

## Appendix 1

### Operational and Financial Performance as at 31 December 2020

Q2 results are shown in the table below:

Quarter One – Performance	31 December		SCI / Plan
	2020	2019	Target
<b>Safety and Our People</b>			
Number of fatalities or injuries causing permanent disability	0	0	0
Total recordable injury frequency rate (TRIFR)	5.26	9.89	≤ 6
High potential incident frequency rate (HPIFR)	2.11	2.67	≤ 3
Staff Engagement	8.0	n/a	≥ 7.1 <sup>1</sup>
<b>Sustainability</b>			
Deliver 'Year 1' milestones according to the TCFD framework <sup>2</sup>	On Track	n/a	Meet Target
Introduce sustainability reporting under the ESG framework <sup>2</sup>	On Track	n/a	Meet Target
<b>Service Performance<sup>3</sup></b>			
Grid interruptions:			
• GP1 Achieve collars for occurrence (unplanned interruptions)	6	n/a	≥ 4 out of 6
• GP2 Achieve collars for average unplanned interruption duration	5	n/a	≥ 4 out of 6
Grid availability:			
• AP1 HVDC energy availability	99.91%	99.8%	> 96.75%
• AP2 Key HVAC assets availability <sup>5</sup>	98.19%	n/a	> 98.6%
Achieve system operations target	No data yet	Achieved	Meet Target

<b>Asset Health Measures</b>			
Power transformers	3.19%	n/a	≤ 3.22%
Outdoor circuit breakers	1.36%	n/a	≤ 2.0%

<b>Financial Performance<sup>4</sup></b>			
Free funds from operations (FFO) interest coverage	7.4	3.7	5.9
Free funds from operations / Debt	16.7%	15.8%	15.2%
Return on equity (annualised actuals YTD)	8.0%	11.8%	7.9%
Return on capital employed (annualised actuals YTD)	3.8%	6.5%	4.0%

**Note:**

<sup>1</sup> Top 25% percentile score for energy & utilities sectors\*(12 month rolling average). At the time of setting the 20/21 SCI the Top 25% percentile score was 7.1.

<sup>2</sup> Task Force on Climate related Financial Disclosures ('TCFD') framework and Environmental, Social, and Corporate Governance (ESG).

<sup>3</sup> Service Performance - Our SCI target across grid interruptions and grid availability have been set at the quality standards set by the Commerce Commission. Previous years' figures are not included as the measures have changed from RCP2 to RCP3.

<sup>4</sup> Financial Performance - The financial performance measures are on track to target for with the exception of Return on capital employed. The lower performance metrics for 2020 compared to 2019 is due to the materially lower regulated rate of return set for RCP3 (2020/21-2024/25).

<sup>5</sup> Correction of error - There was an error in the reporting of HVAC availability in the 2019/20 Annual Report (Page 18) & Q4 Shareholders letter (Appendix 1), which reported HVAC availability at 99.10%, when the correct figure was 97.4%.