

DUNEDIN CITY HOLDINGS GROUP: CARBON ROADMAP

31 August 2023

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BACKGROUND

The Dunedin City Holdings Ltd (DCHL) is a Council Controlled Organisation (CCO) owned by Dunedin City Council (DCC).

DCHL is the governing shareholder of eight subsidiary and associate companies that own and manage key city assets and provide benefit to the city.

DCHL's portfolio comprises 100% shareholdings in Aurora Energy Ltd, City Forests Ltd, Delta Utility Services Ltd, Dunedin City Treasury Ltd, Dunedin Railways Ltd, Dunedin Stadium Property Ltd and Dunedin Venues Management Ltd. It also owns 50% of Dunedin International Airport Ltd.



PURPOSE AND SCOPE OF THIS DOCUMENT

This document brings together the DCHL Group's progress to date and future plans with regard to reducing the Group's Greenhouse Gas (GHG) emissions and contributing to DCC's goals for Ōtepoti Dunedin to become a Zero Carbon city.

PROGRESS TO DATE

DCHL group companies have been on a journey to reduce the environmental impact of their activities for many years.

GHG EMISSIONS MEASUREMENT AND REPORTING

The DCHL Group started co-ordinated efforts with specific regard to GHG emissions in 2020, when we worked together to establish GHG emission measurement and reporting systems at each company.

Companies published their first carbon footprints in their 2021 Annual Reports, and this is now routinely included and reported, with reporting against original baselines also to be included going forward.

CARBON EMISSIONS REDUCTION STRATEGIES

As a next step, each company developed a Carbon Emissions Reduction Strategy over the 2022 financial year and started implementing these strategies in the 2023 financial year. Companies will report their first year of progress against these strategies in their 2023 Annual Reports (to be published by 30 September 2023).

NET ZERO CARBON GOAL

Alongside these strategies, and in line with DCC's Zero Carbon ambitions, each company is working on developing strategies to be aligned with DCC's goal to be net zero carbon by 2030.

This is an ambitious target, with many companies within the group operating in industries that use heavy vehicles or other large infrastructure. We have in the first instance focused on **reducing gross emissions** – that is, identifying and taking action on the most controllable emissions within each company.

For all companies, the exact path to net zero by 2030 on an individual basis is yet to be defined, with many companies dependent on new technology becoming available over the next few years. As set out in this roadmap, companies will refine their strategies regularly, and continue to work with DCHL and DCC as choices and challenges emerge in more detail.

OTHER OPPORTUNITIES TO CONTRIBUTE

The DCHL Group takes a pragmatic approach to carbon emissions. We recognise that there will be opportunities for DCHL Group companies to meaningfully contribute to DCC's goals for a Zero Carbon city, in ways that do not reduce (or may even increase) a company's individual carbon footprint. These opportunities may be the most impactful way some companies can contribute to city-wide goals.

The best way for us to identify those opportunities is by working closely with each other and with DCC. We have started these conversations over the 2023 financial year and this roadmap sets a forum for those to continue into the future.

