ELECTRICITY AND GAS
DISTRIBUTION SERVICES

Greenhouse Gas Emissions Inventory Report

01 April 2019 – 31 March 2020

Contents

Executive Summary

Powerco's vision is to be a reliable partner in delivering New Zealand's energy future. We see our action on climate change and Greenhouse gas (GHG) emissions as being a key contribution to this. This is our first GHG inventory report and covers the financial year ending 31 March 2020 (FY20).

Our total emissions for FY20 decreased by 9.3% compared with the FY19 base year. Unfortunately, our Scope 1 and Scope 3 emissions increased.

- Scope 1 emissions from mobile combustion increased compared to the base year due to an increase in employee numbers and vehicle use required to deliver on the requirements of our Customised Price Path[1].
- Scope 2 emissions decreased mainly as a result of a change in emission factor used.
- Scope 3 emissions increased due increased electricity network works programme under our Customised Price Path, our contractors have driven more miles on our behalf in FY20 as part of maintenance and construction work.

More detail on what emission sources make up those scope categories is provided in section 4 of this report.

GHG emissions (tCO_2e) by scope

Scope	FY20	Base year FY19	Variance	
	tCO_2e	tCO_2e	tCO_2e	%
1	7,750.96	7,744.07	+6.89	+0.09
2	26,696.10	30,898.12	-4,202.02	-13.60
3	3,949.85	3,693.02	+256.83	+6.95
Total	**38,396.92**	**42,335.22**	**-3,938.3**	**-9.3**

Our emissions target is to be net-zero at 2030 for Scope 1 and 2 emissions, excluding line losses. We are developing a net zero at 2030 roadmap to outline the steps required to achieve this.

[1] powercodelivering.co.nz/

Introduction

Our vision

Our vision is to be a reliable partner in delivering New Zealand's energy future. To do this, we incorporate climate change activities into our business decision-making. Reporting of greenhouse gas (GHG) emissions supports our sustainability actions and our desire to align Powerco with the United Nation's Sustainable Development Goal 13 "Climate Action". The decarbonisation of the New Zealand economy and our own carbon emissions have been identified by our stakeholders as a material sustainability issue.

This Inventory Report is a complete and accurate account of the GHG emissions that result from Powerco's operations within the declared boundary and scope for the reporting period.

Powerco's reporting processes and emissions categorisation is consistent with international protocols and standards and has been prepared in accordance with:

- *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*
- *Greenhouse Gas Protocol: Corporate Value chain (Scope 3) Accounting and Reporting Standard (2011)*
- *Global Reporting Index (GRI)* standards, specifically *GRI 305: Emissions (2016)*

This is our first public GHG emissions disclosure relating to the year ended 31 March 2020.

Powerco's sustainability strategy

Powerco is one of New Zealand's largest electricity and gas distributors. We strive to deliver reliable energy to your door by keeping the lights on and gas flowing to around 1.1m customers (across 452,000 homes, businesses and organisations) across many North Island regions. These consumers are served through Powerco assets including approximately 30,000 kilometres of electricity lines and 6,000 kilometres of gas pipelines[2].

During 2020, we developed a Corporate Sustainability strategy. It covers the triple bottom line of People, Planet and Profits and sets out Powerco's sustainability vision plus a framework to ensure authentic balance across environmental, social and financial outcomes.

Our target of being net zero at 2030 for Scope 1 and 2 emissions, excluding line losses, was approved by Powerco's Board of Directors in June 2020.

It is common practice for distribution businesses to exclude emissions associated with energy lost through electricity lines and gas pipes from their net zero target. This is because these losses are largely out of distributors control. We estimate that over time, as the percentage of renewable electricity in New Zealand increases, the emissions associated with each unit of electricity sold will decrease. However, with New Zealand's transition to a lower carbon economy, it is anticipated that more electricity will be required. This means that New Zealand's overall emissions will likely decrease but that Powerco's line losses may not.

Part of our strategy includes developing a net zero at 2030 roadmap to outline the steps required to most effectively reduce our emissions. Off-setting options will be considered. And although not formally part of our net zero target, we will also be working to reduce material Scope 3 emission sources. Focus areas for emissions reductions are business travel and downstream transportation and distribution.

