FY22 Sustainability Reference Report

POWERco

Welcome

Mihi whakatau

Tēnā koutou kātoa

At Powerco, sustainability is embedded in the way we work. Ensuring we balance the needs of our communities, our environment and the financial health of our business, is reflected in our commitment to enabling a sustainable energy future.

Delivering safe and reliable energy to around 1.1 million customers is underpinned by our purpose of connecting communities now and into the future.

In the past year, we have developed our new cultural framework, Ngā Tikanga – Our Way, which aligns our purpose, values and how we work together with our communities and industry stakeholders. It helps us to make the right decisions that meet our collective needs, and drives leadership across our industry to create more sustainable outcomes for the long-term.

With this exciting new direction, we have refreshed our sustainability strategy to better align with Ngā Tikanga. This re-focus has flowed through to our FY23 sustainability targets, which includes some new and more aspirational targets for us moving forward.

Our sustainability strategy covers the full range of environmental, social and governance topics and targets the most material issues that Powerco can impact. A summary of this can be seen on page 3 which shows our areas of focus. Of particular interest is our critical role in Aotearoa New Zealand's transition to net-zero emissions by 2050, and we recognise the path to achieving our global reduction targets presents both challenges and opportunities. Our strategy is based on taking meaningful action to minimise our impacts, both on and from climate change, by reducing our greenhouse gas emissions, enabling our customers to decarbonise and mitigating our physical and transitional climate change risks. With so much information circulating about decarbonisation and sustainability, we're also increasing our focus on stakeholder education, to bring everyone along on the journey with us.

We're proud to share our mahi over the last year in this report and our online dashboard, which includes:

- Improved reliability of our network, in many cases exceeding our CPP programme regulatory targets
- A review of our ability to deliver an accurate disclosure of our climate risks and opportunities
- Increased cyber security resilience
- A reduction in emissions from our vehicle fleet, our office use of electricity and office waste.
- Improved accuracy in our data sources to provide a genuine picture of our greenhouse gas emissions
- Participation in a hydrogen trial to decarbonise our gas network
- Improved health and safety and a reduction in serious harm
- Improved cultural competency support for employees
- Greater gender pay equity and senior leadership representation
- Increased customer engagement and improved customer outcomes

We're ambitious about the future and you'll find our focus for the remainder of our current financial year, which serves us through to March 2023, on the following page.

We hope you enjoy reading about the active steps we're taking to enable a sustainable energy transition for New Zealand and our communities, and we look forward to keeping you updated.

Nāku noa, nā
James Kilty, Chief Executive

Our sustainability ambition for
FY23

Whirinaki
Ensuring reliable and resilient networks

Reliability of supply
Keeping electricity on 99.95% of the time and keeping gas flowing for 99.99% of the time; keeping pipe leaks to <100 per 1,000km per annum.

Preparing for climate change
Accounting for climate impacts in our investment programme by: developing a physical adaptation strategy, measuring storm frequency and impact, ensuring our mapping tools can record physical risks, and investigating a new model to account for leaks on our gas network.

Network visibility
Installing low voltage monitors to assess capacity and enable distributed generation for customers.

Cyber security and privacy
Maintaining cyber resiliency through education, policy, and technology, whilst enabling secure adoption of digital strategic capabilities.

Minimising our impact on and from climate change
Continuing our development of a robust climate disclosure.

Manaaki tāngata
Supporting our people

Promoting diversity
Equal gender representation in leadership; gender and ethnicity pay equity (+/-2%), growing Māori representation in workforce; cultural competency training for all employees; rainbow tick accreditation.

Positive culture changes
Flexible leave; increasing our Net Promoter Score 5% year on year; regularly measuring employee satisfaction.

Whakakotahitanga
Engaging with our communities

Positive customer experience
Achieving a Net Promoter Score of 58 for gas customers; improving experience online when looking for information and logging outages; establishing good measures for customer satisfaction; publish annual customer insights (sharing their views on reliability, price, sustainability, service and new technologies).

Better community engagement
Publishing our Te Raa framework for engaging with tangata whenua; delivering sponsorship investments aligned to our sustainability priorities.

Improving stakeholder relationships
Identifying and meeting with community groups and stakeholders, supported by a new CRM (Customer Relationship Management) system.

Hauora
Health and safety at our core

Reducing serious harm rates
10% decrease year-on-year for three year rolling average for TRIFR (total recordable injury frequency rate) and LTIFR (lost time injury frequency rate).

