

Connecting Aotearoa

so that we can
all live, learn,
work and play

Sustainability Report 2022

This is Chorus' second Sustainability Report, reflecting our ambition and commitment to support Aotearoa in its transition to be more sustainable.

C H ● R U S



01 A note from JB Rousselot: It's time for collaboration and impact

02 Connecting Aotearoa so that we can all live, learn, work and play

Materiality assessment	03
Strategy and governance	04
Risk management	06
Our network infrastructure	07
Stakeholder engagement	10

11 Thriving environment

Respecting the land	13
Enabling a sustainable digital future	14
Emissions Reduction Plan	15
Our footprint – energy, waste, water	16

18 Sustainable digital futures

Digital inclusion	20
Community engagement	22
Cybersecurity and privacy	23

24 Thriving people

Health and safety	26
Our people	27
Focus on an Ethical supply chain	36
Code of ethics	37

38 TCFD appendix

43 GHG inventory

45 Glossary

It's time for collaboration and impact

The focus on environmental and social impact is growing rapidly as organisations, communities, and governments recognise that more needs to happen if we genuinely want both people and the planet to thrive.

New Zealanders' appetite for data has grown 50-fold over the last decade, with more organisations, services and people moving online. We've built our fibre network, investing in critical infrastructure to stay ahead of these growing data needs, unleashing the digital potential for Aotearoa's communities and businesses.

At the end of 2021, Chorus undertook research with other fibre companies in Aotearoa, to look at the emission characteristics of different broadband networks. What we found is that as fibre speeds increase there's little to no increase in emissions.

This research showed that our fibre network is reliable and future-proofed in terms of speed and data capacity and provides a low emission technology to keep people connected with others.

The very nature of Chorus' business will help other sectors across Aotearoa transition to a low carbon economy, through the efficiencies that digitalising can bring. Enabling more working and studying from home also brings the potential for lower commuting emissions.

COVID-19 has accelerated digital adoption, with more people discovering how to work, learn and connect online from home. But we need to work hard to ensure that digital acceleration doesn't widen the digital divide and reinforce the multiple barriers to digital inclusion. Achieving true digital equity will take understanding, collaboration, and effort – and it's something that Chorus is fully committed to.

Over the last year, Chorus has held up a mirror, to look at our impact more deeply and what more we could do to contribute towards an equitable, inclusive, and thriving Aotearoa. Our focus for the year ahead is on reducing our electricity consumption and optimising our assets to help reduce our emissions. We'll also stay across the climate-related disclosure standards that are due to be finalised later this year, so we remain compliant and transparent in the way we report our progress.

Our new purpose is at the heart of our sustainability approach, connecting Aotearoa so we can all live, learn, work and play. We'll do this by championing sustainable digital futures, and helping our planet and people thrive. The next decade for Chorus will be one of action, working together with the industry, the Government, and other organisations to tackle climate change, commit to a sustainable future and ensure in a digital era, no one gets left behind.



JB Rousselot
Chief Executive



Connecting Aotearoa so that we can all live, learn, work and play

Our new purpose is to connect Aotearoa so that we can all live, learn, work and play. This means Chorus will innovate and invest in delivering the best possible services for Aotearoa, enabling the environmental, economic and societal transformations ahead of us.



Materiality assessment

The end of 2020 saw us working with Proxima, an external sustainability consultant, to run internal workshops and materiality assessments with external stakeholders to validate our sustainability approach.

Material topics were developed during the first stage of our workshops, as participants were asked to consider how Chorus creates value could contribute to a flourishing and sustainable future, that benefits customers, investors, community, employees and the earth.

These ideas were crafted into concise material topics that were mapped to the New Zealand Treasury's Living Standards Framework, the Future- Fit Business Benchmark, and the Sustainable Development Goals as validation. The topics were further confirmed and refined with the internal sustainability group to inform our sustainability strategy.

In early 2022 we conducted stakeholder interviews and surveys to assist with a refresh of our purpose and business strategy. The feedback reinforced that the key topics identified in our 2020 materiality assessment were still relevant.

Stakeholders contacted in 2022 review:

WAVE 1	Stakeholders	Count
	Investors	(4)
	Board	(7)
	Executive team	(7)
	Employee sub-group	(n=366)
	Public including Small Medium Businesses	(n=750 consumer, n=400 SME)

WAVE 2	Stakeholders	Count
	Commerce Commission	(1)
	Government	(3)
	Enterprise businesses	(3)
	Retail Service Providers	(4)

WAVE 3	Stakeholders	Count
	Local Fibre Companies	(2)
	Māori Spectrum Group	(1)
	Crown Infrastructure Partners	(1)
	Consumer Groups	(1)

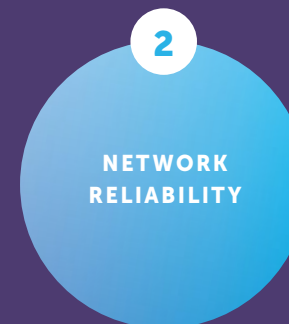
We asked stakeholders to rank this list of material topics in terms of Chorus' ability to create value.



Working with others on digital inclusion is the dominant way Chorus can contribute positively to a sustainable and value-creating society.



Chorus can contribute value by having a resilient and reliable network that enables the digital economy. However, digital literacy is equally important for society, and Chorus should have a role providing the network and helping people know how to use it.



Chorus should know its environmental impact and take steps to reduce any harm.



Chorus has a role to champion the work from home culture and distributed workforce.



Ethical business practices; diverse and inclusive workplace; health, safety and wellbeing were lower on the priority list due to stakeholders generally feeling these are business as usual topics that must be done. Chorus must continue to focus on these areas.



Our sustainability strategy

Our focus on Sustainability is guided by Kaitiakitanga (environmental guardianship) and Manaakitanga (acts of giving and caring for). Sustainability is at the heart of Chorus... it's how we connect Aotearoa so that we can all live, learn, work and play. It's Chorus' contribution to the considerable environmental, economic, and social issues Aotearoa is facing.

THE CHALLENGES AND OUR COMMITMENT TO HELP

ASPIRATIONAL GOALS

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

THRIVING ENVIRONMENT
TE TAIAO PUAWAI

Natural resources are being used up faster than they can regenerate, and vital environmental systems are being degraded faster than they can recover. This threatens our standard of living and the wellbeing of future generations.

WE WILL WORK TO REDUCE CARBON EMISSIONS AND WASTE TO LANDFILL ACROSS THE CHORUS ECOSYSTEM.

Accelerate our journey towards carbon neutral across the Chorus ecosystem.



SUSTAINABLE DIGITAL FUTURES
TOA HANGARAU

A digital world offers opportunity for Aotearoa. However inequality may increase if the infrastructure is built without strengthening the digital capability of individuals, communities and businesses.

WE WILL PARTNER WITH OTHERS TO HELP CLOSE THE DIGITAL DIVIDE AND STRENGTHEN DIGITAL CAPABILITY.

Help us all participate in a positive digital life; using the most efficient, fastest, most reliable broadband.



THRIVING PEOPLE
NGA IWI WHAI HUA

We are the digital connection backbone for New Zealand, operating in an industry with constant changes. We also partner with strategic suppliers who deliver our services on the ground.

WE WILL CHAMPION SAFE, FAIR AND INCLUSIVE WORKPLACES ACROSS NEW ZEALAND SO MORE PEOPLE CAN LEAD FULFILLING AND BALANCED LIVES.

Known leaders in:

- Health & Safety
- Diversity & Inclusion
- Worker Welfare
- Wellbeing & Flexible working.



Strategy and governance

Our Executive team has adopted our sustainability strategy, with endorsement from the Board, and our three sustainability pillars are integral in our new company strategy for FY23.



One of our directors, Kate Jorgensen, has previously been a member of the Sustainable Business Council Advisory Board.

Responsibility for implementing the sustainability strategy sits across our Executive with coordination of the strategy and programmes of work managed by our Head of Sustainability, reporting to our Chief Corporate Officer and General Counsel.

Our Sustainability Network supports the sustainability pillars at an organisational level, with representation drawn from across a range of business areas. The network meets monthly, to share best practice with other sustainability professionals. The network collectively promotes our sustainability strategy, leads and contributes to programmes of work that support our targets and helps identify new opportunities, such as initiatives to reduce our emissions and waste.

Risk management

Board oversight and monitoring of Chorus responses to principal risks, involving climate change is through the Audit and Risk Management Committee (ARMC).

The ARMC reviews regular reporting from the Executive team on unforeseen, emerging, principal and business unit risks.

The Board has a regular programme of education sessions covering a range of topical matters, both technical and cultural.

This includes health and safety site visits and briefings from management, industry experts and advisers. Educational and stakeholder visits are also arranged. In FY22 educational sessions focussed on regulatory changes.

Our corporate governance documents, including our Managing Risk policy, are available at: <https://company.chorus.co.nz/governance>. More information about our approach to risk is also available in the Governance section of our Annual Report.

Climate change risk

In the context of climate change related risks, Chorus' risk management framework is being applied, with the relevant stakeholders across our Network Operations, Technology, Legal and Sustainability teams identified as owners of the risks and associated mitigants.

In FY22, we reviewed climate-related risks using our general risk management process.

Our Task Force on Climate Related Financial Disclosures (TCFD) appendix on page 38 details our approach to climate change risk.

In addition to climate risks being in business unit risk registers, we have consolidated all climate-related risks into a single risk register so we can manage these holistically.

Our risk management framework covers financial and non-financial risks including:



Commercial and financial sustainability

Maintaining appropriate capital management and credit settings.



Stakeholder and customer confidence / reputation

Attaining and maintaining a positive reputation with key stakeholders and customers.



Legal, regulatory and contractual

Working within the regulatory and legal environment.



Health, safety and wellbeing

Working to keep our people safe.



People and skills

Ensuring Chorus attains and retains employees with the capabilities to achieve its strategic objectives.



Core services

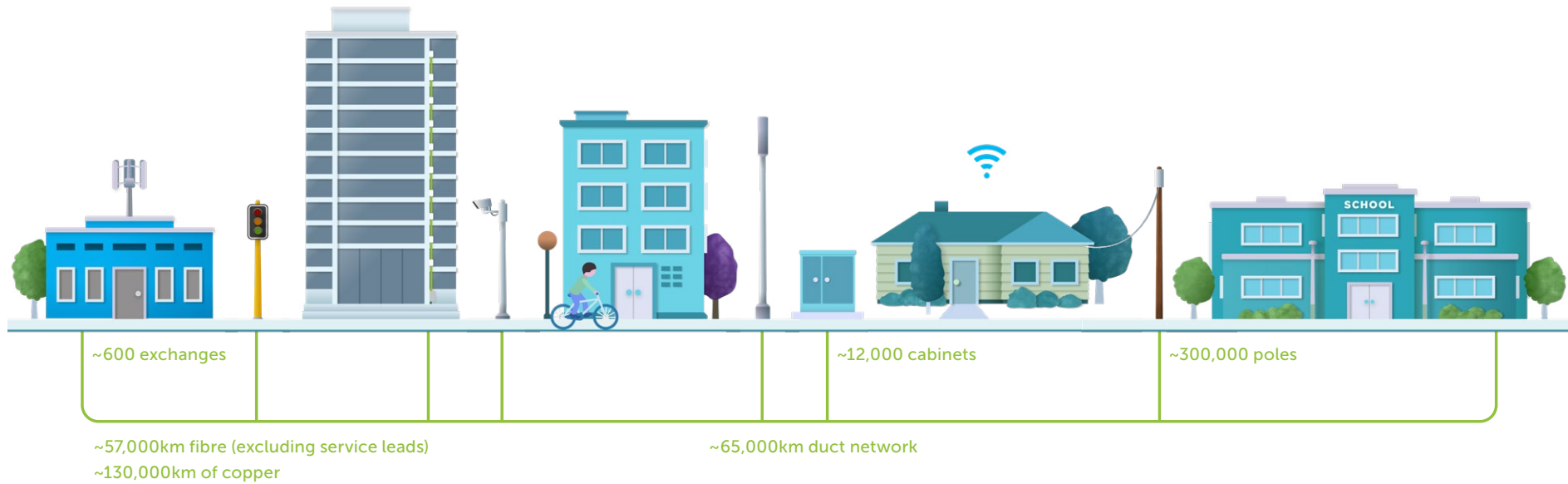
Core service availability and network resilience.



Innovation

Identify and pursue innovation and opportunities that will enhance Chorus.

Our network infrastructure



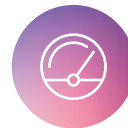
We're a wholesale only, fixed line telecommunications network operator. Our network infrastructure enables about 100 retail service providers to connect homes and businesses nationwide.



At 30 June 2022 we had 1,304,000 fixed line connections on our network (voice only: 103,000; broadband: 1,189,000; other: 12,000) Our network carried 7,140 petabytes of data in FY22, up from 5,823 petabytes in FY21.



We have about 800 permanent and fixed-term employees and 120 independent contractors for our core operations. Our main corporate office locations are in Auckland, Hamilton, Wellington and Christchurch. Thousands of service company workers and subcontractors undertake activity on our behalf.



80% of our broadband connections are on fibre, enabling rapid growth in broadband speeds and data demand. Most connections are on 300 Mbps plans, and almost a quarter on 1 Gbps plans. Hyperfibre services of 2, 4 and 8 Gbps are also available.



Gigabit broadband to the home and our extensive fibre backhaul network is underpinning the development of sustainable communities.



A 2021 study confirmed the carbon emissions profile of our fibre network stays low regardless of speed, suggesting that fibre will continue to be energy efficient as data demand grows¹.

1. <https://company.chorus.co.nz/file-download/download/public/2314>

Infrastructure is at the heart of delivering economic, environmental and social sustainability. It's also at the heart of what we do.

We're Aotearoa's largest telecommunications infrastructure operator. Our operations include building, maintaining, and operating an open access telecommunications and internet network made up of local telephone exchanges, cabinets, and copper and fibre cables.

We've invested billions of dollars building our fibre network, and upgrading our copper network since we became a standalone company in 2011. In 2022 our fibre to the premises network will pass about 1.36 million homes and businesses including hundreds of small communities, some with as few as 50 premises.

In 2022 we completed a joint project with the Government to build a 250km fibre backhaul link connecting the lower West Coast of the South Island. This fibre link provided additional network resilience for the region and delivered fibre services for households in remote communities such as Haast and Fox Glacier. It also enabled mobile networks to extend their cell site coverage. We continue to help bridge the digital divide through targeted copper VDSL upgrades under the government's rural broadband initiative.

