



SUMMARY OF TOITŪ CARBONREDUCE CERTIFICATION
ORION NEW ZEALAND LIMITED
 WHICH INCLUDES ORION NZ LIMITED AND CONNETICS LIMITED
 Year 1 of 3 year certificate period



Orion New Zealand Limited (which includes Orion NZ Limited & Connetics Limited) meets the requirements of Toitū carbonreduce certification having measured its greenhouse gas emissions in accordance with ISO 14064-1:2006 and committed to managing and reducing its emissions in respect of the operational activities of its organisation.

Orion New Zealand Limited ("Orion group") owns and operates the electricity distribution network that delivers electricity to central Canterbury. For the purposes of this report "Orion" will refer to the network company, while "Connetics" will refer to the wholly own subsidiary explained below. "Orion group" will refer to both Orion and Connetics together. This report will also be used to report to the Climate Leaders Coalition and the Sustainable Business Council to demonstrate compliance with membership requirements.

Connetics Limited ("Connetics") is a wholly owned subsidiary of Orion, with a focus on construction and maintenance of substations, overhead and underground lines and associated equipment. It also operates an equipment supply and distribution business and provides engineering design and consultancy services. Orion and Connetics have separate governance structures and Orion has no operational control over Connetics.

Orion group have consolidated accounts. Reported turnover for Orion includes Connetics' revenue from third parties, but under accounting conventions excludes Connetics' revenue from Orion.

EMISSIONS SUMMARY ¹

Orion New Zealand Limited's emissions for this year (01/04/2020 - 31/03/2021) were 16,507.62 tCO₂e. The operational GHG emission sources included in this inventory are shown in Figure 1 below.

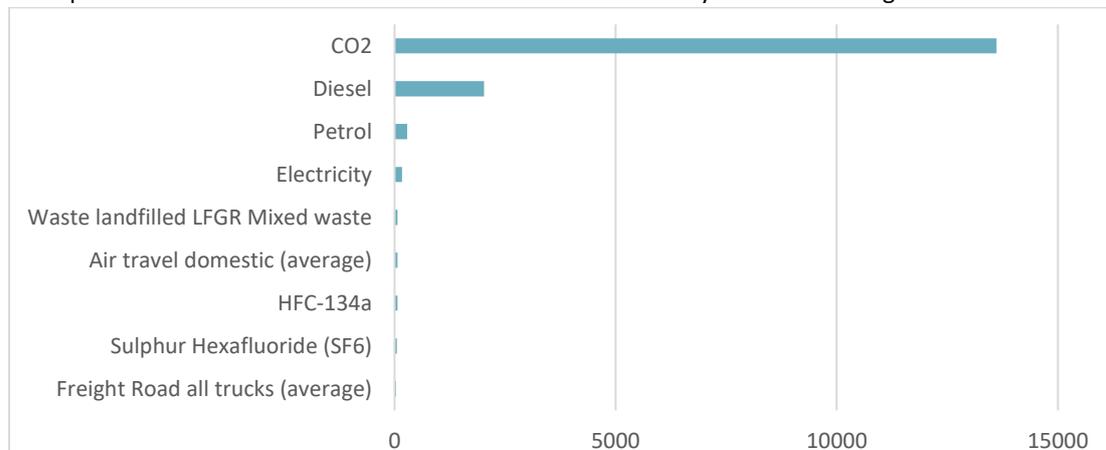


Figure 1: GHG emissions by emissions source

¹ **Disclaimer:** This Disclosure Statement is a summary of the verified information considered for certification and the certification decision. It should not be taken to represent the full submission for certification. Whilst every effort has been made to ensure that the information in this Disclosure Statement is accurate and complete, Enviro-Mark Solutions Limited (trading as Toitū Envirocare) does not, to the maximum extent permitted by law, give any warranty or guarantee relating to the accuracy or reliability of the information.