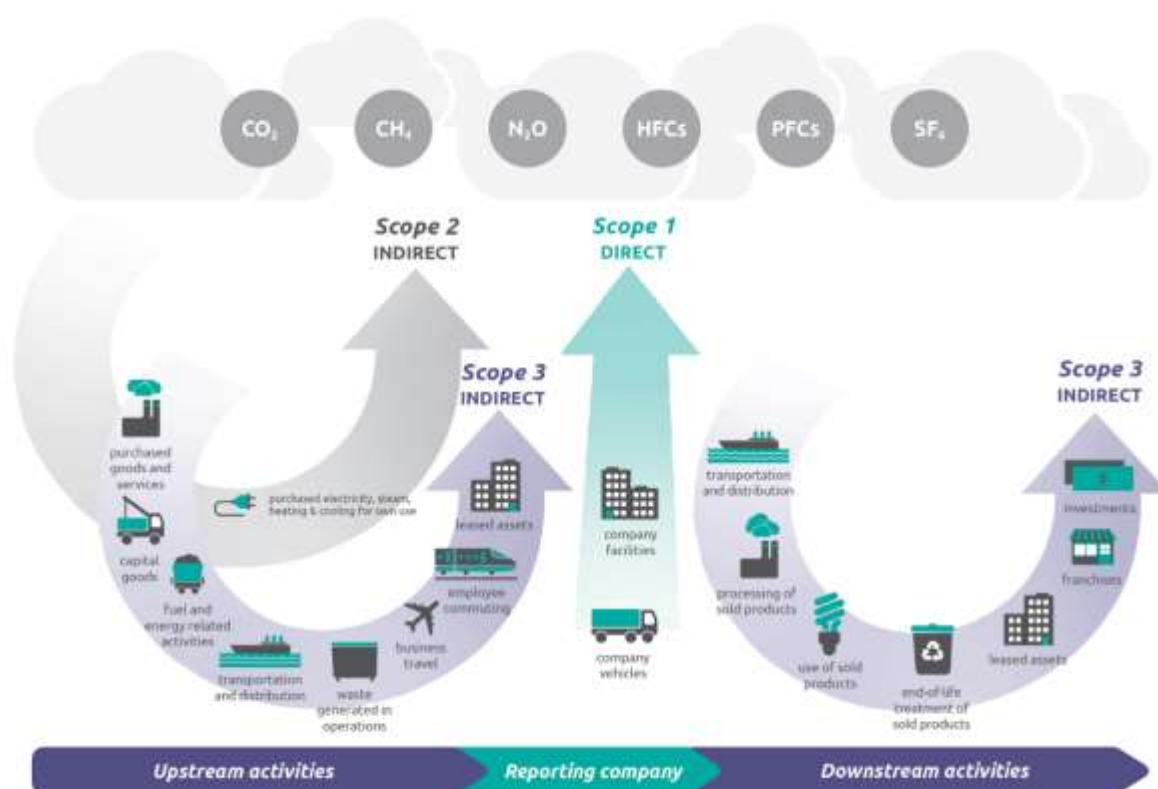
DCHL GROUP EMISSIONS PROFILE

As noted above, DCHL Group companies have assessed and measured their GHG emissions annually since the 2021 financial year and reported these in their Annual Reports.

APPROACH

Group companies complete their assessment and measurement processes in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2006 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

The Group has at this stage focussed on measuring Scope 1 and 2 emissions and an agreed selection of Scope 3 (indirect, or value chain) emissions.



Scope 1 emissions are direct emissions that are operationally controlled by DCHL Group companies, including:

- Mobile consumption emissions related to vehicles owned or operated by the DCHL Group
- Stationary combustion emissions related to machinery and equipment
- Fugitive emissions from refrigerant use within HVAC air-conditioning systems we operate
- Farm emissions related to dairy cattle, fertiliser, and farm vehicle fuel consumption (farm owned by Dunedin Airport Ltd)
- Wastewater treatment plant emissions used for the airport facilities as well as the Momona village (Dunedin Airport Ltd).

Also measured within Scope 1 is sequestration of carbon, which is measured as an offset to carbon emitted. In the DCHL Group's case, this includes native, non-commercial reserve areas of the City Forests estate. The

commercial plantations are excluded from these measurements as they are part of the New Zealand Emissions Trading Scheme.

Scope 2 emissions are indirect GHG emissions from imported energy, including:

- Purchased electricity that is consumed at sites our companies operate from
- GHG emissions related to electricity losses within Aurora's distribution network

Scope 3 emissions are indirect or value chain emissions.

To ensure alignment across the Dunedin City Holdings Limited (DCHL) group of companies it was agreed that the companies would report on a consistent set of Scope 3 emissions which are waste, freight and travel. In addition, each company was able to choose to expand their Scope 3 emission reporting to include other indirect sources where their unique operations and trading relationships warranted this.

The Group's Scope 3 emissions include the following:

- Upstream and downstream transportation (the freighting of goods purchased or sold by DCHL Group companies)
- Business travel (primarily flights and accommodation)
- Waste generated in our offices and sites
- Electricity transmission & distribution losses
- City Forests contract operations including land management, forest establishment and silviculture, roading and harvesting, log transport, port operations and international shipping.

Other than the items noted above, we have not captured all indirect emissions relating to our supply chains. We will review which Scope 3 emissions are relevant and appropriate on an ongoing basis, as we continue to measure and report our carbon footprint.

The ISO 14064 Standard has recently been revised to state that an organisation should identify and report **all** material Scope 3 emissions. This is a challenging exercise for any organisation as it is often reliant on obtaining data from third party suppliers. All DCHL Subs have started to identify their material Scope 3 emission sources and are planning how to collect the required data to report those emissions.