Network investment milestones

2012	Completed ADSL2+ fibre to the cabinet upgrade, reaching 80% of population
2016	Finished initial work under the Rural Broadband Initiative, a partnership with the Government to connect fibre to rural schools, hospitals and Vodafone towers. It also enabled expansion of our fibre to the cabinet and VDSL footprint.
2018	VDSL vectoring upgrade completed for tens of thousands of homes across selected rural and urban areas. Received the Broadband Delivering Social Impact award at the Broadband World Forum.
2019	Completed UFB1 rollout underway since 2011 as part of our public-private partnership with the Government. This made fibre available to about one million homes and businesses across 28 major towns and cities.
2020	Removed first generation copper broadband equipment in rural areas with VDSL extended to 160 nodes via 70km of fibre. Fibre extended to provincial marae as part of the Government's development project.
2022	West Coast fibre link completed. UFB2 rollout due to complete, extending fibre to 360,000 homes and businesses in smaller communities.



Network reliability

People of Aotearoa place great reliance upon the availability of our network both as a utility service for their daily lives and businesses, and a critical lifeline service in times of emergency. The Government recognised us as a lifeline utility provider, and our employees and service company technicians often go the extra mile to keep communities connected when extreme weather or natural disasters occur. We monitor our network 24/7 and have disaster response plans to help maintain or restore service in an emergency. This includes standby power generation at our core sites, and the use of battery back up, and portable generators for other network elements.

The substantial investment in deploying fibre has increased our network’s reliability and its resilience to emerging climate-related risks. Fibre is less susceptible to water and lightning-related faults than the cables and street-based electronic equipment in the copper network. This has been demonstrated by low fibre fault volumes in recent extreme weather events, including tornadoes and flooding.

We’ve begun reporting quality performance measures for our fibre network to the Commerce Commission. Figure 1 shows this data for fault restoration and unplanned downtime from 1 January 2022. The data in the table is aggregated from regional reporting to provide a national summary for this report.

Earthquakes remain a primary focus for our network resiliency planning. Network damage from past earthquakes has tended to be limited to localised copper cables, with minimal damage to exchange buildings.

We have a comprehensive insurance programme typical of large-scale infrastructure utilities, covering all risks (subject to standard exclusions) of physical damage and business interruption for above-ground assets. Specific cover is provided for earthquake damage to underground cables in Auckland, Hamilton, Wellington and Dunedin.

We undertake probability-based loss estimate modelling to ensure that the policy limit covering material damage and business interruption is adequate.

For more information about our approach to climate change risks see the TCFD Appendix on page 38.

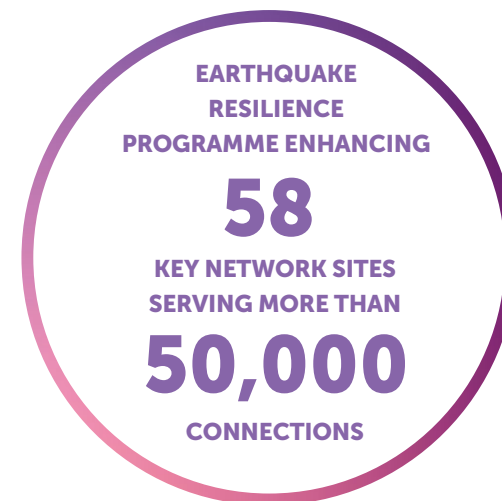


Figure 1:

Fibre fault data: January – June 2022

Fibre network	Faults per 100 connections	Average monthly unplanned downtime in minutes (excluding force majeure events)
Layer 1	0.243	2.53
Layer 2	0.004	0.05

Stakeholder engagement

The rollout of our fibre network has entailed an extensive programme of stakeholder engagement at all levels of government for the last decade.

We engage closely with Crown Infrastructure Partners as the contract manager for our public-private partnership. Before starting fibre deployment in communities, we brief and work with local councils on our rollout plans. We work closely with local Māori organisations and engage with iwi, hapū and rūnanaga organisations as part of build programmes. Chorus also holds community events before and after build, called Shed the Light and Shine the Light. Residents are invited to discuss the fibre rollout and the benefits of fibre broadband. We also use these events to provide information on local digital skills support. These events help address any community concerns and promote fibre uptake.

We monitor customer satisfaction through surveys on fibre installation and intact connection experience. These measures are linked to organisational objectives for remuneration purposes. We also use independent consumer surveys to assess broadband satisfaction and the public's perception of Chorus.

Our investor relations programme facilitates two-way communication with investors and other market participants about our business, governance and performance. This is a valuable source of feedback. Our annual and half-year results presentations are made available to all investors via webcast, as is our annual meeting.



A diverse group of stakeholders are surveyed every three years to gauge perceptions of our reputation.

Issues register

Chorus has an issues register to track and manage escalations that are received from Members of Parliament (MPs), mayors, councillors and community boards on behalf of constituents. The register allows people from across Chorus to be able to track an escalation from start to finish or go and check historical escalations for context. To date, the register has successfully tracked and provided updates to stakeholders on issues such as outages, updates on fibre installations or council requests for Chorus to install duct while roadworks are taking place.

Electorate report initiative

To engage and educate our Members of Parliament, we developed electorate reports this year. The initial reports were sent to ten MPs to trial the programme, which resulted in five out of the ten responding with positive comments and four requesting information regarding a constituent case. The evident success of the trial means Electorate reports will be sent to all 72 electorate MPs twice yearly. Proactive relationships with our MPs help Chorus to uncover and manage external issues. Electorate reports will allow MPs to understand Chorus better and more easily connect.

Working together

We continue to work with a wide range of groups and organisations. In FY22, this has included:

Industry and government organisation memberships: BusinessNZ, Infrastructure NZ, NZ Utilities Advisory, Telecommunications Forum (TCF), TUANZ

Other memberships: Business Leaders Health and Safety forum, Diversity Works, Electrical Engineers Association, Global Listed Infrastructure, Global Women, Hugo Group, Insight NZ, NZ Shareholders Association, Property Council of NZ, Sustainable Business Council.

In FY22, we've proactively engaged with multiple stakeholders and community groups (i.e. Consumer NZ, Age Concern, Grey Power, Senior Net) to ensure members of the public are aware of the copper withdrawal programme and understand the transition to an alternative technologies.

Sponsorships and Partnerships

- AM, BusinessDesk and NZME media partnerships
- Big Gay Out (World Aids Day 2022)
- Broadband Compare Awards sponsor
- Dignity (Women's Health)
- EAP and WellNZ
- Innovative Young Minds
- Internet Service Providers Association NZ Conference
- Local Government NZ Conference
- Mentemia/Groov
- Netsafety Week
- NZ Rainbow Excellence Awards
- SeniorNet
- TUANZ Tech Users Day

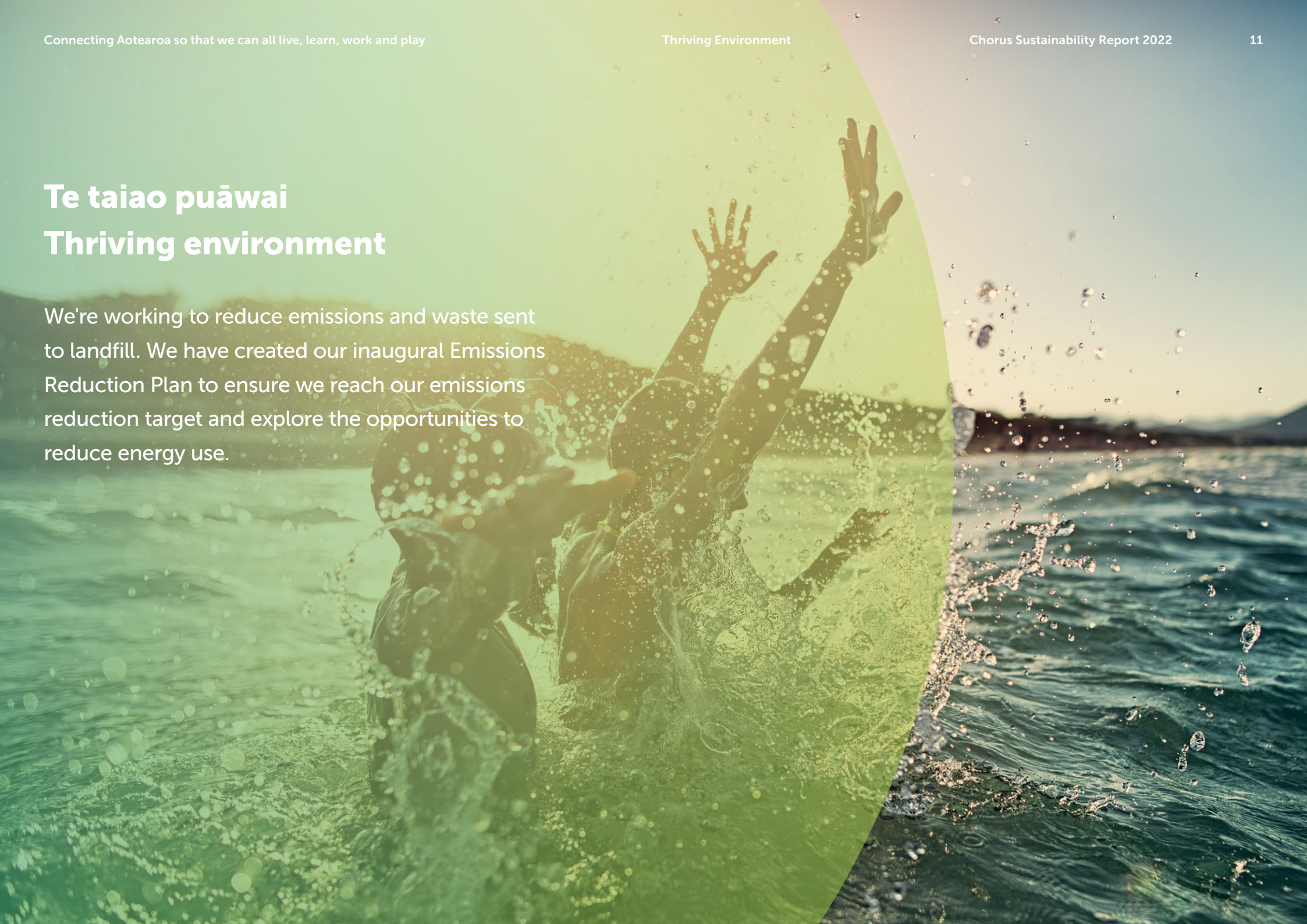
Contribution type



Te taiao puāwai

Thriving environment

We're working to reduce emissions and waste sent to landfill. We have created our inaugural Emissions Reduction Plan to ensure we reach our emissions reduction target and explore the opportunities to reduce energy use.



Our commitment

- 1 Maintain an emissions data and reporting system.
- 2 Identify and innovate to create a sustainable value chain, reduce waste, energy, and emissions.
- 3 Seek third-party verifications on our science-based emissions reduction target.
- 4 Engage with iwi, hapū and rūnanga organisations, where build work is scheduled to take place in culturally sensitive landscapes, to ensure cultural impacts are mitigated.
- 5 Ensure all physical and operational works comply with the National Environmental Standards for Telecommunications Facilities, the Health and Safety At Work Act NZ, the Resource Management Act and other relevant local and central government legislation.
- 6 Take practical steps to avoid environmental breaches.
- 7 Identify the risks associated with climate change, evaluate, and monitor these risks and if necessary, take action to control, reduce or eliminate them.

Our targets

- 1 Commitment made to the Science Based Target initiative: To reduce 62% of scope 1 and 2 emissions by 2030, from a base year of 2020.
- 2 15% electricity consumption reduction by 2025. 25% electricity consumption reduction from 2020 by 2030.
- 3 Corporate fleet reduced 25% from 2020 by FY23. Move to 100% Hybrid or EV by FY27.
- 4 Focus on renewables – new electricity provider and commitment to extend solar trial on our exchanges.

Impact in the last 12 months



Brave Gen Carbon Data Management system implemented.



Commitment made to the Science Based Target initiative.



First Emissions Reduction Plan created.



New 5-star green rating corporate office in Auckland.



Scope 3 emissions data extended to include commuting, work from home and customer premise equipment.



Climate Disclosure Project (CDP) rating B achieved (out of A-E range).



180 tonnes of network equipment diverted from landfill - reused or recycled.

Respecting our land

Our environmental commitments

As the owner of about 600 exchange sites and an extensive fixed line network throughout urban and rural Aotearoa, we take practical steps to avoid environmental breaches. For FY22, we had no material environmental breaches.

Our environmental framework requires that we, and our suppliers, ensure our physical and operational work complies with all relevant local and central government legislation, including:

- the National Environmental Standards for Telecommunications Facilities
- the Health and Safety at Work Act NZ
- the Resource Management Act
- the Heritage New Zealand Pouhere Taonga Act.

