures (TCFD) report, marking a significant step in enhancing transparency on climate-related financial risks and opportunities. We are committed to ongoing progress in our disclosures, aligning with evolving disclosure requirements and embracing future developments. Below is a summary of our progress on TCFD reporting and our next steps.

**Enabling customer emissions reduction**

We are harnessing new technologies to support the energy transition and helping our customers access cleaner electricity. Our technology investment is guided by an Innovation and Continuous Improvement Policy and governance process for a targeted and practical approach.

Over 2019-24, our \$42 million network innovation program invested in microgrids, community batteries, stand-alone power systems, dynamic network services and network monitoring devices. This program has allowed us to test the benefits of emerging technologies, aiming to increase and meet changing customer expectations. For example, with community batteries that allow our network to support two-way energy flows. We intend to continue this innovation program and have received \$20 million to continue this program in our 2024-29 regulatory period.

To support these technologies, we continue to explore how our services need to evolve to leverage customer-side flexibility and enable customer electrification through a modernised grid. For example, through flexible connection arrangements and cost-reflective pricing we can balance sustainable and efficient network investment needs. Ausgrid’s Network Innovation Advisory Committee supports a customer-centric approach to innovation. This committee comprises a broad range of customer representatives and oversees the implementation and continued improvement of our Network Innovation Program.

Ausgrid’s Demand Management Innovation Allowance projects leverage customer partnerships and technologies to deliver lower costs to manage the network. Example projects include the Behavioural Demand Response trial, Smart EV charging, testing dynamic network pricing for virtual power plants and Barriers to Electrification research.

Our business is also seeking to collaborate with the NSW Government and others to transmit energy produced in the Renewable Energy Zones (REZ) to our existing customer base and the broader NEM and in doing so deliver social, environmental and economic benefits to communities.

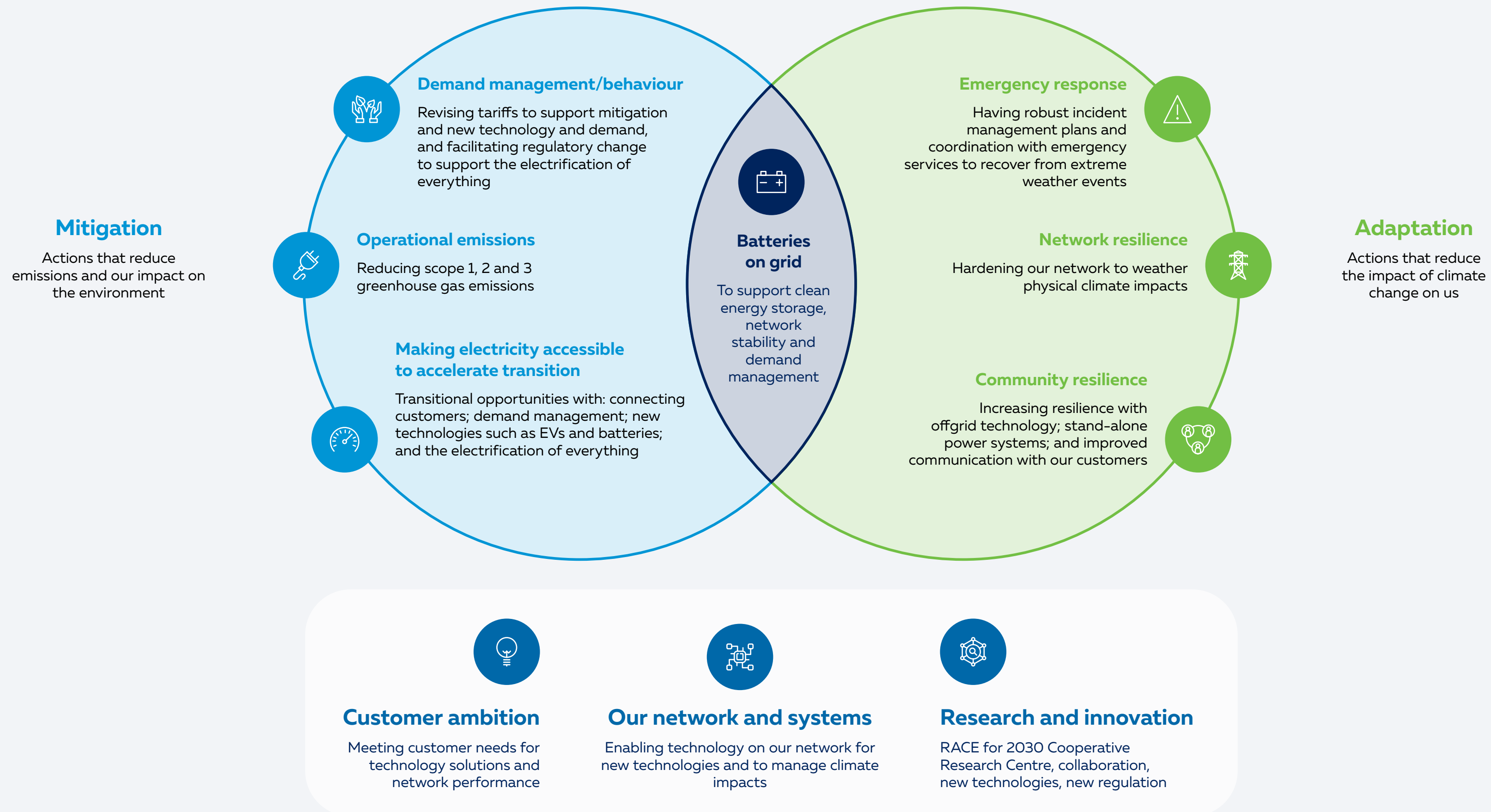
Ausgrid participates in leading local and international research to help deliver a net zero future for our customers. We are a lead partner for the Reliable, Affordable, Clean Energy (RACE) for 2030 Cooperative Research Centre, which aims to reduce energy costs, cut carbon emissions, and increase customer load flexibility.

More information about how we are helping manage climate change impacts can be found in this report’s ‘Community and network resilience’ material topic and in our TCFD report.

Key pillars of TCFD	Completed	Underway
GOVERNANCE	<ul style="list-style-type: none"> <li>• The Ausgrid Group Board Risk Committee provides oversight of climate-related risk management at the Enterprise Risk level on a semi-annual basis</li> <li>• First TCFD Report 2024</li> </ul>	<p>We are currently mapping our existing documents and external disclosures to ensure that we have the information and data necessary to meet the requirements for the Australian Sustainability Reporting Standards disclosure. Any gaps identified will be addressed so we can report on FY25 performance in FY26</p>
STRATEGY	<ul style="list-style-type: none"> <li>• Climate Change Impact Assessment 2022</li> <li>• Committed to net zero for Ausgrid Group emissions by 2045 for scope 1, 2 and emissions</li> <li>• Refreshed strategy to focus on enabling and accelerating the energy transition</li> </ul>	
RISK MANAGEMENT	<ul style="list-style-type: none"> <li>• Climate-related risks integrated into Risk Management Framework</li> </ul>	
METRICS & TARGET	<ul style="list-style-type: none"> <li>• Set near-term emissions reduction target for scopes 1 and 2 by 2030</li> <li>• Lodge Ausgrid Group net zero targets with the SBTi in FY23 for validation and approval, including our supply chain scope 3 emissions as per the Greenhouse Gas Protocol</li> </ul>	

Energy transition (continued)

AUSGRID'S CLIMATE CHANGE RESPONSE



Energy transition (continued)

What we did this year

Our emissions reduction

On track with carbon emissions reduction

This year the Ausgrid Group's scope 1 emissions (petrol, oils, diesel, LPG, natural gas and Sulphur Hexafluoride (SF<sub>6</sub>)) were down 40% from our FY20 baseline year. Scope 1 emissions were however up slightly (19%) on FY23 due to :

- two complex SF<sub>6</sub> leak repairs on defective equipment, and
- standard operational fluctuations (for example, transport emissions vary due to storm responses).

Despite this year's increase, our transport emission reduction programs and SF<sub>6</sub> management strategy are working to create a long-term downward trend.

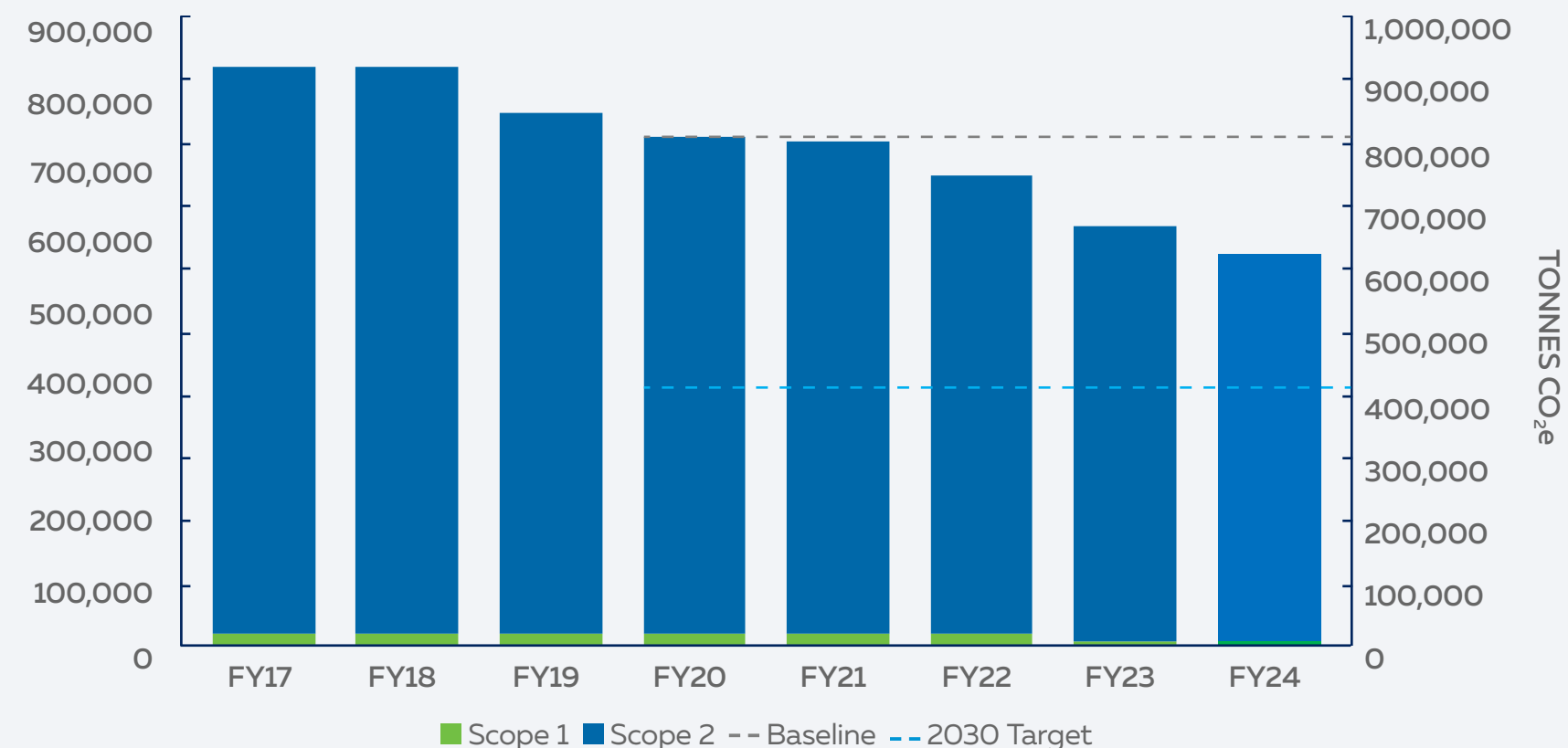
Scope 2 emissions (electricity use and distribution/transmission line losses) reduced 23% from our FY20 baseline year and 7% on FY23. This was mostly driven by an increase of renewables in the grid, which reduces the emissions intensity of line losses. In FY24 our Power Purchase Agreement led to a halving of emissions from property electricity use.

Managing SF<sub>6</sub>

Sulphur Hexafluoride (SF<sub>6</sub>) is an excellent insulating gas in electrical switchgear, but even small losses have a significant impact (it is 23,500 times more potent than carbon dioxide). In FY24, Ausgrid installed two more SF<sub>6</sub>-free distribution switchgear units. We repaired two SF<sub>6</sub> leaks and continued to improve the accuracy and useability of our SF<sub>6</sub> leak reporting system and commenced a review of leak repair processes.

Since implementing our SF<sub>6</sub> Strategy in 2021, we have rationalised SF<sub>6</sub> gas in storage, recycled over two tonnes of surplus gas, transitioned to reporting actual losses (rather than estimates), implemented a shadow carbon price to assess the

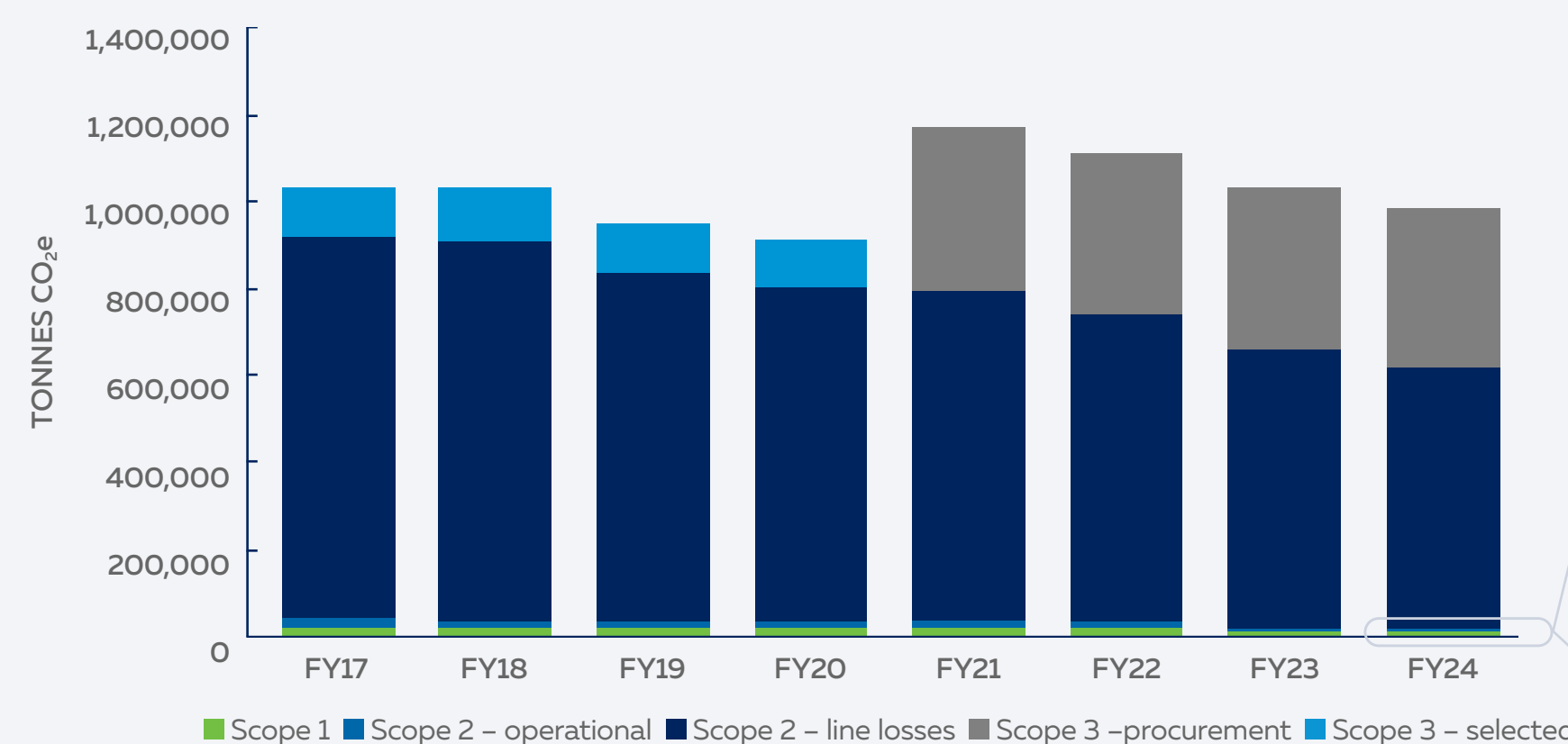
SCOPE 1 AND 2 EMISSIONS WITH SBTI TARGETS



