

A photograph of two wind turbines in a field at sunset. The sky is a mix of blue and orange, with scattered white clouds. The sun is low on the horizon, creating a warm glow. The turbines are silhouetted against the sky. A large orange circle is overlaid on the right side of the image.

Genesis Energy Limited

Sustainable Finance Framework

November 2021



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1. Purpose

Genesis Energy Limited (**Genesis**) has developed this Sustainable Finance Framework (**Framework**) to recognise our focus on sustainability and to support our commitment to invest in sustainable assets and outcomes. This Framework sets out the process by which Genesis intends to issue and manage bonds and loans (**Sustainable Debt**) on an ongoing basis to support Genesis' sustainability objectives outlined in this Framework, to contribute towards the SDGs, and to create positive environmental and social outcomes (**Sustainability Goals**).

Through this Framework, Genesis will aim to lead the industry's response to helping New Zealand achieve its net-zero emissions goals, address social challenges and provide a mechanism for investors to contribute capital to achieve their sustainability goals.

2. Genesis and Sustainability

Genesis is an energy company that owns and operates a diverse portfolio of generation assets in New Zealand, including hydropower, wind, and thermal generation.

Genesis is committed to caring for the environment, our people, customers, and the communities in which we operate. We are optimistic about Aotearoa New Zealand's energy future and our role in the transition to the low carbon future that we all want. We know the responsibility we have in helping the country achieve that goal. This involves meeting the needs of the present, without compromising future generations.

We have aligned our capabilities and developed strategies to five of the United Nation's Sustainable Development Goals (**SDGs**). The SDGs were developed as a blueprint to achieve a better and more sustainable future for all. The goals we have chosen are identified as the areas that we can make the most positive impact in for New Zealand.



Genesis adopts a holistic approach to understanding the impact of our business on people and the environment. We seek to identify social, economic, and environmental risks and benefits as part of our strategic decision-making processes. Through our comprehensive and evolving sustainability strategy (**Sustainability Strategy**), Genesis has made significant progress in the areas that we believe matter the most to, and have the greatest impact on, our stakeholders:

Caring for our environment

- **Emissions reductions:** While Huntly plays an important role in supporting New Zealand's current energy supply, Genesis is committed to being an active enabler of New Zealand's energy transition. In the decade between 2009-2019, Genesis removed more than 1.8 million tonnes of carbon emissions from its generation activity (a reduction of 42%) and aims to reduce its net carbon emissions by a further 1.2 million tonnes by 2025. This commitment to act is driven by broader climate change considerations, New Zealand's increasing energy demand profile and reliable energy supply, and is to be delivered through the following initiatives:
 - » **Science Based Targets.** Genesis was the first electricity generator and retailer outside of Europe to align its emission reduction target to limit global warming to 1.5 degree Celsius (the most ambitious level). As validated by the Science Based Targets initiative, Genesis is targeting a 36% reduction in absolute scope 1 and 2 greenhouse gas (GHG) emissions by 2025 and a 21% reduction in absolute scope 3 GHG emissions from use of solid products by 2025, from a 2020 base year (SBT).
 - » **Future-Gen Programme.** To achieve the above SBTi, Genesis is investing in more renewable energy and new technologies. To move further and faster in the development of renewables to displace baseload thermal generation, Genesis has an ambition to support an additional 1,800 GWh of incremental renewables development by 2025, and 2,650 GWh by 2030.
 - » **Task Force on Climate-related Financial Disclosures (TCFD)** reporting commenced in our 2020 Annual Report.
- **Water and Wildlife.** By working in partnership with iwi on projects that positively influence waterways and ecosystems, Genesis is working to increase efficiency of operations that utilise water and raise awareness of whio (blue duck), tuna (eels) and predator control efforts.