[2] For further information about the organisation refer to powerco.co.nz

Scope and boundaries

Organisational boundary

The organisational boundary determines the parameters for GHG reporting and ensures a consistent approach is applied when assessing which factors to include. Powerco applies the operational control consolidation approach. This means we aggregate the emissions from Powerco Limited and its subsidiary companies to a single Powerco value.

Powerco's operations are conducted out of seven locations throughout New Plymouth, Whanganui, Palmerston North, Wellington and Tauranga. The Liardet Street premises in New Plymouth is our registered office.

Our operational control includes additional off-site locations and all operational activities undertaken by Powerco. These activities include:

- Powerco owned transmission, sub-transmission, distribution and service cables and lines, zone substations, distribution transformers and associated network equipment.
- Powerco owned gas pipes, valves, district regulator stations and associated network equipment.
- Administrative activities within the areas occupied by Powerco at each office location.
- The operations of subsidiary companies Base Power, Powerco Transmission Services, and The Gas Hub.
- Powerco's operational control starts at the grid exit point and the gas gate station, where energy is transferred to our networks from Transpower and First Gas and finishes at the point where the energy reaches our customers[3].

Operational boundary

The GHG emission sources from the Powerco value chain were identified with reference to the methodology described in the GHG protocol and the GRI 305 Standards. These have been classified as follows.

- **Scope 1 -** Direct GHG emissions that are operationally controlled by Powerco including:
  - Mobile consumption emissions relating to non-biogenic fuels.
  - Fugitive emissions including sulphur hexafluoride (SF_6) in relation to our electricity network, and carbon dioxide (CO_2) and methane (CH_4) in relation to our gas network.
  - Stationary combustion emissions relating to direct consumption of natural gas.

    Due to the unavailability of data, stationary combustion emissions associated with Powerco's use of petrol and diesel generators on the networks and fugitive emissions from air conditioning systems are excluded.
- **Scope 2 -** Indirect GHG emissions from imported energy.
  - This includes the GHG emissions from distribution network line losses and purchased electricity consumed by Powerco.
- **Scope 3 -** Other indirect GHG emissions not included in Scope 1 or 2 that occur in Powerco's value chain including upstream emissions. These have been further categorised as:
  - Business travel.
  - Waste.
  - Downstream transportation and distribution (including outsourced network maintenance and construction).
  - Employee commuting.

[3] For the electricity network this is the pillar box or fuse before the service cable or line that enters the property boundary. For the gas network this includes the service pipe and may or may not include the gas meter.

Due to the unavailability of data, stationary combustion emissions associated with customer purchase of fuel for the use of back-up diesel generators and waste associated with the disposal of network equipment are excluded.

Methodology

GHG emissions across Scopes 1, 2, and 3 are calculated using a bottom-up approach where outputs from our activities are converted to a CO_2e value using an appropriate emission factor.

Scope 1 and Scope 3 GHG emissions are calculated using direct measurement of energy sources consumed and conversion to GHG (a CO_2 equivalent value). For gas network pipeline losses, our methodology is based on the NGER Scheme Method 2 with modifications for a New Zealand setting. The equations used for this calculation are detailed in Appendix A.

Scope 2 emissions are calculated using location-based emission factors which reflect the average GHG emissions intensity of the New Zealand electricity supply.

