SA Power Networks Group ESG Reporting Suite

Social Matters: Management Approach



This document describes how the SA Power Networks Group responds to, manages and evaluates material social matters. Our material social matters are:

1. People and culture
    - Shortage of skills to support the energy transition
    - Workplace talent attraction, development and retention
    - Workplace inclusivity and diversity
    - Safety and wellbeing of our employees and safety of the community
2. Stakeholder engagement and customer experience
    - Customer experience and engagement
    - First Nations people and communities
3. Social impact
    - Energy affordability, access and an equitable transition
    - Community investment and economic development

SA Power Networks Sustainability Reporting Suite

This document should be read in conjunction with our:

- Sustainability Report;
- Sustainability Data and Disclosure Databook; and
- Environmental, Network and Governance Matters Management Approach Statements.

Our reporting follows the guidance of the Taskforce for Climate-related Financial Disclosure (TCFD) framework, the Global Reporting Initiative (GRI) Standards and general industry standards. Supporting information that forms part of our sustainability disclosures is available on our website.

Disclaimer

The information contained in this report is relevant and accurate to 31 December 2024. The information contained in this report is for general information only and should not be taken, read or relied upon as anything other than general information. To the extent permitted by law SA Power Networks makes no representation and gives no warranties in relation to the accuracy, completeness or suitability of the information for a particular purpose.

SA Power Networks

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1. People and culture

1.1 Overview

This section outlines how the SA Power Networks Group approaches people and culture related matters, including the safety and wellbeing of our workforce and safety of the community, inclusion and diversity, talent attraction, retention and workforce development. How we are addressing the issue of the shortage of skills to support the energy transition is also touched upon.

We are committed to support our people to be safe, well, connected and contributing in ways that are meaningful to them and aligned to our goals. The energy transition presents exciting possibilities to make the working lives of our people more harmonious and productive in an environment where they thrive. At the same time, the organisation is facing the challenges associated with building the skills and capabilities both in our workforce and across the sector to effectively manage and deliver on the demands of a rapidly changing and increasingly complex energy sector.

1.2 Management Approach

1.2.1 Strategy, policy, and systems

The SA Power Networks Group has comprehensive workplace human relations, safety and wellbeing, and employee development systems which are reflective of the size, culture, role and activities of our business and people. These include a range of strategies (including an overarching People Strategy), policies, procedures, directives and guides.

Our Safety Management System is accredited to ISO 45001, the International Standard for Occupational Health and Safety, and we regularly undertake system, facility and project safety audits and inspections. Our Contractor Management System (Site Pass) also enables us to mandate and monitor appropriate safety and environmental compliance standards across our large contractor base. Our safety incident management system (Enablon) is an integrated Risk, Environment, Health and Safety Management system that has facilitated improved event reporting, investigation and management.

1.2.2 Workplace talent attraction, development and retention, and addressing the shortage of skills to support the energy transition

Shortage of skills to support the energy transition

Like many businesses in the energy sector, we are experiencing shortages across several aspects of the existing workforce, particularly in fields such as engineering, technical professions and powerline workers. We have an aging workforce, and are operating in an environment of rapid technological and social change, in which we need to adapt and evolve new ways of working. We are employing a range of initiatives and strategies (refer to following sections) to attract, retain, and develop a workforce for now and the future, with people who are ready and willing to embrace new capabilities and technology.

Our People Strategy (2021-2025), and the work undertaken by our strategic workforce planning and organisational capability teams are designed to enable the organisation to meet the challenges and capitalise on the opportunities of the rapid energy transition.

Talent attraction and recruitment

We offer a diverse and exciting range of career opportunities, from more traditional roles to innovative roles of the future – many of which are already here. For example, we have people working in artificial intelligence, electric vehicles, virtual reality, robotics, drones, and cyber security.

We engage with schools and universities to promote a career in the energy sector and science, technology, engineering, and mathematics (STEM) fields, including internships and scholarships for existing students

and graduate positions for those who have recently completed their studies.

We aim to balance recruiting new external talent with a significant focus on internal promotions and career broadening, and are committed to creating a fair and equitable recruitment experience for all internal and external applicants which is free from discrimination. Permanent roles are advertised internally prior to external to facilitate access by all of our employees and we use gender-neutral language in our advertisements. We seek to provide a diverse range of candidates for presentation on shortlists and to have male and female interviewers as part of the recruitment process. Where there are female candidates for advertised vacancies (internal, external and secondments), it is mandatory that a female be on the selection panel formed by the Hiring Manager. However, where there are no female candidates for an advertised vacancy, we endeavour to have a female member of the selection panel to support gender-diverse assessment of candidates.