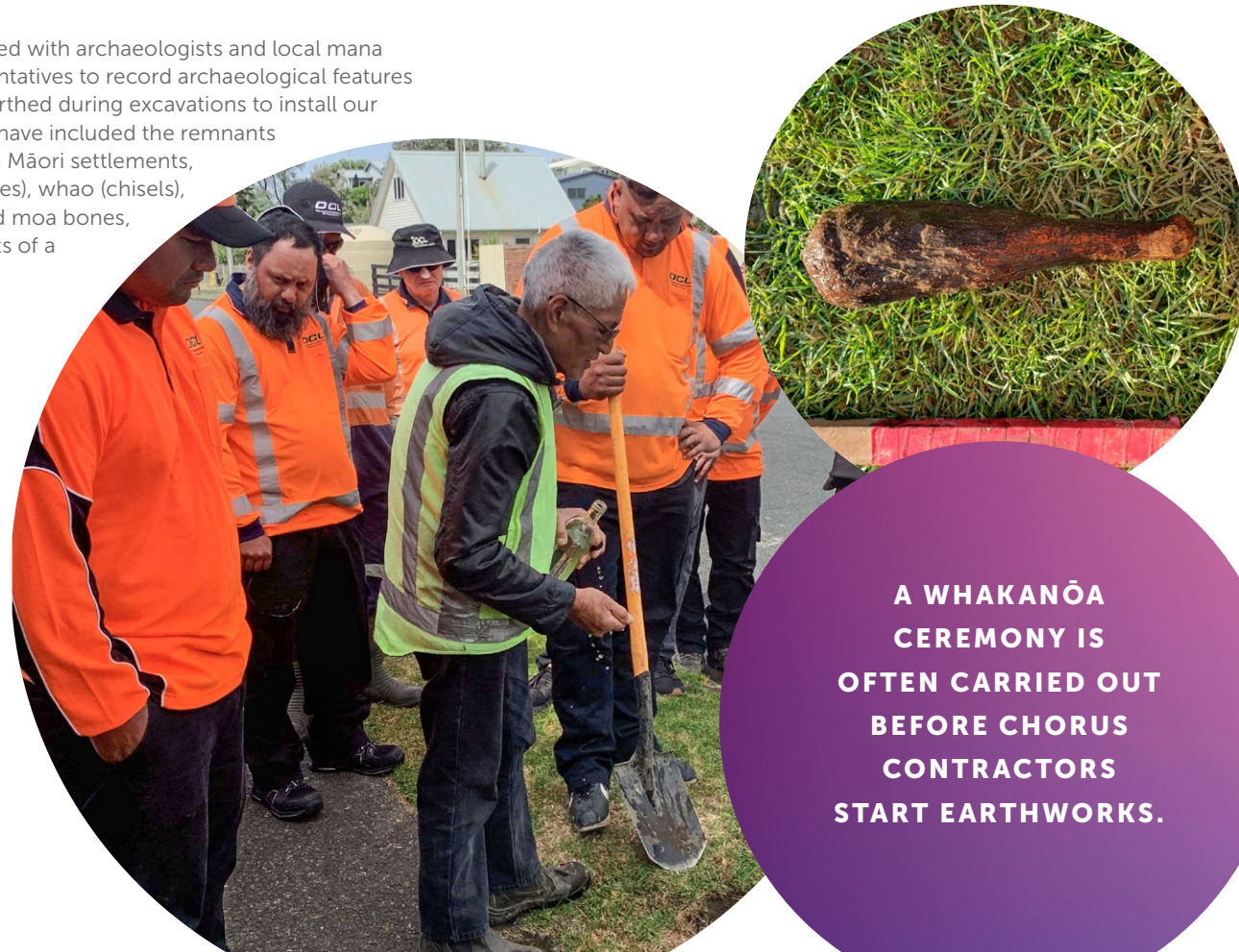
We have about 70 network sites on Department of Conservation (DOC) land. These sites are typically transmitter links on hilltops or mountains. Some of these remote sites are being retired as our network needs evolve. The scale of the ultra-fast broadband rollout has entailed working closely with many councils throughout Aotearoa to coordinate the deployment of the new underground and aerial network.

We have an in-house Environmental Management System that allows us to manage network build and other physical works projects. We use the system to check that the project complies with the necessary regulations and ensure we have the correct consents before work begins. For projects that are on, or go through, DOC land, we also apply for additional consents from DOC before any work begins.

We engage with numerous local Māori organisations and Heritage New Zealand Pouhere Taonga to ensure cultural impacts are mitigated, particularly where we are building network in culturally sensitive areas. During our UFB rollout, we've engaged with iwi, hapū and rūnanga organisations throughout New Zealand. We have obtained around 100 authorisations to work in areas identified as having archaeological features and sites of significance.

We've also worked with archaeologists and local mana whenua representatives to record archaeological features as they are unearthed during excavations to install our network. These have included the remnants of pre-European Māori settlements, such as toki (adzes), whao (chisels), hangi stones and moa bones, and the remnants of a whaling station.

A patu muka (flax pounder) unearthed by our UFB contractors in Tairua. The patu muka was used to soften flax fibre (muka) in preparation for weaving.



A WHAKANŌA CEREMONY IS OFTEN CARRIED OUT BEFORE CHORUS CONTRACTORS START EARTHWORKS.

Enabling a sustainable digital future

Fibre – a low emission technology

Fibre networks are recognised as the most climate-friendly digital infrastructure because they transmit data via light over large distances. This means fibre optical equipment doesn't require cooling or powered equipment in suburban streets. Fibre is also more resilient than copper lines, meaning the optical cables will last for several decades and require fewer maintenance repairs.

Research commissioned¹ by Chorus and other local fibre companies in Aotearoa looked at the emissions footprint of the built fibre network compared to other broadband technologies. The study focused on the emissions profile of using the networks for broadband once they were up and running. It didn't look at any of the emissions associated with the build of the network in part because 5G networks are largely still under construction, so there isn't good data to compare.

The study found that for average access rates higher than 50 Mbps, fibre has a lower per-user emissions footprint than all the other broadband alternatives in Aotearoa. The study also showed that the emissions of fibre stay consistent despite increasing speeds to meet growing data demand (see figure 2).

The benefits of fibre broadband are evident from the reductions we've seen in network electricity usage despite significant growth in data usage across our network year on year (see figure 3).

Our total electricity usage increased slightly in FY22. This was largely linked to metering wash-ups following our change in electricity provider. COVID-19 constraints slowed down our copper switch-off programme which means we continue to operate fibre and copper network elements for the same customer base. We plan to undertake work to better identify third-party electricity usage in our exchanges that is currently included in our scope 2 emissions.

Figure 2:

Emissions in GPON and FWA 4G/5G networks for average access rates between 50 and 500 Mbps

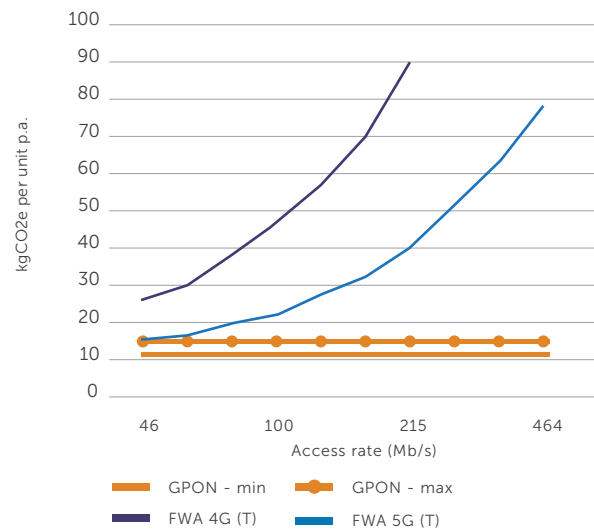
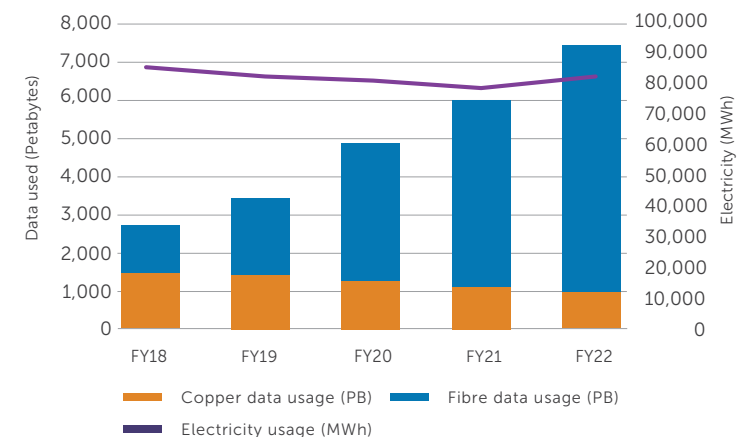


Figure 3:

Data vs Network Electricity Usage FY18 – FY22



1 <https://company.chorus.co.nz/file-download/download/public/2314>

Emissions Reduction Plan

This year we've invested in a carbon management system, so we can track our emissions and understand the opportunities to reduce or remove them.

We've also widened our scope 3 data that we report on, and for FY23 and beyond, we'll prioritise building a sustainable value chain, reducing waste and emissions.

We've also created our first Emissions Reduction Plan to do all we can to reduce the emissions we create, or that are associated with Chorus.

- Corporate fleet moved to 100% hybrid or EV by FY27
- Trial self-generation renewable electricity
- 15% electricity consumption reduction from FY20 to the end of FY25
- 100% of Senior Leaders aware of Emissions Reduction Plan

Our Emissions Reduction Plan has four key pillars:

1

Know our emissions

Understand and grow our emissions inventory so that data can guide Chorus' decisions and allow us to be accurate and transparent in our reporting.

Key targets:

- Maintain or improve on current B rating for Climate Disclosure Project reporting.
- Half yearly scope 1,2,3 emissions data report with progress reported against modelling data from FY23.
- Measure energy consumption and efficiency at a deeper level.
- Measure and exclude scope 3 emissions currently included in our scope 2 reporting.

3

Focus on renewables

Generate more of our renewable electricity. We use solar and wind power on 117 remote network sites where mains power isn't available. For network sites supporting large numbers of customers, we use mains power to ensure service reliability and rely on standby batteries and diesel generators for backup power. For FY23, we are entering a new electricity supplier contract expanding our self-renewable electricity strategy.

Key targets:

- Trial self-generation renewable electricity and review with electricity provider and third-party consultant.
- A self-generation of renewables metric in place by FY24.

2

Invest to reduce

Take action and only use the energy we need to serve our customers. Invest in initiatives that reduce our energy consumption and/or grow our energy efficiency.

Key targets:

- 15% electricity consumption reduction from FY20 by the end of FY25.
- 25% electricity consumption reduction from FY20 by the end of FY28.
- Corporate fleet reduced by 25% by FY23. Move to 100% Hybrid or EV by FY27.

4

Net-zero future

Look now at what possibilities and opportunities are available to Chorus to be "net zero" in the future. Build a culture that understands and supports the transition to a net-zero future.

Key targets:

- Emissions questions and assessment an integral part of our business from FY23.
- All Senior Leaders aware of climate-related requirements and our Emissions Reduction Plan.

Our footprint

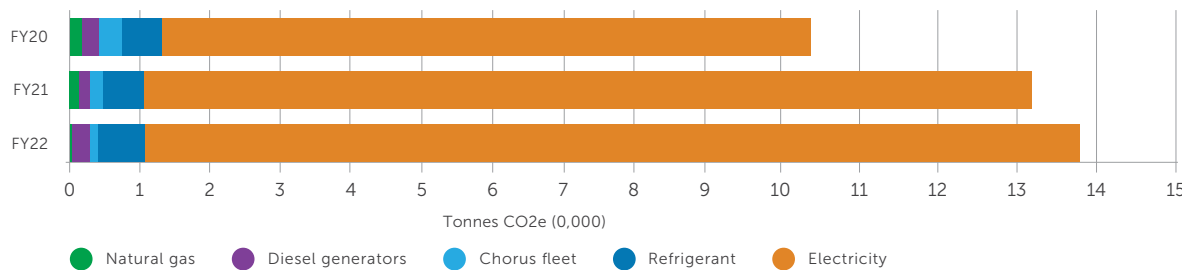
We've been reporting our carbon emissions data to the Climate Disclosure Project (CDP) since 2012 and achieved a B rating for 2021 (scores range from A-E).

This year we have committed to the Science Based Target initiative, which sees us reset our emissions target, to reduce our scope 1 and 2 emissions by 62% by 2030, from a 2020 base year. Our Emissions Reduction Plan supports this target which has modelled the initiatives that will contribute to our reductions.

Energy

Figure 4a:

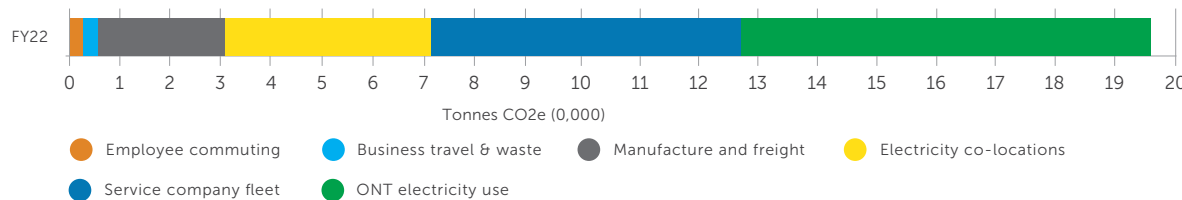
Scope 1 (direct) and 2 (electricity) emissions FY20 - FY22



- Scope 1 emissions increased slightly in FY22 (increase of 24 tonnes of CO2e compared to last year). This is mainly due to improved supplier data received for diesel generators.
- Corporate fleet emissions are down by 38% due to a reduction in the number of our fleet cars and improved supplier data received for diesel generators.

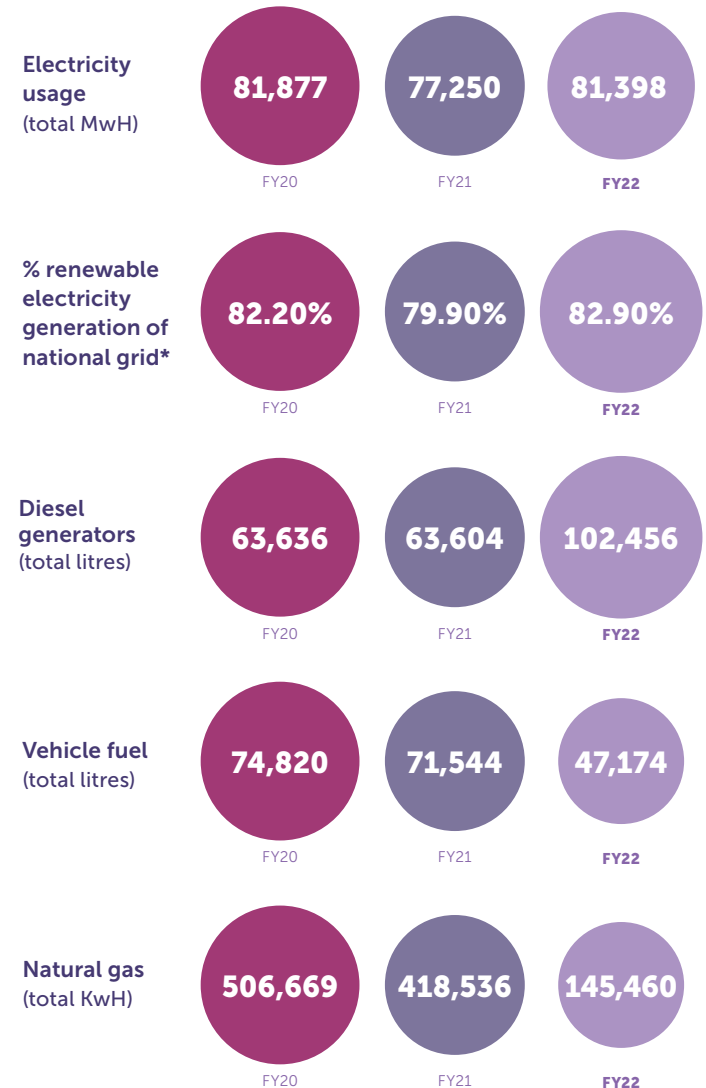
Figure 4b:

Scope 3 (supply chain) emissions FY22



- New data points for FY22; employee commuting and work from home, accommodation and rental cars (business travel), electricity use associated with Optical Network Terminal use in customer premises (use of sold products), purchased good and services, downstream transportation and distribution.

