

How to effectively engage with stakeholders

Purpose of these guidelines

Meridian is a retailer, renewable energy generator, community member and partner to a number of stakeholders predominantly in New Zealand, but also overseas. It is important that all our people across the Meridian Group are guided by our Code of Conduct on the way we behave, as well as clear principles that inform the way we engage with our many stakeholders. Our purpose to deliver *clean energy for a fairer and healthier world* best reflects Meridian and what we stand for and requires engaging and collaborating with a wide range of stakeholders.

Our stakeholders

A stakeholder is anybody who can affect or is affected and or interested in/ by an organisation, strategy or project. They can be internal or external, with minor or significant level of authority, or anyone who either has an active or watchful interest in our activities and our work. Stakeholder groups can be a small or large grouping of people who share values, norms or geographic location, or can be a group of people who have a shared interest.

Our key stakeholders are those who can have a significant impact on our business, or on whom we have a significant potential impact through our activities. We engage annually with these stakeholders through one-on-one interviews to understand these impacts and what actions we can take to mitigate them. Our material impacts are grouped into topics then reviewed and approved by our Board of Directors annually.

We describe our stakeholders each year in our integrated report and detail the process we undertake to establish and remedy these impacts. You can look at the most up to date descriptions, which include stakeholders' key concerns and issues, in the most recent report, which is available on our website. If you are regularly engaging with our stakeholders, you will be asked at least annually for information on how these relationships are going and any ongoing topics of interest or concern for those groups. Together with the information you and our stakeholders provide, this is then fed into our strategy development process.

In general terms Meridian's stakeholders will generally fall into the following categories: indigenous peoples (iwi), customers (including vulnerable customers), our people, shareholders, suppliers, local communities, local and central/federal government bodies, regulators, NGOs and environmental organisations and the media.

What is engagement?

Engagement is a broad term that can encompass public participation, community, stakeholder or public relations, consultation, government and media relations. The level of engagement appropriate for each situation can range from a one-way transfer of information, through to consultation and actively involving or empowering stakeholders in the decision-making process. There are many definitions of engagement, however the themes of connection and interaction regarding issues that affect the community, iwi, our people, our customers and other stakeholder groups are generally common.

Stakeholder engagement is a process whereby an organisation:

- *proactively seeks out stakeholder or community values, concerns and aspirations;*
- *incorporates those values, concerns and aspirations into a decision-making process or processes where appropriate; and*
- *establishes an enduring relationship with the stakeholder to ensure that their priorities and values continue to shape outcomes.*

Our engagement work enables us to generate goodwill, grow our reputation as a trusted and reputable company who operates with integrity. Our relationships help us deliver on Meridian's goals. For example, in our generation activities our approach helps us maintain a 'license to operate' from our Iwi partners, our local community, and other relevant stakeholders. Our commitment to managing our environmental and social impacts enables us to showcase innovation and a genuine commitment to be an authentic custodian of the assets we manage and the resources essential to our operations.

A dedicated cross-business team, with accountability through the General Manager Corporate Affairs and Sustainability, has been established to coordinate our stakeholder programme. The team works to maximise engagement impact, ensuring we differentiate ourselves, because our stakeholder approach is crucial to delivering on the ambitions of our strategy.

Benefits of engagement

Benefits for our stakeholders

- **Inform** – timely information /or resources can support an understanding of Meridian or any activities a stakeholder may be interested in or may be affected by. This includes stakeholders being supported to understand broad context issues that affect them.
- **Consult** – stakeholders feel heard and respected. Even when Meridian encounters views or concerns it disagrees with, Meridian provides stakeholders the opportunity to share information, express themselves/ask questions, either via a formal process or via a process Meridian has created itself.
- **Involve** – stakeholders get the opportunity to participate and collaborate in Meridian activities, projects or initiatives, where relevant.
- **Collaborate** – wherever possible we work together on projects of interest to generate the best outcomes.

Meridian and Ngāi Tahu, who have Mana whenua status over the Waitaki catchment, have been working closely together to share knowledge on the sites of cultural significance in the area. Together we opened a visitor centre, Punatahu, in 2018 on the shores of Lake Pūkaki. We work with the rūnanga of Arowhenua, Moeraki and Waihao on projects like this as well as the eel trap and transfer programme, which helps to maintain a sustainable population of migrant eels, a native taonga for Māori. We have also been working to restore a Mahika Kai sites, removing exotic species and replanting key taonga species as a source of cultural materials and food.

- **Empower** - as we work together, to identify co-benefits for stakeholders through understanding wider aspirations and needs.

We're proud to back local projects in communities around our wind farms and hydro stations with our Power Up fund. With Power Up the community has a say on which projects we fund against criteria. Managed by a panel of locals and Meridian staff we work together to build strong and sustainable communities.

