



FY23 Sustainability

Reference Report



Welcome

Mihi whakatau

Tēnā koutou kātoa

At Powerco, we're committed to enabling Aotearoa New Zealand to meet its target of net-zero emissions by 2050. Achieving a sustainable energy transition is core to everything we do. It means ensuring our customers can be confident that we'll continue providing reliable and resilient electricity and gas, while doing our bit to ensure their energy supply is both affordable and delivered in an environmentally-conscious way.

Powerco is here to connect the communities we serve to safe, reliable and resilient energy.

We're New Zealand's largest electricity and gas distributor by network length. We keep the energy flowing to over 900,000 kiwis across the North Island through 29,000km of electricity lines and cables, and over 6,200km of gas pipes.

Our mahi is guided by Ngā Tikanga – Our Way, the values, purpose and ways of working that provide the framework for how our teams work with each other, our stakeholders, and the communities we serve.

In the past year, we've seen stark evidence that the environment we operate in is changing. Like us, many businesses are dealing with these challenges - severe weather events, geopolitical tensions affecting supply chains, financial pressures on our customers, and an increasing reliance on electricity.

These factors reinforce the importance of having a well-rounded strategy that takes into account not only how we are impacted by our operating environment, but also how we are impacting it.

Powerco's sustainability vision is to ensure we have an authentic balance across environmental, social, and economic outcomes.

The three key sustainability themes from our business strategy are; to mitigate harm from climate change, to adapt to climate change, and to ensure the energy we provide is affordable for kiwis.

In this document, you'll see our short-term targets and longer-term goals under each of our Sustainability Pillars, and how we have performed against the ambitions we set for ourselves last year.

We're proud to share our mahi over the last year in this report and our [online dashboard](#). Here are some of the highlights...

Focussing on the resilience of our assets by:

- Establishing bespoke Climate Scenarios and improving access to climate change data to help with business planning.
- Improving our cyber security resilience.
- Revamping our storm resilience reporting during Cyclone Gabrielle.

Creating opportunities for our customers to decarbonise by:

- Creating a distributed generation hosting capacity map to help our customers identify opportunities to connect, and potential capacity for EV charging stations.
- Completing a boiler review in the North Island in partnership with EECA and DETA to quantify the scale of customer decarbonisation opportunities there.

Reducing our own emissions by:

- Starting a project to more accurately calculate our gas leakage (and associated emissions).
- Reducing greenhouse gas emissions associated with electricity use in our offices through consolidating locations, and upgrades.

Encouraging our culture to thrive by:

- Holding weekly te reo learning sessions through our te ao Māori interest group Te Puāwai o Powerco.
- Launching our new leadership framework aligned with te ao Māori hauora concept Te Whare Tapa Whā.
- Decreasing the ethnicity pay gap from 3.3% to 2.3%.
- Achieving Rainbow Tick accreditation.

Enhancing our relationships with our customers and stakeholders by:

- Getting ready to implement Te Raa, our tangata whenua engagement framework.
- Delivering a range of community engagements aligned to our sustainability priorities including tree planting through our Replant for Tomorrow programme, Festival of Lights in Taranaki and the Powerco Education Centre at Wildbase Recovery in Manawatū.
- Launching our improved outage map on our website.

We're ambitious about the future; you'll find our focus for the rest of the current financial year on the following page.

By the time this report is published, we will have already made great progress on the current year's plan. Next year, we will bring forward our reporting times to keep you updated in a timelier manner. Keep an eye out for more of our sustainability progress in July 2024.

For now, we hope you enjoy reading about the active steps we're taking to enable a sustainable energy transition for Aotearoa and our communities.



Nāku noa, nā
James Kilty, Chief Executive

Our sustainability ambition for

FY24



Whirinaki

Ensuring reliable and resilient networks

Reliable and resilient electricity networks

- Develop and begin to implement a comprehensive resilience strategy that reflects our customers' energy resilience needs
- Keep our customers' electricity on for an average of 99.95% of the time

Risk management

- Implement a new Risk Management Framework across the business aligned with our four strategic themes; Deliver for our customers, Get ready to do more for our customers, Transform our customer experience, and Serve new customers.
- Include Physical and Transitional climate change risks in our risk registers, and reflect our first Adaptation and Resilience Plan in our Asset Management Plans.