Building Strong Communities

- **Our People:** Committed to providing a supportive and inclusive workplace, we have implemented the following initiatives.
 - » **Living Wage Employer accreditation** achieved in 2020.
 - » **Gender pay gap.** Launched the 'Minding the Gap' programme in 2017 to create transparency and drive change. Awarded the YWCA's GenderTick in November 2019.
 - » **Gender diversity.** Targeting a 40:20:20 gender split (40% male, 40% female and 20% either gender) across the entire workforce, with 50% female representation at senior leadership level already achieved.
 - » **Health and safety ACC accreditation.** Targeting continued Health and Safety ACC accreditation at tertiary level.
- **Our Communities:** Our community investment approach is about collaboration and partnership, with a particular focus on education relating to energy, and the balanced use and management of resources.
 - » **School-gen programme and Trust.** Since 2006, Genesis has focussed on educating students and providing access to science, technology, engineering, and maths (STEM) equipment, to develop skills for the future of work and energy. Genesis continues to work with schools across New Zealand.
 - » **Ngā Ara Creating Pathways Programme.** Genesis is privileged to operate power schemes in some of the most special locations across Aotearoa. We developed the Ngā Ara Creating Pathways programme to create transformational education, training and employment opportunities to prepare young people in these local communities for the future of work. Underpinned by best-practice research and evidence for developing a pipeline of talent, the programme is focussed on attracting, nurturing and engaging rangatahi in STEM education, study and career pathways. The most impactful Ngā Ara initiatives include apprenticeships, internships, work experience, scholarships and partnership programmes.

Powering New Zealand

- **Putting control in our customers' hands:** To help customers make better energy choices, Genesis is working to give customers better visibility of their energy usage and control in their hands to make sustainable decisions.
 - » **Energy IQ programme** functionality enabling customers to make energy decisions based on emissions, targeting 40% of customers to be using digital tools to make active choices about their energy use by 2025.
 - » **EV car sharing programme.** Genesis obtained a 40% stake in Zilch, a fully electric vehicle (EV) car-sharing business, in December 2019.

Supporting a 'Just Transition'

- A Just Transition is vital: Through the Just Transition, Genesis is committed to stepping up and caring for the environment, our people, customers, and the communities in which we operate.
- In this Framework and across our broader Sustainability Strategy, Genesis has demonstrated its intention to meet climate-change related objectives and meet the global commitment within the Paris Agreement on Climate Change with a specific initial focus on transition to low carbon infrastructure.
- Genesis is committed to developing a Just Transition strategy that will further identify and build out how we will address this transition. This strategy will be in alignment with the five SDGs outlined in Section 2 above.

As at the date of this Framework, Genesis is a member, supporter, or partner of many organisations committed to delivering sustainable outcomes:



3. Sustainable Finance Framework

3.1 Sustainable Debt and Market Standards

This Framework is consistent with the applicable sustainable finance principles and guidelines issued by the International Capital Market Association (**ICMA**), the Asia-Pacific Loan Market Association (**APLMA**) and the Climate Bonds Standard & Certification Scheme (**CBS**) (together the '**Market Standards**'). The Market Standards are voluntary and accepted as best practice for issuance and management of Sustainable Debt in the global capital markets.

Genesis may issue or manage the following Sustainable Debt instruments under this Framework in accordance with the applicable Market Standards, as they evolve over time.

Sustainable Debt	Use of Proceeds	Assets / Activities	Applicable Market Standard
Sustainable Bonds			
Green Bonds	Proceeds-based: Net proceeds must be allocated towards identified assets or activities	Environmental	Green Bond Principles (GBP) ¹ or the CBS
Sustainability-Linked Bonds	Performance-based: Proceeds can be used for general corporate purposes	N/A	Sustainability-Linked Bond Principles (SLBP) ²
Sustainable Loans			
Green Loans	Proceeds-based: Net proceeds must be allocated towards identified assets and activities	Environmental	Green Loan Principles (GLP) ³ or the CBS
Sustainability-Linked Loans	Performance-based: Proceeds can be used for general corporate purposes	N/A	Sustainability-Linked Loan Principles (SLLP) ⁴
Climate Transition Finance			
All Sustainable Debt types	N/A	Aligned to Climate Transition (see appendix 1).	Climate Transition Finance Handbook (CTFH) ⁵

