Ergon Energy Network Ring-fencing Compliance Report

1 January – 31 December 2025

Part of Energy Queensland

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1 PURPOSE AND SCOPE

The Australian Energy Regulator (AER) published the Ring-fencing Guideline – Electricity Distribution (the Guideline) under clause 6.17.2 of the National Electricity Rules. The current version of the Guideline (Version 4) took effect on 27 February 2025 and is binding on all distribution network service providers (DNSPs). The purpose of the Guideline is to promote the National Electricity Objective by supporting competition in the provision of electricity services and preventing distribution network service providers (DNSPs) from conferring an unfair advantage on their related electricity service providers (RESPs) operating in contestable markets.

In accordance with clause 6.2.1 of the Guideline, Ergon Energy Corporation Limited (Ergon Energy), as a DNSP, is required to prepare and submit an annual ring-fencing compliance report to the AER within four months of the end of each calendar year. The annual compliance report must identify and describe, in respect of the relevant calendar year:

- the measures taken by Ergon Energy to ensure compliance with its obligations under the Guideline;
- any breaches of the Guideline by Ergon Energy, or which otherwise relate to Ergon Energy;
- all other services provided by Ergon Energy in accordance with clause 3.1 of the Guideline; and
- the purpose of all transactions between Ergon Energy and its affiliated entities.

The annual compliance report must also be accompanied by an assessment of Ergon Energy's compliance with the Guideline by a suitably qualified independent authority.

This report constitutes Ergon Energy's Annual Ring-fencing Compliance Report for the calendar year 1 January 2025 to 31 December 2025 (the Reporting Period) and has been prepared in accordance with the requirements of clause 6.2.1 of the Guideline. The structure of this report aligns with the reporting obligations set out in clause 6.2.1(b).

Ergon Energy does not claim confidentiality over this report or any accompanying attachments and acknowledges that the AER may publish the report in accordance with the Guideline.

2 MEASURES TO ENSURE COMPLIANCE

Clause 6.2.1(b)i of the Guideline requires the annual compliance report to identify and describe, in respect of the reporting period, the measures the DNSP has taken to ensure compliance with its ring-fencing obligations.

Activities undertaken during the reporting period focused on enhancing compliance monitoring and reporting processes. Key activities included:

- Compliance refresher training packages specifically for customer-facing staff covering both Privacy and Ring-fencing obligations were developed and uploaded to the corporate Learning Management System.
- General ring-fencing awareness training that is provided as part of Induction training and available on th corporate Learning Management System was updated.
- A Ring-fencing Protocol document was developed to further support Energy Queensland employees in complying with the Guideline.
- Automated Digital User Access Reviews were implemented to assist leaders in monitoring access to systems and shared repositories.
- Uplifting battery reporting templates and processes to align with waiver requirements.

Ergon Energy's ring-fencing compliance controls include a mixture of preventative, detective, and corrective controls. Controls referenced in this report align to Ergon Energy's ring-fencing control framework maintained in Riskonnect. A list of the current controls, including a description and the relevant compliance action, is provided in Appendix A.

2.1 Breaches of the Guideline

Clause 6.2.1(b)ii of the Guideline requires DNSPs to report any breaches of the Guideline by the DNSP, or which otherwise relate to the DNSP.

During the reporting period, Ergon Energy reported eight breaches to the AER as outlined in Table 1.

Table 1: Ergon Energy Ring-fencing Breaches Reported in 2025

Ref Number	Obligation	Details
20250102	4.3.2 – Obligation not to disclose ring-fenced information, including to a RESP	On 4 November 2024 a customer's request to clean the area around a network asset was incorrectly sent to Ergon Energy Retail which is a RESP of Ergon Energy.
20250123	4.3.2 – Obligation not to disclose ring-fenced information, including to a RESP	On 13 January 2025 information regarding a disconnection for safety was sent to the incorrect retailer.
20250327	4.2.3 – Obligation to have separate branding and avoid cross-promotion	On 27 March 2025 it was identified that when a purchase order is raised by Yurika Pty Ltd the Ergon Energy Logo is automatically added to the

Ref Number	Obligation	Details
		purchase order by the Energy Queensland Enterprise Resource Planning system.
20250807	4.3.2 – Obligation not to disclose ring-fenced information, including to a RESP	On 29 July 2025 a post on Energy Queensland's internal social collaboration site shared a link to a spreadsheet containing DNSP data.
INC-186	4.3.2 – Obligation not to disclose ring-fenced information, including to a RESP	On 3 September 2025 a request was sent to Ergon Energy Retail for a premises with multiple electricity accounts. Ergon Energy Retail was not the Retailer for one of the accounts.
INC-233	4.3.2 – Obligation not to disclose ring-fenced information, including to a RESP	On 22 October 2025 a request to cancel an Electrical Works Request was sent to the incorrect Retailer.
INC-236	4.2.3 – Obligation to have separate branding and avoid cross-promotion	On 3 November 2025 crews completing civil works for the DNSP displayed RESP branding on their uniforms and vehicles.
INC-237	4.3.2 – Obligation not to disclose ring-fenced information, including to a RESP	On 5 November 2025 while responding to a Retailer's email the information was incorrectly copied into an email sent to another Retailer.