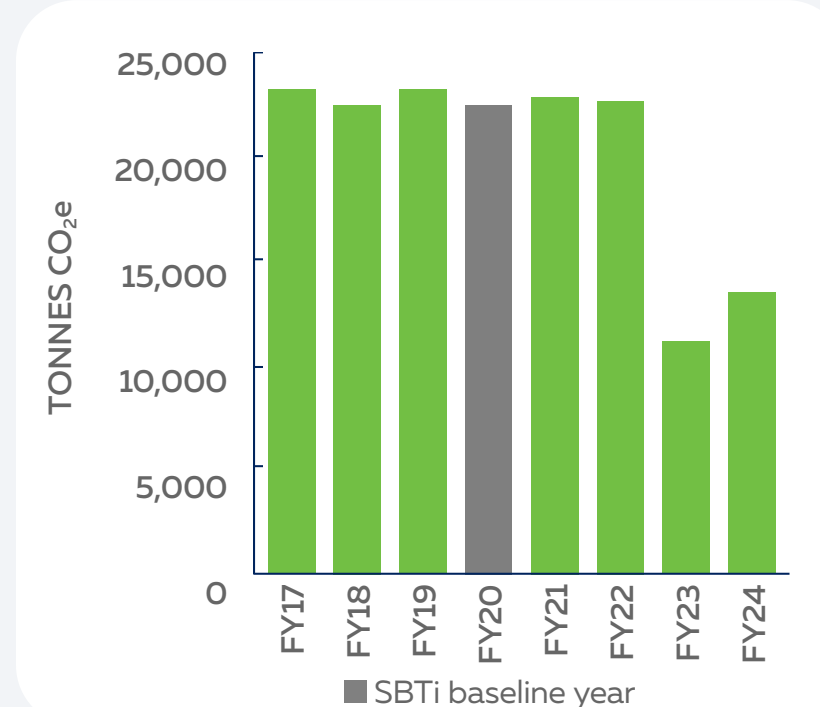
FY24 HIGHLIGHTS

- 60** public EV chargers (70 charging points) installed on Ausgrid poles and kiosks
- 300MW** of embedded PV generation connected to Ausgrid's network
- SBTi-validated Ausgrid Group carbon emission reduction targets
- Australia's first EV charger connected to a community battery

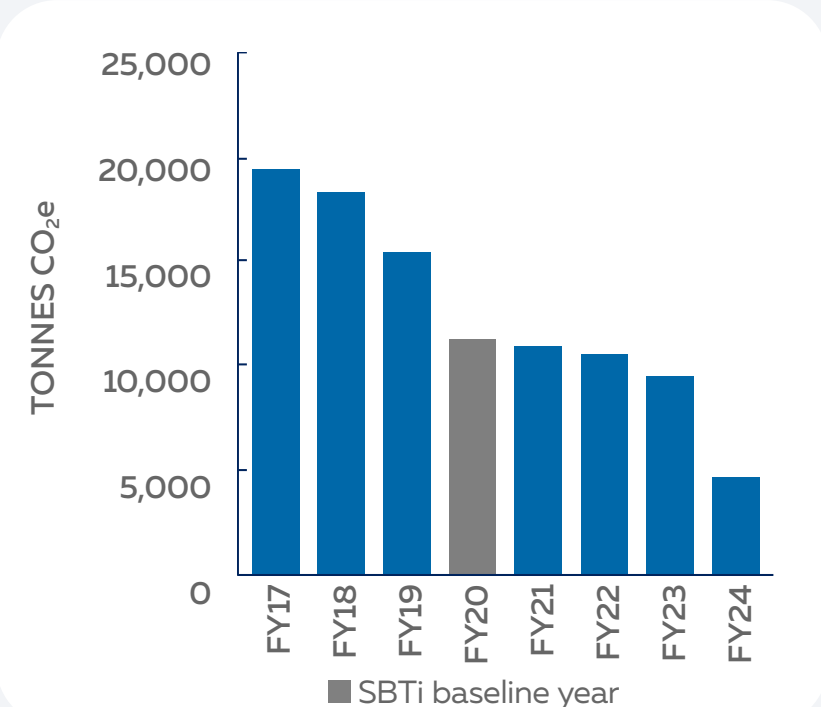
SCOPE 1, 2 AND 3 EMISSIONS<sup>20</sup>



SCOPE 1 EMISSIONS



SCOPE 2 EMISSIONS (excluding line losses)



<sup>20</sup> The Ausgrid Group has not conducted another spend based analysis of its Scope 3 emissions since setting its baseline, so the Scope 3 emissions figure calculated on FY21 data has been applied to FY22, FY23 and FY24.

**Energy transition (continued)**

purchase of SF<sub>6</sub> equipment, installed Australia's first Clean Air SF<sub>6</sub>-free distribution type high-voltage switchgear, and continue to investigate and trial alternative technologies.

**Power Purchase Agreement now in effect**

100% of the electricity for Ausgrid Group's operations is now powered by renewables through a new Power Purchase Agreement that commenced on 1 January 2024. Since FY17, we have been improving the energy efficiency of our properties through refits and rebuilds, and 16 sites also have rooftop solar installed (3,091,889 KWh for our own use). Switching to green power helps us reduce our operational scope 2 emissions, which in FY23, was 9,485 t/CO<sub>2</sub>-e for electricity use.

**Enabling customer emissions reduction**

**Solar connections on our network**

This year Ausgrid connected 30,000 customers with solar to our network – bringing our total to 264,000 of our customers (253,000 residential

and 11,000 commercial) with solar (14.6%), as of end of FY24. The total capacity installed on our network was 1,860 MW, with an average PV system size of 7.1 kW. In total, our solar customers generated around 2,100 GWh renewable energy behind the meter in FY24, of which they used around 900 G Wh to meet their own consumption, and exported the rest to the grid.

**Battery Energy Storage Systems (BESS) on our network**

*Pole-mounted batteries (<100 kW)*

In FY24 Ausgrid installed three pole-mounted batteries in Bankstown, Canada Bay and Lindfield as part of the Network Innovation Program. This brings our total to six being trialled across our network. Pole-mounted batteries aim to relieve peak and minimum demand stress on networks and to manage the export from rooftop solar generation. If successful, the pole-mounted battery systems may avoid the need for more expensive network augmentation that would otherwise be necessary to address network constraints.

*Community batteries (<5 MW)*

In FY24 seven community batteries were installed by the Ausgrid Group in Cabarita, Narara, North Epping, Warriewood, Bexley North, Bondi and Cammeray. This includes an Australian-first EV charger connected to a community battery. Ausgrid also sponsored rooftop solar installations at a library, swimming centre, public school and community centre to demonstrate the tangible benefits of community-scale storage. Community batteries provide grid stability and flexibility to support rooftop solar and EV charging. This brings our total to 10 community batteries across the Ausgrid network.

*Grid Scale batteries (100 MW+)*

This year Ausgrid explored the role of grid scale batteries on our network to support our ambition for over 2 GWh of storage to be connected to our grid by 2030. Grid Scale is the most cost-effective implementation of battery storage. The size allows for the full suite of battery capability to be leveraged to support increased renewables penetration via both energy and ancillary services.

**Standalone Power Systems (SAPS) trials**

This year Ausgrid began construction of seven SAPS (192 kWh) in Mirannie and Ellerston, with commissioning planned for FY25. This brings our total trial SAPS on our network to 10 (284 kWh). SAPS are an alternative for providing electricity to inaccessible or remote communities. This technology operates independently from the grid and supplies power 24 hours a day to individual customers, using a mix of solar, battery storage and back-up generation. Our project aims to demonstrate how this could increase reliability during extreme weather events while reducing network maintenance and replacement costs. Other benefits include reducing bushfire and electrical safety risks due to the reduction of remote poles and wires.

**Construction of our first Microgrid**

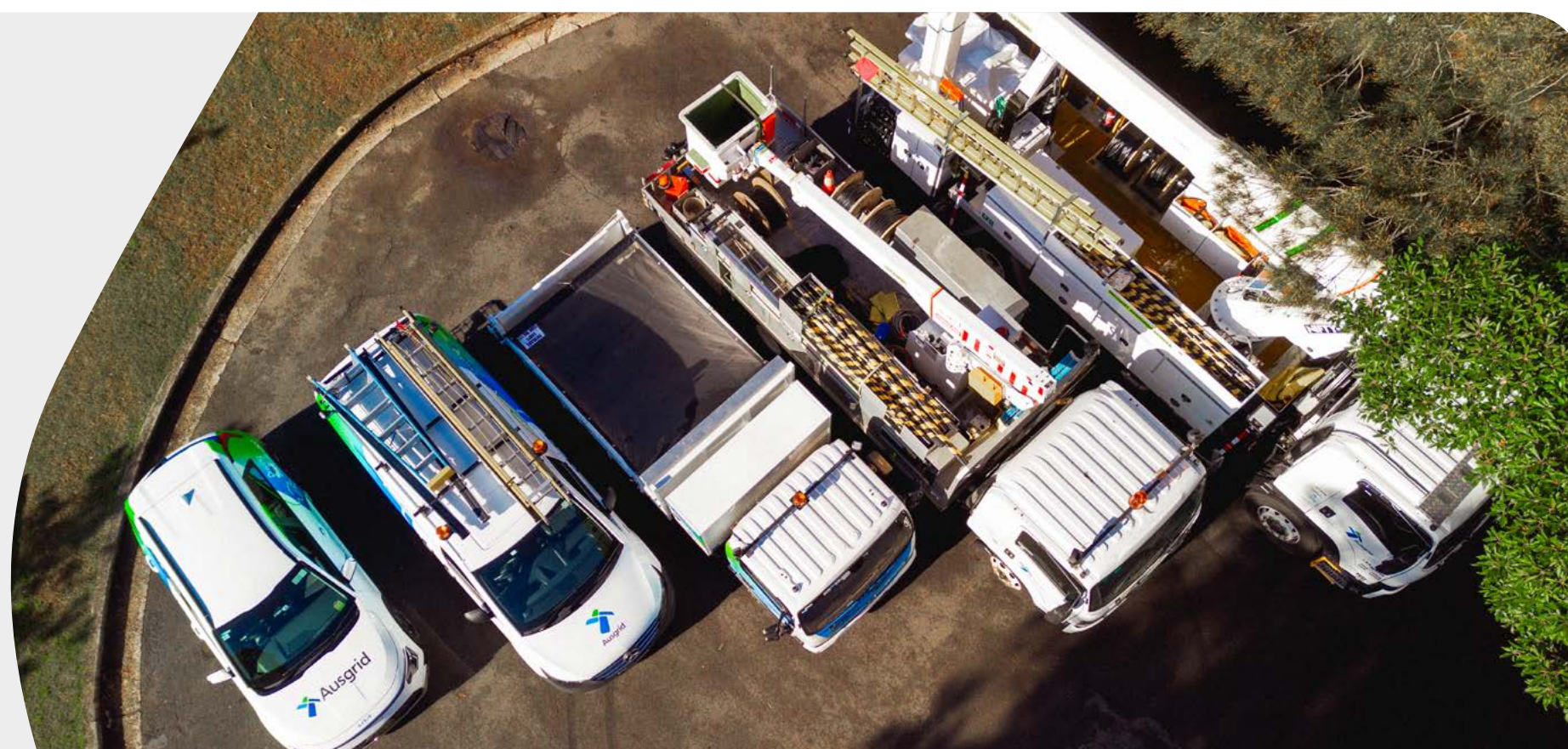
Following a successful feasibility study in FY23, we began construction of Ausgrid's first microgrid in Merriwa to power off-network supply to key services during extreme weather outages, with a forecast completion in FY25. This microgrid, comprising solar panels, a back-up diesel generator, battery storage and control technologies, enables the 28 connected properties to operate during what would normally be an outage. The microgrid has been developed in consultation with the community to deliver on what they need. Learnings from the project will be shared with other electricity networks and the industry more broadly. As part of our commitment to build more resilient networks, we will continue to explore the feasibility of building microgrids in other parts of our network.

**Battery Energy Storage Systems (BESS) play an important role in the energy transition by supporting increasing penetration of intermittent, renewable energy across the network. This energy storage can be utilised to shift generation from plentiful periods of the day, into those of high demand and low generation. This service is particularly useful in supporting residential and utility scale solar generation. Shifting load and generation also allows for the optimisation of existing network assets, acting to defer the need for network upgrades, applying downward pressure on energy prices. Beyond providing 'energy' services, batteries can also support the network by providing 'ancillary' services including voltage, frequency and inertia support. Overall batteries are incredibly flexible assets that can act to improve power quality and system reliability while also facilitating the transition to net zero.**



# Our EV fleet

This year we rolled out Ausgrid Group's first-ever heavy EVs, purchasing three small heavy electric vehicles for use as tip trucks and cargo flatbeds. We also continued to expand our passenger electric vehicle fleet, with 74 new cars. These upgrades will save us from consuming roughly 9,600 litres in petrol and 30,000 litres in diesel per year. Our strategy is to retire our internal combustion engine fleet and electrify 900 vans, utes, cars and trucks over the next five years. These EVs are an important step forward in reducing our carbon footprint.



Energy transition (continued)

**Project Edith wins Industry Innovation Award**

Ausgrid's Project Edith received Energy Networks Australia's 2023 Industry Innovation Award. This work supports customers to unlock the value in their home batteries, EVs and other flexible energy resources to deliver a more reliable, lower cost, net-zero-emissions future. The project shows how dynamic network pricing can incentivise flexible energy resources to support the grid, reducing spend on network and generation infrastructure. After successful proof-of concept, the project expanded in FY24 with three additional energy retailers and aggregators ready to help grow the trial to over 1,000 customers, while we further develop the systems to offer it at larger scale.

**PLUS ES demand management trials**

In FY24, PLUS ES undertook a trial to dynamically control ~20,000 hot water systems in South Australia and test the viability of using smart meters to orchestrate these loads. Dynamic load control allows for hot water systems to be switched on/off in response to market signals, in particular operating them during the day when solar generation is abundant. If implemented at scale, this would allow access to lower wholesale market pricing, as well as maintaining grid stability and promoting renewable energy across the NEM. This project uses funding from the Australian Renewable Energy Agency to develop a solution in collaboration with AGL and UNSW.

**Renewable Energy Zone (REZ) Transmission Infrastructure**

Since 2023, Ausgrid has been engaging in joint planning with EnergyCo and Transgrid, exploring options to provide 1 GW of new network capacity to host renewable generation in the Hunter region for the Hunter Central Coast REZ. The connection of 1 GW of wind generation would remove ~2.6 million tonnes of carbon dioxide equivalent (t/CO<sub>2</sub>-e) by displacing Hunter Valley black coal power generation and reduce a scope 2 carbon footprint by 70,886 t/CO<sub>2</sub>-e. Technical solutions are being developed by all parties to minimise impacts to the environment and local community.

**Public EV charging infrastructure on our assets**

The Ausgrid Group's ambition is to have 11,000 public kerbside EV chargers installed on Ausgrid assets by 2030 to help the community embrace the benefits of electrification. In FY24, third parties installed 60 chargers (70 charging points), bringing the total to 87 (99 charging points) across the Ausgrid network. We also have 96 chargers at our offices and depots for our own EV fleet.



**LED streetlight upgrade wins Engineering Excellence Award**

In FY24 Ausgrid's LED upgrade program was awarded the Institute of Public Works Engineering Australasia NSW & ACT 2024 Engineering Excellence Award for an Environmental Enhancement Project. This work makes streetlights across Sydney more efficient through lighting upgrades. Over 87% of Ausgrid-owned streetlights have now been upgraded to LEDs. Over the year, Ausgrid upgraded 28,036 luminaires to LED which represents 15,333 MWh annual savings. We also commenced a pilot to utilise streetlighting smart control to dim luminaires based on traffic conditions to further reduce electricity consumption and assist councils in meeting their sustainability targets. Ausgrid is working with various councils on unlocking potential of our smart luminaires by installing sensors monitoring the environment. This will assist councils in addressing urban heat island and other challenges related to climate change.





MATERIAL TOPIC 5

# Network and community resilience

Building resilience in our network and communities to anticipate, withstand, quickly recover, and learn from disruptive events, including climate change impacts.

## Why it is important to the Ausgrid Group

The need for network and community resilience is critical. Since 2015, Ausgrid has experienced two of its worst storms, leaving hundreds of thousands of customers without power – some for over a week, and causing \$71 million of damage to the network.

There is a growing body of evidence linking climate change to increased frequency and intensity of extreme weather events. Our climate impact assessment showed that by 2050, we are likely to experience a 26% increase (1% per year on average) in exposure to climate risks across the Ausgrid network area, and by 2050 we can expect a similar rise in climate-related asset failures and climate-related interruptions experienced by our customers.

The Security of Critical Infrastructure Act also requires Ausgrid, as far as it is reasonably practicable, to minimise material risks, including those exacerbated by climate change. As such, preventing, preparing for, responding to, and recovering from disruptive events is crucial to the Ausgrid Group’s ability to provide safe and reliable electricity to our customers, who are increasingly electrifying their homes and businesses.

## How we manage network and community resilience

### Preparing for climate change

During FY24, our Group Executive – Customer, Assets and Digital established a dedicated resilience team to lead our climate change resilience strategy. This strategy commits to planning practices and efficient investment today, to maintain network and community resilience for decades to come.

The objective of Ausgrid’s Climate Resilience Program is to maintain current customer and community service outcomes by enhancing the resilience of electricity distribution services in line with the projected growth in the risk of disruptive climate events across the period FY25-50 through:

- Prudent and efficient, no-regrets investment designed to maintain resilience to expected climate change related perils.
- Systems and processes to provide vulnerable communities with the capacity to withstand and recover from disruptive weather events.
- Development of corporate knowledge of material climate risks and impacts to inform future community consultation and the identification of future potential resilience investment needs.

### WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



### FY24 PERFORMANCE AGAINST TARGETS<sup>22</sup>



The average time in minutes a customer is without electricity over the year.



The average number of service interruptions to each customer over the year.