1. [ICMA](#) Green Bond Principles 2021 (**GBP**)
2. [ICMA](#) Sustainability-Linked Bond Principles 2020 (**SLBP**)
3. [APLMA](#) Green Loan Principles 2021 (**GLP**)
4. [APLMA](#) Sustainability Linked Loan Principles 2021 (**SLLP**)
5. [ICMA](#) Climate Transition Finance Handbook 2020 (**CTFH**)

4. Proceeds Based Instruments

Green Bonds and/or Loans are Sustainable Debt instruments where an amount equal to the proceeds of the Green Bonds and/or Loans (**Green Debt proceeds**) are intended to be allocated exclusively to finance or refinance Eligible Assets (see below) that help achieve Genesis' Sustainability Goals in accordance with the GBP and/or GLP.

A reference in this Framework to Green Debt proceeds being “allocated” to finance or refinance an Eligible Asset means a notional allocation in Genesis' systems.

In this section 4, we address the key elements of the Market Standards for Green Bonds and/or Loans:

- 4.1 Use of Proceeds;
- 4.2 Process for Project Evaluation and Selection;
- 4.3 Management of Proceeds;
- 4.4 Reporting; and
- 4.5 External Review.

4.1 Use of Proceeds

Genesis intends to allocate its Green Debt proceeds to finance or refinance projects, assets and/or activities (including capex and, if appropriate, operating, and other related expenditures) that meet the eligibility criteria set out below (**Eligible Assets**).

Eligible Assets may include projects or assets that Genesis (or a subsidiary):





- owns outright;
- partially owns (for example, through a joint venture); or
- has a material interest in because we hold an equity investment in the person (or its ultimate parent) that owns or develops the relevant project or asset.

In the case of partial ownership, the Green Debt proceeds allocated to finance or refinance the Eligible Asset will not exceed our proportionate share of the Eligible Asset. In the case of an equity investment, the amount allocated will not exceed the proportionate value of the relevant Eligible Asset equal to the percentage of our equity investment.

Genesis may allocate Green Debt proceeds to refinance an existing Eligible Asset without any limitation on the look-back period.

Eligibility Criteria

Examples of Eligible Assets are outlined in the criteria below (Eligibility Criteria). The Eligibility Criteria may be expanded over time as the Market Standards are updated and the global market develops.

Eligible Categories (GBP/GLP)	Eligibility Criteria	SDG Alignment
Renewable Energy	<p>Expenditure, financing or refinancing related to the construction⁶, transmission, maintenance, operation and/or expansion of renewable energy generation projects. Renewable Energy includes but is not limited to:</p> <ul style="list-style-type: none"> • Wind energy • Solar energy • Geothermal energy, where direct emissions from generation facilities are less than 100gCO₂/kWh • Hydroelectricity: <ul style="list-style-type: none"> » run of river » small-scale hydropower schemes (<15MW capacity) » natural lake system hydropower projects that do not significantly alter an ecosystem » schemes with power density of greater than 5W/m²⁷. 	 <p>Target 7.2: Increase substantially the share of renewable energy in the global energy mix.</p>  <p>Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>
Energy Efficiency	<p>Expenditure, financing or refinancing of assets, activities or projects that contribute to a reduction in energy consumption. Eligible types of energy efficiency include but is not limited to:</p> <ul style="list-style-type: none"> • Energy storage (including batteries); and • Energy efficiency processes, appliances, products, and technology (including in apps). 	 <p>Target 7.3: Double the global rate of improvement in energy efficiency.</p>
Clean Transportation	<p>Expenditure, financing or refinancing of low carbon transportation assets, systems and/or infrastructure including:</p> <ul style="list-style-type: none"> • Electric vehicles and supporting infrastructure and systems; • Investments, technology or infrastructure that allows for electric vehicle sharing programs; and • Hybrid vehicles that meet an emissions intensity threshold of 50 gCO₂ per passenger-km travelled. 	 <p>Target 11.2: Provide access to safe, affordable, accessible, and sustainable transport systems for all.</p>
Green Buildings	<p>Expenditure, financing or refinancing related to the development, operation or lease of low carbon and energy efficient buildings that at least meet regional, national, or internationally recognised standards or certifications.</p> <p>This includes buildings with a Green Star (Design and/or As-Built) rating of at least 5-Stars and/or a NABERSNZ rating of at least 4-Stars.</p>	 <p>Target 7.3: Double the global rate of improvement in energy efficiency.</p>