Improving safety
Strengthening relationships with contractors via Better Together pilot.

Improving positive incident reporting
5% increase in reporting of near misses (before incidents cause harm).

Taiao
Contributing to a lower carbon world

Reducing our emissions
Progressing our emissions reduction roadmap and understanding the financial impacts; investigating science aligned emissions reductions and strategies to offset our remaining target emissions at 2030; trialling diesel alternatives.

Reducing customer emissions
Producing a low carbon gas strategy; assessing for low carbon gas compatibility; automating the application process for small scale distributed generation; beginning to streamline the process for large scale solar; installing three micro grids; identifying decarbonisation oppportunities for largest customers.

Industry leadership
Working with stakeholders to evaluate decarbonisation pathways and to ensure a policy environment that supports decarbonisation.

POWERCO

About this report

This document is a supplement to Powerco's online sustainability reporting library and includes:

- How Powerco aligns with the United Nations Sustainability Development Goals

- Powerco's FY22 sustainability goals/ targets and performance

- GRI referenced reporting table

Sustainable Development Goals

In 2015, United Nation members agreed to a set of 17 Sustainable Development Goals (SDGs), to guide the world towards a more sustainable future.

Powerco has identified the four SDGs most relevant to our material sustainability issues and where we can make the biggest impact. The goals, targets and performance reporting contained in this document show our alignment to these SDGs.

7 AFFORDABLE AND CLEAN ENERGY

Ensure affordable, reliable, sustainable and modern energy for all.[3]

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.[4]

10 REDUCED INEQUALITIES

Reduce inequality within and among countries.[5]

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.[6]

United Nations Sustainable Development Group: Home
Goal 7 | Department of Economic and Social Affairs (un.org)
Goal 9 | Department of Economic and Social Affairs (un.org)
Goal 10 | Department of Economic and Social Affairs (un.org)
Goal 13 | Department of Economic and Social Affairs (un.org)

In 2021 and 2022, we partnered with Wild for Taranaki, Asplundh and Ngāti Tawhirikura to restore the ecological corridor of the Waiwhakaiho River from the Taranaki maunga. In the area pictured, this was done through re-planting and litter removal.

Ngā pou

The pillars of our work

We have five sustainability pou (pillars). These were identified through a stakeholder engagement process (called a materiality assessment) in 2020 that recognised these areas as being the most important for both our business and our stakeholders. They also align with best practice and GRI requirements. By reporting under each pou, we aim to provide a clear view of our sustainability priorities, our goals and targets, and the work we are carrying out.

Whirinaki

Ensuring reliable and resilient networks

Taiao

Contributing to a lower carbon world

Hauora

Promoting health and safety

Maanaki tāngata

Supporting our people

Whakakotahitanga

Engaging with our communities

Whirinaki

Ensuring reliable and
resilient networks

Whirinaki Ensuring reliable and resilient networks

Term	Target FY22	Performance FY22	Target FY23
Short	Keep our customers' power on for an average of 99.95% of the time.	We kept our customers' electricity on for an average of 99.95% of the time. Learn more	
Short	Invest (CPP1) $196m in electricity network renewal and growth to stabilise network performance.	We invested $165m in renewal and growth projects and initiatives Focus was moved from small asset renewal projects to major projects such as new network lines in order to deliver them on time. Learn more Delivery of our CPP programme will be completed in March 2023, followed by a final Annual Delivery Report that will disclose our performance.	
Short	Replace or reinforce 3582 poles.	We replaced or reinforced 4475 exceeding our target of 3,582. Learn more	
Short	Replace 195km of lines.	We replaced 208km of overhead lines, exceeding our target of 195km.	
Short	Manage 9263 tree sites.	We managed 16,210 sites in FY22, 12% more than last year and exceeding our target of 9263. Learn more	
Short	Deliver energy security to gas customers by keeping gas flowing 99.99% of the time.	We kept the gas flowing to our customers 99.99% of the time.	
Short	Deliver energy security to gas customers by completing planned safety, reliability and resilience upgrades outlined in the Powerco Gas Asset Management Plan.	We delivered the majority of planned investment projects related to our safety, reliability/resilience drivers as set out in our Gas Asset Management Plan. This included five upgrades fully completed to help with long term energy security to our gas customers. Learn more	
Medium	Complete the Customised Price Path (CPP) electricity investment programme.	FY22 marks year four of our five-year CPP, that will end on 31 March 2023. We continue to see a decline in high voltage faults and improved network maintenance and renewals despite an increase in storm days and extreme weather events like Tropical Cyclone Dovi. 97% of our maintenace programme was completed. Addressing defects found through site visits and poletop photography still remains a priority. Delivery of our CPP programme will be completed in March 2023, followed by a final Annual Delivery Report that will disclose our performance.	