Energy consumption



* Based on an average of three quarters where emissions factors have been reported.

Waste

We strongly focus on waste minimisation and continually explore opportunities to reuse or recycle waste generated by our network-related activity, including partnering with our suppliers to reduce our waste footprint through innovation.

Since the ultra-fast broadband rollout began in 2011, we've worked with our partners to collect plastic duct offcuts so they can be recycled, and the plastic granulate then used in the production of new ducting. We've worked with our local duct manufacturer to reduce the number of plastics in use to one. This will improve duct offcuts processing efficiency as it's rolled out across different products. We're also reducing the use of soft plastics and foam.

We've also worked with our suppliers to replace polystyrene reels used for smaller fibre cables with cardboard alternatives. Plastic packaging for customer premises equipment has also been reduced. Where possible, we reuse the wooden and metal drums the fibre optic cable is delivered on, we and are working with our supplier to trial reusable plastic drums for microduct cabling.

Our most significant landfill waste is fibre cable, as offcuts can't be reused if they are below a certain length. The amount of fibre cable waste is reducing significantly as the UFB rollout ends. Our fibre cable supplier is currently researching a technique to recycle fibre cables.

Our goal is to recycle all redundant electronic equipment and copper cable where they can be economically recovered. We expect network recycling volumes to increase as we continue to migrate customers to fibre and copper equipment is gradually retired.

Waste	Disposal method*	FY20 (tonnes)	FY21 (tonnes)	FY22 (tonnes)
Duct (plastic)	Recycled	195	85	60
Redundant network (metal)	Recycled	37	187	100
Batteries	Recycled	24	10	8.5
E-waste	Recycled	4	14	12
Corporate offices**	Landfill	34	32	27
Fibre cable	Landfill	93	82	80

* Where we are able to recycle, 100% of waste type is recycled.

** Corporate office landfill volumes are an average based on three months of data

We operate an in-office recycling and organic waste collection programme across our four corporate offices. In FY22 we saw significant periods of office closures due to the COVID-19 pandemic, which is reflected in the data above.



Water

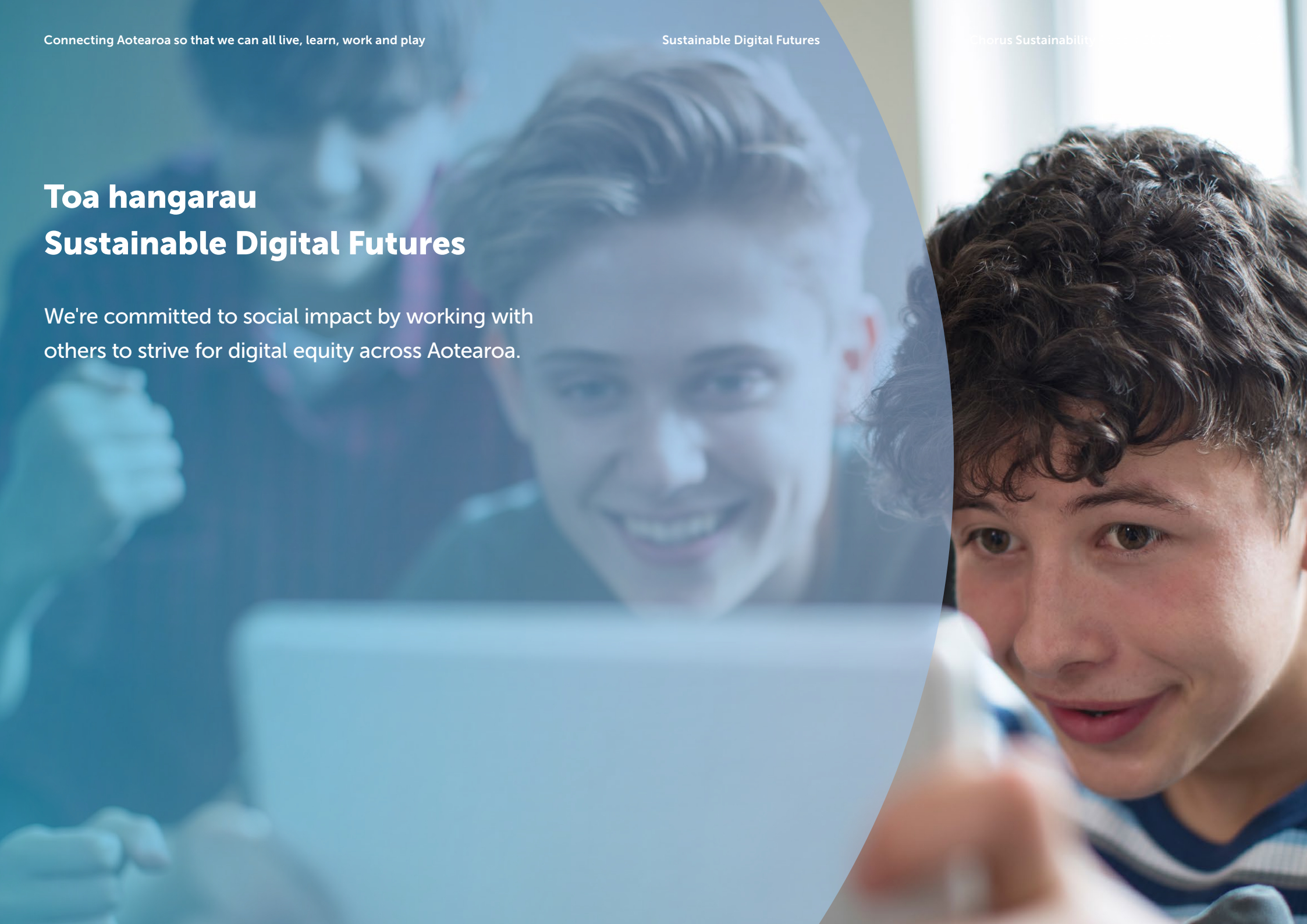
Chorus operates approximately 600 exchange buildings of varying size and scale. A small number of these sites use water for cooling purposes. Analysis of our water invoices indicates annual average water usage is less than 10 cubic metres per site.

We lease four main office sites around Aotearoa. While water usage data isn't available for these sites, total water usage has declined through our shift to flexible working and a reduction in total office space.

Our field service contractors sometimes use water tankers for underground network excavation and this wastewater is discharged at local landfills in accordance with local authority requirements.

Toa hangarau **Sustainable Digital Futures**

We're committed to social impact by working with others to strive for digital equity across Aotearoa.



Our commitment

- 1 Continue to collaborate with others who are working towards digital equity in Aotearoa.
- 2 Help build awareness of digital skills support available for our local communities.
- 3 Support organisations who are focused on digital inclusion and skills.
- 4 Continue to connect Aotearoa towns and communities to fibre.

Our targets

- 1 50 Shine the Light events to strengthen digital knowledge in FY23.
- 2 20,000+ students, adults and business owners helped with digital access, skills support, and devices.

Impact in the last 12 months



142 community volunteer days taken by employees.



30 Chorus volunteers running digital skills / learning sessions for SeniorNet hangouts.



\$118,000 to support organisations focused on digital capability and inclusion.



Key contributor to the Digital Equity Coalition Aotearoa, with a focus on Affordable Connectivity.



Chorus is the principal partner of The Funding Network who have raised \$371,830 for 40 charities



42 Shine the Light community events nationwide to educate on broadband options, how to connect to fibre and local digital skills support available.



9,000 student homes connected through retailers delivering broadband services, using partly subsidised wholesale connections from Chorus, other NZ wholesale providers and the Ministry of Education.

Digital inclusion

Our social impact focus is on digital inclusion – looking at the multiple barriers that create the digital divide and partnering with others to bridge the divide. During the COVID-19 pandemic, we focused our support on student connections, digital skills uplift for seniors and helping the charitable sector embrace digital.

For FY23, we'll rethink our strategy and contribution to digital inclusion, acknowledging that we can't solve this social issue alone. We believe building long-lasting relationships and partnerships will be the only way to tackle the digital divide.

Connecting youth

Education and a commitment to digital equity have always been a major focus of our work. Schools were priority customers to be connected to fibre in our urban and rural rollouts. In recent years we've worked with government organisations to explore ways our network technology could bridge the digital divide between those students who have broadband at home and those who don't. This has included trials using Wi-Fi access points to enable students without home broadband to log in to their local school network from home.

STUDENT HOMES
SUPPORTED
9,000
OVER COVID-19
PANDEMIC

Ministry of Education COVID-19 support for students

When COVID-19 forced the shutdown of schools across Aotearoa, our broadband network underpinned a rapid transformation in education practices as schooling shifted online. However, we were concerned about the effect an extended lockdown could have on the digital divide within school communities. We offered to switch on our existing intact connections for homes identified by the Ministry of Education as requiring broadband for essential learning.

Since April 2020, the initiative has helped connect over 9,000 student homes through retailers delivering broadband services, using wholesale connections subsidised by Chorus, other Aotearoa wholesale providers and the Ministry of Education.

We'll continue to offer these partly subsidised wholesale connections for retailers until January 2023. We will work with the Government, and others, to find long-lasting solutions towards digital equity.



Digital inclusion cont.

Support for the charitable sector

The disruption caused by the pandemic has hit small charities hard, creating huge uncertainty around traditional fundraising, which is essential for them to operate. At the same time there's been an increased need for their service. The number of registered charities has grown, but the funding available has not increased to the same extent.

Over the last two years, the Funding Network NZ has moved online, relying on high-speed fibre broadband to deliver their training programme and online crowdfunding events.

Digital fundraising is based on the community of supporters a charity has and can grow. It is key to raising a charity's profile and opens up other opportunities for engagement such as volunteering, future sponsorship, and future referrals for support from new possible 'beneficiaries'.

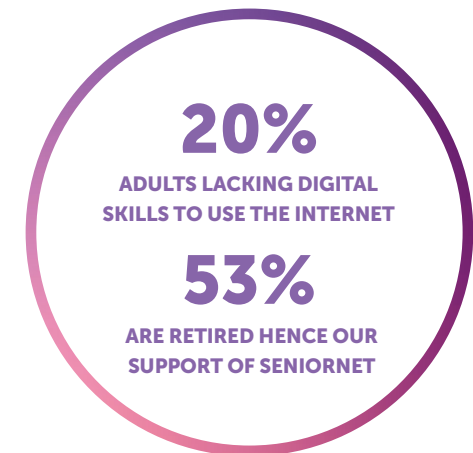
The training sessions run by the Funding Network NZ are followed-up with easy-to-understand resources and templates that can be used year on year. The knowledge they give is practical, and the live crowd funder allows the learning to be embedded and the charity to become confident to do it themselves in future years. The Funding Network NZ encourages charities to have a team of staff and volunteers attend the training so that the lessons are held by the organisation and resilient to staff moving on.

Focus on digital skills for seniors

BNZ's 2021 digital skills for life Aotearoa report highlighted a significant issue, that 20% of adults in Aotearoa lack the essential digital skills they need to use the internet safely and effectively. Of this statistic, 53% are retired. That's why we've partnered with SeniorNet to help people understand the available support and to help run sessions at their award-winning Senior Hangout online learning sessions.

We promote the services of SeniorNet at our community events, and this year around 30 sessions have been run by our employees at SeniorNet's online Hangout series. The hangout sessions run daily during the working week and allow seniors to come together virtually to learn about the digital world, growing their confidence and motivation to have positive online experiences. Chorus people have run a wide range of sessions, from digital photo editing, the history of fibre optics, through to general troubleshooting tips for common digital issues.

In FY22, we also encouraged Digital Seniors, a charity based in the Wellington region that offers digital support for seniors, to go through the Funding Network programme and match funded \$10,000 for their online campaign.



Community engagement

Shine the Light events

Running face to face events in our communities has been an important part of our fibre build plan. These are important in building relationships with local councils and business groups, as well as addressing any community concerns. In 2020 we introduced Shine the Light events, in communities where we had completed the fibre build but uptake was slow. These events build community goodwill, identify digital skills needs and help us understand the barriers people have to connecting. In FY22 we ran 46 Shine the Light events nationwide, and in just a few years we've reached thousands of individuals. We also expanded these events to focus on motivation, connection and strengthening digital skills, partnering with SeniorNet and Broadband Compare.

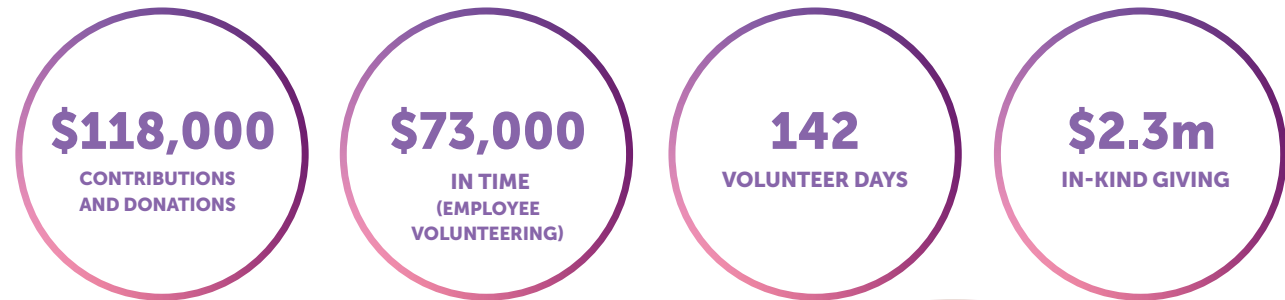
Community cabinet art

Our cabinet art programme has been running since 2010, with around 100 murals a year completed. Working with local councils, we commission local artists to illustrate our street cabinets which helps combat tagging and graffiti vandalism. For the past few years, we've dedicated some of our funding to create rainbow murals, that celebrate diversity and inclusiveness in our communities. For FY22 we added six Rainbow murals to our collection.

