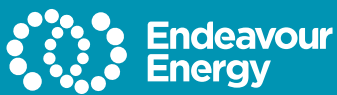


# Stakeholder Engagement Framework

Powering communities for a brighter future



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# 1. Foreword

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**Every day, Endeavour Energy engages with people and organisations who have an interest in what we do and who are, in some way, connected to our purpose.**

The quality of those relationships determines how well we will deliver on our vision to be the best performing network in Australia.

As the Australian energy industry changes, we recognise that we need to continually improve our engagement so that our day to day operations and plans benefit from fresh insights and ideas.

Endeavour Energy is committed to embedding quality stakeholder engagement across our business so that it informs our actions and underpins our decisions, always placing our customers at the heart of what we do.

Importantly, it demands an “outside-in” approach to listening and acting on engagement.

Our stakeholders have told us they are interested to engage with us on many things, including: Western Sydney growth, regulatory proposals, climate change, bushfire prevention, community resilience, future grid, pricing and tariff reform and how we help vulnerable customers.

We welcome this interest and related opportunities to listen and incorporate stakeholder views so that we can design outcomes that are good for the business, good for customers and good for our communities.

I’m pleased to share our stakeholder engagement framework with you and invite your feedback as a valued stakeholder.



**Guy Chalkley**

Chief Executive Officer  
Endeavour Energy

## 2. About us

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Endeavour Energy is the poles and wires business for more than 1 million connected customers in Sydney's Greater West, the Blue Mountains, Southern Highlands, the Illawarra and South Coast.

A population of 2.4 million depend on us every day for safe, affordable and reliable power so they can go about their lives and livelihoods, trusting us to look after their energy interests.

We power some of the fastest growing regions in New South Wales, including the NSW Government's Priority Growth Centres and Sydney's Greater West, home to NSW's new international airport and surrounding aerotropolis.

Keeping downward pressure on electricity prices without compromising safety or reliability has been a priority for Endeavour Energy over the past decade.

Safe, affordable and reliable electricity drives jobs and the economic prosperity of the communities in which we operate and contributes substantially to NSW's economic success.

We employ more than 2,200 people across 19 locations, making us one of the largest employers in Sydney's Greater West.

We work in a complex and challenging environment and interact with a diverse range of stakeholders.

Our stakeholder engagement framework guides how we work with our stakeholders so that we continue to deliver safe, affordable and reliable electricity, now and in the future.

## 3. Some definitions

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**Stakeholders** are those groups or individuals who affect or may be affected by our activities, products or services and performance. For the purpose of this framework, all customers are considered stakeholders.

**Stakeholder engagement** is the process we use to engage with relevant stakeholders for a purpose to achieve an agreed outcome. For engagement to be effective, it must lead to action.

### **Stakeholder identification and mapping**

We start by identifying stakeholders and then seek to understand their views and expectations. We aim to do this before we engage on any strategic program, project or issue and to be inclusive in our approach.

Systematic identification and mapping of stakeholders helps to build confidence and trust in our approach and supports the actions we take as a result of those engagements.

## 4. Scope

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This framework applies to all part of our business, from our day to day operations, to how we plan, how we manage the network, how we deliver customer services and how we work with industry regulators.

It outlines our engagement approach, our key stakeholders, the principles that guide our engagement, our key engagement priorities and how we plan to monitor and measure success.