Whirinaki Ensuring reliable and resilient networks

Term	Target FY22	Performance FY22	Target FY23
Medium	Maintain electricity resilience and reliability by developing the post CPP1 investment programme.	The three key drivers for our investment programme post CPP (2023) are: 1. Increase in work for distributed generation 2. Network preparation for increased electrification of communities 3. Climate resilience One of our first steps post-CPP will be to undertake a review of how we assess resilience to inform investment forecasts within the business.	
Medium	Develop a Climate Change physical asset adaptation strategy based on climate hazard mapping.	As part of our wider approach to climate change resilience, we are currently developing a physical adaptation strategy for our assets.	Develop a climate change physical adaptation strategy that includes transitional and physical scenario analysis.
Medium	Improve cyber security resilience to 4.2 by FY23 (based on an internationally recognised maturity framework and survey).	This year we achieved a 4.1 out of 5 on the Gartner scale, very close to our intended target of 4.2 and indicative of a high level of maturity in this area. In FY23 we are moving to employee-led cyber security.	
Long	Improve network automation, control and visibility. Enable distributed generation and low voltage (LV) network performance monitoring programme.	We are currently building a low-power wireless communication network called the Long Range Wide Area Network (LoRaWAN). In FY22, we installed 36 radio base stations to create this network. In FY23, we expect the first new LoRaWAN-based sensors to be installed, enhancing our visibility of our electricity network. Learn more Work is underway to assess our network capacity for distributed generation. This includes our low voltage network monitoring programme. We are also undertaking studies to assess the hosting capacity of our LV network for distributed generation.	(Short-term goal) Install 300 low voltage monitors to improve the understanding of hosting capacity for distributed generation connections for our customers.
Long	Continual improvement of cyber security resilience.	We achieved ISO27001 accreditation during FY22 – an international standard for managing information security. Our future plans include risk mapping the vulnerability of our process and systems and increasing staff ownership of information security. In FY23 we are moving to employee-led cyber security.	
Short	(New target for FY23).		Achieve <100 pipe leaks per 1,000km per annum.
Short	(New target for FY23).		Measure the frequency and impact of storms on the reliability of our network including storm severity, reconnection times and the effectiveness of our emergency management response systems.
Short	(New target for FY23).		GIS platform supports sound decision making around physical risk related to climate change.
Short	(New target for FY23).		Introduce new modelling (Marcogaz) for our gas network by FY23 to determine specific gas loss (and emissions) reduction targets.

Whirinaki Ensuring reliable and resilient networks

Term	Target FY22	Performance FY22	Target FY23
Short	(New target for FY23).		Refresh the enterprise-wide Risk Management Framework and integrate climate change and ESG risks.
Short	(Revised target for FY23).		Employee cyber maturity is proactively managed throughout FY23 by the delivery of an information security awareness roadmap.
Medium	(Revised target for FY23).		Our investment programme reflects our changing physical environment to maintain electricity resilience and reliability.