2022 RESULTS AT GROUP LEVEL

We have included the Group's previously reported **2022** results below as background information to the road map¹.

Emissions are reported as tonnes (t) of Carbon Dioxide (CO₂) equivalent (e); or tCO₂-e. "Carbon dioxide equivalent" is a standard unit for counting greenhouse gas emissions regardless of whether they are from carbon dioxide or another greenhouse gas.

The Consolidated DCHL Group measured a gross total of 41,911 tCO₂-e, across Scope 1, 2 and 3 in the year ended 30 June 2022. The tables below show how these emissions are broken down by scope, by company, by source category and by activity.

¹ Carbon emissions for the 2023 financial year (and any adjustments to prior years) are currently being calculated. These will be published in companies' 2023 Annual Reports which are due to be published by 30 September 2023.

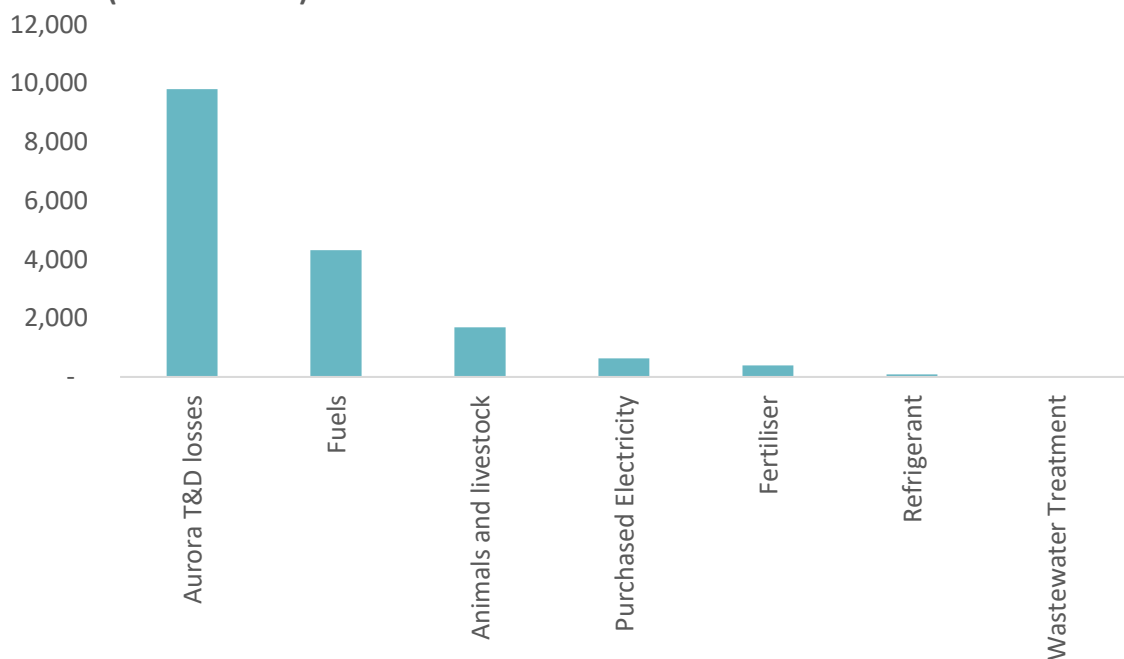
Table 1 Emissions by Scope

Scope	tCO2-e	% of Total
Scope 1	6,499	16%
Scope 2	10,421	25%
Scope 3	24,992	60%
Total Scope 1, 2, 3	41,911	100%
Forestry net total	(5,535)	-13%
Total	36,376	

Table 2 Emissions by Company (tonnes CO2-e)

Company	Scope 1	Scope 2	Scope 3	Total	Forestry	Net
City Forests	104	3	24,129	24,237	(5,535)	18,702
Aurora Energy	201	9,898	106	10,205	-	10,205
Delta Utility Services	3,692	105	640	4,436	-	4,436
Dunedin Airport	2,155	192	36	2,383	-	2,383
Dunedin Venues	246	214	23	482	-	482
Dunedin Railways	99	10	56	165	-	165
Dunedin City Holdings	1	0	1	2	-	2
Dunedin City Treasury	1	0	1	2	-	2
Total	6,499	10,421	24,992	41,911	(5,535)	36,376

Graph 1 Scope 1 and Scope 2 Emissions by Activity
Emissions (Tonnes CO2-e)



At a summary level, the largest categories of Scope 1 emissions across the DCHL group – that is, those within the group’s direct operational control – come from fuel use across the group, and dairy farming at Dunedin International Airport.

