Powerco

Greenhouse Gas Emissions Inventory Report

01 April 2025 – 31 March 2026
Published July 2026

Level of assurance: Reasonable for categories 1 & 2 and Limited for remaining categories

Contents

Executive summary

At Powerco, we're committed to creating a sustainable energy future. We keep the energy flowing to more than one million people across the North Island of Aotearoa New Zealand. As the country's largest dual-energy distributor by network length, we own and operate almost 29,300km of electricity lines and 6,300km of gas pipes.

From urban and rural homes and businesses to large-scale industrial and commercial operations, we're driven by our purpose of connecting communities to energy that's safe, reliable, and resilient, now and into the future.

As detailed in our Climate Change Policy, our mahi focuses on preparing our networks for change and enabling the aspirations for a net-zero Aotearoa. That means working to ensure our move to a low-emissions future is secure, affordable and environmentally conscious. As well as enabling our customers to decarbonise, we understand the need to make sustainable choices in our own operations. By measuring and publicly disclosing our annual greenhouse gas (GHG) inventory, we are accountable for the emissions that relate to our business operations.

This Greenhouse Gas Emissions Inventory Report covers the financial year ending 31 March 2026 (FY26).

Table 1 contains a high-level summary of our emissions for FY26. A more detailed breakdown can be found in Table 6.

Table 1: GHG emissions by scope

Scope	FY26	FY25	Base year FY21	Variance with base year	
	tCO_2e	tCO_2e	tCO_2e	tCO_2e	%
1	63,395.94	59,592.44	85,702.25	-22,306.31	-26.03%
2	27,504.01	20,266.91	28,184.97	-680.96	-2.42%
3	65,981.52	74,080.16	53,806.26	12,175.26	22.63%
Total	**156,881.47**	**153,939.51**	**167,693.48**	**-10,812.00**	**-6.45%**

FY26 summary

Our total reported emissions for FY26 have decreased by 6.45% compared with the FY21 base year, and increased by 2% compared with FY25. The most material changes in emissions compared with last year are summarised below.

- An increase in scope 1 gas line losses was because of a combination of more leaks being detected, the global warming potential for methane lost to atmosphere increasing by 12%, and an identified leak on part of the intermediate-pressure network (identified as non-hazardous) located in a complex and difficult to remediate area.
- An increase in scope 2 electricity line losses was because of a higher emissions factor for purchased electricity.
- A decrease in scope 3 purchased goods and services was because of a shift to where parts of our expenditure occurred.

Although not large in proportion to the changes listed above, it is pleasing to see other emissions sources positively impacted by specific focus in certain areas. For example, as shown in Table 6, there are early indications that the management of temporary generator use could curtail the previous upwards trend in associated emissions. We also continue to see positive changes in our fleet composition and office electricity use, even with an increase in staff numbers.

Disclaimer

This report includes information, data and forward-looking statements, including plans, assumptions and dependencies, which are based on current expectations that may not unfold as expected. A range of external factors, such as economic conditions, technological developments, climate variability, regulatory changes, consumer behaviour, and market dynamics, could cause actual outcomes to vary materially. Powerco, along with its directors, officers, and employees, does not warrant that, and makes no guarantee that, any such data, information, or forward-looking statements are accurate or will remain accurate or unchanged after the release of this report, nor that outcomes will be achieved.

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This disclaimer should be read in conjunction with the methodologies, assumptions, limitations, and uncertainties set out in this report.

Introduction

This disclosure

This Greenhouse Gas Emissions 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, and utilising all practically available sources of data.[1]

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

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition (2004).
- Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
- Global Reporting Index (GRI) - GRI 2 General Disclosures (2021); 305: Emissions (2016).
- ISO: 14064-1:2018.

This is our seventh public GHG emissions disclosure and relates to the year ended 31 March 2026.

Intended uses and audiences of the report

This report is intended to advise the stakeholders of Powerco on our GHG inventory for the reporting period FY26, along with the steps and measures taken by us to reduce the greenhouse gas emissions associated with our activities.

Powerco stakeholders include shareholders, debt investors, regulators, customers and communities who we supply energy to, employees, contractors, delivery partners, business partners, members of the public, local government, media, tangata whenua and other industry participants.

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 from nine sites in New Plymouth (2), Whanganui, Palmerston North, Wellington, Tauranga (2), Masterton and Te Aroha. The Junction Street premises in New Plymouth is our registered office.

Powerco's operational control starts at grid exit points and gas gate stations, where energy is transferred to our networks from Transpower New Zealand and Firstgas, and finishes at the point where the energy reaches our customers[2].

[1] Contact person for GHG is the Sustainability Strategic Lead email: Corporate.sustainability@powerco.co.nz

[2] 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.

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

- Powerco-owned transmission, subtransmission, 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 company Base Power Ltd.

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:

- Stationary combustion emissions relating to direct consumption of natural gas and non-biogenic fuels in generators.
- 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 and refrigerant losses (HFCs) in our offices and facilities.

Scope 2 – Indirect GHG emissions from imported energy:

- This includes the GHG emissions from distribution network line losses and Powerco-purchased electricity.

Scope 3 – Other indirect GHG emissions not included in scope 1 or 2 that occur in Powerco's value chain. These have been further categorised under the ISO categorisation as per Table 3. A full list of exclusions and reasoning is included in Table 4.

Information management procedures

Powerco's GHG inventory reporting process was first developed in 2015 and last revised in March 2026. This document details the measurement and reporting requirements for Powerco Limited with the objective of assessing and measuring the greenhouse gas emissions associated with Powerco's activities.

Powerco has developed and maintains GHG information management processes that ensure conformance with the principles of the GHG Protocol and of ISO: 14064-1:2018; provide routine and consistent reviews to ensure completeness and accuracy; ensure consistency with the intended use of the GHG inventory; manage and store documentation in a controlled and accessible manner; and identify and address omissions and errors.

Powerco's key GHG information management procedures are:

- Source data is collected directly from third-party suppliers or from Powerco's financial and asset management systems.
- GHG data is stored and analysed in an internally developed business intelligence reporting and data warehouse. Further analysis takes place in Analysis for Office and in a dashboard using SAP Analytics Cloud.
- Results are reviewed by the Environment and Sustainability team.
- Emissions factors and conversion factors are maintained in our internal data warehouse and included in the audit undertaken by Toitū Envirocare.
- The GHG inventory is compiled using activity data and emission factors.
- Emissions data and calculations are independently audited by Toitū Envirocare.
- The report is reviewed to identify opportunities to improve the information management process.
- Directors, senior management and all employees are kept informed of emissions reduction progress via internal dashboards and reporting.

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 emissions factor.

