

Our Corporate Strategy 2028

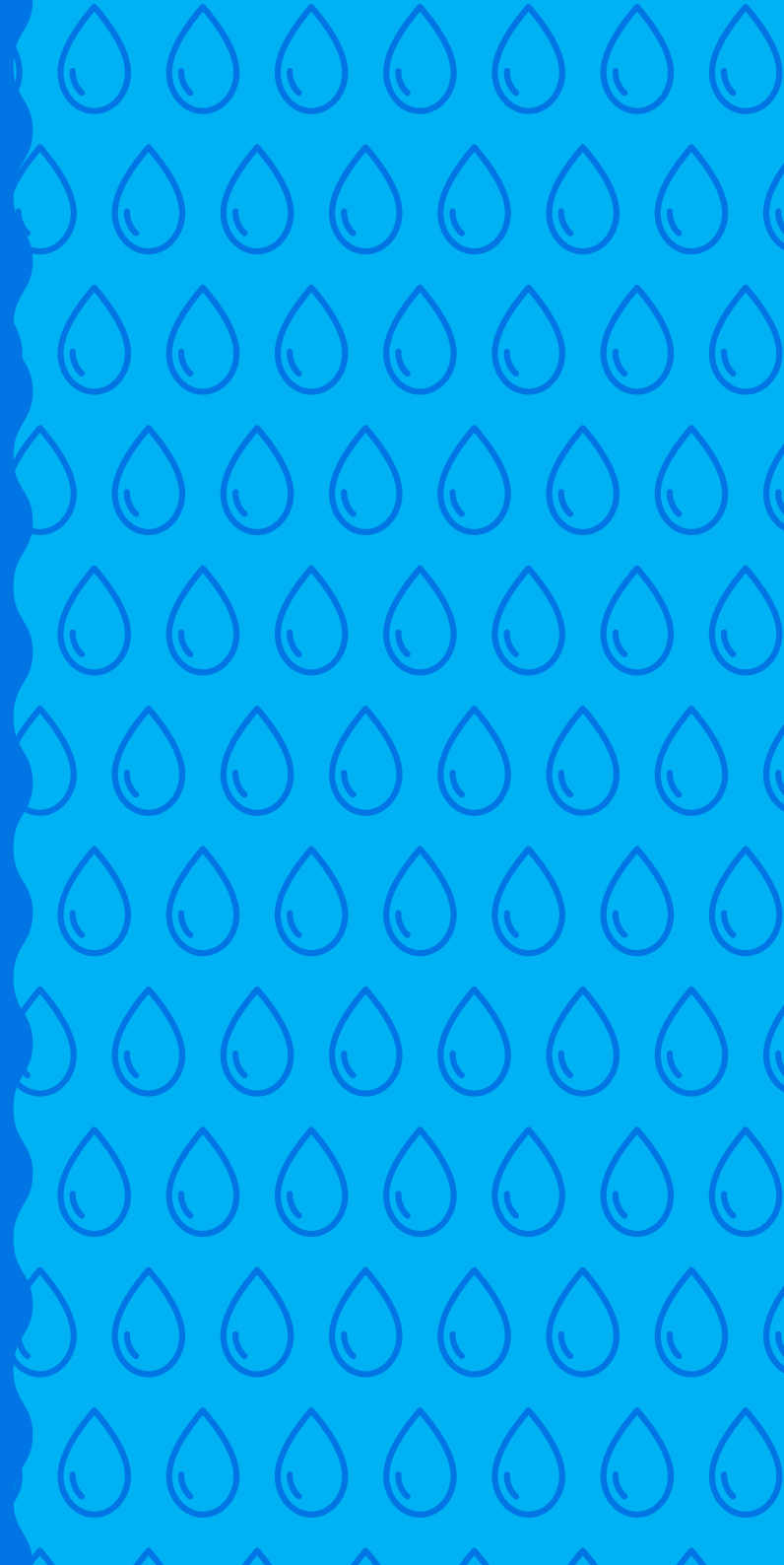


Acknowledgement

South East Water proudly acknowledges the Bunurong, Gunaikurnai and Wurundjeri Woi Wurrung as the Traditional Owners of the land on which we work and live, and pay respect to their Elders past, present and future.

We acknowledge their songlines, cultural lore and continuing connection to the land and water.

We recognise and value the rich cultural heritage and continued contributions of Aboriginal people and communities to our society in Victoria.