Employee benefits and wellbeing

The SA Power Networks Group aspires to be known as an employer of choice and offers a rewarding and flexible working environment where skills, safety and diversity are valued, and the importance of work-life balance is recognised. Employees are provided:

Health and wellbeing	• Employee Assistance Program (EAP) • Family and domestic violence leave • Discounted health insurances • Vaccinations • Gym membership discounts
Remuneration and rewards	• Reimbursements on power bills • Novated leasing options • 17.5% annual leave loading • Salary Sacrifice into Superannuation • Additional 1% on top of the legislated superannuation guarantee
Flexibility	• 18 weeks parental for primary carer, 5 weeks for secondary carer • Flexitime • Purchase additional 4 weeks of annual leave • Hybrid work models are available for certain (non-field-based) employees
Career development	• Leadership development programs • Mentoring • Award-winning training • Study leave • Secondment opportunities
Other benefits	• Paid volunteering leave • First Nations leave (3 days per year) • Superannuation contribution to primary carer or parental leave without pay • Social clubs in certain departments • Free parking and bike storage (and shower facilities)

The SA Power Networks Group is committed to providing a psychologically safe working environment for all workers. We recognise that all employees, including contractors, have the right to work in an environment free from discrimination, harassment, and bullying and all other types of unfair treatment. We provide training and awareness to create awareness in our employees of the Fair Treatment Directive and Code of Conduct; aim to treat all discrimination, bullying and harassment complaints in a sensitive, fair, timely and confidential manner; aim to act against victimisation; and encourage the reporting of behaviour which meets the definition of discrimination, bullying and/or harassment.

The vast majority of our workforce is covered by an Enterprise Agreement.

Organisational capability

The SA Power Networks Group supports a culture of continuous learning, development and performance, with our Organisational Capability team managing a range of functions such as capability identification, talent pipelines and assessment, leadership development, trade workforce training, and change capability and agility.

We run a Graduate Development Program, Cadet Program, Mentoring, Apprenticeships and Traineeships, and have designed our Leadership Development Framework to provide a structure which supports the development of the skills that are needed by the business now and in the future.

For learning which is best conducted via in-field training or experience, our Training Services facilities allow for students to actively obtain the skills and certificates required for on-site work. As an Enterprise Registered Training Organisation, SA Power Networks has been recognised as a leader in the delivery of quality trade technical training services in the electricity supply industry.

SA Power Networks Graduate Development Program, Cadet Program, Apprenticeships and Traineeships

As one of South Australia's largest employers of apprentices and graduates, SA Power Networks runs a range of accredited training and entry-level work programs. We offer traineeships and apprenticeship opportunities across a variety of areas within our organisation, and include both on and off-the-job training at our dedicated Training Centres and TAFE SA. Apprenticeships are available in various locations around South Australia, and include Powerline, Electrical, Powerline Transmission and Electrical with Telecommunications trades.

Our Graduate Development Program provides the opportunity to put theory in to practice and supports the transition from university to full-time employment. It includes employment opportunities across the organisation including engineering, asset management, information technology, strategy, innovation and telecommunications departments. We also offer an Engineering Vacation Program, providing an opportunity for engineering students in their penultimate year of study who have an interest in electrical power systems. The program spans approximately 12 weeks over the summer university break.

SA Power Networks is a sponsor of the Australian Power Institute Bursary Awards and member of the Australian Associate Graduate Employers (AAGE) and we consistently rate in their top graduate employer list, as voted by graduates.

Cadetships are offered by SA Power Networks which include an external qualification – such as project management or electrical engineering – over a three year program. Through our Cadet Network Project Officer Program, cadets receive a nationally recognised qualification and on-the-job experience through structured rotations in different business areas, to develop a broad range of skills and experience.

Mentoring program

Our mentoring program aims to foster professional growth, enhance skills, and build a supportive community within the organisation. By connecting experienced mentors with mentees, we support a culture of continuous learning and development, which ultimately leads to better performance and innovation. The programs are structured to provide a mechanism for mentoring relationships so that experienced mentors can share advice, knowledge and experiences with mentees, resulting in a mutually beneficial professional development relationship.

Performance management

Annual people performance reviews are an important way to align and maximise the value of our workforce's contribution to achieve our vision. Employee performance is an ongoing focus, centred around an annual process of objective setting, ongoing feedback and review. We use an electronic system called SuccessFactors for annual performance management, which, along with a range of tools provides a framework which helps leaders and employees openly discuss and agree expectations around what needs to be delivered in a given period, and how in terms of expected behaviours which are aligned to our

preferred culture and values.

SA Power Networks Group Employee Foundation

An important reflection of the culture of the SA Power Networks Group is the Employee Foundation. Established in 2006 and set up as a Charitable Trust with the principal purpose of making donations to worthy charitable causes, the aim of the Employee Foundation is to enable our employees, their families and friends to make a positive contribution to the lives of people in our community. This is done through payroll donations, fundraising and volunteering. We provide a full workday for every staff member to volunteer with a South Australian based charity.