**Reference Numbers were updated midway through the reporting period to align with Riskonnect ID's.*

All breaches were reported to the AER in accordance with clause 6.3 of the Guideline.

2.2 Prevention of cross-subsidisation

2.2.1 Legal Separation

Ergon Energy, as a DNSP, is part of the Energy Queensland Group of companies (Energy Queensland Group). Included in the Energy Queensland Group are the following:

- Energy Queensland Limited ABN 96 612 535 583 (Energy Queensland) - the parent company which provides administrative, corporate and management functions;
- Energex Limited ABN 40 078 849 055 (Energex) - the DNSP operating in south-east Queensland;
- Ergon Energy Corporation Limited ABN 50 087 646 062 (trading as Ergon Energy Network) - the DNSP operating in regional Queensland;

- Ergon Energy Queensland Pty Ltd ABN 11 121 177 802 (trading as Ergon Energy Retail) – a RESP, providing standard retail contracts to regional Queensland customers; and
- Yurika Pty Ltd ABN 19 100 214 131 - a RESP, with two subsidiaries:
    - Metering Dynamics Pty Ltd ABN 58 087 082 764 (trading as Yurika Metering) which provides contestable metering services across the National Electricity Market, and
    - Ergon Energy Telecommunications Pty Ltd ABN 34 106 459 465 (trading as Yurika Telecoms) which provides telecommunications services but not contestable electricity services.

All companies are separate legal entities registered with the Australian Securities and Investments Commission, each with its own board of directors and ring-fencing compliant constitutions and board charters.

Regarding the stand-alone power systems (SAPS) obligations under the Guideline, Ergon Energy did not have any regulated SAPS during the reporting period.

2.2.2 Establish and maintain accounts

Staff follow documented procedures to separate accounts between Ergon Energy and its affiliated entities. Ergon Energy attributed distribution service costs according to its AER-approved Cost Allocation Methodology (CAM). Ergon Energy will submit audited financial data to the AER through the annual Regulatory Information Order.

2.3 Function separation

2.3.1 Obligation to not discriminate

Ergon Energy supports compliance with its obligation not to discriminate through a combination of staff training and awareness initiatives, non-discriminatory tendering and contracting practices, and clearly defined role separation supported by appropriate access controls.

Ring-fencing training is mandatory for Energy Queensland Group employees, with limited exemptions applying to specific operational roles, such as remote power station attendants. All new employees are automatically enrolled in the training through the internal Learning Management System, which issues fortnightly automated reminders until completion. To support management oversight, managers receive fortnightly reports detailing the training status of their team members.

The training materials are available to employees through the Learning Management System for refresher purposes, and managers can nominate staff to complete the training at any time or where relevant to their role. A ring-fencing reference guide and supporting resources are also accessible to staff via SharePoint.

Employees who are transferred or seconded into a RESP are advised to review the ring-fencing training materials prior to commencing their new role, in addition to completing any other required pre-commencement actions.

During the reporting period, Energy Queensland developed a Ring-fencing Protocol to further support compliance with the non-discrimination obligation.

The Ring-fencing Protocol consolidates and documents expectations applicable to Energy Queensland staff designated to work for RESPs, including Yurika, and reinforces the requirement that all dealings with the DNSPs occur on an arm's-length basis. In particular, the protocol:

- expressly requires that related electricity service providers do not receive preferential treatment from the DNSPs;
- reinforces staff obligations to avoid conduct that could result in discrimination between related electricity service providers and competitors; and
- supports consistent application of non-discrimination requirements across staff sharing, reporting lines and operational interactions.

The introduction of the Ring-fencing Protocol provides additional clarity and guidance to staff and strengthens existing compliance arrangements with clause 4.1 of the Guideline and supports staff through organisational structural change.

2.4 Offices, staff, branding and promotions

2.4.1 Physical separation/co-location

Ergon Energy maintains physical separation between staff providing contestable electricity services and DNSP staff.