Ausgrid’s future approach to network resilience will be guided by evolving climate science and knowledge, regulatory treatment of resilience, customer engagement and our industry and community partnerships.

Ausgrid has modelled physical climate change impacts on its network using the Representative Climate Pathway 4.5<sup>21</sup>. Our model takes climate forecasts, simulates assets failures and impacts, and identifies the optimal investments required to maintain current service levels. We also bolster our understanding by investing in scientific and community research so our actions meet the goals of the community.

Ausgrid’s approach includes a spectrum of resilience solutions that vary from investments in network hardening, trialling innovative technologies, improving how we respond during outages, and community-based solutions to help communities be more resilient. We report regularly to the Board on our service target performance.

<sup>21</sup> This is defined by the Inter-governmental Panel on Climate Change as intermediate scenario where emissions peak by 2040 and then start declining, resulting in global temperature rises between 2 and 3 degrees by 2100.

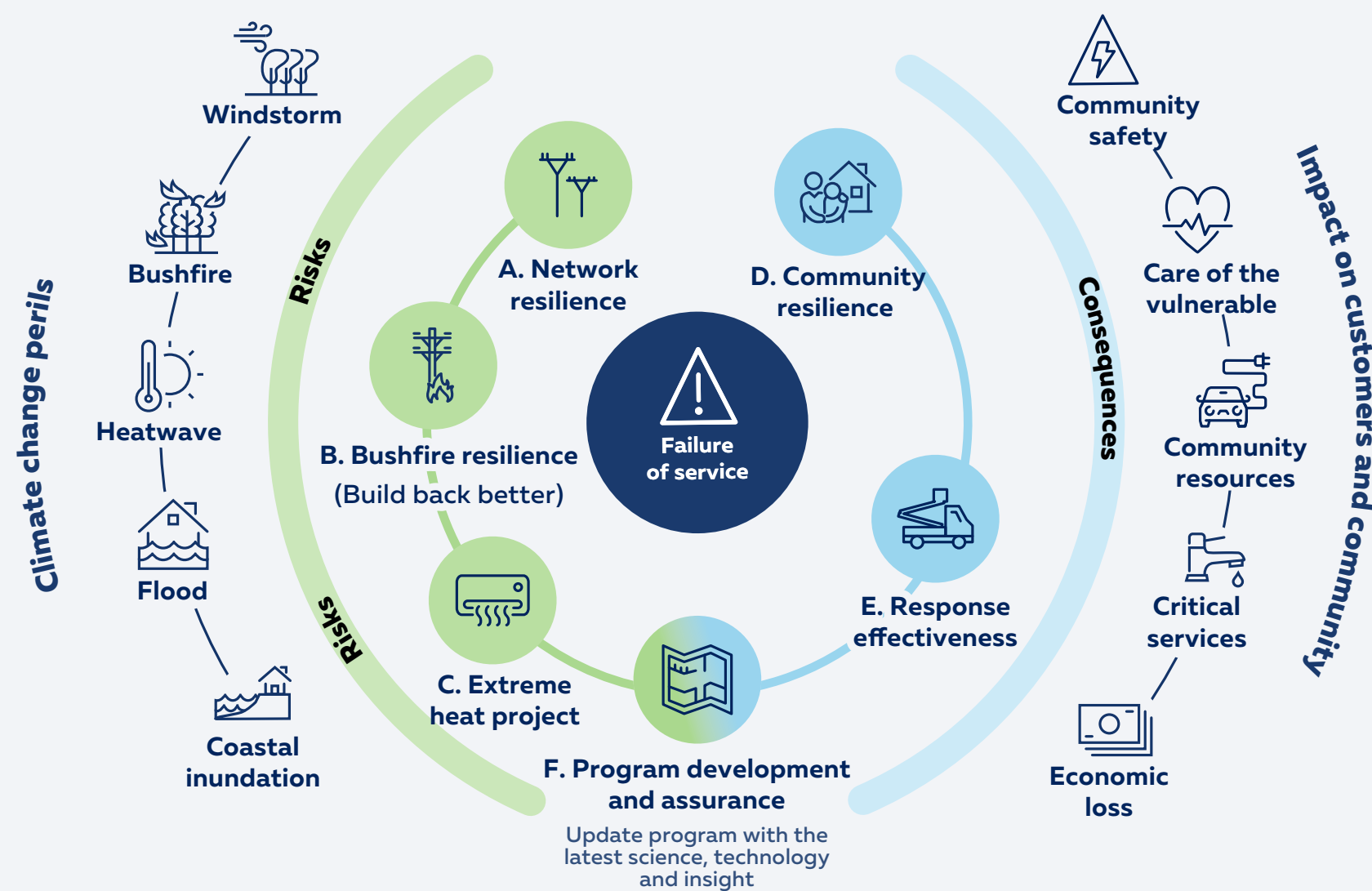
<sup>22</sup> Reliability metrics of SAIDI and SAIFI have been included for continuity. We are implementing a new metric that more accurately reflects resilience performance that will be included in future reporting.



Network and community resilience (continued)

AUSGRID'S RESILIENCE PROGRAM

The Resilience Program is delivered through a cohesive package of projects that develop resilience to the risks and consequences of failure of service in the face of climate change.



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Ongoing operational resilience

During FY24, our Group Executive – Safety, Delivery and Operations and the Operational Resilience team continued to lead our ongoing operational resilience work. This is coordinated through a robust Incident Management System (IMS) that provides the framework for responding to incidents. This system has been modelled on standards and industry best practice for managing incidents and can be broadly applied to manage the organisation’s response to threats, including beyond those that directly impact the network.

Ausgrid approaches Operational Resilience using the Prevention, Preparation, Response and Recovery (PPRR) model. This model recognises the value of investment in prevention and preparation activities to manage and minimise impacts during the response and recovery phases.

Activities that Ausgrid carries out under the PPRR model:

Prevention:

A suite of activities in high climate risk areas, including working directly with communities through initiatives such as the development of resilience plans. Local resilience plans inform the types of support we are best placed to provide, such as more resilient overhead structures serving critical community infrastructure and community support hubs.

Annually, we prepare for bushfire and storm season through vegetation management to maintain minimum clearances between our assets and vegetation. Clearance monitoring is informed by aerial scanning using light detection and ranging (LiDAR), as well as ground-based inspections. We also conduct a pole top asset inspection and maintenance regime, including high-definition photography of assets in bushfire danger areas by our internal drone team. Any identified defects are rectified either prior to the bushfire danger period commencing or the defect compliance date following our Bushfire Risk Management Strategy.

FY24 HIGHLIGHTS



(nominal) secured for local network resilience investments for Ausgrid’s network over FY25-29

(nominal) approved for innovative new Ausgrid community and non-network resilience investments for FY25-29

retention rate of Ausgrid’s climate resilience co-design participants for ongoing engagement

Preparation:

We maintain ongoing situational awareness of changing and emerging risks, and uphold strong relationships with Emergency Services, Government agencies and the community. Ausgrid has a robust Incident Management System, as well as Specific Response Plans, and we facilitate and participate in exercises to test their efficacy. Ausgrid also prepares an annual Summer, Storm and Bushfire Readiness Report that provides awareness of the climate risk profile specific to the upcoming season and the activities that have been carried out in the lead-up to the season.

Response:

The Incident Management Team coordinates organisation-wide responses to events. Ausgrid engages contractors, ASPs and other distribution network service providers to bolster

resources. We integrate with Emergency Service Organisations to support a multi-agency response and draw on existing relationships with broader Emergency Management agencies for support to assist better outcomes for the community. Government agencies are kept informed of impacts to Ausgrid, our response strategy and progress.

Recovery:

Following events, we work closely with recovery centres to support the community with up-to-date information. We also participate in multi-agency debriefs to improve community outcomes for future disasters.

Network and community resilience (continued)

**What we did this year**

**Co-designed climate resilience program completed**

This year we finalised our 18-month deliberative engagement to co-design Ausgrid’s resilience investments with our customers, investing over 80 hours in engagement to inform our FY25-29 Regulatory Proposal.

**Preparedness to roll out network, community and response programs in the FY25-29 regulatory period**

We submitted Ausgrid’s climate resilience regulatory proposal to the AER. Following the AER’s decision, we have adjusted our program to invest the available funding optimally, including programs to build network resilience to wind and bushfire, research on impacts of heat, community resilience and improved data sharing with emergency service partners.

**Continued implementation of our ADMS**

In FY24 we prepared for the Go Live of Phase 2 of Ausgrid’s new Advanced Distribution Management System (ADMS) for implementation in FY25. Phase 2 of ADMS will replace our current Outage Management System, and further enhance real-time visibility and situational awareness of Ausgrid’s network. In addition, we have integrated this phase of the ADMS program with our new Workforce and Customer Management systems. This will enable the integrated management of the network, the resources working on it, and communications to our customers. In FY25, we will commence the deployment of advanced applications within ADMS that will enable enhanced load forecasting and management of the network. These applications will improve network reliability and utilisation. For complex outages, the combination of non-verbal communications to the field and ADMS Switching Management is expected to result in faster outage restorations for affected customers.

**“The Ausgrid Group’s future approach to network resilience will be guided by evolving climate science and knowledge, regulatory treatment of resilience, customer engagement and our industry and community partnerships.”**

**Incident lessons management**

In FY24, Ausgrid developed and published a Lessons Management Framework to improve our responsiveness to incidents including those relating to climate change impacts. It is important for us to reflect on Ausgrid’s response to incidents and explore opportunities to improve future responses. This document describes the methods to facilitate debriefs, identify lessons and convert them into actions that will improve processes and result in a more effective and efficient response in the future.

**Updated Ausgrid climate modelling**

We updated our climate modelling to produce an end-to-end model. Our model takes climate forecasts, simulates asset failures and impacts, and identifies the optimal investments required to maintain current service levels.

**Uplifted Black Start training and awareness program**

This year we uplifted the awareness and preparedness of our people for a ‘Black Start’ event (majority of NSW without electricity supply). These events are extremely rare. However, the consequences for Ausgrid’s business and the customers we serve would be severe. Our program included an e-learning module, awareness video, and communication across the business about roles and responsibilities during an event, particularly in the absence of telecommunications.

**Poles assessed to make Ausgrid bushfire ready**

In the lead-up to summer, our drone operators assessed 41,812 poles in bushfire prone land to prepare Ausgrid for the bushfire season. We worked with the Royal Australian Air Force at Williamtown airport to coordinate drone pilot deployments. Until recently, we outsourced aerial image collection by helicopter and defect identification via desktop assessment. This is the first time this complex and critical work was entirely conducted by our field- and office-based teams. In addition to inspections, Ausgrid now also uses its 24 drones for fault and emergency response work. This technology enables us to access the network easier, faster and with less environmental impact – cutting fuel use by 98% and reducing noise complaints. In FY25-29 we will be working towards installing bushfire resistant wraps on a proportion of poles in bushfire areas to increase their resistance to bushfire.

**New metric to measure resilience performance**

We developed a new metric for resilience performance – Customers Experiencing Long Interruption Durations (CELID). This metric measures the ratio of Ausgrid’s customers who have experienced a single outage longer than a specified threshold. We have limited the reporting to only include ‘Major Event Days’ so that there is no overlap with existing reliability metrics. This will be included in future reporting.



MATERIAL TOPIC 6

# Health, safety and wellbeing

Protecting the health, safety and wellbeing of our employees, contractors and communities so that everyone acts, feels and is safe – in line with our value: Work Safe, Live Safe.

## Why it is important to the Ausgrid Group

Health and safety is our highest priority in delivering an essential service to our customers. Given the nature of electricity, the health and safety of our employees, contractors, customers and communities is paramount, and we invest significant resources in their protection. Upholding the wellbeing of our people also delivers the best outcomes for our customers and mitigates potential long-term financial and reputational implications for our business.

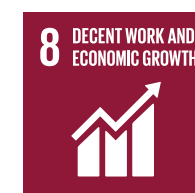
## How we manage health, safety and wellbeing

‘Work Safe, Live Safe’ is one of our values, and we have a mature system to manage health and safety risks, guided by our Commitment to our Health, Safety and Environment Policy. The Board is supported by the Health, Safety and Environment Board Committee, the Executive Leadership Team, the Executive Health and Safety Committee and the Senior Leadership Teams of each Group within the business to embed this value. Health and Safety performance is a key metric for Ausgrid Group’s senior leaders’ remuneration, and we regularly report to the Board on Total Recordable Injury Frequency Rate (TRIFR), Lost Time Injury Frequency Rate (LTIFR), health and safety assurance activities, and investigation timeframes and outcomes.

The Ausgrid Group’s Health and Safety Strategy has three primary themes:

- Implement and embed critical controls for our high-risk activities.
- Enable leaders to lead health and safety behaviours and drive self-accountability at all levels.
- Review and simplify our safe systems of work and continue to reduce our health and safety risk profile.

WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



## FY24 PERFORMANCE AGAINST TARGETS

3.3 Ausgrid Group Total Recordable Injury Frequency Rate (TRIFR) (FY24 target = 3.5)



Our Health and Safety Management System (HSMS) demonstrates our commitment to health and safety, and wellbeing. The HSMS applies to workers undertaking work for the Ausgrid Group, and contractors, delivery partners, alliance partners and consultants are expected to implement their own safe systems of work that equal or exceed our HSMS. The HSMS may be used to assess the Work Health and Safety (WHS) capability of a contractor. The HSMS is the collection of standards, processes, tasks and activities implemented within our business to create and maintain a safe and healthy workplace. It defines the minimum health and safety obligations, and methods by which the Ausgrid Group demonstrates compliance with the relevant work health and safety legislation, codes of practice, Australian Standards and self-insurer requirements. As part of our ongoing dedication to continuous improvement, the HSMS was designed to align with ISO 45001:2018 Occupational health and safety management systems (ISO 45001) but is not subject to external audits. The Ausgrid Group consults its people on the development, implementation and evaluation of the HSMS in accordance with legislation and under any industrial agreement or instrument.



Health, safety and wellbeing (continued)

The PLUS ES HSMS holds international certification to ISO45001 (Health and Safety Management Systems).

The Ausgrid Group assesses the performance of its health and safety processes and systems, including its HSMS, regulatory compliance, self-insurance and certification requirements.

The Ausgrid Group utilises a Lines of Defence (LoD) approach to managing its health and safety risks. First LoD verifies that the HSMS is being implemented. The second LoD validates that the HSMS is efficient, effective and compliant with relevant standards and organisational expectations. The third LoD utilises an independent audit of the HSMS and processes. Our people perform regular in-field health and safety assurance activities,

verifying the effectiveness of controls that workers have implemented on the job.

Our HSMS outlines the requirements for all employees to report injuries through a triage service, and incidents, near misses and hazards through our Health and Safety Reporting system in a timely manner. This supports lessons being effectively communicated and corrective actions implemented as soon as reasonably practicable to reduce the risk of a repeat incident; and allows us to help our injured workers through a recover at work process. We continue to improve the timeliness and effectiveness of our incident investigations, contributing to enhancements in our risk controls.

Critical Controls Management (CCM) is the Ausgrid Group's process of managing fatal risks, involving

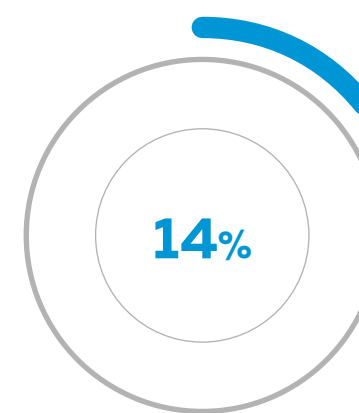
a systematic approach so that controls are in place and effective for all high-risk activities. This supports the prevention of fatalities and life-changing injuries, and a decrease in high potential incidents, repeat incidents and repeat causes. CCM occurs throughout the job lifecycle and focuses on continuous improvement in planning, execution and assurance of work, during incident investigation, and as part of our monitoring and reporting activities.

Relevant Ausgrid Group employees are required to undertake mandatory minimum training in areas such as Electrical Safety Rules, First Aid, CPR and low voltage release and rescue. Specific employee groups also participate in role-critical training. The Ausgrid Group utilises Fitness for Work assessments on all 'power workers' on commencement with the Ausgrid Group and then every two years so that our people are, and remain, fit for work. Alongside comprehensive medicals and functional assessments, the Ausgrid Group implements health programs such as randomised drug and alcohol testing, respiratory health monitoring and influenza vaccination to promote fitness for work.

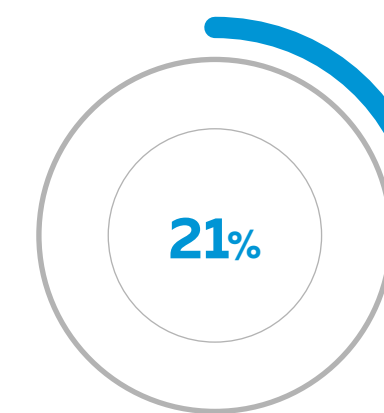
We provide comprehensive support for all employees involved in work-related injuries or illnesses, including our Employee Assistance Program (EAP). The Ausgrid Group has 98 mental health first-aiders across the organisation.

