

A young boy in a white t-shirt and blue shorts is running barefoot on a sandy beach. A black, curly-haired dog is running alongside him. In the background, the ocean waves are breaking, and a vibrant rainbow is visible in the sky. The overall scene is bright and cheerful, suggesting a connection to nature and sustainability.

ZENENERGY **Environmental Social Governance**

ESG Report **2022**



Our purpose is to lead
communities into the
zero-carbon world.

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About this report

Welcome to ZEN Energy's inaugural Environmental, Social and Governance (ESG) Report. Our business began from a desire to power a child's cubby house and has evolved and scaled into an innovative, deeply engaged, community focused energy solutions provider. In this report, we share our ESG strategy, how we intend to work with our customers, employees and other diverse partners, and the practical steps we are taking to become a leading 1.5°C electricity retailer in Australia.

Unless otherwise indicated, this report covers the period of 1 July 2021 to 30 June 2022 with the emissions data provided for the calendar year 2021. It reports on our operating activities in Australia, with a particular emphasis in the National Electricity Market (NEM). Our office locations are in Adelaide and Melbourne.

Reporting frameworks

This report is informed and guided by the the Sustainability Accounting Standards Board (SASB) Standards and key disclosures in the Global Reporting Initiative (GRI) Standards. [Our disclosure tables are available here](#). As this is ZEN Energy's first report, it has not been audited against these standards. ZEN Energy plans to have its future reports externally reviewed.

This report provides voluntary disclosures in accordance with the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).

Assessment and evaluation

This report has been assessed by the Global ESG Monitor in partnership with Currie Communications in June and July 2022.

We welcome any feedback on our inaugural report.
[Please email us at enquiries@zenenergy.com.au](mailto:enquiries@zenenergy.com.au)



Our business began from a desire to power a child's cubby house.



Introduction

Message from our Chair



The National Electricity Market in Australia is transitioning to renewable energy. While others are exploring how to adjust and adapt their business and operating models, ZEN Energy is thriving in this disrupted market. This is primarily due to our decision several years ago to design our business model so that it is not reliant on carbon emissions.

“We provision sustainability as a service powered by renewable energy, partnering with our customers to achieve common sustainability goals.”

Sustainability is at the heart of our business strategy. Our sustainability achievements, commitments and aspirations differentiate us from the major players in the Australian electricity sector. We are demonstrating

to our sustainability-driven customers and investors that there is a commercially viable business model for a zero-carbon utility.

This year, the Board of Directors has unanimously adopted the commitments and reporting standards in this inaugural ESG report. Our business is designed to grow in line with our ESG goals. This report identifies how every part of the business, including the Board, will collaborate to achieve these long-term goals.

We are dedicated to being a 1.5°C electricity retailer. This commitment aligns us with 11% of listed companies worldwide who have adopted this Business Ambition as framed by the Science-Based Targets initiative. This sets us apart from the global energy sector, which currently operates in line with a calamitous 6.8°C rise in average global temperatures ([MSCI Net Zero Tracker, June 2022](#)).

We continue to grow our Board and governance capabilities, seeking people with diverse insight, experience and networks. We have recently welcomed Paula Conboy onto our Board as an independent director.

Paula brings over 25 years of experience in the energy sector in Australia and elsewhere. I am delighted that our executive team and our Board will be able to draw

on her expertise in leadership, corporate governance, and leading transformational change.

Diversity is essential to innovation. Accordingly, the Board has recently endorsed Management’s recommendation to refresh the organisation’s core values and embed diversity within them.

“We are driving diversity in all layers of our business in a way that enhances a culture of inclusion and belonging throughout the organisation.”

This inaugural report shares our climate ambition and works across the ESG spectrum. Our journey has only been made possible by our ecosystem of sustainability-driven partners - governments, businesses, communities, suppliers and investors.

We are grateful for their support and look forward to broadening our relationships as we flourish together in the transition to a zero-carbon future.

**Raymond Spencer, Chair
ZEN Energy**

Message from our CEO



ZEN Energy was founded almost twenty years ago as an integrator of sustainable energy technologies, some of which didn't take off (wind sails), and some which did (rooftop solar systems). When the carbon tax was repealed in 2014, we saw an opportunity to work with organisations who had signed up to credible sustainability goals but could not find the products they were seeking from established electricity retailers. We became a licensed electricity retailer and refocused on providing renewable energy-based retail supply contracts to an expanding community of customers. In the intervening eight years, we have demonstrated a viable, long-term business and operating model delivering value to our small ecosystem of sustainability-driven partners. Our challenge for the remainder of this decade is to do so at scale.

The transition of the electricity sector to 100% renewable

energy is the easiest and most urgent step needed to meet the decarbonisation challenge. Our inaugural sustainability report has laid down the environmental, social and governance commitments important to our business and stakeholders. We do not endorse the status quo nor believe there is much value in making incremental changes to improve the status quo. Instead, we drive systemic changes through transformational thinking. ZEN intends to lead the electricity sector in a new direction.

We are committed to being a 1.5°C electricity retailer. The climate impact of our customers must be compatible with a global warming limit of 1.5°C above pre-industrial temperatures. Almost a decade ago, most energy utilities in Europe made this commitment, and those that did have prospered. The major Australian utilities took a different direction, delivering poor outcomes for customers, shareholders and the climate. We intend to demonstrate the viability of an Australian utility with a 1.5°C business ambition.

Our social commitments are many and varied. Our workplace has initiatives to attract and support a diverse group of talented individuals. Externally, we listen attentively to our customer's requirements as we design and deliver 100% renewable solutions to the highest service standard available in the market. We continue to work with renewable energy suppliers to secure a high-integrity energy portfolio that enables us

to provide competitive, affordable pricing for our customers. We are attuned to the supply chain risks in the energy we source and seek practical solutions to the pollution, labour and modern slavery issues embedded in the solar and battery supply chain. We have commenced a Reconciliation Action Plan to ensure we respect the considerations of Traditional Owners of the land, especially concerning renewable energy resources.

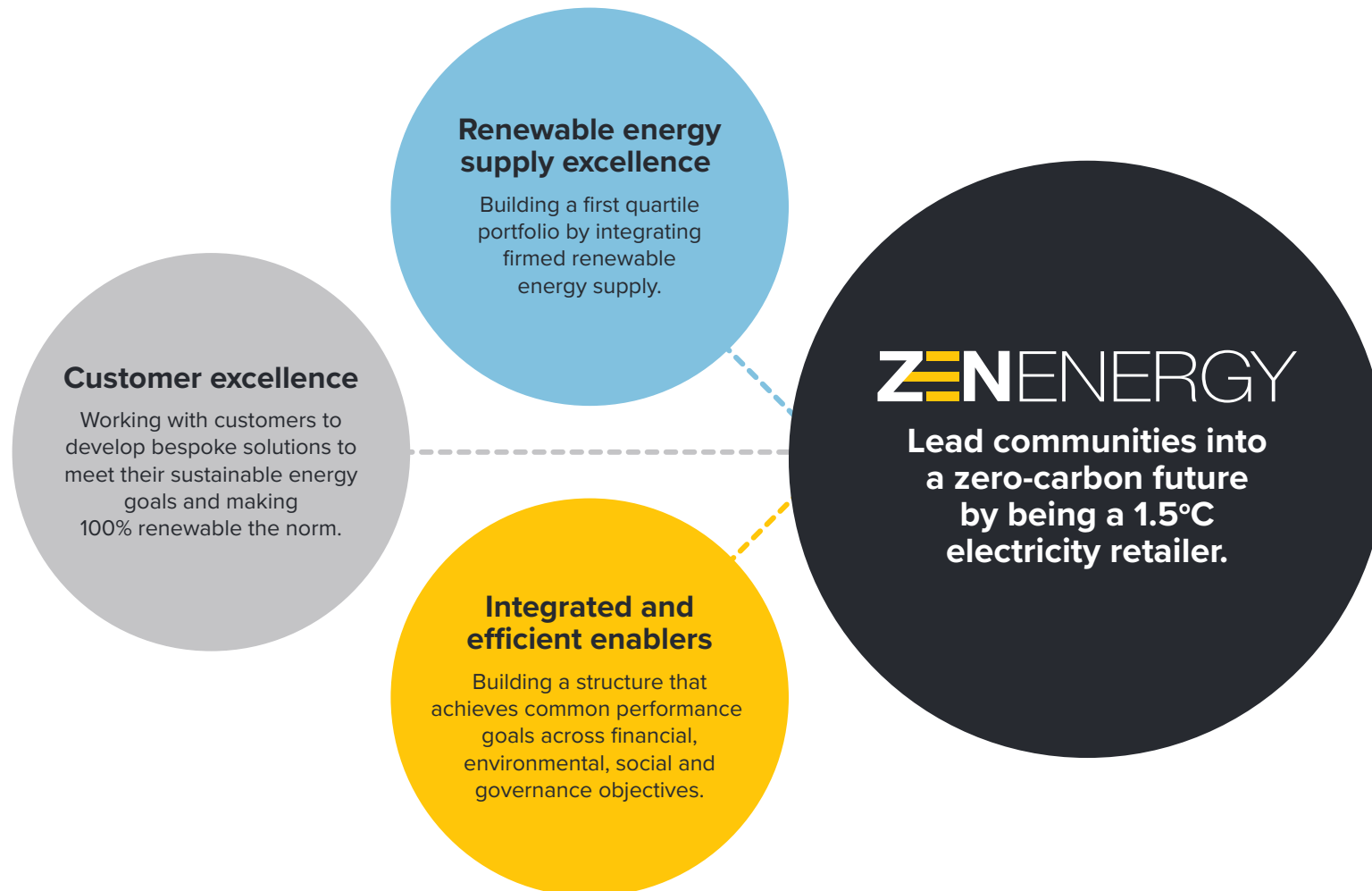
Our business is subject to the vagaries of the weather. The amount of electricity our customers use increases when it is hot and cold, a familiar problem for electricity retailers. The industry has developed standard governance practices in response, for which renewable utilities need to manage a further set of risks. The electricity available to meet increased demand depends on sun and wind, and how much energy remaining in our storage assets. Our governance framework focuses on defining the risk metrics that will best support ZEN in becoming Australia's leading 1.5°C retailer.

I encourage you to continue reading provide your feedback, and hold us accountable for meeting our non-financial goals through this decade of the energy transition.

**Anthony Garnaut, Chief Executive Officer
ZEN Energy**

Our ESG focused business strategy

ZEN stands for Zero Emissions Now.



Our ESG focused business strategy

Purpose

Our core purpose is to lead communities into the zero-carbon world. We provide sustainability as a service powered by renewable energy and partner with governments, businesses and households to achieve common sustainability goals. Our customers value sustainability as much as we do.

- To substantiate our environmental sustainability objectives, we have committed to set near-term company-wide emissions reductions in line with climate science with the Science Based Targets initiative.
- The world is already **1.1°C hotter** than pre-industrial levels. The Paris Agreement, negotiated by 196 parties, aimed to keep global temperature increases well below 2°C, and preferably limited to 1.5°C. We have seen a devastating increase in natural disasters and loss of ecosystems, and while the world will face significant impacts at 1.5°C of warming, we can avoid the worst impacts of climate change by limiting warming. Every fraction of a degree matters.

ZEN is a values-led organisation and our people choose to work with us because they believe in these values and our purpose. Many of the programs of work in this report are underway within the business and we are initiating governance and accountability measures to monitor our progress.



ZEN Energy is committed to being a 1.5°C energy retailer.

Our ESG focused business strategy

Renewable energy supply excellence

Our strategy focuses on building a cost-competitive portfolio that will thrive in the zero-carbon world by integrating firm renewable energy supply. We manage and build our renewable energy portfolio through a series of long-term renewable energy (and environmental certificates) offtakes from solar, wind and storage assets coupled with direct involvement in asset development. We do not and will not have direct energy offtake agreements with any fossil-based generation. Our renewable energy portfolio is carefully managed with financial contracts to ensure that our cost price is well hedged, and we bring this price stability to our customers.

- Globally, there are concerns around the human rights conditions on the supply chain of monocrystalline silicon and polysilicon for solar panels. Over the past year, we have initiated and implemented policies and procedures to help us manage the integrity of our supply chain. We have done so in line with both our obligations under the Modern Slavery Act (2018), and in a way that aligns with our values and promotes better outcomes. This commitment is the foundation of how we identify and minimise the risk of modern slavery and reduce the carbon footprint in the supply chain. You can find more information on what we'll do to address this issue in the responsible procurement and supply chain integrity section of the report.
- We foresee broader environmental and social impacts being a critical sustainability consideration for our renewable asset developments. Environmental, and cultural and heritage assessments will be crucial to ensure we mitigate adverse impacts during development and operation of these renewable assets. We will continue to drive this rigour into all elements of our supply chain.



ZEN Energy has an offtake agreement with Waubra Wind Farm.

Our ESG focused business strategy

Customer excellence

ZEN's brand is unencumbered and future focused. We work closely with our customers (including energy-intensive industries) to develop bespoke solutions to meet their sustainability goals in their energy usage. Since obtaining our retail electricity license in 2018, we have successfully signed long term retail contracts with the South Australian Government, CSIRO, Southern Sydney Regional Organisation of Councils (SSROC), Bunnings in Victoria and South Australia, the South Australian Chamber of Mines and Energy (SACOME) Joint Electricity Purchasing Group (including Foodland stores), among others. Our customer team is proactive, always exploring opportunities for our customers that bring them sustainability and financial value (e.g. behind the meter solutions, residential and retail products). We have matured our operational capabilities, allowing seamless on-boarding and billing concurrently to all our customers' sites and meters and we aim to broaden this capability to provide sustainability reports to our customers in addition to their monthly bills.

- We continue to grow our ecosystem of sustainability driven partners by making 100% renewable the norm.
- For our customers, this means that we will be offering electricity retail products that are 100% renewable or working with our customers to develop a viable path towards 100% renewable supply.
- For our capital partners, this means working together to demonstrate that the commercial model around this 100% renewable norm is more financially viable than a carbon-based supply approach.
- We will engage the community to demonstrate that retail products built around carbon neutrality should not be seen as the final step in the sustainability journey.



Woollahra Library – SSROC 100% renewable energy customer.

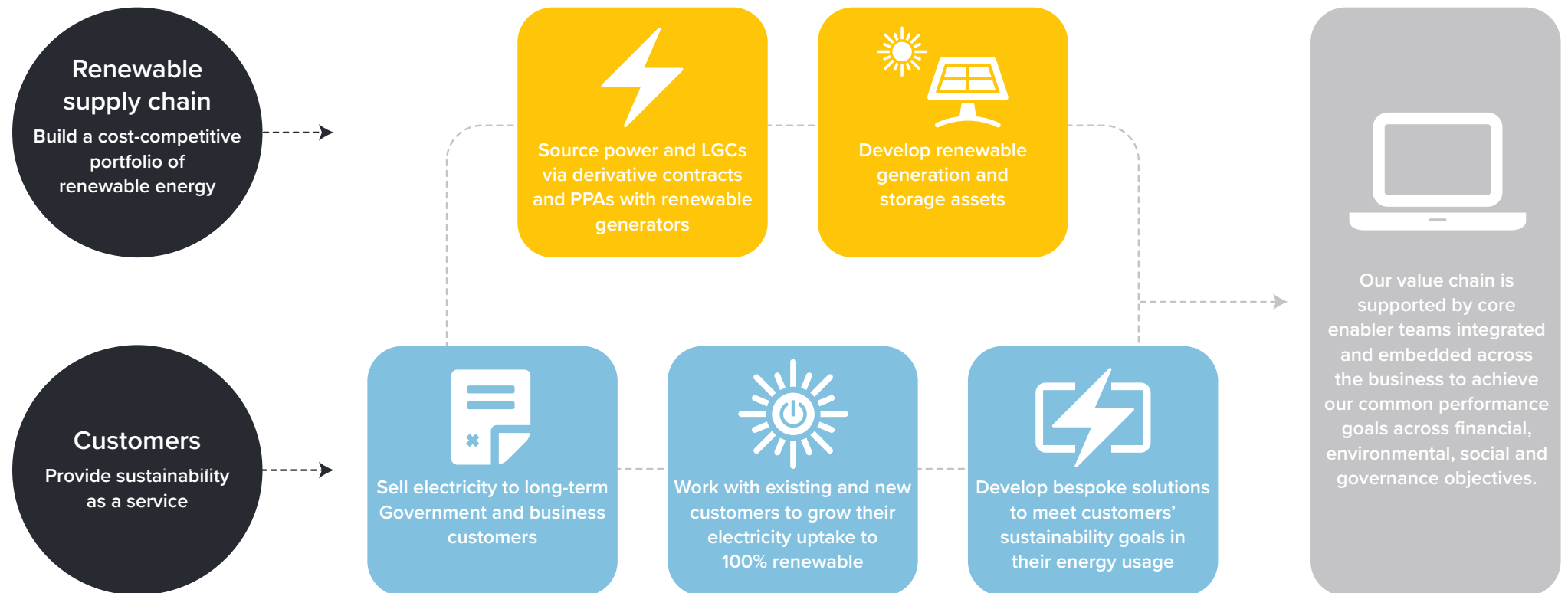
Our ESG focused business strategy

Integrated and efficient enablers

We continue to improve our systems and resources. Our opportunities teams are supported by a group of core enablers across organisational performance, data and systems, legal, risk and governance, branding and sustainability, and people and culture. These functions are integrated and embedded across the business and are nimble and adaptive to dynamic changes in our opportunity pipelines. Together, we achieve our common performance goals across financial, environment, social and governance objectives.