The risks and opportunities we're facing

↓
Digital transformation



↓
Growing population




↓
Water security



↓
Cyber security



↓
Circular economy



↓
Societal changes



↓
Climate change



↓
Geopolitical shifts & tensions



↓
Increased customer & employee expectations



↓
Cost of living pressures

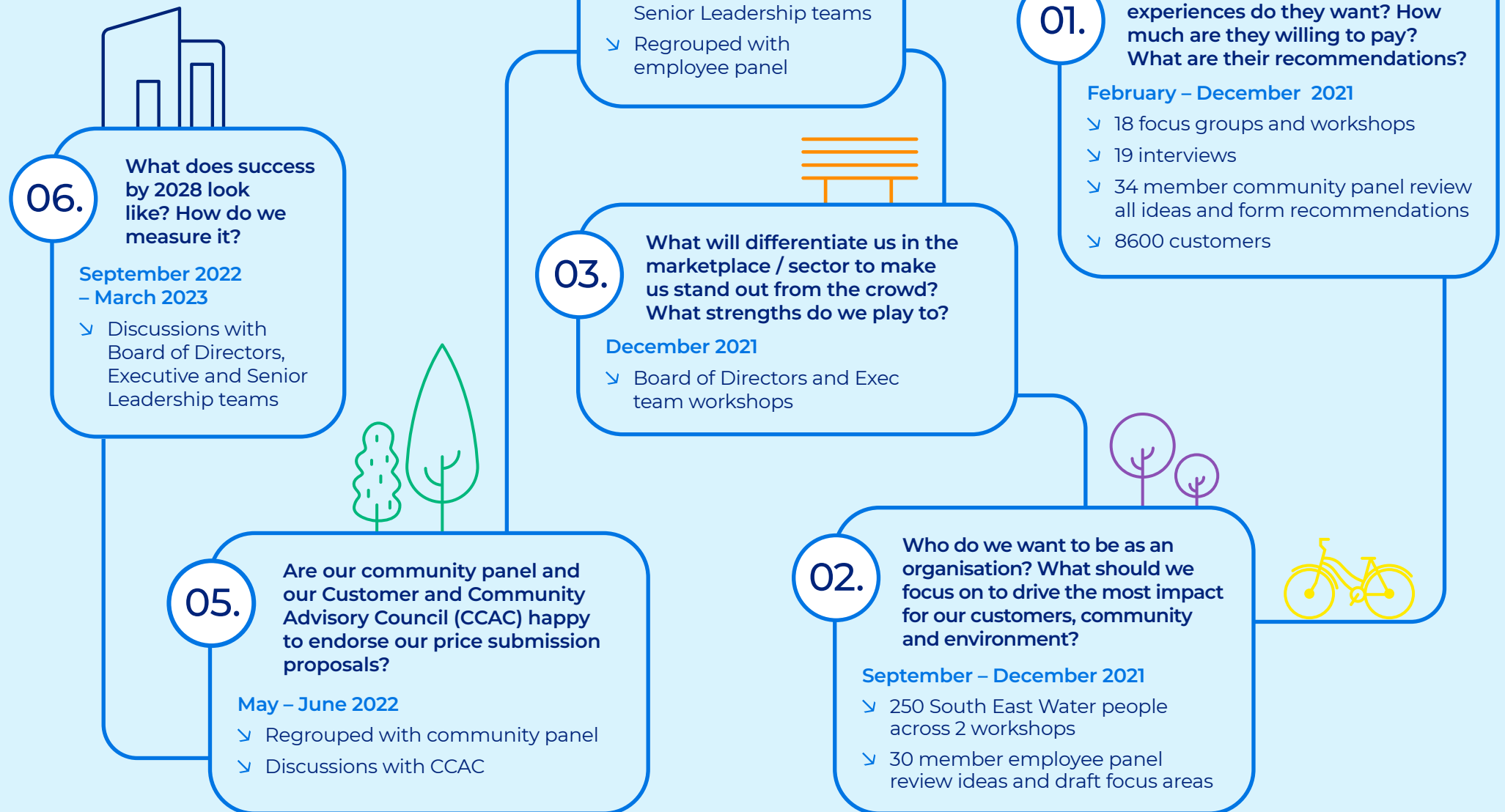


↓
Economic uncertainty



Developing our new corporate strategy

Considerations and process



Get to know our
corporate strategy

↳ **Innovate
with purpose.
Act with care.**

To help us deliver on the challenges we face, we've set a new vision. It builds on our long history of innovation and the care we have for those we serve.