Staff providing contestable electricity services are primarily located in buildings that are separate from those occupied by DNSP staff. Where physical separation is not practicable, staff are located within restricted-access areas or on separate floors within shared buildings. Where supported by building security systems, access permissions are configured to prevent staff from accessing offices or areas used in the provision of direct control services.

Ring-fencing considerations are embedded into property and security processes for both new staff onboarding and staff relocations. Requests for new and relocating staff are assessed to ensure that related electricity service provider staff are allocated to appropriate office locations that align with the office-sharing requirements under the Guideline. This reduces the risk of inadvertent non-compliance arising from office allocation decisions.

To support the correct application of regional office exemptions, Ergon Energy also utilises a Depot NMI Report, which identifies the number of connection points within a 100-kilometre radius of a depot location. This report assists in validating whether a depot meets the definition of a regional office and reduces the risk of incorrectly categorising, or continuing to categorise, an office as regional where the exemption no longer applies.

Where RESP staff relocate to an office that also accommodates DNSP staff, they are reminded of Ergon Energy's ring-fencing obligations prior to relocation. As part of this process, staff are required to refresh their ring-fencing awareness by completing the mandatory training and to confirm that their identification cards comply with applicable branding and ID Card Guidelines. Staff are required to wear their identification cards at all times while within the building so they are readily identifiable.

In addition, signage is displayed in prominent locations, including building foyers and lift areas, to clearly identify permitted access zones and reinforce physical separation requirements within shared facilities.

2.4.2 Staff sharing

The majority of staff across the Energy Queensland Group are employed by Energy Queensland. Staff are shared across Energy Queensland's subsidiaries where permitted under the Ring-fencing Guideline. Staff sharing arrangements are managed through established controls designed to ensure compliance and to prevent discrimination or inappropriate access to ring-fenced information.

These controls include:

- a Staff Sharing reference guide and decision tree, which is used to assess and support any proposed sharing of staff across the Energy Queensland Group and to ensure such arrangements comply with the staff sharing requirements of the Ring-fencing Guideline;
- a staff register that records the nature of identified positions, including the roles and duties performed, to support assessment of whether a position is eligible to be shared with a related electricity service provider;
- human resources and digital processes supporting staff onboarding, transfers and movements; and
- staff training and awareness measures, including the use of a checklist for secondees to reinforce ring-fencing obligations prior to and during staff sharing arrangements.

Together, these measures provide a structured framework for managing staff sharing arrangements and the consistent application of the Ring-fencing Guideline across the Energy Queensland Group.

2.4.3 Branding and cross-promotion

In addition to mandatory staff training, Ergon Energy maintains a range of controls to support compliance with the branding and cross-promotion requirements of the Ring-fencing Guideline.

Key controls include the Energy Queensland Brand Guidelines, which are available to all employees through the internal Brand Centre SharePoint site. These Brand Guidelines provide clear direction on appropriate brand usage, including approved logos, templates and email signatures, and incorporate general ring-fencing guidance. The Brand Guidelines also remind employees of the need to seek ring-fencing advice where required and to obtain approval through the Corporate Approvals Process, which includes regulatory review, before using branding externally.

A dedicated internal Ring-fencing Compliance SharePoint site is also available to all employees. This site provides an overview of Energy Queensland's ring-fencing obligations, together with frequently asked questions and supporting guidance to assist staff in understanding and complying with branding and cross-promotion requirements.

Employees may contact the Ring-fencing team directly via a dedicated ring-fencing mailbox or by submitting a General Enquiry Form through ServiceNow to seek advice or report potential incidents. Any ring-fencing-related queries received by the Marketing and Brand, Web or Media teams are directed to the Ring-fencing team to ensure matters are assessed in accordance with the Guideline.

In addition, a Field Uniform SharePoint site is available to all employees and provides instructions on the correct use of branding on uniforms and supports compliance with branding separation requirements in operational environments.

2.4.4 Office and staff registers

Ergon Energy publishes its office and staff sharing registers on its public websites. The registers are subject to established compliance processes to support their timely review, updating and publication, and were reviewed and updated in accordance with the requirements of the Guideline during the reporting period.

Current copies of Ergon Energy's office and staff registers can be viewed via the following link:

https://www.ergon.com.au/network/our-network/regulation/ring-fencing

2.5 Information access and disclosure

Six of Ergon Energy's breaches of the Guideline during the reporting period related to the accidental disclosure of ring-fenced information to a third party. This represents a 100% increase in breaches compared to the previous year. These incidents occurred due to electronic communications being sent to an incorrect recipient because of human error.