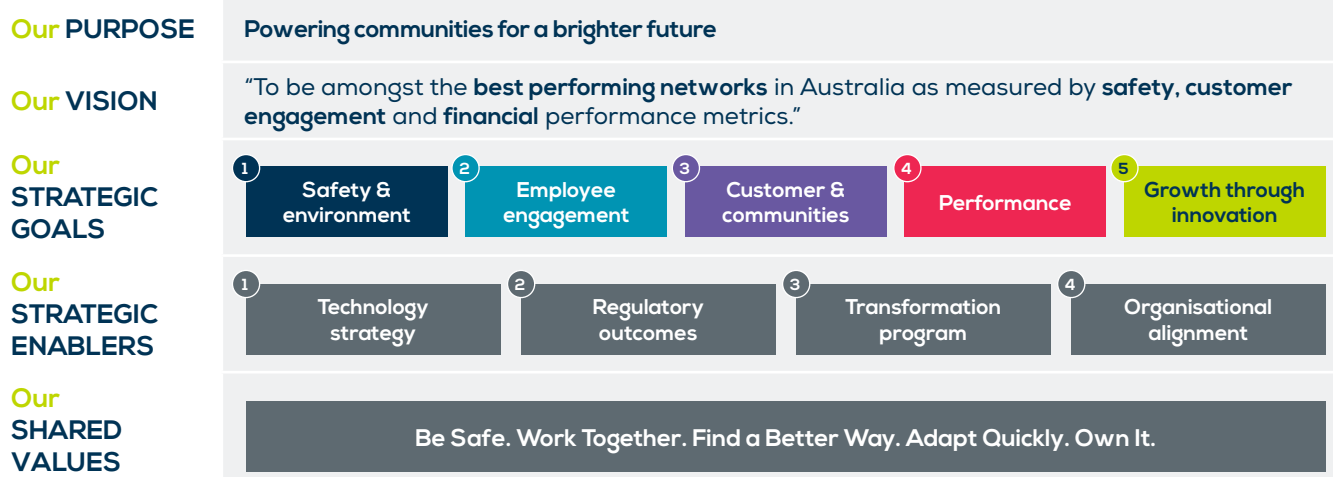
## 5. Endeavour Energy's corporate strategy

Our corporate strategy guides our priorities over the next five years as the industry transforms from a centralised system to one that is increasingly decentralised. Core to the success of that transition is that our stakeholders trust and have confidence in us.

So that we can achieve our ambition to be the best performing network in Australia, we want to ensure that stakeholder engagement is an organisational priority and led from the top.

We want to work with stakeholders to understand their needs and expectations so that together, we improve customer outcomes, become an employer of choice, drive innovation through partnerships and create mutual value.

Our mission is to embed stakeholder engagement across our business as a competitive capability and a core pillar of our business strategy. This requires Endeavour Energy to build on the learnings from past engagement experiences and foster a culture that looks to engage on a continuous basis.



### We've set these objectives:

- To systematically and dynamically identify the stakeholders that influence and are influenced by our operations;
- To be familiar with the perceptions stakeholders have of Endeavour Energy and the issues they consider relevant and important;
- To strengthen the relationship of trust and credibility we have with key stakeholders through proactive, principle-based engagement;
- To integrate stakeholders' expectations with decisions, strategies and operations across Endeavour Energy and provide feedback on how and where engagement has led to changes;
- To systematically identify emerging risks and opportunities in our relationships with stakeholders;
- To identify, explore and develop new opportunities to partner with stakeholders to create value;
- To ensure stakeholder engagement processes and projects are trust building exercises that create a positive impact throughout Endeavour Energy and the community;
- To develop management and leadership capabilities in stakeholder engagement;
- To be known and recognised as a leader in the energy industry and in stakeholder engagement.