Taiao

Contributing to a lower
carbon world

Taiao Contributing to a lower carbon world

Term	Target FY22	Performance FY22	Target FY23
Short	Measure and reduce scope 1 and 2 emissions (excluding line losses) and the most material scope 3 emission activities.	Our overall emissions decreased from FY21. Although there was an increase in scope 1 emissions mainly due to increased diesel generator use and SF6 leakage, emissions decreased from our vehicles, purchased electricity, and electricity and gas network losses. Our reporting accuracy increased for scope three with the inclusion of purchased goods and services.	Measure and reduce scope 1 and 2 emissions (excluding line losses) and the most material scope 3 emission activities.
Short	Publish a low carbon transition strategy for the gas network.	A low carbon roadmap is being developed that aligns to the NZ Government's emissions reduction plan. This is due during FY23. Learn more	Publish a low carbon transition strategy for the gas network.
Short	Build an automated application process for small-scale solar connections.	The building of an automated application process for both small and large-scale solar connections will reduce the levels of manual work in the current application process. This is behind expectations and is due for completion during FY23.	Build an automated application process for small-scale solar connections.
Medium	Complete a low carbon gas readiness assessment for 100% of our gas network.	In collaboration with First Gas, hydrogen trials are underway to help us understand our readiness to use hydrogen on our current gas network. During FY22, we planned network and customer equipment surveys for the Waverley pipeline. This will continue during FY23.	Complete the low carbon gas compatibility assessment for the network.
Medium	Explore carbon offset options for our gas customers.	The exploration of carbon offsets for our gas customers was deprioritised to instead focus on other Taiao targets with a greater environmental benefit such as future low carbon gas alternatives.	
Medium	Prepare for Climate Related Risk Reporting.	During FY22, we committed to voluntarily reporting on our climate risks and opportunities based on the Task Force on Climate Related Financial Disclosures (TCFD) Framework. We undertook an independent review of our current progress and developed a roadmap for the next 1-3 years.	Prepare for Climate Related Risk Reporting.
Long	Achieve our net zero emissions target through the reduction of emissions and by offsetting any unavoidable emissions (eg via forestry).	Our immediate focus is on reducing our greenhouse gas emissions. During FY22, we developed our offsetting principles which not only prioritises carbon offsetting, but also acknowledges the additional value this project can have for our partners, stakeholders, tangata whenua and the wider community we serve.	Offset any remaining emissions at 2030 from our reduction target for Scope 1 and 2 emissions, excluding electricity and gas line losses.
Long	Implementation of emissions reduction strategies in line with our evolving net zero roadmap.	The ongoing implementation of our vehicle fleet electrification plan has started to replace diesel vehicles with electric and hybrid vehicles and reduced our overall fleet number. A small reduction in emissions was obtained due to office consolidation. We anticipate further efficiencies in FY23.	Implementation of emissions reduction strategies in line with our emissions reduction roadmap.

Taiao Contributing to a lower carbon world

Term	Target FY22	Performance FY22	Target FY23
Long	Continue to evolve the electricity network to support customer driven renewable generation and energy trading.	We are continuing to assess the capability of the network to ensure it is ready for increased distributed energy and improving our visibility on the low voltage network. We are also working on improving our application process for new small solar connections.	Facilitate and accelerate decarbonisation for our customers.
Long	Reduce natural gas volumes going through network by 20% by 2030 (compared to FY20).	Our collaboration trials with First Gas will help us understand the long-term feasibility of hydrogen as an alternative to natural gas.	20% reduction on natural gas volumes going through the network by 2030 (compared to FY20).
Short	(New target for FY23).		Investigate emission reduction targets in line with science.
Short	(New target for FY23).		Understand and assess the financial impact of achieving science aligned emissions targets.
Short	(New target for FY23).		Develop and install 3 micro grids on our network to improve customers self-reliance, reduce grid demand and defer costly upgrades.
Short	(New target for FY23).		Complete North Island boiler review by partnering with EECA and DETA to identify large customers (or groups of customers) to quantify the scale of customer decarbonisation opportunities.
Medium	(New target for FY23).		Trial diesel alternatives for generators used to maintain our network.
Medium	(New target for FY23).		Set up streamlined process for large scale solar (1 MW or more) and enable 200MW of connected capacity.
Medium	(New target for FY23).		Produce a robust, decision-useful and authentic climate related disclosure.
Long	(New target for FY23).		Continue to evolve the electricity network to support customer driven renewable generation and energy trading.