Work continued throughout the reporting period to mitigate future errors, these improvements included:

- sharing compliance-related learnings as they are identified through the non-compliance reporting process; and
- compliance refresher training for Privacy and Ring-fencing implemented by the Customer Division and made available via the Learning Management System.

These measures are supported by established user access management processes that help ensure employees have access only to systems and information appropriate to their role, including during role changes and employee departures, with periodic access reviews.

2.5.1 Protection of ring-fenced information

Ergon Energy maintains a combination of automated and manual controls to protect ring-fenced information and support compliance with the Guideline. Preventative access controls are implemented across key enterprise platforms to restrict access to ring-fenced systems and information based on role requirements. For legacy platforms where full automation is not technically feasible, reporting and cross-checks are used to identify and manage access risks associated with staff movements.

Digital access to applications identified as containing ring-fenced information is managed through enterprise identity and access management processes. Where a RESP employee seeks access to a ring-fenced application, an approval workflow is triggered that requires review before access can be granted.

These access controls are supported by automated joiner, mover and leaver processes managed by the Cyber Security Identity team. The identity lifecycle and associated accounts are managed through SailPoint, with periodic user access reviews performed by line managers to validate ongoing appropriateness. This was a new process implemented during the reporting period. Authentication and authorisation are centrally managed using Microsoft Entra ID and Active Directory, with separate domains maintained for Yurika and Ergon Energy Retail to further support information segregation.

In addition, organisational processes reinforce these controls by prompting consideration of ring-fencing obligations during staff recruitment, transfers and secondments, and by providing ongoing awareness and guidance materials through dedicated internal resources to support staff understanding of their obligations to protect ring-fenced information.

2.5.2 Disclosure and sharing of information

Ergon Energy maintains a documented Information Sharing Protocol and Application Form to govern requests from RESPs and third parties seeking access to ring-fenced information. These arrangements are supported by decision-support tools, including an information decision tree and frequently asked questions, to assist employees in identifying ring-fenced information and understanding the circumstances in which it may be disclosed.

These controls operate within Ergon Energy's broader information governance framework. Information is classified and handled in accordance with enterprise standards that support the consistent identification, protection and management of confidential, proprietary and ring-fenced information throughout its lifecycle. Information assets are subject to documented standards that require key metadata to be captured and maintained, supporting visibility over where ring-fenced information resides and how it is managed.

Employee capability is supported through information governance training, which reinforces staff responsibilities in managing and protecting information, including ring-fenced information. Where employees require clarification or tailored guidance on information disclosure, they are encouraged to seek advice from internal subject matter experts.

Ergon Energy maintains an Information Sharing Register, which is kept up to date and records instances where ring-fenced information is shared with a RESP in accordance with the Information Sharing Protocol.

No applications for the sharing of ring-fenced information were received during the reporting period.

Ergon Energy's Information Sharing Protocol and Application Form are published on its external website and can be accessed via the following link:

https://www.ergon.com.au/network/our-network/regulation/ring-fencing

2.5.3 Information register

Ergon Energy's Information Sharing Register is published on its external website and can be viewed via the following link: https://www.ergon.com.au/network/our-network/regulation/ring-fencing

3 WAIVERS

Section 5 of the Ring-fencing Guideline allows a DNSP to seek a waiver of obligations under clauses 3.1, 4.2 and/or 4.4.1(a) where specified criteria are met.

Ergon Energy maintains a register of all waivers (including any variations) granted to it by the Australian Energy Regulator (AER), which is published on its external website. The register sets out the conduct to which each waiver applies, the relevant clause(s) of the Guideline, and the associated terms and conditions.

During the 2025 reporting period, Ergon Energy had 14 waivers of its ring‑fencing obligations in place for all or part of the period:

- Waiver from clause 3.1 of the Guideline to enable Ergon Energy to lease capacity from six BESS installed under Stage 3 of Energy Queensland's Local Network Battery Plan, subject to specified reporting and disclosure conditions (commencing October 2025).
- Waiver from clauses 3.1(b) and 4.2 of the Guideline to allow Ergon Energy to continue providing its distribution and generation services in the isolated systems located in remote Queensland. An interim waiver was also in place between 1 July and 30 November while this waiver was under consultation .

1 Waiver from clause 4.2.3 of the Guideline to allow Ergon Energy to continue to use a similar brand name and branding as Ergon Energy Queensland, a related electricity service provider and retailer.