Emissions factors

Table 2: Emissions factors applied to our emission sources

Scope	Grouping/GHG category	Emission source	Emissions factor	Reference
1	Stationary combustion	Purchased gas LPG	0.195kgCO_2e/kWh 2.97kgCO_2e/kWh	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025
		Generators – diesel	2.68kgCO_2e/L	
	Mobile combustion	Petrol	2.38kgCO_2e/L	
		Diesel	2.68kgCO_2e/L	
	Fugitive emissions	SF_6	GWP = 23,500 IPCC AR5 GWP	EPA – Emissions Trading Scheme
		Gas network pipeline losses	GWP CH_4 = 28 IPCC AR5 GWP	MARCOGAZ methodology – see Appendix A
		Refrigerants	GWP = varies	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025
2	Electricity	Electricity network line losses	0.101kgCO_2e/kWh	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025
		Purchased electricity (offices, network sites, public chargers)	0.101kgCO_2e/kWh	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025
3	Purchased goods and services including capital goods and transport	Contractor stationary combustion – diesel	2.68kgCO_2e/L	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025
		Contractor stationary combustion – petrol	2.08kgCO_2e/L	UK GHG Conversion Factors for Company Reporting 2024

Scope	Grouping/GHG category	Emission source	Emissions factor	Reference
		Contractor stationary combustion – LPG	2.97kg/CO_2e/kg	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025
		Contractor mobile combustion	Petrol 2.38kgCO_2e/L	
			Diesel 2.68kgCO_2e/L	
		Services	Varies kgCO_2e/spend NZD	Most applicable factors from M.E Research Consumption Emission Modelling Report – prepared for Auckland Council March 2023
		Purchased products	Varies kgCO_2e/spend NZD	
		Base Power units and other customer use (stationary combustion of diesel)	2.68kgCO_2e/L	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025
	Waste	Waste to composting Waste to landfill (general) Waste recycling (mixed) Waste oil from transformers Network waste (landfill) Network waste (recycling) Construction waste (landfill) Construction waste (recycling)	1.76kgCO_2e/kg 0.64kgCO_2e/kg 0.0064kgCO_2e/kg 2.96kgCO_2e/L 0.64kgCO_2e/kg 0.0064kgCO_2e/kg 0.64kgCO_2e/kg 0.0064kgCO_2e/kg	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025 (excluding waste recycling which uses UK Government GHG Conversion Factors for Company Reporting. 2024)
	Business travel	Rental cars (diesel, petrol, petrol hybrid, electric)	Varies kgCO_2e/km as calculated on the tandem dashboard	
		Taxis	0.0448kgCO_2e/$ (incl GST)	
		Flights (domestic, international short-haul and long-haul with radiative forcing and aircraft size)	Varies kgCO_2e/km as calculated on the tandem dashboard	
		Accommodation (domestic, short-haul, long-haul)	Varies kgCO_2e/night as calculated on the tandem dashboard	

Scope	Grouping/GHG category	Emission source	Emissions factor	Reference
	Employee commuting	Travel to and from work in private vehicles (diesel, electric, petrol, hybrid, plug-in hybrid, motorbike and public transport bus, public transport rail)	0.265kgCO_2/km 0.026kgCO_2/km 0.244kgCO_2/km 0.192kgCO_2/km 0.089kgCO_2/km 0.106kgCO_2/km 0.155kgCO_2/km 0.027kgCO_2/km	
		Working from home – home charging	0.479kgCO_2/day 0.101kgCO_2e/kWh	
	Downstream transportation and distribution	Road freight of scrap metals and plastics	0.135kgCO_2/tkm	
	Downstream leased assets	Powerco-owned leased depots purchased electricity	0.101kgCO_2e/kWh	MFE Measuring-Emissions-Guidance Emission Factors Workbook 2025

Reporting period and base year

The current reporting period is the financial year ended 31 March 2026 (FY26). The base year is the year ended 31 March 2021 (FY21).

FY21 was selected as the base year because of the availability of data and similarity of scope with our ongoing emissions. The base year will be considered for reassessment or recalculation in any of the following circumstances:

- We significantly change the scope of what we are measuring within our value chain, for example mergers, acquisitions and other structural changes.
- Significant changes in calculation methodology.
- An error or cumulative errors that could be collectively significant are discovered.
- Recalculating the affected emissions source for the base year would provide decision useful information for our key stakeholders.
- 'Significant' has been defined as where the inventory is affected by changes that in aggregate total 5% of the scope covered by our emissions reduction target (or 5% of the total inventory).

Data collection and review process

Data for this report is collected by Powerco's Environment and Sustainability team and uploaded into the business intelligence reporting and data warehouse. This software uses a calculation methodology for quantifying the GHG emissions inventory using emissions source activity data multiplied by the GHG emissions factors. The data is analysed as per the 'Information management procedures' section of this report, and the report is approved for publication by the General Manager Corporate Services and the Powerco Board.

Data quality of reported emissions

In total, 17 sources of data are obtained from supplier invoices or reports and 10 from internal business units. Most data sources (n=24) are based on usage/quantities, while three scope 3 data sources (taxis, purchased goods and services) are spend-based.

For scope 1 and 2 emissions, 45% of the data sources are internal and 55% are calculated using data obtained from suppliers or other value chain partners.

For scope 3 emissions, 65% of data sources are calculated using data obtained from suppliers or other value chain partners.

There are limitations to some data sources, specifically:

- Electricity line losses are based on a draft figure for electricity throughput (based on the previous three years' actual figures) and subsequent losses in order to publish this report in a timely manner. We estimate the final audited figure could vary by up to 1.7%. Last year, the difference in emissions for the actual audited line loss emissions versus the three-year average we used in the GHG report was 0.85% of the total GHG emissions. This was within the (5%) threshold for a restatement.
- Electricity transmission and distribution losses for energy delivered to installation control points. Unmetered loads, such as streetlights, are estimated.
- There are uncertainties and estimations used to calculate employee commuting, such as averaging of travel range bands. A multiplier is calculated and applied to each travel type. FY26 data is based on the average FY25 employee commute intensity data multiplied by the FY26 number of staff.
- Scope 3 contractor fuel emissions are based on actual usage data from all major field service providers. Other contractors are accounted for in purchased goods and services.
- LPG quantities have been estimated based on a minimum of one BBQ bottle at Junction Street and the runtime of the generator at our Whanganui office.
- A spend-based methodology has been used to calculate emissions for scope 3 category 1 – purchased goods and services, using the most applicable emissions factors from a locally sourced consumption emissions modelling report.
- Refrigerant emissions are based on a default leakage rate from MfE guidelines, average total holdings and deduced refrigerant types.
- Construction waste is based off an estimated percentage of spend across all construction companies.
- Network waste is based off actual waste data for seven of our major contractors. We used this data to proportion against network waste for our other two major contractors.

Summary of emission source inclusions

Table 3: Data collection and review process

Scope	Grouping/GHG category	ISO category	Emission source	Data	Data source
1	Stationary combustion	1: Direct emission and removals	Purchased gas	Gas usage (kWh)	External invoices
			Office LPG (bottled)	Gas usage (kg)	Estimate based on less than one bottle used in one location and generator runtime in another
			Diesel	Fuel usage (litres)	External generator hire and servicing contractors
	Mobile combustion	1	Petrol, diesel	Fuel usage (litres)	Automated report from external fuel supplier
	Fugitive emissions	1	SF_6	Identified equipment and quantity[3]	External report from service provider reconciled with internally reported equipment information (based on calendar year, rather than FY)
		1	Gas network pipeline losses	Refer appendix A	Internal report of monthly estimated leakage reports from leak detection vehicle
		1	Refrigerants	Leakage quantities	Internal inventory of equipment located in our offices, substations and communications sites
2	Electricity	2: Indirect emissions from imported energy	Electricity network lines losses	Electricity losses (GWh)	Internally reported average of three years of Powerco's audited electricity information disclosures [4]
		2	Purchased electricity – public charging	Electricity usage (kWh)	External reporting from public charging provider

[3] 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}.
[4] See schedule 9e(ii) in the disclosures here https://www.powerco.co.nz/who-we-are/pricing-and-disclosures/electricity-disclosures

