**MARKET RELEASE**

**Date: 22 August 2024**

NZX: GNE / ASX: GNE

## Strategy on track despite challenging year

| | 12 months June 2024 | 12 months June 2023 | Change |
|---|---|---|---|
| **EBITDAF** [1] | $407.2m | $523.5m | (22%) |
| **Gross Margin** | $770.3m | $853.7m | (10%) |
| **Net Profit** | $131.1m | $195.8m | (33%) |
| **Operating Expenses** | $363.1m | $330.2m | 10% |
| **Earnings Per Share** | 12.21 cps | 18.21 cps | (33%) |
| **Total Dividends Per Share** | 14.0 cps | 17.6 cps | (21%) |

Strategy Being Delivered:

- Retail reset progressed - 130 FTE removed
- 85 MW Huntly Firming Options sold
- 100 MW (200 MWh) battery for Huntly Power Station
- 190 MWp of solar agreements reached
- Development pipeline expanded to 1,000 MW
- Gas storage option of up to 10 PJ under negotiation

Genesis Energy delivered FY24 EBITDAF of $407.2m with Net Profit after Tax (NPAT) of $131.1m in a challenging operating environment. The financial result was impacted significantly by gas supply constraints, low hydro and wind levels and a seven-month unplanned outage of Huntly Unit 5. Fuel costs were $169.5 million higher, while 99.9% of Genesis customers were not impacted by the higher wholesale prices.

During the period, good progress was made in delivering on Gen35 strategy. The first stage of a new lower-cost retail operating model was implemented, a final investment decision was made on installing 100 MW/200 MWh of battery storage at Huntly Power Station, a new site for a 127 MWp[2] solar farm was confirmed, and negotiations are ongoing in securing a local and sustainable supply chain of biomass.

[1] Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, unrealised fair value changes, and other gains and losses. Refer to note A1 in the consolidated financial statements for reconciliation from EBITDAF to net profit before tax.

[2] MWp refers to the maximum direct current (DC) power output of a solar system under ideal conditions.

The operating conditions for FY24 were in direct contrast to the prior comparable period where near historic high hydro levels drove a record financial performance.

The company declared a final dividend of 7.0 cps. This takes the annual declared dividend to 14.0 cps.

Chief Executive Malcolm Johns said Gen35 is focused on driving earnings growth from new investments by FY27.

“In FY24 we met our challenges head on, demonstrated the resilience of the generation portfolio, shaped the business for the future and set up the 8 by ‘28 framework to deliver Horizon 2 of Gen35. These are our eight key deliverables for growth over the next four years,” Johns said.

“Battery storage and biomass were advanced as we evolve Huntly Power Station to provide 1,400 MW of energy security for a high renewables grid, with 500 MW by FY28. In our solar programme, we are pleased to have secured another large solar site, we continue due diligence on other locations and Lauriston solar farm in Canterbury is on track for first generation toward the end of this calendar year.

“These show Genesis is delivering new renewables and energy security at scale.”

The 8 by ‘28 framework includes investment into grid scale solar, battery storage, biomass, gas storage, customer flexibility, new billing and CRM platform, customer electrification and a focus on operational expenditure.

**Strategy milestones FY24**

Genesis has reached final investment decision to install 100 MW/200 MWh of battery storage at Huntly Power Station. This is the first tranche of up to 400 MW of battery on-site. Genesis is able to leverage existing land, infrastructure, and grid connection to deliver this project at an investment cost of approximately $150 million, the lowest cost grid scale battery in New Zealand to date. The battery is an important addition to evolving Huntly as the country’s leading energy security generation site. Battery installation is expected to begin in Q2 FY25 and be operational in early FY27. The battery provider is SAFT, a subsidiary of Total Energies and a global battery specialist with strong experience in the New Zealand market.

An agreement has also been reached for a new 127 MWp solar development at Edgecumbe in the Bay of Plenty. The 207 hectare site will be developed by Genesis with first generation targeted for FY26. The site is a quality competitive solar development which provides a high solar yield. It is in a good location connecting to an existing substation and acquired from a reliable developer.

The Lauriston solar site is under construction and on track for first generation late this calendar year.

Genesis continues to make good progress with sourcing a sustainable local supply chain for biomass. We are working toward receiving a small domestic supply of biomass by the end of FY25 that will be used to fine tune the Rankine units to run on the fuel. A further update to the market will be provided later in 2024.

**Drivers of FY24 financial performance**

Lower rainfall in FY24 resulted in 27% lower renewable generation. This, alongside the Unit 5 outage and New Zealand gas shortages, saw the Rankine units at Huntly Power Station come to the fore, highlighting the deep resilience of the Genesis generation portfolio.

Thermal generation was up 1,105 GWh which meant higher fuel costs across the portfolio. This contributed to a $116m reduction in EBITDAF. Emissions were also higher, up 60% on FY23. Less gas means more coal, which produce twice the emissions of gas.

Gas supply will continue to be an issue for the sector for the foreseeable future and gas prices will remain high. There has been a strong correlation between gas and electricity prices. Imported coal has become a cheaper generation fuel than domestic gas.

Genesis has been able to secure additional gas supply to support customers and generation at Huntly through agreements with market participants. Genesis has also taken a right to develop up to 10 PJ of gas storage with the Tariki Joint Venture. This will enable gas to be stored for use during winter months.

Retail maintained high customer satisfaction levels as the retail operating model was simplified. A lower cost, lighter touch operating model saw 130 FTE disestablished across employees, contractors and vacancies. With new technology being deployed the retail business is on track for operating with around 200 fewer FTE by FY26.

There was a $33 million increase in operating expenditure due to investment in digital projects across the business, higher staff costs and inflationary pressures. This increase is in line with Gen35 expectations.

Investment was made into Tuai Power Station with the last of three new generators installed, lifting maximum production by around 10%. At Rangipo station, near Turangi, refurbishment work was undertaken on one of the turbines, generator and intake gate.

**Market Conditions**

Malcolm Johns said that current market conditions demonstrate energy security is non-negotiable in a high renewables grid.

“The market conditions New Zealand is experiencing demonstrate the critical importance of energy security to the New Zealand economy. Over the next four years Genesis is targeting building 500 MW of new renewable electricity and freeing up 500 MW of baseload generation at Huntly to support energy security. This is New Zealand’s fastest, cheapest pathway to shoring up short term energy security in a high renewables grid,” he said.

Huntly Power Station can only operate on specific types of coal which are now only available from two mines in Indonesia. These supply chains are long, mine supply volumes are fixed, and it takes up to six months to surge coal supplies to New Zealand.

New Zealand has a capacity reserve requirement in current market settings. As we add more solar and wind to the grid, the country also needs an energy reserve setting, and all generators need to take a share of that energy reserve. The market will efficiently solve for both capacity and energy reserves once the settings are in place.

**Guidance**

Genesis Energy advises that FY25 EBITDAF is expected to around $460 million. Genesis highlights current volatility across electricity and gas markets and notes that this could result in a wider range of earnings outcomes. Guidance is subject to gas availability, plant availability, hydrology and any material adverse events or circumstances.

FY25 capital expenditure is expected to be around $180 million, including around $60 million investment in the 100 MW/200 MWh battery at Huntly. In line with Gen 35 Strategy, operating expenditure is expected be around $390 million.

**ENDS**


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|---|---|
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**About Genesis**

Genesis (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. Genesis sells electricity, reticulated natural gas and LPG through its retail brands of Genesis and Frank and is one of New Zealand's largest energy retailers with more than 490,000 customers. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis had revenue of $NZ3.1 billion during the 12 months ended 30 June 2024. More information can be found at www.genesisenergy.co.nz

# FY24 Results Presentation

Presenters:
**Malcolm Johns** Chief Executive
**Emma Oettli** Interim Chief Financial Officer

**22 August 2024**

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1. Gen35 Horizon 1 – FY24
2. Financial Performance
3. Gen35 Horizon 2 – FY28
4. Guidance
5. Appendix

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# Performance Highlights

## People

### Total Customers

**496,596**

Up 2.7% on FY23

### Core FTE Employees

**1,214**

A decline of 64 core FTE employees since H1 FY24. See slide 9 for further details.

### Employee Engagement

**81%**

6% higher than New Zealand benchmark.

## Planet

### Lauriston Joint Venture Solar

**63 MWp[1]**

Construction underway with first generation expected in Q2 FY25.

### Huntly Battery

**100 MW**

Final investment decision reached for 100 MW/200 MWh battery at Huntly Power Station.

### Edgecumbe Solar Development [2]

**127 MWp**

Site secured for 127 MWp/114 MWac development. First generation targeted for mid-2026.

## Profit

### EBITDAF [3]

**$407.2m**

Down 22% on FY23

### Net Profit After Tax

**$131.1m**

Down 33% on FY23

### Full Year Dividend

**14.0 cps**

Down 21% on FY23. 100% imputed.

1. MWp refers to the maximum direct current (DC) power output of a solar system under ideal conditions.
2. Final size, development costs and generation volumes to be optimised through FID process.
3. Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, unrealised fair value changes, and other gains and losses. Refer to note A1 in the consolidated financial statements for reconciliation from EBITDAF to net profit before tax.

# Gen35 Horizon 1 Strategy Delivered

## Horizon 1 FY24

'Getting Future Fit', focused on sweeping our own front yard at a group and business unit level.

| | | |
|---|---|---|
| **Retail & Technology** | Retail and Technology Operating Review | • First stage of Retail operating model review completed. A reduction of 130 FTE across retail and technology was concluded. On track for a 200 FTE reduction by FY26. |
| | Billing and CRM Re-platform | • Design and more than 70% of build complete for Frank brand release. Tracking to a late FY25 go live, and Genesis brands by end of FY27. |
| **Solar** | Lauriston Solar Farm | • Lauriston Solar farm under construction alongside joint venture partners FRV Australia. First generation on track for Q2 FY25.<br>• Ten-year Energy Supply Partnership agreed with Spark supported by Lauriston development. |
| | Further Development | • Secured 127 MWp Edgecumbe solar project opportunity. FID is planned for mid 2025, first generation mid 2026.<br>• Strong pipeline of other solar development opportunities. On track for up to 500 MW by FY28. |
| **Biomass Option Refined** | Biomass | • On track to complete fibre audit in 2024. Considering production options and economics, engaging with potential suppliers. |
| **Battery Investment** | Battery | • Final investment decision made in August 2024 for 100 MW/200 MWh battery at Huntly. Commercial operation planned for Q1 FY27. Investment targeting 9-10% IRR. |

# Growth in Satisfaction and Customer Numbers

**Customer Growth**

- Genesis continued to expand its customer base, hitting 496k customers with growth slowing towards the end of the year.

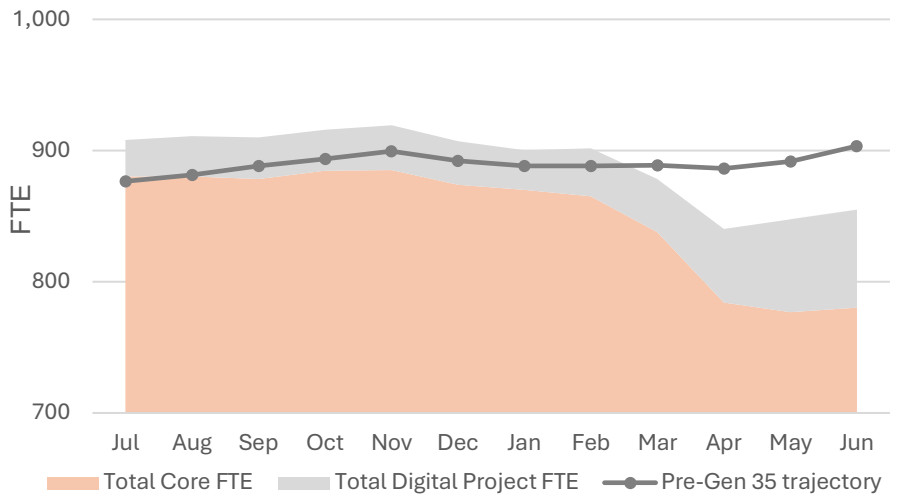
**An Efficient Core**

- A new simplified retail operating model was implemented, resulting in a reduction of 130 FTE across retail and retail related employees, contractors and vacancies.
- Genesis achieved improved netback across electricity and gas.

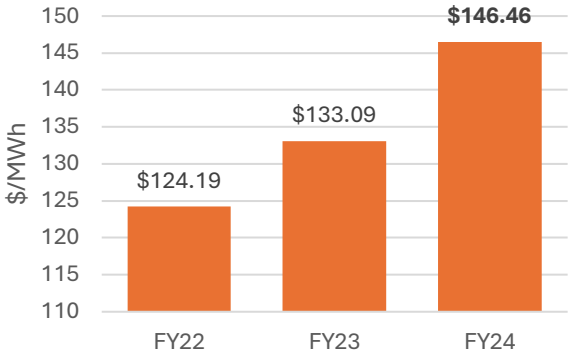
**Improved Customer Satisfaction**

- Genesis iNPS hit +52 for FY24, a 6ppt improvement on FY23.
- Frank won consumer NZ people's choice award for a second consecutive year and Power Shout won Best Overall Loyalty Programme in our industry category at the Asia Pacific Loyalty Awards.

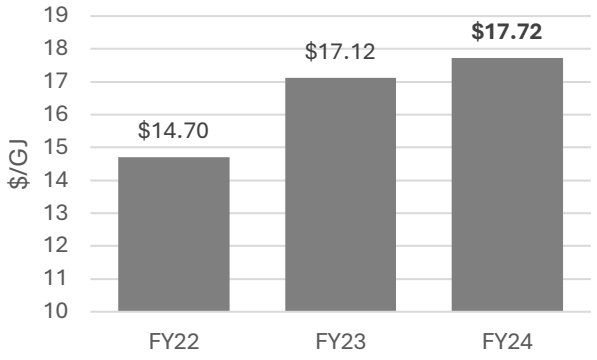
**2024 Retail FTE (employees and contractors)**



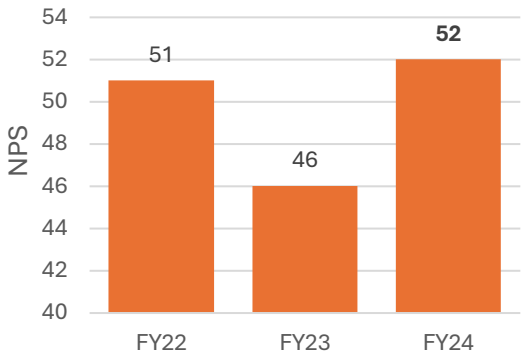

**Electricity Netback**



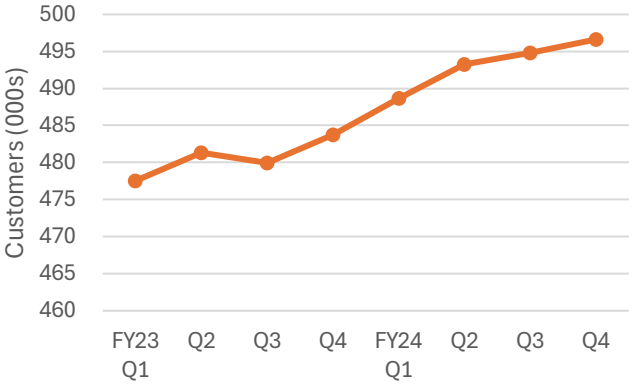

**Gas Netback**




**Interaction NPS**




**Total Customers**

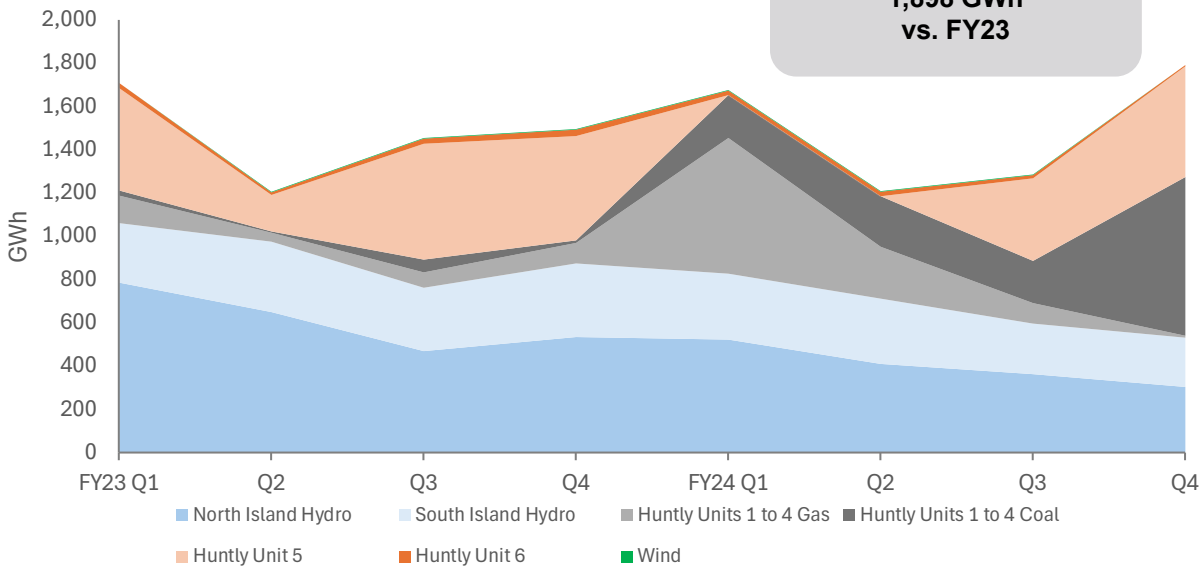


# Rankine Resilience

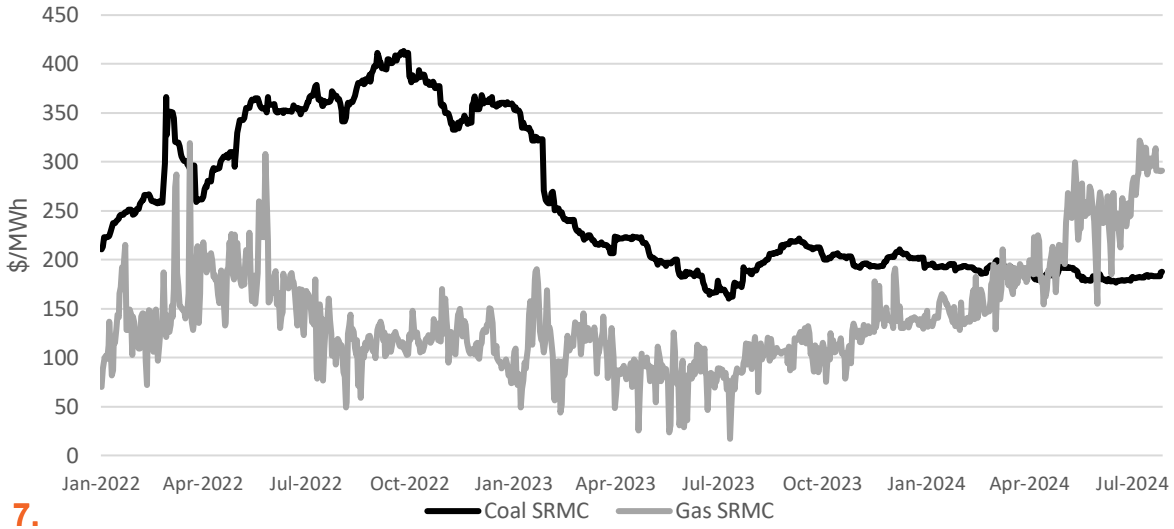
- The Huntly Power Station proved its resilience in a challenging year, impacted by the Unit 5 outages, significant gas shortages and lower hydro.
- The Rankine units provided critical support to the market. Rankine generation volumes were up 1,898 GWh relative to FY23.
- The increased thermal generation and higher fuel costs meant portfolio generation costs were $63/MWh.

**Rankine generation up 1,898 GWh vs. FY23**

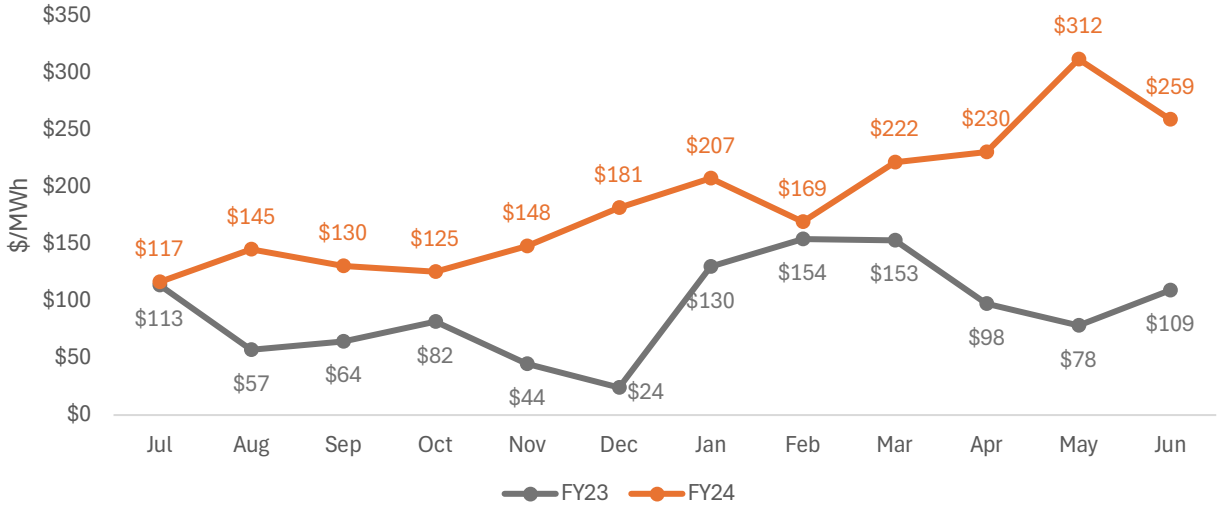
## Generation by Power Station




## SRMC of Thermal Generation




## GWAP



# Generating Growth

Multiple major projects were undertaken in FY24 to lift production from existing assets, as Genesis responded to plant outages and invested for plant reliability.

**Huntly Unit 5 Outage**

- Unit 5 tripped due to the failure of the Generation Circuit Breaker (GCB). A rebuild of the damaged phase was completed and Unit 5 became operational 26 Jan 2024, four months earlier than expected.
- Replacement parts were sourced through Hitachi and the phase was rebuilt. Key components were replaced on all phases of the GCB. A complete spare GCB was purchased and delivered in June 2024.
- The insurance process has concluded, resulting in net insurance recovery to Genesis of $29.4m.

**Huntly Unit 3 Repurposing**

- A replacement of the Huntly Unit 2 intermediate pressure turbine was completed in July 2024. The retired Unit 3 turbine was removed and installed into Unit 2.
- The transfer will increase resilience to the reserve Rankine Unit, for times of market stress.

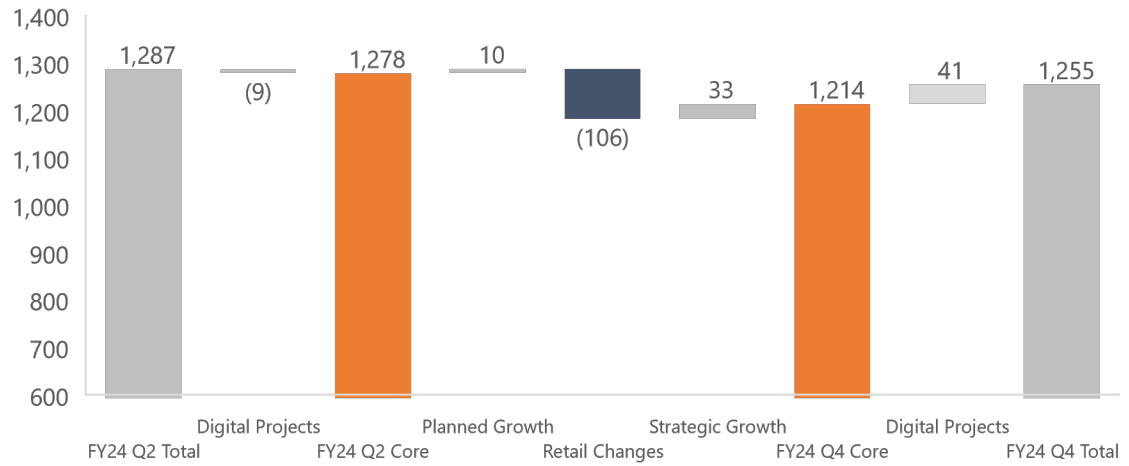
**Waikaremoana Power Scheme**

- Final Tuai generator replacement completed a three-year generator replacement project and improving efficiency by 1.7%.

# Team motivated to keep delivering Gen35

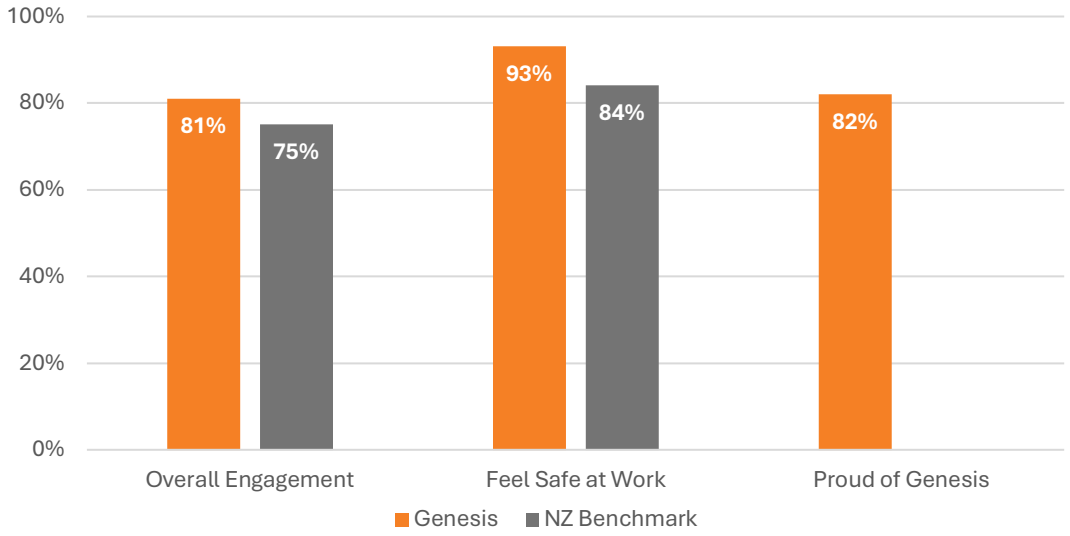
- Through FY24 Genesis rebalanced the business to focus on core Gen35 goals. A new retail operating model was introduced, resulting in a reduction of 130 FTE across employees, contractors and vacancies.
- Genesis surveyed all staff in FY24, a period of significant change in strategy, organisational structure and senior management. Genesis people continued to be engaged, safe and proud of Genesis.
- A continued focus on reducing injuries in our LPG business has resulted in significantly lower lost time/restricted days.

## Movement in Employees (FTE)

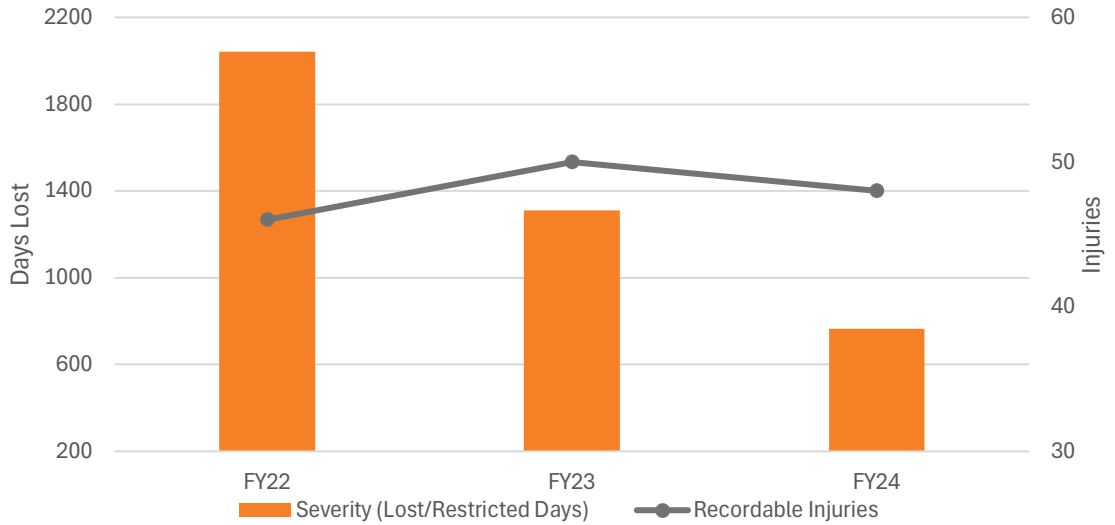



In addition to the 106 FTE employee roles, contractor roles were reduced by 24 FTE, totalling 130 FTE.

## People Survey Results




## Injuries & Severity

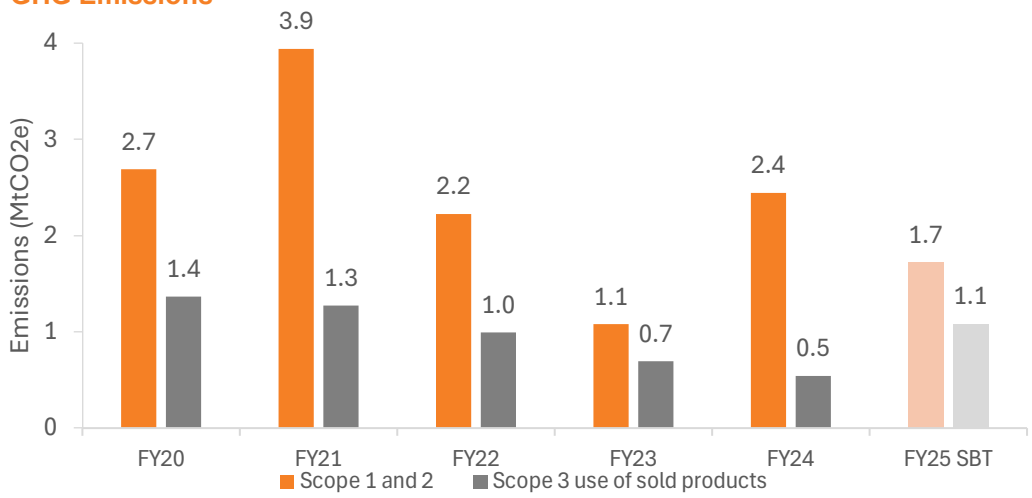


# Carbon Emissions and Sustainability

**Carbon emissions**

- Greenhouse gas emissions significantly increased in FY24, with total emissions 59% higher than in FY23. This was driven by the Unit 5 outages, gas market conditions and lower hydro inflows.
- Genesis' FY25 Science Based Targets are at risk, due to market conditions driving additional thermal generation.
- Genesis remains committed to net zero 2040 and will submit our targets to the SBTi for validation in FY25.

**GHG Emissions**




| Initiative | FY24 highlights |
|---|---|
| **ENERGY WELLBEING**<br>• Supporting curtain banks in our communities<br>• Manaaki Kenehi supporting our customers | • 300,000 hours of energy donated to households in need<br>• Warmer Kiwi Homes campaign raised $116,611<br>• 504 households supplied warm home solutions through our funding |
| **SKILLS & CAREER PATHWAYS**<br>• School-gen, Ngā Ara Creating Pathways, Pūhoro | • 31 apprenticeships, internships and work experiences<br>• 68 students received STEM scholarships across 11 schools |
| **PROTECTING & RESTORING NATURE**<br>• DoC Whio Forever partnership<br>• Kiwi Forever partnership with Ngāti Rangi | • Wetland restoration in Raahui Pookeka Huntly<br>• Project River Recovery in upper Waitaki Basin. |
| **SUPPORTING OUR COMMUNITIES** | • 1,128 hours of volunteering<br>• $2.7m contributed to energy wellbeing, building skills and career pathways, protecting and restoring nature and local communities (12% increase on FY23)<br>• Contributed $105,000 to Tuai School for a solar and battery storage system |

# Financial Performance

# FY24 Financial Summary

**$ MILLIONS**

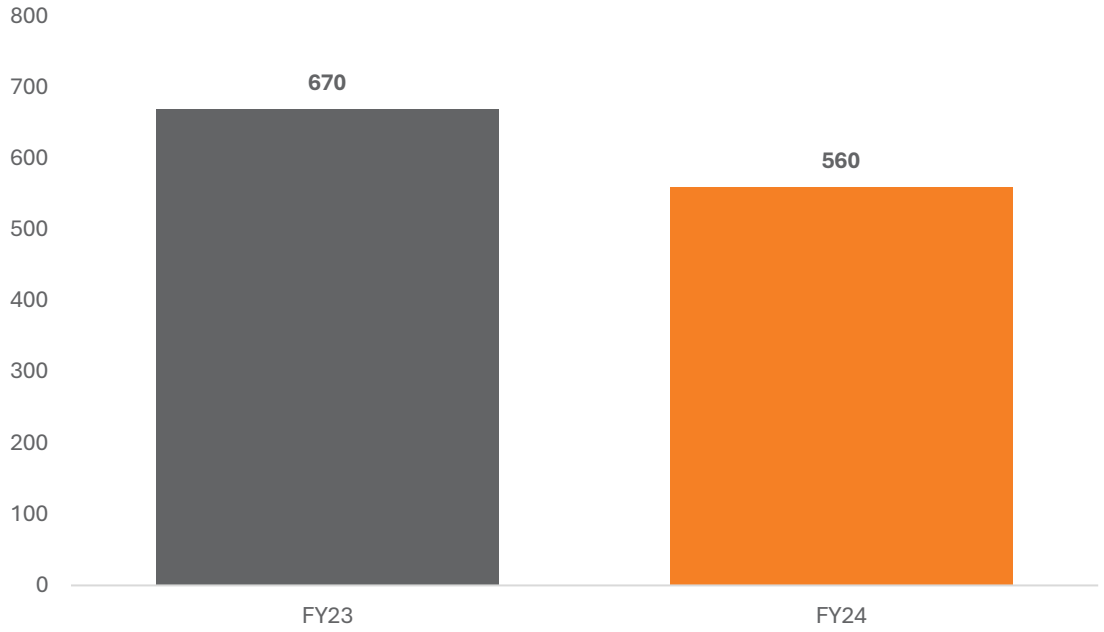
| | FY24 | FY23 | Variance | % | Movements |
|---|---|---|---|---|---|
| Revenue[1] | 3,063.8 | 2,387.5 | 676.3 | 28% | ▲ |
| Gross Margin | 770.3 | 853.7 | (83.4) | (10%) | ▼ |
| Operating Expenses[2] | 363.1 | 330.2 | 32.9 | 10% | ▲ |
| EBITDAF | 407.2 | 523.5 | (116.3) | (22%) | ▼ |
| NPAT | 131.1 | 195.7 | (64.6) | (33%) | ▼ |
| Operating Cash Flow | 439.8 | 422.6 | 17.2 | 4% | ▲ |
| Capital Expenditure | 143.7 | 81.2 | 62.5 | 77% | ▲ |
| Full Year Dividend | 14.0 cps | 17.6 cps | (3.6) | (20%) | ▼ |
| Adjusted Net Debt | 1,223.8 | 1,283.8 | (60.0) | (5%) | ▼ |

1. Revenue represents the external revenue as per segment reporting less realised (gains)/losses on non-hedge accounted electricity derivatives.
2. Operating Expenses refers to Employee Benefits plus Other Operating Expenses.

# FY24 Gross Margin

## A decline in Gross Margin driven by lower inflows, plant outage and gas availability

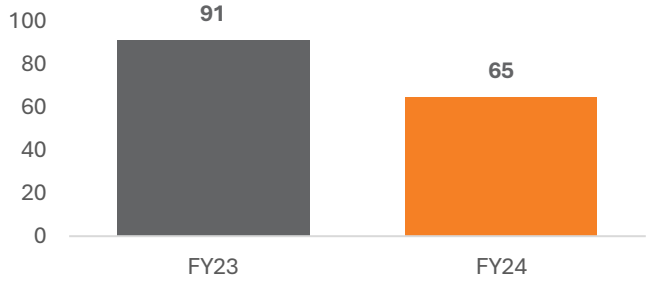
### Electricity Gross Margin ($m)




**Electricity**

- Lower hydro inflows, resulting in 1,003 GWh less renewable generation and increased thermal generation requirements.
- Increased coal use due to the U5 outage and constrained gas availability led to portfolio generation costs of $63/MWh, an increase of $28/MWh vs pcp.
- Continued retail growth, with average prices up to $252/MWh and moderate volume growth.
- Settlements from derivative contracts were lower, driven by increased costs in delivering the Ecotricity hedge.

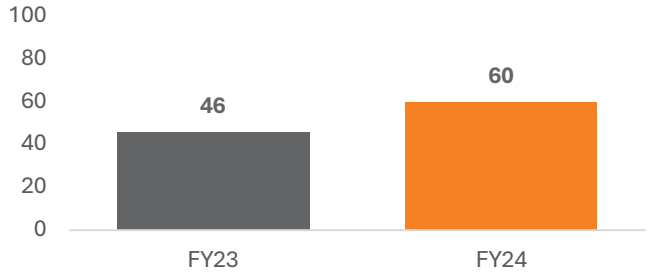
### Kupe Gross Margin ($m)




**Kupe**

- Gas production down to 7 PJ (17%) due to planned outages and declining field production.
- Decrease in FY24 oil shipments partly due to phasing of deliveries.

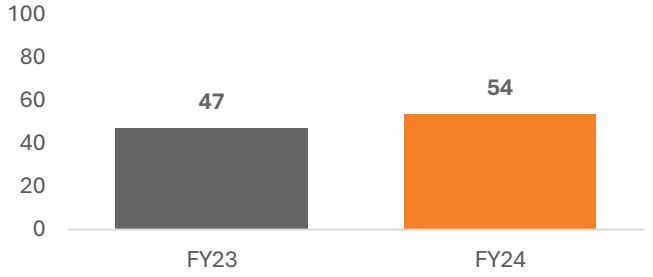
### LPG Gross Margin ($m)




**LPG**

- Volumes remained level across retail and prices improved, as higher costs were reflected in the retail market.
- Note: FY23 purchase costs include increased transfer price relating to FY22

### Gas Gross Margin ($m)

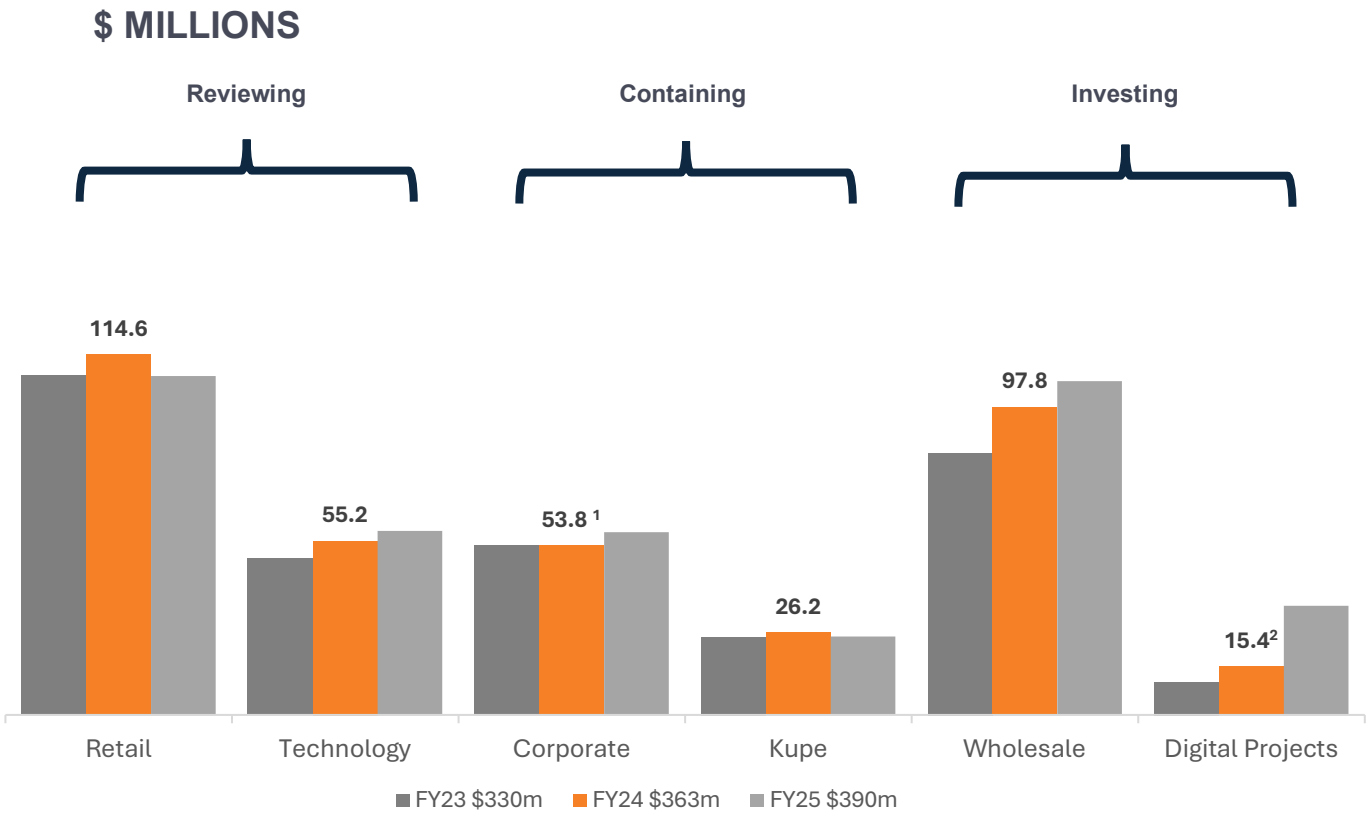



**Gas**

- Genesis continued to focus on higher value retail channels and reduced wholesale gas market sales.

# Operating Expenditure

## FY24 expenditure in line with Gen35 Strategy




1. FY25 Corporate includes $5 million in funds for Gen 35 acceleration. This will be allocated to options to accelerate delivering strategic objectives.
2. Digital Projects represent projects across the business and are allocated to appropriate segments in note A1 in the consolidated financial statements.

- Gen35 strategy initiated a reprioritisation of operating expenditure with changes implemented to focus investment in strategically aligned areas.
- Wholesale was prioritised including building of asset development team and investment to support renewables development.
- Investment into Digital Projects in FY24 was $8m lower due to accounting treatment of SaaS costs.
- Cost pressures from increased staff costs ahead of FTE reductions drove higher Retail costs. The impact of the organisational changes will be reflected in FY25 and beyond.
- In FY25 further investment will be made in Wholesale to accelerate delivery of key projects such as BESS and solar development.

# Net Profit After Tax

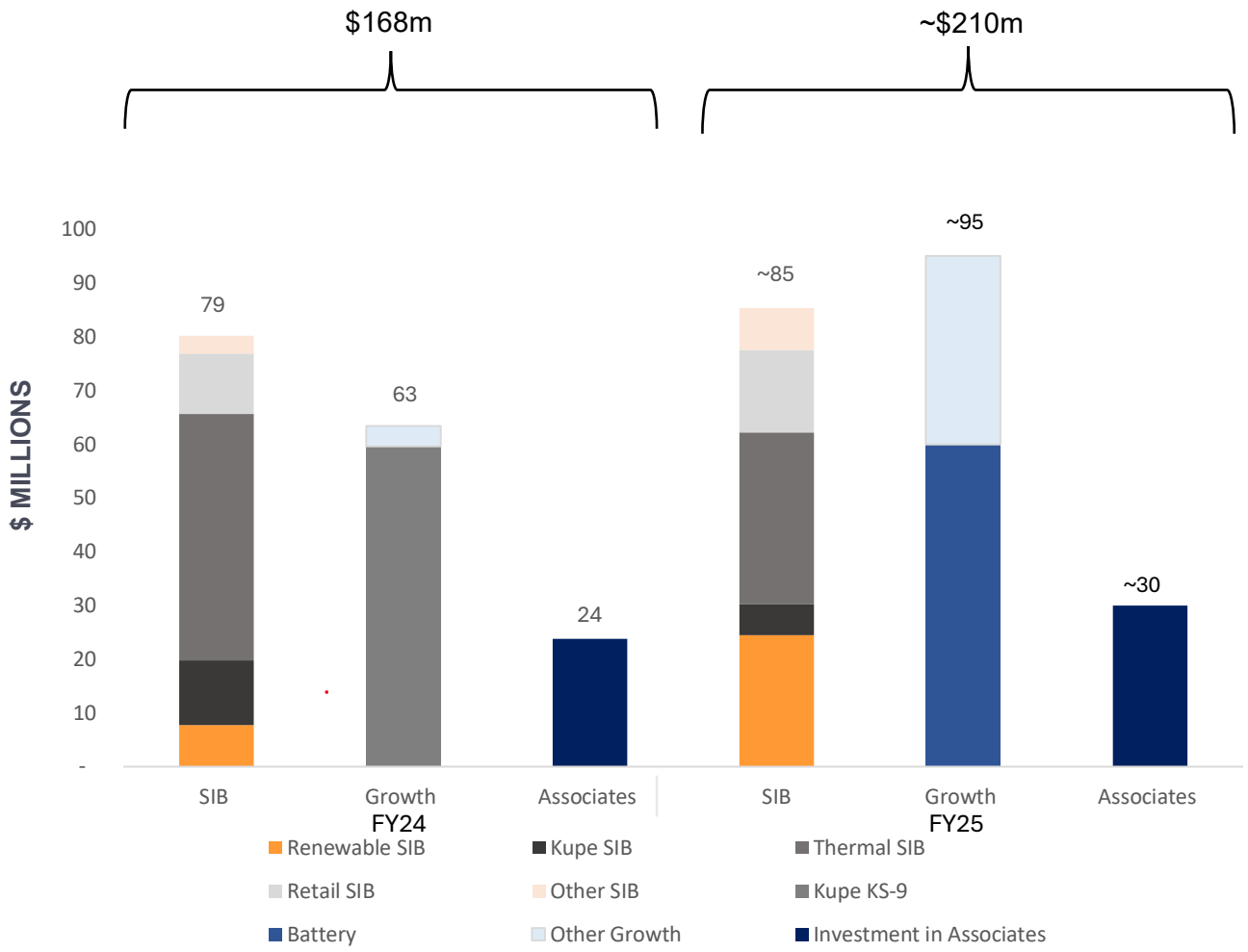
**$ MILLIONS**

| | FY24 | FY23 | Variance | % |
|---|---|---|---|---|
| EBITDAF | 407.2 | 523.5 | (116.3) | (22%) |
| Depreciation, Depletion and Amortisation | (237.0) | (254.8) | 17.8 | 7% |
| Unrealised Fair Value Change[1] | 130.7 | 52.2 | 78.5 | 150% |
| Revaluation of Generation Assets | 31.8 | 46.3 | (14.5) | (31%) |
| Other Gains/(Losses)[2] | 4.5 | (11.4) | 15.9 | 139% |
| Impairment | (65.0) | (3.9) | (61.1) | (1,567%) |
| Net Finance Expenses | (81.1) | (79.5) | (1.6) | (2%) |
| Income Tax Expense | (60.0) | (76.5) | 16.5 | 22% |
| NPAT | 131.1 | 195.7 | (64.6) | (33%) |

1. Fair value change relates to unrealised fair value movements in derivatives (realised movements are included in EBITDAF).
2. Other gains/losses also includes share of associates and joint ventures. It includes revaluation of emission units held for trading; it does not include adjustment for cost of units sold being at fair value.

- Depreciation moderately down, due to Jun-23 asset revaluations partially offset by higher Kupe depletion.
- Elevated wholesale electricity price has resulted in increased PPA contract valuations.
- A downgrade of Kupe reserves resulted in an impairment of $64.1m.
- Other gains/losses includes revaluation gain on emission units held for trading.
- Income Tax Expense down from decreased net profit before tax

# Capital Investment and Associates




## FY24

**Stay-in-business includes:**

- Investment in stage three of the Tuai generator upgrades
- Turbine and generator overhauls at Rangipō
- Completed four-yearly turnaround outage works at Kupe
- Planned Huntly Unit 5 works partially aligned with unexpected outage

**Growth capital includes:**

- Investment in the Kupe KS-9 well drilling

**Investments in Associates includes:**

- Deployment of capital into long term forestry
- Financial close achieved for the 63 MWp solar farm in Lauriston, Canterbury. Delivery and construction of the project is progressing in line with planning

## FY25 Outlook

**Stay-in-business includes:**

- Turbine and generator overhauls at Rangipō
- Commencement of works to Kaitawa Power Station.
- New LPG depots in South Auckland and Dunedin

**Growth capital includes:**

- Staged investment in for battery at Huntly
- Solar development

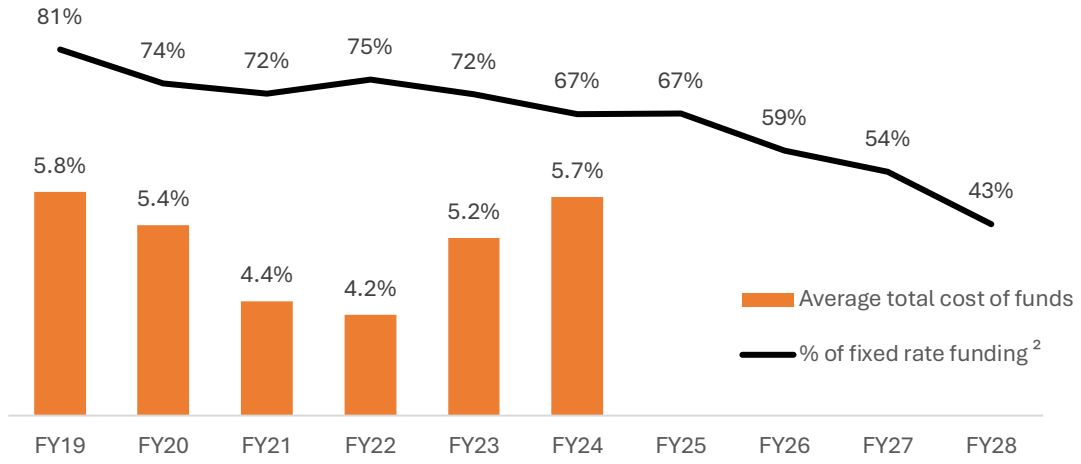
**Investment in Associates includes:**

- Deployment of capital into long term forestry investments
- Lauriston commercial operation

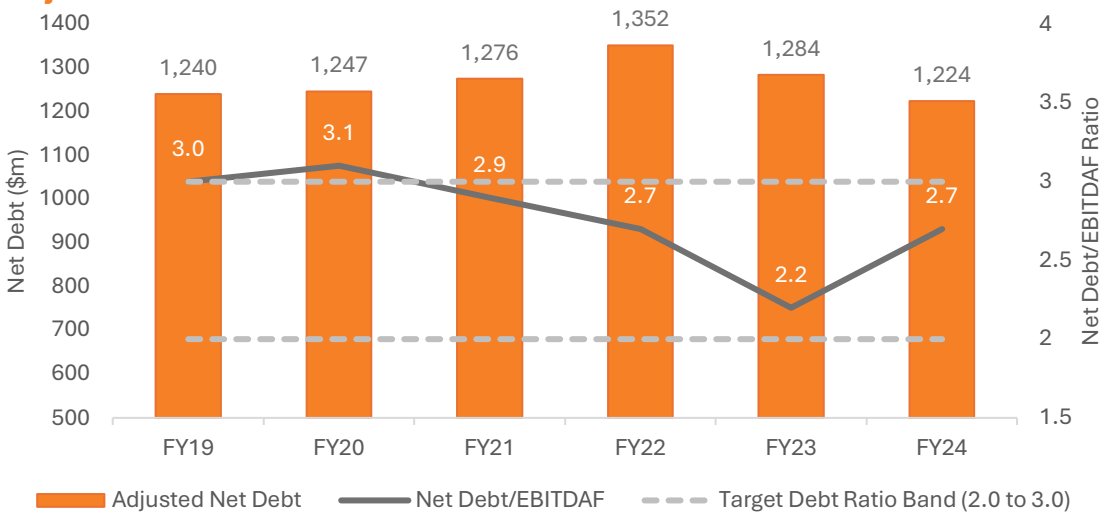
# Net Debt and Funding

- Net Debt/EBITDAF increased to 2.7 due to the reduction in EBITDAF.
- Adjusted Net Debt declined by $60 million in the period to $1,224 million, as inventory and working capital declined.
- Average funding costs increased to 5.7%, as debt was secured at higher rates.
- Board declared a dividend on 7.0 cps, consistent with full year guidance of 14.0 cps. Dividend is fully imputed a supplementary dividend of 1.24 cps is payable to eligible shareholders.
- Dividend reinvestment plan remains available for shareholders at a 2.5% discount.

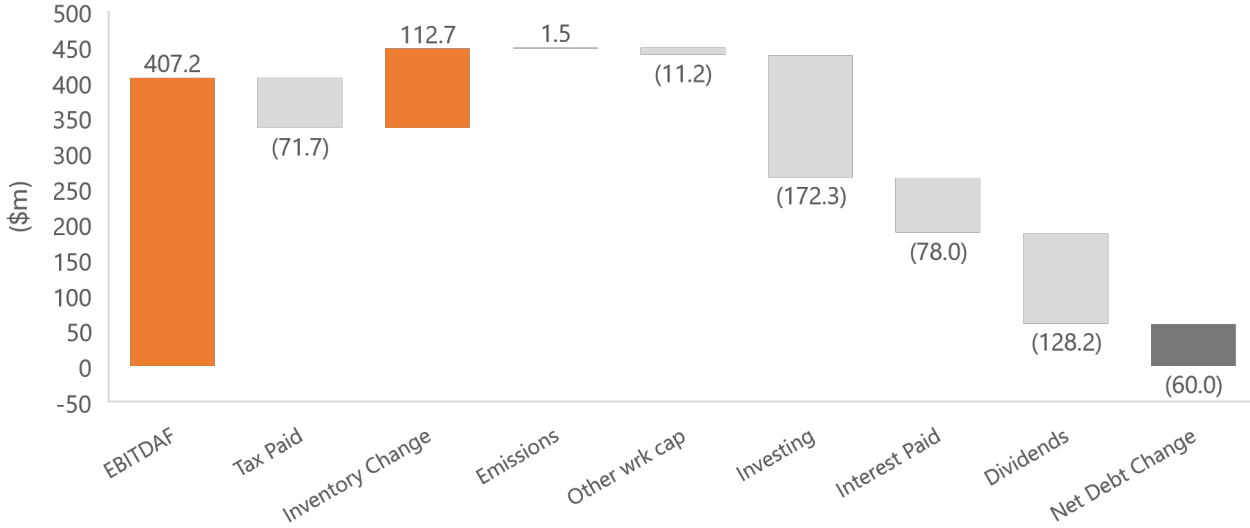
## Fixed Interest Rate Profile




## Adjusted Net Debt/EBITDAF Profile[1]




## Movement in Adjusted Net Debt

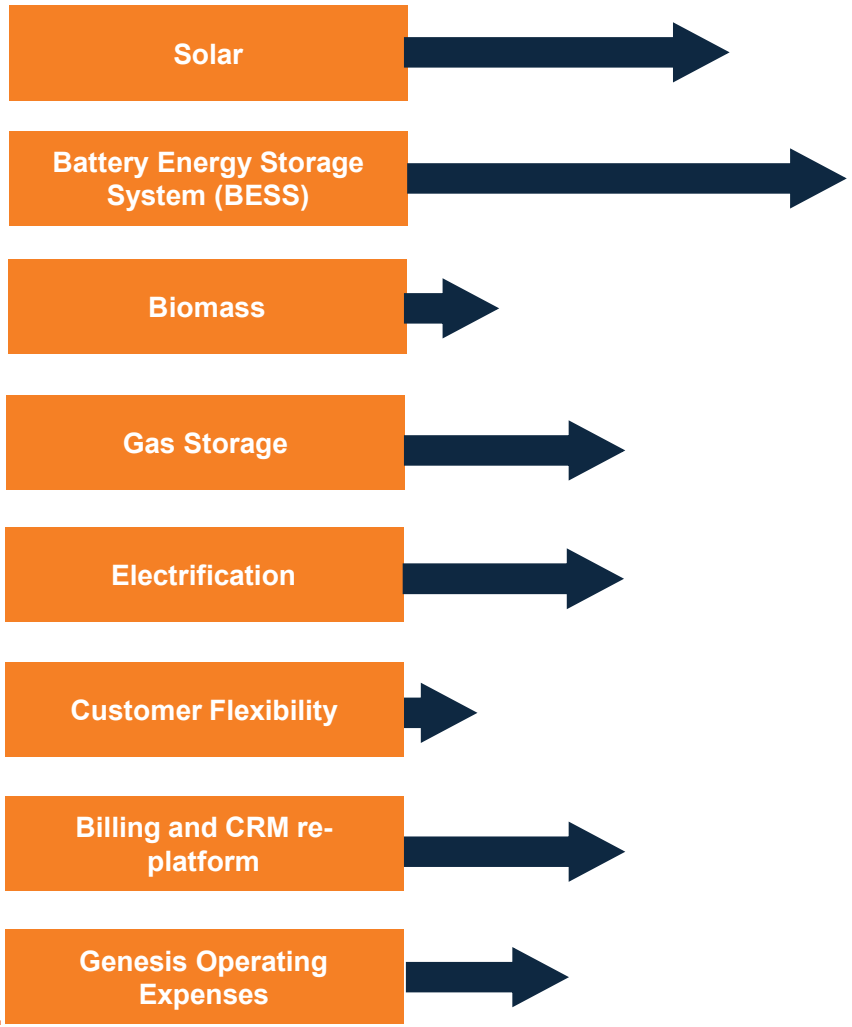



1. S&P Global Ratings make several adjustments to Net Debt and EBITDAF for the purpose of calculating credit metrics. The most significant of these is the 50% equity treatment attributed to the Capital Bonds. FY24 is based on Net Debt at 30 June 2024.
2. Equal to fixed rate debt/net debt. For future years net debt assumed to be equal to June 2024.

# Gen35 Horizon 2 – FY25-FY28

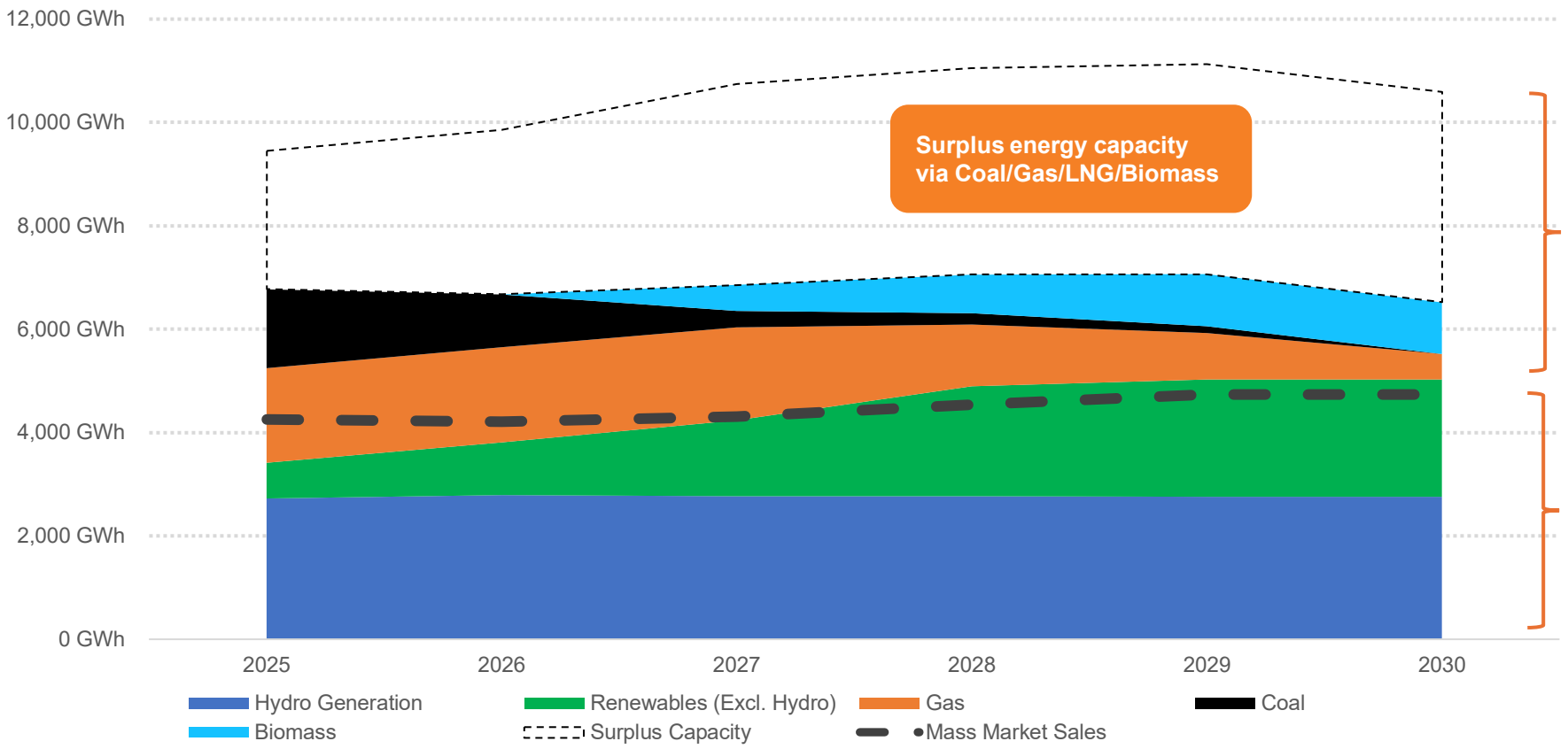
# Gen35: 8 by ‘28

## Horizon 2 Objectives to deliver mid-$500m EBITDAF




| | FY28 Goal | Status |
|---|---|---|
| Solar | Up to 500MW of solar developed and operational | 63MWp under construction, 127MWp site secured. Over 500MW of opportunities under consideration. First solar generation in H1 FY25. |
| Battery Energy Storage System (BESS) | 100MW/200MWh BESS operational at Huntly | FID made for New Zealand’s lowest cost BESS. Commercial operation in Q1 FY27. |
| Biomass | 300 kt of biomass delivered to Huntly | Fibre market review complete. Considering production options and economics, engaging with potential suppliers |
| Gas Storage | Gas storage sufficient for seasonal operation of Huntly | Secured exclusive right to negotiate for up to 10 PJ of storage at Tariki. Site could be operational in 2026. |
| Electrification | 30% of EV owners Genesis Customers | Genesis currently has 8% of EV customers. Plan to improve product offerings and expand services. |
| Customer Flexibility | 150MW of Customer Flexibility | Developing software and expertise for building customer flexibility. Ecotricity extending distributed solar and battery into scaled VPP. |
| Billing and CRM re-platform | Full implementation across Genesis and Frank | Design and more than 70% of build complete for Frank brand release. Tracking to a late FY25 go live, and Genesis brands by end of FY27. |
| Genesis Operating Expenses | Group Operating Expenditure < $361m | New retail operating model launched, 130 FTE reduction. Increased expenditure focused to strategic goals and time-bound digital projects. |

# Portfolio – Energy and Earnings Security




Wholesale Length

Retail Position

**Wholesale Channels**

- Includes all B2B Wholesale channels across C&I, ASX, HFO's and Corporate Energy Supply Partnerships.

**Retail Channels**

- All B2C Retail channels across Genesis Home, Genesis Business, Frank and Ecotricity

- Estimated outlook assuming P50 hydrology and execution of Gen 35 strategy.
- Renewable development through PPAs, JVs and direct investment is expected to grow the total renewable portfolio to approximately 5,000 GWh by 2030.
- Long generation position, could be delivered through coal, gas, LNG or biomass.

# Delivering Renewables Growth

- The Genesis asset development pipeline continues to grow, with over 1000MW of development opportunities across solar, battery and wind.
- Genesis has significantly grown our development team and built a pipeline of opportunities for potential investment. Projects can be delivered through PPA, joint venture or balance sheet development.
- Genesis continues to prioritise solar development due to speed to market and lower development costs. Genesis remains on track for delivery of up to 500MW of grid-scale solar generation by FY28.
- The economics of solar continue to improve, with declining solar panel input costs and a firming of long-term electricity prices.

**Screening of Development Options for quality, value and Genesis portfolio fit**

**Wind PPA 74MW**

**Castle Hill Wind ~300 MW**

**Battery 300 MW**

**Solar 500 MWp**

**Current Expectations for long run wholesale electricity prices at $115/MWh**

**(OTA FY24 real)**

**Solar 127 MWp**

**FID Process**

**Solar 63 MWp**

**Battery 100 MW**

**Wind PPA 133 MW**

**Geothermal PPA ~63 MW**

**Pipeline Converting Opportunities to Operations**

**Development Opportunity**

Development option with land secured, feasibility studies, progressing through connection and resource consenting

**Advanced Stage Development**

Resource consent and connection agreement secured, front end engineering and design, financing, EPC and PPA in progress

**Construction**

Project delivery phase post-FID

**Operation**

Commercial operation of plant

# Edgecumbe Solar Farm Development

- Genesis has signed a conditional agreement with Helios for the purchase of a 114 MWac/127 MWp solar farm site at Edgecumbe. The site combines high sunshine hours and an existing connection to a Transpower substation and is an advanced stage project.
- Double the size of Lauriston, the project will be directly funded on the balance sheet or through another structure. The advanced stage of the asset enables timely delivery of the project. Final investment decision is planned for mid 2025 and first generation expected in mid 2026.
- Total project costs[1] are approximately $1.7m/MWp, annual generation is estimated as 230 GWh per annum.
- The final size, development costs and resulting generation will be optimised through the FID progress.

| Edgecumbe Solar Farm | |
|---|---|
| **Location** | Edgecumbe |
| **Area** | ~ 207ha |
| **Capacity** | ~ 114 MW ac/127 MWp |
| **Annual Generation** | ~ 230 GWh |
| **Capacity Factor** | >20% |
| **Total Project Cost** | ~ $1.7m/MWp |
| **FID** | Mid 2025 |
| **First Generation** | Mid 2026 |
| **Nodal Premium** | 0.94 (to OTA 2201) |

1. Total project costs include EPC construction, connections, finance and leases through construction and other costs.

## Competitive Advantages

- Ideal location due to very high sunshine hours.
- Existing connection to Transpower substation and resource consent.
- Large project provides economy of scale.
- Advanced development and funding structure allows accelerated speed to market.

# FID Reached on 100MW/200MWh Battery at Huntly

- Genesis had made a final investment decision on Stage 1 of the Huntly Battery Energy Storage System (BESS) development programme. Genesis will partner will Saft for delivery of Stage 1 and is using a multi-contract structure for delivery.
- The Huntly BESS utilises existing land, infrastructure and connection enabling Genesis to deliver this project at an investment cost of approximately $150 million. Genesis has available land for up to 400 MW of batteries.
- Revenue from the battery will be derived from energy arbitrage, reserves and benefits to the Genesis portfolio. It is estimated that annual EBITDAF from stage one will be between $20m and $30m.
- Due to lower construction costs, existing land and benefits to the Genesis portfolio, the projects is estimated to provide an IRR of 9% to 10%.
- The Genesis BESS portfolio will enable the development of future wholesale market hedging products.

| Huntly Battery – Stage 1 | |
|---|---|
| **Nameplate capacity** | 100 MW/200 MWh |
| **Supplier** | Saft |
| **Product** | Intensium Shift+ (~70 x 3.3MWh containers) |
| **Expected lifetime** | 20 years |
| **FID** | August 2024 |
| **COD** | Q1 FY27 |
| **IRR** | 9-10% |
| **Total CAPEX** | c. $150m |

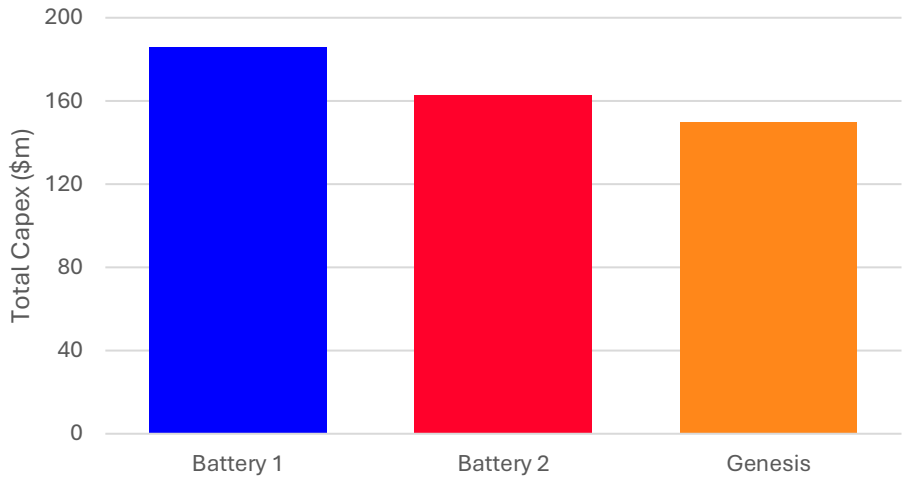
**Arbitrage**
Capturing value of time-shifting electricity from off-peak to peak.

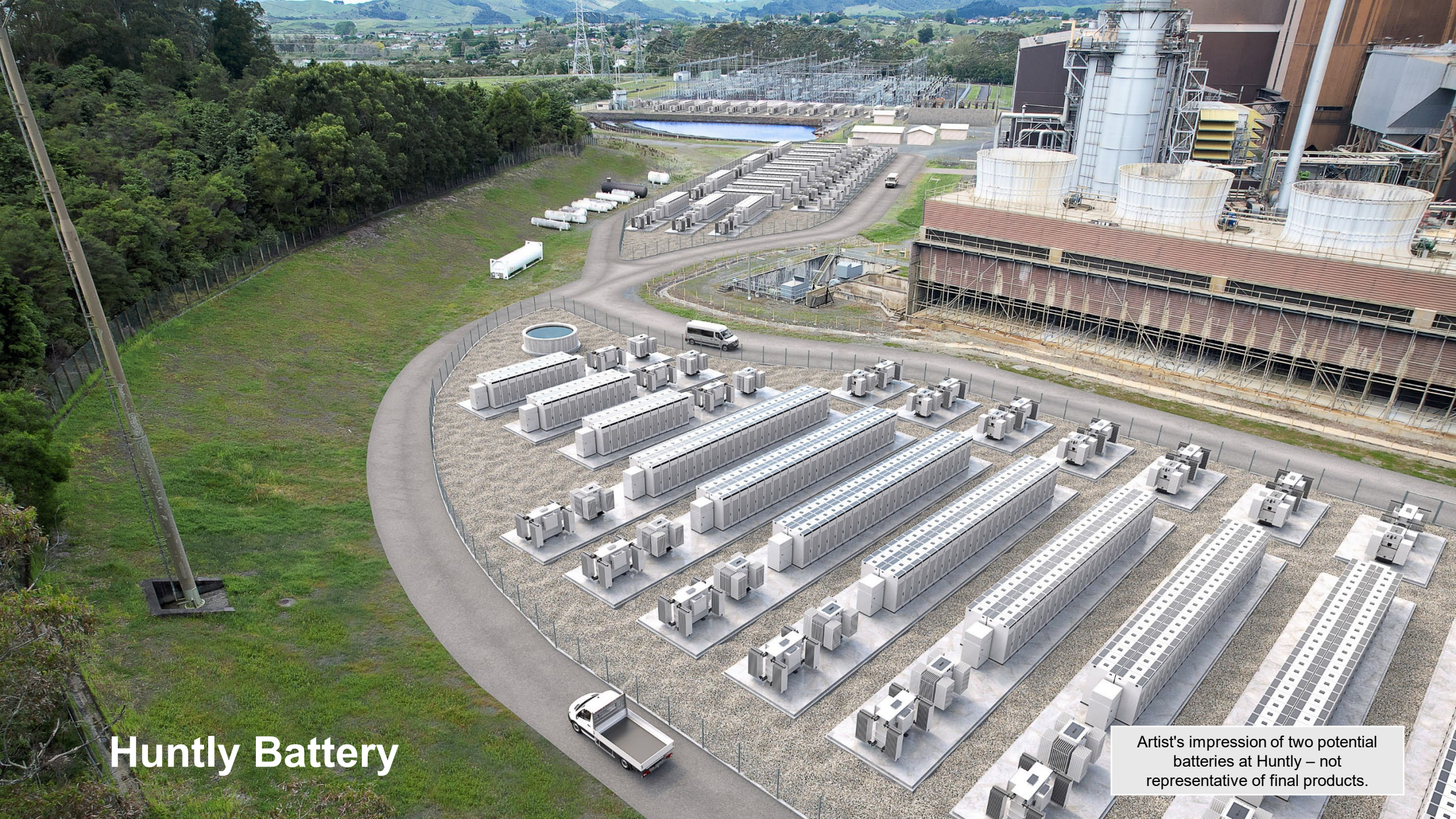
**Ancillary Services**
Value from participating in ancillary services markets, notably reserves.

**Portfolio**
Optimisation of Genesis' portfolio as it transitions to 95% renewable.

~$25m EBITDAF p.a.

**Battery Investment Cost Comparison**





# Huntly Battery

Artist's impression of two potential batteries at Huntly – not representative of final products.

# Growing Value from Gas

- The New Zealand gas market remains exceptionally tight, with prices at record high levels. Genesis has recently secured additional gas from Methanex.
- Genesis is actively participating in the gas security response group. Genesis is considering options in relation to LNG offtake and the role it could play in the Genesis portfolio.
- Estimates of the Kupe JV field reserves have been updated, with an 81.2 PJe 2P decline in reserves estimate.

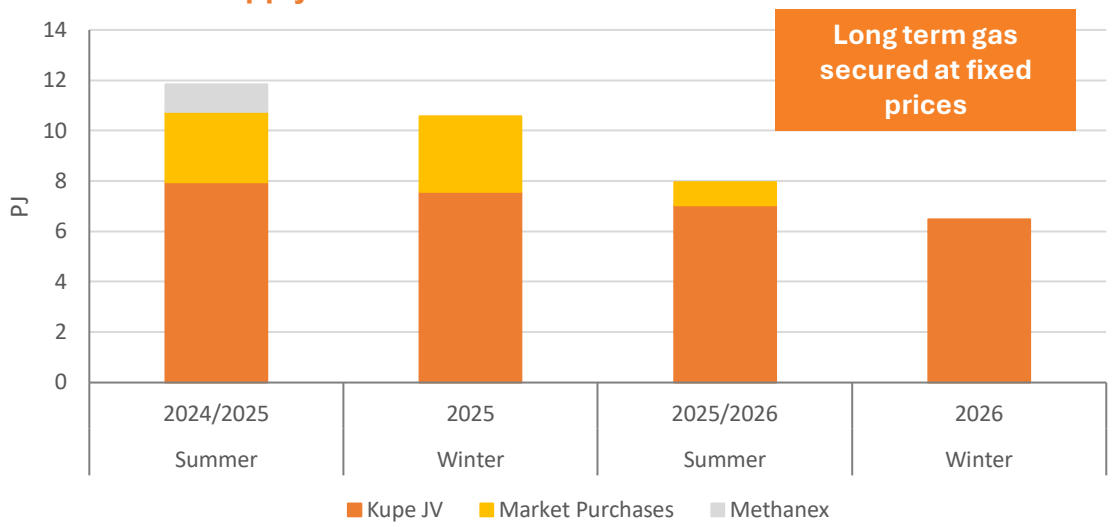
**Tariki Gas Partnership**

- Genesis has secured additional gas for the next two years, including 2 PJ from Tariki, which is subject to successfully drilling the Tariki-5 well. If successful, this will commence Q2 FY25.
- The Tariki agreement provides Genesis with a 12-month exclusive right to negotiate a gas storage development of up to 10 PJ. This could be available from 2026.

| | Proved & Probable Reserves (2P) | |
|---|---|---|
| | **2023 (PJe)** | **2024 (PJe)** |
| **Opening remaining field reserves - July 1st** | 250.4 | 225.8 |
| Change in reserve estimate | - | (81.2) |
| Production | (24.6) | (20.3) |
| **Closing remaining field reserves - June 30th** | 225.8 | 124.3 |
| | | |
| Developed | 193.6 | 124.3 |
| Undeveloped | 32.2 | - |

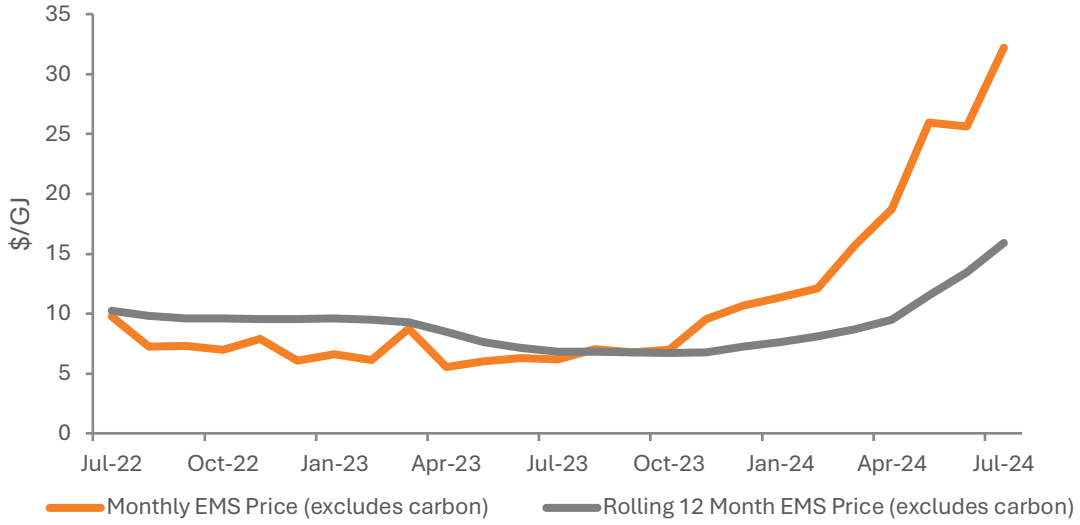
Note: Table refers to entirety of Kupe field of which Genesis is a 46% owner.

## Genesis Gas Supply




Summer refers to October to March, Winter April to September.

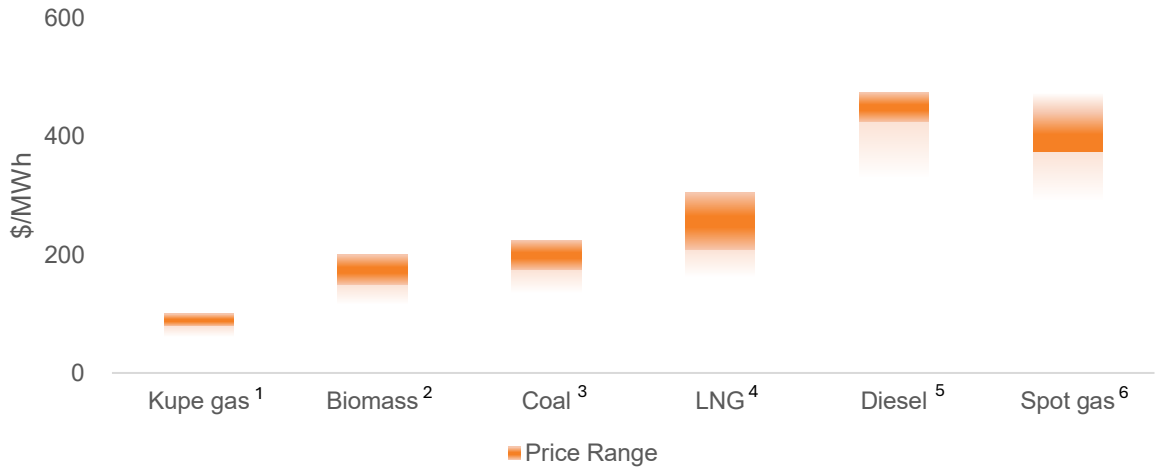
## Gas Spot Prices



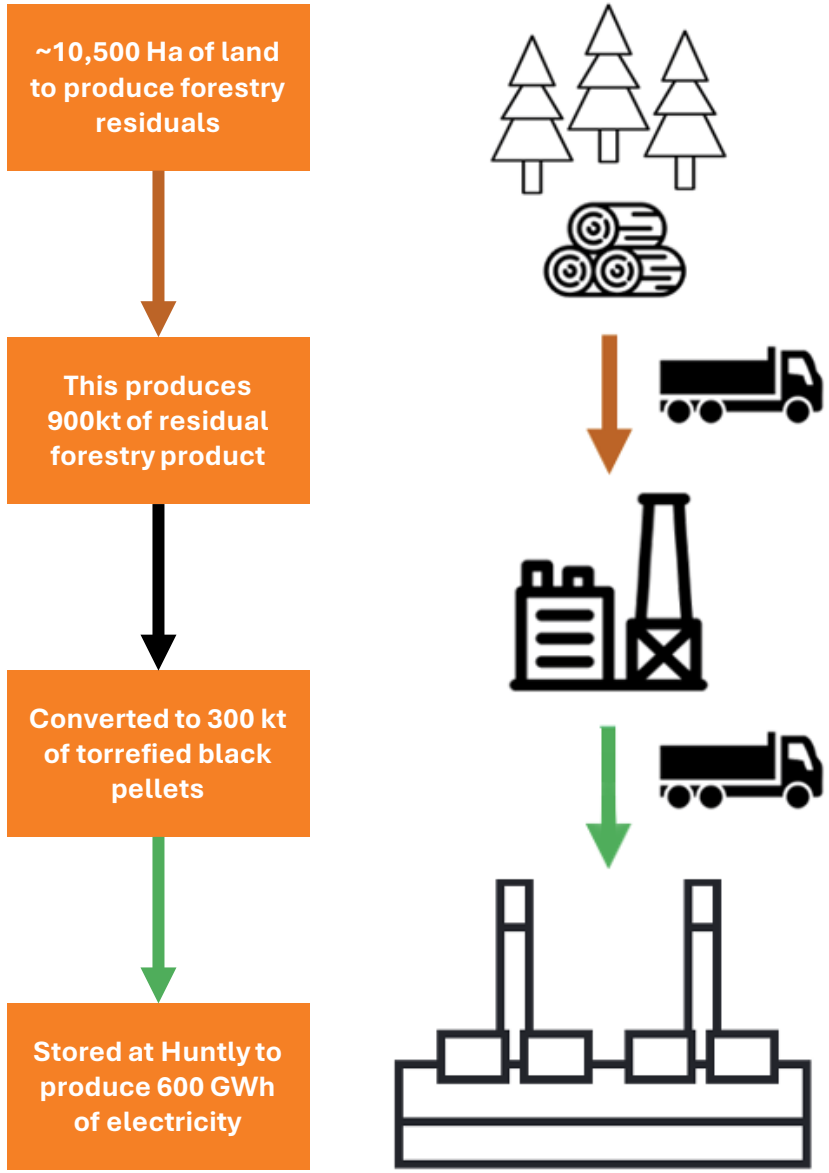
# Fuel Flexibility through Biomass

- Genesis is actively working with the forestry industry to develop a black pellet supply chain for the Huntly Power Station. We estimate approximately 10,500 Ha is required to produce 600 GWh of electricity.
- We remain on track for a 20kT scaled burn of domestically produced biomass in 2025.
- Genesis is investigating white pellet supply as a blended fuel option for additional fuel flexibility in FY25. We estimate the Rankine units could operate at up to 10% on white pellets.
- Pricing for domestically sourced biomass remains competitive with imported coal. Further updates on domestic biomass supply will be provided in H1 FY25.

## Huntly Fuel Supply Costs




1. Current pricing of Kupe supplied gas.
2. Estimate of market prices through discussion with suppliers
3. Current import price delivered to Huntly
4. Estimate based on long run import costs
5. Current domestic pricing through Huntly Unit 6
6. Recent spot pricing.



