



Horizon Energy Group Sustainability Report

2025



HEG
Horizon Energy Group

Contents

Executive summary	3
A note from our Chief Executive	4
About us	5
Our purpose-driven strategy	6
Our priorities	7
Our multi-disciplinary expertise	8
Our facilities	11
Our approach and standards	11
Our approach to governance	12
Board of directors	12
Executive Leadership Team	12
Sustainability Steering Group	12
Our sustainability journey	14
Our sustainability framework	15
Committed to our planet	16
Our environmental performance in a nutshell	16
I. Focus area: Zero serious environmental harm	18
II. Focus area: Net zero carbon future	18
III. Focus area: Energy optimisation	21
IV. Focus area: Water optimisation	23
V. Focus area: Waste minimisation	23
Committed to our people	26
Supporting people to succeed and grow, while living our values	26
Our social performance in a nutshell	26
VI. Focus area: Zero serious harm injuries	27
VII. Focus area: Staff engagement	32
VIII. Focus area: Be a truly inclusive company	32
IX. Focus area: Enable our people	34
X. Focus area: Shared sustainability values	37
Committed to a shared progress	39
Maintaining the highest standards of accountability and integrity	39
Our progress in a nutshell	39
XI. Focus area: Creating enduring value for our customers	39
XII. Creating enduring value for the communities we serve	42
XIII. Focus area: Ethical conduct	45
XIV. Focus area: Digitalisation and data governance	45
XV. Focus area: Regulatory compliance	46
XVI. Transparency	46
Acknowledgements	47

Executive summary

For Horizon Energy Group (HEG), sustainability is a core principle that guides our operations, our engagement with communities, and our long-term value creation. This 2025 Sustainability Report outlines our performance from 01 April 2024 to 31 March 2025, highlighting significant progress across our environmental, social, and governance (ESG) commitments.

Over the past year, we improved our environmental data collection systems and procedures, increasing our reporting accuracy through upgraded digital systems and real-time monitoring. As a result, we now have a more accurate picture of our environmental impact, particularly in relation to electricity consumption and fleet emissions. Thus, we rebased our GHG emissions inventory from FY23 to FY24 to account for more emissions sources recently identified from our historic data.

Total gross greenhouse gas (GHG) emissions increased to 5,814.70 tCO₂e, primarily due to operational growth and improved data availability. Emissions per full-time equivalent (FTE) rose from 4.15 to 4.94 tCO₂e/FTE, reflecting growth in locations, increased vehicle use and improved data collection. Despite this, our commitment to environmental stewardship remains strong, supported by our Toitū Carbon Reduce certification and ISO 14001:2015 accreditation.

We achieved zero serious environmental harm incidents for the second consecutive year, reflecting our strong environmental risk management practices. We also introduced hybrid and electric vehicles into our fleet and adopted AdBlue technology to reduce emissions from diesel engines. These initiatives contribute to our broader goal of achieving net zero carbon emissions by 2050.

We recorded zero serious harm injuries, down from two in FY23, underscoring our proactive safety culture. Staff engagement remained high, with an 84% participation rate in our annual survey and a satisfaction score of 7.6 out of 10. We continued to promote diversity and inclusion, with 40% female representation on our Board and 25% in the Executive Leadership Team. Learning and development remained a priority, with over 13,867 hours of training delivered and 100% of staff receiving development opportunities. HEG remains deeply committed to the communities we serve. Over \$114,000 in sponsorships supported initiatives in education, health, sports, and environmental stewardship. Programmes such as Girls in Hi-Vis® and the Gateway Programme helped foster future talent in infrastructure, while staff-led initiatives promoted circular economy practices and community wellbeing. In terms of progress and innovation, we exceeded our Net Promoter Score (NPS) target, achieving a score of 62.5, well above industry benchmarks.

Together, these achievements reflect our unwavering commitment to building a safer, smarter, and more sustainable future, one connection at a time.

A note from our Chief Executive

In an era of complexity and constant change, our responsibility as a business has never been clearer. Sustainability is not a programme, it is a principle that shapes the way we operate, serve our communities, and create lasting value.

Over the past year, we have made significant progress: no serious environmental harm, strong staff engagement, and meaningful community partnerships. We've also deepened our decarbonisation efforts, strengthened our safety culture, and set ambitious targets for inclusive leadership and workforce capability.

This report showcases the dedication of our people and partners. From engineers installing energy-efficient systems, to apprentices growing with us through inclusive programmes, every story here is part of a bigger vision: a safer, smarter, more sustainable future.

Thank you to everyone across the Horizon Energy Group who contributes to this shared mission.

Ajay Anand
Chief Executive Officer
Horizon Energy Group



Picture: Safer Connections. Horizon Services at work, elevating infrastructure and safety in Whakatāne

About us

Horizon Energy Group (HEG) is a diversified infrastructure and energy services business in New Zealand. With a proud legacy rooted in regional energy distribution, we have grown into a multi-disciplinary group delivering essential services across the electricity, gas, HVAC, water, and telecommunications sectors.

Our operations span the country through a network of subsidiaries and specialist teams, enabling us to deliver safe, reliable, and sustainable infrastructure solutions that power communities and support local economies. We are committed to shaping a resilient, low-carbon future by embedding sustainability at the core of everything we do, from how we design and build, to how we engage with customers, contractors, and stakeholders.

At HEG, sustainability is more than a commitment, it's a shared responsibility. Our people are passionate about making a positive impact. We remain focused on long-term value creation through innovation, partnership, and purposeful leadership.

Together, we are building a more sustainable tomorrow, one connection at a time.

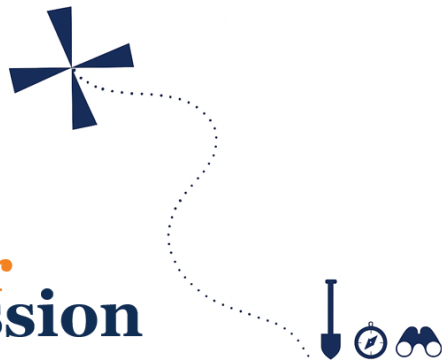


Picture: Horizon Services staff installing a pole.

Our purpose-driven strategy

Our mission

Enabling our customers to focus on what matters most to them.



Our vision

New Zealand's most trusted multi-disciplined infrastructure services partner.

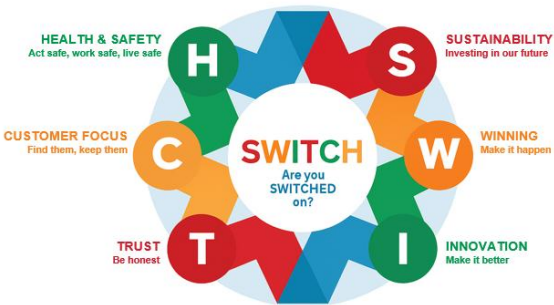


Our purpose

Creating enduring value for our communities.



Our values



Our priorities



Profitability + cashflows

Further diversify Group to generate more revenue and profitability from recurring activities, markets and customers.



A net carbon zero future

Reduce the impact of our activities on the environment.



Enable our customers

Deliver solutions to customers on time and budget, and minimise infrastructure downtime.



Stronger as one

Create a national multi-service business in all regions that we operate in.



Enable our staff

Employ the right staff who understand our clients' needs, deliver on our promises, and feel valued to be part of the organisation.



Intergenerational business

Embed social, economic and environmental measures across the Group.



Act Safe Work Safe Live Safe

Zero serious harm injuries.



Partnerships

Form key partnerships and alliances that seek to deliver competitive advantage.

Our multi-disciplinary expertise

HEG consists of eight specialist operational brands. Across these brands we continue to evolve our operations and progress initiatives to embed sustainability practices.

	Collectively, our business units make up the HEG. We operate nationally under the trading brands outlined below. Corporate services are provided to the trading business units.	  People & Culture  Procurement, Finance and Business Development  Information, Communications and Technology (ICT)
	Aquaheat Facility Services provides a range of planned preventative maintenance, reactive maintenance services, and asset management services through specialised management, operational support, and consulting. We operate primarily in Government, Banking, Property, Health, Corrections and Justice, Defence, Commercial and Industrial markets; with a more expansive domestic offering in our regional locations. During FY24/25 we merged our electrical service business (previously known as ElectriServ) under the Aquaheat brand, enabling the delivery of integrated mechanical/HVAC, electrical, plumbing, and gas-fitting solutions to our clients.	 HVAC/Mechanical and Asset Management  Plumbing and Gas Fitting  Asset and Facilities Management  Industrial and Commercial Refrigeration  Electrical Services  Utilities – Electricity, Gas & Civil Works



Aquaheat New Zealand offers a comprehensive range of HVAC, mechanical, electrical, roofing, and cladding solutions. These range from design, engineering, energy optimisation, pre-fabrication, installation, controls, commissioning, service and maintenance of mechanical, hydraulic, fire protection, roofing and cladding systems.



Our specialist fire protection brand services include the design, installation, upgrade, and maintenance of fire suppression systems, emergency warning systems, emergency lighting systems, portable firefighting equipment, smoke control systems, training, and building compliance (BWOFF).



Caldwell and Levesque is a specialist electrical services contracting company. We offer a wide range of solutions for the design and installation of electrical infrastructure across the commercial and industrial sectors. Caldwell and Levesque also deliver data, communications and security systems and support under our specialist brand, Datatech.



At CoolLogic we design install and maintain complex refrigeration, air conditioning and control system solutions. We have significant expertise in rebuilding machines, to manufacturers' specifications and tolerances, semi-hermetic and open drive reciprocating and screw compressors.





Horizon Energy Distribution Limited, trading as Horizon Networks, owns, manages and operates the electricity distribution network that serves the Eastern Bay of Plenty region. Our network delivers safe, and reliable power supply across 8,000 km² of urban, rural, and coastal areas, serving 25,500 homes, businesses, and farms.

Our network comprises assets with voltages of 50kV, 33kV, 11kV, and 400V. The major electricity asset classes are poles, overhead equipment & conductors, underground cables, transformers, and switchgear.



Electricity Distribution



Horizon Services provides electrical contracting and field services, both for Horizon Network's internal operations and for external

clients. These services include construction, commissioning & decommissioning; maintenance; field-based operation; fault response; specialised cable jointing and technical services and vegetation management.



Electrical Construction & Service



Design, Build and Construct



Utilities – Electricity, Gas & Civil Works



ElectriNet, a sub-brand of Horizon Services, is an infrastructure services provider in the East Coast and Northern Hawkes Bay providing facility services, refrigeration, fire systems, EV chargers, plumbing, drainage, gas fitting, solar and electrical solutions, and data. ElectriNet is Firstlight's largest electricity distribution service provider. services.



Electrical Construction & Service



Design, Build and Construct



Industrial and Commercial Refrigeration



Utilities – Electricity, Gas & Civil Works



Plumbing and Drainage



Fire Protection

Our facilities

We operate nationally, with our teams based across more than 40 facilities in 20 different cities and regions throughout New Zealand. As a multi-disciplinary infrastructure services provider, approximately 55% of our workforce operates off-site, while the remainder are located across the various offices, workshops, and storage facilities. The nature of our operations, combined with ongoing organisational growth, enables us to remain agile, diversify our service offerings, and co-locate teams from different specialist operational brands. This integrated approach enhances cross-functional collaboration and supports more efficient use of space and natural resources.

