



## Operational and Financial Performance as at 30 June 2021

Q4 results are shown in the table below:

Quarter four – Performance	30 June		SCI / Plan
	2021	2020	Target

Safety and Our People			
Number of fatalities or injuries causing permanent disability <sup>1</sup>	1	0	0
Total recordable injury frequency rate (TRIFR)	7.50	6.34	≤ 6
High potential incident frequency rate (HPIFR)	2.04	2.11	≤ 3
Staff Engagement	8.1	n/a	≥ 8.0 <sup>2</sup>

Sustainability			
Deliver Year 1 milestones according to the TCFD framework <sup>3</sup>	Target achieved	n/a	Meet Target
Deliver Year 1 milestones to position Transpower in the upper quartile on ESG reporting framework within two years <sup>4</sup>	Target achieved	n/a	Meet Target

Service Performance <sup>5</sup>			
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	98.67%	88.26%	> 96.75%
• AP2 Key HVAC assets availability	98.83%	n/a	> 98.6%
Achieve system operations target	Target achieved	Target achieved	Meet Target

Asset Health Measures			
Power transformers	1.97%	n/a	≤ 3.22%
Outdoor circuit breakers	1.09%	n/a	≤ 2.0%

Financial Performance <sup>6</sup>			
Free funds from operations (FFO) interest coverage	6.8	3.9	5.9
Free funds from operations / Debt	14.5% <sup>7</sup>	15.7%	15.2%
Return on equity	7.4%	10.1%	7.9%
Return on capital employed	3.5%	5.6%	4.0%

**Note:**

- <sup>1</sup> In April, 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.
- <sup>2</sup> Top 25% percentile score for energy & utilities sectors. At May 2021, the Top 25% percentile score was 8 – 8.2.
- <sup>3</sup> Task Force on Climate related Financial Disclosures ('TCFD') framework.
- <sup>4</sup> Environmental, Social, and Corporate Governance (ESG) reporting framework.
- <sup>5</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>6</sup> Financial Performance - 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).
- <sup>7</sup> Free funds from operations/Debt is lower due to a bond issuance of \$150m in April 2021 to part pre-finance upcoming bond maturities. This has had the effect of lowering the financial metric to below target. However, this is a timing difference and will move back to target post term debt maturities during Q1 2022. As result this metric is considered to be achieved.