# Technology Drives Value from Transformation

- Genesis is transforming its digital architecture towards a more focused and simplified business in order to support Gen35.
- The investment in technology will deliver across platform, delivery and data to ensure a stable and secure environment with a competitive cost base.
- We are pleased with the increase in our large project delivery capability over FY24.

| Key projects | Objective | Status |
|---|---|---|
| **Billing and CRM re-platform** | • Delivering a future fit Retail platform through modernisation, simplification and automation of core operations.<br>• Key benefits are reduced cost to serve, increased core and adjacent revenue | • First release (Frank) progressing towards the end of build and into system test phases. Targeting late FY25 for first Go-live.<br>• Frank is over 60% of the total solution functionality for remaining Genesis releases.<br>• Tracking to full completion in FY27 |
| **General ledger upgrade** | • Upgrading core system to ensure stability, modernisation and improved productivity.<br>• Key benefits are reduced risk and creation of a modern platform for increased efficiency. | • Shortlist of potential ERP vendors and system integrators progressed to final two combinations.<br>• Final selection processes and contracting to be completed in H1 FY25. On-track for completion during FY26. |
| **Trading and risk platform implementation** | • Supports significant uplift of data, technology and business processes to lift performance (efficiency and enable a higher profitability) of the trading business unit<br>• Key benefits include improved risk management and trading margin. | • RFP issued for Risk Management System (RMS) replacement product, selection processes and contracting to be completed in FY25.<br>• The plan for the wider suite of wholesale trading tools and capability will be completed during H1 FY25 |

# Guidance

# Outlook and Guidance

## — Guidance for FY25 EBITDAF is reconfirmed at around $460 million

- Genesis Energy advises that FY25 EBITDAF is expected to around $460 million. Genesis highlights current volatility across electricity and gas markets and notes that this could result in a wider range of earnings outcomes. Guidance is subject to gas availability, plant availability, hydrology and any material adverse events or circumstances.

- FY25 capital expenditure is expected to be around $180 million, including around $60 million investment in the 100MW/200MWh battery at Huntly. In line with Gen 35 Strategy, operating expenditure is expected be around $390 million.

# Appendix

# Gen35 Horizon 2 - FY28 Scorecard

| Goal | Target | FY28 Goal | Status |
|---|---|---|---|
| **Grow Profitability** | EBITDAF | Group EBITDAF mid $500 millions | |
| | Debt/EBITDAF | Ratio less than or equal to 2.5 | |
| | Operating Expenditure | Operating Expenditure ~ $361 million. | |
| **Retail and Technology** | Brand Equity | Number 1 brand equity in energy market | |
| | Total Retail and Technology Operating Expenditure[1] | ~ $153 million | |
| | Delivery of core billing platform | Implementation of billing platform upgrade across all brands and sales channels by end of FY27. | |
| **Huntly** | Battery Development | Up to 200 MWh of battery operational onsite at Huntly. | |
| | Biomass | Biomass supply secured and commercial arrangements in place. Biomass generation > coal generation. | |
| **Renewables** | Solar Development | ~ 500 MW of solar development. | |
| | Total capital deployed at ROIC > WACC | On track for total deployment of $1.1b (Genesis share) by FY30 | |
| **Net Zero** | Net Zero by 2040 | 2040 Net Zero targets submitted and approved by SBTi | |

On Track
Challenges
Off Track

1. Excluding non-recurring technology investment.


Unless otherwise stated, all $ are nominal. Numbers shown represent base case estimates and are indicative only

# Electricity and Gas Gross Margin Breakdown

| Electricity Gross Margin | FY24 Volume | FY24 Rate per unit | FY24 $m | FY23 Volume | FY23 Rate per unit | FY23 $m | Variance Volume | Variance Rate per unit | Variance $m |
|---|---|---|---|---|---|---|---|---|---|
| Retail Sales C&I | 1,816 GWh | $196/MWh | 355.7 | 1,792 GWh | $169/MWh | 303.2 | 24 GWh | $27/MWh | 52.5 |
| Retail Sales Residential | 3,095 GWh | $285/MWh | 881.1 | 2,903 GWh | $276/MWh | 800.1 | 192 GWh | $9/MWh | 81.0 |
| Retail Sales SME | 1,009 GWh | $258/MWh | 260.5 | 968 GWh | $251/MWh | 243.1 | 41 GWh | $7/MWh | 17.3 |
| Wholesale Sales | 5,960 GWh | $188/MWh | 1,121.0 | 5,858 GWh | $95/MWh | 554.0 | 102 GWh | $93/MWh | 567.0 |
| Derivatives Settlement | | | 20.0 | | | 41.0 | | | (21.0) |
| Emission Unit Revenue (Electricity) | | | - | | | - | | | - |
| Ancillary Revenue | | | 8.8 | | | 8.6 | | | 0.2 |
| **Total Revenue** | | | **2,647.1** | | | **1,950.0** | | | **697.1** |
| Generation Costs (Thermal) | 3,282 GWh | $114/MWh | 374.0 | 2,177 GWh | $94/MWh | 204.5 | (1,105) GWh | ($20)/MWh | (169.5) |
| Generation Costs (Renewable) | 2,677 GWh | -/MWh | - | 3,680 GWh | -/MWh | - | 1,003 GWh | -/MWh | - |
| Retail Purchases | 6,229 GWh | $182/MWh | 1,135.5 | 5,956 GWh | $88/MWh | 526.0 | (273) GWh | ($94)/MWh | (609.5) |
| Transmission and Distribution | 11,879 GWh | $48/MWh | 567.7 | 11,520 GWh | $46/MWh | 535.7 | (359) GWh | ($1)/MWh | (32.0) |
| Ancillary Costs | | | 10.2 | | | 14.1 | | | 3.9 |
| **Total Direct Cost** | | | **2,087.4** | | | **1,280.3** | | | **(807.1)** |
| **Electricity Gross Margin** | | | **559.7** | | | **669.7** | | | **(110.0)** |

| Gas Gross Margin | FY24 Volume | FY24 Rate per unit | FY24 $m | FY23 Volume | FY23 Rate per unit | FY23 $m | Variance Volume | Variance Rate per unit | Variance $m |
|---|---|---|---|---|---|---|---|---|---|
| Retail Sales | 7.0 PJ | $32.5/GJ | 228.3 | 7.2 PJ | $29.4/GJ | 211.0 | (0.2) PJ | $3.1/GJ | 17.3 |
| Wholesale Sales | 0.2 PJ | $12.8/GJ | 2.6 | 2.8 PJ | $7.9/GJ | 22.2 | (2.6) PJ | $4.8/GJ | (19.6) |
| Emission Unit Revenue (Gas) | | | 0.2 | | | 7.3 | | | (7.1) |
| **Total Revenue** | | | **231.1** | | | **240.5** | | | **(9.4)** |
| Gas Purchases | 7.2 PJ | $9.9/GJ | 71.5 | 10.0 PJ | $9.2/GJ | 92.4 | 2.8 PJ | ($0.6)/GJ | 21.0 |
| Transmission and Distribution | 7.2 PJ | $12.8/GJ | 92.9 | 10.0 PJ | $8.0/GJ | 80.1 | 2.8 PJ | ($4.8)/GJ | (12.8) |
| Emissions Unit Cost (Gas) | | | 12.9 | | | 20.7 | | | 7.7 |
| **Total Direct Cost** | | | **177.3** | | | **193.2** | | | **15.9** |
| **Gas Gross Margin** | | | **53.8** | | | **47.3** | | | **6.5** |



Reported numbers have been rounded and might not appear to add or multiply.

# LPG and Other Gross Margin Breakdown

| LPG Gross Margin | FY24 Volume | FY24 Rate per unit | FY24 $m | FY23 Volume | FY23 Rate per unit | FY23 $m | Variance Volume | Variance Rate per unit | Variance $m |
|---|---|---|---|---|---|---|---|---|---|
| Retail Sales | 43,339T | $2,423/T | 105.0 | 43,874T | $2,206/T | 96.8 | -535T | $217/T | 8.2 |
| Wholesale Sales | 6,246T | $1,012/T | 6.3 | 7,262T | $1,068/T | 7.8 | -1,016T | ($57)/T | (1.5) |
| Emission Unit Revenue (LPG) | | | 3.1 | | | 2.2 | | | 0.9 |
| **Total Revenue** | | | **114.4** | | | **106.8** | | | **7.6** |
| LPG Purchases | 49,585T | $1,007/T | 50.0 | 51,135T | $1,090/T | 55.8 | 1,550T | $83/T | 5.8 |
| Emissions Unit Cost (LPG) | | | 4.7 | | | 5.3 | | | 0.7 |
| **Total Direct Cost** | | | **54.7** | | | **61.1** | | | **6.4** |
| **LPG Gross Margin** | | | **59.7** | | | **45.7** | | | **14.0** |
| Net Carbon Active Trading | | | (3.2) | | | (3.8) | | | 0.5 |
| Other Revenue[1] | | | 36.9 | | | 4.1 | | | 32.9 |
| Other Costs | | | 1.6 | | | 0.7 | | | (0.9) |
| **Total Other Gross Margin** | | | **32.1** | | | **(0.4)** | | | **32.5** |
| **Total Gentailer Gross Margin** | | | **705.4** | | | **762.3** | | | **(56.9)** |

Reported numbers have been rounded and might not appear to add or multiply.

1. Includes insurance proceeds relating to Huntly Unit 5 outage.

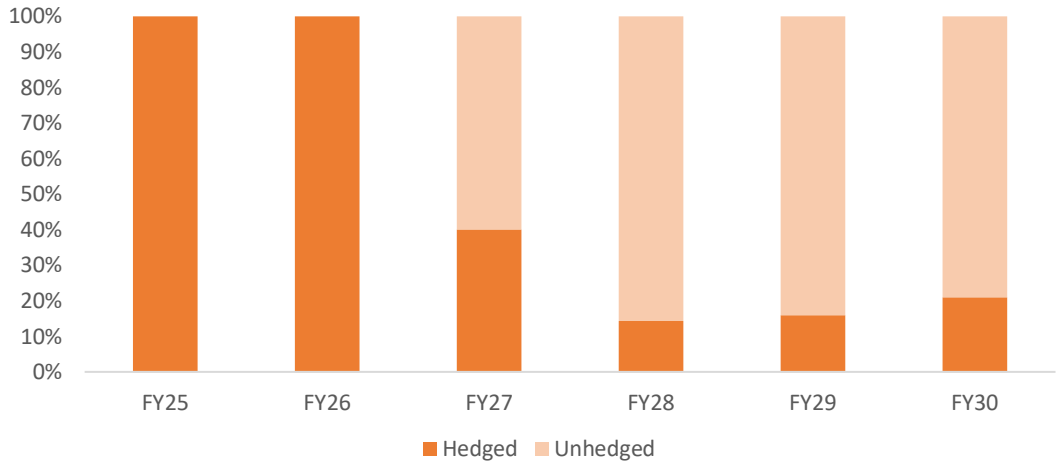
# Kupe Gross Margin and Reconciliation to EBITDAF

| Kupe Gross Margin | FY24 Volume | FY24 Rate per unit | FY24 $m | FY23 Volume | FY23 Rate per unit | FY23 $m | Variance Volume | Variance Rate per unit | Variance |
|---|---|---|---|---|---|---|---|---|---|
| Oil Sales | 109 Kbbl | $94/bbl | 10.2 | 254 Kbbl | $101/bbl | 25.6 | -145 Kbbl | ($7.0)/bbl | (15.4) |
| Gas Sales | 7.0 PJ | $8.1/GJ | 56.5 | 8.4 PJ | $7.6/GJ | 63.9 | -1.4 PJ | $0.5/GJ | (7.4) |
| LPG Sales | 30.0 kt | $531/T | 15.9 | 36.5 kt | $705/T | 25.8 | -6.6 kt | ($175)/T | (9.9) |
| Other and Emissions Revenue | | | 7.4 | | | 10.3 | | | (2.9) |
| Direct Costs | | | (25.2) | | | (34.2) | | | 9.2 |
| **Kupe Gross Margin** | | | **64.9** | | | **91.3** | | | **(26.4)** |

| EBITDAF | $m | $m | |
|---|---|---|---|
| Total Gentailer Gross Margin | 705.4 | 762.3 | (56.9) |
| Kupe Gross Margin | 64.9 | 91.4 | (26.5) |
| **Genesis Energy Limited Gross Margin** | **770.3** | **853.7** | **(83.4)** |
| **Operating Expenses** | | | |
| Employee Benefits | 152.0 | 135.8 | (16.2) |
| Other Operating Expenses | 184.9 | 169.6 | (15.3) |
| Kupe Operating Expenses | 26.2 | 24.8 | (1.4) |
| **Genesis Energy Operating Expenses** | **363.1** | **330.2** | **(32.9)** |
| **EBITDAF** | **407.2** | **523.5** | **(116.3)** |

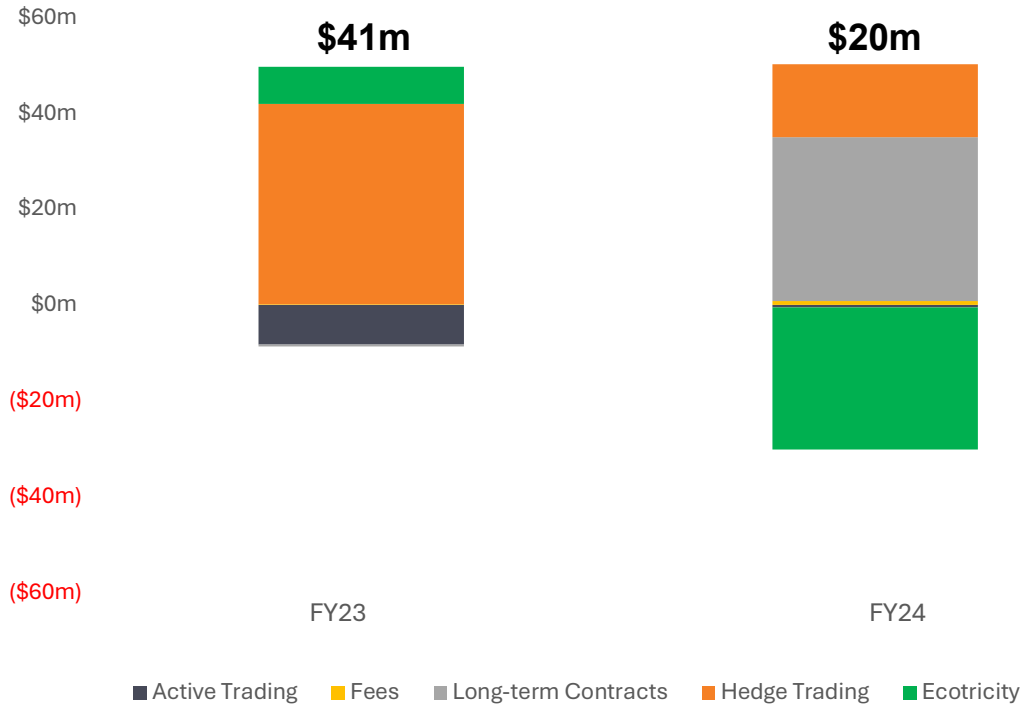
Reported numbers have been rounded and might not appear to add or multiply.

# Carbon Position and Derivatives Settlements




As of 7 August 2024. Excludes carbon units held for active trading.

## Electricity Derivates Settlements




**Active Trading –** trading required for ASX market making and discretionary trading not linked to physical assets or customer demand.

**Long-term Contracts –** includes PPA contracts and inflation hedges.

**Hedge Trading –** trading linked to physical assets or customer demand. Includes Swaption and MSO contracts.

**Ecotricity –** Settlement of Ecotricity PPA agreement.

# Financial Statements

| Income Statement | FY24 ($m) | FY23 ($m) | Variance |
|---|---|---|---|
| **Revenue** | 3,047.8 | 2,374.2 | 28.37% |
| Expenses | (2,653.3) | (1,860.2) | 42.64% |
| Depreciation, Depletion & Amortisation | (237.0) | (54.8) | |
| Impairment of Non-Current Assets | (65.0) | (4.0) | |
| Fair Value Change | 146.6 | 65.5 | |
| Revaluation of Generation Assets | 31.8 | 46.3 | |
| Other Gains (Losses) | 4.7 | (13.1) | |
| Share in associate & joint ventures | (3.4) | (2.2) | |
| **Earnings Before Interest & Tax** | **272.2** | **351.7** | **-22.60%** |
| Interest | (81.1) | (79.5) | |
| Tax | (60.0) | (76.5) | |
| **Net Profit After Tax** | **131.1** | **195.7** | **-33.01%** |
| Earnings Per Share (cps) | 12.21 | 18.52 | -34.07% |
| Stay in Business Capital Expenditure | (78.5) | (58.8) | 36.39% |
| Dividends Per Share (cps) | 14.0 | 17.6 | -20.90% |
| **EBITDAF** | **407.2** | **523.5** | **-22.22%** |

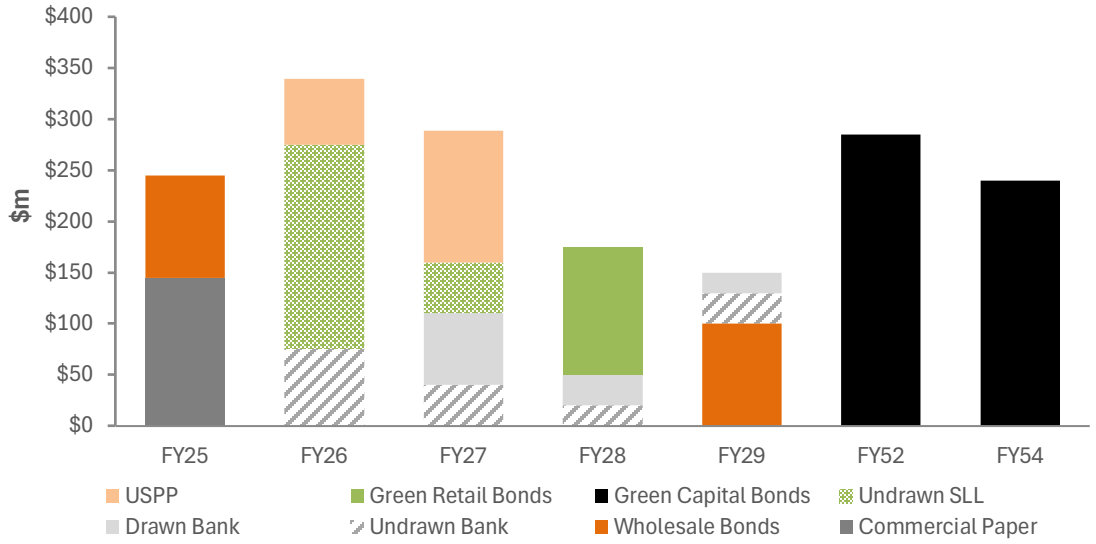
| Balance Sheet | FY24 ($m) | FY23 ($m) | Variance |
|---|---|---|---|
| Cash and Cash Equivalents | 192.8 | 60.1 | |
| Other Current Assets | 653.0 | 534.3 | |
| Non-Current Assets | 4,791.5 | 4,495.6 | |
| **Total Assets** | **5,637.3** | **5,090.0** | **11%** |
| Total Borrowings | 1,450.7 | 1,366.7 | |
| Other Liabilities | 1,508.6 | 1,317.3 | |
| **Total Liabilities** | **2,959.3** | **2,684.0** | **10%** |
| Adjusted Net Debt | 1,223.8 | 1,283.8 | |
| EBITDAF Interest Cover | 6.8x | 8.6x | |
| **Net Debt/EBITDAF** | **2.7x** | **2.2x** | |

| Cash Flow Summary | FY24 ($m) | FY23 ($m) | Variance |
|---|---|---|---|
| Net Operating Cash Flow | 439.8 | 422.6 | |
| Net Investing Cash Flow | (172.3) | (104.6) | |
| Net Financing Cash Flow | (134.8) | (363.5) | |
| **Net (Decrease) Increase in Cash** | **132.7** | **-45.5** | **178.2** |

# Debt Information

## Genesis Debt Portfolio

**At 30 June 2024**




$415m of bank facilities (including $250m of sustainability linked loans (**SLL**)) were undrawn, $120m of bank facilities were drawn, and $144m of Commercial Paper was on issue as at 30 June 2024. The Commercial Paper matures within 90 days.[4]

| Debt Information | | FY24 ($m) | FY23 ($m) | Variance |
|---|---|---|---|---|
| Total Debt | $ | 1,451 | 1,367 | |
| Cash and Cash Equivalents | $ | 193 | 60 | |
| **Headline Net Debt** | **$** | **1,258** | **1,307** | **(3.7%)** |
| USPP FX and FV Adjustments | $ | 34 | 23 | |
| **Adjusted Net Debt[1]** | **$** | **1,224** | **1,284** | **(4.7%)** |
| Headline Gearing[2] | | 35.1% | 36.2% | (1.1) ppts |
| Adjusted Gearing[2] | | 34.3% | 35.6% | (1.3) ppts |
| Covenant Gearing | | 28.9% | 29.4% | (0.5) ppts |
| Net Debt/EBITDAF[3] | | 2.7x | 2.2x | 0.5x |
| Interest Cover | | 6.8x | 8.6x | (1.8x) |
| Average Interest Rate | | 5.7% | 5.2% | 0.5 ppts |
| Average Debt Tenure | | 11.1 yrs | 11.7 yrs | (0.6) yrs |

1. Adjusted Net Debt has been adjusted for foreign currency translation and fair value movements related to USD denominated borrowings which have been fully hedged with cross currency interest rate swaps and fair value interest rate risk adjustments for fixed rate bonds.
2. Gearing measures are based on gross debt i.e. cash is not deducted.
3. S&P make a number of adjustments to Net Debt and EBITDAF for the purpose of calculating credit metrics. The most significant of these is the 50% equity treatment attributed to the Capital Bonds.
4. The chart shows the principal amounts repayable at maturity in NZD.

# Operational Metrics

| Retail Key Information | FY24 | FY23 | Variance |
|---|---|---|---|
| Customers with > 1 Fuel | 150,557 | 142,987 | 5.29% |
| Electricity Only Customers | 305,347 | 294,541 | 3.67% |
| Gas Only Customers | 10,821 | 11,918 | -9.20% |
| LPG Only Customers | 29,871 | 34,275 | -12.85% |
| **Total Customers** | **496,596** | **483,721** | **2.66%** |
| **Total Electricity, Gas and LPG ICPs** | **720,104** | **696,723** | **3.36%** |
| Volume Weighted Average Electricity Selling Price – Resi ($/MWh) | $284.71 | $275.64 | 3.29% |
| Volume Weighted Average Electricity Selling Price – SME ($/MWh) | $258.18 | $251.18 | 2.79% |
| Volume Weighted Average Electricity Selling Price – C&I ($/MWh) | $195.93 | $169.19 | 15.80% |

| Retail Netback by Segment & Fuel | FY24 | FY23 | Variance |
|---|---|---|---|
| Residential - Electricity ($/MWh) | $145.03 | $134.62 | 7.73% |
| Residential - Gas ($/GJ) | $18.26 | $17.79 | 2.64% |
| Bottled - LPG ($/tonne) | $1,650 | $1,554 | 6.18% |
| SME - Electricity ($/MWh) | $136.59 | $134.49 | 1.56% |
| SME - Gas ($/GJ) | $17.73 | $17.84 | -0.62% |
| SME & Bulk - LPG ($/tonne) | $1,124 | $875 | 28.21% |
| C&I - Electricity ($/MWh) | $154.14 | $129.87 | 18.69% |
| C&I - Gas ($/GJ) | $17.28 | $16.35 | 5.69% |

| Ecotricity | FY24 | FY23 | Variance |
|---|---|---|---|
| Mass-market Sales volume (MWh) | 370,344 | 303,357 | 22.1% |
| Mass-market ICPs | 33,129 | 26,744 | 23.9% |
| C&I Sales volume (MWh) | 238,692 | 76,964 | 210.1% |
| **Total Sales Volume (MWh)** | **609,037** | **380,322** | **60.1%** |
| Volume Weighted Average Electricity Selling Price MM ($/MWh) | $245.50 | $214.00 | 11.3% |
| Volume Weighted Average Electricity Selling Price C&I ($/MWh) | $258.50 | $232.20 | 14.7% |

Genesis is a 70% owner in Ecotricity and provides hedges for 100% of fixed priced load. FY24 hedge pricing methodology is consistent with the Genesis Internal Transfer Price.

# Glossary – Gross Margin Breakdown

| | |
|---|---|
| **ELECTRICITY** | |
| Retail Sales C&I | Sale of electricity to commercial and industrial customers. |
| Retail Sales Residential | Sale of electricity to residential customers. |
| Retail Sales SME | Sale of electricity to small business customers. |
| Wholesale Sales | Sale of generated electricity onto spot market, excluding PPA settlements and ancillary revenue. |
| Derivatives Settlement | Settlement of all electricity derivatives. Includes electricity active trading, PPAs, swaptions and electricity hedge settlements. |
| Emission Unit Revenue (Electricity) | Emissions units earned in relation to electricity derivative sales. |
| Ancillary Revenue | Revenue from ancillary electricity market products. |
| Ancillary Costs | Costs from ancillary electricity market products. |
| Generation Costs (Thermal) | Generation costs, inclusive of fuels and carbon. |
| Retail Purchases | Purchases of electricity on spot market for retail customers. |
| Transmission and Distribution | Total electricity transmission and distribution costs, connection charges, electricity market levies and meter leasing. |
| **GAS** | |
| Retail Sales | Sales of gas to residential and business customers (including C&I). |
| Wholesale Sales | Sales of gas to wholesale customers. |
| Emission Unit Revenue (Gas) | Emission units earned in in relation to wholesale gas sales. |
| Gas Purchases | Purchase of gas for sale (excludes gas used in electricity generation). |
| Transmission and Distribution | Total gas transmission and distribution costs, gas levies and meter leasing. |
| Emission Unit Cost (Gas) | Emission costs relating to gas purchases. |
| **LPG** | |
| Retail Sales | Sales of LPG to residential and business customers (including C&I). |
| Wholesale Sales | Sales of LPG to wholesale customers. |
| Emission Unit Revenue (LPG) | Emission units earned in in relation to wholesale LPG sales. |
| Emission Unit Cost (LPG) | Emission costs relating to LPG purchases. |
| **KUPE** | |
| Oil Sales | Sale of crude oil. |
| Gas Sales | Sale of gas. |
| LPG Sales | Sale of LPG. |
| Emissions Revenue and Other | Emission units earned in relation to gas and LPG sales and other revenue. |
| Direct Costs | Emission unit costs relating to operations, gas and LPG sales. Royalties and other direct costs. |

# Glossary – Operational Metrics

| RETAIL | |
|---|---|
| Customers | Electricity and gas customers are defined by single customer view, regardless of number of connections (ICP's). |
| ICP | Installation Connection Point, a connection point that is both occupied and has not been disconnected (Active-Occupied). |
| Resi, SME, C&I | Residential, small and medium enterprises and commercial & industrial customers. |
| B2B | Business to Business, including both SME and C&I. |
| Volume Weighted Average Electricity Selling Price - $/MWh | Average selling price for customers including lines/transmission and distribution and after discounts. |
| Volume Weighted Average Gas Selling Price - $/GJ | Average selling price for customers including transmission and distribution and after discounts. |
| Volume Weighted Average LPG Selling Price - $/tonne | Average selling price for customers including after discounts. |
| Bottled LPG Sales (tonnes) | Represents 45kg LPG bottle sales. |
| SME & Other Bulk LPG sales (tonnes) | Represents SME and other bulk and third party distributors. |
| Netback ($/MWh, $/GJ, $/tonne) | Customer EBITDAF by fuel type plus respective fuel purchase cost divided by total fuel sales volumes, stated in native fuel units (excluding corporate allocation costs and Technology & Digital cost centre). |

genesis With you. For you.

**Investor Relations Enquiries**
**Tim McSweeney**
**GM Investor Relations & Market Risk**
**+64 27 200 5548**

# NEXT GENERATION

As decarbonisation continues to shape the future of electricity, accelerated demand for renewable energy will require ongoing investment. We have a unique role to play in not only growing the supply of renewable energy but also in helping our customers electrify how they live, work, and move around.

# POWERING A SUSTAINABLE AND THRIVING AOTEAROA

Our new Gen35 strategy leverages our strengths to advance electrification, flexibility and renewables. We're building additional renewable generation capability and redefining the role of our existing generation capacity. We're advancing battery storage, biomass and solar, while working with Government, our customers, and our communities to support the transition to renewables.

# REQUIRES A BOLD FORWARD-LOOKING STRATEGY

# THAT WILL DELIVER REAL IMPACT

WE'RE CONFIDENT OUR STRATEGY WILL
MAKE A REAL AND LASTING DIFFERENCE FOR:

## People

**Manaakitanga, caring and nurturing our communities, customers and teams.**

## Profit

**Investing in the future and rewarding our shareholders.**

## Planet

**Tiaki taiao, protecting the environment for those who come after us.**

# Welcome to our 2024 Integrated Report

**Genesis has a unique role to play in New Zealand's transition to a low carbon future. We're supporting our customers to transition to electricity, investing in new renewable generation to meet increasing demand, and evolving our portfolio to monetise our back-up of wind, solar and hydro generation when the wind doesn't blow, the sun doesn't shine and hydro lakes are low.**

With this responsibility comes the need to be transparent – about our opportunities, targets, strategy and progress, and also about our challenges, the impacts we have and how we're addressing those. This report strives to present a balanced view of how we create value over the short, medium and long term. Our Value Creation Model (VCM) on page 8 provides a plan-on-a-page overview.

To ensure rigour in this form of reporting, we have used guidelines from the Global Reporting Initiative (GRI) and the Integrated Reporting Framework (<IR>) to report on our material environmental, social and governance activities. This is in addition to reporting on our climate-related risks and opportunities using the Aotearoa New Zealand Climate Standards. Genesis Energy Limited is a Climate Reporting Entity under the Financial Markets Conduct Act 2013. Our FY24 Climate Statement is here.

In FY24 we launched our Gen35 strategy (see page 6). This report is structured around the strategy's three areas of impact – People, Profit and Planet.

Our Sustainability Framework is also integral to our reporting. In the Sustainable Business section you will find tables noting our progress toward the framework's goals, our contribution to the six United Nations Sustainable Development Goals to which we're aligned, and our Materiality Assessment – what matters most to us and our stakeholders. You will find comment on all these matters throughout this report.

The other reports that complete our Environmental, Social and Governance (ESG) reporting suite can be found on our website:

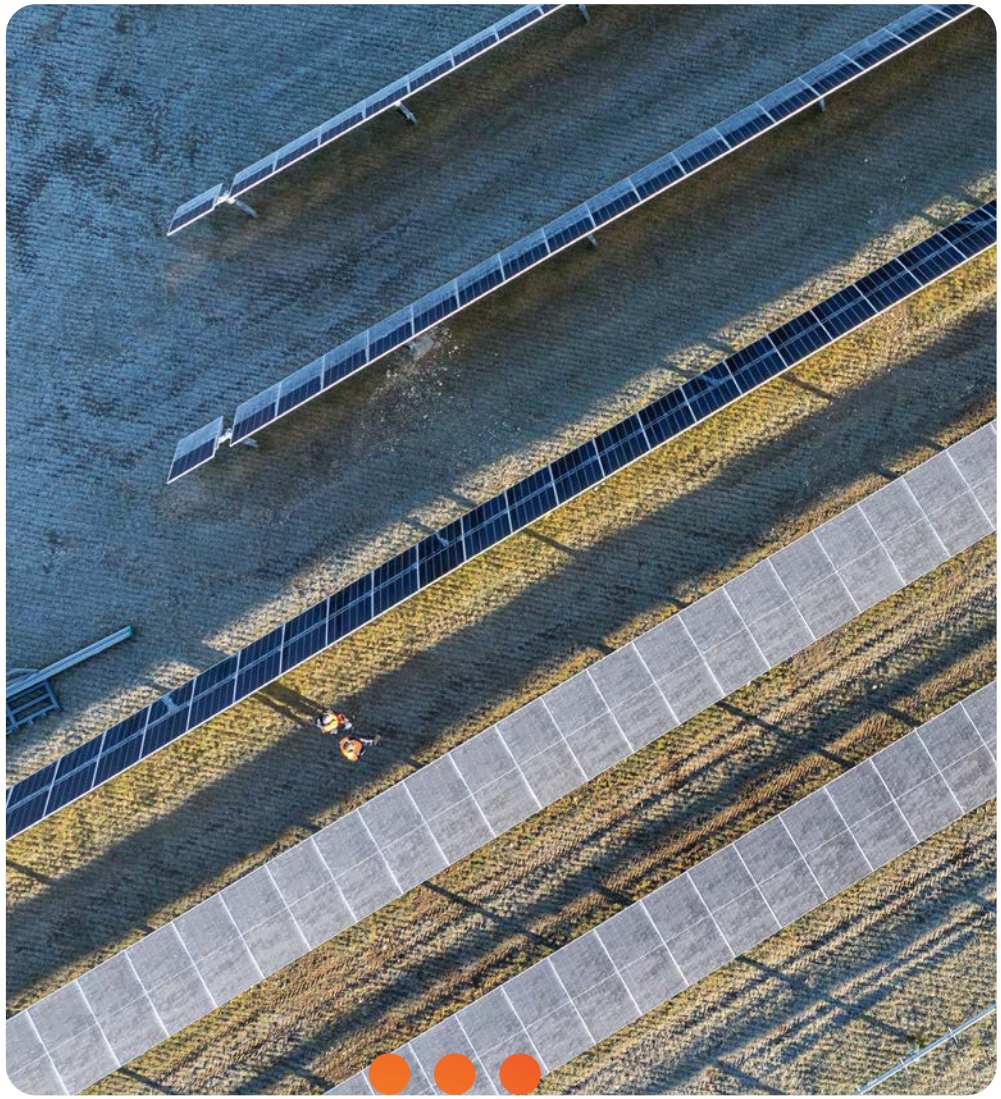
FY24 Climate Statement

FY24 Modern Slavery Statement

FY24 Sustainable Finance Report

FY24 ESG datasheet and GRI Index

We welcome your feedback on this report. Please contact us at media@genesisenergy.co.nz



**LAURISTON SOLAR**

Our first solar farm with our joint venture partner FRV Australia is due to begin generating by Q2 FY25.

> READ MORE

# Contents

## Introduction



## People



## Profit



## Planet



## Our sustainable business



## Financials & Governance

# Who we are and what we do

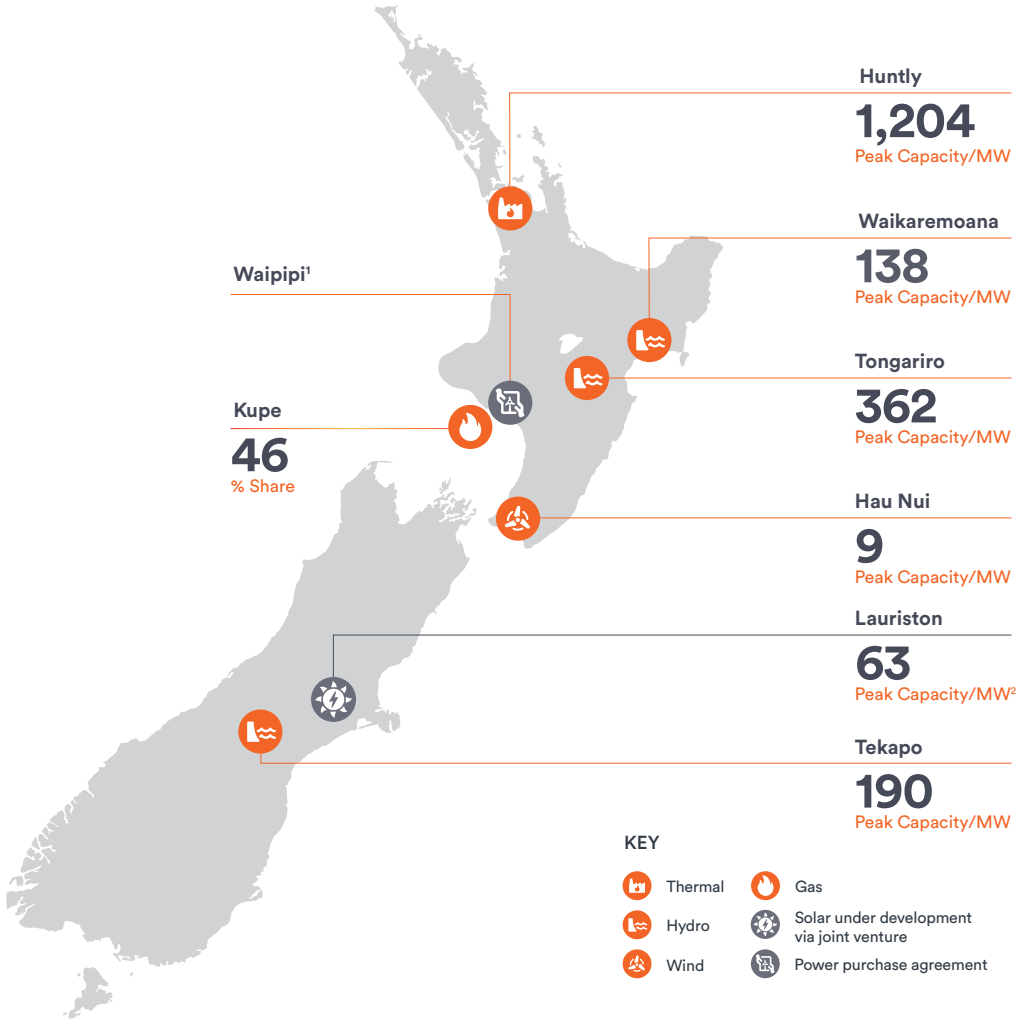
## Genesis is an energy generator and retailer supplying electricity, natural gas and LPG to more than 496,000 customers.

The geographic spread and diverse range of generation assets enables us to back up solar, wind and hydro generation across hours, days and months. Our share in the Kupe gas field provides essential electricity security to underpin the growth of solar and wind generation. We make surplus gas available to third parties such as homes and businesses.

Our Gen35 strategy will see us deploy more than $1 billion to build new renewable generation, develop the Huntly Portfolio to provide 1,400 MW of flexible generation capacity to back up solar, wind and hydro generation, and partner with our customers to empower their energy transition.

We will continue to play a significant role supporting the country's transition to a low-emissions economy, and have committed to a science-based net zero 2040 target to support New Zealand's commitment to net zero 2050.

We acknowledge the impact our business has on the environment and communities around our generation sites, and strive for greater sustainability in the broadest sense of the word – for the environment, for people and for New Zealand.




**1,214**
**Core employees (FTE)[3]**
FY23: 1,253

**496,596**
**Customers**
FY23: 483,721

**40,740**
**Shareholders**
FY23: 41,751

**5,960 GWh**
**Electricity generated**
FY23: 5,858 GWh

**7.0 PJ**
**Gas from Kupe**
FY23: 8.4 PJ

**35.6%**
**Natural gas market share**
FY23: 30.7%

**24.0%**
**Electricity market share**
FY23: 23.2%

1. Genesis has a Power Purchase Agreement (PPA) linked to the electricity generated from Waipipi.
2. Expected to be operational in Q2 FY25.
3. This excludes Digital Project FTE, which grew from 15 in FY23 to 41 in FY24 due to our digital transformation programme.

# Gen35 – our strategy for growth through the transition

**The context for our Gen35 strategy, launched in November 2023, comes from the Zero Carbon 2050 Act, New Zealand's commitment to decarbonise our economy over time.**

**Achieving New Zealand's 2050 climate target will require electricity to make up at least 60 percent of total energy use, provided by 95 percent renewable electricity, with electricity available to meet demand 100% of the time.**

We will continue to play a significant role supporting the country's transition to a low-emissions economy. Under our Gen35 strategy we aim to transition our generation fleet to 95 per cent renewable by FY35 and have committed to a science-based net zero 2040 target[1]. Gen35 details our goals across the business for the next 10 years, providing a roadmap for how we will turn strategic value into financial value for shareholders.

To achieve this, we will invest around $1.1 billion in new renewables and grid-scale batteries by FY30, including by directing free cash flows from our partial ownership of the Kupe gas field.

Gen35 has three main pillars: empowering the customer-led transition to electrification; renewable generation growth; and transitioning our thermal generation portfolio to provide greater flexibility. Huntly Power Station will evolve to become the Huntly Portfolio, New Zealand's grid-scale peaking and firming facility to back up new renewable generation to be built over coming decades.

We will activate Gen35 across three horizons: Horizon 1 (FY24) Future Fit; Horizon 2 (FY25-28) Accelerating our Transition; and Horizon 3 (FY29-FY35) Future State. Horizon 1, which we completed this year, focused on the things we could do to impact earnings and shareholder value right now; Horizon 2 will focus on things we need to do to lift growth and build shareholder value in a lower-carbon future; and Horizon 3 will see us create optionality to maximise the opportunity of our future state.


Our strategy is driven by our purpose – Powering a sustainable and thriving Aotearoa – and underpinned by our values: Kia Manaaki – We Care; Kia Māia – We're Courageous; and Kia Kotahi - We're Connected.

The following chapters outline how we have impacted our **People**, **Profit** and the **Planet** in FY24 as we put Gen35 in motion.

Our Gen35 Strategy
bit.ly/3T8SJj1

**95%**

**RENEWABLE ENERGY**

**Under our Gen35 strategy we aim to transition our generation fleet to 95 per cent renewable by FY35.**

1. A commitment to reduce our GHG emissions by >90 percent from a FY20 base year by 2040. This commitment is based on the Science Based Targets Initiative's Corporate Net zero guidance, which provides companies a clearly-defined path to reduce greenhouse gas emissions in line with limiting global warming to 1.5°C.

# Gen35 – rationale

COUNTRY

## NET ZERO 2050

SECTOR

**60%** ELECTRIFICATION

**95%** RENEWABLES

**100%** RELIABILITY

COMPANY

**CUSTOMER**
Empowering the customer-led **transition**

**COMPANY**
Renewables **8,300 GWh**
Net zero 2040

**COUNTRY**
Huntly flexibility **1,400 MW**

# Gen35 – our strategy

## Gen35

OUR PURPOSE

### POWERING A SUSTAINABLE & THRIVING AOTEAROA

**OUR IMPACT**

**PEOPLE**
Manaakitanga, caring and nuturing our communities, customers, team

**PROFIT**
How we invest in the future and reward our shareholders

**PLANET**
Tiaki taiao, protecting the environment for us and those who come after us

**OUR MISSION**

**CUSTOMER**
Empowering the customer-led **transition**

**COMPANY**
Renewables **8,300 GWh**
Net zero 2040

**COUNTRY**
Huntly flexibility **1,400 MW**

**HOW WE DELIVER**

**RETAIL**
Core / Transition / Expand

**WHOLESALE**
Flexible / Renewable / Valuable

**PEOPLE**
Culture / Talent / Performance

**TECHNOLOGY**
Platforms / Data / Delivery

**CORPORATE**
Reputation / Commerciality / ESG

**FINANCE**
Performance / Risk / Capital

**OUR VALUES**

**KIA MANAAKI**
**WE CARE**
We care deeply about our customers, communities, the environment and each other.

**KIA MĀIA**
**WE'RE COURAGEOUS**
We use our courage, expertise and determination to make bold choices, create solutions and get things done.

**KIA KOTAHI**
**WE'RE CONNECTED**
We're many parts but one team, and we respect our connection to our communities and the land.

FUTURE STATE

ACCELERATED TRANSITION

FUTURE FIT

# Guided by our Sustainability Framework


## 2025 Targets:

1. Achieve 1.5°C-aligned Science Based Targets by reducing our annual emissions by more than 1.2 million tonnes of $CO_2e$ by FY25 (from a FY20 baseline).
2. Empower our customers to reduce their carbon footprint.
3. Positive outcomes for nature through partnering on conservation and restoration.
4. 15,000 educators use STEM learning resources or equipment offered by the School-gen programme (FY21-FY25 inclusive)
5. Provide a total of 96 apprenticeship, internship and work experience opportunities through Ngā Ara Creating Pathways (FY22-FY25).
6. Support community organisations to help families improve the warmth of their homes and partner with others to enable fair access to energy for New Zealanders in need.
7. Support our customers in vulnerable circumstances by working with others.
8. Integrate te ao Māori worldview into Genesis' culture and the way we do business and improve the cultural capability of Genesis.
9. Improve the health and wellbeing of our people, through our Me We Us – Ahau Mātou Tātou wellbeing programme.
10. 40:40:20 workforce gender representation (40% male, 40% female, 20% any gender identity), 50% female senior leaders.

# Creating value for New Zealand

## Inputs

### Finance
A healthy balance sheet supports our operations and investment in New Zealand's sustainable future

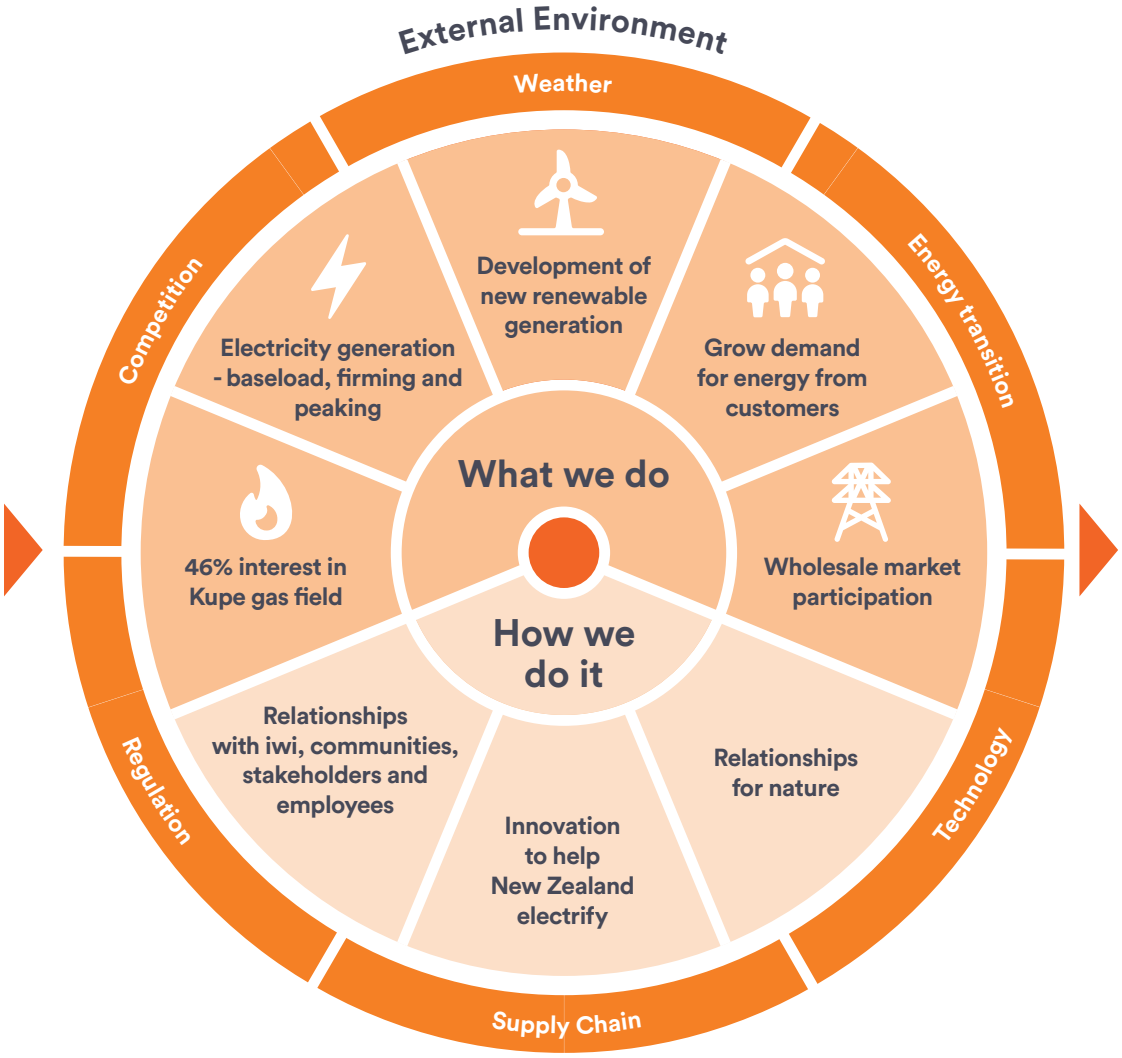
### People
Our team's skills, diversity and commitment

### Assets
Our power schemes, LPG networks, customers and share in the Kupe gas field

### Intelligence
Technology innovations and technical expertise for our customers and our business

### Nature
Resources we use and environments in which we generate electricity

### Relationships
With iwi, our customers, suppliers, communities and stakeholders.




## Outputs

Financial growth and shareholder returns
See page 14

Energy for our customers and the wholesale market
See page 50-51

Transition of thermal generation
See page 36

Technology for customers and our business
See page 44

Care of our customers and employees
See page 15, 27, 28

Support of STEM careers and warm homes
See page 27, 33

Support of waterways and biodiversity
See page 52

## Impacts

### People
A safe, healthy and diverse workforce
See page 21

Support of energy wellbeing, more young people inspired by STEM, and constructive relationships with iwi, communities and stakeholders
See pages 36-40

### Profit
Improved value for shareholders
See page 34

Support NZ's energy system to 60% electrification
See page 36-40

Huntly Portfolio to leverage value from flexibility
See page 36

### Planet
Emissions reduce over time; support for healthy waterways and improved biodiversity
See page 48

Genesis provides 95% renewable generation by FY35
See page 35

Genesis committed to science-based net zero 2040 target
See page 47

**Our purpose: Powering a sustainable and thriving Aotearoa**

# Letter from the Chair and Chief Executive

**Malcolm Johns**
CHIEF EXECUTIVE OFFICER

**Barbara Chapman CNZM**
CHAIR

**FY24 was a watershed year for Genesis. We launched our Gen35 strategy, which will balance earnings growth across the next four years with longer term objectives through the energy transition. We also navigated the national gas shortage and an exceptional dry year while continuing to meet our obligations to our customers, all of whom remained on fixed priced contracts through winter.**

For New Zealand to reach net zero by 2050 60% of New Zealand's energy needs to come from electricity, up from around 38% today, at least 95% of that electricity needs to be renewable, up from around 80% today, and it will need to be practically available 100% of the time. This includes winter peaks, dry years and periods of low wind. The challenging elements of the 60-95-100 scenario will be electrifying New Zealand and maintaining 100% energy security.

Gen35's three pillars map our growth to support each of the 60-95-100 outcomes – growing earnings by supporting our customers to transition toward electrification; partnering to deploy capital to grow our renewable generation to 95%; and investing over time to build the Huntly Portfolio – a grid scale, flexible, firming and peaking collection of assets and fuels to back up solar, wind and hydro generation from a minute to a month.

During the year we moved through Horizon 1 of the strategy, undertaking a substantial restructure to get the business future fit. We moved into six business units, reduced the executive from nine to seven, and strengthened our senior leadership team. We began the process of simplifying our retail business to

**$407m**
**EBITDAF[1]**
FY23: $524m

**$131m**
**Net Profit After Tax (NPAT)**
FY23: $196m

**14.0cps**
**Total Dividend relating to FY24 result**
FY23: 17.6cps

1. EBITDAF: Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, unrealised fair value changes, and other gains. Refer to note A1 in the Consolidated Financial Statements on page 82 for reconciliation from EBITDAF to net profit before tax.

a lower-cost, lighter touch operating model. This included starting to deploy productivity-enhancing technology like AI.

Hand in hand with the restructure came the launch of our people's refreshed purpose, mission and values. The language chosen was drawn from the words of employees during an extensive research project we undertook in FY23, capturing feedback from more than 1,000 employees through surveys, interviews and focus groups.

A FY24 survey conducted after our major restructure delivered an overall team engagement score of 81%, with most of our people agreeing their work gave them a feeling of personal accomplishment and that they would recommend Genesis as a great place to work.

A focus on safety and wellness is key to this result. This year we continued to see a significant reduction in injury severity, with the total number of lost and restricted days due to injury reduced by 42% compared to FY23. Our ongoing LPG Delivery Injury Reduction Programme maintained its momentum, with a 31% reduction in the LPG injury rate since the programme launched in FY22.

Through the changes of Horizon 1 we also maintained our high customer satisfaction rating.

The belief in our business among our customers and our people gives us great confidence as we move into Horizon 2: growing earnings by accelerating Genesis's transition over the next four years. This will include partnering with our customers to develop demand side options for flexibility and distributed activity to put the power of energy management into their hands. We're developing a pipeline of new renewable generation opportunities, including grid scale battery as a service, and new solar and wind generation. We're also investing in monetising flexibility through the Huntly Portfolio's support of grid security as New Zealand gains more solar and wind generation alongside existing hydro schemes.

Key to monetising flexibility will be our long-term development plan for flexible assets, fuels and trading products such as Huntly Firming Options (HFOs). HFOs give renewable generators the ability to manage their share of grid security risk as more intermittent solar and wind generation is built, providing generators, retailers and major energy users the option to notionally secure additional generation over the counter for fixed periods of time.

In June 2024 we released HFOs to the market. The issue was over-subscribed with 270 MW being bid and 85 MW purchased for the calendar years of 2025 and 2026. While current HFOs are backed by Rankines using coal, over time more asset and fuel flexibility will emerge.

We indicated at Investor Day in November 2023 that we would take the 2024 calendar year to explore an economic and sustainable local supply chain of biomass for the Rankine units. Good progress has been made with multiple supply options in play. Biomass will allow Huntly to produce competitive, low carbon electricity through the Rankines for at least the next decade to back up future offers of HFOs.

The national gas shortage pushed spot gas prices to between $30-$50 GJ, up from under $10 GJ a year ago. Coal became cheaper than spot gas as a fuel to generate electricity. We will therefore be importing coal for some years until there is a solution to increase the supply of natural gas or import liquid natural gas (LNG). We expect our carbon emissions to reflect the need to burn more coal to ensure electricity supply is reliable and stable.

## Financial performance

Our financial performance in FY24 had three significant impacts. First was the loss of Unit 5, our 400 MW combined cycle gas turbine at Huntly Power Station, for seven months following a fault that had not been experienced by this type of turbine anywhere else in the world.

Much of the direct impact was insurable. However, the indirect impact was not. We had to run Rankines for longer, burn more coal than we planned, and delay some of our planned outages on our hydro generation.

The second major impact of the year was the declining gas supply nationally, down 29% in the year to June. For us this was exemplified by the disappointing result of the KS-9 well intervention in the Kupe gas field. Beach Energy, the operator in the Kupe joint venture, proved there is gas in the reservoir, but its work to date has been unable to produce sufficient flow to sustain the well's operation. Further interventions may be considered in due course.

The third impact was low hydrology. In normal dry years the country has been able to rely on gas generation to back up the grid, however the national gas shortage left around 450 MW of New Zealand's generation idle due to lack of fuel. This made the New Zealand Aluminium Smelter's offer to be New Zealand's dry year battery significant.

Our team responded well to these challenges to minimise their financial effect and ensure there was no impact on our customers. The challenges have however created a drag on short term financial outcomes.

For the next two years, how we manage our portfolio will be key to the financial performance of the business while we execute key strategic development initiatives that will underpin our earnings growth target of around mid $500m's by FY28.

We've created the FY28 Scorecard to provide transparency in tracking our execution of these key strategic initiatives, bearing in mind there will be fluctuations over the next few years. We'll update progress against the scorecard every half year (see page 15).

## Capital and dividend

Gen35 is focused on cost control, new value-accretive technology and deploying capital to drive earnings growth. At Investor Day we outlined a $1.1 billion capital programme with a target of maintaining a credit rating debt/EBITDAF ratio in a multiple range of between two and three (noting this is a credit rating metric and not a debt covenant metric).

The change in the gas market means we will now be at the upper end of our credit rating range while we deploy capital, moving back towards the mid-point as earnings growth from these initiatives beds in. We indicated at Investor Day that we could build earnings using Power Purchase Agreements (PPAs), partnered capital at asset level with PPAs, and use our own capital on balance sheet.

Reflecting on Genesis' transition from primarily a yield stock to a growth stock with solid returns, the Board reset the dividend to around 14 cps and maintained a dividend reinvestment programme. The Board has indicated its desire to maintain this level across Horizon 2 of Gen35 (FY25-28). Annual decisions on this will be balanced with the Horizon 2 focus of investing in building new renewable generation to grow earnings.

## Wholesale gathers momentum

The national gas shortage has made the objectives of our Gen35 strategy even more important as we grow earnings from the transition of our business.

FY24 saw a number of projects in our wholesale business gather momentum as we invested in expanding our renewables development team. Construction began at Lauriston solar farm in Canterbury, the first in our 500 MW joint venture with FRV Australia. The 63 MWp site is due to be generating by December 2024.

In May 2024 we announced 10-year Energy Supply Partnership with Spark which will supply electricity to Spark purchased from the national grid, notionally linked to volumes generated by Lauriston solar farm. Genesis will supply Renewable Energy Certificates to Spark for the Lauriston generation volumes. This partnership reflects Spark's long term commitment to support the growth in renewables for New Zealand.

As the financial year drew to a close we were reaching a final investment decision on the first stage of our battery storage system to be installed at Huntly Power Station. The 100 MW battery, able to store 200 MWh, is the first of a series that will total 400 MW (800 MWh), and marks an important step in transitioning the site to the Huntly Portfolio in line with our Gen35 strategy.

We have also secured a consented site ready for the construction of another solar farm near Edgecumbe in the Bay of Plenty.

## Retail simplification

As we move to focus on value over volume under Gen35, our retail pillar has started a journey towards more simplified, lower cost model, while focusing on new value pools in demand side flexibility and EV's. Our new approach will result in a reduction of around 200 FTE's across FY24 and FY25. We thank our people for their professionalism in working through this difficult process with us.

We ensured the restructure of our retail team did not affect our relationship with our customers, and it was pleasing to see brand love among Genesis customers hit a new high of 67% in January 2024, and Frank win the Consumer People's Choice Award for the second year in a row.

We acknowledge cost of living pressures have made life difficult for many of our customers over the past year, and we continue to support energy wellbeing through our Manaaki Kenehi customer care team and our sponsorship of curtain banks throughout the country to help families in need have warmer, healthier homes.

This year also saw the completion of a two-year research project with community groups to look at how energy retailers could better play a role in supporting customers who are hard to reach, or hidden, but still in considerable hardship. Community agencies offered a number of potential solutions, many which will need to be collaborative. These have been prioritised and several initiatives are underway.

## Digital transformation

Our digital transformation programme consists of three key upgrade projects for our billing and CRM platform, our finance management platform, and our wholesale trading toolkit.

Our progress in FY24 saw us select Gentrack as our partner for billing and Salesforce for CRM solutions. We completed the design phase and are approximately halfway through build. We're looking forward to starting migration of Frank customers to the new platform in FY25.

The finance and wholesale and trading programmes will follow the billing and CRM upgrade.

## Focus on emissions

FY24 saw an increase in emissions of 1,204,995 tonnes of $CO_2e$ compared to FY23 due to the need to burn more coal as a result of the Unit 5 outage, low hydro levels and gas shortage.

Scope 1 and 2 emissions in FY24 were however 9% lower than FY20, the base year for our FY25 science-based targets. This equates to a reduction of 247,524 tonnes of $CO_2e$. Our Scope 3 emissions from use of sold products were 60% lower than FY20, equating to a reduction of 822,138 tonnes of $CO_2e$.

These results show that our emissions reduction journey will not be a straight line but a trend over time.

## Looking ahead

Delivering the strategic objectives of Gen35 will see us achieve a science-based net zero 2040 target. In FY25 we will apply for verification of this target from the Science Based Targets initiative, and continue our work to support New Zealand toward its goal net zero 2050.

We thank the Board, Executive, our senior leaders and all our people for their efforts during the year. The business is now future fit and ready to launch into Horizon 2 of Gen35, delivering our FY28 objectives as we play our part in New Zealand's energy transition.

**Barbara Chapman CNZM**
CHAIR

**Malcolm Johns**
CHIEF EXECUTIVE

# Results at a glance

**$407m**

EBITDAF[1]

FY23: $524m

**$131m**

Net Profit After Tax (NPAT)

FY23: $196m

**1,263,860**

t/$CO_2e$ Emissions reduction[2]

FY23: 2,468,855t/$CO_2e$ reduction

**$3.1b**

Revenue

FY23: $2.4b

**14.0cps**[3]

Total dividend relating to FY24 result

FY23: 17.6cps

**43:57**

Senior leader gender representation[4]

FY23: 42:58

**764**

Work days lost or restricted due to injury

FY23: 1,309

**52**

Customer interaction iNPS[5]

FY23: 46

**31**

Apprenticeships, internships and work experience opportunities[6]

FY23: 32

**$292,000**

School-gen Trust STEM/ Solar equipment and donations[7]

FY23: $156k

**300,000**

Power Shout hours gifted[8]

FY23: 300k

**313**

Households given curtains through curtain banks[9]

FY23: 439

1. EBITDAF: Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, unrealised fair value changes, and other gains. Refer to note A1 in the Consolidated Financial Statements on page 82 for reconciliation from EBITDAF to net profit before tax.
2. In comparison to the FY20 base year of 4,495,002 t$CO_2e$. Excludes $CO_2$ from combustion of biomass.
3. CPS: Cents per share.
4. 43% women, 57% men. Senior leaders are classified as Tier 1 (CE), Tier 2, and Tier 3 employees. To manage gender representation we commit to a 40:40:20 gender representation (40% male, 40% female, 20% any gender identity) across the Executive and Senior Leadership levels of Genesis. Typically, the overall Gender Pay Gap will not be closed without equal gender representation at each level of the organisation. We appreciate that gender is not binary, however, for the purpose of reporting our Gender Pay Gap, Gender Equity Gap and Gender Representation data, we have focused on the difference between those who identify as female and male (our broader diversity reporting includes identifying employees who identify as gender diverse). For more data see the ESG Datasheet.
5. interaction Net Promoter Score for Genesis brand.
6. Created through Ngā Ara Creating Pathways.
7. Includes $113,000 of donations due to the School-gen Trust being wound up in June 2024.
8. See page 27.
9. Households supplied through Genesis funding.

# Our FY28 Scorecard

Our FY28 Scorecard provides transparency in tracking what we've said we will deliver to drive shareholder value in Horizon 2 of Gen35. We will update progress against this every half year.

| GOAL | TARGET | FY28 GOAL | STATUS* |
|---|---|---|---|
| **Grow Profitability** | EBITDAF | Group EBITDAF mid $500 millions | 🟢 |
| | Debt/EBITDAF | Ratio less than or equal to 2.5 | 🟡 |
| | Operating Expenditure | Operating Expenditure ~ $361 million | 🟡 |
| **Retail and Technology** | Brand Equity | Number 1 brand equity in energy market | 🟢 |
| | Total Retail and Technology Operating Expenditure[1] | ~ $153 million | 🟡 |
| | Delivery of core billing platform | Implementation of billing platform upgrade across all brands and sales channels by end of FY27 | 🟢 |
| **Huntly** | Battery development | Up to 200 MWh of battery operational onsite at Huntly | 🟢 |
| | Biomass | Biomass supply secured and commercial arrangements in place. Biomass generation > coal generation | 🟢 |
| **Renewables** | Solar development | ~ 500 MW of solar development | 🟢 |
| | Total capital deployed at ROIC > WACC | On track for total deployment of $1.1b (Genesis share) by FY30 | 🟢 |
| **Net zero** | Net zero by 2040 | Net zero 2040 targets submitted and approved by SBTi | 🟢 |

Key 🟢 ON TRACK 🟡 CHALLENGES 🔴 OFF TRACK

1. Excluding non-recurring technology investment. Unless otherwise stated, all $ are nominal. Numbers shown represent base case estimates and are indicative only.

# People

Manaakitanga – caring and nurturing our communities, customers and teams.


**During FY24 we reshaped Genesis into six business units and realigned the Executive Team. This meant changing the Executive Team from nine members to seven, ensuring each member had the skillset to deliver their unit's Gen35 objectives. We also reviewed the senior leadership team, aligning subject-matter experts to key senior leadership roles to strengthen the structure and reinforce our ability to deliver our FY28 scorecard.**

# Our people

## Our refreshed Executive Team

**Claire Walker** joined the team as our new Chief People Officer. Claire is a deeply experienced people and culture executive. She understands how structures best serve strategy and how to build high-performing cultures.

**Stephen England-Hall** joined as our Chief Retail Officer. He is a market strategy specialist who understands value-creating brand strategy, customer loyalty, proactive channel management and high-value, low-cost customer service models.

**Ed Hyde** came on board as our Chief Transformation and Technology Officer. Ed has deep experience in introducing technology platforms, data and AI into businesses to drive productivity growth.

**Tracey Hickman** has been on the Genesis executive for more than 12 years and in FY24 was appointed Chief Wholesale Officer, overseeing our wholesale operations, trading and fuels portfolio, and asset development team. Tracey stepped in as Interim Chief Executive for six months until Malcolm Johns joined the company in 2023. She has also been Chief Customer Officer leading Genesis' Customer teams including brand and marketing, retail and LPG operations, and prior to this was Executive General Manager for Generation and Wholesale. Tracey's early career was in managing large-scale environmental reconsenting projects and iwi/stakeholder relations.

**Matthew Osborne** remains as Chief Corporate Affairs Officer. He has been with Genesis since 2018 and is responsible for legal, regulatory, government relations, sustainability, community investment, communications, and company secretarial functions. Matthew previously worked in a number of international markets and brings significant experience in executing business strategy and in providing specialist risk management, commercial, legal and regulatory advice.

We farewelled Chief Financial Officer **James Spence**, who made the decision with his family to return to Australia. We thank James for his work with Genesis over the past two years and wish him all the best.

We look forward to welcoming our new Chief Financial Officer, **Julie Amey**, in November 2024. Julie joins us from SkyCity Entertainment Group, and has more than 30 years' experience in finance, primarily in the energy sector.

We're grateful to **Emma Oettli** for once again taking on the role of Interim CFO until Julie joins us. Emma previously fulfilled this role from November 2021 to March 2022.

Claire Walker
bit.ly/4dry4ys

## Our new purpose, mission and values

Hand in hand with the launch of our Gen35 strategy came the launch of our refreshed purpose, mission and values. Together, these explain what we plan to achieve and how we're going to do it. The language chosen was drawn from the words of our people during an extensive research project we undertook in FY23, capturing feedback of more than 1,000 employees through surveys, interviews and focus groups.

## Our purpose

### Powering a sustainable and thriving Aotearoa

Our revised purpose is better aligned to our business strategy and more relevant to the diversity of people working in a wide range of roles throughout the country. It speaks to Genesis' role as a unique and vital partner in New Zealand's transition, both in the active pursuit of sustainability and in providing flexibility and security[1] during the transition to electrification and renewable energy.

## Our mission

### Accelerating the energy transition for our customers, company and country

Our mission recognises our commitment to help our customers to electrify their lives, invest in new renewables, and transition Huntly Power Station to the Huntly Portfolio to increase its flexibility while reducing its carbon footprint, positioning it to continue as New Zealand's key peaking[2] and firming[3] facility long into the future.

**1,000+**

**employees provided feedback through surveys, interviews and focus groups**

## Our values

These reflect both who we are today and what we aspire to be in the future:

### Kia Manaaki

**WE CARE**

We care deeply about our customers, communities, the environment and each other.

### Kia Māia

**WE'RE COURAGEOUS**

We use our courage, expertise and determination to make bold choices, create solutions and get things done.

### Kia Kotahi

**WE'RE CONNECTED**

We're many parts but one team, and we respect our connection to our communities and the land.

Purpose, mission, and values
bit.ly/4dPm7m1

1. Security refers to long-term generation over weeks and months to meet a shortage of fuel for generation (usually water in hydro schemes) or a material asset failure.
2. Peaking refers to short-term additional generation or battery discharge over hours or a day to meet an increase in electricity demand.
3. Firming refers to short-term generation over hours or a day to cover a decrease in electricity supply, usually due to the intermittency of renewable generation from wind and solar farms.

## Working together to build te ao Māori capability

The inclusion of Te Reo Māori kupu (words) in our purpose and values is a signal of our intent to authentically incorporate a te ao Māori journey at Genesis. The kupu were provided by a group of our Māori employees, with additional guidance from te ao Māori Consultants, Te Tari.

Our executive team is completing the Te Kahikatea Programme with Mather Solutions (a strategic Māori Development consultancy). This is an important step in our Genesis te ao Māori capability build that will continue in FY25.

### EMBRACING THE MEANING BEHIND WAITANGI DAY

In acknowledgement of Waitangi Day 2024, we hosted a lunch and learn session where our people learned the history and significance of Waitangi Day and Te Tiriti o Waitangi. Te Wehi Wright, Te Tiriti o Waitangi advocate, facilitated the session which focused on differences between the Treaty of Waitangi texts, and answered our team members' questions.

We have taken some important steps towards a company-wide strategy including establishing a new Pouhere Māori (General Manager, Māori) role that will support existing and new Māori relationships to drive collective value.

## Diversity, equity and inclusion

In December 2023 our Board of Directors endorsed our refreshed diversity, equity and inclusion (DEI) strategy, focus areas and targets. These will build on earlier achievements such as gaining the Gender Tick, Rainbow Tick and launching a Mind the Gap programme including reporting of gender representation (40% male, 40% female, 20% any gender identity) and pay gap measures.

We partnered with consultancy, Diversitas, in a co-design process with our employees to ensure our refreshed DEI strategy had our people at its heart. The opportunity we found through this process was to refine our Genesis-wide targets in line with our priority areas (gender balance, ethnic representation at leadership level, and belonging) while also tailoring our approach in different regions and business units by creating site-specific plans that reflect the respective team's needs and to achieve the greatest impact.

We are working to refresh our Inclusion Council and employee networks with organisation-wide representation to support governance and monitoring.

Pleasingly, given our focus on leveraging the diversity of thought our people bring to achieve the best commercial outcomes for Genesis, we found that 85% of our people responded favourably to the Hearing from Genesis employee survey question "I can be myself at work" and 87% of our people agreed they were "treated with respect at work".

**34.3%**

**Gender Pay Gap[1]**
FY23: 36.2%

**85%**

responded
"I can be myself at work"

**87%**

agreed they are
"treated with respect at work"

Kyra Inia (left) and Tina Zhu in our customer services team based in Hamilton.

1. Our Gender Pay Gap refers to the gap (if any) between the pay of women and the pay of men, calculated by taking the median male hourly rate minus the median female hourly rate, and dividing this by the median male hourly rate. Our Gender Pay Gap is largely made up of the difference in career participation. A large proportion of specialist energy sector roles at Genesis are held by men. This is particularly evident in engineering and technical roles. In addition, a large proportion of customer-facing roles, such as those in our contact centres, are held by women. We are focused on improving gender balance in these areas. For data on our Pay Equity Gap and Gender Representation see our ESG Datasheet.

# 81%

## overall engagement score

most of us agree that our work gives us a feeling of personal accomplishment and recommend Genesis as a great place to work. This is higher than the New Zealand benchmark data.

## Employee engagement survey results

In May we ran our second Hearing from Genesis survey, to which 79% of our people responded. We were pleased the data showed a high level of employee engagement. We also compared many of the results against New Zealand benchmark data[1]. Positive results included:

**82%**

positive ratings on Safety and Wellbeing – including 93% who said they felt safe at work, also exceeding the national benchmark.

**82%**

of us said we were proud of Genesis' efforts to have a positive impact on New Zealand.

**85%**

trust in People Leaders, which was higher than the national benchmark.

There were also results that pointed to a need to increase our effort in certain areas:

- **75%** of us said we felt we belong at Genesis. On the previous page we've detailed how we're looking at improving diversity, equity and inclusion to ensure more of us feel like we belong here in the future.
- **66%** said we received meaningful recognition when we did a good job, on par with the New Zealand benchmark – but we believed Genesis could do better!
- **65%** of us said we felt energised at work. This was a bit lower than we'd like Genesis to be at this point in our strategy execution, although still higher than the national benchmark.
- Open and honest communication (**64%**) and a belief that career goals can be met at Genesis (**63%**) were both just shy of the national benchmark.

### NEXT STEPS

Leaders shared and discussed the results with their team, covering both strengths to lean into and areas within the team's control where concerns could be addressed.

At a company level, we're undertaking more analysis of the data and comments, identifying actions that will be most impactful, and continuing to work with our people.

1. Qualtrics Employee Experience

Senior Environmental Technician Alan Bennett at Huntly Power Station.

**42%** ↓

**reduction in lost time/restricted workdays compared to FY23**

**31%** ↓

**reduction in LPG injury rate since an injury prevention programme launched in FY22**

## Safety and wellness

This year we made excellent progress toward our safety and wellness objectives. We continued to see a significant reduction in injury severity, with the total number of lost and restricted days due to injury reduced by 42% compared to FY23.

Our Genesis Wellbeing Programme continued its success with widespread use of the My Everyday Wellbeing portal and high levels of engagement and mental health awareness at our nationwide Gumboot Toss event - in partnership with I Am Hope, Gumboot Friday. We updated our intranet site to provide easy access to tools and services to support mental health. The resources include six new videos, and we facilitated three Ask Me Anything sessions.

We are working toward reaching ISO 45001, an international standard for workplace health and safety systems. In FY24, the business case was approved and we began a pre-audit. A desktop review was conducted, with a detailed assessment scheduled in November 2024.

We also began deep dives into each of our 'Dangerous Dozen' critical risks. Three have been completed - working from height, inability to respond, and exposure to hazardous substances. More deep dives will be completed in FY25, with plans to enhance our critical risk reporting, provide our people with targeted 'need-to-know' guidance and simplified assurance practices.

We completed a review of our health monitoring processes and awarded the health services contract to Habit Health. The transition of services will be completed in FY25.

Our ongoing LPG Injury Reduction Programme maintained its momentum, with a 31% reduction in the LPG injury rate[1] since the programme launched in FY22. A focus on 'safety over delivery' has helped achieve this outstanding result and we plan to continue improving safety for our LPG team.

1. Injury rate = total number of injuries that occurred divided by the number of bottles handled.

## Leadership development

In FY24 we launched a new LinkedIn Learning pilot, so Genesis leaders have access to learning at any time. We also piloted a New Leaders programme that is designed to equip new people leaders with the skills they need to succeed.

We continued our Adaptive Leaders programme, helping ensure leaders are equipped with key skills.

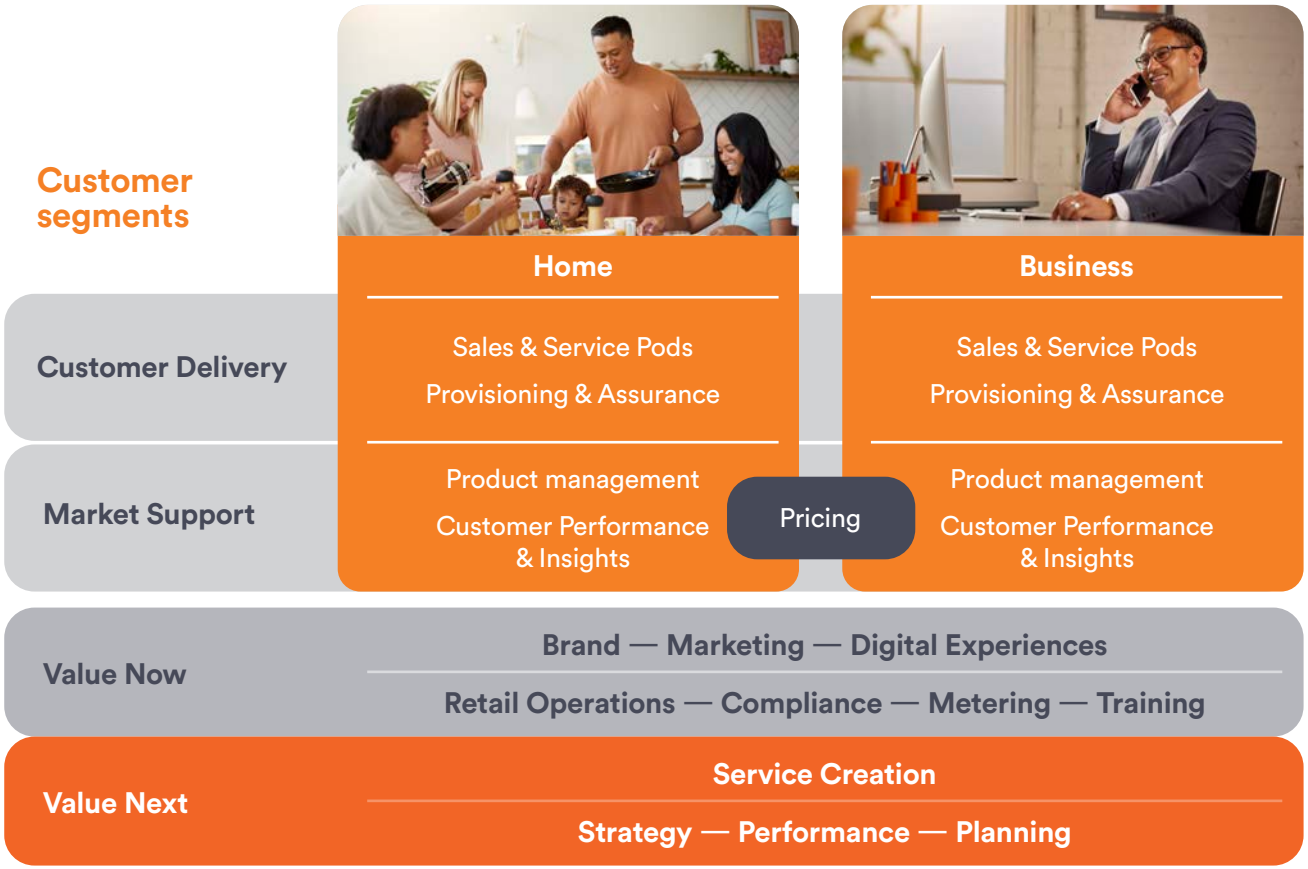
## Creating a simplified retail model

The retail pillar of our Gen35 strategy is to empower the customer-led transition. But first we had to reshape our retail business to be future fit. We needed a simpler retail model that focused on fewer and more impactful things. In October 2023 we announced our retail review was likely to result in the loss of around 200 roles. This was a tough decision and not one that was taken lightly.

We undertook a large-scale consultation with more than 700 retail staff. We learned that most participants supported the rationale and case for change. They told us it was "long overdue", and many were positive about working in a less complex retail organisation. They also had concerns: how would we handle the workload with a simplified model? People wanted clarity around the future ways of working, accountabilities, alignment between teams and prioritisation of work.

Extensive work took place to answer everyone's questions and provide support for the people whose jobs were affected by the change. This included support through the transition for those who remained in their roles, and comprehensive career support for those whose jobs were lost.

We spent three months transitioning to the new retail structure, which took effect in April 2024. Some change will continue in FY25.




**As part of transitioning to the new model, we worked together to deliver:**

### Consultation

We consulted more than 700 employees across retail and received over 228 feedback responses. We then ran online sessions to keep everyone informed of progress and next steps.

### Workshops

These gave our retail team members tools to support them as they navigated the transition, including CV and interview preparation.

### Wellbeing

We worked to support employees' total wellbeing, including running drop-in sessions to address concerns.

### Support

We contacted other organisations to find roles that might suit those leaving us, provided support for career transitions and advice for potential new directions.


**Our Genesis and Frank brands went from strength to strength this year, increasing customer demand, brand love, and winning awards. We continued to support energy wellbeing through customer care programmes and a collaborative research project.**

Stephen England-Hall
bit.ly/3YJhd5L

# Our customers

## Brand updates

### GENESIS

The Genesis brand campaign is continuing to build momentum and its effectiveness is increasing over time. The brand connects with our audience's values, the positioning is appealing, and the offering is clear.

Adorable redheaded George and her family – human and canine – continue to win Genesis a place in New Zealanders' hearts. George's stories provide evidence for multiple proof points, including our School-gen programme and support of warm, healthy homes. The campaign has maintained Genesis' presence in the top 10 most-liked TV ads throughout the year, according to the Research Agency. Brand love[1] among customers hit a new high of 67% in January 2024.

Leveraging our brand strength and greater customer demand, we now have the foundation to grow value ahead of volume in the years ahead.

**67%**

**A new high of brand love[1] among our customers in January 2024**

**Customers feel good about our EV efforts**

Our energy plan for EV owners was a strong performer this year, with a marketing campaign effectively communicating its key benefits. Customers feel good about Genesis moving into this space, and it makes the brand more appealing to businesses.

1. Brand love is assessed via an independent monthly survey of 250 residential customers. The percentage is taken from those who select 'I love them' or 'I like them a lot' to a question about how they feel about the Genesis brand.

## FRANK

Genesis has successfully built a trusted customer brand with Frank Energy. Frank has become New Zealand's fastest growing energy brand by quite some distance, significantly increasing market share, and is currently the country's largest tier two energy retailer. It is a low cost, light touch retail model, well positioned for the future of electricity retailing.

Key to creating value from this model is ongoing simplification of Frank's processes, customer experience and product range. This helps reduce customer churn, which in FY24 dropped to a record low of 16%, well below that of its competitors. This helped Frank win the prestigious Consumer NZ People's Choice Award for the second year running.

This year Frank started using conversational AI to help its customers, which led to 63% increase in customers self-solving issues online without needing to engage callcentre support (up from 42% in FY23). Betty, the Frank chatbot, completed 30% of all digital sign-ups.

Frank won silver and bronze awards at the NZ Axis Awards for advertising creativity and was a finalist in both the NZ Marketing Effectiveness Awards and the TVNZ Marketing Awards in 2023.

Matching a no-frills and straight-up customer proposition with highly competitive prices and a new retail operating model has enabled Frank to succeed in tough economic conditions during the past year, while increasing the brand's contribution to Genesis' retail business performance.

Frank will bring even greater value to Genesis in the years ahead as Frank continues to simplify its model, product range and operating costs while maintaining high customer satisfaction levels.


**Frank won the prestigious Consumer NZ People's Choice Award for the second year running, and claimed silver and bronze awards at the NZ Axis Awards for advertising creativity.**

**94%**

**Customer satisfaction overall rating for FRANK in Consumer NZ Survey**

## POWER SHOUT SUCCESS

Our Power Shout loyalty scheme, which gives customers free hours of power to use at their discretion, has had its most successful year to date. During FY24 more than 120,000 customers accepted a seasonal campaign offer, representing 40% of the eligible customer base.

A new green icon helped customers choose a low carbon time to book their Power Shout. We partnered with Trees That Count so we could plant a native tree for every 10 green bookings – starting with 10,000 trees to get the ball rolling.

Power Shout also gives customers the option once a year to donate their free hours of power to households in need. This year 42% of customers contacted chose to donate their hours, equating to 28,978 households. The donated hours totalled 144,890, which we topped up to 300,000 hours of energy. In June 2024 we distributed these hours to more than 4,000 households that needed support to pay their winter power bills.

At the inaugural Asia Pacific Loyalty Awards, Power Shout won Best Overall Loyalty Programme in the telco, utilities, energy and service station category. Power Shout Gifting was also a finalist for Best Corporate Social Responsibility Initiative and Best Loyalty Programme Marketing Campaign.

We launched our partnership with Trees That Count with a donation of 10,000 trees.

# 300,000

## Hours of energy

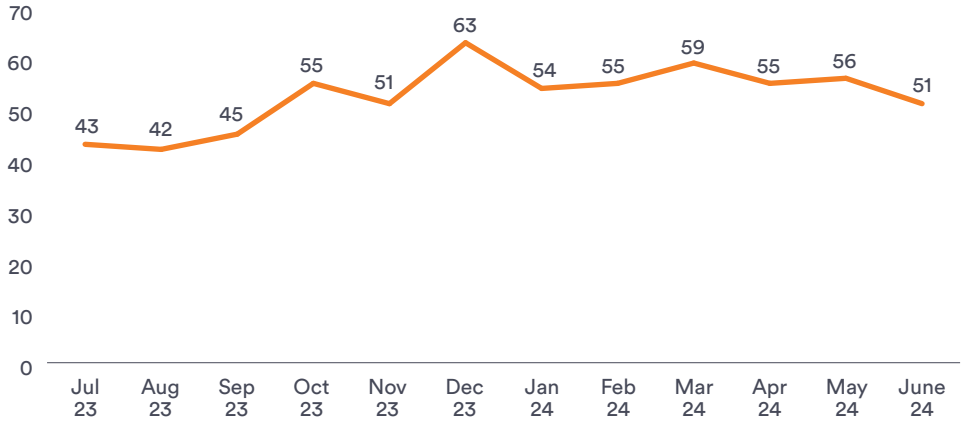
donated to households in need, from 144,890 hours donated by customers, topped up to 300,000 by Genesis

## Positive customer feedback

From a customer experience perspective, this has been an outstanding year for Genesis. Our interaction Net Promoter Score, or iNPS, measures customers willingness to recommend Genesis based on an interaction with a member of our team or through one of our digital channels. Our FY24 iNPS, which takes into account scores from across the year, increased to 52 from 46 in FY23. Customer feedback showed we have a fiercely loyal base who are consistently impressed by our excellent frontline customer service staff, and who love how easy we make things for them.