The following standards operate across the Group:

Certification	Description
ISO 14001:2015	This standard provides a framework for our environmental management system (EMS) implemented across our specialist operational brands to minimise and control our environmental impacts, and enhance our opportunities to contribute to air, water, soil, and biodiversity conservation.
Toitū Carbon Reduce	Independent auditing of our greenhouse gas (GHG) emissions inventory and our management system in place to effectively manage our climate-related impact and targets.
ISO 45001:2018	Occupational health and safety management systems with guidance for use.
ISO 9001:2015	Quality management systems requirements.
ISO 55001:2014	Asset management system for Horizon Network's electricity distribution in the Eastern Bay of Plenty region.
NZS 7901:2014	Electricity and gas industry's safety management systems for public safety.
Tōtika Supplier Listing Certification	This health and safety pre-qualification scheme has been developed and implemented by Construction H&S to create a standard for all health and safety pre-qualification systems in the construction sector.
SiteWise Gold Contractor Health and Safety Assessment	SiteWise is a prequalification system that grades a contractor's health and safety capabilities. These grades are published in a database accessible to main contractors and principal organisations, providing a transparent overview of contractor performance.
ISNetwork Certificate of Membership	An online database that helps companies and contractors ensure compliance with regulations. ISN vets and rates suppliers and contractors based on client requirements, such as industry type, project risk and local restrictions.

Our approach and standards

Our practices are underpinned by robust Health, Safety, Environmental, and Quality (HSEQ) management systems, independently assessed by third-party certification bodies to ensure alignment with industry best practices. We foster a culture of continuous improvement by standardising HSEQ frameworks across all specialist operational brands, regardless of their current certification status, with a long-term goal of achieving consistent certifications for all sites and operational activities.

Our approach to governance

Board of directors

The HEG Board holds overall responsibility for guiding the Group's strategic direction, which includes recognising and managing climate-related risks and opportunities, as well as overseeing Environmental, Social, and Governance (ESG) objectives. These considerations are embedded within our operational framework and form part of how we measure performance and report on our progress towards sustainability.

Climate-related risks and opportunities are integrated into the Group's broader risk management processes, which are monitored and reviewed quarterly by the Board's Audit Committee. Oversight of risk management, including climate-related risks, is delegated to both the Audit Committee and the Health, Safety, Environment and Quality (HSEQ) Committee.

The HSEQ Committee is responsible for developing and maintaining climate-related information, communicating strategic responses, and tracking progress against the Group's sustainability objectives. It also oversees ESG reporting and provides recommendations to the Board. The HSEQ Committee convenes three times per year.

Although the Group does not currently publish climate-related financial disclosures, planning is underway to implement these in future reporting periods. Once in place, the Audit Committee will assume responsibility for overseeing climate-related financial disclosures, including financial modelling and reporting. The Audit Committee, which meets quarterly, is expected to review and recommend these disclosures for final approval by the Board.

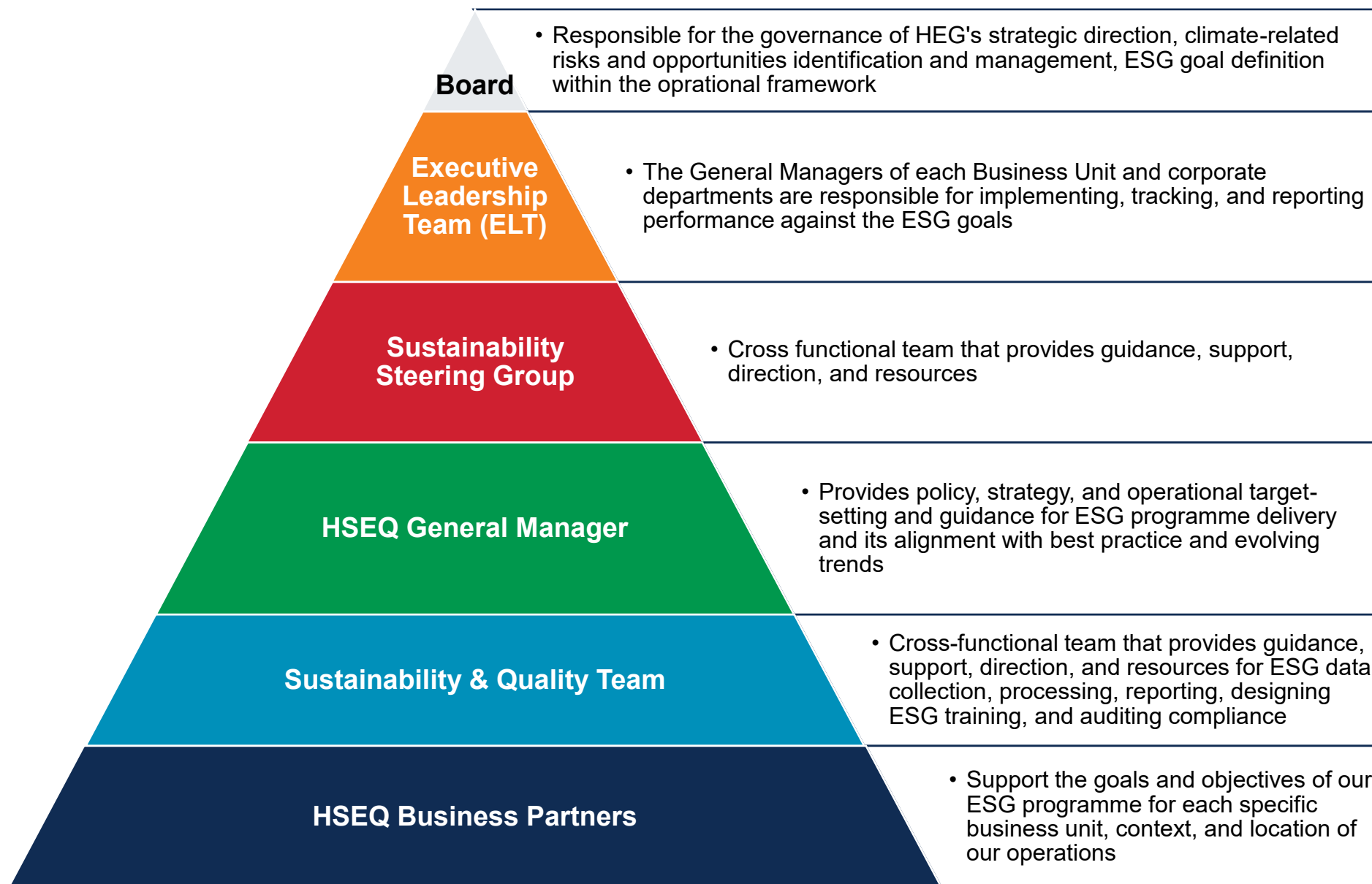
Executive Leadership Team

The Chief Executive Officer provides the day-to-day leadership to ensure the successful delivery of the Group's strategy while supporting the operational needs of the various operational businesses. The HEG Executive Leadership Team, comprising corporate and operational brand executives, is responsible for executing, monitoring, and reporting on performance against the ESG targets. The structure of the climate-related governance is outlined below.

Sustainability Steering Group

Oversight of our sustainability action is led by a dedicated Management Team, comprising six members drawn from the Executive and Senior Leadership Team. This group shape and advance the Group's Sustainability framework, including the identification and evaluation of climate-related risks and opportunities.

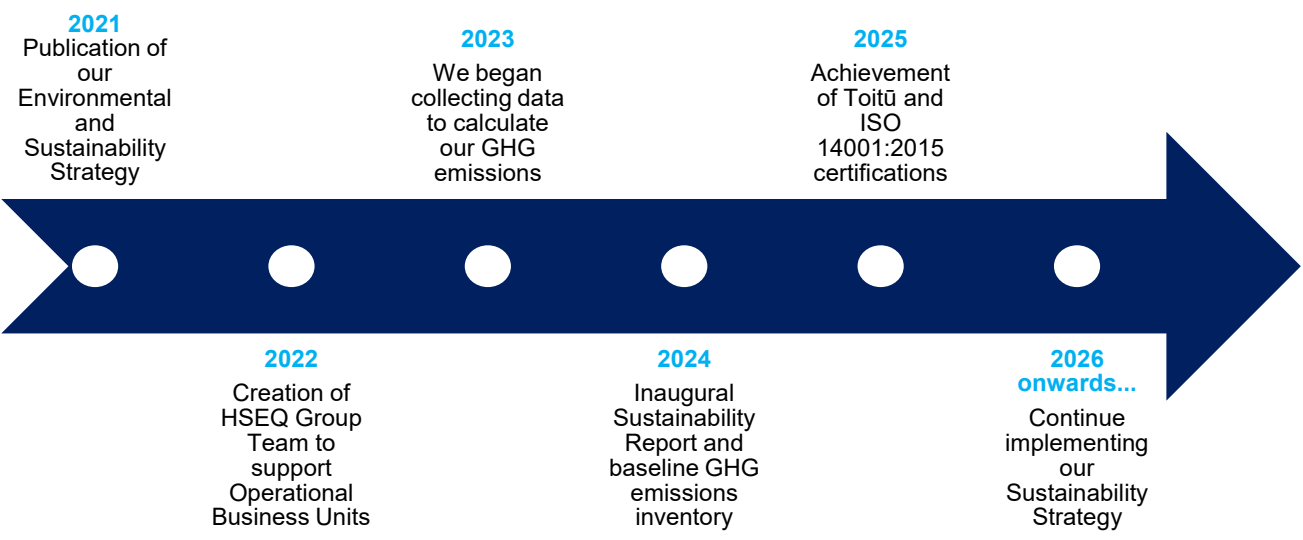
The team is chaired by the General Manager Health, Safety, Environment and Quality who holds accountability for of climate-related risks. During the 2024 financial year, the team provided updates reported to the Chief Executive Officer and the Board through the Health and Safety, Environment and Quality Report. This report is also submitted to the Board and the Board's Health, Safety, Environment and Quality Committee for oversight and governance.



Our sustainability journey

The Group has adopted a holistic approach to sustainability, integrating and standardising environmental, social and governance (ESG) targets and best practices across the organisation. We are continually strengthening our teams and evolving our business strategy, with an increasing focus on sustainability.

Our journey:



Our sustainability framework

Our purpose:

Creating enduring value for our communities

Organisational vision:

New Zealand's most trusted multi-discipline infrastructure services partner

Our mission:

Enabling our customers to focus on what matters most to them

Sustainability pillars:

Planet

People

Progress

Key focus areas:

Zero serious environmental harm

Zero serious harm

Creating enduring value

Net zero carbon future

Be a truly inclusive company

Digitalisation and data governance

Energy optimisation

Enable our people (Learning and Development)

Regulatory compliance and climate-related disclosure

Water optimisation

Shared sustainability values

Ethical conduct

Waste minimisation

Staff satisfaction levels

Transparency

Alignment with UN SDGs:

13



7



12



8



5



10



9



17



Committed to our planet

Our Planet pillar embodies our commitment to support global, national, and local-level efforts to address the impact of climate change and drive the sustainable progress. This pillar centres on five key focus areas: preventing environmental harm, achieving a net zero carbon future, optimising our energy and water usage, and minimising our waste generation and waste disposal in landfills.

We are actively working to reduce our environmental footprint across all areas of our operations including offices, workshops, storage facilities, and our customers' sites by implementing practical, forward thinking sustainability measures that align with our long-term goals.