The group’s most significant Scope 2 emissions are recorded at Aurora Energy. Electricity Transmission and Distribution emissions refer to the difference between the amount of electricity that enters Aurora’s network at Grid Exit Points and the total amount of electricity measured at customers’ premises. The losses occur primarily due to physical energy loss as electricity passes through transformers and other equipment.

The emissions associated with network losses are calculated using a national grid factor for electricity, which takes account of the mix of electricity generation across New Zealand. The national factor does not differentiate for the different mixes of renewable and thermal (fossil fuel) generation between South Island and North Island grids.

In practice, it will be challenging for Aurora itself to influence the emissions associated with network losses, in either a proportional or absolute sense, however on balance we would expect to see an overall reduction over time, as a greater portion of New Zealand’s electricity is generated from renewable sources.

Unsurprisingly, Scope 3 emissions account make up the largest portion of total emissions measured across the DCHL Group. The largest source of emissions in this category is freight, which is driven primarily by emissions associated with shipping City Forests’ logs to Asia.

It is important to note that as described above, City Forests’ commercial forest carbon sequestration / emissions are excluded from the scope of this measurement and reporting exercise, because the commercial forest areas are registered under the New Zealand Emissions Trading Scheme (ETS) and cannot be included in these calculations as well.

We have, however, taken into account 2,435 hectares of native, non-commercial forest held by City Forests, which is the equivalent offset of 5,535 tCO₂e. This then provides a net emissions total across the group of 36,376 tCO₂e.

Upon consolidation of the Group, we have removed the double-counting of emissions from Aurora Energy transmitting electricity to DCHL individual companies. The electricity transmission loss emissions are recorded as Aurora’s Scope 2 emissions (direct emissions) and at subsidiary and associate companies as Scope 3 emissions (indirect emissions). As such, upon consolidation the component of Scope 3 emissions relating to each company has been removed. This accounts for approximately 30 tCO₂-e across the Group.

CONTINUED REPORTING MOVING FORWARD

We note that methodologies, systems and frameworks for measuring and reporting GHG emissions will continue to evolve over time, and that different industries may follow different paths in this regard in future. This means that while all DCHL Group companies started measuring and reporting in line with the same ISO framework, it may become appropriate for some companies to measure or report their emissions differently in future.

COMPANY EMISSIONS PROFILES AND AREAS OF FOCUS

The next section sets out in more detail each company's GHG emissions profile, companies' areas of focus so far in reducing emissions, next steps, and potential areas of opportunity and challenge.

AURORA ENERGY LTD

2022 emissions summary: by scope

Scope	tCO2-e	% of Total
Scope 1	201	2%
Scope 2	9,898	96%
Scope 3	210	2%
Total	10,309	100%



The vast majority of Aurora Energy's reported GHG emissions (and as is typical for lines companies) relates to scope 2 network line losses which were 95% of the company's reported emissions for 2022. The biggest contributing Scope 1 activity was company motor vehicle use (1%).

From 2023 onwards, Aurora Energy will report emissions data from the use of diesel fuelled generators as part of its Scope 1 activities, and data collected from its three main field services providers as part of Scope 3.

Focus areas of Emissions Reduction Strategy

Aurora Energy developed an emissions reduction strategy and associated targets during the 2021-22 financial year. Our emissions reduction strategy focuses on gross emissions reduction which is demonstrated through the strategy actions we have taken this year.

During 2022-23 we have focused on achievement of our initial activity-based targets. Aurora Energy has identified specific emissions reduction activities in key areas including carbon in design, supplier activity, Aurora Energy fleet emissions, and building energy.

This year we progressed our fleet transition strategy to replace combustion engine vehicles

with either hybrid or electric vehicles upon lease renewal. Our motor fleet policy reflects our emissions reduction strategy as a key principle. The introduction of a work from home policy is estimated to have reduced staff travel by up to 2 days per week per employee.

Areas of challenge and opportunity

Aurora recognises that it will play an important role in decarbonising the regional and broader New Zealand economy, by enabling the electrification of processes that previously utilised fossil fuel energy sources.

More electricity will be distributed via the Aurora network in the future, however it is also anticipated that scope 2 emissions in the form of network line losses will increase, as decarbonisation initiatives come on-line. This could present a challenge for overall emissions reduction targets in the absence of a viable offsetting strategy.