Many also reported they appreciated our Control-a-Bill payment option, which makes paying their bills easier, and our regular allocation of free Power Shout hours to use when they wish. We've also had a lot of customer love for our EIQ app and its variety of helpful features.

**Genesis Home monthly iNPS**




**52**

**Genesis iNPS for FY24**

Up from 46 in FY23

## Complaints

Last year we redesigned our training programmes to enable more confident and empathetic conversations with our customers. We continue investing in our staff and enhancing customer experience by using data and customer feedback to make improvements.

In FY24 Genesis customer complaints fell 21% from 1,269 to 1,002. Frank customer complaints dropped 3% from 410 to 399.

### TOP 5 REASONS FOR FORMAL COMPLAINTS IN THE PAST YEAR:

- LPG delivery issues
- Price changes, pricing plans and tariffs
- High bills due to high consumption
- Customer service, incorrect actions taken or incorrect information given
- Estimates, communications faults and access issues leading to estimated bills

### HOW WE'RE RESPONDING

Our teams made a number of changes to address customer concerns, including:

- Customers who used our automated phone system to order LPG bottles often weren't sure their order had been received. They were worried, so they would call us to confirm the order was placed – a step they shouldn't need to take. We introduced a text alert for customers who ordered LPG via our phone ordering system. The text confirmed their order was successful, so they now had confidence their LPG was on its way.
- We made several improvements to our automated fixed-term contract communications this year. These make rates clearer, show what is current and what will be offered, and generally remove billing confusion for customers.
- We fixed invoice issues through an email provider thanks to support from our data engineering team.
- We added a prompt to remind customers to pay their current balance when setting up a credit card payment.
- We improved the Energy IQ dashboard and information in the app.

## Privacy

Privacy is fundamentally about people, and that has driven many of our achievements in the past year. We've set up processes that allow us to monitor how we use personal information in our ways of working, ensuring we are transparent in our collection and use of personal information.

Technological advancement has highlighted the need to ensure we are ready for the challenges and opportunities of the digital age. We've issued guidance on artificial intelligence to respond to the influence that tools like AI present.

As we implement our Gen35 strategy, we will continue to map our maturity against the ISO 27701 to monitor our capability but most importantly to guarantee our data is fit for purpose.


**Dr Sea Rotmann**
CEO | Sustainable Energy Advice

## Supporting energy wellbeing

**Energy wellbeing is a key component of our Sustainability Framework. We are working towards a future where all New Zealanders have access to energy. Everyone has the right to live in a warm, healthy house, and be able to affordably heat their home during even the coldest winters.**

Responding to hidden hardship
bit.ly/4dmg6xq

### REFINING OUR APPROACH TO HIDDEN HARDSHIP

Genesis and Mercury are each focused on changing how we support our respective customers in "hidden" hardship following a two-year research project with community groups. The research looked at how energy retailers could better play a role in supporting customers who are hard to reach, or 'hidden', but still in considerable hardship.

A pivotal early insight was that community groups often have relationships with these whānau, highlighting the importance of supporting community groups to break down barriers and help households access the support they need.

"These insights were grouped into themes of building trust, giving community a voice, industry knowing when to 'stay in their lane' and support community groups to do the work they do, and developing mana-enhancing practices," said Dr Sea Rotmann, Sustainable Energy Advice CEO, who led the research. "These themes provide a simple guide for industry to focus its attention."

Community agencies offered 70 potential ways to address hardship, many of which will need to be collaborative. These have been prioritised and several initiatives are underway.

Stephen England-Hall, Genesis Chief Retail Officer, said: "Energy retailers have dramatically improved their approach to supporting customers experiencing hardship in recent years, but we recognise there remains a lot of work to do. We're tremendously grateful to the community groups who were so generous with their time and insights. The work doesn't stop here. We will now seek to understand the most impactful way to translate the lessons we learned into action."

Examples of Genesis initiatives underway include:

- Te Tira Manaaki o Kenehi, the Genesis caring team, which aims to provide early intervention support to vulnerable customers and assistance for households to better manage their energy use.
- A trial that empowered community agencies to offer up to 100 free hours of power to existing Genesis customers who needed support.
- Support for curtain banks and warm home interventions through community partners Habitat for Humanity Northern, Sustainability Trust, and Community Energy Action.

### WARMER KIWI HOMES CAMPAIGN RAISES $116,611

Energy wellbeing is important to us, leading to partnerships with curtain banks since 2010. Sustainability Trust in Wellington, Community Energy Action in Canterbury, and Habitat for Humanity Northern in Northland and Auckland provide curtains, warm-home products and offer home assessments to help households in need become warmer and healthier.

This year we ran a fundraising campaign for the curtain banks, undertaking to donate up to $100,000 between 28 April and 27 June 2024 to match public donations. The campaign raised $116,611 for our community partners. That's enough to fit around 2,159 homes with good quality curtains that will help families stay warmer and healthier.

Conrad LaPointe, Habitat Northern CEO, said: "This partnership with Genesis ensures we can support those most in need across Tai Tokerau and Tāmaki Makaurau, including Waiheke and Aotea Islands.

**We know we're making a measurable difference for our whānau, with every dollar donated returning $6.30 of social return on investment. The majority of this, 68%, impacts health.**

**Conrad LaPointe**
Habitat Northern CEO

## MANAAKI KENEHI AND FRESH START

Te Tira Manaaki o Kenehi, Genesis Caring Team, continued its vital work this year as the cost of living made bill payment difficult for some customers. The team uses data analytics to help identify customers who may be experiencing early signs of financial hardship. Team members proactively contact these customers to offer personalised support including payment plans, ensuring they are on the right price plan, deferring disconnections and referring customers to other agencies, including Money Talks, WINZ and EnergyMate. Each situation is different, so we take a 'one customer at a time' approach to provide bespoke support solutions.

Fresh Start is designed to support consistently paying customers experiencing hardship for the first time, perhaps due to job loss, illness, relationship breakdown or other unexpected events. Our team contacts them to provide breathing space and practical support including free Power Shout hours, payment plans and more time to pay.

This year we attempted 3,014 outbound calls to proactively reach out to customers through Manaaki Kenehi.

**3,014**

calls attempted to proactively reach out to customers through Manaaki Kenehi.

**Fresh Start is designed to support consistently paying customers experiencing hardship for the first time, perhaps due to job loss, illness, relationship breakdown or other unexpected events.**

## CONNECTME TRIAL

We participated in a 12-month trial with members of the Electricity Retailers Association of New Zealand (ERANZ). The trial, called ConnectMe, involved signing up 103 customers who would normally be rejected from sign up due to poor credit ratings. We tested the hypothesis that just because you have a poor credit rating, it doesn't mean you will be a poor paying customer.

At the end of the trial, of Genesis customers:

**40%**

**of customers had paid on time, every time, as agreed**

**35%**

**were referred to MoneyTalks budgeting services**

**1**

**Just one customer was disconnected due to arrears.**

We conducted credit checks on 63 customers who remained for the duration of the trial, both before and after their participation. Of those, 44% had an improvement in their credit score. Data shows where we have partnerships with other agencies and wrap-around support for these customers there is a better chance of success.

Debt is a normal part of life, and we want to remove the stigma and encourage people to deal with it without embarrassment, by supporting them with debt management and credit rehabilitation.

We've also removed third-party contingency collection fees that we historically added to a customer's arrears during the debt collection process. This can make a significant difference in a customer's credit score and how quickly the debt can be repaid.

# Our communities

> The scholarship takes some financial burdens away by giving helpful tech equipment that I would otherwise have to purchase myself.
>
> **Grace Burnard**
> Ruapehu College

## Ngā Ara Creating Pathways

Since FY21 Genesis has run the Ngā Ara Creating Pathways programme designed to attract, nurture, and engage rangatahi in science, technology, engineering and maths (STEM) education, study and career pathways. Genesis supports adding a second M to STEMM, recognising mātauranga Māori as a rich knowledge system, strengthened by kaupapa and tikanga Māori.

We partner with secondary schools closest to our generation schemes to offer initiatives including apprenticeships, internships, work experience, scholarships, and partnership programmes.

Ngā Ara is a key initiative within our community investment portfolio, and an integral part of our operations and strategic workforce planning. It is also reflective of our Genesis values, kia kotahi (we're connected); kia manaaki (we care); and kia māia (we're courageous).

Ngā Ara has partnered with 11 schools and contributed more than $522,000 in partnerships with like-minded community organisations, including Puhoro STEMM Academy, Oho Mauri, and POU Limited, a marae-owned entity in Raahui Pookeka Huntly.

We have six **Ngā Ara apprentices** working at Huntly Power Station and Tongariro Power Scheme, including two through our contracting partnership with POU Limited.

Three of our first Ngā Ara apprentices, Jasmine Lowe, Manukura Heta and Joel Watkins, completed their training and became qualified tradespeople in April 2024. In FY25, three more of our apprentices will become qualified tradespeople, and we will recruit a cohort of new apprentices.

The **Ngā Ara scaffolding training pathway** was a collaboration between Genesis, Oho Mauri and POU Limited. Together, we developed an entry-level scaffolding training programme.

Six rangatahi from Oho Mauri, all aged 16 and previously considered 'NEET' (not in education, employment or training) were employed full-time for 13 weeks at Huntly Power Station. The students received hands-on work experience and dedicated pastoral support from on-site mentors and Oho Mauri. At the end of the programme, five of the rangatahi had earned a Level 3 Pre-Trade Certificate in Construction and were supported into their next career steps, including Kauri Papanui-Enoka who is now employed full-time as a scaffolding apprentice at the station.

Each year, up to 15 **Ngā Ara work experience** opportunities are available across our four power schemes for rangatahi from our partner schools.

We also have a handful of **Ngā Ara intern** opportunities every summer for tertiary students. These are hugely influential experiences for young people as they explore their career pathways and how a role in Genesis or the energy sector might align with their aspirations, interests and values. Many of our Ngā Ara interns have continued into permanent roles, including current team members Hinera Parker, community engagement coordinator see page 32, Adrienne Penewi, graduate generation communications engineer, Jaelin Andersen, customer operations administrator, Rajiei Chopra, customer operations administrator, and Allan Liang, graduate mechanical engineer.

For the last four years, Genesis has partnered with Pūhoro STEMM Academy, which supports tauira Māori (Māori students) to thrive in STEMM. Genesis sponsor their Te Urunga Tū programme in four Ngā Ara schools – Te Kura

STEMM scholarships
bit.ly/46Q6icz

Kaupapa Māori o Ngāti Kahungunu o Te Wairoa; Wairoa College; Ruapehu College; and Huntly College. The programme provides students with weekly mentoring in their STEM subjects and they are also offered internships and work experience opportunities. Additionally, students attend seminars at tertiary campuses and Genesis support these by delivering fun and interactive workshops focused on the energy sector and diverse careers available to them.

In FY21, Genesis co-designed the **Ngā Ara scholarships** initiative with stakeholders in our local communities, including students. Since then, we have offered more than 200 scholarships totalling $153,000 to students from years nine to 13 through our partner schools and kura. You can learn more about Ngā Ara and our scholarships here.

Huntly College students with their scholarship packs of laptops, tablets and vouchers. From left, Alexander Harbottle, Amber-Rose McGillan, Hayley Blackmore, Te Hau Tora, Karn Tuhakaraina and Lilly Rose Joyce.

**Receiving a laptop with my Ngā Ara Scholarship has helped me feel motivated for my future studies.**

**Lilly Rose Joyce**
Huntly College

**SINCE NGĀ ARA'S INCEPTION IN FY21:**

**32**
INTERNS HAVE WORKED AT OUR POWER SCHEMES

**52**
WORK EXPERIENCE OPPORTUNITIES CREATED

**8**
APPRENTICES EMPLOYED

**200+**
SCHOLARSHIPS AWARDED

## Addressing concerns of the Waikaremoana community

Cyclone Gabrielle had devastating consequences for many in the community near our Waikaremoana Power Scheme. While our team members worked tirelessly to keep power flowing to Wairoa, Tairāwhiti and Hawkes Bay, there was a misconception by some that our management of the scheme had caused flooding in Wairoa township, and that lake levels had been kept too high for too long, causing damage to vegetation and structures around the lake edge.

An independent review of the floods by Strome Advisory[1] found that Genesis' actions were appropriate and in line with our resource consent requirements, and that both the flooding and high lake levels were due to extreme and consistent inflows of water – much of which entered the catchment downstream of the power scheme.

We addressed community concerns through direct discussions with community members and organisations, and at our annual community meeting in Tuai, and by provision of information to the Hawkes Bay and Wairoa independent flood reviews, the media, and via our website. In March 2024 we took Mayor Craig Brown and local media on a tour of the scheme to show them how it operated and answer their questions.

We acknowledge the ongoing impacts of Cyclone Gabrielle – our team are members of the community too – and remain available to respond to questions about our management of the power scheme during this event or on any other occasions.

1. https://www.wairoadc.govt.nz/assets/Document-Library/Reports/Wairoa-Cyclone-Gabrielle-Review-April-2024.pdf

## Solar power for Tuai school

This year we contributed $105,000 to a solar and battery storage installation at Te Kura o Waikaremoana at Tuai, close to our Waikaremoana Power Scheme. The set-up can generate 20,000 kWh of electricity a year, enough to power nearly three households. Principal Mihinoa Maruera said the school could redirect money saved on power bills by the system into other resources.

When the sun's not shining a battery storage system will enable the school to keep using the clean, free energy. When the solar panels generate more electricity than the school needs, the school can sell it into the national grid. The solar power system is already being used as a resource to teach students how solar power is generated and stored.

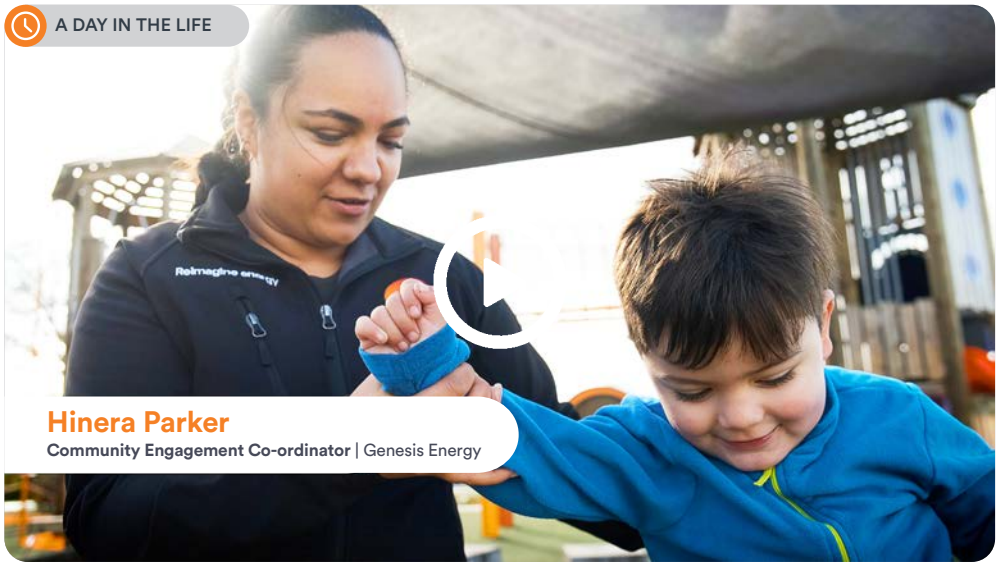
**$105,000**

**CONTRIBUTED TO A SOLAR AND BATTERY INSTALLATION**
at Te Kura o Waikaremoana at Tuai, close to our Waikaremoana Power Scheme.

**20,000**

**kWh OF POTENTIAL GENERATION**
When the solar panels generate more electricity than the school needs, the school can sell it into the national grid.

Tuai school solar power
bit.ly/46F6Im1




## Community engagement

Genesis is privileged to operate in some of the most special locations across New Zealand. The communities closest to our power schemes are important to us, and we strive to play an active and meaningful role within them. Our Community Engagement Co-ordinator, Hinera Parker, based in our Hamilton office, plays a key role in delivering Genesis' community investment activities, including our Ngā Ara Creating Pathways Programme.

Hinera supports the delivery of a variety of programmes such as work experience, scholarships, site investment funding, site open days, Pūhoro Wānanga, and Girls with Hi-Vis events. She builds and maintains meaningful relationships with our community partners, seeking opportunities for Genesis to invest in things that matter. Hinera also represents Genesis on the Rangatahi Advisory Panel through our partnership with The Aotearoa Circle.

**It's so important to be a good neighbour and sustain our licence to operate in our communities.**

**Hinera Parker**
Community Engagement Co-ordinator

Hinera Parker
bit.ly/3yDalH8

## Opening our doors to the community

About 1,500 people participated in our power station open days this year. Huntly Power Station and the Tongariro and Tekapo Power Schemes welcomed their communities through fully-booked site tours to share information about how our stations operate and the people who run them.

**1,500**
**PEOPLE**
**participated in our power station open days this year.**

"I just wanted to say thanks very much for yesterday," one visitor emailed. "As someone that was born in Huntly the year the power station opened, it's been of great curiosity to me for many years. I really appreciate getting the opportunity to go beyond the gates and have a look around, especially being able to get up close to one of the chimneys!"

Tongariro Community Open Day

## School-gen boosts STEM resources

The **School-gen Trust** had a hugely successful final year of operation helping develop students' skills in STEM (science, technology, engineering and maths). It gifted $292,000 in STEM equipment to 39 schools and two charitable organisations. This was the highest number of recipient schools since the Trust was established in 2019.

Since its launch, the Trust has given more than $710,000 worth of STEM and solar equipment to 132 schools around New Zealand. The STEM equipment provides students with hands-on experience in coding, robotics, design and engineering to develop critical thinking and problem-solving skills.

However, under our new Gen35 strategy, it was decided we should focus resources on our School-gen and Ngā Ara Pathways programmes to maximise their impact. The Trust's Board of Trustees unanimously agreed to wind up the Trust. We thank all our customers who have supported the Trust with donations over the years to help change the way many young Kiwis interact with and use STEM equipment in classrooms.

**School-gen** will continue. This programme provides free, energy-related STEM teaching resources to help prepare Kiwi kids for jobs of the future.

As part of our partnership with **Nanogirl Labs**, we developed and launched a series of free energy-themed Professional Learning Development (PLD) resources for teachers to build their confidence in delivering STEM in the classroom.

Students also benefited from our new partnership with **House of Science**, which offers science-themed kits to primary and intermediate schools around the country. Genesis sponsored 20 'Hot Stuff' kits, a bilingual resource (English and te reo Māori) that teaches children about all types of energy. So far, 612 teachers have used Hot Stuff kits.

An independent report by ImpactLab on the House of Science programme found that every dollar invested delivered $10.20 of measurable good (social return on investment). Based on this metric, the $50,000 Genesis donated has had $510,000 worth of social impact.

Research showed a lack of awareness of our School-gen programme among teachers and in October 2023 an **engagement plan** and multi-channel campaign was launched targeting teachers. As a result, we saw a 476% increase in downloads of the free School-gen resources compared with Q1 FY24.

Over the next year we will continue to develop and enhance resources to align with changes in the New Zealand curriculum, ensure the resources remain relevant, and are easy to use for teachers.


**476%**

**Increase**

In teacher downloads of School-gen resources after our new engagement campaign

# Profit

Investing in the future and rewarding our shareholders

Artist's impression of battery installation at Huntly Power Station.

## Gen35 – turning strategic value into financial value

A key objective of Gen35 is to drive earnings growth. We are focused on transitioning to biomass and battery storage, used to provide back-up electricity at peak times as we generate more power from solar and wind. In FY24 we fulfilled our Horizon 1 ambitions by improving efficiency in our retail and technology business units, enabling us to focus on doing fewer things better in helping our customers electrify. We are progressing with our renewables programme with solar and biomass, and starting the transition of Huntly Power Station into the Huntly Portfolio with a business case for the first stage of our battery installation.

With Gen35 in place, we are positioning Genesis as a more attractive long-term proposition for investors, offering growth opportunities and reliable dividend returns. In the base case plan, earnings (EBITDAF) are expected to be around $460 million in FY25 and targeting mid $550 millions by FY28. In FY24 the Board updated dividend policy to direct free cash flow[1] from Kupe to renewables development.

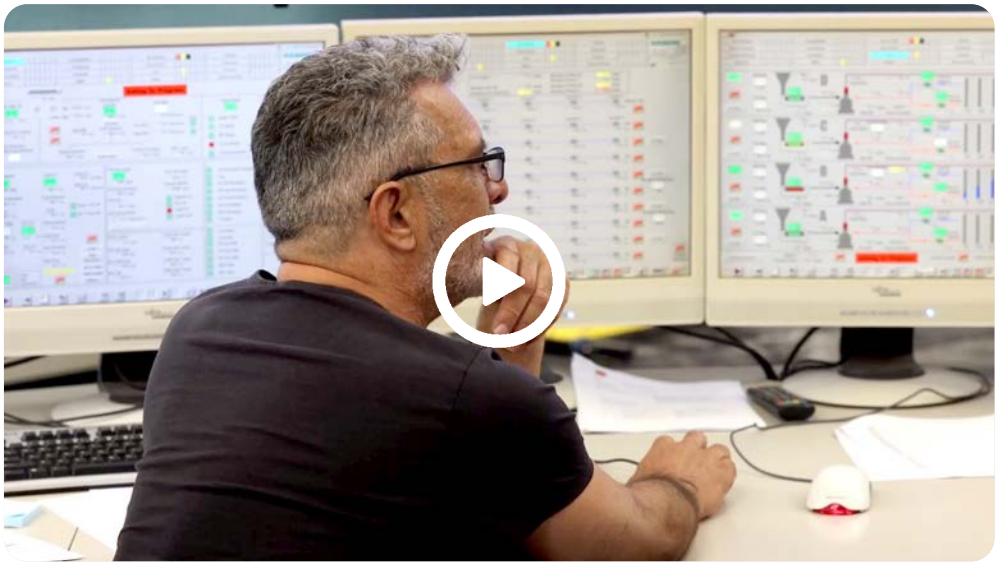
**Gen35 focuses on three key value pools: Growing greater value from our customers, investing around $1.1 billion in new renewable generation by FY30, and setting a clear future for Huntly Power Station as the Huntly Portfolio, New Zealand's grid scale peaking and firming facility for new renewable generation that will be built over coming decades.**

**We are focused on transitioning to biomass and battery, used to provide back-up electricity at peak times as we generate more power from solar and wind.**

1. Free cash flow represents EBITDAF less cash tax paid, net interest costs and stay-in-business capital expenditure.

# The Huntly Portfolio

**FY24 marked the start of Huntly Power Station's transition to The Huntly Portfolio, a collection of technologies and fuels including batteries, flexible gas and biomass as core fuels, with coal as a fuel of last resort. We created a new position of General Manager Fuels in our senior leadership team to take a more strategic approach to our fuels portfolio, supply chains and our transition to new low carbon fuels in the future.**



The Huntly Portfolio
bit.ly/3WE0Chf

## A solid fuel stockpile for security

As the country increases its intermittent renewable generation from wind and solar farms, at certain times supply will not match demand, particularly if hydro lakes are low. Thermal generation needs to swing in and out of operation in an unpredictable way, driven by fluctuating wind and sunshine, and be available for months at a time during dry winters.

Genesis will maintain an operational solid fuel stockpile of 350,000 tonnes to keep the lights on for our customers through the 'yo-yo' effects of the energy transition. Currently that solid fuel is coal, however we see this being displaced by biomass over coming years.

We assessed our stockpile would fall below 350,000 tonnes by the end of winter 2024, which triggered the order of more coal deliveries. The decline was driven by challenging conditions in a period of gas market uncertainty and declining hydro storage during the third quarter of FY24. We also had to use more coal during the Unit 5 outage from June 2023 to January 2024.

New Zealand's gas production has declined faster than forecast across the market, while gas demand has not. Transpower and some solar and wind generators have called for more fast-start gas peaking plant to be built to ensure energy security for homes and businesses in a highly renewable grid. For that to happen new gas supply and greater flexibility will be needed. This will take time.

Although gas has half the emissions of coal, tight gas markets may push electricity generation back to needing some coal to back up intermittent renewable generation, major generation plant outages and growing winter peaks as electrification increases throughout the economy. However, we will increase our operational stockpile of 350,000 tonnes only if we receive third party contract support or if market settings support more storage.

As a drop-in replacement for coal, biomass will form part of our stockpile management strategy as a biomass supply chain is established. We look forward to gradually transitioning our coal stockpile at Huntly Power Station to biomass between FY25 and FY30.

**670 GWh**

ELECTRICITY STORED IN OUR OPERATIONAL SOLID FUEL STOCKPILE OF AROUND 350,000 TONNES

## Huntly Firming Options

Huntly Power Station was built to provide back-up energy supply when the renewable system is unable to deliver, providing the market with security of supply and price stability. Since 2014 around 57% of its thermal generation has been contracted to third parties to supply their customers.

Gen35 indicated we would develop new products to give market participants the opportunity to manage their supply risks. The first of these products, Huntly Firming Options (HFOs) give generators, retailers and major energy users the option to notionally secure backup electricity supply from the Rankine units at Huntly Power Station with a stable and transparent pricing mechanism.

HFOs were released to the market in June 2024. Bids were received totalling 270 MW, significantly exceeding the volume available. Following negotiations 85 MW were secured by multiple parties to cover calendar years 2025 and 2026.

The strong interest in HFOs provided a clear indication of the value the market puts on the firming and flexibility offered by Huntly Power Station and its ability to provide both energy and capacity security to meet market demands and system security.

While the HFOs are backed by coal as the fuel source, we are working hard on biomass as an alternative fuel for our Rankine units and as the fuel source in future iterations of this product.

## Unit 5 returned to service

In June 2023 the powerful Unit 5 combined cycle gas turbine at Huntly Power Station experienced an unexpected outage when the unit's main circuit breaker failed. The 403 MW unit can power up to 400,000 households, so its loss was a blow to our generation capacity.

The fault had not been seen by the manufacturer anywhere else in the world, and specialist parts had to be obtained from overseas to complete the repair. We worked closely with the equipment supplier to source parts quickly, and the team worked tirelessly to get Unit 5 up and running again, four months earlier than originally anticipated. It came back online in January 2024.

Unit 5's unplanned outage caused a number of portfolio impacts that negatively impacted FY24 EBITDAF and were outside our insurance claim.

Genesis made all three Rankine units at Huntly Power Station available for generation following Unit 5's outage, redirecting gas that would have been used by Unit 5 to power the Rankines. This included Unit 2, a reserve unit which in June 2024 was proactively taken offline for unplanned maintenance.

We needed to use our hydro schemes more than planned over summer, rescheduling planned outages, which meant they were not fully back online ahead of winter.

New Zealand's declining gas supply meant the impact of Unit 5's early return to service was limited.

**Reg Soepnel**
CHIEF ENGINEER

Although this resulted in higher generation costs and less generation to sell to third parties, it highlighted our portfolio's resilience. We could absorb Unit 5's unplanned outage, the disappointing result of the KS-9 well development at the Kupe gas field (see page 43), delayed planned outages and Unit 2's unplanned outage and still generate enough to meet our customers' needs.

The unit's early return was testament to our team's expertise and determination. Their efforts averted what could have been a far greater financial impact.

# 4 months

**UNIT 5 RETURNED TO SERVICE FOUR MONTHS EARLIER THAN ORIGINALLY ANTICIPATED**

Restoring Unit 5
bit.ly/4cmVFio

## Biomass – supporting a new local supply chain

**Our successful trial burn of biomass in a Huntly Rankine in 2023 was the first time the sustainable fuel was used in New Zealand in a large quantity to generate electricity. We had to import the quantity used in the trial due to the absence of suitable black pellets in New Zealand, but since then we have worked to support the development of a domestic supply chain.**

We are in advanced discussions with providers in East Cape, Northland and Central North Island, and making good progress on establishing a sustainable and financially viable supply chain. We have collaboration agreements in place with potential suppliers and hope to move to formal agreements as soon as possible. We expect to have access to local biomass production within FY25, steadily scaling up from there. Our goal is for biomass to make up 100% of our operating solid fuel stockpile of around 350,000 tonnes by FY30, with coal moving to become a fuel of last resort.[1]

**100%**

BIOMASS AS FUEL FOR THE HUNTLY RANKINES BY FY30

**Scott Westbury**
GM ALTERNATIVE FUELS

The biomass journey
bit.ly/4cpjJBx

There remain some challenges to overcome, such as establishing cost-effective access to forestry residue. But the potential economic benefits are as clear as those for the environment. The 2022 report The Future is Electric by the Boston Consulting Group forecast that energy supplied by biomass and other renewable fuels would increase from 9% in 2022 to 23% by 2050.

Genesis is committed to biomass as a fuel to replace coal at Huntly Power Station if we can establish a supply chain that is carbon reducing, cost-effective and convenient to procure. Biomass is a key part of our Gen35 strategy which targets our generation to become 95% renewable by FY35, and commits us to a science-based net zero 2040 target. This in turn will support New Zealand to become net zero by 2050.

**We expect to have access to local biomass production within FY25, steadily scaling up from there. The goal is to secure enough supply to provide 100% of the fuel for the Huntly Rankines by FY30.**

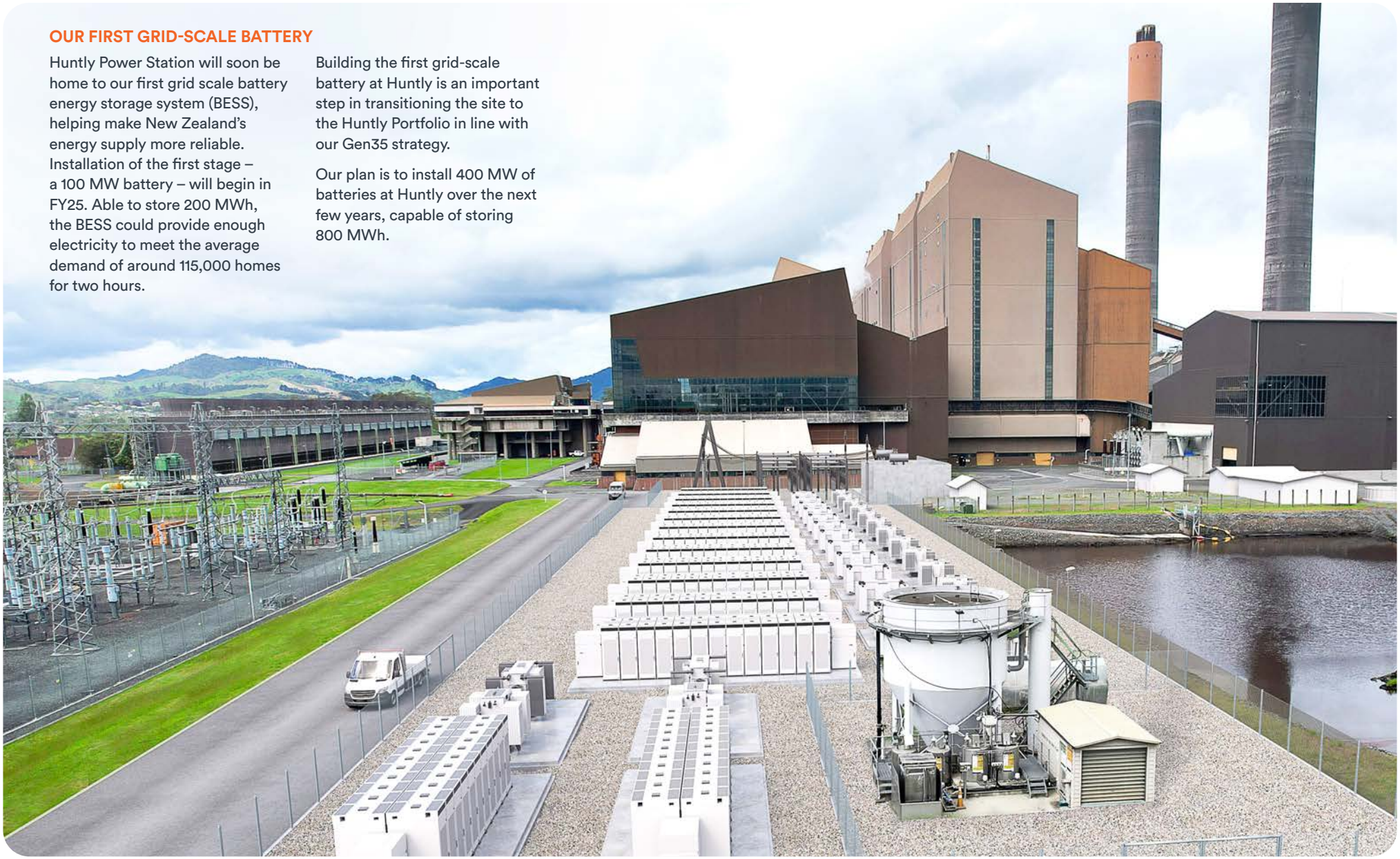
1. Holding coal as a fuel of last resort would be subject to support from third parties or market settings, for use during prolonged dry periods, major generation or gas supply disruptions.

## OUR FIRST GRID-SCALE BATTERY

Huntly Power Station will soon be home to our first grid scale battery energy storage system (BESS), helping make New Zealand's energy supply more reliable. Installation of the first stage – a 100 MW battery – will begin in FY25. Able to store 200 MWh, the BESS could provide enough electricity to meet the average demand of around 115,000 homes for two hours.

Building the first grid-scale battery at Huntly is an important step in transitioning the site to the Huntly Portfolio in line with our Gen35 strategy.

Our plan is to install 400 MW of batteries at Huntly over the next few years, capable of storing 800 MWh.



Artist's impression of battery installation at Huntly Power Station.

# New renewable generation

## Construction begins at Lauriston solar farm

In April 2024 construction began on the $104 million Lauriston solar farm in Canterbury, the first project in our solar joint venture with FRV Australia, and the first project in our planned $1.1b investment in new renewables by FY30. We expect Lauriston to be generating electricity by the end of 2024 – at that time it will be New Zealand's largest solar farm.

Set on a 93-hectare property about an hour south of Christchurch, Lauriston will hold about 90,000 solar panels and will generate enough energy to power around 13,000 homes. It is expected to create more than 50 jobs during the construction phase and employ up to three full-time staff when operational.

Joining our Chief Executive Malcolm Johns at a sod-turning ceremony in April 2024 was the CEO of FRV Australia Carlo Frigerio, Ashburton Mayor Neil Brown, the Chief Executive of EA Networks Onno Mulder, the General Manager of construction partner Beon, Kieren Lewis, and landowner Bernard Daley.

We continue to assess several North Island development sites as well as a range of solar development acquisition opportunities as part of a growing pipeline of development options as we move to around 95% renewable generation by FY35.

The joint venture has a target development of 500 MW of solar capacity, which is expected to generate about 750 GWh a year – enough to power 100,000 households or 185,000 EVs a year.

**Solar energy will also enable us to reduce our generation emissions as we move to our target of net zero 2040.**

**100,000**

**MWh**
**Estimated annual generation by Lauriston solar farm**

**7,300**

**$tCO_2e$**
**Estimated annual emissions avoided by Lauriston's solar generation[1]**

Lauriston solar farm
bit.ly/3YItilE

1. NZ grid mix emission factor x power generation
Emission factor FY23 = 0.073 x 100,000 MWh = 7,300 $t/CO_2e$

Source: Measuring emissions: A guide for organisations: 2024 detailed guide | Ministry for the Environment

## Spark Energy Supply Partnership

In May 2024 we announced a new partnership with Spark that supports the development of new renewable energy capacity and the delivery of Spark's Toitū Sustainability commitments.

The 10-year Energy Supply Partnership will supply electricity to Spark purchased from the national grid, notionally linked to the volumes generated by Lauriston solar farm. The notional consumption of Lauriston generation will account for about 60% of Spark's annual electricity requirements, with the remaining 40% also be supplied by Genesis from the national grid, as occurs today.

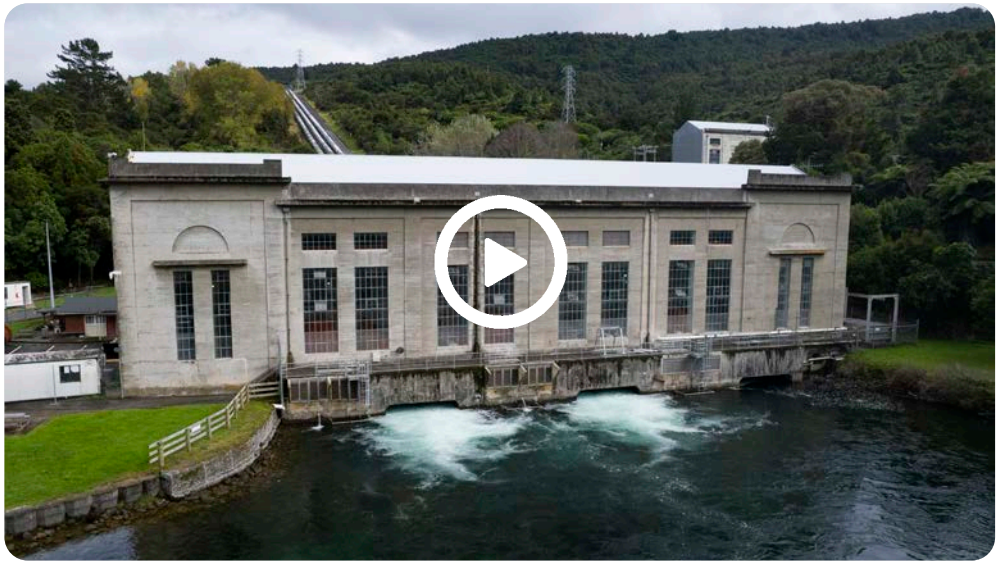
Genesis will supply Renewable Energy Certificates (RECs)[2] to Spark for the Lauriston generation volumes, helping make a significant contribution towards Spark achieving its Science Based Target of a 56% reduction in scope 1 and 2 emissions by FY30 (from a FY20 baseline).

The kind of long-term commitment shown by Spark supports the development of new renewable generation.

The agreement will start on 1 January 2025.

2. A Renewable Energy Certificate certifies that one megawatt-hour (MWh) of electricity was generated from a renewable source and fed into the grid, enabling the REC owner to claim the environmental benefits – the reduced carbon footprint – of that clean energy.

# Generation site upgrades



**Our extensive programme of capital works, based on a strategic asset management plan, aims to extend the life and increase the efficiency of our existing generation plant. As well as building new renewable generation in the form of wind and solar farms, we also need to extend the life of our existing hydro stations, making them even more productive and efficient in the process. These upgrades will future-proof the stations so they'll continue to produce reliable renewable electricity for New Zealand as the country decarbonises over the coming decades.**

Waikaremoana power scheme
bit.ly/4dQ8ALa

## Waikaremoana

This year we completed a seven-year project upgrading all three generators at our Tuai generation site, with the last of three new generators installed and switched on. Tuai is a historic generation site - two of the original generators dated back to 1929, and the third to 1939.

The new generators were shipped from Spain, each weighing about 24 tonnes. The upgrade had a total cost of about $35m and will potentially boost Tuai's capacity by 6 MW[1] – enough to power an extra 1,000 homes.

Tuai is one of three power stations in Genesis' Waikaremoana Power Scheme, transferring water from Lake Waikaremoana through Kaitawa (36 MW), Tuai (60 MW) and Piripaua (42 MW) power stations.

We completed an overhaul of Piripaua's two generators in FY23. These were first commissioned in 1943 and last overhauled in 1995. The work increased their efficiency, or the amount of power they produce from the same amount of water, by 3.3%, enough to power 436 households a year.

Last in line is Kaitawa, with full replacement of its two generators due to begin in FY25.

## Tongariro

### RANGIPO POWER STATION REFURBISHMENTS

Rangipo Power Station, located 63m underground near Turangi, had significant project work from January to June 2024. We completed refurbishing one of the two turbines, generator and intake gate with replacement work happening on the governor and transformer bushings. Similar work will occur in FY25 on the remaining unit. This work will ensure the station continues to deliver a high level of reliability through to the mid-2030's where it will undergo its next major refurbishment and replacement cycle.

### LAKE ROTOAIRA WEED HARVESTING VESSEL

Genesis has partnered with the Lake Rotoaira Trust to buy a specialised boat for harvesting aquatic weed. The invasive species grow through summer and cause issues at boat ramps, recreational areas and the intake to the Tokaanu Power Station. The harvesting vessel is used to remove aquatic weed from the lake before it becomes a problem. Genesis is privileged to be able to work alongside the Trust to create positive outcomes for both Lake Rotoaira and Tokaanu Power Station.

1. Due to station constraints the full impact of the efficiency gain is only achievable when the station is operating below the maximum output of 60 MW.

## Huntly Power Station

After completing a cold survey of Unit 4 Rankine in FY23, Unit 1 underwent a more targeted outage in FY24. This outage focused primarily on obtaining statutory recertification and ensuring on-going boiler reliability. The outage took 85 days consisting of 11,365 internal working hours, involving 16 different contracting companies at 12,846 hours, and cost $3.4 million.

Following the failure of Unit 5's main circuit breaker in June 2023, a significant amount of work was carried out to minimise the impact of the outage. The Unit was returned to service in January 2024, four months earlier than expected. We were able to work closely with the equipment supplier to source and expedite delivery of parts, enabling us to return Unit 5 to service ahead of the drier summer months. Genesis made all three 250 MW Rankine units available during this outage, redirecting gas that Unit 5 would have burned to the dual-fuel units. The Unit 5 Distributed Control System (DCS) and Static Frequency Control (SFC) were also upgraded during this outage.

## Tekapo

Following three years of significant works from FY19 to FY22, including a new intake gate at Lake Tekapo and further upgrades during FY23, FY24 was a quieter year for this hydro scheme. A 33 kV upgrade project is underway with circuit breakers and switch gear being installed at the headgate substation next to Tekapo B power station. This project will be completed in FY25 with new circuit breakers and switch gear to be installed at the main substation and at the Pukaki substation, making the switch yards more automated, reliable and safer.

During the year we completed installation of a new safety boom in front of the Tekapo A intake. The new boom and buoys are larger and yellow in colour, making them more visible to passing boaties.

Transpower has also started the upgrade of its indoor switch gear and are constructing a fit-for-purpose building adjacent to its switch yard at Tekapo A. This will remove the hazards associated with the old type of switch gear and upgrade it to a modern safe design out of the powerhouse.

Mark Cain
bit.ly/4dGjPWu


## Using predictive analytics

Across each of our generation sites we continued to use advanced predictive analytics for forecasting and early fault detection, helping manage operational constraints and reducing the likelihood of forced outages. Examples include refreshing how we forecast the Waikato river temperature downstream of Huntly Power Station, allowing us to be more confident within our operational consent limits, and a recent case of fault detection where an abnormal vibration was detected on Unit 4 at Tokaanu Power Station. Testing identified an issue we were able to fix before serious damage to the machine could occur.

There are challenges presented by the tight energy market that depend on generation units always running smoothly, as well as the ongoing challenges of ageing assets and a tight contractor market. These challenges underline the importance of our generation life-extension programme and efficiency initiatives for the provision of reliable and cost-effective energy.

# LPG update


**Our LPG business had a stable year in FY24 with reduced driver turnover and successful recruitment for vacant roles.**

Enhanced safety measures led to a reduction in kilometres driven, yet we are on track to maintain or slightly increase the volume of LPG deliveries, showing our efficiency and commitment to safety without compromising service. Our fleet of EV trucks remained the same size as in FY23, continuing our commitment to sustainability. We replaced 11 ageing trucks, modernising our delivery infrastructure, aligning with our operational requirements and reinforcing our commitment to efficient and reliable service.

A pilot of the ERoad driver reporting system was undertaken at the Hamilton and Feilding depots, marking a step forward in technology adoption. The system offers safety enhancements and had positive feedback from drivers and managers. We will look to roll it out to other depots in FY25.

Tim Toomer
bit.ly/4dE9REU

The filling heads at our Hornby depot in Christchurch were upgraded to pneumatic technology, vastly reducing manual handling, and this safety feature will be rolled out through other depots.

We bolstered our engineering resources to provide extra support, recruiting new maintenance lead and asset management roles, enhancing our team's capabilities and readiness for operational challenges.

We continue to upskill our delivery team in areas such as risk management and handling difficult conversations with customers. Collaboration between our drivers and customer service representatives (CSRs) was strengthened through ride-alongs, where CSRs spent a day with LPG drivers. This initiative gave CSRs a deeper understanding of the delivery process, and enhanced their ability to have more informed and effective conversations with customers.

# Kupe update

The well intervention campaign at Kupe KS-9 concluded in May 2024, with work unable to produce sufficient flow to sustain operation of the well due to the reservoir pressure level and liquid inflows. As a result, maximum gas production is 47TJ/day. Further interventions may be considered in due course.

Gas production across New Zealand continues to decline faster than expected. This reinforces the importance of Gen35, and Genesis remains focused on its long-term strategy. All of our share of Kupe's free cash flows will still be directed to new renewables. What has changed is the amount from Kupe may be less than first anticipated. We are open to exploring more power purchase agreements (PPAs) and joint ventures with PPAs, in addition to direct investment to deliver our renewables pipeline. The dividend policy remains unchanged.

# Technology

## Digital transformation

**Our digital transformation programme consists of three key upgrade projects for our billing and customer relationship management (CRM) platform, and our wholesale trading toolkit.**

Our new billing and CRM platform will enable us to streamline our retail operations to provide improved customer and employee experience from a cost-effective base, and explore interesting adjacencies over the coming years. Our finance programme will modernise our technology and provide the bedrock to support our finance operations. The wholesale and trading programme will allow us to better model and forecast scenarios, and trade into the market even more effectively than we do today.

Our progress in FY24 saw us select Gentrack as our partner for billing and Salesforce for CRM solutions. We completed the design phase and are about halfway through the build. We're looking forward to starting migration of Frank customers to the new platform in FY25.

The finance and wholesale and trading programmes are following behind the billing and CRM upgrade. At the end of FY24 we were going through a procurement process to select the technology. We expect to make a final investment decision later in the 2024 calendar year and then move into the build phase.

## Cyber and data security

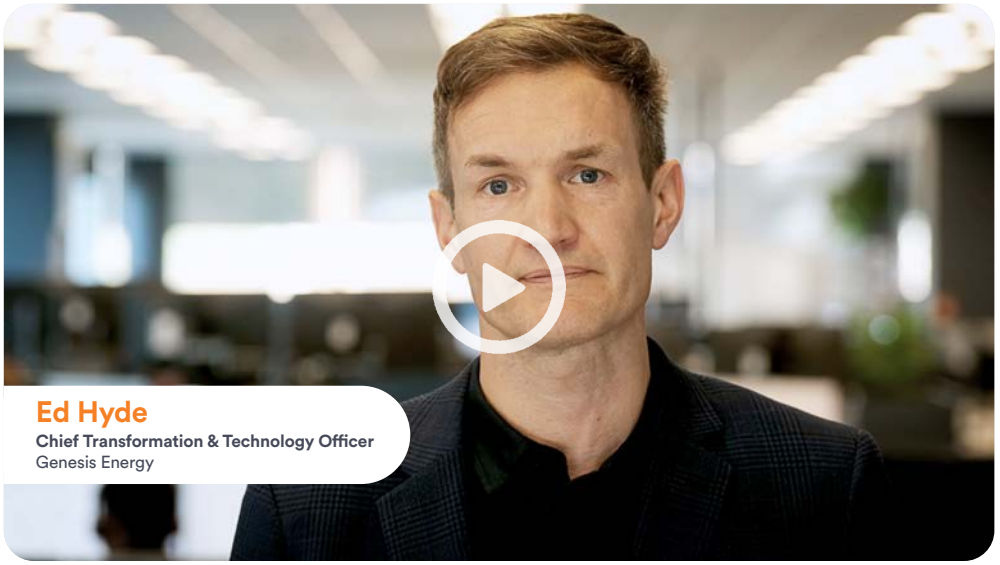
Keeping our customers' data and technology systems safe remains a priority for Genesis, which means we must constantly evolve our approach to cybersecurity.

We are now three years into our maturity journey, and continue to invest in information and cyber security capabilities and controls, aligning to the ISO 27001 Information Security Management standard. The Genesis team engaged effectively with our cybersecurity education and training initiatives – and our strong culture of reporting suspicious activity shows that it's working.

This year we have also expanded security monitoring and visibility across the Genesis landscape, improved our assets and services to a defined Genesis standard based on the Centre for Internet Security benchmarks, and put in place a significantly matured risk management framework and overarching risk governance.

As we align our environment to a higher security specification, gaps have been identified in third-party abilities to maintain the same level of secure communication methods. Driving third parties to adopt modern practices and mandating a minimum standard is leading to positive responses.

In FY25, our focus will be on maturing our processes to align with the ISO 27001 compliance standard.




**This year Genesis trialled Microsoft Copilot Pro – one of just five organisations in New Zealand to do so, and one of only a handful worldwide.**

## AI trial with Microsoft Copilot

This year Genesis trialled Microsoft Copilot Pro – one of just five organisations in New Zealand to take part, and one of only a handful worldwide.

Microsoft Copilot Pro is an AI assistant that combines an organisation's data with ChatGPT to provide real-time intelligent assistance, working alongside Word, Excel, PowerPoint and other Microsoft 365 apps.

We started by trialling Copilot with just 30 staff, to flush out any challenges or ethical risks. By the end of FY24 the trial had expanded to about 300 employees. Internal research found that 70% of people in the trial were saving at least an hour a week thanks to Copilot, while some individuals were saving as much as five hours every week.

We've been using Copilot to transcribe and summarise meetings, removing the need for note-taking, review drafts, set the right tone for communications, summarise long email chains, and run a diversity audit on our website's content and imagery.

Genesis has also created three in-house AI tools. The first analyses transcripts from our call centre, looking for common themes. The second has created a knowledge base for our power generation sites. The third will help us work with data from a variety of sources.

The next phase of our AI strategy will be to assess large value opportunities and consider the AI applications.

Our technology priorities
bit.ly/46IAFBN

## Focus on costs

Inflation continued to impact our costs across the business in FY24, and expenditure was required to get the business 'future fit' under Horizon 1 of our Gen35 strategy. This included one-off costs on our digital transformation programme see page 44, which will set platforms for the business to deliver on our Gen35 objectives.

We began reducing employee costs in retail through reshaping the business unit into a simplified model, while lifting costs in the wholesale business unit as we added quality resources to our fuels portfolio, trading capability and new renewables development.

The Unit 5 outage at Huntly Power Station increased repair and maintenance and related consultant spend, and had knock-on costs as explained on page 37. The efficiency and expertise of our team in bringing the unit back to service four months earlier than anticipated averted greater financial impact.

# Planet

Tiaki taiao – protecting the environment for us and those who come after us

Credit: Matt Binns

Huntly Power Station

**We are in a unique position to fulfil our purpose of powering a sustainable and thriving Aotearoa. Our assets enable us to provide peaking and firming support to renewable generation, providing security of supply for our customers when the wind doesn't blow, the sun doesn't shine and hydro lakes are low.**

## Gen35 – supporting New Zealand to net zero 2050

We're working to decarbonise our business through building renewable generation, and aim to transition our solid fuel stockpile at Huntly Power Station to 100% biomass by FY30. We're also helping our residential and business customers electrify.

Our Gen35 goals include our generation fleet becoming 95% renewable by FY35, and our business being on the trajectory to net zero by 2040.

We've committed to investing $1.1 billion in new renewables and battery storage by FY30, partly funded by our share of free cash flows from the Kupe gas field.

We have a goal to grow our renewable portfolio to about 8,300 GWh through solar and wind generation, power purchase agreements and battery storage, up from our present 3,250 GWh of generation and power purchase agreements.

**100%**

BIOMASS IN THE HUNTLY POWER STATION STOCKPILE BY FY30

**95%**

RENEWABLE GENERATION BY FY35

**Net zero 2040**

SBTi GOAL[1] FOR OUR BUSINESS

1. Application for verification submitted to the Science Based Targets Initiative (SBTi) in Q1 FY25.


## Emissions update

Genesis has FY25 Science Based Targets (SBT) that align with the global Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. Verified by the internationally recognised Science Based Targets initiative (SBTi), our targets commit us to reduce more than 1.2 million tonnes of annual carbon emissions by FY25 (from a FY20 base), including reducing generation emissions by 36% and emissions from use of sold products by 21%.

Towards Net Zero 2040
bit.ly/3SPKBn8

Scope 1 and 2 emissions in FY24 were 9% lower than FY20, which equates to a reduction of 247,524 tonnes of $CO_2e$. Scope 3 emissions from use of sold products were 60% lower than FY20, which equates to a reduction of 822,138 tonnes of $CO_2e$. You can read more detail on this in our FY24 Climate Statement.

Depending on hydro inflows and gas availability over the coming year, market conditions indicate reaching our FY25 SBT may be more difficult than expected. We know the path to net zero will be bumpy, however through our Gen35 Strategy we are committed to developing renewables, supporting a highly renewable energy system through flexibility, and empowering our customers to electrify their lives.

In FY24 we began the process of setting a net zero 2040 SBT. We aim to deliver this through building new renewables and reducing the emissions impact of Huntly Power Station by gradually replacing coal with biomass.

In FY24, several factors resulted in us seeing an increase in emissions of 1,204,995 tonnes of $CO_2e$ compared to FY23. FY24 saw low hydro inflows compared to the above-average flows of FY23, requiring higher thermal electricity generation to ensure security of supply. Nationally, hydro inflows in FY24 were down 21% relative to FY23.[1] This led to less electricity generated from hydro-power schemes nationally.

Coupled with a prolonged outage at Huntly Power Station's Unit 5 gas turbine from June 2023 to January 2024, this meant the less efficient Rankine units needed to be used with coal as well as gas to supply the same energy usually produced by Unit 5.

Alongside this, we have seen a substantial decline in gas production across the country, with major field production down 24.5% in the 12 months to May 2024.[2] The decline has been faster than official forecasts and is expected to continue. Well development work at Kupe KS-9, which was an important part of displacing coal earlier in our transition, has not yet delivered the extra gas we had been hoping for. Huntly Power Station runs on gas and coal so less availability of gas creates the need to burn more coal while we transition to more renewables.

Finally, in the second half of FY24 we saw demand increase 4% compared to the same period last year.[3] Growth is expected to continue due to industrial, business, home and transport electrification, and new data centres.

We know the path to net zero will be bumpy, however through our Gen35 Strategy we are committed to developing renewables, supporting a highly renewable energy system through flexibility, and empowering our customers to electrify their lives.

**Matthew Osborne**
Chief Corporate Affairs Officer

1. Source: ASX
2. Source: Enerlytica
3. Source: Energy Management Services (EMS)/Transpower

## Managing our carbon obligations

DrylandCarbon is a partnership of four New Zealand companies: Air New Zealand, Contact Energy, Genesis Energy and Z Energy. It has established a geographically diversified portfolio of exotic forests for both timber and carbon credits, to help the participants meet their compliance surrender obligations under the New Zealand Emissions Trading Scheme (ETS).

DrylandCarbon was formed in 2019 and now has 10,300 hectares planted or with planting in progress. The forests are in the process of being registered in the Emissions Trading Scheme. In FY24, about 14,500 New Zealand Units (NZUs) were generated by the DrylandCarbon fund for Genesis. Each NZU represents one tonne of carbon dioxide sequestered by the forests.

A second partnership forestry project, Forest Partners, was founded in early 2022 and is in the process of identifying land for acquisition and establishing forests. Genesis is one of the four founding partners of Forest Partners, along with Contact Energy, Todd Corporation and Z Energy.

Both forestry partnerships acquire marginal farmland, with trees grown responsibly by professional forestry managers. This helps them produce high-quality timber, as well as a reliable income stream that supports rural communities and contributes to meeting ETS obligations.

DrylandCarbon is on track to have all of its forests ETS registered by June 2025. Some of the forests owned by Forest Partners will also be ETS registered by that date, with others still being established.


## Working with government

We work hard to build and strengthen Genesis' reputation and social licence by engaging with key government stakeholders and liaising with our teams on regulatory requirements. This year our work included:

- Visits to our generation sites by government officials
- Remaining in regular communication with officials to ensure they are well informed about Genesis' evolving portfolio position and any potential implications for security of supply
- Providing the Lauriston solar farm project team with regulatory advice
- Providing the team working on our first battery energy storage system with regulatory advice
- About 30 submissions on government policy and regulation consultations

Some of our key submissions included:

- MBIE's omnibus consultation on New Zealand's energy strategy
- The decommissioning regime for oil and gas
- The Electricity Authority's work on winter peak capacity, hedge disclosure obligations, retail market monitoring, and its preliminary UTS decision on 9 August 2021
- The Gas Industry Company's consultation on advanced gas metering, and its FY25 levy and work programme
- The Climate Change Commission's consultation on the fourth emissions budget
- The Ministry for the Environment's consultation on reviewing ETS settings
- The Office of the Privacy Commissioner's consultation on biometric information

The Government Relations and Regulatory Affairs team has helped the whole business successfully navigate the change of government following the 2023 election. We've established constructive relationships with new ministers and we're optimistic the Fast-track Approvals Bill will make it easier to secure consent for upcoming renewable energy projects.

## Supporting demand growth

Key to ensuring New Zealand meets its net zero 2050 target is supporting consumers to transition from fossil fuels to electricity, thereby increasing electricity demand. An independent online survey we commissioned in February 2024 of 1000 New Zealanders showed that for many, the move to electricity is well underway. Many already have electricity for cooking (50%), heating (45%) and hot water heating (42%). Of the remainder, about 16% want to convert and around 25% said 'maybe'.

EVs have had a lower uptake – only 9% of survey respondents have an electric vehicle now – while 21% plan to buy one and 36% say they might.

Of those considering converting their transport, heating and cooking, more than half intend doing so in the next five years.

The gas shortage the country is now experiencing may accelerate that transition as prices increase over coming years.

We see value for both our shareholders and the country in supporting growth in electricity demand. We're working on new products and services that will help customers electrify their lives and businesses.

Distributed energy resources such as rooftop solar and batteries will be key elements in our strategy.

## Helping customers transition

**Supporting our customers to electrify their lives and businesses is a key pillar of our Gen35 strategy.**

### EVERYWHERE PROVES POPULAR WITH EV DRIVERS

Our EV plan and EVerywhere product continued to prove popular in FY24.

We launched EVerywhere in September 2022, enabling EV owners to recharge on the go for at-home prices. More than 50% of our EV-owning customers now subscribe to EVerywhere, and they tell us it was a key reason for choosing Genesis. During FY24 customers on our Energy EV plan almost doubled to 8,325, with 4,439 also enjoying EVerywhere.

### ENERGY IQ EXPANDS

Our popular Energy IQ app lets customers manage their energy use remotely, tracking and providing data to help them understand how their household compares with others. This year we introduced a carbon calculator to show the impact of their home's energy use, and improved our insights data.

We also promoted Energy IQ for business. Companies can see their energy use and emissions up to the last 48 hours, offering valuable data for decision-making. With 35% of business customers engaged with EIQ for business, this is helping companies manage their costs and improve their efficiency.

## SUPPORTING BUSINESS CUSTOMERS TO ELECTRIFY

We encourage all our business customers to electrify through marketing strategies and communications.

Two of our initiatives this year have been bundled EV chargers and electricity discounts (see below). Both have proved a win-win for the customer and for Genesis – the customer benefits from discounts on their decarbonising effort, while Genesis gets the benefit of their ongoing electricity consumption. This also helps our customers reduce their emissions and demonstrates Genesis' commitment to contributing to a low carbon future.

For the year ahead we are ramping up our decarbonisation programme and will be working on creating new offers for our SME base.

### Making charger installation easy

In FY24 we launched a new bundle made up of the Business Energy Plan (BEP) and discounted EV chargers.

The customer signs up through a Genesis web page, and their information is passed to our partner, RCR Infrastructure. RCR contacts the customer, books a visit and generates a quote to install EV chargers on site, at a discount of up to 15%.

Once installed, customers enjoy the standard BEP discounts on their bill.

### Electrified forklifts

For three decades, Auckland Fork Truck Hire has been renting out forklifts and fork trucks to customers across the city. Until this year, most of its forklifts were fuelled by 20kg LPG bottles, but – with support from Genesis – the fleet is now electrifying.

Genesis customers who are on a BEP can get a special 20% discount when they buy a new UN electric forklift – typically a saving of between $4,000 and $8,000. They also get the first six months of vehicle servicing free and 15% off ongoing servicing. There's also a discount for BEP customers renting UN electric forklifts.

Electric forklifts keep indoor environments cleaner than LPG or diesel, thanks to their zero carbon emissions. They're also quieter and have lower maintenance costs.

The partnership fits into our vision of electrifying our customer's lives. When we help displace LPG with electricity, we are helping our customers to transition to lower carbon alternatives. This helps our customers to reduce their Scope 1 emissions and showcases our commitment to offer sustainable solutions.

## HELPING LARGE BUSINESS CUSTOMERS DECARBONISE

Our large business customers can be big consumers of energy, so working with them to decarbonise can have a significant impact.

### Greenhouse heat pump cuts emissions and costs

Van Lier Nurseries supplies cut flowers and roses, and its greenhouses were being heated by a gas-fuelled boiler. As part of our decarbonisation-as-a-service pilot, we helped the business swap to an electric heat pump in October 2023, working together to bring the project in 6% below budget.

Seven months after installing the heat pump, Van Lier Nurseries had saved $116,000 in energy costs and reduced its carbon emissions by about 330 tonnes.

### Little tweaks make a big difference

When the University of Waikato wanted to improve its energy efficiency, we started by measuring how it was using power in its large buildings. We then suggested actions that would optimise power use, such as tweaking chiller pump schedules and installing our Energy Insights sensors across the campus. After three years of monitoring, we found the changes had saved the university 63.5 MWh in energy use each year – enough to power about eight homes.

Joanne Hurley of Van Lier Nurseries

### NEXT STEPS

In the coming year, we will start to explore and trial demand flexibility solutions in partnership with our large business customers to optimise their energy use and contribute to grid stability.

# Helping protect and restore nature

## Our commitment to nature

**Our Nature Position Statement sets out Genesis's commitment to the natural world. In Aotearoa New Zealand 36% of GDP depends on biodiversity and ecosystem services – and activities at our generation sites have a range of environmental and cultural impacts in relation to biodiversity.**

Read our full nature position statement here.

## Environmental initiatives

In Aotearoa New Zealand, the sustainable management of natural and physical resources is governed by the Resource Management Act 1991 (RMA). The RMA requires action to avoid, remedy or mitigate any adverse effects resulting from activities. We take our environmental obligations seriously and work hard to achieve a high level of consent compliance across our generation sites.

Genesis' resource consents include a number of initiatives that are in place to mitigate our social, cultural and environmental impacts. In addition, Genesis supports a range of initiatives that are over and above our consent requirements. For more information please visit: https://www.genesisenergy.co.nz/about/sustainability/nature

## A bootcamp for nature

This year Genesis participated in a Taskforce on Nature-related Disclosures (TNFD) bootcamp alongside several other organisations, run by the Aotearoa Circle. We participated to learn how we could use an international framework to integrate nature further into our business decision-making processes and reporting, acknowledging that nature-related disclosures may become mandatory in the future.

A focus for FY25 will be understanding more about our impacts on nature and how we can improve the condition, resilience, indigenous biodiversity, ecological processes and other values of the ecosystems and communities around our generation sites.

## Our commitment to water

Genesis acknowledges the impact our electricity generation has on river systems and the associated cultural, social and environmental effects. We take seriously our responsibility to carefully manage our operations and use of water.

We recognise the principles of the Treaty of Waitangi and the relationship that mana whenua has with water. We work hard to mitigate and compensate for the effects of our activities, striving for strong and meaningful relationships with mana whenua, communities, and environmental organisations around our generation sites.

Read our full water position statement here.

A weed harvesting vessel bought in partnership with the Lake Rotoaira Trust near our Tongariro Power Scheme.

## Tekapo Power Scheme resource consent

The Waitaki and Tekapo Power schemes are central to New Zealand's electricity supply, providing about 18% of the country's electricity needs and containing about 60% of New Zealand's controllable hydro-storage. Genesis' Tekapo scheme generates enough renewable electricity to power more than 120,000 households.

The principal resource consents for each scheme expire on 30 April 2025. In July 2023 Genesis (Tekapo) and Meridian (Waitaki) submitted individual reconsenting applications to cover the next 35 years. We are each seeking the same operational flexibility as the schemes have now. Genesis is seeking one slight adjustment to the flood operating rules to enhance the safety and integrity of the scheme.

The successful reconsenting of these schemes is a critical element of New Zealand's energy security and to helping achieve Genesis' and New Zealand's climate change targets.

As part of the consent application process, we and Meridian reached agreements with mana whenua, the Department of Conservation (DOC), Fish & Game and the Mackenzie District Council. These agreements address cultural, community and environmental matters, including an expanded biodiversity programme in the Waitaki catchment.

During FY25 Genesis will continue to progress our application, with the desired outcome being consents granted for a further 35 years that result in no material changes to output from the Tekapo Power Scheme. This will ensure the valuable contribution the Tekapo Power Scheme provides in terms of storage in Lake Tekapo, and generation through Tekapo A and B power stations, is retained.

### PROJECT RIVER RECOVERY

Project River Recovery is a Department of Conservation-led programme to maintain and restore habitat in the Upper Waitaki Basin for the benefit of its native plants and animals, some of which are endemic to this region.

This financial year Genesis, Meridian and DOC were pleased to announce a new agreement that will see a significant increase in total annual funding for indigenous biodiversity initiatives in the Waitaki catchment, with a focus on braided river habitat and wetland protection and enhancement. Genesis' contribution to the new indigenous biodiversity programme will increase from $72,843 to $287,500 a year, once Genesis' resource consents to operate the Tekapo Power Scheme are renewed.

A highlight of this year was seeing the return of the black-fronted terns after flooding forced them out during the previous nesting season. There was also a phenomenal effort at weed spraying to help maintain braided river ecosystems.

**2,087**

HOURS OF TARGETED WEED SPRAYING SINCE FY22

**300+**

BLACK-FRONTED TERN NESTS RECORDED ON TERN ISLAND/MOTU TARAPIROHE AFTER SITES WERE ABANDONED IN 2022

### WETLAND RESTORATION AT RAAHUI POOKEKA HUNTLY

In June 2024 35 Genesis employees rolled up their sleeves and planted 2,000 natives to help re-establish the Waahi Wetland near Huntly Power Station. Wetlands form a critical connection between our land and water, support a wide range of biodiversity and improve water quality. FY24 kicked off a four-year programme of planting and weed management to restore this pocket of land.

Restoring Waahi wetland
bit.ly/3Maasmb

## Extending our support for whio

**The whio/blue duck is a New Zealand native bird found nowhere else in the world. Whio are one of only four duck species worldwide that live on clean, fast-flowing streams and rivers. They are an indicator species, which means where you find whio, you'll find clean waterways.**

Genesis has partnered with DOC on Whio Forever since 2011, providing support for predator trapping at eight security sites[1] across the motu. It was unfortunate to see another decline in the number of whio breeding pairs at security sites this year, with pair numbers dropping by 20 since FY23 to 567.

DOC reported this was due to weather events causing high water levels, forcing whio into smaller tributary streams that lack predator traps. Flood events also increased the difficulty of re-baiting traps and accurately surveying the surviving number of whio. A review of the best methods of whio conservation will be undertaken to support whio population recovery, so numbers will once again track up over time.

Credit: Bubs Smith

**90%**

**INCREASE IN BREEDING PAIRS SINCE WHIO FOREVER LAUNCHED IN 2011, FROM 298 TO 567**

1. Security sites are high priority sites that are intensively managed to secure representative populations of whio. Find out more at https://www.doc.govt.nz/our-work/whio-forever/whio-locations/

### A VISIT TO WHIO COUNTRY

During Whio Awareness month in March 2024 members of the Whio Forever committee were hosted by Ngāti Whare at DOC's Whirinaki security site inland from Rotorua. The Whirinaki Te Pua-a-Tāne Conservation Park contains one of the world's last stands of prehistoric rainforest, and its rivers are ideal environments for whio.

Iwi representatives shared the history of their land and efforts to enhance its biodiversity, including predator control to protect whio. DOC ranger Sarah Wills explained that predator work had seen whio numbers increase from 58 pairs in 2016 to 77 pairs at the last census in 2021.

The visit was valuable to see the work being done on the ground to protect our native duck by iwi, DOC, volunteers and community groups at Whirinaki and around the country.

**Whio forever**
bit.ly/3YK7PyT

## Tackling transport emissions

### A SAFER, GREEN FLEET OF VEHICLES

This year we continued replacing older high-operating-cost vehicles with newer, more fuel-efficient ones. We bought more pure battery electric vehicles (BEVs), replacing some of our older diesel and petrol vehicles.

We continued with our trial of electric LPG trucks. Four pilot vehicles completed more than 22,000km in FY24. We installed and upgraded an additional 15 EV chargers across our sites.

Our large fleet of diesel utes is also due for an upgrade. We are trialling pure electric utes at some of our sites. We hope to have these delivered in the first quarter of 2025.

Our fleet is also safer. We increased awareness and use of risk-mitigating technologies, including Guardian Fatigue Camera systems, which help prevent driver fatigue and distraction.

We trialled EROAD telematics, which provides an in-vehicle display, and found it reduced speeding and cut fuel consumption by 6%. This saving helped offset some of the higher fleet costs this year due to inflation and new Road User Charges on electric vehicles. EROAD has also improved our pool vehicle booking systems.

**58%**

BATTERY ELECTRIC VEHICLES IN OUR LIGHT VEHICLE FLEET

**100%**

BATTERY ELECTRIC VEHICLES BY THE END OF FY27

## Waste management

When Huntly Power Station generates power from coal, it produces large quantities of ash. Last year, we joined forces with Fletcher Building to keep pond ash out of landfill. We now provide pond ash to local concrete manufacturer Golden Bay, which uses the ash to make cement. Using the waste ash creates a lower-carbon cement product and contributes to a circular economy.

During FY24 we faced a few challenges. For several periods, our fly ash didn't meet Golden Bay's specifications for making cement, and we're working to prevent this happening again by planning mitigations.

At our corporate sites, we continued to support our waste and recycling minimisation initiatives. At our Auckland office, waste to landfill was lower in FY24 than FY23, which is positive considering our office occupancy is increasing. We have also been educating our office-based employees through a new site induction process.

We are now looking ahead at ways to extend our waste and recycling initiatives to our national LPG depots.

**31,550 tonnes**

RECYCLED COAL ASH FROM GENERATION

## Sustainable finance

Our Sustainable Finance Framework sets out the process by which we intend to issue and manage bonds and loans to support our sustainability objectives. These contribute toward our Sustainable Development Goals, and to create positive environmental and social outcomes.

We aim to support 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.

We have $250m of sustainability linked loan facilities, with targets tied to reducing our emissions, developing new renewable generation capacity, and creating pathways for the future of work.

# Our sustainable business

Our leadership assesses our external environment and what matters most to our business to set our strategy and sustainability targets.

# Leadership

## Our Board

Genesis Energy's Board of Directors sets the company's strategic direction, creating long-term value for shareholders while balancing the needs of our customers, stakeholders and the environments in which we operate.

Full profiles of our Directors can be found here

**James Moulder**
BA, BCA, GMP (HARVARD)

**Paul Zealand**
BSC MECH. ENG (HONS), MBA

**Tim Miles**
BA

**Barbara Chapman**
CHAIR
CNZM, BCOM, CMINSTD

**Warwick Hunt**
MNZM, BACC (HONS), FCA, FKCL

**Catherine Drayton**
BCOM, LLB, FCA, CFINSTD

**Hinerangi Raumati-Tu'ua**
MNZM, BMS, MMS, FCA

## Our Executive team

Our Executive Team executes strategy approved by the board and provides directors with accurate and timely information on company operations, performance, legal obligations and reputation.

Full profiles of our Executive team can be found here

NB: Julie Amey joins us in November 2024 as our new Chief Financial Officer.

**Emma Oettli**
INTERIM CHIEF FINANCIAL OFFICER

**Stephen England-Hall**
CHIEF RETAIL OFFICER

**Tracey Hickman**
CHIEF WHOLESALE OFFICER

**Ed Hyde**
CHIEF TECHNOLOGY & TRANSFORMATION OFFICER

**Malcolm Johns**
CHIEF EXECUTIVE

**Matthew Osborne**
CHIEF CORPORATE AFFAIRS OFFICER

**Claire Walker**
CHIEF PEOPLE OFFICER

# External environment

**Our planning and operations are influenced by the external environment in which we operate. Each of the areas below presents challenges and opportunities to which we must respond in order to be successful.**

Refer to our Value Creation Model on page 10 of this report.

## WEATHER

Rainfall into our catchments was below average this year following the near-record levels in FY23. This combined with Unit 5 at Huntly Power Station being unavailable until mid-January made managing our lakes challenging.

Through careful management of our three hydro schemes in Waikaremoana, Tongariro and Tekapo, we were still able to deliver 2,664 GWh of hydro generation, in line with the long-term median.

While for the most part temperatures were above average, much of the country experienced below-average temperatures as we approached winter, which combined with underlying growth, helped drive a 4% increase in demand year on year between January and April 2024.

As a result, Huntly generation increased to 3,282 GWh, 2,333 GWh of which came from the Rankines. Despite continued reliance on Huntly to cover periods of low hydro output and increased demand, generation from Huntly was still its third lowest since 1999.

## ENERGY TRANSITION

As New Zealand moves towards cleaner and more sustainable energy sources to meet its net zero 2050 target, the energy sector is faced with the challenge of transitioning from fossil fuels to renewable energy sources. This compels us to undergo our own transition within the energy transition, including substantial investment in new infrastructure, technology and skills. At the same time, we must reposition our assets to capture value from a future market dominated by intermittent solar, wind and hydro generation, with regular dry periods.

The transition also presents opportunities to innovate and diversify offerings, such as developing new renewable energy projects or offering new energy solutions to customers.

FY24 has seen new renewable projects come online in the form of wind farms, solar farms and geothermal plants. However the intermittency of wind and solar farms, a decline in gas supply nationally, and increasing demand for electricity from EV uptake and large business energy conversion has emphasised the critical role Huntly Power Station continues to play in baseload, firming and peaking.

Electricity users are clear that keeping the lights on is essential, so New Zealand will use some coal as a fuel of last resort. Under Gen35 we are focused on displacing imported coal with domestic biomass to maintain our operational solid fuel stockpile of about 350,000 tonnes. Our commitment to install batteries at Huntly Power Station will help address peak demand concerns. And we are playing our part in growing new renewables through our solar programme and exploration of wind options.

Delays in consenting and gaining transmission grid connections has been a barrier to new renewable development to date, and we continue to liaise with energy sector participants and the Government on addressing these issues.

## COMPETITION

While retail competition remains healthy, we continue to experience competition for renewable energy developments including access to suitable sites, connection capacity both at national grid and distribution level, and resources, including engineers, project developers and consultants across solar, wind, battery projects.

In response, our approach to new renewables is a mix of greenfield and acquiring late-stage developments. The latter derisks the development process by enabling us to acquire already-secured land, consents and connection, and hence reduce the risk of delays. This, combined with our ability to develop projects on our own, through joint venture partnerships, or to secure offtakes, allows us access to a wide range of developments.

Regarding biomass, we are looking at ways to support new suppliers coming into the market to diversify this fledgling supply chain, including operators of torrefaction plants.

## REGULATION

The change of Government in 2023 has resulted in material changes to the policy and regulatory environment in which Genesis operates. The New Zealand Battery Project and aspirational 100% renewable electricity target have both been cancelled, with Budget 2024 confirming the scaling back of subsidies for business (GIDI) and household electrification (Warmer Kiwi Homes). While the existing energy strategy and related work programmes intended to enable a long-term energy transition are expected to continue, we expect significant changes consistent with the Government's priorities.

We expect the Government to announce policy as part of its signalled 'Electrify New Zealand' commitment sometime in 2024. Part of the Government's plan to double renewable electricity generation includes the 'fast-track bill' and wider RMA reform signalled for later in the Parliamentary term, with a new permitting regime for offshore wind development also expected to be in law in 2025.

The Government has cancelled the review of the Emissions Trading Scheme that had been underway, and indicated a commitment to allowing a well-functioning carbon market to play an important role in driving down emissions. The Government's plans for meeting emissions budgets are outlined in the draft Emissions Reduction Plan. Genesis' response to this plan was being finalised at the time this report was completed.

**The Government has cancelled the review of the Emissions Trading Scheme that had been underway, and indicated a commitment to allowing a well-functioning carbon market to play an important role in driving down emissions.**

Other notable changes include the Government's commitment to repeal the ban on offshore oil and gas exploration, and stimulate more activity in that sector.

Energy hardship remains a priority, and in 2024 the Government initiated its midpoint review of the Low Fixed User Charge regulations.

## SUPPLY CHAIN

Our supply chain continues to be influenced by scarcity of skilled labour, local supplier availability and critical resources. This has meant some instances when it has been hard to get contractors out to difficult-to-access sites. We work with our partners to find solutions, and build longer timeframes into our schedules.

As we move ahead with our new renewable energy projects, we're carefully managing our supply chain to ensure a reliable and sustainable supply of the people, materials and resources we need. Examples of building sustainability into those supply chains include considering suppliers close to delivery points to avoid distance travel, and sourcing as many different products as possible from each supplier.

We are conscious of the need to guard against modern slavery in our supply chains as much as we can.

In selecting the equipment suppliers for our solar programme, the Genesis-FRV joint venture has followed the procurement and compliance process of FRV, based in Spain, which includes management of modern slavery risk and exposure, particularly from upstream raw materials used in the manufacturing of solar modules. This is based on a higher level of legislative and shareholder requirements than exist in New Zealand and includes independent third-party reviews of solar module vendors, supply chains and sub-contractors, including visits to module supplier facilities.

Regarding coal supply, an independent third party will undertake a comprehensive audit in FY25 of the Indonesian company from which we source coal directly. An audit in 2019 confirmed our supplier met required standards. In addition, the supplier meets regularly with its sub-contractors and requires regular reports on the sub-contractors' health, safety, environmental and social targets and progress.

**We are conscious of the need to guard against modern slavery in our supply chains as much as we can.**

## TECHNOLOGY

This year we renewed our Technology Strategy to respond to the requirements of Gen35. Focus areas are our key platforms, our data, and delivery of our critical technology projects.

We've continued our multi-year journey in lifting our security posture against the globally recognised ISO 27001 Information Security Management standard and the Generation specific VCSS-CSO standard.

We've strengthened the resilience and availability of a number of our critical systems to ensure they fit with our revised standards, focusing on their importance to our business.

We're continuing to execute our cloud modernisation strategy, with a significant portion of our infrastructure having been modernised and/or migrated to our new cloud environment.

Customer technology is developing rapidly, and we are keeping pace by modernising our customer billing and CRM platforms. These platforms, and the associated updated operating model, will be delivered across all the main brands and customer segments through to FY27. Frank Energy will be the first brand and customer base to migrate to the platform in FY25.

**Customer technology is developing rapidly, and we are keeping pace by modernising our customer platforms for billing, sales, service and pricing.**

# Sustainability Framework progress and our SDG contribution

Progress toward targets and our contribution to six UN Sustainable Development Goals (SDGs), that have been selected based on their materiality to Genesis' business and our ability to contribute to them. For more on our Sustainability Framework, visit https://www.genesisenergy.co.nz/about/sustainability

| SUSTAINABILITY PILLAR | 2025 TARGETS | FY24 PROGRESS | PROGRESS AGAINST 2025 TARGET |
|---|---|---|---|
| **A low carbon future**<br>**GOALS**<br>• Empower NZ's energy transition<br>• Help customers & communities to transition<br>• Protect & restore nature<br>**SUSTAINABLE DEVELOPMENT GOALS:**<br>  <br><br>SDG Targets:[1]<br>13.1, 13.3, 15.1, 15.5 | Achieve 1.5°C-aligned Science Based Targets by reducing our annual emissions by more than 1.2 million tonnes of $CO_2e$ by FY25 (from a FY20 baseline) | FY24 total $tCO_2e$ was 3,231,142 (total scope 1, 2 and 3 emissions)<br>Lauriston solar project is in construction. | Scope 1, 2 and scope 3 emissions from use of sold products in FY24 were 1,069,662 lower than FY20. |
| | Empower our customers to reduce their carbon footprint. | In FY24 there were 13.8 million interactions with our Energy IQ App.<br>In FY24, 4,439 users signed up for EVerywhere plan. | 49.8 million interactions with Energy IQ features since the start of FY21. |
| | Positive outcomes for nature through partnering on conservation and restoration | Continued Whio Forever Programme (partnership with DOC) and our 15-year Kiwi Forever partnership with Ngāti Rangi.<br>Project River Recovery in upper Waitaki Basin.<br>Almost 2,000 native trees and shrubs were planted to restore the Waahi wetland, in Raahui Pookeka Huntly. | Whio numbers have increased 90%<br>since the 2011 launch of the Whio Forever partnership, from 298 pairs to 567 pairs. |
| **A more equal society**<br>**GOALS**<br>• Pathways for the future of work<br>• Support energy wellbeing<br>• A safe, healthy and diverse workforce<br>**SUSTAINABLE DEVELOPMENT GOALS:**<br>  <br><br>SDG Targets:[1]<br>7.1, 8.3, 8.6, 17.18 | 15,000 educators use STEM learning resources or equipment offered by the School-gen programme (FY21-FY25 inclusive) | In FY24 8,849 educators used STEM learning resources or equipment offered by the School-gen programme. | 16,901 educators have used STEM learning resources or equipment offered by the School-gen programme since the start of FY21. |
| | Provide a total of 96 apprenticeship, internship and work experience opportunities through Ngā Ara Creating Pathways (FY22-FY25) | In FY24 31 apprenticeships, internships and work experience opportunities were provided through Nga Ara Creating Pathways.<br>Ngā Ara scholarships awarded to 68 students nominated by teachers in partnering schools. | 84 apprenticeships, internships, and work experience opportunities were provided through Ngā Ara Creating Pathways since the start of FY22. |
| | Support community organisations to help families improve the warmth of their homes and partner with others to enable fair access to energy for New Zealanders in need. | Extended our support of warm homes through a new partnership with The Whānau Fund (Waikato).<br>Helped 373 families keep their households warm and dry in FY24. | Helped 1,728 households keep their households warm and dry since the start of FY20, through the provision of winter warm up packs and the installation of curtains. |

1. SDG targets - 7: https://sdgs.un.org/goals/goal7, 8: https://sdgs.un.org/goals/goal8, 10: https://sdgs.un.org/goals/goal10, 13: https://sdgs.un.org/goals/goal13, 15: https://sdgs.un.org/goals/goal15, 17: https://sdgs.un.org/goals/goal17

| SUSTAINABILITY PILLAR | 2025 TARGETS | FY24 PROGRESS | PROGRESS AGAINST 2025 TARGET |
|---|---|---|---|
| **A more equal society** (continued) | Support our customers in vulnerable circumstances by working with others | 144,890 Power Shout hours gifted by our customers to people who need them.<br>Collaborated with Mercury on a two-year 'Hidden Hardship' research project with community groups. | 351,257 Power Shout hours gifted by our customers to people who need them since the start of FY22.<br>This year we reached out to 3,014 customers through Manaaki Kenehi and Fresh Start. |
| | Integrate Te Ao Māori worldview into Genesis' culture and the way we do business, and improve the cultural capability of Genesis. | The Executive participated in the Corporate Wananga programme to integrate Te Ao Māori perspectives and improve understanding of Te Tiriti o Waitangi principles, and their relevance to Genesis and its stakeholders. | Creation of Pouhere Māori role.<br>Plan to develop Te Ao Māori strategy. |
| | Improve the health and wellbeing of our people, through our Me We Us – Ahau Mātou Tātou wellbeing programme. | Widespread use of My Everyday Wellbeing portal.<br>Updated intranet site to provide easy access to tools to support mental health.<br>Began deep dives into three of our 'Dangerous Dozen' critical risks.<br>LPG Injury Reduction Programme saw a 15% reduction in the injury rate since FY23. | 42% decrease in lost time or restricted workdays due to injuries from FY23.<br>150 of our frontline workers/safety representatives complete our 2-day Play YourPart behavioural safety training. |
| | 40:40:20 workforce gender split (40% male, 40% female, 20% any gender identity), 50% female senior leaders. | In FY24, a new Diversity, Equity & Inclusion strategy was endorsed. Genesis-wide targets have been set in line with our priority areas: gender balance, ethnic representation, and belonging. | At 30 June 2024 we had a workforce made up of 56% male, 44% female.<br>Women in leadership roles: 43%. |
| **A sustainable business**<br>**GOALS**<br>• A well-managed business<br>• Robust governance & transparent reporting<br>• Positive relationships & open conversations<br>**SUSTAINABLE DEVELOPMENT GOALS:**<br>  <br><br>SDG Targets:[1]<br>8.1, 8.2, 8.6, 8.7, 10.2, 10.3 | A well-managed business | Process underway to modernise customer platforms (billing, sales, service, pricing). Managing price increases. | See page 44 for more on a sustainable business. |
| | Robust governance & transparent reporting | Continued to develop our reporting, using the Integrated Reporting Framework <IR>. | For full reporting suite, visit https://www.genesisenergy.co.nz/investor/results-and-reports |
| | Positive relationships & open conversations | Engaged with our local communities, creating jobs, and learning experiences.<br>Shared views, knowledge and experience to contribute to New Zealand's goal to reduce emissions and transition to a low carbon economy. | For more detail see page 29<br>For more detail see page 49 |

1. SDG targets - 7: https://sdgs.un.org/goals/goal7, 8: https://sdgs.un.org/goals/goal8, 10: https://sdgs.un.org/goals/goal10, 13: https://sdgs.un.org/goals/goal13, 15: https://sdgs.un.org/goals/goal15, 17: https://sdgs.un.org/goals/goal17

# What matters most

## Issues that matter to Genesis and our stakeholders in FY24

We are committed to creating shared value – for our customers, our shareholders, our people, and our communities. We do this through our core business, which is focused on providing reliable energy to our customers, and more widely by generating positive economic, social, and environmental outcomes for Aotearoa New Zealand. We manage our approach to sustainable business through a suite of principles, policies, and statements.