Hauora

Promoting health and safety

Hauora Promoting health and safety

Term	Target FY22	Performance FY22	Target FY23
Short	Reduce serious harm through a 10% year-on-year reduction in LTISR (the severity rate of injuries).	We saw an almost 70% reduction on our FY21 LTISR figure. This was a result of fewer LTI events and a significant event that had contributed to the higher FY21 frequency rate.	Continue to reduce serious harm, demonstrated by a 10% decrease year-on-year for our three-year rolling average TRIFR and LTIFR measures.
Short	Achieve a minimum of 92 Executive and Board leadership workplace safety interactions per year.	Directors and the Executive Management met their workplace safety interactions targets by completing 109 workplace safety interactions during FY22.	
Short	Deliver balance in health and safety with a focus on health, specifically mental health.	Over 30 employees received Mental Health First Aider training and this support network is now embedded in the business. As well as regular support group meetings, additional resources will continue to be built over time.	Deliver 'Working Better Together' workshops to improve our safety relationships with our contractors.
Medium	Increase use of data to drive public safety initiatives with a focus on reducing live lines coming down.	A framework has been developed for diagnosing the cause and nature of lines down events. We are currently developing a data collection tool to get a better understanding of frequency.	
Medium	Increase awareness of critical risks and controls.	This year saw improvements in two critical risks areas – a decrease in driving incidents and an improvement in our health area, with the introduction of the Mental Health First Aid programme. This target was achieved in FY22.	
Medium	Deliver insights and improvement plans in risk management by bringing key stakeholders together to learn across three priority areas identified by the business.	During FY22 we launched or established three health and safety "learning teams" to deliver insights and improvement in risk management in the following areas: • Lines down • Substation batteries • Working Better Together This programme was completed in FY22.	
Medium	Continue to implement Safety As Usual (based on Safety II).	This year, three core "learning teams" were established along with a post-storm review for Cyclone Dovi. In line with Safety as Usual principles, a core aspect of these was a drive to understand what went well and why. The learning teams were completed in FY22.	
Long	Develop a clear understanding of our health and safety resilience through the creation of a leading indicator balance scorecard.	The scorecard approach was halted during FY22 while the business restructured. Work on this target has recommenced in FY23 with a set of draft leading indicators being trialled in the Executive H&S reporting. These will be refined over time.	
Long	Continually improve our health and safety resilience.	During FY22, Powerco moved to an operational ownership / business partnership approach to health and safety, which seeks to embed ownership in all the business units.	
Short	(New target for FY23).		5% improvement in positive incident reporting (near misses and push backs) from FY22.

Maanaki tāngata

Supporting our people

Maanaki tāngata Supporting our people

Term	Target FY22	Performance FY22	Target FY23
Short	100% of leaders are culturally competent.	In order to progress our leaders culturally competency, a te ao Māori resource hub, Te Puna, was launched to provide on-demand resources to leaders (and all employees). In FY23, we'll provide opportunities for our leaders to deepen their knowledge base on Te Tiriti, te reo and te ao Māori through learning immersion programmes.	Embed cultural intelligence in Powerco's leadership framework.
Short	Maintain equal gender representation (50%) within senior leadership roles (+/- 10%).	In FY22, 33% of senior roles were occupied by women. This is down 10% from the previous financial year.	Maintain equal gender representation (50%) within senior leadership roles (+/- 10%).
Medium	Gender pay equity (a) Maintain gender pay equity (+/-2%). (b) <15% overall gender pay gap.	In FY22, we achieved a 4% gender pay equity gap for males and females in the same or similar roles. We have a 14% overall pay gap for males and females in the same or similar roles.	Pay equity (a) Maintain gender pay equity (+/-2%) (b) <15% overall gender pay gap (c) Ethnicity pay equity (+/-2%)
Medium	Positive employee Net Promotor Score (eNPS) greater than 50%.	The NPS has been adopted as one of the elements of the balanced score card by which the executive measures success. This year, Powerco achieved a 61% rating.	(Long-term goal) Increase NPS by 5% year-on-year, based on FY22 score.
Medium	Maintain (a) >80% employees agree that "at work, my opinion seems to count" (b) >95% employees agree that "my manager or someone at work cares about me".	This year, 84% of employees agreed that their opinion seems to count and 97% felt that their manager or other employees cared about their wellbeing.	(Short-term goal) Maintain (a) >80% employees agree that "at work, my opinion seems to count" (b) >95% employees agree that "my manager or someone at work cares about me".
Long	Powerco's workforce reflects the communities it serves. (a) 10% workforce identify as Māori by 2025 (b) Achieve Rainbow Tick accreditation in 2022.	We are seeing growing numbers of tangata whenua in the workforce, helping us to to look more like the communities we serve. This year, 7% of our workforce identified as Māori compared to 18% in our communities. We achieved Gender Tick re-certification in FY22, and are currently working towards Rainbow Tick accrediation.	Powerco's workforce reflects the communities it serves. (a) 10% workforce identify as Māori by 2025 (b) Rainbow Tick accreditation for 2023.
Short	(New target for FY23).		Cultural competency training offered as core training for all employees.
Short	(New target for FY23).		Provide flexible holiday swapping for employees.
Short	(New target for FY23).		Increase salary transparency as part of pay equity focus.