Emission factors

Table 1: Emission factors applied to our emission sources

Scope	Category	Emission source	Emission factor	Reference
1	Mobile combustion	Petrol	2.45 $kgCO_2e$ /L	NZ Ministry for the Environment 2019
		Diesel	2.69 $kgCO_2e$ /L	
	Fugitive emissions	SF6	GWP 28,000	EPA – Emissions Trading Scheme
		Gas network pipeline losses	GWP CH_4 28 GWP CO_2 1	Powerco custom methodology – see Appendix A
	Stationary combustion	Purchased gas	54.1 $kgCO_2e$ / GJ	NZ Ministry for the Environment 2019
2	Electricity	Electricity network line losses	0.0977 $kgCO_2e$ / kWh	
		Purchased electricity	0.0977 $kgCO_2e$ / kWh	
3	Business travel	Rental cars (petrol, diesel)	2.45 $kgCO_2e$/L 2.69 $kgCO_2e$ /L	
		Taxis	0.075 $kgCO_2e$ /$	
		Flights (domestic, international short haul and long haul without radiative forcing)	0.13 $kgCO_2e$ / Km 0.086 $kgCO_2e$ / Km 0.112 $kgCO_2e$ / Km	
	Employee commuting	Travel to and from work (in private vehicles and public transport)	0.224 $kgCO_2$/ Km	
	Waste	Waste to landfill from offices	1.17 $kgCO_2e$ /kg	
	Downstream transportation and distribution	Contractor fuel (operational maintenance and construction, petrol and diesel)	2.45 $kgCO_2e$ /L 2.69 $kgCO_2e$ /L	

Reporting period and base year

The current reporting period is the year ended 31 March 2020 (FY20).

The calendar year 2019 SF_6 data was collected and reported to the Environmental Protection Authority by the Environment and Sustainability Manager and this has been used in this FY20 GHG Inventory Report in the absence of intra-year data.

The base year is the year ended 31 March 2019 (FY19). FY19 was selected as the base year due to the availability of data and similarity of scope with FY20. This definition will be reassessed if:

- We significantly change the scope of what we were measuring within our value chain.
- We buy or sell a company.
- Emission factors change significantly and affect previous years, e.g. if the science behind the emissions factor was revised.

Data collection

Table 2: Data relating to our emission sources

Scope	Category	Emission source	Data	Data provided by Key Personnel
1	Mobile combustion	Petrol, diesel	Usage in litres	External supplier
	Fugitive emissions	SF_6	Identified equipment and quantity[4]	ERP system - SAP
		Gas network pipeline losses	Refer appendix A	Powerco's Gas Pricing and Revenue Manager
	Stationary combustion	Purchased gas	Gas usage	Powerco's Fleet & Facilities team
2	Electricity	Electricity network lines losses	Published number	Powerco's audited information disclosure for electricity distribution[5]
		Purchased electricity	Electricity usage	Powerco's Fleet & Facilities team. Automated report from external supplier
3	Business travel	Rental cars (petrol, diesel)	Mileage	External travel provider
		Taxis	Financial cost	Powerco's Financial Accountant
		Flights (domestic, international short haul and long haul)	Distance between departure and arrival airports	External travel provider
	Employee commuting	Travel to and from work (in private vehicles and public transport)	Distance to work per employee is pro-rated across Powerco's total FTE's	Voluntary annual employee commute survey
	Waste	Waste to landfill from offices	kgs of waste to landfill and recyclables for three of Powerco's offices[6]	Waste Management Ltd
	Downstream transportation and distribution	Contractor fuel (operational maintenance and construction, petrol and diesel)	Mileage and fuel type	Powerco's Tier one contractors

[4] Calculated consistent with those specified by the Environmental Protection Authority (EPA) in the Climate Change Response Act Regulations accounting for losses of SF_6 gas to atmosphere and the corresponding tCO_{2e}.
[5] See schedule 8e in the disclosures here https://www.powerco.co.nz/Publications/Disclosures/Electricity/
[6] Where data was missing for other offices, older data is used as a proxy to estimate total kg of landfill by calculating kg per FTE.

Review process

Data is collected by the HSEQ Data Analyst and converted to tCO_2e. The calculations and methodologies are reviewed by the Environment and Sustainability Manager and this report is approved for publication by the General Manager, Customer Group, with oversight from the Powerco Board.

FY20 GHG inventory

Emissions by scope

Powerco's GHG emissions for the year ended March 2020 are 38,397 tCO_2e, representing an 9.3% reduction compared to the FY19 base year. The largest decrease in our emissions came from a reduction in Scope 2 emissions. This is a result of a new emissions factor being released by the Ministry for the Environment for purchased electricity. Slightly more electricity was distributed through Powerco's distribution network in FY20 compared to FY19.