Our stakeholders inform our approach to sustainability, and we regularly engage with them to understand what's important to them in the short, medium and long term.

## Identifying material sustainability issues

We have identified a range of current and emerging risks and opportunities that may impact our stakeholders and business. As part of our annual reporting process, we undertook an assessment of industry trends, internal reports, external research and conversations with stakeholders, Genesis executives and senior leaders to gain insights into material risks and opportunities.

This feeds into Genesis' assessment of material topics, informing our strategic approach, and guiding our reporting in line with internationally recognised sustainability standards and principles, including the Global Reporting Initiative.

| STAKEHOLDER | TOPICS OF IMPORTANCE |
|---|---|
| Communities | Long-term collaborative relationships to support and empower local communities, and demonstrate a duty of care towards people and the environment. Events which impact local communities where we operate (eg the aftermath of Cyclone Gabrielle, community resilience). |
| Customers (residential and business) | Access to reliable, affordable, sustainable energy. Access to effective and efficient tools and services. Support to decarbonise/electrify. Rising costs. |
| Employees | Employees' role in delivering the business strategy. To be part of a safe, diverse, inclusive workforce that cares for its people and other stakeholders. To be compensated fairly, feel empowered and have opportunities to grow capability. Energy reliability, rising costs and energy wellbeing. |
| Government | Security of supply (electricity and related fuels), energy affordability, and growing the proportion of renewables in the electricity system. Participation in consultation processes. |
| Investors | Successful execution of our business strategy. Confidence in governance and leadership. Robust policies and processes to manage business opportunities and risks, including climate-related risks. Efficient capital management now and for the future. Sustained earnings growth, providing shareholders long-term value. |
| Iwi & mana whenua | The development and implementation of enduring partnerships. A partner that listens and engages proactively, demonstrates a duty of care towards people and the environment, and seeks to address on-going cultural impacts of our operations. |
| Media | Reliable energy to provide security for households and business, from both a consumer and economic perspective. Energy wellbeing for consumers mainly in terms of affordability. The sector's role in addressing climate change through decarbonisation of itself and other sectors, and the construction of new renewable generation. Events which impact local communities, and how our operations are managed. Climate change litigation. |
| Partners & suppliers | Long-term relationships with clearly stated shared objectives. Partners who can provide resources to deliver outcomes and engagement. Proactive management of rising costs. |
| Regulator | Delivery of reliable, affordable, sustainable energy. Compliance with regulation. |

# FY24 Materiality Assessment

This graph shows FY24 material topics mapped by importance to all our stakeholders and to Genesis.

## Genesis FY24 Material Sustainability Issues

The table below maps our response to the material topics arising from our analysis. References are provided to further information on each topic.
For metrics related to our material topics, see our ESG Datasheet and GRI Index.

| TOPIC | DESCRIPTION OF ISSUE | HOW WE'RE RESPONDING |
|---|---|---|
| **A safe, well, diverse workforce** | Organisational change including new strategy and restructure.<br>Recruiting and retaining the best employees with relevant industry skills.<br>Helping our people build resilience and take care of their overall wellbeing (mental and physical).<br>Providing a safe, welcoming, and supportive environment for our people to succeed.<br>Fair remuneration and opportunities to grow. | Refreshed our purpose, mission and values. Board approved an updated diversity, equity and inclusion (DEI) strategy, focus areas and targets. Ran our second Hearing from Genesis survey, to which 79% of our people responded.<br>We maintain a robust health and safety management system, aligned to ISO 45001. All our people can access $100 a year for wellbeing support.<br>For more, see page 21 |
| **A well-managed business** | Delivery of company strategy, Gen35.<br>Maintaining a healthy financial performance and strong balance sheet.<br>Strong leadership, clear governance practices.<br>Active management of risk and commitment to compliance, including maintaining resilient infrastructure.<br>Fair remuneration in our operations, supplier, and partner relationships.<br>Focusing on improving corporate culture and outcomes for customers.<br>Open and transparent reporting and investor communications.<br>Managing rising costs to Genesis and its customers and suppliers including inflation and supply constraints. | Launched a new company strategy, Gen35, focusing on empowering the customer-led transition; renewable electricity growth; and transitioning our thermal generation portfolio to provide greater flexibility.<br>Genesis' Corporate Governance Statement and Code of Conduct are available online and updated annually. The company's Risk Management Framework (online) is part of the induction process for all employees and is overseen by the Board. Our Supplier Code of Conduct can be viewed here.<br>For more, see page 21 |
| **Community relations** | Engagement on and responsiveness to local issues.<br>Being a good neighbour and playing an active part in supporting community and environmental wellbeing.<br>Contributing to education and employment opportunities, and economic development of our local communities. | We regularly and proactively engage with local communities regarding our operations.<br>For more on how we're responding, see page 29 |
| **Climate change & the energy transition** | Empowering the transition to a low emissions future for ourselves, our customers and New Zealand.<br>Managing the risks and opportunities of climate change (eg gas sector constraints), reducing GHG emissions across our value chain (including renewables build), and supporting collaborative efforts to limit global warming. | Launched Gen35 strategy to support a $1.1 billion programme to build new renewable generation and grid scale battery storage between now and 2030.<br>For more on how we're responding, see page 11 |

| TOPIC | DESCRIPTION OF ISSUE | HOW WE'RE RESPONDING |
|---|---|---|
| **Electrification**<br>*New in FY24* | Electrifying our customers and New Zealand.<br>Growth of electricity demand and transition away from gas and LPG for residential and large business customers.<br>Managing demand peaks and potential for blackouts.<br>Opportunity for new products, services and sales. | Gen35 Strategy to support customer electrification.<br>For more on how we're responding, see pages 50, 51 |
| **Energy wellbeing including rising costs** | Access to reliable, affordable, sustainable energy.<br>Supporting our customers, employees and communities in times of energy hardship. | Collaborated with Mercury on a two-year 'Hidden Hardship' research project with community groups. Continued our work on Fresh Start, to support customers experiencing hardship. For more on how we're responding, see pages 27, 28 |
| **Environmental impacts, protection & restoration** | Reducing the impact our operations have on the surrounding environment through best-practice environmental controls and ongoing monitoring of our environmental performance.<br>Having a positive impact in the key communities and ecosystems in which we operate. | Developed an expanded biodiversity programme in the Waitaki catchment as part of the Tekapo Power Scheme reconsenting process. Undertook wetland restoration at Raahui Pookeka Huntly. For more on how we're responding, see pages 52-54 |
| **Iwi and mana whenua** | Building strong and enduring relationships with mana whenua.<br>Managing the on-going cultural impacts of Genesis' operations. | As part of the reconsenting of the Tekapo Power Scheme, we engaged with mana whenua and stakeholders within the Waitaki catchment to understand the ongoing effects of our operations, to ensure these can be appropriately managed into the future.<br>For more on how we're responding, see page 53 |
| **Regulation** | Regulatory settings which impact the energy sector. | We engage in formal consultation processes on many regulatory proposals and changes that are material to our business. Our submissions can be viewed here. We also input our views into collective advocacy through industry groups including the Climate Leaders Coalition, Sustainable Business Council, Business Energy Council and Electricity Retailers Association NZ. For more on how we're responding, see page 49, 60 |
| **Technology** | Processes and controls to protect systems, networks, programmes, devices, information and data from cyber-attacks, which can compromise customer and business information, including privacy.<br>A modern customer service and billing platform and digital tools to help customers better understand and manage their energy use.<br>Efficient tools, systems and controls to support business operations and information management, including AI. | Transformation of our customer platforms for billing, sales, service and pricing. Continue to invest in information and cyber security capabilities and controls. For more on how we're responding, see pages 44, 61 |

# Key sustainability data


For more information on our sustainability indicators refer to our FY24 ESG datasheet and GRI Index.

| A SUSTAINABLE BUSINESS | | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|---|
| Financial | EBITDAF ($m) | $407 | $524 | $440 | $355 | $356 |
| | NPAT ($m) | $131 | $196 | $222 | $32 | $46 |
| Sustainable finance | Sustainability linked loan facilities ($m)[1] | $250 | $250 | $250 | – | – |
| | Green bonds ($m)[2] | $650 | $410 | $410 | – | – |
| | Sustainable finance as a percentage of total borrowings[3] excluding lease liabilities | 48% | 32% | 29% | – | – |
| Customer | Number of retail customers | 496,596 | 483,721 | 471,012 | 474,325 | 484,687 |
| | Change in customer complaints from prior year[4] (%) | (21%) | 1% | 11% | 15% | (53%) |
| | Net Promoter Score (iNPS) | 52 | 46 | 51 | N/A[5] | N/A[5] |
| Supply chain | Total supply chain spend ($m) | $2,509 | $1,899 | $2,646 | N/A[6] | N/A[6] |
| Employees | Employees (headcount)[7] | 1,277 | 1,291 | 1,224 | 1,172 | 1,108 |
| | Employees (FTE)[7] | 1,255 | 1,268 | 1,204 | 1,149 | 1,076 |
| | Total recordable injuries[8] | 48 | 50 | 46 | 31 | 22 |
| | Workdays lost or restricted due to injury[8] | 764 | 1,309 | 2,044 | 1,489 | 550 |
| | Women as a % of workforce | 44% | 44% | 43% | 42% | 43% |
| | Gender Pay Gap[9] | 34.3% | 36.2% | 37.4% | 35.5% | 37.2% |
| | Pay Equity Gap[9] | 2.9% | 3.3% | 3.7% | 1.4% | 2.0% |
| | Executive leader gender representation (female : male) | 3:4 | 4:4 | 4:4 | 2:5 | 2:6 |
| | Senior leader gender representation[10] | 43:57 | 42:58 | 42:58 | 45:55 | 50:50 |

1. Sustainability linked revolving credit facilities available to be drawn down of which nil was drawn down at 30 June 2022, 30 June 2023 and 30 June 2024.
2. Excludes fair-value interest rate risk adjustments, capitalised issue costs and accrued interest.
3. The calculation is based on drawn debt at year-end and excludes fair-value interest rate risk adjustments, capitalised issue costs and accrued interest.
4. For Genesis brand. Refer to the ESG datasheet and GRI index for information on Frank*Energy.
5. FY20 and FY21 has not been disclosed as iNPS scores prior to July 2021 and are not directly comparable due to changes in the types of responses included in the calculation.
6. Total supply chain expenditure was not reported prior to FY22.
7. Includes permanent, fixed-term and casual employees and employees on leave. Excludes contractors.
8. The severity and classification of injuries are subject to change based on medical assessment and acceptance by ACC. Where injuries are reclassified after a reporting period, the historical results are re-stated. This information is as at 24 July 2024.
9. Gender Pay Gap refers to the gap between the pay of women and the pay of men, calculated by taking the average male hourly rate minus the average female hourly rate, and dividing this by the average male hourly rate. The Pay Equity Gap refers to the pay gap (if any) by career level at Genesis. Note, Equal pay is a legal requirement in New Zealand. Genesis has processes and monitoring in place to ensure its people are paid fairly and legal obligations are met. In FY24 we changed how we calculate our Pay Equity Gap and as a result we have re-stated our comparative information to ensure it is comparable with the current year.
10. Female to male. Measures the progress we are making in advancing females into senior leadership roles. Leaders are classified as Tier 1, Tier 2, and Tier 3 employees.

# Key sustainability data (continued)


For more information on our sustainability indicators refer to our FY24 ESG datasheet and GRI Index.

| A LOW CARBON FUTURE FOR ALL | | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|---|
| Empowering NZ's energy transition | Scope 1 and 2 emissions ($tCO_2e$) | 2,442,729 | 1,076,150[11] | 2,223,343 | 3,940,325 | 2,690,253 |
| | Scope 3 emissions from use of sold products ($tCO_2e$) | 544,714 | 692,204 | 994,686 | 1,269,957 | 1,366,852 |
| | Total scope 1, 2 and 3 emissions ($tCO_2e$) | 3,231,142 | 2,026,147 | 3,651,049 | 5,672,805 | 4,495,002 |
| | Decrease/(increase) in scope 1 and 2 emissions compared to FY20 base year (SBT[12]: 36% reduction) | 9% | 60% | 17% | (46%) | N/A base year |
| | Decrease in scope 3 emissions from use of sold products compared to FY20 base year (SBT[12]: 21% reduction) | 60% | 49% | 27% | 7% | N/A base year |
| | Thermal generation as a % of total generation | 55% | 37% | 58% | 69% | 66% |
| Supporting customers to transition to a low carbon economy | Residential customers engaging with energy management tools through Energy IQ | 52% | 50% | 45% | 40% | 21% |
| Protecting and restoring nature | Whio breeding pairs (showing improvement to water quality and pest reduction in targeted areas) | 567 | 587 | 694 | 863 | 748 |
| **A MORE EQUAL SOCIETY** | | | | | | |
| Supporting local communities | Total community investment spend ($m) | $2.7 | $2.4 | $1.7 | $1.5 | $1.2 |
| Supporting energy wellbeing | Households supplied warm home solutions through community partnerships[13] | 504 | 499 | 237 | 331 | 288 |
| | 'Power Shout' hours gifted to customers in need[14] | 300,000 | 300,000 | 130,000 | N/A | N/A |
| Creating pathways for the future of work | Apprenticeships, internships and work experience opportunities created through Ngā Ara Creating Pathways | 31 | 32 | 21[15] | 25 | N/A[16] |
| | STEM scholarships provided to students through Ngā Ara Creating Pathways | 68 | 76 | 57 | 4 | N/A[16] |
| | Schools receiving STEM equipment via School-gen Trust | 39 | 36 | 33 | –[17] | 16 |
| | STEM learning resources or equipment offered by the School-gen programme used by educators | 8,849 | 2,724 | 2,215 | 3,113 | N/A[18] |

11. Excludes 857 $tCO_2e$ of $CO_2$ associated with the combustion of biomass as this is required to be reported separately from scope 1 emissions under the GHG protocol.
12. Science Based Target.
13. Data is based on the financial year of each curtain bank, which does not always align with Genesis' financial year.
14. Power Shout gifting was launched in FY22. In FY24 28,978 customers gifted 144,890 Power Shout hours and Genesis contributed 155,110 hours (FY23 28,847 customers gifted 144,235 Power Shout hours and Genesis contributed 155,765 hours, FY22: 15,533 customers gifted 62,132 Power Shout hours and Genesis contributed 67,868 hours).
15. There were five additional work experience opportunities created in FY22 that were unable to be completed due to the nationwide lockdown and restrictions applied by COVID-19. As these opportunities were only partially completed they have not been included in the reported number.
16. Genesis has supported internships, apprenticeships and scholarships for a number of years, however the programme was formalised under the Ngā Ara Creating Pathways programme in FY21 and FY22.
17. FY21 funding was not completed until July 2021 (FY22), so no equipment was gifted in FY21.
18. This metric was not reported in FY20.

# Financials

# Consolidated financial statements

For the year ended 30 June 2024

## Consolidated financial statements



## Notes to the consolidated financial statements

# Consolidated comprehensive income statement

**For the year ended 30 June 2024**

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| Revenue | A1, A2 | **3,047.8** | 2,374.2 |
| Expenses | A1 | **(2,653.3)** | (1,860.2) |
| Depreciation, depletion and amortisation | A3 | **(237.0)** | (254.8) |
| Impairment of non-current assets | A4 | **(65.0)** | (4.0) |
| Revaluation of generation assets | B1 | **31.8** | 46.3 |
| Change in fair value of financial instruments | F5 | **146.6** | 65.5 |
| Share of associates and joint ventures | | **(3.4)** | (2.2) |
| Other gains (losses) | A5 | **4.7** | (13.1) |
| **Profit before net finance expense and income tax** | | **272.2** | 351.7 |
| | | | |
| Finance revenue | | **2.9** | 2.0 |
| Finance expense | E6 | **(84.0)** | (81.5) |
| **Profit before income tax** | | **191.1** | 272.2 |
| | | | |
| Income tax expense | A6 | **(60.0)** | (76.5) |
| **Net profit for the year** | | **131.1** | 195.7 |

| Earnings per share (EPS) from operations attributable to shareholders | | **Cents** | Cents |
|---|---|---|---|
| Basic and diluted EPS | | **12.21** | 18.52 |

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| **Net profit for the year** | | **131.1** | 195.7 |
| | | | |
| **Other comprehensive income** | | | |
| Change in cash flow hedge reserve | F5 | **(9.5)** | 77.8 |
| Income tax expense relating to items above | | **2.6** | (21.8) |
| **Total items that may be reclassified to profit or loss** | | **(6.9)** | 56.0 |
| | | | |
| Change in asset revaluation reserve | B1 | **383.6** | (111.3) |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | F5 | **0.2** | - |
| Income tax expense relating to items above | | **(107.4)** | 31.2 |
| **Total items that will not be reclassified to profit or loss** | | **276.4** | (80.1) |
| | | | |
| **Total other comprehensive income for the year** | | **269.5** | (24.1) |
| | | | |
| **Total comprehensive income for the year** | | **400.6** | 171.6 |

The above statement should be read in conjunction with the accompanying notes.

# Consolidated statement of changes in equity

**For the year ended 30 June 2024**

| | Note | Share capital $ million | Share-based payments reserve $ million | Asset revaluation reserve $ million | Cash flow hedge reserve $ million | Retained earnings $ million | Total $ million |
|---|---|---|---|---|---|---|---|
| **Balance as at 1 July 2022** | | **670.5** | **2.2** | **1,756.3** | **(23.0)** | **(26.5)** | **2,379.5** |
| **Net profit for the year** | | - | - | - | - | 195.7 | 195.7 |
| **Other comprehensive income** | | | | | | | |
| Change in cash flow hedge reserve | F5 | - | - | - | 77.8 | - | 77.8 |
| Change in asset revaluation reserve | B1 | - | - | (111.3) | - | - | (111.3) |
| Income tax expense relating to other comprehensive income | | - | - | 31.2 | (21.8) | - | 9.4 |
| **Total comprehensive income for the year** | | **-** | **-** | **(80.1)** | **56.0** | **195.7** | **171.6** |
| Revaluation reserve reclassified to retained earnings on disposal of assets | | - | - | (0.9) | - | 0.9 | - |
| Hedging gains and losses transferred to the cost of assets | F5 | - | - | - | 0.4 | - | 0.4 |
| Income tax on hedging gains and losses transferred to the cost of assets | | - | - | - | (0.1) | - | (0.1) |
| Changes associated with share-based payments | | (0.5) | (0.1) | - | - | 0.7 | 0.1 |
| Shares issued under dividend reinvestment plan | E2 | 40.9 | - | - | - | - | 40.9 |
| Dividends | E4 | - | - | - | - | (186.4) | (186.4) |
| **Balance as at 30 June 2023** | | **710.9** | **2.1** | **1,675.3** | **33.3** | **(15.6)** | **2,406.0** |
| **Net profit for the year** | | - | - | - | - | 131.1 | 131.1 |
| **Other comprehensive income** | | | | | | | |
| Change in cash flow hedge reserve | F5 | - | - | - | (9.5) | - | (9.5) |
| Change in cash flow hedge reserve - associates and joint ventures | F5 | - | - | - | 0.2 | - | 0.2 |
| Change in asset revaluation reserve | B1 | - | - | 383.6 | - | - | 383.6 |
| Income tax expense relating to other comprehensive income | | - | - | (107.4) | 2.6 | - | (104.8) |
| **Total comprehensive income for the year** | | **-** | **-** | **276.2** | **(6.7)** | **131.1** | **400.6** |
| Hedging gains and losses transferred to the cost of assets | F5 | - | - | - | (1.1) | - | (1.1) |
| Income tax on hedging gains and losses transferred to the cost of assets | | - | - | - | 0.3 | - | 0.3 |
| Changes associated with share-based payments | | 0.5 | (0.4) | - | - | 0.4 | 0.5 |
| Shares issued under dividend reinvestment plan | E2 | 40.7 | - | - | - | - | 40.7 |
| Dividends | E4 | - | - | - | - | (169.0) | (169.0) |
| **Balance as at 30 June 2024** | | **752.1** | **1.7** | **1,951.5** | **25.8** | **(53.1)** | **2,678.0** |

The above statement should be read in conjunction with the accompanying notes.

# Consolidated balance sheet

**As at 30 June 2024**

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| Cash and cash equivalents | | **192.8** | 60.1 |
| Receivables and prepayments | C1 | **312.9** | 246.6 |
| Inventories | C2 | **87.5** | 143.0 |
| Intangible assets | B3 | **82.7** | 63.6 |
| Derivatives | F1 | **169.9** | 81.1 |
| **Total current assets** | | **845.8** | 594.4 |
| | | | |
| Receivables and prepayments | C1 | **1.3** | 1.7 |
| Inventories | C2 | **-** | 57.2 |
| Property, plant and equipment | B1 | **3,879.5** | 3,573.5 |
| Oil and gas assets | B2 | **256.2** | 267.6 |
| Intangible assets | B3 | **283.9** | 311.4 |
| Investments in associates and joint ventures | D3 | **76.2** | 56.0 |
| Derivatives | F1 | **294.4** | 228.2 |
| **Total non-current assets** | | **4,791.5** | 4,495.6 |
| **Total assets** | | **5,637.3** | 5,090.0 |

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| Payables and accruals | C3 | **301.3** | 237.3 |
| Tax payable | | **18.6** | 27.7 |
| Borrowings | E5 | **268.3** | 446.8 |
| Provisions | C4 | **9.3** | 13.4 |
| Derivatives | F1 | **118.6** | 64.7 |
| **Total current liabilities** | | **716.1** | 789.9 |
| | | | |
| Payables and accruals | C3 | **2.2** | 1.4 |
| Borrowings | E5 | **1,182.4** | 919.9 |
| Provisions | C4 | **203.2** | 187.9 |
| Deferred tax | A6 | **825.5** | 724.1 |
| Derivatives | F1 | **29.9** | 60.8 |
| **Total non-current liabilities** | | **2,243.2** | 1,894.1 |
| **Total liabilities** | | **2,959.3** | 2,684.0 |
| | | | |
| Share capital | E2 | **752.1** | 710.9 |
| Reserves | | **1,925.9** | 1,695.1 |
| **Total equity** | | **2,678.0** | 2,406.0 |
| **Total equity and liabilities** | | **5,637.3** | 5,090.0 |

The above statement should be read in conjunction with the accompanying notes.

The Directors of Genesis Energy Limited authorise these consolidated financial statements for issue on behalf of the Board.

**Barbara Chapman**
Chairman of the Board

Date: 21 August 2024

**Catherine Drayton**
Chairman of the Audit and Risk Committee

Date: 21 August 2024

# Consolidated cash flow statement

**For the year ended 30 June 2024**

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| Receipts from customers | | **2,935.2** | 2,374.0 |
| Receipt of insurance proceeds | | **12.7** | - |
| Interest received | | **2.9** | 2.0 |
| Payments to suppliers and related parties | | **(2,288.3)** | (1,761.1) |
| Payments to employees | | **(151.0)** | (134.3) |
| Tax paid | | **(71.7)** | (58.0) |
| **Operating cash flows** | | **439.8** | 422.6 |
| | | | |
| Proceeds from disposal of property, plant and equipment | | **0.1** | 0.5 |
| Proceeds from assets under finance lease | | **3.1** | 6.5 |
| Payments to associates and joint ventures | | **(23.8)** | (23.5) |
| Purchase of assets under finance lease | | **-** | (1.3) |
| Purchase of property, plant and equipment | | **(70.2)** | (61.4) |
| Purchase of oil and gas assets | | **(73.0)** | (16.2) |
| Purchase of intangibles (excluding emission units and deferred customer acquisition costs) | | **(8.5)** | (9.2) |
| **Investing cash flows** | | **(172.3)** | (104.6) |
| | | | |
| Proceeds from borrowings | E5 | **349.9** | - |
| Repayment of borrowings | E5 | **(278.4)** | (143.7) |
| Interest paid and other finance charges | | **(78.0)** | (73.5) |
| Dividends | E4 | **(128.3)** | (145.5) |
| Acquisition of treasury shares | E2 | **-** | (0.8) |
| **Financing cash flows** | | **(134.8)** | (363.5) |
| | | | |
| **Net increase (decrease) in cash and cash equivalents** | | **132.7** | (45.5) |
| Cash and cash equivalents at 1 July | | **60.1** | 105.6 |
| **Cash and cash equivalents at 30 June** | | **192.8** | 60.1 |

| Reconciliation of net profit to operating cash flows | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| **Net profit for the year** | | **131.1** | 195.7 |
| | | | |
| Net (gain) loss on disposal of property, plant and equipment | | **-** | 1.0 |
| Finance expense excluding time value of money adjustments on provisions | | **76.0** | 75.1 |
| Change in advances to associates and joint ventures receivable and change in lease receivable | | **(2.1)** | (5.8) |
| Change in rehabilitation and contractual arrangement provisions | | **0.3** | (9.5) |
| **Items classified as investing/financing activities** | | **74.2** | 60.8 |
| | | | |
| Depreciation, depletion and amortisation expense | A3 | **237.0** | 254.8 |
| Revaluation of generation assets | B1 | **(31.8)** | (46.3) |
| Impairment of non-current assets | A4 | **65.0** | 4.0 |
| Unrealised change in fair value of financial instruments | | **(130.6)** | (52.2) |
| Deferred tax expense | A6 | **(3.1)** | (17.5) |
| Change in capital expenditure accruals | | **(1.8)** | 3.0 |
| Share of associates and joint ventures | | **3.4** | 2.2 |
| Other non-cash items | | **1.5** | (4.4) |
| **Total non-cash items** | | **139.6** | 143.6 |
| | | | |
| Change in receivables and prepayments | | **(65.9)** | (1.6) |
| Change in inventories | | **112.7** | 2.7 |
| Change in emission units on hand | | **(19.1)** | (14.3) |
| Change in deferred customer acquisition costs | | **0.3** | (0.7) |
| Change in payables and accruals | | **64.8** | (13.4) |
| Change in tax receivable/payable | | **(9.1)** | 35.7 |
| Change in provisions | | **11.2** | 14.1 |
| **Movements in working capital** | | **94.9** | 22.5 |
| **Net cash inflow from operating activities** | | **439.8** | 422.6 |

The above statement should be read in conjunction with the accompanying notes.

# Notes to the consolidated financial statements

**For the year ended 30 June 2024**

## General information and significant matters

### General information

These consolidated financial statements comprise Genesis Energy Limited ('Genesis'), its subsidiaries, controlled entities and the Group's interests in associates and joint arrangements (together, the 'Group'). Refer to section D for more information on the Group structure.

Genesis is registered under the Companies Act 1993. It is a mixed ownership model company, majority owned by the 'Crown', bound by the requirements of the Public Finance Act 1989. Genesis is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX) and has bonds listed on the NZX debt market. Genesis is an FMC reporting entity under the Financial Markets Conduct Act 2013.

The core business of the Group and activities carried out by each segment is disclosed in note A1.

### Basis of preparation

These financial statements have been prepared:

- In accordance with New Zealand generally accepted accounting practice ('GAAP') and comply with International Financial Reporting Standards ('IFRS') Accounting Standards and New Zealand equivalents ('NZ IFRS'), as appropriate for profit-oriented entities;
- In accordance with the Financial Markets Conduct Act 2013, the Financial Reporting Act 2013 and the Companies Act 1993;
- Using the historical cost convention, modified by the revaluation of derivatives, emission units held for trading and generation assets;
- In New Zealand dollars ('NZD') rounded to the nearest 100,000;
- On a Goods and Services Tax ('GST') exclusive basis with the exception of receivables and payables, which include GST where GST has been invoiced;
- Using the accounting policies set out in the notes to the financial statements. The impact of adopting new and revised accounting standards, interpretations and amendments is disclosed below.

### Significant events

The Groups operations and financial performance in FY24 were materially impacted by three events:

1. Unplanned outage of Huntly Unit 5;
2. Gas supply constraints; and
3. Below average hydro inflows.

On 30 June 2023, Unit 5 at Huntly Power Station had an unexpected outage when its generator circuit breaker failed. The outage resulted in increased usage of the Huntly Rankine units which are less efficient than Huntly Unit 5, therefore requiring using a mix of both Gas and Coal fired generation to replace the equivalent generation. The unit returned to service in January 2024 and an insurance claim was lodged. The Group has recorded net income from the insurance claim of $29.4 million held within Other revenue (refer to note A1).

Gas production across the country has continued to decline and the decline has been faster than official forecasts predicted. Ministry of Business, Innovation and Employment announced on 11 July 2024 that gas production is forecast to drop below demand for at least the next three years. Gas supply constraints have impacted fuel costs.

In the current year, a review of Kupe's reserves was performed, which resulted in a decrease in remaining reserves for the Kupe oil and gas field. The reserves revision results from new information following the KS-9 well development, with the drilling campaign intersecting the reservoir deeper than expected and pressure data confirming indications that the central field and eastern fault block are connected. The reduction in reserves resulted in the recognition of a $64.1 million impairment loss in FY24 for the Kupe cash generating unit (CGU). While the change in reserves did not impact the timing of Kupe's end of life, it did impact the depletion rate for oil and gas assets and amortisation rate of contractual arrangements associated with Kupe and therefore the amount of depletion and amortisation recognised in the current year (refer to note B2 for more information).

The gas supply constraints have also impacted the carrying value of thermal generation assets, which are carried at fair value on the balance sheet. In calculating the fair value of the thermal generation assets, the Group anticipate fuel costs to increase and generation volumes to decrease for Huntly Unit 5 in the short-term because of the gas supply constraints. The decrease in the fair value of Huntly Unit 5 of $90.6 million was recognised in the revaluation reserve. The anticipated increase in fuel costs also impacted the Huntly Rankine units, however, generation volumes are expected to increase in the short-term. The increase in the fair value of the Rankine units of $31.8 million was recognised in the income statement. The change in fair value of these units includes impacts not directly associated with the gas supply constraints such as the change in forecasted wholesale electricity prices and generation volumes that are indirectly impacted and other unrelated changes in assumptions (refer to note B1 for more information). The forecasted gas prices as a result of the gas supply constraints are a key judgement in the calculation of the recoverable amount of Kupe CGU (refer to note B2 for more information).

Inflows into the Group's hydro catchments were below average in FY24, following near-record levels in FY23 and there were periods where hydro generation could only run on minimum flows. The below average hydro inflows and gas supply constraints resulted in an increase in coal fired thermal generation which had a knock-on impact on wholesale electricity prices, which remained elevated during FY24. Both wholesale electricity generation revenue and wholesale electricity purchases increased significantly in FY24. The average price received for wholesale electricity generated in FY24 was $188 per GWh compared to $95 per GWh in FY23 and the average price paid for electricity purchases in FY24 was $182 per GWh compared to $88 per GWh in FY23 (refer to note A1).

# General information and significant matters (continued)

## Estimates and judgements

In the process of preparing the financial statements Management makes a number of estimates and judgements based on historical experience and various other factors that are reasonable under the circumstances. The table below lists the key estimates and judgements.

| Key estimates and judgements | Note | Page |
|---|---|---|
| Fair value of generation assets | B1 | 86 |
| Oil and gas reserves and depletion of oil and gas producing assets | B2 | 89 |
| Impairment of oil and gas assets | B2 | 89 |
| Valuation of rehabilitation and restoration provisions | C4 | 94 |
| Valuation of electricity derivatives | F8 | 107 |

Estimates are also used in determining other items such as the expected credit loss provision (note C1), the useful lives of property, plant and equipment and software (notes B1 and B3), and whether assets with indefinite useful lives are impaired (note B3). Judgements are further used in determining whether an event gives rise to a provision or a contingent liability (note G5).

## Impairment of assets

Assets that have indefinite useful lives are tested annually for impairment. Assets that are subject to depletion, depreciation or amortisation are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an asset's carrying value exceeds its recoverable amount, the difference is recognised as an impairment loss in the income statement, except where the asset is carried at a revalued amount then it is treated as a revaluation decrease up to the amount previously recognised in the revaluation reserve. Refer to note A4 for more information relating to impairments in the financial year.

## Climate change

Climate change legislation set net zero 2050 as the destination for New Zealand's transition to a low carbon future. To reach net zero 2050, at least 50% of New Zealand's energy needs to come from electricity, at least 95% of that needs to be renewable and electricity needs to be available 100% of the time.

The Group's Gen35 strategy, released in FY24, outlines how it will take action over the next 10 years to reduce emissions by growing renewables, supporting customers to electrify and managing increasing energy demands, while ensuring customers have stable, reliable and cost-effective energy.

The main estimates and accounting judgements made by the Group in the preparation of the financial statements that incorporate the effect of climate change and the energy transition are described on the following page.

## General information and significant matters (continued)

| Balance | Estimates and judgements | Note | Page |
|---|---|---|---|
| Valuation of generation assets and electricity swaps and options and PPAs | Generation assets and electricity swaps and options and PPAs are carried at fair value on the balance sheet. The wholesale electricity price path is the key driver of changes in these valuations. The wholesale electricity price path is influenced by supply and demand for electricity, generation costs such as fuel, maintenance and capital expenditure costs, the cost of carbon, hydro inflows and storage levels, weather conditions and regulatory and policy changes. It reflects the impact of the New Zealand Government's climate change policies that have been initiated to meet the Government's ambition to be net zero by 2050.<br>Supply and demand are impacted by incentives that encourage consumers to transition to a low carbon future or disincentives to encourage emission reductions such as the Emission Trading Scheme (ETS). The ETS and the forecast increase in electricity demand encourages investment in new renewable generation sources.<br>The previous Government's policy to ban new gas exploration to support the transition to a low carbon future, and onerous rehabilitation provisions, have contributed to a lack of investment in the oil and gas sector, which in turn has contributed to the gas supply constraints currently being experienced.<br>This has resulted in increased cost of generating electricity and is reflected in the significant increase in the wholesale electricity price path. | B1, F1, F8 | 85, 103, 107 |
| Useful lives of retail LPG assets | LPG assets includes LPG depots, reticulated networks and customer installs. The useful life of these assets aligns with the Government's ambition to be net zero by 2050. | B1 | 85 |
| Impairment testing of Retail and Kupe cash-generating units | The Group assesses goodwill of the Retail CGU and the Kupe CGU annually for impairment. Impairment tests are based on estimated discounted cash flow analysis on a value in use basis. In completing the impairment assessments climate-related risks and opportunities are taken into consideration. | B2, B3 | 88, 90 |
| Useful lives of Kupe's oil and gas assets and intangibles | The majority of Kupe's oil and gas assets and associated intangibles are depleted or amortised on a units-of-production basis using the latest reserves information. Kupe's end of life is expected to be in the 2030's. The decline in Kupe reserves is in line with the Groups transition to net zero by 2040. | B2, B3 | 88, 90 |
| Useful lives of thermal generation assets | There is an expectation that thermal generation from fossil fuels will continue to decline over the next 10 years as it is replaced with either thermal generation using more renewable fuel sources (such as biomass) or other technology (such as batteries).<br>There is a risk that fossil fuel generation is displaced faster than anticipated due to: (1) domestic gas supply constraints; (2) government regulation; (3) advances in technology and construction of more flexible generation with lower emissions such as geothermal or use of batteries; and (4) commercial arrangements that include demand response features that provide alternative solutions to dry year risk (long period firming).<br>There is also a risk that the phase down is slower than expected due to delays in the development of renewable fuel sources or new technology or higher demand growth than new renewables can keep up with. | B1 | 85 |
| Provisions and contingent liabilities | During the year, the Group announced its commitment to set a net zero emission reduction target in line with the Science Based Targets Initiative's Corporate Net-Zero guidance which provides companies with a clearly-defined path to reduce greenhouse gas emissions in line with limiting global warming to 1.5°C. For the Group, a net zero target under the SBTi guidance is a commitment to reduce greenhouse gas emissions by more than 90 percent from a FY20 base year by 2040. This commitment has not resulted in changes to any material estimates or judgements and has not resulted in the recognition of any provisions or contingent liabilities.<br>There is no provision for the remediation of the Huntly site that contains the thermal generation units. Under Gen35 the Group aims to operate 1,400 MW of flexible assets in a suite of options at the Huntly site centred around the power station.<br>There is no provision for any climate litigation in FY24. The recent Supreme Court ruling regarding the Group and five other corporate defendants and Mike Smith has not resulted in any present obligation for the Group. | C4 | 94 |

# General information and significant matters (continued)

## Adoption of new and revised accounting standards, interpretations and amendments

*Amendments to NZ IAS 1 - Disclosure of Accounting Policies*

The amendments change the requirements in NZ IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. The amendment has been adopted by the Group and there has been no changes to the accounting policies disclosed.

*NZ IFRS 17 - Insurance Contracts*

The Group has adopted NZ IFRS 17 and the related amendments for the first time in the current year. NZ IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes NZ IFRS 4 Insurance Contracts. A subsidiary of the Group (Genesis Energy Insurance Pte Limited) has transitioned to NZ IFRS 17 however there is no impact on the Group results.

NZ IFRS 17 outlines a general model for valuing insurance contracts, which is modified for contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

*Amendments to NZ IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules*

The OECD issued a Two-Pillar solution to address the tax challenges arising from digitalisation of the economy. The New Zealand government has announced that it will implement key aspects of Pillar Two, a framework that establishes a global minimum tax of 15% for multinationals, for financial periods beginning on or after 1 January 2025. The Group is reviewing the impact of Pillar Two which is not expected to be significant on the basis that the Group does not have significant operations in foreign jurisdictions with tax rates below 15%.

**Accounting standards, interpretations and amendments not yet effective**

*NZ IFRS 18 - Presentation and Disclosure in Financial Statements*

NZ IFRS 18 changes the structure of the Income Statement by firstly, introducing two new defined subtotals (Operating profit and Profit before financing and income taxes) to increase comparability of information reported; and secondly, requiring an entity to classify all income and expenses into one of the following five categories: Operating, Investing, Financing, Income taxes and Discontinued operations.

The standard also introduces the concept of a 'management-defined performance measure' (MPM). MPMs are subtotals of income and expenses other than those listed by NZ IFRS 18 or specifically required by another IFRS accounting standard that an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole. The entity is required to disclose a reconciliation between the MPM and the most directly comparable NZ IFRS 18 subtotal along with how it is calculated, any changes made to the calculation and a statement noting that the MPM may not be directly comparable to measures provided by other entities.

NZ IFRS 18 is effective from annual reporting periods beginning on or after 1 January 2027, early adoption is permitted. The Group plans to adopt the standard for the financial year ended 30 June 2028.

# A. Financial performance

## A1. Segment reporting

The Group reports activities under four operating segments as follows:

| Segment | Activity |
|---|---|
| Retail | Supply of energy (electricity, gas and LPG) and related services to end users being Residential customers, Small & Medium Enterprises, Large Businesses and customers of Frank Energy. |
| Wholesale | Supply of electricity to the wholesale electricity market, supply of gas and LPG to wholesale customers and the Retail segment and the sale and purchase of derivatives to fix the price of electricity. |
| Kupe | Exploration, development and production of gas, oil and LPG. Supply of gas and LPG to the Wholesale segment and supply of light oil. |
| Corporate | Head office functions, including human resources, finance, corporate relations, property management, legal, corporate governance and strategy. |

### Segmentation

The segments are based on the different products and services offered by the Group. All segments operate in New Zealand. No operating segments have been aggregated. The Group has no individual customers that account for 10.0 per cent or more of the Group's external revenue (2023: none).

### Intersegment revenue

Sales between segments is based on transfer prices developed in the context of long-term contracts. The electricity transfer price per MWh charged between Wholesale and Retail was $146.26 (2023: $124.73).

### Non-GAAP performance measures

Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, unrealised fair value changes and other gains and losses (EBITDAF) is a performance measure used internally to provide insight into the operating performance of the Group. This measure is considered to be a non-GAAP performance measure. This should not be viewed in isolation nor considered a substitute for measures reported in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') Accounting Standards. EBITDAF is used by many companies; however, because this measure is not defined by NZ IFRS it might not be uniformly defined or calculated by all companies. Accordingly, this measure might not be comparable.

## A1. Segment reporting (continued)

| | Year ended 30 June 2024 | | | | | Year ended 30 June 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Retail $ million | Wholesale $ million | Kupe $ million | Corporate $ million | Total $ million | Retail $ million | Wholesale $ million | Kupe $ million | Corporate $ million | Total $ million |
| Electricity | 1,497.3 | 1,149.8 | - | - | 2,647.1 | 1,346.4 | 603.6 | - | - | 1,950.0 |
| Gas | 228.3 | 2.6 | - | - | 230.9 | 211.0 | 22.2 | - | - | 233.2 |
| LPG | 105.0 | 6.3 | - | - | 111.3 | 96.8 | 7.8 | - | - | 104.6 |
| Oil | - | - | 10.2 | - | 10.2 | - | - | 25.6 | - | 25.6 |
| Emissions on fuel sales and electricity contracts | 2.5 | 0.8 | - | - | 3.3 | 1.5 | 8.0 | - | - | 9.5 |
| Emission unit revenue from trading | - | 23.8 | - | - | 23.8 | - | 59.9 | - | - | 59.9 |
| Other revenue | 2.3 | 33.2 | 0.2 | 1.5 | 37.2 | 1.8 | 1.2 | 0.6 | 1.1 | 4.7 |
| **Total external revenue^** | **1,835.4** | **1,216.5** | **10.4** | **1.5** | **3,063.8** | **1,657.5** | **702.7** | **26.2** | **1.1** | **2,387.5** |
| Intersegment revenue * | - | 1,072.3 | 79.7 | - | 1,152.0 | - | 885.9 | 99.4 | - | 985.3 |
| **Total segment revenue** | **1,835.4** | **2,288.8** | **90.1** | **1.5** | **4,215.8** | **1,657.5** | **1,588.6** | **125.6** | **1.1** | **3,372.8** |
| Electricity purchases | - | (1,145.7) | - | - | (1,145.7) | - | (540.1) | - | - | (540.1) |
| Electricity network, transmission, levies and meters | (558.6) | (9.1) | - | - | (567.7) | (521.9) | (13.8) | - | - | (535.7) |
| Fuel consumed in electricity generation | - | (253.4) | - | - | (253.4) | - | (115.5) | - | - | (115.5) |
| Gas purchases | (0.1) | (71.3) | - | - | (71.4) | (0.3) | (92.1) | - | - | (92.4) |
| Gas network, transmission, levies and meters | (89.4) | (3.5) | - | - | (92.9) | (75.3) | (4.8) | - | - | (80.1) |
| LPG purchases, inventory changes and transportation costs | (16.4) | (17.6) | 0.1 | - | (33.9) | (17.0) | (13.0) | - | - | (30.0) |
| Oil inventory changes, storage and transportation costs | - | - | 1.1 | - | 1.1 | - | - | (2.2) | - | (2.2) |
| Emissions associated with electricity generation | - | (59.7) | - | - | (59.7) | - | (19.4) | - | - | (19.4) |
| Emissions associated with fuel sales | - | (14.8) | (16.1) | - | (30.9) | - | (22.0) | (22.1) | - | (44.1) |
| Emission unit expenses from trading | - | (27.1) | - | - | (27.1) | - | (63.7) | - | - | (63.7) |
| Other costs | (1.4) | (0.2) | (10.3) | - | (11.9) | (0.7) | - | (9.9) | - | (10.6) |
| **Total external costs** | **(665.9)** | **(1,602.4)** | **(25.2)** | **-** | **(2,293.5)** | **(615.2)** | **(884.4)** | **(34.2)** | **-** | **(1,533.8)** |
| Intersegment costs * | (1,065.0) | (79.7) | - | (7.3) | (1,152.0) | (885.9) | (99.4) | - | - | (985.3) |
| **Total segment costs** | **(1,730.9)** | **(1,682.1)** | **(25.2)** | **(7.3)** | **(3,445.5)** | **(1,501.1)** | **(983.8)** | **(34.2)** | **-** | **(2,519.1)** |
| **Gross margin** | **104.5** | **606.7** | **64.9** | **(5.8)** | **770.3** | **156.4** | **604.8** | **91.4** | **1.1** | **853.7** |
| Employee benefits | (79.9) | (39.1) | - | (33.0) | (152.0) | (69.7) | (34.9) | - | (31.2) | (135.8) |
| Other operating expenses | (101.9) | (59.9) | (26.2) | (23.1) | (211.1) | (97.7) | (50.3) | (24.8) | (21.6) | (194.4) |
| **EBITDAF** | **(77.3)** | **507.7** | **38.7** | **(61.9)** | **407.2** | **(11.0)** | **519.6** | **66.6** | **(51.7)** | **523.5** |
| **Other segment information** | | | | | | | | | | |
| Capital expenditure excluding leased assets | 14.2 | 54.3 | 71.7 | 3.5 | 143.7 | 16.0 | 46.6 | 18.0 | 0.6 | 81.2 |

^ The reconciliation of external revenue to the income statement has been provided on the next page. * The intersegment revenue and expenses have been split out in full on the next page.

## A1. Segment reporting (continued)

| Intersegment analysis | Year ended 30 June 2024 Retail $ million | Wholesale $ million | Kupe $ million | Corporate $ million | Total $ million | Year ended 30 June 2023 Retail $ million | Wholesale $ million | Kupe $ million | Corporate $ million | Total $ million |
|---|---|---|---|---|---|---|---|---|---|---|
| Electricity - intersegment | - | 913.3 | - | - | 913.3 | - | 744.4 | - | - | 744.4 |
| Gas - intersegment | - | 118.1 | 56.5 | - | 174.6 | - | 112.3 | 63.9 | - | 176.2 |
| LPG - intersegment | - | 33.6 | 15.9 | - | 49.5 | - | 29.2 | 25.8 | - | 55.0 |
| Emissions on fuel sales - intersegment | - | - | 7.3 | - | 7.3 | - | - | 9.7 | - | 9.7 |
| Other revenue - intersegment | - | 7.3 | - | - | 7.3 | - | - | - | - | - |
| **Intersegment revenue** | **-** | **1,072.3** | **79.7** | **-** | **1,152.0** | **-** | **885.9** | **99.4** | **-** | **985.3** |
| Electricity purchases - intersegment | (913.3) | - | - | - | (913.3) | (744.4) | - | - | - | (744.4) |
| Fuel consumed in electricity generation - intersegment | - | (56.5) | - | - | (56.5) | - | (63.9) | - | - | (63.9) |
| Gas purchases - intersegment | (118.1) | - | - | - | (118.1) | (112.3) | - | - | - | (112.3) |
| LPG purchases, inventory changes and transportation costs - intersegment | (33.6) | (15.9) | - | - | (49.5) | (29.2) | (25.8) | - | - | (55.0) |
| Emission costs - intersegment | - | (7.3) | - | - | (7.3) | - | (9.7) | - | - | (9.7) |
| Other expenses - intersegment | - | - | - | (7.3) | (7.3) | - | - | - | - | - |
| **Intersegment costs** | **(1,065.0)** | **(79.7)** | **-** | **(7.3)** | **(1,152.0)** | **(885.9)** | **(99.4)** | **-** | **-** | **(985.3)** |

| Reconciliation of revenue | 2024 $ million | 2023 $ million |
|---|---|---|
| Total external revenue per segment reporting | **3,063.8** | 2,387.5 |
| Realised (gains)/losses on non-hedge accounted electricity derivatives | **(16.0)** | (13.3) |
| **Total revenue per Income statement** | **3,047.8** | 2,374.2 |

| Reconciliation of expenses | 2024 $ million | 2023 $ million |
|---|---|---|
| Total external costs per segment reporting | **(2,293.5)** | (1,533.8) |
| Employee benefits per segment reporting | **(152.0)** | (135.8) |
| Other operating expenses per segment reporting | **(211.1)** | (194.4) |
| Reallocation of emission units held for trading (gains)/losses | **3.3** | 3.8 |
| **Total expenses per income statement** | **(2,653.3)** | (1,860.2) |

| Reconciliation of EBITDAF to profit before income tax | 2024 $ million | 2023 $ million |
|---|---|---|
| EBITDAF | **407.2** | 523.5 |
| Realised (gains)/losses on non-hedge accounted electricity derivatives from revenue | **(16.0)** | (13.3) |
| Reallocation of Emission units held for trading (gains)/losses from expenses | **3.3** | 3.8 |
| | **394.5** | 514.0 |
| Depreciation, depletion and amortisation | **(237.0)** | (254.8) |
| Impairment of non-current assets | **(65.0)** | (4.0) |
| Revaluation of generation assets | **31.8** | 46.3 |
| Change in fair value of financial instruments | **146.6** | 65.5 |
| Share of associates and joint ventures | **(3.4)** | (2.2) |
| Other gains (losses) | **4.7** | (13.1) |
| Finance revenue | **2.9** | 2.0 |
| Finance expense | **(84.0)** | (81.5) |
| **Profit before income tax** | **191.1** | 272.2 |

## A2. Revenue

The accounting policies applied to material revenue streams are disclosed below and the quantum of each revenue stream is disclosed in note A1. Emissions on fuel sales and electricity contracts is not a separate performance obligation under the revenue standard. It has been reported separately as it provides useful information to the financial statement users.

| Revenue stream | Contract term | Nature of goods or services and revenue recognition | Payment terms |
|---|---|---|---|
| Electricity (retail), gas and LPG (including emissions) | 0-10 years | Daily supply of electricity, gas or metered LPG over the contract period. Revenue is recognised over time at the end of each day when the consumption is known. The amount of revenue recognised is based on the amount the Group has the right to invoice.<br><br>Individual supply of bottled LPG. Revenue is recognised when the bottle is delivered to the customer. | Customers are invoiced monthly and payment is due between two weeks to one month after invoice. |
| Electricity (wholesale) | No term | Half hourly supply of electricity. Revenue is recognised over time when each trading period is concluded and the electricity generation is known. | The clearing manager calculates and invoices the revenue. Payment is received on the 20th of the following month. |
| Emission unit revenue from trading | No term | Sale of emission units. Revenue is recognised at the point in time that the emission unit is confirmed as being transferred into the acquirer's emission unit account. | Payment is due within five business days of the units being transferred. |
| Oil | 12 months | Individual oil shipments. Revenue is recognised on the bill of lading date. | Payment is due no later than 30 days from the bill of lading date. |

### Judgement used in determining revenue

Where customer meters are unbilled at balance date the Group uses judgement to determine the volume of the unbilled revenue. The Group estimates the unbilled volume using historical consumption information. Unbilled revenue is disclosed in note C1. Where a discount is offered, revenue is initially recognised net of the estimated discount.

## A3. Depreciation, depletion and amortisation

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| Property, plant and equipment | B1 | **175.8** | 197.2 |
| Oil and gas assets | B2 | **39.7** | 32.5 |
| Intangibles (excluding amortisation of deferred customer acquisition costs) | B3 | **21.5** | 25.1 |
| **Total** | | **237.0** | 254.8 |

## A4. Impairment of non-current assets

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| Property, plant and equipment | B1 | **0.5** | 3.4 |
| Oil and gas assets | B2 | **50.1** | - |
| Intangible assets | B3 | **14.4** | 0.6 |
| **Total** | | **65.0** | 4.0 |

Impairment of non-current assets has increased by $61.0 million mainly due to the impairment of oil and gas assets as a result of the reduction in the remaining field reserves. Refer to Note B2 for further information on the impairment.

## A5. Other gains (losses)

Other gains (losses) includes a $3.9 million gain (2023: $12.1 million loss) in relation to the emission units held for trading. When emission units held for trading are sold the fair value of the units is recorded in operating expenses and any gain / loss as a result of a change in fair value is recognised in other gains (losses).

## A6. Income tax

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Current tax | **63.1** | 94.0 |
| Deferred tax | **(3.1)** | (17.5) |
| **Income tax expense** | **60.0** | 76.5 |

| Reconciliation of pre-tax accounting profit to income tax expense | 2024 $ million | 2023 $ million |
|---|---|---|
| **Profit before income tax** | **191.1** | 272.2 |
| Income tax at 28% | **53.5** | 76.2 |
| Tax effect of adjustments: | | |
| Over provided in prior periods | **(0.5)** | (0.2) |
| Non-deductible expenditure and other adjustments | **7.0** | 0.5 |
| **Income tax expense** | **60.0** | 76.5 |

### Income tax

Income tax is recognised in the income statement unless it relates to other comprehensive income.

### Current tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, together with any unpaid tax or adjustment to tax payable in respect of previous years.

### Deferred tax

Deferred tax reflects the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

| Deferred tax | Depreciable capital property* $ million | Oil and gas assets $ million | Provisions $ million | Intangible contractual arrangements $ million | Derivatives $ million | Other $ million | Total $ million |
|---|---|---|---|---|---|---|---|
| **Balance as at 1 July 2022** | 727.6 | 65.1 | (52.3) | 13.8 | 7.9 | (11.2) | 750.9 |
| Recognised in the income statement | (13.9) | (7.9) | (3.7) | (1.8) | 15.2 | (5.4) | (17.5) |
| Recognised in other comprehensive income | (31.2) | - | - | - | 21.9 | - | (9.3) |
| **Balance as at 30 June 2023** | **682.5** | **57.2** | **(56.0)** | **12.0** | **45.0** | **(16.6)** | **724.1** |
| Recognised in the income statement | (18.1) | (15.8) | (2.9) | (1.6) | 36.7 | (1.4) | (3.1) |
| Recognised in other comprehensive income | 107.4 | - | - | - | (2.9) | - | 104.5 |
| **Balance as at 30 June 2024** | **771.8** | **41.4** | **(58.9)** | **10.4** | **78.8** | **(18.0)** | **825.5** |

* Includes property, plant, equipment and software

# B. Operating assets

## B1. Property, plant and equipment

| | Note | Generation assets $ million | Other property, plant and equipment $ million | Capital work in progress $ million | Leased assets $ million | Total $ million |
|---|---|---|---|---|---|---|
| **Carrying value at 1 July 2022** | | 3,531.2 | 85.6 | 56.1 | 65.8 | 3,738.7 |
| Additions | | - | - | 55.0 | 30.0 | 85.0 |
| Revaluation of generation assets | | | | | | |
| Decrease taken to revaluation reserve | | (111.3) | - | - | - | (111.3) |
| Increase taken to the income statement | | 46.3 | - | - | - | 46.3 |
| Change in rehabilitation and contractual arrangement assets | | - | - | 17.4 | - | 17.4 |
| Transfer between asset categories | | 34.5 | 19.8 | (54.3) | - | - |
| Transfer to intangible assets | B3 | - | - | (0.4) | - | (0.4) |
| Disposals | | (0.5) | (1.0) | - | - | (1.5) |
| Impairment | | - | - | (3.4) | - | (3.4) |
| Depreciation expense recognised in inventories | | - | - | - | (0.1) | (0.1) |
| Depreciation expense | A3 | (176.6) | (10.8) | - | (9.8) | (197.2) |
| **Carrying value at 30 June 2023** | | **3,323.6** | **93.6** | **70.4** | **85.9** | **3,573.5** |
| Additions | | - | - | 63.5 | 1.4 | 64.9 |
| Revaluation of generation assets | | | | | | |
| Increase taken to revaluation reserve | | 383.6 | - | - | - | 383.6 |
| Increase taken to the income statement | | 31.8 | - | - | - | 31.8 |
| Change in rehabilitation and contractual arrangement assets | | - | - | 2.4 | - | 2.4 |
| Transfer between asset categories | | 46.7 | 10.2 | (56.9) | - | - |
| Transfer to intangible assets | B3 | - | - | (0.2) | - | (0.2) |
| Disposals | | (0.1) | (0.1) | - | - | (0.2) |
| Impairment | | - | - | (0.5) | - | (0.5) |
| Depreciation expense | A3 | (156.9) | (10.5) | - | (8.4) | (175.8) |
| **Carrying value at 30 June 2024** | | **3,628.7** | **93.2** | **78.7** | **78.9** | **3,879.5** |

### Summary of cost and accumulated depreciation and impairment

| | | | | | | |
|---|---|---|---|---|---|---|
| Fair value or cost | | 3,323.6 | 188.8 | 71.6 | 175.0 | 3,759.0 |
| Accumulated depreciation and impairment | | - | (95.2) | (1.2) | (89.1) | (185.5) |
| **Carrying value at 30 June 2023** | | **3,323.6** | **93.6** | **70.4** | **85.9** | **3,573.5** |
| | | | | | | |
| Fair value or cost | | 3,628.7 | 198.4 | 79.3 | 119.9 | 4,026.3 |
| Accumulated depreciation and impairment | | - | (105.2) | (0.6) | (41.0) | (146.8) |
| **Carrying value at 30 June 2024** | | **3,628.7** | **93.2** | **78.7** | **78.9** | **3,879.5** |

## B1. Property, plant and equipment (continued)

### Generation assets

Generation assets include land, buildings, and plant and equipment associated with generation assets. Generation assets are recognised in the balance sheet at fair value at the date of the valuation, less any subsequent accumulated depreciation and impairment losses. The underlying assumptions used in the valuation are reviewed at each reporting date. Revaluations are performed with sufficient regularity to ensure the carrying amount does not materially differ from the estimated fair value at balance date.

Any increase in the valuation is recognised in other comprehensive income, unless it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case it is recognised in the income statement to the extent it reverses a decrease previously recognised. A decrease in carrying amount arising on revaluation is recognised in the income statement to the extent that it exceeds the balance, if any, held in the asset revaluation reserve for that asset. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying value so that the gross carrying amount equals the revalued amount.

Subsequent additions to generation assets are recognised at cost. Cost includes the consideration given to acquire the asset plus any other costs incurred in bringing the asset to the location and condition necessary for its intended use, including major inspection costs, resource consent, relationship agreement costs and financing costs where appropriate.

Generation assets were revalued at 30 June 2024 to $3,628.7 million (2023: $3,323.6 million) resulting in a net gain on revaluation of $415.4 million (2023: $65.0 million loss). The revaluation increase was principally driven by an increase in the wholesale electricity prices and thermal generation volumes following delays in future build assumptions, partially offset by higher fuel costs due to tight gas supply and imported coal. The revaluation increase recognised in the income statement reflects a valuation increase for Huntly Rankine units.

The valuation is based on a discounted cash flow model prepared by Management, calculated by generating scheme, except for the Huntly site where it is calculated by type of unit (Rankine units, unit 5 and unit 6). As the key inputs into the valuation are based on unobservable market data, the valuation is classified as level three in the fair value hierarchy. It requires significant judgement, and therefore there is a range of reasonably possible assumptions that could be used in estimating the fair value. Refer to note F8 for an overview of the fair value hierarchy.

### Key estimates and judgements

**Wholesale electricity price path**

The wholesale electricity price path is the key driver of changes in the valuation. The price path is an average of the internally generated price path and price paths published by two independent third parties. It reflects the impact of the New Zealand Government's climate change policy and the assumptions over thermal fuel availability and costs, both of which could have an impact on future prices. In the prior year, the price path reflected the uncertainty surrounding Tiwai Point smelter operating beyond 2025; new long-term electricity supply agreements are now in place which removed this uncertainty.

**Internally generated price path**

The internally generated price path assumes wholesale electricity demand will continue to grow based on the latest available industry analysis and Genesis' view of future economic growth. As the internally generated price path is underpinned by 90 years of historical hydrological inflow data, the impact of climate change on hydrology over this period has been reflected in the internally generated price path.

New and retiring generation plant assumptions are based on publicly available information and Genesis' view on wholesale electricity prices required to support the plant. The price path makes assumptions over thermal fuel availability and costs, both in the near- and longer-term.

**Price paths published by independent third parties**

In the prior year, independent third party price path assumptions incorporated the long-term electricity supply agreements recently announced by Tiwai Point smelter. Consensus was that there was a high likelihood of Tiwai Point remaining open or being replaced with new industrial demand. This uncertainty no longer remains.

### Other key assumptions

The valuation also includes assumptions around market fuel and electricity supply and demand. Electricity demand increases from current levels in the longer term from industrial electrification and electric vehicle fleet growth in response to climate change. Changes in these interrelated factors will impact the wholesale electricity price path and generation volumes. The valuation also considers the cost of carbon at 30 June 2024 with an assumption that the existing Emissions Trading Scheme will continue or is replaced with a scheme that has a similar economic impact. These factors are reviewed for reasonableness by senior management personnel who are responsible for the price path used by the business.

Significant unobservable inputs in the valuation model were:

| Significant unobservable inputs | Method used to determine input | Sensitivity range | Increase/ (decrease) in fair value of generation assets | Inter-relationships between unobservable inputs |
|---|---|---|---|---|
| Wholesale electricity price path (nominal) | The average annual wholesale electricity price ranged between $132 per MWh and $197 per MWh referenced to the Otahuhu 220KV locational node from July 2024 to June 2044. | +10%<br>- 10% | $631 million<br>($631) million | Hydrological inflows affect generation volumes, as well as wholesale electricity prices. |
| Generation volumes | In-house modelling of the wholesale electricity market has been used to determine the generation volumes required to meet energy demand both on a wholesale market and asset level basis. The generation volumes used in the valuation range between 2,767 GWh and 6,014 GWh per annum. The low end of the range relates to periods where there is no thermal generation. | +10%<br>- 10% | $496 million<br>($496) million | Wholesale electricity prices affect the amount of generation. |
| Discount rate | Pre-tax equivalent discount rate of 10.8% | +1%<br>- 1% | ($310) million<br>$383 million | Discount rate is independent of wholesale electricity prices and generation volumes. |

## B1. Property, plant and equipment (continued)

### Historical cost

If generation assets were carried at historical cost less accumulated depreciation and accumulated impairment, the carrying amount would be approximately $1,501.6 million (2023: $1,480.7 million).

### Leased assets

Leased assets include right of use assets recognised in relation to office buildings, land for generation sites and LPG depot leases. The cost of leased assets comprises the amount of the corresponding initial lease liability, lease payments made at or before the commencement date, initial direct costs and restoration costs. The leased asset is subsequently measured at cost less accumulated depreciation and impairment losses. The leased asset is depreciated over the lease term.

### All other categories of property, plant and equipment

All other categories of property, plant and equipment, with the exception of land and capital work in progress, are recognised at cost less accumulated depreciation and any accumulated impairment losses. Land and capital work in progress are not depreciated.

### Depreciation

Depreciation is calculated on a straight line basis. The estimated useful lives are reviewed annually to determine whether there have been any changes due to operational or external factors, including climate change considerations, and updated as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

| Asset category | Estimated useful lives |
|---|---|
| Generation assets | |
| Thermal | up to 8 years |
| Renewable | up to 85 years |
| Other property, plant and equipment | 3 to 50 years |
| Leased assets | 6 to 38 years |

## B2. Oil and gas assets

| | Note | Exploration, evaluation and development expenditure $ million | Oil and gas producing assets $ million | Other oil and gas assets $ million | Capital work in progress $ million | Total $ million |
|---|---|---|---|---|---|---|
| **Carrying value at 1 July 2022** | | 8.8 | 258.9 | 14.8 | 4.4 | 286.9 |
| Additions | | 10.0 | 1.2 | 0.6 | 6.1 | 17.9 |
| Transfer between asset categories | | - | 2.6 | 0.2 | (2.8) | - |
| Change in rehabilitation asset | | - | (4.7) | - | - | (4.7) |
| Depreciation and depletion expense | A3 | - | (31.1) | (1.4) | - | (32.5) |
| **Carrying value at 30 June 2023** | | **18.8** | **226.9** | **14.2** | **7.7** | **267.6** |
| Additions | | 59.9 | 1.4 | 0.4 | 10.0 | 71.7 |
| Transfer between asset categories | | (70.5) | 81.3 | 0.3 | (11.1) | - |
| Change in rehabilitation asset | | - | 6.7 | - | - | 6.7 |
| Impairment | | - | (50.1) | - | - | (50.1) |
| Depreciation and depletion expense | A3 | - | (38.3) | (1.4) | - | (39.7) |
| **Carrying value at 30 June 2024** | | **8.2** | **227.9** | **13.5** | **6.6** | **256.2** |

### Summary of cost and accumulated depreciation, depletion and impairment

| | | | | | | |
|---|---|---|---|---|---|---|
| Cost | | 37.3 | 835.7 | 27.6 | 7.7 | 908.3 |
| Accumulated depreciation, depletion and impairment | | (18.5) | (608.8) | (13.4) | - | (640.7) |
| **Carrying value at 30 June 2023** | | **18.8** | **226.9** | **14.2** | **7.7** | **267.6** |
| | | | | | | |
| Cost | | 26.7 | 925.2 | 28.3 | 6.6 | 986.8 |
| Accumulated depreciation, depletion and impairment | | (18.5) | (697.3) | (14.8) | - | (730.6) |
| **Carrying value at 30 June 2024** | | **8.2** | **227.9** | **13.5** | **6.6** | **256.2** |

### Exploration, evaluation and development expenditure

All exploration and evaluation costs, including directly attributable overheads and general permit activity, are expensed as incurred except for the costs of drilling exploration wells and the costs of acquiring new interests. The costs of drilling exploration wells are initially capitalised pending the determination of the success of the wells. Costs are expensed immediately where the work does not result in a successful discovery. Costs incurred before the Group has obtained the legal rights to explore an area are expensed as incurred.

Exploration, evaluation and development expenditure assets are not amortised; instead, they are assessed annually for indicators of impairment. Any impairment is recognised in the income statement. Once development of a project has been completed, the accumulated expenditure in relation to the project is transferred to oil and gas producing assets.

### Oil and gas producing assets

Oil and gas producing assets include costs associated with the production station, platform and pipeline transferred from exploration, evaluation and development expenditure, mining licences and major inspection costs. Depletion of oil and gas producing assets, excluding major inspection costs, is calculated on a unit-of-production basis using proved remaining reserves ('1P') estimated to be obtained from, or processed by, the specific asset. Major inspection costs are depreciated on a straight line basis over the period up to the next major inspection. Major inspections occur every two to ten years depending on the nature of the work undertaken.

### Other oil and gas assets

Other oil and gas assets include land, buildings, storage facilities, sales pipeline and motor vehicles. The cost of other oil and gas assets, less any estimated residual value, is depreciated on a straight line basis.

| Asset category | Estimated useful lives |
|---|---|
| Buildings | 50 years |
| Storage facilities | 25 years |
| Sales pipeline | 25 years |
| Motor vehicles | 5 years |

## B2. Oil and gas assets (continued)

### Key estimates and judgements

Proved reserves ('1P') are the estimated quantities of oil and gas that geological and engineering data demonstrates with reasonable certainty to be recoverable in future years from known reservoirs, under existing economic and operating conditions. Proved reserves ('1P') are defined as those that have a 90 per cent likelihood of being delivered. Because the geology of the Kupe oil and gas field subsurface cannot be examined directly, an indirect technique, known as a volumetric and dynamic performance assessment, has been used to estimate the uncertainty range of the reserves. There are high levels of uncertainty in terms of accessibility of reserves through sealing faults and pressure support.

In the current year the Joint Venture Operator performed a review of Kupe's reserves which resulted in a decrease in remaining reserves for proved reserves ('1P'). The reserves revision results from new information following the KS-9 well development, with the drilling campaign intersecting the reservoir deeper than expected and pressure data confirming indications that the central field and eastern fault block are connected. Genesis engaged GaffneyCline, an independent expert, to review and verify the Operator's reserve estimate in line with industry standards. A reduction of 10 per cent in these reserves would increase depletion charges going forward by approximately $3.5 million per annum at current production rates. Proved and probable reserves ('2P') have also been revised down. The table below presents the remaining Kupe oil and gas field gross reserves in Peta joule equivalents ('PJe') of which the Group has a 46.0 per cent interest (2023: 46.0 per cent).

| | Proved reserves ('1P') | | Proved and probable reserves ('2P') | |
|---|---|---|---|---|
| | 2024 PJe | 2023 PJe | 2024 PJe | 2023 PJe |
| **Opening remaining field reserves at 1 July** | **184.0** | 208.6 | **225.8** | 250.4 |
| Change in reserve estimate | **(50.2)** | - | **(81.2)** | - |
| Production | **(20.3)** | (24.6) | **(20.3)** | (24.6) |
| **Closing remaining field reserves at 30 June** | **113.5** | 184.0 | **124.3** | 225.8 |
| | | | | |
| Developed | **113.5** | 162.5 | **124.3** | 193.6 |
| Undeveloped | **-** | 21.5 | **-** | 32.2 |
| **Closing remaining field reserves at 30 June** | **113.5** | 184.0 | **124.3** | 225.8 |

### Impairment of oil and gas producing assets

As a result of a reduction in remaining field reserves, an impairment assessment was performed over the Kupe CGU. The recoverable amount was calculated using a discounted cash flow analysis (value in use), with the estimated future cash flow projections being based on proved and probable reserves (2P) of 124.3 PJe (gross field reserves). As a result of this assessment, an impairment has been recognised and is first applied to Goodwill and then on a pro-rated basis to the remainder of the assets within the CGU.

| | Note | 2024 $ million |
|---|---|---|
| Carrying value before impairment[1] | | 191.3 |
| Recoverable amount | | 127.2 |
| **Impairment recognised** | | **(64.1)** |
| Allocated to: | | |
| Oil and Gas producing assets | | (50.1) |
| Goodwill | B3 | (13.2) |
| Intangible Assets - Contractual arrangements | B3 | (0.8) |
| **Total impairment** | | **(64.1)** |

[1] Carrying value represents oil and gas assets, goodwill, contractual arrangements, rehabilitation and restoration provision.

### Key estimates and judgements

To determine future cash inflows, the value in use calculation uses 2P reserves and makes assumptions around future sales prices. Operating expenditure, capital expenditure and end of life decommissioning costs are included as future cash outflows. The pre-tax discount rate used is 14.1 per cent. An adverse change in one of these assumptions could result in a further reduction in the recoverable amount, in which case a further impairment may be possible in a future period.

The recoverable amount is sensitive to a change in reserves. A range of outcomes has been identified from a low of 113.5 PJe to a high of 144.8 PJe. Genesis engaged GaffneyCline, an independent expert, to review and verify the reserves, supporting that the range used for the impairment assessment was reasonable.

The recoverable amount is also sensitive to a change in natural gas sales prices. An assessment has been made of the likely sales prices of uncontracted gas but given current market volatility a reasonable change to these projections could be +/- $2/GJ.

| Sensitivity to a change in reserves or gas prices | Low $ million | High $ million |
|---|---|---|
| Reserves (Low: -10.8PJe; High: +20.5PJe) | (23.2) | 37.5 |
| Natural gas price +/- $2 per GJ | (30.7) | 30.7 |

## B3. Intangible assets

| | Note | Goodwill $ million | Software $ million | Emission units held for own use $ million | Contractual arrangements $ million | Deferred customer acquisition costs $ million | Total $ million |
|---|---|---|---|---|---|---|---|
| **Carrying value at 1 July 2022** | | 228.4 | 46.1 | 49.3 | 49.4 | 3.4 | 376.6 |
| Additions | | - | 8.3 | 97.4 | 0.4 | 3.7 | 109.8 |
| Transfer from property, plant and equipment | B1 | - | 0.4 | - | - | - | 0.4 |
| Disposal or surrender | | - | - | (83.1) | - | - | (83.1) |
| Impairment | | - | (0.6) | - | - | - | (0.6) |
| Amortisation expense | A3 | - | (18.7) | - | (6.4) | - | (25.1) |
| Amortisation expense included in other operating expenditure | | - | - | - | - | (3.0) | (3.0) |
| **Carrying value at 30 June 2023** | | **228.4** | **35.5** | **63.6** | **43.4** | **4.1** | **375.0** |
| Additions | | - | 8.5 | 90.3 | - | 2.7 | 101.5 |
| Transfer from property, plant and equipment | B1 | - | 0.2 | - | - | - | 0.2 |
| Disposal or surrender | | - | - | (71.2) | - | - | (71.2) |
| Impairment | B2 | (13.2) | (0.4) | - | (0.8) | - | (14.4) |
| Amortisation expense | A3 | - | (16.1) | - | (5.4) | - | (21.5) |
| Amortisation expense included in other operating expenditure | | - | - | - | - | (3.0) | (3.0) |
| **Carrying value at 30 June 2024** | | **215.2** | **27.7** | **82.7** | **37.2** | **3.8** | **366.6** |

### Summary of cost and accumulated amortisation and impairment

| | | | | | | |
|---|---|---|---|---|---|---|
| Cost | 228.4 | 198.4 | 63.6 | 87.9 | 7.3 | 585.6 |
| Accumulated amortisation and impairment | - | (162.9) | - | (44.5) | (3.2) | (210.6) |
| **Carrying value at 30 June 2023** | **228.4** | **35.5** | **63.6** | **43.4** | **4.1** | **375.0** |
| | | | | | | |
| Cost | 215.2 | 205.3 | 82.7 | 85.3 | 8.6 | 597.1 |
| Accumulated amortisation and impairment | - | (177.6) | - | (48.1) | (4.8) | (230.5) |
| **Carrying value at 30 June 2024** | **215.2** | **27.7** | **82.7** | **37.2** | **3.8** | **366.6** |

The current portion of intangible assets disclosed in the balance sheet relates to emission units held for own use. The remaining $283.9 million (2023: $311.4 million) of intangible assets are non-current.

### Goodwill

Goodwill represents the excess of the cost of a business acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is assessed as having an indefinite useful life and is not amortised but is subject to impairment testing at each reporting date or whenever there are indications of impairment. For the purpose of impairment testing, goodwill has been allocated to the following CGU:

| Goodwill by CGU | 2024 $ million | 2023 $ million |
|---|---|---|
| Retail | **215.2** | 215.2 |
| Kupe | **-** | 13.2 |
| **Total goodwill** | **215.2** | 228.4 |

## B3. Intangible assets (continued)

**Retail**

The goodwill associated with Retail mainly relates to the acquisition of NGC electricity and gas business ($102.6m) in 2002 and 2003 and the LPG business from Nova Energy ($112.6m) on 1 June 2017. The impairment test is based on an estimated discounted cash flow analysis (value in use). Estimated future cash flow projections are based on the Group's five-year business plan for the CGU which takes into consideration short term climate related risks and opportunities. Cash flows beyond the five-year business plan are extrapolated using a 2.0 per cent year-on-year growth rate. The estimated future cash flow projections are discounted using a pre-tax equivalent discount rate of 10.8 per cent.

In completing the impairment assessment, the Group has considered the medium to long term risks and opportunities in relation to climate change on the Retail business. The speed of LPG and gas sales decline along with shifting customer preferences is partially offset by the opportunities around increased electricity demand from LPG and gas switching along with other electrification initiatives.

Any reasonably possible change in key assumptions on which the recoverable amount is based is not expected to cause the carrying value of the goodwill to exceed its recoverable amount.

**Kupe**

The goodwill associated with Kupe relates to the acquisition of the Kupe subsidiaries from New Zealand Oil and Gas Limited ('NZOG') on 1 January 2017. The impairment test is based on an estimated discounted cash flow analysis (value in use). The estimated future cash flow projections are based on proved and probable reserves ('2P'), as disclosed in note B2. In completing the impairment assessment, the Group has considered the risk and opportunities in relation to climate change on the Kupe business (in particular, the speed of gas and LPG sales decline and the ability to access insurance). The pre-tax equivalent discount rate was 14.1 per cent (2023: 13.9 per cent). Refer to note B2 for further information relating to the impairment of goodwill.

### Software

Software are assets with finite lives. These assets are recognised at cost less accumulated amortisation and impairment losses. Amortisation is recognised in the income statement on a straight line basis over the estimated useful life of the asset from the date it is available for use. The estimated useful life is between one and twenty years.

### Emission units held for own use

Emission units held for own use are used to settle the Group's emission obligation. The units are initially recognised at fair value and are not revalued.

### Contractual arrangements

Contractual arrangements include customer contracts and relationships acquired through business acquisitions, and sponsorship contracts.

**Customer contracts and relationships**

Customer contracts and relationships are assets with finite lives. These assets are recognised at cost less accumulated amortisation and impairment losses.

Amortisation of customer contracts and relationships related to Kupe are recognised in the income statement on a units-of-use basis, using proved remaining reserves ('1P') expected to be obtained over the contract period. Remaining reserves used in the calculations range from 19.4 to 113.5 PJe (2023: 62.8 to 184.0 PJe). Refer to note B2 for further information on the reserves estimate and impairment relating to the customer contracts and relationships.

Amortisation of customer relationships related to the Nova acquisition are recognised in the income statement on a diminishing value basis over the estimated life of the relationship to reflect the likely churn of customers. The remaining useful lives of these assets at 30 June 2024 is 26 years.

**Sponsorship contracts**

Sponsorship contracts are assets with finite lives. These assets are recognised at cost less accumulated amortisation and impairment losses. Amortisation is recognised in the income statement on a straight line basis over the estimated useful life of the asset from the date it is available for use. The useful life is based on the contract period, which ranges between one and three years.

### Deferred customer acquisition costs

Customer acquisition costs that are directly attributable to securing a particular customer contract are capitalised and amortised over the expected customer tenure (30 months). Amortisation of these costs is included within operating expenditure.

# C. Working capital and provisions

## C1. Receivables and prepayments

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Trade receivables | **146.2** | 121.0 |
| Accrued revenue | **128.2** | 109.3 |
| Expected credit loss provision | **(6.2)** | (5.4) |
| Deferred customer account credits | **3.9** | 4.1 |
| **Total** | **272.1** | 229.0 |
| Advances to associates and joint ventures | **1.2** | 0.8 |
| Lease receivable | **1.5** | 4.3 |
| Emission units receivable | **0.5** | 1.7 |
| Other receivables | **22.0** | 5.1 |
| Prepayments | **16.9** | 7.4 |
| **Total** | **314.2** | 248.3 |

| | | |
|---|---|---|
| Current | **312.9** | 246.6 |
| Non-current | **1.3** | 1.7 |
| **Total** | **314.2** | 248.3 |

### Trade receivables and accruals

Trade receivables and accruals are initially recognised at fair value and are subsequently measured at amortised cost. Trade receivables and accrued revenue that are known to be uncollectable are written off. Total bad debts written off during the year were $5.2 million (2023: $4.4 million).

### Expected credit loss provision

The expected credit loss provision is calculated using the simplified approach, which takes into account the lifetime expected credit loss on trade receivables and accrued revenue. The allowance for expected credit losses is calculated using a provision matrix, which is based on historic write-offs. Where possible the percentages are adjusted for foreseeable future economic conditions which may impact the collectability of trade receivables and accrued revenue.

| Expected credit loss | Home | Small business | Large business |
|---|---|---|---|
| 0-30 days overdue | 0.38% | 0.15% | 0.04% |
| 30-60 days overdue | 0.61% | 0.65% | 0.16% |
| 60-90 days overdue | 2.59% | 1.16% | 0.03% |
| 90+ days overdue | 9.35% | 2.09% | 0.52% |
| Debt at collection agency | 100% | 100% | 100% |
| Unoccupier debt | 100% | 100% | 100% |

### Amounts receivable under finance leases:

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Less than 1 year | **0.5** | 3.0 |
| 1 to 2 years | **0.5** | 0.5 |
| 2 to 5 years | **0.5** | 0.7 |
| More than 5 years | **0.4** | 0.7 |
| **Undiscounted lease payments** | **1.9** | 4.9 |
| Less: unearned finance income | **(0.4)** | (0.6) |
| **Lease receivable** | **1.5** | 4.3 |

### Deferred customer account credits

Account credits given to customers are included in the measurement of revenue. The account credit is spread over the term of the customer contract.

## C2. Inventories

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Fuel | **51.4** | 157.5 |
| Petroleum products | **2.9** | 0.9 |
| Consumables and spare parts | **33.2** | 31.7 |
| Emission units held for trading | **-** | 10.1 |
| **Total** | **87.5** | 200.2 |

| | | |
|---|---|---|
| Current | **87.5** | 143.0 |
| Non-current | **-** | 57.2 |
| **Total** | **87.5** | 200.2 |

### Emission units held for trading

Emission units held for trading are measured at fair value. Changes in the fair value are recognised in the income statement within other gains (losses). The fair value is determined using CommTrade's final closing price. As the fair value is calculated using inputs that are not quoted prices, the units are classified as level two in the fair value hierarchy. Refer to note F8 for an overview of the fair value hierarchy.

### Fuel, petroleum, consumables and spare parts

Fuel, petroleum, consumables and spare parts are recognised at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis which includes expenditure incurred in bringing the inventories to their present location and condition, including shipping and handling. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Fuel inventories mainly consist of coal used in electricity production. Fuel inventories (excluding natural gas) expensed during the year amounted to $119.4 million (2023: $9.4 million).

Petroleum products consist of LPG and light crude oil held for resale produced from the Kupe production facility. Petroleum products expensed during the year amounted to $15.0 million (2023: $21.4 million).

Consumables and spare parts are held to service or repair generating assets. Consumables and spare parts relating to Huntly unit 6 are impaired when incurred as the fair value of this unit is nil.

## C3. Payables and accruals

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Trade payables and accruals | **233.3** | 188.5 |
| Employee benefits | **17.2** | 16.7 |
| Emission obligations | **53.0** | 33.5 |
| **Total** | **303.5** | 238.7 |

| | | |
|---|---|---|
| Current | **301.3** | 237.3 |
| Non-current | **2.2** | 1.4 |
| **Total** | **303.5** | 238.7 |

### Trade payables and accruals

Trade payables and accruals are recognised when the Group becomes obligated to make future payments, resulting from the purchase of goods or services, and are subsequently carried at amortised cost.

### Employee benefits

A liability for employee benefits (wages and salaries, annual and long service leave, and employee incentives) is recognised when it is probable that settlement will be required and the amount is capable of being measured reliably. Provisions made in respect of employee benefits are measured using the remuneration rate expected to apply at the time of settlement.

### Emission obligations

Emission obligations are recognised as a liability when the Group incurs the emission obligation. Emission units payable to third parties are recognised at the average cost of emission units on hand, up to the amount of units on hand at the recognition date. Where the emission obligation exceeds the level of units on hand, the excess obligation is measured at the contract price where forward contracts exist or the market price for any obligation not covered by units on hand or forward contracts.