Whakakotahitanga

Engaging with our communities

Whakakotahitanga Engaging with our communities

Term	Target FY22	Performance FY22	Target FY23
Short	Implement annual Community and Stakeholder Engagement Programme.	A new platform was introduced that helps us track the size and scope of our relationships with stakeholders. This foundational work will help us develop and improve our engagement. Learn more	Identify and meet with connected community stakeholders as specified in our Stakeholder Management Plan.
Short	50% increase on FY21 engagement with customers most impacted by power outages.	In FY22 we undertook 19 engagements for projects with a high impact on customers. This was an 111% increase in engagements from FY21 and helped us understand our customers' needs and influenced the project outcome.	
Short	Publish annual customer insight information relating to customer views on reliability, price, sustainability, service experience and use/planned uptake of new technologies.	This year we focused our research on pricing and customer satisfaction measures. Over time, we will look to dive deeper into our relationships with our communities for more sophisticated insights.	Publish annual customer insight information relating to customer views on reliability, price, sustainability, service experience and use/planned uptake of new technologies.
Short	Positive customer engagement through The Gas Hub attendance at home shows across our network regions.	During FY22, COVID continued to hamper our efforts to engage with our gas customers through home shows. This will be renewed in FY23.	Achieve a net promoter score of 58 in FY23 to measure our quality of gas customer service and customer experience.
Medium	Develop an iwi engagement framework.	Our iwi engagement strategy "Te Raa" has been developed and is now being integrated into the business.	Engage and operate in line with our Te Raa framework – our engagement plan with Tangata Whenua.
Medium	Align all community investment initiatives to our sustainability priorities.	Our sponsorships have been divided into three areas: customer focused, future focused and people focused. We are aligning these with our sustainability priorities. Learn more	
Medium	Create a suite of self-service tools for customers, and implement Customer Relationship Management (CRM) systems to help us improve our interactions.	This project is on hold while other systems such as the stakeholder engagement hub are being developed	(Short-term goal) Establish a Customer Relationship Management System to increase our ability to engage with customers and stakeholders.
Medium	Introduce a suite of customer satisfaction measures by FY22 and collect data to establish a baseline.	Customer satisfaction measures will be developed and data collected during FY23 to establish a baseline.	
Medium	Implement a support plan for customer groups identified by Powerco as vulnerable by FY23.	Our focus this year has been on gaining a better understanding of who in our communities have less resilience to unplanned outages and how to better support these customers. The recent refresh of our company values has a strong focus on our customers, and coupled with our Te Raa framework, will ensure we better service these customers.	

Whakakotahitanga Engaging with our communities

Term	Target FY22	Performance FY22	Target FY23
Medium	Seek direct community input to support the planning and design for at least 50% of major network projects.	Our goal is to consult with our communities when they have the potential to be impacted by our planned works. In many cases, feedback from our communities has resulted in redesigns that better suit their needs. Of the 17 projects set for 2022, 10 have started, 5 of which the local communities were consulted on.	
Medium	The Gas Hub provides clear information and engages with customers and communities to guide the transition to a low carbon gas future.	We participated in the industry campaign Future Sure, which helped people understand that gas is a viable energy as part of transition to low carbon. A roadmap will be developed in FY23 that will likely involve the adoption of biogas, preparing for hydrogen with green gas as the destination.	
Long	All customers and communities understand Powerco's role in their communities and know when and where to seek information and engage with us.	We continue to explore new and better ways of engaging with our communities including an improved website, greater social media presence, and plans to develop awareness and brand presence in all our customers every year. Our recent restructure puts the customer at the heart of what we do.	
Short	(New target for FY23).		Deliver a flagship community engagement initiative aligned to our sustainability priorities for each of our planning areas.
Short	(New target for FY23).		Introduce a customer effort index and satisfaction measures, and collect data to establish a baseline by FY23.
Medium	(New target for FY23).		Improve website outage page to enable customers to access accurate and timely outage information.

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GRI Index

The Global Reporting Initiative (GRI) is an international, independent standards initiative and represents the most widely adopted global standards for sustainability reporting. We reference GRI standards to provide guidance on best practice sustainability reporting. Below is our reporting for FY22 in reference to GRI.