Our environmental performance in a nutshell

We grew our operations by reaching over 40 sites across New Zealand to expand our geographic scope. Although, this allows us to serve more communities, it also entails a higher environmental footprint. We also have improved our data collection systems, allowing us to have more accurate data and rely less on generic estimations. As a result, we rebased our GHG emissions inventory from FY23 to FY24 to account for more emissions sources. The table below outlines our progress against key environmental baseline indicators during the last financial year.

Sustainability pillar	Key focus area		Target	Baseline indicator (Financial baseline Year)	Our progress to date (FY25)
Planet	Zero serious environmental harm		0	0 serious environmental harm incidents / year (FY23)	0
Planet	Net zero carbon future (Scope 1 and 2 GHG emissions)		10% reduction by 2030 and Net Zero emissions by 2050 (Scope 1 and 2 GHG emissions)	5,119.95* tCO ₂ e (FY24)	5,814.70* tCO ₂ e
			Total gross GHG emissions per Operating	11.81* gross tCO ₂ e / \$Millions (FY24)	12.54* gross tCO ₂ e / \$Millions

Sustainability pillar	Key focus area		Target	Baseline indicator (Financial baseline Year)	Our progress to date (FY25)
			revenue (gross tCO2e / \$Millions)		
			Total gross GHG emissions per Full-Time Equivalent (gross tCO2e / FTE)	4.15* gross tCO2e/ FTE (FY24)	4.94* gross tCO2e/ FTE
Planet	Energy usage optimisation		15% reduction by 2030	1,190,345.66* kWh/ year (FY24)	1,099,897.87* kWh/ year
Planet	Waste minimisation		30% reduction by 2030 and divert over 50% of waste from landfill	159.97** tonnes sent to landfill (FY24)	148.62** tonnes sent to landfill

* Note: Assurance audit by Toitū scheduled in mid- and late-FY26 for both, baseline (FY24) and current (FY25) GHG emissions inventories, respectively.

** Note: 50% estimated due to service provider not being able to supply weights of waste

I. Focus area: Zero serious environmental harm

We are pleased to report zero incidents of serious environmental harm across both our own sites and our customers sites where we delivered services. This achievement reflects our ongoing commitment to protecting our people and the environment by equipping our teams with the necessary tools and training to effectively manage environmental risks.

We continue to foster innovation by exploring alternatives to reduce our reliance on products with significant environmental impacts. For example, Horizon Networks has been investigating SF6-free switchgear and equipment that use alternative insulating mediums to reduce greenhouse gas emissions within the Eastern Bay of Plenty electricity distribution network. Consistent with our commitment to enabling the transition to a zero-carbon future, Horizon Networks continues to undertake network modelling and

studies to ensure that the distribution network can facilitate consumer decarbonisation initiatives. Over the course of the last financial year, Horizon Networks has facilitated the installation of 151 grid connected solar systems with a total installed capacity of 1.51 Mega Volt-Amperes (MVA) of embedded solar solutions onto the electricity distribution network to support New Zealand decarbonisation targets.

Focus for FY 25/26

- Continue strengthening our environmental risk management practices.

II. Focus area: Net zero carbon future

We track greenhouse gas emissions across the Group, covering Scopes 1 and 2 and selected Scope 3 categories, to monitor progress toward our sustainability goals. These include 10% reduction emissions by 2030 and achieving Net Zero Carbon by 2050. Our Carbon Footprint Inventory is certified by Toitū, ensuring the accuracy and credibility of our reporting.





Scope 1

- Mobile combustion from our fleet and stationary combustion from emergency generators
- Fugitive emissions from SF6 in our electrical distribution network



Scope 2

- Purchased and used electricity for our facilities
- Transmission and distribution losses from Horizon Networks' operations of the electrical network managed in the Eastern Bay of Plenty region

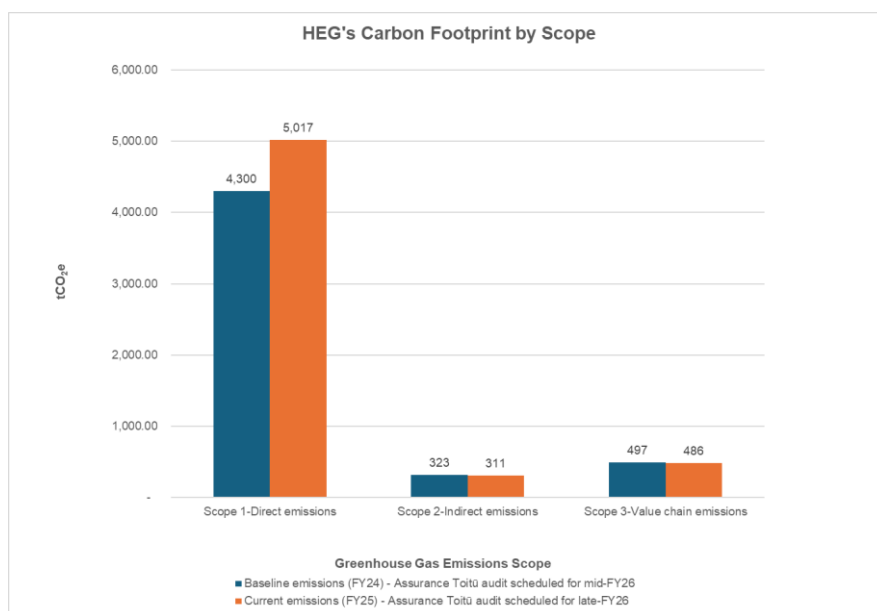


Scope 3

- Waste disposal
- Business travel
- Upstream & downstream freight and postage

Aligned with our baseline carbon footprint inventory, our highest CO₂ equivalent emissions (CO₂e) continue to be associated with mobile combustion from our fleet (Scope 1 emissions).

We grew our business, which reflects in a higher total gross CO₂e emissions per Operating revenue (\$Millions) of 12.54 (FY25) and intensity ratio of emissions per Full-Time Equivalent (FTE) of 4.94 gross CO₂e / FTE, this as a result of increased staff with vehicles using diesel as the main fuel. For instance, during the last year Horizon Services expanded its geographic scope from Whakatāne to Auckland, which required new facilities and vehicles.



a) Greening our fleet

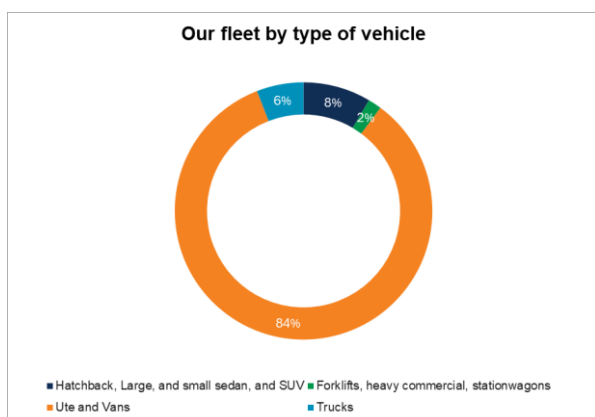
Our fleet comprises a range of vehicles from passenger cars to heavy commercial vehicles and trailers, designed to support the transport

of equipment and materials essential to our services delivery. Utes and vans, represent over 84% of our fleet, and function as mobile workshops for our technical staff as they travel

across regions to serve customer sites. Leased and owned trucks, account for 6% of the fleet, and are used to provide downstream freight services for equipment installation and transport. Light vehicles, represent 8% of the fleet, and are primarily used by staff for site inspections and on-site training. The remaining 2% of our fleet includes, heavy commercial vehicles, and station wagons used for specialised operational needs.



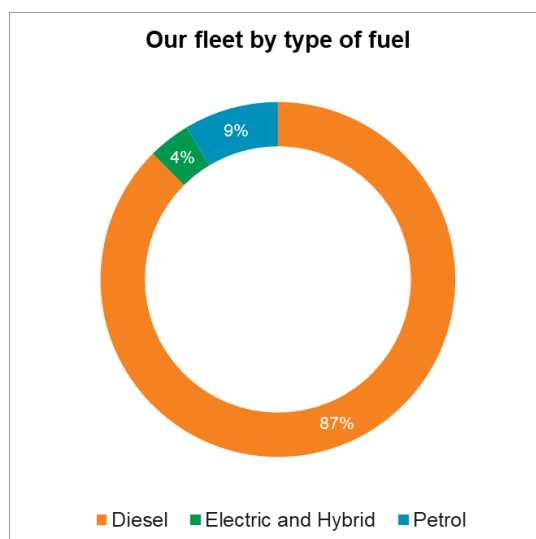
Picture: Our fleet in Horizon Services Whakatāne



We are actively implementing several strategies to reduce emissions from our fleet:

- Shared Mobile options via Carpool vehicles and rideshare services (e.g., taxi/Uber) are available at our main sites and key operational sites, providing flexible transport solutions for business-related travel. This reduces the need to assign dedicated vehicles to highly mobile staff members and supports short-term travels to team members visiting from other regions.

- Low-Emission Technologies through our newer fleet vehicles that are equipped with AdBlue technology, which helps reduce Nitrogen oxide (NOx) emissions and particulate matter from diesel combustion.
- Optimized Fleet Management assist to maintain a strategic balance between leasing newer, fuel-efficient vehicles and retaining safe, well-maintained owned vehicles to extend their lifecycle and reduce the environmental impact of vehicle turnover.



- We are progressively integrating electric (EV) and hybrid vehicles into our fleet to reduce fossil fuel consumption and associated greenhouse gas emissions.

To support this transition, we are installing EV charging stations at our offices and workshops.

b) Greening our driving habits

We utilise GPS monitoring across 73% of our fleet. This technology enables us to track key driving behaviours such as breaking, acceleration, overspeed events and idling time, all which impact both road safety and emissions from mobile combustion. Through a combination of GPS insights and training in safe, fuel-efficient driving practices, we have achieved a global fleet fuel economy of 11 L/100 km, which potentially contributed to avoid of 3,184 tCO₂e in mobile combustion emissions.

In addition, we actively monitor unproductive idling across our fleet. In FY25, total unproductive idling reached 33,136 hours, representing 11% of total ignition hours across the Group. We aim to further reduce unproductive idling below 10% of ignition time. To support this, we continue to raise awareness among our staff on the environmental impact of their driving behaviours and celebrate consistent high performance, such as recognition of our 5-star drivers' group, to reinforce positive habits.



Pictures: Aquaheat 5-star drivers recognised during the last year: Steve Penny (left) and Peniata Seaso (right)

Focus for FY 25/26

- Continue training staff to reduce idling hours, which represent fuel loss due to ignition of vehicles without movement.
- Continue greening our fleet by increasing our proportion of vehicles to hybrid, PHEVs, and EVs.

III. Focus area: Energy optimisation

The growth the Group has experienced over the past two years has led to an expansion of our operational footprint. This has created opportunities to lease more sustainable workspaces that support energy efficiency, water conservation, and employee wellbeing, while enabling us to phase out less sustainable facilities or consolidate teams from across our diverse operational brands into shared environments. Where feasible, we have proactively upgraded leased facilities prior to occupancy, implementing improvements such as energy efficient lighting and HVAC systems, and improved recycling.