Volunteer days

Employees are given a work day each year to volunteer and support local community groups. From spending the day with the Department of Conservation to help our environment thrive to spending time with charities, our people are empowered to give their time to causes that matter to them. Over 3,000 volunteer days have been used since the programme started in FY13 and 142 people used their volunteer day in FY22.

Monetary value of our FY22 community and charitable contributions to New Zealand



Murals on our cabinets help combat graffiti vandalism.



Cybersecurity and privacy

We recorded no material cybersecurity incidents or privacy complaints from regulatory bodies in FY22.

We comply with the requirements of the New Zealand Privacy Act for all personal information we hold. The Telecommunications Information Privacy Code (2020) also stipulates that we must not collect telecommunications information except in limited exceptional circumstances. The types of information we hold and our approach to privacy is publicly available: <https://www.chorus.co.nz/terms-and-conditions/our-privacy-policy>

We have a robust privacy framework that is managed within our wider risk management framework. Our Privacy Officer is responsible for implementing our privacy framework, promoting awareness of privacy matters, monitoring matters on a day-to-day basis, and escalating matters as required to the Chief Corporate Officer and General Counsel. Our systems, processes and training are compliant with the Privacy Act 2020.

The Audit and Risk Management Committee (ARMC) receives comprehensive cybersecurity reports from our Chief Technology Officer every six months, with interim updates as required, which are then reported back to the Board. We have detailed policies, processes, and registers to ensure cybersecurity is addressed through technology selection, network delivery practices, and ongoing operations and protection of our IT systems. Our contracted suppliers are required to meet our information security standards. We also have insurances for key cybersecurity risks.

Our Principal Security Officer monitors our performance, including testing our security incident responses and liaising with Aotearoa's National Cyber Security Centre on advanced cyber threats. We undertake regular reviews, including external audits and ad-hoc reviews, to provide assurance and feedback on our assessments and controls. Analysis of cyber-attacks against other Aotearoa businesses and overseas companies informs our approach.

During FY22, we ran an extensive incident exercise, including external partners, to test our business response plans and cyber resilience. We continued to enhance our security practices and dedicated resources to reflect the ongoing shift to remote working and cloud-based services.

Annual training is provided to anyone accessing our information systems to raise awareness of information security issues such as phishing and malware. Targeted awareness raising through internal communication channels is also undertaken if we identify any potential issues or concerns throughout the year.

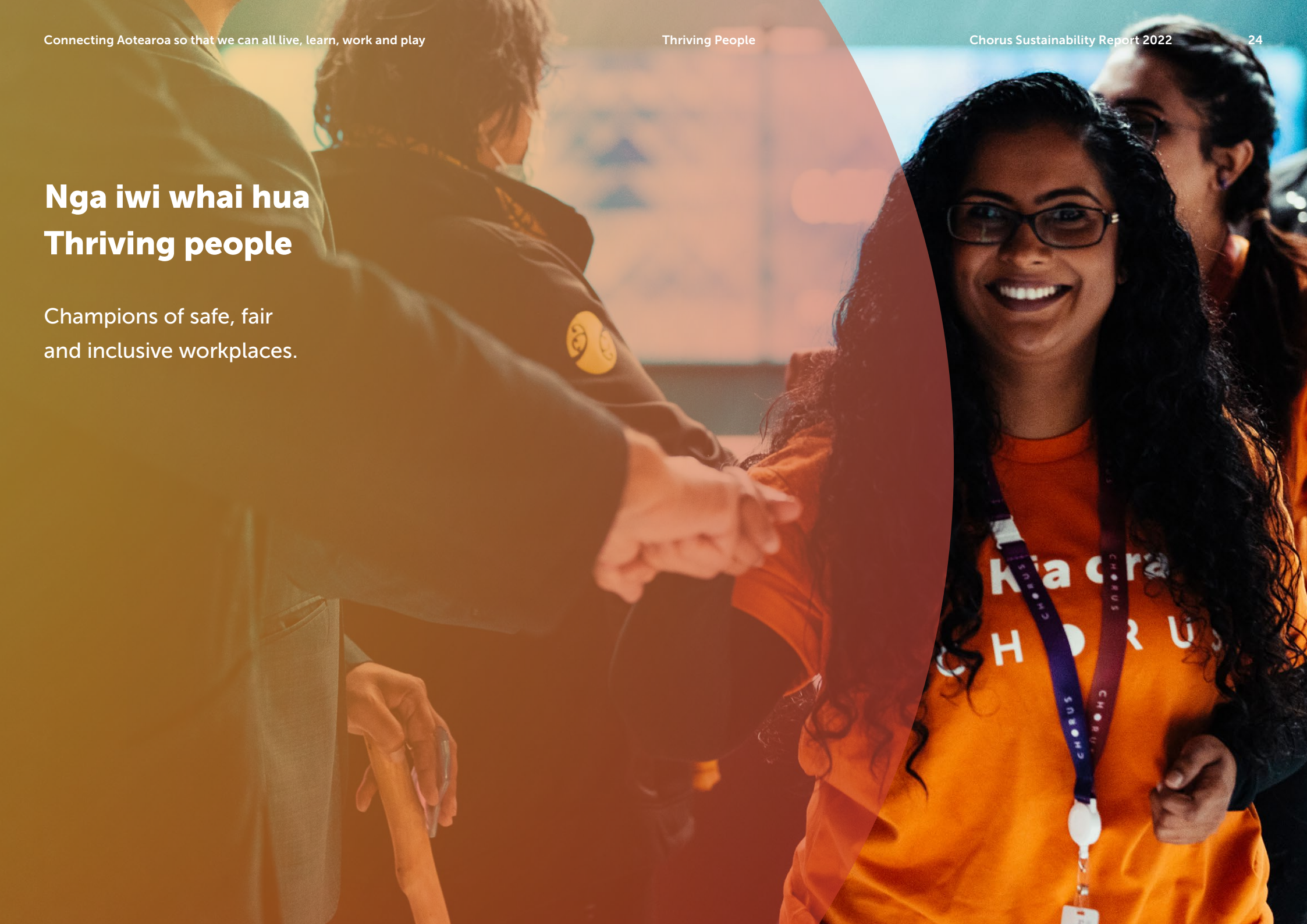
We sponsored the inaugural Netsafety week in July 2021, to help bring awareness and education to all ages on online scams, how to protect yourself and others while online, and who to turn to for help.

AS A WHOLESALE NETWORK OPERATOR, WE DON'T BILL CONSUMERS DIRECTLY FOR BROADBAND OR PHONE SERVICES.

THIS MEANS WE HOLD LESS PERSONAL INFORMATION THAN RETAIL SERVICE PROVIDERS.

Nga iwi whai hua Thriving people

Champions of safe, fair
and inclusive workplaces.



Our commitment

- 1 Prioritise the safety, health, and welfare of people before any business objective.
- 2 Ensure we have the right channels and processes in place so all Chorus people know how to get help and support and feel they can speak up.
- 3 Ensure all people receive at least their legal entitlements and are treated with dignity and respect.
- 4 Increase the representation of ethnic groups and cultures in leadership and the wider employee population (including Māori and Pasifika).
- 5 Continue to strive for gender equality, reduce the gender pay gap and champion pay equity reform.
- 6 Inspire future generations to consider careers in technology.
- 7 Ensure the ethnicity of our people by role is reflective of New Zealand population as per NZ Census.
- 8 Enable people to take advantage of our flexible working policy, helping them achieve balance in their work and personal lives.
- 9 Champion diversity, equity and inclusion (including wellbeing) for our people.

Our targets

- 1 **Safe Plus certification** to leading level by 2023.
- 2 **Achieve and maintain 40:40:20 gender split** at all levels.
- 3 **Maintain our gender career level pay gap at no greater than -2% across all levels**
- 4 **Total employee and people leader** population representative of customer base (NZ working population as measured by Census results).

Impact in the last 12 months



Second modern slavery statement released.



Safe Plus 'performing' certification achieved.



Training and Development award at Rainbow Excellence Awards 2022.



Rainbow Tick, Gender Tick and CQ Cultural Intelligence Tick certification certified.



8.5 out of 10 employee engagement score, and eNPS¹ of +64².



Sponsor of the Rainbow Excellence Awards 'Ambassador' category.

¹ eNPS means Employee Net Promoter Score

² Based on the average of responses to the four engagement questions.

Health and Safety

The health, safety and wellbeing of Chorus people is paramount.

This includes our direct employees and the thousands of people working on our behalf to build, connect and maintain our network. Our health and safety focus extends to anyone in, or in the vicinity of, our workplaces.

In FY22, in addition to our focus on risk management, assurance and governance optimisation we successfully looked after Chorus people via effective COVID-19 management.

Chorus undertook a SafePlus maturity assessment conducted by an external assessor. SafePlus offers a Government endorsed model of what 'good' health and safety practices and performance look like. The three maturity stages are; developing, performing and leading. The assessment was that Chorus achieved in the maturity level of 'performing'.

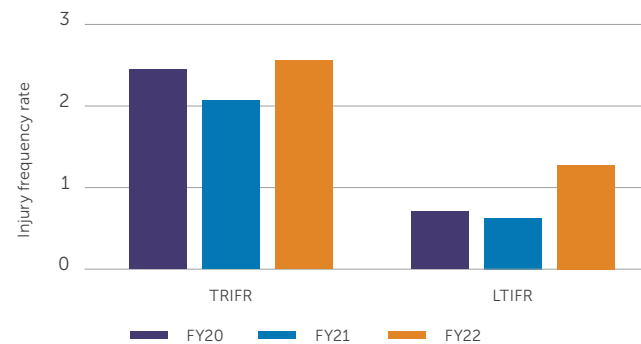
The volume of work performed, including our service companies, totalled 6.7 million hours annually. This is a reduction of 1.1 million hours from 7.8 million hours, resulting from the connection activity continuing to decrease and the UFB rollout entering its final phase.

The Total Recordable Injury Frequency Rate (TRIFR) increased to 2.53 in FY22, up from 2.05 in FY21. The number of injuries to our people increased to 17, up from 16 in FY21. The injuries observed were strains, sprains and lacerations caused by manual handling activities, slips, trips and falls and dog bites. This reflects trends seen in previous years. There were no fatalities. The Lost Time Injury Frequency Rate (LTIFR) increased to 1.34 from 0.77. Our injuries are consistently low.

Our focus for FY23 is a progression of FY22, to continue to embed and mature the Chorus approach to health and safety management.

Figure 5:

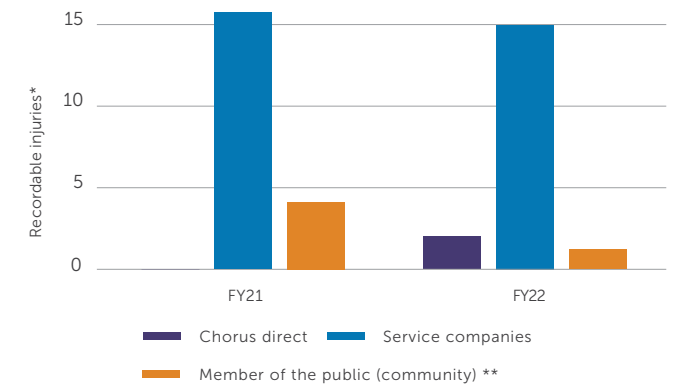
Injury frequency rates FY20 – FY22



LTIFR: number of lost time injuries + medical treatment injuries + restricted work injuries per million hours worked.

Figure 5a:

Actual recordable injuries* FY21 - FY22



* Recordable injuries are medical treatment, lost time or restricted work injuries
 ** Member of the public (community) injuries reflect those sustained by slips and trips on Chorus infrastructure e.g. manhole covers, which are remediated as quickly as possible.

Our people

Our operating model and employee engagement

Chorus remains in a period of significant change as the fibre rollout draws to a close and we transition to a more operational focus. At the same time, a priority work programme is the change associated with a new regulatory model that continues to shape our future organisational direction.

These changes in our operating context have seen a reduction in employees in recent years. The total number of permanent and fixed-term employees reduced from 817 to 799 in FY22.

Despite the changes in our operating context and ongoing COVID-19 impacts, employee engagement remained stable at 8.5 out of 10 (Peakon methodology) between FY21 and FY22. While we saw minor variability in our employee net promoter score¹, starting FY22 at +67 and closing the year at +64, we're in the top 10% of our international 'technology' company benchmark². Achieving a score within the top 10% of the benchmark is considered best in class.

Employee turnover rate	FY20	FY21	FY22
Voluntary	7.5%	8.1%	14.4%
Total turnover rate	14.1%	12.6%	15.3%
Positions filled by internal candidates	52.6%	43.3%	54.0%

Individual executive areas have specific programmes focusing on engagement drivers within their teams. Company-wide we adjust our focus each quarter to meet the needs highlighted through the survey. We consistently look at critical areas such as employee wellbeing and communication of strategies and direction. These areas are always valued by our people, particularly through organisational change and the ongoing uncertainty created by COVID-19.

We strongly focus on sharing and discussing the business strategy with our people. We hold twice-yearly senior leader days where the Executive team discuss strategic topics with Senior Leaders. Each year we bring together our people leaders for a one-day conference.

We also hold interactive Chorus Conversation sessions with all employees, discussing our strategic direction. Monthly people leader webcasts share top priorities and focus areas across the business, with time dedicated to questions so our People Leaders can share messages with their teams.

Employee engagement	FY20	FY21	FY22
Total (out of 10)	8.5	8.5	8.5
Employee net promoter score (eNPS)	+67	+62	+64
Participation rate	94%	86%	85%

Monthly CEO updates are also shared on our intranet and Yammer is available across the business. Each morning, everyone at Chorus is invited to dial in to a quick call to review the important events of the past 24 hours (like media coverage, any customer or business impacts and important business announcements).

Our monthly recognition programme enables employees to nominate their colleagues for efforts that support our company values of Authentic, Collaborative, Courageous and Curious. This has been a forum for recognising sustainability initiatives such as employee efforts to reduce unnecessary plastic packaging from our supply chain. We introduced changes to the programme in FY22 to ensure we're effective in identifying achievement across the business.



1 eNPS means employee Net Promoter Score. Net promoter scores can range from -100 to +100 and are calculated by subtracting the percentage of detractors (0-6 engagement score) from the percentage of promoters (9-10 engagement score)
 2 Chorus engagement survey data is provided by Peakon who provide a technology sector benchmark for comparison.

Diversity, Equity and Inclusion

Chorus has an established Diversity, Equity and Inclusion strategy that guides the areas we focus on to maintain our inclusive culture.

We aim to strengthen our collective capability, identify, attract, and retain diverse talent, and leverage the diversity of our people.