Line losses will continue to be reported by Aurora, however they have been excluded from Aurora's emissions reduction target. This approach is common amongst other New Zealand Electricity Distribution Businesses (EDBs).

2022 emissions summary: by scope

Scope	tCO ₂ -e	% of total
Scope 1	105	0.43%
Scope 2	3	0.01%
Scope 3	24,129	99.56%
Sub total	24,237	100%
Native forest*	(5,535)	-23%
Net total	18,702	77%



**Note: Carbon sequestered in the exotic forest estate is not included as this is accounted for under the rules of the New Zealand Emissions Trading Scheme.*

The vast majority of City Forests reported GHG emissions relates to Scope 3 emissions from its supply chain, principally emissions from international sea freight and contractor heavy machinery. There is significant carbon sequestered in native forest reserve areas within the exotic forest estate, sufficient to offset all Scope 1 and 2 emissions.

Focus areas of Emissions Reduction Strategy

In terms of City Forests' individual carbon footprint, the company is evaluating and making low emission purchasing decisions for its small vehicle fleet, is investigating ways to reduce waste and the expansion of areas established in native forest. Technologies to reduce scope 3 emissions are being monitored as detailed below.

City Forests two primary contributions to city-wide emissions reduction are:

- The expansion of the forest estate to bring about positive land use change to sequester more carbon whilst reducing livestock emissions. Every hectare of new forest established will permanently sequester 400t of CO₂ per ha (Post – 89 ETS registered under averaging) and will offset farm emissions by an ongoing 3.6 t CO₂ equivalent per hectare per year.
- City Forests continues to increase supply of wood bioenergy to offset coal or gas use in third party energy systems.

Both of these initiatives have progressed during the year. These initiatives do not have an impact on City Forests' GHG company emissions as measured and reported above, but have a positive environmental impact which is of a greater

magnitude than the company's other emissions combined.

Areas of challenge and opportunity

There is a need for external clarification regarding the inclusion of all or part of the identified Scope 3 emissions in net zero targets. This will be the subject of Climate Change Commission advice expected in 2024.

Irrespective of the inclusion or otherwise of Scope 3 emissions in net zero emissions targets City Forests intends to progress the reduction of Scope 3 emissions from its contracted supply chain when practical, however technology such as hydrogen or battery power is not yet sufficiently developed for application in rural heavy machinery use. Technology developments are being monitored and will be implemented as soon as cost-effective solutions become commercially available.

We also note that the single biggest source of Scope 3 emissions is international sea freight and this industry is some years away from transitioning to clean energy options. In response the Company will look to increase domestic log supply options, but this will require significant regional third party wood processing investment.

2022 emissions summary: by scope

Scope	tCO2-e	% of Total
Scope 1	3,692	83%
Scope 2	104	2%
Scope 3	645	15%
Total	4,441	100%



Unsurprisingly for a contracting company, the majority of Delta's reported GHG emissions are attributable to fuel use. These make up 83% of our total emission with the second largest contributor being freight at 10% of total emissions.

Focus areas of Emissions Reduction Strategy

Delta has developed its Carbon Emission and Waste Reduction Strategy. We are mindful of DCC net carbon zero by 2030 and have established actions to assist reducing our current profile.

Given the bulk of our emissions relate to fuel usage for our fleet we are focused on efficiency and effective use to aide reduction. This includes a focus on reduced idling time, installing PTO units on EWP trucks and introducing more hybrid vehicles into the overall fleet.

Additionally, we are undertaking an energy audit on all our major sites and continue to engage with our Kaitiaki o Te Mahi Pai groups to look for better ways to deliver activity whilst reducing our carbon and waste footprint.

Areas of challenge and opportunity

Whilst introducing hybrid vehicles into our fleet, introducing new technology to reduce consumption (PTO units) and ensuring efficient use of all vehicles will help reduce emissions, more will be needed to make a step change. With over 250 diesel light utility vehicles in our fleet, there is currently no viable, cost effective alternative available. We will continue to explore new technology and developments in the automotive industry, and implement where appropriate in order to enable a more substantive shift.

We will also continue to engage with DCHL and other DCC companies to determine opportunities for us to assist in achieving Dunedin City's overall carbon emission goals.

