



Community Investment Strategy

He Rautaki Haumi
mo te Hapori

June 2022 - March 2025



Our Aims Ngaa Whaingā

Thriving Community Hapori Taurikura

Opportunities are supported that bring people together to participate in health and wellbeing, sports and recreation, arts and culture, and to celebrate the diversity of our community.

Healthy Environment He Taiao Hauora

Our taiao is healthy through prioritising waste minimisation, environmental education and locally-led initiatives.

Equitable Outcomes Ngaa Hua Matatika

Equitable Outcomes are enabled with a focus on tamariki, rangatahi, housing, and education.

Māori Aspirations Ngaa Wawata o te Māori

Local Māori culture and knowledge is understood, respected and valued as part of our kaupapa.

Haere Mai, Welcome!

We invite you to read this Community Investment Strategy document, and to talk with us about how we might work with you and your organisation to enable a thriving, connected and equitable Waikato.

Our Purpose refers to both the Trust's financial investments (including the Trust's core investment as 100% shareholder of WEL Networks Ltd), as well as investment in the community through grants and other instruments.

Our intentions are simple:

- To be responsive to our community,
- To maximise long term impact by being strategic, and
- To leverage grants through partnerships and collaboration, expanding support beyond grantmaking.

These things haven't changed.

We continue to believe that this will be best done by backing those who are leaders in our community, by taking an intentional and research-based approach to impact, and by connecting, collaborating, and supporting collective efforts.



Our Pillars | Ngaa Pou

TE TIRITI O WAITANGI

We embrace the principles of Te Tiriti o Waitangi through partnering local iwi, hapuu, whaanau and maaori.

We are committed to honouring the principles of Te Tiriti o Waitangi to achieve the greatest outcomes for all, through meaningful engagement with tangata whenua.

WORKING COLLABORATIVELY

We work together with people and communities to achieve our Vision for the Waikato.

EQUITY & EQUALITY

We work with others to enable a just and fair community where everyone can participate and prosper.



Our Vision

A thriving, connected and equitable Waikato



Our Core Purpose

To ensure that WEL Networks Ltd operates as a successful business for the benefit of the community.



Our Stakeholders

The persons and communities of the WEL Networks Ltd region

Our Values | Ngaa Uara



TE TIRITI O WAITANGI

We aim to continue to strengthen the relationship and trust between iwi, hapuu, whaanau and our organisation.



CONNECTED

We are actively working within the community and are connected to the people and partners to deliver positive outcomes, together.



PURPOSE DRIVEN

Our actions seek to deliver a clear and positive outcome.