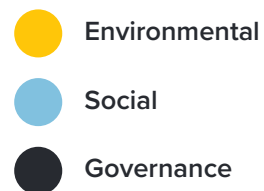
Our ESG focused business strategy



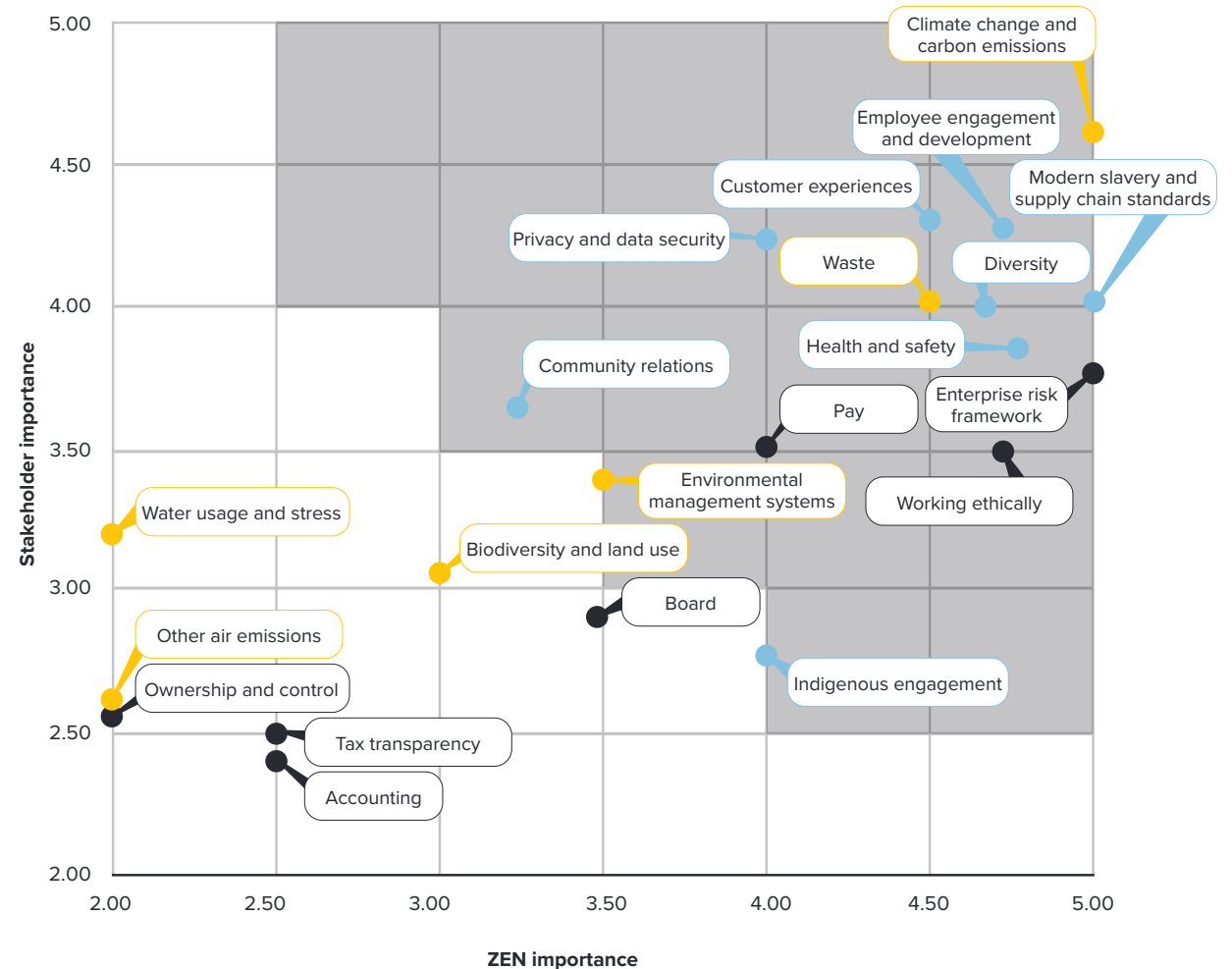
Our material ESG topics and commitments

We carried out a materiality analysis in consultation with our stakeholders to identify our priority ESG areas. An initial list of material topics was compiled through research and reference to industry reports, MSCI ESG Materiality Map, SASB Materiality Finder, GRI Standards, and material from Sustainalytics. From this initial list, stakeholder groups, including employees, customers, suppliers and investors were engaged through surveys, informal discussions and document scans to determine each group's materiality rankings in relation to ZEN. This took place over February and March 2022. The materiality survey was sent to all ZEN team members and 62 partners, consultants, suppliers, installers and potential investors. Additionally, stakeholder priorities were drawn from public sustainability reports from 8 customers, investors, contractors and suppliers. The Board approved the materiality topics on 22 March 2022.

The materiality matrix shows the importance of relevant material issues to ZEN and to our stakeholders. Each issue is categorised into Environmental, Social or Governance issues and the material issues form the basis of this report.



Materiality Matrix



Our material ESG topics and commitments

This table outlines ZEN's commitments to the material issues identified by our stakeholders. We have started the journey on most of these commitments with key updates on their progress set out in the rest of the report. Some of these commitments will guide ZEN in developing a more holistic set of ESG targets which will be added to ZEN's ESG reporting framework in the future.

| E, S or G | Material issues | Our commitments | Relevant sections in the ESG report |
|-------------|--|--|---|
| Environment | Climate change and carbon emissions | <p>To reduce our emissions faster than required by SBTi for 1.5°C for an SME by:</p> <ul style="list-style-type: none"> • Having zero Scope 1 and 2 GHG emissions by 2023. • Measuring and reducing our Scope 3 emissions, including a compiling an account of our Scope 3 emissions by the end of 2023. <p>To voluntarily reduce our sold electricity emissions in line with the SBTi's guidance for electric utilities by:</p> <ul style="list-style-type: none"> • Reducing emissions intensity of sold electricity by 97.7% by 2030 from a 2020 baseline. • Reducing absolute emissions of sold electricity by 71.6% by 2030 from a 2020 baseline. <p>Our emissions reduction plan is detailed in the corresponding sections of this report.</p> | <p>Environment - 1.5°C commitment</p> <p>Environment - Greenhouse gas emissions reduction plan</p> |
| Environment | Environmental management systems and waste | <p>To develop environmental and waste management plans that achieve the following goals, with timeline being dependent on each asset development:</p> <ul style="list-style-type: none"> • Achieving full compliance of required environmental and waste related regulations for renewable asset development. • Including in subsequent ESG reports progress on opportunities to realise a circular economy in the renewable energy sector and exploration of options to integrate this consideration in our asset development and operation strategy. | Environment - Environmental management for renewable asset development |
| Social | Diversity | To develop and implement ZEN's diversity and inclusion policy and commitments by the end of 2023. | Social - People and culture - Diverse and equitable workplace |
| Social | Remuneration | To improve ZEN's performance and remuneration framework across every level of the organisation (i.e. Board, Executives and all staff) and broaden performance goals and reviews to include ESG targets and commitments by the end of 2023. | Social - People and culture - Diverse and equitable workplace |
| Social | Employee engagement and development | To develop and implement a program to sustain existing high levels of engagement in ZEN (with impact monitored through our annual People Engagement Survey) and to develop and implement ZEN's professional development framework, policy and corresponding targets by the end of 2023. | <p>Social - People and culture - Engaged and empowered teams</p> <p>Social - People and culture - Refreshed values to drive the next phase of ZEN</p> |

Our material ESG topics and commitments

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| E, S or G | Material issues | Our commitments | Relevant sections in the ESG report |
|------------|---|--|---|
| Social | Work health and safety | To complete the ongoing review of the WHS policy and risk register, with a particular emphasis on including mental health and wellbeing and WHS considerations related to renewable asset development by the end of 2023. | <ul style="list-style-type: none"> Social - People and culture - Engaged and empowered teams Governance - Best practice systems for management and oversight |
| Social | Customer experiences | <p>To only offer either 100% renewable retail products or partner with new and existing customers to develop a viable path to 100% renewable energy supply before 2030.</p> <p>To continue to collaborate with our existing retail customers to explore and identify demand management, energy efficiency and electrification opportunities to achieve common sustainability goals.</p> | <ul style="list-style-type: none"> Environment - Greenhouse gas emissions reduction plan - Partnering with our existing and new customers to transition to 100% renewable Social - Stakeholder engagement - Customers |
| Social | Community relations | To continue with our proactive engagement with environmental-based NGOs and sustainability driven organisations and communities on projects that deliver environmental & social value. We will seek to quantify these values as far as possible. | <ul style="list-style-type: none"> Social - Stakeholder engagement - Communities |
| Social | Modern slavery and supply chain standards | <p>To be a leader in the renewable energy sector on the due diligence process in ensuring supply chain integrity and mitigating against modern slavery risks.</p> <p>To ensure all our renewable asset development is thoroughly assessed through our Supply Chain Code of Conduct (which integrates requirements from our Modern Slavery Statement as well as being eventually aligned with our broader ESG strategy). We will progressively report on the outcomes of these assessments via our ESG reporting.</p> | <ul style="list-style-type: none"> Social - Responsible procurement and supply chain integrity |
| Social | Indigenous engagement | To develop ZEN's Reconciliation Action Plan including best practice thinking and approaches, by the end of 2023. | <ul style="list-style-type: none"> Social - Stakeholder engagement - Indigenous engagement |
| Governance | Enterprise risk framework | To mature and broaden our existing risk management policy and ensure that it covers all aspects of the business - across both strategic and operational issues before June 2023. | <ul style="list-style-type: none"> Governance - Managing our wholesale and enterprise risks responsibly |
| Governance | Privacy and data security | To mature our internal policies and processes and align them with the Australian Energy Sector Cyber Security Framework by end of 2023, alongside with the ISO27001 Information Security Management accreditation. | <ul style="list-style-type: none"> Governance - Best practice systems for management and oversight |
| Governance | Board | To increase Board oversight of ESG targets and progress, and implement best practice principles of Board governance by the end of 2024. | <ul style="list-style-type: none"> Governance |

Our material ESG topics and commitments

ZEN commitments timeline



A photograph of four children playing in a sandbox. A girl in the foreground is jumping with her arms raised, wearing a white t-shirt with the text 'THANK YOU FOR THIS' and pink pants. Other children are visible in the background, also playing. The scene is brightly lit with sunlight, creating a warm and joyful atmosphere. The word 'Environmental' is overlaid in large yellow text on the left side of the image.

Environmental

**1.5°C
commitment**

**Greenhouse
gas emissions
reduction plan**

**Environmental
management
for asset
development**

There is no time to wait. We need Zero Emissions Now.

Our 1.5°C commitment

To avoid the most significant effects of climate breakdown, the world must halve greenhouse gas emissions before 2030, achieve net-zero emissions before 2050 and limit the global temperature rise to 1.5°C. ZEN will contribute to this global movement and pursue this 1.5°C goal through our business strategy - excellence across our renewable energy supply chain, our customers and our organisation.

| Renewable energy supply chain | Customers | Organisation |
|---|---|---|
| <ul style="list-style-type: none">• Refusing to directly contract any fossil-based energy offtakes• Embracing a voluntary emissions reduction target for sold electricity informed by the Science-based targets initiative's guidance for electric utilities• Increasing our portfolio of renewable energy offtakes, firming capacity and asset development | <ul style="list-style-type: none">• Committing to a customer renewable energy structure that enables us to meet our targets• Supporting customers to reduce their electricity emissions through our focus on providing sustainability as a service• Building the market share of zero emissions customers | <ul style="list-style-type: none">• Adopting an approved 2030 Science-based target for emissions reduction• Building a full carbon account for our Scope 3 emissions in 2023• Partnering with organisations taking climate action• Being a vocal and data driven advocate for climate action• Mitigating climate related risks to our business• Supporting employees to take climate action• Integrating our ESG and financial reporting to holistically evaluate ZEN's performance to drive stakeholders' trust and confidence |

Our 1.5°C commitment

As a small-to-medium enterprise (SME) of fewer than 500 people, the science-based emissions reduction targets to limit warming to 1.5°C are:

- (1) reduce 38% of absolute Scope 1 and 2 greenhouse gas emissions by 2030 from a 2021 base year, and
- (2) measure and reduce Scope 3 emissions.

We can do more than these requirements. We will:

- **Have ZERO Scope 1 and 2 GHG emissions by the end of 2023 and**
- **Voluntarily reduce our Scope 3 sold electricity emissions in line with the SBTi's guidance for electric utilities.**

These commitments will position ZEN well into the future, as our vision is to grow to be a significant 100% renewable energy retailer by 2030. We will accelerate the realisation of our vision by adopting these commitments.