The Ausgrid Group promotes a collaborative health and safety culture by reinforcing that it is a shared responsibility. We encourage our people to inform us of hazards and risks through our Health and Safety System, their local Health and Safety Advisor, Health and Safety Committees, Health and Safety Representatives and 'People Safe Days'. We provide our people with regular 'Safety Alert' updates, 'Lessons Learnt', 'Toolbox' sessions on specific topics; and we have a 'Health and Safety Scoop' newsletter. Employee feedback on our performance and approach is sought through our

FY24 HIGHLIGHTS



reduction in Ausgrid Group Worker/Asset related High Potential Incidents (HPI) on FY23 (down to 32 in FY24)



improvement in Ausgrid Group Lost Time Injury Severity Rate (LTISR) on FY23 (down to 52.6 in FY24)



Achieved TRIFR of 3.3 which was 0.2 below the Ausgrid Group TRIFR on FY23

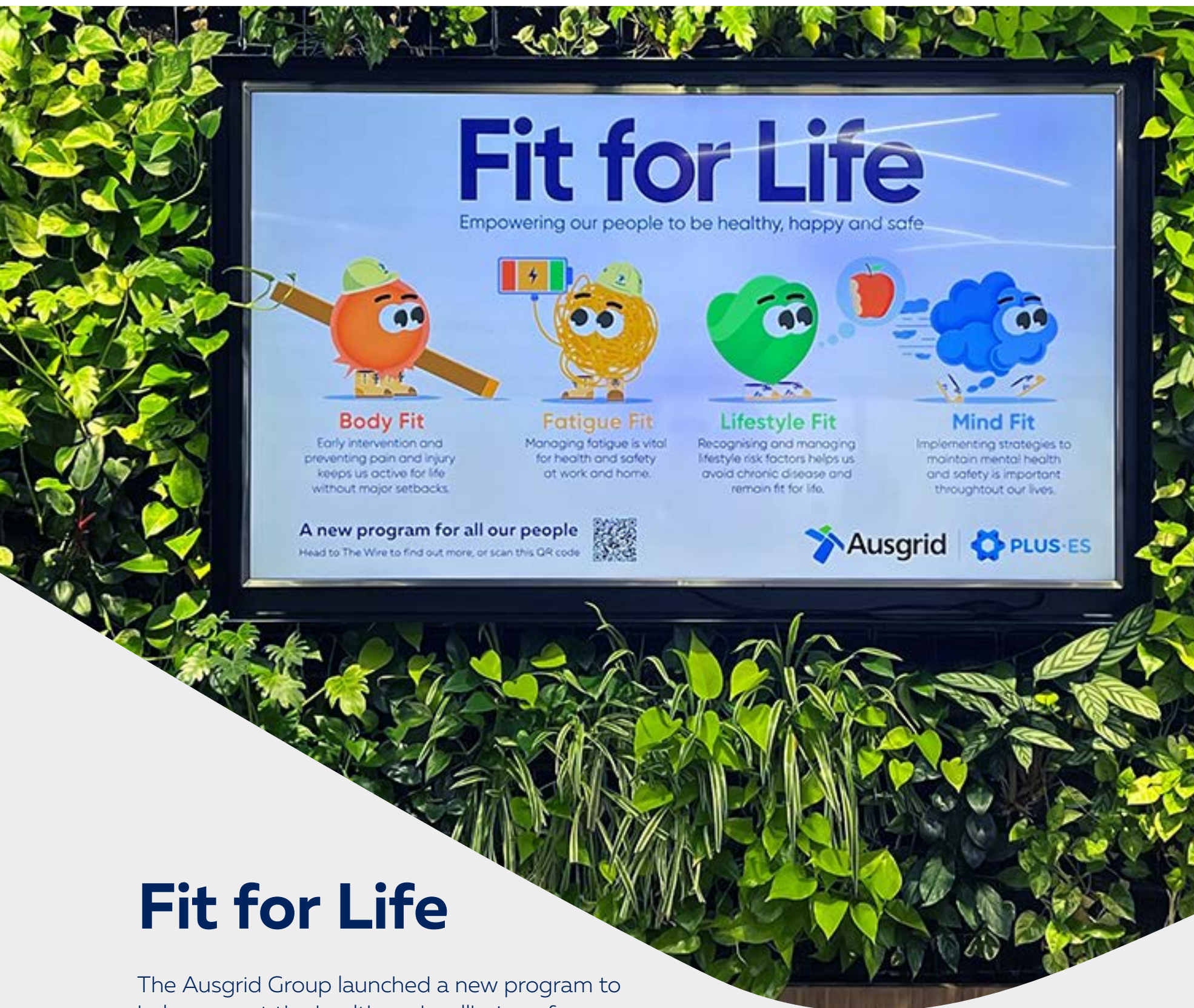
**“Health and safety is our highest priority in delivering an essential service to our customers.”**

MySay employee survey and engagement with various worker and Health and Safety committees. The Ausgrid Group consultation process is also further supported by Local Health and Safety Committees, Health and Safety Representatives and the Safety Consultative Group.

We are transparent about our performance to our Regulators, including the Independent Pricing and Regulatory Tribunal (IPART) and SafeWork NSW, on safety-related incidents and matters.



Health, safety and wellbeing (continued)



## Fit for Life

The Ausgrid Group launched a new program to help support the health and wellbeing of our people through a suite of tools, skills, strategies and resources. The program has four pillars, offering a holistic approach - Body Fit, Fatigue Fit, Lifestyle Fit, and Mind Fit. The program was shaped by employees through more than 1,300 survey responses and adheres to the SafeWork NSW EU.

### What we did this year

#### Investigation into fall from heights incident

On May 13, a fatal fall from heights incident occurred related to the installation of a new load break switch, reconfiguring poles and removing redundant mains from the overhead network. Effective immediately after the incident, Ausgrid imposed a temporary pause on all overhead work involving the climbing of structures with limited exceptions and is now undertaking a process for the resumption of overhead work involving the climbing of structures. A Pause for Safety was conducted which underlined the importance of our Critical Controls. Extensive support was provided to the employee's family with the critical incident mental health response activated for all directly impacted employees and the wider community.

#### Continued progress with our Critical Control Management (CCM) program

This year we continued to evolve our CCM to develop safer ways of working through initiatives including:

- Training and verification of our people in the application of CCM, including the transition from Lifesavers to CCM.
- Embedding CCM as part of the planning stage of work, as well as aligning our leadership capabilities to support CCM.
- Development of CCM and Hazard Assessment Conversation change control processes to support future change control management.
- Reviewing the Health and Safety Corporate Risk Appetite resulting in the adjustment and approval to 'within appetite'.

#### SafeWork NSW Enforceable Undertaking

In January 2019, a serious incident occurred when an overhead line worker came into contact with two energised low voltage conductors resulting in a low voltage electric shock in Bass Hill. This year we were advised that SafeWork NSW would discontinue proceedings against the Ausgrid Group on the alleged breach of work health and safety laws. Instead, an 'enforceable undertaking' (EU) was agreed, delivering several substantial initiatives that SafeWork NSW believes will deliver long-term, sustainable work health and safety improvements. We are committed to using the learnings to continually improve the safety of our people, the community, and the wider industry.

#### Improved technology for safety and efficiency

In FY24, our Hazard Assessment Conversation app was upgraded to support expanded critical controls and fatal risks. The changes enhance the user experience to improve the identification of site-specific hazards, the applicability of fatal risks, determine what critical controls are required, and whether they can be applied effectively, given the conditions and scenario on the day. We also installed the Emergency+ app on every Ausgrid Group phone and tablet, allowing employees to communicate their precise location and get help in an emergency quickly and easily. This uses the GPS functionality on smart devices to provide an accurate location to emergency services when calling Triple Zero.

#### Improved health and safety employee induction

A refreshed e-Learning Health and Safety Induction was rolled out to provide Ausgrid Group employees with comprehensive information about our HSMS. It focuses on how the HSMS applies to day-to-day activities, and the services available to support the health, safety and wellbeing of our people.

#### Revised contractor management procedure

To improve safety outcomes for Ausgrid and our contractors, Ausgrid revised the minimum Work Health and Safety requirements for the pre-qualification of contractors carrying out work for Ausgrid. Site-specific inductions were clarified, and improved guidance was implemented for labour hire arrangements.

#### PLUS ES site hazard preparedness

In response to a rise in incidents associated with aggressive dogs and customers, PLUS ES introduced a new process this year to inform our people and contractors of potential hazards prior to attending a site. Information about site hazards is now visible prior to starting work, enabling risk controls to be applied. Our employees and contractors are required to verify the hazards which are then shared back to the electrical market, so that they are accessible to other businesses.

MATERIAL TOPIC 7

# Diversity, equity and inclusion

Continuing to build a diverse and inclusive workforce where all employees experience equal opportunity and are encouraged to contribute their unique perspectives shaped by their personal backgrounds.

## Why it is important to the Ausgrid Group

Embracing inclusion in all its forms supports the wellbeing of our people, our business, and our communities. An environment where differences are valued contributes to people feeling safe and bringing their authentic selves to work. In turn, this supports innovation and improves productivity and engagement. It also reflects the uniqueness of our customers, equipping us to meet their needs. The Ausgrid Group's commitment to diversity, equity and inclusion will help our business grow, retain our social licence, and assist us to have the right people to deliver our Business Strategy.

## How we manage diversity, equity and inclusion

The Ausgrid Group seeks continual improvement in making our workplace diverse, equitable, respectful and inclusive. This is enabled by our Inclusion and Diversity Council. The Council is co-chaired by the Group Executive – People and Culture and the Group Executive – Safety Delivery and Operations and is comprised of employees across the business. The Council's role is to provide guidance, governance and support for our goals:

- **Inclusive and respectful workplaces** - fostering a sense of belonging, allowing authenticity and respect for our people.
- **Gender diversity** - through greater gender diversity, we attract the right talent, moving us towards our future business aspirations.
- **Voice of employees** - driving engagement, enabling meaningful connection, and sharing lived experiences to shape our initiatives.
- **Support Business Strategy** - our Business Strategy is supported and enhanced through inclusion and diversity of thought.

These goals are reinforced through a suite of policies such as our Code of Conduct, Human Rights Policy, Workplace Bullying, Harassment and Discrimination

## WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



Policy, Prevention of Sexual Harassment Policy, and inclusive guidelines on accessibility, family and domestic violence, and flexible working.

Ausgrid's Inclusion and Diversity Manager aims for inclusive practices and principles to be part of our business-as-usual activity. The Ausgrid Group continues to focus on five key diversity pillars to accelerate change: gender; disability; First Nations participation; Lesbian, Gay, Bisexual, Trans, Intersex, Questioning (LGBTIQ+); and racial/cultural equity.

Centred on these pillars are our Employee Resource Groups (ERGs) that work together to raise awareness, encourage intersectionality, and promote diversity and inclusion across the business. These ERGs have ELT sponsors and provide employees opportunities to connect, network, discuss topical ideas, and learn from role models. Our ERGs also hold events that celebrate days of significance, such as International Women's Day, NAIDOC and National Reconciliation Week, Harmony Week, Mardi Gras, and International Day of People with Disability.

We have partnerships with Work180, Australian Disability Network, the Diversity Council of Australia, Pride in Diversity, Supply Nation, Women in Leadership Australia, Champions of Change Coalition, and Grace Papers. We partner with peak inclusion and diversity bodies to understand best

## FY24 PERFORMANCE AGAINST TARGETS

4% Ausgrid Group females in front-line roles (FY24 target = 4% and 6% by 2025)



19.7% Ausgrid Group female people leaders (target = 25% by 2025)



Diversity, equity and inclusion (continued)

practice and provide our people with opportunities to engage in information-sharing.

We also have targeted strategies for improving diversity outcomes. Our Innovate Reconciliation Action Plan (RAP) builds momentum for our vision of an energy industry that recognises the Traditional Owners of the lands we operate on and celebrates our connection to Country. Our RAP is refreshed every two years to support its currency, with the development of our 2025-27 iteration underway, focusing on four strategic pillars:

- Cultural safety and awareness
- Economic empowerment for Aboriginal businesses
- Employment pathways, career opportunities and mentoring
- Community engagement and self-determination.

Supporting this RAP is a First Nations Cultural Lead and training is being rolled out for our people on First Nations Cultural Safety and Cultural Awareness.

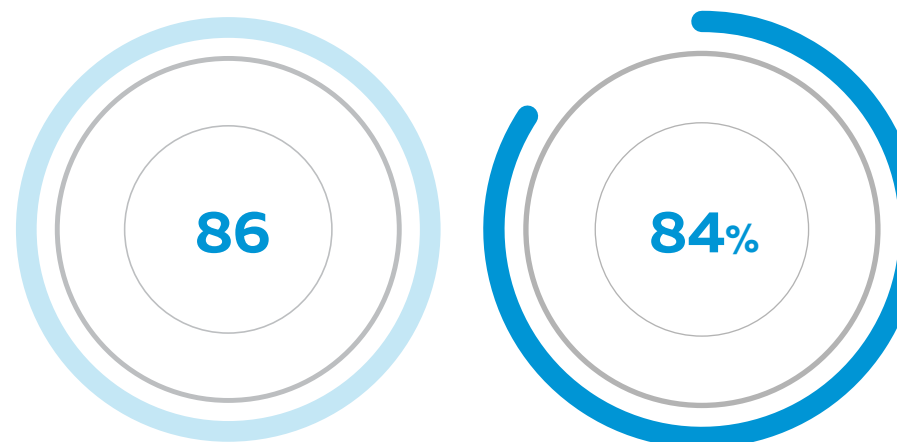
Our recruitment, development, promotion and remuneration decisions are based on gender equity, performance and capabilities. Our 20-week parental leave, flexible working policies, and special leave for fertility and pregnancy loss are some of the benefits we offer to support gender equity. We also have a Gender Affirmation Policy and supporting guidelines to help trans and gender diverse employees feel supported in their affirmation process.

We introduced targets in 2021 and have a tiered incentive employee referral program for recruitment. We aim to have women represent 25% of our people leaders by 2025, and we have

leadership capability, early careers and mentoring programs to support these goals. We seek to triple the number of women in frontline roles by 2025. The Board receives regular updates on our progress. Ausgrid also reports annually to the Australian Government’s Workplace and Gender Equality Agency (WGEA) on our gender equity performance.<sup>23</sup>

There are various channels and forums where employees can provide feedback on diversity, equity and inclusion. The primary channel is our annual MySay employee survey. This confidential survey seeks voluntary disclosure from employees (privacy protected) on a range of factors so we can track progress.

FY24 HIGHLIGHTS



Ausgrid Group employees completed First Nations Cultural Safety and Awareness training

84% of the Ausgrid Group’s people responded positively on inclusion and diversity in our MySay survey

EMPLOYEE RESOURCE GROUPS



**Pride**  
LGBTIQ+ and Allies

- Increase representation, inclusion, respect and support for LGBTIQ+ employees and their Allies
- Increasing knowledge, expanding relationships and connecting Ausgrid to the wider LGBTIQ+ Allies community



**First nations**  
First Nations Employee Resource Group

- Recognise and embrace First Nations culture in the way we work, in line with our Reconciliation Action Plan
- Provide opportunities that help build capability and participation of First Nations peoples at all levels in our organisation



**DisABILITY**  
Disability Employee Resource Group

- To develop, lead and influence disability recognition and inclusive culture
- Work towards becoming an industry-leading employer for disability inclusion



**Grid25**  
Gender Recruitment Inclusion Diversity

- Increasing representation of women, particularly in people leadership and frontline roles
- Creating a culture where women are included, heard and empowered



**Mosaic**  
Multicultural Organisation Supporting an Inclusive Culture

- Growing the cultural awareness of our employees
- Working towards ensuring our workforce better reflects the cultural diversity of our community
- Ensuring employees from all cultural backgrounds feel included and welcome

“Embracing inclusion in all its forms supports the wellbeing of our people, our business, and our communities.”

<sup>23</sup> This year, the WGEA changed the methodology that it requires employers to report on. Instead of reporting the average, the median is now required – including base salary, superannuation, overtime, bonuses, and other additional payments.



Diversity, equity and inclusion (continued)



**“An environment where differences are valued contributes to people feeling safe bringing their authentic selves to work. In turn, this supports innovation and improves productivity and engagement. It also reflects the uniqueness of our customers, equipping us to meet their needs.”**

## What we did this year

### Inclusive engineering scholarships

As part of our commitment to education and inclusion, this year we introduced three transformative scholarships – the Ausgrid Women in Engineering Scholarship (UNSW), the Ausgrid Indigenous Scholarship (UNSW) and the Women in Engineering and IT Cooperative Scholarship (UTS). These scholarships provide financial support and the opportunity to undertake an internship with us.

### Increasing First Nations cultural awareness and inclusive leadership

This year we rolled out First Nations Cultural Safety and Awareness training for Ausgrid Group people. These sessions aim to build an understanding of history and culture, and participants gain a practical understanding of how to include First Nations people within our business. 86 people participated in this training over FY24. We also ran Inclusive Leadership Habits training with key people leaders across the business.

### A Work180 top employer for women

Work180 endorses companies that they consider demonstrate a genuine ongoing commitment to advancing women's careers. This is based on an assessment of our public-facing policies, procedures and initiatives supporting women's empowerment and gender equality. This year the Ausgrid Group was named one of the top 101 Australian organisations for women to work in 2023.