1.2.3 Inclusivity and diversity

Inclusivity and diversity

Our ambition is to foster an inclusive workplace that better reflects the diversity of our community. Although inclusivity and diversity have been elements of our human resources plans, practices and processes for many years, to elevate our focus and commitment on diversity and inclusion issues, we established an Inclusion and Diversity Strategy and Action Plan to further inclusion and diversity principles across the organisation. Successful delivery of the Inclusion and Diversity Strategy will enable the SA Power Networks Group to achieve our vision and capitalise on the opportunities and benefits that a more inclusive and diverse organisation can generate.

While we recognise there are many dimensions of diversity, we have identified three pillars of focus requiring our initial efforts:

- Gender equality
- Reflecting our community
- Respect

We believe that these activities will also increase diversity across other aspects of the diversity spectrum. We have begun to undertake a range of initiatives to meet the targets established for the three focus areas, but the primary pillar of focus over the short-medium term is gender equality.

We report every year to the Workforce Gender Equity Agency (WGEA) and have developed appropriate targets to improve our gender composition and performance against other measures in line with better practice in our industry. We recognise that our pay gap arises mainly because we have an uneven distribution of males and females through the pay scales in our business, with more women in lower paying roles and less in higher paying roles. This is why we are focusing our efforts to attract and retain females in our business, and also support greater female career progression.

We have multiple initiatives identified to increase female representation across our business, encompassing all roles and all levels of leadership. Initiatives include specific projects around recruitment, internal movements, development, talent pipeline building, succession, and education programs. This program of work is outlined in our Inclusion and Diversity Action Plan, which is overseen by our Executive Leadership Team (ELT), who meet quarterly to review and discuss the enterprise's inclusion and diversity progress.

SA Power Networks Inclusion and Diversity (I&D) Committee

The I&D Committee is an internal advocacy group made up of staff who are passionate about ensuring all people come to work feeling safe, valued, respected and included. The group's collective mission is to build an organisation that embraces cultural, gender and identity diversity, where individual talents, attributes and skills are celebrated. The focus of the I&D Committee's activities are around awareness raising, education and events to recognise significant days in the diversity and inclusion calendar.

1.2.4 Safety and wellbeing of our employees and safety of the community

Worker safety

SA Power Networks and Enerven workers undertake a range of high-risk activities daily, so the safety of our people (and community) is a fundamental priority. We strive for a workplace free of serious injuries, providing our people and our contractors with the appropriate information, instruction and training to manage a range of safety risks associated with working on our electricity network.

Our comprehensive safety management system enables us to manage safety risks through systematic identification, assessment, control and reporting. Our Work Safe Standards – underpinned by the Work Safe Values – are the minimum expectations of all workers to protect against serious and fatal risk, however there are other activities that warrant specific risk management strategies to be employed. All employees are expected to understand the Values at every level of the company.

Design safety

The SA Power Networks Group has adopted a Life Cycle Safety approach to ensure that any work undertaken throughout an asset life is undertaken to prevent harm. Processes include Safety In Design, Construction Risk Assessment, Hazard and Risk Identification and Control activities that provide documented evidence of Hazard Control. Where required, when hazards are identified with a potential for community impact there may be a community consultation phase.

Mental health and wellbeing

Keeping our people safe and well includes both the physical and mental capacity of an individual. The Health Hub and Wellness Portal is an initiative that reflects the SA Power Networks Group's commitment to holistic wellbeing of employees at work or at home and aims to provide practical resources to support and improve the work experience. Content includes tips on physical health, leadership support, positive mindset and wellbeing courses. We regularly refresh and expand the content of the Health and Wellbeing Framework, with guidance on managing psychosocial safety at work being a recent addition.

SA Power Networks and Enerven are committed to creating a culture that encourages conversation and engagement in support of activities relating to the mental health of our workforce. An important initiative of this commitment is the Mental Health First Aider (MHFA) program that teaches people the skills to help someone who they're concerned about. MHFA's are formally trained volunteers embedded within work groups.

Contractor safety

We utilise a dedicated Contractor Management System - Site Pass - which enables us to mandate and monitor appropriate safety and environmental compliance standards across our large contractor base. All our contractors and other workers are required to meet stringent work, health and safety requirements and be trained or inducted prior to working around our infrastructure. Every year, SA Power Networks and Enerven hold a Contractor Safety Forum to bring together all of our key contractors to hear about the latest developments in the safety space and share experiences about working in the electricity maintenance and construction industry.

