

Investment management policy

1. Policy statement

Effective investment management based upon accurate, transparent, compliant and timely information is critical to Western Power meeting its strategic objectives and maximising stakeholder and regulator confidence.

The effective application of this Policy and its supporting documents will better enable Western Power to ensure that business decisions comply with all relevant legislative and economic regulation obligations and corporate governance frameworks.

1.1 Purpose

This Policy:

- (i) articulates the principles governing Western Power's approach to investment management
- (ii) specifies the requirements for the governance, reporting and accountability of Western Power personnel, in relation to the management of financial capital resources
- (iii) defines the key controls for ensuring compliance with these principles in Western Power's economic regulation and investment management activities.

1.2 Scope

This Policy applies to all Western Power Personnel, business activities and functions of Western Power operations.

In this Policy, Personnel means:

- (i) every employee, officer and director of Western Power
- (ii) every contractor of Western Power when performing activities on behalf of Western Power.

1.3 Outcomes

This Policy will ensure that Western Power conducts its investment management activities in a transparent, responsible, efficient and accountable manner, with due care and integrity.

1.4 Principles

Through the effective and timely application of this Policy, Western Power will:

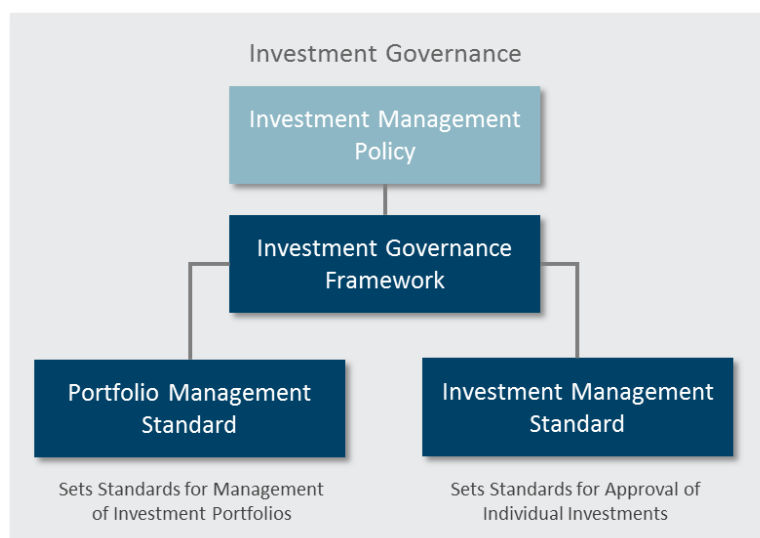
- (i) ensure that financial capital is managed through an appropriate enterprise-wide investment management framework that:
 - o supports the achievement of corporate objectives by setting out investment drivers and benefit-management criteria

- demonstrates Value for Money
 - fulfils economic and strategic requirements
 - satisfies the requirements of relevant regulatory investment tests
 - maximises enterprise value
 - considers sustainability goals in the areas of environmental protection and climate change in accordance with applicable standards, guidelines and procedures
 - aligns investments to the risk organisation's risk appetite statement and the Assurance & Risk Policy
 - demonstrate commercial prudence in managing expenditures
 - manages risks related to investment.
 - permits the efficient delivery of investment activities
 - enforces compliance with regulatory and legislative obligation.
- (ii) maintain a cohesive, fit for purpose investment governance framework comprising:
- governance accountabilities
 - standards and methodologies
 - processes and supporting systems
 - procedures and guidance.
- (iii) maintain processes that:
- identify, evaluate and manage investment returns and risk exposure
 - drive a disciplined and transparent approach to planning, design and delivery with clearly-defined transition and hand-over points
 - segregate duties to support effective internal controls and reduce the risk of erroneous and inappropriate actions
 - align investment activities with corporate governance accountabilities and delegated authority and statutory obligations
 - monitor and control the consistent and uniform application of the investment management framework across the business.
- (iv) capture and maintain auditable records of:
- all investment decisions and approvals
 - compliance with regulatory requirements
 - compliance with financial and investment governance requirements and all relevant standards
 - the true and fair value of assets.

- (v) hold Personnel accountable for the performance of investment decisions and realisation of the committed benefits.
- (vi) provide adequate and timely information on Western Power's investment position to the Executive and Board.
- (vii) ensure engagement and reporting with external parties related to Western Power's regulation, financial and investment management activities are timely, accurate and consistent.
- (viii) empower all personnel involved in investment management activities to champion the application of Western Power's obligations.
- (ix) ensure the roles and responsibilities of all personnel involved in regulation, financial and investment management are clearly defined and understood.
- (x) promote awareness of regulation and investment management to personnel to guide day-to-day decision-making.
- (xi) comply with relevant Industry Standards or, in the event that Western Power's Executive elects to not do so, document the following:
 - the reasons for not doing so
 - alternative provisions for ensuring the objectives of the relevant Industry Standard are otherwise met

1.5 Supporting document structure

This Policy is supported by the following Standards and Framework.



The Investment Governance Framework is supported by two standards, the Portfolio Management Standard and Investment Management Standard.

2. Dictionary

The following table defines capitalised terms used in this document.

Defined term	Meaning
Board	The Western Power Board of directors
Executives	Western Power's executive management team
Policy	This Investment Management Policy. High-level, brief, straightforward, statements of principle indicating Western Power's intention and direction, to enable effective decision-making processes
Framework	A structure of procedures and guidelines and other controls that support the implementation of the stated outcomes of policies in a consistent manner in a specified area
Standard	Refined statements of principle within a specific area covered by a Policy that assist with the achievement and implementation of the stated outcomes of that Policy
Personnel	Has the meaning in section 1.2 of this document
Value for Money	Investments that make a positive impact on the long-term enterprise value
Western Power	Electricity Networks Corporation

3. Further information

For further information on this Policy, please contact either the Head of Finance and Metering or Western Power's General Counsel.

4. Content owner

Chief Financial Officer

5. Accountabilities

Content owner:

Accountable for:

- (i) Policy implementation through associated framework and standards
- (ii) preparation, issue and maintenance of any required Standard
- (iii) ensuring that people affected by this Policy and its related Standards are aware of their responsibilities
- (iv) ongoing education (as necessary)
- (v) monitoring compliance with the requirements of the Policy and its related Standards

- (vi) ensuring that appropriate remedial actions are taken if there are compliance breaches
- (vii) monitoring the continuing relevance of the Policy and the currency of its contents and associated frameworks and standards

General Counsel: Publication of the approved version of this Policy, and any Standards issued under it, in Western Power's Corporate Policies Register.

6. Review

This Policy will be reviewed and evaluated by the Board at least once every three years.

7. Related documents

Title	EDM reference
Authority to Execute Documents	EDM 34010490
Delegated Financial Authority (DFA) Policy	EDM 42624629
Assurance & Risk Policy	EDM 32565084
Investment Governance Framework	EDM 49480272
Investment Management Standard	EDM 34178944
Portfolio Management Standard	EDM 34199697
Sustainability Policy	EDM 57570311

8. Approval history

Version	Approved by	Date of approval	Resolution no.	Notes
	Board	05/08/2014	015/2015/BD	Investment Management Framework (manual DM#11690104)
2.	Board	02/08/2016	019/2017/BD	ERIM Policy
3.	General Counsel	03/10/2017	82/2017/BD	Approved by General Counsel pursuant to Board delegation
4.	Board	04/06/2019	087/2019/BD	
5.	Board	06/12/2022	056/2023/BD	Updated new consideration for sustainability goals



May Lin Chew
General Counsel and Executive Officer