GRI Standard		Disclosure
102-1	Name of organisation	Powerco Ltd (including all its subsidiaries)
102-2	Activities, brands, products and services	Our business (powerco.co.nz)
102-3	Organisation's headquarters	35 Junction Street, New Plymouth, New Zealand
102-4	Countries with significant operations	New Zealand
102-5	Nature of ownership and legal form	Our people (powerco.co.nz)
102-6	Geographic locations, sectors served, types of customers and beneficiaries	Our business (powerco.co.nz)
102-7	Scale of operation	Pricing and disclosures (powerco.co.nz)
102-8	Employees	Our People FY22 (powerco.co.nz)

GRI Standard		Disclosure
102-9	Description of supply chain	Our business (powerco.co.nz)
102-10	Significant changes to the organisation and its supply chain	Nil
102-11	Precautionary Principle or approach	Powerco incorporates a precautionary approach within our environmental management system and Health, Safety and Environment by Design guidelines
102-12	Externally developed environmental and social charters and principles	Careers (powerco.co.nz)
102-13	Main memberships relating to our material topics	Accessibility Tick network, Drive Electric, Electricity Engineers Association (EEA) - Lifeline Utilities Group, EEA National Committee for Live Work, EEA Overhead Line Design Competency, EEA Public Safety Working Group (PSWG), EEA Safety Standards and Procedures Group (SSPG), Electricity Network Association (ENA) Customer Engagement Working Group, ENA Smart-Tech Working Group, ENA Strategic Pricing Working Group, ENA Tree Regulations Policy and Task groups, ENA Quality of Service, ERANZ Vulnerable and Medically Dependant Working Group, Gartner, Gas Association New Zealand (GANZ), GenderTick network, Market Development Advisory Group, NZ Arb Utility Arborist group, NZ Hydrogen Association, Public Relations Institute of NZ, Sustainability Business Council.
102-14	Statement from CEO	Page 2 of this report
102-16	Organisations values, principles, standards and norms of behaviour	2020-sustainability-at-powerco.pdf
102-18	Governance structure	Our people (powerco.co.nz)
102-40	List of stakeholders	2020-sustainability-at-powerco.pdf page 10
102-41	Percentage of total employees covered by collective bargaining agreements	No employees are covered by collective bargaining agreements
102-42	Basis for identifying and selecting stakeholders with whom to engage	2020-sustainability-at-powerco.pdf page 10

GRI Standard		Disclosure
102-43	Approach to stakeholder engagement	2020-sustainability-at-powerco.pdf page 10
102-44	key topics and concerns raised through stakeholder engagement	2020-sustainability-at-powerco.pdf page 10
102-45	Entities included in the consolidated financial statements	Powerco Limited and all its subsidiaries
102-46	Process for defining the report content and topic boundaries. How the reporting principles have been implemented.	This report covers Powerco's performance for FY22 across our full operations. The Materiality assessment summary covers topic boundaries Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
120-47	List of material topics	2020-sustainability-at-powerco.pdf page 10
102-48	Restatements of information	Our 2020 Materiality assessment is current and still being used
102-49	Changes from previous report - material topics and topic boundaries	No changes from previous report
102-50	Reporting period	Figures used in this report are based on FY22 (1 April 2021 to 31 March 2022) or Powerco's most recently published information disclosures (electricity - 31 March 2022, gas - 30 September 2021, unless otherwise stated in the report.
102-51	Date of previous report	Figures used in this report are based on FY21 (1 April 2020 to 31 March 2021) or Powerco's most recently published information disclosures (electricity - 31 March 2021, gas - 30 September 2020), unless otherwise stated in the report.
102-52	Reporting cycle	We intend to keep stakeholders updated as material topics evolve and with an annual GRI index disclosure.
102-53	Contact point for questions	Contact us (powerco.co.nz)
102-54	Claims of reporting in accordance with the GRI standards	This report has been prepared with reference to the GRI Standards Core option
102-56	Assurance	No assurance has been sought on this report. The GHG Inventory Report referenced in this document has limited assurance

GRI Standard		Disclosure

Material topic: Technology and Innovation

103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	A large number of our team's interface with new technology including network transformation, IT, business development. 2021-electricity-asset-management-plan.pdf (sections 2 and 3) Powerco's 2021 1. Introduction Divider-LR (powerco.co.nz) 2021-gas-asset-management-plan-update.pdf (powerco.co.nz) (section 1.6)
103-3	Evaluation of the management approach	Pou whirinaki targets and performance. Ensuring reliable and resilient networks (powerco.co.nz)

Material topic: Price and reliability

103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessment Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	Powerco is regulated by the Commerce commission, Electricity Authority, Ministry for the Environment and local Territorial Authorities (Council) Powerco has pricing, regulatory, financial, and legal staff to ensure we are operating within parameters set out by our regulators
103-3	Evaluation of the management approach	We undertake regular consistent reporting in the forms of: • Annual delivery reports • Information disclosures and audits • Financial audits • Asset management plans • Reports to regulators Pou whakakotahitanga targets and performance Engaging with our communities (powerco.co.nz)