Community safety

We are committed to providing a safe and reliable electricity supply for South Australians. Electricity can be dangerous and touching powerlines or even getting close to them, can be fatal or lead to serious injury.

To facilitate the safety of our customers and communities, we:

- Proactively address bushfire, electric shock, wires down and life support risks;
- Maintain our assets to minimise risk of asset failure especially in the face of intense and prolonged summer heatwaves brought on by climate change;
- Provide safety information that is relevant, timely and easily accessible via safety campaigns, social

media, website updates and communication with customers;
- Maintain a timely response to community concerns raised through SA Power Networks' 24/7 faults and emergencies line; and
- Work with our Vulnerable Customer Advisory Group and others to improve services for life support customers.

More information about how we manage the risk of bushfires can be found on our website and our *Network Matters: Management Approach Statement*.

1.3 Evaluation and improvement

The SA Power Networks Group employs a range tools and systems to monitor progress towards program delivery and the achievement of the goals and initiatives of our strategies.

Analysis of safety event data from Enablon and SitePass including (but not limited to) personal injury, switching, and driving, near misses, assists in developing the objectives and the focus streams that underpin both corporate and departmental plans and performance monitoring. Safety performance reporting (as per all strategic risks in our Risk Management Framework) to the ELT and Board occurs regularly, and our comprehensive safety management system includes safety related communications and training on key programs and events.

In addition, our Quarterly Safety Performance Reviews bring together the ELT, an external advisor, safety team members, senior leaders and employees from across the business. Their shared objective is to uncover and embed learnings to improve safety performance. This is achieved through the investigation of the performance of health, safety, and wellbeing against the annual benchmarks, discuss outcomes and organisational insights from major incidents and strategic initiatives, and engage in discussions on focus areas like switching operations, contractor management and community safety.

To analyse employee wellbeing, the People and Culture team draws on insights and data from the Culture Survey regime, usage of the Employee Assistance Program and feedback from employee focus groups and forums. We review and report on our progress against a range of people and safety risks and priorities to the ELT, Board and in our annual ESG reporting, and we report every year to the Workforce Gender Equality Agency (WGEA).

A range of people and culture related metrics and KPIs are regularly reported through to the ELT and provided in our annual *Sustainability Data and Disclosure Databook*.

2. Stakeholder engagement and customer experience

2.1 Overview

This section outlines how the SA Power Networks Group approaches engagement with our customers and other stakeholders, particularly in relation to understanding and responding to their changing needs and enhancing the customer experience. These insights are critical to the ongoing prosperity of our business and the relevance and reputation of our brand and services.

We believe that to achieve our strategic goals and be a positive force in the successful transition of the energy sector in our state, we will need to continue to engage with our stakeholders and advocate for positive and constructive change.

2.2 Management Approach

2.2.1 Strategy

Our Stakeholder Engagement Framework facilitates our close work with stakeholders such as regulators, market bodies and customer advocates to strive to provide a consistent experience for our customers in a constantly changing energy market and changing customer expectations. We aim to deliver customer-centred solutions and work with our varied customers across the SA Power Networks Group's value chain, with the underlying intent being to:

- Support sustainability of our business in the long-term;
- Help us meet changing customer and community expectations;
- Underpin an improved relationship with stakeholders and consumers; and
- Help us meet best-practice engagement and show leadership in the industry.

To enhance the breadth and quality of our stakeholder engagement to better reflect the diversity of our communities and the complexity of energy sector issues, we are refreshing our Stakeholder Engagement Framework to improve the scope, consistency and quality of engagement and better include Culturally and Linguistically Diverse (CALD) communities, Traditional Owner groups and align with our Reconciliation Action Plan. Our engagement principles are aligned to the core values of the International Association for Public Participation (IAP2) spectrum.

In addition to our comprehensive Customer Strategy (2021-2026), our Customer Charter outlines our commitments and guaranteed service levels.

2.2.2 Our stakeholders

We actively engage with our customers and stakeholders up and down the value chain to find ways to find solutions to some of the challenges of the energy transition and capitalise on the opportunities it presents.

Our key stakeholder groups and how we engage with them is summarised below:

Stakeholder group	About the stakeholder	How we engage
Customers		
Residential	Encompassing all South Australians using electricity from our network. Dedicated Community Advisory Board and Working and Reference Groups: • Community Reference Group • Connections Working Group • Regional and Remote Customers Sub-Committee	Dedicated local customer relations team and Customer Relationship Management System, operating a 24/7 faults and emergencies line Regular formal and informal communications with customer engagement personnel and operational employees via phone, website (Corporate and Talking Power), (SMS and Card) notifications, social media, site visits, meetings, events and reporting.
Business	Electricity (SA Power Networks) and energy services (Enerven) customers. Range of sizes and scale, from small businesses through to large industrial customers. Dedicated Community Advisory Forum and Advisory/Working Groups.	Ongoing communications with dedicated Major Customer Business Partner role. Regular formal and informal communications with customer engagement personnel and operational employees via phone, website, meetings, site visits, meetings.