	29% of our facilities have LED lights
	27% have lighting controls that activate with sensors, resulting in decreased energy consumption in areas without occupation
	20% of our sites have natural ventilation, which benefits reduced HVAC usage
	Two of our facilities have solar panels for heating the water used in showers

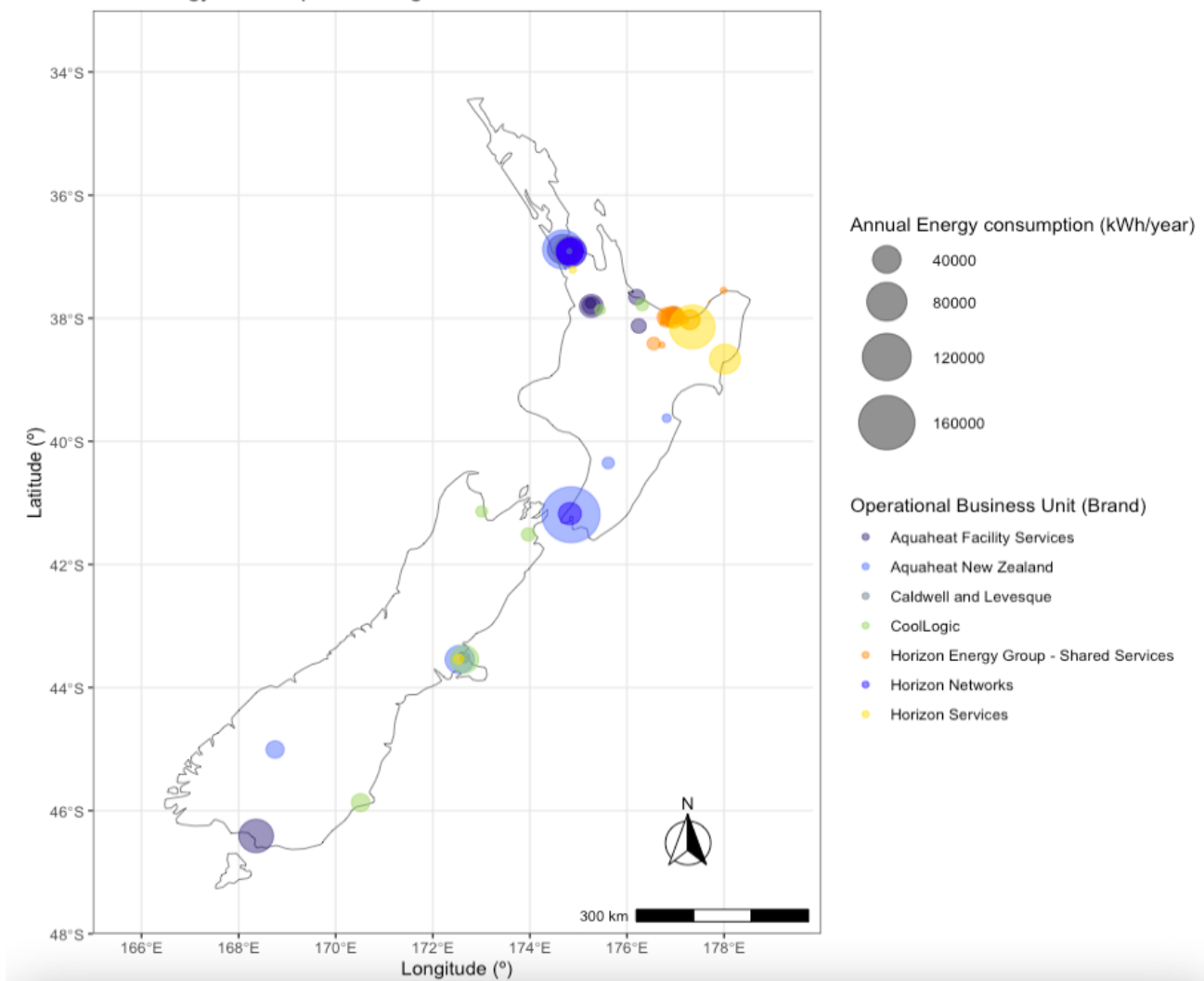
Focus for FY 25/26

- Undertake a review of the current tenancies and establish an energy optimisation roadmap for our tenancy agreements during FY25/26.



Picture: Solar panels for internal use of our Aquaheat's branch in Invercargill.

Our Energy consumption during FY25



IV. Focus area: Water optimisation

The majority of our facilities receive water services from local authorities. However, three of our sites – the Horizon Services depots in Auckland and Whakatāne, and the CoolLogic workshop in Waikato are equipped with rooftop rainwater harvesting systems. These have gravity fed storage tanks connected to treatment units, enabling the safe use of collected rainwater for kitchens, toilets, showers, and vehicle washing. Additionally, our Horizon Services depot in Whakatāne features a Stormwater360 system that recycles greywater for vehicle washing, while rainwater is used to support emergency water supply systems.

Focus for FY 25/26

- Establish a measuring system of water consumption and targets by type of site to assess our progress towards optimised water usage in our facilities.

V. Focus area: Waste minimisation

We have established procedures to reduce waste across the entire lifecycle of our projects, from design and procurement through to planning, and implementation. For example, our electrical operations, Horizon Networks and Horizon Services have transitioned to using fiberglass cross-arms, which offer significantly longer service life compared to traditional materials. This change is estimated to reduce the cross-arm waste to landfill by up to 50%. Where possible, we prioritise repairing structural components instead of discarding them, thereby extending their useful life and minimising material waste.

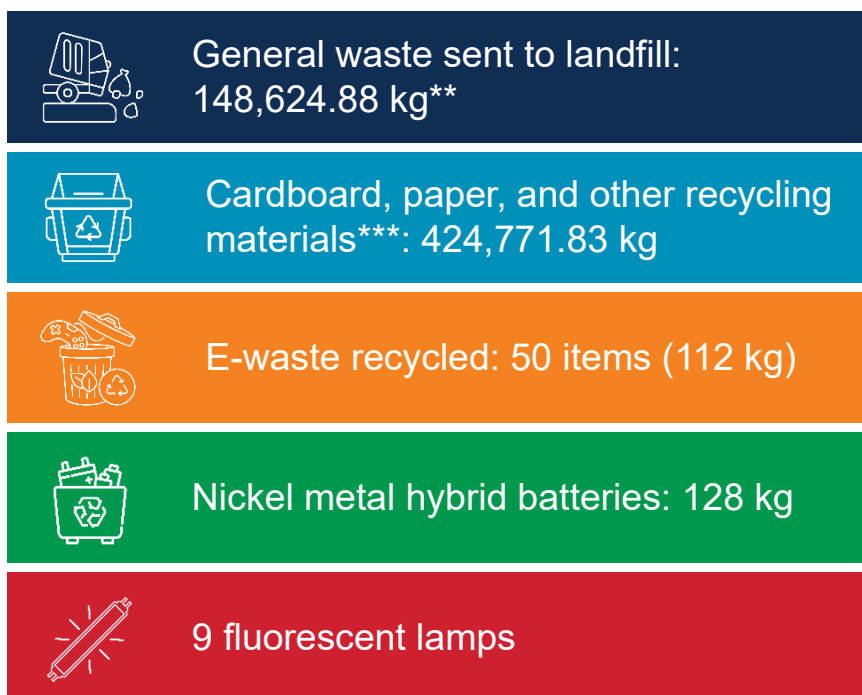
Upon completion of projects or services at our customers' sites, we ensure all worksites are thoroughly cleared. Both small and large waste materials or redundant items are collected and transported back to our depots,

where they are sorted through dedicated waste classification systems designed to divert materials from landfill. All our sites are serviced by specialist recycling providers to ensure responsible and compliant disposal of waste. We also continue to explore potential partnerships with waste management companies to expand our reuse and recycling, further reducing our environmental impact.

At sites where our customers or their main contractors provide centralised waste management systems, we utilise the available procedures or designated bins to dispose of waste generated from our activities. We ensure full compliance with regulatory requirements and engage licensed waste contractors to manage disposal safely and responsibly. These practices help to minimise environmental risks and ensure that even small quantities of hazardous materials are handled with the utmost standards of care.

Across our offices, workshops, and storage facilities, we have reduced the use of individual desk bins and promote the use of centralised recycling and waste stations in communal areas to minimise mixed waste. Many of our recycling initiatives have been driven by on-site staff, reflecting strong local engagement and ownership. For example, at our Group headquarters, staff have introduced a soft plastic recycling program and an organic composting scheme for kitchen waste, including coffee grounds, tea bags, paper towels, napkins, and other food scraps. The resulting compost is used by participating staff as organic matter in their home gardens, supporting circular waste practices and community sustainability.

Where possible, our operational business units collaborate with local organisations to align recycling efforts with community-focussed initiatives that deliver positive social impact. For example, our ElectriNet facilities actively support the Gisborne Cancer Society by collecting and donating aluminium cans for recycling, transforming everyday waste into meaningful contributions that benefit the local community.



*Note: **50% estimated due to service provider not being able to supply weights of waste.*

**** Other recycling materials include, but are not limited to concrete, cardboard, office and confidential printed paper, metal scraps, wooden pallets, and wooden cable drums*

a) Electronic device lifecycle and circular economy initiatives

In line with our commitment to responsible resource management, our Information, Communication and Technology (ICT) team has established structured processes for end-of-life management of electronic devices. Returned devices from across the Group are consolidated at our main offices until they reach sufficient volume for coordinated collection and environmentally responsible recycling through our technology supplier/partner. Additionally, small batteries are collected and safely disposed through local community- collection points, while used printer cartridges are returned to our suppliers for proper processing and reuse. These initiatives demonstrate our ongoing commitment to environmental stewardship and meaningful local engagement.

We are advancing our commitment to a circular economy by exploring the potential of a leasing model for electronic devices. This approach would enable streamlined coordination of device collection, refurbishment for reuse, or certified recycling at end of life, significantly reducing our environmental impact.

Historically, laptops were retained for up to four years and monitors for five. However, the absence of a formal replacement schedule resulted in some outdated devices remaining in circulation, limiting system upgrades and introducing security risks. To address this, and in alignment with our sustainability and digital optimisation objectives, we have introduced a modernised replacement plan. This plan aims to minimize e-waste while promoting consistent equipment standards across the Group, ensuring that our technology remains efficient, secure, and environmentally responsible.

In FY25, we began enhancing staff mobility through the phased introduction of tablets across the Group. While initial deployment is underway, the final rollout is expected to reach approximately 50% of staff, pending full implementation of our new Enterprise Resource Planning (ERP) system and evolving business needs. This transition supports a more agile, low-footprint workforce while allowing business units the flexibility to select technologies suited to their operational requirements.

The roll-out of Windows 11 and the ERP system will drive a broader refresh of ICT assets through to August 2026. As part of this programme, we are adopting a more structured approach to leasing, device lifecycle management, and secure decommissioning — supporting sustainability outcomes, improving end-user experience, and reducing e-waste.

Additionally, the ICT team is actively contributing to emissions reduction by optimising standard equipment bundles. For example, replacing dual-monitor setups with single USB-C ultra-wide screens reduces power consumption by up to 30%, streamlines cable requirements, and eliminates the need for separate laptop chargers. Combined with increased use of hot-desking, these initiatives reduce material use, energy demand, and procurement complexity — reinforcing our commitment to sustainable, modern ICT.

Focus for FY 25/26

- Standardised waste management services across and weights of waste responsibly disposed across our branches.
- Continue undertaking waste audits to verify potential of waste diversion from landfill.
- Implement 'Follow me printing' to reduce printed paper and paper waste.
- Evaluate ICT equipment leasing contracts with providers.