Cyber security

- Transition our internal cyber risk management framework to the updated accreditation of ISO-27001:2022

Efficient gas networks

- Deliver energy security to gas customers by keeping gas flowing 99.99% of the time.
- Achieve <100 pipe leaks per 1,000km per annum.
- Undertake our first round of gas leak detection, using new equipment, that will provide more accurate data to determine specific emissions mitigation options.



Manaaki tangata

Supporting our people

Promote workplace diversity

- Achieve equal gender representation (50%) within tier 3 leadership roles (+/- 10%) by Q2 FY25.
- Progress towards 10% workforce identifying as Māori by 2025.
- Progress towards:
 - Pay equity
 - (a) Maintain gender pay equity (+/-2%)
 - (b) <15% overall gender pay gap, and
 - Ethnicity pay equity (+/-2%).

Positive culture change

- 5% increase year on year for employee NPS (FY22 base year).
- Implement a high-performance framework aligned with Ngā Tikanga, Powerco's cultural framework, to improve performance. Support this with processes such as remuneration, recruitment, induction, performance management, and leadership programmes.



Whakakotahitanga

Engaging with our communities

Positive customer experience

- Improve customers' experience with Powerco, by a 5% increase in Customer Satisfaction score.
- Maintain net promoter score of +52 to measure our quality of gas customer service and customer experience.

Improve stakeholder engagement

- Engage and operate in line with our Te Raa framework – our engagement plan with Tangata Whenua.
- Publish annual customer insight information relating to customer views on reliability, price, sustainability, service experience and use/planned uptake of new technologies.



Hauora

Health and safety at our core

Improve our safety culture

- 5% year-on-year improvement in a Safe Plus Assessment.
- Achieve Workplace Safety Interaction targets at three levels: Directors (15) Executive Leadership (80) and Powerco staff (180).
- Deliver quarterly workshops to all Powerco gas network service providers to improve our safety relationships with our contractors.

Improve positive incident reporting

- Achieve 25% positive incident reporting rate (near misses, push backs and hazard IDs).



Taiao

Contributing to a lower carbon world

Reduce our emissions

- Develop a comprehensive decarbonisation roadmap for the electricity network with early actions in place during FY24.
- Set a business-wide, ambitious emission reduction target and plan.
- Reduce carbon emissions from our vehicle fleet by 15%.

Reduce our customers' emissions

- Develop decarbonisation solution offerings for large customers.
- Set up a streamlined process for connecting Electric Vehicle charging points.

Enable decarbonisation

- Update Powerco's low carbon transition strategy for the 2023 Gas Asset Management Plan.
- Determine the optimal blend and volumes of low carbon gas for the gas network.
- Progress towards setting up a streamlined process for utility scale solar (1 MW or more) and conditionally approve 200MW of distributed energy connections.



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 FY23 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.



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



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



Reduce inequality within and among countries.⁵



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 \(un.org\)](#)





Ngā pou

The pillars of our work

In 2020 we undertook our first materiality assessment. This was a foundation piece of work that helped to inform our approach to sustainability and led to the establishment of Powerco's Sustainability Pou. During 2023, we undertook a follow-up and verification [materiality assessment](#) in line with the latest GRI requirements. This reinforced the relevance of our five pou. 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

We uploaded climate data such as coastal erosion, coastal inundation, and flooding layers into Powerco's GIS platform.



Whirinaki Ensuring reliable and resilient networks

Term	Target FY23	Performance FY23
Short	Refresh the enterprise-wide Risk Management Framework and integrate climate change and ESG risks.	A new enterprise-wide Risk Management Policy and Framework have been developed that provide a priority-based approach to identify, assess and address environmental, social, governance and operational-related risks.
Short	Employee cyber maturity is proactively managed throughout FY23 by the delivery of an information security awareness roadmap.	Powerco has maintained its cyber security maturity at a level that is resilient against most cyber threats and is well-prepared to respond in the event of an incident. The focus for FY23 was improving staff awareness of external cyber threats.
Short	GIS platform supports sound decision making around physical risk related to climate change.	Material climate data such as coastal erosion, coastal inundation, and flooding layers have been uploaded into Powerco's GIS platform.
Short	Keep our customers' power on for an average of 99.95% of the time.	Due to the major events such as Cyclone Gabrielle, the target to keep our customers' power on for an average of 99.95% of the time was not met. However normalising for major events we achieved 99.96%.
Short	Measure the frequency and impact of storms on reliability of our network including storm severity, reconnection times and how effective our emergency management response systems are.	Our reporting for storm resilience improved during FY23, and included impact of weather events and windspeed on our network resilience. Further reporting improvements are planned for FY24.
Short	Install 300 low voltage monitors to improve the understanding of hosting capacity for distributed generation connections for our customers.	More than 500 low voltage monitors were installed during FY23. The information provided by these monitors was used to create a Distributed Generation hosting capacity map that indicates potential capacity for EV charging stations and other distributed energy opportunities.
Short	Deliver energy security to gas customers by keeping gas flowing 99.99% of the time.	We delivered gas to our customers 99.99986% of the time, including during major events.
Short	Achieve <100 pipe leaks per 1,000km per annum.	During FY23 we detected and fixed 65.65 leaks per 1000kms. This is within our target of <100 pipe leaks per 1,000km per annum.