Figure 1: Total FY20 GHG emissions by scope

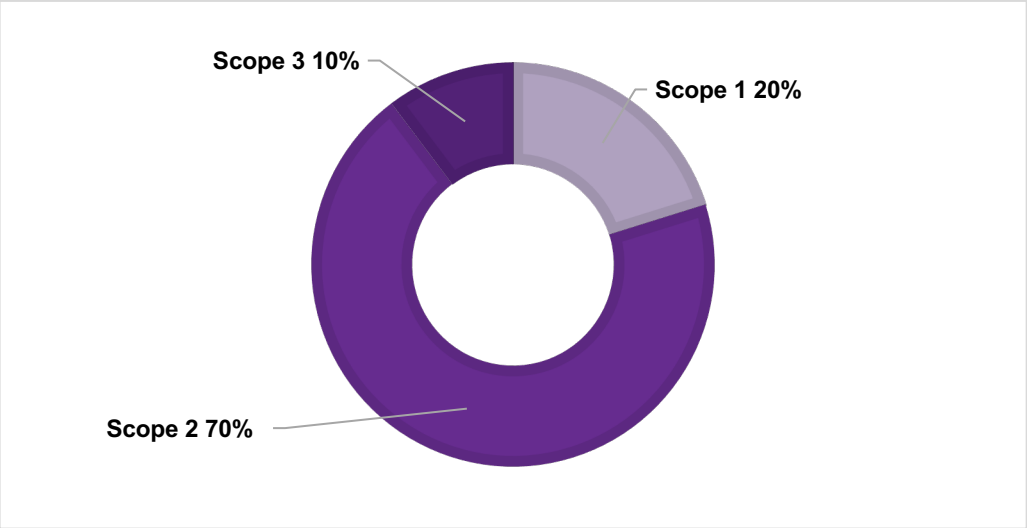


Table 3: GHG emissions (tCO_2e) by scope

Scope	FY20	Base year FY19	Variance	
	tCO_2e	tCO_2e	tCO_2e	%
1	7,750.96	7,744.07	+6.89	+0.09
2	26,696.10	30,898.12	-4,202.02	-13.60
3	3,949.85	3,693.02	+256.83	+6.5
Total	**38,396.92**	**42,335.22**	**-3,938.30**	**-9.3**

Emissions by activity

Figure 2 shows our emissions by activity as a percentage of total emissions for FY20. Network losses account for 87% of total emissions (68% electricity plus 19% gas) across scopes 1 and 2. The next largest single source of emissions is in Scope 3 – Downstream transportation and distribution (contractor fuel) at 9% of total emissions. Other Scope 1 emissions make up approximately 1% and consists of emissions from mobile combustion and fugitive emissions. Other Scope 3 emissions account for 2% of total emissions and are made up of business travel, worker commute and emissions from waste.