## C4. Provisions

| | Note | Contractual arrangements $ million | Rehabilitation and restoration $ million | Other provisions $ million | Total $ million |
|---|---|---|---|---|---|
| **Balance at 1 July 2022** | | 44.6 | 141.8 | 0.8 | 187.2 |
| Created | | 17.9 | 5.2 | - | 23.1 |
| Released | | (0.2) | (10.7) | - | (10.9) |
| Used | | (3.6) | (0.9) | - | (4.5) |
| Time value of money adjustment | E6 | 1.4 | 5.0 | - | 6.4 |
| **Balance at 30 June 2023** | | **60.1** | **140.4** | **0.8** | **201.3** |
| Created | | 2.5 | 12.1 | - | 14.6 |
| Released | | - | (0.3) | - | (0.3) |
| Used | | (9.9) | (1.0) | (0.2) | (11.1) |
| Time value of money adjustment | E6 | 2.1 | 5.9 | - | 8.0 |
| **Balance at 30 June 2024** | | **54.8** | **157.1** | **0.6** | **212.5** |
| | | | | | |
| Current | | 11.8 | 1.4 | 0.2 | 13.4 |
| Non-current | | 48.3 | 139.0 | 0.6 | 187.9 |
| **As at 30 June 2023** | | **60.1** | **140.4** | **0.8** | **201.3** |
| | | | | | |
| Current | | 7.3 | 2.0 | - | 9.3 |
| Non-current | | 47.5 | 155.1 | 0.6 | 203.2 |
| **As at 30 June 2024** | | **54.8** | **157.1** | **0.6** | **212.5** |

### Contractual arrangements

Contractual arrangements provisions relate to sponsorship and relationship agreements with various parties. The provisions represent the present value of the best estimate of cash flows required to settle the Group's obligations under the agreements. The timing of the outflows is expected to occur over the next 35 years.

### Rehabilitation and restoration

The majority of this provision relates to the remediation of the Huntly ash ponds and the Kupe production facility. The provision represents the present value of the Group's best estimate of future expenditure to be incurred to remediate the sites at balance date. Key assumptions include: an estimate of when the rehabilitation and restoration is likely to take place, the possible remediation alternatives available, the expected expenditures attached to each alternative and the foreign currency exchange rate.

There is no provision for the remediation of the Huntly generation site because the Group has the right to lease the site in perpetuity, there is no fixed or planned termination date for the Huntly lease and the site remains a key electricity generation site for the Group. The lease of the site is independent of decisions around the retirement of Huntly Rankine units, which are planned to be available to the electricity market until such time they are uneconomic to run. There may be costs and recoveries associated with retiring Huntly Rankine units but these cannot be reliably estimated at this time.

### Key estimates and judgements

The key assumptions that could have a material impact on the Kupe production facility rehabilitation estimate relate to: the level of remediation required; foreign exchange rates; mobilisation and demobilisation costs for rig and offshore supply vessel; and regulatory requirements in relation to the removal of the subsea pipeline. The majority of costs are based in United States dollars, and therefore are sensitive to fluctuations in foreign exchange rates. If the foreign exchange rate were to decrease by 10 per cent the provision may increase by $11.4 million. Given the equipment required to complete the rehabilitation comes from overseas, the mobilisation and demobilisation costs can fluctuate significantly depending on the volume of work the contractor has nearby at the time the rehabilitation is required to be completed. The full cost of mobilisation and demobilisation has been provided for, given the uncertainty around the ability to share these costs with other third party entities. If the costs could be shared with other entities the provision may decrease by up to $11.7 million. The provision is based on the removal of the shore section of the subsea pipeline. The remaining pipeline will be flushed and left in situ. If all of the pipeline needed to be removed, the estimated cost may increase the provision by $21.1 million. The rehabilitation is estimated to be completed in approximately 12 years.

# D. Group structure

## D1. Subsidiaries and controlled entities

The consolidated financial statements include Genesis, its subsidiaries and controlled entities listed below. The Trust has been consolidated into the Group on the basis that Genesis determined how the Trust was designed and how it operates; Genesis controls the financing and investing activities of the Trust and the Trust is dependent on funding from Genesis.

| Name of entity | Principal activity | Place of incorporation | Interest held 2024 % | Interest held 2023 % |
|---|---|---|---|---|
| Kupe Venture Limited | Joint venture holding company | New Zealand | **100** | 100 |
| Genesis Energy Insurance Pte Limited | Captive insurance company | Singapore | **100** | 100 |
| Frank Energy Limited | Holding company | New Zealand | **100** | 100 |
| Genesis Energy Talent Retention Plan Trust | Trust | New Zealand | **-** | - |
| Lauriston Solar Venture Limited | Holding company | New Zealand | **100** | - |

All entities have 30 June balance dates.

## D2. Joint operations

The Group has a 46.0 per cent interest in the Kupe production facility and Petroleum Mining Permit 38146 held by the Kupe Joint Venture (2023: 46.0 per cent) through its wholly owned subsidiary Kupe Venture Limited. The principal activity of the Kupe Joint Venture is petroleum production and sales. The Joint Venture is unincorporated and operates in New Zealand. The Group is considered to share joint control based on the contractual arrangements between the Group and other joint operators that state unanimous decision-making is required for relevant activities that most significantly impact the returns of the joint operation.

Kupe Venture Limited is a party to a Deed of Cross Charge ('Deed'). The Deed was entered into pursuant to the Kupe Joint Venture Operating Agreement ('JVOA') for the purpose of securing the joint venture parties payment obligations under the JVOA. Each joint venture party has granted a security interest in its participating interest in the joint venture (together with certain related assets e.g. its petroleum derived from operations under the JVOA), in favour of the other joint venture parties. If a joint venture party defaults in the performance of an obligation to pay an amount due and payable under the JVOA, the appointed agent may enforce on behalf of the non-defaulting joint venture parties, the security interests created by the Deed.

The Group has a 60.0 per cent interest in a Joint Venture Arrangement for the development of solar generation (2023: 60.0 per cent). The principal activity of the Solar-gen Joint Venture is the development of up to 500MW of solar. The Solar-gen Joint Venture is unincorporated and operates in New Zealand. The Group is considered to share joint control based on the contractual arrangements between the Group and other joint operators that state unanimous decision-making is required for relevant activities that most significantly impact the returns of the joint operation.

The Kupe Joint Venture and Solar-gen Joint Venture are classified as joint operations under NZ IFRS 11 Joint Arrangements. The Group's share of revenue, expenditure, assets and liabilities is included in the Group financial statements on a proportionate line-by-line basis. The operating results of the Kupe Joint Venture are included in the Kupe segment and the operating results of the Solar-gen Joint Venture are included in the Wholesale segment in note A1 and the Group's share of capital expenditure commitments for both joint ventures is disclosed in note G4.

## D3. Investments in associates and joint ventures

The Group has interests in the following arrangements, which are accounted for as either associates or joint ventures using the equity method.

| Name of entity | Principal activity | Place of incorporation | Interest held 2024 % | Interest held 2023 % | Carrying amount 2024 $ million | Carrying amount 2023 $ million |
|---|---|---|---|---|---|---|
| DrylandCarbon One Limited Partnership | Investment in forestry | New Zealand | **25.2** | 25.2 | **28.7** | 28.4 |
| Ecotricity Limited Partnership and Ecotricity GP Limited | Electricity retailer | New Zealand | **70.0** | 70.0 | **3.1** | 2.3 |
| Forest Partners Limited Partnership | Investment in forestry | New Zealand | **28.0** | 28.0 | **43.8** | 25.3 |
| **Total share in associates** | | | | | **75.6** | 56.0 |
| Lauriston Solar Project (2023) Limited Partnership | Electricity generation | New Zealand | **40.0** | - | **0.6** | - |
| **Total share in associates and joint ventures** | | | | | **76.2** | 56.0 |

During the year Lauriston Solar Project (2023) Limited Partnership was established, a limited liability partnership with FRV Australia to construct, operate and maintain a 63MWp solar farm. The first solar project developed under the Solar-gen Joint Venture. The investment in Lauriston Solar Project (2023) Limited Partnership is accounted for using the equity method.

The $3.4 million share of associates and joint ventures loss (2023: $2.2 million loss) recorded in the income statement is made up of a $1.0 million loss relating to associates and a $2.4 million loss relating to joint ventures (2023: $2.2 million loss and nil respectively).

# E. Funding

## E1. Capital management

The Group manages its capital to ensure that each entity in the Group will be able to continue as a going concern while maximising the return to shareholders through the appropriate balance of debt and equity. This is achieved by ensuring that the level and timing of its capital investment programmes, equity raisings and dividend distributions are consistent with the Group's capital structure strategy. This strategy remains unchanged from previous years. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note E5, cash and cash equivalents and equity attributable to the shareholders of Genesis, comprising issued capital, reserves and retained earnings, as disclosed in the balance sheet.

Under the Group's debt funding facilities, the Group has given undertakings that the ratio of debt to equity will not exceed a prescribed level and the interest cover will not be below a prescribed level. For the purpose of these undertakings the capital bonds and related interest costs are treated as 50 per cent equity. The covenants are monitored on a regular basis to ensure they are complied with. There were no breaches in covenants during the year (2023: none).

## E2. Share capital

| | Note | 2024 No. of shares million | 2024 $ million | 2023 No. of shares million | 2023 $ million |
|---|---|---|---|---|---|
| **Balance as at 1 July** | | **1,064.6** | **710.9** | 1,049.5 | 670.5 |
| Shares acquired for TRP plan | | **-** | **-** | (0.3) | (0.8) |
| Shares issued to TRP participants | | **0.2** | **0.5** | 0.1 | 0.3 |
| Shares issued under dividend reinvestment plan | E4 | **17.3** | **40.7** | 15.3 | 40.9 |
| **Balance as at 30 June** | | **1,082.1** | **752.1** | 1,064.6 | 710.9 |
| | | | | | |
| Issued capital | | **1,082.6** | **753.6** | 1,065.3 | 712.9 |
| Treasury shares | | **(0.5)** | **(1.5)** | (0.7) | (2.0) |
| **Total share capital** | | **1,082.1** | **752.1** | 1,064.6 | 710.9 |

All shares are ordinary authorised, issued and fully paid shares. They all have equal voting rights and share equally in dividends and any surplus on winding up. Treasury shares relate to shares held in trust for the employee Talent Retention Plan ('TRP') (refer to notes G1 and G2).

## E3. Earnings per share

| | 2024 | 2023 |
|---|---|---|
| **Net profit for the year attributable to shareholders ($ million)** | **131.1** | 195.7 |
| | | |
| Weighted average number of ordinary shares (million units) | **1,074.0** | 1,057.4 |
| Less weighted average number of Treasury shares (million units) | **(0.6)** | (0.6) |
| **Weighted average number of shares used in EPS calculation (million units)** | **1,073.4** | 1,056.8 |
| | | |
| | Cents | Cents |
| **Basic and diluted EPS** | **12.21** | 18.52 |

## E4. Dividends

| | Note | 2024 Cents per share | 2024 $ million | 2023 Cents per share | 2023 $ million |
|---|---|---|---|---|---|
| **Dividends declared and paid during the year** | | | | | |
| Prior year final dividend | | **8.80** | **93.7** | 8.90 | 93.5 |
| Current year interim dividend | | **7.00** | **75.3** | 8.80 | 92.9 |
| | | **15.80** | **169.0** | 17.70 | 186.4 |
| Less shares issued under the dividend reinvestment plan | E2 | | **(40.7)** | | (40.9) |
| **Cash dividend paid** | | | **128.3** | | 145.5 |
| | | | | | |
| **Dividends declared subsequent to balance date** | | | | | |
| Final dividend | | 7.00 | 75.8 | 8.80 | 93.7 |

All dividends noted above are imputed at 100%.

### Imputation credits

There were no imputation credits as at 30 June 2024 (2023: nil). Future tax payments will cover the imputation of dividends.

## E5. Borrowings

| | | 2024 | | | | | | | | 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Borrowings by year of expiry: | | | | | | | | Borrowings by year of expiry: | | | | | | | |
| $ million | Weighted average effective interest rate % | Less than 1 year | 1 to 2 years | 2 to 5 years | More than 5 years | Fair value interest rate risk adjustment | Capitalised issue costs | Accrued interest | Carrying amount | Less than 1 year | 1 to 2 years | 2 to 5 years | More than 5 years | Fair value interest rate risk adjustment | Capitalised issue costs | Accrued interest | Carrying amount |
| **Sustainable finance** | | | | | | | | | | | | | | | | | |
| Green bonds | 4.2% | - | - | 125.0 | - | (2.5) | (0.3) | 1.5 | 123.7 | - | - | 125.0 | - | (3.4) | (0.4) | 1.5 | 122.7 |
| Green capital bonds | 6.3% | - | - | - | 525.0 | (5.6) | (4.8) | 4.5 | 519.1 | - | - | - | 285.0 | (10.7) | (2.8) | 1.0 | 272.5 |
| **Other finance** | | | | | | | | | | | | | | | | | |
| Revolving credit facility | Floating | - | - | 120.0 | - | - | - | - | 120.0 | - | - | - | - | - | - | - | - |
| Term loan facility | Floating | - | - | - | - | - | - | - | - | 30.0 | - | - | - | - | - | - | 30.0 |
| Commercial paper | 6.0% | 144.1 | - | - | - | - | - | - | 144.1 | 154.2 | - | - | - | - | - | - | 154.2 |
| Wholesale term notes | 4.4% | 100.0 | - | 100.0 | - | - | (0.1) | 1.3 | 201.2 | - | 100.0 | - | 100.0 | - | (0.2) | 1.3 | 201.1 |
| Capital bonds | - | - | - | - | - | - | - | - | - | 240.0 | - | - | - | (0.4) | - | 2.3 | 241.9 |
| United States Private Placement ('USPP') | 7.4% | - | 82.2 | 164.3 | - | (11.1) | (0.2) | 3.3 | 238.5 | - | - | 244.9 | - | (14.3) | (0.3) | 3.2 | 233.5 |
| | | **244.1** | **82.2** | **509.3** | **525.0** | **(19.2)** | **(5.4)** | **10.6** | **1,346.6** | **424.2** | **100.0** | **369.9** | **385.0** | **(28.8)** | **(3.7)** | **9.3** | **1,255.9** |
| Lease liability | 5.4% | | | | | | | | 104.1 | | | | | | | | 110.8 |
| **Total** | | | | | | | | | **1,450.7** | | | | | | | | **1,366.7** |
| Current | | | | | | | | | 268.3 | | | | | | | | 446.8 |
| Non-current | | | | | | | | | 1,182.4 | | | | | | | | 919.9 |
| **Total** | | | | | | | | | **1,450.7** | | | | | | | | **1,366.7** |

### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest rate method. Borrowings designated in a fair value hedge relationship are carried at amortised cost adjusted for the change in the fair value of the hedged risk.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

## E5. Borrowings (continued)

### Capital bonds

On 30 June 2023 the Group exercised its right to redeem $240.0 million of fixed rate subordinated capital bonds with an original maturity date of 17 July 2048. The capital bonds, redeemed in July 2023, were replaced by $240.0 million unsubordinated green capital bonds with a maturity date of 10 July 2053. This issue pays a quarterly coupon of 6.50 per cent per annum. On the first reset date and every five years thereafter, the interest rate will reset to be the sum of the five-year swap rate on the relevant reset date plus the margin of 1.95 per cent per annum plus the step-up margin of 0.25 per cent per annum. The next interest rate reset date is July 2028. Issue costs are amortised over five years to the first reset date. Interest rate swaps have been used to manage the fair value risk of the bonds.

The FY52 green capital bonds have a principal value of $285.0 million. The interest rate on the capital bonds resets every five years, the next interest rate reset is June 2027.

The net proceeds of the green capital bonds are notionally allocated to refinance eligible assets consistent with the Green Bond Principles issued by the International Capital Market Association.

### USPP

During the 2015 financial year the Group issued $150.0 million United States dollar-denominated unsecured notes to United States-based institutional investors. Cross currency interest rate swaps ('CCIRS') have been used to manage foreign exchange and interest rate risks on the notes (refer to note F4 for further information on CCIRS).

While the New Zealand dollar amount required to repay the USPP is fixed as a result of the CCIRS, the USPP is required to be translated to New Zealand dollars at the spot rate at the reporting date. Any revaluation of the USPP as a result of this translation is offset by the change in the fair value of the CCIRS.

### Lease liability

On initial recognition the lease liability comprises the present value of the lease payments that are not paid at the commencement date. This includes fixed payments less any lease incentives receivable and variable lease payments that are based on an index or rate. The lease payments are discounted using the incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related lease asset) whenever the lease term changes, the lease payments change due to changes in an index or rate or a lease contract is modified and the lease modification is not accounted for as a separate lease. Lease payments on short term leases where the lease term is 12 months or less and leases of low value assets are recognised in operating expenses as incurred.

### Commercial paper

In the 2021 financial year a commercial paper programme was established and the first tranche of notes was issued in October 2020. Notes issued to wholesale investors under the programme are short-term money market instruments, unsecured and unsubordinated.

### Security

All of the Group's borrowings are unsecured. The Group borrows under a negative pledge arrangement, which does not permit the Group to grant any security interest over its assets, unless it is an exception permitted within the negative pledge.

### Reconciliation of change in liabilities arising from financing activities

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| **Opening balance** | | **1,366.7** | 1,493.3 |
| Proceeds from borrowings | | **349.9** | - |
| Repayment of borrowings (excluding leases) | | **(270.0)** | (135.7) |
| Repayment of lease liability | | **(8.4)** | (8.0) |
| Non-cash changes | | | |
| Lease liability additions and adjustments | B1 | **1.4** | 30.0 |
| Change in foreign exchange on USPP | | **1.6** | 4.6 |
| Change in fair value interest rate risk adjustment | | **9.6** | (17.3) |
| Change of capitalised issue costs | | **(1.7)** | 1.8 |
| Change in accrued interest | | **1.3** | (1.6) |
| Other non-cash changes | | **0.3** | (0.4) |
| **Closing balance** | | **1,450.7** | 1,366.7 |

### Revolving credit facilities

| | 2024 $ million | 2023 $ million |
|---|---|---|
| **Sustainable Finance** | | |
| Expiring FY25 | **-** | 120.0 |
| Expiring FY26 | **200.0** | 80.0 |
| Expiring FY27 | **50.0** | 50.0 |
| **Other Finance** | | |
| Expiring FY25 | **-** | 200.0 |
| Expiring FY26 | **75.0** | 25.0 |
| Expiring FY27 | **110.0** | - |
| Expiring FY28 | **50.0** | - |
| Expiring FY29 | **50.0** | - |
| **Total available revolving credit facilities** | **535.0** | 475.0 |
| Revolving credit drawn down | **120.0** | - |
| **Total undrawn revolving credit facilities** | **415.0** | 475.0 |

In the 2022 financial year the Group launched its Sustainable Finance Programme. The Sustainable Finance facilities have variable payments that are linked to performance against the Group's sustainability targets. During the year, Genesis refinanced its facilities resulting in an increase of total facilities of $60 million.

The undrawn revolving credit facilities ensure the Group will have sufficient funds to meet its liabilities when due, including the repayment of any commercial paper, under both normal and stressed conditions.

## E5. Borrowings (continued)

### Fair value of borrowings held at amortised cost

| | 2024 Carrying value $ million | 2024 Fair value $ million | 2023 Carrying value $ million | 2023 Fair value $ million |
|---|---|---|---|---|
| **Level one** | | | | |
| Green bonds | **123.7** | **121.5** | 122.7 | 118.5 |
| Green capital bonds | **519.1** | **520.8** | 272.5 | 271.2 |
| Capital bonds | **-** | **-** | 241.9 | 242.0 |
| **Level two** | | | | |
| Term loan facility | **-** | **-** | 30.0 | 30.1 |
| Wholesale term notes | **201.2** | **193.3** | 201.1 | 189.4 |
| USPP | **238.5** | **243.7** | 233.5 | 240.2 |

The valuation of the term loan facility and the wholesale term notes is based on estimated discounted cash flow analyses, using applicable market yield curves adjusted for the Group's credit rating. The credit-adjusted market yield curves at balance date used in the valuation ranged from 5.5 per cent to 6.0 per cent (2023: 5.8 per cent to 7.2 per cent).

The valuation of USPP is based on estimated discounted cash flow analyses, using applicable United States market yield curves adjusted for the Group's credit rating. The credit-adjusted market yield at balance date used in the valuation was 4.9 per cent (2023: 4.8 per cent).

The carrying value of all other borrowings approximate their fair values.

## E6. Finance expense

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| Interest on borrowings (excluding capital bonds and lease liability) | | **37.1** | 39.5 |
| Interest on capital bonds | | **33.2** | 28.7 |
| Interest on lease liability | | **5.5** | 6.4 |
| **Total interest on borrowings** | | **75.8** | 74.6 |
| Other interest and finance charges | | **0.8** | 0.9 |
| Time value of money adjustments on provisions | C4 | **8.0** | 6.4 |
| Capitalised finance expenses | | **(0.6)** | (0.4) |
| **Total** | | **84.0** | 81.5 |
| | | | |
| Weighted average capitalisation rate | | **5.2%** | 4.9% |

Interest on borrowings, bank and facility fees, and transaction costs are recognised in the income statement over the period of the borrowings, using the effective interest rate method, unless such costs relate to funding capital work in progress. Time value of money adjustments on provisions are recognised in the income statement up to the point the provision is used or released.

Finance expense on capital work in progress (qualifying assets) is capitalised during the construction period. The capitalisation rate used to determine the amount of finance expense to be capitalised is based on the weighted average finance expenses incurred by the Group.

# F. Risk management

The Group's activities expose it to a variety of financial risks, including market risk (price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Board has established policies that provide an overall risk management framework, as well as policies covering specific areas, such as electricity, oil and coal price risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk and the use of derivatives. Compliance with policies is monitored by the middle office function.

The Group uses the following derivatives to hedge its financial risk exposures:

- Electricity swaps and options and electricity power purchase agreements ('PPA');
- Oil price swaps;
- Coal price swaps;
- Forward purchase agreements for emission units;
- Foreign exchange contracts;
- CCIRS;
- Interest rate swaps.

A summary of the financial risks that impact the Group, how they arise and how they are managed is presented in this section:

**Market risk**

| Nature and exposure to the Group | Note | How the risk is managed |
|---|---|---|
| **Price risk**<br>The Group is exposed to movements in the price of electricity arising through the sale and purchase of electricity to and from the market, movements in the price of light crude oil arising from oil sales, movements in the price of coal arising from coal purchases, movements in the price of emission units and movements in the global methanol price arising for methanol index linked gas purchases. | F2 | The Group aims to hedge price risk on electricity sales and forecast generation volume, oil sales, coal purchases and emission unit purchases to satisfy obligations under the New Zealand Emissions Trading Scheme (ETS). Electricity price risk is managed with electricity derivative contracts, including but not limited to swaps, futures, options and PPAs. Oil and coal are hedged using derivatives. Emission units are hedged with forward and spot purchases, as well as direct investment and arrangements with forestry entities.<br>The Trading Limits and Thresholds Standard sets overall levels for hedge positions across electricity, coal and ETS obligations. Electricity hedging focuses on the Group's net exposure to electricity prices over a four to five-year period. Coal hedging manages stockpile levels and forecast import price risk over a three-year period. Carbon hedging focuses on managing price risk relating to the ETS units exposure on purchased coal and gas.<br>The Treasury Policy requires hedging oil price risk within certain policy bands.<br>The level of exposure to methanol is monitored. |
| **Interest rate risk**<br>The Group is exposed to interest rate risk because Genesis borrows funds at both fixed and floating interest rates. Changes in market interest rates expose the Group to changes in:<br>• Future interest payments on borrowings subject to floating interest rates (cash flow risk);<br>• The fair value of borrowings subject to fixed interest rates (fair value risk). | F3 | The Group uses interest rate swaps to manage interest rate risk in line with the Group's Treasury policy. The Treasury policy requires that 50-100 per cent of projected debt is fixed for a period of up to one year. The range decreases as the age profile increases to a maximum of 20 per cent for debt due in 10 to 15 years. |
| **Foreign exchange risk**<br>The Group is exposed to foreign currency risk as a result of capital and operational transactions and borrowings denominated in a currency other than the Group's functional currency. | F4 | **Capital and operating transactions**<br>The Group uses foreign exchange contracts to manage foreign exchange risk on capital and operational transactions (including maintenance of capital equipment, fuel purchases and oil sales) in accordance with the Group's Treasury policy. Foreign exchange spot, forwards, deposits and options can be used to hedge the value back to NZDs.<br>**Overseas borrowings**<br>The Group uses CCIRS to manage foreign exchange risk on foreign currency borrowings. All interest and principal repayments are hedged. The combination of the foreign-denominated debt and CCIRS results in a net exposure to New Zealand dollar floating interest rates and a fixed New Zealand dollar-denominated principal repayment. The New Zealand dollar floating interest rate risk is managed using the process described in the interest rate risk section above. |

## F. Risk management (continued)

### Other risks

| Nature and exposure to the Group | Note | How the risk is managed |
|---|---|---|
| **Liquidity risk**<br>Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions. | F7 | The Group has a policy that requires the debt facilities to be maintained with a minimum headroom amount above the projected peak debt levels over the next 12 months. Liquidity risk is monitored by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities.<br>The Group's ability to attract cost-effective funding is largely driven by its credit standing (Standard & Poor's = BBB+). Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the spreading of debt maturities. |
| **Credit risk**<br>Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group has no significant concentrations of credit risk and the carrying amounts of cash and cash equivalents, receivables and derivative assets in the balance sheet represent the Group's maximum exposure to credit risk at balance date. | C1 | **Wholesale electricity sales**<br>The Group purchases wholesale electricity for its retail customer base, therefore the credit risk is limited to the net amount receivable after deducting purchases. Market participants are required to provide financial collateral to the market-clearing agent (NZX Limited), which would be called upon should any market participant default. |
| | | **Retail electricity sales, gas, LPG and oil sales**<br>The Group minimises its exposure to credit risk by applying credit limits, obtaining collateral where appropriate and applying credit-management practices, such as monitoring the size and nature of exposures and mitigating the risk deemed to be above acceptable levels. The credit risk is mitigated by the Group's large customer base and the diverse range of industries customers operate in. |
| | BS, F1 | **Cash and cash equivalents and derivative contracts**<br>Credit risk is managed by using high-credit quality financial institutions and other organisations. The Group's exposure and the credit ratings of its counterparties are continuously monitored to ensure the risk is spread among approved counterparties. |

## F1. Derivatives

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Electricity swaps and options and PPAs | **243.8** | 108.0 |
| Oil price swaps | **(0.3)** | 2.7 |
| Interest rate swaps | **30.4** | 34.4 |
| CCIRS | **41.2** | 36.1 |
| Foreign exchange contracts | **0.1** | 0.1 |
| Other derivatives | **0.6** | 2.5 |
| **Total** | **315.8** | 183.8 |
| | | |
| Current assets | **169.9** | 81.1 |
| Non-current assets | **294.4** | 228.2 |
| Current liabilities | **(118.6)** | (64.7) |
| Non-current liabilities | **(29.9)** | (60.8) |
| **Total** | **315.8** | 183.8 |

### Derivatives

Derivatives are initially recognised at fair value on the date the contract is entered into and subsequently remeasured to fair value. The gain or loss on remeasurement is recognised in the income statement, unless the derivative is designated into an effective hedge relationship as a hedging instrument, in which case the timing of recognition in the income statement depends on the nature of the designated hedge relationship. The Group may designate derivatives as either cash flow hedges or fair value hedges.

**For cash flow hedges** the derivative is used to manage the variability in cash flows relating to recognised liabilities or highly probable forecast transactions.

The effective portion of changes in the fair value of cash flow hedges are recognised in other comprehensive income and accumulate in the cash flow hedge reserve. The ineffective portion of changes in the fair value of cash flow hedges is recognised immediately in the income statement in the change in fair value of financial instruments line.

Amounts accumulated in other comprehensive income are reclassified to the income statement in the period when the hedged item is recognised in the income statement. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or liability, the gains and losses previously deferred in the cash flow hedge reserve are reclassified from the cash flow hedge reserve and included in the initial measurement of the cost of the asset or liability.

Once hedge accounting is discontinued the cumulative gain or loss remains in the cash flow hedge reserve and is reclassified to the income statement either when the transaction occurs or if the forecast transaction is no longer expected to occur, it is reclassified immediately.

**For fair value hedges** the derivative is used to manage the variability in the fair value of recognised assets and liabilities.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Once hedge accounting is discontinued the fair value adjustments to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date through to maturity of the hedged item.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting.

The Group's policy is to designate derivatives in hedge relationships on inception when their fair value is zero, applying a hedge ratio of 1:1. The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the amount and timing of their respective cash flows, reference rates, pricing dates, maturities, and notional amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be, and has been effective in, offsetting the changes in cash flows of the hedged item.

### Derivatives that do not qualify for hedge accounting

This category includes derivatives that economically hedge financial risks but have not been designated in hedge relationships for accounting purposes. In these cases changes in the fair value are recognised immediately in the income statement within the change in fair value of financial instruments line (refer to note F5).

Certain electricity derivatives, electricity future contracts and PPAs cannot be hedge accounted under NZ IFRS 9. These are principally: swap and option contracts that provide dry year cover for counterparties; electricity futures offered to the market to enable other counterparties to hedge their electricity risks ('market making'); derivatives held for proprietary trading activities where trades are entered into speculatively for the purpose of making profits in their own right ('proprietary trading'); and PPAs with renewable energy suppliers. The variable nature of renewable energy makes it difficult to demonstrate that the PPA is highly effective as required by NZ IFRS 9, despite the fact the PPA is an effective economic hedge.

Forward purchase and forward sale agreements for emission units are entered into for both 'own use' and 'held for trading'. Agreements to purchase emission units for the Group's own use are not recognised in the financial statements until the units are delivered. Forward purchase and forward sale agreements held for trading do not meet the 'own use' exemption and are accounted for as derivatives. These contracts are measured at fair value and any gain or loss on remeasurement is recognised immediately in the income statement.

The effects of the Group's application of hedge accounting in respect of derivatives used to manage financial risks are shown in notes F2 to F5.

## F2. Price risk

### Hedge accounted derivatives

| | Electricity swaps | | Oil price swaps | |
|---|---|---|---|---|
| | 2024 $ million | 2023 $ million | 2024 $ million | 2023 $ million |
| Nominal amount at balance date | **484.8** | 602.4 | **USD 13.9** | USD 18.3 |
| Carrying value of asset at balance date | **45.0** | 41.3 | **0.3** | 3.0 |
| Carrying value of liability at balance date | **(46.3)** | (45.5) | **(0.7)** | (0.3) |
| Recognised in other comprehensive income during the year | **7.1** | 86.5 | **(2.2)** | 20.7 |
| Reclassified to the income statement during the year | **(4.1)** | (28.5) | **(0.8)** | (9.6) |

Electricity swaps are entered into to manage the variability of cash flows from electricity purchases and sales. Oil price swaps are entered into to manage the variability of cash flows from oil sales. Cash flow hedge accounting is applied.

Realised gains and losses reclassified to the income statement during the year on electricity swaps are recognised in electricity revenue where they are hedge accounted and realised gains and losses on oil price swaps are recognised in oil revenue where hedge accounted.

The main source of ineffectiveness for electricity swaps relates to the difference between the market price and the strike price at inception of the contracts. For oil price swaps ineffectiveness arises primarily due to discounts on oil sales (the hedged item) that are not present in the hedging instrument.

### Non-hedge accounted derivatives

| Carrying value of asset (liability) at balance date | 2024 $ million | 2023 $ million |
|---|---|---|
| Electricity swaps and options and PPAs | **249.3** | 106.8 |
| Electricity future options | **(0.1)** | (1.1) |
| Held for market making and proprietary trading | **(4.1)** | 6.5 |
| Oil price swaps | **0.1** | - |

The nominal value at balance date of non-hedge accounted electricity swaps and options and PPAs was $2,117.9 million and oil price swaps was $8.0 million (2023: $2,041.8 million and nil respectively).

## F3. Interest rate risk

| | Cash flow hedge (receive float, pay fixed) | | Fair value hedge (receive fixed, pay float) | |
|---|---|---|---|---|
| | 2024 $ million | 2023 $ million | 2024 $ million | 2023 $ million |
| Nominal amount at balance date | **550.0** | 525.0 | **575.0** | 815.0 |
| Carrying value of asset at balance date | **39.8** | 48.8 | **0.3** | - |
| Carrying value of liability at balance date | **(1.4)** | - | **(8.3)** | (14.4) |
| Recognised in other comprehensive income during the year | **(6.1)** | 9.3 | **N/A** | N/A |
| Reclassified to the income statement during the year | **(4.5)** | (1.5) | **N/A** | N/A |
| Maturity | **0-10 years** | 0-8 years | **3-4 years** | 0-5 years |
| Weighted average rate | **3.0%** | 3.0% | **4.1%** | 3.7% |

Interest rate swaps are entered into to manage interest rate risk on borrowings.

Realised gains and losses on interest rate swaps designated as cash flow hedges reclassified to the income statement are recognised in finance expenses.

The fair value hedge adjustment is recognised in finance expenses in the income statement.

## F4. Foreign exchange risk

| | CCIRS (cash flow and fair value hedge) | | Foreign exchange contracts (cash flow hedge) | |
|---|---|---|---|---|
| | 2024 $ million | 2023 $ million | 2024 $ million | 2023 $ million |
| Nominal amount at balance date | **193.2** | 193.2 | **(64.1)** | (11.6) |
| Carrying value of asset at balance date | **41.2** | 36.1 | **0.9** | 2.2 |
| Carrying value of liability at balance date | **-** | - | **(1.0)** | (2.1) |
| Recognised in other comprehensive income during the year | **7.1** | 7.8 | **0.2** | 1.5 |
| Reclassified to the income statement during the year | **(6.8)** | (7.1) | **0.6** | (1.3) |
| Reclassified to the cost of assets | **-** | - | **(1.1)** | 0.4 |

The Group enters into foreign exchange contracts to hedge highly probable forecast transactions denominated in foreign currencies. Cash flow hedge accounting is applied. The amount and maturity of the derivative and forecast transactions are aligned to ensure the hedge relationship remains effective.

The Group uses CCIRS to manage foreign exchange risk on the USPP. All interest and principal repayments are hedged. The combination of the foreign-denominated debt and CCIRS results in a net exposure to New Zealand dollar floating interest rates and a fixed New Zealand dollar-denominated principal repayment.

The principal, basis and margin components of the CCIRS are designated as a cash flow hedge and the benchmark component of the CCIRS is designated as a fair value hedge of the USPP notes. The change in fair value relating to the foreign currency basis spread component of the CCIRS is excluded from the hedge relationship. The change is recognised in other comprehensive income in a separate Cost of Hedging Reserve.

Realised gains and losses on foreign exchange contracts reclassified to the income statement are recognised in operating expenses and oil revenue. Realised gains and losses reclassified to the income statement on CCIRS are recognised in finance expenses.

The nominal value at balance date of non-hedge accounted foreign exchange contracts was $1.9 million (2023: $nil) and the net carrying value was $0.2 million (2023: $nil).

## F5. Impact of derivatives on the income statement and equity

The tables below provide a breakdown of the change in fair value of financial instruments recognised in the income statement and a reconciliation of movements in the cash flow hedge reserve.

| Change in fair value of financial instruments | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| CCIRS | | **3.2** | (9.9) |
| Interest rate swaps | | **6.4** | (7.6) |
| Fair value interest rate risk adjustment on borrowings | | **(9.6)** | 17.3 |
| **Fair value hedges – gain (loss)** | | **-** | (0.2) |
| | | | |
| Oil price swaps | | **(0.1)** | - |
| **Cash flow hedges – hedge ineffectiveness – gain (loss)** | F2 | **(0.1)** | - |
| | | | |
| Electricity swaps and options and PPAs | | **148.0** | 63.7 |
| Other derivatives | | **(1.3)** | 2.0 |
| **Derivatives not designated as hedges – gain (loss)** | | **146.7** | 65.7 |
| **Total change in fair value of financial instruments** | | **146.6** | 65.5 |

The change in fair value of electricity swaps and options and PPA derivatives noted above includes an unrealised net loss of $10.6 million (2023: $5.5 million net gain) in relation to derivatives held for market making and proprietary gain.

| Reconciliation of movements in the cash flow hedge reserve | 2024 $ million | 2023 $ million |
|---|---|---|
| **Opening balance** | **33.3** | (23.0) |
| Total reclassified from the cash flow hedge reserve to the income statement | **(15.6)** | (48.0) |
| Effective gain (loss) on cash flow hedges recognised directly in the cash flow hedge reserve | **6.1** | 125.8 |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | **0.2** | - |
| **Total recognised in other comprehensive income** | **(9.3)** | 77.8 |
| Total reclassified from the cash flow hedge reserve to the cost of assets | **(1.1)** | 0.4 |
| Income tax on change in cash flow hedge reserve | **2.9** | (21.9) |
| **Closing balance** | **25.8** | 33.3 |

The amount accumulated in the cost of hedging reserve at 30 June 2024 was $1.3 million (2023: $1.5 million).

## F6. Sensitivity analysis for each type of market risk

The table below represents the effect on the income statement and the cash flow hedge reserve at balance date if various market rates had been higher or lower with all other variables held constant. A positive number in the table below represents an increase in profit or the cash flow hedge reserve.

| | Post-tax impact on the income statement | | Post-tax impact on cash flow hedge reserve (equity) | |
|---|---|---|---|---|
| | 2024 $ million | 2023 $ million | 2024 $ million | 2023 $ million |
| **Electricity prices** | | | | |
| +10% | **81.2** | 63.3 | **2.6** | (4.8) |
| -10% | **(80.0)** | (57.9) | **(2.6)** | 4.8 |
| **Oil prices** | | | | |
| +10% | **(0.2)** | (0.2) | **(1.2)** | (1.7) |
| -10% | **(0.1)** | 0.1 | **1.5** | 1.8 |
| **Foreign exchange rates** | | | | |
| +10% (NZD appreciation) | **0.3** | - | **(4.1)** | (0.8) |
| -10% (NZD depreciation) | **0.1** | - | **5.0** | 1.0 |
| **Interest rates** | | | | |
| +100 bps | **0.6** | 0.7 | **14.4** | 11.3 |
| -100 bps | **(0.6)** | (0.7) | **(15.4)** | (12.0) |

## F7. Liquidity risk

The following table details the Group's liquidity analysis for its financial liabilities and derivatives. Where the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the internally generated forward price curves existing at balance date. As the amounts included in the table are contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed in the balance sheet.

| As at 30 June 2024 | Less than 1 year $ million | 1 to 2 years $ million | 2 to 5 years $ million | More than 5 years $ million | Total contractual cash flows $ million |
|---|---|---|---|---|---|
| Trade and other payables | (249.0) | (2.7) | (4.2) | - | (255.9) |
| Borrowings (excluding lease liability) | (420.0) | (133.6) | (512.8) | (1,371.3) | (2,437.7) |
| Lease liability | (13.4) | (13.6) | (40.2) | (71.3) | (138.5) |
| **Total non-derivative financial liabilities** | **(682.4)** | **(149.9)** | **(557.2)** | **(1,442.6)** | **(2,832.1)** |
| Inflows | 121.4 | 117.3 | 178.8 | - | 417.5 |
| Outflows | (126.2) | (101.7) | (143.2) | - | (371.1) |
| **Gross-settled derivatives** | **(4.8)** | **15.6** | **35.6** | **-** | **46.4** |
| **Net-settled derivatives** | **70.4** | **72.5** | **131.4** | **189.2** | **463.5** |
| **Total non-derivative financial liabilities and derivatives** | **(616.8)** | **(61.8)** | **(390.2)** | **(1,253.4)** | **(2,322.2)** |

| As at 30 June 2023 | Less than 1 year $ million | 1 to 2 years $ million | 2 to 5 years $ million | More than 5 years $ million | Total contractual cash flows $ million |
|---|---|---|---|---|---|
| Trade and other payables | (204.3) | (3.6) | (5.1) | - | (213.0) |
| Borrowings (excluding lease liability) | (467.3) | (139.0) | (459.1) | (844.7) | (1,910.1) |
| Lease liability | (13.5) | (12.9) | (39.1) | (83.6) | (149.1) |
| **Total non-derivative financial liabilities** | **(685.1)** | **(155.5)** | **(503.3)** | **(928.3)** | **(2,272.2)** |
| Inflows | 89.9 | 31.6 | 266.2 | - | 387.7 |
| Outflows | (95.5) | (35.7) | (216.3) | - | (347.5) |
| **Gross-settled derivatives** | (5.6) | (4.1) | 49.9 | - | 40.2 |
| **Net-settled derivatives** | 30.7 | 41.2 | 96.9 | 139.3 | 308.1 |
| **Total non-derivative financial liabilities and derivatives** | **(660.0)** | **(118.4)** | **(356.5)** | **(789.0)** | **(1,923.9)** |

## F8. Fair value measurement

### Fair value hierarchy

Generation assets disclosed in note B1, emission units held for trading disclosed in note C2 and derivatives disclosed in note F1 are the only assets and liabilities carried at fair value in the balance sheet. While borrowings are initially recognised at fair value, net of transaction costs, they are subsequently measured at amortised cost in the balance sheet. The fair value of borrowings is required to be disclosed (refer to note E5). The nature of the inputs into the fair value calculation determines the level applied in the fair value hierarchy. Each level is outlined below:

**Level one** – the fair value is determined using unadjusted quoted prices from an active market for identical assets and liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, a dealer, a broker, an industry group, a pricing service or a regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**Level two** – the fair value is derived from inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Financial instruments in this level include interest rate swaps, foreign exchange contracts, oil price swaps, CCIRS and electricity derivatives valued using the ASX forward price curve.

**Level three** – the fair value is derived from inputs that are not based on observable market data. Financial instruments included in this level are electricity derivatives and PPAs valued using the wholesale electricity price path.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels at the date the change in circumstances occurred. Refer to the reconciliation of level three electricity swaps and options and PPAs table for transfers between levels.

All derivatives disclosed in F1 other than electricity swaps and options and PPAs are considered level two. The $243.8 million electricity swap and option and PPAs net asset comprises a $22.9 million liability classified as level two and a $266.7 million asset classified as level three (2023: $12.2 million asset and $95.8 million asset respectively).

### Valuation of level two derivatives

The fair values of level two derivatives are determined using discounted cash flow models. The key inputs in the valuation models were:

| Item | Valuation input |
|---|---|
| Interest rate swaps | Forward interest rate price curve |
| Foreign exchange contracts | Forward foreign exchange rate curves |
| Oil price swaps | Forward oil price and foreign exchange rate curves |
| Electricity swaps and options | ASX forward price curve |
| CCIRS | Forward interest rate price curve and foreign exchange rate curves |

### Valuation of level three derivatives

**Valuation process**

The team that carries out the valuations reports directly to the Chief Financial Officer. The results and key drivers of changes in the valuations are reviewed at least six monthly for generation assets and monthly for derivatives. The Chief Financial Officer reports key changes in fair value to the Board. Any changes to the valuation methodology are reported to the Audit and Risk Committee.

### Valuation of electricity swaps and options and PPAs

The valuation is based on a discounted cash flow model. The key inputs and assumptions are: the callable volumes, strike price and option fees outlined in the agreement, the wholesale electricity price path ('price path'), the probability of the underlying plant construction proceeding, the most likely operations commencement date, 'day one' gains and losses and the discount rate. The options are deemed to be called when the price path is higher than the strike prices after taking into account obligations relating to the specific terms of each contract. The price path is the significant unobservable input in the valuation model. Refer to B1 for information in relation to the method and judgements used to determine the price path.

| | 2024 | 2023 |
|---|---|---|
| Price path (nominal) | $132 per MWh to $197 per MWh over the period from 1 July 2024 to 31 August 2045. | $122 per MWh to $162 per MWh over the period from 1 July 2023 to 31 August 2045. |
| Impact of increase/ decrease in price path on fair value | A 10% increase would increase the asset by $132.9 million. A 10% decrease would decrease the asset by $131.3 million. | A 10% increase would increase the asset by $93.3 million. A 10% decrease would decrease the asset by $85.8 million. |
| Discount rate | 5.96% - 7.72% | 6.0% - 8.44% |

### F8. Fair value measurement (continued)

| Reconciliation of level three electricity swaps and options and PPAs | 2024 $ million | 2023 $ million |
|---|---|---|
| **Balance as at 1 July** | **95.8** | (6.3) |
| Electricity revenue | **4.1** | 25.1 |
| Change in fair value of financial instruments | **194.3** | 61.6 |
| **Total gain (loss) in the income statement** | **198.4** | 86.7 |
| Total gain (loss) recognised in other comprehensive income | **2.8** | 58.0 |
| Settlements | **(24.5)** | (25.1) |
| Sales | **(5.8)** | (17.5) |
| **Balance as at 30 June** | **266.7** | 95.8 |

The change in fair value of financial instruments includes an unrealised net gain of $168.6 million (2023: $42.0 million gain) that is attributable to financial instruments held at 30 June 2024.

### Deferred 'day one' gains (losses)

There is a presumption that when derivative contracts are entered into on an arm's length basis, and no payment is received or paid on day one, the fair value at inception would be nil. The contract price of non-exchange traded electricity derivative contracts and PPAs are agreed on a bilateral basis, the pricing for which may differ from the prevailing derived market price for a variety of reasons. In these circumstances an adjustment is made to bring the initial fair value of the contract to zero at inception. The adjustment is called a 'day one' gain (loss) and it is deferred and amortised, based on expected volumes over the term of the contract. The following table details the movements and amounts of deferred 'day one' gains (losses) included in the fair value of level three electricity swaps and options and PPAs:

| | 2024 $ million | 2023 $ million |
|---|---|---|
| **Balance as at 1 July** | **93.2** | 103.3 |
| New derivatives | **8.9** | 7.6 |
| Amortisation of existing derivatives | **(8.8)** | (17.7) |
| **Balance as at 30 June** | **93.3** | 93.2 |

## G. Other

### G1. Share-based payments

During the year, the Group operated two share-based payment plans (Performance Share Rights Plan ('PSR') and Talent Retention Plan ('TRP')) to enable staff to share in the ownership of Genesis.

The cost of the plans is recognised over the period in which the performance and/or service conditions are fulfilled. The total amount expensed is based on the Group's best estimate of the number of equity instruments that will ultimately vest, taking into consideration the likelihood that service conditions will be met, multiplied by the initial fair value of each share.

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| PSR | G2 | **0.4** | 0.5 |
| TRP | | **0.2** | 0.6 |
| **Total expense for the year** | | **0.6** | 1.1 |

### G2. Related party transactions

#### Majority shareholder and entities controlled by, and related to, the majority shareholder

The majority shareholder of Genesis is the Crown. The Group transacts with Crown-controlled and related entities independently for the following goods and services: royalties, emission obligations, scientific consultancy services, electricity transmission, postal services, rail services and energy-related products (including electricity derivatives).

During the year, the Crown received $86.6 million in dividends (2023: $95.5 million) of which $65.7 million was paid in cash (2023: $74.6 million) and $20.9 million was paid in shares (2023: $20.9 million). The Group is subject to the Emission Trading Scheme (ETS) which requires the Group to acquire and surrender emission units either directly to the Crown or to third parties who ultimately remit the units to the Crown. Refer to notes A1 and C3 for information on the amount expensed and payable in relation to the ETS. There were no other individually significant transactions with the Crown (2023: nil).

The Group has three significant electricity swap and option contracts with Meridian Energy, a Crown-controlled entity. The electricity swap and option contracts profile and period vary between the range of 17.1MW and 51.3MW, from the period 1 January 2011 to 31 December 2025. Additionally, the Group has two significant power purchase agreements with Mercury NZ, a Crown-controlled entity. The agreements are for variable volumes based on the production of the related site, with the latest expiry date being August 2045.

Approximately 17.4 per cent of the value of electricity derivative assets and approximately 13.1 per cent of the value of electricity derivative liabilities at year end are held with Crown-controlled and related entities (2023: 13.1 per cent and 12.4 per cent respectively). The contracts expire at various times; the latest expiry date is August 2045.

## G2. Related party transactions (continued)

The Group has investments in Associates and Joint Ventures which are considered related parties. Transactions between related parties that are not eliminated within the Group are detailed below:

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Electricity contract settlements received/(paid) | **(29.6)** | 7.7 |

As at 30 June 2024 the amounts outstanding from the associates and joint ventures is a net payable of $6.4 million (2023: $1.4 million net receivable).

During the period, the Group entered into a PPA with Lauriston Solar Project (2023) Limited Partnership, a related entity.

### Key management personnel compensation

Key management personnel of the Group consists of the Directors and the Executive Management team.

| | Note | 2024 $ million | 2023 $ million |
|---|---|---|---|
| Short-term benefits | | **8.2** | 8.5 |
| Post-employment benefits | | **0.3** | 0.3 |
| Share-based payments (PSR) | G1 | **0.4** | 0.5 |
| **Total key management personnel compensation** | | **8.9** | 9.3 |

Included in short-term benefits are directors' fees of $0.9 million (2023: $0.9 million).

### PSR

The PSR plan commenced in the 2020 financial year. Under the PSR senior executives are granted performance share rights. Vesting of the rights is dependent on continued employment throughout the vesting period and achievement of certain performance targets (a relative TSR hurdle compared against industry peers, an absolute TSR hurdle compared against the cost of equity and for FY23 onwards performance against the Groups science based targets). Each performance share right that vests entitles the participant to one ordinary share in Genesis for no consideration and 'dividend equivalents' that would have been earned on the share over the vesting period. No share rights will vest if the performance targets are not met or if the participant ceases to be employed by the Group other than for qualifying reasons, unless the Board exercises its discretion to allow some or all of the shares to vest.

| Grant date | Performance period |
|---|---|
| FY22 | 1 July 2021 - 30 June 2024 |
| FY23 | 1 July 2022 - 30 June 2025 |
| FY24 | 1 July 2023 - 30 June 2026 |

### Other transactions with key management personnel or entities related to them

Key management personnel and their families may purchase gas, electricity and LPG from the Group and may purchase shares in Genesis. During the year, key management personnel also participated in the PSR plan discussed above. The total number of shares held by key management personnel as at 30 June 2024 was 221,369 (2023: 200,163). During the year, dividends paid to key management personnel and their families was $41,838 (2023: $46,488). No other transactions took place between key management personnel and the Group (2023: nil). As at 30 June 2024 there were no balances payable to key management personnel (2023: nil).

## G3. Auditor's remuneration

Audit fees comprise $0.1 million for the review of the interim financial statements, $0.8 million for the audit of the annual financial statements (2023: $0.1 million and $0.6 million respectively). In addition to the audit, Deloitte provided the following services during the year: provision of non-assurance services for the Corporate Taxpayer Group (of which Genesis is a member), trustee reporting, greenhouse gas inventory assurance, sustainability linked loan assurance and HR training (2023: provision of non-assurance services for the Corporate Taxpayer Group (of which Genesis is a member), trustee reporting, future CFOs training programme and sustainability training). Total fees relating to other services was $0.1 million (2023: $0.03 million).

## G4. Capital commitments

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Less than one year | **37.4** | 27.2 |
| One to five years | **0.1** | 6.4 |
| **Total** | **37.5** | 33.6 |

The Group's capital commitments above include the following share of capital commitments in relation to its share in associates and joint ventures:

| | 2024 $ million | 2023 $ million |
|---|---|---|
| Kupe Joint Venture | **-** | **7.8** |
| Solar-gen Joint Venture | **-** | **1.9** |
| Forest Partners Limited Partnership | **4.3** | **9.2** |
| Lauriston Solar Project (2023) Limited Partnership | **20.8** | **-** |

There were no capital commitments for DrylandCarbon One Limited Partnership and Ecotricity Limited Partnership for 30 June 2024 and 30 June 2023.

## G5. Contingent assets and liabilities

The Group had contingent liabilities at 30 June 2024 in respect of:

### Land claims, lawsuits and other claims

Genesis acquired interests in land and leases from Electricity Corporation of New Zealand Limited ('ECNZ') on 1 April 1999. These interests in land and leases may be subject to resumption claims to the Waitangi Tribunal and in certain cases may be subject to binding orders by the Waitangi Tribunal that the Crown resumes the land for the purposes of addressing a well-founded Treaty of Waitangi claim. Genesis notes that it would not have any standing to be heard in any Waitangi Tribunal hearing nor does the Tribunal have to have regard to any changes to improvements that have taken place since the transfer to ECNZ. Should the Waitangi Tribunal make an order for resumption Genesis would expect to negotiate with the new Māori owners for occupancy and usage rights of any sites resumed by the Crown. Certain claims have been brought to, or are pending against, ECNZ and the Crown under the Treaty of Waitangi Act 1975. Some of these claims may affect land and leases purchased from ECNZ. In the event that land is resumed by the Crown, the resumption would be effected by the Crown under the Public Works Act 1981 and compensation would be payable. The Board cannot reasonably estimate the adverse effect (if any) of the claims and cannot provide any assurance that should a claim be raised it would not have a material adverse effect on the Group's business, financial condition or results of operations.

There are no other known material contingent assets or liabilities (2023: nil).

## G6. Subsequent events

The following events occurred subsequent to balance date:

- $75.8 million of dividends were declared on 21 August 2024 (refer to note E4);
- On 15 August 2024, the Group signed a conditional sale and purchase agreement for a 127MWp consented solar development site. The agreement is subject to conditions being met and is expected to complete in FY25;
- On 21 August 2024, the Group signed a supply contract for a 100MW/200MWh Battery Energy Storage System to be located at Huntly Power Station.

Deloitte.

# Independent auditor's report

**Te Pūrongo A Te Kaitātari Kaute Motuhake**

## To The Shareholders Of Genesis Energy Limited

### Auditor General

The Auditor-General is the auditor of Genesis Energy Limited and its subsidiaries ('the Group'). The Auditor-General has appointed me, Silvio Bruinsma, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated financial statements of the Group on his behalf.

### Opinion

We have audited the consolidated financial statements of the Group on pages 72 to 110, that comprise the consolidated balance sheet as at 30 June 2024, the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year ended on that date, and the notes to the consolidated financial statements that include material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards as issued by the External Reporting Board and IFRS Accounting Standards as issued by the International Accounting Standards Board.

### Basis for opinion

We conducted our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In addition to the audit, we have carried out assurance assignments in the areas of trustee reporting, greenhouse gas inventory & sustainability linked loan assurance, review of the interim report, non-assurance services for the Corporate Taxpayer Group and HR training which are compatible with those independence requirements. These services have not impaired our independence as auditor of the Group.

In addition to these assignments, principals and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the Group. Other than the audit and these assignments and trading activities, we have no relationship with, or interests in the Group.

### Audit Materiality

We consider materiality primarily in terms of the magnitude of misstatement in the consolidated financial statements of the Group, that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined the quantitative materiality for the consolidated financial statements as a whole to be $17.6 million.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matters | How our audit addressed the key audit matters and results |
|---|---|
| **Valuation of Generation Assets**<br>Generation assets are measured at fair value as set out in note B1 of the consolidated financial statements. The carrying amount at 30 June 2024 was $3,628.7 million.<br>The fair value of generation assets is estimated using an internally generated discounted cash flow model.<br>The significant inputs used to assess the fair value of the generation assets are the wholesale electricity price path, generation volumes, and the discount rate. The wholesale electricity price path is estimated by Genesis Energy as described in note B1 of the consolidated financial statements.<br>The valuation also reflects demand assumptions which include those arising from climate change.<br>The estimate of the wholesale electricity price path is the most significant input in estimating the fair values determined for the generation assets and affects the estimated generation volumes which are also used in the fair value calculation. Changes to the forecast of the wholesale electricity price path could significantly change the estimated fair value of the generation assets.<br>The treatment of the gain on revaluation estimated by Genesis Energy is described in note B1 of the consolidated financial statements.<br>We included the valuation of generation assets as a key audit matter due to the level of judgement required in forecasting the wholesale electricity price path. | Our audit procedures included assessing the key inputs to the model used to estimate the fair value of the generation assets. Our procedures, which included the use of our internal valuation experts, were primarily focused on evaluating the process undertaken by Genesis Energy in forecasting the wholesale electricity price path and challenging whether the forecast was consistent with internal and external data.<br>We assessed the professional competence of the Genesis Energy valuers involved in the forecasting of the electricity price path and valuation of the generation assets.<br>We also compared budgeted performance information from prior periods to actual data to assess the accuracy of the forecasting process.<br>We have evaluated Genesis Energy's methodology in constructing the forward electricity price path including the aggregation of internal and independent third-party data.<br>We also evaluated the assumptions used in forecasting the electricity price path to determine whether they were consistent with assumptions used across the business, including management budgets and valuations of other assets including certain electricity derivatives.<br>We have also considered other key assumptions used within the valuation, as described in note B1 of the consolidated financial statements.<br>We performed sensitivity analysis on the key assumptions applied in determining the fair value of the generation assets and considered the adequacy of the Group's disclosures.<br>We have found the assumptions and resulting valuation to be reasonable. |
| **Valuation of Electricity Derivatives**<br>The Group's activities expose it to a number of market risks, including electricity, gas, oil and coal price risk, currency risk and interest rate risk, which are managed using derivative financial instruments.<br>At 30 June 2024, derivative assets were $464.3 million and derivative liabilities were $148.5 million as set out in note F1 of the consolidated financial statements.<br>A number of the Group's derivatives are valued using standard valuation techniques based primarily on observable inputs. However, some electricity swaps, options and PPAs are valued using inputs that are not based on observable market data, such as the wholesale electricity price path forecast which is prepared by Genesis Energy valuers.<br>As explained in the 'Valuation of Generation Assets' section above, the wholesale electricity price path forecast requires significant judgement.<br>Valuations which reflect significant unobservable inputs are considered to be 'level three' valuations. At 30 June 2024, the Group had a net $266.7 million asset of derivatives considered to be within level three.<br>We included the valuation of level three electricity derivatives as a key audit matter due to the judgement involved in evaluating the inputs to the valuation models. | We tested the design and operating effectiveness of key controls related to the recording and valuation of the level three electricity derivative transactions.<br>We challenged key assumptions applied by management and agreed underlying data to the contract terms on a sample basis. We have independently recalculated the fair value of a sample of electricity derivatives.<br>Our internal valuation experts have evaluated the appropriateness of the methodology applied in valuation models for the level three electricity derivatives.<br>We also performed audit work on the wholesale electricity price path as explained above under the section entitled 'Valuation of Generation Assets'.<br>We have found the assumptions and resulting valuations to be reasonable. |

## Other Information

The Directors are responsible on behalf of the Group for the other information. The other information comprises the information included in the Integrated Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Directors' responsibilities for the consolidated financial statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to IFRS Accounting Standards and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors' responsibilities arise from the Financial Markets Conduct Act 2013.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of shareholders taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our responsibilities arise from the Public Audit Act 2001.

**Silvio Bruinsma**
Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
21 August 2024

# Corporate governance

## Corporate governance information

This section of the Annual Report provides information on Directors' independence, committees, fees and diversity and inclusion, Executive remuneration and other activities.

Genesis' governance framework is guided by the principles and recommendations described in the NZX Corporate Governance Code. Genesis considers it has followed these recommendations in all material respects during FY24 and as at 30 June 2024[1]. Genesis has reported in detail against the NZX Corporate Governance Code in its separately published Corporate Governance Statement, which, together with other detailed information on Genesis' Board of Directors, Executive Team and corporate governance policies (including those in the table on this page), practices and processes, can be viewed on the Genesis Governance section on the Genesis website (www.genesisenergy.co.nz/ investor/corporate-governance).

## Director independence

Details of the current directors are set out on page 57. The Board has assessed the independence of each of the Directors in accordance with the NZX Listing Rules and has concluded that none of the Directors has a 'disqualifying relationship' as that term is defined in the NZX Listing Rules. All of the Directors are therefore currently considered to be independent Directors as none of them are executives of the Company or have any direct or indirect interests or relationships that could reasonably influence, or could reasonably be perceived to influence, in a material way, their decisions in relation to the Company. See the Corporate Governance Statement for more detail on Director independence.

## Diversity, Equity and Inclusion Policy and gender composition

Genesis' Diversity, Equity and Inclusion Policy records the Company's commitment to an inclusive workplace that embraces and promotes diversity through a number of initiatives, including a focus on equal opportunity. Genesis has sought to establish measurable objectives for achieving diversity, including gender diversity, as part of its annual assessment of its diversity objectives for FY24.

The Board is comfortable with the Company's FY24 performance with respect to its Diversity, Equity and Inclusion Policy and objectives.

In accordance with NZX Listing Rule 3.8.1 (c), as at 30 June 2024:

- Three out of seven Genesis Directors were women (FY23: three out of seven).
- Three out of seven officers[2] were women (FY23: four out of eight).

## Board skillsets

The Genesis skills matrix sets out the skills necessary on the Board for the Company's success. The skills matrix, which is set out on the following page, shows a good spread of expertise and secondary skills among Directors. All Directors held at least a basic level of expertise in relation to all of the required skillsets.

## Corporate governance documentation

- Genesis' Constitution
- Board Charter
- Audit and Risk Committee Charter
- Human Resources and Remuneration Committee Charter
- Nominations Committee Charter
- Corporate Governance Statement
- Code of Conduct
- Diversity, Equity and Inclusion Policy
- Trading in Company Securities Policy
- Market Disclosure Policy
- Audit Independence Policy
- Investor Communication Policy
- Supplier Code of Conduct
- Risk Management Statement
- Director Remuneration Policy
- Disclosure of Non GAAP Performance Measures Policy
- Information about Genesis' Ordinary Shares

1 During the year the Company has not complied with Recommendation 3.6 (takeover protocols) of the Code due to the Crown's share ownership in the Company making it practically impossible for a takeover offer to be made. The Company has also not previously published a standalone remuneration policy for its Executives as required by Recommendation 5.2 (Remuneration) of the Code, because the Company's Remuneration Policy contains sensitive commercial information. Pages 116 to 122 set out Genesis Energy's approach to remuneration for the Chief Executive Officer and the Executive Team, and further information is set out in the Company's Corporate Governance Statement.

2 The term 'Officer' is defined in the NZX Listing Rules as a person, however designated, who is concerned or takes part in the management of the public issuer's business and reports to the Board or to a person who reports to the Board. At Genesis our Officers are the Chief Executive and the Chief Executive's direct reports. One of the three women officers was acting in an interim capacity as at 30 June 2024.

## Genesis Director skills matrix

| Strategic Focus | Director Expertise | Governance Capabilities |
|---|---|---|
| **Business strategy and leadership experience** |  | A proven record of developing and executing business strategy |
| **Listed company governance experience** |  | Experience in listed company governance and driving and assessing the effectiveness of the executive |
| **Regulated industry knowledge and experience** |  | Electricity sector experience or experience in a similarly regulated industry |
| **Government, stakeholder and iwi relationship experience** |  | A proven record of successfully engaging and managing key external stakeholder relationships |
| **Finance / Accounting / Audit Committee experience** |  | Experience in financial accounting, reporting and internal financial controls |
| **Corporate finance / capital markets / transactional / wholesale markets experience** |  | Experience in corporate finance related transactions – such as capital raising and/or mergers and acquisitions |
| **Large industry operational (capital) project management experience** |  | Experience within the electricity sector or similar large scale industrial business |
| **Health and safety, risk experience** |  | Deep understanding of excellence in Health & Safety in strategic and operational context and applicable legislative framework |
| **Sustainability experience** |  | Deep understanding of sustainability in strategic and operational context |
| **Climate change risk and opportunity management** |  | Understanding of climate-related risks and opportunities and how they may impact business outcomes in the near, medium and long-term |
| **Customer insight, data, marketing and brand experience** |  | Experience in consumer retail and execution of marketing and brand strategies to deliver growth |
| **Technology / innovation / digitalisation and data experience** |  | Detailed understanding of the role of technology and innovation in delivering a superior customer experience |
| **People / culture / reputation management** |  | Deep understanding of the strategic importance of people, values, behaviours and management style as drivers of organisational culture and reputation |

 Primary Secondary

## Board and committee meetings and attendances

| Director[1] | Appointed | Board Meetings[2] | Audit and Risk Committee[3] | Human Resources and Remuneration Committee[3] | Nominations Committee[3] |
|---|---|---|---|---|---|
| **Total Meetings held** | | **12** | **4** | **4** | **1** |
| Barbara Chapman (Chairman) | 1 May 2018 | **12** | - | 4 | 1 |
| Catherine Drayton | 14 Mar 2019 | **11** | 4 | - | - |
| Warwick Hunt | 22 Sep 2022 | **12** | 4 | - | - |
| Tim Miles | 21 Nov 2016 | **12** | - | 4 | 1 |
| James Moulder | 10 Oct 2018 | **12** | 4 | - | - |
| Paul Zealand | 19 Oct 2016 | **11** | - | 3 | 1 |
| Hinerangi Raumati-Tu'ua | 7 March 2022 | **11** | **4** | - | - |

1. All Directors are independent Directors.
2. In addition, Directors participated in a number of stakeholder and investor meetings throughout FY24.
3. The above numbers do not include attendances at Committee meetings by non-member Directors. The Chairman is an ex-officio member of the Audit and Risk Committee and attends all meetings.

# Executive remuneration

This following Remuneration Report sets out Genesis Energy's approach to remuneration for the Chief Executive and the Executive Team, and remuneration information for the year ended 30 June 2024.

## Role of the Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee assists the Board in the discharge of the Board's responsibilities and oversight relative to the Company's human resources strategy and policy, the Company's Diversity and Inclusion Policy, and the remuneration and performance of the Company's Chief Executive and senior executives.

The Committee is authorised by the Board to obtain such outside information and advice including market surveys and reports, and to consult with such management and executive search consultants and other outside advisers with relevant experience and expertise, as it deems necessary for the carrying out of its responsibilities.

## Remuneration framework

Genesis' remuneration strategy aims to attract, motivate and retain talented employees at all levels of the Company and seeks to align the interests of its shareholders and employees, whilst driving performance and growth in shareholder value and return.

Genesis' remuneration policy for the Executive Team, including the Chief Executive, is designed to have them remunerated with competitive salaries, a wide range of benefits and use of performance incentives to achieve outstanding performance and alignment with our shareholders' interests. The Human Resources and Remuneration Committee regularly reviews the Company's remuneration policy. For the Executive Team, the policy provides the opportunity to achieve, where performance has been outstanding, a total remuneration package in the upper quartile for equivalent market matched roles. Each year the Committee reviews and approves the performance and remuneration appraisals of the Executive Team, with the Board approving the Chief Executive's remuneration.

Employee remuneration is also discussed in the Company's Corporate Governance Statement which can be viewed at www.genesisenergy.co.nz/ investors/governance/documents.

## Remuneration elements

Total remuneration for the Executive Team is made up of fixed remuneration, short-term incentives and long-term incentives. These elements are designed to balance attraction and retention, and motivate and reward the Executive Team for the achievement of key tactical and strategic outcomes together with shareholder value creation.

| Remuneration Element | Element Structure | Role of the Element |
|---|---|---|
| **Fixed Remuneration:** | | |
| Base salary and benefits including KiwiSaver, and insurances such as medical and life. | Set based on capability, behaviours, performance and industry benchmarks. | Key element to attract and retain key talent to deliver short term results and long term strategies. |
| **Variable Remuneration – At Risk Remuneration** | | |
| **Short Term Incentive** | | |
| Annual cash based Short Term Incentive (STI). | STI is set annually as a percentage of the Executive's fixed remuneration to target the third quartile of the comparator group.<br>80% of the STI is linked to Company performance targets and 20% is linked to individual performance targets. | A pay for performance component designed to attract and retain high calibre executives and motivate and reward performance in a single financial year using a combination of Company and individual performance measures linked to core strategic and tactical priorities. |
| **Long Term Incentive** | | |
| Performance share rights Long Term Incentive (LTI) scheme with a three-year vesting period. | LTI is set annually as a percentage of the Executive's fixed remuneration to target the third quartile of the comparator group.<br>Rights vest after three years, subject to meeting the performance hurdles set at the time of grant. | A pay for performance component designed to attract and retain high calibre executives and to align remuneration outcomes with shareholder value over a three-year period. |

**Remuneration review** completed by the Chief Executive recommends performance outcomes and changes to the Executive Team's remuneration. The Committee reviews and approves the performance and remuneration appraisals of the Executive Team, with the Board approving the Chief Executive's remuneration.

**Fixed remuneration** consists of base salary and benefits. For the Executive Team, Fixed Remuneration is targeted to be in the third quartile of the market benchmarked to a comparator group of companies with a comparable scale of revenues and market capitalisation value to Genesis. The comparator group companies are broadly evenly weighted between larger and smaller companies relative to Genesis Energy. The Human Resources and Remuneration Committee reviews the comparator group from time to time and external benchmarking is commissioned by the Committee to be carried out independently by PricewaterhouseCoopers.

**Short Term Incentives (STIs)** are 'a pay for performance' component designed to motivate and reward individual and Company performance. The target value of an STI is set annually as a percentage of the Executive's fixed remuneration. For FY24 the target for the Chief Executive was 45%, and for other Executives was between 30% and 45%. The performance measures to achieve the STI are then set across Company Key Performance Indicators (KPI) for EBITDAF, health and safety, long term strategy on decarbonisation, strategic technology project delivery and individual KPIs. Within each measure, there are three performance levels, 'threshold', 'on target' and 'outstanding'. On appraisal at the end of each year an Executive will be awarded an STI payment for each objective based on their performance between a range of 0% for below threshold performance, to 150% for outstanding performance.

## FY24 STI scorecard structure

***Safety performance and financial performance:*** 40% of the Company KPIs are based on the achievement of financial performance and increasing health and safety outcomes across the business. This approach allows the Board to overlay subjective and objective measures of health, safety and wellness outcomes against the objective financial performance. The weighting of 40% ensures the Executive Team's focus on these important outcomes.

***Technology:*** 20% of the Company KPIs are based on progressing key technology plans. This includes two measures: the progress of Genesis master technology plan and projects, and progress on the replacement of our core retail technology platform.

***Long term strategy on decarbonisation:*** 40% of the Company KPIs are based on the development and agreement of long term strategies in four key pillars: Huntly Strategy, Customer Strategy, FutureGen Pipeline, and Beyond FY25 Decarbonisation.

***Individual objectives:*** Each Executive also has individual objectives that make up 20% of the STI goals. These will be set by the Human Resources and Remuneration Committee for the Chief Executive and by the Chief Executive for all other Executives. Typically, each Executive will have up to four goals, a personal target, a leadership target and operational targets linked to a clear measurable end of year deliverable.

The Board retains some discretion over the final STI outcome.

## Changes to the STI plan

**The FY25 scorecard structure** for the executive team has been revised to better reflect Genesis' Gen-35 strategy.

***Financial performance:*** 40% of the Company KPIs will continue to be based on the achievement of financial performance.

***People, culture, brand and customer:*** 10% of the Company KPIs will be based on customer engagement, employee engagement and safety and wellness.

***Huntly Portfolio:*** 20% of the Company KPIs will be based on the progress of Battery Energy Storage System, Rankine Strategy, and the development of the Huntly portfolio master plan.

***Renewables:*** 20% of the Company KPIs will be based on the development of Solar and Wind pipeline options.

***Business transformation and technology:*** 10% of the Company KPIs will be based on the delivery of the replacement of our core retail technology platform, together with progress on other core technology replacement projects.

## The executive Long Term Incentives (LTI)

LTIs are also 'a pay for performance' component designed to align rewards for the Executive Team with shareholder value over a three-year period. Genesis' LTI scheme was reviewed, and a new performance share rights plan established in FY20 to ensure Genesis continues to attract, retain and motivate high calibre Executive Team members to drive outstanding outcomes for our customers and our shareholders.

Under the LTI plan, members of the Executive Team are granted a number of share rights determined by dividing the gross value of the grant by the value of one Genesis share at the beginning of the vesting period. The Executive may also receive additional share rights representing the estimated value of dividends to be paid over the vesting period. The vesting of share rights is subject to meeting performance hurdles (set at the time of grant), at which point each share right is converted to one ordinary share. The assessment of the performance hurdles occurs as soon as reasonably practicable following the assessment date – usually 30 June – and approval by the Board of the Company's financial statements relevant to the LTI plan. Any performance rights that do not vest on the assessment date will automatically lapse. The Executive is liable for tax on any shares received.

Under the LTI plan, grants are made annually with performance measured over a three-year period. The Board retains discretion over the final outcome.

In FY24, LTI grants were made to the Executive Team and the value of the grants was set at a percentage of fixed remuneration between a range of 25% to 45%.

The performance hurdles set for the FY24 grant are set out on the following page:

| Absolute Total Shareholder Return (ATSR) cost of equity hurdle applying to 40% of Performance Rights | | Relative Total Shareholder Return (RTSR) compared to Genesis' closest NZX-listed peer companies (Meridian Energy Limited, Mercury NZ Limited, Contact Energy Limited and Manawa Energy Limited) applying to 40% of Performance Rights | | Sustainability hurdle applying to 20% of Performance Rights | |
|---|---|---|---|---|---|
| **Genesis ATSR Performance** | **% Performance Rights that vest** | **Genesis RTSR result** | **% Performance Rights that vest** | **Company Science Based Target** | **% Performance Rights that vest** |
| Equal to or below 9.4% | 0% | Equal to or less than the lowest ranked Peer Companies | 0% | Scope 1 and 2, or scope 3 greenhouse gas emission reduction targets not met | 0% |
| Between 9.4% and 9.9% | 1% to 49% | Between the lowest and the highest ranked Peer Companies | 1% - 99% | Total scope 1 and 2 greenhouse gas emissions in FY26 must be at least 43% less than in FY20; and<br>Total scope 3 greenhouse gas emissions in FY26 must be at least 25% less than in FY20 | 100% |
| Equal to 9.9% | 50% | Equal to or above the highest ranked TSR of the Peer Companies | 100% | | |
| Between 9.9% and 10.4% | 51% to 99% | | | | |
| Equal to or greater than 10.4% | 100% | | | | |

### Changes to LTI Plan

The master plan rules for equity-based incentive schemes have been updated to include Malice and Clawback provisions. In addition, for rights issued under the FY25 LTI plan, the number of Performance Share Rights that vest under the relative TSR hurdle will depend on:

- the Company achieving a positive absolute TSR for the Performance Period (TSR Gate); and
- if the Company passes the TSR Gate, the Company's TSR performance over the Performance Period relative to the TSR of the Company's closest NZX-listed peer companies: Meridian Energy Limited, Mercury NZ Limited, Contact Energy Limited and Manawa Energy Limited.

### Total remuneration earned by, or paid to the Chief Executive for FY23 and FY24 is as follows

| | | Fixed Remuneration | | | Pay for Performance $ | | | Total Remuneration |
|---|---|---|---|---|---|---|---|---|
| **Period** | **Chief Executive** | **Base Salary** | **Benefits** | **Subtotal** | **STI** | **LTI** | **Subtotal** | |
| FY24 | Malcolm Johns | 1,175,261 | 72,321 | 1,247,582 | 632,770 | | 632,770 | 1,880,352 |
| FY23 (from March 2023) | Malcolm Johns | 343,292 | 22,059 | 365,351 | 208,174 | | 208,174 | 573,525 |
| FY23 (October 2022 to March 2023) | Tracey Hickman* | 349,420 | 13,634 | 363,053 | 203,923 | | 203,923 | 566,976 |
| FY23 (July 2022 to October 2022) | Marc England | 534,088 | 28,947 | 563,035 | 189,583 | 95,380 | 284,963 | 847,998 |

The Base Salary is inclusive of holiday pay paid as per New Zealand legislation. Benefits are employer contributions towards KiwiSaver on the base salary, and short-term incentives (STI).
The LTI value reflects the number of rights that have vested from the FY21 issue (35,066 of 280,521) at the 10-day volume weighted average price at closing on the 30 June 2023 ($2.72).

*In addition to the remuneration outlined above which was received in the period Tracey Hickman was Acting CEO, Tracey was also offered $500,000 in retention payments with $250,000 being paid in FY24 and $250,000 payable FY25, together with$194,070 in sabbatical leave after the acting period was completed. The resulting total remuneration received was $1,261,046 excluding LTI received in FY23 which was in relation to the role of Chief Retail Officer.

## Breakdown of Chief Executive pay for performance for FY24

### Short Term Incentive summary

| Chief Executive | Target STI | Company / Individual Split | Company Percent Achieved | Individual Percent Achieved | Total Percent Achieved |
|---|---|---|---|---|---|
| Malcolm Johns | 45% | 80% based on Company shared KPIs<br>20% based on individual KPIs | 109% | 150% | 117% |

The above STI payments for FY24 were paid in FY25.

### Long Term Incentive summary

| Chief Executive | Grant Date | Plan Summary | Performance Period | Performance Measure | Company Percent Achieved | Individual Percent Achieved | Total Percent Achieved |
|---|---|---|---|---|---|---|---|
| Malcolm Johns | - | No performance rights were due to vest for Malcolm Johns. The first tranche of performance rights Malcolm Johns will be eligible for are from the FY23 offer and which are due to vest on 30 June 2025 should the associated performance hurdles be achieved. | - | - | - | - | - |
| | | | | - | - | - | - |
| Total | | | | | - | - | - |

### The following LTI Plan was granted to the Chief Executive in FY24, for vesting in FY26 (30 June 2026)

| Grant Year | Chief Executive | Basis of Award | Fair Value of Award | Performance Period | Performance Measure |
|---|---|---|---|---|---|
| FY24 | Malcolm Johns | 45% of Fixed Remuneration (Base Salary + Benefits) | **$541,755 in the form of 251,018 ordinary shares** | July 2023 - June 2026 | 40% relative TSR measured against the Peer Gentailer Group<br>40% absolute TSR measured against Genesis Cost of Equity<br>20% based on achievement of the Science Based emission target |

### Summary of Performance Share Rights granted to the Chief Executive

| | | | Awarded during the reporting period | | | Shares vested during the reporting period | | | |
|---|---|---|---|---|---|---|---|---|---|
| Performance Period Start Date | Performance Period End Date | Balance of PSRs at 30 June 2023 | PSRs Awarded | Market Price at Award | PSRs lapsed during the reporting period | Shares Vested | Market Price at Vesting Date | Vesting Date | Balance of PSRs @ 30 June 2024 |
| 1-Jul-23 | 30-Jun-26 | - | 251,018 | $2.72 | 0 | 0 | - | - | 251,018 |
| 1-Jul-22 | 30-Jun-25 | 245,601 | - | - | 0 | 0 | - | - | 245,601 |

All performance share rights issued to Marc England that were due to vest after FY23 lapsed upon his departure from Genesis.

## Chief Executive Short Term Incentive outcome detail

### Company outcomes

| | Weighting | Weighted Outcome | Comment |
|---|---|---|---|
| **Financial** | | | |
| Deliver EBITDAF while improving safety and engagement | 40% | 30% | Genesis achieved an EBITDAF of $407 million against a plan of $460 million. The Board has applied discretion to the FY24 result, taking into account external factors that impacted the business.<br>Good progress on safety and wellness performance and employee engagement. |
| **Technology** | | | |
| Technology delivery master plan | 10% | 12.5% | A consistent governance process has been developed for technology investments over $100k. As a result, a prioritised list of technology projects has been established with 82% of these projects On-Track. |
| Deliver material progress on customer platform transformation | 10% | 10% | Contracts have been agreed with Gentrack and Salesforce and implementation of the technology platform is progressing well against agreed milestones. |
| **Long Term Strategy on Decarbonisation** | | | |
| Huntly 2060 strategy | 10% | 13.5% | The Huntly Portfolio strategy was clearly articulated in Gen35 and approved by the Board in October 2023. Progress is on track for Biomass supply chain, Huntly Firming Options, and battery storage projects. |
| Customer strategy deep review and Board approved 2033 strategy | 10% | 15% | The customer strategy and the supporting operating model changes were implemented prior to May 2024. |
| FutureGen pipeline | 10% | 12.5% | Financial close for the Lauriston 62MW solar farm was achieved in December 2023 and development is progressing to plan and to budget. Progress on bringing development options to final investment decision continues. |
| Beyond FY25 Decarbonisation target | 10% | 15% | The Board approved the Gen35 group strategy together with setting an updated company long-term decarbonisation target together with a commitment to a science-based net-zero 2040 target. |
| **Sub total** | **100%** | **108.5%** | |

### Individual performance measures

| Malcolm Johns | Weighting | Weighted Outcome | Comment |
|---|---|---|---|
| Launch Gen35 internally and externally, ensuring all stakeholders understand GNE's new direction and how this will add value for People, Profit, Planet | 33% | 50% | The Gen35 strategy was developed and successfully communicated with key internal and external stakeholders. Early progress on delivering the new strategic direction has been positive. |
| Lead team through organisational changes and culture reset | 33% | 50% | A material organisational change process across FY24 has resulted in a significant culture reset. Outcomes achieved include moving the business to six business units, reducing the executive leadership team from nine to seven positions, and a retail and wholesale strategy reset. |
| Complete ELT and SLT selections, ready to activate horizon 2 of Gen35 | 33% | 50% | A realignment of executive roles, along with the resignation of the Chief Financial Officer, resulted in the appointment of high-calibre executives with the skills and experience to deliver against Genesis' new Gen35 strategy. |
| **Sub total** | | **150%** | |
| **Total** | | **116.8%** | |

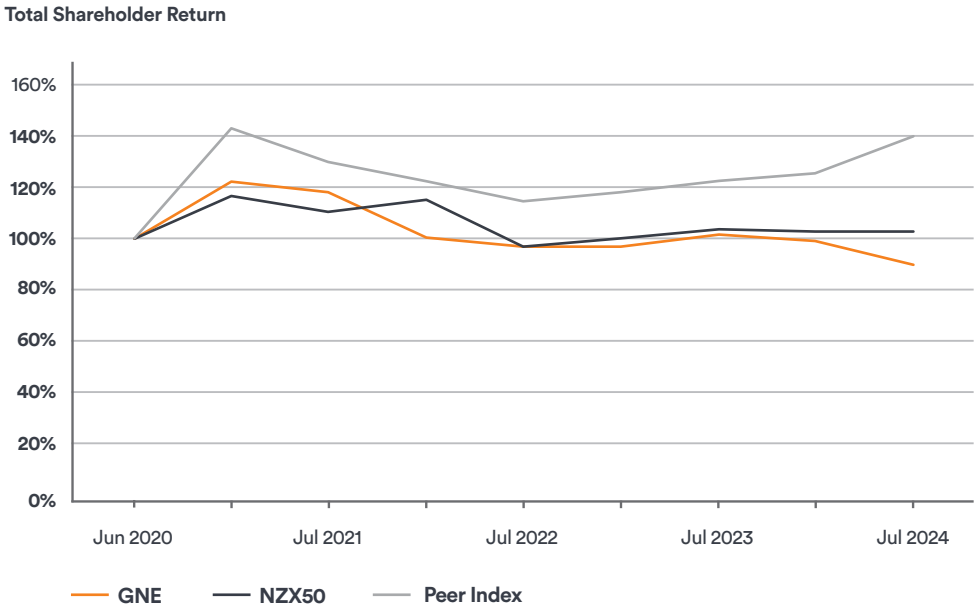
**Five-year summary - Chief Executive remuneration**

| Chief Executive | Period | Total Remuneration | Percentage STI against maximum % | Percentage vested LTI against maximum | Span of LTI Performance Period |
|---|---|---|---|---|---|
| Malcolm Johns | FY24 | $1,880,352 | 78% | | |
| Malcolm Johns | FY23 (From March 2023) | $573,525 | 85% | | |
| Tracey Hickman* | FY23 (October 2022 to March 2023) | $566,976 | 86% | | |
| Marc England | FY23 (July 2022 to October 2022) | $847,998 | 67% | 12.5% | July 2020 to June 2023 |
| Marc England | FY22 | $2,325,461 | 91% | 0% | July 2019 to June 2022 |
| Marc England | FY21 | $2,357,414 | 89% | 50% | July 2018 to June 2021 |
| Marc England | FY20 | $2,071,613 | 57% | 50% | July 2017 to June 2020 |

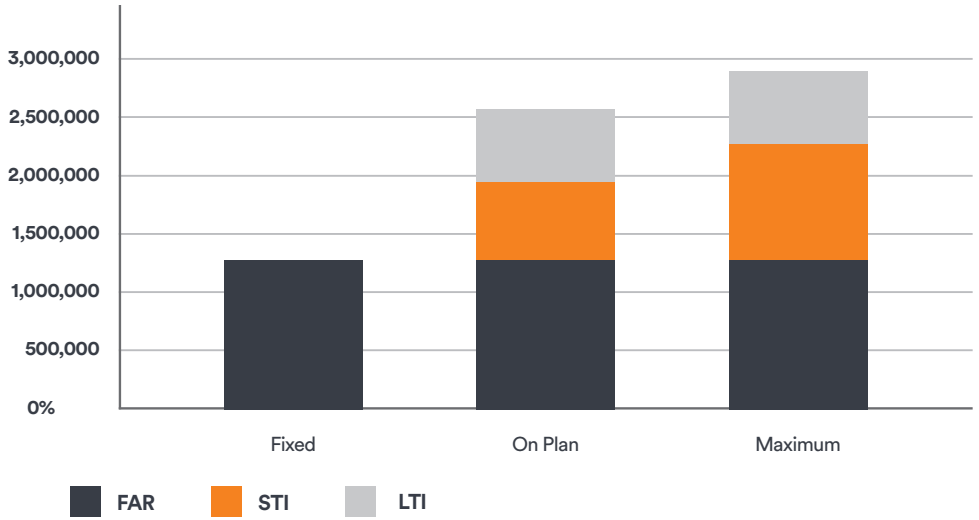
Total remuneration including Salary, Benefits, and STI and LTI earned in the year but paid in the following year.