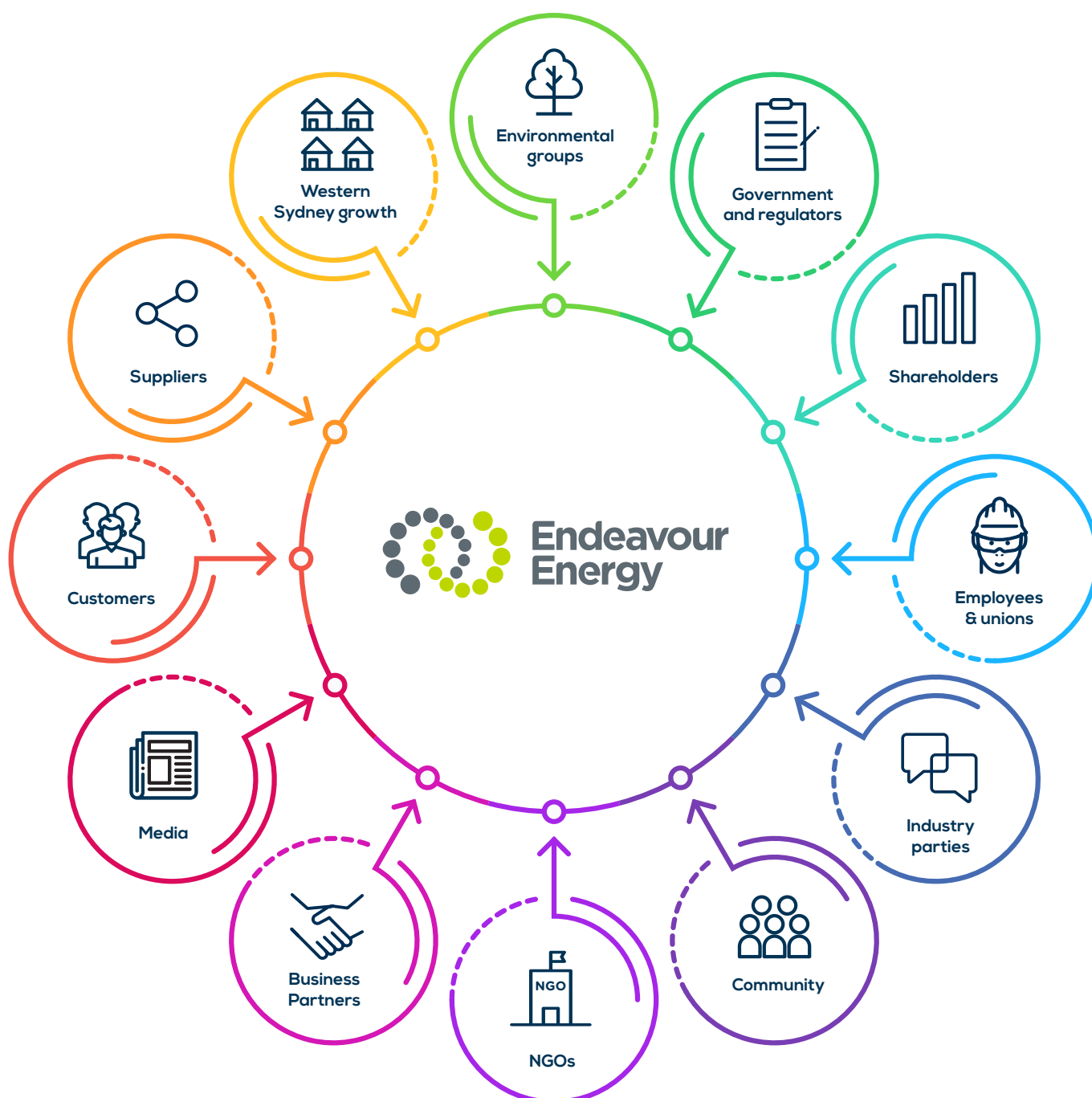
## 6. Our stakeholders

**We have many stakeholder groups, each with distinct types and levels of involvement.**

We recognise that stakeholders often bring diverse and sometimes conflicting interests and concerns to us, representing a significant challenge for Endeavour Energy in our operations and planning.

We engage with all these groups and aspire to demonstrate eight key principles (see page 8) whenever we undertake engagement.

**Our key stakeholder groups include:**



# 7. Understanding our stakeholders

Some of our important stakeholder segments are listed here:

<b>Customers</b>	<ul style="list-style-type: none"> <li>• Energy Charter signatories who collaborate to improve customer outcomes</li> <li>• Domestic, Small and Medium Enterprises, Commercial &amp; Industrial, High Voltage</li> <li>• Priority Customers: Life support, hardship and those requiring extra assistance</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Goods and services contractors and consultants who provide expert advice</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>• Infrastructure projects: Western Sydney International Airport, the Aerotropolis, Sydney Science Park, NSW Government Priority Growth areas</li> <li>• Illawarra: West Dapto Urban Release, Shellharbour Airport upgrade, port expansion.</li> <li>• Utility partners: Sydney Water, Jemena, telecommunications companies</li> <li>• Planners: Western Parkland City Authority, Greater Sydney Commission, NSW DPIE (Planning), Infrastructure Australia</li> <li>• Advocates and developers: Business Chambers, Urban Development Institute of Australia, Regional Councils and Western Sydney Dialogue</li> </ul>
<b>Environmental groups</b>	<ul style="list-style-type: none"> <li>• Renewable energy advocates, landscape focused organisations, organisations focused on climate change</li> </ul>
<b>Governments &amp; Regulators</b>	<ul style="list-style-type: none"> <li>• Federal, State and Local authorities and their related departments</li> <li>• Consumers - Australian Energy Regulator</li> <li>• Health and Safety - Safe Work Australia and NSW Independent Pricing and Regulatory Tribunal</li> <li>• Working conditions - Fair Work Australia</li> <li>• Environment - NSW Department of Environment</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• An Australian led consortium of private investors and the NSW Government</li> </ul>
<b>Employees &amp; Unions</b>	<ul style="list-style-type: none"> <li>• Contract and award employees. Unions include ETU, USU and Engineers Australia</li> </ul>
<b>Industry parties</b>	<ul style="list-style-type: none"> <li>• Market operators, retailers, distributed generators, generator developers, industry associations, transmission</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Emergency services agencies, educational institutions, indigenous communities, culturally and linguistically diverse communities, (CALD), cultural institutions</li> </ul>
<b>NGOs</b>	<ul style="list-style-type: none"> <li>• Key non-government organisations include large and small consumer advocates such as Energy Users Australia, Energy Consumers Australia, Public Interest Advocacy Centre, NCOSS, and ACOSS</li> </ul>
<b>Business partners</b>	<ul style="list-style-type: none"> <li>• Technology partners</li> <li>• Committee for the Economic Development of Australia (CEDA), Business Council of Australia</li> <li>• Research and development institutions - University of Wollongong and University of Western Sydney</li> </ul>
<b>Media/Other</b>	<ul style="list-style-type: none"> <li>• Media, think tanks and special interest groups</li> </ul>