Picture: Aquaheat staff.

Committed to our people

Supporting people to succeed and grow, while living our values

Our People pillar reflects our commitment to fostering a safe, inclusive, and values-driven workplace where every individual has the opportunity to thrive. This focus spans five key areas: Health & Safety (H&S), diversity and inclusion, engagement, learning and development, and embedding shared sustainability values throughout our value chain. Through initiatives such as our *Switched-On Culture* programme and *Act Safe, Work Safe, Live Safe* framework, we go beyond regulatory compliance to foster a culture where safety is actively lived, not just taught. We are dedicated to safeguarding the physical and mental wellbeing of our people, promoting equal opportunity, and empowering our workforce with the skills, knowledge, and mindset to lead with purpose and consistently reflect our company values in everything they do.

Our social performance in a nutshell

We have made strong progress towards our social targets and have enhanced our digital systems to deliver more accurate and up-to-date performance data. The table below summarises our achievements over the past financial year against key social baseline indicators.

Sustainability pillar	Key focus area		Target	Baseline indicator (Financial baseline Year)	Our progress to date (FY25)
People	Zero serious harm		0 serious harm incidents	2 (FY23)	0
People	Staff Engagement score		Achieve over 7.5 staff satisfaction levels	7.7 (FY24)	7.6
			Achieve over 75% of staff Engagement Survey participation	83% (FY24)	84%
People	Be a truly inclusive company		40% gender diversity in Executive Leadership Team by 2027	25% (FY24)	25%

Sustainability pillar	Key focus area		Target	Baseline indicator (Financial baseline Year)	Our progress to date (FY25)
People	Enable our people		Training for all staff and Learning and development (L&D) plans created and set for all staff		100% of staff provided with L&D opportunities
			Apprentices comprise 10% of full-time equivalent (FTE) by 2028	9% (FY25)	9%
People	Shared sustainability values contractors and suppliers		100% of suppliers and contractors pass HEG Sustainability scorecard by 2030.	75% (FY25)	75%

VI. Focus area: Zero serious harm injuries

In FY24/25, we achieved a significant milestone in H&S performance across our New Zealand operations whereby zero serious harm injuries were recorded. This outcome reflects our strong safety culture and ongoing commitment to proactive risk management. We also observed a positive trend in visible safety leadership, the reporting of hazards, near misses, and incident reporting, indicating a high level of awareness and engagement of our staff and contractors. From minor first aid cases to more serious events, consistent reporting by our teams has improved the accuracy and completeness of our data, enabling timely, informed actions to prevent harm.

Several key initiatives have contributed to this achievement. For instance, our electrical staff, who frequently operate in remote locations maintaining distribution network assets, are equipped with lone worker devices. These devices ensure reliable communication during call outs or in adverse weather conditions, offering an added layer of safety in isolated environments.

We take a systematic approach to identifying and managing risks associated with the critical tasks that the Group undertakes. To support this, we have identified ten Critical Risks across the Group and developed corresponding Group Standards. These standards provide a consistent Health and Safety framework that empowers our people to Act Safe, Work Safe, and Live Safe, no matter where they are or what task they perform.

Hazardous Substances



We always check the safe handling procedures

IDENTIFY OUR SUBSTANCES

Know your *Critical Risks.*

Fatigue and Stress



We recognise and manage our fatigue and stress levels

FIT FOR WORK

Confined Spaces



We don't enter a confined space without controlling the risks

ASSESS THE RISKS

Excavations and Trenching



We always plan before we dig, then dig our plan

PLAN BEFORE DIGGING

Working with and around Mobile Plant



We only operate plant when we are competent and authorised

COMPETENT AND AUTHORISED

Working at Height



We always use an approved fall protection system

USE OF FALL PROTECTION

Working in and around traffic



We have a plan to manage traffic on our worksites

HAVE A CONTROL PLAN

Electrical Work



We always make it safe when working with or near electricity

ALWAYS MAKE IT SAFE

Safe Driving



We always obey the Road Code and are considerate drivers

MIND ON THE DRIVE

Remote and Isolated Work



We always have a safe work plan when working alone or remotely

STAY ALERT – HAVE A PLAN

ACT SAFE | WORK SAFE | LIVE SAFE

a) Health & safety culture for our people and planet

Our HSEQ culture is integrated across our operational businesses through monthly Toolbox Talks, which focus on four areas, safety-critical risks, health, safety and wellbeing, environmental responsibility, and quality management. These sessions are supported with visual and printed materials to enhance staff learning and engagement.

The Toolbox talks are designed to raise awareness of potential hazards on worksites and offer practical strategies to mitigate risks. In addition, we use these sessions to promote holistic wellbeing topics, covering both physical and mental health. Topics have included reducing salt intake, participating in Stretch and Flex routines, and supporting national health campaigns such as Mental Health Awareness Week, Movember, and Quit for Life (smoking cessation). These initiatives underscore our commitment to helping our people live healthy, balanced, and fulfilling lives. The Group provides all staff with access to mobile wellbeing program, Sonder, that provides a library of material designed to help staff better manage their health and wellbeing.

Additionally, the Toolbox Talks allows us to recognise global observances such as World Earth Day, World Safety Day, Pink Shirt Day, and Bowel Cancer Awareness Month, linking global awareness with local action. Overall, Toolbox Talks serves a powerful platform to keep health, safety, environment, quality, and well-being top of mind for all teams across the Group.

b) Recognising safety excellence

Over the past year, we've proudly led the rollout of the Switched-On Culture program across HEG. Our Switched-On Culture program is designed to be a transformative training series that goes beyond compliance, delving into the heart of behavioural safety.

The Switched-On Culture framework is built on three core pillars, each containing three targeted modules that explore key themes:



Picture: Aquaheat Switched-on culture workshop (2024).

Pillar 1: Shift Your Thinking

Modules: Awareness, Observation, Connection

- These sessions challenged staff to break out of autopilot, sharpen their situational awareness, and build psychological safety through open connection.

Pillar 2: Make Your Choice

Modules: States, Behaviour, Control

- This pillar helped staff identify emotional triggers and take ownership of their behaviour, recognising the power of conscious choices.

Pillar 3: Determine Your Action

Modules: Habits, Focus, Attention

- These final modules encouraged positive habit formation, intentional focus, and resilience, especially in the face of daily distractions and pressures.

We launched the **Switched-On Culture** with strong engagement, appointing 47 Switched-On Champions to act as culture advocates within their operational brands. These Champions, unlike general participants, received additional training. They led local discussions, role-modelled behaviours aligned with our values, and supported the practical application of learning at the frontline.

The impact of the program continues to resonate across the business. While attendance varied by module and business unit, the initiative successfully sparked meaningful conversations, challenged entrenched habits, and created space for open conversations, particularly around themes such as accountability, mindset, and psychological safety. These conversations have helped embed a stronger safety culture and reinforce a values-based way of working.

One of the key outcomes of our programme was the creating of Culture Codes, developed from the ground up by staff at the Business Unit and site-level. We established ten distinct codes that represent our diverse teams across the Group. These codes define shared values, expectations and behaviours, emphasising psychological safety, respectful communication, professional conduct, environmental mindfulness, and everyday accountability.

The Culture Codes are not static documents, they have evolved into practical tools guiding teams' interactions, problem-solving, and care for one another. Themes such as awareness, accountability, respectful communication, and resilience are being reinforced through programme modules covering observation, emotional states, behaviour, and habit formation. Whether it's taking a "stop and think" moment or recognising positive actions, the Culture Code is now woven into the fabric of how our people show up, support one another, and live our values every day.

c) Taking care of our staff's health

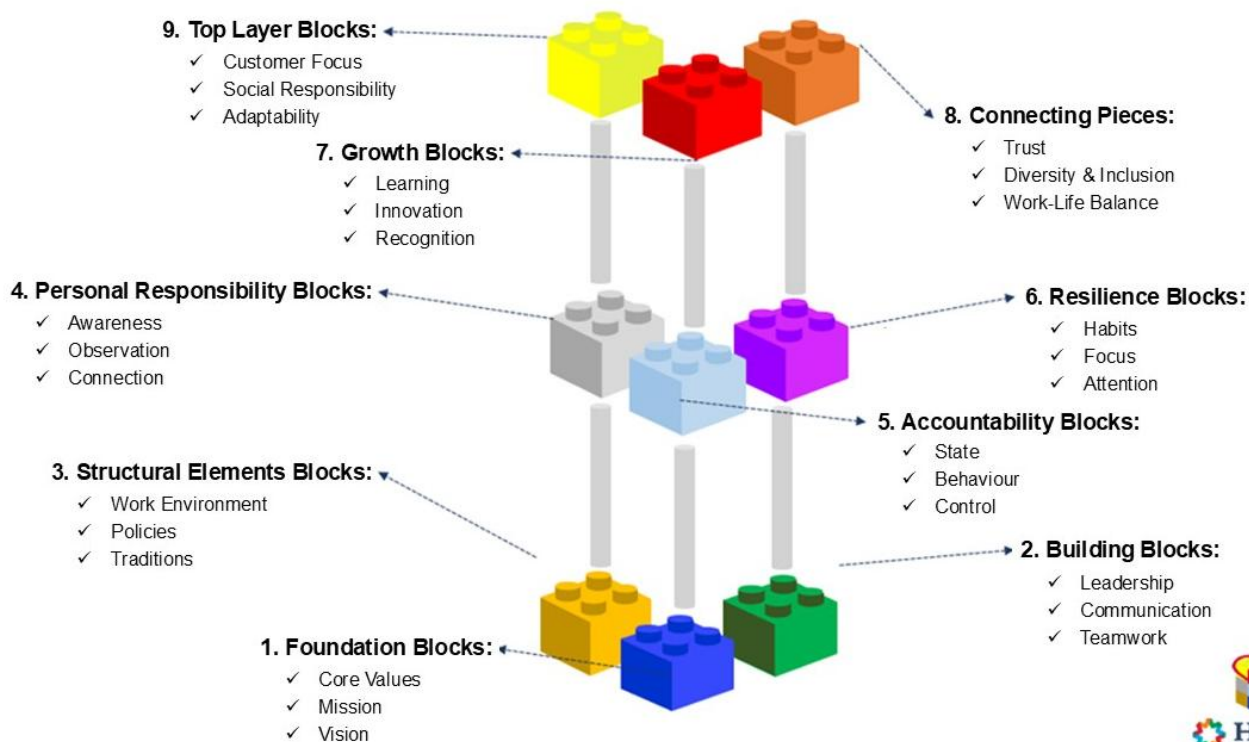
Since partnering with Sonder in April 2023, we have provided our people with access to a comprehensive employee wellbeing platform that supports physical, mental, and emotional health. With a 27% activation rate, staff are actively engaging with the service for a wide range of needs, including medical support, wellbeing coaching, financial advice, and personal safety assistance. Sonder's 24/7 availability and personalised, confidential assistance offers our people immediate access to care whenever they need it.

