## Regulatory Compliance Policy

#### **POLICY STATEMENT**

Synergy is committed to complying with applicable legal requirements and compliance standards that relate to its business, promoting a culture of compliance as well as upholding good corporate risk management and governance practices. This is essential to maintain the trust of our customers, employees and owners.

This policy applies to every person working for or on behalf of Synergy including contractors, subcontractors, service partners, consultants and agents.

Synergy's core values require ethical conduct and upholding the law to underpin good business practices and behaviours necessary to deliver Synergy's success as an energy retailer and generator.

Synergy will implement critical elements of its corporate strategy including new renewables and storage infrastructure and investments, a social value framework, and safely retiring existing coal generation assets, whist continuing to meet our electricity supply commitments to our customers. The organisational requirements for good governance and compliance continue to apply whilst we transform our business.

Synergy has established KPIs relating to regulatory compliance, environmental compliance and health and safety that underscore the importance of compliance and good governance. Synergy's executive, consistent with the relevant Australian compliance standard has demonstrated leadership and commitment to compliance by establishing this policy which specifies the organisational compliance objectives consistent with our core values.

To achieve successful compliance we:

- educate our people about the benefits to them, our customers and the business when we comply with applicable laws and the consequences when we do not:
- assign relevant staff compliance KPIs, reward and recognise good performance and take action on poor performance;
- establish an effective and consistent compliance management framework including control registers, incident management systems, internal and external compliance reporting and audits, regulatory advisory portals, appropriate records management practices, internal policies, procedures, standards, digital education and training;
- empower our people to identify and report compliance concerns, issues and failures in an open and transparent manner without fear of consequence. We do not hide bad performance;
- take swift and decisive action to remedy non-compliance and address root causes to prevent future reoccurrence;
- have zero tolerance for deliberate non-compliance or failure to report known incidents;
- reflect and address legal and regulatory requirements within Synergy's change management practices and business operating models;
- complete education and training to meet compliance obligations;
- ensure our contractors, subcontractors, service partners, consultants and agents who influence our compliance performance have appropriate arrangements in place including contractual terms and conditions with our service providers to ensure compliance;





- audit, monitor and review compliance frameworks, targets and performance for continuous improvement;
- encourage our people to take risk informed decisions, propose solutions to improve our compliance performance, reduce red tape and regulatory burden;
- ensure our people are held accountable for regulatory compliance applicable to their roles;
- dedicate adequate resources and time to undertake compliance activities; and
- regularly report to the board on compliance to provide a holistic view of compliance across the organisation

## Measuring policy success

Consistent with Synergy's performance enablement guide we measure our success by assessing individual performance against outcomes and values; setting reasonable organisational KPIs and compliance targets and assessing our performance against those KPIs and targets; reviewing internal and external audit results; assessing regulatory body decisions; evaluating customer and stakeholder feedback; and being aware of Synergy's public perception.

KURT BAKER A/CEO

# The five principles of successful compliance

(ISO 37301 consistent)

#### 1. Leadership

Executive and senior management must lead by example by setting, communicating, monitoring and enforcing compliance objectives, targets and KPIs.

### 2. Business support

Adequate resources are required to establish, develop, implement, evaluate, maintain and continually improve the compliance management framework e.g. all employees having compliance targets and KPIs which are performance managed.

#### 3. Operation

A successful compliance management framework must be embedded operationally underpinned by effective controls to ensure obligations are met with breaches being prevented, detected, managed, reported and corrected. The framework must also apply to outsourced activities and contractors.



The compliance management framework should drive continuous improvement specifically where non-compliance occurs by taking action to correct and/or manage the consequences. The improvement focus should not only be on compliance per se but also compliance efficiency and deficiency.

#### 4. Evaluation

The framework must be monitored for effectiveness. Essential elements are: compliance action and monitoring plans, independent QA monitoring, performance reporting to senior management and periodic audits to assess the compliance management framework is meetings its objectives.