6. Eligible Assets may include the purchase of renewable energy pursuant to long-term power purchase agreements or virtual power purchase agreements entered into prior to the commencement of commercial operation of the renewable project. This contributes to Genesis' objective of sourcing new renewable energy generation.

7. Power density is measured as the installed capacity of a scheme divided by the maximum surface area of the lake.

4.2 Process for Project Evaluation and Selection:

Genesis has established processes to ensure that Eligible Assets are properly identified and assessed to ensure compliance with this Framework. The processes include Genesis' Sustainable Financing Committee (the **Committee**) holding responsibility for the Eligible Asset evaluation and selection process, as well as monitoring compliance with this Framework and the Market Standards. The Committee consists of representatives from Financial Control, Treasury, Risk Assurance and Sustainability.

The Committee will manage the Eligible Asset selection process and will consider each proposed project against the following factors:

- Conformance with the GBP or GLP (as applicable);
- Conformance with the Eligibility Criteria set out in section 4.1;
- Alignment with Genesis' Sustainability Goals outlined in section 2;
- Alignment to the SDGs;
- Genesis' own professional judgement, discretion and sustainability knowledge;
- Assessment of any potential negative social and/or environmental impacts from the Eligible Asset and mitigants to these impacts;
- Where Genesis chooses, conformance with any other principles, standards or tools that are or become both commonplace and respected in the market; and
- If certified under the CBS, compliance with the applicable CBS sector criteria.

4.3 Management of Proceeds

4.3.1 Tracking of proceeds

Genesis maintains a register of Eligible Assets that outlines (among other things) current value and the allocation of Green Debt proceeds.

As at the date of this Framework, NZX has approved a "green bond" designation in respect of Genesis' existing NZDX quoted senior bonds (GNE030) and Genesis has allocated the Green Debt proceeds of these existing Green Bonds to refinance Eligible Assets. In relation to new Green Bonds and/or Loans issued after the date of this Framework, Genesis intends to promptly allocate the Green Debt proceeds to finance or refinance Eligible Assets upon issue (and in any event within 24 months of the issue date).

Genesis intends to maintain a balance of Eligible Assets that have an aggregate book value which is at least equal to the aggregate Green Debt proceeds of all outstanding Green Bonds and/or Loans.

Genesis will service its debt obligations under Green Bonds and Loans out of its general cashflows and not specifically from revenues generated by Eligible Assets alone.

4.3.2 Unallocated proceeds

In the unlikely event that any Green Debt proceeds are unallocated, Genesis will ensure that those unallocated proceeds are temporarily:

- Held in cash or cash equivalent instruments with a Treasury function;
- Held in investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy; or
- Applied to reduce indebtedness of a short term or revolving nature before being redrawn for allocation to Eligible Assets.