The strategy is owned by the Board and Executive team and there are four parts to the strategy:



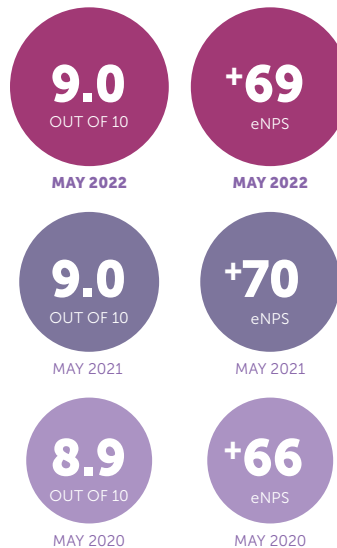
Chorus appointed a Head of Diversity and Inclusion to drive required changes, including developing a refreshed Diversity, Equity and Inclusion strategy for implementation in FY23.

This strategy has been developed involving people across Chorus. It addresses the challenges faced in our industry, in particular with gender imbalance in tech, as well as embracing Te Ao Māori and Hauora (Wellbeing).

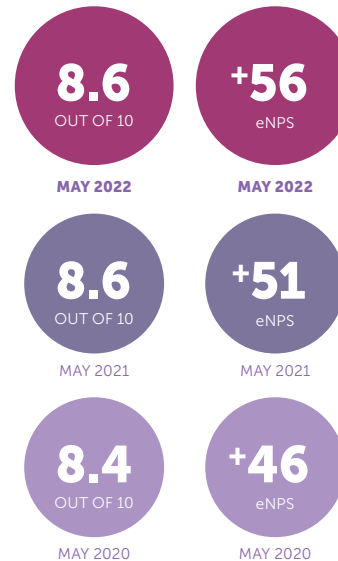
As the business has evolved, including the transformation journey into an adaptive workplace, the requirement for an inclusive and equitable culture has become paramount.

The engagement survey has two key questions that assess how inclusive the culture is at Chorus.

People from all backgrounds are treated fairly at Chorus



I am treated like a valued member of Chorus.



The Board has asked for greater progress towards achieving our Diversity, Equity and Inclusion (DEI) goals. They acknowledge that our new DEI strategy, due to be delivered in August 2022, with refreshed objectives will go a long way to helping us achieve that ambition.



Flexible and adaptable workforce

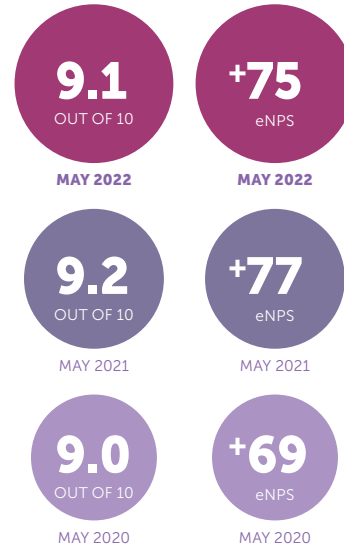
Flex@Chorus, our approach to flexible working, provides access to multiple flexible working options for employees. This includes flexibility in work schedule, flexible locations, part-time working hours and the ability to stagger a return to work after parental leave.

The primary requirement for any request to work flexibly is that it works for the individual, the team, the customer and Chorus as a whole.

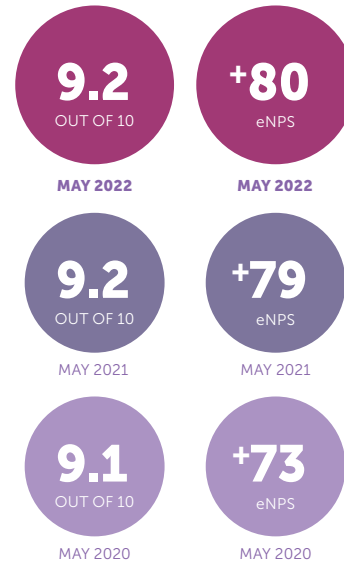
The COVID-19 pandemic accelerated our experimentation with working flexibly to the point that most employees are now working from home at least a couple of days a week.

As flexible working has become our new normal, we need to continue to think about what the next iteration of Flex@Chorus looks like. A project team is working on how Chorus might re-imagine the future of how we work. This is a collaborative process, seeking input from our employees and involving them in the design.

My work schedule is flexible enough to accommodate my family or personal life.



I am satisfied with our flexible working policy



Diverse leadership

Three focus areas are attached to our goal of diverse leadership – gender balance, pay equity and ethnic mix.

Gender balance

We use the Global Women recommended target of a 40:40:20¹ gender ratio in our Board and People Leader community. While we have made progress towards our gender target at Board level, we have more to do to achieve gender balance in our people leader community. This means our people leader population isn't consistently reflective of our wider employee population when gender is considered.

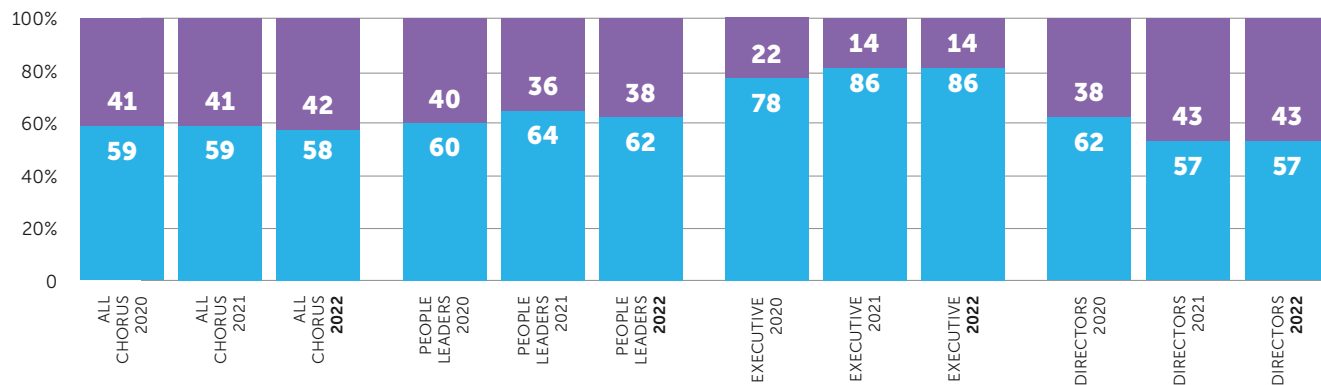
Despite several successful initiatives being in place, such as equitable recruitment practices, a mentoring programme, and targeted leadership development, we

recognised there was a need to challenge ourselves as an organisation. A specialist external partner undertook a workplace culture review involving a wide level and demographic of our people. The outcomes from this have been incorporated into our refreshed Diversity, Equity and Inclusion strategy for implementation in August 2022.

Diverse Leadership remains a priority that we continue to work towards.

Figure 6:

Gender by role three year review



1 40% men, 40% women. 20% of any/either gender.

Pay equity

We continue to monitor and report on remuneration outcomes by gender to ensure pay equity at Chorus.

As a part of the annual remuneration review process, we conducted a gender pay equity analysis for like positions. This analysis identified no indications of gender bias across similar positions.

At Chorus, the gender pay gap is calculated and reported on via two different methods. The first is at a total company level, comparing the median hourly rate for women to the median hourly rate for men – irrespective of role. By this measure, as of 30 April 2022, the median gender pay gap was an aggregate total of -19.1%, compared to -20.5% in the same period last year. This gap primarily reflects women making up a larger proportion of our junior roles. Addressing this structural role gap requires a longer-term shift in which roles we attract women into and a continued focus on ensuring more women move into leadership roles.

The second method is by career level, comparing the median hourly rate for women to the median hourly rate for men across each of Chorus' nine career levels (salary bands). By career level our target is to have a pay gap no greater than -2%. Significant improvements have been made, and Chorus has achieved our goal of less than -2% career level pay gap in eight of the nine career levels. In six of the nine career levels, on average, females are paid higher than males.

As part of our ongoing commitment eradicating the gender pay gap, Chorus supported a March 2022 initiative led by the organisation 'Mind The Gap', calling for Aotearoa companies to register public pay gap reporting. Chorus' work and advocacy for reducing gender pay gaps also featured in Global Women's gender pay gap campaign.

We're committed to publicly reporting our ethnicity pay gap once a standard, consistent methodology is determined in New Zealand.

Diverse leadership cont.

Ethnic mix

Chorus has 99% of our employee population’s ethnicity data, well above the level of many organisations in Aotearoa. People identifying as Māori and Pasifika has increased but continue to be under-represented, both in the people leader and Chorus overall population, compared to the NZ population.

Ethnic diversity in our general employee population remains an ongoing challenge for Chorus and is exacerbated at the leadership level.

We believe that driving an inclusive culture and having an ultimate goal of multi-culturalism will assist with leadership progression for our Māori (and Pasifika) talent as well as attracting and retaining Māori (and Pasifika) talent, including at senior career levels.

Over the last 12 months, we’ve also focused on developing a greater talent pipeline. We have continued our partnership with Tupu Toa, an internship programme aimed at creating pathways into professional careers for Māori and Pasifika tertiary students and expanded our support and involvement with our sponsorship of Innovative Young Minds (IYM), an organisation promoting STEM subjects to teenage girls.

We also have well-received programmes in Chorus designed to lift personal and leadership capability, including:

MyGenius Within

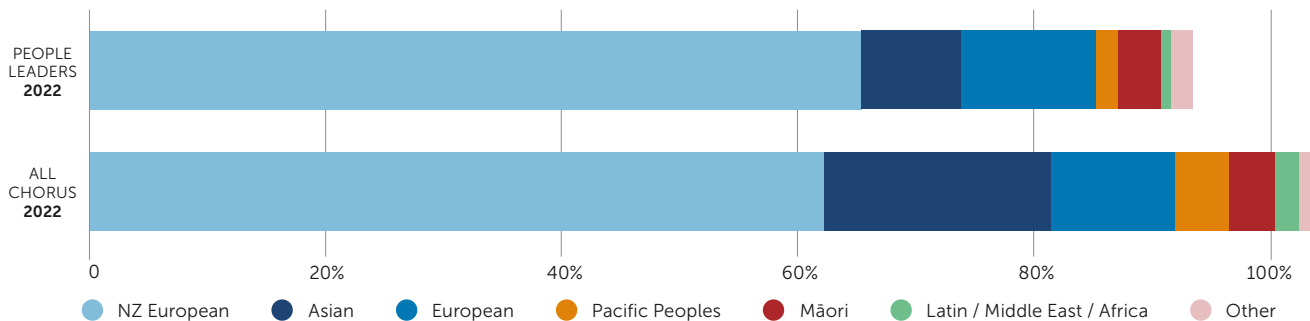
The MyGenius Within programme is a personal leadership programme that our people can choose to engage with. The programme is delivered through four distinct, but linked programmes:

- 1 **Unlock My Genius:**
increased self-awareness and confidence
- 2 **Power Up My Personal Performance:**
identify and show value and effectively deliver
- 3 **Influencing Positive Outcomes:**
the shift from tell to collaborate
- 4 **Own My Career Development:**
recognise strengths and transferable skills.

For those that then move towards more formal leadership roles, the next level of formal capability build is through the Emerging Leaders programme.

Figure 7:

Ethnicity by role 2022



NOTE - these two % columns don't add to 100%. This is because our people can chose up to three ethnicities that they identify as, so where someone has more than one they are represented in each of their ethnicities, but over the total headcount. This is consistent with how we report ethnicity splits elsewhere.

Diverse leadership cont.

Emerging Leaders

The Emerging Leaders programme was designed in collaboration with Chorus employees. This nine-month leadership programme is for those employees who are new to leadership roles, have been identified as emerging leaders of the future, or have a role that requires them to influence and empower others to achieve business outcomes.

During FY22, 29 people completed the programme and a further 30 began and will complete in FY23.

Following the Emerging Leaders programme, the next level of capability build is the LEAD leadership development programme.

LEAD

The LEAD Leadership programme was designed to give those in people leadership roles an understanding and application focussed learning experience. The programme was run in various iterations from 2018 – 2021, with the last programme being delivered in the last half of 2021. This programme evolved in 2022 and we're delivering a programme to all People Leaders focussed on leading in an adaptative environment. This programme will create an understanding of what adaptative leadership is at Chorus, the role of leaders in developing high-performing teams and tools for planning and prioritising work and value management.

Our final LEAD cohort of 28 people completed the programme in December 2021.

Pasifika Nui

This programme is run externally by Capability Group and Vector. The programme is specifically designed for Pasifika Niu employees who have demonstrated leadership capability and potential. The programme focuses on articulating a personal vision and considering their role in building diverse relationships, driving improved performance, objective problem solving and influencing others.

Mental Health First Aid

The Mental Health First Aid course develops people leader and employee knowledge in recognising and understanding signs of mental distress. The course offers ways in which to provide support options for those whose mental wellbeing is under stress.

UP programme

A leadership development programme dedicated to developing the talent of our female employees ran for the sixth consecutive year in FY22. Fourteen women participated in the programme this year and three have moved into more senior roles, or new roles within Chorus. While the programme is well received, we plan to pause it to work through what is required in learning and development to assist with our diverse leadership objectives.

Training and development	FY20	FY21	FY22
Average hours per FTE	10 hours	8 hours	5 hours
Average spend per FTE	\$1,350	\$1,060	\$693*

* Delivery of our traditional face-to-face training was greatly reduced in FY22 due to COVID-19 lockdowns. Instead the focus was on delivering online wellbeing and mental health resources to help our people through the pandemic.



Wellbeing

The Peakon engagement survey rating for the Wellbeing index remains relatively unchanged for the last 12 months at a high NPS score of 63% in the top 10% industry ratings.

The continued impact of COVID-19 on our people remained at the forefront of our wellbeing priorities in the last 12 months.

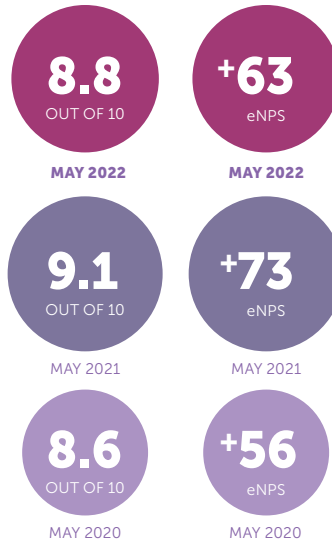
People have faced long periods of working from home and pressures associated with COVID-19, including missing connections with their colleagues in person, and we have therefore continued to prioritise wellbeing.