Stakeholder group	About the stakeholder	How we engage
Governments		
Governments and Regulators	Local, state and national regulators (Australian Energy Regulator (AER), Clean Energy Regulator (CER), Office of the Technical Regulator (OTR), Environment Protection Authority (EPA) and government agencies.	Regular formal and informal communications with corporate and operational senior management and employees through meetings, site visits, events and reporting.
Partners and collaborators	Universities, RACE2030, Australian Renewable Energy Agency (ARENA), private sector technology companies	Research projects, trials and piloting of technologies and approaches. Communication via meetings, presentations, events.
Communities		
Local community	Individuals and groups local to our network infrastructure, including landowners, Traditional Owners, development groups, local businesses, and councils.	Location-or project-specific community engagement, meetings, formal and informal communications, (Corporate and Talking Power) website, (SMS and Card) notifications, and social media.
Non-government organisations (NGOs)	Local and regional advocacy, charity, social, medical, community, sports, arts, and environmental organisations.	Collaboration, funding, supporting and volunteering by employees for a range of charities events and organisations. Promotion of activities.
Media	Print, radio, television and online platforms.	Regular engagement with business and regional media through interviews, discussions, media releases and site visits undertaken by our Corporate Affairs team. Safety and other campaigns via media.
Industry/Commercial		
Energy services	Electricians, solar and battery providers, meter readers, and so on.	Dedicated local customer relations team and Customer Relationship Management System to manage enquiries, complaints and manage connection/technical issues.
Energy sector	ElectraNet (SA transmission), energy retailers and generators, other distribution businesses, Energy Networks Australia (ENA)	Regular formal and informal communications with corporate and operational employees through meetings, site visits, events, and trials/collaborations.
Investment community	Owner companies, Board of Directors, investors, financiers, mainstream brokers, analysts and fund managers, green finance advisers.	Regular formal and informal communications with senior management and employees through meetings, and reporting.

Stakeholder group	About the stakeholder	How we engage
Employees	Our workforce is predominantly South Australian based and comprised of employees, contracting partners, and supplementary labour. Many of our employees and contractors are members of relevant Unions.	Regular communication with our workforce through the intranet, emails, bulletins, company electronic magazine, presentations and discussions, internal social media, noticeboard items, videos from the CEO.
Suppliers	Product and service suppliers, from local businesses to large international organisations.	Communication via email, phone and meetings by our procurement and operational personnel. Dedicated onboarding and contractor management system (SitePass).

2.2.3 Key customer and stakeholder engagement methods

Customer experience

Customer expectations are increasingly shaped by their experiences with other industries, where efficient, seamless, and timely service has become the standard. At the same time, the energy transition is fundamentally changing how customers use and manage energy, with many looking to decarbonise and electrify their lives. Enhancing the customer experience while improving efficiency, reducing costs, and shortening time-to-serve is vital for meeting these evolving expectations.

We utilise a wide range of forums, channels and mechanisms to engage with our customers, communities and other stakeholders, including digital engagement websites, focus groups, surveys, working and advisory groups, field days and industry events.

We have a dedicated local customer relations team, and operate a 24/7 faults and emergencies line and Customer Relationship Management System. Our Customer Services teams source information from the business to provide accurate, reliable and customer friendly resolution to all telephone enquiries and complaints. We manage enquires and complaints from residential and business customers, registered electricians, builders, contractors and solar installers, and provide advice. We scale up the contact centre operations during major events to manage a higher volume of calls using a trained team from all parts of SA Power Networks.

We know that we must transform our customer service capabilities to meet the challenges and opportunities of our rapidly evolving industry and increasing customer interactions. Our Energy Services Program of work will assist us deliver a transformation of our energy services in our next Regulatory period (2025–30), and is designed to deliver the modern systems, initiatives and skills needed to better enable us to provide an experience that aligns and evolves with our customers' expectations. The initiatives aim to transform the customer experience to provide a fast, seamless, positive, helpful and consistent customer experience regardless of the channel a customer chooses to use, with a focus on growing digital channels as a customer-centric platform.