4.4 Reporting

Genesis recognises the importance investors place on transparency and disclosure and will therefore make the following information available on its [website](#)

Item	Frequency
Framework	Upon establishment of this Framework and upon any amendment from time to time.
External Review	Upon establishment of this Framework (external review may be sought again if Framework changes or if an issuance requires it).
Climate Bond Certification (if applicable)	At issuance of any CBS certified Green Bond or Green Loan.
Annual Reporting, as outlined in this section 4.4.	Annually for all outstanding Green Bonds and/or Loans (Update Reports).
Post-Issuance External Review	At least once post-issuance (or annually if deemed necessary) for all outstanding Green Bonds and/or Loans.

Genesis will also disclose annual Update Reports, which will be in line with the Market Standards, and at a minimum include the following information:

- **Allocation Reporting:** A list and description of the Eligible Assets and the amount of Green Debt proceeds allocated towards such Eligible Assets.
- **Eligibility Reporting:** Confirmation that the Eligible Assets meet the relevant eligibility requirements included in this Framework and including information on the characteristics and performance of the Eligible Assets.
- **Impact Reporting:** Genesis will endeavour to provide qualitative and/or quantitative reporting of the environmental impacts resulting from the Eligible Assets, which may already be disclosed in Genesis' integrated reporting or other sustainability disclosures (e.g. annual renewable energy generation (GWh), capacity of renewable energy generation facilities (MW), emissions inventory reporting). Subject to the nature of Eligible Assets and availability of information, Genesis will look to utilise the impact reporting guidelines as detailed within the Market Standards⁸ as may be updated from time to time.

4.5 External Review - Green Bond and/or Loan

For the issuance and management of Green Bonds and/or Loans, Genesis will seek assurance in the form of external review from an independent and recognised sustainable finance verifier. Genesis is committed to transparency and will make assurance reports publicly available.

- In connection with the establishment of this Framework, Genesis has obtained second party opinion from DNV that this Framework and Eligible Assets align to the Market Standards.
- At least once post issuance of its Green Bond and/or Loan, Genesis intends to obtain post-issuance limited assurance over its Update Report (or as deemed necessary by Genesis based on the Market Standards and market practice).

8. This includes the guidance maintained and developed by the ICMA GBP [Impact Reporting Working Group](#).

5. Important Notice

This Framework does not form part of the contractual terms of any Sustainable Debt. If Genesis fails to comply with this Framework (including its Sustainability Strategy) or satisfy the Market Standards, then (1) this does not constitute an event of default, event of review or any other breach in relation to the Green Bonds and/or Loans; and (2) there is no requirement for Genesis to repay the Green Bonds and/or Loans early as a result of this non-compliance. This means there is no legal obligation on Genesis to comply with this Framework or the Market Standards on an ongoing basis.

However, in the event Genesis fails to comply with this Framework or satisfy the Market Standards, the Green Bonds and/or Loans may cease to be labelled as 'green' and Genesis will disclose this information within its annual Update Report.



6. Sustainability-Linked Instruments

Sustainability-Linked Bonds and Loans are Sustainable Debt issued or managed in accordance with the SLLP and/or the SLBP, where the cost of borrowing (bond coupon or loan margin/line fee) changes based on Genesis’ performance against ambitious targets that are material to the borrower’s sustainability strategy (**Sustainability-Linked Instruments**).

In this section 6, we address the key elements of the Market Standards for Sustainability-Linked Instruments:

- 6.1 Selection of Key Performance Indicators (**KPIs**);
- 6.2 Calibration of Sustainability Performance Targets;
- 6.3 Sustainability-Linked Instrument characteristics;
- 6.4 Disclosure and Reporting; and
- 6.5 Verification.