Term	Target FY24
Short	Implement a new Risk Management Framework across the business aligned with our four strategic themes; Deliver for our customers, Get ready to do more for our customers, Transform our customer experience, and Serve new customers.
Short	Transition our internal cyber risk management framework to the updated accreditation of ISO-27001:2022.
Short	Physical and Transitional climate change risks are included in our risk registers, and our first Adaptation and Resilience Plan is reflected in our Asset Management Plans.
Short	Keep our customers' power on for an average of 99.95% of the time.
Short	Deliver energy security to gas customers by keeping gas flowing 99.99% of the time.
Short	Achieve <100 pipe leaks per 1,000km per annum.

Whirinaki Ensuring reliable and resilient networks

Term	Target FY23	Performance FY23
Short	Introduce new modelling (Marcogaz) for our gas network by FY23 in order to determine specific gas loss (and emissions) reduction targets.	The Marcogaz model was established to determine specific gas loss (and emissions) using historic gas leak data. The next step is to use the model to track and report on leakage every 3 months.
Medium	Our investment programme reflects our changing physical environment to maintain electricity resilience and reliability.	The FY23 Asset Management Plan (AMP) includes network resilience planning, based on physical risk work undertaken in 2020. This will be further updated with the development of an adaptation and resilience plan, for inclusion in the 2024 AMP.
Medium	Develop a climate change physical adaptation strategy that includes transitional and physical scenario analysis.	Climate scenarios have been established and integrated into business planning. FY24 will focus on physical risk analysis and the development of an adaptation and resilience strategy.

Term	Target FY24
Short	Undertake our first round of gas leak detection, using new equipment, that will provide more accurate data to determine specific emissions mitigation options.
Short	Evaluate gas leakage data quarterly using the Marcogaz leakage model.
Short	Develop a comprehensive resilience strategy, with roadmap and early actions in place during FY24. This will include our plans for mitigation of physical climate change risks and reflecting our customers' energy resilience needs.
Long	Implementation of Powerco's resilience strategy.
Long	Implementation of our Advanced Distribution Management System (ADMS) to support the reliability and resilience of supply.



Taiao

Contributing to a lower carbon world

We streamlined our process for small-scale solar connections.



Taiao Contributing to a lower carbon world

Term	Target FY23	Performance FY23
Short	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.	A North Island boiler review was completed by partnering with EECA and DETA to identify large customers (or groups of customers) to quantify the scale of customer decarbonisation opportunities. The results were used to inform Powerco's 2023 Asset Management Plan.
Short	Measure and reduce scope 1 and 2 emissions (excluding line losses) and the most material scope 3 emission activities.	Powerco's latest greenhouse gas inventory report is available on our website .
Short	Investigate emission reduction targets in line with science.	An investigation of science aligned emission reduction targets was undertaken in FY23. Alignment with science for specific emissions sources will be agreed with the business in FY24.
Short	Understand and assess the financial impact of achieving science aligned emissions targets.	We understand the emissions profiles required to achieve the science aligned targets and are currently assessing the financial impacts of specific reduction initiatives.
Short	Build an automated application process for small-scale solar connections.	The small-scale connection process has been streamlined, but not yet fully automated.
Short	Develop and install 3 micro grids on our network to improve customers' self-reliance, reduce grid demand and defer costly upgrades.	No formal microgrids are yet in place. We are, however, actively working on various initiatives to reduce grid demand with distributed generation.
Short	Publish low carbon transition strategy for gas network.	The Gas Asset Management Plan includes a section that outlines the low carbon strategy for the gas network.
Short	Complete the low carbon gas compatibility assessment for the network.	An assessment of pipeline materials was completed with no compatibility issues identified for distributing low carbon gas. Standards are now being assessed to incorporate renewable gas. System capacity is still to be assessed as renewable gas options are identified.