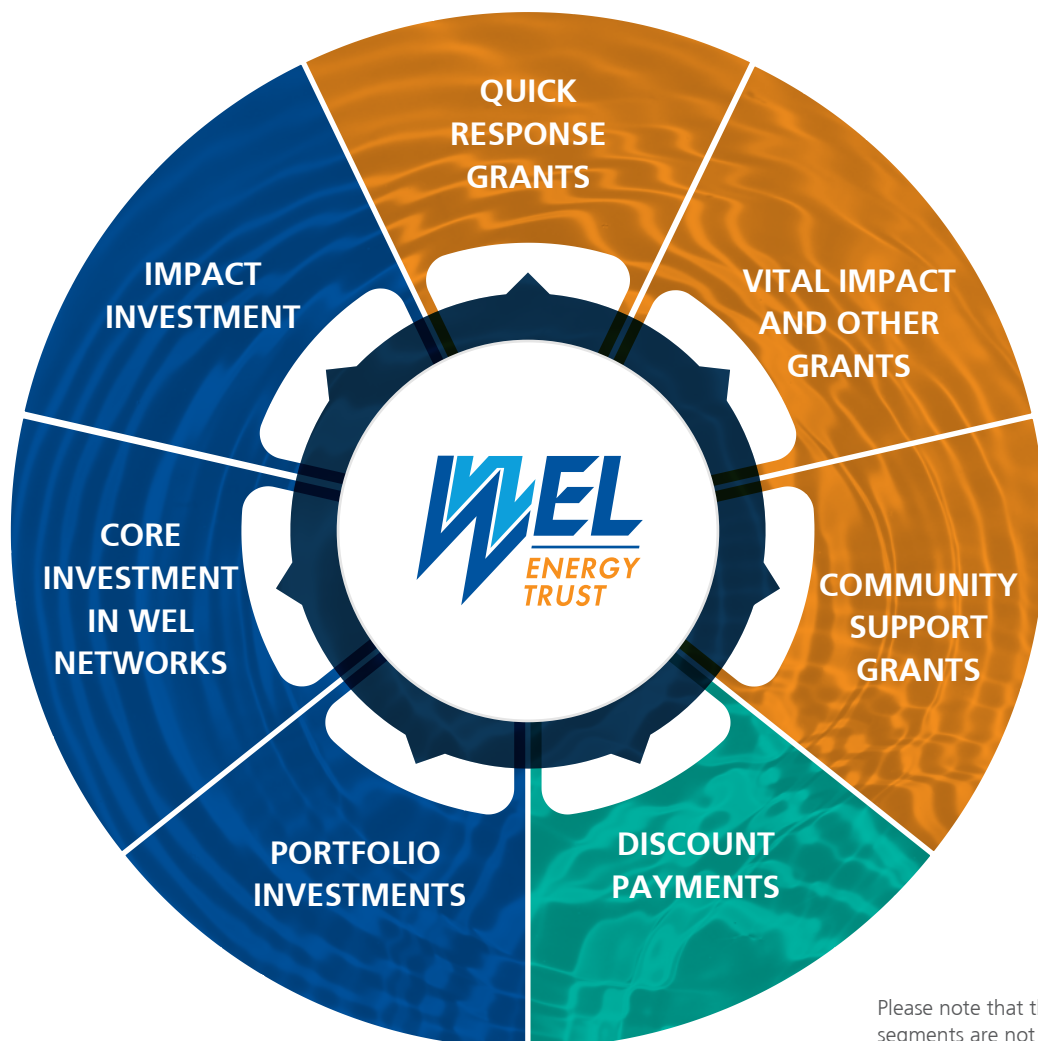


INTEGRITY

We act in good faith and are prepared to be accountable.

Community Investment Strategy (2022 - 2025)

He Rautaki Haumi mo te Hapori



Please note that the segments are not proportional



Community Grant Rounds He Waahanga Puutea a Hapori

Quick Response Grants He Puutea Urupare

(up to \$20,000)

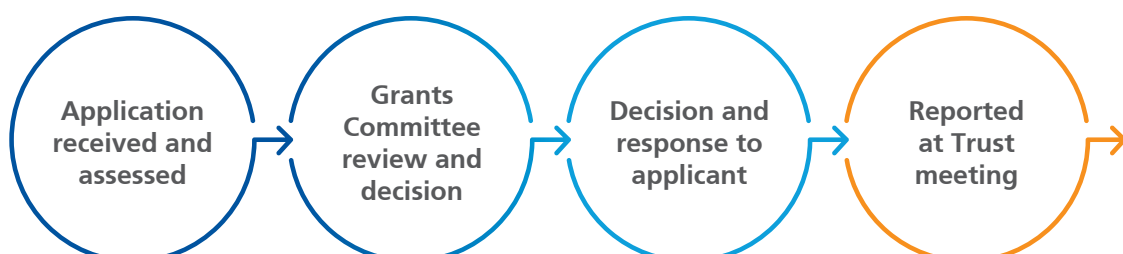
WEL Energy Trust continues to support our community through regular grants to a wide range of organisations in the WEL Networks Ltd region.

These grants for up to \$20,000 are designed to provide a 'quick response' to a range of grassroots organisations, to provide the bit of support needed to get a project or idea moving, or to give a helping hand when needed. We love seeing the difference these grants can make in supporting community connectedness and the variety of wonderful, vibrant community organisations and endeavours we have in our region!

Grants up to \$20,000 - approximately 6-week turnaround.

There are five closing dates per year which can be found on our website, along with eligibility requirements. The Trust requires a short accountability statement from grantees outlining how the funds have been used, which can be easily done on the online acquittal form.

Please Note: Only one Community Support or Quick Response grant can be received in a calendar year. Please speak to us if you're not sure which is best for your organisation.





Community Grant Rounds He Waahanga Puutea a Hapori

Community Support Grants He Waahanga Puutea Tautoko a Hapori (above \$20,000)

Community Support grants are usually larger grants designed to provide operational and other support to organisations that are working with others to make a measurable impact in our region and contribute to our three Pillars/Pou; Te Tiriti o Waitangi, Working Collaboratively, Equity and Equality.

Priority will be given to organisations whose outcomes align with the Pillars/Pou and/or contribute to the Trust's priority SDGs.

Grants usually above \$20,000 - approximately 12-week turnaround.

There are three closing dates per year which can be found on our website, along with eligibility requirements. The Trust requires a more detailed evidential accountability statement from grantees outlining how the funds have been used.

Multi-Year Funding We will be re-introducing the option of 'partnership' or multi-year funding for selected organisations and projects that are awarded Community Support grants.

You can check closing dates, eligibility criteria and conditions, and make an application through our website.

Please Note: Only one Community Support or Quick Response grant can be received in a calendar year. Please speak to us if you're not sure which is best for your organisation.





Community Grant Rounds He Waahanga Puutea a Hapori

Other Grants | Ngaa Puutea

These targeted grants are usually by invitation only and can be received by applicant organisations who may already have received a grant from the Trust in the same calendar year.