Scope	Grouping/GHG category	ISO category	Emission source	Data	Data source
		2	Purchased electricity	Electricity usage (kWh)	External automated reports from electricity retailer
		3	Rental cars (petrol, diesel)	TCO_2e	External report from vehicle rental agency
3	Fuel and energy-related activities not included in scope 1 or 2 – business travel	3	Taxis	Financial cost including GST	Internal financial report based on staff coding
		3	Flights (domestic, international short-haul and long-haul)	TCO_2e	External report from travel provider
		3	Accommodation	TCO_2e	External report from travel provider
		3	Travel to and from work (in private vehicles and public transport)	Distance (km) to work per employee pro-rated across Powerco's total FTEs	Internal employee commute survey with proxy multiplier to match current staff levels
	Employee commuting	3	Purchased electricity – home charging	Electricity usage (kWh)	External reporting from home charging provider
		3	Road freight for scrap metal and PVC	Distance travelled (km) per tonne	External report from recycling company
	Downstream transportation and distribution	4: Indirect emissions from products used by organisation	Other purchased goods and services not already accounted for in this GHG inventory	Cost in $NZD including GST	Internal financial reporting
	Purchased goods and services including capital goods and upstream transportation and distribution	4	Petrol, diesel (stationary combustion)	Fuel usage (litres)	External report from most significant contractors
		4	LPG (stationary combustion)	Fuel usage (kg)	External report from most significant contractors
		4	Contractor fuel (operational maintenance and construction, petrol and diesel (mobile))	Distance travelled (km) and/or fuel (litres)	External report from most significant contractors

Scope	Grouping/GHG category	ISO category	Emission source	Data	Data source
		4	Customer use of diesel in Powerco-owned Base Power units	Fuel usage (litres)	Internal report from maintenance contractors
		4	Customer use of diesel in other generators	Fuel usage (litres)	External report from supplier
		4	Waste to landfill from offices	Waste to landfill and recyclables (tonnes)	External report from waste management company and internal waste audits
	Waste	4	Waste oil from transformers	Fuel recovered (litres)	External report from oil recovery company
		4	Other network waste	Waste to landfill and recyclables (tonnes)	External report from most significant contractors and a spend-based calculation for others
		4	Construction waste	Waste to landfill and recyclables (tonnes)	External report from most significant contractors and a spend-based calculation for others
		4	Depots leased to contractors	Purchased electricity	External report from lease
	Downstream leased assets				

Exclusions

The following data is excluded from the FY26 GHG inventory.

Table 4: GHG emissions excluded from the FY26 GHG inventory

Scope	GHG category	ISO category	Emission source	Reasons for exclusion
3		4: Indirect emissions from products used by organisation	Office waste from Masterton and Te Aroha locations	Data not available, small offices <5 people. Will be included in our spend-based calculation for 'other purchased goods and services'.
	Water and wastewater	4		Considered immaterial, but will be included in our spend-based calculation for 'other purchased goods and services'.
	Upstream leased assets	4		Powerco does not have any upstream leased assets.
	Processing of sold products	5: Indirect emissions associated with the use of products from the organisation	Base Power	Three Base Power units were sold in the FY26 reporting period. We do not capture data on further processing of these products.
	Use of sold products	5	Base Power	Three Base Power units were sold in the FY26 reporting period, all to Powerco (and their use is accounted for in this inventory).
			Distributed natural gas and electricity	Since Powerco does not own the natural gas or electricity we distribute, it is a grey area under the GHG Protocol as to whether this needs to be included in our inventory. However, because of the significance of this category, we are being explicit that we have excluded it from our inventory.
	End of life treatment of sold products	5	Base Power	No units have reached end of life.
	Downstream leased assets	5	Powerco-owned leased depots	Data not available for purchased gas or refrigerants.
				During FY26, three Base Power units were rented out – we have not included their fuel consumption in this report.
	Franchises and investments	5		Powerco does not have any franchises or investments to report on.

GHG data improvements for FY26

For our FY26 report, we have continued to enhance our data collection. The following improvements have been included:

- Powerco's new contracts for electricity network services, customer delivery services and maintenance inspection, enabled us to contractually request monthly emissions data from our main contractors. This included mobile and stationary combustion, generator fuel and network waste. Previously we collected this data annually.
- Rental car emissions have been provided monthly directly from our travel provider. Previously this was provided annually and as usage rather than emissions.
- Diesel use from network generators and temporary rental providers is now collected monthly directly from all providers. Previously we received annual data.
- An error in the emissions factor categorisation of one of our main service providers was corrected, resulting in a large reduction in reported emissions. This was backdated for all years to our FY21 base year.

GHG liabilities

The following table summarises Powerco GHG liabilities. These are the potential tCO_2e of stored fuels, refrigerants and gases.

Table 5: FY26 GHG liabilities

Emission source	Type	Unit	Amount	Emissions factor	Total emissions (tCO_2e)
SF_6 holdings	SF_6	kg	3,661.99	23.5	86,056.77
Refrigerants	Varies	kg	435.30	Varies	747.39
Generators	Diesel	litres	61,992.00	0.003	166.13
LPG	LPG	kg	99.00	0.003	0.29
Total liabilities					**86,970.57**

FY26 GHG inventory analysis

Emissions by GHG emissions source

Table 6 shows Powerco's emissions by category in tCO_2e. Figures highlighted in either green or red indicate a salient change in emissions compared with the previous year (FY25). Changes in emissions not highlighted are because of changes outside of Powerco's control, changes in data collection, where we have low data quality, or an immaterial shift.

Table 6: FY26 GHG emissions (tCO_2e) by activity

GHG emissions source	FY26 tCO_2e	FY25 tCO_2e	FY21 tCO_2e (base year)	Commentary
Mobile combustion	289.02	298.18	375.17	Less fossil fuels were consumed through vehicle use in FY26, even with an increase in staff numbers and an increase in vehicle number. An accelerated transition towards lower-emission vehicles has offset the emissions impact of fleet growth. Our fleet composition is: 54% HEV, 22% ICE and 24% BEV.
Fugitive emissions – SF_6	49.12	130.19	57.23	During FY26, 32% fewer assets were degassed, and none were recorded as having complete losses. We continue to work with equipment suppliers to understand the failure mode and find viable alternatives to SF_6-based equipment.
Fugitive emissions – gas network pipeline losses	62,431.00	58,312.00	84,997.00	Gas line losses increased compared with last year but remain below our emissions reduction pathway. The increase was a result of a combination of factors – more leaks were detected through both the leak detection vehicle and on-foot surveys, the global warming potential for methane lost to atmosphere increased by 12%, and a single leak on the intermediate-pressure network modelled with a two-year leak duration. See page 29 for more detail.
Stationary combustion – planned and unplanned (temporary) generation – diesel	516.37	584.02	235.02	The main use of temporary generation is from cable faults in the Tauranga region, and more recently slip-related faults. Temporary generator diesel use decreased compared with FY25. This reflects the positive impact of mobile hybrid SAP units and improved operational oversight by the Network Operations Centre in optimising generator deployment and run-time. From FY27, our underground cable asset strategy will start to proactively target known cable type issues. This will be carried out over the next 10-year AMP period. We are also exploring the deployment of larger hybrid technology, however, this is still in the early stages of development.