GRI Standard		Disclosure

Material topic: Industry collaboration

103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	We have a Customer team within Powerco with policies and strategies including: • Dedicated business relationships team • Procurement policies and standards • Stakeholder forums • Partnerships with other electricity and gas businesses • HSEQ by design
103-3	Evaluation of the management approach	All 5 Pou have targets and performance measures in them that involve collaboration with the industry Ensuring reliable and resilient networks (powerco.co.nz) Contributing to a lower carbon world (powerco.co.nz) Health and safety at our core (powerco.co.nz) Supporting our people (powerco.co.nz) Engaging with our communities (powerco.co.nz)

Material topic: Resilience to extreme weather and climate change

103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	Powerco has large network operations, service delivery, electricity, gas, IT, and business Powerco has a 10-year plan of its work published in the electricity and gas asset management plan, including the work we have undertaken on resilience to extreme weather and climate change.
103-3	Evaluation of the management approach	Pou whirinaki targets and performance. Ensuring reliable and resilient networks (powerco.co.nz)

GRI Standard		Disclosure

Material topic: Supporting NZ's decarbonisation and Powerco's carbon footprint

103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	Powerco has a number of teams that develop decarbonisation methods including: • Network transformation • Gas Asset Strategy Team • Commercial and retailer team (electricity) • Gas commercial team Introducing our net zero target (powerco.co.nz) Distributed generation (powerco.co.nz)
103-3	Evaluation of the management approach	A materiality assessment is conducted approximately every 3 years Contributing to a lower carbon world (powerco.co.nz)

GRI 305: Emissions

305-1	Direct (Scope 1) GHG emissions	Contributing to a lower carbon world (powerco.co.nz) / GHG Inventory Report
305-2	Energy Indirect (Scope 2) GHG emissions	Contributing to a lower carbon world (powerco.co.nz) / GHG Inventory Report
305-3	Other indirect (Scope 3) GHG emissions	Contributing to a lower carbon world (powerco.co.nz) / GHG Inventory Report
305-4	GHG emissions intensity	Contributing to a lower carbon world (powerco.co.nz) / GHG Inventory Report

GRI Standard		Disclosure
Material topic: Health and Safety		
103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	We have a dedicated health and safety team with policies and strategies including: • Competency administration • Training programme • Incident databases • Awareness raising campaigns • Development of Safety as usual approach (or integration – not sure HSEQ best to provide the wording) • Learning teams • A health and safety database which records all incidents in detail including how these were resolved
103-3	Evaluation of the management approach	Health and safety at our core (powerco.co.nz)

Powerco's Carbon Footprint

103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	Powerco has a sustainability team to measure, report and develop strategies to improve the businesses footprint including: • Emissions reduction pathway • Maintaining an auditable greenhouse gas emissions database • Life cycle analysis on new projects where possible
103-3	Evaluation of the management approach	Contributing to a lower carbon world (powerco.co.nz) / GHG Inventory Report

GRI Standard		Disclosure
Material topic: Workforce learning, development and a strong organisational culture		
103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	We have a People team within Powerco with policies and strategies including: • Values framework • Inclusion and diversity, Gender tick • Health, safety, environmental inductions • Employee benefits such as flexible work hours, extended parental leave, volunteer days • Whistleblower contact number • Grievance processes • Preference for internal promotion and develop before looking outside the company • Budgets within every team to send staff out for external training in all aspects of the industry
103-3	Evaluation of the management approach	An employee survey is administered twice yearly. All employees engage in an R&D process with their managers. We record training hours and calculate a Net promoter score annually Supporting our people (powerco.co.nz)

Material topic: Community Engagement

103-1	Explanation of the material topic and its boundaries	Microsoft Word - Materiality Assessement Summary FINAL 13 nov 2020_v2.docx (powerco.co.nz)
103-2	The management approach and it's components	We have a Customer team within Powerco with policies and strategies including: • Customer complaints process • Outage notifications • Customer and community engagement processes • Stakeholder communications and engagement Complaints (powerco.co.nz) Outages (powerco.co.nz) Contact us (powerco.co.nz) Powerco: Home
103-3	Evaluation of the management approach	Engaging with our communities (powerco.co.nz)