# 8. Principles

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Eight key principles guide our engagement activities and how they will be implemented throughout the business. They set the standards to help build consistent, open and trusted relationships. The principles are consistent with contemporary stakeholder engagement standards used nationally and internationally.

## 1. Purposeful



**We begin every engagement with a clear understanding of what we want to achieve and link this to our strategy**

**What this looks like:**

- We clearly identify the scope of our engagement and align it to our strategic priorities, recognising that we also need to understand stakeholders' interests, objectives, and capacity to engage.
- We focus on issues that are material to Endeavour Energy and our stakeholders.

## 2. Inclusive



**We identify relevant stakeholders and make it easy for them to engage**

**What this looks like:**

- We identify and enable the participation of people and organisations who contribute to, influence, or are affected by our work, including those that may be harder to reach due to language, culture or mobility.
- We select the most suitable engagement methods.
- We provide stakeholders with clear, accessible information they need to participate in a meaningful way.
- We listen to stakeholders and act on their feedback.

## 3. Timely



**We involve stakeholders from the start and agree on when and how to engage**

**What this looks like:**

- We design the engagement process with stakeholders and provide clear information on how and when we will engage.
- This includes meeting schedules and response times for information requests or feedback.

## 4. Transparent



**We are open and honest in our engagement and set clear expectations**

**What this looks like:**

- We identify and explain the engagement process, agree to a decision-making process and to the role of stakeholders in the engagement process. We also explain up front how their feedback will be used.
- We provide feedback to stakeholders about how their input informed or influenced the outcome of the decision-making process.

## 8. Principles cont.

### 5. Responsive



**We consider and respond to concerns and provide prompt feedback**

**What this looks like:**

- We understand that engagement is a two-way process. We take care to be open to alternative views and to listen as well as speak. We will be flexible in our approach.
- We keep the commitments we make to stakeholders.
- We recognise the different communication needs and preferences of stakeholders and endeavour to meet these wherever possible.

### 6. Best practice



**We will aim high**


**What this looks like:**

- We learn from past experience, listen to feedback, follow international standards and aim to build a culture of effective engagement that is recognised across the industry.
- We are guided by the IAP2 public participation spectrum of engagement, shown below.
- We are action oriented and strive to develop shared value for stakeholders and Endeavour Energy.
- We will apply this approach across the business with all stakeholders and will lead from the top.

## IAP2 Spectrum of Public Participation



IAP2's Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public's role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.

INCREASING IMPACT ON THE DECISION 					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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## 8. Principles cont.

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### 7. Collaborative



**We will work with interested parties for mutual benefit**

**What this looks like:**

- We integrate the relevant contributions identified by stakeholders in Endeavour Energy's strategy and are clear about the reasons if contributions are unable to be used.
- We share knowledge and skills with stakeholders and work in partnership to build solutions. We establish strategic partnerships that produce positive results for both parties.
- We share Endeavour Energy's performance results as well as the results of the different stakeholder engagement processes, providing - when appropriate - verified performance information.