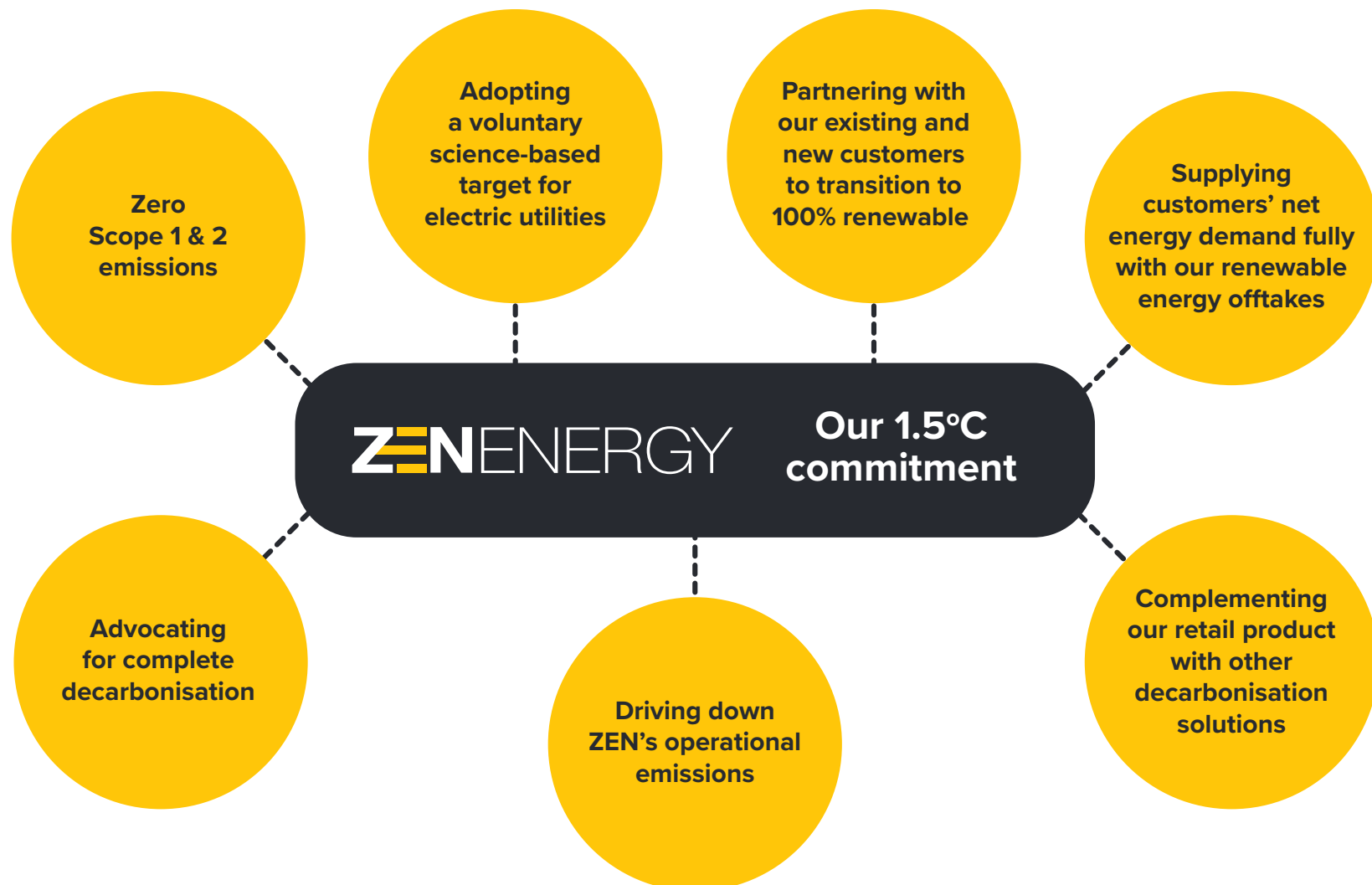
Scope 1, 2 and 3 emissions

The Greenhouse Gas Protocol is the most widely used greenhouse accounting standard for companies around the world.

To improve transparency emissions can be defined as scope 1, 2 or 3 emissions.

- | | |
|---------|---|
| Scope 1 | emissions are direct emissions, that occur from sources that are owned or controlled by the company, such as emissions from combustion in generators or vehicles. |
| Scope 2 | emissions are electricity indirect emissions, that occur from the generation of electricity purchased and consumed by the company. |
| Scope 3 | emissions are other indirect emissions, occurring as a consequence of the activities of the company but from sources not owned or controlled by the company. |

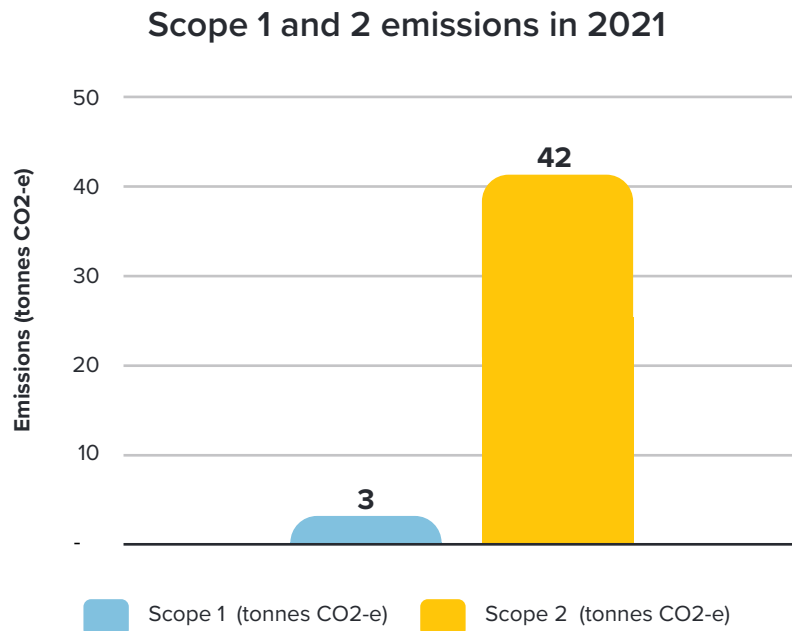
Our emissions reduction plan



Our emissions reduction plan

ZERO Scope 1 and 2 emissions

Our Scope 1 and 2 emissions for 2021 are shown below. We do not own any fossil-based non-renewable electricity generation nor have any direct energy offtake contracts with such generation. Our Scope 1 emissions come from our single company vehicle, and our Scope 2 emissions come from powering our offices in Adelaide and Melbourne. We commit to zero Scope 1 and 2 emissions by the end of 2023 by powering our offices with 100% renewable energy and electrifying our company vehicle. **This is above and beyond what is required by SBTi.**



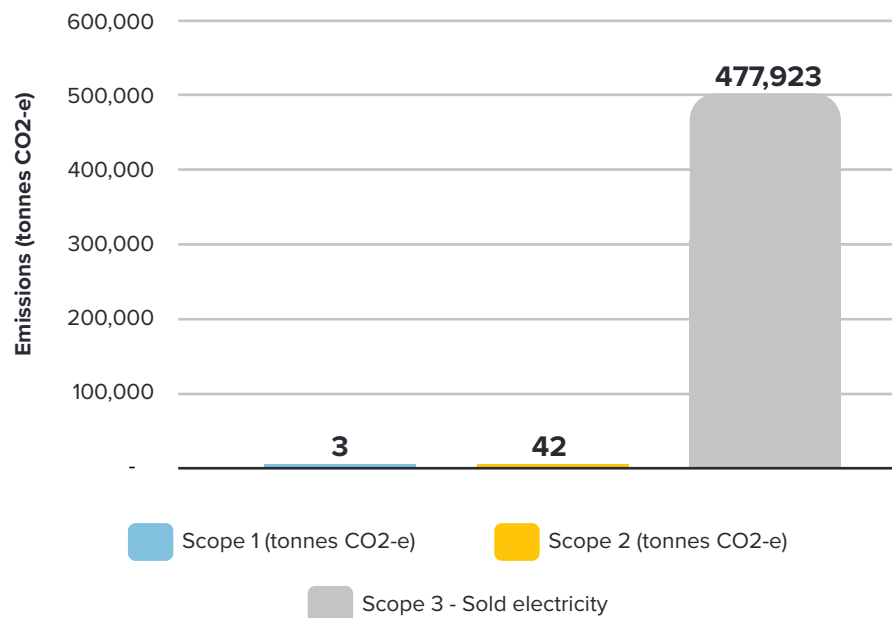
Lara Reid, Business Development Manager, at ZEN's Adelaide Office.

Our emissions reduction plan

Adopting a voluntary science-based target for electric utilities

As a small to medium-sized enterprise of under 500 employees, SBTi did not require ZEN to adopt a specific Scope 3 emissions reduction target beyond committing to measure and reduce our Scope 3 emissions. However, we commit to more than the minimum requirements as an emerging leader in the renewable electricity retailer sector. Our 2021 Scope 3 emissions relating to sold electricity are significantly higher than our Scope 1 and 2 emissions (see figure below). To work towards being a true and genuine 1.5°C electricity retailer, ZEN will voluntarily adopt sold electricity emissions reduction targets informed by the SBTi guidance for electric utilities.

Scope 1, 2 and 3 (sold electricity) emissions in 2021



The SBTi's Scope 3 sold electricity emissions reduction targets for electric utilities depend on the growth of our customer load. If we achieve our forecast growth ambitions of more than 10 times our 2020 customer load, this will mean:

- reducing emissions intensity of sold electricity (GHG emissions per unit of electricity) by 97.7% by 2030 from a 2020 baseline; and
- reducing absolute emissions of sold electricity (total GHG emissions of portfolio) by 71.6% by 2030 from a 2020 baseline.

To track our progress against our targets, we are implementing a forward-facing reporting mechanism to update our stakeholders on our emissions reduction performance as we grow our customer portfolio.

Our emissions reduction plan

Partnering with our existing and new customers to transition to 100% renewable

At the end of 2021, our portfolio of sold electricity was 28% renewable (an increase of 5% from 2020) according to the quantity of Large-scale Generation Certificates (LGCs) surrendered, with an average emissions intensity of 0.65 tonnes CO₂-e/MWh (a reduction from 0.77 tonnes CO₂-e/MWh in 2020). By the end of 2022 the % of renewable energy in our portfolio of sold electricity is forecasted to be 40-50%.

Our path to achieve the voluntarily adopted Scope 3 sold electricity emissions reduction target by 2030 is four-fold.

1. We will work with our existing customers to explore viable solutions to transition them to 100% renewable before 2030.
2. We will work with potential customers who are ready to transition to 100% renewable to achieve that goal right from day 1.
3. We will work with potential retail customers who are not yet ready to transition to 100% renewable to develop a viable path towards 100% renewable electricity within a fixed time frame (e.g. 3 years).
4. We will only sell 100% renewable energy to residential and SME customers as we enter these markets.



Tesla Power Pack at Electrolux, installed by ZEN Energy.

Our emissions reduction plan

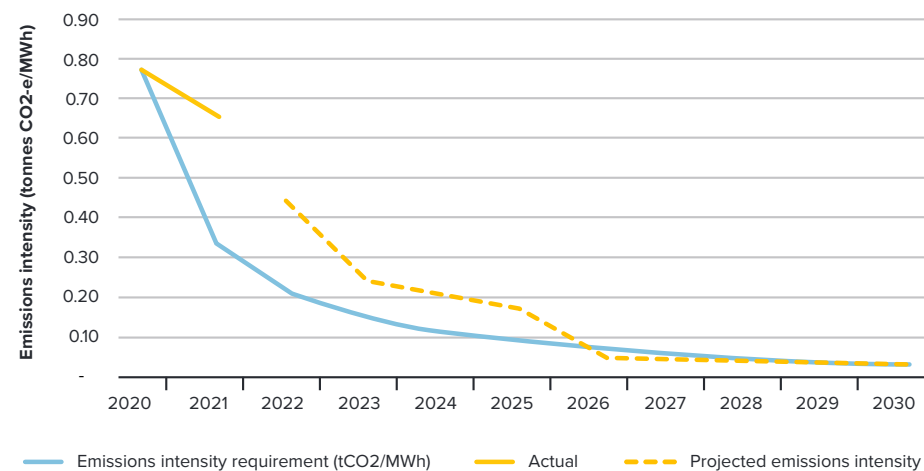
Partnering with our existing and new customers to transition to 100% renewable

By transitioning existing and new customers to 100% renewable, we can grow our customer load whilst:

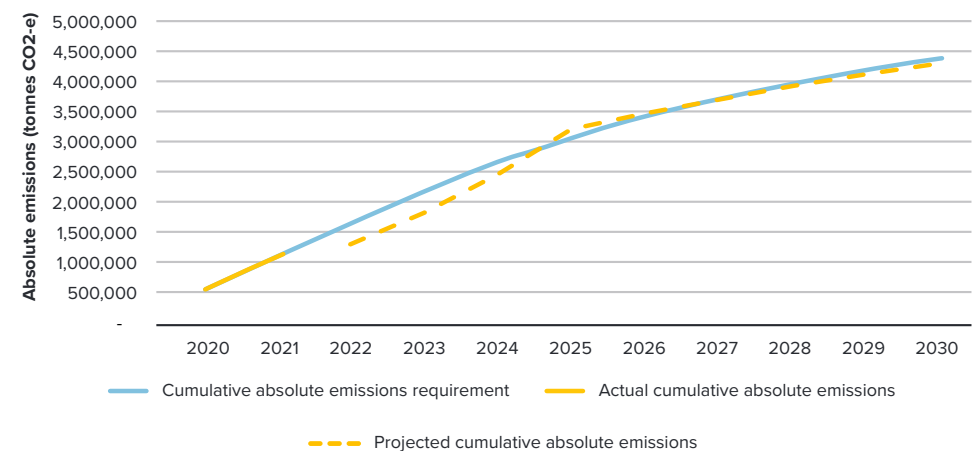
- Bringing down our sold electricity emissions intensity (shown in the chart on the left), and
- Remaining within our cumulative emissions budget out to 2030 (shown in the chart on the right).

The projected trajectories are based on a linear increase of customer load up to our 2030 goal. In 2021 we grew our customer portfolio less than the modelled linear trajectory, so our emissions intensity was higher than the reduction trajectory. Our absolute emissions are still within our reduction budget.

Emissions intensity reduction trajectories



Cumulative absolute emissions (Scope 3 Cat 3 - sold electricity) trajectories



Our emissions reduction plan

Supplying customers' net energy demand fully with our renewable energy offtakes

As of June 2022, we have secured or are in the process of securing a set of renewable energy offtake contracts that will be sufficient to generate an equal amount of renewable electricity as our current customer load.

Below are the key renewable generation assets where we contracted either 100% or a portion of the renewable electricity and the corresponding environmental certificates (LGCs). We aim to ramp up our sourcing of renewable energy and the corresponding environmental certificates, either through power purchase agreements from existing or soon to be commissioned renewable assets, or through being directly involved in renewable asset development.

LGC offtake agreements

- | | |
|-------------------------|--------------------------|
| 1 NUMURKAH SOLAR FARM | 7 BRIGALOW SOLAR FARM |
| 2 WAUBRA WIND FARM | 8 SUSAN RIVER SOLAR FARM |
| 3 NEVERTIRE SOLAR FARM | 9 MOLONG SOLAR FARM |
| 4 MERREDIN SOLAR FARM | 10 VALES POINT BIO MASS |
| 5 WATERLOO WIND FARM | 11 SWAN HILL SOLAR FARM |
| 6 CHINCHILLA SOLAR FARM | |

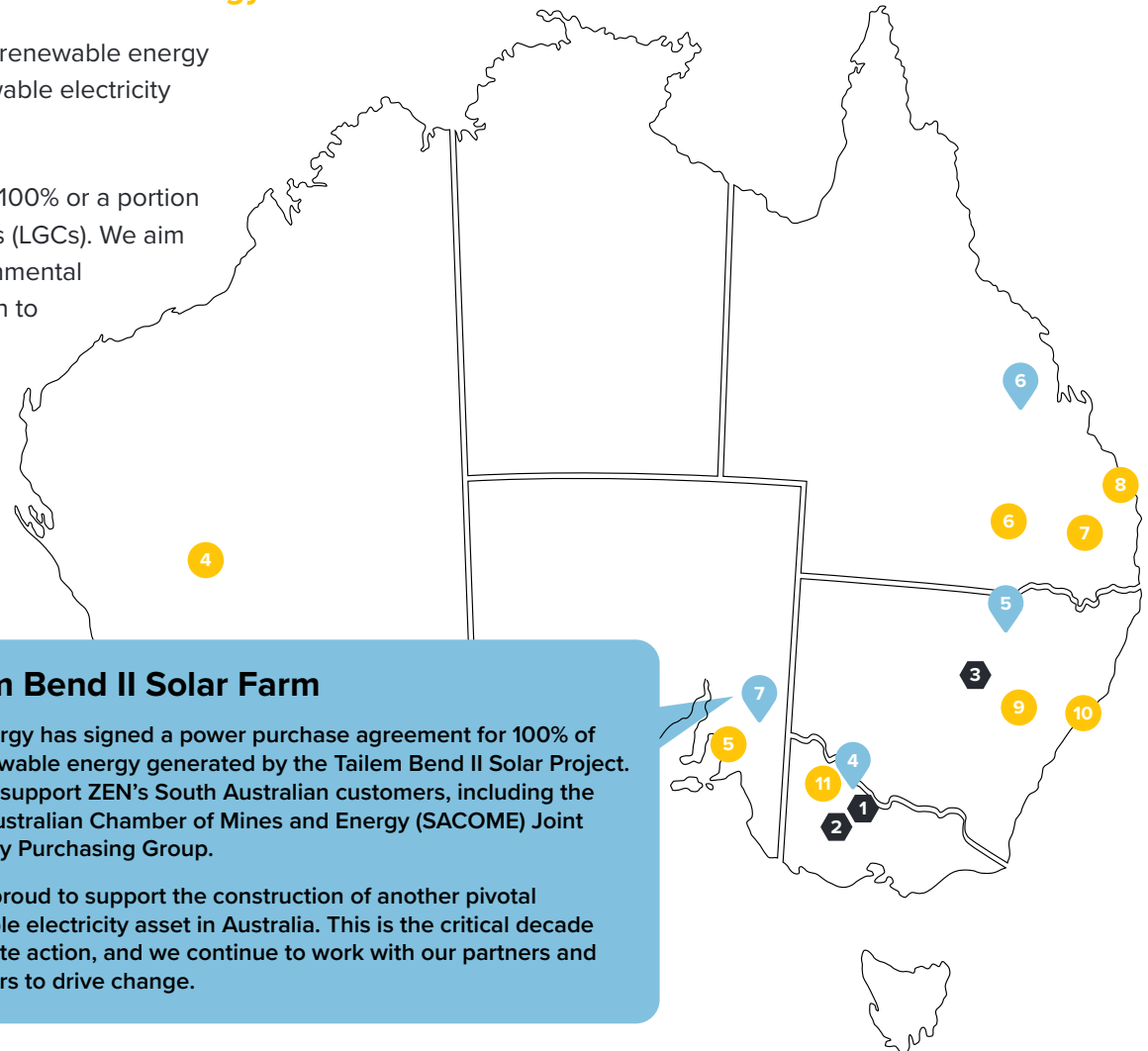
Generation offtake agreements

- | | |
|------------------------|-----------------------------|
| 1 NUMURKAH SOLAR FARM | 5 MOREE SOLAR FARM |
| 2 WAUBRA WIND FARM | 6 BLUEGRASS SOLAR FARM |
| 3 NEVERTIRE SOLAR FARM | 7 TAILEM BEND II SOLAR FARM |
| 4 WEMEN SOLAR FARM | |

Tailem Bend II Solar Farm

ZEN Energy has signed a power purchase agreement for 100% of the renewable energy generated by the Tailem Bend II Solar Project. This will support ZEN's South Australian customers, including the South Australian Chamber of Mines and Energy (SACOME) Joint Electricity Purchasing Group.

