



Materiality Assessment Update

2023

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Background

This assessment

This report summarises a materiality assessment carried out for Powerco during 2023. It was designed as a follow-up and verification of a previous more in-depth assessment carried out in 2020.

The assessment was conducted in line with the Global Reporting Initiative Standards, which were updated in 2021. The updated standards require an objective assessment of both positive and negative impacts arising from Powerco's business that affect the environment, society, the economy and people's human rights.

The aim of this assessment was to:

- Provide Powerco with a check-in on our existing material issues
- Test the validity of our 2020 materiality assessment
- Examine any additional recommendations, changes and future direction.






2020 assessment

In 2020 we undertook our first [materiality assessment](#). This was a foundation piece of work that helped to inform Powerco's approach to sustainability and led to the establishment of Powerco's Sustainability Pou – our core, public facing categorisation of our five sustainability focus areas.

Ngā pou

The pillars of our work

We're committed to balancing the needs of our people, communities, environment and business as we deliver energy to around 1.1m customers. Our five pou (pillars) guide us on our sustainability journey, representing the five focus areas of our work and the goals we want to achieve for each.

 <p>Whirinaki</p> <p>Ensuring reliable and resilient networks</p> <p>Ensuring our networks are reliable and resilient now and into the future.</p>	 <p>Taiao</p> <p>Contributing to a lower carbon world</p> <p>Helping Aotearoa achieve our emissions targets by facilitating the use of low carbon technologies and energy sources.</p>	 <p>Hauora</p> <p>Health and safety at our core</p> <p>Keeping people safe around our networks and worksites is our priority.</p>	 <p>Manaaki tāngata</p> <p>Supporting our people</p> <p>Fostering a culture that empowers people to do their best, values diversity, and meets our future needs.</p>	 <p>Whakakotahitanga</p> <p>Engaging with communities</p> <p>Working with you to understand your needs and guide the decisions we make to deliver the best outcomes.</p>
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Methodology

Methodology (GRI 2-29)

For our 2023 materiality assessment, some of our identified stakeholder groups were represented through key Powerco staff. These staff are already part of regular engagement activities with stakeholders, have a good understanding of their views and needs, and are experts in their area of the business.

The assessment included:

- A desktop review of the current megatrends potentially impacting Powerco or those which Powerco could impact
- Seven on-line workshops that asked participants to rank the material issues from our 2020 assessment, provide insights on powerco’s performance on sustainability issues, and discuss relative importance and opportunities for improvements
- A deep dive into the top four topics to identify positive and negative impacts of Powerco
- An emailed survey to those unable to attend the workshops
- Summary and analysis by a contracted provider

Key identified stakeholders (GRI 2-29)

The table below shows the stakeholder groups that were identified.

Table 1: Participant groups and stakeholder representation

Group	Stakeholder group	No. of workshop participants	No. of participants completing questionnaire
1	Shareholders	0	5
2	Powerco business	6	2
3	Industry, Contractors (electricity)	3	0
4	Customers, Industry (gas)	5	0
5	Investors	4	1
6	Regulators, retailers, generators, community, customers	5	3
7	Staff suppliers	5	2

Summary of findings

Summary of findings (GRI 3-2)

Figure 1 below, shows the relative changes in material topics compared to the 2020 materiality assessment. Overall, the material issues remained consistent, other than the inclusion of cyber security. Two topics increased in materiality (organisation culture and community engagement), and one topic decreased in materiality (industry collaboration).



The top four topics selected by participants as the ones where Powerco should invest most are detailed below:

Supporting New Zealand's decarbonisation
 We need to move faster,
 Transition our gas networks,
 Integrate technical and commercial thinking:

Technology and innovation
 Support and be clever with innovation

Resilience to extreme weather and climate change
 Understand and act on our risks:

Community engagement
 Utilise our community feedback:
 Make communications between Powerco and stakeholders easy

Figure 1: Changes in Powerco's material topics compared to FY20

Appendices

Appendix A – Materiality Issue Definitions

Material issues	Definition
Carbon footprint	Reduce Powerco's emissions to better manage its carbon footprint.
Community engagement	Community engagement and partnerships with local business, iwi, community, government and non-governmental organisations (NGO) to solve common problems and support community prosperity.
Culture	Strong organisational culture for employees and contractors.
Health and Safety	Health and safety of the public and workers at Powerco work sites.
Industry collaboration	Proactive collaboration and engagement with industry peers and regulators.
Price	Focus on price and reliability
Resilience to extreme weather	Resilience to extreme weather Be resilient and adapt to natural disasters and the physical impacts of climate change.
Support NZ's decarbonisation	Support decarbonisation and a transition to a low carbon economy so that energy is available when and where it is required by our customers.
Technology and innovation	Embrace digital innovation and technology across our networks.
Workforce learning and development	Invest in the learning and development of our people.