*In addition to the remuneration outlined above which was received in the period Tracey Hickman was Acting CEO, Tracey was also offered $500,000 in retention payments with $250,000 being paid in FY24 and $250,000 payable FY25, together with$194,070 in sabbatical leave after the acting period was completed. The resulting total remuneration received was $1,261,046 excluding LTI received in FY23 which was in relation to the role of Chief Retail Officer.

## Five-year summary – TSR performance




## Chief Executive remuneration performance pay for FY25




## Remuneration of employees earning over $100,000 in the year ended 30 June 2024

There were 611 Genesis and subsidiary employees (or former employees) who received remuneration and benefits in excess of $100,000 (not including Directors) in their capacity as employees during the year ended 30 June 2024, as set out below.

## Remuneration of employees

| Remuneration | Employees | Remuneration | Employees | Remuneration | Employees |
|---|---|---|---|---|---|
| $1,490,000 - $1,500,000 | 1 | $380,000 - $390,000 | 2 | $230,000 - $240,000 | 5 |
| $1,430,000 - $1,440,000 | 1 | $370,000 - $380,000 | 2 | $220,000 - $230,000 | 5 |
| $1,020,000 - $1,030,000 | 1 | $350,000 - $360,000 | 2 | $210,000 - $220,000 | 16 |
| $870,000 - $880,000 | 1 | $340,000 - $350,000 | 3 | $200,000 - $210,000 | 11 |
| $780,000 - $790,000 | 1 | $330,000 - $340,000 | 1 | $190,000 - $200,000 | 18 |
| $730,000 - $740,000 | 1 | $320,000 - $330,000 | 2 | $180,000 - $190,000 | 20 |
| $560,000 - $570,000 | 1 | $310,000 - $320,000 | 3 | $170,000 - $180,000 | 42 |
| $530,000 - $540,000 | 2 | $300,000 - $310,000 | 3 | $160,000 - $170,000 | 41 |
| $500,000 - $510,000 | 1 | $290,000 - $300,000 | 1 | $150,000 - $160,000 | 57 |
| $480,000 - $490,000 | 1 | $280,000 - $290,000 | 2 | $140,000 - $150,000 | 66 |
| $450,000 - $460,000 | 1 | $270,000 - $280,000 | 3 | $130,000 - $140,000 | 70 |
| $440,000 - $450,000 | 1 | $260,000 - $270,000 | 3 | $120,000 - $130,000 | 63 |
| $410,000 - $420,000 | 1 | $250,000 - $260,000 | 4 | $110,000 - $120,000 | 69 |
| $390,000 - $400,000 | 1 | $240,000 - $250,000 | 5 | $100,000 - $110,000 | 77 |
| **Total employees earning $100,000+** | | | | | 611 |
| **Employees who are included but who are no longer at Genesis Energy as at 30 June 2024** | | | | | 61 |

Remuneration includes base salary, employer KiwiSaver contributions, vested shares from employee share schemes, short-term performance payments, settlement payments and redundancy payments for all permanent employees received during FY24. Short-term performance payments are paid in arrears; therefore the table above includes the STI earned in FY23.

# Director remuneration

## Directors' fees

Directors' remuneration is in the form of Directors' fees for non-executive Directors, approved by shareholders.

The Chairman receives a higher level of fees to reflect the additional time and responsibilities that this position involves but does not receive any fees for committee membership or attendances.

Directors' fees were last approved by shareholders at the Company's 2021 Annual Shareholder Meeting. Shareholders approved an increase in the total annual pool for Directors' remuneration of $132,950, from the $940,000 pool approved at the 2016 Annual Shareholder meeting, to $1,072,950, with the increase taking effect from 1 November 2021. Table 1 sets out how the approved pool has been allocated.

No Director is entitled to any remuneration from the Company other than by way of Directors fees and the reimbursement of reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors.

Table 2 sets out the remuneration paid to Directors during the year to 30 June 2024.

Director remuneration is also discussed in the Company's Corporate Governance Statement which can be viewed at www.genesisenergy.co.nz/investor/corporate-governance/governance-documents.

Directors received no remuneration or other benefits during the period in relation to duties as Directors of a subsidiary.

Details of Directors of subsidiary entities forming part of the Genesis Group are set out in the Statutory Disclosures on page 125.

All Directors (and, for completeness, all the Executives) received the benefit of an indemnity from Genesis and the benefit of Directors and Officers liability insurance cover.

The cover extends to liabilities to persons (other than the Company and its subsidiaries or related bodies corporate) that arise out of the performance of their duties as Directors, unless the liability is prohibited from being insured against by law or relates to fraudulent conduct.

Remuneration of Company employees, including those acting as Directors of subsidiary companies, is disclosed in the relevant banding on page 122.

### Table 1 – Approved Directors' fees

| | Position | Fees per annum | Total |
|---|---|---|---|
| Board of Directors[1] | Chairman | 200 ,000 | 200,000 |
| | Member (x7)[1] | 100,000 | 700,000 |
| Audit and Risk Committee | Chairman | 26,000 | 26,000 |
| | Member (x3) | 15,650 | 46,950 |
| Human Resources and Remuneration Committee | Chairman | 20,000 | 20,000 |
| | Member (x3) | 10,000 | 30,000 |
| Nominations Committee[2] | Chairman | - | - |
| | Member (x3) | 5,000 | 15,000 |
| Pool for additional work or attendances[3] | | 35,000 | 35,000 |
| **Total approved pool** | | | **$1,072,950** |

1. The shareholders have approved the above fees based on a Board of eight Directors, including the Chairman. During the year the Board consisted of seven Directors including the Chairman.
2. The Chairman of the Board is the chairman of the Committee and does not receive any fees for Committee membership.
3. At the 2021 Annual Shareholder Meeting, shareholders approved a pool of $35,000 for additional work by Directors. No payments were made out this pool during FY24.

### Table 2 – Directors' fees paid during FY24

| Director | Board fees | Audit & Risk Committee | HR & Rem Committee | Nominations Committee | Total[1] |
|---|---|---|---|---|---|
| Barbara Chapman | 200,000 | | | | 200,000 |
| Catherine Drayton | 100,000 | 26,000 | | | 126,000 |
| Tim Miles | 100,000 | | 20,000 | 5,000 | 125,000 |
| James Moulder | 100,000 | 15,650 | | | 115,650 |
| Hinerangi Raumati-Tu'ua | 100,000 | 15,650 | | | 115,650 |
| Paul Zealand | 100,000 | | 10,000 | 5,000 | 115,000 |
| Warwick Hunt | 100,000 | 15,650 | | | 115,650 |
| **Total** | | | | | **$912,950** |

1. Directors fees exclude GST and reimbursed costs directly associated with carrying out their duties.

# Statutory disclosures

## Interests register entries

| Dir. | Position | Company |
|---|---|---|
| Barbara Chapman (Chairman) | Director | Bank of New Zealand Group |
| | Acting Chair | Fletcher Building Limited |
| | Deputy Chair | The New Zealand Initiative |
| | Chair | NZME Limited |
| Catherine Drayton | Chair | Mint Innovation Limited |
| | Director | IAG New Zealand Limited and IAG (NZ) Holdings Limited[1] |
| | Chair | Connexa Limited (and director of its two holding companies, Samco Holdings Limited and Frodoco Holdings Limited) |
| | Advisory Board Member | Ben Gough Family Office[1] |

| Dir. | Position | Company |
|---|---|---|
| Hinerangi Raumati-Tu'ua | Executive Committee Member | Te Whakahitenga o Waikato Inc. Society |
| | Director | Pouara Farm GP Limited[1] |
| | Director | Pouara Farms LP[1] |
| | Chair | Tainui Group Holdings Limited |
| | Chair | Te Pou HerengaPakihi Limited |
| | Chair | Maruehi Fisheries Limited |
| | Chair | Turangawaewae Trust Board |
| | Director | Taranaki Iwi Holdings Management Limited |
| | Director | Taranaki Iwi Fisheries Limited |
| | Director | Guardians of New Zealand Superannuation[1] |

| Dir. | Position | Company |
|---|---|---|
| Tim Miles | Director | oOh!media Limited |
| | Director | Nyriad Limited |
| | Director | Khandallah Trust Limited |
| | Chair | Mahi Tahi Towers Limited |
| Warwick Hunt | Executive Fellow | Kings College London |
| | Chairman | Bank of New Zealand Group |
| | Senior Advisor | PwC Middle East Group |
| | Member | External Advisory Council - PWC Middle East[1] |

| Dir. | Position | Company |
|---|---|---|
| James Moulder | Director | Cybele Capital Limited |
| | Director | Motupipi Holdings Limited |
| | Director | Motupipi Offshore Investments |
| | Director | Lycaon Advisory Limited |
| | Director | Tasman Environmental Markets Pty Limited |
| | Director | Tasman Environmental Markets Limited Partnership |
| | Director | TEM Financial Services Limited |
| | Director | TEM Asia Pacific Limited |
| | Director | Climate Positive Pty Limited |
| | Trustee | Moulder Family Trust |
| Paul Zealand | Director | Lochard Energy |
| | Director | Channel Infrastructure Limited |
| | Director | Zoenergy Limited |
| | Chair | Port Nelson Limited |
| | Director | IHL (Infrastructure Holdings Limited) |

1. Entries added by notices given by Directors during the year ended 30 June 2024

## Directors of subsidiary companies

As at 30 June 2024:

- The Chief Corporate Affairs Officer of Genesis, Matthew Osborne, and Angela Ogier[1] were Directors of Kupe Venture Limited. James Spence ceased to be a director of Kupe Ventures Limited on 24 May 2024
- Matthew Osborne, Senior Regulatory Counsel and Group Insurance Manager, Warwick Williams, and Nisala Weerasooriya (resident Singapore based Director employed by the Genesis captive manager Marsh Management Services Singapore Pte Ltd) were Directors of Genesis' captive insurance company incorporated in Singapore, Genesis Insurance Pte Limited.
- Matthew Osborne and Chief Wholesale Officer Tracey Hickman, were Directors of Frank Energy Limited.
- Chief Retail Officer Stephen England-Hall[2], Matthew Osborne[3], Alistair Yates and Mark Yates, minority owners and Stephanie Loveday were Directors of Ecotricity GP Limited. Tracey Hickman ceased to be a director of Ecotricity Limited on 12 November 2023.
- Tracey Hickman[5] and Group Manager Wholesale Finance Simon Fuller[6] were directors of Lauriston Solar Venture Limited. James Spence[7] ceased to be a director of Lauriston Solar Venture Limited on 24 May 2024 and Rebecca Larking[8] ceased to be a Director of Lauriston Solar Venture Limited on 2 November 2023.

1. Appointed 24 May 2024, 2. Appointed 13 November 2023, 3. Appointed 4 September 2023. 5. Appointed 2 November 2023, 6. Appointed 24 May 2024, 7. Appointed 16 August 2023, 8. Appointed 17 August 2023

## Disclosures of Directors' interests in share transactions

During FY24, in relation to the Company's Directors, the following disclosures were made in the Interests Register by Directors as to the acquisition of relevant interests in Company shares under section 148 of the Companies Act 1993:

The acquisition of ordinary shares in the Company pursuant to the Company's Dividend Reinvestment Plan:

- Barbara Chapman 752 shares.
- Catherine Drayton 710 shares.

## Directors' interests in shares

Directors disclosed the following relevant interests in Genesis shares as at 30 June 2024:

| Director | Shares |
|---|---|
| **Barbara Chapman** | 12,609 |
| **Catherine Drayton** | 11,908 |
| **Tim Miles** | 40,410 |
| **James Moulder** | 15,000 |
| **Paul Zealand** | Nil |
| **Hinerangi Raumati-Tu'ua** | Nil |
| **Warwick Hunt** | Nil |

## Use of Company information

No notices have been received by the Board of Genesis under section 145 of the Companies Act 1993 with regard to the use of Company information received by Directors in their capacities as Directors of the Company or its subsidiary companies.

## Chief Executive share ownership

The Chief Executive's ownership of shares in Genesis at 30 June 2024 is as follows (excluding performance share rights held under the FY23 Long Term Incentive Plan): nil shares.

## Donations

In accordance with section 211 (1) (h) of the Companies Act 1993, Genesis records that it made donations of $643,708 during the year ended 30 June 2024. Genesis policy prohibits the making of political donations. Genesis subsidiaries did not make any donations.

## Credit rating

As at the date of this Annual Report Standard & Poor's long-term credit rating for Genesis was BBB+ Stable.

## Exercise of NZX disciplinary powers

The NZX did not exercise any of its powers under NZX Listing Rule 9.9.3 in relation to Genesis during FY24.

## Appointment of Auditor

Under the Public Audit Act 2001, the Controller and Auditor-General (Auditor-General) is the independent auditor of Genesis, and the Auditor- General appoints the independent auditor and ensures that the Key Audit Partner is changed at least every five years.

## Auditor's fees

Deloitte, on behalf of the Auditor-General, has continued to act as auditor for the Company. Audit fees (including half year review fees) and non-audit fees in FY24, are disclosed in note G3 to the Financial Statements on page 109.

## Stock exchange listings

Genesis' ordinary shares are listed and quoted on the NZX Main Board (NZSX) and the Australian Securities Exchange (ASX) under the company code 'GNE'. Genesis has three issues of retail bonds listed and quoted on the NZX Debt Market (NZDX) under company codes 'GNE060', 'GNE070' and 'GNE080'.

Genesis' listing on the ASX is as a Foreign Exempt Listing. For the purposes of ASX listing rule 1.15.3, Genesis confirms that it continues to comply with NZX Listing Rules.

## Shareholding restrictions

The Public Finance Act 1989 includes restrictions on the ownership of certain types of securities issued by each "mixed ownership -model company (including Genesis) and the consequences of breaching those restrictions. Genesis' constitution incorporates these restrictions and mechanisms for monitoring and enforcing them.

A summary of the restrictions on the ownership of shares under the Public Finance Act and the constitution is set out in the separately published document "Information about Genesis Ordinary Shares" which can be viewed at www.genesisenergy.co.nz/investor/corporate- governance/governance-documents.

Genesis has a 'non-standard' (NS) designation on the NZX Main Board due to particular provisions of the company's constitution, including the requirements that regulate the ownership and transfer of Genesis securities.

## Twenty largest registered shareholders as at 30 June 2024*

| Name | Units at 30 June 2024 | % of Units |
|---|---|---|
| The sovereign in right of New Zealand acting by and through his minister of finance and minister for SOEs | 554,628,742 | 51.23 |
| Custodial Services Limited | 46,246,154 | 4.27 |
| Forsyth Barr Custodians Limited | 36,894,053 | 3.40 |
| BNP Paribas Nominees (NZ) Limited | 21,678,484 | 2.00 |
| New Zealand Depository Nominee Limited | 19,347,631 | 1.78 |
| JBWere (NZ) Nominees Limited | 18,546,074 | 1.71 |
| Citibank Nominees (New Zealand) Limited | 12,205,406 | 1.12 |
| JP Morgan Chase Bank NA NZ Branch-Segregated Clients Acct | 11,856,677 | 1.09 |
| FNZ Custodians Limited | 11,232,048 | 1.03 |
| HSBC Nominees (New Zealand) Limited | 9,060,424 | 0.83 |
| HSBC Nominees (New Zealand) Limited A/C State Street | 7,872,369 | 0.72 |
| ANZ Wholesale Australasian Share Fund | 7,549,202 | 0.69 |
| TEA Custodians Limited Client Property Trust Account | 7,362,437 | 0.68 |
| JP Morgan Nominees Australia Limited | 7,064,945 | 0.65 |
| Forsyth Barr Custodians Limited | 6,025,897 | 0.55 |
| Accident Compensation Corporation | 4,818,264 | 0.44 |
| Public Trust Class 10 Nominees Limited | 4,110,598 | 0.37 |
| Clyde Parker Holland & Rena Holland | 3,450,000 | 0.31 |
| ANZ Custodial Services New Zealand Limited | 3,192,346 | 0.29 |
| Investment Custodial Services Limited | 3,123,418 | 0.28 |
| **Totals: Top 20 holders of Ordinary Shares** | **796,265,169** | **73.44** |

* In the above table the shareholding of New Zealand Central Securities Depository Limited (NZSCD) has been allocated to the applicable members of NZSCD.

## Substantial security holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013 (FMCA). According to notice given to the Company pursuant to section 280 (1) (b) of the FMCA, the substantial security holder in the Company and its relevant interests as at the date of the notice are noted below. The total number of voting shares on issue as at 30 June 2024 was 1,082,583,727

| | Date of substantial security notice | Relevant interest in the number of shares at date of notice | % of Shares held at date of notice |
|---|---|---|---|
| The Sovereign in right of New Zealand | 6 July 2015 | **519,723,781** | **51.97** |

## Genesis Energy Limited (GNE060)

Top Holders As Of 30/06/2024

## 4.17% Bonds 17/03/2028 (Total)

Composition: G006

| Rank | Name | Units | % Units |
|---|---|---|---|
| 1 | Custodial Services Limited | 42,052,000 | 33.64 |
| 2 | HSBC Nominees (New Zealand) Limited | 18,258,000 | 14.61 |
| 3 | Forsyth Barr Custodians Limited | 14,100,000 | 11.28 |
| 4 | FNZ Custodians Limited | 9,177,000 | 7.34 |
| 5 | JBWere (NZ) Nominees Limited | 8,975,000 | 7.18 |
| 6 | Citibank Nominees (New Zealand) Limited | 5,235,000 | 4.19 |
| 7 | ANZ Fixed Interest Fund | 4,500,000 | 3.60 |
| 8 | BNP Paribas Nominees (NZ) Limited | 3,397,000 | 2.72 |
| 9 | Investment Custodial Services Limited | 2,050,000 | 1.64 |
| 10 | Forsyth Barr Custodians Limited | 2,042,000 | 1.63 |
| 11 | MT Nominees Limited | 1,030,000 | 0.82 |
| 12 | JBWere (NZ) Nominees Limited | 800,000 | 0.64 |
| 13 | JBWere (NZ) Nominees Limited | 500,000 | 0.40 |
| 14 | NZX WT Nominees Limited | 497,000 | 0.40 |
| 15 | Lode Roger Jan Missiaen | 450,000 | 0.36 |
| 16 | FNZ Custodians Limited Non Resident Account | 407,000 | 0.33 |
| 17 | Anthony Eugene Smith & Carolyn Jean Smith & David Kenneth Brown | 255,000 | 0.20 |
| 18 | Hugh McCracken Ensor | 253,000 | 0.20 |
| 19 | FNZ Custodians Limited | 236,000 | 0.19 |
| 20 | Custodial Services Limited | 222,000 | 0.18 |
| **Totals: Top 20 holders of 4.17% Bonds 17/03/2028 (Total)** | | **114,436,000** | **91.55** |
| **Total Remaining Holders Balance** | | **10,564,000** | **8.45** |

## Genesis Energy Limited (GNE070)

5.66% Bonds 09/06/2052 (Total)

Top Holders As Of 30/06/2024

Composition: G007

| Rank | Name | Units | % Units |
|---|---|---|---|
| 1 | Forsyth Barr Custodians Limited | 83,191,000 | 29.19 |
| 2 | HSBC Nominees (New Zealand) Limited | 53,792,000 | 18.87 |
| 3 | JBWere (NZ) Nominees Limited | 32,121,000 | 11.27 |
| 4 | Custodial Services Limited | 28,818,000 | 10.11 |
| 5 | Generate Kiwisaver Public Trust Nominees Limited | 11,058,000 | 3.88 |
| 6 | CML Shares Limited | 9,572,000 | 3.36 |
| 7 | Investment Custodial Services Limited | 8,132,000 | 2.85 |
| 8 | FNZ Custodians Limited | 6,370,000 | 2.24 |
| 9 | Forsyth Barr Custodians Limited | 4,840,000 | 1.70 |
| 10 | Forsyth Barr Custodians Limited | 3,796,000 | 1.33 |
| 11 | PONZ Capital Limited | 3,146,000 | 1.10 |
| 12 | Adminis Custodial Nominees Limited | 2,184,000 | 0.77 |
| 13 | Masfen Securities Limited | 1,670,000 | 0.59 |
| 14 | NZX WT Nominees Limited | 1,090,000 | 0.38 |
| 15 | Forsyth Barr Custodians Limited | 933,000 | 0.33 |
| 16 | ANZ Custodial Services New Zealand Limited | 907,000 | 0.32 |
| 17 | JBWere (NZ) Nominees Limited | 820,000 | 0.29 |
| 18 | Sterling Holdings Limited | 800,000 | 0.28 |
| 19 | Pathfinder Caresaver | 691,000 | 0.24 |
| 20 | Hugh McCracken Ensor | 428,000 | 0.15 |
| **Totals: Top 20 holders of 5.66% Bonds 09/06/2052 (Total)** | | **254,359,000** | **89.25** |
| **Total Remaining Holders Balance** | | **30,641,000** | **10.75** |

## Genesis Energy Limited (GNE080)

6.50% Bonds 10/07/2053 (Total)

Top Holders As Of 30/06/2024

Composition: G008

| Rank | Name | Units | % Units |
|---|---|---|---|
| 1 | Forsyth Barr Custodians Limited | 104,438,000 | 43.52 |
| 2 | Custodial Services Limited | 41,762,000 | 17.40 |
| 3 | JBWere (NZ) Nominees Limited | 27,224,000 | 11.34 |
| 4 | Forsyth Barr Custodians Limited | 6,289,000 | 2.62 |
| 5 | FNZ Custodians Limited | 5,017,000 | 2.09 |
| 6 | HSBC Nominees (New Zealand) Limited | 5,000,000 | 2.08 |
| 7 | Phazma Holdings Limited | 2,000,000 | 0.83 |
| 8 | Adminis Custodial Nominees Limited | 1,990,000 | 0.83 |
| 9 | ANZ Custodial Services New Zealand Limited | 1,316,000 | 0.55 |
| 10 | Fletcher Building Educational Fund Limited | 960,000 | 0.40 |
| 11 | KPS Society Limited | 835,000 | 0.35 |
| 12 | Craig John Thompson | 750,000 | 0.31 |
| 13 | Investment Custodial Services Limited | 734,000 | 0.31 |
| 14 | Francis Horton Tuck | 600,000 | 0.25 |
| 14 | Richard Barton Adams & Allison Ruth Adams | 600,000 | 0.25 |
| 16 | Forsyth Barr Custodians Limited | 591,000 | 0.25 |
| 17 | Sports Car World Limited | 550,000 | 0.23 |
| 18 | Forsyth Barr Custodians Limited | 547,000 | 0.23 |
| 19 | JBWere (NZ) Nominees Limited | 500,000 | 0.21 |
| 19 | JBWere (NZ) Nominees Limited | 500,000 | 0.21 |
| 19 | Robert Perry Bennett | 500,000 | 0.21 |
| **Totals: Top 21 holders of 6.50% BONDS 10/07/2053 (Total)** | | **202,703,000** | **84.46** |
| **Total Remaining Holders Balance** | | **37,297,000** | **15.54** |

## Distribution of ordinary shares and shareholdings as at 30 June 2024

| Holding Range | Holder Count | % Holder Count | Holding Quantity | % Holding Quantity |
|---|---|---|---|---|
| 1 to 999 | 4,749 | 11.66 | 2,759,540 | 0.25 |
| 1,000 – 4,999 | 27,230 | 66.83 | 66,379,232 | 6.13 |
| 5,000 – 9,999 | 3,641 | 8.94 | 24,969,538 | 2.31 |
| 10,000 – 49,999 | 4,429 | 10.87 | 86,140,807 | 7.96 |
| 50,000 – 99,999 | 436 | 1.07 | 28,853,446 | 2.67 |
| 100,000 and over | 255 | 0.63 | 873,481,164 | 80.68 |
| Totals | 40,740 | 100 | 1,082,583,727 | 100 |

## Debt listings

Genesis Energy's subordinated, unsecured capital bonds are listed on the New Zealand Debt Market Exchange.

## Distribution of holders of quoted securities

### Investor ranges: 30 June 2024

**Security Code: GNE060**

| Holding Range | Holder Count | % Holder Count | Holding Quantity | % Holding Quantity |
|---|---|---|---|---|
| 5,000 to 9,999 | 99 | 22.76 | 598,000 | 0.48 |
| 10,000 – 49,999 | 269 | 61.83 | 5,104,000 | 4.08 |
| 50,000 – 99,999 | 32 | 7.36 | 2,055,000 | 1.65 |
| 100,000 and over | 35 | 8.05 | 117,243,000 | 93.79 |
| Totals | 435 | 100 | 125,000,000 | 100 |

### Investor ranges: 30 June 2024

**Security Code: GNE070**

| Holding Range | Holder Count | % Holder Count | Holding Quantity | % Holding Quantity |
|---|---|---|---|---|
| 5,000 to 9,999 | 85 | 9.96 | 491,000 | 0.17 |
| 10,000 – 49,999 | 559 | 65.53 | 11,877,000 | 4.17 |
| 50,000 – 99,999 | 128 | 15.01 | 7,542,000 | 2.65 |
| 100,000 and over | 81 | 9.50 | 265,090,000 | 93.01 |
| Totals | 853 | 100 | 285,000,000 | 100 |

### Investor ranges: 30 June 2024

**Security Code: GNE080**

| Holding Range | Holder Count | % Holder Count | Holding Quantity | % Holding Quantity |
|---|---|---|---|---|
| 5,000 to 9,999 | 50 | 5.57 | 264,000 | 0.11 |
| 10,000 – 49,999 | 579 | 64.48 | 12,593,000 | 5.25 |
| 50,000 – 99,999 | 155 | 17.26 | 8,903,000 | 3.71 |
| 100,000 and over | 114 | 12.69 | 218,240,000 | 90.93 |
| Totals | 898 | 100 | 240,000,000 | 100 |

GENESIS ENERGY LIMITED
Integrated Report 2024

## Office locations


**Head/Registered Office**
Genesis Energy
Level 6, 155 Fanshawe Street
Wynyard Quarter
Auckland 1010

**P:** 64 9 580 2094
**F:** 64 9 580 4894
**E:** info@genesisenergy.co.nz
investor.relations@genesisenergy.co.nz
board@genesisenergy.co.nz
media@genesisenergy.co.nz
**W:** genesisenergy.co.nz
frankenergy.co.nz

**Hamilton**
94 Bryce Street, Hamilton

**Huntly Power Station**
Cnr Te Ohaki and Hetherington Roads, Huntly

**Tokaanu Power Station**
State Highway 47, Tokaanu

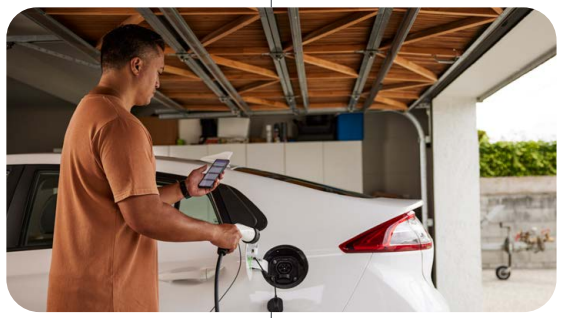
**Waikaremoana Power Station**
Main Road, Tuai RD5, Wairoa 4195

**Tekapo Power Station**
167 Tekapo Power House Road, Tekapo 7999

**GENESIS ENERGY LIMITED**
CLIMATE STATEMENT
FOR THE REPORTING PERIOD
1 JULY 2023 TO 30 JUNE 2024

21 AUGUST 2024

# Climate



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# 1. Message from the Chair and Chief Executive

**Malcolm Johns**
CHIEF EXECUTIVE

**Barbara Chapman CNZM**
CHAIR

To reach net zero 2050, New Zealand must deliver the 60 – 95 – 100 formula by 2050. At least 60% of New Zealand's energy needs to come from electricity, at least 95% of that needs to be renewable and electricity needs to be available 100% of the time.

Genesis has a unique role to play in 60 – 95 – 100 to support the country's transition to net zero 2050 and reduce our greenhouse gas emissions to help address climate change. This role is integral to our purpose: powering a sustainable and thriving Aotearoa.

Our Gen35 strategy, released in FY24, outlines how we will take action over the next 10 years to reduce emissions by growing renewables, supporting our customers to electrify, and managing increasing energy demand, while ensuring our customers have stable, reliable and cost-effective energy.

Climate change legislation set net zero 2050 as the destination for New Zealand's transition. To achieve that, New Zealand homes and businesses need to commit to how they will reach at least 60% electrification by 2050.

Energy is a common factor in all prosperous and thriving societies. Access to a reliable and affordable supply of electricity is important in growing people's confidence to continue to electrify more of their lives and businesses and to see renewable electricity as both an economic and social development platform.

Genesis Energy Limited (Genesis) plays a key role in New Zealand's transition. We will continue to help our customers decarbonise to reach the electrification goal and we will deploy over $1 billion of our capital to help deliver new renewable generation and grow our EBITDAF. As the renewable energy supply grows, we expect Huntly Power Station will evolve to become the Huntly Portfolio. It will play a unique and critical role in ensuring the uninterrupted availability of electricity and will increasingly be powered by biomass with grid scale battery backup.

In FY24, our emissions increased compared to FY23. With hydro levels dropping back from last year's near historic levels, the unexpected outage of Unit 5 and gas supply constraints, meant we relied on more coal generation. Unfortunately right now less gas means more coal. We look ahead to winter 2024 with some caution. At the time of writing, national hydro storage is fluctuating, and gas supply is tight, and is likely to be so for the next few years. Our thermal assets may be relied upon again to support our customers and the wholesale market, highlighting again the importance of thermal generation to system security.

At the same time, we continue to decarbonise our portfolio with construction starting on our first solar farm through a joint venture with FRV Australia, and we have progressed sourcing a sustainable supply of biomass to displace coal. Our planned battery storage units at our Huntly site would also reduce the need for gas and coal generation during times of peak demand. While our emissions reductions may vary year to year, the importance lies in our direction of travel over time.

Given the scale of the challenge, it is clear we need to work together in genuine long-term partnerships with industry, government, and households to deliver the change the country has committed to. We will not always agree but where we can find consensus, we will seek to move forward together both across and beyond our own sector to ensure progress while providing Genesis shareholders returns as Genesis and New Zealand transition to a renewable future.

Transparency is important to our investors, lenders and other creditors. Genesis is pleased to release its inaugural Climate Statement prepared under the Financial Markets Conduct Act 2013.

Through collaboration and partnerships, we are tackling the next frontier of climate action to give ourselves the best chance of ensuring the benefits of a lower emissions future are shared. As a key enabler of New Zealand's transition, with assets that provide security of supply at a period when generation becomes increasingly renewable and intermittent, we welcome the opportunity to share our analysis of our climate-related risks and opportunities, and how our strategy is responding accordingly.

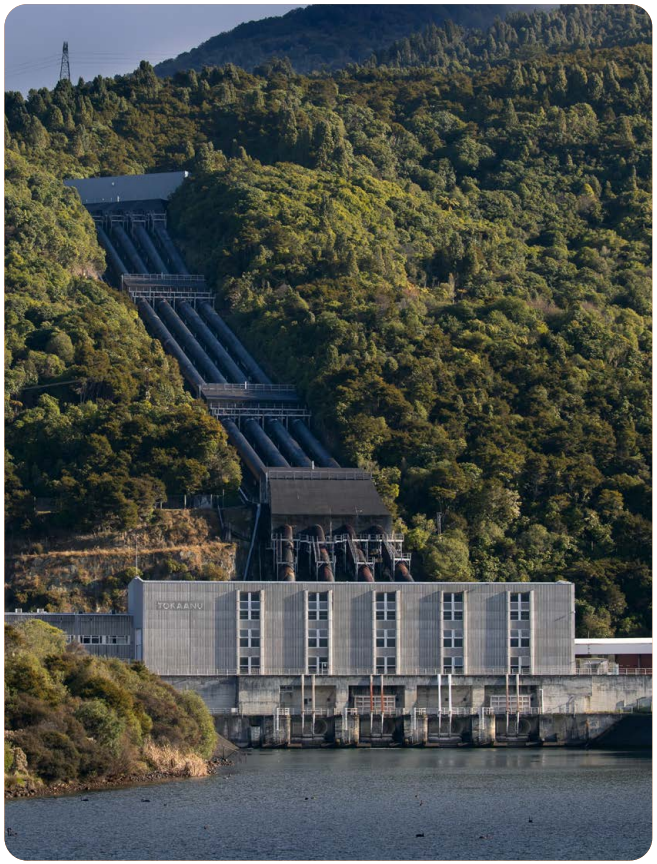
**Barbara Chapman CNZM**
CHAIR

**Malcolm Johns**
CHIEF EXECUTIVE

# 2. About this report

## Reporting entity

Genesis is a Climate Reporting Entity (CRE) under the Financial Markets Conduct Act 2013 and as such is required to prepare a Group Climate Statement. This report includes climate-related disclosures for Genesis, its subsidiaries, controlled entities (together, 'Genesis' or the 'Group') and the Group's interests in associates and joint arrangements where relevant. The Group structure used in this report aligns with that used for Genesis's FY24 Consolidated Financial Statements.



## Basis of preparation and statement of compliance

These climate-related disclosures comply with Aotearoa New Zealand Climate Standards (NZ CS) as issued by the External Reporting Board (XRB).

In preparing these climate-related disclosures, Genesis has elected to use adoption provision 2: Anticipated financial impacts contained within NZ CS 2. This adoption provision exempts Genesis from disclosing the anticipated financial impacts of climate-related risks and opportunities reasonably expected by Genesis, the time horizons over which they could reasonably be expected to occur and why quantitative information is unable to be provided.

This report was authorised for issue, for and on behalf of the Board on 21 August 2024.

**Barbara Chapman**
CHAIR OF THE BOARD

**Catherine Drayton**
CHAIR OF THE AUDIT AND RISK COMMITTEE

## Reporting period and currency

This report covers the period from 1 July 2023 to 30 June 2024 (FY24). FY23 refers to the period from 1 July 2022 to 30 June 2023, similarly for any other financial year referenced in this report. Any reference to $ in this report refers to New Zealand dollars.

## Materiality

Information required by Aotearoa New Zealand Climate Standards must be disclosed if it is material; this requires us to apply our judgement when determining what to disclose. The Aotearoa New Zealand Climate Standard NZ CS 3 states that 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primary users make on the basis of an entity's climate-related disclosures'. NZ CS 3 defines primary users of this report as our existing and potential investors, lenders, and other creditors.

To aid with making materiality judgements, we determine materiality by considering internal and external factors, such as whether the matter:

- Could plausibly have a material impact on Genesis in the short, medium, and/or long-term;
- Could reasonably be expected to influence an investment decision;
- Has been consistently raised by our primary users or is considered of high interest to them or is something they would expect to see being disclosed;
- Could have a significant impact on our reputation or our transition to a lower emission future; or
- Is relevant and needed to provide context.

When disclosing current impacts, we apply the same materiality as applied by our auditors for the Consolidated Financial Statements (refer to Deloitte's Audit Report in the FY24 Integrated Report).

The quantitative threshold used for our Consolidated Financial Statements is not considered appropriate when determining which climate-related risks and opportunities should be disclosed given: (i) we are considering the potential impact over multiple years out to 2050; (ii) the size of our balance sheet; and (iii) the complexity of our operations.

## Disclaimer

This report contains forward-looking statements, such as potential impacts, climate scenarios, targets, forecasts and statements of our current intentions. Forward-looking statements are statements that are based on historical experience and various other factors that are reasonable under the circumstances. They are statements regarding our intent, belief or current expectations with regard to our business and operations and other climate and sustainability related commitments, targets, projections, scenarios, risk and opportunity assessments, pathways, forecasts, metrics and other proxy data.

Words such as 'will', 'may', 'expect', 'intend', 'seek', 'would', 'continue', 'plan', 'estimate', 'potential', 'anticipate', 'believe', 'risk', 'aim', 'forecast', 'assumption', 'projection', 'target', 'goal', 'guidance' or other similar words, are used to identify forward-looking statements. These statements reflect our current views on future events and are subject to change due to certain known and unknown risks, uncertainties, assumptions and other factors which are, in many instances, beyond our control, and have been made based on management's expectations or beliefs concerning climate change and the potential impact on Genesis.

This report uses relatively lengthy time frames and plausible scenarios to assess potential impacts. Statements in this report use a greater number of assumptions and estimates than our Consolidated Financial Statements. These assumptions and estimates are subject to change over time, and, when coupled with the longer time frames used in these disclosures, make any assessment of materiality inherently uncertain. In addition, our climate-related risk and impact assessment capabilities and our strategic plan continue to evolve, and the data underlying these and market practice in relation to these disclosures also remain subject to evolution and change over time.

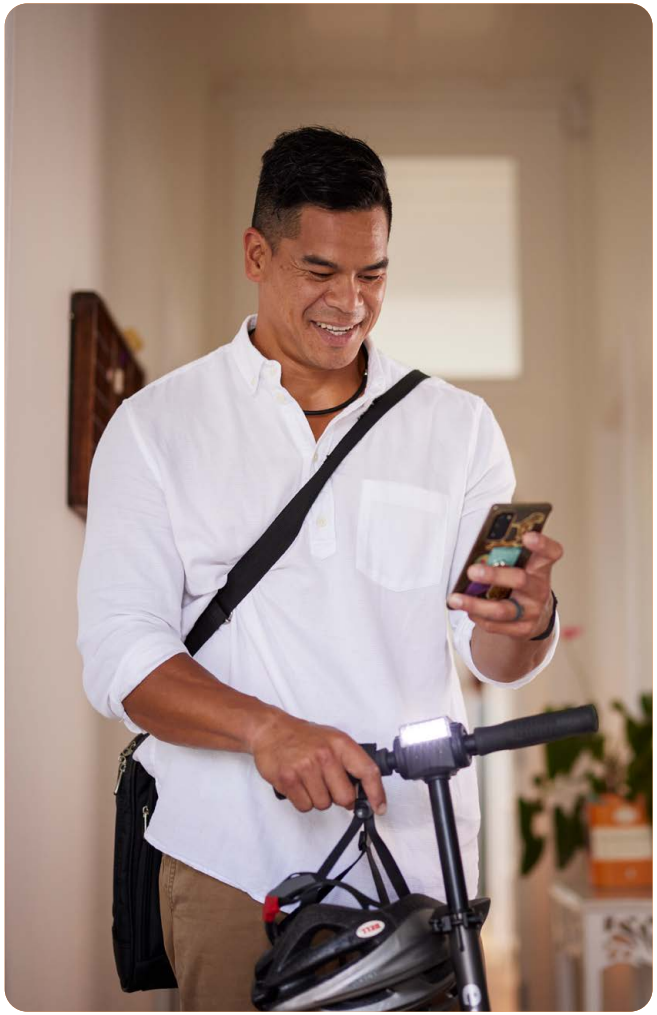
The information in this report includes non-financial metrics, estimates or other information that are subject to significant uncertainties, which may include the collection of data, and methodologies to analyse the data, which involves various estimates and assumptions, and/or underlying data that is obtained from third parties, some of which cannot be independently verified. As a result, we expect that certain disclosures made in this report may be amended, updated, recalculated, and restated in the future as the quality and completeness of our data and methodologies continue to improve. For clarity, Genesis makes no commitment to update the information in this report.

The forward-looking statements made in this report are not guarantees or predictions of future performance and there is a risk that estimates, judgements, assumptions, views, scenarios or projections may turn out to be incorrect and that these risks may cause actual outcomes to differ materially from those expressed or implied in this report. In particular, there is inherent uncertainty around future climate-related policy and legislation, current scientific understanding of climate change and its impacts.

Accordingly, Genesis gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of any forward-looking statements set out in this report), that the occurrence of the events expressed or implied in any forward-looking statement made in this report will occur.

## Enquiries

For any questions or comments regarding this report, please contact investor.relations@genesisenergy.co.nz.



# 3. Results at a glance

### Launched
## Gen35
Focused on electrification, flexibility and growing renewable generation

### Electrification
## 8,325
Customers on EV plan

FY23: 4,153

### Flexibility
## Biomass
Good progress with suppliers to develop a long-term supply of biomass to displace coal

### Grow renewables
Targeting up to
## ~500 MW
of solar development

### Hydro generation decreased by
## 1,005 GWh
compared to FY23, driven by below average inflows, particularly in the South Island in FY24 compared to exceptionally high inflows in FY23

FY23: 936 GWh higher than FY22

### Coal generation increased by
## 1,261 GWh
compared to FY23, driven by below average hydro inflows, gas supply constraints and the unplanned Unit 5 outage requiring higher use of Rankines on coal

FY23: 883 GWh lower than FY22

### Flexibility
## Battery
Plan to develop up to 400MW / 800 MWh of battery capacity. Financial investment decision for first 100 MW / 200MWh reached in August 2024

### Final investment decision reached on
## Lauriston solar farm
construction started in FY24, estimated to generate approximately 100,000 MWh annually

### Carbon emissions increased by
## 1,205 kt $CO_2e$
59% increase in scope 1, 2 and 3 emissions compared to FY23, driven by increase in coal generation

FY23: 1,625 kt $CO_2e$ lower than FY22

### 2025 Science Based Target
## 9%
reduction in scope 1 & 2 emissions for FY24 compared to FY20 base year

Target = 36% annual reduction from FY20 base year by FY25

### 2025 Science Based Target
## 60%
reduction in scope 3 emissions from use of sold products[1] for FY24 compared to FY20 base year

Target = 21% annual reduction from FY20 base year by FY25

### Sustainable finance
## 48%[2]
of drawn debt at 30 June 24 was green debt

FY23: 32%

1. Category 11 under the GHG Protocol.
2. The calculation is based on drawn debt at year end excluding lease liabilities. It excludes fair value interest rate risk adjustments, capitalised issue costs and accrued interest.

# 4. About Genesis

## 4.1 Our purpose and vision

### Powering a sustainable and thriving Aotearoa

Genesis generates electricity from a diverse portfolio of assets in New Zealand, including hydropower, wind and thermal generation, and sells gas and electricity to commercial and retail customers.

Our purpose is 'powering a sustainable and thriving Aotearoa'. We're striving to bring this to life through all parts of our business, from the way we generate and supply electricity, to the way we interact with mana whenua and iwi, customers, our people, and wider communities, while at the same time caring for the environment in which we operate and delivering returns to our shareholders.

### Addressing climate-related risks and opportunities is central to our organisational strategy

Climate change will drive New Zealand's and global decisions on how we live and work in the years to come. The scale of change will be significant, and Genesis has a role to play as a key enabler in achieving a successful transition to a lower emission future in New Zealand. We recognise the impact of climate change and support meaningful, economy-wide planning to reduce emissions and transition New Zealand to a lower emissions future.

Our Gen35 strategy outlines how we are taking action over the next 10 years to reduce our emissions by growing renewables, supporting our customers to electrify, and managing increasing energy demand, while ensuring our customers have reliable and cost-effective energy.

With our diverse portfolio of generation assets and our purpose of powering a sustainable and thriving Aotearoa, we understand the importance of New Zealand's transition to net zero 2050.

Decarbonising our activities and helping our customers do the same will contribute to a successful transition to a lower emissions future. Transitioning to a lower emissions business, while supporting New Zealand's transition will support ongoing earnings and returns to Genesis shareholders.

### Embedding climate considerations into how we do business

Genesis has committed to setting a net zero emission reduction target in line with the Science Based Target initiative (SBTi) *Corporate Net Zero* guidance which provides companies with a clearly-defined pathway to reducing greenhouse gas emissions in line with limiting global warming to 1.5°C temperature rise. For Genesis, a net zero target under the SBTi guidance is a commitment to reduce greenhouse gas emissions by more than 90 percent from a FY20 base year by 2040 (here in referred to as net zero 2040). We are on track to submit our target for validation with the SBTi in Q1 of FY25. The target will ensure we measure our progress and hold ourselves accountable to reduce our carbon footprint.

As New Zealand moves to a lower emissions economy, we're mindful of working with communities connected to our assets, employees whose jobs may be impacted and customers in vulnerable circumstances to ensure that the transition will be as smooth as possible.

Through our Sustainable Finance Framework we have embedded further accountability and transparency. The Sustainable Finance Framework includes targets for reducing our emissions, increasing our renewable generation capability, and creating education and employment opportunities for young people living in the communities that surround our generation sites.

## 4.1 Our purpose and vision (continued)

Gen35

OUR PURPOSE

# POWERING A SUSTAINABLE & THRIVING AOTEAROA

**OUR IMPACT**

- **PEOPLE** — Manaakitanga, caring and nuturing our communities, customers, team
- **PROFIT** — How we invest in the future and reward our shareholders
- **PLANET** — Tiaki taiao, protecting the environment for us and those who come after us

**OUR MISSION**

- **CUSTOMER** — Empowering the customer-led **transition**
- **COMPANY** — Renewables **8,300 GWh** Net zero 2040
- **COUNTRY** — Huntly flexibility **1,400 MW**

**HOW WE DELIVER**

- **RETAIL** — Core / Transition / Expand
- **WHOLESALE** — Flexible / Renewable / Valuable
- **PEOPLE** — Culture / Talent / Performance
- **TECHNOLOGY** — Platforms / Data / Delivery
- **CORPORATE** — Reputation / Commerciality / ESG
- **FINANCE** — Performance / Risk / Capital

**OUR VALUES**

**KIA MANAAKI**
**WE CARE**
We care deeply about our customers, communities, the environment and each other.

**KIA MĀIA**
**WE'RE COURAGEOUS**
We use our courage, expertise and determination to make bold choices, create solutions and get things done.

**KIA KOTAHI**
**WE'RE CONNECTED**
We're many parts but one team, and we respect our connection to our communities and the land.

FUTURE STATE
ACCELERATED TRANSITION
FUTURE FIT

## 4.2 Our business model

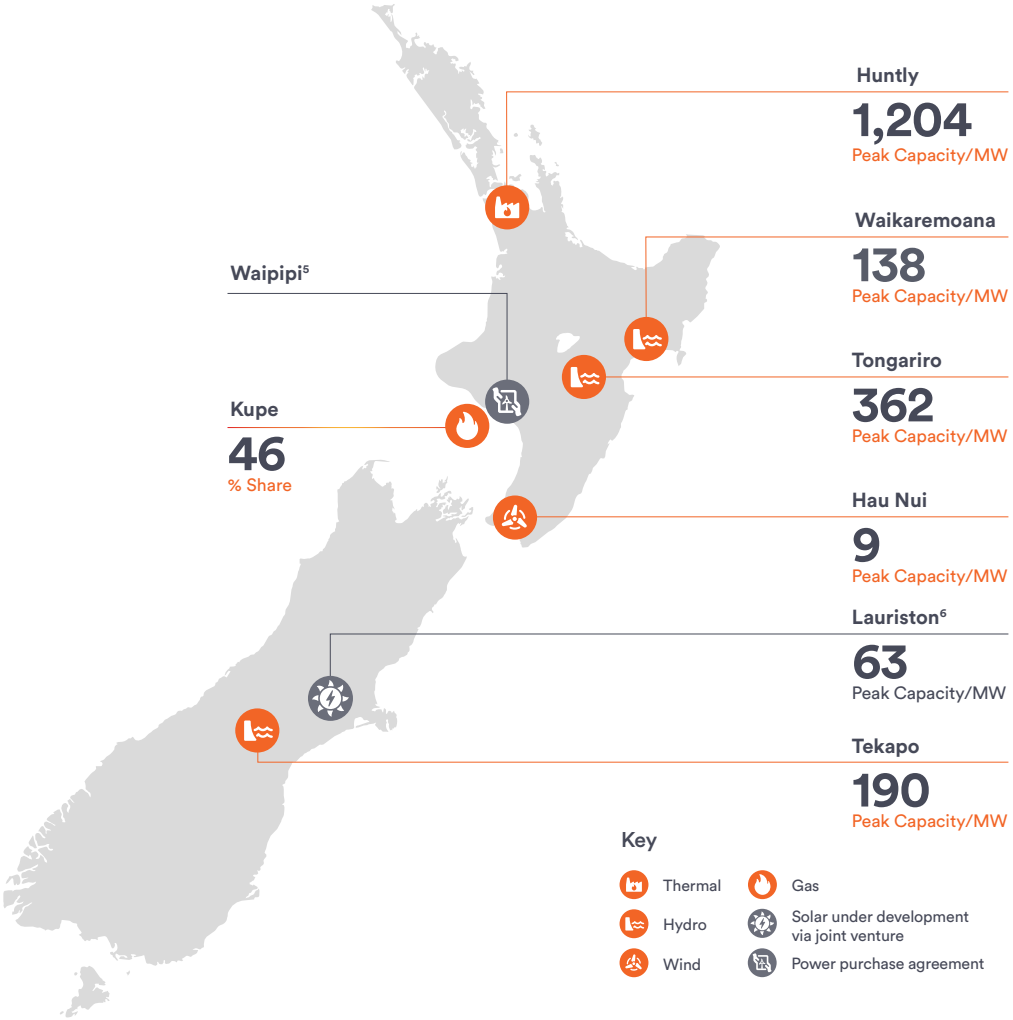
Genesis is a vertically integrated energy business. Our operations include generation and wholesale procurement of energy through to the sale of energy to residential, business and wholesale customers. We supply electricity, LPG and natural gas to more than 496,000 customers in New Zealand through two retail brands (Genesis and Frank*Energy) and we own a 70% share of electricity retailer Ecotricity and a 46% share of the Kupe Joint Venture (JV), which owns the Kupe gas field[3].

We operate a range of renewable and thermal generation sites across the country[4]. The geographic spread and diversity of our generation assets provides vital support to the country's electricity sector. Genesis sits at the intersection of supply and demand for several energy sources as well as providing some back-up generation for New Zealand's electricity supply when renewable sources are unable to meet demand. The Huntly Power Station sits at the centre of New Zealand largest population centres and is critical to ensuring security of supply to the country's highly renewable electricity system.

Our vertically integrated gas portfolio provides flexibility and security for our customers. The Kupe gas field is also a vital part of New Zealand's energy system.

We remain focussed on evolving our business model to integrate new grid technologies like solar generation and utility scale batteries alongside customer-side technologies including electricity plans and offerings for EV owners, other distributed resources, and electrification opportunities, with the aim to continue delivering cost effective and convenient energy to New Zealanders in lower emission ways.

Genesis is a mixed ownership model company, listed on the New Zealand Stock Exchange and the Australian Securities Exchange and is majority owned by the Crown (51%). For further information about Genesis, refer to our FY24 Integrated Report.




### RETAIL

**2** **Brands**
Genesis and Frank*Energy

**490k** **Customers spread across NZ**

**3** **Fuels**
Electricity, gas, LPG

**27** **LPG depots and delivery agents**
delivering from Northland to Southland

### WHOLESALE

**5** **Diverse generation options**
Hydro, gas, coal, diesel, wind

**4** **Wholesale markets we operate in**
Electricity, gas, carbon, and LPG

**5** **Power schemes**
3 hydro, 1 wind and 1 thermal

**1** **Solar farm in development**
Plan to develop up to 500MW of solar

### KUPE

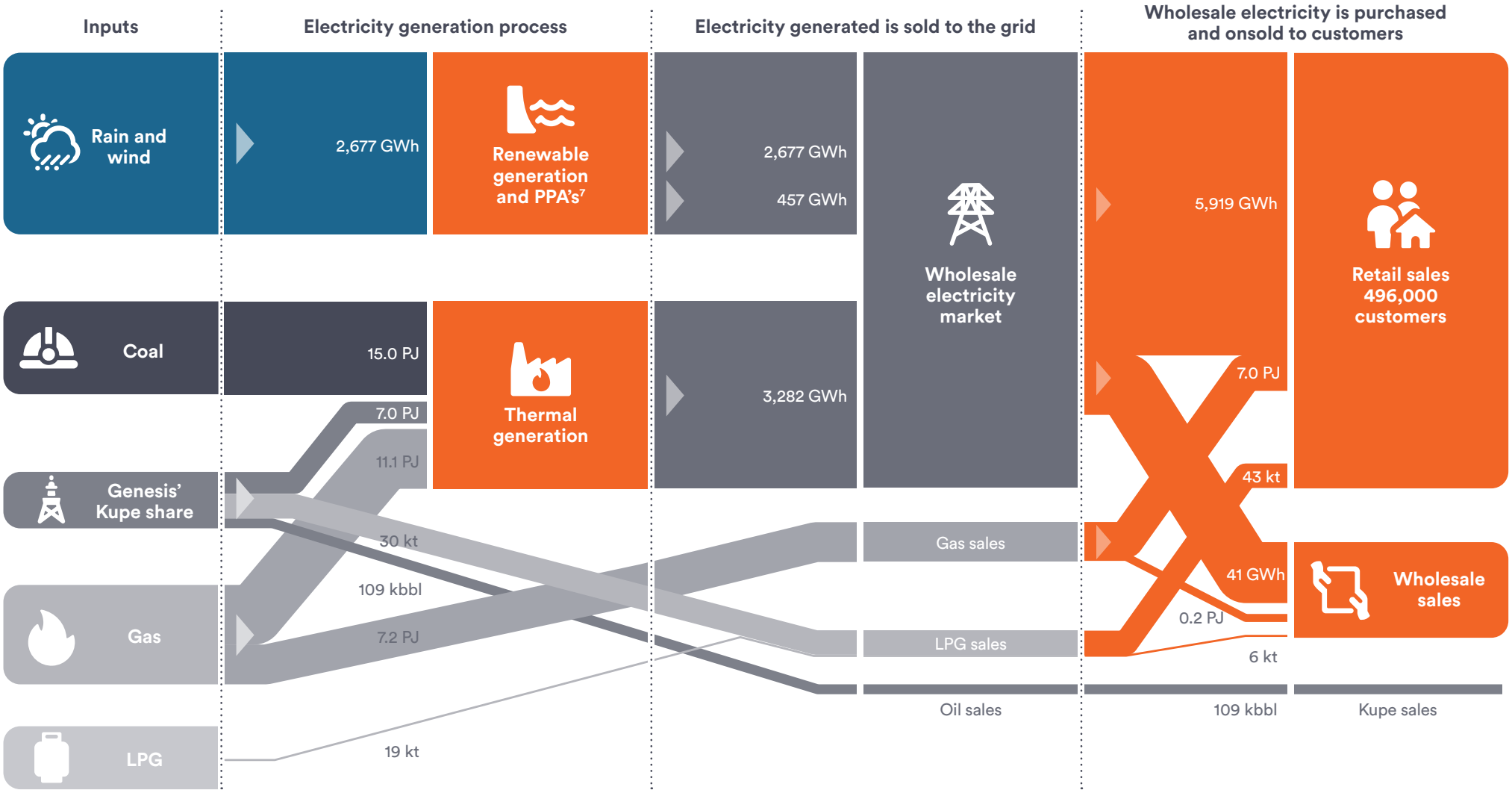
**46%**

**Share in Kupe joint venture** providing access to fuel to support the transition

3. Refer to Appendix IV for a description of Kupe Joint Venture's physical assets and contractual arrangement.
4. Huntly Power Station, Tongariro, Waikaremoana and Tekapo Power Schemes and Hau Nui Windfarm. Refer to Appendix IV for a description of our physical assets and refer to our website for further information on our generation sites.
5. Genesis has a Power Purchase Agreement (PPA) linked to the electricity generated from Waipipi.
6. Expected to be operational in the second quarter of FY25.

## 4.3 Key inputs and outputs for FY24

The diagram below provides an overview of the physical inputs and outputs of our business. The inputs are shown on the left-hand side, the process and markets we operate in are shown in the middle and the outputs and customer segments on the right-hand side. Refer to Appendix IV for a description of our physical assets.




7. Power purchase agreements.

# 4.3 Key inputs and outputs for FY24 (continued)

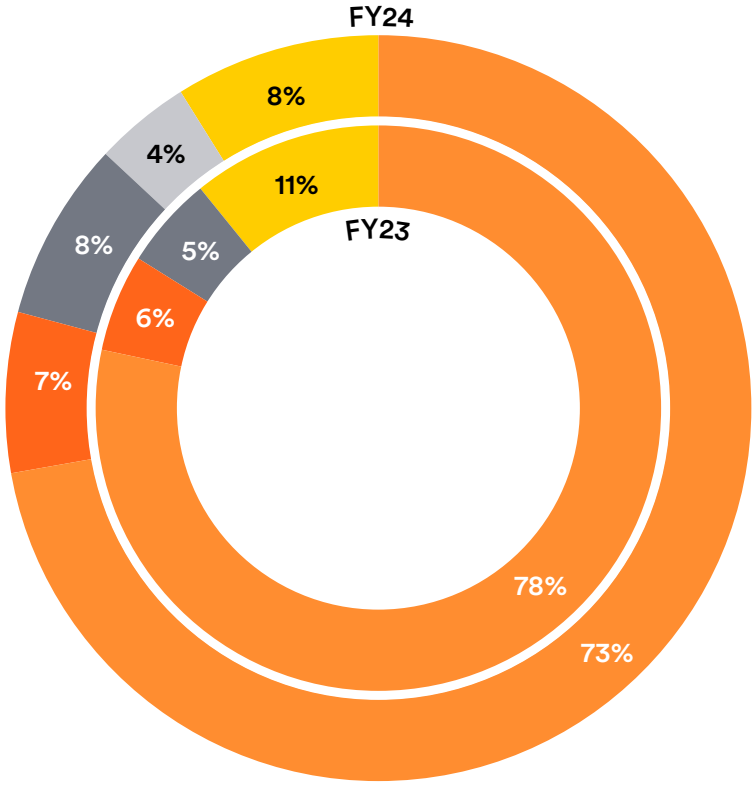
Seventy three percent of our gross margin came from the sale of electricity in FY24 (FY23: 78%). Due to the nature of the New Zealand market, we generate electricity using our thermal, hydro and wind generation assets and sell it to the National Grid. This is recorded as revenue by our wholesale segment who then buys electricity from the National Grid and sells it to our retail segment. Our retail segment sells the electricity purchased to our customers. This is recorded as revenue by our retail segment. The electricity gross margin combines the performance of our wholesale and retail segments (essentially eliminating these intersegment transactions).

Fifty five percent of electricity generated in FY24 came from thermal[8] (FY23: 37%) and 45% came from hydros (FY23: 63%). Hydro generation in FY24 decreased compared to FY23 mainly due to below average flows in FY24 compared with near record inflows in FY23. Hydro inflows are significantly impacted by acute weather events and seasonal variations.

Thirty nine percent of our customer base in FY24 used at least one fossil fuel (FY23: 39%) and the majority of these customers use a combination of fossil fuels and electricity (FY24: 79%, FY23: 76%). Retail gas and LPG sale volumes have remained relatively consistent year on year.

Refer to section 8 for more information on key metrics used to measure and monitor our material climate-related risks and opportunities.

## Gross margin by product




| Gross margin | FY24 $m | FY23 $m |
|---|---|---|
| Electricity | 560 | 670 |
| Gas | 54 | 47 |
| LPG | 60 | 46 |
| Other | 31 | – |
| Kupe | 65 | 91 |
| **Total gross margin** | **770** | **854** |
| Employee benefits | (152) | (136) |
| Other operating expenses | (211) | (194) |
| **EBITDAF** | **407** | **524** |

8. Based on GWh.

# 5. Governance

## 5.1 The role of the Board

The Board of Directors (Board) is responsible for the governance, direction and control of the activities of Genesis and our subsidiaries, including responsibility for the oversight of material climate-related risks and opportunities.

Many of our material climate-related risks and opportunities are intrinsic to our operations and strategic direction. Accordingly, oversight of these risks and opportunities is embedded within our established governance structures and operating rhythm (including through our enterprise Risk Management Framework and our strategic governance processes).

The members of the Board are outlined on page 57 of the FY24 Integrated Report.

The diagram to the right defines the key responsibilities for each body in relation to oversight, assessment and management of material climate-related risks and opportunities.


**Board**

Responsible for overseeing and approving:

- The strategic direction and business strategy and scorecards of the Group;
- Climate-related risks, opportunities, metrics and targets and approval of the annual Climate Statement;
- The risk management strategy, policies, and risk appetite which includes climate-related risks.

**Audit and Risk Committee (ARC)**

Responsible for assisting the Board in the oversight of climate-related matters by reporting its findings and recommendations from its review of :

- The Risk Management Framework, policies, risk appetite, risk limits, internal controls and risk reporting (including climate-related metrics);
- Climate-related risks and opportunities, climate scenarios, the approach to and results from scenario analysis and the annual Climate Statement.

**Chief Executive (CE)**

Responsible for implementing the strategic objectives approved by the Board, fostering a proactive risk management culture in line with the risk management policy and risk appetite and embedding risk management into strategic and operational planning and reporting.

**Executive Leadership Team (ELT)**

Responsible for identifying, understanding, monitoring and managing climate-related risks and opportunities and reporting progress against strategic initiatives.

**Chief Financial Officer (CFO)**

Leads the financial operating planning process and development of investment strategies.

Accountable for maintaining, reviewing and monitoring compliance with the Risk Management Policy and reporting to the ELT and ARC on risk and compliance matters.

Accountable for the preparation and publication of the annual Climate Statement.

**Key management roles supporting climate-related matters**

**Group Manager Strategy**

Manages the strategic planning process (including reporting to the ELT and Board).

Co-ordinates the integration of the strategy into the operating plan with the Group Manager Planning and Performance.

Manages the scenario analysis required for our climate reporting obligations.

**Group Manager Planning and Performance**

Manages the operating planning process including financial modelling of strategic initiatives.

**Commercial finance teams**

Provides financial advice and support to risk/opportunity owners and supports the development of, and financial reporting of strategic initiatives.

**Group Treasurer and Risk**

Responsible for identifying, managing and monitoring risks in accordance with the risk management policy and reporting to the ELT and the ARC.

**General Manager Financial Control and Assurance**

Responsible for the oversight of internal controls and managing compliance with climate reporting obligations.

**General Manager Sustainability**

Works with the business to support development of strategies, policies and reporting related to environmental and social sustainability, including those related to emissions reductions (science-based targets, net zero 2040) and a fair transition.

9. With the exception of July 23 and November 23.

# 5.1 The role of the Board (continued)

## Governance processes and frequency

The Board and Audit and Risk Committee (ARC) are engaged through a combination of formal reporting, face to face meetings, educational sessions, and sessions with the Chief Executive and members of the Executive Leadership Team (ELT). The Chief Executive and other members of the ELT connect with the Board and ARC each time the Board and ARC meet.

## Oversight of material climate-related risks and opportunities

Our material climate-related risks and opportunities are subsets of our principal risks[10] to our business. The ARC, a sub-committee of the Board, oversee Management's assessment of principal risks on a half-yearly basis[11]. Refer to section 6.1 for more information.

In FY24 we worked to develop a climate-related risk and opportunity dashboard. This dashboard enables us to monitor our material climate-related risks and opportunities and was incorporated into the quarterly risk reporting and presented to the ARC for the first time in June 2024. The value of the dashboard will continue to grow each year it is used, we will continue to refine it in FY25 and beyond.

The ARC is also responsible for overseeing our climate reporting obligations, while the Board is responsible for approval of the annual Climate Statement. A climate specific risk and opportunity review is completed and reported to the ARC annually, along with the approach taken with respect to climate scenarios and scenario analysis. The ARC also reviews the results of scenario analysis when it is undertaken.

The ARC reports its findings and recommendations to the Board for consideration and approval throughout the year.

The Board considers material climate-related risks and opportunities as part of the annual strategic and operating planning processes. For example, considerations in the strategy development process include key driving forces of climate-related risks and opportunities such government priorities and regulatory change, change in consumer demand and preferences, new technology advances and competitor analysis.

Throughout the year the Board also receive updates on various matters including strategic initiatives which often address climate-related risks and opportunities, progress on our Sustainability Framework goals, consideration of long-term decarbonisation commitments and climate-related legal matters.

## Board skills and competencies

Directors are elected to the Board by shareholders. The Nominations Committee, a subcommittee of the Board, is responsible for identifying and recommending suitably qualified and experienced prospective candidates to the Board for shareholder approval. These nominations are presented based on candidates meeting the agreed skills matrix. The Nominations Committee holds the authority to review and recommend changes to the Director skills matrix should any be required. These accountabilities are set out in the Nominations Committee Charter. Refer to the 'Corporate governance' section of the FY24 Integrated Report for an assessment of the Directors experience against the current skills matrix.

The Board continues to expand its climate-related knowledge through education sessions and use of industry experts. For example, during FY24 the Board, ELT, subject matter experts and the Climate Working Group (CWG) attended an in-house one-day climate transition workshop to further build competency on climate science, consider Genesis' climate-related risks and opportunities in the context of our Gen35 strategy, and reflect on key elements of a fair transition. The session included presentations, question and answer sessions with leading external experts and a workshop analysing our climate-related risks and opportunities.

10. 'Principal risks' are the most important enterprise-wide risks, as determined by the Board or ELT even if they do not meet 'materiality' thresholds.

11. Only one assessment was completed in FY24 due to a refresh of the Risk Management Framework.

# 5.1 The role of the Board (continued)

## Integration with strategy

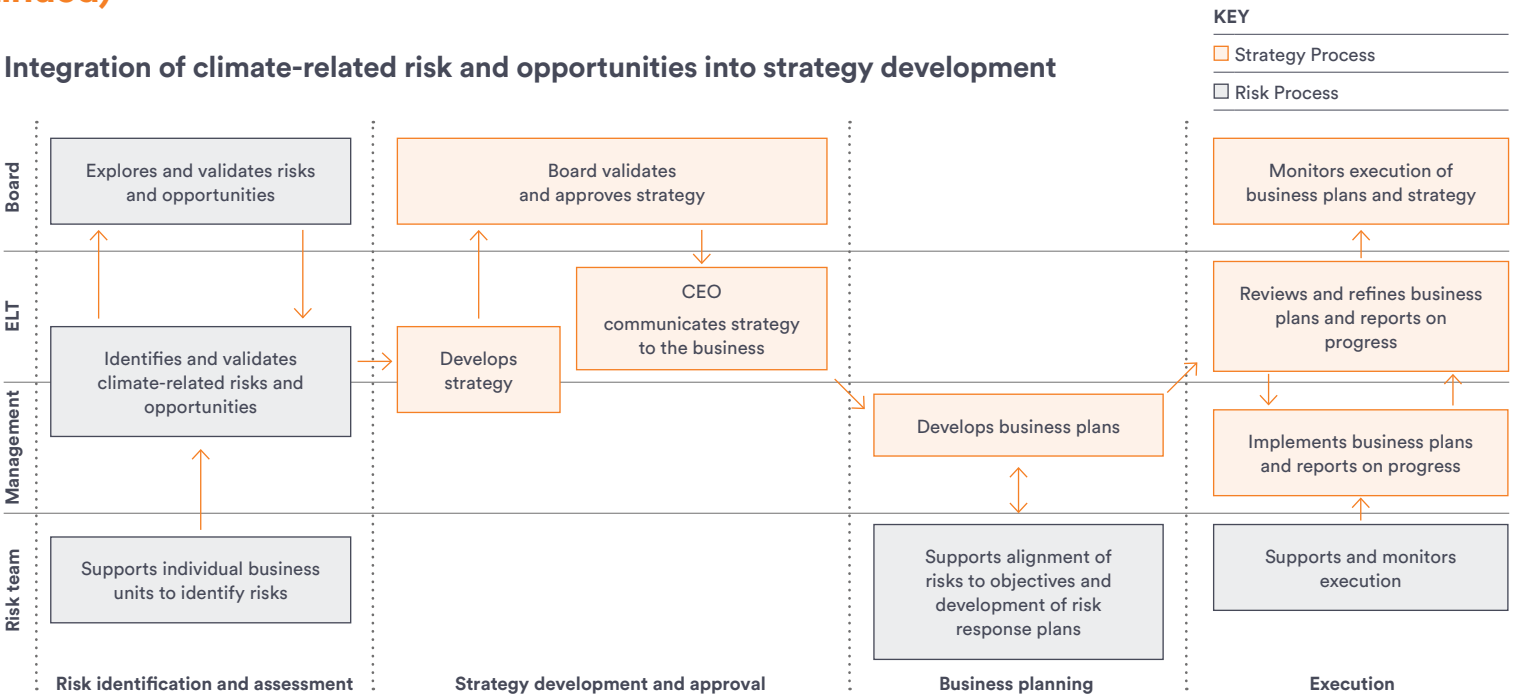
This year we have been getting 'future fit' by reviewing our Risk Management Framework, strategy and business model. Our refreshed strategy, Gen35, establishes our strategic direction for the next 10 years and was released to the market on 30 November 2023[12].

When setting strategy, incorporating the impact of material risks and opportunities is integral to the process. The diagram to the right shows how material risks and opportunities are integrated into the strategy setting process. The risks and opportunities considered include climate-related matters, such as decarbonisation, emissions reduction, electrification of current fuel uses, growing demand for renewable electricity, and the growing need for flexible electricity generation.

The strategy team are key members of the Climate Working Group, which ensures material climate-related risks and opportunities are well considered as part of the strategic planning process. In addition, subject matter experts from within the business participate in strategy setting workshops.

The Board reviews the Company strategy annually, and more frequently if required, to accommodate adjustments as needed acknowledging the changing landscape of both internal, and external influences.

## Integration of climate-related risk and opportunities into strategy development




## Monitoring progress against metrics and targets

Gen35 includes goals to be achieved for FY28 and FY35, which we monitor and report against internally and we report against the FY28 goals externally on a half yearly basis. Refer to section 9 for progress against our goals.

Achievement of these goals have been assigned to individual ELT members and strategic initiative owners who, since the launch of the Gen35 strategy, have established metrics to monitor performance. The metrics were reviewed and approved by the ELT as part of the operating plan process in May 2024 and will be reported to the ELT and Board on a quarterly basis from July 2024.

In addition, as noted in the Board oversight section on page 11, during the year we established metrics to monitor material climate-related risks and opportunities. These metrics were incorporated into the quarterly risk reporting and presented to the ARC in June 2024.

## Incentivisation and remuneration

The Human Resources and Remuneration Committee, a subcommittee of the Board, oversees the ELT remuneration, which include incentives based on achievement of decarbonisation related goals.

In FY24:

- Between 32% and 37% of the ELT's (and Senior Leaders who qualify) short-term incentive was based on achievement of decarbonisation related goals. The 'Executive remuneration' section of the FY24 Integrated Report provides a summary of these goals.
- 20% of the ELT's long-term incentive was based on the achievement of two greenhouse gas emission goals in FY26. The FY26 goals are an extension to the FY25 targets approved by the SBTi. Both goals must be met in FY26 for the hurdle to be met.

12. Refer to our 2023 Investor Day Presentation, 2023_genesis_energy_investor_day_presentation.pdf

# 5.2 The role of Management

## Executive Leadership Team

Accountability for delivery of strategy and operations lies with the ELT. Members of the ELT are outlined on page 58 of the FY24 Integrated Report.

The ELT has overall accountability for actions and commitments to embed material climate-related risks and opportunities into risk management, and the strategic and operating planning (budgeting) process. This includes:

- Working jointly with the Board on strategy development (which incorporates managing climate-related risks and maximising climate-related opportunities);
- Successful execution and implementation of the approved strategy including considering and managing actual and emerging risks that may impact achievement of the strategy;
- Supporting and embedding the Risk Management Framework and processes including the three lines operating model;
- Adhering to risk management processes, including half yearly risk reviews, monitoring the external and internal contexts for new risks (including climate-related risks), ensuring owners are identified for risks and that the owners have appropriate knowledge, authority and resources to manage risks effectively;
- Ensuring that risks, including climate-related risks and opportunities, in their business units are promptly identified, understood, managed, monitored and escalated appropriately;
- Reviewing climate-related risk and opportunity metrics;
- Reviewing information provided by the Climate Working Group on climate-related risks and opportunities, scenarios, scenario analysis and the Climate Statement; and
- Reviewing updates on progress against sustainability goals (which include science-based targets) on a half-yearly basis.

During FY24, we clarified which ELT member was accountable for each climate-related risk and opportunity and which individual within the business was responsible for managing the risk/opportunity at an operational level and reporting back to the accountable ELT member.

Many of the climate-related risks and opportunities have been incorporated into Gen35 strategic initiatives (refer to section 7.4). Management forums, with ELT sponsors, have been established to govern the execution and implementation of Gen35 strategic initiatives. A Gen35 scorecard as well as business unit scorecards have been established to monitor performance against Gen35.

The ELT is informed about, makes decisions on and monitors climate-related risks and opportunities at multiple levels within Genesis, depending on how the risk or opportunity is being managed. For example, the ELT is informed about and makes decisions on climate-related risks and opportunities through the strategic and operating planning process and monitors risks through quarterly risk reporting (refer to section 6.1 for more information). The table to the right summarises how this works in practice.

| Process / forum / report | Reported to | Frequency | Inform | Make decisions | Monitors |
|---|---|---|---|---|---|
| Strategic planning | ELT<br>Board | A | ✓ | ✓ | |
| Operating planning | ELT<br>Board | A | ✓ | ✓ | |
| Strategic initiatives via Management Forums and ELT individuals | ELT | M | ✓ | ✓ | ✓ |
| Gen35 scorecard[13] | ELT<br>Board | Q | | | ✓ |
| Business unit scorecards[13] | CE | M | | | ✓ |
| Principal risk assessment | ELT<br>ARC | Q<br>H | ✓ | ✓ | ✓ |
| Climate specific risk assessment | CWG<br>ELT<br>ARC<br>Board | A | ✓ | ✓ | |
| Risk metric reporting | ELT<br>ARC | Q | | | ✓ |
| Climate reporting obligations | ELT<br>ARC<br>Board | As appropriate | ✓ | ✓ | ✓ |

**KEY – Reporting frequency**

| | |
|---|---|
| A Annually | Q Quarterly |
| H Half yearly | M Monthly |

13. The scorecards were developed in FY24 and reporting commenced in July 2024.

# 5.2 The role of Management (continued)

## Climate Working Group

The Climate Working Group meets weekly and is responsible for:

- Ensuring a cohesive and unified approach by supporting the business to identify, assess, manage, monitor and report on climate-related risks and opportunities using established internal business processes;
- Overseeing the company-wide monitoring and review of climate-related risks and opportunities, scenarios and the approach to and results from scenario analysis;
- Keeping abreast of changing national and international developments in relation to climate science, the climate transition, and climate reporting;
- Developing and delivering climate-related training for employees and the Board, as required;
- Preparing and publishing this document (the Climate Statement in accordance with Aotearoa New Zealand Climate Standards) annually and ensuring appropriate records are maintained to support the disclosures; and
- Reporting and informing the climate-related information outlined above to the ELT, ARC and Board at least annually.

The Climate Working Group consists of the Group Treasurer and Risk, the Group Manager Strategy, the General Manager Financial Control and Assurance, the General Manager Sustainability, the ESG Reporting Manager and other members of the risk, strategy, and financial control teams.

## Sustainability Committee

The Sustainability Committee is responsible for developing and overseeing implementation of the Sustainability Framework. This includes climate-related goals such as achieving 1.5°C aligned science-based targets by reducing annual emissions and empowering our customers to reduce their carbon footprint, setting relevant targets, and identifying and executing initiatives to improve integration, engagement, and education on sustainability related matters.

## Risk team

The risk team's responsibilities include maintaining the Risk Management Framework, which includes:

- Designing and implementing processes, tools and methodologies to manage risk across the organisation (refer to section 6.1 for more information);
- Monitoring internal and external contexts for emerging risks;
- Managing enterprise risk registers;
- Quarterly reporting on principal risks (into which climate-related risks and opportunities are integrated); and
- Quarterly reporting on risk metrics for financial, operational, market and material climate-related risks[14].

## Strategy team

The strategy team is responsible for ensuring the strategy reduces exposure to climate-related risks and maximises value from climate-related opportunities, and that the scenario analysis results are considered in the strategic and operating plan process. Strategic assumptions, including those related to climate-related risks and opportunities, are reviewed annually as part of the business planning process.

## Individual business units

The identification and management of climate-related risks is dispersed throughout our business. Individual business units are responsible for ensuring that risks are identified, understood, managed, monitored and escalated appropriately to the risk team.

## Finance team

In addition to the risk and strategy teams, which are part of the Finance function, other members of the Finance team have responsibilities related to climate-related risks and opportunities and climate reporting. Specifically, the planning and performance team manage the operating planning process, working closely with the strategy team and the commercial finance teams for retail and wholesale business units to oversee financial modelling of strategic initiatives (many of which address climate-related risks and opportunities).

The commercial finance teams provide tailored financial advice and support to climate risk and opportunity owners, including the development and production of reporting on strategic initiatives.

The financial control function manages compliance with climate reporting obligations, oversees the internal financial control environment (including in relation to climate-reporting) and manages the internal audit function.

14. Material climate-related risk metrics were included from May 2024.

# 6. Risk Management

## 6.1 Processes and frequency for identifying and assessing climate-related risks

### Our approach to climate risk

Climate change presents risks and opportunities for Genesis. We are focused on integrating climate-related risks into our internal processes.

Our Risk Management Framework which is based on internationally recognised standards and practices[15], outlines how we manage risks, including climate-related risks.

Our key activities in relation to the identification, assessment, management, and integration of climate-related risks is provided below.

### Risk identification

We use a range of tools and methods to identify climate-related risks including:

1. Trend analysis
2. Internal stakeholder engagement
3. Exposure analysis
4. Scenario analysis

#### 1. Trend analysis

Trend analysis is the process of analysing the past to predict how the external environment might impact the future. It was undertaken during the year to monitor our risk landscape and to identify current and emerging risks within the industry, the wider economy, and across international markets.

We utilised STEEP, a specific type of trend analysis, focused on Social, Technological, Economical, Environmental and Political factors. STEEP analysis was undertaken as part of our strategic planning process and our climate scenario analysis. The output was a list of driving forces and critical uncertainties.

Trend analysis is used to identify risks in the short- and medium-term time horizons. It is completed each time we refresh our climate-related scenarios (refer to section 'Climate-related scenario analysis' on page 20 for more information) and annually for strategic planning purposes.

#### 2. Internal stakeholder engagement

During the year we refreshed our approach to risk management. We use a 'top-down' and 'bottom-up' approach to identify and assess risks to our business.

The ELT completed the first 'top-down' review in March 2024. The review included consideration of emerging issues[16] and risks to achieving Gen35 and a refresh of principal risks. Individual business units complete the 'bottom-up' assessment six monthly, most recently in April 2024.

The Risk team consolidated the outcomes of both approaches to provide a comprehensive organisational view of Genesis' risk profile. This fed into the ELT's second quarterly risk review which was completed in May 2024, the results of which were reported to the ARC in June 2024.

In addition to the 'top-down' review and 'bottom-up' assessment, a series of climate-related workshops were run with subject matter experts across the business during the year to identify and assess climate specific risks and opportunities across our value chain. The results of this work were reported to the ELT and ARC in February 2024.

Internal stakeholder engagement is used to identify risks in the short-, medium- and long-term time horizons. Engagement specifically focused on climate-related risks is completed annually.

#### 3. Exposure analysis

We conduct regular exposure analysis of dam and reservoir infrastructure assets to explore health, performance, capacity, and resilience of our assets.

Dam safety and asset management plans were reviewed and refreshed during the year (refer to the risk 'More frequent intense rain events and flooding impacting hydro generation', in section 7.3 for more information on asset management) and portfolio scenario stress testing was completed quarterly.

In addition to this, in FY23 we engaged an external consultant to undertake an initial exposure analysis to identify potential physical risks associated with our generation assets. The results were received and analysed in FY24. The analysis used multiple scenarios and time horizons which were consistent with our scenarios discussed in section 7.2.

This tool is used to identify risks in the short-, medium- and long-term time horizons.

Exposure analysis is completed at various frequencies depending on the nature of the analysis being undertaken. Dam safety and asset management plans are reviewed annually, portfolio stress testing is completed quarterly and analysis using international climate models is updated when there is a material change in climate science.

15. The International Standard ISO 31000:2018 *Risk management - Principles and Guidelines*, The Committee of Sponsoring Organizations of the Treadway Commission (COSO):2017 *Enterprise Risk Management --Integrating with Strategy and Performance*, and World Business Council for Sustainable Development (WBCSD) and COSO: *Applying Enterprise Risk Management to Environmental, Social and Governance-Related Risks*.

16. Risk Leadership Network horizon Scanning Tool and World Economic Forum 2024.

# 6.1 Processes and frequency for identifying and assessing climate-related risks (continued)

**4. Climate-related scenario analysis**

Scenario analysis is a tool used to explore the impact of plausible future states, associated outcomes and actions under uncertainty.

Through engagement with internal and external experts we refreshed our climate scenarios in FY23 to enable us to identify material climate-related risks, support strategic planning and decision-making and test the resilience of our strategy to climate change.

During FY24 we:

- Developed a policy to guide when we should update our climate scenarios and scenario analysis. Key considerations include but are not limited to material developments or changes in our strategy, operating model, organisational structure, climate science[17] or any other new information that suggests that revisiting the scenarios would identify new material risks or opportunities.
- Reviewed the FY23 scenarios and confirmed they were relevant for use in FY24. Refer to section 7.2 for further detail on the process undertaken in FY24 and the intended approach for FY25.

Climate-related scenario analysis is used to identify and assess risks in the short-, medium- and long-term time horizons.

The insights gained from these tools and methods were used to support the assessment, management, monitoring and reporting of risks, inform strategic and operating planning, as well as inform the review of climate-related risks and scenarios.

## Risk assessment

Climate-related risks are assessed and prioritised using our enterprise risk matrix and documented within our climate risk register. The enterprise risk matrix used for climate risks is the same matrix used to assess other risks at Genesis.

The enterprise risk matrix considers the likelihood of occurrence and the severity of the consequence (size of potential impact), which allows us to determine the appropriate corresponding level of impact and response for each risk. The enterprise risk matrix considers not only the potential financial impact but also the potential impact on operations, reputation, compliance, the environment, and the safety of our people.

One key difference between climate-related risk and other risks is the 'likelihood' aspect which is difficult to accurately quantify over long-term periods associated with some climate-related risks. Accordingly, greater weighting is placed on the 'consequence' aspect of the risk matrix in comparison to 'likelihood'.

We assess the significance of climate-related risks based on inherent risk, which ensures an appropriate level of emphasis is placed on mitigating the risks ahead of time.

Climate-related risks are updated and presented to the ELT and ARC for review, and to the Board for approval on an annual basis.

## How we prioritise climate-related risks relative to other types of risk

Climate-related risks are prioritised using the enterprise risk matrix as outlined in the previous section.

In addition to the standard risk assessment process, climate-related risks are also evaluated using a materiality assessment process. This is due to the fact it is possible that certain matters that are considered 'highly material' through the materiality assessment could have been understated through the standard risk assessment (because of the pre-defined likelihood and consequence criteria). Consequently, the materiality assessment helps reprioritise risks for consideration.

Proportionality is also considered when deciding whether to prioritise climate-related risks. The higher the likelihood and potential impact of a climate-related risk relative to other risks and the greater its potential impact on other risks, the higher priority it receives. As part of the risk rating process, Management also considers vulnerability. If an asset is considered highly vulnerable to the risk, the impact rating is increased.

17. This includes consideration of changes in nationally and internationally recognised climate models used in the construction of our scenarios (refer to section 7.2 for a summary of these).

# 6.1 Processes and frequency for identifying and assessing climate-related risks (continued)

## How we manage our climate-related risks

Details on how we manage each of our material climate-related risks is contained in section 7.3.

