

Sustainability policy

1. Purpose

Sustainability is fundamental to Vector's vision of creating a new energy future.

Our sustainability approach recognises the interests of all Vector's stakeholders including our customers, people and communities. We are using our position as a leading New Zealand business and significant energy sector participant to have a positive impact, with a particular focus on increasing the availability and access of affordable clean energy, improving resilience and helping the world transition to a zero-carbon society.

2. Policy

Decarbonisation

Vector strongly supports, and enables national decarbonisation, with a goal of keeping warming below 1.5C. To support this vision Vector:

- Has set an internal target for direct emission (Scope 1, Scope 2 – excl. electricity line losses) reduction of 53.5% by 2030 from a 2020 baseline in alignment with the Science Based Targets initiative to keep warming below 1.5C.
- Has set a net-zero emissions (Scope 1, Scope 2 – excl. electricity line losses) target by 2030.
- Has committed to measuring and reporting our direct CO₂e emissions (Scope 1, Scope 2) and our indirect CO₂e emissions (Scope 3).
- Works directly with suppliers and service providers through our supplier code of conduct to reduce indirect (Scope 3) emissions.
- Develops technologies, business models, and platforms to enable our customers and partners to reduce their emissions. This is known as our carbon handprint.
- Advocates for government policy changes to drive orderly decarbonisation in the energy sector.
- Works with climate risk researchers with a goal to prepare climate change adaptation strategies for the energy sector.
- Actively contributes to achieving the Sustainable Development Goals through programmes and partnerships involving business, communities, and government.

Environment

Vector is committed to applying the best available knowledge and practices to systematically identify and eliminate or mitigate the environmental effects of our business activities and operations. To support this goal Vector is:

- Committed to environmental goals through our business health, safety and environmental plans and continually monitors, reviews, and improves the effectiveness of our Health, Safety and Environmental Management System.
- Maintaining our ISO14001:2015 Environmental Management certification.
- Integrating environmental criteria through our procurement process.
- Operating in a manner that prevents pollution, minimises environmental impacts and promotes beneficial environmental performance.

Social

Energy affordability is a core component of Vector's strategy. Vector is aware that our decarbonisation transition, if poorly managed, will exacerbate existing energy inequalities. Our strategy is to drive an orderly decarbonisation focused on actions that achieve energy affordability, decarbonisation, and security. Vector also commits to staff and community safety and wellbeing. To support these goals Vector:

- Advocates for more focus on demand side management, energy efficiency, and distributed generation to give customers more options, and reduce energy prices.
- Innovates and invests in digital platforms for energy delivery, which can better manage the intermittent nature of a decarbonised energy network, and thus reduce the need for overbuilding physical capacity which keeps overall distribution prices down.
- Minimises network outages through comprehensive asset planning and management including vegetation management, climate change analysis, and proactive maintenance.
- Minimises health and safety risks. More details can be found in our Health and Safety policy.
- Commits to paying a living wage and is the first corporate in New Zealand to be living wage certified.
- Commits to supporting accessibility and is the first business in New Zealand to be accredited the Accessibility Tick and co-designed the framework to be used by other organisations.
- Co-designed and sponsored a Pasifika Leadership programme and continues to provide access to Pasifika leaders from other organisations to build this network.
- Commits to diversity and inclusion and is the first company in New Zealand to win the Diversity Works supreme award twice and continues to provide leadership and support to other organisations to support their Diversity & Inclusion strategies.
- Develops whanaungatanga/relationships with local iwi through partnership driven projects.
- Engages with our supply chain to identify, address, manage and mitigate the risks of modern slavery.

Governance

Delivering sustainability requires coordination across the Vector business, including the Board, management and supplier conduct. To support the delivery of sustainability, Vector:

- Prioritises climate risk as a critical risk for Vector with Executive, Board Risk and Assurance Committee and Board oversight.
- Uses clear and transparent sustainability metrics which are reported in our Annual Report and TCFD Report.
- Works with supply chain partners through our Supplier Code of Conduct.
- Drives staff capability through ongoing learning and development.

Vector reports on governance each year through our Corporate Governance Report, within our Annual Report.

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