Figure 2: Total FY20 GHG emissions by activity

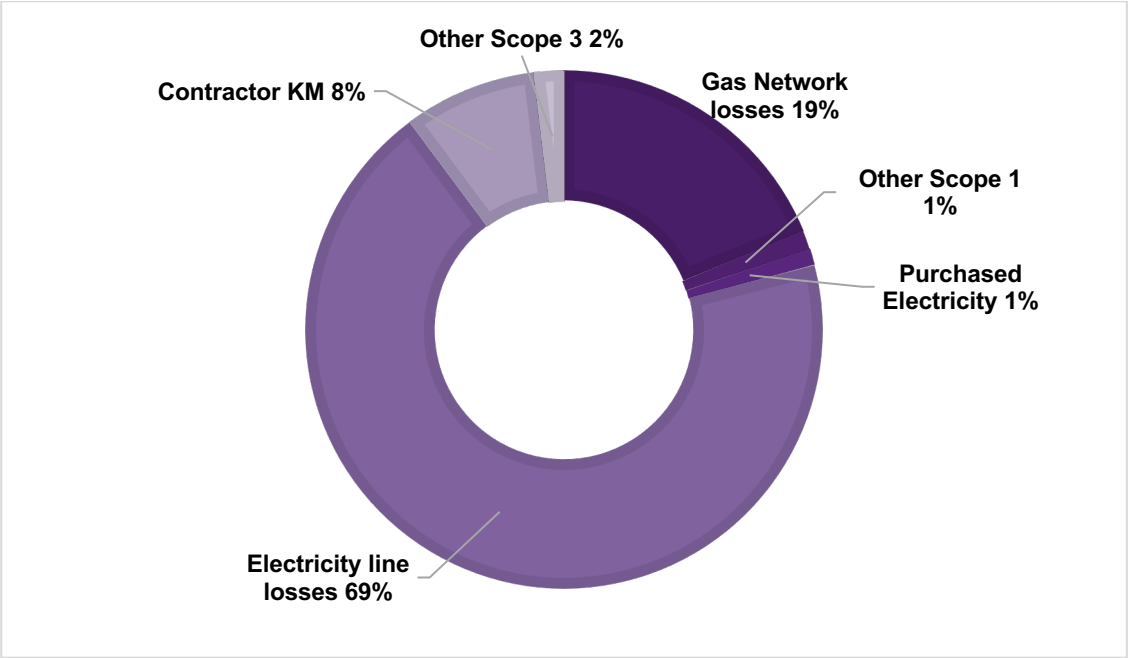


Table 4: FY20 GHG emissions (tCO_2e) by activity

Category	FY20 tCO_2e
Mobile combustion	464.53
Fugitive emissions - SF_6	4.58[7]
Fugitive emissions - Gas network pipeline losses	7,281.72
Stationary combustion - direct use of gas	0.13
Total Scope 1	**7,750.96**
Electricity network line losses	26,310.25
Purchased electricity	385.85
Total Scope 2	**26,696.10**
Business travel	451.64
Employee commuting	245.00
Waste	36.60
Downstream transportation and distribution – Contractor fuel	3,216.61
Total Scope 3	**3,949.85**
Total Scope 1, 2, and 3	**38,396.92**

GHG emissions intensity

Emissions intensity is a measure of carbon emissions in relation to a suitable business metric. We have chosen total energy transported through our networks in GWh as the metric. Our FY20 GHG emissions intensity for Scope 1 and 2 emissions is 4.49 tCO_2e per GWh, a decrease from FY19 of 5.11 tCO_2e. The decrease in emissions intensity is due to an overall decrease in emissions and an increase in energy transported through the networks as seen in table 4. The emissions intensity calculation includes all Scope 1, 2 and 3 emissions reported for FY20. Scope 3 emissions are reported separately. CO_2, SF_6, CH_4 are included in our calculations.

[7] SF_6 emissions are for the 2019 calendar year, as required for reporting under the NZ ETS and in absence of intra-year data

Table 4: GHG intensity

Emission source	FY20	Base year FY19	Variance	
	tCO_2e	tCO_2e	tCO_2e	%
Total GWh of energy transported through networks	7,667.91	7,565.20	+102.71	+1.36
Scope 1 & 2 emissions tCO_2e	34,447.07	38,642.20	-4,195.13	-10.86
Emissions intensity GWh/ tCO_2e Scope 1 & 2	**4.49**	**5.11**	**-0.62**	**-12.13**
Scope 3 emissions	3,949.85	3,693.02	+256.83	+6.95
Emissions intensity GWh/ tCO_2e Scope 3	**0.52**	**0.49**	**+0.03**	**+5.52**

Exclusions

The following data is not available and is therefore excluded from the FY20 GHG Inventory Report:

- **Scope 1 -** stationary combustion emissions associated with the use of petrol and diesel generators
- **Scope 1 -** fugitive emissions from air conditioning systems
- **Scope 3 -** stationary combustion emissions associated with customer purchases of fuel for the use of back-up diesel generators in Base Power units.
- **Scope 3 -** Waste associated with the disposal of network equipment

These emission sources are currently being investigated with plans to include the emissions from FY21. The relative impact of not including these emission sources for FY20 is unknown.

GHG offsets

New Zealand Emissions Trading Scheme (NZETS)

Powerco is required to participate in the NZETS due to the level of our SF_6 total holdings. Reporting and surrender of credits for the NZETS is by calendar year. NZ units were surrendered to the NZ Government for 4.58 tCO_2e arising from 0.2kg of SF_6 loss from end of life equipment during the 2019 calendar year.