Term	Target FY24
Short	Develop decarbonisation solution offerings for large customers.
Short	Reduce carbon emissions from our vehicle fleet by 15%.
Short	Set a business-wide, ambitious emission reduction target and plan.
Short	Set up a streamlined process for connecting Electric Vehicle charging points.
Short	Update Powerco's low carbon transition strategy for the 2023 Gas Asset Management Plan.
Short	Determine the optimal blend and volumes of low carbon gas for the gas network.

Taiao Contributing to a lower carbon world

Term	Target FY23	Performance FY23
Medium	Production of a robust, decision-useful and authentic climate related disclosure.	During FY23, the business developed and agreed our four climate change scenarios. These will be used as part of our climate change risk assessments within the roadmap for climate reporting in FY24.
Medium	Implementation of emissions reduction strategies in line with our emissions reduction roadmap.	During FY23, we continued with our vehicle fleet conversion and consolidated office locations. We've also improved our processes for measuring SF6 to aid with emissions reporting. An emissions reduction strategy will be developed in FY24 to address our target emissions.
Medium	Set up a streamlined process for large scale solar (1 MW or more) and enable 200MW of connected capacity.	We are currently supporting over 50 (>1GW) solar farm enquiries. A dedicated role to manage customers wanting to install large distributed generation (DG) was established, and an updated DG policy and technical connection standard have been initiated.
Long	Continue to evolve the electricity network to support customer driven renewable generation and energy trading.	A basis for long-term planning and strategy has been developed to evolve the electricity network to support customer driven renewable generation and energy trading. This includes managing the pipeline of customer-driven renewable generation applications.
Long	Facilitate and accelerate decarbonisation for our customers.	An Energy Solutions team was established to support our customers with large decarbonisation projects.
Long	20% reduction on natural gas volumes going through the network by 2030 (compared to FY20).	Our target of 20% reduction on natural gas volumes going through the network by 2030 (compared to FY20), will be achieved through the introduction of renewable gas alternatives and improved efficiency of gas customers. Specific reduction targets will be set for FY25 – FY30 based on New Zealand's gas transition strategy.

Term	Target FY24
Medium	Production of a robust, decision-useful and authentic climate related disclosure.
Long	Develop alternatives to remote diesel generation units such as biofuel, battery storage and small-scale hydrogen generation possibilities.
Medium	Set up a streamlined process for utility scale solar (1 MW or more) and conditionally approve 200MW of distributed energy connections.
Medium	Halve the average connection time for Electric Vehicle chargers to be installed on the Powerco network.
Long	20% reduction in natural gas volumes going through the network by 2030 (compared to FY20) and identify specific year on year volume reductions for FY25-FY30.



Hauora

Promoting health and safety

We delivered working better together workshops to improve our safety relationships with our contractors.



Hauora Promoting health and safety

Term	Target FY23	Performance FY23
Short	Continue to reduce serious harm, demonstrated by a 10% decrease year on year for our three-year rolling average TRIFR and LTIFR measures.	Good progress has been made on Powerco's safety programme, but this was not reflected in our lagging metrics. TRIFR was 8% lower than the three-year rolling average (not quite reaching target) and LTIFR exceeded the target.
Short	Deliver working better together workshops to improve our safety relationships with our contractors.	"Working better together" workshops were undertaken with our largest contractor Downer throughout FY23, with several improvement workstreams set up as a result.
Short	5% improvement in positive incident reporting (near misses and push backs) from FY22.	This target was narrowly missed after being on track nearly all year. This is an ongoing area of focus for Management in FY24.

Term	Target FY24
Short	Deliver quarterly workshops to all Powerco gas network service providers to improve our safety relationships with our contractors.
Short	Achieve 25% positive incident reporting rate (near misses, push backs and hazard IDs).
Short	Improve the safety culture at Powerco, demonstrated by a 5% year on year improvement in a Safe Plus Assessment.
Short	Achieve Workplace Safety Interaction targets at three levels: Directors (15) Executive Leadership (80) and Powerco staff (180).



Maanaki tāngata

Supporting our people

We were awarded the
Rainbow Tick in 2023.