↳ **Healthy water
for life for our
customers,
community and
environment.**

Our Vision will help deliver on our purpose.

↳ **Our 5 strategic
focus areas**

What we're focussing on over the next 5 years to help drive the most impact.

↳ **Our values**

Underpin everything we do.

Our corporate strategy at a glance

Our Vision

Innovate With Purpose. Act With Care.

Our Purpose

To deliver healthy water for life for our customers, community and environment.

Our Focus Areas



Empower our people



Deliver for our customers



Protect our environment



Optimise our operations



Drive innovation at scale

Our Values

We put safety first

We're bold

We care

We discover

We're real

We deliver sustainably

Get to know our strategic focus areas

- 01 **Our 5 strategic focus areas** are what we're focussing on over the next 5 years to help deliver the most impact for our customers, community and environment.

Example of a focus area >

**Empower
our People.**

-
- 02 **A series of outcomes** have been developed that sit under each focus area, defining our ambitions in 2028.

Example of an outcome >

**Inspiring
opportunities
for all.**

-
- 03 **A set of intent statements** have been developed that sit underneath our outcomes, that further shine a light on our ambitions.

Example of an intent statement >

**Talented people
want to work with
and stay with us.**

Our strategic focus areas



Empower our people

We're one team that reflects the diversity of our customers. We welcome differences, and everyone's ideas and viewpoints are valued, building a safe space where people find inspiring opportunities in water.

- Lead in safety
- Lead in wellbeing
- Inspiring opportunities for all
- Great place to work

Deliver for our customers

As part of the community, we know how important it is to **get the basics right**, and **make our customers' experience better** every time. In delivering our customer outcomes, all our actions support a thriving, more liveable community.

- Get the basics right, always
- Increased customer support
- Make our customers' experience better
- Support our community

Protect our environment

As we're learning from the Traditional Owners, water is essential for healthy country. We're driving long-term water security, net zero emissions and repurposing waste to **protect our environment, support our community**.

- Care for country
- Net zero emissions
- Enhanced water security
- Towards zero waste

Optimise our operations

Committed to refining our processes, products, assets and service, we strive for continuous improvement. We **warn and inform** our customers at the right time, as we deliver seamless, **fair and affordable services for all**.

- Digital customer and employee experience
- Fair and affordable services for all
- Warn and inform our customers
- Sustainable, resilient organisation

Drive innovation at scale

Our innovation stretches beyond basic prototypes and is proven to work at scale in real-life communities. We call it "life-size" innovation. Through partnerships and commercialisation, we share our data, expertise and technology to create step-change impact.

- Commercialisation and partnership impact
- Towards zero bursts and spills
- Towards net zero water recycling plants
- Adapting through research

Our ambitions for 2028

Intent statements and measures



Empower our people

Lead in safety

- In terms of safety, all our people lead by example.
- We learn from others to incorporate best practice into our safety management system, while sharing our knowledge to drive innovation.
- We've reduced safety incidents by using real-time data to identify and resolve hazards.

- **Leading** against all categories of Safety Maturity Model
- Total Recorded Injury Frequency Rate (**TRIFR**) < 7
- >95% safety training completion by all employees
- >95% hazard identifications and close out
- **1 or more** safety interactions/walks by each Senior Leader, **every month**
- **Top quartile** (Oceania) safety responses - 'Have Your Say Survey' (HYS).

Lead in wellbeing

- Our people feel supported to speak up when they experience or see something not aligned to our values.
- We proactively identify and minimise risks of harm to safeguard the wellbeing of our people.

- **Top quartile** (Oceania) response for psychosocial safety, 'my people leader genuinely cares about my wellbeing' (HYS)
- **Reduced return to work time** (average 3 months)
- **Zero** job design related psychosocial work claims.

Inspiring opportunities for all

- Talented people want to work with and stay with us.
- Our people can develop their capabilities and careers with us.
- We have the right skills in place at the right time, by identifying and addressing future capability needs.

- **Top quartile** (Oceania) responses for employees experiencing good career opportunities (HYS)
- Internal fill level at > **40%**
- Top talent turnover < **5%**

Great place to work

- Our people reflect the diversity of our customers, they feel they belong and different viewpoints are respected, supported and valued
- We use the latest data to make the best decisions for our customers, community and environment.
- We meet our compliance responsibilities, while empowering our people to deliver
- Our people have the skills and opportunities to work in ways that motivate them; they value what we offer and deliver great outcomes.