VITAL IMPACT GRANTS

These are occasional targeted funds available to selected organisations through one-off grant rounds. These rounds target a specific focus area supporting key organisations that have potential to make a significant impact towards identified outcomes. To-date these grants have been focused on the housing area supporting innovative thinking and collaborative action to enhance access to affordable, quality housing, including social housing and rental accommodation.

AFFORDABLE ENERGY FOR ALL (AEFA) PROGRAMME

A Trust-initiated programme developed initially in conjunction with the WEL Networks OurPower electricity retail initiative. Selected organisations working across and in communities receive funding to support the employment and activities of Energy Navigators who work with whaanau. The Programme's overall goal and impact areas are:

- Reducing Energy Hardship in the Community
- Families have access to affordable energy
- Increased financial, digital and energy literacy in the community
- Increased healthy homes and families across the region

COVID-19 RESPONSE FUND

A special as-required fund that is designed to meet the extraordinary and often urgent community needs resulting from COVID-19. This is a targeted fund that aims to meet specific needs often not supported by other agencies and departments.

CONVENING AND ORGANISATIONAL DEVELOPMENT GRANTS

This Fund provides support beyond grantmaking to organisations with one-off costs associated with collaboration, evaluation, research and/or capacity building. It is available to applicant organisations (or groups of organisations) for a variety of purposes related to convening, facilitation, organisational and/or professional development. Preference will be given to initiatives that are additional to normal business and those that can add value and make a difference.



What are Social and Impact Investments?

“Social Impact investments are those that intentionally target specific social objectives along with a financial return and measure the achievements of both.” *Social Investment Taskforce Forum (SIITF, 2014)*.

SOCIAL INVESTMENT

With Social Investment there is a trade-off between social impact and financial return. In other words, the Trust may consider a discounted financial return on an investment to achieve a measured social or environmental return.

IMPACT INVESTMENT

An Impact Investment intentionally seeks to achieve market rate financial returns as well as achieving measurable social dividends.

What do Vital Impact Grants and Social Impact Investments look like?

We invite Expressions of Interest for Vital Impact Investment, which includes:

- Grants, including investment-readiness grants
- Loans
- Equity Investment
- A combination of the above

Who could be eligible?

The Trust will consider grant funding and Social and Impact Investment in:

- Not-For-Profit Trusts, Charities and Incorporated Societies

The Trust will consider Impact Investment in:

- Social Enterprise
- Mission-aligned investment funds
- Mission-aligned Impact Investments

NB: The Trust does not provide grant funding to For-Profit enterprises.

How do I express interest?

We encourage all potential applicants to get in touch with us and we will advise on next steps.



FINANCIAL PORTFOLIO INVESTMENTS

WEL Energy Trust has a portion of its investments managed in a financial investment portfolio. The Trust has moved to a Responsible Investment Strategy including:

- Negative/exclusionary screening
- Positive/best-in-class screening
- Norms-based screening
- Integration of ESG factors
- Sustainability-themed investing Impact/Community investing
- Corporate engagement and shareholder action



Core Investment in WEL Networks Ltd

WEL Energy Trust is proud to be the 100% shareholder of WEL Networks Ltd, and Trustees hold these shares on behalf of the community. The Trust's intention is to be an active and responsible asset owner, adopting investment strategies to sustain and grow assets for people today and for future generations.

WEL Networks Ltd, like WEL Energy Trust, aims to support a connected and resilient community. WEL Energy Trust continues to support WEL Networks Ltd in the diversification of investments into areas that will enhance the region's economic and social growth.

As the shareholder the WEL Energy Trust has set clear strategic intentions and expectations of WEL Networks Ltd.





WEL Networks Ltd

WEL Networks Ltd owns and operates electricity distribution assets in the Northern Waikato region. They also own and operate OurPower Holdings Ltd, an electricity gentailer focussing on people in energy hardship and, Infratec New Zealand Ltd, an engineering, procurement and construction (EPC) business specialising in big solar and batteries.

WEL Networks Ltd plays an important role in the economic and social development of the Waikato region, including identifying and investing in new technologies that benefit the Waikato community, and by modernising its network assets to future-proof the region.

With over 95,000 households and businesses connected to the electricity network in the Waikato, WEL Networks Ltd plays an essential role in the economic and social development of our communities. Key to this growth are strong partnerships and innovation which sees WEL Networks Ltd explore new ways of providing critical infrastructure and services to ensure customers receive affordable, reliable, fairly priced and environmentally sustainable energy while improving the value of the business to the shareholders.

The governance framework includes a comprehensive approach to sustainability and corporate social responsibility. WEL Networks Ltd's

sustainability programme is being expanded to not only include the reporting of carbon emissions, but to also include wider initiatives for people, communities and the network in alignment with the selected United Nations' Sustainability Development Goals (SDGs).