2022 emissions summary: by scope

Scope	tCO ₂ -e	% of Total
Scope 1	78	3%
Scope 2	192	8%
Scope 3	2,121	89%
Total	2,391	100%



DIAL's measured GHG emissions for the year end June 2022 are 2,391 tCO₂-e. Total emissions are largely driven by high emissions intensity of dairy farm operations. The biggest contributing non-farm activity is electricity consumption in the Airport Terminal.

Focus areas of Emissions Reduction Strategy

Dunedin Airport is currently targeting emissions reductions for Scope 1 & 2 by 46.2% by 2030 on a FY19 base year. We also commit to being NetZero for our airport operations Scope 1 & 2 by 2030 by having a carbon offset programme in place.

To meet our 46.2% reduction target, Dunedin Airport's Emissions Reduction Strategy concentrates on activities to reduce the airport's energy consumption, fuel use, travel emissions, and waste.

Based on emissions reduction activities to date our Scope 1 & 2 emissions have been reduced by 92 tCO₂-e (30%) from FY19 to FY23. Mainly our reductions were driven by a reduction in electricity consumption by beginning to implement the recommendations in our 2022 energy audit, overall New Zealand grid efficiencies and reducing stationary fuel use.

To continue to meet our targets, In the coming year we will continue to focus on opportunities including:

- Reducing energy consumption by implementing the remaining recommendations in the 2022 energy audit
- Replacing the remaining terminal lighting with LED
- Optimising HVAC performance

- Completing an investigation and business case for solar on and around Dunedin Airport Assets through as part of our 2050 Airport Master Plan project
- As vehicles come up for renewal we will replace these with low emissions alternatives
- Using biodiesel blend in our generator
- Continuing to reduce terminal waste by working with our terminal retailers

Other areas we will continue to work on that support emissions reduction, but are separate to our targets include:

- Developing our land use strategy with respect to agriculture, agrivoltaics or large scale renewable energy projects
- Supporting staff with working at home arrangements to reduce our commuting emissions where possible.

Areas of challenge and opportunity*The wider aviation sector*

While Dunedin Airport will continue to identify opportunities to reduce our footprint we also have an important role to facilitate the decarbonisation of the wider aviation sector in partnership with airlines, energy providers and other airports. As such we will continue to work with and explore opportunities with the wider industry to reduce aviation emissions by coordinating and developing the charging infrastructure and other assets required to facilitate low emissions aircraft and transport in Aotearoa.

Farm related emissions

The largest source of Dunedin Airport's emissions is from our Dairy Farm. We are currently underway with investigations into the ongoing viability of the Dairy Farm whilst meeting DCHL, Central Government and our own emissions reduction goals. The ongoing challenge with the Dairy Farm is the financial stability and certainty that the farm provided for the Airport throughout COVID-19. In order to transition away from Dairy as the primary use of landholdings, Dunedin Airport needs to ensure that we have a commercially viable and prudent alternative to withstand future economic and social shocks.

The current investigations are exploring other agricultural land uses, solar, wind, as well as a variety of other land uses that will meet both our financial and emissions reduction goals.

Employee Commuting

Given the geographical location of Dunedin Airport being approximately 44km from Dunedin City makes reducing employee commuting difficult. Active modes of transportation on a 100km motorway is not a reasonable option for many staff members. Dunedin Airport will explore alternative options of travel and options that include electric vehicle incentives, carpooling amongst others, however we anticipate behaviour change in this category to be particularly difficult.

DUNEDIN RAILWAYS LTD

2022 emissions summary: by scope

Scope	tCO2-e	% of Total
Scope 1	98.6	60%
Scope 2	9.9	6%
Scope 3	55.9	34%
Total	164.4	100%



The majority of Dunedin Railways reported GHG emissions come from diesel fuel, which makes up 60% of the company's reported emissions. The second biggest contributing activity is waste to landfill associated with the events and services that are delivered.

Focus areas of Emissions Reduction Strategy

The main focus of Dunedin Railways' emissions reduction strategy relates to its highest emission areas of fuel and purchased electricity. During the 2023 financial year the company has started looking into the emissions reduction potential and feasibility of reducing diesel use, and reviewing the company's operational efficiency.

Dunedin Railways has set a goal of reducing its "emissions per train trip" measure from a 2022 baseline of 3.5 tCO2-e per trip.

The company has also started measuring its waste in the 2023 financial year, and undertaken initiatives to reduce passenger waste on train trips and waste at the Dunedin Railways workshop.