### Gender pay gap

In FY24, Ausgrid's gender pay gap for median base salary was 2.3% (favourable to men) and the median total remuneration, including overtime and benefits, was 17.6% (favourable to men). Long-tenured males in senior classification Enterprise Agreement (EA) roles impact the base salary and

overtime is a key driver of the difference between base and total remuneration at Ausgrid. Field roles account for the majority of overtime in our business, and women are significantly under-represented in the field (96% of these roles are held by men). We have made some progress in increasing representation of women in our field workforce and are committed to focusing on gender equality at all levels of the organisation.

### Gender deep dive and new focus areas

This year the Ausgrid Group conducted a data deep dive to better understand our businesses' gender composition, pay gap, development, progression and retention to gain insight into areas for uplift. We now have seven gender focus areas over 2024–27:

- 1. Inclusive culture** – Ensuring our people have a clear understanding of appropriate workplace behaviour.
- 2. Early careers** – Bolstering early careers efforts to attract an equal gender split within future intakes for apprentices and graduates.
- 3. Field-connected employees** – Ensuring we understand the experience of women in the field and continue to improve representation at all levels.
- 4. Strong Employee Value Proposition** – Attracting the best female talent in the market.
- 5. Part-time work** – Understanding barriers around part-time work and finding opportunities for everyone at every level.
- 6. Gender pay gap** – Understanding where there is under-representation and a gender pay gap and working towards closing that divide.
- 7. GRID25 and allies** – Elevating the voices of our Employee Resource Group network and allies to ensure we are addressing issues on gender in real time.

### Hosting our first 'Women from the Field' Conference

In FY24 Ausgrid hosted the first 'Women from the Field' Conference in partnership with Endeavour Energy and Essential Energy. The conference brought together over 200 women working in field and engineering roles. The aim was to create connection and a safe environment for attendees to share experiences, learn from each other, and engage on issues relevant to women working in traditionally male dominated industries.

### Advancing LGBTIQ+ supports

The Ausgrid Group continued to uplift supports for our LGBTIQ+ employees, introducing a Gender Affirmation Policy and Guidelines, providing practical steps for employees, their managers and broader teams to navigate when staff are formally transitioning genders in the workplace. We also co-created an Inter-energy Pride Alliance Network Group, which builds a supportive network for LGBTIQ+ employees, and advocates to remove systemic barriers to inclusion and change the perception of the industry more broadly to be LGBTIQ+ friendly. Additional LGBTIQ+ peer support training was provided to the Ausgrid Group's Mental Health First Aiders and People Specialists.

### Managing Unacceptable Conduct and Performance Training

In FY24, following the update of the Ausgrid Group's Managing Unacceptable Conduct and Managing Unacceptable Performance policies, a series of refresher training sessions were held for managers. The training enhanced their capability in recognising and managing poor conduct and performance in line with policy, and to support fair and just processes for employees. In total, 137 managers attended the conduct training and 185 attended the performance training.

Diversity, equity and inclusion (continued)

## Launch of EmPower First Nations pre-apprenticeship program

EmPower expands on the Ausgrid Group's existing apprentice partnership with the National Electrical and Communications Association. The Indigenous pre-employment program was launched this year and feeds into our apprentice recruitment and builds a talent pipeline. Over six weeks, these school-aged pre-apprentices are provided training, supervision, mentoring and personal development to help secure an apprenticeship. Seven students completed EmPower this year.



MATERIAL TOPIC 8

# Employee development, attraction and retention

Developing, attracting and retaining a workforce with the necessary skills for our organisation to succeed long term.

## Why it is important to the Ausgrid Group

Our people are the most essential part of our business. The Ausgrid Group has 3,111 employees covering professional and technical positions across various disciplines and locations, from entry-level to senior leadership. We are proud that 68.9% of our workforce has been with our business for 10 years or more and we gained 282 new people this year. We understand that attracting, developing and retaining top talent is critical to our ongoing success and ability to deliver for our customers, particularly as we navigate the energy transition.

## How we manage employee development, attraction and retention

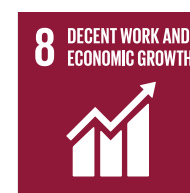
Ensuring our people feel valued and equipped to deliver is essential for our success. In FY24, our Group Executive – People and Culture led our approach and the Board was provided with regular updates on employee engagement, attrition and open positions.

We know engaged employees are a key enabler to delivering our strategic objectives. To better drive engagement we have refined our Employee Value Proposition. This is our statement of the values, rewards, recognition, support, and Company culture that Ausgrid Group gives its employees, enabling them to be engaged, feel valued, do their best work and achieve their highest potential.

Our Recruitment and Selection Policy governs how the Ausgrid Group engages with talent and supports an equitable recruitment process underpinned by best practices.

Ausgrid’s Early Careers programs build the next generation of talent to support our net zero future. Our two-year Graduate Program provides the opportunity to build the foundations for a long-term career in the sector through rotations across business units. We also train our apprentices

WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



## FY24 PERFORMANCE AGAINST TARGETS

69% Ausgrid Group employee engagement score (FY24 target = 68%, industry benchmark)



through our four-year Bright Sparks Apprentices Program. This program provides apprentices with an on-the-job rotational program with experienced field teams while they complete a nationally accredited qualification to become a qualified Electrician, Line Worker or Cable Jointer.

The Ausgrid Group supports knowledge and skill development through face-to-face and online training, newsletters, Health and Safety alerts, ‘Toolbox’ talks and information days. This is important for messages to be reinforced, and to drive continuous compliance, safety and risk awareness. Technical training at Ausgrid is delivered across three specialist training facilities catering to our people in Sydney’s West, Central Coast and Hornsby areas, Newcastle/Wallsend and Muswellbrook. The training yards feature a simulated learning environment complete with poles, wires, underground and overhead transmission, operating, and apprentice work.

Our training is a statutory requirement for our field-based staff, who also complete 12-month refresher training. An experienced team of trainers play an important role in connecting people and building a culture of safety and risk awareness. Our trainers received facilitation training and upskilling this year, to keep the delivery of refresher training sharp and engaging.



Employee development, attraction and retention (continued)

**AMPED RECOGNITION PROGRAM CATEGORIES**



Sent by anyone to say a personal thanks, job well done or congratulations



Where employees can be rewarded with a \$50 e-gift voucher



Recognising employees for excellent behaviour, performance or contributions that produced significant benefits



Recognising outstanding contributions to the business within the calendar year

Our business also supports leadership development, with People and Frontline Leader Programs and the Senior Leadership Program. We invest in career pathways to retain internal talent and have promoted 274 Ausgrid Group employees in the last year. The Ausgrid Group encourages a high-performance culture, as set out in our Performance and Development Policy. Our performance model provides an equitable and transparent framework for open and honest communication and feedback between managers and employees about performance. 100% of our people regularly participate in these appraisals (excluding labour hire/contracted services). We also consider employee recognition vital in retaining top talent.

We actively acknowledge performance excellence for individuals or teams who have significantly contributed to the Ausgrid Group, beyond the requirements of their role, through the Amped Recognition Program. This program allows employees to be recognised by their peers through four categories.

We aim to be an employer of choice through the Ausgrid Group Career, Capability and Remuneration Framework, which enables us to recognise and reward performance. This is embedded in Ausgrid's EA, along with employee benefits, terms and conditions, across various employment types.

Employees who are not covered by our EA are employed on individual employment contracts. The terms and conditions differ to those on the EA. For example, employee superannuation contributions reflect the standards set by Australian legislation. Salary and incentives are determined based on market factors and guided by our Remuneration and Reward Policy.

There are also variances in different types of employment. Full-time employees receive full ordinary rate of pay and the full entitlement to leave and other benefits. Part-time employees receive proportionately reduced remuneration and entitlements, calculated on the number of hours worked each week as compared to full-time employees.

The Ausgrid Group has policies and procedures to support our people at different stages of life, such as the Family Leave Policy (applicable to all EA and individual contract employees after six months of employment), which acknowledges the significant advantages of family-friendly workplace arrangements, and procedures on Breastfeeding, Domestic and Family Violence Support, and Study Assistance. We fully support the right to freedom of association.

We collect feedback from our people using the annual MySay employee engagement survey to help prioritise areas for improvement and make the Ausgrid Group a better workplace. We also gauge the effectiveness of measures by gathering feedback through exit surveys, Listen and Learn focus groups and informal Ask Me Anything sessions with the ELT.

**FY24 HIGHLIGHTS**



Ausgrid Group new employee hires



53 apprentices, 7 interns and 18 graduates recruited for Ausgrid

**“We understand that attracting, developing and retaining top talent is critical to our ongoing success and ability to deliver for our customers.”**



Employee development, attraction and retention  
(continued)



## Expanded early careers programs

This year the Ausgrid Graduate Program recruited 18 graduates (nine more than FY23) and doubled its female intake. 89% of our graduates are in the engineering stream, supporting our business to attract and develop talent in critical engineering functions. We welcomed 53 to our Bright Spark Apprenticeship Program (29% increase on FY23) in line worker, electrician and cable jointer positions. Of this cohort, 13 were female, bringing us closer to achieving our frontline worker targets. In FY24 we also launched our Summer Intern Program, hiring seven students with hands-on experience in the field of engineering and exposure to real-world projects.

### What we did this year

#### Continued improvement in MySay results

This year 84% of the Ausgrid Group's people responded to the MySay employee engagement survey, which is our highest participation rate to date (one point increase on FY23). Our total employee engagement score was 69%, a six-point improvement on FY23 and one point above the Australian utilities benchmark; and results improved across all survey factors.

#### Updated Parental Leave Policy

We made changes to our Ausgrid Group Family Leave Policy to better support our people. Key changes include reduced eligibility timeframes, removed need to prove 'primary' caregiver status, increased paid leave time and flexibility, and the extension of superannuation to cover unpaid periods.

#### New and revised procedures for resolving complaints and managing unacceptable behaviour

This year we created a new Ausgrid Group Resolving Complaints Procedure, which is an important guide for our people on how they can raise and resolve issues that occur at work. We also revised our Managing Unacceptable Conduct Procedure and reviewed our conduct processes. The new approach was designed to be more people-focused, with outcomes communicated in the shortest possible timeframe.

**“The Ausgrid Group’s Early Careers programs build the next generation of talent to support our net zero future.”**

#### Learning and development

During FY24, the Ausgrid Group delivered 3,963 training classes, totalling 109,721 hours of facilitator delivered training. 93,686 online courses were completed through our Learning Management System. The Ausgrid Group curriculum undergoes periodic updates, ensuring training is current and refers to the most up-to-date policies and procedures, and incorporates current work practices. Over the year, 59 new courses were developed and 71 courses updated, expanding knowledge, capability and compliance for field, as well as, specialist roles.

MATERIAL TOPIC 9

# Supply chain and human rights

Engaging with our suppliers on their human rights, social and environmental performance, and ensuring that suppliers are treated fairly and encouraged in meeting the ethical standards set out by our organisation.

### Why it is important to the Ausgrid Group

To deliver our services to 1.8 million customers across the Ausgrid network, we have an annual procurement addressable spend<sup>24</sup> of \$1,092.8 million for the Ausgrid Group and utilise both domestic and international supply chains. Many goods and services we procure have complex supply chains. This includes multiple suppliers and manufacturers providing the raw commodities, components and services to produce the end products we utilise. Our international supply chain covers Europe, North and South America, Asia, and the Middle East.

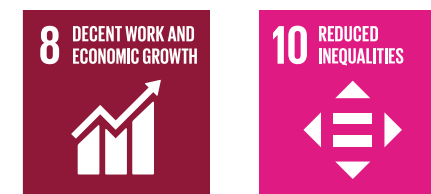
When it comes to human rights, our high standards extend to our supply chain. The Ausgrid Group is dedicated to respecting the human rights of our employees, and those we engage with through our supply chain and the communities where we operate. We seek to support improvements in supply chain social and environmental outcomes

attributed to the goods and services we procure, as an extension of our business and footprint. This is particularly important as we embark on the energy transition. Access to electricity is essential to us all, and no-one should be adversely impacted in its distribution.

### How we manage supply chain and human rights

During FY24, our Chief Financial Officer and Group Executive Business Services oversaw our approach to managing supply chain and human rights, including the centralisation of our procurement function. This enabled clear commercial direction, improved business partnering and strengthened supply chain due diligence. Supporting this work is a dedicated Procurement Lead of Sustainability and Risk and a Sustainability Officer, driving the implementation of our Modern Slavery Roadmap, which includes our supplier risk management and due diligence frameworks.

WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:

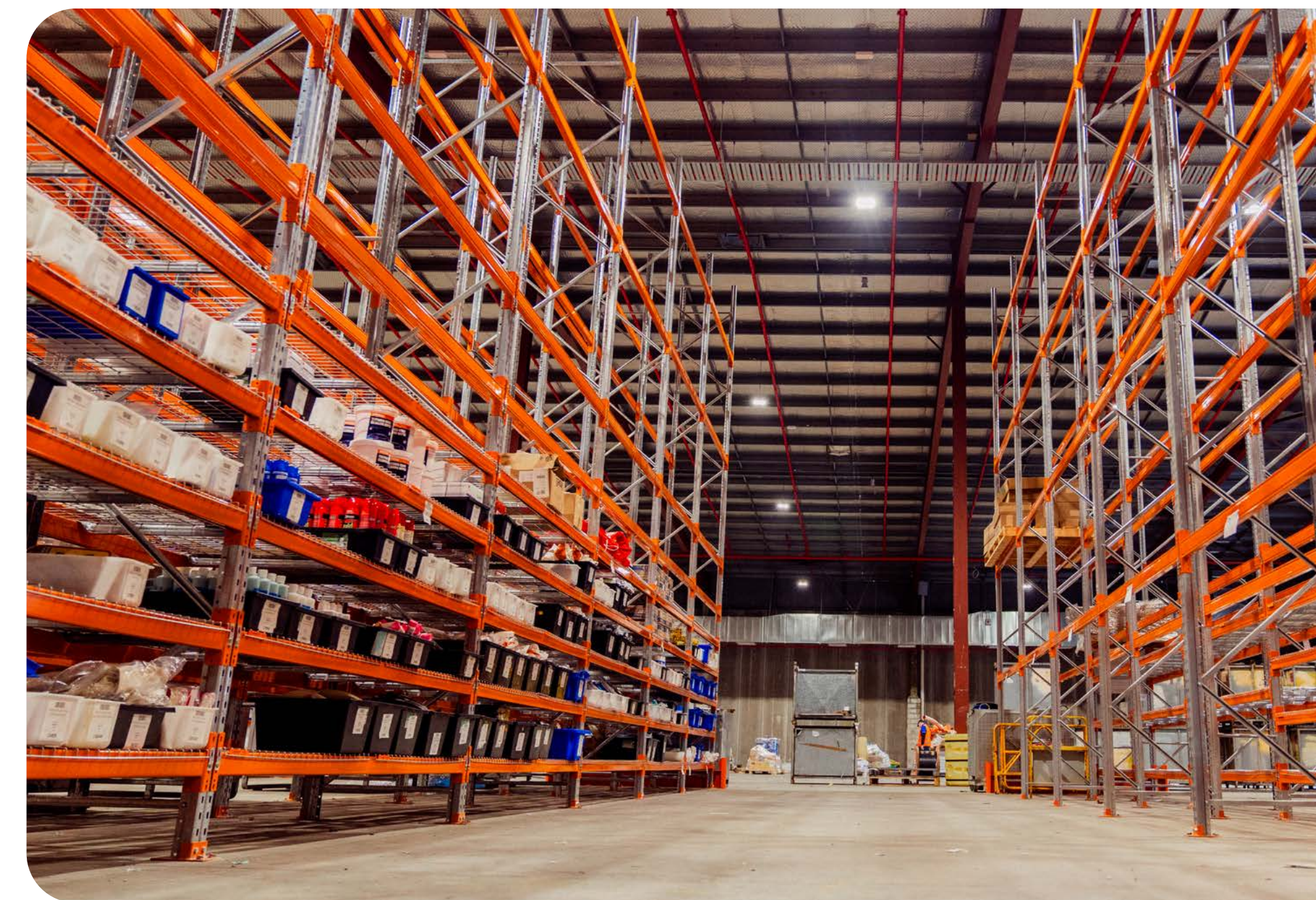


### FY24 PERFORMANCE AGAINST TARGETS

4 Ausgrid Group supplier modern slavery deep dives or knowledge shares (FY24 target = 4)



<sup>24</sup> Procurement Spend reflects addressable spend and so excludes spend associated with Government charges or levies, Transmission Use of System (TUoS) payments, Australian Taxation Office (ATO) payments, etc.



Supply chain and human rights (continued)

The Ausgrid Group provides its people with Procurement Awareness training to support governance and Modern Slavery training so that our people feel equipped to manage modern slavery risks within our supply chain and operations.

We report annually under the *Modern Slavery Act 2018* (Cth) in our Ausgrid Group Modern Slavery Statement and undertake modern slavery risk assessments. We continue to use social criteria within our supplier selection process and conduct annual risk assessments of our supply chain and operations.

The Ausgrid Group is also seeking to improve its supply chain's environmental performance. To the extent possible at this time, we have analysed our full scope 3 carbon emissions footprint (indirect emissions) from our annual spend on goods and services. We aim to improve the quality of this data and work with our suppliers to reduce these emissions and be guided by circular economy principles in our procurement choices.