### 8. Measurable



**We will assess progress on a continued basis and drive improvements**

**What this looks like:**

- We evaluate engagement against set criteria and key performance indicators, seeking to use comparable measures over time and report outcomes to the Executive and Board and publicly.
- We adapt and improve approaches over time and embed improvements via governance processes.

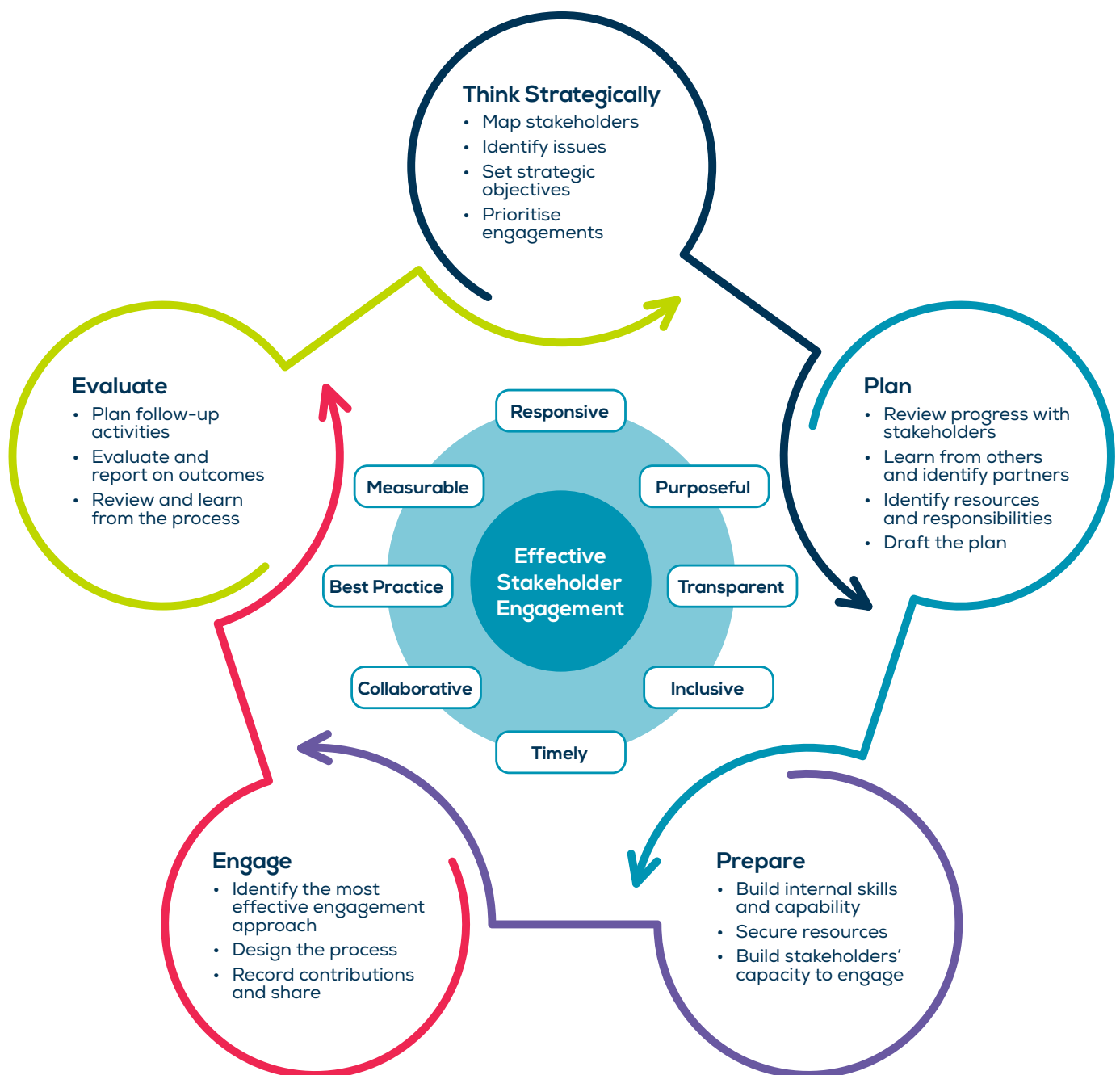


## 9. Stakeholder engagement framework

Endeavour Energy's stakeholder engagement framework has been adapted from accepted industry practice and the AA1000 Stakeholder Engagement Standard (2015).