Maanaki tāngata Supporting our people

Term	Target FY23	Performance FY23
Short	Cultural competency training offered as core training for all employees.	Te Puāwai o Powerco – our te ao Māori interest group, launched its programme of weekly training and practice sessions open to all Powerco employees.
Short	Cultural intelligence embedded in Powerco's leadership framework.	Our newly developed leadership framework is supported by the te ao Māori hauora concept, Te whare tapa whā, and fuses it with leadership fundamentals.
Short	Maintain equal gender representation (50%) within senior leadership roles (+/- 10%).	We maintained equal gender representation through our 43% female executive leadership and are behind expectations with Senior Leaders and Other Managers (35%).
Short	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."	In our November Pulse Check 88% of employees agree at work, their opinions count and 95% of employees agree someone at work cares about them.
Short	Provide flexible holiday swapping for employees.	Enabling frameworks are being built by our finance systems to enable Public Holiday transfer.
Short	Increase salary transparency as part of pay equity focus.	Enabling frameworks are being built by finance systems and HRIS data is ready to continue our pathway to pay transparency.
Medium	"Pay equity: (a) Maintain gender pay equity (+/-2%) (b) <15% overall gender pay gap".	"We did not maintain our target of (+/-2%) gender pay equity, with an increase from 1.7% to 2.5%. Our pay gap increased from 16.7% to 17.8%. The gender imbalance in senior positions after our recent restructuring has driven an increase in the gender pay gap, alongside external market rate movements that have disproportionately favoured roles predominantly held by male employees."
Medium	Ethnicity pay equity (+/-2%).	Ethnicity pay equity has decreased from 3.3% difference to 2.3%.

Term	Target FY24
Short	Implement a high-performance framework aligned with Ngā Tikanga, Powerco's cultural framework, to improve performance. Support this with processes such as remuneration, recruitment, induction, performance management, and leadership programmes.
Short	Achieve equal gender representation (50%) within tier 3 leadership roles (+/- 10%) by Q2 FY25.
Medium	"Pay equity: (a) Maintain gender pay equity (+/-2%) (b) <15% overall gender pay gap."
Medium	Ethnicity pay equity (+/-2%).

Maanaki tāngata Supporting our people

Term	Target FY23	Performance FY23
Long	5% increase year on year NPS based on FY22 score.	Our proportion of promoters has remained steady for the past 12 months (~40%), but our proportion of detractors has grown. We are focused on helping our people who aren't thriving right now, and this will improve NPS over time.
Long	Powerco's workforce reflects the communities it serves. (a) 10% workforce identify as Māori by 2025.	"7% employees identify as Māori, up from 3% measured 12 months earlier. "
Long	Rainbow Tick accreditation for 2023.	Rainbow Tick was awarded to Powerco in 2023.

Term	Target FY24
Long	5% increase year on year for employee NPS (FY22 base year).
Long	10% workforce identify as Māori by 2025.



Whakakotahitanga

Engaging with our communities

We undertook a range of community engagements aligned to our sustainability priorities, including tree planting.



Whakakotahitanga Engaging with our communities

Term	Target FY23	Performance FY23
Short	Identify and meet with 'Tier 1' community stakeholders as specified in a Stakeholder Management Plan.	Strong relationships across our network are essential for effective delivery of our work programme and understanding customers' future needs and preferences. An initial stakeholder management plan was developed based on community stakeholders identified through our new stakeholder management system.
Short	Establish a Customer Relationship Management System to increase our ability to engage with customers and stakeholders.	Our stakeholder management system has been established and is being progressively implemented across Powerco to increase our ability to engage with customers and stakeholders.
Short	Publish annual customer insight information relating to customer views on reliability, price, sustainability, service experience and use/planned uptake of new technologies.	We are improving our knowledge of customers' views and preferences through annual and quarterly customer surveys and a pricing survey. Customer insights findings will be published annually from FY24.
Short	Finalise and publish the Te Raa framework – our engagement plan with Tangata Whenua.	The Te Raa framework, our engagement plan with Tangata Whenua is complete and being socialised with Powerco staff.
Short	Deliver a flagship community engagement initiative aligned to our sustainability priorities for each of our planning areas.	Powerco has a range of community engagements aligned to our sustainability priorities including Coromandel Tree Planting, Pokaiwhenua Catchment planting (Putāruru), Taranaki Festival of Lights, Palmerston Wild Base, Greytown midwinter Christmas.
Short	Introduce a customer effort index and satisfaction measures, and collect data to establish a baseline by FY23.	Customer satisfaction surveying and benchmarking was completed in FY23. The metrics needed for an effort index have been identified and introduction of these will continue in FY24.
Short	Achieve a net promoter score of 58 in FY23 to measure our quality of gas customer service and customer experience.	We achieved an NPS of 52 for customer experience of gas connections. While this is below our target of +58 and a drop from 2021 +55, supply chain issues remain prevalent across the whole customer connection experience?