Service and revenue setting (Regulatory Proposal, or 'Reset') engagement

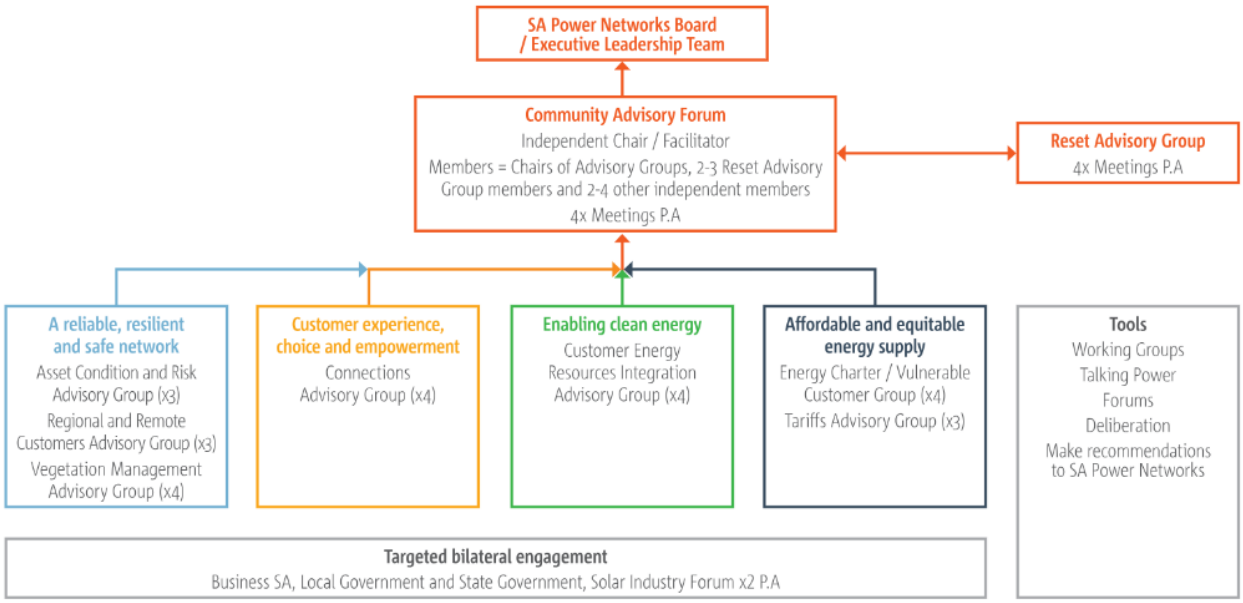
Our most significant and deepest engagement with customers and stakeholders centres on determining our service targets and business and network plans to achieve them for each regulatory period (five years).

We generally commence these engagements about 3–4 years before the commencement of the new regulatory period. Our engagement has developed significantly over the last decade, reflecting a focus on more deeply understanding the needs of customers and their preferences in terms of the services we provide and their affordability, as well as considering other issues including sustainability, reliability and safety.

Our comprehensive Reset engagement reinforces our commitment to working with our customers and stakeholders to understand their needs and deliver services they value. We believe that our relationships with our stakeholders and our willingness to engage with our customers and to listen and respond to their needs, is fundamental to achieving balanced outcomes for our customers and community.

Community Advisory Forum (CAF) and Advisory Groups

SA Power Networks has a consultative group model, comprising of a Community Advisory Forum (CAF) and a number of specialised Advisory Groups. This model provides a forum where SA Power Networks can engage with our customer representatives and external stakeholders, to ensure customer views shape our service delivery and decision-making.



Our CAF was established in 2009 to ensure the customer voice is considered in our decision making and consists of a broad range of stakeholders with an interest in shaping the decision-making of SA Power Networks. All Advisory Groups report to the CAF, providing recommendations for noting or action, and the CAF will directly report to SA Power Networks ELT.

We use the feedback from these groups to develop and refine our strategies, initiatives, and activities, and meet the expectations of our current and future customers and stakeholders. The CAF also plays a crucial role in supporting SA Power Networks plan via its regulatory proposal process and our organisation's goal to enable the transformation of our State's energy system to one in which energy is more affordable, reliable and decarbonised. While we are a small part of this transformation, we are committed to our contribution.

Talking Power Forum

Talking Power is an online community space that is designed to give South Australians the opportunity to have their say on important issues and projects that shape their community. By participating in Talking Power people can contribute to strengthening their community and assist SA Power Networks in making important decisions. Talking Power gives participants the opportunity to access information, read the discussions, join in the conversation and add ideas and feedback when and where it suits them – 24 hours a day, seven days a week.

Talking Power is also a key forum for engagement as part of developing our Regulatory (Reset) Proposal for the Australian Energy Regulator.

The Energy Charter

SA Power Networks is a full signatory to The Energy Charter, a national project focused on embedding a customer-centric culture and conduct in energy businesses. The Energy Charter engages energy companies, regulators, customers, and stakeholders to work together for positive change in the energy sector to improve outcomes for customers through their four foundational principles: putting customers first, improving energy affordability, supporting a reliable and resilient energy system, and working towards a lower-emissions future. We actively participate in a number of the *#BetterTogether* initiatives under the Energy Charter.