Focus for FY 25/26

The **Hearts and Minds Framework**, illustrated through the building blocks in the image, is a structured model designed to embed a strong, values-driven safety culture at HEG. Each block layer represents a critical aspect of how we create a connected, high-performing, and safe organisation:

1. **Foundation Blocks** establish our core values, mission, and vision, defining the purpose and principles we stand by.
2. **Building Blocks** focus on leadership, communication, and teamwork, essential elements for shaping our culture.
3. **Structural Elements Blocks** include the physical and procedural environment that supports safe work practices.
4. **Personal Responsibility Blocks** fosters awareness, observation, and emotional connection—building psychological safety.
5. **Accountability Blocks** address mindset and behaviour, promoting proactive responsibility and control.
6. **Resilience Blocks** focus on habits, attention, and continuous improvement to uphold high HSEQ standards.
7. **Growth Blocks** drive learning, innovation, and recognition, encouraging personal development and engagement.
8. **Connecting Pieces** highlight trust, diversity, and work-life balance as the glue that binds teams together.
9. **Top Layer Blocks** reflect our outward impact, customer focus, adaptability, and social responsibility.

Together, this model promotes a culture where safety is not just a policy, it's a shared mindset embedded at every level of the group.



VII. Focus area: Staff engagement

At HEG, we place strong value on feedback regarding our business, operations, and employee experience. Each year, we conduct an Employee Engagement Survey, to provide our people with a confidential platform to share their insights. The feedback received plays a vital role in helping us to improve performance, shape policies, and prioritise initiatives that support employee satisfaction and organisational growth.

In FY24/25, we achieved an impressive 84% participation rate, a result we are proud of and is a testament to the engagement of our workforce. This level of participation reflects a collective commitment to recognising what's working well and constructively addressing areas for improvement. We are equally pleased to surpass our engagement target, achieving a score of 7.6 out of 10, exceeding our benchmark of 7.5.

One of the standout strengths identified in this year's survey was Meaningful work. As a key driver of engagement, meaningful work contributes significantly to how connected and motivated our people feel. Our people see the tangible impacts of their efforts, whether on customers, communities, or the services we deliver. Work is fulfilling when individuals feel it adds value, both to others and to the broader goals of the organisation.

Focus for FY 25/26

We have identified two areas for the Group to focus on:

- Communication of the strategy: Work in this area has begun and will continue in the coming months.
- Organisational fit and the alignment: Maintaining focus on aligning our values and behaviours continues to be a priority this year.

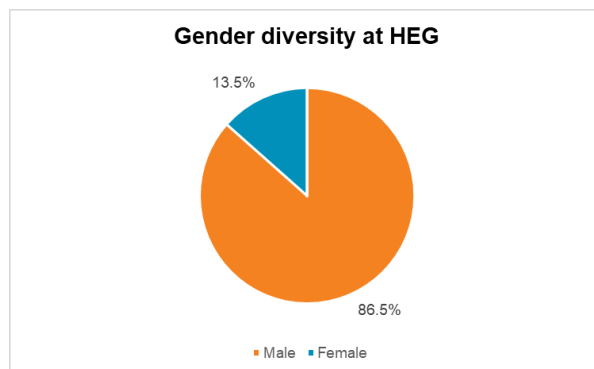
VIII. Focus area: Be a truly inclusive company

a) Diversity, Equity, and Inclusion (DEI) across the group

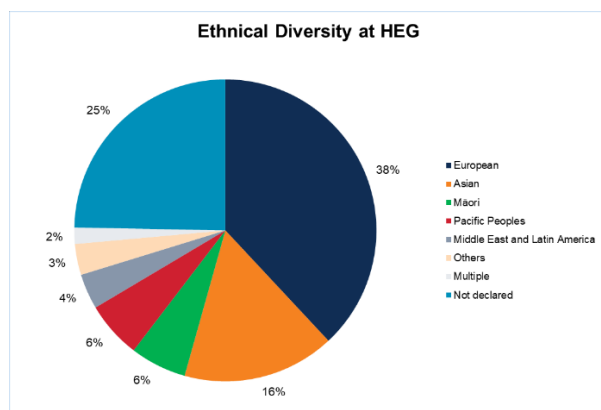
We value and promote Diversity, Equity, and Inclusion (DEI) across the group by enhancing generational, gender, and ethnical diversity throughout our operational brands. We are committed to ensuring equal opportunities in all forms of employment and therefore reject discrimination on any grounds, including gender, marital status, religious belief, ethical belief, ethnicity or national origins, disability, age, political opinion, employment status, family status, and sexual orientation. Our employment-related decisions are based on merit and the requirements of the roles we hire staff for. To further advance on our DEI commitment, we will be embarking on a pay equity review to ensure that employees in similar roles are rewarded equally irrespective of ethnicity, gender or bias. This will be phased in over the next two years.



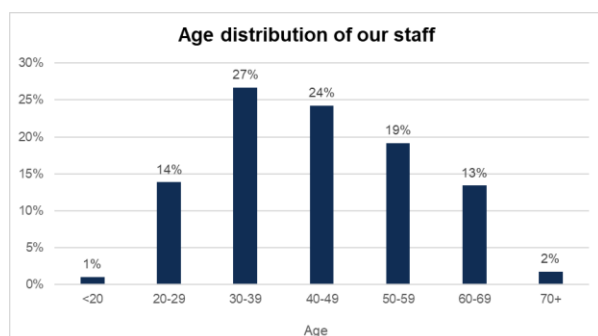
We encourage gender diversity by increasing opportunities for women to grow and contribute to the energy and construction industries through our diverse operational brands. We aspire to have greater female representation in leadership roles. In FY24/25, 40% of our Board was female and 25% of our Executive Leadership Team (ELT).



We are proud members of Diversity Works, a partnership that provides us with tools and resources for enhancing diversity and inclusion throughout the Group. Aligned to New Zealand's multiculturalism we welcome staff from diverse ethnicities by having over 1000 staff members from at least eight different ethnic backgrounds. Our team is made up of individuals from a variety of cultural backgrounds, and we regularly celebrate this diversity by sharing traditional foods during special occasions and culturally significant holidays for creating an inclusive and welcoming workplace environment.

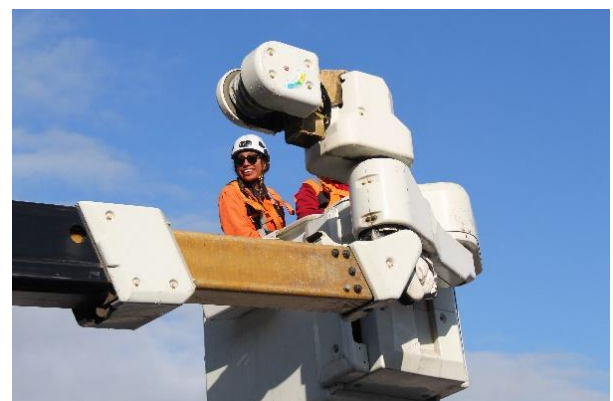


We actively promote a balance between experienced senior staff and younger generations. This blend brings unique perspectives and skills together to enhance efficient and innovative processes. Over the past year, apprentices accounted for 9% of our full-time employees and up to 12% of our hires, joining through our permanent apprentice and trainee programmes as well as third-party temporary contracts and apprenticeships. At the operational level, we are proud to support diversity and early career development for all.



b) Girls in HiViz

We partner with Connexis, a leading training provider for the civil, energy, telecommunications, and water sectors, to host *Girls with Hi-Vis® (GWHV)* events across Aotearoa each June. These events aim to inspire and encourage young women to pursue careers in infrastructure, while also addressing critical skills shortages within the industry. They also provide female secondary school students with valuable hands-on exposure to the skills and career pathways available within infrastructure trades. In 2024, we were proud to host 18 students as part of this initiative, which in some cases can lead to future apprenticeships. Notably, one of our current apprentices at Horizon Services, Natalee Hughes, participated in the 2023 edition of Girls in HiViz and the next year, upon completing school, she commenced her apprenticeship with us. Natalee is on track to become fully qualified by December 2025.



Pictures: Girls in HiViz visit to Horizon Services facilities during 2024

Focus for FY 25/26

Our People Strategy aims to achieve our central priority of attracting, retaining, and developing talent in an inclusive environment.

Our People strategy is built on four strategic pillars underpinned by the HEG values to deliver our people offering across HEG:



IX. Focus area: Enable our people

We are enabling our people's development through a range of strategies designed to help them thrive in their roles. Our business strategy was communicated through a series of "strategy tiles", delivered by business leads and supported by internal communications to ensure clarity and alignment across the Group. In addition, we launched an information series on our core values, giving our staff a better understanding how our values are represented by the acronym SWITCH. This initiative reinforces our cultural foundations and connects daily actions to the principles that guide how we work.

a) Onboarding and employee benefits

As part of the onboarding experience, all employees receive an Employee Handbook, which details our policies, and guidelines. This includes clear expectations on what we expect from them and what they can expect from us, including our values and policies such as Anti Bullying and Harassment, to provide the basis for a safe and inclusive working environment for all.

We support our staff by offering benefits beyond competitive remuneration. By leveraging the Group's purchasing power, we provide access to discounts on electronic devices, hot beverages, car rental, and mobile services.

We support all staff enrolled into KiwiSaver, a voluntary work-based savings initiative available for New Zealand residents or citizens under the age of 65, by continuing to make employer contributions over and above the required 65 year age limit up to the date of an employee's termination of employment, on the basis that the employee chooses to continue to contribute to the KiwiSaver scheme.

b) In-house training

We recognise the advantage of and need for ongoing professional development of our employees and support their continuous learning through in-house and external trainings.

During FY24/25 we launched the Learning module of our Human Resources Information System (HRIS), through which we offer 100,000 Go1 courses and 150 curated courses, respectively. The learning module is designed to support our staff's growth and development journey courses anytime and anywhere, at their own pace. The Go1 platform is also available to all employees (and their families via family member employee access).

We also curated Go1 online learning aligned to our Competency Framework, centred on three themes – Leading Self, Leading Others, and Leading Business. Competencies are the combination of knowledge, skills, abilities and behaviours that contribute to individual and organisational performance. They form 'how' we expect our people to achieve their goals and perform in their role. Go1 learning can be completed using the HRIS learning module for competencies our people would like to develop.

- Knowledge is information developed or learned through experience, study or investigation
- Skill is the result of repeatedly applying knowledge or ability
- Ability is an innate potential to perform mental and physical actions or tasks
- Behaviour is the observable reaction of an individual to a certain situation.



Leading self

- Learning resources to develop a wide range of personal skills including self-awareness, influencing, goal setting, and being resilient for success.