2 Waiver from clauses 4.2.1(a), 4.2.2(a) and 4.2.3(a)i of the Guideline to allow the offices at Mareeba and Charters Towers to be classified as regional offices for the purposes of the Guideline

3 Waiver from clause 4.2.3 of the Guideline to allow Ergon Energy to continue to provide a connection service under long term contract to Hayman Island

4 Waiver from clauses 3.1(b) (legal separation) and 4.2.3 (Branding and cross promotion) of the Guideline to enable Ergon Energy Network to act as the metering coordinator in respect of the three indigenous communities in regional Queensland
5 Waiver from clauses 3.1(b), 4.2.1(a), 4.2.2(a) and 4.2.3(a) to enable Ergon Energy to provide generational services in isolated networks using 'behind the meter' renewable assets
6 Waiver from clause 3.1 to allow Ergon Energy Network to lease part of the capacity of one battery energy storage system (BESS) at Bohle Plains
7 Waiver from clauses 3.1(b) and 4.2.3 for the Microgrid and Isolated Systems Test (MIST) facility to provide services to other entities
8 Class waiver from clauses 3.1, 4.2.1 and 4.2.2 to lease part of the capacity of DNSP-led BESS funded under the Australian Government's Community Batteries for Household Solar Program
9 Waiver from clause 3.1 to allow Ergon Energy Network to lease part of the capacity of nine BESS
10 Waiver from clause 3.1 to allow Ergon Energy Network to lease part of the capacity of five BESS
11 Class waiver from clause 4.2 to allow DNSPs to contract with the Australian Energy Market Operator to provide Reliability and Emergency Reserve Trader services via voltage management
12 Waiver from clauses 3.1(b) and 4.2 to allow Ergon Energy Network to provide services to and on behalf of Powerlink.

All applicable waiver conditions were managed in accordance with the AER's written decisions and are reflected in Ergon Energy's publicly available Waiver Register.

4 COMPLIANCE AND ENFORCEMENT

Clause 6.1 of the Ring-fencing Guideline requires a DNSP to establish and maintain appropriate internal procedures to ensure compliance with its obligations under the Guideline.

During the reporting period, Ergon Energy continued to operate under the three lines model for risk and compliance, including for the management of ring-fencing compliance. Multiple avenues are available for employees to seek guidance, clarify obligations and report potential breaches of the Guideline.

A central digital platform (ServiceNow) supports ring-fencing compliance by enabling staff to request advice prior to undertaking activities, ask questions, access additional training resources, and report incidents or issues. All ring-fencing-related incidents are managed through a documented issue notification and assessment process, with matters recorded and managed end-to-end within the Riskonnect system. Incidents are tracked through to closure, with actions assigned as required.

Root causes are identified and recorded for ring-fencing incidents to support continuous improvement, including the identification of trends and the enhancement of controls, guidance or training where appropriate.

Oversight of ring-fencing compliance is supported through quarterly reporting of non-compliance volumes and emerging trends to executive leadership, the DNSP Boards and the Audit and Risk Committee, providing visibility of compliance performance and supporting effective governance and accountability.

5 ANNUAL REPORTING

5.1 Other services provided

Clause 6.2.1(b)iii of the Guideline requires DNSPs to report all other services provided by the DNSP in accordance with clause 3.1 of the Guideline. Specifically, the provision of 'other services' is subject to the granting of ring-fencing obligation waivers by the AER (clause 3.1(d)vi).

Ergon Energy has provided an 'other service' by:

- leasing part of the capacity of multiple BESS to retail partners during the reporting period
- Providing isolated (both generation and distribution) services to its customers in the isolated networks
- Providing transmission services on behalf of Powerlink, and
- Leasing and allowing access to its MIST facility.

5.2 Transactions with affiliate entities

Section 6.2.1(b)iv requires DNSPs to report the purpose of all transactions between the DNSP and its affiliated entities.

Throughout the reporting period, Ergon Energy had a limited number of transactions with affiliated entities. These transactions between affiliated entities are captured in Ergon Energy's accounting and finance systems.

Costs are largely captured in the parent entity, Energy Queensland, and charged to Ergon Energy and the other entities within the Energy Queensland Group. Costs relating to the program of work (i.e. projects and work orders) are directly charged to projects and recorded in the relevant entity. Other indirect costs and overheads are allocated via the CAM.