GHG emissions source	FY26 tCO_2e	FY25 tCO_2e	FY21 tCO_2e (base year)	Commentary
Stationary combustion – network generation – diesel	87.24	246.85	13.82	The network generators were used during FY26 to support network operations, including peak-lopping, weather-related fault response, and limited commissioning activities. Total usage decreased in FY26 compared with FY25. This was largely because of a reduction in major commissioning activities, resulting in decreased use of the larger generators.
Stationary combustion – office – LPG, NG	0.07	0.06	0.12	These are emissions from office BBQ use and backup generation.
Fugitive emissions – refrigerants/ HVAC	23.12	21.14	23.88	This emission source is included for completeness, based on a default percentage rate for each refrigerant type we have on our network. During FY26, eight new heat-pumps were installed.
Total Scope 1	**63,395.94**	**59,592.44**	**85,702.25**	
Electricity network line losses	27,058.43	19,966.82	27,784.97	FY26 line losses are based on an averaged figure from the past three years' audited information disclosures. This figure is 7% higher than the FY25 figure used. The emissions factor was also 39% higher than that used in FY25.
Purchased electricity – network	345.09	219.73	274.33	Total network electricity usage has increased during FY26. A review of substations where electricity usage has increased will be undertaken during FY27.
Purchased electricity – office	99.38	79.95	125.67	Purchased electricity for our offices has decreased because of the increase in on-site solar energy used, but a higher emissions factor has resulted in an increase in emissions.
Purchased electricity – public charging	1.11	0.41		Emissions from company vehicles being charged at public chargers was included for the first time in FY25.
Total Scope 2	**27,504.01**	**20,266.91**	**28,184.97**	

GHG emissions source	FY26 tCO_2e	FY25 tCO_2e	FY21 tCO_2e (base year)	Commentary
Purchased goods and services	54,259.88	58,504.86	48,303.46	Purchased goods and services data is based on spend, using averaged emissions factors based on industry type. We have included these emissions in our reporting for completeness and to proportionally focus our efforts in the right areas. However, we have a low level of confidence in any comparisons year on year. Our FY26 spend was not significantly different to FY25. The lower emissions cannot be attributed to any emissions reduction initiatives, but rather a shift to where parts of our expenditure occurred. **Restatement note:** During FY26, an error was found with the emissions factor for one of our main suppliers that resulted in a material reduction in reported emissions. We have retrospectively back-dated this lower emissions factor for all previous years up to our base year FY21.
Contractor mobile and stationary combustion	6,002.68	5,910.31	5,009.66	We have improved our data collection process during FY26, capturing contractor emissions monthly. This was implemented part way through the year and so a portion of these emissions have been extrapolated from that data. Next year, we should have monthly data captured for the full year.
Powerco-owned leased depots	33.86	28.06	2.40	FY26 data is based on actual data from three leased depots and using FY25 data from three depots where we were missing data because of a change in tenant. FY21 data was an incomplete data set, so comparison is not possible.
Base Power	33.86	26.60	14.56	We added two new Base Power units in FY26. The six new units in FY25 are now fully functioning and largely account for the increase in fuel use and emissions.
Purchased electricity – home charging	0.62	0.09		Home charging units were installed for only three months of FY25. FY26 is the first full year of this data being included. There was also one additional user in FY26.
Business travel	511.43	513.70	156.97	Our FY26 business travel emissions were consistent with FY25. A higher spend and similar proportions of international travel (which has a higher emissions intensity per dollar spend) continued in FY26.
Employee commuting and working from home	304.99	281.85	298.22	FY26 commuting and working from home emissions were based on average employee intensity emissions from our FY25 employee survey, but adjusted for our increase in staff numbers for FY26. We have low confidence in the granularity of the FY21 data to be able to compare.

GHG emissions source	FY26 tCO_2e	FY25 tCO_2e	FY21 tCO_2e (base year)	Commentary
Waste – network (waste oil combustion and road freight of recyclable metal)	2,235.68	2,806.92		Since FY24, our waste emissions have included the road freight associated with the network recyclable materials of waste oil and scrap metal.
Waste – other network and construction waste	780.94	5,557.85		These are indicative emissions for waste to landfill and recycling from our major contractors. Construction waste is based off an estimated percentage of construction spend, extrapolated across all construction companies. Network waste was previously based off one contractor and extrapolated based on spend, across other major contractors. During FY26, we obtained actual waste data for more of our major contractors. This was proportioned against the rest of our major contractors. We are working with suppliers to obtain better network waste data, but until we obtain actual data from all major contractors, we have lower confidence in this data source.
Waste – office	5.61	6.26	20.97	Office waste continues to trend downwards as we divert more from landfill. All but two of our small corporate locations are included in this data.
Customer diesel use	1,811.98	443.66		One of our major network customers experienced a prolonged outage on the electricity network during FY25. This was because of an underground cable fault on the Powerco network. As an interim measure, generators were installed at two sites, and because of the complexities involved in replacing this cable, the generators have continued running in FY26. The impacted customer paid for the diesel used in the generators.
Total scope 3	**65,981.52**	**74,080.16**	**53,806.26**	
Total scope 1, 2, and 3	**156,881.47**	**153,939.51**	**167,693.48**	

Emissions by greenhouse gas type

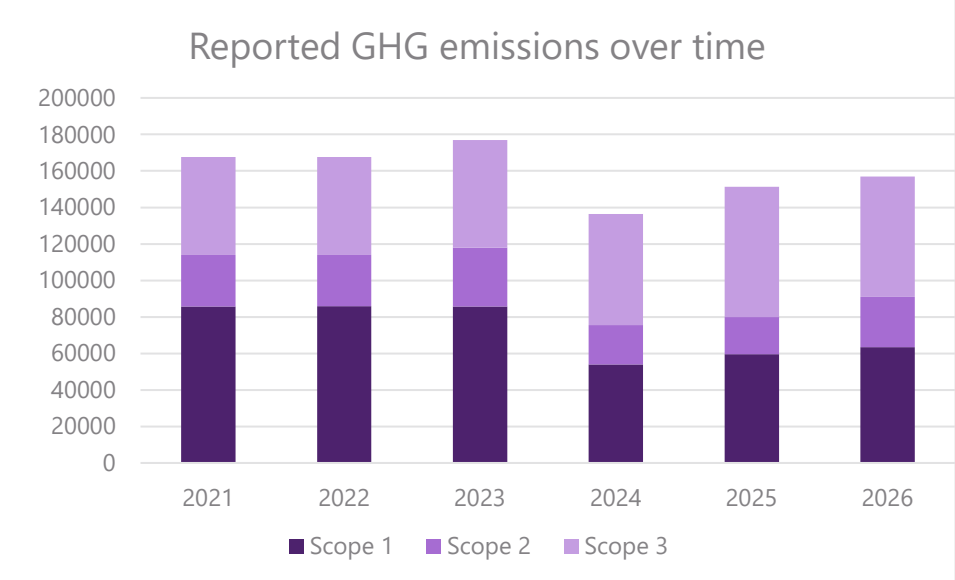
Table 7: FY26 total greenhouse gas emissions by greenhouse gas

Scope	tCO_2	tCH_4	tN_2O	tSF_6	tCO_2e	Total
1	880.13	4.62	7.91	49.12	62,454.17	63,395.94
2	26,708.71	742.52	0.84	0.00	51.95	27,504.01
3	1,909.24	12.20	4.60	0.00	64,055.48	65,981.52
Total	**29,498.07**	**759.35**	**13.35**	**49.12**	**126,561.60**	**156,881.47**

Emissions over time

Figure 1 shows Powerco's total emissions and breakdown by scope, from FY21 to FY26.