Term	Target FY24
Short	Improve customers' experience with Powerco, by a 5% increase in Customer Satisfaction score.
Short	Publish annual customer insight information relating to customer views on reliability, price, sustainability, service experience and use/planned uptake of new technologies.
Short	Maintain net promoter score of +52 to measure our quality of gas customer service and customer experience.

Whakakotahitanga Engaging with our communities

Term	Target FY23	Performance FY23
Medium	Engage and operate in line with our Te Raa framework – our engagement plan with Tangata Whenua.	With our new Te Raa Framework in place, engagement with Tangata Whenua is planned to step up in FY24.
Medium	Improve our website outage page to enable customers to access accurate and timely outage information.	Our unplanned outage page was successfully launched during FY23. Further improvements to the page are planned for FY24.

Term	Target FY24
Short	Engage and operate in line with our Te Raa framework – our engagement plan with Tangata Whenua.
Medium	Prepare for integrated reporting in FY25.

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
2-1	Organisational Details Powerco Ltd (including all its subsidiaries) 35 Junction Street, New Plymouth, New Zealand Our people (powerco.co.nz)
2-2	Entities included in the organisations sustainability reporting Powerco Limited and all its subsidiaries
2-3	Reporting period, frequency and contact point Figures used in this report are based on FY23 (1 April 2022 to 31 March 2023) or Powerco's most recently published information disclosures (electricity - 31 March 2023, gas - 30 September 2022), unless otherwise stated in the report. We intend to keep stakeholders updated as material topics evolve and with an annual GRI index disclosure.
2-4	Restatements of information An update to our materiality assessment was undertaken during FY23 which is outside of the reporting period, but which we have referenced in the report for completeness. Materiality assessment summary
2-5	External assurance No assurance has been sought on this report. The greenhouse gas emissions inventory referenced in this document has limited assurance. Both reports are disclosed to Powerco Executive and Board before publishing.
2-6	Activities, value chain and other business relationships Our business (powerco.co.nz) Disclosures and submissions
2-7	Employees Our people fy23.pdf
2-8	Workers who are not employed Powerco has approximately 1300 people working on our networks that are not direct employees but are contractors carrying out work on behalf of Powerco. This figure has been obtained from data collected monthly through our approved contractor process which reports on the number of people working on our network. We have rounded to 1300 to account for other contractors that undertake other work on behalf of Powerco.

GRI Standard	Disclosure
2-9	Governance structure and composition Powerco's Governance Statement Our people (powerco.co.nz)
2-10	Nomination and selection of the highest governance body Powerco's Governance Statement
2-11	Chair of the highest governance body Our people (powerco.co.nz)
2-12	Role of the highest governance body in overseeing the management of impacts Powerco's Governance Statement Our people (powerco.co.nz)
2-13	Delegation of responsibility for managing impacts Powerco's Governance Statement
2-14	Role of the highest governance body in sustainability reporting This Report is provided to the Powerco Board for review prior to publishing. The Board was also a key stakeholder in establishing Powerco's original material sustainability topics as well as a participant in the review undertaken in 2023. They are advised of the outcomes of any materiality assessments undertaken.
2-15	Conflicts of interest Powerco's Governance Statement
2-16	Communication of critical concerns https://www.powerco.co.nz/contact Powerco's Governance Statement No critical concerns were reported to the Board in FY23.
2-17	Collective knowledge of the highest governance body Evaluation of the performance of the highest governance body Powerco's Governance Statement During FY23, the Board undertook a capability (self) assessment. This is being matched to a management capability assessment and will direct focus of Board member CPD (Continuing Professional Development), as well as any areas where the Board may need to engage expert advice.
2-19	Remuneration policies Powerco's Governance Statement
2-20	Process to determine remuneration