5 Net zero emissions target

Powerco is aiming to be net zero at 2030 for Scope 1 and 2 emissions excluding line and pipeline losses. This FY20 GHG Inventory Report is the first report against this target. Our net zero roadmap is being developed and we expect to share our progress in the FY21 GHG Inventory Report.

FY20 saw total emissions included in our net zero target decrease 3.58% compared to the FY19 base year (Table 6). This is largely due to the change in emission factor applied to purchased electricity and a decrease in SF_6 fugitive emissions. The decrease in SF_6 emissions was a result of a decrease in damage to our SF_6 equipment. Emissions from mobile combustion increased compared to the base year due to an increase in employee numbers and vehicle use required to deliver on the requirements of our Customised Price Path[8].

Table 6: Emissions (tCO_{2e}) relating to our net zero emissions target

Emission source	FY20	Base year FY19	Variance	
	tCO_{2e}	tCO_{2e}	tCO_{2e}	%
Mobile combustion	464.53	402.43	+62.10	+15.43
SF6	4.58	50.16	-45.58	-90.87
Purchased gas	0.13	0.12	+0.01	+8.33
Purchased electricity	385.85	434.12	-48.27	-11.12
Total	**855.09**	**886.83**	**-31.74**	**-3.58**

Although Scope 3 emissions are not included in our net zero target, we monitor these across three focus areas because they are significant sources of emissions that we want to reduce. One of these areas increased in FY20 compared to FY19. As a result of an increased electricity network works programme under our Customised Price Path, our contractors have driven more miles on our behalf in FY20 as part of maintenance and construction work.

Table 7: Emissions from Scope 3 focus areas (tCO_{2e})

Emission source	FY20	Base year FY19	Variance	
	tCO_{2e}	tCO_{2e}	tCO_{2e}	%
Business travel	451.64	487.25	-35.61	-7.31
Downstream transportation and distribution	3,216.61	2,925.69	+290.92	+9.94
Employee Commute	245.15	246.00	-1.15	-0.47
Total	**3,913.25**	**3,659.09**	**+254.16**	**+6.95**

[8] powercodelivering.co.nz/

6 Appendices

Appendix A – modified NGER Scheme Method 2

Natural gas pipeline loss data calculation was based on the Australian NGER (National Greenhouse and Energy Reporting) Scheme Method 2 modified for New Zealand. This formula estimates fugitive emissions based on the total emissions measured in tCO_2e that pass through the network equipment and a region-specific emissions factor. A detailed explanation of this formula can be found on page 147 of the NGER Determination (2008)[9].

In the absence of a reliable emissions factor for the New Zealand context, the formula was modified to reflect the Maunsell report's (2007) recommended average gas line loss of 0.2%. The modified formula calculates the amount of unburnt carbon dioxide (CO_2) and methane (CH_4) lost from the gas pipelines as a result of distribution, in tonnes, multiplied by the Global Warming Potential of each gas and expressed as tCO_2e.

$E = (TP * 26.137) * 0.2\% * F * D * GWP / 1000$	
TP	throughput (GJ)
26.137	converts GJ to m^3
0.2%	estimated gas line losses
F	average fraction of gas in mix (methane or carbon dioxide) expressed as a percentage
D	density of gas in kg/m^3
GWP	global warming potential of gas (tCO_2e/tonne)
1000	converts to tonnes

The calculation is completed twice with different values of F: once for the methane component of the gas (81.4%) and once for the carbon dioxide component (4.73%). The resulting emissions are summed to give the total amount of emissions from natural gas pipeline losses.

[9] National Greenhouse and Energy Reporting (Measurement) Determination 2008 – see page 147, section 3.81 for Method 2

Appendix B – GRI standards content index

This report contains standard disclosures from the GRI Sustainability Reporting Guidelines. The table below maps the content of this document to the GRI disclosure requirements.