Figure 1: Comparison of total reported GHG emissions over time



GHG emissions intensity

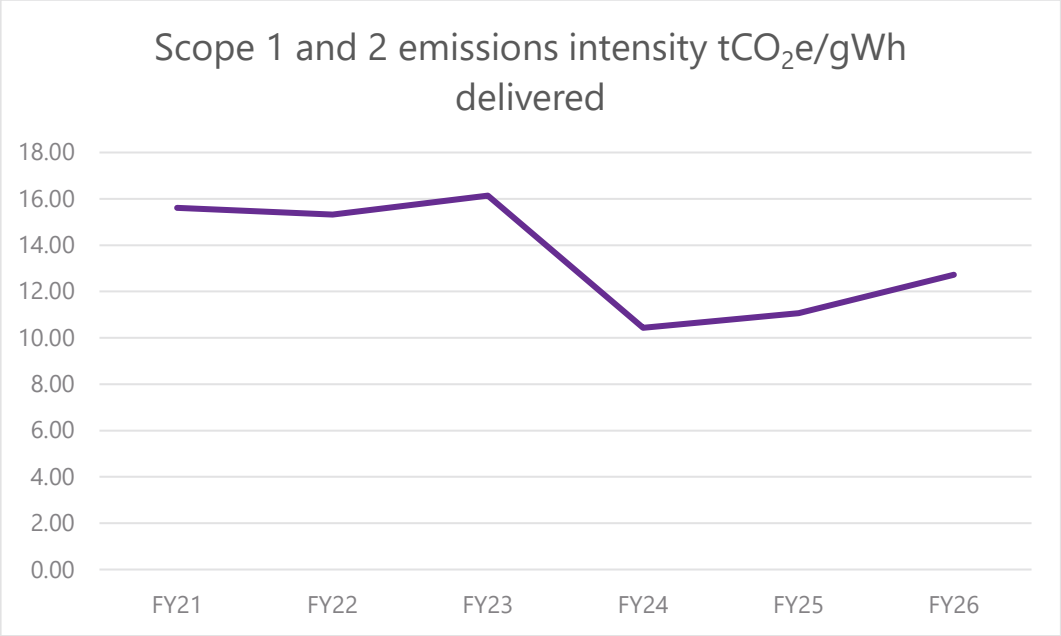
Emissions intensity is a measure of carbon emissions in relation to a suitable business metric. The emissions intensity calculation includes scope 1 and 2, with a separate intensity calculation for scope 3 because of the decreased quality of this data. Our FY26 GHG emissions intensity for scope 1 and 2 emissions is 12.73tCO_2e per GWh of energy delivered through our network.

Table 8: GHG intensity

	FY26	FY25	Base year FY21	Variance to base year	
	tCO_2e	tCO_2e	tCO_2e	tCO_2e	%
Total GWh of energy delivered through networks	7,141.15	7,220.26	7,298.09	-156.94	-2.15
Scope 1 and 2 emissions tCO_2e	90,899.96	79,859.35	113,887.22	-22,987.27	-20.18
Emissions intensity tCO_2e/GWh scope 1 and 2	**12.73**	**11.06**	**15.61**	**-2.88**	**-18.43**
Scope 3 emissions	65,981.52	74,080.16	53,806.26	12,175.26	22.63
Emissions intensity tCO_2e/GWh scope 3	**9.24**	**10.26**	**7.37**	**1.87**	**25.33**

Figure 2 shows a decrease in emissions intensity from our base year of FY21, but up on FY25. The increase from last year is driven mainly by an increase in scope 1 and 2 emissions, but also from a small decrease in gas delivered.

Figure 2: Comparison of scope 1 and 2 emissions intensity over time



GHG removals and reductions

Removals

A greenhouse gas removal is defined by ISO: 14064-1 as the 'total mass of greenhouse gas removed from the atmosphere over a specified period of time'. We had no quantified removals for this reporting period.

We do, however, contribute to tree planting and biodiversity projects through our sponsorship programme. During FY26, Powerco supported the planting of more than 10,000 trees across our network footprint through the following funding opportunities and partnerships.

- Project Parore, 1,800 trees (Katikati, Western Bay of Plenty)
- Kōpūrererua Valley, 6,600 trees (Tauranga)
- Western Institute of Technology at Taranaki, 335 trees
- Moehau Environment Group, 200 trees (Coromandel)
- Trees for Survival, 1,445 trees (Coromandel)

Powerco is also a major financial contributor to the Wildbase Recovery centre. We donated approximately 500 native seedling boxes, which are given to students who take part in the education programme.

Emissions avoided and biomass

Emissions avoided

Powerco has three solar arrays in New Plymouth – one connected to our Network Operations Centre building, and two on our main office buildings – and uses electricity generated at a privately owned array to power our Palmerston North office.

During FY26, as well as utilising the energy from these arrays to reduce our scope 2 emissions, 47.5MWh of electricity was sent back to the grid from solar arrays at our Junction Street office. This amounts to 4.8tCO_2e of emissions avoided.

Biomass

Powerco had no emissions from the combustion of biomass.

Emissions reduction target

Our target is to **reduce absolute scope 1 and 2 emissions (excluding electricity distribution line losses) by 57% by 2030 from an FY21 base year.** See Appendix B for more detail on how this target was established.

FY26 marks the first full year of reporting since establishing our emissions reduction target and associated reduction pathway. This year represents a transition from measurement to active delivery against a defined pathway.

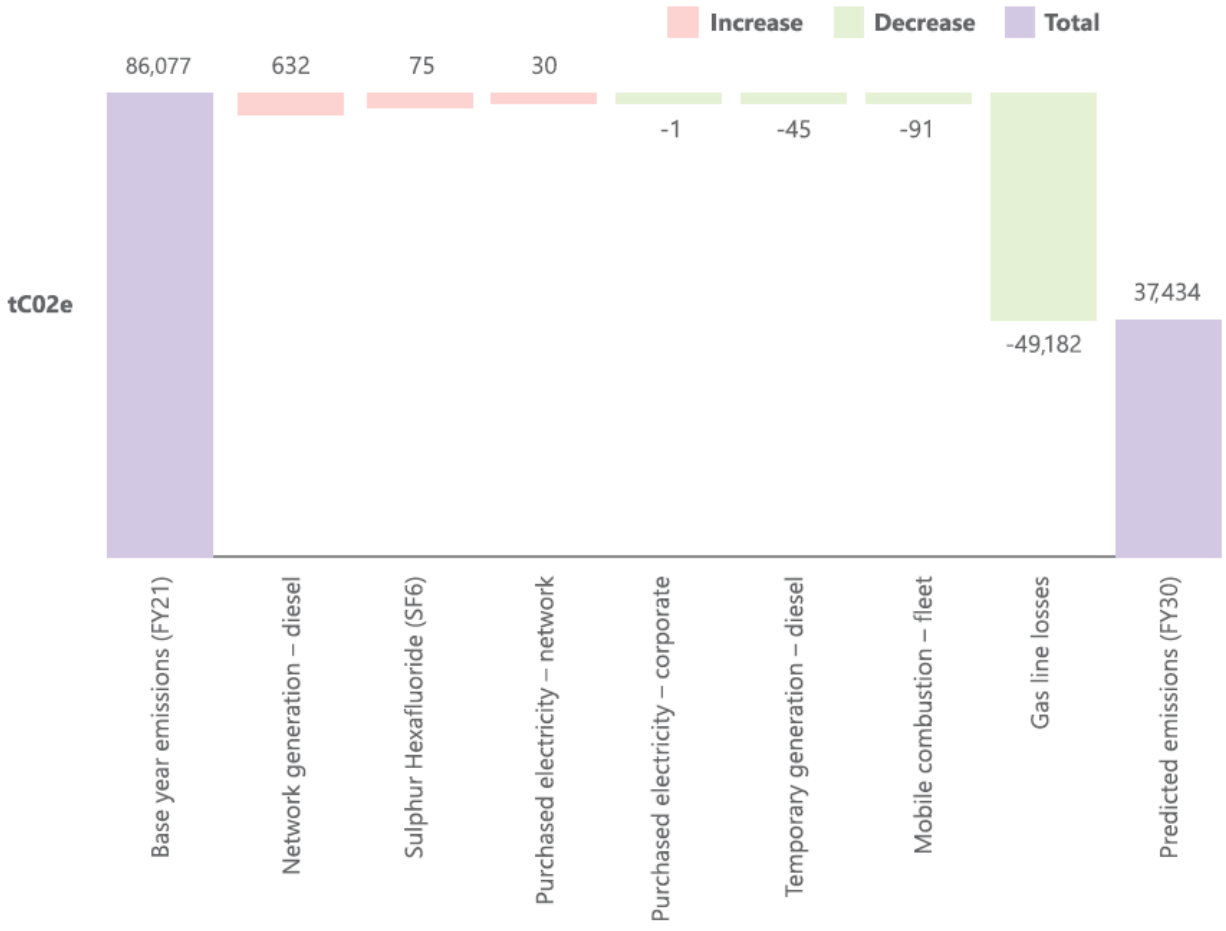
Emissions Reduction Pathway (ERP)