We are proud to support the construction of another pivotal renewable electricity asset in Australia. This is the critical decade for climate action, and we continue to work with our partners and customers to drive change.



Our emissions reduction plan

Complementing our retail product with other decarbonisation solutions

While committing to 100% retail renewable energy is a significant part of our customers' sustainability goals, we acknowledge that each of our customers has a complex set of other energy related sustainability goals and targets. We will continue to collaborate with our existing customers to deliver sustainability as a service. We recognise that these opportunities are critical to help our customers to achieve their emissions reductions goals and thereby contribute to a community movement of mitigating climate change. Here are some examples:

St John's Grammar School

After installing several solar solutions on the school, in 2018 ZEN Energy became the energy retailer for St John's Grammar School, supplying the complementary energy required from the grid and creating a holistic energy partnership.

In 2021 St John's Grammar School joined the Solar Schools program, enabling schools to gain greater visibility of their energy generation and consumption and educate their students about energy.

ZEN is the exclusive provider of the Solar Schools program to young South Australians. Solar Schools provides curriculum-aligned lessons and learning experiences using actual live data.

[CLICK HERE FOR MORE ON SOLAR SCHOOLS](#)

[CLICK HERE FOR OUR CASE STUDY ON ST JOHNS GRAMMAR SCHOOL](#)



Students from St John's Grammar School.

"The exclusive partnership with Solar Schools means that ZEN Energy can continue to deliver quality solar and battery installations to our school communities while enabling South Australian students to truly engage in their school's sustainability journey, learning with real-time data. It's like one big, exciting science experiment!"

Professor Ross Garnaut AC, Director, ZEN Energy.

Our emissions reduction plan

Complementing our retail product with other decarbonisation solutions

Switch For Solar

We are delivering the Switch for Solar initiative in partnership with the Government of South Australia. **Switch for Solar makes it easier for South Australian concession holders to access clean and sustainable solar energy.** The program allows eligible households to 'switch' some of their future concession payments for a 4.4kW solar PV system installed on their home for minimal or no upfront cost, providing the sustainability and cost benefits of renewable energy to South Australians who wouldn't otherwise have access.

Renewable Energy Productivity Scheme

We have partnered with Trade Services South Australia to deliver subsidised energy efficiency activities. We guide our customers to understand the activities available under the scheme designed to decrease and make their energy usage more sustainable.

Initiatives include energy audits to identify upgrades, including LED lighting, refrigeration, heating and cooling, or adding solar and battery storage.

In FY22, we saved 236,240 GJ which was above the 197,000 GJ targeted under the SA Retailer Energy Productivity Scheme (REPS). A HUGE 20% above compliance requirements.

[CLICK HERE TO SEE THE WEST LAKES FOOLAND SUCCESS STORY](#)



Our emissions reduction plan

Driving down ZEN's operational emissions

Beyond sold electricity, our operations also generate some other Scope 3 emissions, and we are working to build an inventory of these emissions, in line with our SBTi commitment. Our initial assessment is that these emissions should be significantly lower than the reported Scope 3 emissions for sold electricity. We will turn our attention to understanding and measuring these sources in 2023 in order to achieve other Scope 3 emissions reductions in the coming years. Some broad commitments that we will be establishing are as follows.

| Scope 3 emissions source | Reduction action |
|--|--|
| Office related emissions – employees working from home, employee commuting and business travel | We commit to (1) offer ZEN's 100% renewable retail product to all our people, at a discount, by end of 2023; (2) fly carbon neutral by end of 2024 for all work-related travel and carefully assess the value and importance of travel, and (3) explore options to address Scope 3 emissions from employee commuting. |
| Embodied emissions of purchased capital goods and of our contractors | We commit to a program that will work closely with our suppliers and contractors to develop transparency on embodied emissions from purchased capital goods and/or services. |

Our emissions reduction plan

Advocating for complete decarbonisation

We view current renewable energy procurement methods as a stepping stone towards complete decarbonisation of the electricity system. Complete decarbonisation will require every unit of electricity to be matched with carbon-free electricity, every hour of every day, achieving 24/7 carbon-free energy. In this scenario, the emissions reduction facilitated by energy storage charging with excess solar and wind and releasing that energy when wind and solar is producing less than required to meet our customer consumption would be recognised.

ZEN has a long-term plan to realise this goal. In addition to our existing and future renewable PPAs, we will need a mixture of short and long-duration storage. ZEN is at an advanced stage in contracting short duration storage arrangements and has also started the process of securing rights over long-term storage assets such as pumped hydro storage.

We want to see a move towards real-time electricity emissions calculations and ultimately 24/7 carbon-free energy and will use our data and analytics capabilities to provide innovative solutions to help us track our progress towards this goal. In addition, we aim to become a signatory of the [UN 24/7 Carbon-free Energy Compact](#), with a view to adopting their principles moving forward.

We aim to become a signatory of the UN 24/7 Carbon-free Energy Compact and will adopt their principles moving forward.



Renewable Energy System installed by ZEN Energy in South Australia.



Environmental management for renewable asset development

Scaling up our environmental and waste management processes as we progress our asset development journey

We recognise that any physical asset development will have direct impact on the environment, and we seek to mitigate and manage these impacts through careful upfront planning and full compliance with the required regulations. We also recognise that waste management will be an important sustainability issue as we progress our asset development journey. To prepare for this, we will work to scale up our waste management policy to cover our large-scale asset development projects, and wherever practical, incorporate circular economy principles in the asset development and planning phase.

For ZEN's first solar renewable asset development project, we have completed the initial desktop assessment through an external party to identify the project's potential impacts on the local flora and fauna. An on-ground assessment will be undertaken to confirm the likelihood of occurrence of threatened species and ecological communities, to ensure the project is in line with requirements under the Environment Protection and Biodiversity Conservation Act 1999, Native Vegetation Act 1991, National Parks and Wildlife Act 1972 and Natural Resources Management Act 2004. As we continue to grow, our team will establish a standard operating procedure for asset development environmental assessments, to ensure we continue to minimise and mitigate adverse environmental impacts in all our projects.



Our development projects comply with environmental, conservation and wildlife acts.

Social

A photograph of two women smiling and looking at each other in an office environment. A large green plant is positioned between them. The woman on the left has dark dreadlocks and is wearing a dark jacket with a fur collar. The woman on the right has short pink hair, wears glasses and a denim jacket. The background is a blurred office space with windows and indoor plants.

People and
culture

Stakeholder
engagement

Supply chain
integrity

We can't do it alone. A zero-carbon world needs us all.

People and culture

Diverse and equitable workplace

Our journey is not going to be smooth. It will require people with diverse experiences, skills, and backgrounds to come together inclusively and equitably to develop, assess, execute and evaluate fresh and innovative ideas.



Engaged and empowered people

We will continue to sustain and grow our team of engaged and empowered individuals - delivering our commitments and being thought leaders collectively and in our professional fields.

Refreshed values to drive the next phase

This next phase of our business will be marked by our refreshed core values, not forgetting the importance of having fun and joy together in this journey ahead!

People and culture

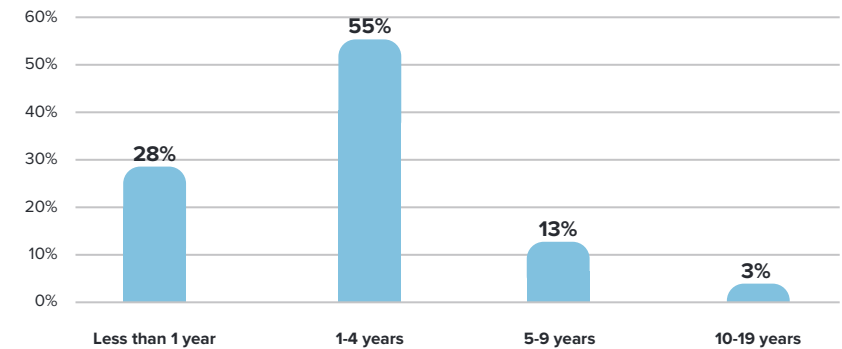
Diverse and equitable workplace

Diversity is about recognising, respecting, and valuing every aspect of what makes us unique, and encompassing each individual's life experiences, communication style, career path, educational background, geographic location, income level and an infinite number of other individual characteristics. Diversity is a material topic for ZEN because companies that embrace diversity and inclusion are more likely to outperform others that don't. More importantly, we know that we can enable individuals to thrive independently and as a team by fostering a diverse and inclusive culture.

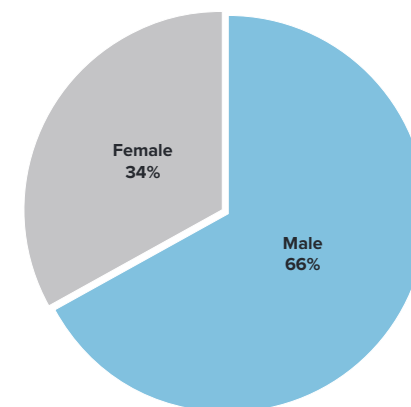
At ZEN, ideas, curiosity and an open mind come from growing our truly diverse team where we can all thrive. In the same way we have adopted ambitious emissions reduction targets, **we commit to developing ZEN's Diversity and Inclusion policy by the end of 2023** and the corresponding measures to track our performance. This action will make ZEN a place where our people can come together, belong and be the best they can be.

We believe that team diversity metrics are important lead indicators for a diverse workplace where ideas, curiosity and open minds can flourish. As a start, we are reporting here the diversity metrics that we currently have and will over time report on the committed diversity metrics across of the organisation.

Proportion of team members by tenure length



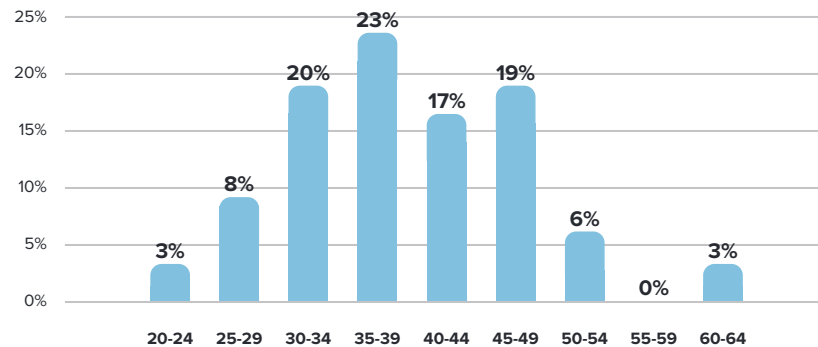
Proportion of team members by gender



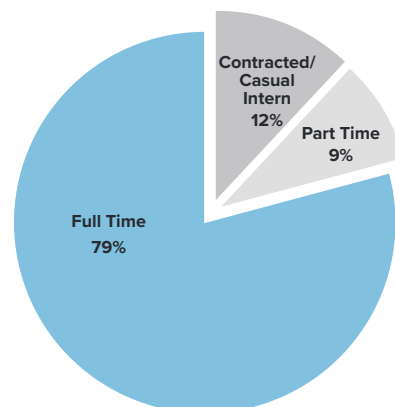
People and culture

Diverse and equitable workplace

Proportion of team members by age



Proportion of team members by employment status



To build an equitable workplace, in 2021 ZEN extensively reviewed and implemented a new performance management and remuneration framework. This directly addressed feedback received from our FY22 people engagement survey and our people's responses to the sustainability materiality survey.

The new performance and remuneration framework drives a fairer and more performance-based remuneration and incentive process. The framework incorporates external benchmarking and includes regular formal and informal performance reviews and feedback. With the new framework implemented, we have substantially increased our people investment by nearly \$1m, and correspondingly observed our regrettable turnover rate reduced from 4% in FY21 to 1.4% in FY22. **We plan to further improve ZEN's performance and remuneration framework across every level of the organisation (i.e. Board, Executives and all staff) and broaden performance goals and reviews to include ESG targets and commitments by the end of 2023.**

People and culture

Engaged and empowered teams

The successes that ZEN has achieved are the results of our highly engaged and empowered teams. In the FY22 people engagement survey (administered via Culture Amp), all our people indicated that they “have enough autonomy to perform their jobs effectively” and “understand how their role contributes to the success of ZEN Energy”. The overall engagement score was 87%.

The survey also helped us identify priority areas for improvement. In the table on the next page, we highlight three areas where the survey results were the least favourable and the corresponding actions taken to address our people’s feedback.

We will continue to develop initiatives that sustain existing high levels of engagement in ZEN and to develop and implement ZEN’s professional development framework, policy and corresponding targets by the end of 2023.

87% engagement score

Top scores

| Score | Question |
|-------|--|
| 100% | We have enough autonomy to perform our jobs effectively |
| 100% | I understand how my role contributes to the success of ZEN Energy |
| 100% | We are genuinely supported if we choose to make use of flexible working arrangements |



Bianca Bastian and Anirudh Thakur, ZEN Energy team members.

