



# Sustainability Policy

*Approved Date: 25 August 2020*

---

## POLICY STATEMENT

This policy supports our ability to demonstrate sustainability leadership, and reflects our view that successful businesses are sustainable businesses. It sets out the principles by which we embed sustainability in Meridian Group's business practices and thinking, to ensure we are focused on making the biggest positive difference to our shareholders, people, customers, stakeholders and the environment. The policy provides guidance for prioritising our actions, using the principles that guide our approach to sustainability which are:

- We take into account the key issues that are important to our stakeholders
- We contribute meaningfully to the United Nations Sustainable Development Goals (SDGs) that are relevant to us
- We use integrated thinking to create value for ourselves and for others
- We are clear about the positions we take on the key sustainability issues for our business
- We are transparent about our efforts and the impact we have on others
- Our governance structures support us to think broadly and holistically about how we create value.

## PURPOSE OF THIS POLICY

This policy is designed to ensure that our actions support our ability to create long-term value for ourselves and for others.

The world needs to act sustainably so we can live within the limits of our planet. The Sustainable Development Goals, created by the United Nations, are a way to guide this effort to ensure equitable and sustainable outcomes. New Zealand and Australia, along with all the 193 Member States of the United Nations, has signed up to those goals. It is the responsibility of companies like ours to define how the business community can best contribute to improving the long-term future through sustainable business practice.

The Meridian Group relies on its relationships, its expertise and access to natural resources to generate financial returns. Looking after staff, customers, shareholders, communities, stakeholders and the environment is essential for the Meridian Group's long term financial wellbeing, and helps ensure our future resilience and success. These elements are managed through an integrated approach which takes a holistic view of long-term value.

## SCOPE AND FIT

This is a Corporate Group Policy and applies to all entities within the Meridian Group of companies.

The parent and subsidiary companies are expected to develop sustainability frameworks that support the achievement of the goals of this policy, and to measure their progress against those frameworks.

## POLICY DETAIL

### ENGAGING WITH STAKEHOLDERS

***We take into account the key issues that are important to our stakeholders.***

We understand how important the relationships we have with various groups of people are to the success of our business. We regularly engage with stakeholders to understand their views, and we respond appropriately to their interests. Our guidelines for our staff on how to engage with stakeholders are available on our [website](#).

Stakeholders refer to groups of people who are strongly interested in our business, are impacted by us, and could positively or negatively impact our business. These groups include (but are not limited to):

- Customers and the public as a whole
- Employees, suppliers and contractors
- Shareholders and investors
- Regulators and the electricity industry
- Local and central government
- Communities near generation assets, including local iwi and indigenous peoples in Australia.

### FOCUSING ON THE KEY ISSUES

***We contribute meaningfully to the United Nations Sustainable Development Goals (SDGs) that are relevant to who we are.***

We will focus on the SDGs where we can "shift the dial" for New Zealand and Australia the most by virtue of the type of company we are and the industry we are in. The greatest contribution we can make to the future of the planet as an electricity company is to continue to generate electricity with renewable resources to combat climate change, and secondly to compete to provide retail electricity services to households, small medium enterprises, corporate and large industrial customers at a price that supports our customers to live comfortable and connected lives. There are two SDGs where we have a significant role to play:

- SDG7 *Affordable and Clean Energy*
- SDG13 *Climate Action*

We also strive to take a leadership position in relation to other SDGs where the Meridian Group's activities may not of themselves "shift the dial" at a national level, but where we should demonstrate a commitment to being a good corporate citizen, particularly on issues where New Zealand's performance needs to improve. For example, we have a contribution to make to both SDG5 *Gender Equality* and SDG15 *Life on Land*. In recognition of the latter, our internal guidelines on our approach to environmental management and biodiversity are available on our [website](#).

We overlay this analysis of where we can make a difference with an understanding of the issues that are important to our stakeholders and matter to the future of New Zealand (and Australia), and prioritise these issues accordingly. And we also ensure that matters which are considered

“base hygiene” in a modern connected world are undertaken.

We commit to evaluating our decisions against the Sustainable Development Goals, to understand the impacts of our decisions on our capability to contribute to the achievement of the goals, and to be transparent externally about our sustainability performance.

## **INTEGRATING OUR THINKING**

***We use integrated thinking to create value for ourselves and for others.***

Working towards a sustainable future is not just about the values we hold as an organisation, it is also an approach that ensures our long-term business success. We are dependent upon a variety of resources in order to succeed, including:

- Financial capital (cash)
- Assets & Technology
- People & Expertise
- Relationships & Reputation
- Natural Resources.

We manage our use of these resources, to ensure that they are available to us in the future, and support our ability to create value, both for ourselves and for others, for New Zealand, Australia and globally.

## **SETTING THE DIRECTION**

***We are clear about the positions we take on the key sustainability issues for our business.***

For each of the key topics we prioritise for action in our parent company and in our subsidiaries, we develop and publicly release our point of view, long term vision, actions and targets as appropriate.

## **REPORTING**

***We are transparent about our efforts and the impact we have on others.***

We report in a manner that ensures we meet all relevant legal requirements.

In addition, we use the principles based International Integrated Reporting Council’s Integrated Reporting Framework (the “<IR> Framework”) to guide our approach to reporting, to ensure that the management of our business is integrated and holistic, ensuring our medium and long term success.

We use the latest Global Reporting Initiative’s Sustainable Reporting Standards (the “GRI Standards”) to ensure the content of our reporting is robust and comparable to other organisations in New Zealand and globally.

We undertake assurance of our non-financial information, in order to have comfort as to its accuracy and veracity, and to build trust with our stakeholders.

Our reporting of both financial and non-financial information about our business covers the Group.

## **GOVERNANCE**

***Our governance structures support us to think broadly and holistically about how we create value.***

Our progress in sustainability leadership is monitored by the Meridian Board through review by the Safety and Sustainability Sub-Committee. Various areas of our sustainability efforts are also reviewed by other committees:

- Our management of financial and manufactured capital (our cash and assets) are governed by the Audit and Risk Committee and the Board as a whole
- Our management of our human capital (our people and expertise) is governed by the Remuneration and Human Resources Committee
- Our management of health and safety is governed as a separate topic by the Safety and Sustainability Committee
- Our management of technology is governed by the Board as a whole
- Our management of stakeholder relationships, corporate brand & reputation, customers, and the environment are all governed under the sustainability part of the Safety and Sustainability Committee and by the Board as a whole.

At an Executive level in the parent company, responsibility for the management of each capital lies with the CEO and is delegated as follows:

- Financial capital – Chief Financial Officer
- Manufactured capital (our assets) – General Manager, Generation and Natural Resources
- Technology – Chief Technology Officer
- Human capital – Chief People Officer
- Relationship capital – various General Managers depending on the stakeholder group
- Environmental capital – primarily the General Manager, Generation and Natural Resources.