Our emissions reduction target is underpinned by an ERP that outlines projected emissions pathways for each emissions source. FY26 represents the first year of reporting performance against these pathways and provides an initial assessment of actual performance relative to ERP assumptions and forecasts.

Based on FY26 performance and ongoing review of the underlying assumptions and dependencies, we continue to believe a 57% reduction in target emissions by 2030 is achievable and does not include the use of carbon offsets. This assessment remains subject to key ERP assumptions and dependencies outlined in Table 9.

Figure 3 demonstrates our anticipated changes in emissions to meet our overall reduction target.

Figure 3: Powerco's anticipated emissions reductions



ERP assumptions and dependencies

Achievement of our emissions reduction target remains dependent on a number of assumptions and operational dependencies, the most significant of which relates to forecast gas line losses.

FY26 represents the first year of reporting performance against the assumptions underpinning our ERP. While several emissions sources performed broadly in line with expectations, others demonstrated the influence of operational, environmental, and external factors that are inherent in longer-term emissions forecasting. Although these factors can result in year-to-year fluctuations, the underlying assumptions and dependencies supporting the ERP will remain unchanged as this is what our FY30 target is based on. Table 9 outlines those key assumptions and dependencies.

Table 9: ERP assumptions and status

GHG emissions source	Reduction pathway assumptions and dependencies	FY26 emissions ($tC0_2e$)		FY26 status compared with ERP
		Predicted	Actual	
Mobile combustion (vehicle fleet)	Assumes: • Vehicles travel 70,000km over a 36-month timeframe (as per lease term). • Fleet pool remains fixed at 77 vehicles. • FY30 fleet composition of: - 0 Diesel - 52 HEV - 25 EV	335.80	289.02	Fleet emissions were 14% below the ERP projection in FY26. This outcome reflects an accelerated shift in fleet composition, with fewer diesel utes and greater uptake of hybrid and electric vehicles than anticipated. By year-end, the fleet comprised 18 diesel utes, 44 HEVs, and 20 EVs, compared with ERP assumptions of 21, 41, and 16 respectively. Notably, this improvement was achieved despite an increase in total fleet size (82 vehicles v 77 assumed), indicating a reduction in average emissions intensity per vehicle. Managing fleet growth alongside continued electrification and fuel-efficient vehicles will be an important factor in maintaining alignment with the emissions reduction pathway.
Gas line losses	Assumes: • Future predictions of natural gas emissions are based on global warming potential values as per the IPCC AR4. • Annual full network surveying. • No large-scale gas release events (i.e. natural disaster or third-party damage).	63,919.00	62,431.00	While gas line losses emissions were below forecast, the annual reduction was less than anticipated. See page 29 for more detail.
Stationary combustion	Assumes:	600.00	87.24	FY26 actual network generator emissions remain below the ERP

GHG emissions source	Reduction pathway assumptions and dependencies	FY26 emissions ($tC0_2e$)		FY26 status compared with ERP
		Predicted	Actual	
– network generation – diesel	• Anticipated generator run times are based on historical unplanned outages plus projected demand (peak lopping) projected out to FY30. • General efficiency ratings for each generator type e.g 50%-75% load. • New network generators as per asset management planning forecasts (29 network generators and 18 community hubs – battery with generator working in hybrid, out to 2030). • No rolling outage scenarios.			projections, primarily because of lower-than-anticipated generator run times across several large network generator sites, and significantly fewer new generator sites established than forecast. Generator use observed during FY26 was largely associated with discrete events (e.g. peak lopping, severe weather responses, commissioning of new assets), rather than structural changes to network operating practices.
Stationary combustion – planned and unplanned (temporary) generation – diesel	Assumes: • Historical diesel use from rental generator companies for planned and unplanned outages, static out to FY30. This includes diesel used in Powerco-owned mobile hybrid standalone power systems (MHSAPs) generators. • Structured oversight to reduce generator installation and duration. • Use of battery technology to reduce diesel use with the deployment of four Powerco-owned MHSAPs. • Implementation of mitigation methods on planned jobs, such as mobile transformers.	145.49	513.03	Temporary generator emissions decreased in FY26 compared with FY25 but remain above ERP assumptions. While mitigation actions from structured oversight and battery technology are reducing diesel use, the impact from unplanned outages continues to exceed the historical assumptions applied in the ERP. The proactive cable fault type issue replacement strategy will be carried out during the next 10-year AMP period. FY26 did not present any opportunities to implement the use of a mobile transformer.
Purchased electricity – corporate	Assumes: • No increase in usage because of electric fleet vehicles or any additional staff EVs (for office charging). • New 100kW solar array for the Junction Street campus from FY26. • A stable grid mix emissions factor derived from averaging	114.19	99.38	Emissions associated with our corporate electricity consumption are below ERP predictions for FY26. This variance reflects a combination of external and internal factors. The grid electricity emissions factor was lower than assumed in the ERP, contributing to reduced reported emissions. Internally, emissions were further reduced through a larger-than-

GHG emissions source	Reduction pathway assumptions and dependencies	FY26 emissions ($tC0_2e$)		FY26 status compared with ERP
		Predicted	Actual	
	FY21-FY24 grid mix emissions factors			planned solar installation at the Junction Street campus, where a 250kW array was commissioned, compared with the 100kW assumed in the ERP (this is in addition to the existing 49kW system on the same site). These reductions were partially offset by increased electricity demand associated with business growth, including a 51 FTE increase compared with FY25, and the uptake of electric pool vehicles requiring onsite charging at offices.
Purchased electricity – network	Assumes: • A grid mix emissions factor of 0.0729 kgC02e. • An additional 3.17 substations added to the network per annum. • FY24 average kWh consumption of 17,812.5kWh per new substation.	279.30	345.09	Purchased electricity – network emissions were above ERP projections for FY26. This variance is primarily attributable to two factors. Firstly, the grid electricity emissions factor was higher than assumed in the ERP (0.000101 tCO_2e/kWh v 0.0000729). Secondly, network growth exceeded ERP assumptions. The ERP applied a steady average of 3.17 substations commissioned per annum. However, in practice, delivery of network infrastructure occurs in a more variable, project driven/delivery manner. In FY26, approximately seven substations or additional substation buildings were commissioned, reflecting the timing of capital projects rather than a sustained increase in annual build rate. Electricity consumption increased from 3,014,437.9kWh in FY25 to 3,412,684.1kWh in FY26, with the additional substations contributing to, but not fully accounting for, this increase in demand.
Sulphur hexafluoride (SF_6)	Assumes: • An average of FY21, FY23 and FY25 SF_6 emissions, as we	74.2	49.12	Emissions from SF_6 losses are inherently variable, as they are typically driven by unplanned

GHG emissions source	Reduction pathway assumptions and dependencies	FY26 emissions ($tC0_2e$)		FY26 status compared with ERP
		Predicted	Actual	
	have high confidence in the data for these years.			events, such as equipment failure or third-party damage. The lower emissions observed in FY26 reflect fewer or less significant loss events during the year, rather than a structural reduction in underlying risk. SF_6 emissions are therefore expected to continue to fluctuate over time.