Benefits to Meridian

- **Licence to operate** Meridian maintains support in its aim to deliver value through all its activities over the long term.
- **Quality outcomes** Business activities can be informed by an understanding of stakeholder/community values, needs and aspirations and outcomes are enhanced by this understanding.
- **Manage risk** Meridian's plans, opportunities and solutions avoid risks or regulatory requirements through an understanding of its stakeholders' perspectives. For example, early 'buy in' to projects can support our business strengthen trust and partnership and deliver more valuable outcomes.
- **Valued partner** Meridian understands stakeholder expectations, and where appropriate create solutions of mutual benefit, partnerships, share education opportunities, funds or resources.
- **Brand strength** Good engagement can grow Meridian's brand and improve its reputation, support customer retention and growth, create loyal shareholders and committed community partners and advocates.

Principles of effective engagement

Integrity - Integrity and authenticity are essential to our success. We value customers, safety, sustainability and people and our Meridian behaviours lie at the heart of our company values, or 'How to Be'. Meridian's Code of Conduct, which can be found on our website, outlines in detail our values and the clear expectations on Meridian staff members who represent us every day. The behaviours expected in our Code of Conduct are implicit in our approach to stakeholders.

Overall, we may engage with different groups in different ways, but we always endeavour to be consistent, honest and respectful of all our stakeholder groups. We must all use good judgement to enhance trust, respect and the reputation of Meridian including giving the proper attention to the matters in our roles.

Guided by best practice – Meridian looks to an engagement framework from the International Association for Public Participation (known as IAP2) to guide our approach, particularly in terms of how we engage with stakeholders in our generation communities. This organisation is an

international association of members who seek to promote and improve the practice of public participation / public engagement in relation to individuals, governments, institutions, and other entities that affect the public interest in nations throughout the world.

Meridian is a member of the IAP2 and we follow their principles. You can read more about IAP2 [here](#). In general, we aspire to the following participation model:

		INCREASING IMPACT ON THE DECISION				
		INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL		To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
	PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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If you are in a role that requires frequent stakeholder engagement activity on behalf of Meridian, we encourage you to complete training, which is available from local branches of IAP2. If you wish to understand more about this, you can contact Meridian’s community engagement managers.

Context – We know that context is important for the way we engage. As a general rule Meridian does follow the ‘best practice’ model for participation, however this approach may sometimes change depending on the needs of the stakeholder or Meridian’s purpose for engagement. It is important you are clear on why you wish to engage, understand your stakeholder(s) and their context, so you can plan your engagement.

Please note we follow all statutory and regulatory requirements that are triggered by consultation - this includes adhering to the Resource Management Act 1991. For example, new renewable energy developments or projects that result in effects on the environment will normally require public/limited notification meaning public participation is required - this also aligns with our purpose as to engaging and collaborating with a wider range of parties so to fully understand and appreciate any effects.

Coordinate – there are a huge variety of stakeholders that are important to us. For the most part certain areas of our organisation have accountability for stakeholders, but often there is an overlap. It is important that you take responsibility for understanding who holds the key roles, and that you work collaboratively together so our stakeholders are treated fairly and have a consistent experience.

Learn as we go – we will revisit our engagement plans and strategies and focus on making improvements to the way we engage for the benefit of our stakeholders and Meridian

Planning effective engagement

For each stakeholder group, there are existing agreed approaches to stakeholder engagement, for example with investors, iwi, government officials, the electricity sector, regulatory authorities, existing generation communities, our customers and our people. For new generation projects, stakeholder engagement plans are created by the project team, with input from a range of internal experts.

We have also recently appointed a Kaihautū Māori, (Head of Māori Advisory), to grow our knowledge and understanding in Te Reo Māori and tikanga organisation wide, with the objective of deepening our relationship with tangata whenua.

Four key themes to consider working with Māori trust and confidence:

- i. Trust is relational.
- ii. Trust is reciprocal.
- iii. Tikanga builds trust and confidence.
- iv. The power imbalance thwarts trust.

These engagement plans have been developed using the IAP2 methodology where relevant, and based upon the needs and importance of the stakeholders in question. We support stakeholders to engage with us by attempting wherever possible to choose engagement methods that are suitable to that stakeholder, and referring them to any funding or support agency available to support them to engage with us.

We also provide training if you are engaging with stakeholders regularly to help you achieve good outcomes from the engagement – for example how to ensure everyone is heard in a public meeting, how to manage strongly expressed views, or how to minimise participation fatigue.

You can talk to your manager if you have questions about our approach to engagement. You can also contact the Corporate Affairs and Sustainability business unit, who can help you connect to the right people in our business to answer your queries.