**What we did this year**

**A new Human Rights Policy**

The Ausgrid Group introduced its first Human Rights policy to reiterate our commitment to respecting and supporting human rights across our operations and supply chain. It outlines our expectations on how we conduct ourselves and make decisions to support this commitment.

**Supplier cyber security assessments**

This year we refreshed our approach to Ausgrid Group cyber risk assessments in our supply chain. Our risk-based methodology prioritises threats based on the impact and likelihood relevant to the supplier and our business. We use evidence from diverse sources and look to open-source intelligence to complement supplier data, ensuring a comprehensive view of supplier risk.

**Modern slavery 'deep dives'**

We conducted a modern slavery analysis of four key suppliers to deepen our supply chain understanding. These suppliers were selected as they provide critical equipment (power cables and meters) or are a high value spend service provider (vegetation management and office supplies). This included a desktop review and benchmarking of the supplier's modern slavery activities followed by a workshop-style meeting. These discussions resulted in the identification and rectification of gaps in compliance to Australian legislation, the sharing of challenges and learnings and a deeper understanding of our supply chain modern slavery risks. The Ausgrid Group will now embed these deep dives as a regular annual activity and increase the number conducted.

**Negative social impacts identified in the supply chain**

This year we did not identify any potential negative social impacts emanating from individual suppliers within our supply chain. In FY24, our social screening considered our suppliers' ESG maturity, their cyber security posture, and their WHS management systems. The Ausgrid Group seeks continual improvement in these identification processes so that actual and potential negative impacts are quickly identified and appropriately managed.

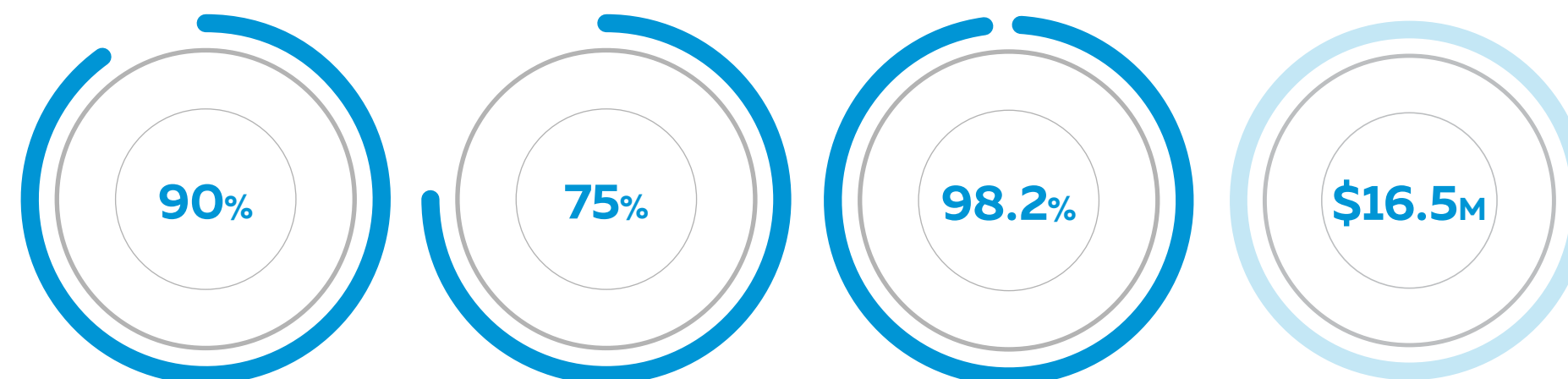
**New Cobalt Mining and Modern Slavery Position Statement**

Cobalt is a critical component of some lithium-ion battery technologies, and its extraction and processing has negative environmental and social impacts. As we are a business that both procures batteries and advocates for accelerated electrification, this year we developed an Ausgrid Group Cobalt Mining and Modern Slavery Position Statement to help us publicly communicate our approach, commitments, and actions to manage cobalt risks. By doing so, we aim to build stakeholder confidence in our actions.

**Supply chain mapping to improve intelligence**

In FY24 the Ausgrid Group completed a pilot supply chain mapping initiative that provides an evolving view of our immediate suppliers' manufacturing locations based on their concentration, spend and product portfolio. This work has the potential for significant risk management benefits relevant to modern slavery and supply chain disruption due to geopolitical conflict. We aim for this to allow us to quickly detect supply chain issues and pursue diversification strategies that can mitigate perceived or actual risk.

**FY24 HIGHLIGHTS**



of the Ausgrid Group's people completed Modern Slavery Training

of new Ausgrid Group suppliers screened using social criteria

of Ausgrid Group procurement spend on Australian suppliers

(1.92%) Ausgrid Group procurement spend on First Nations suppliers

**Uplifting modern slavery awareness within our business**

This year we rolled out a modern slavery awareness campaign publicising our Whistleblower service as the mechanism to report modern slavery concerns, with a particular focus on our contractors. This Ausgrid Group campaign included an animated explainer, posters, and updated contractor training.

**A new Modern Slavery Remediation Guideline**

This year we developed the Ausgrid Group Modern Slavery Remediation Guideline to support remediation where we identify an incident or become aware of an incident (including claims) of modern slavery, either in our business operations or supply chain and its operations.

**“As we become more aware of supply chain risks, it is crucial to uphold our values beyond our immediate operations.”**

MATERIAL TOPIC 10

# Environment and biodiversity

Minimising the environmental footprint of our operations and procurement decisions, protecting biodiversity and promoting a culture of environmental innovation, responsibility, and circular economy principles.

### Why it is important to the Ausgrid Group

Our network spans diverse environments with rural, suburban and metropolitan settings in bushland, undulating terrain, hinterland and coastal landscapes, with flood- and fire-prone areas. The Ausgrid Group proactively mitigates and minimises the environmental and cultural heritage impacts of our operations. This includes limiting our impact through sustainable consumption. We seek to implement circular strategies to simultaneously reduce waste and greenhouse gas emissions through procurement decision making and recycling end-of-life infrastructure and materials.

### How do we manage environment and biodiversity?

We are committed to having a workforce equipped with the necessary skills, knowledge and resources to protect the environment and heritage in our operational area. Our Board, Health, Safety and Environment Committee and the Environmental Services Team oversee the effectiveness of the Ausgrid Group's management approach.

The Ausgrid network covers a range of biodiversity areas such as National Parks, wilderness areas, wetlands, old growth forests, rainforests, core koala habitats and land identified as having outstanding biodiversity value. Habitat includes areas that provide food, roosting, breeding, nesting or refuge for wildlife. Our environmental planning process assesses potential impacts to wildlife to avoid and minimise impacts in accordance with legal requirements. We also inspect our worksites for wildlife and arrange safe relocation prior to starting works.

Our environmental responsibilities are defined in the Ausgrid Group's Code of Conduct, Environmental Code of Conduct (Green Rules),

### WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



Environmental Handbook for Construction and Maintenance and relevant procedures, plans, training and charters. Environmental awareness training refers to these procedures and systems and is completed by field workers and contractors annually.

Since 1996, our comprehensive Ausgrid Group Environmental Management System (EMS) has been accredited to ISO 14001 (the internationally recognised standard for EMS).<sup>25</sup> Our EMS covers all Ausgrid Group operations. However, our certificate is limited to NSW sites. Our EMS is audited annually by an external accreditor and our Internal Audit team. This system allows us to manage our environmental risks in operating, maintaining and building our network. Together with our Sustainable Procurement Policy, the EMS guides our aspirations to implement circular economy principles.

For our business, circular economy is not just about the management of waste products by reducing, recycling and re-using. We want to engage with our suppliers to identify products and innovations that can provide environmental and social benefits in their creation, ongoing use, disposal or repurposing. The Ausgrid Group's 'We're Making Moves' accommodation strategy is guided by

### FY24 PERFORMANCE AGAINST TARGETS

7.5% improvement in Ausgrid Group environmental incidents against our target (FY24 target = 53)



<sup>25</sup> Since 2018, it has been a Ministerial Distributor's Licence Condition for Ausgrid to hold a certified EMS.



Environment and biodiversity (continued)

this in managing surplus furniture and equipment at our sites, by using third parties to reuse and recycle. The new furniture procured through this strategy is also GreenStar certified where possible.

We develop an annual Ausgrid Group Environmental Sustainability Improvement Plan in consultation with our ELT, which sets objectives and targets to improve our environmental performance in areas such as pollution control, biodiversity, heritage, contaminated land, energy and water reduction, waste, and carbon emissions.

The Ausgrid Group complies with the NSW Code of Practice for Authorised Network Operators in conducting Environmental Impact Assessments, which include social and community considerations<sup>26</sup>. We regularly engage with internal and external stakeholders about potential impacts and the effectiveness of our controls as part of our planning and assessment process. By working closely with households, businesses, suppliers, councils, industry, regulators and others, we can minimise disruption to the community and improve environmental outcomes.

We report regularly on the Ausgrid Group's environmental performance to our regulators through the ABS Environmental Indicators Survey, FluoroCycle Statement of Compliance, Environmentally Hazardous Chemicals Act Licence Compliance Report, Environmental Protection Licence Compliance Report, and National Greenhouse and Energy Reporting, as well as this Sustainability Report.

More information about our emissions management can be found in our 'Energy transition' material topic. Our 'Diversity, equity and inclusion', 'Community engagement' and 'Supply chain and human rights' material topics contain information about our work with First Nations peoples to protect the cultural heritage of our network.

**“Our environmental planning process assesses potential impacts to wildlife to avoid and minimise impacts in accordance with legal requirements.”**

**What we did this year**

**Environmental incident performance**

In FY24, the Ausgrid Group retained our environmental incident performance on last year, including:

- 1 pollution incident reportable to the NSW Environment Protection Authority – no evidence of ongoing environmental harm.
- 48 environmental incidents in total, a 7.5% improvement on our incident performance target (<53).

**Supporting Australian Urban Night Skies**

This year Ausgrid supported the Northern Beaches Council in their effort to successfully accredit the Palm Beach Headland as an Australian Urban Night Sky Place. The aim is to raise awareness of the benefits of good outdoor lighting design, while maintaining public safety and protecting the natural nighttime environment and biodiversity in the area. Ausgrid worked with the Council to introduce new lighting with 2,200 Kelvin colour temperature into the streetlights in the park. The specific lighting was selected to meet International Dark Sky compliance requirements.

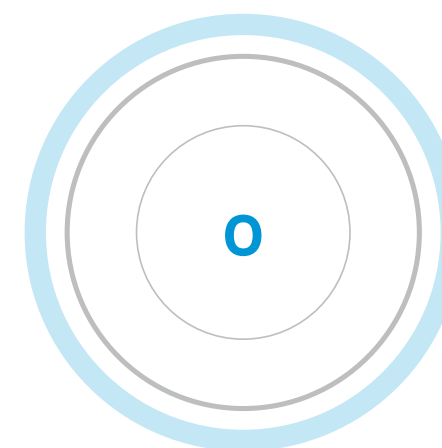
**Bird nest mapping**

Supported by an IFM Investors grant, Ausgrid partnered with BirdLife Australia to help preserve nest trees for Powerful Owls. The project involved compiling a database and guide of the key features of Powerful Owl nest trees throughout the Greater Sydney region. This can be used by land-managers, including the Ausgrid Group, to identify and protect Powerful Owl habitat.

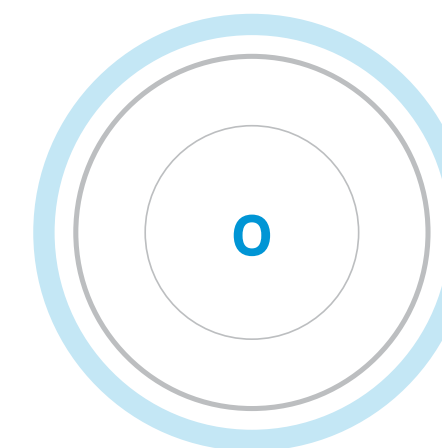


Photographer: Simon Zhu

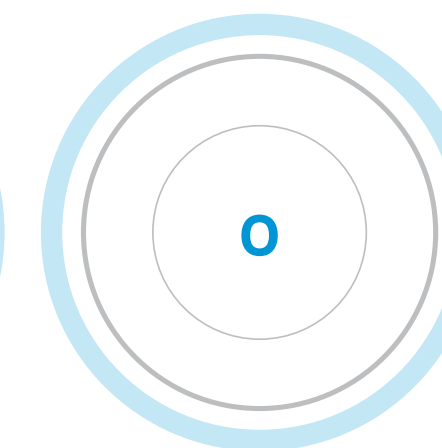
**FY24 HIGHLIGHTS**



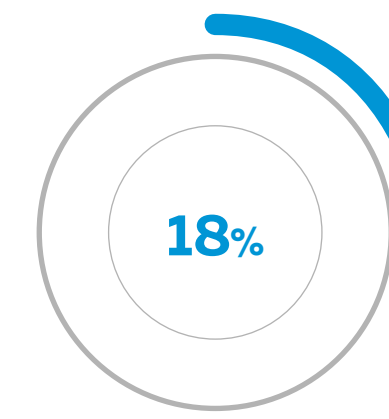
significant Ausgrid Group impacts on biodiversity



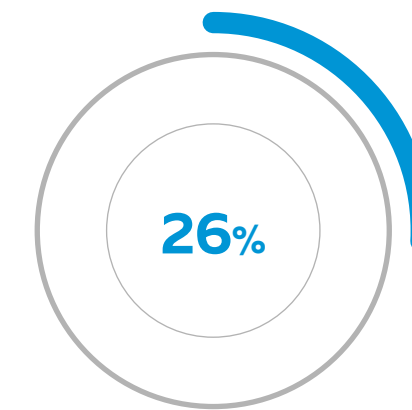
Ausgrid Group environmental fines or prosecutions



Ausgrid Group environmental licence breaches



487 tonnes (18%) of Ausgrid Group solid waste generated was diverted from landfill



756 tonnes (26%) of Ausgrid Group total waste generated was recovered for re-use, recycling or energy use



of Ausgrid Group waste avoided by recycling surplus or redundant equipment and materials



Ausgrid Group environmental impact assessments completed

<sup>26</sup> All Environmental Impact Assessments are made available to the public upon request and assessments for major projects are published on the Ausgrid website.

Environment and biodiversity (continued)



## Phone and tablet recycling and donations

199 (100%) of the Ausgrid Group's outdated phones and tablets were securely formatted and reused or recycled in FY24. 48% of the devices processed by our recycling partner were either reused or donated while the remaining 52% were recycled. We also donated 40 refurbished phones to First Nations Land Councils to help community members who are in vulnerable situations, and their advocates that support them, to enable communication where none previously existed.

**“We are committed to having a workforce equipped with the necessary skills, knowledge and resources to protect the environment and heritage in our operational area.”**

### Responsible community battery procurement

This year the Ausgrid Group committed to assessing suppliers on battery life cycle and the ability to provide end-of-life services such as repurposing and recycling. Our suppliers must provide inbuilt protection systems and offer a minimum 10-year warranty. This approach to sustainable battery procurement is supported by our Cobalt Mining and Modern Slavery Position Statement, Sustainability Policy, Sustainable Procurement Statement, and External Partner Code of Conduct.

### New domestic battery recycling program

This year the Ausgrid Group uplifted its domestic battery recycling by participating in the Federal Government's B-Cycle program and placing dedicated bins at our major depots.

### Donating COVID-19 supplies

In FY24, the Ausgrid Group donated surplus COVID-19 materials to support animal rescue and local public schools as part of our stock management. These donations included 3,000 safety spectacles, 450 boxes of face masks, 350 anti-skid shoe covers and more than 1,000 boxes of nitrile gloves. While these goods are no longer of use to our business, they are valuable resources for our community.

### Other repurposing of materials

In FY24, the Ausgrid Group also diverted over 29,000 tonnes of other waste from landfill by repurposing surplus or redundant materials<sup>27</sup> with the help of our business partners, including:

- Transforming 840 tonnes of scrap metal and cable into foundry ingots and products such as sheet metal, angle and tubing.
- Decontaminating and recycling 777,000 litres of waste transformer and motor oil for use in the bitumen manufacturing process.
- Recycling 100% of street lamps.
- Mulching over 19,000 tonnes of green waste for reuse on-site or donation to local councils, bush regenerators, schools, residents and landscape suppliers.
- Converting 1,218 scrap timber poles into landscaping materials, fencing, furniture, flooring, decking, cladding and benchtops.
- Reclaiming materials from 1,015 tonnes of scrap equipment, such as transformers and switchgear, to use in manufacturing new equipment.
- Recycling more than 6,900 tonnes of surplus soil for use in landscaping and construction.

<sup>27</sup> Does not include IT equipment, COVID-19 supplies and waste diverted through Veolia contract.

MATERIAL TOPIC 11

# Cyber security

Protecting our assets, operations, data and information systems from cyber threats.

WE CONTRIBUTE TO THE FOLLOWING UN SDGS IN THIS MATERIAL TOPIC:



FY24 PERFORMANCE AGAINST TARGETS



**Why it is important to the Ausgrid Group**

The Ausgrid Group is a critical infrastructure operator, and this heightens our risk of cyber-attack. A catastrophic cyber-attack on our network (which includes Sydney city) would have social, economic, health and even geopolitical ramifications for Australia. Minimising cyber security risks and enhancing cyber-safe behaviours across the Ausgrid Group is essential for our ability to provide a safe and reliable electricity supply to our customers, in line with regulatory obligations. As cyber-attacks become more frequent and sophisticated, we are strengthening our security practices to keep our business and customers safe.