The process is structured to align stakeholder engagement to the achievement of our strategic priorities while being flexible enough to be appropriate for day-to-day operations.

It follows a five-step process of thinking, planning, preparing, engaging and evaluating every engagement activity. The process is a dynamic and ongoing cycle, which supports a comprehensive approach to engagement and will, over time, build a credible evidence base of outcomes and drive improvement.



## 9. Stakeholder engagement framework cont.

Step	Actions to support
Think strategically	<p><b>Take an 'inside view'</b></p> <ul style="list-style-type: none"> <li>• Think about strategic business objectives, based on stakeholder insights. Where these don't exist, seek to better understand how business priorities relate to stakeholders and their specific issues</li> <li>• Profile and map stakeholders and understand their key issues</li> <li>• Prioritise engagements</li> </ul> <p><b>Take an 'outside' view'</b></p> <ul style="list-style-type: none"> <li>• Listen to stakeholders on their terms to understand the issues they consider relevant as well as their expectations and perceptions of Endeavour Energy</li> <li>• Understand how they would like to be engaged and the different methods to be used to facilitate engagement with different groups</li> </ul>
Plan	<ul style="list-style-type: none"> <li>• Introduce different levels of engagement. Analyse stakeholders' views, available resources and define responsibilities</li> <li>• Draft the plan and provide stakeholders an opportunity to comment</li> <li>• Establish what success looks like</li> </ul>
Prepare	<ul style="list-style-type: none"> <li>• Mobilise resources and gain approvals</li> <li>• Ensure leaders play an active role in strategic engagement</li> <li>• Address questions of internal and external capabilities and capacities to engage and take steps so that parties to an engagement can take part in it effectively</li> <li>• Identify and understand engagement risks</li> </ul>
Engage	<ul style="list-style-type: none"> <li>• Address and outline different engagement techniques, and – building on the previous steps – design an approach that suits the needs of the specific situation and helps to reach the objectives. Then implement</li> <li>• Record views and experiences</li> <li>• Monitor feedback and outputs</li> </ul>
Evaluate	<ul style="list-style-type: none"> <li>• Document and act on the outputs of engagement and report back to ensure that stakeholders understand the shared value created</li> <li>• Reflect, learn, and improve</li> <li>• Celebrate success!</li> </ul>

How this process is applied will be driven by the purpose, level and type of engagement undertaken. It is also important to note that the process will operate at the strategic and operational ends of stakeholder engagement activities and people may be working on more than one step in the process at any time, with different stakeholders, depending on the nature of the engagement.

# 10. Governance and accountabilities

Everyone at Endeavour Energy has a role to play to make sure that we engage with stakeholders and act on their feedback. The Board, Chief Executive Officer and Executive leadership team lead Endeavour Energy's engagement and govern the framework.

All senior managers are expected to play an active role in engagement initiatives to build understanding of stakeholder views and improve business outcomes. Project teams play a key role in implementing engagement, identifying emerging issues and delivering results.

Responsible	Key accountabilities
Our Board	<ul style="list-style-type: none"><li>Oversees our engagement program, strategies and outcomes and the setting of performance measures</li></ul>
Chief Executive Officer	<ul style="list-style-type: none"><li>Leads the engagement framework and sets strategic direction</li><li>Engages with Endeavour Energy's Board of Directors on the framework and accounts for outcomes</li></ul>
Executive team	<ul style="list-style-type: none"><li>Leads the stakeholder engagement process across business units and monitors and reports improvements</li><li>Identifies emerging issues to the CEO</li><li>Meet monthly to discuss engagement plans and take collective action for delivering quality engagement</li></ul>
Senior managers	<ul style="list-style-type: none"><li>Implement quality stakeholder engagement and supports corporate engagement programs</li><li>Identify risks and act to resolve</li></ul>
Project teams	<ul style="list-style-type: none"><li>Support stakeholder mapping and insights</li><li>Deliver engagement plans consistent with this framework</li><li>Escalate hard to resolve issues and conflicts to GMs</li><li>Report engagement outcomes to the relevant GM</li></ul>
Corporate Affairs	<ul style="list-style-type: none"><li>Designs and evaluates the system, tools and support materials</li><li>Supports stakeholder mapping and insights</li><li>Coaches leaders and program teams to deliver quality engagement</li><li>Reports progress across the business</li></ul>

# 11. Engagement priorities 2020–2024

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Endeavour Energy expects significant challenges ahead for our customers and communities. For this reason, we have identified these priority areas for engagement over the next five years and allocated clear executive level accountability for their delivery.