Table 2: Transactions between Ergon Energy and affiliated entities

Affiliated Entity	Cost Type	Transaction Description and Purpose
Energex	Materials	Material costs comprise the following direct costs: · direct acquisitions; · goods issued; and · other miscellaneous material costs.
Energy Queensland	Network, Non-network and Corporate Overheads	Overheads comprise indirect costs incurred by the Energy Queensland Group. These are charged to Energex in accordance with the CAM and reported as Network, Non-network or Corporate Overhead. These costs consist of: · indirect labour and contractors; · office supplies; · utilities; · audit services; · legal services; · other professional fees and expenses; · licence fees (excluding motor vehicle registration fees) and other ICT operating costs; · subscriptions and registrations; · telephone, postage and courier service costs; · rental costs; · insurance (other than motor vehicle and personnel); · tools and equipment; and · fleet, buildings and property running costs.
Yurika (including Energy and Infrastructure, Assets and Operations, Yurika Telecoms, Yurika Energy Supplies and Yurika Metering)	Various support services provided to/by Yurika	These services include: · installation/replacement of meters; · infrastructure services; · operating and maintenance services on generators; · design and construction of Battery Energy Storage Systems (BESS) and solar energy systems; and · telecommunication expenses.

Affiliated Entity	Cost Type	Transaction Description and Purpose
Ergon Energy Retail	Network Charges	Ergon Energy Retail incurs network charges from Ergon Energy Network (i.e. network use of system charges).

6 INDEPENDENT ASSESSMENT

Clause 6.2.1(c) of the Guideline requires a DNSP's annual compliance report to be accompanied by an assessment of compliance with the Guideline by a suitably qualified independent authority.

Ergon Energy engaged Deloitte to undertake an Independent Assessment of Ergon Energy's compliance against the Guideline requirements. The review covered the period from 1 January 2025 to 31 December 2025. Deloitte's report is provided as Attachment 1 to this Report.

Appendix A. Compliance Measures

Obligation		Compliance Actions
3.1	Legal Separation	**EQL Group Company Registration (Preventative Control)** • EQL Group companies have separate ABNs and are registered with ASIC **EQL Governance Frameworks (Preventative Control)** • Executive Governance Framework includes mechanism for Executive General Managers who undertake both regulated and unregulated roles • Group Governance Framework is ring-fencing compliant **EQL Project Management Framework (Preventative Control)** • Project Management framework sets out clear expectations for the scope and governance of projects. **Governance and Delegations Policy (Preventative Control)** • Overarching decision-making governance and delegation of authority framework for EQL and its subsidiaries. **Business (Quality) Management Systems Framework (Preventative Control)** • EQL's Business (Quality) Management System Framework provides the context and tools to deliver a management system across all levels of the business. **EQL Executive Leadership Team Charter (Preventative Control)** • This Charter defines the role of the Energy Queensland Limited Executive Leadership Team in the business structure and operations of Energy Queensland Limited and its subsidiaries. **Execute Document Checklist (Preventative Control)** • The Document Execution Checklist is to be used as part of the due diligence process to ensure the necessary reviews and approvals are in place before the Document is signed by the authorised signatory on behalf of Energy Queensland Limited or its subsidiaries.
3.2.1	Separate Accounts	**Cost Allocation Methodology (Preventative Control)** • The Financial Planning team maintain and update the CAM documentation on an annual basis to ensure that costs are allocated correctly. This documentation includes the CAM Business Rules which reflects EQL's statutory and regulatory CAM and annual workpaper that documents the application of the rules for rates being loaded into target systems. This process includes monthly assessment true ups and quarterly reconciliations. An annual RIO also supports this process albeit with a much broader scope.

Appendix A. Compliance Measures

Obligation		Compliance Actions
3.2.2	Cost Allocation and Attribution	**Cost Allocation Methodology (Preventative Control)** • The Financial Planning team maintain and update the CAM documentation on an annual basis to ensure that costs are allocated correctly. This documentation includes the CAM Business Rules which reflects EQL's statutory and regulatory CAM and annual workpaper that documents the application of the rules for rates being loaded into target systems. This process includes monthly assessment true ups and quarterly reconciliations. An annual RIO also supports this process albeit with a much broader scope. **Procurement Business Rules (Preventative Control)** • EQL's Procurement Business Rules reduce the risk of non-compliance by laying out the minimum standards required when carrying out procurement activities on behalf of Energy Queensland and its subsidiaries including Ring-fencing Compliance **Strategic Sourcing Framework (Preventative Control)** • The purpose of this document is to provide a framework that guides the end-to-end strategic sourcing process. The scope extends to the phases, inputs, tasks, outputs, and control points applicable to sourcing projects. **Procurement Policy (Preventative Control)** • EQL's Procurement Policy reduces the risk of non-compliance with the AER's Ring-fencing guideline by providing a consistent controlled approach to procurement and purchasing activities. **Purchase Order Terms and Conditions (Preventative Control)** • EQL's Purchase Order Terms and Conditions reduce the risk of non-compliance with Ring-fencing Obligations by clearly denoting the ring-fencing requirements of service providers. **Procurement Processes and Artefacts (Preventative Control)** • EQL's Procurement Processes and artefacts are designed to prevent a breach of the AER's obligation to not discriminate by ensuring that contracts and tenders are ring-fencing compliant.