[HEAR MORE FROM OUR TEAM](#)

People and culture

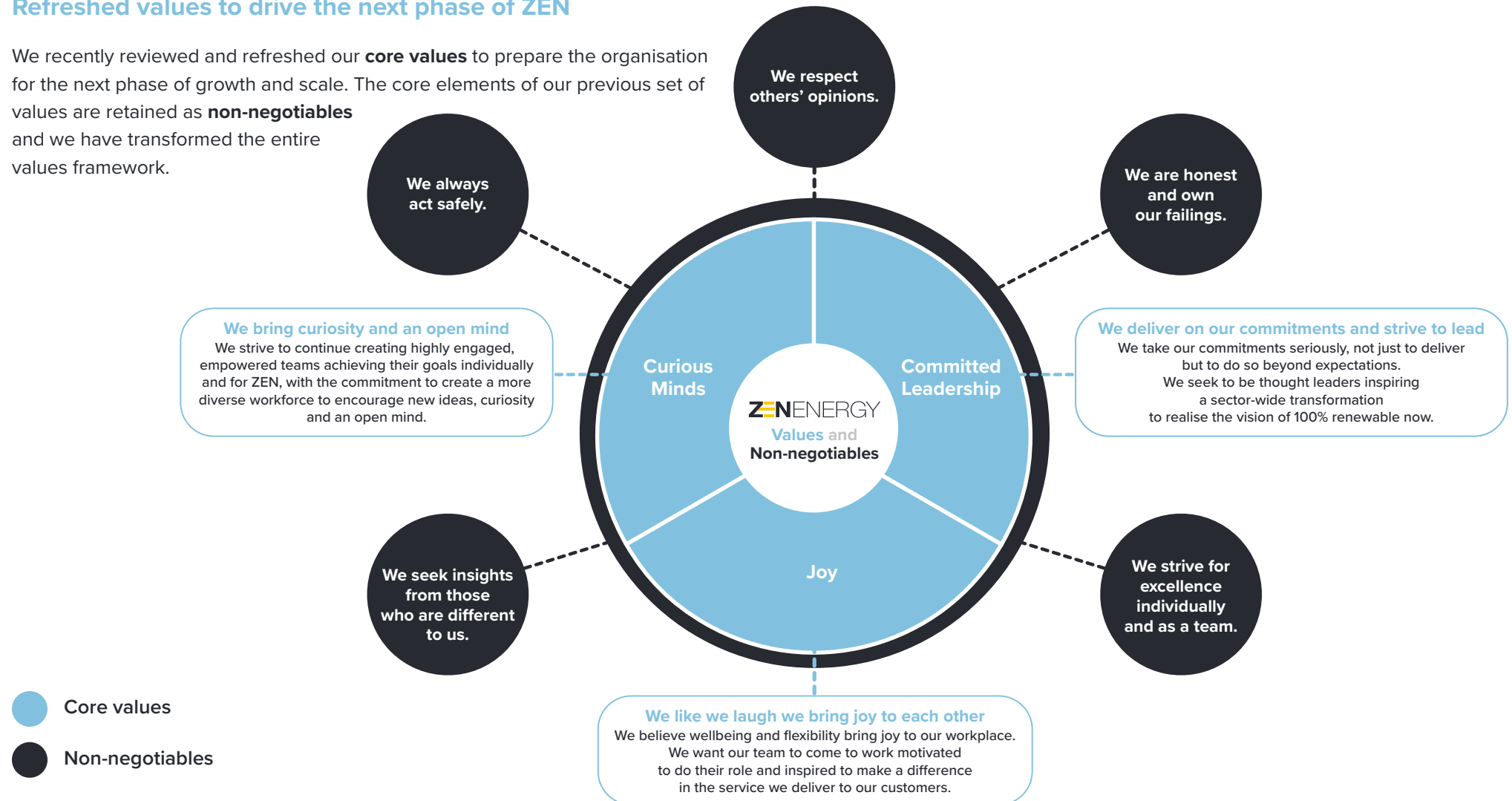
Immediate actions undertaken to address feedback from People Engagement Survey in 2021

| Score | Question | Action |
|-------|---|--|
| 40% | I have been provided an opportunity to see and discuss recent employee survey results | <ul style="list-style-type: none"> • Whole-of-business review of survey and action plan • Employee-Manager discussions of survey results • Formation of employee-led action groups to develop action-oriented proposals in response to the feedback received • Endorsement and implementation of the proposals from these action groups, including establishing a Social and Wellbeing Committee, introducing one day of wellbeing leave for each quarter of the year, and holding lunch and learn sessions starting with each of our Executive team members. |
| 53% | I believe my total compensation (base salary + any bonuses + benefits + equity) is fair, relative to similar roles and companies in the current climate | <ul style="list-style-type: none"> • Implementation of revised remuneration and incentive policy (see previous section) • Substantially increased our people investment by nearly \$1m (an increase of 5% of our overall operating costs), and seeing the regrettable turnover rate reduced from 4% in FY21 to 1.4% in FY22 |
| 57% | Most systems and processes here support us getting our work done effectively | <ul style="list-style-type: none"> • Organisational restructure to align with business value streams – clearly articulating the core business opportunities and the corresponding enablers needed to holistically achieve common goals for the business • Leveraging online collaborative tools to facilitate more efficient and effective working arrangements • Establishing new business processes to facilitate monthly performance reporting across the entire organisation, with regular whole of business communication on the organisation's performance and direction • Encouraging a culture of feedback and improvement through implementation of Continual Business Improvements and our ISO9001 accreditation. Through this process all staff will have the opportunity to share and celebrate improvements they have implemented, with the goal of entrenching continual improvement as a critical element of ZEN culture • Whole of business review of the Workplace health and safety policy and processes • Further business and process efficiency projects planned for FY23 |

People and culture

Refreshed values to drive the next phase of ZEN

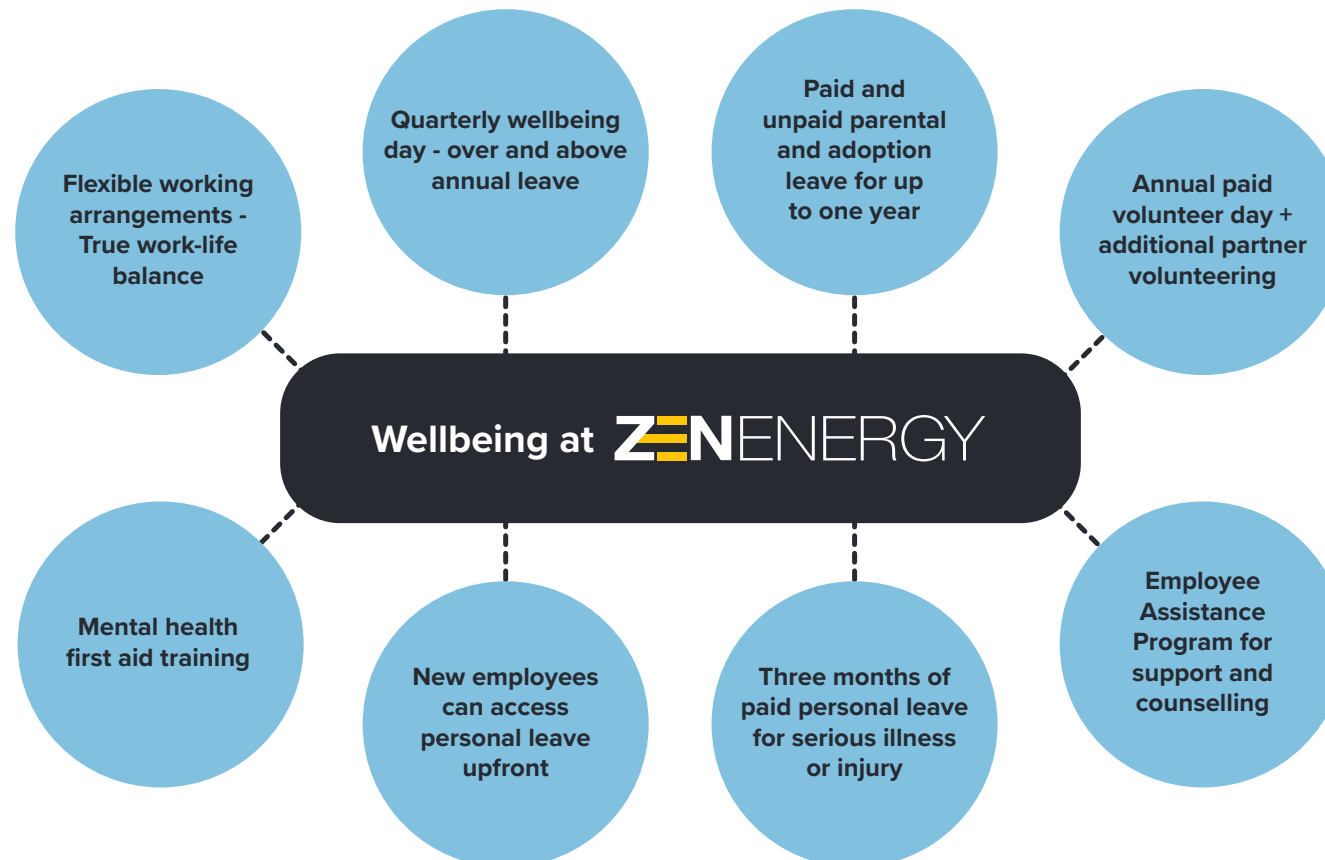
We recently reviewed and refreshed our **core values** to prepare the organisation for the next phase of growth and scale. The core elements of our previous set of values are retained as **non-negotiables** and we have transformed the entire values framework.



People and culture

Key highlights of social and wellbeing policies at ZEN

At ZEN, we are serious about keeping our team joyful and healthy and with the mental focus to give their absolute best to their teams, the business and our customers. Should the need arise through work or life events, good and bad, we support our people through these times. Our Employee-led Wellbeing Committee ensures our people's needs are heard, from organising yoga sessions, to advocating for a quarterly wellbeing day for all employees (something our executives approved and is now in full swing!) We stand by our values and by our team.



Stakeholder engagement

We have built a unique ecosystem of sustainability-driven partners to advance our purpose, establishing trust and collaborative relationships to demonstrate the utility sector's potential to participate in the zero-carbon world.

Customers

We partner with customers to achieve 100% renewable energy and collaborate on other initiatives to collectively realise sustainability goals.



Capital partners

We work with capital partners to structure capital strategies that accelerates ZEN's growth in this renewable transition while delivering valuable returns to investors.

Industrial

We collaborate with other industries to explore bespoke energy solutions helping energy intensive industries to transition towards 100% renewable energy.

Community

We proactively collaborate and deliver positive environmental and social impacts to communities.

Indigenous Peoples

We recognise and acknowledge the Traditional Owners of the Land and partner together on mutually beneficial renewable asset developments.

**ZEN cannot
deliver a
zero-carbon
future alone.**

Renewable energy partners

We establish long-term trusted partnerships to contract reliable and reasonably priced renewable energy that meets the energy needs of our customers. We also work directly with suppliers and contractors in renewable asset development projects, aimed at providing bespoke renewable energy solutions to our customers.

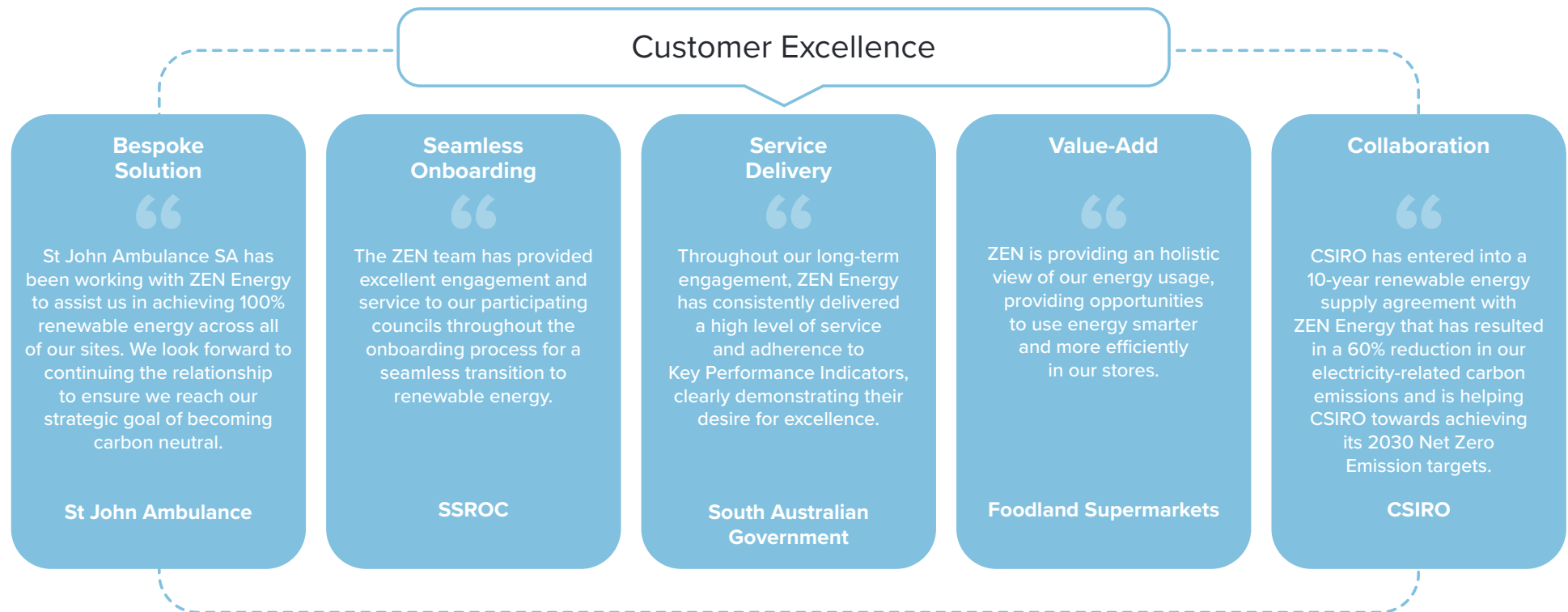


The utility sector is in need of a significant transformation, and we are growing and leading this ecosystem of sustainability driven partners into the zero-carbon world.

Stakeholder engagement

Our retail and energy services customers

Leading communities into a zero-carbon world means working with customers to inspire each of us to do better every day. At ZEN, we partner with customers who want to be part of this change, developing bespoke solutions to facilitate their renewable transition. Our core values are embedded through each customer interaction, from the creative solutions we propose, to the delivery of the contract and regular engagements, and establishing unique collaborations that achieve common sustainability goals. Our team strives to collaborate genuinely and honestly to deliver excellence in all we do.

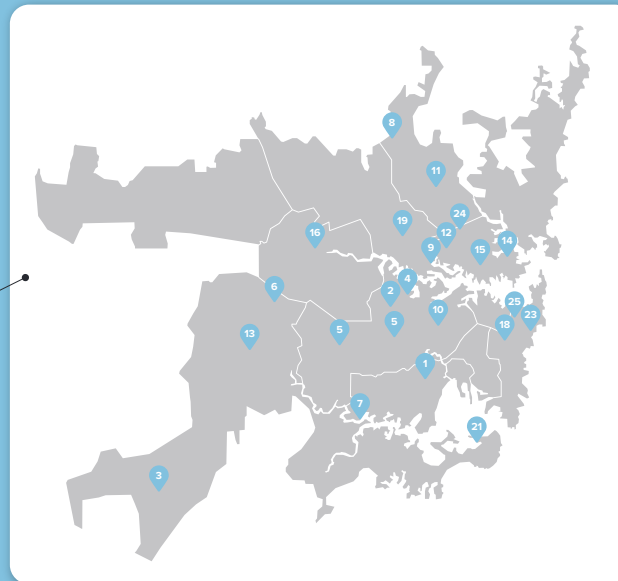


Customer case study - SSROC

The Southern Sydney Regional Organisation of Councils (SSROC)

The Southern Sydney Regional Organisation of Councils (SSROC) is an association of councils spanning Sydney's southern, eastern, central and inner west suburbs. In a landmark deal, SSROC brokered an energy contract on behalf of NSW councils, resulting in ZEN being the energy supplier for 25 councils. 19 are using 100% renewable energy.