Emissions as tonnes of carbon dioxide equivalents (tCO₂e) for this period were:

Emissions summary by scopes		Units
Scope 1 total	2,526.20	tCO ₂ e
Scope 2 total	13,784.01	tCO ₂ e
Scope 3 (mandatory)	195.87	tCO ₂ e
Scope 3 (additional)	1.54	tCO ₂ e
Scope 3 (one-time)	0.00	tCO ₂ e
Total inventory:	16,507.62	tCO₂e

EMISSIONS REDUCTIONS

To reduce its emissions, Orion New Zealand Limited has developed a GHG emissions management plan and reduction targets. Some of these plans include:

	Scope of target	Target	Baseline (tCO ₂ e)
Orion NZ	Overall Scope 1, 2, and mandatory 3 emissions, excluding Scope 2 distribution losses (absolute)	50% reduction	3,279
Orion NZ	Overall Scope 1, 2, and mandatory 3 emissions, excluding Scope 2 distribution losses (absolute)	80% reduction	3,279
Orion NZ	Overall Scope 1, 2, and mandatory 3 emissions, excluding Scope 2 distribution losses (absolute)	Neutral by June 2022	3,279

This is the 4th year of reporting under the Toitū carbonreduce programme and the 2nd year since resetting their base year to 2019-20. An absolute reduction in Scope 1 and 2 emissions of 603.58 tCO₂e has been achieved against base year. A reduction in emissions intensity (for Scope 1, 2 and mandatory Scope 3 emissions) of 0.21 tCO₂e/\$M has been achieved based upon a 2 year rolling average.

EMISSIONS BOUNDARIES

Figure 2 below shows the organisational structure used for describing the organisation’s greenhouse gas (GHG) emissions inventory, and what business units were included in the inventory in the context of the entire organisational profile. Orion is owned by two local authorities - Christchurch City Council, through Christchurch City Holdings Limited, owns 89.275% and Selwyn District Council owns 10.725%.

Orion has two wholly owned subsidiary companies - Connetics and Orion New Zealand Ventures Limited. Connetics is the only active subsidiary company at present.

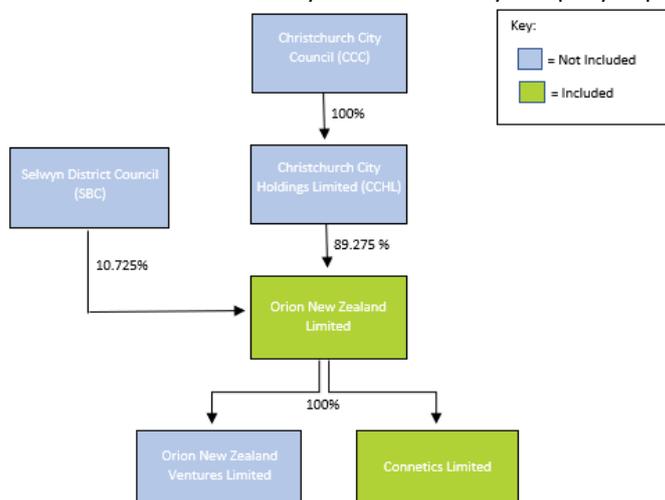


Figure 2: Organisational structure showing business units included and excluded



An equity share consolidation approach was used to account for operational emissions with reference to the methodology described in the GHG Protocol and ISO 14064-1:2006 standards.

Connetics is a wholly owned subsidiary of Orion, so the decision has been made to bring Connetics into Orion's emissions management regime. Orion and Connetics also have consolidated financial accounts, however it should be noted that there is no operational control over Connetics by Orion.

Connetics has its own separate and independent governance system, including a separate Board, which makes independent governance decisions in the best interests of Connetics. However, we do note that:

- The Orion Board appoints the Connetics Board
- Connetics takes Orion's purpose and objectives into account when making decisions

The relationship between Connetics and Orion is commercial and certified to comply with Commerce Commission 'related party' and 'arm's length' rules. Certification of this is contained in the FY20 'Information Disclosure' document.

As Connetics' sole shareholder, Orion provides a yearly letter of expectation that provides a high level indication of the desired business strategy for Connetics - this can include a requirement to achieve carbon neutrality or other carbon certification. It does not include directions as to how any goal is achieved by Connetics.

Orion group believes it is appropriate and transparent to measure and report on both Orion and Connetics emissions and undertake (where possible) reduction projects at a group level.

The following emissions sources were excluded from the inventory for this measurement period:

- Contractor fuel – not enough data on use
- Bus/train travel – *de minimis*
- Air travel reimbursements – *de minimis*
- Freight/couriers – *de minimis*
- Electricity at owned sites leased to tenants – controlled by the tenant

Excluded emissions do not exceed 5% of the total footprint within the organisation boundary stated.

CERTIFICATE DETAILS

Certification status – Toitū carbonreduce certified organisation

Certificate number – 2021117J, Year 1 of 3 year certificate period

Valid until – 30 August 2024

Measurement period – 01/04/2020 to 31/03/2021

Base year – 01/04/2019 to 31/03/2020

Verified by – Enviro-Mark Solutions Limited

Level of assurance – Reasonable

Data quality score – High