

How We Create Value

We are focused on creating long-term value for our shareholders and other stakeholders through the delivery of our strategic objectives and growth agenda, in a manner that is consistent with our business purpose of Progress for Life.

Our value creation model depicts how we create value through seven Business Value Drivers, by identifying our key inputs, the activities we perform, and the resulting outputs and outcomes in terms of value creation.

Operating environment

The market, political and social context in which we operate provides challenges as well as opportunities for creating value (refer to pages 8–9).



Inputs

We use a range of resources and relationships (or 'capitals') to create value and deliver on our strategy and business purpose. These are grouped under seven Business Value Drivers, and the inputs are summarised as follows:

CUSTOMERS

- Customer accounts
- Customer relationship quality

COMMUNITIES & RELATIONSHIPS

- Brand and reputation
- Relationships with government, regulators, local communities, non-government organisations (NGOs), unions, supply chain and partners

PEOPLE

- Employees
- Safety culture
- Organisational culture and values
- Diversity and inclusion
- Capabilities and skills

ENVIRONMENT

- Black and brown coal
- Gas
- Water
- Land

INFRASTRUCTURE

- Operated electricity generation assets
- Gas storage assets and other gas infrastructure

SYSTEMS & PROCESSES

- Processes, innovation, knowledge, insights and systems
- Energy supply contracts

FINANCE

- Liquid assets (cash, investments)
- Debt facilities and credit rating
- Shareholders and the ability to raise equity

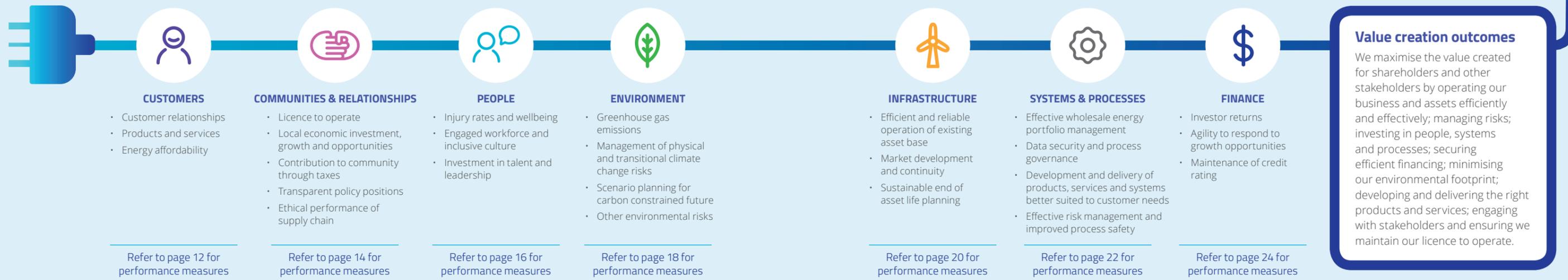
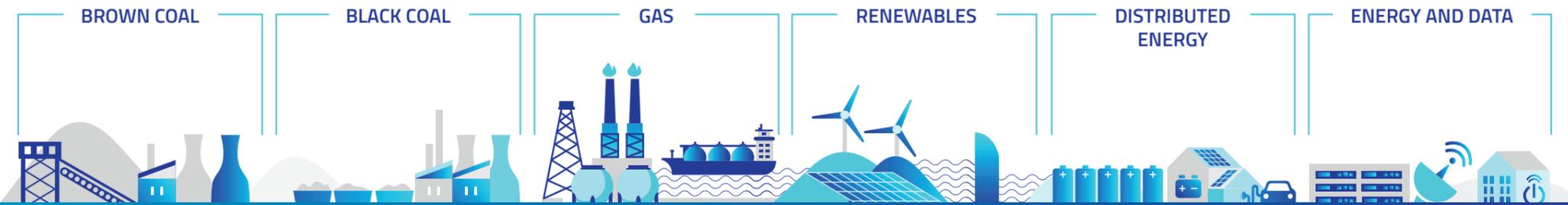
Activities

We operate across the energy value chain, delivering energy to the market and our customers. Our operated electricity generation portfolio spans thermal generation (black and brown coal and gas) as well as renewables and storage, comprising approximately 20% of the total generation capacity within the National Electricity Market. We also operate gas storage infrastructure and gas production facilities. We provide customer service and billing capabilities through contact centres and billing platforms. We also manage energy procurement risks on behalf of our customers through market trading and hedging. We facilitate the delivery of distributed energy solutions and services to our customers, and as energy and data streams continue to converge, we are increasingly considering growth opportunities in this area.

While we do not own or operate electricity or gas transmission or distribution infrastructure, we rely on this infrastructure to deliver energy to the market and to our customers.

Outputs

We generate 43.7 TWh of energy annually, and in turn supply around 39.2 TWh of electricity and around 167.1 PJ of natural gas as well as energy-related products and services to over 3.7 million residential, small and large business and wholesale customer accounts.



CUSTOMERS

- Customer relationships
- Products and services
- Energy affordability

Refer to page 12 for performance measures

COMMUNITIES & RELATIONSHIPS

- Licence to operate
- Local economic investment, growth and opportunities
- Contribution to community through taxes
- Transparent policy positions
- Ethical performance of supply chain

Refer to page 14 for performance measures

PEOPLE

- Injury rates and wellbeing
- Engaged workforce and inclusive culture
- Investment in talent and leadership

Refer to page 16 for performance measures

ENVIRONMENT

- Greenhouse gas emissions
- Management of physical and transitional climate change risks
- Scenario planning for carbon constrained future
- Other environmental risks

Refer to page 18 for performance measures

INFRASTRUCTURE

- Efficient and reliable operation of existing asset base
- Market development and continuity
- Sustainable end of asset life planning

Refer to page 20 for performance measures

SYSTEMS & PROCESSES

- Effective wholesale energy portfolio management
- Data security and process governance
- Development and delivery of products, services and systems better suited to customer needs
- Effective risk management and improved process safety

Refer to page 22 for performance measures

FINANCE

- Investor returns
- Agility to respond to growth opportunities
- Maintenance of credit rating

Refer to page 24 for performance measures

Value creation outcomes

We maximise the value created for shareholders and other stakeholders by operating our business and assets efficiently and effectively; managing risks; investing in people, systems and processes; securing efficient financing; minimising our environmental footprint; developing and delivering the right products and services; engaging with stakeholders and ensuring we maintain our licence to operate.