6.1 Selection of KPIs

Genesis targeting the following measurable and quantifiable sustainability KPIs that are relevant, core and material to its business and of high strategic significance to Genesis’ current and future operations:

Ambition	Example Sustainability KPI and Goals
Reduce Emissions	<ul style="list-style-type: none"> • Reduce absolute scope 1 and 2 GHG emissions 36% by 2025, from a 2020 baseline (SBTi validated). • Reduce absolute scope 3 GHG emissions from use of sold products 21% by 2025, from a 2020 baseline (SBTi validated). • Increase in EV and clean transportation.
Build and support our communities	<ul style="list-style-type: none"> • Provide educational training and employment opportunities for students and people located in Genesis’ generation sites in relation to the future of work. • Increase in employee volunteering.
Delivering New Zealand’s energy future	<ul style="list-style-type: none"> • Support an additional 1,800 GWh of incremental renewables development by 2025, and 2,650GWh by 2030. • Ensure suppliers are also committed to operating in a sustainable way.
Build and support our people	<ul style="list-style-type: none"> • Ambition to have 40:40:20 gender split across the entire workforce and improve ethnic diversity at all levels, to better reflect our communities and customers. • Continued improvement across metrics in safety and wellness.
Preserve and restore water and wildlife	<ul style="list-style-type: none"> • Work in partnership with Iwi on projects that positively influence waterways and their ecosystems. • Improvements in predator control and outcomes for New Zealand’s native birds.

6.2 Calibration of Sustainability Performance Targets

Based on the above KPIs, Genesis will determine one or more timebound sustainability performance targets that are consistent with Genesis' Sustainability Strategy, represent a material improvement in the respective KPIs over the life of the Sustainability-Linked Instrument, are beyond a "business as usual" trajectory and are set in accordance with the Market Standards (**Targets**). Targets will be set with reference to Genesis' historical performance, peer performance, and reference to science, for example science-based scenarios, regional, national or international targets, or other best-available technologies or methodologies.

6.3 Sustainability-Linked Instrument characteristics

Any Sustainability-Linked Instrument will have a financial or structural characteristic that changes depending on whether Genesis attains the predefined Targets. The proceeds of Genesis' Sustainability-Linked Instruments will be used for general corporate purposes, unless stated otherwise, and may include both penalty and/or discount incentives (depending on the transaction).

The financial or structural characteristic will be meaningful and aligned with market practice. The magnitude of the pricing adjustment (as well as the effective trigger event date(s)) will be clearly detailed in the relevant documentation for each transaction.

6.4 Disclosure and reporting

Genesis is committed to transparency and will disclose and report on its Sustainability-Linked Instruments as follows.

For Sustainability-Linked Loans, Genesis and the arranging banks will agree on the appropriate reporting parameters and the schedule for disclosing information (this will most likely be annual).

For Sustainability-Linked Bonds, Genesis will undertake annual public reporting with regards to the issuance and sustainability performance against the Targets. This reporting will be available on Genesis' website. Genesis will disclose at issuance the reporting that will be provided, including its location, frequency, scope and assurance commitments.

6.5 Verification

To provide stakeholders with certainty that Genesis' Sustainability-Linked Instruments are structured and reported in alignment to the SLLP or SLBP (as relevant), Genesis will seek external review of the following:

- **Prior to issuance:** Limited assurance or a second party opinion that the Sustainability-Linked Instrument aligns to the SLLP/SLBP, with such assessment covering the materiality of the selected KPIs, nature of the Targets, credibility of Genesis' strategy to achieve the Targets, and verification of baseline performance (as applicable).
- **Post issuance:** Ongoing assurance or verification (at least annually, and at a date relevant for assessing the Target performance) on Genesis' performance against the Targets for each KPI. This may cover any material change to the KPI methodology or Target calibration.

These reviews will be made publicly available for Sustainability-Linked Bonds and will be made available to lenders at a minimum for Sustainability-Linked Loans.

7. Climate Transition Finance

When issuing or managing Sustainable Debt, Genesis may align with the CTFH. The CTFH provides guidance to issuers on how Genesis might credibly issue Green Bonds and/or Loans or Sustainability-Linked Instruments to achieve its emission reduction goals and climate transition strategy.

In Appendix 1, Genesis has outlined how its Sustainability Strategy aligns to the key elements of the CTFH:

- Climate transition strategy and governance;
- Business model environmental materiality;
- Science-based transition; and
- Implementation transparency.