Advocacy

We know we are one part of a broader energy ecosystem, and whilst we are doing our part to provide safe electricity while endeavouring to keep the cost of electricity down, we aim to use our leadership position to influence broader change. We utilise comprehensive stakeholder engagement, strong partnerships, and clear, evidence-based advocacy to campaign for changes to the energy system with the goal of benefitting customers.

We engage with government and regulators to shape policy, legislation and state-based regulation, improving our ability to cost-effectively manage a stable and secure network for South Australians and to advocate on behalf of our customers.

Engagement with First Nations people and communities

The SA Power Networks Group plays a role in the social and economic fabric of our state, and we're committed to using that influence to contribute to positive change on reconciliation, inclusion and diversity. While headquartered on Kaurna land in Adelaide, our footprint is large. Living in the communities we serve provides us with an opportunity to connect and strengthen meaningful relationships with First Nations peoples. During 2024 we implemented the activities and initiatives detailed in our first 'Reflect' Reconciliation Action Plan (RAP), a process which saw us develop new relationships, strengthen existing partnerships and celebrate First Nations' histories and cultures. This work reflects a commitment to a reconciliation process that supports the three pillars of relationships, respect and opportunities for First Nations peoples and communities. We are endeavouring to mature our approach over time, with the first stage focused on awareness raising and education, and capitalising on our unique position and role to build on existing reconciliation opportunities.

2.3 Evaluation and improvement

Like all essential services and large organisations, we have a comprehensive system to monitor, report and improve on our customer service and stakeholder related performance.

Our CAF and various Advisory Groups provide valuable ongoing insights, contribution and feedback on our strategic and operational aspirations. Customer research and regular satisfaction surveys are used to adapt and improve our services and programs. We are currently transitioning our approach to gathering customer insights, brand and satisfaction scoring, and augmenting our KPIs to better reflect the services and experience customer want.

Our Regulatory Proposal, which details how we plan to meet the needs of our customers and also provide a fair return for our business, is submitted to the Australian Energy Regulator (AER) and is publicly available on the AER website.

A range of customer and stakeholder related metrics and KPIs are regularly reported through to the ELT and provided in our Energy Charter Report, Sustainability Report and *Sustainability Data and Disclosure Databook*.

3. Social impact

3.1 Overview

This section outlines how the SA Power Networks Group approaches social impact issues such as energy affordability and equity, community investment and economic development.

Almost all South Australian households, and most of the State's businesses, rely on SA Power Networks to meet their electricity needs. We play a major role in the social, environmental, and economic well-being of the state, and we take that responsibility seriously. As the primary electricity distributor in South Australia, we have a social obligation to deliver value.

We also recognise that it is important that as the world transitions towards net-zero, it is done so in a just and fair manner, and that our customers feel empowered to contribute. We have integrated this objective into our strategic and operational approach and run a range of programs and initiatives to contribute to the communities in which we live and work.

3.2 Management Approach

3.2.1 Strategy

Our essential role in South Australia's prosperity and wellbeing has shaped our corporate strategy, Regulatory Proposal process, and our broader business model. We strive to increase the positive, meaningful impact – the social value – experienced by our residential and business customers, our communities and workers over the long-term through our initiatives, advocacy and actions. Our activities positively contribute to the economy through employment, infrastructure projects, innovation, investment, education, philanthropy and procurement.

In addition to our Customer Strategy (2021-2026), our Vulnerable Customer Strategy, outlines the key ways in which we can and do help address vulnerability.

3.2.2 Energy affordability, access and an equitable transition

Our contribution to the cost of electricity

As a monopoly business our revenue is independently determined and capped by the Australian Energy Regulator (AER) on a 5-yearly basis. This follows an extensive process of engagement with customers and stakeholders to understand the services they require and their willingness to pay for the level of service they might seek. The AER also approves our network tariff structures every five years and our annual network price changes.

Our Regulatory Proposal in January 2024 (Proposal) was supported by extensive engagement with the South Australian community and our key stakeholders. The AER's Draft Decision indicated our Proposal largely reflects an appropriate balance of service and price. In the upcoming 2025–30 regulatory control period we acknowledge the current cost of living pressures on the community, with affordability being a key customer and stakeholder concern. Our distribution charges make up around 27% of customers' total electricity bills for a typical residential customer and have not changed in real terms since 1999.

In an attempt to provide some bill relief in the first three years of the new regulatory period we are proposing a revenue smoothing profile which minimises distribution bill increases in the first three years of the 2025-30 period. There will be a step up in distribution bills in year four. However, the impact of this step increase on customer bills will be offset by the conclusion of the SA Government PV Feed in Tariff scheme (44c/kWh) in June 2028, lowering residential bills on average by $58. Our Revised Proposal would see the distribution component of electricity bills reduce by 7% in real terms by 2029/30.