Powering
25 Councils
in New South Wales



- | | | | |
|---------------------------------|-------------------------|---------------------------|------------------------|
| 1. BAYSIDE COUNCIL | 8. HORNSBY COUNCIL | 15. NORTH SYDNEY COUNCIL | 22. TAMWORTH COUNCIL |
| 2. BURWOOD COUNCIL | 9. HUNTERS HILL COUNCIL | 16. PARRAMATTA COUNCIL | 23. WAVERLEY COUNCIL |
| 3. CAMPBELLTOWN COUNCIL | 10. INNER WEST COUNCIL | 17. PORT STEPHENS COUNCIL | 24. WILLOUGHBY COUNCIL |
| 4. CANADA BAY COUNCIL | 11. KU-RING-GAI COUNCIL | 18. RANDWICK CITY COUNCIL | 25. WOOLLAHRA COUNCIL |
| 5. CANTERBURY BANKSTOWN COUNCIL | 12. LANE COVE COUNCIL | 19. RYDE COUNCIL | |
| 6. FAIRFIELD COUNCIL | 13. LIVERPOOL COUNCIL | 20. SINGLETON COUNCIL | |
| 7. GEORGES RIVER COUNCIL | 14. MOSMAN COUNCIL | 21. SUTHERLAND COUNCIL | |

In the short time since the start of the contract, we have engaged independently with six council Mayors to create case studies for awareness around their actions to drive the change they are making. An example is Canterbury Bankstown, the most populated council area, now power its fleet of electric vehicles with 100% renewable energy.



We offer solutions to drive sustainable change and then help customers tell the story of their journey. They then proudly tell their customers, and their employees and go home and tell their families creating awareness of the transition to a zero-carbon world.

[MORE ABOUT SSROC](#)

Stakeholder engagement

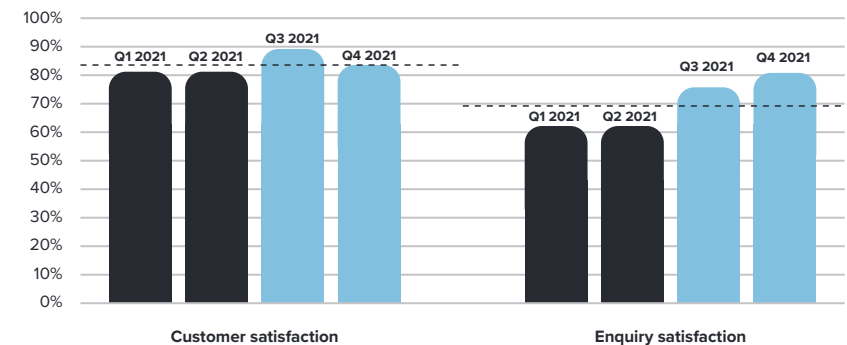
Our retail and energy services customers

We are working to continuously improve our retail customer service. We constantly measure and review our customer satisfaction to identify any areas that need improvements and thereafter develop strategies to address these. Our data and analytics team works closely with the customer relations team to drive efficiencies in both contractual and compliance retail reporting. This allows the customer relations and engagement teams to focus on building and strengthening relationships with our customers.

We have and will continue to invest in the right tools and systems to further improve our customer experience, with particular emphasis in supporting multi-site billing and customer engagement. In 2021, we undertook a successful and rapid migration to a new retail billing system. We maintain focus on improving billing timelines and accuracy and have a system that can meet our customer growth ambitions whilst allowing us to set new billing performance indicators and customer satisfaction.

We seek to respond promptly to customer feedback and execute actions to immediately address the issues. In the earlier months of 2021, our customer team received feedback that the energy services' customers were not receiving quotes in a timely manner. This promptly led to the development of a program of work to improve our business processes and systems. As a result of these changes, we saw customer satisfaction improved significantly in the second half of 2021.

Energy services customer satisfaction scores



Stakeholder engagement

Our retail and energy services customers

In addition to offering a 100% renewable retail product, we work with customers to explore behind the meter, energy efficiency and electrification solutions that bring financial and environmental value to them. In our mission to lead communities into a zero-carbon world, we work with people who embrace our vision and are committed to being agents of change. We work together to provide more than just electricity and leverage our expertise to deliver customers' sustainability goals.

Electrolux

Electrolux is a testament to how business can be more sustainable with ZEN, installing 7,500 panels of rooftop solar and a massive Tesla Powerpack on-site to reduce their emissions and energy bills. To help their team members do the same, we also offer a discount on solar and battery solutions for their homes.



St John Ambulance

St John Ambulance SA focuses on the well-being of the South Australian community through the services they offer and the climate initiatives they are implementing. ZEN Energy is humbled that St John SA has partnered with us to power their South Australian operations with 100% renewable energy.



Taylor's Wines

Taylor's Wines' commitment to sustainability and connecting the environment, good business, and the community impacts everything they do. They worked with ZEN Energy to install solar to power their Clare Valley winery with renewable energy.



Stakeholder engagement

Renewable energy partners

We do not and will not have any direct energy offtake contract with fossil-based generation. Our focus is to achieve 100% renewable energy. In 2020, we signed our first financially firm instrument derived from the output of a solar farm (7-day peak) as we recognised the importance of such a product in the volatile renewable transition. This arrangement has delivered significant value to ZEN and the counterparties involved.

On page 25 of this report, we have mapped out the list of renewable energy partners that we have engaged since we obtained our electricity retail license in 2018. With each successful execution of a power purchase agreement, green products supply agreement or capacity purchase agreement (also known as tolling agreement), we strengthen the relationship and trust with the renewable energy partner, which in turn delivers more commercial opportunities. In FY23 and beyond, we expect to exponentially grow our renewable energy offtakes which will allow us to further grow our ecosystem of sustainability driven retail customers.

Vena Energy



ZEN is contracting 100% of the energy offtakes from our soon-to-be-built Tailm Bend Two Solar Farm. Their commitment to this long-term contract is critical for us to achieve the capital solution needed for developing this solar farm and thus reach a win-win outcome for both parties in this ongoing renewable transition of the NEM.

X-Elío



X-ELIO has had a positive and productive engagement with ZEN, with the recent completion of a PPA from a portion of the Bluegrass Solar Farm, Queensland. We look forward to exploring further opportunities.

ACCIONA Energia



We feel our vision of making the planet a better place is wholeheartedly shared by ZEN Energy. They are as motivated as us towards creating sustainable solutions for their customers and the planet. We have partnered with ZEN in a number of renewable energy contracts and look forward to working together for many years to come.

We believe we are the only retailer in Australia that has successfully executed a capacity purchase agreement with a renewable energy partner under a project finance model with major project financiers.

We seek to be a leader in developing and executing quality offtake contracts in a respectful, efficient, and mutually beneficial way. In time, we will be sharing with the sector our experience and knowledge of devising innovative 'fair and reasonable' risk sharing mechanisms as well as making available 'best practice' templates of the legal instruments that can be utilised by contracting parties and financiers in renewable energy projects as our way of contributing to the acceleration of the renewable transition.

Stakeholder engagement

Capital partners

In FY21 and FY22, we raised more than \$90 million. This brought working and investment capital into the business to support its growth and business plans. In these transactions, we presented clear strategies to our investors and demonstrated that we can deliver fair risk-adjusted returns and positive climate action.

Our success in this space was significant. It enabled us to build our business. It also supplied attractive investment products and an innovative and transparent issuer to climate conscious and impact investors. Deepening the investment community's understanding of the energy transition and generating positive examples improves liquidity for ZEN and other businesses creating the zero-carbon future.

Future Super



ZEN Energy is uncompromised. They started as they meant to go on. They are true to their purpose in all that they do - to lead communities into the zero-carbon world. Their focus on people - employees, customers, and partners - is compelling.

Sentient Impact Group



ZEN Energy is a leader in the energy sector's transformation. We were buoyed by the opportunity to work with a diversified, new energy company that is focused on accelerating government, commercial, and industrial sectors to clean energy.

Private Investor



Everyone I have worked with at ZEN, from the executive team to board level has operated with the highest level of transparency, integrity and commitment to good governance. Furthermore, it has been clear to us as investors that the organisation's purpose, drives every decision that the team make. We are proud to be part of the ongoing journey.

Stakeholder engagement

Industrial and energy sector partnerships

The renewable transition can only be accelerated if our energy intensive users are able to find a commercially viable path in this journey. ZEN is collaborating with some of these energy intensive industries. We are able to embark on such partnerships because we have significantly invested in growing our capabilities in the areas of:

- strategic political and high-level stakeholder engagement to drive the decision making process,
- energy and environmental certificates trading via the financial markets to hedge costs and manage overall energy portfolio,
- in-house renewable asset development capabilities to deliver long term renewable energy solutions,
- sophisticated commercial modelling and project finance analysis to integrate and develop a commercial viable plan, and
- risk and legal capabilities to coordinate commercial negotiation and contract execution.

As most of our opportunities pipeline is currently in the phase of sensitive commercial discussions, we will share further details of these partnerships in due course.

In 2022, International Graphite Ltd (ASX:IG6) signed a non-binding Memorandum of Understanding (MoU) with ZEN Energy to conclude binding agreements for the purchase of firmed renewable energy. This MoU lays the foundation for cooperation aimed at reaching renewable energy supply agreements for International Graphite's downstream processing plant in Collie - Western Australia. As part of this MoU,

ZEN is assessing the feasibility of building a 200MW battery at Collie, this battery would be around four times the storage size of Tesla's big battery in South Australia.

In addition to partnerships with these industries, we develop strong relationships with key transmission companies. These relationships mean we develop deep and broad insights into each other's domains and are thus able to better communicate with our customers the different layers of the electricity market.

SA Power Networks

“

We engage with ZEN on many levels, as a customer, a distributor and to share energy insights. The multi-faceted collaboration across our businesses means we successfully work together, creating positive energy outcomes for our customers.

Department for Energy and Mining

“

We have collaborated with ZEN Energy on South Australian innovation projects such as the Tonsley solar garage, which demonstrates electric vehicle supply chain capabilities. ZEN donated an impressive 2-way solar array that forms the garage's roof and provides charging and battery storage. ZEN's contribution has been important in delivering these types of initiatives.

Stakeholder engagement

Community engagement

We proactively support community organisations with similar environmental and sustainability purposes. In FY22, we partnered with the Australian Conservation Foundation (ACF) and also contributed to The Forktree Project. We also ensure that all required cultural and heritage assessments are duly in compliance with the required legislations for renewable asset development.

Australian Conservation Foundation

ZEN Energy partnered with ACF and supported a campaign to donate \$300 for every residential solar installation, and \$500 for every residential solar and battery installation. These donations contribute to ACF's work to solve the climate and extinction crisis, and create a tomorrow that's good for everyone, while helping homeowners reduce their carbon footprint and their energy costs.

We share a similar purpose with ACF to create a safe and healthy future for everyone through grassroots community action and the desire to create change.

The Forktree Project

ZEN Energy started 2022 by committing our support to [The Forktree Project](#), as they re-establish tens of thousands of native trees and shrubs; encouraging the return of native animals, insects and birds and sequester tens of thousands of tonnes of carbon in South Australia's beautiful Fleurieu Peninsula. ZEN donated \$35,000 to The Forktree Project and donated \$300 for every solar installation as part of the awareness campaign. As well as raising funds to support the project, this collaboration has encouraged more households to install solar and battery storage systems.



Tree planting, The Forktree Project.

Stakeholder engagement

Community engagement

Community advocacy

At ZEN we believe that being a leader means using our voice for change. We are standing with WWF Australia and many other businesses as a Climate Champion in the Renewables Nation campaign. Together, we called on the Australian Government to step up and announce the vision, policies and investment needed to position Australia as a world-leading renewable energy exporter and superpower.

Volunteering at ZEN

We support our people to volunteer for the causes they are passionate about with the offer of a paid volunteering day each year. Employees are free to use the day to help their chosen charity or lend a hand to a community organisation that may need some extra support. That's 70 days in the year we are volunteering in the community!

Cultural and heritage assessment

Our asset development process ensures our development projects meet the requirements set out under The Australian Heritage Commission Act 1975, Environmental Protection & Biodiversity Conservation Act 1999, Aboriginal & Torres Strait Islander Heritage Protection Act 1984 and the Native Title Act 1993. For our first solar farm development, an initial desktop risk assessment has been completed by a company which specialises in cultural heritage. The assessment recommends an archaeological inspection, and heritage inductions for construction personnel. This includes stop work / site discovery procedures in place for any unexpected finds, as well as engaging an archaeologist to assist in the identification of any unexpected finds.

70 days of the year we are volunteering in the community!



St John's Grammar School Sustainability Precinct.

Stakeholder engagement

Indigenous communities

Moving to a zero-carbon world requires a transition that includes strong action on Indigenous engagement and reconciliation. The optimal path to a zero-carbon world has a strong social justice dimension, including Indigenous engagement and reconciliation. This was reflected in the dialogue that Professor Ross Garnaut AC, Director, ZEN Energy has had with the Indigenous Land and Sea Council since preparing the Garnaut Climate Review in 2007, which contributed towards (amongst other things) the establishment of the savannah grassland fire management and carbon sequestration program in the north of Australia.

We commit to establishing and implementing a Reconciliation Action Plan by the end of 2023, with an appropriate charter, governance, and implementation structures required for success. This will also include working towards providing an opportunity for a level of Indigenous ownership in ZEN developed assets. Through this, we hope to partner closely with Indigenous organisations in bringing success to a number of significant renewable development projects and delivering enduring value to the Indigenous communities' as well as the country.



Australian native gum nuts.

Stakeholder engagement

Responsible procurement and supply chain integrity

Scaling up our responsible procurement requirements to ensure supply chain integrity and mitigate against modern slavery risks

In 2021, we developed a [Supplier Code of Conduct](#), articulating ZEN's expectations of suppliers in areas including health and safety, ethics, environment, quality and human rights. In addition, we have conducted an initial assessment evaluating any critical areas of risk within the business and its supply chain. From this initial assessment, we have identified potential suppliers who could pose a risk to compliance with our policy and have begun deploying our Supplier Code of Conduct with these suppliers and all new suppliers. We look to audit potential non-compliant suppliers and may identify alternative suppliers for those who cannot meet our Supplier Code of Conduct.

For our renewable asset development solar panel procurement, our Request for Proposal (RfP) requires suppliers to provide specific details of their supply chain, i.e. major components' suppliers and sub-suppliers as well as the geographic locations of these suppliers. We will conduct audits on our suppliers' solar panel supply chain to verify their submissions. We prefer suppliers who can demonstrate low greenhouse gas emissions intensity within their supply chains, including suppliers who use raw materials within 800km of their manufacturing locations. We prefer suppliers who can demonstrate high labour standards in the factories they control and in those of their upstream suppliers. In making the final procurement decision, we consider legislated modern slavery standards in multiple jurisdictions, beyond what is required by the Australian legislation, as part of demonstrating our strong commitment towards better supply chain integrity. These measures holistically guide our procurement decisions for our solar farm asset developments.

Despite working to audit and improve the integrity of our supply chain, it is difficult to say with complete confidence that our supply chain meets all ESG considerations. **We commit to continually improving our processes and providing regular transparent reports on our efforts and progress.** We are constantly looking out for and supporting new technologies that complement our efforts to verify the integrity of our renewable assets' supply chains and will include these technologies in our supply chain assessments whenever possible.



ZEN Energy Solar Installation.

A photograph of a worker in a green shirt and blue cap working in a greenhouse. The worker is standing on a metal frame, surrounded by lush green tomato plants. The background is filled with green leaves and unripe green tomatoes. The overall scene is bright and green.

Governance

**Strategic and
effective Board
Governance**

**Managing our
wholesale and
enterprise risks
responsibly**

**Best practice
systems for
management
and oversight**

Governing responsibly to thrive in a zero-carbon world.

Governance

As ZEN scales in size and complexity, we will continue to mature our governance policies, processes and practices to deepen stakeholders' trust and confidence in us. We will hold ourselves to high governance standards and are working to align ourselves with the key recommendations in ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition). Even though we are currently not a publicly listed entity, we believe that adopting these key principles as a minimum, will guide ZEN towards achieving good governance outcomes and meet the reasonable expectations of our stakeholders. In addition, we recognise that good governance strengthens the resilience of the organisation and is a critical enabler for business growth. To achieve this, **we commit to increasing board oversight of ESG targets and progress, and implementing best practice principles of Board governance by the end of 2024.**



Marie Pavlik and Glynn Jones, ZEN Energy team members.