8. Sustainable Debt Governance

Sustainability is integrated across Genesis and the Genesis Board has visibility and oversight of the development of Genesis' Sustainability Strategy. As outlined in section 4.2, Genesis has formed a Committee with sufficient expertise to perform the functions set out in this Framework.

The Committee will oversee key matters relating to Sustainable Debt, including approval prior to issuance of a Sustainable Debt Instrument, reporting and ongoing performance:

- For Green Bonds and/or Loans, the Committee has oversight of Genesis' reporting and the allocation of the Green Debt proceeds to finance or refinance Eligible Assets under this Framework.
- For Sustainability-Linked Instruments, the Committee has oversight of performance against the Targets.

The Committee meets on a six-monthly basis (or otherwise as required) and will report to the Genesis Board in respect of the activities for which the Committee is responsible.

9. Continuous Improvement

As the Market Standards and the global sustainable finance markets continue to evolve, so too will Genesis' approach as it seeks to adapt to the changing environment. Genesis may update this Framework from time to time in its discretion, including to remain in line with market best practice.

For the ongoing enhancement of Genesis' Sustainable Debt programme, we welcome feedback and input from stakeholders as this will support Genesis to deliver on its sustainability objectives and meets the needs of investors and stakeholders.

Appendix 1: Alignment with ICMA's Climate Transition

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Genesis' Framework and broader Sustainability Strategy both align to the issuer-level disclosure recommendations in ICMA's CTFH, as outlined below:

Key Elements	CTFH Recommendation	Genesis' Disclosures and Alignment
Issuer's climate transition strategy and governance	<ul style="list-style-type: none"> • Transition strategy to address climate-related risks and contribute to alignment with the goals of the Paris Agreement. • Relevant interim targets on the trajectory towards long-term goal. • Governance of transition strategy. 	<ul style="list-style-type: none"> • TCFD disclosures • Medium-term SBTi-validated emissions reduction target aligning to 1.5 degrees, with interim targets established to support achievement of this. • Decarbonisation levers and accompanied strategic planning is outlined in Genesis' Future-gen strategy. This strategy centres around transitioning the renewable energy asset base to deliver on the Future-gen strategy, which is core to the business model and achievable.
Business model environmental materiality	<ul style="list-style-type: none"> • Transition trajectory should be relevant to the environmentally-material parts of the issuer's business mode. 	<ul style="list-style-type: none"> • Oversight and governance of the Future-gen strategy is a key responsibility assigned to Future Gen governance comprised of Chief Trading Officer, Chief Operations Officer, CFO, CEO. Outcomes are linked to all Execs STI's.
Climate transition strategy to be 'science-based' including targets and pathways	<ul style="list-style-type: none"> • Transition strategy should reference science-based targets and transition pathways. 	<ul style="list-style-type: none"> • Interim emissions reduction targets aligned to 1.5 degrees. Covering all emission scopes and measured on an absolute basis. • Credible and clear decarbonisation methodology – SBTi validation. • Externally verified baseline year.
Transparency of climate transition implementation	<ul style="list-style-type: none"> • Disclosure of CAPEX and OPEX plans. • Climate-related outcomes and impacts that expenditures are intended to result in. 	<ul style="list-style-type: none"> • Disclosure on the electricity generation asset base and the percentage of renewable assets that facilitate the transition. On announcement of new renewable energy developments, Genesis will disclose the environmental benefits (GWh generation, emissions avoided) and cost of development. Where possible, Genesis endeavours to report on the CAPEX and OPEX plans to achieve this climate transition. • Genesis supports a 'Just Transition' and, over time, intends to develop a strategy to manage this.

Appendix 2: Further Information

More information on Genesis' approach to sustainability can be found:

On our website:

<http://genesisenergy.co.nz/>

In our annual report:

<https://www.genesisenergy.co.nz/investors/reports-and-presentations#annual>

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