People across all Chorus office locations are now being encouraged back into a shared workplace.

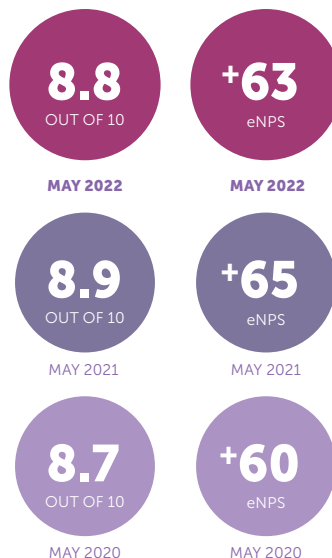
Several wellbeing initiatives covering a broad scope of the Chorus pillars of physical, mental, financial and career have taken place in the last year. These have included promotional campaigns highlighting the various types of resources and support services through EAP and WellNZ, subsidised skin checks via Molemap, flu vaccination vouchers, a culmination of wellbeing support and resources shared in 'Manaakitanga Day' and numerous Mentemia webinars on career development, financial literacy and advice on mental and physical wellness. We also celebrated and raised funds for Pink shirt Day, an anti-bullying campaign and had some fun with a virtual quiz to raise funds for Movember, a campaign for men's health.

To assist Chorus employees with techniques and tools to combat mental health issues and challenges associated with work and home pressures, we also engaged with specialists and professionals to undertake a virtual speaker series from March 2022-May 2022. 'The Driver's seat sessions' were focused on helping people get back some control in their lives, while other speakers included psychologist Nigel Latta, Dr Paul Wood, Cancer survivor David Downs and Neurodiversity specialist, Callum McKirdy. All sessions had high attendance, including members of our Board, feedback has been incredibly positive.

Working here, I feel that I can live a balanced, healthy lifestyle.



Chorus really cares about my mental wellbeing



5

'THE DRIVER'S SEAT SESSIONS' RAN OVER TWO MONTHS TO GIVE PEOPLE THE TOOLS TO COMBAT MENTAL HEALTH ISSUES WITH

546

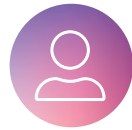
ATTENDEES

Wellbeing cont.

Our standard employee benefits for permanent employees include:



Internet concession



One volunteer day per annum



Retail discounts



Eight weeks paid leave for new parents



Two company leave days per annum



Will It package – an online Will creation service



Subsidised Marram holiday homes and healthcare



10 sick/domestic leave days available from employment commencement



Life, trauma and income protection insurance – extending this to employee partners at our Chorus rate



Two wellbeing days per annum. We also provided an additional Wellbeing Day for Auckland-based employees in FY22, due to the extended COVID-19 lockdown



Inclusive culture

In the last year, Chorus has been working towards becoming an adaptive workplace with an inclusive and equitable culture and has focused on a number of initiatives:

Chorus Confidants

Chorus has a number of employees available as a safe person to raise concerns about bullying, harassment and discrimination, domestic violence and mental health, in a confidential and non-judgemental manner.

The team have expanded in number, offering personal support in all Chorus offices. Additional refresher training has recently been confirmed for the group through St John and Shine training on domestic violence. The team meets with the Head of Diversity and Inclusion monthly to confidentially report and discuss any approaches from employees. Statistics are reported to our Health and Safety Executive Steering Group.

Rainbow Community

Chorus was the proud recipient of the Rainbow Tick Training and Development award at the 2022 Rainbow Excellence awards. In addition, two of our employees were nomination finalists for the Rainbow Ambassadorship award. Chorus continues to sponsor this category for the Rainbow Excellence awards. Unfortunately, COVID-19 caused the cancellation of several external events that our Chorus Rainbow Employee network was involved in organising, and Chorus was due to sponsor such as the Big Gay Out. Sponsorship funds for this event have been diverted to a fundraising event for World Aids Day later in 2022.

Within Chorus, our Rainbow Employee network is undergoing a refresh to align with our revised Diversity, Equity and Inclusion strategy and to become an even more robust network. Network leads collaborated with the People and Culture team to develop and publish a Transitioning Gender policy which was promoted through a webinar hosted by the network leads. Over 150 Chorus employees attended.

The Rainbow Tick accreditation remains valid, and submission for the following year is due in September 2022.

Promoting STEM careers to female youth

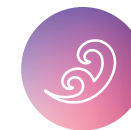
Our external engagement has progressed with the evolution of our sponsorship and support of Innovative Young Minds, promoting STEM (Science, Technology, Engineering, Mathematics and Medicine) careers to female youth. One hundred students participated in a virtual Fibre Lab tour and Chorus employee participation as mentors and speakers increased in number. We intend to expand our involvement with supporting the promotion of STEM education for female youth in FY23 in collaboration with our Sustainability team, as an initiative of our 'Thriving People' pillar. In March, Chorus celebrated International Women's Day with educational resources, online articles and two internal panel events with external guests. One focused on "Equity and Inclusion" and the other on "Women in senior roles in male dominated industries". Both were well attended.

Employee Networks

We understand, value and welcome ethnic, gender and sexual diversity at Chorus. We have a range of established employee networks and committees to support an inclusive culture, such as:



Women's network



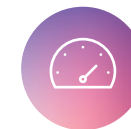
Maori and Pasifika network



Rainbow network



Wellbeing committees



Mental Fitness network

The networks meet regularly and hold events for their members or broader groups of employees. Each network has representation on our National Belonging Committee, an umbrella group where all networks are represented alongside employees passionate about supporting inclusion at Chorus. The committee continues to work collaboratively with the People and Culture team to deliver diversity and inclusion initiatives based on the pillars of our programme.

Focus on an ethical supply chain

We want to have sustainable and valuable supplier relationships.

We're committed to conducting our business with high standards of social, labour and ethical conduct. We're focused not just on cost but also on an enduring relationship that delivers value to both parties and encourages innovation, given the rapid change within our industry. We consider a range of criteria in evaluating potential suppliers, including environment, health and safety, worker welfare and corporate reputation.

We encourage our suppliers to go beyond legal compliance, drawing on internationally recognised standards to advance social, labour and business ethics. Our Supplier Code of Practice is administered by our commercial team and has governance oversight from the Board.

See www.chorus.co.nz/chorus-suppliers

Modern Slavery Statement

Our latest Modern Slavery Statement is available at www.chorus.co.nz/governance

Our supply chains span around 1,100 direct suppliers representing approximately \$950m in procurement spend in FY22. Most of our direct supplier spend is in Aotearoa. We source a range of goods and services internationally, mostly from suppliers in Europe, North America and Asia who also have a New Zealand presence. Beyond our service company partners, we have also surveyed key suppliers to better understand their risks and responses to modern slavery.

For FY22, we focussed on imported manufactured goods, especially in the electronics and telecommunications network equipment sectors. The responses from our suppliers indicate that they share our commitment to the proper treatment of all workers and that they are taking

steps to address the risk. Many of our suppliers report under the UK reporting regime, and several submit statements under Australian legislation. We also manage modern slavery risks during the procurement lifecycle: including tendering, supplier selection; prequalification; contracts – through strong terms and conditions; and an ongoing worker welfare programme and audit regime focused on our field workforce to assess supplier performance.

Worker welfare

We expect our suppliers to share our commitment that all people are treated fairly.

We work closely with our service company partners, Downer, UCG and Ventia, to maintain our network, meet customer demand for fibre connections and deliver a good customer experience. This workforce numbers about 2,300 people and is reducing as the fibre network rollout concludes and we retire overlapping areas of our copper network.



Worker Welfare subcontractors

Problems at work?
Call 0800 177 792
Help. Support. Action.

Our worker welfare team monitors our contractor and subcontractor field workforce within Aotearoa. The aim is to make worker welfare an everyday part of our business, like Health and Safety. Our initiatives include:

- surveying field workers directly to help identify any potential welfare issues
- promoting awareness of our worker welfare commitment and support channels, such as our online portal and independent whistleblower process
- employment standards training for network subcontractors
- an online portal for Chorus employees to log confidential reports of potential worker welfare incidents or complaints
- worker welfare training for technician facing employees so they can identify any form of mistreatment to workers, from signs of bullying and harassment to instances where workers are not provided with their full legal entitlements
- inspections or audits performed by both independent third parties and Chorus employees to ensure compliance with employment obligations
- regular reporting to the Board on our contractor workforce
- working with other Aotearoa organisations and industries to share our experience and knowledge.

Our cross-business governance team oversees any investigation of actual or potential work mistreatment and maintains oversight of the service companies' worker welfare programmes. If we identify worker welfare issues, we'll notify relevant regulatory authorities and, where appropriate, ban companies from working on our network.

See <https://worker-welfare.chorus.co.nz>

Codes of ethics

Our directors and employees are expected to act honestly and with high standards of personal integrity. Our codes of ethics set the expected minimum standards for professional conduct. They also facilitate behaviours and decisions that are consistent with our values, business goals and legal and policy obligations.

Annual training is provided to our directors and employees, including part-time workers and contractors. Our people are encouraged to report any unethical behaviour and are asked annually to register any potential conflicts of interest. This process is subject to internal audit and all reported breaches are investigated. A third-party review in 2019 benchmarked our compliance function against industry best practice.

Policies that reinforce the behaviours we expect at Chorus, include:

Bribery and gifts

Acceptance of bribes, or gifts and other benefits which could be perceived as influencing decisions, are prohibited under our codes of ethics. Our Gifts and Entertainment policy applies to all directors, employees and contractors. Gifts and entertainment over \$150 require approval.

Chorus is not involved in any ongoing bribery and corruption cases and no fines or settlements were incurred for anti-competitive business practices in FY22.

Our Supplier Code of Conduct requires our suppliers to comply with laws relating to anti-bribery and corruption. This includes bribery, abuse of power, extortion, fraud, deception, collusion, cartels and embezzlement.

Anti-bullying, harassment and discrimination

We're committed to a psychologically and physically safe working environment and we take a zero tolerance approach to bullying, harassment and discrimination. Anti-bullying training is provided each year. Our policy reflects Aotearoa legislation, such as the New Zealand Bill of Rights Act 1990 and Human Rights Act 1993, prohibiting discrimination and protecting the right to freedom of expression.

Whistleblowing and fraud

The recent Protected Disclosures (Protection of Whistleblowers) Act 2022 provides enhanced legislative protection for employees who notify an appropriate authority about serious wrongdoing in, or by, an organisation.

We encourage confidential reporting of serious misconduct or wrongdoing and suspected fraud or corruption. A dedicated whistleblower email address and phone number is provided. These are monitored by PwC and are available to all employees and subcontractors. A dedicated email address is also available for reporting suspected fraud.

We did not receive any reports of serious instances of unethical behaviour by our employees in the year to 30 June 2022.



Appendix 1: Compliance with Task Force on Climate-related Financial Disclosures (TCFD)

Aotearoa is in the process of making climate-related disclosures mandatory for a number of entities, including large, listed issuers such as Chorus. These mandatory disclosures will apply for Chorus' 2024 annual reporting and are expected to largely follow the TCFD framework*. The following is our current assessment on our progress against this framework.

With the introduction of our first dedicated climate risk register and Emissions Reduction Plan, we'll be prioritising climate adaptations and mitigation in the coming years.

* Overall we're confident in our ability to meet the new standards. In FY23, we'll be commissioning a report to assess the potential risks that flood and extreme weather events may have on our business, based on the latest climate change scenario analysis.

Governance

Disclose the organisation's governance around climate-related risks and opportunities

Describe the Board's oversight of climate-related risks and opportunities.

Our Board is responsible for Chorus' risk management framework and governance. The Board expects Chorus to understand the risks, opportunities and threats to its current and future business environment and respond to these tactically and strategically.

See Risk Management on page 6.

This includes:

- annually setting risk appetite and tolerances and determining principal risks;
- approving and regularly reviewing our Managing Risk policy and supporting framework;
- promoting a culture of proactively managing risk; and
- through our Audit Risk Management Committee (ARMC), providing risk oversight and monitoring.

Principal risks are our key risks to the achievement of our strategy. These are assessed on a risk profile identifying likelihood of occurrence and potential severity of impact. Current principal risk categories are identified via a comprehensive enterprise risk management framework encompassing financial and non-financial risks. They include anticipating and responding to:

- Health, safety and wellbeing risks: Working to keep safe the people we owe duties to.
- Commercial and Financial sustainability risks: Maintaining appropriate capital management and credit settings.
- Core services risks: Core service availability and network resilience.
- People and skills risks: Ensuring Chorus attains and retains employees with the capabilities to achieve its strategic objectives.
- Legal, regulatory and contractual risks: Working within the regulatory and legal environment.
- Stakeholder and Customer confidence / reputation risks: Attaining and retaining a positive reputation with key stakeholders and customers.
- Innovation risks: Identify and pursue innovation and opportunities that will enhance Chorus.

Our climate change risks and opportunities are reviewed within this framework.

Describe management's role in assessing and managing climate related risks and opportunities

Principal risks are owned by relevant executives. This promotes integration into operations and planning and a culture of proactive risk management. Notwithstanding individual ownership, our CEO and executive hold collective responsibility for considering how risk and events interrelate and for managing our overall risk profile.

See Strategy and Governance, starting on page 4, and Risk Management on page 6.

Executive Management also consider unforeseen and emerging risks on a six-monthly basis and review Business Unit risks quarterly. Climate change risks may be reflected as a Principal, Emerging or Business Unit risk dependent on the potential impact and likelihood of the risk to Chorus' strategy.

Aspects of operational risks are identified under our risk management framework as climate-related risks. This is largely in relation to core service availability and network resilience within the principal risk of 'core services'. The GM Customer and Network Operations is responsible for operational risks relating to our nationwide physical network. Mitigation includes planning for network deployment and protection, as well as ongoing maintenance and fault management.

In FY22 we held a series of internal workshops to review our climate-related risks using our general risk management process;

- subject matter experts across different business units were asked to identify and prioritise physical and transition risks. With the output being our first dedicated climate risk register.
- each risk (likelihood) and the potential consequences (impact) were analysed and recorded in a climate risk register.
- business owners have been assigned to each risk with the expectation of quarterly reviews.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning where such information is material.

Disclose the climate-related risks and opportunities the organisation has identified over the short (0-3 years), medium (3-10 years) and long-term (10+ years)

Physical risks and opportunities

Operational risk created by extreme weather has been identified as our main climate-related risk over the short to medium term, as assessed against a risk profile identifying likelihood of occurrence and potential severity of impact.