Leading others

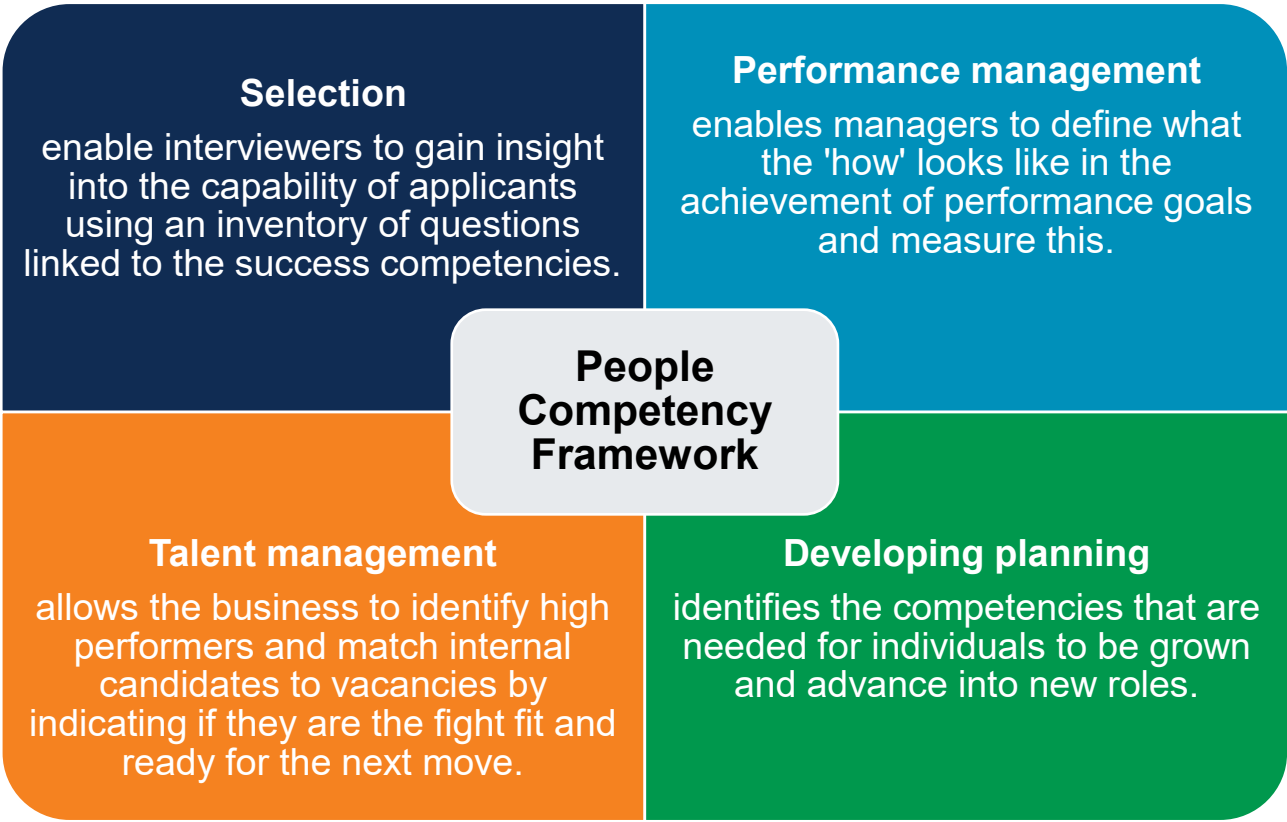
- Courses available to develop a wide range of skills to help our managers influence and lead people.



Leading business

- Learning resources to support our staff to develop confidence in being a leader in our business and to empower people.

The competency framework is directly aligned to our SWITCH Values and helps us to achieve our strategic goals. It also forms the core of our recruitment, performance, talent and development framework. The linkages created by this approach ensure there is transparency and consistency across the Group.



c) External training

We invest in our people and believe in leading with transparency and respect. We support our staff to achieve and maintain updated industry-specific certifications and operational licenses, attending courses, and seminars for keeping them updated with the latest trends and best practices.





Picture: Pole Top Rescue Training by our ElectriNet staff in Tairāwhiti, Gisborne (May 2024)



Picture: Fire training at Aquaheat New Zealand branch in Palmerston North

X. Focus area: Shared sustainability values

a) Contractor safety and sustainability prequalification system

Contractors play a crucial role in our group's operational success, but they also pose additional risks due to varying policies, procedures, and safety cultures. Traditionally, organisations rely on third-party prequalification certificates to validate contractor safety, which only provide a snapshot in time and do not reflect real-time performance or alignment with site-specific requirements. We identified the need for a more robust, ongoing, and integrated contractor management approach that better supports risk mitigation, compliance, and continual improvement.

In response, we developed and implemented a new contractor management system within the group's safety management system, focused on a Horizon-designed prequalification process that includes both safety and sustainability prequalification requirements. This initiative was more than a checklist—it was a strategic shift to build a deeper understanding of not only our contractor compliance against our HSEQ requirements but to assess our contractors' maturity levels against sustainability requirements. This in turn will allow the Group to not only assess capability but to proactively support improvement across safety and sustainability requirements.

In FY24/25, we conducted documented reviews of 474 contractors, irrespective of their external certifications. Our process ensured we could validate the presence of key safety systems in both large and small businesses, including those that may otherwise not have been assessed via traditional prequalification models. This inclusive approach helped us identify contractors who needed additional support to meet HEG's standards through collaborative consultation, cooperation, and coordination—rather than simple compliance rejection.

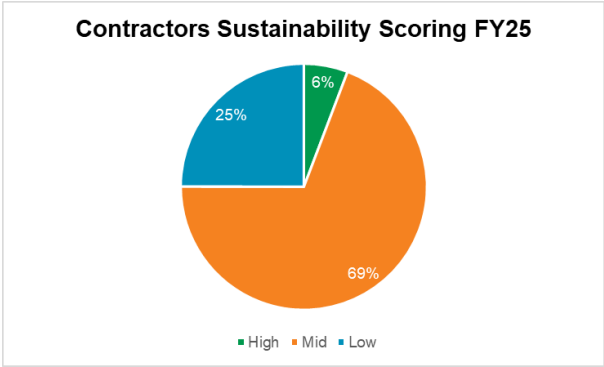
Importantly, the system also includes a sustainability score as part of the prequalification. This has allowed us to establish a baseline for environmental and sustainability practices across our contractor network. It gives us a practical, data-driven foundation from which to engage and support contractors in contributing to Horizon's broader environmental goals.

We are progressing on our aim to build a more sustainable supply chain by establishing a baseline of a sustainability-based assessment for our partnerships with contractors.

The online Contractor Prequalification Questionnaire provided through ecoPortal (HSEQ management system) requires contractors to answer questions and provide documents such as policies and certificates to demonstrate their compliance with Sustainability best practices in terms of environmental management, reduction of GHG emissions, respect of Human Rights, compliance with labour, health, safety, and wellbeing regulations and industry-standards.

This information is graded automatically through the system and generates a sustainability scorecard for each contractor.

Using these criteria, we identified that 75% of our contractors and suppliers met or exceeded our sustainability scorecard; thus, passing our sustainability requirement.



Committed to a shared progress

Maintaining the highest standards of accountability and integrity

We have established robust corporate procedures to ensure regulatory compliance and create enduring value for the communities we serve. Our governance framework, supported by the Group's Audit Committee, provides oversight of compliance with both external and internal policies. We also actively monitor changes in legislation and industry standards, enabling us to assess and respond to potential impact in our operations in a timely and informed manner.

Our progress in a nutshell

We continue to advance our Progress Pillar and enhance our commitment with our five areas of focus, which include: creating enduring value in our communities, digitalisation and data governance, regulatory compliance, ethical conduct, and transparency. The following table summarises our progress during the last financial year in relation to the progress-related baseline indicators that we measure.

Sustainability pillar	Key focus area		Target	Baseline indicator (Financial baseline Year)	Our progress to date (FY25)
Progress	Creating enduring value for our customers (NPS)		45	42.45 (FY23)	62.50
Progress	Ethical conduct		0 unethical incidents	0 (FY24)	0 Unethical incidents reported

XI. Focus area: Creating enduring value for our customers

a) Our customer's feedback

Since 2018, we have been assessing customer satisfaction through surveys independently facilitated by a third party, which also provides us with industry benchmarks. Customer's satisfaction levels are measured using the Net Promoter Score (NPS) survey scoring methodology. Our target of achieving a Group wide NPS score of 45 or better is ambitious. For reference, the benchmark NPS score across the industry are Trade Service – 35, electricians – 40, and plumbers – 26. Our results surpass these benchmarks, demonstrating our staff's commitment to going above and beyond to meet client's needs.



Here we share some comments from our customers about what “wowed” them:



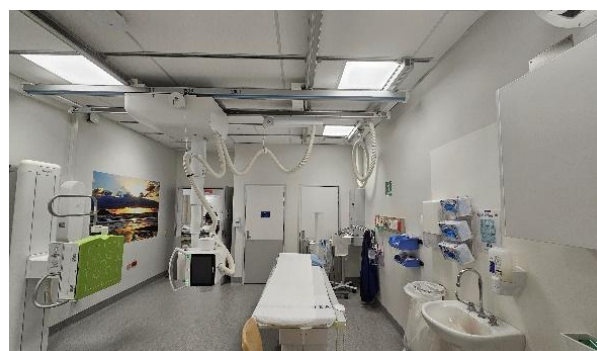
b) Our high-impact partnerships

We are committed to supporting our customers in achieving their sustainability goals through a range of projects that promote decarbonisation, energy efficiency, and sustainable transport solutions, contributing to a more resilient and low-emissions future for New Zealand

One example is the work delivered by AquaFire, which designed, installed, and commissioned the fire alarm systems for the Asmuss Office and Warehouse, this building achieved a 5 Green Star Design Rating from the New Zealand Green Building Council (NZGBC). Our contribution included innovative fire protection system designs that incorporated safe and energy-efficient components (such as low-energy alarms and energy-efficient pumps), the use of environmentally friendly materials (including halogen-free cables and recyclable components), and efficient project planning to minimise packaging and material waste.

Similarly, our Caldwell and Levesque team led energy efficiency assessments and retrofitting projects across several major healthcare facilities, including Auckland District Health Board (ADHB), Middlemore Hospital, E Tū Wairua Hinengaro (ETWH, Quality of Mind) mental health facility at Mason Clinic, Waitakere Hospital, and North Shore Hospitals. These projects involved the replacement of fluorescent lighting with LED systems, achieving energy cost reductions of 23% to 55% in lighting across the sites.

Throughout these projects, we maintained close communication with healthcare staff, nurse and cleaners, to ensure minimal disruption to essential health services.



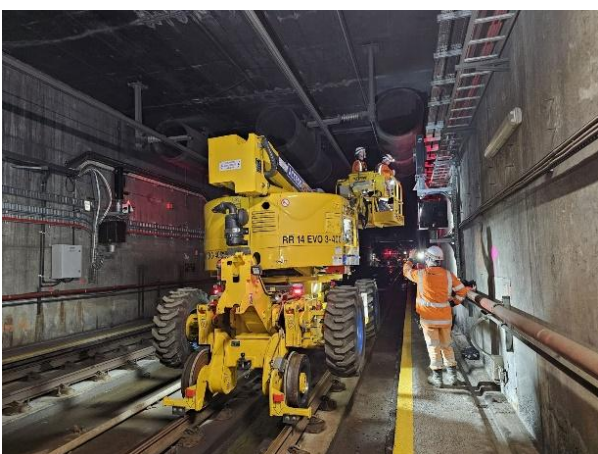
Picture: LED lighting upgrade at Waitakere Hospital.

We support our diverse clientele by delivering services in complex and high-risk environments, while consistently adhering to the highest safety standards. For example, Aquaheat Facilities Services recently completed work at The Rock, Wellington Airport's International Terminal Building. The project involved accessing the plant room via the airside runway, requiring precise coordination and the careful navigation of a service between two aircrafts. This work demonstrated our capability to operate safely and efficiently in highly regulated, high security environments.



Picture: Aquaheat Facility Services at The Rock, Wellington's Airport International Terminal

Over the last year, Aquaheat New Zealand delivered and commissioned the central rail project.



Picture: Aquaheat New Zealand staff at Auckland Rail Network Inspection

c) Our awards

This year, we were honoured to receive awards recognising our technical excellence and commitment to sustainability. We proudly celebrate these achievements alongside our customers and contractors, whose collaboration make them possible.