**How we manage cyber security**

The Ausgrid Group recognises that the cyber security environment is in continuous change, and so is our business. We therefore consistently apply stringent cyber safe practices and integrate this into strategic planning to help minimise the threat and impacts of any potential cyber security incidents. We aim for the highest level of security under the Australian Energy Sector Cyber Security Framework (AESCFS) to manage cyber threats. This helps our network and associated information, communications, and technology systems remain secure. We adhere to the recently amended Security of Critical Infrastructure Act 2018 (Cth) and are compliant under AESCSF.

Our organisational Cyber Security Strategy enables us to take a holistic approach to cyber security and invest in a range of measures to protect our network. We focus on improving security capability and maturity and reducing overall security risk. To lead this work, the Ausgrid Group has introduced a cyber risk controls management system in conjunction with maintaining our ISO 27001 certification.

The Board is also regularly updated on key cyber metrics such as vulnerability management and resilience, data security metrics and cyber awareness, risks and issues. The security of our operational technology (OT) that manages our electricity network is managed through our Control System Security Strategy, which continues to be refined to align with best practices. Our Incident Management System framework has established staged business and control restrictions in the event of a cyber security incident.

We seek to identify and mitigate risks through considered system design and architecture policies. This is supported by a suite of policies, including the Organisational Security Policy, Security Vulnerability and Patch Management Policy, and Acceptable Use of Technology Policy.

We also prioritise raising awareness and educating our people on cyber and physical security through campaigns, briefs, events and mandatory training. All employees are required to annually complete a mandatory course on how to be cyber safe, both at work and at home. All employees and vendors undertake phishing simulations throughout the year. We consider our people our first line of defence and seek to empower them to ‘see something, say something’.



Cyber security (continued)



## Security Awareness Month – Stronger Together

The theme of the Ausgrid Group’s Security Awareness Month this year was ‘Stronger Together’ to focus on how each of us has an important contribution to make to security. We held events across our network at over 20 locations involving 2,000+ staff to uplift their cyber and physical security awareness and knowledge.

### What we did this year

#### A refreshed Vulnerability Management System

To strengthen our cyber security, we re-developed our Ausgrid Group Security Vulnerability and Patch Management Policy, established new Service Level Agreement requirements, and introduced ongoing vulnerability scanning and reporting, in collaboration with our external partners.

#### Leaks, thefts or losses of customer data

To support the safety and privacy of customer data, the Ausgrid Group removes obsolete data from our systems. In FY24, 40 million historical records were purged and processes to review the lifecycle of customer data have been put in place and managed in accordance with regulated obligations. This year the Ausgrid Group had no substantiated complaints concerning breaches of customer privacy or losses of customer data.

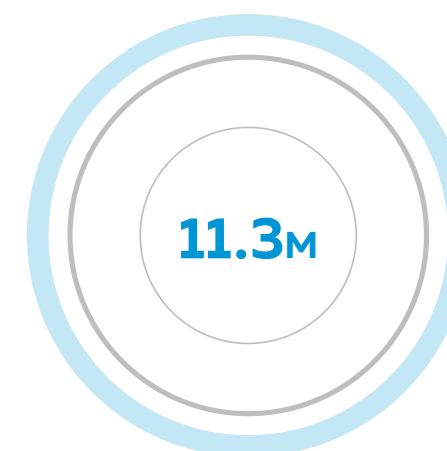
#### New framework to support data access and use

We developed a new Ausgrid Group Access and Use Data Policy that provides enhanced transparency and governance around the access, use or sharing of data that is collected by the Ausgrid Group. This new policy supports us to have the processes in place to protect the data we generate across a range of different sources.

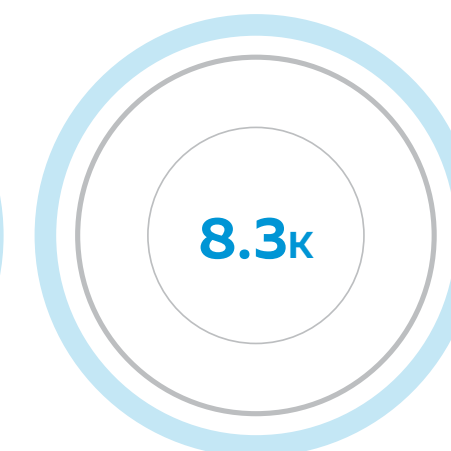
#### Cyber awareness and phishing exercises

We introduced new online cyber training to keep our people up-to-date with the latest cyber attacker techniques. Additionally, we regularly simulated phishing attacks, to enhance awareness. Our dedicated Cyber Team reviewed over 14,000 messages reported by the Ausgrid Group’s people this year. This is in addition to the 10,000+ alerts generated by our protective security systems.

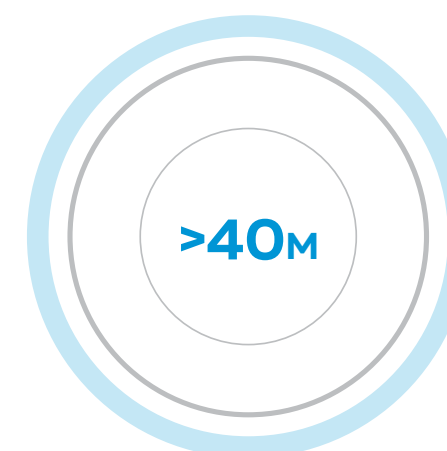
### FY24 HIGHLIGHTS



Ausgrid Group malicious, phishing and spam emails blocked



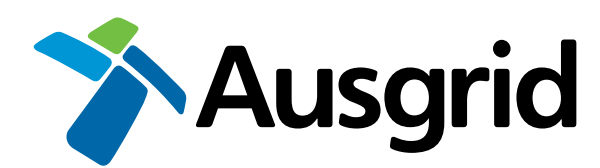
suspicious or malicious websites blocked to protect the Ausgrid Group



Ausgrid Group historical and obsolete database records purged



Ausgrid Group compliance with Australian Energy Sector Cyber Security Framework (Security Profile 1)



[www.ausgrid.com.au](http://www.ausgrid.com.au)

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**Wired for good.**

# Ausgrid Corporate Governance

Overview



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# 1. Introduction

This document provides an overview of Ausgrid's corporate governance framework, policies and practices. It is current as at 30 June 2024.

Ausgrid's Code of Conduct supports Ausgrid's corporate governance and outlines the expectations of the organisation for how employees conduct themselves at work and promotes a safe, healthy, ethical and productive workplace.

Unless stated otherwise in this document, the ownership and corporate governance framework outlined in this document is the same for PLUS ES in all material respects.

## 1.1 Ausgrid ownership

Ausgrid is a private partnership (non-listed) that is jointly owned by IFM Investors (25.2%), APG Asset Management Group (16.8%), AustralianSuper (8.4%) and the State of New South Wales (NSW) (49.6%) (via the Electricity Retained Interest Corporation or 'ERIC') under a long-term lease.

### AustralianSuper

AustralianSuper is Australia's largest super fund. It is one of Australia's biggest infrastructure investors, with an expansive portfolio of Australian infrastructure and real estate assets. This includes direct investments in Ausgrid, WestConnex, Transurban Queensland, NSW Ports, Indara, Sydney Airport and Perth Airport as well as the Moorebank Intermodal Precinct and the Craigieburn and Mascot Logistics Estates.

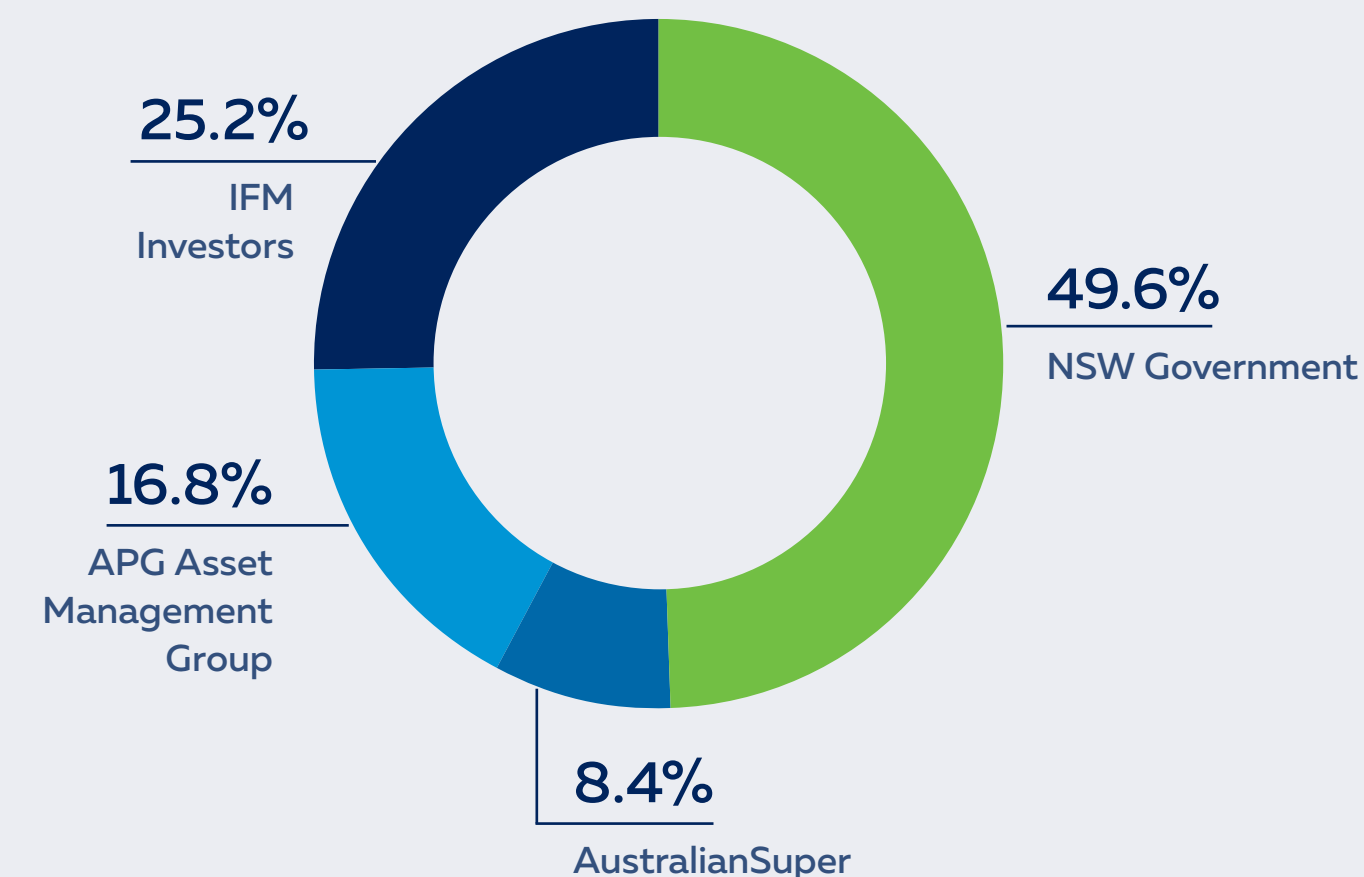
### IFM Investors

IFM Investors was established more than 25 years ago, with the aim to invest, protect and grow the long-term retirement savings of working people. Owned by a group of Australian pension funds, the organisation has A\$217 billion under management as at 31 December 2023, including investments in Ausgrid, Sydney Airport, Melbourne Airport, Brisbane Airport and NSW Ports.

### APG Asset Management Group

APG is one of the largest pension fund asset managers in the world, managing assets predominantly on behalf of Dutch pension fund clients. APG Asset Management has a significant presence in Australia and it currently manages significant investments in Australia across multiple asset classes, including investments in Ausgrid, EastLink, Forico, Lendlease International Towers Trust, Scape Australia, and Lendlease Retirement Living Trust.

## AUSGRID OWNERSHIP

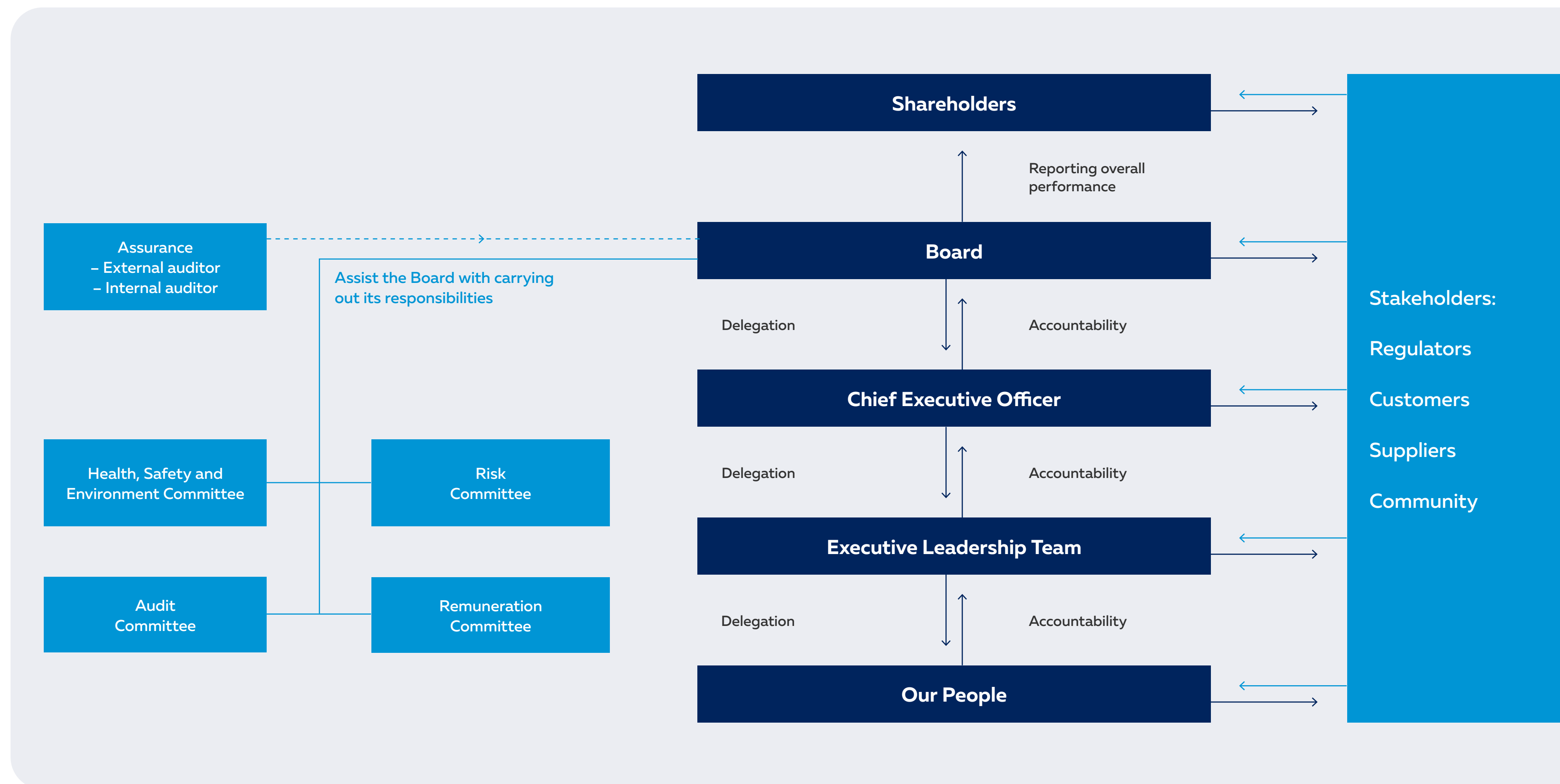




## 2. Corporate Governance Framework

### 2.1 Corporate Governance Framework

Ausgrid's corporate governance framework is summarised in the diagram and sections below.



# 3. Board and Executive Leadership Team

The Board is responsible for the governance and oversight of the performance of the organisation.

The Board gives direction and exercises judgement in setting the organisation's strategy and objectives and for overseeing their implementation.

The Board is accountable to the shareholders and through them to other stakeholders, for the performance of the organisation. To the extent reasonably possible, the Board must also strive to serve and balance the interests of its employees, customers, suppliers, and the broader community.

The Board Charter provides that the Board will normally meet at least six times each calendar year, and at least once in every quarter (with additional meetings as the Chairman deems appropriate).

## 3.1 Board composition

The Board consists of 10 non-executive members comprising:

- an independent Chairman;
- one Director appointed by AustralianSuper;
- three Directors appointed by IFM Investors;
- two Directors appointed by APG Asset Management Group; and
- three Directors appointed by ERIC.<sup>1</sup>

The Board appoints the independent Chairman following a selection process that utilises a range of criteria for assessing candidates, including skills and expertise, relevant industry and stakeholder experience, diversity and independence.

A profile of each Director's skills, experience and education can be found on the Ausgrid website at <https://www.ausgrid.com.au/About-Us/Our-Board>.