Appendix A. Compliance Measures

Obligation		Compliance Actions
4.1	Obligation to not discriminate	**EQL Code of Conduct (Preventative Control)** • The purpose of this policy and any related documents is to set the standards expected of all persons working for the EQL Group and to provide information to assist in the understanding of the ethical values and the personal standards of behaviour expected. **EQL Performance Framework User Guide (Preventative Control)** • EQL's Performance Framework User Guide reduces the risk of a breach of the AER's Ring-fencing Guideline by having the requirement for regulated staff to not have KPI's related to unregulated growth.
4.2.1	Physical Separation/Co-location	**Depot NMI Report (Detective Control)** • The Depot NMI Report returns the number of connections within 100kms of a depot location to assist in identifying regional offices. **Building and Access (Preventative Control)** • The Property and Security team have processes in place to assess requests for new and relocating staff members and ensure that RESP staff members are located in appropriate offices to align with the office sharing requirements.
4.2.2	Staff sharing	**HR Templates (Preventative Control)** • HR templates including remuneration are ring-fencing compliant and based on staff position **Data and System Access Security Process (Preventative Control)** • EQL's process for data and system access security reduces the risk of non-compliance by setting clear standards on how systems and data should be accessed. **Depot NMI Report (Detective Control)** • The Depot NMI Report returns the number of connections within 100kms of a depot location to assist in identifying regional offices. **Use of Systems Policy (Preventative Control)** • EQL's Use of Systems Policy reduces the risk of non-compliance with the AER's Ring-fencing Guidelines by providing clear guidelines on appropriate use of EQL assets with references to ring-fencing.

Appendix A. Compliance Measures

Obligation		Compliance Actions
4.2.3	Branding and cross promotion	**Field and Office Workwear (Preventative Control)** • EQL's Field Workwear caters for all EQL Employees and branding can be hidden to permit the use of shared staff. **Fleet Branding (Preventative Control)** • EQL's Fleet Branding reduces the risk of non compliance with the AER's Ring-fencing Guideline by providing guidance on vehicle branding for regulated and contestable works. **EQL Project Management Framework (Preventative Control)** • Project Management framework sets out clear expectations for the scope and governance of projects. **Sponsorship Guidelines (Preventative Control)** • EQL's Sponsorship Guideline prevents the risk of non-compliance with the AER's Ring-fencing Branding Obligations by providing clear rules on undertaking community investment activities. **Corporate Branding (Preventative Control)** • The Strategic Marketing and Brand team maintain the Brand Centre as a resource for EQL Employees to use the brands correctly based upon the work being completed. **Social Media Guideline (Preventative Control)** • EQL's Social Media Guideline prevents impact of non-compliance with the AER Ring-fencing Branding Obligations by setting out clear rules for use of external social media platforms.
4.2.4	Office and staff registers	**Ring-fencing Registers and Protocols (Preventative Control)** • The Enterprise Compliance team maintain the processes and actions associated with the updating and uploading of the ring-fencing registers and information sharing protocol on the Ergon Energy website.

Appendix A. Compliance Measures

4.3.1, Protection of ring-fenced information, 4.3.2, Disclosure of information, 4.3.3 Sharing of information	**Identify Governance and Administration (Preventative Control)** • EQL's Identity Lifecycle Management process detects user access to EQL digital resources (applications, systems, infrastructure and data) assisting in identifying RESP staff members who have retained access to legacy systems from previous roles. **Information Classification and Handling Standard (Preventative Control)** • EQL's Information Classification & Handling standard reduces the risk of non compliance with the AER's Ring-fencing Protection of Data obligations by providing a framework to classify and handle data. **Information Asset Standard (Detective Control)** • EQL's Information Asset Standard reduces the risk of non-compliance by outlining a consistent standard to actively manage information assets throughout their lifecycle. **Privileged Access Management Standard (Preventative Control)** • EQL's Privileged Access Management Standard reduces the risk of non-compliance with the AER's Ring-fencing Guideline by outlining requirements for use of Privileged Account Access to Systems and Information. **Responsibilities of System Custodians Standard (Preventative Control)** • EQL's Responsibilities of Systems Custodians Standard reduces the risk of non-compliance with the AER's Ring-fencing Guideline by providing clear guidelines on the responsibilities of System Owners and Custodians. **Digital Systems (Preventative Control)** • EQL's DNSP Systems have appropriate ring-fencing controls in place to either prevent or detect access by a RESP staff member to reduce the risk of a breach of the AER's Ring-fencing Guideline. **Use of Systems Policy (Preventative Control)** • EQL's Use of Systems Policy reduces the risk of non-compliance with the AER's Ring-fencing Guidelines by providing clear guidelines on appropriate use of EQL assets with references to ring-fencing. **Confidential Information Policy (Preventative Control)** • EQL's Confidential Information Policy reduces the risk of non-compliance by setting clear standards on acceptable behaviour on the management of confidential information. **Customer Operations Framework (Preventative Control)**

