

Operational and Financial Performance as at 31 March 2021

Q3 results are shown in the table below:

Quarter three – Performance	31 March		SCI / Plan
	2021	2020	Target
Safety and Our People			
Number of fatalities or injuries causing permanent disability ¹	0	0	0
Total recordable injury frequency rate (TRIFR)	5.61	8.63	≤ 6
High potential incident frequency rate (HPIFR)	1.87	3.14	≤ 3
Staff Engagement	8.1	n/a	≥ 7.1 ²
Sustainability			
Deliver Year 1 milestones according to the TCFD framework ³	On Track	n/a	Meet Target
Deliver Year 1 milestones to position Transpower in the upper quartile on ESG reporting framework within two years ⁴	On Track	n/a	Meet Target
Service Performance⁵			
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	98.52%	86.2%	> 96.75%
• AP2 Key HVAC assets availability	98.49%	n/a	> 98.6%
Achieve system operations target	On Track	On Track	Meet Target
Asset Health Measures			
Power transformers	2.45%	n/a	≤ 3.22%
Outdoor circuit breakers	1.51%	n/a	≤ 2.0%

Financial Performance ⁶			
Free funds from operations (FFO) interest coverage	7.1	3.7	5.9
Free funds from operations / Debt	15.5%	15.7%	15.2%
Return on equity (annualised actuals YTD)	8.4%	11.5%	7.9%
Return on capital employed (annualised actuals YTD)	3.9%	6.4%	4.0%

Note:

- ¹ In April, subsequent to this performance quarter, we experienced a tragic fatality in Fiordland when a subcontractor to one of our Service Providers lost his life while completing geotechnical rock clearing work on an access track near the Manapouri power station. The Police investigation has now been handed over to WorkSafe.
- ² 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.
- ^{3&4} Task Force on Climate related Financial Disclosures ('TCFD') framework and Environmental, Social, and Corporate Governance (ESG).
- ⁵ 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.
- ⁶ 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 2021 compared to 2020 is due to the materially lower regulated rate of return set for RCP3 (2020/21-2024/25).