Emissions reduction target – progress update

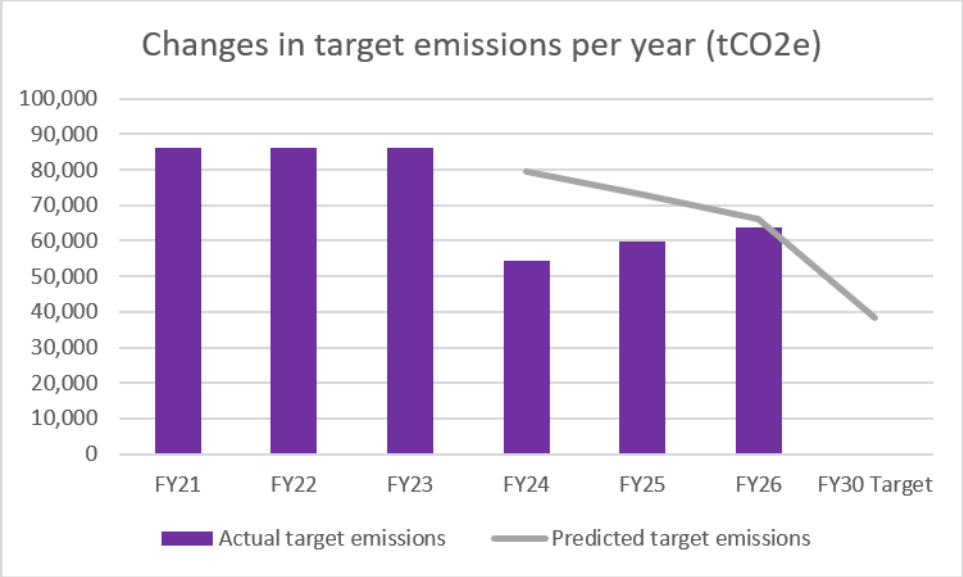
Overall, FY26 target emissions were 2.8% below ERP projections, indicating performance slightly ahead of the planned reduction pathway. Compared with the FY21 baseline year, emissions from target sources have reduced by 26%, demonstrating continued progress towards our 2030 reduction target.

However, total target emissions have increased by 6.7% when compared with FY25, reflecting the influence of changing emissions factors and variability across individual emissions sources during the year. As FY26 represents the first year of reporting against the ERP pathway, trends are expected to become clearer over time as operational data continues to mature.

Table 10: FY26 target emissions (tCO_2e)

GHG emissions source	FY26	FY25	FY24	FY23	FY22	FY21 Base year	FY26 variance with base year	
	tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e	%
Mobile combustion	289.02	298.18	345.93	388.99	358.65	375.17	-86.15	-22.96
SF_6	49.12	130.19	158.63	10.34	107.16	57.23	-8.11	-14.17
Purchased gas	0.07	0.06	0.11	0.19	0.13	0.17	-0.10	-58.82
Diesel generators – network	87.24	246.85	17.19	22.01	11.35	13.82	73.42	531.26
Diesel generators – planned/ unplanned	516.37	584.02	417.79	326.02	420.91	235.02	281.35	119.71
Refrigerants	23.12	21.14	21.79	22.47	23.16	23.88	-0.76	-3.18
Gas line losses	62,431.00	58,312.00	53,088.00	84,997.00	84,997.00	84,997.00	-22,566.00	-26.55
Purchased electricity – network	345.09	219.73	213.57	333.28	273.14	274.33	70.76	25.79
Purchased electricity – office	99.38	79.95	88.87	138.8	121.05	125.67	-26.29	-20.92
Purchased electricity – public charging	1.11	0.41						
Total	**63,841.52**	**59,892.53**	**54,351.88**	**86,239.10**	**86,312.55**	**86,102.29**	**-22,260.77**	**-25.85**

Figure 4: Annual actual and predicted target emissions



By far, the main contributor to our emissions reduction pathway is gas line losses. Reducing these is key to us achieving our target. During FY26 however, a number of adverse factors contributed to an increase in reported emissions. These included:

- transition to the updated IPCC AR5 Global Warming Potential value for methane;
- an increase in leaks identified through both the leak detection vehicle and on-foot survey programmes focused on known high leakage areas; and
- an identified leak on part of the intermediate-pressure network located in a complex and difficult to remediate area.

The increase in leaks detected is not yet fully understood. As FY26 represents only the second year of using the leak detection vehicle and the first full year of comparable survey data, it is currently unclear whether the increase reflects a genuine rise in network leaks or improved detection capability as operator experience continues to mature. This is expected to become clearer as additional years of trend data are collected.

The intermediate-pressure network leak was originally identified in 2024 on a section of pipeline located at a crossing with complex access constraints and challenging remediation requirements. Following assessment, the leak was classified as a Leak Class 2, meaning it was considered non-hazardous and suitable for planned remediation rather than requiring an immediate response.

Given the complexity of the repair and the need for a carefully managed engineering solution, remediation was incorporated into a larger network rationalisation project. This approach was considered the most cost-effective and efficient way to undertake the work.

While this decision extended the period before the leak could be repaired, it was made on the basis that the leak did not present a safety risk. During this planning period, gas continued to be emitted from the leak. Due to the survey frequency and the methodology used to quantify gas losses, the resulting emissions are reflected in the emissions inventory on a two-year cycle.

Appendices

Appendix A – MARCOGAZ model

In FY25, Powerco implemented the MARCOGAZ model (adapted to New Zealand conditions) for calculating fugitive gas losses.

The MARCOGAZ methodology provides a standardised approach to address the quantification of methane emissions from the natural gas industry. It was developed as a technical reference for the quantification of methane emissions for the European market and has been adapted for New Zealand conditions, and adopted by Powerco and other New Zealand gas distribution businesses.

It is based on a bottom-up approach, developed to identify and to quantify all types of methane emissions from transmission and distribution systems. This quantification method requires splitting the gas infrastructure into groups of assets and indicating categories of emissions that can be expected from these groups to determine the emissions factors and the activity factors for each group. These factors are then used with leak and pipeline data to calculate emissions from our gas distribution network.

The MARCOGAZ model replaces Powerco's previous gas pipeline loss calculation (used before FY25), which followed the Australian NGER Scheme Method 1, adapted for New Zealand. This method estimated fugitive emissions using total emissions passing through network equipment and a region-specific emissions factor. In cases where a New Zealand-specific emissions factor wasn't available, the formula incorporated the Maunsell Report's (2007) recommended average gas line loss of 0.2%.

The move to using the MARCOGAZ model means that the emissions from Powerco's gas pipeline losses are now based on actual leakage data and will allow any reductions in emissions to be quantifiable, which was not possible using the previous calculation.