Appendix A. Compliance Measures

Obligation		Compliance Actions
		• The Customer and Market Operations Framework incorporates processes, training, awareness, escalation and reporting to reduce the risk of breaching the AER's Ring-fencing Guideline while maintaining the high volume of customer interactions
4.3.4	Information Sharing Register	**Ring-fencing Registers and Protocols (Preventative Control)** • The Enterprise Compliance team maintain the processes and actions associated with the updating and uploading of the ring-fencing registers and information sharing protocol on the Ergon Energy website.
4.4	Service Providers	**Ring-fencing Requirements for Service Providers (Preventative Control)** • EQL's Ring-fencing Requirements for Service Providers reduces the risk of non-compliance with the AER's Ring-fencing Guideline by forming part of the service contract between EQL and a service provider. **Procurement Business Rules (Preventative Control)** • EQL's Procurement Business Rules reduce the risk of non-compliance by laying out the minimum standards required when carrying out procurement activities on behalf of Energy Queensland and its subsidiaries including Ring-fencing Compliance **Strategic Sourcing Framework (Preventative Control)** • The purpose of this document is to provide a framework that guides the end-to-end strategic sourcing process. The scope extends to the phases, inputs, tasks, outputs, and control points applicable to sourcing projects. **Procurement Policy (Preventative Control)** • EQL's Procurement Policy reduces the risk of non-compliance with the AER's Ring-fencing guideline by providing a consistent controlled approach to procurement and purchasing activities. **Purchase Order Terms and Conditions (Preventative Control)** • EQL's Purchase Order Terms and Conditions reduce the risk of non-compliance with Ring-fencing Obligations by clearly denoting the ring-fencing requirements of service providers. **Procurement Processes and Artefacts (Preventative Control)** • EQL's Procurement Processes and artefacts are designed to prevent a breach of the AER's obligation to not discriminate by ensuring that contracts and tenders are ring-fencing compliant.

Appendix A. Compliance Measures

Obligation		Compliance Actions
5.7	Waiver Register	**Ring-fencing Registers and Protocols (Preventative Control)** • The Enterprise Compliance team maintain the processes and actions associated with the updating and uploading of the ring-fencing registers and information sharing protocol on the Ergon Energy website.
6.1	Maintaining Compliance	**Compliance Management Policy (Preventative Control)** • EQL's Compliance Management Policy articulates Energy Queensland Limited's (Energy Queensland) expectations for compliance across Energy Queensland and its subsidiaries (the EQL Group) thereby reducing the risk of non-compliance
6.2	Reporting	**Integrity Framework (Detective Control)** • EQL's Integrity Framework detects non-compliances of the AER's Ring-fencing Guideline by providing a anonymous transparent avenue for employees to report incidents. **Annual Compliance Reporting (Preventative Control)** • EQL reduces the risk of non-compliance with the AER's Ring-fencing Guideline by ensuring processes are in place to conduct the Annual Compliance Reporting process in accordance with the requirements of the Guideline.
6.3	Compliance Breaches	**Integrity Framework (Detective Control)** • EQL's Integrity Framework detects non-compliances of the AER's Ring-fencing Guideline by providing a anonymous transparent avenue for employees to report incidents. **Customer Operations Framework (Preventative Control)** • The Customer and Market Operations Framework incorporates processes, training, awareness, escalation and reporting to reduce the risk of breaching the AER's Ring-fencing Guideline while maintaining the high volume of customer interactions
-	All	**Ring-fencing Advisory** • EQL provides transparent and easy access to raise ring-fencing questions and incidents to reduce the risk of non-compliance eventuating or continuing. **Ring-fencing Training and Awareness (Preventative Control)** • EQL provides and monitors ring-fencing training and awareness materials to reduce the risk of breaching the AER's Ring-fencing Guideline.

Appendix A. Compliance Measures