Governance

Strategic and effective board governance

ZEN has benefited immensely from the strategic insights leadership, experiences and networks of its Board of Directors. Our Chair, Raymond Spencer, has experience in leading organisations and achieving a high performing initial public offering, and is the founding partner of RSVP Ventures which oversees an investment portfolio of more than a dozen companies in the United States and Australia. Our [Board members](#) include:

- **Professor Ross Garnaut** who has played a critical role in transforming the Australian policy and business landscape in the past 40 years. He is a leading voice in the national conversation on energy transition and economic reform.
- **Norman Pater**, who acted on climate change with passion, established the Carbon Farming Foundation and contributed to numerous private, public, listed and not-for-profit boards over the last 30+ years.
- **Michael Lane** who specialises in providing strategic management and tax advice to private businesses and their investment activities.
- **Paula Conboy** whose deep experience in the energy sectors in Australia, Canada, Singapore and the United States span 25 years and who is an expert in leadership, corporate governance, and leading transformational change.

Paula's appointment marks the start of ZEN transforming and diversifying the Board to recognise the business' increasing scale and complexity. We have developed a board skills matrix that will guide us in our journey to further diversify the board. In the future, we will ensure the board comprises a majority of independent Directors, with a refreshed committee structure.



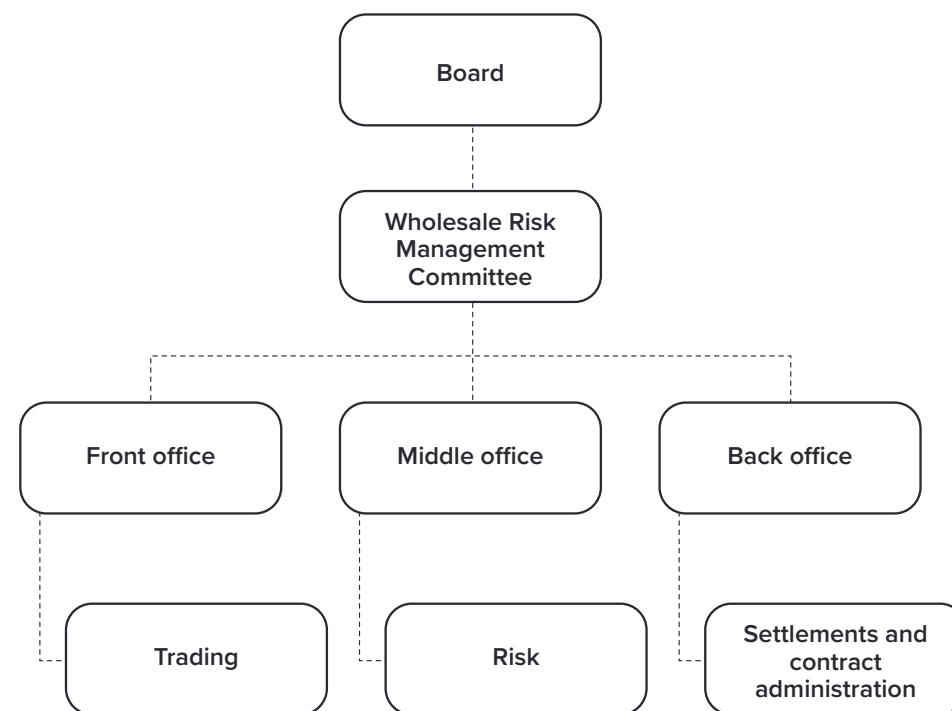
The ZEN Energy Boardroom.

Governance

Managing our wholesale and enterprise risks responsibly

Our wholesale risk policy sets out the levels of acceptable market risk, appropriate measurements of this risk, as well as the structure in place to manage this risk. To ensure compliance processes are effective the wholesale risk policy sets out a separation of duties including separate reporting lines for Front Office (Trading), Middle Office (Risk) and Back Office (Settlements) functions. Additionally, the dedicated Wholesale Risk Management Committee meet at least monthly to proactively review, manage and forecast ZEN's exposure to the electricity spot market and determine the impact of upcoming regulatory changes in the sector. The committee also includes an independent advisor to ensure the committee is cognisant of the broader context of the electricity market. A wholesale risk updates is then provided to the Board once a month as part of broader performance reporting. Lines of wholesale risk functions and reporting are shown in the diagram.

We are also undertaking a broader enterprise risk assessment across the business. This assessment will also include scrutinising the risk profile in (a) the strategic external political and regulatory landscape, (b) ZEN's integrated renewable energy portfolio management (including pricing and hedging strategy), (c) commercial model development and validation for PPAs and renewable asset development, (d) retail operations and compliance, (e) financial reporting and operations (including tax matters) and (f) information and data management. The risk team will work with all business areas to assess the likelihood, consequences and possible causes behind each risk and identify corresponding mitigation measures. Thereafter, regular risk reviews will be conducted to ensure the business is proactively identifying and managing its risks and that the organisation's risk profile is kept up to date. **We aim to fully establish and centralise these processes by June 2023.**



Governance

Best practice systems for management and oversight

ISO accreditation

We are working to ensure our proactive management systems and procedures grow to meet best practice standards. We are accredited and have maintained ISO certifications 9001 (Quality Management Systems), 14001 (Environmental Management Systems) and 45001 (occupational health and safety management systems) for the energy services part of our business. We will explore expanding the current and any other relevant ISO accreditations across the organisation.

The external audit findings for our ISO recertification for the energy services part of our business in 2021 confirms that solid foundations for management and oversight have been put in place. These positive findings were provided by Sci-Qual International, our certification body, for all three ISO standards.

- Recognised the company's significant growth in the past twelve months
- Acknowledged that our people are aware of and understand the management processes and systems, the corresponding benefits to the company, as well as their individual responsibilities needed to meet the requirements of the standards
- Recognised that ZEN has implemented the continual business improvement cycle, providing opportunities for its people to learn from each other
- Acknowledged ZEN's level of operational management and control on sites and subcontractors is above and beyond requirements
- Recognised ZEN's efforts in engaging specialised external consultants have had a positive impact on the implementation of the business's strategy, quality management plan and regulatory compliance
- Complimented by ZEN's effective communication at all levels among staff



ZEN Energy customer Sundrop Farms.

Governance

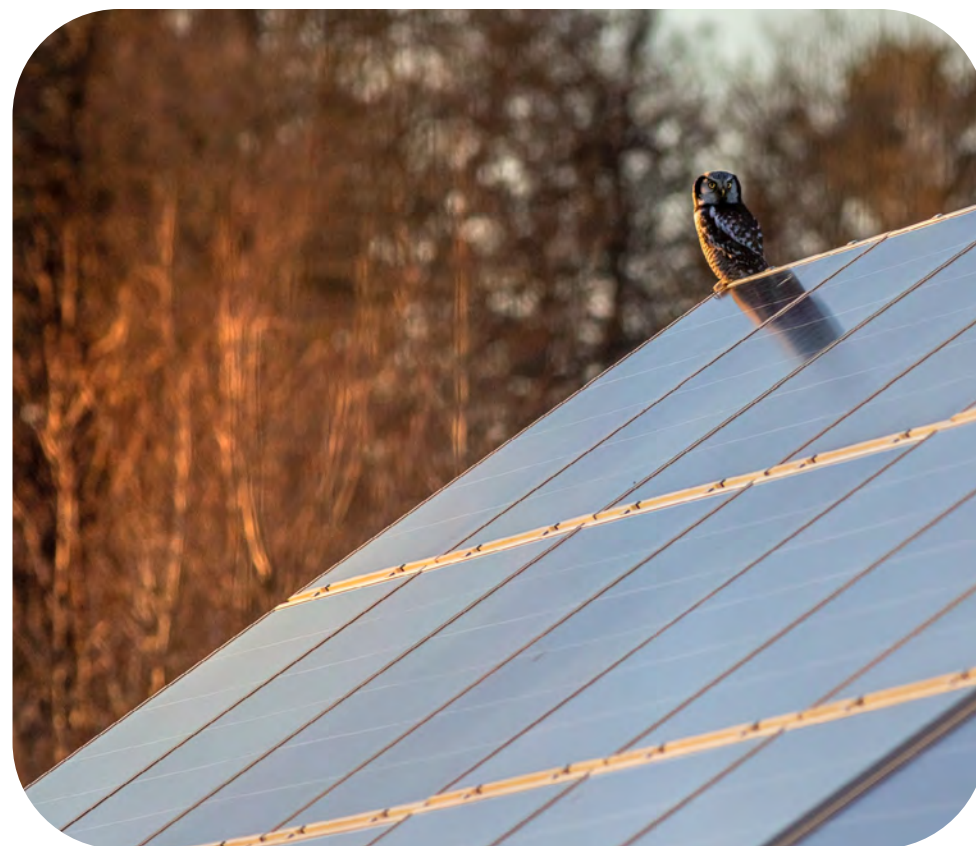
Privacy and cybersecurity

We recognise that we have stewardship over significant amounts of customer data, and are aware that privacy and cybersecurity risks are particularly relevant to us and our stakeholders. We maintain security standards to protect the confidentiality, integrity and availability of the information, data and systems we hold and use. Our [Information Security Policy](#) and [ICT Security Statement](#) set out the expectations for cybersecurity and confidentiality of data and systems. We have implemented an Information Security Management System which is aligned to the [South Australian Cyber Security Framework](#) and are working towards aligning with the [Australian Energy Sector Cyber Security Framework](#) (AESCFS), alongside with ISO27001 Information Security Management accreditation.

Our data is held in encrypted cloud storage, and we receive ongoing security assessments through Microsoft Defender for Cloud. We only use Australian data centres and have implemented VPN connections for remote access, and two-factor authentication to improve security. As a part of ongoing education, we have also implemented a phishing recognition program for all staff. We are also working in partnership with our data and billing providers to understand their risks, continue to monitor and manage our risks, and continually strengthening our security processes.

Working ethically and with integrity

We have implemented policies and procedures to ensure that we work transparently, ethically and with accountability. In 2021, we developed and implemented our [Code of Conduct](#), [Whistleblower Policy](#), [Anti-Bribery and Corruption Policy](#), [Modern Slavery Policy](#) and the [Supplier Code of Conduct](#). On induction, staff are made aware of the impact of these policies on their work, and these policies are reflected in our non-negotiables in our values and behaviour framework.



Governance

Work health and safety

ZEN is committed to providing a safe work environment in accordance with relevant legislation and Australian Standards, and where possible, exceeds minimum requirements to drive a culture of safety across the organisation. We have implemented a series of Work Health and Safety (WHS) related policies (see table) and the corresponding governance and reporting arrangements. We have also recently commenced a review of the WHS policy to broaden its scope on psychosocial hazards and injuries. The WHS foundation that we have established for our energy services team will guide us to mature our corresponding obligations in the space of renewable asset developments.

We will complete the ongoing review of the WHS policy and risk register, with a particular emphasis on including mental health and wellbeing and WHS considerations related to renewable asset development by the end of 2023.

| Policy | Description |
|--|---|
| Quality, Environment and WHS Policy | Outlines ZEN's commitment to conduct our business in a manner that respects all the applicable laws, regulations, standards, and other requirements and is committed to maintaining systems compliant with the internationally recognised standards ISO9001, ISO14001 and ISO45001. |
| Corrective Actions and Business Improvements | Reporting system for business improvements, non-conformances and non-compliances and subsequent corrective and preventive actions that may be required. |
| Incident Investigation and Reporting | ZEN's approach to incident reporting and investigation in ensuring the health, safety and welfare of all persons within the workplace. |
| Workplace Health and Safety | ZEN's commitment to a workplace free of occupational injury and illness, a robust health and safety risk management system based on continuous improvement and a workplace and culture supportive of the priority we place on health and safety. |



Appendices

Materiality topic definitions

| Area | Material issue | Definition |
|-------------|---|---|
| Environment | Climate change and carbon emissions | Encompasses the greenhouse gas emissions resulting from our own operations (Scope 1), our electricity usage (Scope 2) and from our value chain (Scope 3), in accordance with GHG Protocol definitions and methodology. Considering the scale of these emissions, we have particularly focussed on Scope 3 Category 3 - sold electricity emissions as these vastly outweigh the amount of our Scope 1 and 2 emissions. |
| Environment | Waste | Management of waste resulting from asset development activities, including application of circular economy concepts and principles. |
| Social | Employee engagement and development | The management of our people, engaging them in our culture, developing their skills and capabilities and managing risks relating to skilled labour scarcity, including measures of retention, recruitment, development and training. |
| Social | Customer experiences | The experience of our customers who purchase renewable energy from us to ensure a high quality, smooth renewable transition for all. |
| Social | Modern slavery and supply chain standards | The management of human rights issues in the supply chain, in particularly modern slavery, and includes but is not limited to child labour, forced/bonded labour, safe working environment, and harsh or inhumane treatment of workers. |
| Social | Diversity | The provision of equal opportunity, and an inclusive workplace that combats discrimination and unfairness at all levels. |
| Social | Pay | The provision of fair and equitable compensation to our people within each respective category, and across categories. |
| Social | Indigenous engagement | Engagement with and support of Indigenous communities within Australia who we recognise as the first peoples of Australia. |
| Social | Health and safety | Safe working environment and a workers' right to health and no harm. |
| Governance | Privacy and data security | Data governance practices including how we collect, use, manage and protect data to ensure the safe and secure use and maintenance of customers' personal data. |
| Governance | Working ethically | Ethical working focuses on general professional ethics such as taxation, accounting, bribery, corruption and anti-competitive practices. |
| Governance | Enterprise risk framework | A systematic approach to identifying, assessing, addressing and reporting risk through all levels of the organisation. |
| Governance | Best practice management systems | Management systems across all functions that meet best practice. |

Reporting frameworks and disclosure tables

This section shows our ESG disclosures relative to the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) standards, and key disclosures identified in the Global Reporting Initiative (GRI) Standards. In the next ESG report, we will continue to augment our disclosures with more information and data as we make progress on our ESG commitments. We will also seek external validation and assurance of our disclosures.