## **Customers: Prioritising affordability and service (Chief Customer and Strategy Officer)**

Embedding a customer centric-culture to create tangible benefits in affordability and service delivery is a key priority. We are collaborating with Energy Charter signatories to drive cultural change and solve customer pain points.

## **Employees: Safe and engaged (General Manager Employee Experience)**

We seek to be an employer of choice with talented, highly engaged workers where safety and customer centricity is second nature.

## **Safety: Responding to COVID-19 (General Manager Health, Safety and Environment)**

Our priority is to keep people safe, keep the lights on, keep people in work and assist customers experiencing hardship as a result of the pandemic.

## **Environment: Minimising harm and minimising our own carbon footprint (General Manager Health, Safety and Environment)**

Assessing our environmental footprint and minimising harm are core to our work and reputation.

Around 85% of our area is considered bushfire prone, including the World Heritage listed Blue Mountains. Minimising bushfire risk is a year-round task. Transitioning to a low carbon future is a key challenge for the industry with many diverse policy, system and operational challenges.

## **Future grid: Empowering customers (Chief Customer and Strategy Officer)**

Technologies including large scale solar and batteries, machine learning and electric vehicles are transforming traditional networks, driving efficiencies and empowering customers.

## **Growth: Timely delivery of major infrastructure projects (Chief Executive Officer and General Manager Operations)**

Our area is experiencing rapid growth and includes priority projects such as Western Sydney Airport and its surrounding Aerotropolis and NSW's priority growth centres.

Collaborating more closely with other utilities will help ease the path of future development.

## **Shareholders: Sustaining value (Chief Financial Officer)**

Private investors create value for customers with their international experience in managing utilities.

## **Regulators: Customer, safety and reliability centred (Chief Financial Officer, Chief Customer and Strategy Officer, General Manager Health Safety and Environment, General Manager Operations)**

Our goal is to deliver proposals supported by stakeholders and sustain our affordability and efficiency push.

## **Strategic outreach: Prioritised leadership engagement (Chief Executive Officer)**

Our goal is to build trusted and credible relationships led from the top.

## 12. Monitoring and review of progress

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**Regularly monitoring and reporting how we engage is a key component of quality stakeholder engagement. It helps us to assess progress against objectives, monitor emerging issues and improve.**

Evaluation needs to occur at the project level at the end of every engagement, while ongoing monitoring of engagement progress also happens at an organisational level by being built into annual reviews.

At an organisational level, Endeavour Energy's engagement process is monitored by our Executive team and Board on a monthly basis.

Our industry regulator critically reviews customer engagement after each regulatory submission.

We also benchmark our approach against best performers and conduct periodic independent reviews.

### **Third party assurance**

IAP2's Quality Assurance Standard sets the internationally accepted standard for stakeholder engagement. Endeavour Energy also uses this standard to gauge the maturity of its engagement framework and identify improvement opportunities.

### **We know we will be successful if**

1. Our customers love what we do and continue to enjoy the lowest network charges in NSW
2. We are an active, admired and trusted brand in our community
3. We are a recognised industry leader and employer of choice in Western Sydney and beyond
4. We are a trusted partner of choice for smart city and future grid initiatives
5. Our excellent reliability attracts large business to locate to our area
6. We're recognised for our efficient operations and smart thinking
7. Our fully digitalised network uses machine learning to predict and prevent faults



# 13. Delivery of our commitments

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**Embedding engagement throughout the business needs us to complete the following:**

1. Support our people to build capabilities in stakeholder engagement by enhancing resources, systems and tools including embedding stakeholder engagement training programs. We will also profile positive outcomes across the business.
2. Development of priority engagement plans for each priority issue with progress monitored at each Executive meeting.
3. Create an insights program so that we ensure we understand our customers and stakeholders in sufficient detail to make engagement meaningful and targeted.



# 14. References

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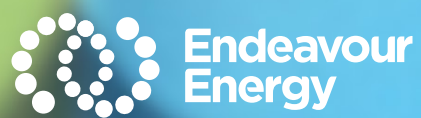
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