Contributing to energy equity and access

We recognise that providing equitable access to energy requires an industry-wide approach. We engage with stakeholders across the energy value chain, collaborating with our peers, government, non-government organisations, customers, and the private sector to advocate for policy and rule changes that we believe will result in positive outcomes for customers, including issues such as energy equity.

We play a key role in enabling the energy transition, integrating consumer energy resources (CER) like rooftop solar PV, battery systems, and electric vehicles into the distribution network. We are working towards taking a more active role in managing energy flows from hundreds of thousands of CER devices, with the goal of integrating them into the energy system at least cost, whilst continuing to support customers to install the equipment and use energy in a way that suits them.

To do this, we undertake a range of trials and pilots in partnership with industry, supported by funding through the Government (eg Australian Renewable Energy Agency, ARENA). We also work very closely with our key stakeholder groups such as the SA Government, Energy Network Association (ENA), AEMO, and ElectraNet.

Our ultimate aim is to develop and maintain a more flexible, smarter, resilient and active network that enables more efficient and customer-centric whole-of-system outcomes. Additionally, we are striving to design and implement approaches for a just transition that seeks to achieve an equitable distribution of benefits and burdens.

Support for vulnerable customers

We are committed to working with our Community Advisory Forum and Vulnerable Customer Advisory Group (VCAG) to understand the needs of customers, particularly those in vulnerable circumstances. Our aim is to ensure their voice is heard in decision-making.

There are a variety of reasons that customers may be considered vulnerable, including financial, disability, age, cultural/linguistic, or geographic/remote living circumstances. We contribute to a fair and just energy transition through education, awareness and accessibility. For example, we are:

- working with organisations such as the South Australian Council of Social Services (SACoSS), St Vincent de Paul, Anglicare, and the State Government, to make sure that members of the community experiencing vulnerability are supported as best as possible;
- supporting organisations that connect vulnerable people to a range of government and other services aimed at relieving financial stress;
- as a full signatory of the Energy Charter, we are working with others in the energy value chain for positive change in the energy sector to improve outcomes for customers;
- using the customer research and the customer voice and lived experience to inform the design and delivery of our energy services;
- actively developing and enabling new energy products, services, tariffs and markets, which can make energy more affordable;
- advocating for positive regulatory, rule and technology changes that will result in better customer outcomes;
- providing clear and accessible information to educate and build capacity in energy awareness, services, support/concessions, technology, and digital platforms to support customers through the energy transition; and
- working with our Vulnerable Customer Advisory Group to review and evolve the Vulnerable Customer Strategy and actions to ensure access and support in the new energy future.

3.2.3 Community investment and economic development

Economic contribution to South Australia

The electricity and energy services we deliver powers South Australian businesses, and thereby supports economic growth, but our support of and investment in the economic and social prosperity of South Australia (and in other states where Enerven operates) goes beyond this. For example:

- we believe that facilitating the distribution of renewable energy via our grid will encourage energy-intensive industries to set up or expand in South Australia, as more and more businesses will be searching for low-cost, zero emissions energy sources;
- the infrastructure projects that we design, construct and maintain facilitate development and provide employment for a range of contracting industries and specialists;
- as a significant procurer, the goods and services we purchase pumps money into the local and Australian economy, particularly benefitting small businesses and South Australian-based companies; as a large employer, we are focused on the development of our people's skills and capability, and aim to provide a fulfilling range of career opportunities; and
- we have collaborated and partnered with governments and the private sector to trial technologies and approaches which are contributing to the energy transition.

Supporting and investing in our communities

We are proudly South Australian and a strong supporter of South Australian community organisations and events. We have a strong presence in the general community through sport, education, environmental concerns and the arts. These partnerships not only reflect our values, but also help us to create a better future for South Australians.

Our program of Strategic Partnerships and Community Partnerships has operated since 1995 and supports a wide range of community organisations and aspirations. Contributing to the communities where we live and work has led to long-term partnerships, and in 2022, we also launched a new Community Grants program.

Our Employee Foundation enables our employees, their families and friends to make a positive contribution to the lives of people in our community. We do this through payroll donations, fundraising and volunteering. SA Power Networks provides a full work day for every staff member to volunteer with a South Australian based charity.

3.3 Evaluation and improvement

We strive to increase the positive, meaningful impact – the social value – experienced by our customers, communities and workers over the long-term through our initiatives and actions, particularly in the context of energy affordability and the energy transition. We monitor and report a range of social value related metrics through to the ELT and via our annual Sustainability Report and *Sustainability Data and Disclosure Databook*.