## Time horizons and how these link to strategic planning horizons and capital deployment plans

The impact of climate-related risks is considered across short-, medium- and long-term time horizons. The table below outlines the duration of each of these time horizons and how they link to our strategic planning process.

| Term | Period | Rationale |
|---|---|---|
| Short | 1-5 years (2029) | Aligns with the time horizon used for Genesis' operating plan. |
| Medium | 6-15 years (2039) | Closely aligns with the time horizon used for Genesis' corporate strategy (Gen35) which looks out to 2035 and our commitment to net zero 2040 science-based target. |
| Long | 16-26 years (2050) | Aligns with the Intergovernmental Panel on Climate Change (IPCC) findings that to limit the temperature increase to 1.5°C above pre-industrial levels, emissions would have to peak now and reduce by around half by 2030, and globally net zero emissions need to be attained by 2050.<br><br>The only exception to this was the length of time considered for physical risks to our generation assets which was considered through to 2100 to align with their useful lives. |

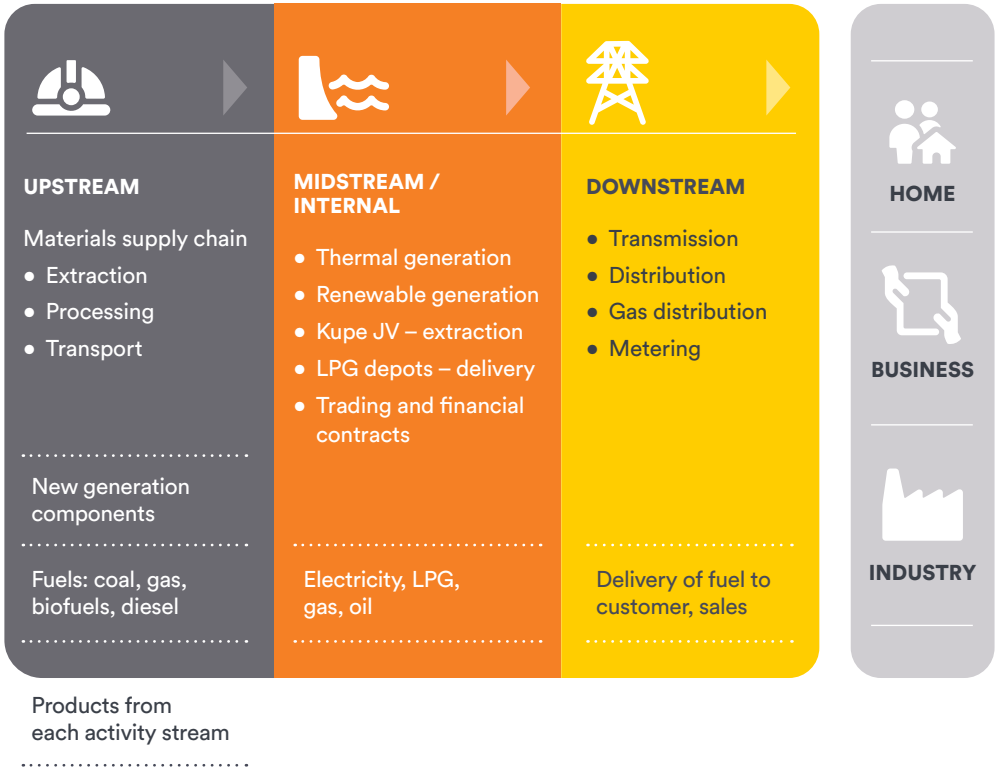
Capital deployment plans can be short, medium, or long-term depending on the nature of the project, the expected return on investment period and the expected useful life of any assets that are created. Some capital deployment plans such as our investment in solar generation assets use slightly longer time periods (35 years rather than 26 years). In addition, the expected useful lives of our hydro generation assets have much longer time horizons than used above. While this is the case, the physical impact of climate change on these assets has been considered out to 2100 using the three Representative Concentration Pathways used in our scenarios (refer to section 7.2).

## Value chain exclusions

The risk tools we use consider potential risks across our value chain. Risks identified which may directly impact us include areas such as supply chains, distribution and transmission networks and customer demand as well as risks to our core business.

No parts of the value chain were specifically excluded from the process. As we enhance our risk identification processes over time, it is expected that our consideration of our value chain will continue to evolve and extend.

### Our value chain



## 6.2 Integration of climate-related risks into risk management

Climate-related risks are managed throughout the business in accordance with our Risk Management Policy and Risk Management Framework. The Risk Management Framework guides the integration of Genesis' various risk requirements into a cohesive whole, which is particularly necessary for a cross-cutting risk such as climate change. The specific ways in which climate-related risk is integrated are outlined in this section.

### Alignment and planning

Our Risk Management Framework recommends that risk management practices should be tailored to the requirements and level of risk being managed, where materially significant risks (such as climate-related risks) warrant more rigorous risk management practices.

The Risk Taxonomy explicitly identifies climate-related risks (the separate aspects of 'transition' and 'physical' risks).

The Risk Management Framework emphasises the importance of materiality when considering climate-related risks. When determining whether a risk is considered material we go beyond the standard likelihood and consequence risk rating criteria and consider the views of existing and potential investors, lenders, and other creditors.

Furthermore, the Risk Management Framework provides a specific process to integrate strategy and risk; ensuring climate-related risks are considered prior to strategy formulation as well as in business planning. The need for 'outside-in' and 'inside-out' thinking is encouraged to ensure we have a more fulsome view of climate-related risks.

Climate change is considered a cross-cutting risk because it impacts multiple risk categories (such as reputational, environmental, financial, and operational). Our risk appetite framework and statement indicates where risk responses need to be risk seeking versus risk averse. As climate-related risks are cross-cutting risks our risk appetite varies depending on the nature of the risk. We have established a risk appetite for each of our principal risks (which encompass many of our climate-related risks).

### Application and tools

Genesis uses a range of practices to address the bespoke needs of climate-related risk assessment and broader risk integration, such as:

- Scenario analysis (for different climate scenarios) – which integrates with strategy development; and
- A bespoke risk register (for different time horizons and climate related opportunities) – which is integrated into the 'top-down' review and 'bottom-up' assessment.

Application also extends to adjacent risk and resilience practices such as incident management, business continuity, and insurance.

### Monitor, review and assurance

The Risk Management Framework requires monitoring, review, and assurance activities to align to the specific needs of the risks involved. It also caters for the cadence of specific governance review and assurance requirements to ensure the Board and ARC are kept informed of the status of all principal risks including climate-related risks.

The management response applied to each risk is influenced by the characteristics and impact of such risk. Management may choose to either maintain the existing response approach to each risk or choose to avoid, mitigate, transfer, or tolerate the risk.

Risk metrics for financial, operational, market and climate-related risks are monitored and reported quarterly to the ELT and the ARC. Principal risks (which include climate-related risks) are reviewed and reported quarterly to the ELT and half-yearly to the ARC.

# 7. Strategy

## 7.1 Current impacts

Our operations and financial performance in FY24 were materially impacted by three events:

1. The unplanned outage of Unit 5
2. Gas supply constraints (transition impact) and
3. Below average hydro inflows (physical impact)

The unplanned outage of Unit 5 was not climate-related, the gas supply constraints and below average hydro inflows are discussed in more detail in this section and section 7.3.

### Gas supply constraints

The previous Government's policy to ban new gas exploration to support the transition to a low carbon future, and onerous rehabilitation provisions, have contributed to a lack of investment in the oil and gas sector. This in turn has contributed to the gas supply constraints currently being experienced.

Gas supply constraints have impacted fuel costs, which has had a knock-on impact on wholesale electricity prices, thereby increasing both wholesale electricity generation revenue and wholesale electricity purchases.

The impact of the gas supply constraints on EBITDAF in FY24 and on the valuation of our thermal generation assets as at 30 June 2024 is outlined on page 38.

Gas supply constraints is expected to increase gas prices in the short-term. This has had a positive impact on the calculation of the recoverable amount and subsequent impairment of Kupe cash generating unit (refer to note B2 of our Consolidated Financial Statements for more information on the sensitivity of the impairment calculation to changes in gas prices).

Increased wholesale electricity prices have also had a significant impact on the carrying value of our hydro generation assets and electricity swaps and options and PPAs, which are carried at fair value on our balance sheet. The fair value of hydro generation assets increased by $473.3 million and electricity swaps and options and PPAs increased by $135.8 million (refer to note B1 and F1 in our Consolidated Financial Statements for more information). The increase in hydro generation assets was recognised in the `Change in asset revaluation reserve' line in the Consolidated Statement of Changes in Equity. The majority of the increase in electricity swaps and options and PPAs ($132.8 million) was recognised in the `Change in fair value of financial instruments' line in the Consolidated Comprehensive Income Statement and $3.0 million was recognised in `Change in cash flow hedge reserve' line in the Consolidated Statement of Changes in Equity.

It is not possible to isolate the impact of gas supply constraints on the forecasted wholesale price path and, as a result, we are unable to quantify the financial impact of the gas supply constraints separately from other changes in fair value for these assets.

There was no material impact on our retail business in FY24.

### Below average hydro inflows

Hydro inflows into our catchments were below average in FY24, following near-record levels in FY23. There were periods in FY24 when hydro generation could only run on minimum flows. As hydro inflows are significantly impacted by acute weather events and seasonal variations, it is difficult to determine if below average inflows in FY24 were due to climate change or seasonal factors. The impact of low hydro inflows on FY24 financial performance is outlined on page 33.

### Other current impacts not considered material

We have also provided analysis of the current impact for each of our climate-related risks and opportunities in section 7.3.

The only other impact identified in FY24, but which is not included in section 7.3 relates to the increase in gas transmission and distribution costs. Pricing for gas transmission and distribution businesses is regulated by the Commerce Commission which approves a default price path for these entities to follow every four years, with the last price path set for the period from 1 October 2022 to 30 September 2026. When the last price path was established in FY22, the Commerce Commission allowed gas transmission and distribution businesses to reduce the asset lives from the physical life of their assets to their economic life to mitigate the risk that these businesses end up with stranded assets as a result of the transition to a lower carbon future. This increased transmission and distribution costs by between 2.2% – 6.2% per annum in real terms from 1 October 2022 to 30 September 2026. This increase has been passed onto our retail customers as end users and has not had a material impact on EBITDAF in FY24.

# 7.2 Scenario analysis

Scenario analysis is a method of exploring the impact of different plausible future states and associated outcomes and actions under uncertainty. During FY23 we undertook scenario analysis to help identify material climate-related risks and opportunities, support strategic planning and decision-making and test the resilience of our strategy to climate change.

Using the process outlined in this section we developed three plausible but distinctly different future scenarios (Green tape, Energy transformation and Hot house as described on pages 22-24) to test the resilience of our business model and strategy (refer to Appendix I for a list of source data used to construct each scenario).

We engaged PwC and West Nine Consulting Limited to guide and support the development of the scenarios and the scenario analysis. The scenarios were reviewed by these experts and business stakeholders to ensure coherency, plausibility and that they were sufficiently challenging enough to test the business model and strategy under difficult circumstances. The scenarios and the results of the scenario analysis were reviewed by the ELT, ARC and the Board.

The scenario analysis was completed through the development of risks and opportunities, risk mapping and qualitative analysis. No quantitative modelling was undertaken.

The scenario analysis process was completed as a standalone process. Management is working to integrate this work into the strategic planning process going forward.

The scenarios and scenario analysis developed in FY23 were reviewed during the current reporting period in accordance with our Climate-related Scenario and Scenario Analysis Policy. The review confirmed the scenarios and scenario analysis were still relevant for the current reporting period. We intend to refresh our scenarios and scenario analysis in FY25 to incorporate the latest climate science information expected to be released by Niwa by the end of 2024, the energy sector scenarios published in June 2024 and the latest Climate Change Commission modelling released in April 2024.

## Scenario analysis process

1. **Identified and prioritised**
   Key internal stakeholders identified and prioritised climate-related risks and opportunities.
2. **Developed focal question**
   We asked ourselves how climate change could plausibly affect our business, what should we do and when?
3. **Identified driving forces**
   We identified driving forces using the STEEP framework and we prioritised them according to their influence and uncertainty.
4. **Developed scenarios**
   We considered the implications of different social and economic pathways with different global warming outcomes and used this information to create three scenarios.
5. **Determined impact**
   We considered the impact our material climate-related risks and opportunities could have on our business over the short, medium and long term (refer to section 6.1 for how these periods were defined) and we qualitatively assessed the materiality of the impacts across each of the three scenarios.
6. **Assessed effectiveness of strategy**
   We qualitatively assessed how resilient each of our key revenue pools were under each scenario, we considered how effective the company strategy was to manage the risk/opportunity and we identified considerations for the future.

## 7.2 Scenario analysis (continued)

### Overview of our three scenarios

| | Green tape | Energy transformation | Hot house |
|---|---|---|---|
| **Key assumption** | Transformation driven by government legislation and more sustainable choices by consumers | Transformation driven by private sector innovation and consumer pressure. Government responds but lags | Greenhouse gas emissions continue to increase. Government response based on adaptation, not mitigation |
| **Policy ambition** | 1.5°C | 2.0°C | >3.0°C |
| **Pathways** | RCP[18] 2.6<br>SSP[19] 1<br>Orderly (Net Zero 2050) | RCP 4.5<br>SSP 2<br>Disorderly (Delayed transition) | RCP 8.5<br>SSP 5<br>Hot house (Current policies) |
| **Policy reaction** | Immediate and smooth | Delayed to 2030's | None |
| **Access to financial services (eg. some forms of capital and insurance)** | Easily accessible for those with sustainability credentials, no access for others | Available for most at a higher cost | Still available to those that exploit natural resources |
| **Demand change** | Fast | Moderate | Slow/Moderate |
| **Technology change** | Fast - mid 2020's | Moderate - early 2030's | Slow - not focused on climate |
| **Customer preference change** | Fast | Moderate - early 2030's | Slow - not front of mind |
| **Physical risk severity** | Moderate | Moderate | Extreme |
| **Transition risk severity** | Moderate | High | Low |

18. Representative Concentration Pathway.
19. Shared Socio-economic Pathway.

# Green tape

A series of extreme environmental events raises climate risk awareness and spurs global agreement on climate action, limiting temperature rise to 1.5°C (Paris Agreement). This requires stringent government legislation as well as more sustainable choices by consumers.

Swift and stringent mitigation has restricted carbon emissions and ensured a minimal temperature increase. Adaptation is carried out strategically to achieve long term goals, improve resilience, and prosperity. By 2050, New Zealand has reached net zero emissions and is using 90% renewable energy. Energy is accessible, affordable and has supported an equitable transition to a low carbon economy. Energy supply is secure, reliable, resilient and includes distributed alternative generation.

Consumers prefer sustainable options, supported by government incentives. This includes greater uptake of public transport, cycling and electric scootering, leading to less private car ownership.

From the mid-2020's, the focus shifts towards technology that reduces emissions, mandated by government restrictions, which results in acceleration of industry electrification. As a result, the total demand for electricity increases rapidly (to 60,000 GWh by 2050) and new generation and transmission must be built.

Strong investment in innovation and energy storage drive technology improvements that reduce costs and increase efficiency, resulting in increased demand for skilled employees. Fossil fuels are almost phased out and renewables dominate, but stranded assets are minimised through careful government policy.

New Zealand meets much of its own energy needs, with a good uptake of low emission fuels, such as biofuels and green hydrogen. By 2050, biomass makes up 15% of the country's total primary energy.

Severe weather events including rainfall increase but less than in other scenarios. Most severe impacts are mitigated. The South Island experiences higher levels of rainfall, particularly on the West Coast. The North Island experiences less precipitation, but more severe weather around the North and East coasts. Snowfall declines, but at a slower rate than globally. Communities are impacted, leaving some cut-off in severe storms. Increased reliance on battery power storage and higher network resilience is expected.

New Zealand meets much of its own energy needs, with a good uptake of low emission fuels, such as biofuels and green hydrogen. By 2050, biomass makes up 15% of the country's total primary energy.

# Energy transformation

Increasingly severe weather events and a lack of government action lead to a loss of faith in political leaders. Private sector-driven technology advances and consumer choices succeed in keeping climate change within the 2.0°C goal of the Paris Agreement (with overshoot). Innovation takes off in the 2030's including: electric vehicle adoption, distributed solar and batteries, and demand response. Commercial propositions and business models enable new choices for consumers and paths to energy sector decarbonisation. There is less government mandated or subsidised action taken to restrict carbon emissions.

Around 2030, weather events cause significant property damage and fatalities across New Zealand, resulting in political tension and a loss of faith in government to take effective action on climate change. Behavioural change, while slow up until this point, is spurred by international action and expectations. A delayed transition means consumers help to drive rapid change. The private sector responds to consumer wants and needs and leads the transition through innovative technology uptake. The government responds with supportive policy post-2030, but it is not the driver of the transition. Delays in effective policy implementation result in a more inequitable and expensive transition.

Up to the 2030's, recent historical global trends continue, followed by rapid technology and behaviour change, spurred by worsening climate change impacting communities. The cost-of-living increases, putting economic and social pressure on people for a time, due to operational costs increasing from uptake of new technology.

Post 2030 there is high uptake of public transport, cycling and electric scootering, leading to reduced private car ownership.

High rates of innovation in the energy sector include electrification of end-use sectors; electric vehicle adoption; distributed solar and batteries; utilisation and storage of $CO_2$; use of low carbon gases such as hydrogen and demand response. Global coal demand falls rapidly during the 2030's and halves between 2018-2040 for the Asia-Pacific region.

New commercial propositions enable new choices for consumers and new paths to decarbonise the energy sector.

Rain increases by up to 30% over a year but falls on fewer days with heavier rain and less snow (snow days per year reduce by 30 days). These heavier intense rainfall days are frequent in winter. This increases the likelihood of rivers flooding and flash flooding. Although precipitation increases, there are more dry days.

Increases in mean temperature and longer summers (higher temperatures and lower rainfall over a longer period) means increased water demand. Droughts intensify and become more frequent over time. The number of hot days doubles by the end of the century. River flows are lower in summer and higher in winter. Lower river flows in summer raises water temperatures and aggravates water quality problems.

Post 2030 there is high uptake of public transport, cycling and electric scootering, leading to reduced private car ownership.

# Hot house

Economic and social development is paired with the continued exploitation of fossil fuel resources and the continuation of resource and energy intensive lifestyles around the world. Restricting carbon emissions becomes a lower priority for both the government and public leading to severe physical climate change impacts and a global temperature rise of >3°C by 2100.

Global climate policy ambition dwindles during the mid-2020's. Fossil fuel use and resource exploitation continues, with weak, reactive and localised adaptation to avoid near-term costs. By 2050 the economy has experienced strong growth but with increasing emissions and worsening physical climate impacts.

Scaled action on climate change is traded for robust economic growth, driven by reliance on fossil fuels. Sustainability is still valued by consumers, however, this is not always reflected in purchasing decisions or consumption patterns. Population wellbeing decreases.

Technology continues to evolve but is not focused on climate solutions. Countries and sectors fail to coordinate in this scenario, leading to a lack of reduction in emissions and geopolitical tension. Despite electrification of some areas, and further uptake of electric vehicles, reliance on fossil fuels continues. Coal demand for energy generation remains flat. For the Asia-Pacific region, coal demand increases from 2018-2040 by 10%.

Extreme events occur (precipitation of up to one metre of rainfall in 48 hours localised to one area in the country). The largest changes in precipitation occur on the West Coast in the winter season, with an average increase up to 40% by 2090. Snow days per year reduce by 30 days or more by 2090. Flooding occurs in many areas across the country, creating landslides and disrupting transportation and communications.

Average (monthly) wind speeds increase to 22–27 knots. Most significant increases occur in the southern half of the North Island, and throughout the South Island. 'Extreme' wind events present the capability to damage/disrupt infrastructure. Tropical cyclones become more frequent, intense, and push south, often causing flooding in the North Island. The South Island has a notable increase in stormy weather.

Technology continues to evolve but is not focused on climate solutions. Countries and sectors fail to coordinate in this scenario, leading to a lack of reduction in emissions and geopolitical tension.

## 7.2 Scenario analysis (continued)

### Why these scenarios?

The Green tape (1.5°C) and the Hot house (>3°C) scenarios were chosen as they align with the requirements of the Aotearoa New Zealand Climate Standards. The Energy transformation (2.0°C) scenario is considered the most challenging and plausible scenario for our business because it has high transition risks and moderate physical risks. In comparison Green tape focuses on transitional risks and Hot house focuses on physical risks. The Energy transformation scenario is considered relevant, as it aligns with International Energy Agency (IEA) reference scenarios.

By utilising these three scenarios, we tested the resilience of our business strategy with a broad range of climate-related risks and opportunities.

**Green tape**

POLICY AMBITION

1.5°C

**Energy transformation**

POLICY AMBITION

2.0°C

**Hot house**

POLICY AMBITION

>3°C

## 7.3 Material climate-related risks and opportunities

The table below outlines the most significant climate-related transition and physical risks, and opportunities that could impact our business over the short, medium and long term. These climate-related risks and opportunities have been identified and assessed using the processes discussed in section 6.1 and section 7.2. The classification represents our current assessment of the risk landscape. The risks and opportunities are discussed in more detail on pages 27-43. Given the future is unknown, actual results may differ from those noted on pages 27-43.

KEY
- Transition risk
- Physical risk
- Opportunity

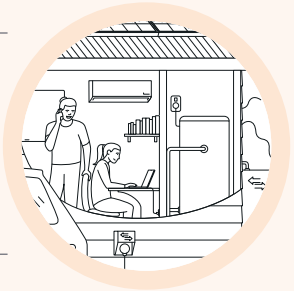
| Theme | Type | Description | Reference | Category | Time horizon | | |
|---|---|---|---|---|---|---|---|
| | | | | | Short | Med | Long |
| Electrification | Transition | Shift in customer preferences away from fossil fuels | page 27 | Products and services | ✓ | ✓ | |
| | Transition | Speed of LPG and gas sales decline[20] | page 28 | | ✓ | ✓ | |
| | Opportunity | Increased electricity demand through electrification | page 28 | | ✓ | ✓ | |
| | Opportunity | Technological developments enable existing and new customers to decarbonise[21] | page 29 | | ✓ | ✓ | |
| | Transition | Decarbonisation products and services offered by competitors[22] | page 30 | | ✓ | ✓ | |
| Renewables | Opportunity | Development of new renewable generation[23] | page 31 | Adaption and mitigation | ✓ | ✓ | |
| | Transition | Ability to execute and deliver new renewable generation projects[24] | page 32 | | ✓ | ✓ | |
| | Physical | Warmer temperatures and longer dry spells impacting hydro generation | page 33 | Operations | | | ✓ |
| | Opportunity | Improved alignment of hydro inflows and electricity demand | page 34 | | | | ✓ |
| | Physical | More frequent intense rain events and flooding impacting hydro generation | page 35 | | | | ✓ |
| Flexibility and security of supply | Transition | Government intervention caused by supply disruption (blackouts)[25] | page 36 | Operations | ✓ | ✓ | |
| | Opportunity | Development of flexible portfolio | page 37 | | ✓ | ✓ | |
| | Transition | Speed of fossil fuel generation phase down[26] | page 38 | Adaption and mitigation | ✓ | ✓ | |
| | Physical | Weather events impacting gas supply | page 39 | Supply/value chain | | ✓ | ✓ |
| Other transition risks | Transition | Changes to the NZ Emissions Trading Scheme (ETS) | page 40 | Supply/value chain | ✓ | ✓ | |
| | Transition | Climate litigation | page 41 | Reputation | | ✓ | |
| | Transition | Ability to access some forms of capital | page 42 | Access to capital | | ✓ | |
| | Transition | Ability to access insurance | page 43 | Supply/value chain | | ✓ | |

20. Previously called `Restricted ability to sell LPG and gas'
21. Previously called `Technological developments create new customer propositions'
22. Previously called `Retail's transition to a low carbon future'
23. Previously called 'Development of solar generation' and 'Development of onshore wind generation'
24. Previously called 'Speed of wholesale transition to a low carbon future'
25. Previously called 'Blackouts and/or supply resilience risk'
26. Previously called 'Speed of wholesale transition to a low carbon future'

# Electrification

TRANSITION RISK

## Shift in customer preferences away from fossil fuels



### Anticipated impact

Increased consumer awareness of climate change and the impact carbon emissions have on the environment, results in a shift in customer preferences away from the use of fossil fuels and/or businesses who use or sell fossil fuels, thereby increasing the risk that customers migrate to other retailers.

### Anticipated business unit / asset impacted

**Retail business unit** – reduced customer numbers, impacting earnings.

### Current impact[27]

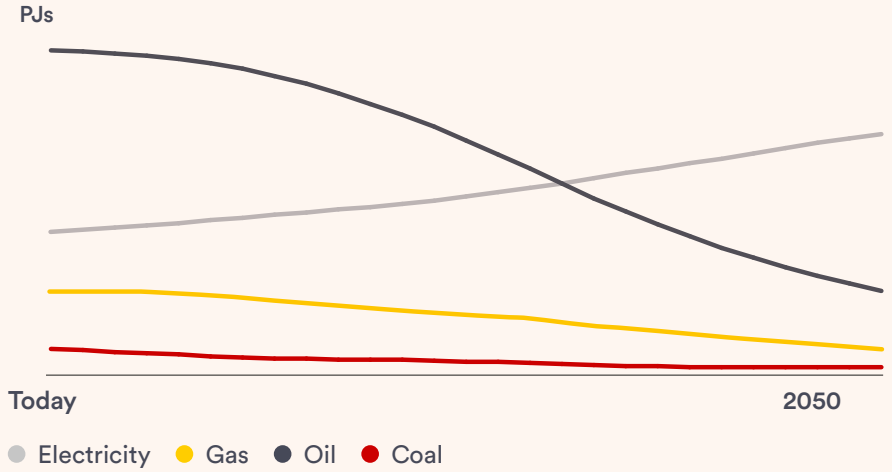
There has been no material financial impact in the current year. New gas connections across the country were higher than disconnections in FY24 and national gas and LPG consumption remains relatively consistent with FY23.

While our retail gas and LPG sale volumes are slightly lower than FY23, the total number of customers using fossil fuels is slightly higher this year. Refer to section 8.2 and 8.4 for further analysis.

### Strategy to manage risk

This risk is managed through Gen35, adoption of Science Based Targets (SBT), product offerings (including renewable energy certificates) and brand diversification (Ecotricity).

**Customers energy consumption is expected to change over time**




27. Current impact refers to the impact, including the financial impact identified in the current reporting period (1 July 2023 to 30 June 2024).

# Electrification (continued)

● TRANSITION RISK

## Speed of LPG and gas sales decline


### Anticipated impact

There is an expectation that LPG and gas usage will need to decline through the coming decades for New Zealand to meet its commitments under the Paris Agreement. Changes to government policy, access to technology at affordable prices that enables customers to decarbonise, and availability of domestic gas and LPG, will impact how the market transitions.

If LPG and gas sales decline faster than anticipated, it could have a negative impact on earnings.

If LPG and gas sales decline slower than anticipated, it could impact our ability to meet our net zero 2040 target and increase the likelihood that other transition risks eventuate (such as access to some forms of capital and changes in customer preferences).

### Anticipated business unit / asset impacted

**Retail business unit** – reduced customer numbers and earnings / carrying value of LPG assets (fixed and intangible assets).

**Kupe business unit** – reduced earnings / carrying value of Kupe assets (oil and gas assets and intangible assets associated with customer contracts and relationships). This is considered less likely, given the current gas market and natural decline in field reserves as it reaches end of life in the 2030's.

### Current impact

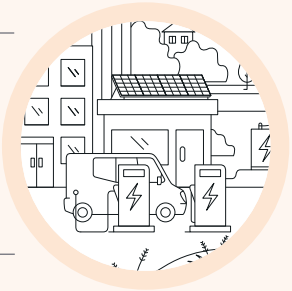
There has been no material financial impact in the current year. While our retail gas and LPG sale volumes are slightly lower than FY23, the number of customers using fossil fuels is slightly higher this year (both nationally and for Genesis). New Zealand gas and LPG consumption in FY24 also remains relatively consistent with FY23. Refer to section 8.2 and 8.4 for further analysis.

### Strategy to manage risk

This risk is managed through development of products and services focused on supporting customers to decarbonise.

● OPPORTUNITY

## Increased electricity demand through electrification



### Anticipated impact

There is an expectation that electrification of industry, transport and heating will increase electricity demand over the coming decades as consumer preferences change and decarbonisation becomes more affordable. This creates an opportunity to provide new services to customers and increases demand and load on the National Grid, leading to increased retail and wholesale revenue. This also provides the opportunity to develop new renewable generation assets, which is discussed in the 'Renewables' section on page 31.

### Anticipated business unit / asset impacted

**Retail and wholesale business units** – increased earnings / carrying value of generation assets[28].

### Current impact

There has been no material financial impact in the current year. Electricity consumption data for the last quarter of FY24 has yet to be published by the Ministry of Business, Innovation and Employment (MBIE) however based on data published by the Electricity Authority, national electricity demand in FY24 was 2.3% higher than FY23. Electricity consumption for New Zealand has yet to return to pre Covid levels. Retail electricity sales volumes for both our brands combined increased by 4.5% in FY24. Refer to section 8.4 for further analysis.

### Strategy to manage opportunity

This opportunity is managed through dedicated teams focused on identifying emerging customer and market needs, developing the technology and partnerships required to deploy future products and services to market and development of strategic initiatives focused on decarbonisation.

28. Generation assets are recorded at fair value in the balance sheet. The valuation is based on a discounted cash flow model. Refer to note B1 of the Consolidated Financial Statements for more information.

# Electrification (continued)

OPPORTUNITY

## Technological developments enable existing and new customers to decarbonise

### Anticipated impact

Technology advancements, products and services create new opportunities for customers to decarbonise their homes, business and transport and enables customers to integrate into the electricity system. These include distributed solar and batteries[29], virtual power plants[30] and orchestration, electric vehicles, appliances, and equipment. Combining data platforms, AI and smart devices enable new customer propositions that 'extend beyond the meter', which have the potential to increase retail revenue.

### Anticipated business unit / asset impacted

**Retail business unit** – increased earnings.

### Current impact

In FY24 we:

- Launched two initiatives to incentivise our business customers to decarbonise. We partnered with:
  - RCR Infrastructure to provide discounts on EV chargers for our customers on Business Energy Plans; and
  - Auckland Fork Truck Hire to provide a 20% discount when our customers on Business Energy Plans buy or rent a UN electric forklift.
- Successfully completed a decarbonisation-as-a-service pilot, which helped Van Lier Nursery replace their gas fired boiler (used to heat their greenhouses) with a state-of-the-art 1 MW low emission heat pump. Experience and learnings from the pilot will be incorporated into future offerings for our business customers.
- Grew our mass market EV Plan base from 4,153 customers in FY23 to 8,325 customers in FY24 with ~50% of those customers subscribed to EVerywhere, allowing them to charge on the go through our partner ChargeNet at cheaper rates.

Refer to pages 50-51 of our FY24 Integrated Report for more information on how we are helping our customers to decarbonise. These initiatives did not have a material impact on our financial performance in FY24.

### Strategy to manage opportunity

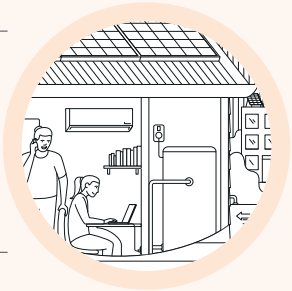
For existing customers, this opportunity is managed through our product, sales and partnership capabilities. For future propositions, this opportunity is managed through a dedicated team focused on identifying emerging customer and market needs, developing the technology and partnerships required to deploy future products and services to market and development of strategic initiatives focused on decarbonisation.

29. Solar electricity produced by households using rooftop systems and stored in batteries which are connected to the electricity grid.
30. Virtual power plants are a network of assets connected to the electricity grid that you can control to provide support to the grid when demand is high and supply is low.

# Electrification (continued)

TRANSITION RISK

## Decarbonisation products and services offered by competitors



### Anticipated impact

Increasingly competitive market, new technology and emerging products and services to support customers to decarbonise and transition to a low carbon economy could either increase or decrease market share and earnings. If our retail strategy is not executed successfully, it could result in reduction of customer relevance resulting in higher customer churn and loss of earnings.

### Anticipated business unit / asset impacted

**Retail business unit** – higher churn / reduced customer numbers, impacting earnings.

### Current impact

While competitors have launched or outlined intent to launch new products and services related to decarbonisation, these strategies did not have a material impact on our financial performance in FY24. We have yet to see a decline in the number of our customers with a gas connection. While Genesis brand churn was slightly up compared to FY23, we do not believe the increase is related to this risk. Refer to section 8.2 and 8.4 for analysis of customer numbers, customer churn and sales volumes.

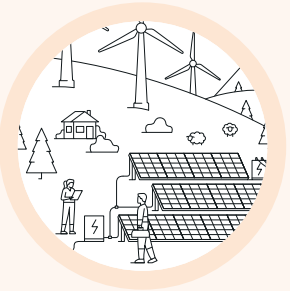
### Strategy to manage risk

This risk is managed through a dedicated team focused on identifying emerging customer and market needs, developing the technology and partnerships required to deploy future products and services to market and development of strategic initiatives focused on decarbonisation.

# Renewables

OPPORTUNITY

## Development of new renewable generation



### Anticipated impact

Increased demand from electrification and technology advancements decreasing the cost of renewable technologies, will make it more viable to invest in renewable generation such as solar and wind. Generation from new renewable assets will meet increasing demand and/or replace baseload fossil fuel generation and reduce operating costs.

### Anticipated business unit / asset impacted

**Wholesale business unit** – increased capital outlay from investment in new renewable generation and increased borrowing which will create pressure on debt metrics in the short-term / increased earnings and reduced operating costs once the assets are operational.

### Current impact

In FY24 we:

- Established Lauriston Solar Project (2023) Limited Partnership with FRV Australia and commenced construction of a 63 MWp solar farm at Lauriston, the first solar development project under the solar JV arrangement. The project is expected to be operational in the second quarter of FY25 and is estimated to generate approximately 100,000 MWh annually. Genesis has committed $13.1 million of capital towards the project, of which $2.9 million was paid during FY24[31]. Genesis has also entered into a Power Purchase Agreement (PPA) to notionally purchase all the electricity generated from the project for the first 10 years of its operations. This agreement is recorded as a derivative in our Consolidated Financial Statements. The carrying value of the contract has not been disclosed for commercial reasons.
- Continued to assess several North Island development sites as well as a range of solar development acquisition opportunities as part of a growing pipeline of development options.
- Established additional in-house capacity and capability in the renewable and asset development and delivery team, including international wind and battery experience.

We have spent approximately $4.1 million in FY24 on investigation and development of opportunities. This includes capital contributions to solar partnerships, our share of net profit/loss from the solar JV, internal labour and third-party costs.

### Strategy to manage opportunity

This opportunity is managed through our Gen35 strategy, which aims to secure 2,650 GWh of new renewable electricity generation by FY28 growing to 5,500 GWh by FY35[32].

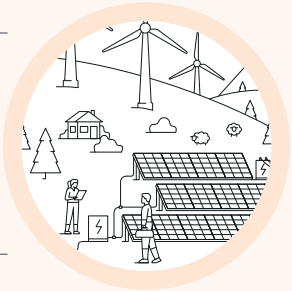
31. Refer to note D3 Investments in associates and joint ventures in our FY24 Consolidated Financial Statements for information on how this entity is accounted for.

32. Against our FY20 baseline.

# Renewables (continued)

TRANSITION RISK

## Ability to execute and deliver new renewable generation projects



### Anticipated impact

The ability to execute and deliver new renewable generation projects is impacted by:

- High grid connection costs and interest rates (as well as delays and uncertainty on timing for gaining connection agreements).
- Supply chain constraints, as a result of increased demand for key minerals used to manufacture renewable technologies, which is exacerbated by these minerals and technologies often attracting modern slavery risks.
- Availability of land that is economic to build new renewables on.
- Uncertainty in relation to the process for applying for resource consents and risk in relation to the granting of consents.
- Competitors and new market entrants adopting new technologies and developing new generation earlier than us.
- Uncertainty and changes associated with the Government's energy related polices.

If the market is unable to execute and deliver new renewable generation projects in line with the forecasted increase in electricity demand, it could result in increased reliance on thermal generation from fossil fuels impacting our ability to decarbonise and meet our Science-Based Targets or it could result in supply disruptions (blackouts).

If Genesis is unable to execute and deliver its planned new renewable generation projects, it could reduce earnings and increase exposure to wholesale electricity prices.

### Anticipated business unit / asset impacted

**Wholesale business unit** – reduced earnings from long volume / increased exposure to wholesale electricity prices. Exposure to wholesale electricity prices could be managed through optimisation of our retail book, which could impact the financial performance of both the retail and wholesale business units.

### Current impact

Delays in consenting and gaining grid connections continues to be a barrier to developing new renewables at pace across the sector. We continue to liaise with energy sector participants and the Government on addressing these issues, including feeding into the fast-track consent process and Transpower review of new connection management processes.

We continue to experience competition for renewable energy developments, including access to suitable sites, connection capacity both at the national grid and distribution level, and resources (including engineers, project developers and consultants).

In response, our approach to new renewables is a mix of greenfield development projects and acquisition of late-stage developments. The latter de-risks the development process by enabling us to acquire projects that have already secured land, consents and connection. This, combined with our ability to develop projects on our own, through joint ventures or to secure power purchase agreements, allows us access to a wide range of developments.

High interest costs and inflation continue to place pressure on project costs, these are largely offset by decreases in equipment costs and elevated wholesale electricity market prices.

### Strategy to manage risk

We are pursuing a range of pathways to secure new renewable generation, which are outlined in detail in section 7.4. Possible pathways include:

1. PPAs with other renewable energy developers.
2. Co-developing new solar projects through our JV with FRV Australia.
3. Exploring options to develop our own renewable generation and/or partnering with other developers.
4. Maintaining a watching brief on emerging technologies.

To manage supply constraints, we have partnered with FRV Australia, a leading utility-scale solar farm developer who has established supply chain networks and we continue to develop a pipeline of development options in different locations.

# Renewables (continued)

PHYSICAL RISK

## Warmer temperatures and longer dry spells impacting hydro generation

### Anticipated impact

As weather patterns shift, warmer temperatures and longer dry spells may become more frequent. This could:

- Alter catchment inflows (i.e. less snowpack and more irregular and intense rainfall) creating more volatile hydrology. This is a risk as well as an opportunity as hydro flows may better align with electricity demand.
- Create water restrictions and, therefore, impact water flowing into our catchments (water may be required for other uses such as agricultural irrigation). This would reduce hydro generation and therefore wholesale revenue.
- Elevated weed (including new species) proliferation or new pests (such as Golden Clams), which would increase maintenance costs and reduce, or constrain, generation output if not well managed.

### Anticipated business unit / asset impacted

**Wholesale business unit** – earnings and the carrying value of hydro generation assets could either increase or decrease depending on the outcome and we could see an increase in operating costs.

### Current impact

Inflows into our catchments were below average in FY24, following near-record levels in FY23. There were periods where hydro generation could only run on minimum flows. As hydro inflows are significantly impacted by acute weather events and seasonal variations, it is difficult to determine what impact, if any, changes in temperature have on hydro inflows.

We estimate that EBITDAF would have been between $30 million and $35 million higher had inflows been in line with historical averages. This estimate is based on comparing our operating plan model, which is based on average hydrology[33] against actual results.

### Strategy to manage risk

Our strategy is to maintain a diverse and flexible portfolio of renewable generation through our Gen35 strategy. We continue to track and forecast the impacts of climate change on our generation assets and, where necessary, make generation decisions based on these impacts.

33. Average hydrology is calculated based on 90 years of historical hydro inflow data.

# Renewables (continued)

● OPPORTUNITY

## Improved alignment of hydro inflows and electricity demand

### Anticipated impact

As weather patterns shift, warmer temperatures and longer dry spells become more likely. This is expected to alter catchment inflows (i.e. less snowpack and more irregular and intense rainfall) creating more volatile hydrology. This is a risk as well as an opportunity as hydro flows may better align with electricity demand, which could help manage price volatility and increase generation revenue.

### Anticipated business unit / asset impacted

**Wholesale business unit** – increased earnings and carrying value of hydro generation assets.

### Current impact

As hydro inflows are significantly impacted by acute weather events and seasonal variations they can vary significantly from month to month and year to year. To date national electricity demand has not fluctuated in the same way as hydro inflows. Accordingly, based on current data, we do not believe this opportunity has had a material impact on our financial performance in FY24.

### Strategy to manage opportunity

Our strategy is to maintain a diverse and flexible portfolio of renewable generation through our Gen35 strategy. We continue to track and forecast the impacts of climate change on our generation assets and, where necessary, make generation decisions based on these impacts.

# Renewables (continued)

PHYSICAL RISK

## More frequent intense rain events and flooding impacting hydro generation

### Anticipated impact

More frequent intense rain events and flooding have the potential to:

- Cause loss of civil integrity of generation and ancillary infrastructure (e.g. dams, spillways, storage ponds) resulting in loss of generation revenue.
- Increase sediment load in rivers and storage lakes, and sediment removal activities, thereby increasing operating costs.
- Damage electricity transmission lines, communication networks or road access, which could impact generation revenue and increase operating and capital expenditure costs.
- Impact our right to operate if intense rain and flooding causes lake levels to rise or increase spilling, which causes physical damage to areas surrounding our dam assets.

### Anticipated business unit / asset impacted

**Wholesale business unit** – reduced earnings because of increased operating or capital expenditure costs and reduced revenue / carrying value[34] of hydro generation assets.

### Current impact

Heavy rain around Lake Waikaremoana at the end of FY23, and beginning of FY24, resulted in a slip damaging an access road to some of the scheme's assets, which will be repaired in FY25. Genesis does not own the road and the slip has not impacted any programmed works. There were no other significant weather events that impacted hydro generation in FY24.

### Strategy to manage risk

Our strategy is to maintain a diverse and flexible portfolio of renewable generation that is geographically spread, thereby reducing the risk that all sites are impacted by the same event.

We continually assess our infrastructure for improvements and actively review and update our asset management system, which is aligned with the principles of ISO 55000. The plans include lifecycle management and strategies to manage and track performance over time. Regular monitoring and inspections are completed to understand the health and performance of our assets.

As part of our Dam Safety Management System, we undertake periodic reviews of potential extreme flood estimates to assess capacity and resilience of dam and reservoir assets. Where potential issues are identified, these are managed through the deficiency management process outlined in the Dam Safety Management System. This can result in operational and/or physical changes to appropriately manage these risks.

Genesis is also an active contributor to the Dam Safety Hydrology Group (DSHG) and has helped to fund recent research and development of an updated Probable Maximum Precipitation (PMP) methodology, which allows incorporation of climate change scenarios to inform uncertainty associated with PMP estimates. This allows dam and reservoir owners to better understand potential risks associated with climate change and inform decisions around capacity and resilience.

When developing asset management plans, we incorporate relevant industry practice and guidance to assess our portfolio against various performance criteria, including natural hazards such as flooding, as well as considerations of future changes to these hazards. We also consider the existing asset specifications, the current and anticipated efficiency, flexibility, capacity, and reliability of the asset and future resilience requirements.

Asset health, criticality, risks and improvement opportunities are all considered when making decisions for investment and for the ongoing safe and reliable operation of our assets.

34. Generation assets are recorded at fair value in the balance sheet. The valuation is based on a discounted cash flow model. Refer to note B1 of the Consolidated Financial Statements for more information.

# Flexibility and security of supply

TRANSITION RISK

## Government intervention caused by supply disruption (blackouts)

### Anticipated impact

'System' risk remains New Zealand's greatest risk to a secure, reliable supply of electricity during the transition to a low carbon future. System risk refers to the risk of failure of one or more key components of the electricity supply chain occasioning interruptions to electricity supply (i.e. blackouts). The impact of such failures can be expected to increase as demand for electricity and intermittent renewable generation increases, which in turn results in greater reliance on aging thermal assets acting as a back-up. Supply disruption could result in government intervention as a second order impact. This has the potential to:

- Impact the Group structure, assets held, or contracts entered into.
- Require us to maintain and run fossil fuel generation assets, despite a potential cost imposition and reduced profitability or increased electricity prices for consumers if the cost of thermal generation is passed on through wholesale electricity prices.
- Compromise New Zealand's and our climate change mitigation goals.

### Anticipated business unit / asset impacted

**Group structure or the wholesale business unit depending on the level of government intervention** – changes could impact earnings / carrying value[35] of thermal generation assets.

### Current impact

There were no electricity supply interruptions due to a shortage of energy or available capacity in FY24. However, supply conditions at peak times remained 'tight', resulting in Transpower issuing several advisory notices calling on the industry to act to secure supply and on one occasion calling for consumers to reduce demand over a morning peak.

New Zealand is currently experiencing a shortage in domestic gas, which, combined with plant outages and below average hydro inflows, has resulted in an increased reliance on electricity generated from coal in FY24. The Government is currently working with industry, including Genesis, to find solutions to the gas shortage with measures expected to be announced throughout FY25.

Several measures aimed at improving electricity supply have already been announced by the Government but are not yet enacted. These include an improved consenting regime, and removal of restrictions on gas exploration introduced in 2018. The latter is part of a package of measures intended to increase upstream activity, which, if successful, would likely have the effect of improving the fuel supply available to electricity generation (among other use cases).

Refer to 'Speed of fossil fuel generation phase down' risk for more information on the impact (including the financial impact) of the domestic gas supply constraints.

### Strategy to manage risk

This risk is managed through our Gen35 strategy, which includes 1,400 MW of flexible generation assets at Huntly by FY35. In addition to this we:

- Actively engage with regulators and industry groups to support the sector to align on the direction and effective regulations that will help New Zealand move quickly, and safely, towards a sustainable future.
- Continually assess our infrastructure for improvements and actively review and update our asset management system, which is aligned with the principles of ISO 55000. Refer to 'More frequent intense rain events and flooding impacting hydro generation' on page 35 for information on how we manage our assets.

35. Generation assets are recorded at fair value in the balance sheet. The valuation is based on a discounted cash flow model. Refer to note B1 of the Consolidated Financial Statements for more information.

# Flexibility and security of supply (continued)

● OPPORTUNITY

## Development of flexible portfolio

### Anticipated impact

Decarbonisation and growth in intermittent renewable generation increases volatility and dependence on a secure and reliable electricity network, increasing the need for firming and peaking products. Major disruption risk is likely to increase as New Zealand decarbonises. Different assets and fuels will be needed to meet future demand in a highly renewable electricity network. Batteries and fuel flexibility will be required to manage short term capacity constraints, whereas flexible gas arrangements and biofuels (such as biomass) will be required to manage inter-year disruption from energy constraints. Development of fuel flexibility allows Genesis to optimise wholesale generation mix, manage price volatility and increase security of supply. Development of a flexible fuel portfolio could extend the useful life of our thermal generation assets.

### Anticipated business unit / asset impacted

**Wholesale business unit** – increased capital expenditure / investment in assets to support a flexible portfolio / increased earnings and increased carrying value of thermal generation assets.

### Current impact

In FY24 we:

- Made good progress on establishing a supply chain for biomass and have commenced negotiating key contractual terms. We expect to procure our first volume of locally produced biomass in FY25, which will be scaled up over time.
- To grow our capability, we have established two new roles, a General Manager Fuels Strategy and a Group Manager Alternative Fuels. This allows us to have dedicated resources focused on developing this supply chain and coordinating commercial, legal, engineering, regulatory, sustainability, environmental and operational resources from across our business. We have also engaged with specialist technical resources to test waterproofing technologies for biomass.
- Established a project team to progress a business case for the construction of a 100 MW / 200MWh Battery Energy Storage System (BESS) at Huntly, undertaken a request for proposal process for the supply of equipment and evaluated the responses.
- Have been exploring opportunities for gas storage. Alongside this, we have also been working with our existing gas suppliers to understand the flexibility in their supply.

We have spent approximately $1.7 million in FY24 on the activities discussed above. This includes internal labour and third-party costs.

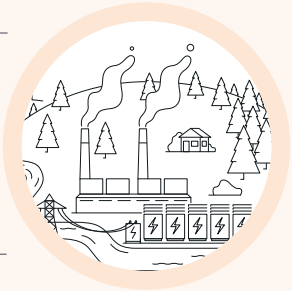
### Strategy to manage opportunity

This opportunity is managed through our Gen35 strategy, which includes 1,400 MW of flexible generation assets at Huntly by FY35.

# Flexibility and security of supply (continued)

TRANSITION RISK

## Speed of fossil fuel generation phase down



### Anticipated impact

There is an expectation that thermal generation from fossil fuels will continue to decline over the next 10 years as it is replaced with either thermal generation using more renewable fuel sources (such as biomass) or other technology (such as batteries). There is also a risk that fossil fuel generation is displaced faster than anticipated due to: (1) domestic gas supply constraints; (2) government regulation; (3) advances in technology and construction of more flexible generation with lower emissions such as geothermal or use of batteries; and (4) commercial arrangements that include demand response features that provide alternative solutions to dry year risk (long period firming).

There is also a risk that the phase down is slower than expected due to delays in the development of renewable fuel sources or new technology or higher demand growth than new renewables can keep up with. This could result in the need to use coal longer than expected to support security of supply. This would impact our ability to decarbonise and meet our Science-Based Targets, which carries reputational impacts and increases the likelihood that other transition risks materialise (such as access to insurance, access to capital and changes in customer preferences).

### Anticipated business unit / asset impacted

**Wholesale business unit** – reduced earnings and carrying value of thermal generation assets / increased exposure to wholesale electricity prices where the transition occurs faster than anticipated. If the transition occurs slower than anticipated, it could have the opposite impact.

### Current impact

Thermal generation from fossil fuels increased by 51% compared to FY23. This was due to below average hydro inflows in FY24 compared to near record inflows in FY23, an unplanned outage for Unit 5 and gas availability constraints impacting Units 5 and 6.

Gas production across the country has continued to decline and the decline has been faster than official forecasts predicted. Ministry of Business, Innovation and Employment announced on 11 July 2024 that gas production is forecast to drop below demand for at least the next three years.

The previous Government's policy to ban new gas exploration to support the transition to a low carbon future and onerous rehabilitation provisions, have contributed to a lack of investment in the sector, which has contributed to the gas supply constrains currently being experienced.

The tight gas supply market has resulted in increased cost to acquire gas and increased use of coal. These changes have a knock-on impact to wholesale electricity prices, which remained elevated during FY24.

We estimate that EBITDAF would have been between $15 million and $20 million higher if gas supply had not been constrained in FY24[36]. This estimate is based on comparing our operating plan modelling against actual results.

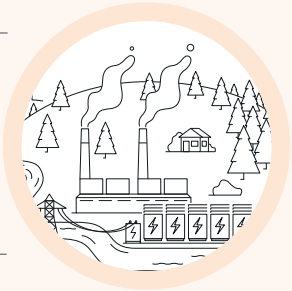
The gas supply constraints have also impacted the carrying value of our thermal generation assets, which are accounted for at fair value on our balance sheet. In calculating the fair value of our thermal generation assets, we anticipate fuel costs to increase and generation volumes to decrease for Unit 5 in the short-term because of the gas supply constraints.

36. This includes the impact of KS-9 which has also contributed to the domestic gas supply constraints.

# Flexibility and security of supply (continued)

TRANSITION RISK

## Speed of fossil fuel generation phase down (continued)



The forecast wholesale electricity price path is anticipated to increase in the short-term as a result of delays in future build assumptions and higher fuel costs due to tight gas supply and forecasted need to import coal to make up the shortfall. It is not possible to isolate the impact of gas supply constraints on the forecasted wholesale price path and, as a result, we are unable to quantify the financial impact of the gas supply constraints separately from other changes in fair value.

The decrease in the fair value of Unit 5 of $90.5 million ($65.2 million net of deferred tax) was recognised in the 'Change in asset revaluation reserve' line in the Consolidated Statement of Changes in Equity in FY24.

The anticipated increase in fuel costs also impacts the Rankines, however, generation volumes are expected to increase in the short-term. The increase in the fair value of the Rankines of $31.8 million ($22.9 million net of deferred tax) was recognised in the 'Revaluation of generation assets' line in the Consolidated Comprehensive Income Statement in FY24.

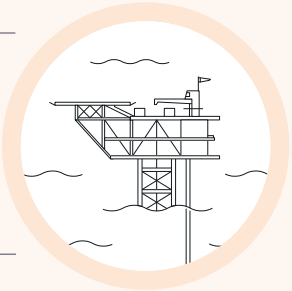
The change in fair value discussed above includes impacts not associated with the gas supply constraints. Refer to our FY24 Consolidated Financial Statements, note B1 contained in our FY24 Integrated Report for more information.

### Strategy to manage risk

This risk is managed through our Gen35 strategy which includes (i) transitioning our fossil fuel generation assets to renewable fuel sources (such as biomass), (ii) developing flexible gas supply options to support the transition, and (iii) investing in utility scale batteries to provide back up to cover intraday variability caused by increased renewable generation.

PHYSICAL RISK

## Weather events impacting gas supply



### Anticipated impact

Intense rain could result in landslides impacting the gas pipeline used to transport gas from Taranaki to the Huntly Power Station and other gas distribution networks. These weather events have the potential to impact thermal generation and gas supply to retail and wholesale customers, thereby reducing revenue and increasing operating costs. Storms and stronger sea currents have the potential to impact Kupe's umbilical cord or access to the platform, however, current forecasts see Kupe field depleted in the medium-term and it is therefore unlikely Kupe will be exposed to long-term weather-related risks.

### Anticipated business unit / asset impacted

**Kupe business unit** – reduced earnings / carrying value of oil and gas assets.

**Wholesale business unit** – reduced earnings / carrying value of thermal generation assets and/or increased operating costs.

**Retail business unit** – reduced earnings.

### Current impact

There were no significant weather events that impacted gas supply in FY24.

### Strategy to manage risk

This risk is managed through maintaining a diverse fuel portfolio and our Gen35 strategy, which includes 1,400 MW of flexible generation assets at Huntly by FY35. We also mitigate our exposure by ensuring we have insurance to cover these risks.

# Other transition risks

TRANSITION RISK

## Changes to the NZ Emissions Trading Scheme (ETS)

### Anticipated impact

Given we hedge some of our exposure to carbon prices using forward contracts and forestry investments, and we have a plan to transition away from thermal generation that use fossil fuels, Genesis is less exposed to fluctuations in the price of carbon compared to entities who do not hedge their exposure to carbon prices. Changes to carbon pricing impacts our emission units held for trading, trading limits are used to manage this risk and therefore is not considered a material risk.

Changes in the structure or application of the ETS could have a material impact on our business depending on the nature of the change. It could also impact our customers who operate in Emission-Intensive Trade Exposed Industries, which would in turn impact retail sales if those customers choose to exit the market. Currently, there are no proposed structural changes to the ETS that impact Genesis.

### Anticipated business unit / asset impacted

**Wholesale business unit** – increased operating costs / decreased carrying value of thermal generation assets if ETS related structural changes were made that negatively impact Genesis.

**Retail business unit** – reduced earnings.

### Current impact

The ETS remained unchanged throughout FY24, with the coalition Government cancelling the review of the ETS that had been in progress. The Government has indicated it does not envisage making material changes to the ETS, which it has characterised as the primary policy lever for driving decarbonisation.

The Government is currently considering advice from the Climate Change Commission, which, if accepted, would reduce the volume of units 'stockpiled' by ETS participants. This could be expected to place upwards pressure on carbon prices. The Government will release its emissions reduction plan at the end of 2025, informed by the Climate Change Commission, which will set out the additional policy measures it will pursue to drive decarbonisation.

The spot price of carbon units in FY24 increased in the earlier half of FY24, but decreased in the second half, ultimately finishing in line with June 2023. The first two carbon auctions failed to clear, the third one only partially cleared, and the fourth failed to attract any bids. The change in spot price did not have a material financial impact on our FY24 financial performance as we had sufficient units on hand to cover our FY24 obligation (refer to section 7.4 for information on how we manage our exposure to carbon prices). Emission units held for our own use are carried at historical cost and are not revalued.

### Strategy to manage risk

We manage this risk by continually monitoring, and reviewing, proposed regulatory changes to the ETS and providing submissions when relevant.

# Other transition risks (continued)

TRANSITION RISK

## Climate litigation

### Anticipated impact

Climate litigation continues to evolve both domestically and in the international context as new cases continue to be brought before the Courts. Initial litigation claims have been predominantly directed against Governments, however, there has been an increasing trend in cases against private companies[37]. Recent cases overseas have included allegations of greenwashing (making false or misleading environmental claims), breach of director duties and conducting operations or selling products that cause significant harm to the climate.

Our Gen35 strategy, in particular as it relates to the future of the Huntly Power Station (in terms of fuel diversity / flexibility) and building new renewable generation capacity, provides us with a pathway to decarbonisation and deliver on our ambition to be net zero by 2040. We are seeking to expedite execution of our strategy to transition our business in an orderly way that balances our ambitions to decarbonise and reduce thermal generation from fossil fuels with the need to maintain security of supply during periods when the rain doesn't fall, the wind doesn't blow, and / or the sun doesn't shine. Actions taken by Genesis to assist with security of supply potentially increases our exposure to climate litigation.

The primary impacts of climate litigation are time, and resource costs to the business, which distract from executing Gen35, legal fees and other financial costs associated with Court processes, and the financial and operational impact of any adverse rulings that may eventuate. Potential secondary impacts include reputational / brand impact and increasing the likelihood that other transition risks materialise (such as access to insurance, access to capital and changes in customer preferences).

### Anticipated business unit / asset impacted

The business unit impacted will depend on the claim being made.

### Current impact

In 2019, Mike Smith, an elder of Ngāpuhi and Ngāti Kahu and a climate change spokesman for the Iwi Chairs Forum, brought claims against seven corporate defendants (including Genesis) on the basis that they were each involved either in an industry that releases greenhouse gases into the atmosphere or manufactures and supplies products which release greenhouse gases when they are used.

Mr Smith brought claims in public nuisance, negligence and breach of a proposed new climate system damage duty to cease contributing to damage to the climate system.

In March 2020, the High Court struck out Mr Smith's claims in public nuisance and negligence but declined to strike out his proposed new climate system damage duty. Mr Smith appealed and the defendants cross-appealed. In October 2021, the Court of Appeal concluded that all claims should be struck out.

Mr Smith appealed this decision to the Supreme Court, which heard the appeal in August 2022. In a judgment released in February 2024, the Supreme Court unanimously overturned the decision of the Court of Appeal and held that each Mr Smith's claims should be reinstated and proceed to trial. This case did not have a material financial impact in FY24.

### Strategy to manage risk

We manage this risk primarily through Gen35, adoption of Science-Based Targets and engagement with stakeholders.

37. Come hell or high water: A climate change litigation update published by MinterEllisonRuddWatts on 23 February 2024.

# Other transition risks (continued)

TRANSITION RISK

## Ability to access some forms of capital

### Anticipated impact

Increased investor and lender awareness of climate change and a desire to invest in low carbon investments has the potential to reduce access to some forms of capital and/or funding options or increase the cost of capital. Given our current strategy, it is more likely that this risk will result in an increase in the cost of capital rather than restriction to some forms of capital funding options. This risk is not expected to have a material impact on Genesis given the current strategy.

### Anticipated business unit / asset impacted

**Corporate business unit** – increased finance expense.

**Wholesale business unit** – reduced ability to fund new projects.

### Current impact

During FY24 we successfully issued a $240 million green bond to replace an existing capital bond and we restructured and increased our revolving credit facilities from $475 million to $535 million. Cost of debt increased from 5.2% in FY23 to 5.7% in FY24. The increase was primarily driven by increased interest rates not climate-related matters. There was no material financial impact in the current year from this risk.

### Strategy to manage risk

We manage this risk through Gen35, adoption of Science-Based Targets, active engagement with investors and lenders and our Sustainable Finance Framework.

Our Sustainable Finance Framework sets out the process we use to issue and manage bonds and loans to support our sustainability objectives. Our sustainable finance programme includes $650 million of green bonds and $250 million of sustainability-linked loan facilities (linked to achievement of our sustainability targets). The sustainability targets include annual targets to encourage us to deliver on our Science-Based Targets, increase our renewable generation capacity (either through PPAs or investment in new generation) and create education and employment opportunities for young people living in the communities around our generation sites.

We will pay a lower interest rate and availability fee[38] on the loan facilities if we achieve our sustainability targets. Conversely, we will pay a higher interest rate and availability fee if we don't. Refer to our FY24 Sustainable Finance Report for more information.

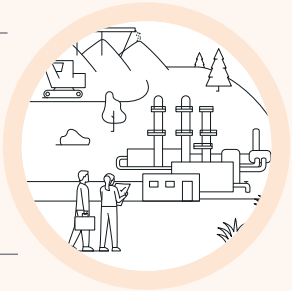
The Sustainable Finance Framework aligns to the Green Bond Principles 2021 and the Climate Transition Finance Handbook, as issued by the International Capital Markets Association.

38. Availability fees are charges that a borrower incurs for the portion of a loan that remains unused.

# Other transition risks (continued)

TRANSITION RISK

## Ability to access insurance



### Anticipated impact

As more insurers pursue ESG objectives, the number of insurers willing to insure fossil fuel generation and oil and gas assets is expected to reduce over time. Insurance costs for such assets will likely increase over the medium term as the pool of insurers declines. This risk is not expected to have a material impact on Genesis given the current strategy.

### Anticipated business unit / asset impacted

**Wholesale and Kupe business units** – availability of insurance and increased insurance costs.

### Current impact

Insurer approaches to insuring coal, oil and gas assets vary and continues to evolve. Some insurers exclude insuring coal, oil and gas related assets. Most provide cover, though a small (but growing) number are becoming more selective and reducing available cover. Decarbonisation strategies and progress towards these remain key to securing insurance. While insurance costs increased this year, market conditions and higher insurance valuations primarily drove this increase, not climate-related matters. There was no material financial impact from this risk in FY24 and no difficulties obtaining insurance.

### Strategy to manage risk

We manage this risk primarily through seeking to accelerate the execution of Gen35, adoption of Science-Based Targets, active engagement with insurers and building the risk financing capacity of our captive insurance subsidiary over time.

## 7.4 Transition plan aspects of our strategy

Through the Zero Carbon Act[39], New Zealand has committed to achieving net zero emissions for most sectors of the economy by 2050. This commitment and similar actions in other countries will shape the operating environment over the decades to come.

Electrifying existing fossil fuel use in sectors like transport and heating is expected to drive a significant portion of the transition to a net zero economy. Electrification will create more demand for electricity.

Renewable electricity supply will need to increase substantially to meet the growing electricity demand. Wind and solar power are now the cheapest forms of new electricity production and are also expected to expand to displace most of the existing fossil fuelled generation.

Flexible generation will be needed to provide firming to a growing share of wind and solar, to ensure that electricity is available when needed and the electricity supply remains affordable and reliable to support electrification.

To achieve net zero by 2050, Climate Change Commission data and Boston Consulting Group analysis show that renewable electricity will make up 58% of energy consumed in 2050 (from a 19% base in 2022)[40], 95% of electricity generation will be renewable, and the supply of electricity will need to be 100% reliable and secure.

### Gen35

Our strategy, Gen35, creates a pathway through this transition centred around electrification of customers lifestyles, developing renewables and providing flexible assets to support a reliable and secure supply of electricity. It aims to accelerate the low carbon transition across three different dimensions over the next decade:

1. **Customer** – supporting our customers with asset transition in homes and businesses
2. **Company** – transitioning our business to a net zero future based on renewable generation
3. **Country** – supporting the country to achieve a highly renewable, secure, and stable grid

Gen35 does this by orientating the business around three pillars:

1. **Electrification** – empowering a customer led transition
2. **Renewables** – growing our portfolio
3. **Flexibility** – transitioning our thermal generation portfolio

The strategy directs the business towards areas that have proven financial value. Renewable energy, flexible generation and electrification have consistently been referenced in global and international research as cost-effective and proven pathways that maximise transition value, mitigate regulatory and other risk, and produce fewer greenhouse gas emissions.

Optionality and resilience to navigate change will be important to manage the risk of over and under investment particularly given the uncertainty of future energy market conditions.

We believe the successful execution of Gen35 will support us to navigate the transition, establish a pathway that is consistent with a net zero SBTi approved target and create long-term value for shareholders.

39. Climate Change Response (Zero Carbon) Amendment Act 2019.
40. The Future is Electric, Boston Consulting Group, October 2022.

## 7.4 Transition plan aspects of our strategy (continued)

### Our transition plan to a lower carbon future

**COUNTRY**

**NET ZERO 2050**

**SECTOR**

**60%** ELECTRIFICATION

**95%** RENEWABLES

**100%** RELIABILITY

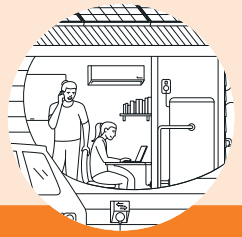
**COMPANY**

**CUSTOMER**
Empowering the customer-led transition

**COMPANY**
Renewables **8,300 GWh**
Net zero 2024

**COUNTRY**
Huntly flexibility **1,400 MW**

**OUR STRATEGIC OBJECTIVES**



**ELECTRIFICATION**
Empowering the customer-led transition

**GROW RENEWABLES**
Grow our portfolio of renewable generation to support our net zero ambition

**FLEXIBILITY**
Transitioning our thermal generation portfolio while supporting a secure and stable grid

**MANAGING THE TRANSITION**

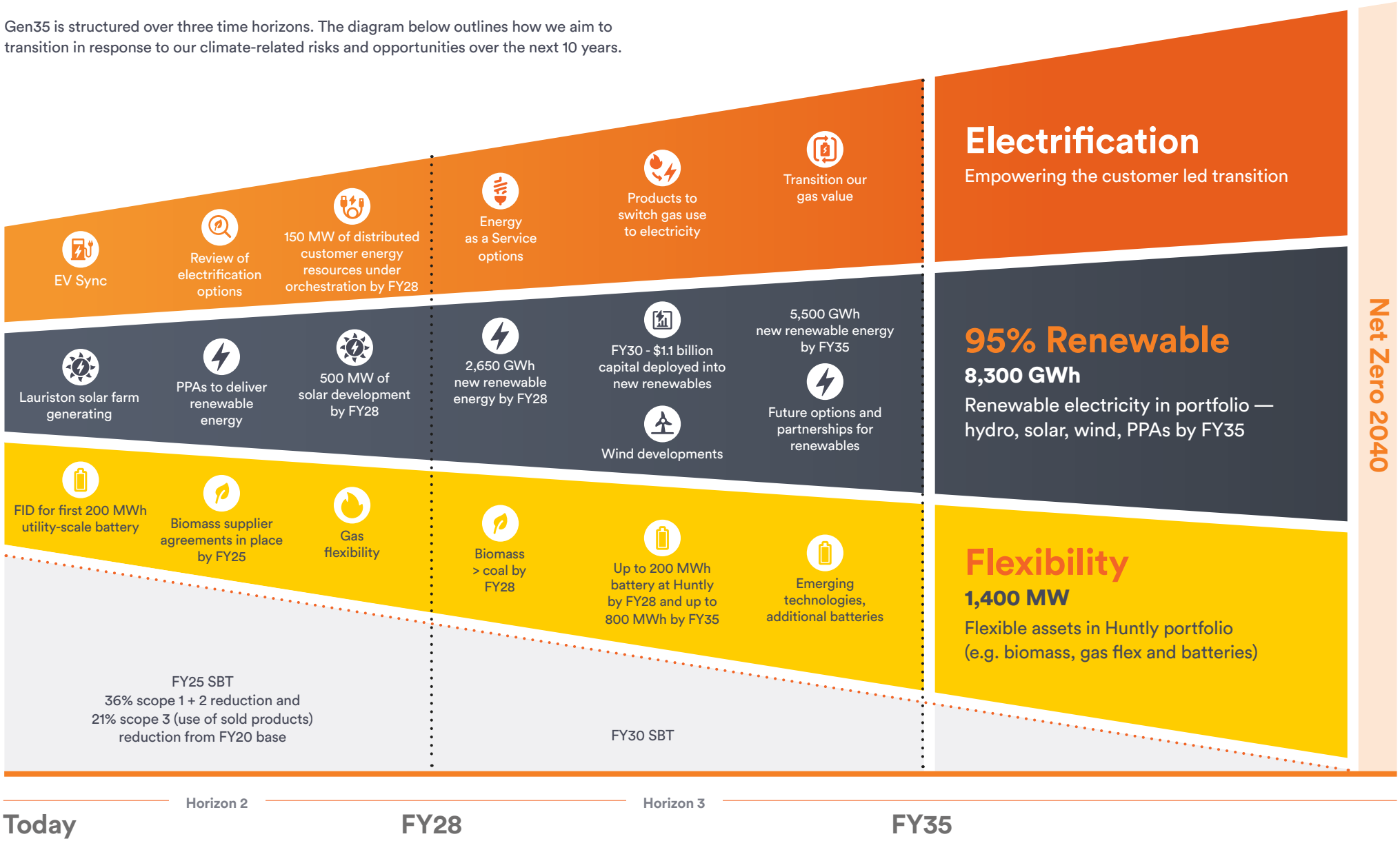
MANAGING A TRANSITION AWAY FROM FOSSIL FUELS

FINANCING THE TRANSITION

MANAGING OUR EXPOSURE TO CARBON PRICES

## 7.4 Transition plan aspects of our strategy (continued)

Gen35 is structured over three time horizons. The diagram below outlines how we aim to transition in response to our climate-related risks and opportunities over the next 10 years.



# 7.4 Transition plan aspects of our strategy (continued)

## ELECTRIFICATION

**Empowering the customer-led transition**

While New Zealand's net zero commitment will drive a transition away from fossil fuel in homes and businesses, we recognise these fuels currently provide an essential option for many of our customers. The pace of the transition to low carbon assets remains uncertain due to various factors that create dynamic unpredictability. Improvements to electrified customer technologies and a lower cost-profile of changing fuels, alongside political initiatives play a vital role in making the transition away from gas, LPG and other fossil fuels practical for New Zealanders.

We see this transition as an opportunity to champion electric lifestyles, supporting our customers towards more sustainable choices for their homes and businesses.

One theme of Gen35 is to 'extend beyond the meter' and move into electricity-related value pools, maintaining reduced customer churn by providing additional propositions for electrification. This could include demand response, decarbonisation, and energy-related services such as solar, batteries, heat pumps and EVs. There may also be an opportunity to extend into supporting the financing of these devices to support the household and business energy transition.

### Enabling value with customer energy resources

There is a large and growing number of digitally connected energy storing devices in customers' homes and businesses, like hot water storage, electric vehicles, or battery systems.

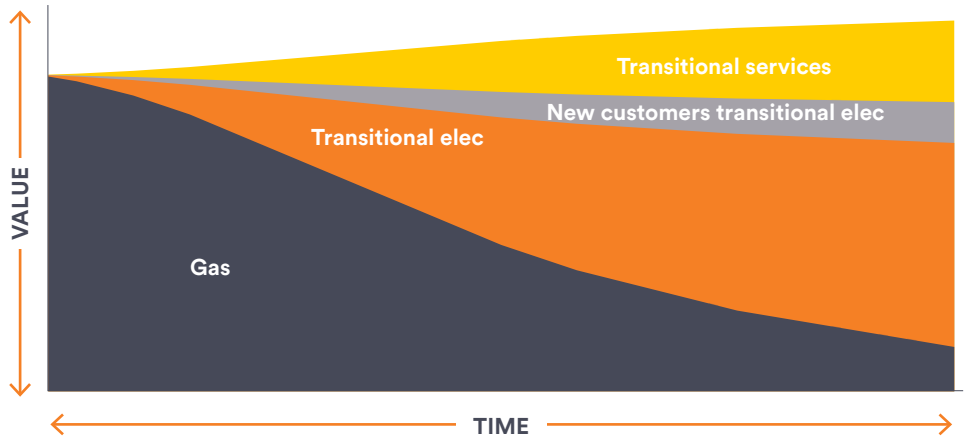
We're working with partners to unlock electricity system flexibility from these existing assets and will be piloting the technology this year.

By controlling and optimising when large energy devices charge, we will be able to reduce electricity system costs and deliver value for our customers. Once we've proved the approach we will scale our efforts to unlock and orchestrate 150 MW of distributed customer energy resources by FY28.

### Helping our residential customers manage their energy transition

Empowering the customer led transition includes providing tools and insights to help customers make informed decisions to reduce their carbon footprint. We do this through Energy IQ, electric vehicle charging technology and the Climate Change Hub (refer to our FY24 Integrated Report for more information).

**Electrification provides Genesis a transition revenue stream**




Reducing transport emissions is a focus for the country. Electric vehicles are an electrification opportunity currently being pursued. We have developed unique offerings for the growing population of EV owners to provide flexibility and simplicity when charging their vehicles at home and on the road.

### Helping our business customers manage their energy transition

We continue to investigate technology options that can help our customers transition to lower carbon options. Through this effort, we are positioning ourselves to identify early opportunities which might be ready to scale into offerings that appeal to a broad customer base in the near term.

We worked with New Zealand Green Investment Finance (NZGIF) on a pilot to help Van Lier Nurseries replace their fossil-fuelled heating asset with electricity. The pilot replaced Van Lier Nursery's gas-fired boiler with a state-of-the-art 1 MW low emission heat pump to heat its greenhouses. NZGIF financed the heat pump which we own and maintain. By replacing their gas boiler, Van Lier Nurseries expects to save 640 tonnes of carbon emissions per annum over the heat pump's 25-year life.

The pilot provided a tangible project to develop our business capability in electrification offerings. Experience and learnings from the pilot will be incorporated into future offerings for our business customers.

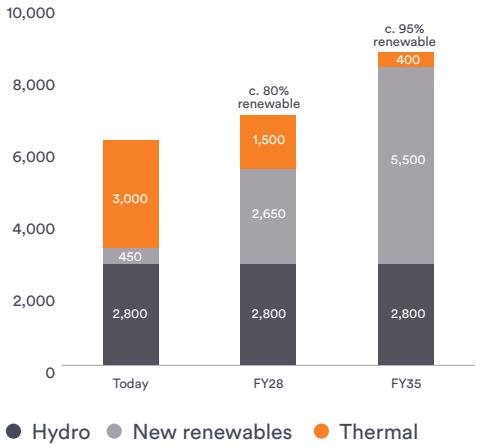
# 7.4 Transition plan aspects of our strategy (continued)

**GROW RENEWABLES**

**Grow our portfolio of renewable generation to support our net zero ambition**

We have re-sized our renewable goals to offset the expected reduction in thermal generation from our portfolio as well as participate in the growth expected to be driven by electrification. We are aiming to secure 2,650 GWh a year of new renewable electricity generation by FY28 growing to 5,500 GWh by FY35[41].

## Indicative portfolio change (GWh)




To achieve this growth, we are pursuing multiple pathways:

1. Co-developing new solar projects through our JV with FRV Australia.
2. PPAs with other renewable energy developers.
3. Exploring options to develop our own renewable generation and/or partnering with other developers.
4. Maintaining a watching brief on emerging technologies.

## Co-developing new generation through our solar JV with FRV Australia

We have entered into a JV agreement with FRV Australia to develop up to 500 MW of solar (~740 GWh). We will enter into a PPA in respect of each solar site that is developed under the JV agreement. Construction began on the first 63 MWp solar JV project, Lauriston, in H2 FY24 with the bulk of the work to be carried out in H1 FY25.

Refer to section 9 for progress towards reaching our goal of having 500 MW of solar.

## PPAs with other renewable energy developers

To date we have signed PPAs for 1,297 GWh of new renewable generation including the offtake of wind and geothermal energy. We will continue to develop our PPA portfolio with additional renewable energy over the next decade.

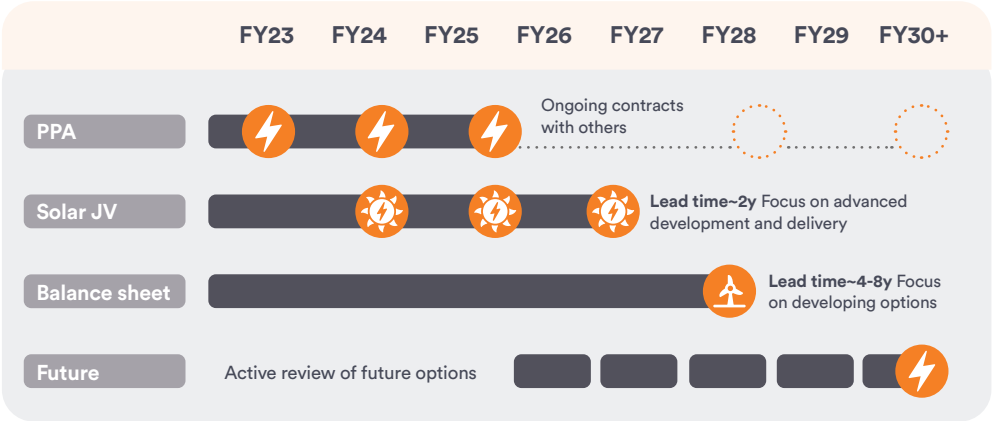
## Exploring options to develop our own wind generation and/or partner with others

While wind development has recently been experiencing challenges across the globe, we continue to explore how we can develop wind generation to add to our portfolio.

We hold an option to develop a wind farm at Castle Hill and we continue to explore other options for future wind development, including potential offshore wind opportunities.

## Maintaining a watching brief on emerging technologies

There are many new technologies being developed which could form part of a low carbon electricity system in the future. We continue to keep a watching brief on a range of opportunities that could prove valuable in New Zealand's electricity and energy system.




41. Against our FY20 baseline.

# 7.4 Transition plan aspects of our strategy (continued)

## FLEXIBILITY

**Transitioning our thermal generation portfolio while supporting a secure and stable grid**

The price volatility of the wholesale market is likely to increase in response to greater reliance on weather-dependent forms of generation like solar, wind, and hydro. This volatility will occur across different timescales, from seasonal through to intra-day weather patterns and a mix of flexible assets and fuels will be needed to address this variation and greater peak capacity needs.

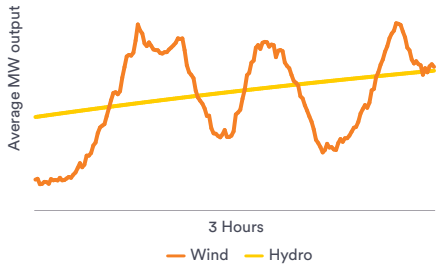
Our existing assets provide flexibility and firming for the current market with the capacity to meet existing peak demand. Our position at the intersection of the electricity and fuel markets, combined with our flexible assets, gives us optionality of how fuels can be used. This places us well to coordinate electricity and fuel supply deals and offer services to help manage security of supply in the electricity sector.

By FY35, we aim to operate a total of 1,400 MW of flexible assets in a suite of options at Huntly (the Huntly Portfolio) to capture the value of a more volatile market. While the Huntly Portfolio will centre around the power station, it may also encompass additional flexible assets that can be optimised collectively. Combined with our existing 640 MW of hydro capacity, our market share of the flexible capacity required to meet peak demand in FY35 would total close to 20%[42].

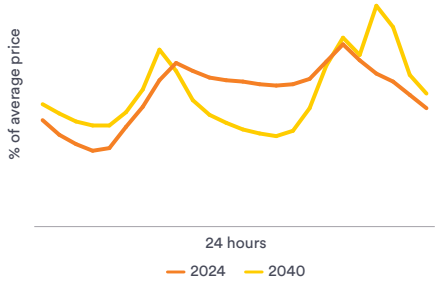
We are progressing a range of flexibility opportunities including:

1. Investing in utility scale batteries
   - Hourly flexibility
2. Contracting for gas flexibility
   - Weekly flexibility
3. Developing a biomass option
   - Yearly flexibility
4. Maintaining a watching brief on new technologies

**Intra-hour: wind v hydro**

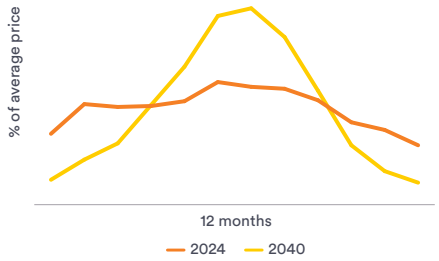



**Intra-day: average price**




Source: EnergyLink data

**Seasonal: average price**



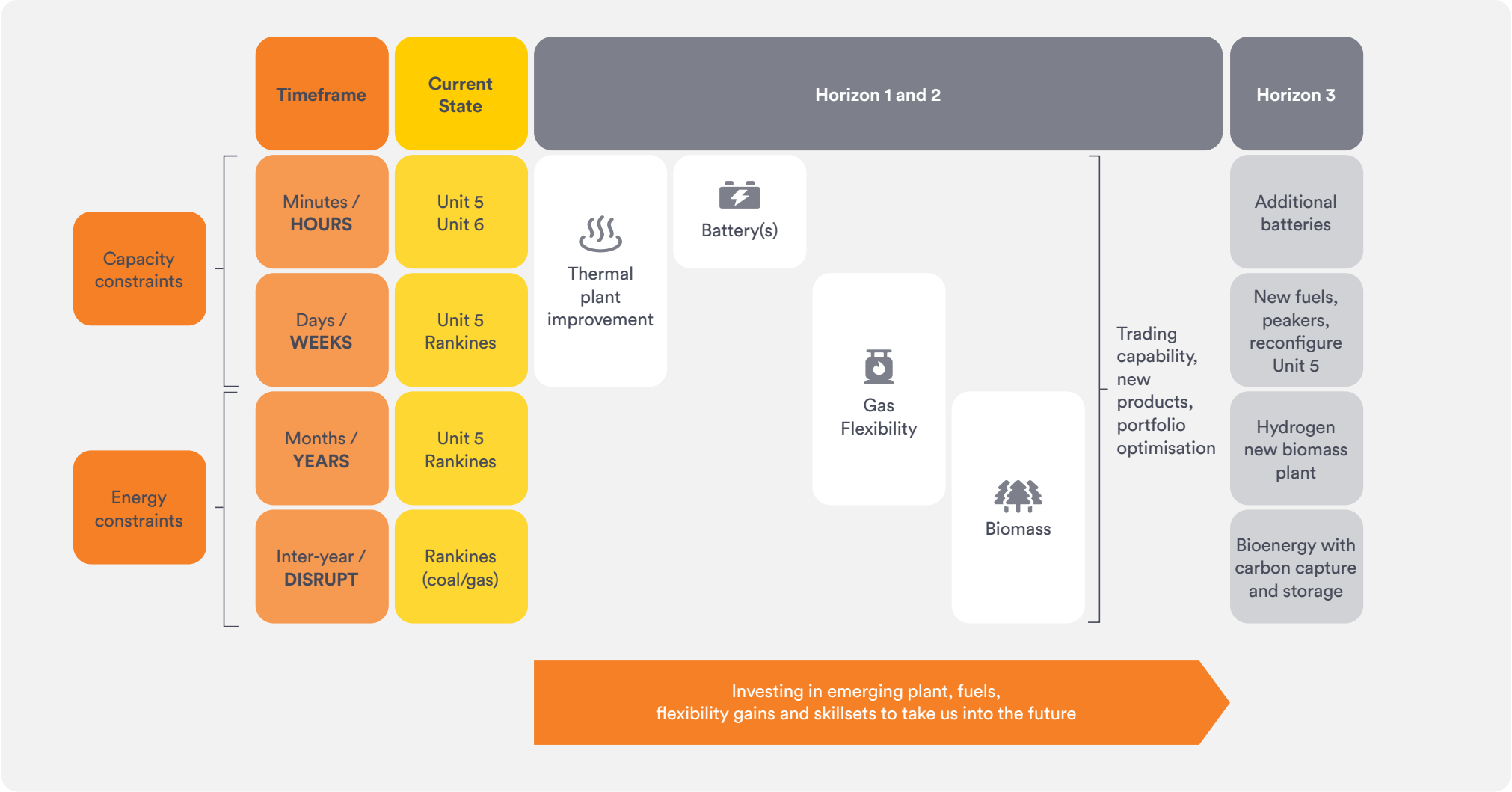

Source: EnergyLink data

42. Based on the Boston Consulting Group, `The Future is Electric' report, estimates for dispatchable capacity to meet highest peak demand.