Task Force on Climate-related Financial Disclosures

| Area | Recommended disclosure | Report Section |
|---------------------|---|--|
| Governance | Describe the board's oversight of climate-related risks and opportunities. | <ul style="list-style-type: none"> Governance - Strategic and effective board governance, Managing wholesale and enterprise risks responsibly Messages from Chair and CEO <p>Note: We have articulated climate-related opportunities as part of our business strategy and through this ESG report. We will seek to deepen our disclosures on climate related risks in subsequent reports as part of the broadening of our risk management framework and areas.</p> |
| | Describe management's role in assessing and managing climate-related risks and opportunities. | |
| Strategy | Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. | <ul style="list-style-type: none"> Our ESG focused business strategy Environment - Our 1.5°C commitment |
| | Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. | |
| | Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | |
| Risk management | Describe the organisation's processes for identifying and assessing climate-related risks. | <ul style="list-style-type: none"> Our ESG focussed business strategy Governance - Managing our wholesale and enterprise risks responsibly |
| | Describe the organisation's processes for managing climate-related risks. | |
| | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | |
| Metrics and targets | Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | <ul style="list-style-type: none"> Our ESG focussed business strategy Environment - Our 1.5°C commitment |
| | Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. | |
| | Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | <ul style="list-style-type: none"> Environment - Our emissions reduction plan |

Reporting frameworks and disclosure tables

Sustainability Accounting Standards Board Index

| SASB Topic | Code | Accounting Metric | Data | Data |
|---|--------------|---|---|---|
| Greenhouse gas emissions and energy resource planning | IF-EU-110a.1 | 1) Gross global Scope 1 emissions | 3 tCO ₂ -e | Note that this figure is for calendar year 2021. |
| | | 2) Percentage Scope 1 emissions covered under emissions-limiting regulations | 0% | No direct emissions under the safeguard mechanism. |
| | | 3) Percentage Scope 1 emissions covered under emissions-reporting regulations | 0% | No emissions under emissions-reporting regulations. |
| | IF-EU-110a.2 | GHG emissions associated with power deliveries | 479,778 tCO ₂ -e | <p>Note that this figure is for calendar year 2021 as per the report.</p> <p>Estimates are calculated using emission factors published in the National Greenhouse Accounts Factors (August 2021) by the Commonwealth Department of Industry, Science, Energy and Resources.</p> <p>Calendar year 2021 emissions are Scope 3 emissions relating to our sold electricity to customers and are calculated by applying the latest estimate Australian full fuel cycle emissions factor to the total MWhs purchased from AEMO, minus the number of Large-scale generation certificates (LGCs) surrendered.</p> |
| | IF-EU-110a.3 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets. | In report | See Environment – Our emissions reductions plan |
| | IF-EU-110a.4 | 1) Number of customers served in markets subject to renewable portfolio standards (RPS) | 16 | <p>As an Australian electricity retailer, ZEN Energy is required to comply with the Australian Renewable Energy Target (RET) scheme. The RET scheme covers all Australian jurisdictions in which ZEN Energy sells energy.</p> <p>This figure covers the number of retail contracts during the reporting period under which ZEN served electricity to customers. Note that there will be multiple meters associated with each retail contract. The Australian Energy Regulator (AER) reported that ZEN Energy has a total of 7412 “large electricity customers” or 11.7% “market share” as of Q3 2021-22 in the AER retail performance report published on 30 June 2022.</p> |
| | | 2) Percentage fulfilment of RPS target by market | 90% LRET liability fulfilled 100% SRES liability fulfilled | <p>Note that these figures relate to calendar year 2021, the most recent compliance period under the RET scheme.</p> <p>Under the RET scheme, ZEN as a liable entity may carry forward a shortfall up to 10% of its required LGC surrender amount for a particular year. The carried forward shortfall is then added to the following year's LGC liability.</p> <p>Taking an LGC shortfall was a legacy business decision that no longer fits in with our goals as an organisation. Going forward, we will fully meet our RET liability within each compliance period from calendar year 2023.</p> |

Reporting frameworks and disclosure tables

Sustainability Accounting Standards Board Index (cont)

| SASB Topic | Code | Accounting Metric | Data | Data |
|---------------------|--------------|---|------|--|
| Air quality | IF-EU-120a.1 | Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population | N/A | ZEN Energy does not own or operate any applicable facilities impacting air quality. |
| Water management | IF-EU-140a.1 | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | N/A | ZEN Energy does not own or operate any applicable facilities requiring water management. |
| | IF-EU-140a.2 | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations | | |
| | IF-EU-140a.3 | Description of water management risks and discussion of strategies and practices to mitigate those risks | | |
| Coal ash management | IF-EU-150a.1 | Amount of coal combustion residuals (CCR) generated, percentage recycled | N/A | ZEN Energy does not have any direct energy offtake contract with coal-based generation. |
| | IF-EU-150a.2 | Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment | | |

Reporting frameworks and disclosure tables

Sustainability Accounting Standards Board Index (cont)

| SASB Topic | Code | Accounting Metric | Data | Data |
|----------------------|--------------|---|----------------------------------|---|
| Energy affordability | IF-EU-240a.1 | 1) Average retail electric rate for residential customers | N/A | ZEN Energy is currently prototyping a 100% renewable residential retail electricity product. Whilst some residential meters may be assigned to ZEN, we will report on this metric when our residential product is formally launched. |
| | | 2) Average retail electric rate for commercial customers | | Note this figure is the average weighted electricity price for customers and does not include the mandatory LRET charges and network costs. |
| | | 3) Average retail electric rate for industrial customers | | ZEN Energy did not serve industrial customers during the reporting period. |
| | IF-EU-240a.2 | 1) Typical monthly electric bill for residential customers for 500 kWh of electricity delivered per month | N/A | ZEN Energy is currently prototyping a 100% renewable residential retail electricity product. Whilst some residential meters may be assigned to ZEN, we will report on this metric when our residential product is formally launched. |
| | | 2) Typical monthly electric bill for residential customers for 1,000 kWh of electricity delivered per month | | |
| | IF-EU-240a.3 | 1) Number of residential customer electric disconnections for non-payment | N/A | |
| | | 2) Percentage of residential customers reconnected within 30 days following disconnection for non-payment | | |
| | IF-EU-240a.4 | Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory | See messages from Chair and CEO. | ZEN Energy's strategy to secure cost-competitive firm renewable PPAs to hedge our customer load has and will reduce ZEN's and therefore, our customer's exposure to the volatile spot market prices. This allows ZEN to bring long-term price stability to our commercial customers who are mostly of strong credit-rating. ZEN's Billing Operations and Customer Service teams monitor for late payments and work closely with our customers to facilitate payment plans should they need it. |

Reporting frameworks and disclosure tables

Sustainability Accounting Standards Board Index (cont)

| SASB Topic | Code | Accounting Metric | Data | Data |
|---|--------------|---|---|--|
| Workforce health and safety | IF-EU-320a.1 | 1) Total recordable incident rate (TRIR) | 1 | <p>Although ZEN do not explicitly record TRIR, this figure includes incidents that are recorded as "Incidents reported that resulted in an injury" and "Incidents reported that resulted in first aid or medical treatment."</p> <p>The incident that occurred during the reporting period impacted a third-party contractor and the management of this incident took place through the contracted organisation. We had investigated the case and concluded that this was a once-off case with no evidence of systemic issues pertaining to the contractor's WHS policies/procedures. We have also communicated to our contractor network regarding the incident as a reminder on workplace health and safety. A 3-month follow up as per our policy will be carried out to ensure corrective action was successful and no further incidents occur.</p> <p>WHS practices are described in the "Governance - Best practice systems for management and oversight" section.</p> |
| | | 2) Fatality rate | 0 | |
| | | 3) Near miss frequency rate (NMFR) | N/A | ZEN Energy does not collect this information. |
| End-use efficiency and demand | IF-EU-420a.1 | 1) Percentage of electric utility revenues from rate structures that are decoupled | N/A | These disclosures do not apply. |
| | | 2) Percentage of electric utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM) | | |
| | IF-EU-420a.2 | Percentage of electric load served by smart grid technology | | |
| | IF-EU-420a.3 | Customer electricity savings from efficiency measures, by market | 236,240 GJ saved vs 197,000 GJ target under SA Retailer Energy Productivity Scheme (REPS) | REPS required to report in GJ rather than MWh. |
| Nuclear safety and emergency management | IF-EU-540a.1 | Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column | N/A | ZEN Energy does not own or operate any nuclear facilities. |
| | IF-EU-540a.2 | Description of efforts to manage nuclear safety and emergency preparedness | | |

Reporting frameworks and disclosure tables

Sustainability Accounting Standards Board Index (cont)

| SASB Topic | Code | Accounting Metric | Data | Data |
|------------------|--------------|--|--|--|
| Grid resiliency | IF-EU-550a.1 | Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations | N/A | ZEN Energy did not own or operate any generation assets in this reporting period. |
| | IF-EU-550a.2 | (1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days | | ZEN Energy is not a network operator. |
| Activity metrics | IF-EU-000.A | 1) Number of residential customers served | N/A | ZEN Energy is currently prototyping a retail electricity product which may result in some residential meters being assigned to ZEN. We will report on this metric when our residential product goes public. |
| | | 2) Number of commercial customers served | 16 key retail customers 8614 NMI we serviced and billed for these customers | This figure covers the number of retail contracts during the reporting period under which ZEN served electricity to customers. Note that there will be multiple meters associated with each retail contract. |
| | | 3) Number of industrial customers served | N/A | ZEN Energy did not serve industrial customers during the reporting period. |
| | IF-EU-000.B | 1) Total electricity delivered to residential customers | N/A | ZEN is currently prototyping a retail electricity product. Whilst some residential meters may be assigned to ZEN, we will report on this metric when our residential product goes public. |
| | | 2) Total electricity delivered to commercial customers | 663,610 MWh | Note this figure applies to calendar year 2021. |
| | | 3) Total electricity delivered to industrial customers | N/A | ZEN Energy only had commercial customers during the reporting period. |
| | | 4) Total electricity delivered to all other retail customers | | |
| | | 5) Total electricity delivered to wholesale customers | | |
| | IF-EU-000.C | Length of transmission and distribution lines | N/A | ZEN Energy is not a network operator. |
| | IF-EU-000.D | 1) Total electricity generated | N/A | ZEN Energy did not own or operate any generation during the reporting period. |
| | | 2) Percentage electricity generated by major energy source | | |
| | | 3) Percentage electricity generated in regulated markets | | |
| | IF-EU-000.E | Total wholesale electricity purchased | 741,967 MWh | Note this figure applies to calendar year 2021. |

Reporting frameworks and disclosure tables

Key Global Reporting Initiative Standards

| Area | Material topic | Disclosure | Disclosure title | Location or explanation |
|-------------|---|--------------|--|--|
| Environment | Climate change and carbon emissions | 305-1 | Direct (Scope 1) GHG emissions | Environment - Our emissions reduction plan |
| | | 305-2 | Energy indirect (Scope 2) GHG emissions | |
| | | 305-3 | Other indirect (Scope 3) GHG emissions | |
| | | 305-4 | GHG emissions intensity | |
| | | 305-5 | Reduction of GHG emissions | |
| | Waste | 306-1 | Waste generation and significant waste-related impacts | Waste is not a material issue for our current operations within this reporting period but is an anticipated issue as our renewable asset development projects begin in the next year and will be included in future reporting. |
| | | 306-2 | Management of significant waste-related impacts | |
| | | 306-3 | Waste generated | |
| | | 306-4 | Waste diverted from disposal | |
| | | 306-5 | Waste directed to disposal | |
| Social | Health and safety | 403-1 | Occupational health and safety management system | Governance - Best practice systems for management and oversight |
| | | 403-2 | Hazard identification, risk assessment, and incident investigation | |
| | | 403-3 | Occupational health services | |
| | | 403-9 | Work-related injuries | 1 incident reported that resulted in an injury or resulted in first aid or medical treatment in the reporting period. The incident that occurred during the reporting period impacted a third-party contractor and the management of this incident took place through the contracted organisation. We had investigated the case and concluded that this was a once-off case with no evidence of systemic issues pertaining to the contractor's WHS policies/procedures. We have also communicated to our contractor network regarding the incident as a reminder on workplace health and safety. A 3-month follow up as per our policy will be carried out to ensure corrective action was successful and no further incidents occur. |
| | Employee engagement and development | 404-1 | Average hours of training per year per employee | ZEN Energy will collect and report this data in conjunction with the implementation of ZEN's professional development and policy by the end of 2023. |
| | | 404-3 | Percentage of employees receiving regular performance and career development reviews | |
| | Modern slavery and supply chain standards | 308-1, 414-1 | New suppliers that were screened using environmental/social criteria | As the asset development side of the business grows, we will be collecting and reporting the outcomes of our Supply Chain Code of Conduct assessments. |
| | | 308-2, 414-2 | Negative environmental / social impacts in the supply chain and actions taken | |




Reporting frameworks and disclosure tables

Key Global Reporting Initiative Standards (cont)

| Area | Material topic | Disclosure | Disclosure title | Location or explanation |
|------------|---------------------------|------------|--|--|
| | Diversity | 405-1 | Diversity of governance bodies and employees | We will collect and report this data in conjunction with the development and implementation of ZEN's diversity and inclusion policy by the end of 2023. |
| | | 405-1 | Ratio of basic salary and remuneration of women to men | |
| | Pay | 2-21 | Annual total compensation ratio | We will collect and report this data in conjunction with improvements to ZEN's performance and remuneration framework by the end of 2023. |
| | Privacy and data security | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | We have zero substantiated and reported complaints concerning breaches of customer privacy and losses of customer data. |
| | Working ethically | 205-2 | Communication and training about anti-corruption policies and procedures | We are committed to anti-corruption. Communications following the development of our Code of Conduct, Whistleblower Policy and Anti-Bribery and Corruption Policy were done and we are developing our Professional Development Framework which will include the list of compliance training required as part of corporate induction. |
| Governance | | 205-3 | Confirmed incidents of corruption and actions taken | We had no confirmed or suspected cases of corruption during the reporting period. |



Reporting frameworks and disclosure tables

UN Sustainable Development Goals

| Goal | Target | | Location or explanation |
|---|--------|---|---|
| 3 GOOD HEALTH AND WELL-BEING  | 3.9 | By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination | By working to increase the use of renewable energy, ZEN Energy contribute to improvements in environmental conditions and air quality by reducing the use of polluting fossil fuels. |
| 5 GENDER EQUALITY  | 5.1 | End all forms of discrimination against all women and girls everywhere | ZEN Energy have committed to promote gender equality through diversity and equality policies and commitments to be developed and implemented at all levels of the business. |
| | 5.5 | Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. | |
| 7 AFFORDABLE AND CLEAN ENERGY  | 7.1 | By 2030, ensure universal access to affordable, reliable and modern energy services | We have reduced our customer's exposure to the volatile spot market through our strategy to secure cost-competitive firm renewable PPAs. This allows ZEN Energy to bring long-term price stability, and clean energy to our commercial customers. |
| | 7.2 | By 2030, increase substantially the share of renewable energy in the global energy mix | As part of building our renewable energy supply portfolio, we are directly involved in driving up the share of renewable energy in the Australian energy mix. |
| | 7.3 | By 2030, double the global rate of improvement in energy efficiency | ZEN Energy contribute to energy efficiency improvements through the South Australian Retailer Energy Productivity Scheme (REPS). |




Reporting frameworks and disclosure tables

UN Sustainable Development Goals (cont)

| Goal | Target | | Location or explanation |
|---|--------|--|---|
| 8 DECENT WORK AND ECONOMIC GROWTH  | 8.5 | By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value | ZEN Energy have committed to improving work conditions for all our team members through performance, remuneration, and professional development frameworks, as well promote gender equality through diversity and equality policies and commitments. |
| | 8.7 | Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms | ZEN Energy have initiated and implemented policies and procedures to help us manage the integrity of our supply chain. We have done so in line with both our obligations under the Modern Slavery Act (2018), and in a way that aligns with our values and promotes better outcomes. We are committed to be a leader in the renewable energy sector on the due diligence process in ensuring supply chain integrity and mitigate against modern slavery risks. |
| | 8.8 | Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment | ZEN Energy are committed to providing a safe work environment exceeding minimum requirements to drive a culture of safety across the organisation. On top of the existing WHS policies, governance arrangements and reporting we are committed to complete the ongoing review of WHS policy including mental health and wellbeing and WHS considerations related to renewable asset development. |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | 12.5 | By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse | ZEN Energy will work to scale up our waste management policy to cover our large-scale asset development projects, and wherever practical, drive the concept of a circular economy in the asset development and planning phase. |
| | 12.6 | Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle | ZEN Energy are committed to reporting sustainability information at least annually following the release of this report. |

Reporting frameworks and disclosure tables

UN Sustainable Development Goals (cont)

| Goal | Target | | Location or explanation |
|---|--------|---|--|
| 13 CLIMATE ACTION  | 13.1 | Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries | ZEN Energy's business strategy supports this SDG by increasing the generation of renewable energy and encouraging and supporting customers to increase their usage of renewable energy. |
| | 13.3 | Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning | |
| 16 PEACE, JUSTICE AND STRONG INSTITUTIONS  | 16.5 | Substantially reduce corruption and bribery in all their forms | ZEN Energy has implemented a range of policies to ensure we work transparently, ethically and with accountability including our Code of Conduct, Whistleblower Policy, Anti-Bribery and Corruption Policy, Modern Slavery Policy and the Supplier Code of Conduct. |
| 17 PARTNERSHIPS FOR THE GOALS  | 17.17 | Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships | ZEN Energy has built a broad ecosystem of sustainability-driven partners to advance our purpose, and establish trust and collaborative relationships to demonstrate the utility sector's potential to participate in the zero-carbon world. |

We acknowledge the Traditional Custodians of the land, waters and knowledge for the places where we gather to collaborate and strengthen communities. In our work, we recognise the importance of Country – not just as a place, but how it also maintains community, family, kin, lore and language. We pay our respects to Elders past, present and emerging.

This always was, always will be, Aboriginal land.



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