- **Top quartile** (Oceania) employee engagement (HYS)
- **Top quartile** responses for honest discussions, belonging and motivating vision (HYS)
- Employees representative of community diversity
- Compliance plans in place for all groups, aligned to the Compliance Management System, working toward zero breaches, with all recommended audit actions completed **on time or on track** to be completed on time.

Who we are

Measured by...

Our ambitions for 2028

Intent statements and measures



Deliver
for our
customers

Get the basics right, always

- We provide safe and reliable water and waste services, minimising interruptions and continually delighting our customers.
- We've strengthened our controls to make sure we uphold our commitment to protection of customer information.

- **Zero** Safe Drinking Water Act non-compliances (water sampling and audit)*
- **Reduced number of non-compliances** with trade waste standards
- **< 450** customers experiencing more than 5 unplanned disruptions in a 12-month period (water, sewer and water quality).*

*Output measure in our Five-year customer commitment (2023-28)

Make our customers experience better

- We better understand our customers' needs and can provide them with what they want in the way that they choose.
- We've increased self-service options to meet the needs of our customers, by streamlining our systems and processes.
- We're better meeting the needs and project delivery timelines of our land and property development customers, through tailored services.

- Total number of inbound contacts reduced to **59.5 per 100** customers (calls, portal, web and email enquiries)*
- Number of enquiries relating to the explanation of charges reduced to **5.4 (per 100 customers)***
- **70%** overall customer satisfaction with South East Water (measured as scores of 7 or above) *
- Ranking in the **top 3** for all categories in the ESC customer ratings with continuous improvement in our score.

*Output measure in our Five-year customer commitment (2023-28)

Increased customer support

- More of our customers can manage their payments, through our proactive engagement with them.
- We understand and support our vulnerable customers, including those affected by family violence.
- Our customers know who we are, what we do and how we can best support them.

- We've reached out to **100%** of our customers with arrears greater than 90 days to offer support; and
- **55%** of customers with arrears greater than 90 days have received financial or payment assistance*
- **10,000** customers assisted (provided financial or payment assistance) each year.*

*Output measure in our Five-year customer commitment (2023-28)

Support our community

- We have deeper understanding of and relationships with our community, so we can better meet their needs.
- We have meaningful partnerships in place that support our broad social objectives through procurement.

- **>70%** overall community trust in South East Water*
- **Continuous improvement** in stakeholder surveys for effectiveness and contribution to community
- **Achieve targets** within social procurement strategy.

*Output measure in our Five-year customer commitment (2023-28)

Who we are

Measured by...

Our ambitions for 2028

Intent statements and measures



Protect our environment

Care for country

Net zero emissions

Enhanced water security

Towards zero waste

Who we are

Measured by...

- We walk with Traditional Owners to support self-determination and deliver water justice.
- **Improved ease** for Traditional Owners to work with South East Water to optimise cultural, social and recreational opportunities to access land and water.
- **Partnership agreements developed** with the Traditional Owner groups that support their participation in decision making and water management (self-determination).

- We've achieved net zero (scope 1 and 2) and, recognising there's more we can do, continued to identify and implement ways to remove or reduce our emissions.
- We've reduced our scope 3 emissions, through our relationships with like-minded partners and suppliers

- **Net zero** emissions by 2028 (stretch target)
- **Increased proportion** of emissions reductions that are direct (rather than offsets)
- **Reduction** in Scope 3 emissions.

- We've secured the future of Greater Melbourne's water, through collaboration to produce manufactured water.
- We've increased the amount of alternative water we supply to our customers, through our leadership in integrated water management.
- We've increased our community's knowledge around the importance of saving water and encouraged more customers to become 'water wise'.

- Plans to secure our water supply **on track** to avoid water restrictions and supported by the community
- **>7%** alternative water as a percentage of total water supplied to customers* (up from 4.5%)
- Water literacy of South East Water customers **increased to 31%** (captured via survey responses to a series of industry indicators).*

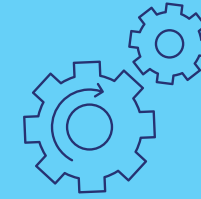
*Output measure in our Five-year customer commitment (2023-28)

- We've documented all our waste and resource streams (from our construction and metering activities) and developed priorities to re-use or recycle the resources.
- We've developed firm delivery partnerships with like-minded organisations that re-use resources (such as local councils and businesses).
- We've delivered a solution for biosolids to be converted to biochar, while eliminating contaminants, so it can be used safely and beneficially.