One standout project was the Hamilton Coldstore in the Waikato, delivered by our Cool Logic team, which received the CBRE Industrial Property Award at the 2024 Property Council New Zealand Rider Levett Bucknall Property Industry Awards. The facility, owned by Maersk Logistics New Zealand, was designed with a strong sustainability focus to support Maersk's ambition of achieving net zero emissions across its operations by 2040.

Targeting a 6 Green Star rating, the project prioritised sustainable innovation at every stage. Our CoolLogic team played a key role in designing and installing a water-efficient refrigeration system that recovers condensation from evaporator defrosting. This reclaimed water is used to cool the hybrid cooling towers—generating enough water to operate the entire refrigeration system. The system, which uses CO₂ as the refrigerant, is the largest of its kind in the world, and repurposes waste heat to warm office spaces.

Additional features, such as advanced dock pods and wheel lock systems, further enhanced the facility by reducing energy loss through air infiltration and improving cold chain integrity and safety for operational staff and truck drivers.



Picture: Maersk Hamilton Coldstore facilities

During FY24/25, Aquaheat New Zealand collaborated with Winton & Cook Brothers Construction on designing and build activities at Ayrburn Domain, which won Gold in the Commercial Projects category at the Master Builders Commercial Project Awards.



This past year, we proudly celebrated a significant achievement by our Caldwell and Levesque team, who were awarded the Silver Medal at the Master Electricians Excellence Awards. This prestigious recognition highlights their exceptional skill, dedication, and commitment to quality on the Pullman Hotel Fitout project at Auckland Airport, specifically in the Lighting Design category.

The project demanded both technical precision and creative design solutions, and our team delivered with outstanding results—demonstrating the high standards and professionalism that define our work.



Picture: Caldwell and Levesque staff awarded at the Master Electricians Excellence Awards

XII. Creating enduring value for the communities we serve

a) Creating enduring social value

HEG, through its diverse operational brands, actively engages with the communities that we operate in, by supporting diverse projects and programmes through sponsorships and collaboration opportunities.

During FY24/25, we provided over \$114,177 in sponsorships through diverse projects that are supported by our Operational businesses locally. These sponsorships span the arts, sports, education, medical, environment, and rescue. Some examples of sponsorships include:

- **ARTS** – Theatre Whakatāne.
- **EDUCATION** – Safety Workbooks for lower decile schools in the Eastern Bay of Plenty.
- **SOCIAL WELLBEING** – Silver sponsor for the Cancer Society & Hospice Tairāwhiti fundraising event, Caring for Families, Hospice Tairāwhiti, Gisborne Riding for Disabled (also known as the Gisborne RDA), Firefighter Sky Tower Challenge, NZNO – Neonatal Symposium, Lions Club Family Day, Chamber of Commerce – Business Awards and Cornerstone. During 2024, we continued providing trucks to support cleaning works from Cyclone Gabrielle's aftermath in Gisborne.
- **SPORTS** – The ElectriNet Gisborne Golf Course, Gisborne Young Nicks Head Fishing Competition, ElectriNet Gisborne Thistle AFC, the Stadium Horizon for hockey, Liston college rugby sponsorships, Motu Trails, Taupo Rugby Football, EBOP Monopoly x1 Utility square, rugby jerseys for Porirua College in Porirua East, Jake Robertson – sponsor a shirt for football season.



Picture: ElectriNet Gisborne Golf Course



Picture: Aquaheat Facility Services staff donning Hi-Viz Pink vests to support Breast Cancer Awareness month



Picture: ElectriNet Gisborne Thistle AFC

We embrace diverse opportunities to support local initiatives, through activities that raise our staff awareness such as Breast Cancer and PRIDE months, and supporting the New Zealand Riding for the Disabled (NZRDA) Sumer Santa event which aims to fundraise contributions to provide specialised therapeutic horse-riding programmes tailored to individuals with physical, intellectual, emotional, and social challenges. We are proud to be part of the meaningful change these initiatives create for communities across New Zealand.



Picture: ElectriNet staff at New Zealand Riding for the Disabled (NZRDA) Summer Santa

At HEG, we take pride in giving back to the communities that support us. Whether it is sharing our trade expertise on local projects, contributing to charitable initiatives, or mentoring the next generation of skilled professionals, we believe in making a difference. We also create opportunities for future generations today by welcoming young professionals to join our projects through diverse programmes. We participate in the Gateway programme which offers secondary school students' practical exposure to our core service areas, plumbing, electrical, and power, while they are still completing their studies. During the last year, Aquaheat New Zealand, Aquaheat Facility Services, Caldwell and Levesque, and ElectriNet welcomed high school students to familiarise themselves with our operations and Health & Safety procedures by rotating during nine weeks through our diverse departments and industries, for having their first introduction to what could be a lifelong career. Together, we build more than just infrastructure – we can build stronger, more connected communities.



Picture: Jakob McLister, plumbing apprentice at Aquaheat New Zealand as part of the Gateway programme

We also support school education by providing schoolbooks to children in need to set them up for success. Last year, our CoolLogic did a book donation in Blenheim, Marlborough, South Island, Aotearoa. The books also include health and safety training tips to keep kids informed and safe.



We appreciate the art of young generations. Last year, we had first- and second-class students at the Te Ranga School (15 km south of Te Puke) who did amazing portraits of our Cool Logic Te Puke staff.



Picture: First and Second year classes of Te Ranga School portraits of our CoolLogic staff

b) Creating enduring environmental and social value

Aquaheat New Zealand, Wellington, has supported the “Cans for Kai” initiative which is part of the “Kai Ika” project promoted by the Legasea Charity Organization. The “Kai Ika” project supplies much needed free Kai (fish heads and frames) to underprivileged and homeless families, who appreciate these delicacies, within the Wellington area. To raise funds for this great initiative, the business agreed to have two “Kai Ika” collection bins on-site at our Tawa premise and asking local businesses if they would be willing to collect aluminium cans on their behalf, which they turn into much needed funds to support this fantastic community initiative with great environmental impact.



Picture: “Cans for Kai” project supported by Aquaheat Wellington

XIII. Focus area: Ethical conduct

Report It Now provides HEG with an independent and secure system, (EthicsPro®), that empowers employees to report suspected corrupt, unethical, dishonest or inappropriate behaviour as it occurs in the workplace.

In a recent survey we asked our people, “How confident they were of how to report any concerns including unsafe, unethical or illegal behaviour?”. Overwhelmingly, 86% of employees said they were confident reporting such concerns. Through this survey we have taken onboard some suggestions for improving how we let our people know that concerns have been addressed. To Date, we have not had Unethical incidents reported.

A discloser can:

- call an established toll-free hotline available 24 hours a day, 7 days a week
- submit a report electronically online
- text from their mobile phone
- submit a report via post to Report IT Now.



MAKE A REPORT ON UNETHICAL, DISHONEST OR INAPPROPRIATE BEHAVIOUR BY:

 Phone **0800 2 ALERT / 0800 225 378**

 Text **022 077 3740**

 Online **www.reportitnow.co.nz**

**ANONYMOUS,
CONFIDENTIAL
AND SECURE**

XIV. Focus area: Digitalisation and data governance

Our initial three-year cybersecurity strategic plan concluded in March 2025. HEG is now developing the next three-year strategy in alignment with our broader digital transformation, cloud migration, and Enterprise Resource Planning (ERP) implementation programmes.

This updated strategy marks a deliberate shift away from traditional perimeter-based models to a modern, user- and device-centric approach — enabling staff to work securely from anywhere while ensuring our systems, data, and endpoints remain protected across a distributed environment.

We are embedding robust security, data governance, and operational assurance into the foundation of our evolving technology landscape. Current initiatives include:

- Standardisation and enrolment of all corporate devices to ensure complete visibility and control of endpoints accessing HEG systems.
- Expansion of endpoint security management to include mobile phones and tablets alongside traditional computers.
- Decommissioning of legacy systems such as Microsoft NAV, as part of our shift to cloud-native platforms.
- Progression toward achieving ISO27001 certification as an organisation-wide framework for information security governance and continuous improvement.

These measures form part of a broader effort to ensure HEG's digital environment is secure, resilient, and capable of scaling with the organisation.

Focus for FY 25/26

- The ERP programme is being delivered via a phased, business-led transition, with the Programme Management Office (PMO) team supporting process integration and change enablement. Based on current timelines, we expect Horizon Energy Group, Horizon Networks, and Horizon Services to be live on the new ERP by March 2026. The remaining business units are scheduled to follow, with full programme completion currently planned for August 2026.
- By March 2027, we expect the Horizon Energy Group Technology Strategic Plan to be fully realised across all six workstreams — ERP, Data, Security, Endpoint, Networks, and Cloud Migration — and implemented Group-wide. This will establish a cohesive, future-ready technology capability that enables the Group to operate with greater agility, resilience, and scalability in an increasingly digital energy landscape.
- Review of devices and security management tools (anti-virus/spam/adware/phishing) across all devices, expanding the current scope to include mobiles and tablets.
- Decommissioning of legacy systems (MS NAV).

XV. Focus area: Regulatory compliance

We operate in industries where multiple agencies oversee compliance within a highly regulated environment. Our employees receive supported from our in-house legal and regulatory teams and external experts to proactively track our compliance with New Zealand regulations and monitoring changes in the regulatory environment.

XVI. Transparency

Trust is one of our SWITCH organisational values, and it highlights our commitment towards our stakeholders and ourselves in being open, honest, and transparent. We identify and measure our environmental impacts, keep accurate records to track our progress, and we report with transparency our outcomes and opportunities for improvement.

By keeping our Code of Ethics alive, maintaining our international certifications and national accreditations updated, and engaging our employees in strengthening our integrity, we remain a strong and transparent business.

Further to requirements established by the Commerce Commission and Electricity Authority, financial, technical and pricing information is published annually for Horizon Networks, providing transparency for our electricity distribution business in the Eastern Bay of Plenty.

This is to ensure information is readily available for interested parties to assess and understand the performance and outcomes from the business. Our Horizon Networks Annual Information Disclosure can be found here: <https://horizonnetworks.nz/information-disclosure-regulation/>

The Company currently has not requirement to provide climate-related financial disclosures and will be assessing this further in the coming year to determine the roadmap towards providing climate-related financial disclosures.

Acknowledgements

There is a legendary quote that says "the true test of a person's character is what he does when no one is watching" – well that would be true of our staff who do individual contributions of their time and resources to community initiatives beyond the programmes and initiatives that we support as HEG.

We wish to acknowledge these legends:



David Klein Ovink
Horizon Networks

For his contributions on enhanced recycling and composting in Whakatāne, which he does from his own garden!



Toby Pickering
ElectriNet

Was awarded a Community Superhero Award by Gisborne District Council for his contributions to healing the community during Cyclone Gabrielle in 2023. We also acknowledge his service to the community recovery after Cyclone Hale, during the same year.



Pieter Uys
Aquaheat Facility Services

Won the 2024's Masterlink Apprentice of the year award. This significant achievement speaks of this resilience, willingness to overcome financial hurdles, and high passion and discipline for plumbing as he transitioned from an 11-year career in healthcare to an apprenticeship with us.



HEG[®]
Horizon Energy Group

*kia Kotahi
ai tatou*

www.hegroup.nz