However, based on current information, the physical risks identified below are not considered material in the short to medium term.

See Network Reliability, starting on page 9 and Thriving Environment, starting on page 11.

Risk	Nature of risk/opportunity	Response
<p>Extreme weather events (e.g. high rainfall, flooding, wind)</p> <p>Time horizon: short to medium</p>	<ul style="list-style-type: none"> • Damage or disruption to our network assets can affect the delivery of telecommunications services to our customers (retail service providers) and their end users. • Prolonged service disruption may have a detrimental financial and/or reputational impact, particularly where it impacts a large area or number of consumers. • Significant damage may require replacement or relocation of assets. 	<ul style="list-style-type: none"> • Continued growth in fibre uptake and shutdown of copper increases network resilience because fibre is less susceptible to weather-related faults • Ongoing monitoring of network performance in extreme weather to assess trends: annual repairs/maintenance related to extreme weather was immaterial in FY22 • Investment in network resiliency (e.g. fibre backhaul upgrade and fibre to premises in high rainfall area of South Island West Coast; South Dunedin exchange building flood wall) • Climate risk included as part of asset management planning with detailed flooding risk analysis intended in FY23
<p>Sea-level rise</p> <p>Time horizon: long term</p>	<ul style="list-style-type: none"> • External impact assessment in FY19 screened key network assets with 0.5 metre sea-level rise scenario (using projections to 2060 under representative concentration pathway 8.5H+) and identified potential risk to: <ol style="list-style-type: none"> 1. Five telephone exchanges of varying size 2. 0.3% or ~260 kilometres of core fibre route. 3. Less than 0.5% of point assets (exchanges, sites, terminal enclosures, underground utility boxes, and poles). 	<ul style="list-style-type: none"> • Network asset exposure will reduce over time as copper network is exited in fibre areas. • Expect to revisit assessment in future as new climate change data becomes available to inform longer term asset management.

Strategy cont.

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning where such information is material.

Transitional risks and opportunities

Climate change may also directly or indirectly affect our business through changes in regulatory requirements (e.g. mandatory TCFD reporting) or increased pricing for non-renewable energy sources (e.g. diesel required for back-up power generators and carbon offsets). These effects are not considered material.

Risk	Nature of risk/opportunity	Response
<p>Energy sources Time horizon: medium to long</p>	<ul style="list-style-type: none"> Electricity is our largest source of carbon emissions at 12,861 tonnes-CO2e in FY22. The national grid is ~79% renewable with significant reliance on hydro generation that can vary depending on weather patterns. We have developed an Emissions Reduction Plan that focusses on opportunities to reduce carbon emissions and the energy costs associated with our network. 	<ul style="list-style-type: none"> Our electricity consumption is expected to reduce by 25% as our copper network is retired in areas with our more efficient fibre network. The national grid averages ~80% renewable and is expected to become more renewable. We are exploring further investment in renewable energy capability (e.g. solar) and electric vehicles. Our new electricity supplier is carbon zero certified.
<p>Market/reputation Time horizon: short to medium</p>	<ul style="list-style-type: none"> Growing awareness of carbon emissions may influence consumer preferences. 	<ul style="list-style-type: none"> We commissioned a study that found fibre is the lowest emissions broadband technology as data/speed increases. Reliable high-speed broadband is helping consumers abate their own emissions through cloud based services, video conferencing and reduced commuting

Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning.

The impact of climate-related risks and opportunities on our business, strategy and financial planning has been limited to date. Our ongoing investment in a fibre to the premises network is helping mitigate the most significant potential transition and physical risks related to climate change.

Our FY19 climate change impact assessment has been used along with other network information, including experience from past and recent extreme weather events, to inform our ongoing network planning and management practices. Our new Emissions Reduction Plan provides further focus on emissions reduction opportunities and potential energy savings.

Strategy cont.

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Our current and long-term strategies are considered to be largely resilient to climate-related risks, including 2°C or lower scenarios, because:</p> <ul style="list-style-type: none"> • our investment in a fibre optic network is enhancing the weather-related fault performance of our services relative to our current copper network. • we are reducing sites and network previously required for our copper network. • current modelling suggests limited potential impact on our network assets from sea level rise over a long timeframe. • demand for the high-speed broadband capability delivered by our network is expected to continue given it is an essential utility service. 	See Thriving Environment, starting on page 11 and Network Reliability, starting on page 9.
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Risk Management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Describe the organisation's processes for identifying and assessing climate-related risk	<p>As noted in the Governance and Strategy sections above, climate-related risks are identified within our risk management framework. Further detailed assessment is undertaken on aspects of the identified risks to inform our risk management strategies.</p> <p>In 2022 this included pan-Chorus workshops to revisit our climate-related risks and opportunities, as well as the development of an Emissions Reduction Plan. The FY19 assessment of climate-related risk to our network assets entailed the use of specialist external consultants working with input from a cross-functional Chorus team.</p> <p>We have management level programmes focussed on initiatives such as network protection and we undertake insurance-related risk mitigation assessments on an annual basis. Our network teams are continuing to develop their awareness of potential climate change risk as local councils undertake and produce further data analysis.</p>	See Strategy and Governance, starting on page 4, and Risk Management, starting on page 6.
Describe the organisation's processes for managing climate-related risks.	<p>As detailed above, our management of climate-related risks is consistent with the process used for other risks. Principal risks are allocated to individual executives to manage and risk mitigation initiatives are identified as part of this process.</p> <p>Using the example of network risks from flooding or sea-level rise, we use external data and our experience from past and recent extreme weather events, to inform our ongoing network planning and management practices. For example:</p> <ul style="list-style-type: none"> • we have a regular programme of building maintenance that includes flood protection work for identified 'at risk' exchanges. • we use geotechnical surveys to identify potential landslip and other topographic risks when selecting fibre routes in rural areas. • we place our cables on the downstream side of bridges, as protection against flood damage. • we use network expansion projects as opportunities to enhance network route diversity, thereby increasing the robustness of our network (e.g. West Coast rollout to establish network route diversity for lower South Island). • we have begun exiting some 'at risk' network assets as we shut down parts of our copper network. 	See Strategy and Governance, starting on page 4, and Risk Management, starting on page 6.

Risk Management cont.

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

As noted above, the identification, assessment and management of climate-related risks is undertaken within our existing risk management practices and framework. Identified risks and related actions are monitored and updated quarterly. Where risks are above our risk tolerance we may implement additional mitigation activity.

See Strategy and Governance, starting on page 4, and Risk Management on page 6.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We measure energy and fuel usage across our network and monitor our greenhouse gas emissions. We have a target to reduce our scope 1 and 2 emissions by 62% by FY30, from FY20 levels.

Data usage metrics are useful as an indicator of the reduction in emissions intensity as we transition to a fibre-based network and data volumes continue to grow.

Fault performance and associated cost measures are relevant in the context of monitoring network resilience.

See Thriving Environment, starting on page 11.

Disclose scope 1, scope 2, and if appropriate, scope 3 Greenhouse Gas (GHG) emissions, and the related risks.

We have reported our scope 1, 2 and 3 emissions (limited) annually to CDP since we were established as a listed company in 2011. Our emissions performance for the last three years is available on page 18. A new detailed analysis of our scope 3 emissions is provided in Appendix 2 on page 43 and 44.

Network electricity consumption accounts for most of our combined scope 1 and 2 emissions. Our new Emissions Reduction Plan focusses on energy efficiency, reducing energy use across our network and extending our use of solar as a renewable electricity source. The shutdown of large parts of our copper network, as end users migrate to the newer fibre network, will reduce our electricity needs and related emissions by about 25%.

We expect our scope 3 emissions to reduce as our fibre rollout ends and fibre uptake grows because, for example, less technician visits will be required for installations. Fault-related activity is also lower on the new fibre network.

See Thriving Environment, starting on page 11.

Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.

Our Emissions Reduction Plan will see us reduce our electricity consumption by 15% over the next three years and reduce our corporate fleet by 25% by the end of next financial year.

The rollout of our fibre to the premises network since 2011 is enabling the transition of end users to a more energy efficient and resilient network. We are on track to complete this network rollout by December 2022 and have achieved 69% uptake of the fibre network to date. By continuing to drive fibre uptake higher we can begin to shut down our copper network, thereby contributing to our carbon reduction target through reduced electricity usage.

Fibre broadband enables the transmission of unlimited data at higher speeds than other broadband technologies, with lower associated emissions. Average data usage per connection on our network is growing significantly each year and fibre consumers averaged 567 gigabytes in June 2022 vs 282 gigabytes vs consumers on copper broadband. We forecast average monthly usage to reach 4,000GB by 2033. This year we committed to the Science-Based Target initiative and reset our target to reduce scope 1 and 2 emissions 62% by FY30, from a FY20 base year.

See Thriving Environment, starting on page 11.

Appendix 2: Greenhouse gas inventory

We use the latest emissions factors from the Ministry for Environment (updated April 2022) to calculate our emissions.

Scope 1 and 2*

ENERGY EMISSIONS (tonnes-CO ₂ e)	FY20	FY21	FY22
Electricity usage	9,343	12,248	12,861
Diesel generators	170	172	273
Refrigerants	566	549	601
Transport	215	203	127
Natural gas	99	82	27
TOTAL ENERGY CONSUMPTION (tonnes-CO₂e)	10,393	13,254	13,889

* We've restated emissions for prior years where revised emission factors and activity levels have been available. Therefore emissions will vary from those previously reported.

Scope 3 by category

GHG CATEGORY	DETAIL	CALCULATION	FY22 (TONNES CO2-E)
Upstream scope 3 emissions			
1. Purchased goods and services	53% of material spend based off five largest physical material suppliers for consigned and inventory items (Nokia, Commscope, Humes, Prysmian & Hexatronic)	g-CO2e/tkm	2,545
2. Capital goods	N/A. Captured under 1. Purchased goods and services	N/A	N/A
3. Fuel and energy use	Electricity – customer’s electricity use in Chorus exchange buildings Electricity – Transmission and distribution line losses	g-CO2e/kWh g-CO2e/kWh	2,128 1,935
4. Upstream transportation and distribution	Outsourced service company fleet fuel and WTT - diesel Outsourced service company fleet fuel - premium Outsourced service company fleet fuel - regular	g-CO2e/litres g-CO2e/litres g-CO2e/litres	5,558 0.30 125
5. Waste generated in operations	Waste to landfill – corporate offices Waste to landfill – Chorus network. N/A as it’s inert waste.	g-CO2e/kg g-CO2e/kg	28 0
6. Business travel	Flights - domestic - fuel and WTT Flights - international long haul - fuel and WTT Flights - international short haul - fuel and WTT Flights - trans-Tasman - fuel and WTT Rental cars Taxis Accommodation (domestic)	g-CO2e/pkm g-CO2e/pkm g-CO2e/pkm g-CO2e/pkm g-CO2e/km g-CO2e/\$ g-CO2e/\$	200 0* 0* 2 0.8 4 6
7. Employee commuting	Employee commuting Working from home	g-CO2e/km g-CO2e/e	124 87
8. Upstream leased assets	N/A. Chorus’ equipment located in suppliers’ exchange buildings is included (in scope 2).	N/A	N/A
Downstream scope 3 emissions			
9. Downstream transportation and distribution	Transportation and distribution of equipment and spares.	g-CO2e/km	7
10. Processing of sold products	N/A. Some components of other customers’ networks in the value chain are included under 3. Fuel and energy use.	N/A	N/A
11. Use of sold products	Electricity - ONT (kWh)	g-CO2e/kWh	6,850
12. End of life treatment of sold products	N/A – all e-waste and most network waste is recycled.	N/A	N/A
13. Downstream leased assets	N/A. Customer electricity on network/ICT equip in Chorus’ exchanges included under 3. Fuel and energy use.	N/A	N/A
14. Franchises	N/A – not relevant to Chorus’ business.	N/A	N/A
15. Investments	N/A – not relevant to Chorus’ business.	N/A	N/A
TOTAL SCOPE 3 EMISSIONS			19,601

* reported as zero due to COVID-19 travel restrictions in place for FY22. Chorus’ GHG inventory has not been independently verified.

Glossary

ADSL	Asymmetric Digital Subscriber Line - a copper-based technology that can provide basic fixed line broadband services.	Layer 2	The data link layer, including broadband electronics, within the Open Systems Interconnection model.	Scope 2	Indirect emissions from the generation of purchased electricity consumed by a company.
Board	Chorus Limited's Board of Directors.	Mbps	Megabits per second – a measure of the average rate of data transfer.	Scope 3	Indirect emissions from the value chain of a company.
CO2e	Carbon dioxide equivalent.	NZ IFRS	International Financial Reporting Standards – the rules that the financial statements have to be prepared by.	Share	Means an ordinary share in Chorus.
Emissions	Emission sources are categorised by scope to manage risks and impacts of double counting. There are three scopes in greenhouse gas reporting.	P2P	Where two parties or devices are connected point-to-point via fibre.	TSO	Telecommunications Services Obligation – a universal service obligation under which Chorus must maintain certain coverage and service on the copper network.
FWA 4G / 5G	Fixed Wireless Access 4th / 5th generation.	pkm	Passenger-kilometre (unit of measure for transport).	TSR	Total shareholder return.
FY	Financial year – twelve months ended 30 June. e.g. FY22 is from 1 July 2021 to 30 June 2022.	RAB	Regulatory Asset Base refers to the value of total investment by a regulated utility in the assets which will generate revenues over time.	UFB	Ultra-Fast Broadband refers to the Government programme to build a fibre to the premises network to about 85% of New Zealanders. UFB1 refers to the original phase of the rollout to 75% of New Zealanders. UFB2 and UFB2+ were subsequent phases announced in 2017.
GHG	Greenhouse gas.	RBI	Rural Broadband Initiative – refers to the Government programme to improve and enhance broadband coverage in rural areas between 2011 and 2016.	VDSL	Very High Speed Digital Subscriber Line – a copper-based technology that provides a better broadband connection than ADSL.
GHG Inventory	A quantification of an organisation's greenhouse gas sources, sinks, emissions and removals.	Refrigerants	A substance or mixture used in a heat pump and refrigeration cycle.		
GPON	Gigabit Passive Optical Network.	Scope 1	Direct emissions from sources that are owned or controlled by a company.		
Layer 1	The physical cables and co-location space.				

Directory

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P: +61 2 9230 4000

<https://company.chorus.co.nz/sustainability>

C H ● R U S

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