WEL Networks Ltd has also committed to honouring the principles of Te Tiriti o Waitangi to achieve the greatest outcomes for all, and collaborative engagement with tangata whenua to promote growth and prosperity of the Waikato region and its people. They recognise the importance of growing their understanding of te ao Maaori and they are on a journey of building cultural capacity across the business.

WEL Networks Ltd is 100% owned by the WEL Energy Trust.



Discounts | Whakahekenga utu

WEL Networks Ltd, alongside its shareholder the WEL Energy Trust, introduced the WEL Electricity Discount Programme in FY2021/22.

The WEL Electricity Discount Programme distributes an annual electricity discount to further support the Waikato community.

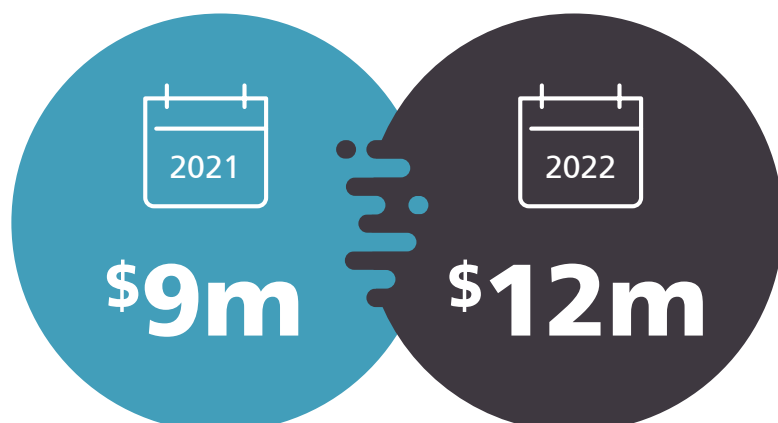
The electricity discount is a distribution of some of the WEL Networks Ltd earnings back to consumers within the WEL Energy Trust region. It means that all WEL customers in the Waikato network are given

a share of the Company's success. The discounts are delivered through a credit to the consumers electricity retailer account.

The discount, which was reintroduced in July 2021, reinforces the Trust's commitment that WEL Networks Ltd accounts for a minimum discount payment to be made annually. The discount is agreed to by the WEL Networks Ltd Board and the WEL Energy Trust as a percentage of the regulated lines revenue up to an agreed set amount to maintain a minimum average discount payable per ICP of approximately \$125 plus GST.

Electricity Discount Distributed:

\$12m allocated for
April/May 2022



Focus on Outcomes | Arotahi ki ngaa hua

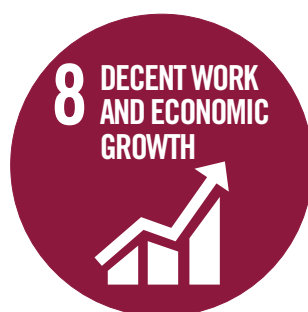
Our Waikato Wellbeing Targets and the United Nations (UN) Sustainable Development Goals (SDGs): Think Globally, Act Locally

The UN SDGs include 17 goals, 169 targets and over 250 indicators. The 17 goals can be grouped into economic, social and environmental goals.

Embedding our Community Investment targets/focus areas in the SDG framework, with consideration also to Vital Signs and current Trust strengths, is a perfect way to ensure:

- Within our region, we are contributing to local, as well as global and national, priority areas
- That we are speaking the same language as others in the Impact Investment ecosystem, locally, nationally and internationally
- We can attract co-investment from other investors, including Government, who are committed to working with others to achieve the SDGs by 2030

WEL Energy Trust Priority SDGs



The Waikato Wellbeing Project

Hinonga Toiora o Waikato

In July 2020 the Trust and the Waikato Regional Council signed a five-year Partnership and Funding Agreement to implement phase two (implementation) of the Waikato Wellbeing Project (WWP). The WWP is a regional initiative to achieve a more environmentally sustainable, prosperous and inclusive Waikato region by 2030.

The WEL Energy Trust committed \$3M over a five-year period with the key outcome of the project to develop and work towards a defined set of 10 SMART Wellbeing Targets for the Waikato.

A te ao Maaori (Maaori world) lens is embedded in the WWP, symbolised by the pou running through the centre of the project goals under SDG17, Partnerships for the Goals. It is this pou and SDG17 that mandates the Trust's support of the Waikato Wellbeing Project.



**Waikato
wellbeing
project**

Hinonga
toiora o
Waikato

www.waikatowellbeingproject.co.nz



360 Tristram Street, Hamilton
PO Box 1336, Hamilton 3240 | P. 07 838 0093
E. admin@welenergytrust.co.nz
www.welenergytrust.co.nz