

Independent practitioner's assurance report on Transpower's Greenhouse Gas Inventory Report

Assurance Conclusion

Based on our limited assurance procedures and the evidence obtained, we are not aware of any material modifications that should be made to Transpower's Greenhouse Gas ("GHG") Inventory Report as of 4 August 2023, for the period 1 July 2022 to 30 June 2023, in order for it to be in accordance with the Criteria defined below.

Emphasis of Matter

We draw attention to page 10 and 11 within Transpower's GHG Inventory Report and related disclosures where Transpower describes the significant uncertainties in the calculation methodology for certain scope 3 emissions, specifically in relation to the application of inflation-adjusted spend-based emissions factors. Our conclusion is not modified in respect to this matter.

Scope

We have been engaged by Transpower New Zealand Limited ("Transpower") to perform a 'limited assurance engagement' as defined by the *International Standards on Assurance Engagements (New Zealand) 3000*, hereafter referred to as the engagement, to report on the accompanying GHG statement of Transpower as of 4 August 2023 for the period of 1 July 2022 to 30 June 2023, comprising Transpower's voluntary greenhouse gas emissions inventory ("GHG Inventory") disclosures (including scope 1, scope 2 and scope 3 emissions) (the "Subject Matter"). Subject matter and criteria covered by our assurance procedures are detailed in the table below.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information

Criteria applied by Transpower

In preparing the Subject Matter, Transpower applied the Greenhouse Gas Protocol and relevant emissions factors (the "Criteria").

Subject Matter	Criteria
Transpower's total greenhouse gas emissions inventory (including scope 1, scope 2 and scope 3 emissions) for the year ended 30 June 2023, disclosed in Transpower's 2022-23 Greenhouse Gas Emissions Inventory Report.	<p>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, with emissions factors from:</p> <ul style="list-style-type: none"> ▶ New Zealand Ministry for the Environment's 2022 Guidance for Voluntary Corporate Greenhouse Gas Reporting ▶ IPCC (2007) Fourth Assessment Report ▶ Motu (2014) New Zealand: A Preliminary Consumption-Based Analysis ▶ Bespoke emissions factor developed for transmission loss emissions and electricity use in operational and non-operational buildings

Reviewed GHG inventory

Total scope 1, 2, and 3 emissions (tCO ₂ -e)	162,883
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Transpower's responsibilities

Transpower's management ("management") is responsible for selecting the Criteria and for presenting the Subject Matter in accordance with that criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our engagement was conducted in accordance with the *International Standard on Assurance Engagements ISAE (NZ) 3000: Assurance Engagements Other than Audits and Reviews of Historical Financial Information and ISAE (NZ) 3410: Assurance Engagements on Greenhouse Gas Statements* and the terms of reference for this engagement as agreed with Transpower on 18 May 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance review.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations

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. Our procedures were designed to obtain a limited level of assurance on which to

base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although 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.

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Summary of review procedures performed

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other relevant procedures.

Our procedures included:

- ▶ Conducting interviews with personnel to understand the business and reporting process
- ▶ Identifying and testing assumptions supporting the calculations
- ▶ Comparing year-on-year activities-based greenhouse gas emissions and energy data
- ▶ Checking organisational and operational boundaries to test completeness of emissions sources
- ▶ Tests of calculation and aggregation
- ▶ Checking that emissions factors and methodologies have been correctly applied as per the criteria
- ▶ Reviewing the appropriateness of the presentation of disclosures.
- ▶ Seeking management representation on key assertions

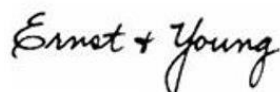
We also performed such other procedures as we considered necessary in the circumstances

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Transpower's GHG Inventory Report as of 4 August 2023 for the period 1 July 2022 to 30 June 2023, in order for it to be in accordance with the GHG Protocol and relevant emissions factors.

Restricted use

This report is intended solely for the information and use of Transpower, and is not intended to be and should not be used by anyone other than the specified party.



Ernst & Young Limited
8 August 2023
New Zealand