GRI Standard	Disclosure
2-21	<p>Annual total compensation ratio</p> <p>The ratio of annual total compensation for the CEO to the median annual total compensation for all employees (excluding the highest-paid individual) is 8.91:1. The percentage increase in annual total compensation for the CEO to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) is 2.9%(CEO): 6% (median for all employees)</p> <p>Contextual Notes: Total remuneration paid was used for each part-time employee, not FTE equivalent payrates. Types of compensation include: ACC, Alternative Holiday Buy Out, All paid Leave, Annual Leave (Cashed Up), Leave paid on Termination, All Bonuses, Higher Duties Allowances, Payments in Lieu of Notice, All Allowances, One off Lump sums taxable and non taxable, Overtime Public holidays worked, Redundancy compensation, Settlement payments, KiwiSaver Employer contributions.</p>
2-22 2-23 2-24 2-25	<p>Statement on sustainable development strategy Policy commitments Embedding policy commitments Processes to remediate negative impacts</p> <p>This report - Powerco's FY23 Sustainability Performance Report. Powerco incorporates a precautionary approach within our environmental management system, Code of Business Conduct, and Health, Safety and Environment by Design guidelines Powerco's Governance Statement</p>
2-26	<p>Mechanisms for seeking advice and raising concerns</p> <p>www.powerco.co.nz/contact</p>
2-27	<p>Compliance with laws and regulations</p> <p>Powerco had no material non-compliances with relevant laws and regulations during FY23.</p>

GRI Standard	Disclosure
2-28	<p>Membership associations</p> <p>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.</p>
2-29	<p>Approach to stakeholder engagement</p> <p>Engaging with communities Materiality assessment summary</p>
2-30	<p>Contact point for questions</p> <p>No employees are covered by collective bargaining agreements</p>

GRI Standard	Disclosure	
Material topic 2021		
3-1	Process to determine material topics	This report covers Powerco's performance for FY23 across our full operations. The Materiality assessment summary covers topic boundaries
3-2	List of material topics	2020-sustainability-at-powerco-.pdf page 10
3-3	Management of material topics – Technology and innovation	A large number of our team's interface with new technology including network transformation, IT, business development. Electricity asset management plan Gas asset management plan
3-3	Management of material topics – Price and reliability	Powerco is regulated by the Commerce Commission. Powerco has pricing, regulatory, financial, and legal staff to ensure we are operating within parameters set out by our regulators. <ul style="list-style-type: none"> • Annual delivery reports • Information disclosures and audits • Financial audits • Asset management plans • Reports to regulators Engaging with our communities
3-3	Management of material topics – Industry collaboration	<ul style="list-style-type: none"> • Dedicated Customer team • Procurement policies and standards • Stakeholder engagement forums • Partnerships with other electricity and gas businesses • HSEQ by design Powerco's Sustainability Pou have targets and performance measures that require industry collaboration What we do
3-3	Management of material topics - Resilience to extreme weather and climate change	Powerco's Environment and Sustainability team oversee Powerco's GHG emissions inventory Contributing to a lower carbon world Climate Change Policy (pou Taiaao target) Distributed generation (powerco.co.nz) Future Zone (thegashub.co.nz)

GRI Standard	Disclosure	
3-3	Management of material topics - Health and Safety	Powerco's Health and safety team oversee policies and strategies including: <ul style="list-style-type: none"> • Competency administration • Training programme • Incident databases • Awareness raising campaigns • Development of Safety as usual approach • Learning teams • A health and safety database which records all incidents in detail including how these were resolved Safety at our core
3-3	Management of material topics - Workforce learning, development and a strong organisational culture	Powerco's People team oversee policies and strategies including: <ul style="list-style-type: none"> • 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 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
3-3	Management of material topics - Community Engagement	Powerco's Customer team oversee policies and strategies including: <ul style="list-style-type: none"> • Customer complaints process • Outage notifications • Customer and community engagement processes • Stakeholder communications and engagement Contact Engaging with our communities
3-3	Management of material topics - Powerco's Carbon Footprint	Powerco's Environmental and Sustainability team oversee the measurement, reporting and strategies to improve the businesses footprint including: <ul style="list-style-type: none"> • Emissions reductions strategies • Maintaining an auditable greenhouse gas emissions database Greenhouse gas emissions inventory report

GRI Standard**Disclosure**

GRI 305: Emissions 2016

305-1	Direct (Scope 1) GHG emissions	Greenhouse gas emissions inventory report
305-2	Energy Indirect (Scope 2) GHG emissions	Greenhouse gas emissions inventory report
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse gas emissions inventory report
305-4	GHG emissions intensity	Greenhouse gas emissions inventory report