Areas of challenge and opportunity

80% of Dunedin Railways' total emissions are from the diesel fuel used in our trains (as per FY 2020-21 reporting). While some operational efficiency savings could be achieved in the use of diesel fuel (which we are pursuing), this is likely to be relatively minor.

2022 emissions summary: by scope

Scope	tCO2-e	% of Total
Scope 1	246	50%
Scope 2	213	43%
Scope 3	37	7%
Total	496	100%



The vast majority of Dunedin Venues reported GHG emissions is split between Purchased Electricity and Fuels (LPG). These two areas make up 93% of Dunedin Venues GHG emissions.

To further analyse the data Forsyth Barr Stadium contributes approximately 80% of the purchased electricity GHG emissions with the Dunedin Centre contributing 75% of the Fuel (LPG) GHG emissions.

Focus areas of Emissions Reduction Strategy

Being tenants of both Forsyth Barr Stadium and the Dunedin Centre, Dunedin Venues rely heavily on investment from the venue owners to make significant change. We have been engaging with DSPL and the DCC about providing a more carbon neutral venue. This is focused on smart upgrades to the venues that will reduce the overall carbon footprint.

Internally we have focused on waste to landfill reduction initiatives; substituting aluminium cans for plastic cups, prioritising ways to reduce food waste with our caterer and separating our waste streams to maximise recycling.

Areas of challenge and opportunity

With DVML being an event driven industry the more services and events that are delivered increases the overall company carbon footprint. Purchased Electricity and Fuel to run the venues, Waste to Landfill total GHG emissions will increase with more events.

The Company has set a goal of reducing its "emissions per 1,000 attendees" as an interim measure until such a time where more efficient venues and services are considered by the venue owners.

DUNEDIN STADIUM PROPERTY LTD

All emissions associated with the Company's asset – Forsyth Barr Stadium – are measured and reported by Dunedin Venues Management Limited, as the entity that makes decisions regarding the operation of the asset. Dunedin Stadium Property Limited (DSPL) therefore has zero emissions to report directly.

As the owner of the stadium asset, however, DSPL has a role to play in reducing emissions and waste associated with stadium. During the 2023 year, DSPL incorporated criteria so that carbon and waste impacts are now considered as part of all capital expenditure proposals. High level opportunities for reducing emissions associated with stadium assets have also been identified with consideration of those to continue in the coming year.

DUNEDIN STADIUM PROPERTY LTD

2022 emissions summary: by scope²

Scope	tCO2-e	% of Total
Scope 1	2	50%
Scope 2	0	0%
Scope 3	2	50%
Total	4	100%

**Emissions profile**

As a small, office-based team, DCHL / DCTL has a relatively light emissions footprint, comprising mainly travel to board meetings and heating our office.

We are currently working to add staff commuting to our emissions disclosures for 2023.

Focus areas of Emissions Reduction Strategy

DCHL / DCTL has taken a pragmatic approach to developing its strategy.

While the strategy aims to reduce DCHL/DCTL's emissions as far as possible, it recognises that DCHL/DCTL's biggest opportunity for positive environmental impact is as a shareholder of our subsidiary and associate companies.

For that reason our strategy includes activities that provide leadership and co-ordination across the DCHL group.

Areas of challenge and opportunity

We are currently working to add staff commuting to our emissions disclosures for 2023. We are also starting to engage with our key suppliers about their efforts to measure and reduce their emissions.

DCHL/DCTL's biggest opportunity for reducing emissions will continue to be in the facilitation role it plays across the DCHL Group. We look forward to continuing this work, and working with DCC, in the coming financial year.

² This table shows the combined result as DCHL / DCTL functions as a single team. In Annual Reports the footprint is split evenly between DCHL and DCTL.

A ROADMAP FORWARD

The DCHL Group's efforts towards reducing emissions from 2023 onwards will comprise two work streams:

1. Continued work by each company to reduce emissions from their activities
2. More detailed work with Dunedin City Council to identify and scope opportunities for contribution to city-wide goals.

This road-map recognises that pursuing reduced carbon emissions may provide companies with opportunities for improved commercial outcomes, and may also at times present a tension between companies' commercial objectives and investment required to transition to lower carbon alternatives. Companies will continue to work closely with shareholders in this regard.

CONTINUED WORK TO REDUCE EACH COMPANY'S EMISSIONS

Over the past three years, DCHL Group companies have set a solid foundation for measuring, reporting and reducing emissions associated with their activities.