- **Increase** in the re-use/recycling of our construction and metering products
- **Increased** number and impact of partnerships formed that deliver circular economy outcomes.

Our ambitions for 2028

Intent statements and measures



Optimise our operations

↘ Digital customer & employee experience

- With most of our customers having digital meters installed, more customers have a better experience and can use the tools and information to save money and water.
- We're reducing water losses by using insights gained from our digital meters and sensors to identify leaks early and improve our planning, renewal and maintenance processes.
- It's easy for our people to do their jobs, with streamlined and automated processes, and upgraded IT systems.

Who we are

Measured by...

- **> \$7.5m** in customer savings* and **> 1.2GL** of water saved through digital detection of network leaks*
- More than **85%** of existing properties upgraded to a digital meter*
- **Increasing number** of processes improved and benefits realised (safety, employee experience, \$ saved)
- **Top quartile** (Oceania) response: employees can get their job done efficiently using SEW systems and processes (HYS)

*Output measure in our Five-year customer commitment (2023-28).

↘ Fair & affordable for all

- We plan, deliver, operate and maintain our assets efficiently, through innovative operations models, delivering value for money to our customers.
- More of our customers can manage their payments, through our proactive engagement with them.
- We're always looking for opportunities to find efficiencies, while continually improving our services.

- **Savings realised** through maintenance and integrated planning and delivery models.
- Top 10 projects **delivered on budget**
- Operating efficiencies of **2%** per annum realised.

↘ Warn & inform our customers

- We've reduced disruption to our customers, by notifying them in advance of unplanned interruptions, where they choose to interact with us digitally.

- **75%** of affected customers notified per unplanned disruption.*

*Output measure in our Five-year customer commitment (2023-28).

↘ Sustainable, resilient organisation

- We've set ourselves up to be financially viable for our long-term future, so we can continue to deliver for our customers.
- We're confident in the security of our people, data and assets, through our strong approach to cyber and physical security
- We're able to easily respond to an increasing number of climate-related incidents, and continuously adapt our assets along the way.
- We consider the environmental, social and governance impacts of our business, to generate value for all stakeholders.

- Keeping our gearing ratio below **62%**
- Ensuring our profitability provides interest coverage for the period of greater than **1.7**
- **Increase** in unregulated revenue
- Ratio of successful vs attempted cyber or physical breaches.

Our ambitions for 2028

Intent statements and measures



Drive
innovation
at scale

Commercialisation & partnership impact

Towards zero bursts & spills

Towards net zero water recycling plants

Adapting through research

Who we are

- Through its increased value, Iota continues to add value to our operations.
- We regularly draw on established partnerships to broaden the reach and scale of our innovation, providing better solutions to our customers and the sector, and improving our bottom line and affordability for our customers.

Measured by...

- **Increased enterprise value** of Iota
- Iota delivering a **tenfold increase in impact** in external market (based on results within SEW –e.g. 10 x non-revenue water savings, 10 x customer savings (stretch target)
- Demonstrable **improvements** and cost **reductions** for SEW for products commercialised by Iota
- Ongoing **royalties and dividends** from Iota
- Iota, SEW and partners **recognised** at the State, National and International level **for our innovations or partnerships**.

- We've reduced leaks, spills and bursts, through our preventative approaches and upgraded processes.

- **< 15 EPA reportable dry weather sewer spills per year***
- **Reduction** in non-revenue water
- **Reduction** in unplanned interruptions
- **Reduction** in water bursts and sewer spills.

- Our water recycling plants are efficient and have a low emissions footprint, through our use of leading local and global technology in their design, build and operation.

- Design and **operational emission** reduction achieved in Longwarry, Lang Lang, Pakenham and Fishermans Bend
- Overall **energy rating** of water recycling plants increased.

- We're taking advantage of opportunities and managing risks, through our collaborative approach to research and innovation.
- We're working with our partners to expand the impact of our innovations, such as our pyrolysis plant, Sotto® and sewer monitoring technology, to other water corporations.

- **Progress of ideas** through research and development to use and commercialisation
- **Support of our ideas** and outcomes internally and with key stakeholders
- Deliver pyrolysis plant at South East Water, resulting in **improved environmental outcomes**.



Healthy Water. For Life.