GRI standard	Disclosure	Reference or response	Page
103 Management approach	103-1 Explanation of the material topic and its boundaries	Introduction section of report Operational Boundary section	4 5
	103-2 The management approach and its components	Powerco, GHG and Sustainability section Net Zero at 2030 Emissions target progress	4 12
	103-3 Evaluation of the management approach	Net Zero at 2030 Emissions target progress Offsets – NZETS	12
305 Emissions	305-1 Direct (Scope 1) GHG emissions	Table 3 – GHG emissions by scope Table 4 – FY20 GHG emissions by activity Base year selected Table 1 – Emission factors Organisational boundary section Data collection process section Methodology section and appendix A – Modified NGERS method 2	9 10 7 6 5 7 6 and 13
	305-2 Energy Indirect (Scope 2) GHG emissions	Table 3 – GHG emissions by scope Table 4 – FY20 GHG emissions by activity Base year selected Table 1 – Emission factors Organisational boundary section Data collection process section Methodology section	9 10 7 6 5 7 6
	305-3 Other indirect (Scope 3) GHG emissions	Table 3 – GHG emissions by scope Table 5 – FY20 GHG emissions by activity Base year selected Table 1 – Emission factors Organisational boundary section Data collection process section Methodology section	9 10 7 6 5 7 6
	305-4 GHG emissions intensity	Table 4 – GHG intensity	11

7 Audit report

Independent Limited Assurance Statement to the Management and Directors of Powerco Limited

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Powerco Limited ("Powerco") to undertake limited assurance as defined by the International Standards on Assurance engagements (New Zealand), over Powerco's total greenhouse gas ("GHG") emissions inventory ("GHG inventory") (including scope 1, scope 2 and certain scope 3 emissions from business travel, waste, contractor vehicle kilometres and employee commuting) for the year ended 31 March 2020. Based on our limited assurance procedures, nothing came to our attention that caused us to believe that Powerco's GHG inventory for the year ended 31 March 2020 disclosed in Powerco's 2020 Greenhouse Gas Inventory Report, has not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

What our assurance covered

We reviewed Powerco's total GHG inventory (including scope 1, scope 2 and certain scope 3 emissions from business travel, waste, contractor vehicle kilometres and employee commuting) for the year ended 31 March 2020, disclosed on pages in Powerco's 2020 Greenhouse Gas Inventory Report.

Criteria applied by Powerco

The criteria for our assurance engagement was Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard ("The GHG Protocol"). Emissions factor sources include:

- New Zealand Ministry for the Environment, *Measuring Emissions: A Guide for Organisations* (2019).
- Powerco's custom emissions calculation methodology for Scope 1 fugitive gas emissions, made available to EY and to the users of Powerco's emissions reporting.

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a conclusion on Powerco's GHG inventory for the year ended 31 March 2020 based on our review.

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with the Professional and Ethical Standard 3 (Amended), Ernst & Young Limited maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Powerco's responsibility

Powerco's management ("management") was responsible for selecting the Criteria and preparing and fairly presenting the GHG inventory for the year ended 31 March 2020 in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the engagement

We conducted this review in accordance with the International Standard on Assurance Engagements *ISAE (NZ) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, *ISAE (NZ) 3410 Assurance Engagements on Greenhouse Gas Statements* and the terms of reference for this engagement as agreed with Powerco on 3 September 2020.

Summary of assurance procedures performed

A limited assurance engagement consists of making enquiries and applying analytical, appropriate testing, and other evidence-gathering procedures.

Our procedures included, but were not limited to:

- Conducting interviews with personnel to understand the business and reporting process.
- Checking that the flow of information from site metering or monitoring through to calculation spreadsheets is accurate and any calculations are appropriate.
- Identifying and testing assumptions supporting the calculations.
- Tests of calculation, aggregation and controls.
- Comparing year on year activity-based greenhouse gas and energy data where possible.
- Checking organisational and operational boundaries to test completeness of greenhouse gas emissions sources.
- Checking that emissions factors and methodologies have been correctly applied as per the criteria.
- Reviewing the appropriateness of the presentation of disclosures.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Limited Assurance

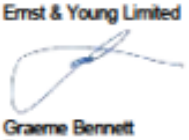
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Powerco or for any purpose other than that for which it was prepared.

Ernst & Young Limited



Graeme Bennett
Partner - Assurance
Auckland
12 November 2020

A member firm of Ernst & Young Global Limited