This will remain a key stream of work going forward. The points below set out each company's annual activities with regard to this:

On an annual basis -

- Measuring their emissions, refining systems and approaches to keep pace with changing international methodologies and trends
- Reporting emissions in their Annual Report, including against baseline
- Revisiting their Emissions Reduction Strategy and:
 - reporting the previous year's progress against the Strategy in Annual Report
 - setting goals for the year ahead
 - giving consideration to the path to achieving net zero carbon
- Discussing with shareholders (DCHL and DCC) the path to achieving the company's individual net zero carbon by 2030 target. This may include areas of opportunity or areas of challenge (for example, non-controllable emissions or where there is no readily available alternative).

DCHL as the parent entity will continue to play a co-ordinating role, facilitating the sharing of experiences and resources across the group, and co-ordinating companies' discussions with shareholders.

WORKING WITH DCC TO IDENTIFY AND SCOPE OPPORTUNITIES TO CONTRIBUTE TO CITY GOALS

We recognise that there will also be opportunities for DCHL Group companies to meaningfully contribute to DCC's goals for a Zero Carbon city, in ways that do not reduce (or may even increase) a company's individual carbon footprint.

These opportunities may in fact be the most impactful way that some companies can take action against climate change.

The best way for us to identify those opportunities is by working closely with each other and with DCC. We have started those conversations at an exploratory level over the 2023 financial year and envisage them continuing in the 2024 financial year.

The starting point for this will be the completion of DCC's Zero Carbon Plan, which we understand to be imminent. The Zero Carbon Plan's analysis will help companies understand areas where they may be able to contribute to city-wide goals, and will form a strong basis for the next stage of discussion with DCHL and DCC.

SHORT- TO MEDIUM-TERM NEXT STEPS

- DCC to publish Zero Carbon Plan
- Each company to meet with DCHL and DCC in the weeks following publication of the Zero Carbon Plan to explore the Plan in more detail, including areas of relevance for individual companies
- DCHL companies to consider opportunities where they may be able to contribute to emissions reduction on a city-wide level and discuss those further with DCHL and DCC
- Depending on the opportunities identified, a number of outcomes could follow:
 - Planning and implementation of initiatives that achieve shared objectives
 - Analysis or scoping exercises on more significant opportunities or ideas. These may vary widely across projects and companies in terms of their scale and time frame
 - Discussion with shareholders about more significant opportunities, particularly those requiring capital investment, as to fit with shareholder expectations for the company and Group.

LONGER-TERM NEXT STEPS

- Company boards, DCHL and DCC to remain in discussion with regard to the DCHL Group's contribution to the goal for Dunedin to become a Zero Carbon City.
- This road map suggests an annual engagement to consider opportunities and challenges to achieving companies' individual Zero Carbon targets, as well as opportunities to assist on a city-wide level. These discussions could be timed to allow them to inform the following year's Letters of Expectation to DCHL and Statement of Intent process.

WASTE REDUCTION

Alongside developing their carbon emission reduction strategies, DCHL group companies also developed waste reduction strategies. Companies began implementing these in 2023 also and will be reporting progress against these in their 2023 Annual Reports.

Initial waste reduction efforts have included:

- Engaging with suppliers and contractors in relation to their waste management practices
- Waste audits and measurement projects
- Improving waste and recycling bins and facilities
- Substituting cups for recyclable aluminium cans at [some] major events.

Going forward we intend to approach carbon emissions and waste reduction together, rather than in separate documents. Reducing waste is of course important in itself, but it is also a significant contributor to reducing carbon emissions.

DCHL Group companies' next steps for waste is therefore to specifically include it within the discussions and action points set out above for carbon emissions, at a broad level:

- Continuing to set goals for reducing waste associated with each company's operations
- Engaging with the wider group, DCHL and DCC as to challenges and opportunities for waste reduction at a city-wide level.

CONCLUSION

Work undertaken across the DCHL Group to understand companies' emissions profiles, report carbon footprints, and develop strategies and initiatives to reduce those footprints, positions the company well to contribute to Dunedin's future as a Zero Carbon City.

The next stage of this work is to take a collaborative approach to identifying areas where companies can reduce the emissions associated with their own operations, and/or make a contribution on a city-wide level, to assist Dunedin with its transition to a lower carbon future.

The DCHL Group looks forward to working with Council and the community on this aspiration.