Measures taken to advance the collective knowledge, skills and experience of the Board include senior members of management or expert advisors attending Board or committee meetings to present detailed reports on their areas of responsibility or expertise (as the case may be).

For example, during FY24 the Board considered Ausgrid's role in the development of battery energy storage systems, participation in the New South Wales Government's initiatives relating to renewable energy zones and the installation of electric vehicle chargers for members of the public.

The Board's study tour in FY24 also included meetings with external experts and industry participants to learn about their experiences in relation to the renewables transition.

## 3.2 Board Committees

The following committees have been established by the Board to assist the Board in carrying out its responsibilities:

- Health, Safety and Environment Committee;
- Risk Committee;
- Audit Committee; and
- Remuneration Committee.

Each committee has a charter that sets out the purpose, responsibilities, membership and operation of the committee. Each committee typically consists of at least three Board members. The Board appoints the members and Chairman of each committee having regard to the skills and experience necessary for the effective functioning of the particular committee.

The role of each committee is to assist the Board to discharge the Board's responsibilities for oversight and review in relation to the specific matters set out in the committee's charter.

The FY24 Sustainability Report provides a high-level summary of the role of the committees for overseeing the organisation's impacts on the economy, environment and people.

In particular, the Risk Committee's role includes assisting the Board with setting risk appetite for the operations of the organisation, reviewing the risk management framework and monitoring the performance of the risk management framework (see further at Section 4 below).

## 3.3 Board evaluation

The Board reviews its performance annually through a process that is led by the Chairman. The findings of the review are discussed at a Board meeting or workshop.

## 3.4 Decision making and delegated authority

All decisions relating to the management and operation of Ausgrid are made by or under the authority of the Board.

The Board delegates authority to the Chief Executive Officer (**CEO**) for managing the day-to-day business and activities of Ausgrid except for matters reserved for exercise by the Board or a Board committee.

Matters that are reserved for exercise by the Board include the appointment of the CEO, major changes to the organisational structure and legal entities, and approval of corporate strategy and the Board Policy – Risk Management. The CEO's authority is also subject to any limitations and restrictions imposed by the Board.

The CEO may sub-delegate authority to an employee, subject to any directions of the Board. The CEO remains accountable to the Board notwithstanding any sub-delegation.

Ausgrid has also appointed specified employees as attorneys to execute documents on its behalf, subject to applicable restrictions set out in the power of attorney instrument.

## 3.5 Executive Leadership Team

Ausgrid's Executive Leadership Team (**ELT**) members have the authority and are accountable to the CEO for managing, controlling and holding to account Ausgrid's resources and the business unit and processes for which they are individually responsible.

The ELT is responsible for day-to-day operations and provides a forum for oversight and endorsement of strategic and operational decisions on significant matters that affect the business. The ELT also acts as a review mechanism for matters to be considered by the Board or a Board committee.

A profile on each ELT member can be found on the Ausgrid website at <https://www.ausgrid.com.au/About-Us/Leadership-Team>.

<sup>1</sup> As at 30 June 2024, the Ausgrid Board had one ERIC Director vacancy.

# 4. Risk management

## 4.1 Risk management framework

Underpinning our approach to corporate governance is a formal risk management framework and our Code of Conduct. Ausgrid's Risk Committee provides oversight of the risk and compliance management frameworks, monitoring and reporting.

We have adopted a 'three lines of defence' risk management model across the business, which defines the roles and responsibilities of the business and the oversight functions, including the internal audit function.

Our risk management framework facilitates the identification, assessment and management of strategic and operational risks. The framework is aligned to AS/NZS ISO 31000:2018 Risk Management and includes:

- Board Policy – Risk Management;
- Risk Appetite Statement; and
- Risk Management Framework.

We consider a plausible worst-case scenario that could lead to the highest possible risk and identify both the preventative controls to reduce the likelihood of the risk occurring, and controls to reduce the consequence of the event should it occur.

## 4.2 Risk assessment and reporting

Risks are evaluated to determine those that are acceptable and those that require further treatment. This evaluation considers the context of the risk, emerging risks, risk ratings, effectiveness of controls and the agreed organisational risk appetite. Where the current risk rating is above the 'target risk' rating, risk treatment actions are identified and implemented to reduce the risk rating to an acceptable level.

The organisation has adopted a top-down and bottom-up approach to risk assessment.

To ensure new and emerging risks are captured and risk levels are reviewed, we assess our risk registers regularly (at least quarterly and at the start of major projects) and report on these risks every six months..

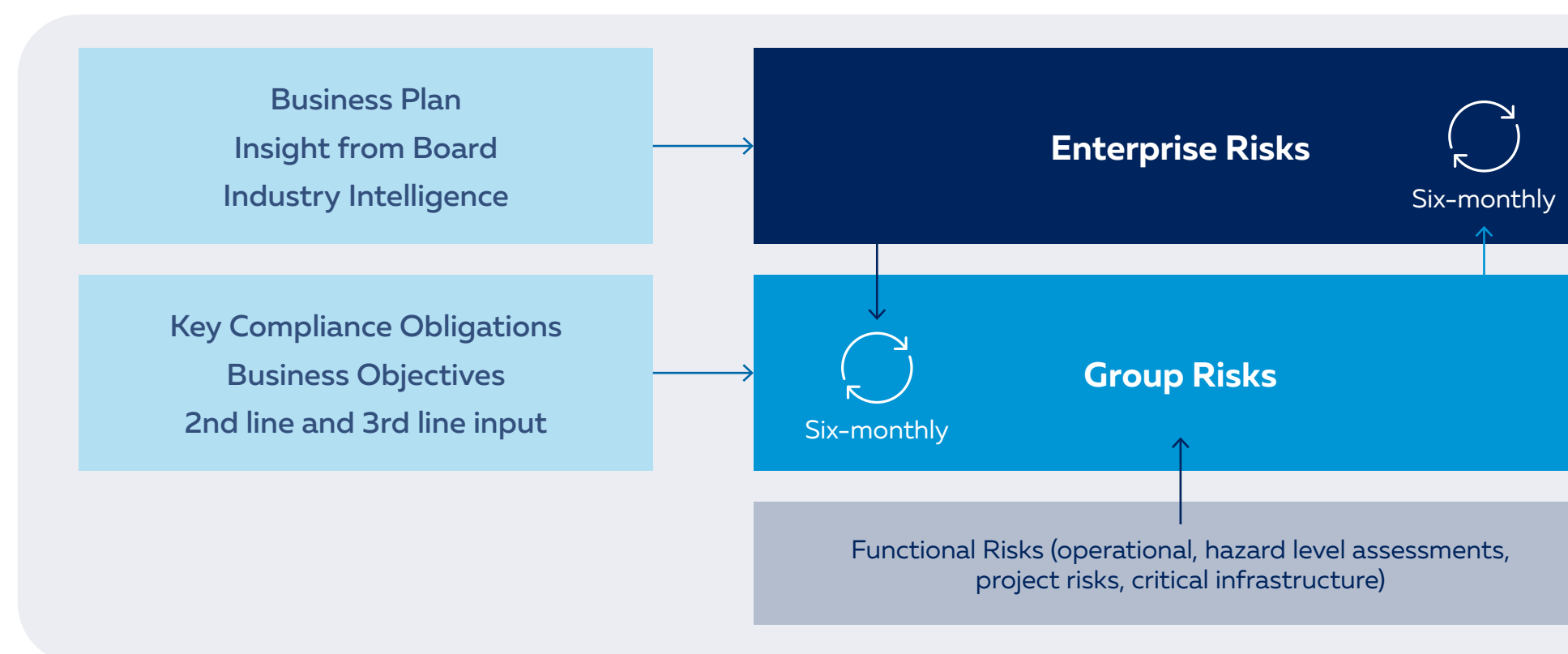
As part of the monitoring and review process, Ausgrid undertakes biannual enterprise risk reviews which include detailed reviews of risks; changes occurring in the market, including consumer usage changes; policy and regulation changes; and consideration of initiatives by energy generators, retailers, transmission and other distributors. This process also informs the update of Ausgrid's annual budget, business plan and associated operational strategies. Debrief sessions are held with the risk team, who subsequently update relevant risk registers.

Throughout the year, deep dive reports into critical enterprise risks are presented to the Risk Committee, other Committees and the Board to provide detailed insight into the risk, the velocity of change to the risk, and the mitigating controls Ausgrid has put in place to manage the risk to within risk appetite.

### RISK GOVERNANCE HIERARCHY AND ASSURANCE



### RISK ASSESSMENT AND REPORTING



# 5. Compliance and culture

## 5.1 Compliance with laws and regulations

Ausgrid's commitment and approach to managing an effective and integrated compliance framework with regard to legal, regulatory and industry obligations is set out in the Board Policy – Compliance. The Board is committed to prudent governance, transparency and accountability for Ausgrid's compliance framework.

All employees must comply with both the letter and spirit of applicable obligations and act ethically at all times in the performance of their duties and in their dealings with fellow employees, colleagues, customers, external stakeholders and members of the public.

This is supported through the implementation of a Compliance Management Framework, aligned to the International Standard, ISO 37301:2021 Compliance Management Systems – Guidelines. All compliance obligations from across the Group have been collated in a register, detailing the relevant piece of legislation, specifics of the obligation, the owner and the controls which support the organisation in meeting the obligation.

Ausgrid requires staff to regularly undertake relevant training and induction modules to satisfy requirements relating to knowledge and understanding of relevant laws, regulations and prohibited business practices.

The Risk Committee receives a quarterly report on the compliance performance of the organisation.

## 5.2 Code of Conduct

The Board, ELT and employees must adhere to the principles, standards and processes in the Code of Conduct. Procedures are maintained for reporting breaches of the Code of Conduct and resolution and disclosure, as required.

Our Code of Conduct is intended to promote a safe, healthy, ethical and productive workplace that we are proud to be a part of, and where we are held in the highest regard. The Code sets out the:

- minimum standards of behaviour that:
  - our customers, suppliers, regulators and stakeholders expect of us;
  - we should expect of each other; and
- consequences of engaging in behaviour that is not acceptable.

Our Code, together with our Values, guides our decisions and actions, and how Ausgrid conducts business.

## 5.3 External Partner Code of Conduct

Ausgrid expects its external partners to drive the most positive social impact and mitigate negative social impacts to provide the best outcomes for our communities. Our Partner Code outlines our expectations such as:

- Human Rights;
- Inclusiveness;
- Supply chain diversity;
- Health and Safety;
- Business ethics;
- Whistleblower;
- Environmental footprint; and
- Privacy, confidentiality, and IP.

## 5.4 Conflicts of Interest

Ausgrid's Conflicts of Interest Procedure sets out our process for identifying, disclosing and managing any conflict of interest that may arise.

Directors are required to declare any conflict of interest upon appointment and on an ongoing basis.

## 5.5 Fraud, bribery and corruption prevention

Ausgrid places a high value on maintaining probity in all of our activities and dealings with others.

Ausgrid's Policy – Preventing Fraud, Bribery and Corruption – requires its employees and service providers to conduct themselves to the highest ethical standards.

Fraud, bribery and corruption risks are reviewed and updated regularly to confirm risks are current and sufficient mitigating controls or treatment actions are in place.

## 5.6 Whistleblower protection

Ausgrid encourages openness, integrity and accountability to promote and support the disclosure of matters involving a breach of our Code of Conduct or any improper circumstances relating to the organisation.

Ausgrid's Policy – Whistleblower – sets out its commitment to a whistleblower protection program (**Program**) to help detect corrupt, illegal or other matters of misconduct.

The Program enables employees, their relatives/dependants/spouse and suppliers to raise concerns in relation to corrupt, illegal or other misconduct.

Whistleblower matters are investigated in accordance with Ausgrid's Whistleblower and/or Managing Unacceptable Conduct policies.

The Program protects individuals who raise concerns from any detriment and their identity remains confidential except in limited circumstances as set out in the Policy.

# 6. Policy commitments

Ausgrid is committed to responsible business conduct as supported by its policies and procedures that govern our operations, to manage our key risks and compliance obligations.

In addition to the key policies and procedures mentioned in previous sections of this document, the following sections outline further corporate governance related policies, procedures and controls maintained by Ausgrid.

## 6.1 Controlled Document Framework

The Controlled Document Framework (**Framework**) maintains corporate governance and controls to provide a trusted source of accessible, consistent, up-to-date policies, procedures and associated documents.

The Framework enables information to be found through a single access point, ensures maintenance, and is integrated with organisational processes and compliant with applicable legislation.

The policies and associated procedures are communicated to staff and made available via our intranet. Training and implementation guides are provided when documents are new or refreshed, with monitoring and assurance of key controls conducted on a risk basis.

Policies are periodically reviewed and updated based on a risk-based rating or when changes need to be addressed.

The following policies and standards are available on the Ausgrid website:

- Modern Slavery Statement;
- Human Rights Policy;
- Commitment to Health, Safety and Environment Policy;

- Whistleblower Policy;
- Code of Conduct; and
- External Partner Code of Conduct.

## 6.2 Audit

Ausgrid undertakes co-sourced internal audits to provide management with strategic support and advice, and to provide the Audit Committee with assurance that management is effectively managing its key risks. Ausgrid's financial statements are externally audited.

The Audit Committee provides oversight of the audit process, assisting the Board to discharge its responsibilities in relation to the specific matters outlined in the Committee's Charter. These matters include financial reporting, including the integrity of financial reports, accounting policies, internal controls, the appointment of auditors, internal and external audit performance and tax risk management governance.

The Audit Committee reviews and approves the risk-based internal audit plan on an annual basis to ensure there is appropriate coverage of key strategic and operational risks.

The Audit Committee reviews and assesses actual or perceived impairment of the independence of the external audit firm, including but not limited to any relationships with any company, partnership or entity that may impair or appear to impair the external audit firm's judgement or independence.

Ausgrid's Board Policy – External Audit Firm Independence details the requirements for the independence of external audit firms and the engagement of external auditors for audit and non-audit services.

## 6.3 Cybersecurity and data protection

The need to protect our assets and data from electronic or physical intrusion is highly important to Ausgrid's customers and other stakeholders. We invest in cyber and protective security measures to further reduce Ausgrid's risks and access to our systems and premises. Ausgrid makes a significant investment in raising cyber awareness and educating employees.

This investment has comprised a series of campaigns, information briefs and events, and a competency-based eLearning module that all employees and contractors must pass.

## 6.4 Transparency

Ausgrid is committed to robust corporate governance, transparency and accountability to regulators, customers and other stakeholders.

We provide detailed information to the AER to assist in determining our efficient expenditure allowance that promotes the long-term interests of consumers. Publicly available documentation on the AER website contains information on Ausgrid's productivity, costs, revenue, operational expenditure, provisions, our regulatory asset base, operational data, physical assets, quality of service, and our operating environment.

We report to IPART and the IPART website contains our licence conditions and safety information.

Transparency is upheld through engagement with our Customer Consultative Committee. This committee represents a diverse spectrum of our customer base, and we proactively share and seek their input on most major business activities.

Ausgrid also seeks to make information about our operations accessible to all interested stakeholders through our website.

## 6.5 Board and Executive Leadership Team remuneration

Except for the Chairman, Board members do not receive any remuneration from Ausgrid in connection with their role as a Director. The Chairman is remunerated in accordance with the terms of appointment, which is comprised of a Fixed Annual Remuneration (**FAR**), including superannuation. There is no Short-Term Incentive Plan (**STIP**), or Long-Term Incentive Plan (**LTIP**) included in the terms of appointment of the Chairman.

The ELT remuneration framework comprises a FAR and an at-risk component. FAR includes cash salary, compulsory superannuation contributions and any other salary-sacrificed benefits. The at-risk remuneration component comprises a STIP and an LTIP.

The Remuneration Committee assists the Board to oversee Ausgrid's remuneration structure and processes including the review of performance and remuneration of the ELT and senior employees.

## 6.6 Gender pay equity

Ausgrid's recruitment, development, promotion and remuneration decisions are based on performance, capabilities and gender equity. We report annually to the Australian Government's Workplace and Gender Equality Agency on our performance. Our targets include:

- increasing the number of women in people leader roles to 25% by the end of 2025; and
- tripling the number of women in frontline roles by the end of 2025.

Gender diversity is one of the five key diversity pillars of our Diversity and Inclusion Plan. We also have a Gender Diversity Employee Resource Group, which aims to allow employees from across Ausgrid to participate in developing and implementing programs to drive gender diversity and an inclusive workplace.

We annually review the pay gap between genders at Ausgrid.

## 6.7 Lobbying and political involvement

Ausgrid regularly works with stakeholders and regulators for a better outcome for our customers. We also seek to influence the shape and direction of the energy transition and Ausgrid's role.

The Ausgrid Board Policy – Delegation of Authority to the CEO – prohibits donations being made to political parties.

## 6.8 Membership of associations

Ausgrid is an active member of associations such as:

- Male Champions of Change;
- Australian Power Institute;
- Committee for Economic Development of Australia (**CEDA**);
- National Press Club of Australia;
- Clean Energy Council;
- Committee for Sydney;
- Energy Networks Australia;
- Electric Vehicle Council;
- Race for 2030;
- Energy Users Association of Australia; and
- The Energy Charter.



[www.ausgrid.com.au](http://www.ausgrid.com.au)

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