



# Sustainability Policy

Approved date: 14 December 2022

## POLICY STATEMENT

This policy provides the foundation to embed sustainability throughout our business, guiding choices and behaviours. The principles that underpin our approach to sustainability include:

- We consider and take action to address our actual and potential impacts to people, planet and economy over time
- We take into account the key issues that are important to our staff, customers, communities, iwi, partners and shareholders.
- We contribute meaningfully to the United Nations (UN) Sustainable Development Goals (SDGs) most relevant to us
- We commit to best practice across our prioritised sustainability commitments and are transparent about our efforts and impacts
- Our governance structures support us to think holistically about how we create and deliver value.

## PURPOSE OF THIS POLICY

This policy is designed to ensure Meridian Group has a clear foundation from which our sustainability leadership and actions are guided.

## 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

### SUSTAINABILITY AT MERIDIAN

**We adopt a holistic view of sustainability to create value and impact across environmental, social and economic elements**

Meridian’s purpose *Clean Energy for a Fairer and Healthier World* implicitly puts sustainability at the centre of decision making, with some natural target areas. Meridian considers sustainability to be meeting the needs of today, without compromising the needs of future generations and includes environmental, social and economic elements. Meridian prioritises choices and aligns business practices to consider sustainability in its holistic sense

but focused on the elements most material to Meridian and its stakeholders.

The Meridian Group relies on its relationships, expertise, physical assets and access to natural resources to generate value. Sustainability principles outlined in this policy are prioritised based on the most material impacts we could have on people and/or planet.

### 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 – some of which benchmark Meridian on environmental, social and governance disclosures.
- Regulators and the electricity industry
- Local and central government
- Communities near generation assets, including local iwi

### UN SDG FOCUS

**We meaningfully contribute to the United Nations (UN) Sustainable Development Goals (SDGs) that are most relevant for our business context, impacts and stakeholders**

We will focus on the SDGs where we can have the most impact, considering our place in the world, sector and business outlook. The greatest contribution we can make as an energy company in a time where significant global, national and multi-sector decarbonisation is required is to:

- Enable material decarbonisation to meaningfully address climate change - continue generating electricity from renewable resources and bring to market additional renewable energy generation at pace
- Enable the decarbonisation of other sectors such as transport and process heat through the introduction of viable, tangible products and services.
- Ensure we responsibly consume resources in both our operations and development activities, taking into account the whole of life impacts of resources and proactively managing biodiversity, water, waste impacts.

- Meaningfully contribute to social wellbeing, fair commercial actions, and upholding human rights across our business operations.

There are four priority SDGs where we have a significant role to play:

- SDG7 Affordable and Clean Energy
- SDG8 Decent Work and Economic Growth
- SDG12 Responsible Consumption and Production
- SDG13 Climate Action

We also taken action to have positive impact in relation to other SDGs where the Meridian Group’s activities may not materially influence outcomes, but rather demonstrate a commitment in our sphere of influence to operate consistent with our purpose and the issues important to our operations and stakeholders. These five UN SDGs include:

- SDG5 Gender Equality
- SDG6 Clean Water and Sanitation
- SDG9 Industry, Innovation and Infrastructure
- SDG10 Reduced Inequalities
- SDG15 Life on Land

We commit to aligning our decisions against SDGs and support progress towards the underlying SDG targets, and to be transparent externally about our sustainability performance against these.

### BEST PRACTICE AND TRANSPARENCY

**We seek continuous improvement in our business to maintain best practice and prioritise sustainability commitments. We will be transparent in how we conduct ourselves**

We commit to continuing to innovate, adopt leading best practice and embed sustainability leadership and action in our business. Examples include our new commitments and year on year improvements across:

- Climate-related disclosures and underlying processes
- Assessment of Modern Slavery risks in our supply chain
- A new public commitment to biodiversity and deforestation
- A refreshed live Climate Action Plan
- Science-aligned gross emission reduction targets
- Improvement actions following an ethical practices review
- Increased support and tools for staff to enable them to make informed sustainable choices in their work activities
- Joining the UN Global Compact and committing to aligning operations with the ten universally accepted principles across areas human rights, labour, environment and anti-corruption and taking action in support of the UN SDG goals.

We recognise that the bar on sustainability best practice continues to be raised and will we evolve current practices and adopt new commitments where we can meaningfully add value for our stakeholders.

We commit to being authentic and transparent in our conduct and the impacts we have which includes:

- Annually assessing, making progress against and disclosing our material impacts on people, planet and economy
- Maintaining a Code of Conduct and Supplier Code of Conduct which embodies Meridian’s sustainability commitments
- We report using the principles-based International Integrated Reporting Council’s Integrated Reporting Framework (the “Framework”) and 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 have independent assurance completed of our non-financial information, in order to have comfort as to its accuracy and veracity, and to build trust with our stakeholders.

### 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), including climate-related risks and opportunities, 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
- Our management of stakeholder relationships, corporate brand and 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 Information Officer
- Human capital – Chief People Officer
- Relationship capital – GM Corporate Affairs and Sustainability, in partnership with General Managers depending on the stakeholder group
- Environmental capital – primarily the General Manager, Development.