Appendix B – Electricity distribution line loss exclusion from target

Our target, to **reduce absolute scope 1 and 2 emissions (excluding electricity distribution line losses) by 57% by 2030 from an FY21 base year,** was developed with support from an independent specialist sustainability firm, using Science Based Target Initiative (SBTi) methodology. However, this target has not been validated by SBTi because SBTi's methodology provides for the inclusion of emissions related to electricity distribution losses, which we have excluded**.** We can therefore not attribute our target to being entirely consistent with keeping global warming to 1.5°C, but we believe to include electricity line losses could inhibit New Zealand's efforts to decarbonise.

Electrification of Aotearoa New Zealand's economy will play an important role in the country's decarbonisation and net-zero by 2050 ambition. To enable electrification, it is expected that networks such as ours will need to increase capacity to meet the additional demand, correlating with potential increases in line losses, a factor that is largely an inevitable by-product of electrical conduction, and outside of Powerco's control.

As we trial emerging technologies, such as battery energy storage systems, and develop distribution system operator capabilities that facilitate distributed generation/distributed energy resources and flexibility uptake, reduced demand and flattened load profiles can be expected to result in a modest reduction in electricity line losses. The cost of any significant reduction in line losses needs to be balanced against any possible barrier it creates to this transition and the overall cost of electricity to our customers. As electricity generated from renewable sources increases, this will have an impact on the carbon intensity of electricity supplied and therefore the emissions associated with network line losses. Line losses are, therefore, excluded from our emissions reduction target.

Appendix C – ISO: 14064-1:2018 reporting index

ISO reporting	Section in this report	Page
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ISO reporting	Section in this report	Page
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9.3.2 (b)	GHG removals and reductions	22
9.3.2 (c)	GHG removals and reductions	22
9.3.2 (d)	N/A	
9.3.2 (e)	N/A	
9.3.2 (f)	Emissions by activity – Table 6	16
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9.3.2 (h)	Emissions reduction pathway assumptions and status – Table 9	23
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9.3.2 (j)	Emissions by activity – Table 6	16
9.3.2 (k)	Emissions by activity – Table 6	16
9.3.3	N/A	

Audit report

This Greenhouse Gas Emissions Inventory Report has been audited by Toitū Envirocare, a third-party independent assurance provider. The following levels of assurance relate to ISO: 14064-1:2018 and GHG Protocol respectively, and have been given for the assertions and quantification included in this report:

- Category 1 and 2/scope 1 and 2 – reasonable assurance
- Category 3 and 4/scope 3 – limited assurance

The GHG assurance report is on the following page(s).

INDEPENDENT AUDIT OPINION
Toitū Verification

To the intended users

Organisation subject to audit:	Powerco Limited
Audit Criteria:	ISO 14064-1:2018 ISO 14064-3:2019 Technical Requirements – Audit V3
Responsible Party:	Powerco Limited
Intended users:	Stakeholders including shareholders, investors, regulators, customers and communities to
Registered address:	35 Junction Street, Welbourn, New Plymouth, 4312, New Zealand
Inventory period:	01/04/2025 to 31/03/2026
Inventory report:	FY26 GHG inventory report.pdf

We have reviewed the greenhouse gas emissions inventory report ("the inventory report") for the above named Responsible Party for the stated inventory period.

Responsible Party's Responsibilities

The Management of the Responsible Party is responsible for the preparation of the GHG statement in accordance with ISO 14064-1:2018 . This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of a GHG statement that is free from material misstatement.

Responsibilities of verifiers

Our responsibility as verifiers is to express a verification opinion to the agreed level of assurance on the GHG statement, based on the evidence we have obtained and in accordance with the audit criteria. We conducted our verification engagement as agreed in the audit letter, which define the scope, objectives, criteria and level of assurance of the verification.

The International Standard ISO 14064-3:2019 requires that we comply with ethical requirements and plan and perform the verification to obtain the agreed level of assurance that the GHG emissions, removals and storage in the GHG statement are free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the ISO 14064-3:2019 Standards will always detect a material misstatement when it exists. The procedures performed on a limited level of assurance vary in nature and timing from, and are less in extent compared to reasonable assurance, which is a high level of assurance. The procedures performed on a limited level of assurance vary in nature and timing from, and are less in extent compared to reasonable assurance, which is a high level of assurance. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Basis of verification opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Verification

We have undertaken a verification engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'Inventory Report')/Emissions Inventory and Management Report of the organisation listed at the top of this statement and described in the emissions inventory report for the period stated above.

The Inventory Report provides information about the greenhouse gas emissions of the organisation for the defined measurement period and is based on historical information. This information is stated in accordance with the requirements of International Standard ISO 14064-1 Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals (ISO 14064-1:2018).

Verification strategy

Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to:
—activities to inspect the completeness of the inventory;
—interviews of site personnel to confirm operational behaviour and standard operating procedures;
—reviewing emission factors for accuracy and appropriateness;
—sampling of purchased goods and services to confirm accuracy of source data into calculations;
—detailed retracing of electricity and gas network line losses emissions;
The data examined during the verification were historical in nature.

Basis for modified verification opinion

The following qualifications have been raised in relation to the verification opinion:

Category 1 fugitive emissions from Powerco's gas network are based on the Marco Model that relies on a range of assumptions and conversion factors. A change to the underlying assumptions could significantly impact the measurement of these emissions.

Category 4 emission sources for purchased goods & services are highly variable and use a dollar spend emission factor to calculate emissions.

Verification level of assurance

ISO CATEGORY	LOCATION BASED tCO_2e	LEVEL OF ASSURANCE
Direct Emissions:		
Category 1	63,395.94	Reasonable
Indirect emissions from imported energy:		
Category 2	27,504.01	Reasonable
Indirect emissions from transportation		
Category 3	2,943.64	Limited
Indirect emissions from products used by organisation:		
Category 4	63,037.88	Limited
TOTAL INVENTORY	**156,881.48**	

GHG PROTOCOL CATEGORIES

GHG SCOPE	tCO_2e
Scope 1	63,395.94
Scope 2	27,504.01
Scope 3	65,981.52
TOTAL INVENTORY	**156,881.48**

Responsible party's greenhouse gas assertion (claim)

Powerco Limited has measured its greenhouse gas emissions in accordance with ISO 14064-1:2018 in respect of the operational emissions of its organisation.

Verification conclusion

EMISSIONS - REASONABLE ASSURANCE
We have obtained all the information and explanations we have required. In our opinion, the emissions, removals and storage defined in the inventory report, in all material respects:

- comply with ISO 14064-1:2018 ; and
- provide a true and fair view of the emissions inventory of the Responsible Party for the stated inventory period.

EMISSIONS - LIMITED ASSURANCE
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the emissions, removals and storage defined in the inventory report:

- do not comply with ISO 14064-1:2018 ; and
- do not provide a true and fair view of the emissions inventory of the Responsible Party for the stated inventory period.

Other information

The responsible party is responsible for the provision of Other Information. The Other Information may include emissions management and reduction plan and purchase of carbon credits, but does not include the information we verified, and our auditor's opinion thereon.

Our opinion on the information we verified does not cover the Other Information and we do not express any form of audit opinion or assurance conclusion thereon. Our responsibility is to read and review the Other Information and consider it in terms of the inventory. In doing so, we consider whether the Other Information is materially inconsistent with the information we verified or our knowledge obtained during the verification.

	VERIFIED BY	AUTHORISED BY
Name:	Sen Ma	Billy Ziemann
Position:	Verifier, Toitū Envirocare	Certifier, Toitū Envirocare
Signature:		

Date verification audit:	5 May 2026	
Date opinion expressed:	20 May 2026	19 June 2026