## 7.4 Transition plan aspects of our strategy (continued)

### Huntly Portfolio can deliver future flexibility needs

Genesis will invest in more flexible plant and fuels and provide peaking and firming products



# 7.4 Transition plan aspects of our strategy (continued)

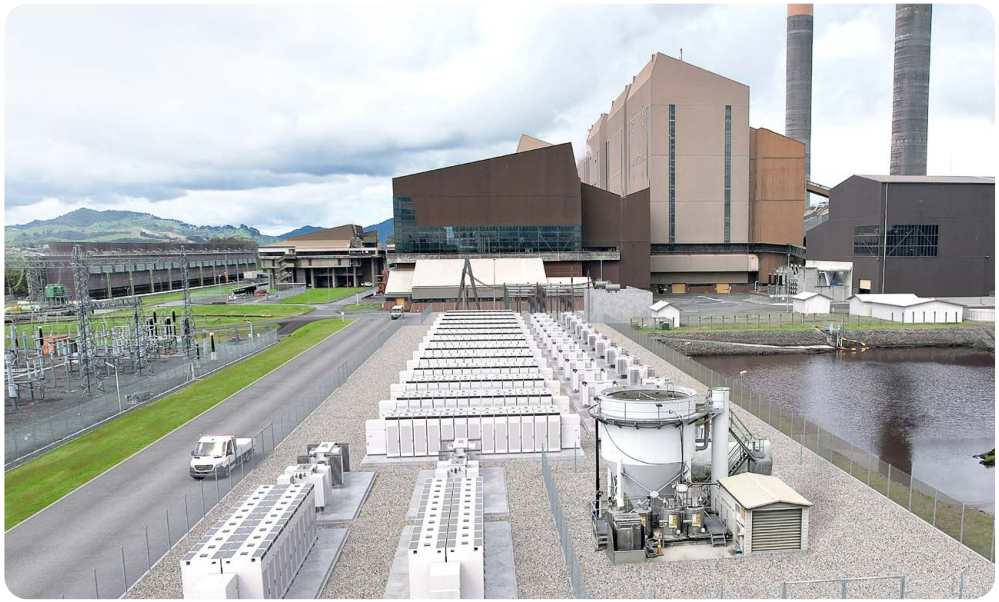
## Investing in utility scale batteries
### ▸ Hourly flexibility

Utility scale batteries offer 'fast-start' optionality, and their cost has been decreasing. Genesis has identified physical space at Huntly Power Station for up to 400 MW / 800 MWh with more land available in time. Gen35 includes a target of developing and operationalising up to 200 MWh battery by FY28 and Huntly currently has 250 MW of connection capacity from a retired Rankine unit. Batteries will offer versatile energy storage that can create value through price arbitrage, portfolio optimisation and ancillary products.

## Contracting for gas flexibility
### ▸ Weekly flexibility

The transition to a lower carbon future means gas generation is transitioning away from traditional baseload operations towards a more flexible firming role to deliver electricity when renewable generation availability is low and to meet peak demand needs. To deliver this role we are pursuing greater plant flexibility and gas fuel supply flexibility.

Fuel flexibility could be achieved through flexible supply contracts, flexibility in demand built into supply contracts, or contracting for gas storage.



Artist impression of grid scale battery at Huntly.

## Developing a biomass option
### ▸ Yearly flexibility

Currently, there are limited commercially feasible zero-carbon options to manage the challenges posed by seasonal demand variability and hydro variability (dry-year risk) in New Zealand.

We are committed to continuing to explore more renewable fuel options such as biomass. Biomass is an alternative to coal with no material fossil emissions (biogenic emissions vary between sources) that can be stockpiled. It can also be shipped easily which lends itself to the development of an international market that could improve supply flexibility and resilience which is important for a more renewable electricity system.

We successfully completed a biomass burn trial at Huntly Power Station in FY23, a significant step in our search for alternative fuel options for the Rankine units. We believe that using renewable biomass in the Rankine units could potentially form part of a portfolio of options to keep New Zealand's electricity system reliable and affordable. The use of biomass could also extend the useful life and economic value of the units past their current asset valuations.

We are working on securing biomass to replace coal; however, we need to be confident that it is cost competitive, convenient to procure, commercially viable and a lower emissions option before a commercial arrangement can be reached.

## Maintaining a watching brief on new technologies

There are a range of new and emerging technologies that might become commercially viable and could form part of the Huntly Portfolio in the future.

Genesis is keeping a watching brief on options, particularly those that could pair with existing assets at the Huntly sites. A few options of particular interest include:

- New fuels that could be used in existing assets, such as imported LNG, biodiesel or hydrogen, and new plant that could use new fuels.
- The potential for Biomass with Carbon Capture and Storage (BECCS) which could deliver negative emissions if combined with a sustainable source of bioenergy (e.g. waste or sustainably grown biomass).

# 7.4 Transition plan aspects of our strategy (continued)

## MANAGING THE TRANSITION

In this section we discuss how we are:

1. Managing a transition away from fossil fuels
2. Financing the transition
3. Managing our exposure to carbon prices

## MANAGING A TRANSITION AWAY FROM FOSSIL FUELS

Fossil fuels currently play an important role in our society and economy providing affordable and reliable energy to homes, businesses, and the electricity sector. A transition completely away from fossil fuels is expected over the next few decades.

The process of transitioning away from fossil fuels create risks. Our transition can be considered in four parts:

1. Transitioning away from coal generation
2. Transitioning away from gas generation and the role of Kupe
3. Transitioning away from gas and LPG sales
4. Engaging with industry and regulators

### Transitioning away from coal generation

Coal currently serves a unique role in the New Zealand electricity system. Through stockpiling and importing, coal can provide large amounts of energy on demand and for sustained periods to the electricity system. This is used for managing dry-year risk, or other unexpected events such as unplanned outages of generation plant or gas production constraints or delays in new renewable generation needed to meet growing electricity demand.

We believe thermal generation will need to be used to fill the shortfall from time to time until more low carbon options become economically viable. However, due to the uncertain speed of the transition and the variability in year-to-year hydrology, it is not clear how much coal will be needed. As discussed in the 'Flexibility' section (page 51) we are working on securing biomass to replace coal. We are aiming to displace coal use as soon as practical and we are targeting biomass use to exceed coal use by FY28 if a commercially viable, cost competitive, convenient to procure and emissions reducing source can be secured that meets the criteria above.

### Transitioning away from gas generation and the role of Kupe

We use gas for electricity generation and sell gas to wholesale, Commercial and Industrial (C&I), Small to Medium Enterprises (SME) and residential customers. Each of these customer groups is expected to transition towards renewable options over the coming decade(s).

Kupe gas field remains an important asset in New Zealand's energy transition particularly given the accelerating decline of available reserves in New Zealand[43] and the lack of planned investment going forward. Our partial ownership of Kupe and contracts for gas supply from the Kupe oil and gas field provides access to gas through the transition. We have completed our investment into a well development programme at the Kupe gas field (KS-9). It was hoped that additional gas would reduce the need for coal generation, but with the well not producing gas flow at this stage (still subject to possible additional intervention post winter 2024), it is now certain that emissions will be higher due to a greater need for coal generation in the near term.

Production at Kupe is anticipated to reduce (in line with our Science-Based Targets) as the gas field approaches end of life in the 2030's. In the interim period, 100% of Free Cash Flow[44] from Kupe will be dedicated to help fund renewable generation which is expected to reduce the volume of thermal generation from fossil fuels.

### Transitioning away from retail gas and LPG sales

Gas and LPG are currently used by many homes and businesses across New Zealand. For customers to use renewable fuels, they will need to replace their existing gas and LPG appliances used for cooking, heating, and hot water with new equipment. While the Zero Carbon Act and the ETS will drive this transition, the timing of change is not clear and could be particularly difficult for those who cannot afford to transition. The timing will depend on factors such as: carbon prices, gas and LPG prices, the cost and installation challenges of renewable alternatives, incentives and subsidies, funding options, and customers preferences. We are mindful of balancing our decarbonisation efforts with the need to ensure our customers have reliable and cost-effective energy. Genesis is exploring how it can support customers to transition towards electric alternatives.

### Engaging with industry and regulators

For the transition to a low carbon future to be efficient and effective it is important that industry and regulators work together. For example, poor regulatory or policy settings could disincentivise electrification through a higher-cost and less reliable electricity system.

We work with regulators and industry groups to support the sector to align on the direction and effective regulations that will help the country move quickly and safely towards a sustainable future. Refer to the FY24 Integrated report for a summary of submissions made in FY24.

43. Data supplied to MBIE showed a 17% decrease in Proven plus Probable (2P) reserves. 1635 Petajoules (PJ) of 2P Gas reserves were reported as at 1 January 2023, down from 1967 PJ a year earlier (Petroleum reserves data shows decline in gas reserves | Ministry of Business, Innovation & Employment (mbie.govt.nz)).

44. Free Cash Flow represents EBITDAF less cash tax paid, net interest costs and stay in business capital expenditure. Net interest costs is interest and other finance charges paid, less interest received.

## 7.4 Transition plan aspects of our strategy (continued)

### FINANCING THE TRANSITION

We estimate that our renewable investment programme in Gen35 will cost approximately $1.1 billion through to FY30. This includes investment in solar through the solar JV with FRV Australia and via other models, grid scale batteries and other new renewable assets owned partially or wholly by Genesis.

Our approach to funding this growth is flexible, utilising a variety of commercial partnerships and contracts to provide balanced investments that enable growth in renewables, including PPAs and development with equity partners. A large portion of the renewable generation developed by our solar JV with FRV Australia, will be financed through non-recourse project finance. These arrangements reduce the level of capital outlay required by us. Kupe's Free Cash Flows will be used to help fund assets constructed and owned by us. Using a mixture of funding methods will enable us to maintain our BBB+ credit rating.

### MANAGING OUR EXPOSURE TO CARBON PRICES

We have a policy to manage the price risk associated with carbon over the short term. Prices are managed using forward contracts and options. We are also involved in two forestry partnerships which are designed to provide lower cost emission units. These units help manage the future cost of thermal generation or can be sold to other emitters.

## 7.5 How we align transition plan aspects of our strategy with internal capital deployment and funding decisions

Climate-related risks and opportunities are integral to the development of Gen35, financial planning, capital deployment and funding decisions. When developing Gen35, we considered the capital that is required to be deployed to manage the risk or take advantage of the opportunity and how this could be funded. We considered the value of owning the asset compared to entering into partnerships or contractual arrangements, the capacity of our balance sheet to support the investment, the impact on our credit rating and return on investment to shareholders. As part of this process, we also consider future earnings, our dividend policy and our funding capacity.

We have established a number of forums to govern the planning and delivery of different aspects of Gen35. These forums ensure programs of work are aligned with the strategic goals outlined in Gen35 and our risk appetite. They are also responsible for prioritisation of resources, approval of business cases and funding requests for new projects and changes to existing projects within their approved delegated authority, and monitoring budgets. Business cases and funding requests outside their delegated authority are presented to the relevant executive or the Board for approval in accordance with our Delegations of Authority Policy.

# 8. Metrics

This section includes the metrics outlined in NZ CS 1, industry-based metrics and other key performance indicators used to measure and manage our climate-related risks and opportunities. We used the industry-based guidance[45] published by the International Financial Reporting Standards (IFRS) Board to determine which industry-based metrics to include.

## 8.1 Our GHG emissions

Total scope 1 and 2 greenhouse gas (GHG) emissions[46] for the year ended 30 June 2024 were 2,442,729 $tCO_2e$. This is 127% more than FY23. The increase is mainly driven by higher thermal generation (51% higher than FY23) and, in particular, higher coal burn due to gas supply constraints and lower hydro inflows. FY23 had exceptionally high hydro inflows, which enabled a decrease in the volume of coal burnt, whereas there were periods of time in FY24 where hydro generation could only run on minimum flows. These hydrological conditions, combined with constrained gas supply and unplanned plant outages, resulted in coal burn increasing from 57 kilotonnes in FY23 to 729 kilotonnes in FY24.

Scope 3 emissions for the year ended 30 June 2024 were 788,413 $tCO_2e$. This is 17% less than FY23. The decrease is mainly driven by the decrease in wholesale gas sales, which decreased from 2.8 PJe in FY23 to 0.2 PJe in FY24.

Emissions in FY21 were higher than all the other years due to increased thermal generation as a result of below average hydro inflows.

| Scope | Category | FY24 $tCO_2e$ | FY23 $tCO_2e$ | FY22 $tCO_2e$ | FY21 $tCO_2e$ | FY20 $tCO_2e$ |
|---|---|---|---|---|---|---|
| **Direct emissions (Scope 1)** | Attributable to customers | 2,395,183 | 1,072,507 | 1,934,978 | 3,132,879 | 2,539,863 |
| | Attributable to thermal backed electricity contracts* | 45,094 | – | 286,398 | 805,398 | 149,491 |
| | **Stationary combustion attributable to thermal generation** | **2,440,277** | **1,072,507** | **2,221,376** | **3,938,277** | **2,689,354** |
| | Mobile combustion | 2,185 | 1,738 | 1,733 | 1,624 | 579 |
| | Fugitive emissions | 113 | 1,745 | 17 | 162 | 80 |
| | **Total scope 1** | **2,442,575** | **1,075,990** | **2,223,126** | **3,940,063** | **2,690,013** |
| **Indirect emissions (Scope 2)** | Electricity consumption | 154 | 160 | 217 | 262 | 240 |
| | **Total scope 2** | **154** | **160** | **217** | **262** | **240** |
| **Indirect emissions (Scope 3)** | Purchased goods and services | 15,290 | 16,480 | 15,492 | 14,898 | 15,348 |
| | Capital goods^ | 9,364 | – | – | – | – |
| | Fuel and energy related activities (upstream emissions) | 213,413 | 234,351 | 410,177 | 438,837 | 412,475 |
| | Waste generated in operations | 174 | 16 | 21 | 26 | 19 |
| | Business travel | 573 | 409 | 146 | 215 | 1,975 |
| | Employee commuting^ | 1,108 | 1,748 | – | – | – |
| | Use of sold products | 544,714 | 692,204 | 994,686 | 1,269,957 | 1,366,852 |
| | Investments | 3,777 | 4,789 | 7,184 | 8,547 | 8,080 |
| | **Total scope 3** | **788,413** | **949,997** | **1,427,706** | **1,732,480** | **1,804,749** |
| | **Total scope 1, 2 & 3** | **3,231,142** | **2,026,147** | **3,651,049** | **5,672,805** | **4,495,002** |

### Items excluded from scope 1-3 in accordance with the GHG protocol

| | | | | | | |
|---|---|---|---|---|---|---|
| **Biomass – $CO_2$** | Stationary combustion of biomass attributable to thermal generation | **–** | **857** | **–** | **–** | **–** |

* FY24 includes generation emissions associated with Market Security Options (MSOs) and FY20-FY22 includes generation emissions associated with swaptions. The swaptions expired in December 2022 and were not called in FY23.

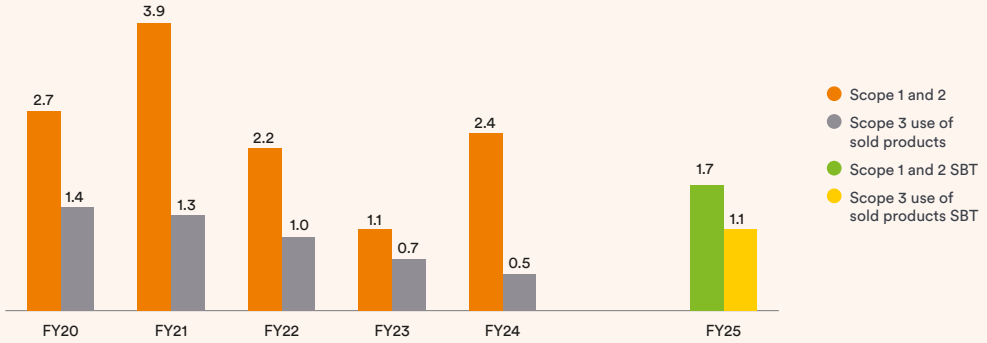
^ FY24 is the first year that capital goods have been disclosed and FY23 was the first year that employee commuting was disclosed. The comparative periods were not restated for these changes.

45. 'Electric Utilities and Power Generators' and 'Gas Utilities and Distributors'.

46. Throughout this document 'emissions' means greenhouse gas emissions.

# 8.1 Our GHG emissions (continued)

**GHG emissions ($MtCO_2e$)**




Performance against our SBT is included in section 9.

## How we calculate our GHG emissions

Our GHG emissions have been calculated in accordance with the GHG Protocol, using the operational control consolidated approach. We use the Ministry for the Environment's (MfE) 2024 Greenhouse Gas Reporting emission factors for all scopes and categories except for:

- Scope 3 purchased goods and services and capital goods which use the emission factors from the Consumption Emissions Modelling Report (Market Economics Limited, 2023) prepared for Auckland Council (prior to FY24 the Department for Environment Food and Rural Affairs (DEFRA) lifecycle emission factors were used); and
- Scope 3 fuel and energy related activities which uses Agrilink lifecycle emission factors.

The MfE emission factors are based on 100-year global warming potential values from the IPCC's Fifth Assessment Report (AR5) and Agrilink emission factors are based on 100-year global warming potential values from the IPCC's Fourth Assessment Report (AR4). Refer to Appendix II for a summary of the significant uncertainties, Appendix II, Table 2 for a summary of scope 3 items which have been excluded from the GHG inventory and Appendix II, Table 3 for the methods and assumptions applied.

## Assurance of GHG inventory

Deloitte has provided an unqualified limited assurance conclusion on the FY24 GHG inventory (refer to Appendix III). EY issued limited assurance opinions on the FY20, FY21, FY22 and FY23 GHG inventories. New scope 3 categories were, however, added in FY22[47]. The comparatives for the new scope 3 categories added in FY22 were restated back to FY20 but were not subject to limited assurance.

## New Zealand's regulatory regime

New Zealand has several regulations aimed at limiting emissions. One of the key mechanisms is the Emissions Trading Scheme (ETS) which requires businesses to measure and report their greenhouse gas emissions and surrender emission units for each tonne of emissions they emit. Genesis is a participant under the scheme for coal purchases (if the thresholds under the scheme are met) and Genesis' 46% share of Kupe production. Emission units are also payable to most other entities who supply Genesis with gas, either that or the cost of the emissions is included in the purchase price. For this reason all of our scope 1 emissions are either covered directly or indirectly by a program intended to reduce emissions.

47. Three new categories (purchased goods and services, fuels and energy related activities and investments) were added to the FY22 GHG inventory. The FY21 and FY20 GHG inventories were restated to include these. These categories were not included in the FY20 and FY21 limited assurance reviews undertaken at that time.

# 8.1 Our GHG emissions (continued)

## GHG emissions intensity

The emissions intensity of thermal generation is influenced by the mix of fuels used. Gas produces approximately half the emissions of coal. Thermal generation intensity was higher in FY24 and FY21 due to higher use of coal. FY24 was also impacted by Unit 5's unplanned outage, which required the less efficient Rankine units to run, primarily using gas to make up the shortfall. The emission intensity in FY23 was significantly lower because almost all the thermal generation was from gas (refer to section 8.2 for information on our thermal generation by fuel type). Total generation intensity was also significantly down in FY23 due to the reason noted previously and higher-than-normal hydro generation as a result of exceptionally high hydro inflows.

Retail emissions intensity continues to trend down. The significant decrease in FY23 is largely due to a decrease in the MfE emission factor for electricity, which is driven by the increase in renewable generation. Had we used the 2022 MfE factor the retail carbon intensity would have been 0.70 in FY23 and 0.64 in FY24.

| GHG emissions intensity | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| **Generation emissions intensity** | | | | | |
| Thermal generation (GWh) | 3,282 | 2,177 | 3,736 | 5,501 | 4,461 |
| Thermal generation emissions intensity ($tCO_2e^*$ / thermal generation GWh) | 744 | 493 | 595 | 716 | 603 |
| Total generation (GWh) | 5,960 | 5,858 | 6,481 | 8,027 | 6,805 |
| Total generation emissions intensity ($tCO_2e^*$ / total generation GWh) | 409 | 183 | 342 | 491 | 395 |
| **Retail emissions intensity** | | | | | |
| Retail revenue ($m)~ | 1,833 | 1,656 | 1,565 | 1,575 | 1,558 |
| Retail emissions ($kgCO_2e$)^ | 967 | 962 | 1,192 | 1,207 | 1,218 |
| Emissions intensity of retail revenue ($kgCO_2e$ / retail revenue $m) | 0.53 | 0.58 | 0.76 | 0.77 | 0.78 |

* Scope 1 stationary combustion attributable to thermal generation.

~ Revenue from electricity, gas, LPG and emissions on fuel sales and electricity contracts as outlined in note A1 of the Consolidated Financial Statements.

^ Emissions from electricity purchases is based on factors published by the Ministry for the Environment (MfE) so that the metric is comparable with other entities.

# 8.2 Transition risk metrics

### Thermal generation assets

The Rankine units and Unit 5 are carried at fair value, calculated using a discounted cash flow model based on a finite period (FY24: six years for the Rankine units and eight years for Unit 5). Key assumptions that are used to derive the fair value are the wholesale electricity price path, generation volumes, discount rate and the remaining economic useful life of the assets.

The wholesale electricity price path increased in FY24, reflecting certainty over Tiwai remaining, delays in future build assumptions and higher thermal fuel costs (due to tight gas supply and forecasted need to import coal to make up the shortfall). The increase in the wholesale electricity price path was partly offset by the passage of time, as the remaining useful lives of the assets remains unchanged.

The FY23 valuation of Unit 5 was also impacted by the unexpected outage on 30 June 2023 and in FY24 by the domestic gas supply constraints (which is expected to impact generation volumes). These factors also impacted the valuation of the Rankine units, with additional volumes forecasted to be generated through these units as a result. Refer to page 38 for more information.

### Kupe assets

Kupe assets are carried at historic cost and most of the assets are depleted on a units of use basis using proved remaining reserves (1P). The carrying value of the assets have declined over the last four years due to annual depletion and amortisation charges.

During FY24 a development well, KS-9 was drilled in the eastern block of the Kupe field. Reserves information collected from the well development programme indicated that the central field and eastern block were connected. The JV Operator conducted a review of Kupe's reserves that lead to a downgrade and resulted in the recognition of a $64.1 million impairment loss excluding deferred tax. The impairment largely offset the cost of the development well. The change in reserves did not impact Kupe's end of life, which is expected to be in the 2030's.

### Retail LPG assets

LPG assets are carried at historic cost and depreciated over their useful lives. This balance includes LPG depots, reticulated networks and customer installs. The carrying value of these assets has declined due to annual depreciation and amortisation charges. This trend is expected to continue.

| Assets vulnerable to transition risk* | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| **Carrying value net of deferred tax*** | | | | | |
| **Thermal generation assets (fair value)** | | | | | |
| Rankine units (gas and coal fired) ($m) | 92.2 | 78.1 | 44.2 | 40.8 | 24.1 |
| Unit 5 (gas fired) ($m) | 175.5 | 272.4 | 464.6 | 295.5 | 335.6 |
| Thermal generation assets as a % of total generation fixed assets | 10% | 15% | 20% | 14% | 16% |
| **Kupe assets** | | | | | |
| Oil and gas and intangible assets ($m) | 187.4 | 207.1 | 222.3 | 228.9 | 240.1 |
| **Retail LPG assets** | | | | | |
| LPG ($m) | 72.9 | 74.2 | 77.3 | 80.9 | 82.1 |
| **Total carrying value of assets vulnerable to transition risks net of deferred tax ($m)*** | **528.1** | **631.8** | **808.4** | **646.1** | **681.9** |

* Assets vulnerable to transition risks are defined as assets that have the potential to become stranded or where their carrying value could be materially impacted (either through reduction in fair value or impairment) because of the transition risks outlined in section 7.3. Deferred tax includes the movement associated with a change in fair value or impairment but excludes the impact arising from disposal of assets.

# 8.2 Transition risk metrics (continued)

| Earnings vulnerable to transition risk* | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| **Thermal generation** | | | | | |
| Thermal generation (GWh) | 3,282 | 2,177 | 3,736 | 5,501 | 4,461 |
| Generation by fuel source | | | | | |
| Gas | 32% | 35% | 43% | 32% | 46% |
| Coal | 23% | 2% | 15% | 37% | 20% |
| Biomass | – | – | – | – | – |
| Total thermal generation | 55% | 37% | 58% | 69% | 66% |
| % of retail purchases covered by thermal generation^ | 50% | 31% | 48% | 58% | 64% |
| **Kupe** | | | | | |
| Gas sales (PJ) | 7.0 | 8.4 | 11.1 | 10.6 | 10.7 |
| Oil sales (kbbl) | 109 | 254 | 292 | 306 | 366 |
| LPG sales (T) | 29,968 | 36,520 | 47,413 | 45,798 | 46,751 |
| Kupe EBITDAF ($m) | 38.7 | 66.6 | 77.4 | 87.4 | 93.8 |
| **Retail and wholesale** | | | | | |
| Retail gas sales (PJ)# | 7.0 | 7.2 | 7.4 | 8.0 | 7.8 |
| Wholesale gas sales (PJ) | 0.2 | 2.8 | 7.4 | 11.9 | 14.1 |
| Gas gross margin ($m)~ | 53.8 | 47.3 | 38.4 | (6.7) | (23.0) |
| Retail LPG sales (T)# | 43,339 | 43,874 | 44,341 | 43,542 | 42,347 |
| Wholesale LPG sales (T) | 6,246 | 7,262 | 17,094 | 15,458 | 5,360 |
| LPG gross margin ($m)~ | 59.7 | 45.7 | 54.0 | 45.4 | 38.6 |

* Earnings vulnerable to transition risks are defined as earnings from business activities that have the potential to be materially impacted by the transition risks outlined in section 7.3.

^ Wholesale electricity generation is usually higher than retail electricity purchases (i.e., long). As we are disclosing the vulnerable portion of retail electricity purchases to spot prices, we have calculated the thermal portion as being the difference between total retail electricity purchases and renewable electricity generation including PPA's divided by total retail electricity purchases.

# Refer to our FY24 ESG Datasheet and GRI Index for a breakdown of sales by customer segment.

~ Gross margin is the lowest level of earnings reported for gas and LPG.

### Thermal generation

Thermal generation in FY24 was higher than FY23 mainly due to below average hydro inflows in FY24 (compared with significantly above average hydro inflows in FY23). The increase in coal generation was mainly due to plant outages and domestic gas supply constraints. Unit 5 was out for more than six months in FY24, which resulted in increased use of the less efficient Rankines.

The percentage of retail purchases covered by thermal generation has been decreasing up until FY24, mainly due to declining retail volumes relative to hydro generation and the notional purchase of renewable electricity under the Waipipi PPA from November 2020. FY24 has increased due to higher retail volumes. Renewable generation in FY24 was in line with the previous years with the exception of FY23.

### Kupe

Kupe sales and EBITDAF have declined due to field decline, timing of oil sales, and changes in selling prices. Kupe production, and therefore, sales and EBITDAF was also impacted in FY24 by the planned maintenance outage in November 2023 and, to a lesser extent, plant downtime to enable the KS-9 well development work.

### Gas

Retail gas sale volumes have remained relatively consistent year on year. Wholesale gas sales have declined in the current year mainly due to all available gas being used for electricity generation and retail customers. The decline in the earlier comparative periods was mainly due to our strategy to move away from long term wholesale gas sale contracts. The gas gross margin has increased over time mainly due to our focus on selling gas into higher value retail channels.

### LPG

Retail LPG sale volumes have remained relatively consistent year on year. Wholesale LPG sales increased in FY21 due to the Wholesale segment on-selling more of the LPG acquired from Kupe. The decrease in FY23 and FY24 was mainly due to the decrease in Kupe's production as noted above. LPG gross margin has grown over time due to increased sale volumes and improved retail pricing. The reduction in FY23 is mainly due to reduced sale volumes and a contractual price adjustment relating to FY22.

# 8.2 Transition risk metrics (continued)

| Earnings vulnerable to transition risk* | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| **Retail customers using fossil fuels (count)** | | | | | |
| Gas only | 10,281 | 11,918 | 14,003 | 16,086 | 15,888 |
| LPG only | 29,871 | 34,275 | 34,748 | 34,007 | 33,569 |
| Multi fuel | 150,557 | 142,987 | 133,550 | 128,214 | 121,110 |
| Percentage of our customer base | 39% | 39% | 39% | 38% | 35% |
| **Net customer churn** | | | | | |
| Genesis | 13.5% | 12.1% | 12.8% | 15.9% | 14.8% |
| Frank*Energy | 16.2% | 17.9% | 20.2% | 24.6% | 24.5% |
| **New Zealand gas and LPG consumption (PJ)+** | | | | | |
| Residential and commercial gas | < | 14.7 | 14.4 | 15.1 | 15.2 |
| Industrial gas | < | 50.5 | 53.5 | 57.3 | 63.7 |
| LPG (all categories) | < | 9.6 | 9.5 | 9.4 | 9.2 |
| **Active gas ICPs in New Zealand>** | 308,021 | 307,376 | 302,285 | 297,311 | 292,666 |
| **Carbon hedging** | | | | | |
| Forecast number of full years of carbon hedging in place at year end^ | 2 | 6 | 5 | 4 | 7 |
| **Cost of debt** | | | | | |
| Weighted average interest rate | 5.7% | 5.2% | 4.2% | 4.5% | 5.5% |

* Earnings vulnerable to transition risks are defined as earnings from business activities that have the potential to be materially impacted by the transition risks outlined in section 7.3.

\+ As published by the Ministry of Business, Innovation and Employment (MBIE).

< FY24 quarter four information for New Zealand gas and LPG consumption had not be released by MBIE at the time of writing this report.

> As reported by the Gas Industry Co.

^ The FY24 and FY23 forecast uses 90 years of historical hydro inflow data to calculate the average thermal generation forecasted to occur and assumes expected plant and gas availability at year end. The FY20-FY23 uses 83 years of historical hydro inflow data. Actual thermal generation may differ to this.

### Retail customers using fossil fuels

Overall retail customer numbers have increased year on year. While the number of single fuel gas and LPG customers continues to slowly decline this is mainly due to customers moving to multi fuel offerings.

### Net customer churn

Customer churn in FY24 primarily reflects the relative price position of each brand in their respective market. Genesis brand pricing was in the upper range compared to other Tier 1 retailers for most of FY24, driving churn higher. Frank customer churn reduced year on year reflecting its competitive price position and improved customer experience.

### New Zealand retail gas and LPG consumption

NZ residential and commercial gas and LPG consumption has remained relatively static year on year, but industrial gas consumption has been in decline since Covid mainly due to the closure of several large industrial users. The number of active gas connections continues to grow year on year.

### Carbon hedging

The duration of carbon hedging is impacted by median hydrology, expected coal and gas conditions and renewable development. The decrease in FY24 is due to forecasted domestic gas supply constraints, delay in market-wide renewable development (both of these impacts result in a forecasted need to burn more coal) and a refresh of our approach to carbon hedging.

### Cost of debt

The weighted average interest rate has increased in line with floating interest rates.

# 8.3 Physical risk metrics

| Assets and earnings vulnerable to physical risk | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| **Carrying value net of deferred tax*** | | | | | |
| Hydro generation assets (fair value) ($m) | 2,342.4 | 2,040.4 | 2,028.2 | 2,016.4 | 1,925.3 |
| **Earnings vulnerable to physical risks^** | | | | | |
| Hydro inflows (GWh)~ | 2,470 | 3,993 | 3,000 | 2,393 | 2,706 |
| Hydro generation (GWh) | 2,664 | 3,669 | 2,733 | 2,507 | 2,321 |
| Hydro generation as a % of total generation | 45% | 63% | 42% | 31% | 34% |

* Assets vulnerable to transition risks are defined as assets that have the potential to become stranded or where their carrying value could be materially impacted (either through reduction in fair value or impairment) because of the physical risks outlined in section 7.3. The main reason that hydro generation assets have been included here is because they are carried at fair value in the Consolidated Financial Statements. Hydro generation assets are unlikely to become stranded or written off as a result of the physical risks however the earnings from these assets could be impacted, which would in turn impact their fair value. For this reason, they have been disclosed as assets vulnerable to physical risks. Refer to section 8.2 for Kupe asset values. Deferred tax includes the movement associated with a change in fair value or impairment but excludes the impact arising from disposal of assets.

^ Earnings vulnerable to physical risks are defined as earnings from business activities that have the potential to be materially impacted by the physical risks outlined in section 7.3. Refer to section 8.2 for Kupe earnings.

~ Based on the aqueduct tool on the World Resource Institute's website no catchments in New Zealand are rated high or extremely high. Refer to our FY24 ESG Datasheet and GRI Index for more information on our use of water.

### Hydro generation assets

Hydro generation assets are carried at fair value, calculated using a discounted cash flow model. The fair value is materially impacted by long-term wholesale electricity prices and discount rates.

The increase in the fair value in FY24 is primarily due to the forecasted increase in wholesale electricity prices.

Hydro inflows are significantly impacted by acute weather events and seasonal variations. Near record inflows were recorded in FY23, which enabled increased hydro generation. In contrast, hydro inflows in FY24 were below average with extended periods where hydro generation could only run on minimum flows.

# 8.4 Climate-related opportunity metrics

| | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| **Electricity consumption** | | | | | |
| New Zealand electricity sales (consumption) (GWh)~ | < | 39,477 | 39,539 | 40,228 | 40,198 |
| Genesis retail electricity sales (GWh)* | 5,919 | 5,663 | 5,806 | 6,241 | 6,244 |
| Genesis % share of New Zealand electricity sales | < | 14% | 15% | 16% | 16% |
| **Electricity generation** | | | | | |
| New Zealand electricity generation from hydro (GWh)~ | < | 27,912 | 24,683 | 23,179 | 24,693 |
| New Zealand hydro generation as a % of total electricity sales (consumption) | < | 71% | 63% | 58% | 62% |
| Genesis % share of New Zealand hydro generation | < | 13% | 11% | 11% | 9% |
| Cumulative increase in renewable energy generation from plant efficiencies (GWh)+ | 29 | 29 | 27 | + | + |
| **Products or services that support a lower carbon future** | | | | | |
| Number of customers on an EV plan at 30 June | 8,325 | 4,153 | 1,610 | 332 | - |

~ As published by MBIE. These volumes are updated each reporting period to align with the most recently published data.

< FY24 quarter four information for New Zealand electricity sales (consumption) and hydro generation had not been released by MBIE at the time of writing this report, as a result Genesis % share is unable to be disclosed.

* Refer to our FY24 ESG Datasheet and GRI Index for a breakdown of sales by customer segment.

+ From an FY20 base year. Comparatives for FY20 and FY21 are unable to be reported as efficiencies from capital work were not reported for these years. In addition to the GWh efficiencies reported for FY22, FY23 and FY24, work has also been completed which increased the individual capacity of three generators at Tuai by 2 MW. The total GWh efficiency gained depends on whether all three generators are run at the same time. Due to constraints on the station the full impact of the efficiency is only gained when the station is operating below the maximum output of 60 MW. For this reason, this efficiency gain has not been included in the reported numbers.

### Electricity consumption and generation

National electricity consumption, and Genesis' share of that consumption, have remained relatively constant. National hydro electricity generation dipped in FY21 due to below average hydro inflows, and peaked in FY23 due to near record inflows. Genesis' share of hydro generation has remained relatively consistent, except for FY23, which was impacted by near record inflows into our catchments.

We continue to invest in hydro assets to improve efficiencies. Most of the work undertaken in FY24 focused on extending the life and reliability of assets as well as increasing the efficiency of our units within certain operating conditions rather than increasing the total maximum capacity. Refer to our FY24 Integrated Report for further information on generation site upgrades.

### Products or services that support a lower carbon future

We continue to see a strong uptake for our EV plans and products in FY24. The growth rate has, however, slowed as national EV sales have decreased since the removal of government incentives.

# 8.5 Capital deployment metrics

| | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| **Investments held at 30 June** | | | | | |
| Solar partnerships ($m) | 0.6 | – | – | – | – |
| Forestry partnerships ($m) | 72.5 | 53.7 | 32.0 | 15.1 | 5.3 |
| **Capital contributions/expenditure on climate-related initiatives during the year** | | | | | |
| Climate-related initiatives ($m)^ | 5.5 | 0.9 | – | – | – |
| Forestry partnerships ($m) | 20.5 | 23.3 | 17.4 | 10.3 | 5.7 |
| Unit upgrades and efficiencies ($m)~ | 2.8 | 11.6 | 16.4 | 2.8 | 6.6 |
| **Research and development on climate-related initiatives during the year ($m)** | 0.6 | 2.7 | 2.8 | 0.2 | – |
| **Capital committed to climate-related initiatives at 30 June*** | | | | | |
| Climate-related initiatives ($m) | 10.1 | 1.9 | – | – | – |
| Forestry partnerships ($m) | 27.9 | 48.4 | 71.7 | 14.1 | 24.4 |
| Unit upgrades and efficiencies ($m) | 1.2 | 3.8 | 7.0 | 8.1 | 7.3 |

^ This includes capital contributions to solar partnerships, our share of net profit/loss from the solar JV, internal labour and third-party costs.

~ Total expenditure on projects which have increased the capacity or operating efficiency of the units when compared to their original design.

* This represents the amount of funding committed to JVs, partnerships or projects but not yet spent at 30 June. This is a broader definition than the commitments in our Consolidated Financial Statements which are based on the contractual commitments of each of our associates or JVs in accordance with New Zealand Equivalents to International Accounting Standard 16.

### Investments

In FY22, we entered into a JV with FRV Australia to establish up to 500 MW of solar. The solar JV is proportionally consolidated in our Consolidated Financial Statements and therefore does not appear as an investment on our balance sheet. In FY24 the solar JV established Lauriston Solar Project (2023) Limited Partnership, the first solar development project under the solar JV arrangement. Lauriston Solar Project (2023) Limited Partnership commenced development of Lauriston solar farm during the year. The project is funded by a non-recourse loan as well as contributions from ourselves and FRV Australia.

Our investment in our two forestry partnerships (which are designed to provide lower cost emission units that will be used to meet our obligations under the ETS) have increased year on year as the partnerships develop their forestry portfolios.

### Capital contributions/expenditure

We continue to invest in climate-related initiatives that help our business transition to a low carbon future and improve operating efficiencies of our assets. The work completed on climate-related initiatives in FY24 is discussed in section 7.4 `Development of new renewable generation' and `Development of flexible portfolio'.

Capital expenditure on unit upgrades and efficiencies fluctuates year on year depending on when multiyear projects are completed. In FY24 the seven-year project to upgrade 3 generators at Tuai was completed and planning was undertaken for the full replacement of two generators at Kaitawa.

### Research and development

Research and development includes investigating the viability of biomass and technologies associated with EV offerings.

### Capital committed

Capital commitments on climate-related initiatives increased in FY24 due to the commencement of the Lauriston solar farm development.

Forestry partnerships capital commitments peaked in FY22 due to the establishment of Forest Partners Limited Partnership and have subsequently declined year on year due to the establishment of the forest portfolios.

Capital commitments on hydro generator upgrades to improve efficiencies have declined, as projects have been completed. A significant program of upgrades at Tuai, Piripaua and Tekapo were undertaken over the last seven years. Further work is planned in FY25 for the two hydro generators at Kaitawa. This has not been included in capital commitments at 30 June 2024 as the contracts were still being finalised at year end.

## 8.6 Internal emissions price

| | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| Internal emission price ($/tCO₂e) | $56 | $64 | $87 | $44 | $35 |

The internal emissions price is a key input in calculating the wholesale electricity price path and determining the cost of thermal generation used in our operating and investing decisions. The price is based on the current market price and is adjusted over time to match the target price published by the Climate Change Commission (FY24 was $230/tCO₂e in 2050 in real terms, prior to FY24 it was $250/tCO₂e in 2050 in real terms). The table provides the average market price for the next financial year as calculated at 30 June.

The price is updated during the year if there is a material change in the market price. Wholesale electricity prices from two independent third parties are also used to assess investment decisions. These wholesale electricity prices incorporate an emission price assumption. The change in the emission price is reflective of the change in market prices over the period.

## 8.7 Remuneration metrics

| | FY24 | FY23 | FY22 | FY21 | FY20 |
|---|---|---|---|---|---|
| Short-term incentives linked to sustainability objectives | 32%-37% | 12% | 18%-36% | 12% | – |
| Long-term incentives linked to SBTs | 20% | 20% | – | – | – |

Sustainability metrics were introduced into the short-term incentives in FY21 and achievement of Science Base Targets was incorporated into the long-term incentives in FY23. The ‘Executive remuneration’ section of the FY24 Integrated Report provides a summary of these goals.

# 9. Targets

| Overall objective | Target | Target year | Base year | Performance | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Base year | FY22 | FY23 | FY24 | Commentary |
| **Electrification**<br>Empowering the customer led transition | 150 MW of distributed customer energy resources under orchestration | FY28 | FY24 | 0 MW | N/A | N/A | 0 MW | Leveraging the capability and footprint of Ecotricity. |
| | Reduce absolute scope 3 emissions from use of sold products by 21% by FY25 | FY25 | FY20 | N/A | 27% reduction | 49% reduction | 60% reduction | The target has been met and exceeded since FY22. |
| **Grow renewables**<br>Grow our portfolio of renewable generation to support our net zero 2040 ambition<br>Aim is to have ~8,300 GWh of renewable generation from hydro, solar and wind by FY35 (+5,500 GWh from FY20 base of 2,800 GWh) | Increase renewable generation by 2,650 GWh | FY28 | FY20 | 0 GWh | 1,200 GWh | 1,200 GWh | 1,297 GWh | The increase in FY24 relates to the PPA for Lauriston solar farm. During FY24 we continued to assess several North Island development sites as well as a range of solar development opportunities as part of a growing pipeline of development options. |
| | Increase renewable generation by 5,500 GWh | FY35 | | | | | | |
| | 500 MW of solar development | FY28 | FY20 | 0 MW | 0 MW | 0 MW | 63 MW | Lauriston solar farm is the first solar farm being developed with FRV Australia. It is expected to be operational in the second quarter of FY25. |
| | Reduce absolute scope 1 and 2 GHG emissions by 36% by FY25 | FY25 | FY20 | N/A | 17% reduction | 60% reduction | 9% reduction | Below average hydro inflows, gas shortages and the unplanned outage of Unit 5 for almost six months of the year resulted in an increase in emission intensity, and therefore absolute emissions in FY24 relative to the comparative periods. |
| **Flexibility**<br>Transition our thermal generation portfolio<br>Aim is to have 1,400 MW flexible assets at Huntly by FY35 | Up to 200 MWh Battery Energy Storage System operational | FY28 | FY24 | 0 MWh | N/A | N/A | 0 MWh | Established a project team to progress a business case for the construction of a 100 MW / 200MWh Battery Energy Storage System at Huntly, undertaken a request for proposal process for the supply of equipment and evaluated the responses. A Final Investment Decision is expected to be made in FY25. |
| | Up to 800 MWh Battery Energy Storage System operational | FY35 | | | | | | |
| | Commercial arrangements in place for the supply of biomass | FY25 | FY24 | None | N/A | N/A | No | We made good progress in FY24 on establishing a supply chain for biomass and have commenced negotiating key contractual terms. We expect to procure our first volume of locally produced biomass in FY25, which will be scaled up over time. |
| | Biomass generation > coal generation | FY28 | FY24 | 0 GWh | N/A | N/A | 0 GWh[48] | |

48. The FY25 target relating to biomass commercial arrangements needs to be met before this target is applicable.

# 9. Targets (continued)

| Overall objective | Target | Measurement method and assumptions |
|---|---|---|
| **Electrification**<br>Empowering the customer led transition | 150 MW of distributed customer energy resources under orchestration | Orchestration means the point at which the customer installed distributed customer energy resources (solar, EV, battery, hot water, heat) are flexibly used to optimise value for customers and Genesis in response to the market.<br>MW is based on peak capacity of the assets under orchestration.<br>Performance is measured using the MW of assets under orchestration at 30 June. |
| | Reduce absolute scope 3 emissions from use of sold products by 21% by FY25 | Absolute target, aligned with a 1.5°C pathway, approved by SBTi.<br>Measured in t/$CO_2$e using GHG protocol.<br>Performance is measured as the % difference between actual emissions for the year compared to the base year. The target and actual performance do not include the use of offsets. |
| **Grow renewables**<br>Grow our portfolio of renewable generation to support our net zero 2040 ambition<br>Aim is to have ~8,300 GWh of renewable generation from hydro, solar and wind by FY35 (+5,500 GWh from FY20 base of 2,800 GWh) | Increase renewable generation by 2,650 GWh | Includes new renewable generation assets or PPAs that meet the criteria below after the base year. The only exception to this is Waipipi PPA which was signed in FY19 but was included in the target increase when the target was established.<br>For projects wholly owned by Genesis the GWh are included when financial close is met.<br>For PPAs the GWh are included when the contract is executed. PPAs on assets that met financial close before 30 June 2020 are not counted. |
| | Increase renewable generation by 5,500 GWh | The GWh is based on the annual P50 generation expected to be obtained from the asset as outlined in the design documents for assets wholly owned by Genesis or as outlined in the PPA.<br>If Genesis partially owns an asset (i.e. via JV or partnership) and has a PPA only the PPA is counted. |
| | 500 MW of solar development | MW is based on peak capacity.<br>The MW are included when financial close for the project is met.<br>If the project is developed through a JV arrangement the MW are based on the peak capacity for the whole project to align with the PPA. |
| | Reduce absolute scope 1 and 2 GHG emissions by 36% by FY25 | Absolute target, aligned with a 1.5°C pathway, approved by SBTi.<br>Measured in t/$CO_2$e using GHG protocol.<br>Performance is measured as the % difference between actual emissions for the year compared to the base year. The target and actual performance do not include the use of offsets. |
| **Flexibility**<br>Transition our thermal generation portfolio<br>Aim is to have 1,400 MW flexible assets at Huntly by FY35 | Up to 200 MWh Battery Energy Storage System operational | MWh is based on the peak storage capacity. Operational means able to be discharged into the market. |
| | Up to 800 MWh Battery Energy Storage System operational | |
| | Commercial arrangements in place for the supply of biomass | Target is met when there is a signed supply agreement in place for biomass. |
| | Biomass generation > coal generation | Target is met when biomass generation exceeds coal generation, calculated based on the volume of GWh produced in the year using each fuel. |

# Appendix I: Climate scenario data and reference models

This Appendix outlines the data and reference material used to construct each scenario.

Climate Change Commission. (2021). *Scenarios Dataset Final Advice*.

Coal in Net Zero Transitions. (2022). *Global Energy and Climate Model*.

Intergovernmental Panel on Climate Change. *(2021). Sixth Climate Change Assessment Report.*

International Energy Agency. (2022). *Global Energy and Climate Model.*

Ministry for the Environment. (2018). *Climate change projections for New Zealand.*

Ministry for the Environment. (2022). *Emissions reduction plan.*

Ministry for the Environment. (2022). *Interim guidance on the use of new sea-level rise projections.*

Ministry of Business, Innovation and Employment. (2022). *Carbon capture and storage.*

Ministry of Business, Innovation and Employment. (2022). *New Zealand Energy Strategy.*

Ministry of Business, Innovation and Employment. (2016). *Shared-climate Policy Assumptions for New Zealand in Exploring Options for New Zealand under Different Global Climates. Synthesis Report RA5. Climate Changes, Impacts and Implications.*

International Energy Agency/Net Zero by 2050 (2022). *Climate Change Commission. (2021). Scenarios Dataset Final Advice: Global Energy and Climate Model.*

International Institute for Applied Systems Analysis. (2018). *SSP Database (Shared Socioeconomic Pathways) Scenario Explorer.*

StatsNZ. (2022). *National Population Projections 2022 (base)-2073.*

Treasury New Zealand. (2022). *CBAx Tool User Guidance.*

XRB (External Reporting Board). (2022). *Climate-related disclosure. NZ CS1: Guidance for all sectors.*

# Appendix II: GHG inventory methods, assumptions and uncertainties

## Purpose

The GHG inventory has been prepared in accordance with the requirements of the Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (revised edition)* and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (GHG Protocol) which is an internationally recognised framework for carbon reporting. Using a recognised and widely adopted framework ensures transparency, robustness and consistency in approach across the energy sector.

## Organisational boundaries

Organisational boundaries determine the parameters for emissions reporting and ensure consistency when determining which factors to include. Genesis' boundaries have been set in accordance with the methodology outlined in the GHG Protocol.

The GHG Protocol allows two distinct approaches to consolidate emissions: the equity share approach or the control approach (control can be defined in either financial or operational terms).

Genesis has applied the **operational control consolidation approach**, which ensures we focus on those emission sources that we have control over and therefore the ability to manage. Operational control is defined in the GHG Protocol as having the full authority to introduce and implement operating policies at the operation under consideration. Under the operational control approach, an entity accounts for 100% of emissions from operations over which it or one of its subsidiaries has operational control.

The organisation boundary includes Genesis and all its subsidiaries (refer to our FY24 Integrated Report for a list of subsidiaries).

## Business units excluded

All of Genesis' joint ventures, joint operations and associates are excluded from scope 1 and 2 emissions on the basis that Genesis does not have operational control of these entities. Refer to our FY24 Integrated Report for a list of entities.

Kupe Venture Limited sells its 46% share of gas and LPG produced from Kupe JV to Genesis. These products are either used in the generation of electricity or sold to customers, as a result these products are included in either scope 1 or scope 3 depending on how they were used. The sale of oil produced by the Kupe JV is managed by the Operator, Beach Energy, and as a result has not been included in scope 3 emissions on the basis that Genesis does not have operational control.

## Operational boundaries

The emission sources included in this report were identified with reference to the methodology outlined in the GHG Protocol.

### Scope 1 – Direct emissions

Scope 1 includes emissions from sources that are owned or controlled by Genesis. This includes electricity generation, fuel used in vehicles owned or leased by Genesis and any fugitive emissions released.

During FY23 we successfully completed a biomass burn trial at Huntly Power Station. The $CO_2$ from combustion of the biomass has been excluded from scope 1 emissions and has been reported separately in accordance with the GHG Protocol.

### Scope 2 – Indirect emissions, electricity

Scope 2 includes emissions from purchased electricity consumed by Genesis and therefore brought into our organisational boundary. It includes electricity that is consumed at LPG branches and depots, corporate offices and office buildings at generation sites where the electricity is drawn from the grid. It excludes electricity consumed at generation sites where the electricity was not drawn from the grid.

Scope 2 emissions have been calculated using location-based emissions factors.

### Scope 3 – Other indirect emissions

Scope 3 emissions are a consequence of Genesis' activities but occur from sources not owned or controlled by us. Reporting on these emissions is optional under the GHG Protocol.

The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (a supplement to the GHG Protocol) categorises scope 3 emissions into 15 distinct categories. Genesis has determined which scope 3 categories are relevant using the following criteria:

(a) relevance to our operations;

(b) significant contributor to overall emissions;

(c) availability of data; and

(d) ability to influence and/or reduce.

**Table 1** details which categories have been included and the boundary applied and **Table 2** details which categories have been excluded and why.

### Table 1: Scope 3 inclusions

| Category | Boundary applied |
|---|---|
| Purchased goods and services | This category includes goods and services purchased in the financial year and that are not disclosed in another category noted below. |
| Capital goods | This category includes emissions on goods and services that have been capitalised for accounting purposes. Emissions are recognised as the spend is incurred. |
| Fuel and energy related activities | This category includes upstream emissions on fuels purchased for use in the generation of electricity as well as fuels sold to customers. Upstream emissions on coal and LPG are accounted for when the fuel is purchased rather than when it is burnt or sold to customers. Coal purchases in transit at year end are recognised as purchases in the financial year the coal is recorded on the coal stockpile. |
| Waste generated in operations | This category includes waste for Auckland, Hamilton, and Christchurch corporate offices and Huntly Power Station[49]. General waste produced at operational sites other than Huntly is not currently measured. Given the nature of operations, emissions from general waste are not expected to be material. |
| Business travel | This category includes air travel, accommodation and taxi services used during the financial year. |
| Employee commuting | This category includes emissions associated with employee's transportation to and from work and working from home. |
| Use of sold product | This category includes gas and LPG sold to customers during the financial year. The sale of oil produced by the Kupe JV is excluded because this process is managed by the Operator, Beach Energy, and therefore is outside Genesis' operational control. |
| Investments | This category includes 46% of Kupe JV's scope 1 and 2 emissions relating to the production of oil. The 46% share of Kupe JV's scope 1 and 2 emissions relating to the production of gas and LPG have been included in scope 3 fuel and energy related activities category. The 46% share of Kupe JV's scope 3 emissions have been excluded because this information is not currently reported by the JV. The GHG protocol does not require scope 3 emissions from investments to be included in this category.<br>Emissions associated with DrylandCarbon One Limited Partnership, Forest Partners Limited Partnership and Solar Joint Venture have been excluded as emissions reporting is not currently completed by these entities. Given the nature of these entities, the scope 1 and 2 emissions from these activities are not expected to be material. Emissions associated with Ecotricity Limited Partnership activities have been excluded as the information is not available at the time Genesis completed its reporting and they are highly immaterial. |

### Table 2: Scope 3 exclusions

| Category | Justification for excluding |
|---|---|
| Upstream transportation and distribution | Emissions on transportation are included in scope 3 fuel and energy related activities or scope 1. |
| Upstream leased assets | Emissions from upstream leased assets are included in scope 1 and 2. |
| Downstream transportation and distribution | There is no transportation or distribution of products after the point of sale. |
| Processing of sold products | Genesis does not sell intermediate products therefore there is no processing of sold products. |
| End of life treatment of sold products | Sold products are consumed by customers therefore there are no end-of-life emissions to account for. |
| Downstream leased assets | Emissions from downstream leased vehicles are included in the fuels and energy related activities category and emissions associated with leased LPG bottles and tanks are included in use of products sold category. |
| Franchises | Genesis does not have anything that falls within this category. |

49. Waste for Huntly has only been reported since FY24.

## Base year

The base year is 1 July 2019 to 30 June 2020 (FY20), which is consistent with the base year used for our SBTs. Total scope 1 and 2 emissions for FY20 were 2,690,253 $tCO_2e$ and scope 3 were 1,804,749 $tCO_2e$.

## Base year recalculation

The base year or any other reported year included in this document must be recalculated and restated in accordance with the GHG Protocol if any of the following circumstances result in a 5% or more change in total reported scope 1, 2 and 3 emissions[50]:

- Change in structure (acquire or sell a business)
- Change in calculation methodology such as improved emission factors or activity data
- Change in consolidation approach or operating boundary
- Discovery of an error

The base year or any other reported year may be restated for changes less than 5% if the Chief Financial Officer considers the change necessary to provide a consistent and meaningful comparison of the GHG inventory over time.

There were no significant changes during 1 July 2023 to 30 June 2024 that required the base year or any other reported year to be recalculated and restated.

## Methodology

This GHG inventory has been calculated using activity data multiplied by emission factors. We have used emission factors published by the Ministry for the Environment (MfE)[51] for all scopes and categories except for:

- Scope 3 purchased goods and services and capital goods which use the emission factors from the Consumption Emissions Modelling Report (Market Economics Limited, 2023) prepared for Auckland Council (prior to FY24 the Department for Environment Food and Rural Affairs (DEFRA) lifecycle emission factors were used); and
- Scope 3 fuel and energy related activities which uses Agrilink[52] lifecycle emission factors.

The MfE emission factors are based on 100-year global warming potential values from the IPCC's Fifth Assessment Report (AR5) and Agrilink emission factors are based on 100-year global warming potential values from the IPCC's Fourth Assessment Report (AR4).

## Uncertainties

Quantification of emissions is subject to inherent uncertainty because the scientific knowledge and methodologies used to determine the emission factors and processes to calculate and estimate quantities of emissions are still evolving. As a result, the GHG inventory is subject to more inherent limitations and uncertainties than financial information.

All material emission calculations are prepared by our financial reporting system using data collated for financial reporting purposes. There are however inherent limitations when using published emission factors as they:

- Are not specific to individual entities, they are based on industry averages;
- Are often inferred using data collated for other purposes and assumptions are required where scientific data is incomplete; and
- Are based on data collected in previous years, countries or use studies performed several years ago. This particularly impacts the Agrilink and DEFRA lifecycle emission factors which is discussed further in the significant uncertainties section.

These inherent limitations mean that the GHG inventory represents our best estimate of our emissions using the best data available at the time the information is reported. It is possible disclosures made in this report may be amended, updated, recalculated, and restated in the future if the scientific knowledge and methodologies used to determine emission factors are found to materially change previously reported numbers. The methods, data sources and assessment of their reliability are shown in **Table 3**.

## Significant Uncertainties

Certain scope 3 emission categories are required to be measured using lifecycle analysis (LCA) methodology. There are currently a limited number of New Zealand specific lifecycle emission factors available mainly due to the ability to access information and the process involved in calculating the emission factors, as a result lifecycle emission factors are often based on data collected in previous years, countries or use studies performed several years ago.

As outlined in **Table 3**, the calculation of scope 3:

- Purchased goods and services for FY20 through to FY23 were calculated using DEFRA lifecycle emission factors which are based on 2011 data. Purchased goods and services in FY23 made up less than 1% of our emissions; and
- Fuel and energy related activities (upstream emissions) relating to thermal generation and use of sold products are calculated using Agrilink lifecycle emission factors which are based on 2010 data published by the Ministry of Economic Development. These subcategories make up approximately 6% of our emissions in FY24.

The application of these emission factors creates a significant uncertainty in relation to the calculation of scope 3 emissions as they may be out of date. A reasonableness test was performed on the Agrilink emission factors in FY22 using data from other sources. Based on this testing we determined that Agrilink emission factors were the most representative lifecycle emission factors to use given the activities they were being applied to. We review the market and consider whether the emission factors used in our GHG inventory remain the most appropriate, on an annual basis.

50. The 5% threshold is calculated using the base year total reported scope 1, 2 and 3 emissions.
51. Measuring emissions: A guide for organisations: 2024 detailed guide and the 2024 Emission Factors workbook have been used to calculate the FY24 emissions.
52. New Zealand fuel and electricity total primary energy and life cycle greenhouse gas emission factors 2023.

## Table 3: Summary of methods and assumptions applied

| | Category | Emission source | Calculation method | Emission factor source | Data source | Reliability of data |
|---|---|---|---|---|---|---|
| **Scope 1** | Stationary combustion | Fuel used for electricity generation (includes gas, coal, LPG and diesel) | Average-data method[53] | MfE | Fuel records used for financial reporting which are also used for our Emissions Trading Scheme (ETS) returns | Data quality is good. Reliable due to use of financial records |
| | Mobile combustion | Fuel used in vehicles (owned and leased) | Average-data method | MfE | Fuel usage from financial records for plant vehicles and fleet manager for all other vehicles | Data quality is good but it does rely on accuracy and completeness of fleet manager data for non-plant vehicles |
| | Fugitive emissions | Fugitive emissions of Sulphur Hexafluoride (SF6) | Average-data method | MfE | Maintenance reporting system | Calculated at sites where reliable information is available. Fugitive emissions exclude any potential emissions from Genesis' LPG business based on immateriality of the emissions from this source |
| **Scope 2** | Electricity | Electricity consumed at LPG branches and depots, corporate offices and office buildings at generation sites where the electricity is drawn from the grid | Average-data method | MfE | Records from billing system | ICP points were used to measure consumption at various sites. Where auxiliary power is consumed it is excluded as it has not yet gone to the grid |
| **Scope 3** | Purchased goods and services | Extraction, production, and transportation of goods and services acquired but not included in the other categories | Spend-based method[54] | Consumption Emissions Modelling Report prepared for Auckland Council[55] | Purchased goods and services from financial records | Data quality is good. Reliable due to use of financial records |
| | Capital goods | Goods and services capitalised for accounting purposes | Spend-based method | Consumption Emissions Modelling Report prepared for Auckland Council[55] | Purchased goods and services from financial records | Data quality is good. Reliable due to use of financial records |
| | Fuel and energy related activities | Extraction, production, and transportation of fuel and energy acquired and consumed in the generation of electricity or sold to customers | Average-data method | Agrilink for activities associated with generation and use of sold products and MfE for transmission and distribution and net retail electricity purchases | Fuel records used for financial reporting which are also used for our Emissions Trading Scheme (ETS) returns | Data quality is good. Reliable due to use of financial records |

53. The average-data method estimates emissions by collecting data on the quantity (e.g., kilograms, gigajoules, litres) of product used multiplied by an appropriate emission factor.
54. The spend-based method estimates emissions by collecting data on the cost of goods and services purchased multiplied by an appropriate emission factor.
55. The emission factors from the Consumption Emissions Modelling Report (Market Economics Limited, 2023) prepared for Auckland Council have been adjusted for inflation.

## Table 3: Summary of methods and assumptions applied (continued)

| | Category | Emission source | Calculation method | Emission factor source | Data source | Reliability of data |
|---|---|---|---|---|---|---|
| **Scope 3** | Waste generated in operations | Disposal and treatment of waste | Waste type specific method[56] | MfE | Waste data as measured by our suppliers | Data quality is good but is reliant on accuracy and completeness of supplier data |
| | Business travel | Employees travelling nationally and internationally for business purposes | Distance based method[57] for air travel, spend-based method for taxis and ubers and average-data method for accommodation | MfE | Air travel, hotel stays, and rental cars from our corporate travel manager | Data quality is good but is reliant on the accuracy and completeness of the travel manager records |
| | Employee commuting | Employees travelling to and from work and working from home | Distance-based method for travel and average-data method for working from home | MfE | Employee surveys | Data quality is impacted by how employees interpret and respond to survey questions and by the number of responses received.<br>The results of the survey are extrapolated to account for employees who do not complete the surveys |
| | Use of sold products | Usage of LPG, gas and coal sold to customers | Direct use-phase method[58] | MfE | LPG and gas sales data from financial records | Data quality is good |
| | Investments | Scope 1 and 2 information for Kupe JV | Investment-specific method[59] | Field specific factors for scope 1 and MfE for scope 2 | Information submitted under ETS returns and electricity consumption from Kupe JV | Data quality is good. Reliable due to use of ETS return information and consumption data from Kupe JV |
| **Excluded items** | Biomass | Biomass used for electricity generation | Average-data method | MfE | Fuel records used for financial reporting | Data quality is good. Reliable due to use of financial records |

56. The waste type specific method estimates emissions by collecting data on the quantity of waste produced multiplied by emission factors for specific waste types and waste treatment methods.
57. The distance-based method estimates emissions by collecting data from service providers and employees on the volume, distance and mode of transport used multiplied by an appropriate emission factor.
58. The direct use-phase method estimates emissions by collecting data on the products sold to customers multiplied by an appropriate emission factor.
59. The investment-specific method estimates emissions by collecting scope 1 and scope 2 emissions from the investee company and allocating the emissions based upon Genesis share of the investment.

# GHG inventory summary

## Table 4: GHG inventory

| Scope | Category | FY24 $tCO_2e$ | FY23 $tCO_2e$ | FY22 $tCO_2e$ | FY21 $tCO_2e$ | FY20 $tCO_2e$ |
|---|---|---|---|---|---|---|
| **Direct emissions (Scope 1)** | Attributable to customers | 2,395,183 | 1,072,507 | 1,934,978 | 3,132,879 | 2,539,863 |
| | Attributable to thermal backed electricity contracts* | 45,094 | – | 286,398 | 805,398 | 149,491 |
| | **Stationary combustion attributable to thermal generation** | **2,440,277** | **1,072,507** | **2,221,376** | **3,938,277** | **2,689,354** |
| | Mobile combustion | 2,185 | 1,738 | 1,733 | 1,624 | 579 |
| | Fugitive emissions | 113 | 1,745 | 17 | 162 | 80 |
| | **Total scope 1** | **2,442,575** | **1,075,990** | **2,223,126** | **3,940,063** | **2,690,013** |
| **Indirect emissions (Scope 2)** | Electricity consumption | 154 | 160 | 217 | 262 | 240 |
| | **Total scope 2** | 154 | 160 | 217 | 262 | 240 |
| | **Total scope 1 & 2** | **2,442,729** | **1,076,150** | **2,223,343** | **3,940,325** | **2,690,253** |
| **Indirect emissions (Scope 3)** | Purchased goods and services | 15,290 | 16,480 | 15,492 | 14,898 | 15,348 |
| | Capital goods ^ | 9,364 | – | – | – | – |
| | Fuel and energy related activities (upstream emissions) | | | | | |
| | – Related to thermal generation | 124,980 | 139,479 | 286,017 | 279,781 | 239,840 |
| | – Related to sold products | 67,376 | 86,759 | 124,140 | 159,031 | 172,611 |
| | – Transmission and distribution losses on electricity purchases | 11 | 19 | 20 | 25 | 24 |
| | – Net retail electricity purchases (after deducting generation) | 21,046 | 8,094 | – | – | – |
| | Waste generated in operations | 174 | 16 | 21 | 26 | 19 |
| | Business travel | 573 | 409 | 146 | 215 | 1,975 |
| | Employee commuting ^ | 1,108 | 1,748 | – | – | – |
| | Use of sold products | | | | | |
| | – LPG Retail | 129,459 | 129,230 | 130,372 | 128,665 | 121,802 |
| | – LPG Wholesale | 18,560 | 21,578 | 51,773 | 46,838 | 52,820 |
| | – Gas Retail | 383,098 | 390,937 | 406,308 | 441,033 | 429,893 |
| | – Gas Wholesale | 11,191 | 150,459 | 406,233 | 653,421 | 762,337 |
| | – Coal Wholesale | 2,406 | – | – | – | – |
| | Investments | 3,777 | 4,789 | 7,184 | 8,547 | 8,080 |
| | **Total scope 3** | **788,413** | **949,997** | **1,427,706** | **1,732,480** | **1,804,749** |
| | **Total scope 1, 2 & 3** | **3,231,142** | **2,026,147** | **3,651,049** | **5,672,805** | **4,495,002** |
| **Items excluded from scope 1-3 in accordance with the GHG protocol** | | | | | | |
| **Biomass – $CO_2$** | Stationary combustion of biomass attributable to thermal generation | – | **857** | – | – | – |

* FY24 includes generation emissions associated with Market Security Options (MSOs) and FY20-FY22 includes generation emissions associated with swaptions. The swaptions expired in December 2022 and were not called in FY23.

^ FY24 is the first year that capital goods has been disclosed and FY23 was the first year employee commuting was disclosed. The comparative periods were not restated for these changes.

# GHG inventory summary (continued)

## Table 5: Emissions by gas component

| Component gas | Scope 1 $tCO_2e$ | Scope 2 $tCO_2e$ | Scope 3 $tCO_2e$ | Total $tCO_2e$ |
|---|---|---|---|---|
| $CO_2$ | 2,431,382 | 149 | 565,278 | 2,996,809 |
| $CH_4$ | 4,658 | 5 | 2,198 | 6,861 |
| $N_2O$ | 6,422 | – | 298 | 6,720 |
| $SF_6$ | 113 | – | – | 113 |
| Unknown* | – | – | 220,639 | 220,639 |
| **Total $tCO_2e$** | **2,442,575** | **154** | **788,413** | **3,231,142** |

* The breakdown by gas component is not published for cradle to gate lifecycle emission factors and therefore this information is unable to be disclosed by gas component for some scope 3 emissions.

# GHG holdings

We use sulphur hexafluoride ($SF_6$) in circuit breakers. $SF_6$ has a global warming potential much higher than carbon dioxide. We monitor the gas pressure in the circuit breakers to identify and remediate leaks. The table below records the GHG holdings at 30 June each year. We also hold an immaterial volume of HFCs in air conditioning units and refrigerators. The HFC holdings have not been disclosed below because they are immaterial.

| | FY24 kgs | FY23 kgs | FY22 kgs | FY21 kgs | FY20 kgs |
|---|---|---|---|---|---|
| $SF_6$ Holding | 897 | 897 | 1,023 | 1,027 | 1,033 |

# Assurance of GHG inventory

Deloitte has provided an unqualified limited assurance conclusion on the FY24 GHG inventory (refer to Appendix III). EY issued limited assurance opinions on the FY20, FY21, FY22 and FY23 GHG inventories. New scope 3 categories were, however, added in FY22[60]. The comparatives for the new scope 3 categories added in FY22 were restated back to FY20 but were not subject to limited assurance.

60. Three new categories (purchased goods and services, fuels and energy related activities and investments) were added to the FY22 GHG inventory. The FY21 and FY20 GHG inventories were restated to include these. These categories were not included in the FY20 and FY21 limited assurance reviews undertaken at that time.

# Appendix III: GHG inventory assurance report

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## INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF GENESIS ENERGY LIMITED

### Report on Greenhouse Gas Emissions Inventory Report

We have undertaken a limited assurance engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'Inventory') of Genesis Energy Limited and its subsidiaries ('Genesis') for the year ended 30 June 2024, comprising the Emissions Inventory and the explanatory notes set out on pages 67 to 73.

The Inventory provides information about the greenhouse gas emissions of Genesis for the year ended 30 June 2024 and is based on historical information. This information is stated in accordance with the requirements of the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)* (collectively referred to as the 'GHG Protocol') which can be accessed at https://ghgprotocol.org/.

Our report does not cover any forward-looking statements made by Genesis, or external references or hyperlinked documents.

### Board of Directors' Responsibility

The Board of Directors are responsible for the preparation of the Inventory, in accordance with the GHG Protocol. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of an Inventory that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express a limited assurance conclusion on the Inventory based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* ('ISAE (NZ) 3410'), issued by the New Zealand Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Inventory is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves assessing the suitability in the circumstances of Genesis's use of the GHG Protocol as the basis for the preparation of the Inventory, assessing the risks of material misstatement of the Inventory whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Inventory. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through enquiries, obtained an understanding of Genesis's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation, or test their operating effectiveness.
- Reviewed material quantitative data, including corroborative enquiry and examination of selected supported documentation and calculations.
- Evaluated whether Genesis's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Genesis's estimates.
- Reviewed adherence to the principles and requirements outlined in GHG Protocol.
- Undertook site visits at one site to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions, emissions sources, and sites selected in prior periods. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Genesis Energy Limited's Inventory has been prepared, in all material respects, in accordance with the GHG Protocol.

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## Inherent Limitations

Non-financial information, such as that included in Genesis's Inventory, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating, and sampling or estimating such information. Specifically, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

As the procedures performed for this engagement are not performed continuously throughout the relevant period and the procedures performed in respect of Genesis's compliance with the GHG Protocol are undertaken on a test basis, our assurance engagement cannot be relied on to detect all instances where Genesis may not have complied with the GHG Protocol. Because of these inherent limitations, it is possible that fraud, error, or non- compliance may occur and not be detected.

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* ('PES-1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In addition to our role as limited assurance provider of the Inventory and as statutory auditor of the Genesis consolidated financial statements, our firm carries out other assignments for Genesis in the areas of sustainability linked loan assurance, trustee reporting, review of the interim financial statements, HR training, and non-assurance services provided to the Corporate Taxpayer Group of which Genesis is a member. These services have not impaired our independence as limited assurance provider or auditor of Genesis.

In addition to these assignments, principals and employees of our firm deal with Genesis on normal terms within the ordinary course of trading activities of Genesis. Other than the audit and these assignments and trading activities, we have no relationship with, or interests in Genesis.

The firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## Use of Report

Our assurance report is made solely to the directors of Genesis in accordance with the terms of our engagement. Our report is not to be used for any other purpose, recited, or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility, or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence in relation to the opinion expressed in this report.

## Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Genesis Energy Limited's Inventory for the year ended 30 June 2024 is not prepared, in all material respects, in accordance with the requirements of the GHG Protocol.

## Emphasis of Matter – Comparative Information

As described in 'Assurance of GHG emissions' within the GHG inventory (Appendix II), the comparative GHG disclosures for the periods ended 30 June 2023, 30 June 2022, 30 June 2021 and 30 June 2020 have been subject to limited assurance by another assurance provider, who expressed unmodified reports in their assurance reports dated 21 August 2023, 4 August 2022, 11 August 2021, and 19 August 2020 respectively. Our conclusion is not modified in respect of this matter.

Deloitte Limited

21 August 2024
Auckland, New Zealand

This limited assurance report relates to the Greenhouse Gas Inventory of Genesis Energy Limited (the 'Genesis') for the year ended 30 June 2024 included on the Genesis website. The Directors are responsible for the maintenance and integrity of the Genesis website. We have not been engaged to report on the integrity of the Genesis website. We accept no responsibility for any changes that may have occurred to the information since they were initially presented on the website. The limited assurance report refers only to the information named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this information. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the Greenhouse Gas Inventory and related limited assurance report dated 21 August 2024 to confirm the information included in the information presented on this website.

# Appendix IV: Description of physical assets and contractual arrangements

| Asset | Description |
|---|---|
| **Kupe** | We have a 46% interest in the Kupe JV, which owns the Kupe gas field situated off the south Taranaki coast.<br>Kupe's assets comprise three wellheads, an unmanned offshore platform, a 30 km pipeline and subsea utilities umbilical cable to an onshore production station near Hawera, oil storage facilities at New Plymouth, and an onshore gas pipeline.<br>Reflecting our interest in the JV, we receive 46% of the natural gas produced. We have also entered long-term contracts with the other JV partners to purchase the remainder of the current natural gas produced and have rights in respect of all future production from the field.<br>LPG and oil are secondary products of the field. We receive 46% of the LPG and oil produced by the JV. |
| **LPG depots and networks** | We own and operate a network of LPG distribution hubs across New Zealand and two reticulated LPG networks (piped LPG) in the South Island: Dunedin and the Faringdon development. |
| **Huntly Power Station** | Huntly (Raahui Pookeka) is on the banks of the Waikato River and is close to both Auckland and Hamilton. Several types of thermal generation operate at the power station site to the west of the river.<br>**Rankine Units**<br>Three Rankine cycle units are the original plant, built to be able to operate on either natural gas or coal. Each unit has a nominal capacity of 250 MW.<br>Water cooling for the units from the Waikato River is limited at higher river temperatures, however cooling towers enable one of the Rankine Units to operate even when river temperatures are approaching limits.<br>**Unit 5**<br>This Combined Cycle Gas Turbine (CCGT) is the most efficient gas generator in New Zealand and has a capacity of up to 403 MW.<br>**Unit 6**<br>This is a 50.8 MW open cycle gas turbine, which can burn 100% gas or diesel to generate electricity. |

| Asset | Description |
|---|---|
| **Waikaremoana Hydro scheme** | The Waikaremoana Power Scheme is a hydro power development in northern Hawke's Bay and consists of three power stations fed from Lake Waikaremoana. The scheme is located between Te Urewera and Wairoa, along the upper 7 km of the Waikaretaheke River. The 138 MW hydro scheme comprises three power stations – Kaitawa (36 MW), Tuai (60 MW) and Piripaua (42 MW). |
| **Tongariro Hydro scheme** | The Tongariro Power Scheme comprises three hydro power stations – Rangipo (120 MW, underground), Tokaanu (240 MW) and Mangaio (1.8 MW) and has a catchment area of more than 2,600 km$^2$ in the North Island's central volcanic plateau. |
| **Tekapo Hydro scheme** | The Tekapo Power Scheme is at the head of the Waitaki Valley in the Mackenzie District of the South Island. It has been owned and operated by us since June 2011 and has a generation capacity of 190 MW and uses water from the glacial-fed Lake Tekapo/Takapō to generate electricity through two power stations – Tekapo A and Tekapo B – connected by a canal. Tekapo B sits in the bed of Lake Pūkaki. |
| **Hau Nui Wind farm** | Hau Nui Wind Farm is in the hills south of Martinborough in the Wairarapa. Its 15 turbines have a combined capacity of 8.65 MW. |
| **Power Purchase Agreements** | **Waipipi**<br>We have a 20-year electricity offtake agreement for the energy from Waipipi's 31 wind-turbines. The generation capacity of the site is 133.3 MW and it produces approximately 450 GWh per year. Waipipi commenced operations in November 2020.<br>**Tauhara**<br>We have a 15-year electricity offtake agreement which starts at 62.5 MW of the energy generated from the Tauhara geothermal project. The contract is anticipated to provide up to 520 GWh per year commencing on 1 January 2025.<br>**Kaiwaikawe**<br>We have a 20-year electricity offtake agreement for the energy from Kaiwaikawe wind farm. The proposed generating capacity of the site is 72 MW which is anticipated to produce approximately 230 GWh per year. The Final Investment Decision for this project has not yet been reached. |

# Appendix V: Glossary and definitions

| Term | Definition |
|---|---|
| **Aotearoa New Zealand Climate Standards** | Standards issued by the External Reporting Board that comprise the climate-related disclosure framework. Climate-related disclosure framework has the same meaning set out in section 9AA of the Financial Reporting Act 2013. |
| **Base year** | An historical datapoint (a specific year or an average over multiple years) against which a metric is tracked over time. |
| **Carrying value** | The value recorded on our balance sheet at 30 June. |
| **Climate-related opportunities** | The potentially positive climate-related outcomes for Genesis. Efforts to mitigate and adapt to climate change can produce opportunities for entities, such as through resource efficiency and cost savings, the adoption and utilisation of lower emission energy sources, the development of new products and services, and building resilience along the value chain. |
| **Climate-related risks** | The potential negative impacts of climate change on Genesis. See also the definitions of physical risks and transition risks. |
| **Climate-related scenario** | A plausible, challenging description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces and relationships covering both physical and transition risks in an integrated manner. Climate-related scenarios are not intended to be probabilistic or predictive, or to identify the 'most likely' outcome(s) of climate change. They are intended to provide an opportunity for entities to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change. |
| **Cross-cutting risk** | A risk that impacts multiple areas, sectors, or disciplines, rather than being confined to a single domain. |
| **Debt** | Includes all debt drawn down at 30 June excluding lease liabilities, fair value interest rate risk adjustments, capitalised issue costs and accrued interest. Refer to our Consolidated Financial Statements for a breakdown of our debt. |
| **Distributed customer energy resources** | Customer devices that can generate, store, or manage electricity behind the meter such as hot water cylinders, electric vehicles, rooftop solar and batteries. |
| **EBITDAF** | Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, unrealised fair value. |
| **Emissions** | Refers to GHG emissions calculated in accordance with the GHG Protocol. |
| **Emission factor** | A factor allowing GHG emissions to be estimated from a unit of available activity data (for example, tonnes of fuel consumed, tonnes of product produced) and absolute GHG emissions. |
| **Emissions intensity** | Intensity ratios used to express GHG emissions impact per unit of physical activity or unit of economic output. |
| **ETS** | New Zealand's Emissions Trading Scheme. |
| **EV plan** | Genesis's plan for discounted 9pm – 7am purchase of electricity. To be eligible for this plan you must own a plug-in electric car and have a communicating smart meter. Refer to our website for more information (Energy EV \| Electric Car Plan \| Genesis NZ (genesisenergy.co.nz)). |
| **Financial impact** | The translation of impacts into current or anticipated impacts on financial performance, financial position, and cash flows. |
| **Final investment decision (FID)** | The point at which a company or investor commits significant financial resources to proceed with the project's execution. |
| **Flexible assets** | Flexible assets are characterised by versatility and responsiveness to increasingly dynamic demands of the energy market. They are characterised by one or more of the following characteristics: (a) fast start capability, (b) fuel storage capacity, (c) energy storage technology, (d) multi-fuel functionality or (e) adaptability to emerging fuels such as hydrogen or biogas. |

| Term | Definition |
|---|---|
| **Free cash flows** | Free cash flow represents EBITDAF less cash tax paid, net interest costs and stay in business capital expenditure. |
| **FY19, FY20, FY21, FY22, FY23, FY24, FY25, FY28, FY35** | 'FY' refers to Genesis' financial year from 1 July to 30 June. The number refers to the financial year ended 30 June of that calendar year. |
| **Gen35** | Genesis' new mission and strategy launched in FY24, which outlines Genesis' unique and vital role in energy transition over the next 10 years, for Genesis' customers, country and company through electrification (helping our customers to electrify their lives), growing renewables (investing significantly in renewables) and flexibility (evolving the Huntly Power Station to increase its flexibility). |
| **Generation** | Electricity generated using physical assets owned by Genesis as outlined in Appendix IV. |
| **GHG emissions** | Greenhouse Gas Emissions. The greenhouse gases listed in the Kyoto Protocol: carbon dioxide ($CO_2$); methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), nitrogen trifluoride ($NF_3$), perfluorocarbons (PFCs), and sulphur hexafluoride ($SF_6$). |
| **GHG Protocol** | Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (revised edition) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.* |
| **Green debt** | Bonds and/or loans where the proceeds are exclusively used to finance or refinance eligible assets under our Sustainable Finance Framework. |
| **Gross margin** | Revenue less direct costs. Refer to our FY24 Results Presentation for information on what is included for each of the products we sell. |
| **GWh** | Gigawatt hour is a unit of energy that represents the amount of electricity generated or consumed over a one-hour period. It is equivalent to 1,000 megawatt hours (MWh). |
| **ICP** | Installation Connection Point, is a physical point of connection between a gas network and a consumer's installation. |
| **Impacts** | The effects (also referred to as consequences or outcomes) of climate change occurring for an entity. These effects will, in turn, depend on the impacts of climate change on the broader socioeconomic and ecological systems an entity operates within (including an entity's value chain). |
| **Inflows** | The amount of water flowing into a lake or catchment that is connected to one of our hydro schemes noted in Appendix IV. |
| **Internal emissions price** | A monetary value on GHG emissions that an entity uses internally to guide its decision-making process in relation to climate-related impacts, risks and opportunities. |
| **Lower emissions** | Lower emissions refer to the reduction in GHG emissions released into the atmosphere, such as carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), and other greenhouse gases. These emissions are typically produced by activities like burning fossil fuels for energy, transportation, and industrial processes. Reducing emissions is crucial for mitigating climate change, improving air quality, and protecting public health. Efforts to lower emissions can include using cleaner energy sources, improving energy efficiency, and adopting sustainable practices in various sectors. |
| **MBIE** | Ministry of Business, Innovation and Employment. |
| **MfE** | Ministry for the Environment. |
| **MW** | Megawatt is a unit of power equal to one million watts. |
| **MWh** | Megawatt hour is a unit of energy that represents the amount of electricity generated or consumed over a one-hour period. It is equivalent to one-million-watt hours. |
| **MWp** | Megawatt peak is a unit of measurement used to describe the maximum electrical output of a power source such as solar or wind under optimal conditions. |
| **Net customer churn** | Percentage of residential customers that finalise in the financial year. |
| **Net zero 2040** | A commitment to reduce our GHG emissions by >90 percent from a FY20 base year by 2040. This commitment is based on the Science Based Targets Initiative's *Corporate Net Zero* guidance which provides companies a clearly-defined path to reduce greenhouse gas emissions in line with limiting global warming to 1.5°C. |

| Term | Definition |
|---|---|
| **Net zero 2050** | Refers to New Zealand's emission reduction target as outlined in the Climate Change Response (Zero Carbon) Amendment Act 2019 which amended the Climate Change Response Act 2002. |
| **Physical risk** | Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise. |
| **PPA** | Power Purchase Agreement, is a long-term financial arrangement where the buyer and seller agree on a fixed price for electricity generated from a particular asset, but the generation itself is sold into the national grid at market prices. The buyer either receives or pays the difference between the fixed price and the market price. It is effectively hedging against price volatility. They are often used to support the development of new generation. |
| **Principal risk** | Principal risks are the most important enterprise-wide risks, as determined by the Board or ELT even if they do not meet 'materiality' thresholds. |
| **Rankines** | Three Rankine cycle units that utilise boiler and steam turbine technology to generate electricity. Refer to Appendix IV for more information. |
| **RCP** | Representative Concentration Pathway. |
| **Renewable generation** | Renewable generation uses natural resources that can be replenished such as water, sun, wind to generate electricity. |
| **Research and development on climate-related initiatives** | An activity that is carried out with the purpose of resolving scientific or technological uncertainty or creating new knowledge, or new or improved processed, goods or services associated with climate-related initiatives. |
| **Retail customers** | Retail electricity and gas customers defined by a single customer view, regardless of number of connections (ICP's) |
| **Retail emissions** | Greenhouse gas emissions on electricity, gas and LPG purchased and on sold to retail customers. Calculated using the Ministry for the Environment (MfE) emission factors. |
| **Retail revenue** | Electricity revenue, gas revenue, LPG revenue and emissions on fuel sales and electricity contracts for our retail segment as outlined in note A1 of our Consolidated Financial Statements. |
| **SBT** | Science Based Target approved by the SBTi. |
| **SBTi** | Science Based Target Initiative. |
| **Scenario analysis** | A process for systematically exploring the effects of a range of plausible future events under conditions of uncertainty. Engaging in this process helps an entity to identify its climate-related risks and opportunities and develop a better understanding of the resilience of its business model and strategy. |
| **Scope 1** | Direct GHG emissions from sources owned or controlled by the entity. |
| **Scope 2** | Indirect GHG emissions from consumption of purchased electricity, heat, or steam. |
| **Scope 3** | Other indirect GHG emissions not covered in scope 2 that occur in the value chain of the reporting entity, including upstream and downstream GHG emissions. Scope 3 categories are purchased goods and services, capital goods, fuel-related and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, and investments. |
| **Sustainable finance** | Includes green bonds and loans and sustainability linked bonds and loans issued under our Sustainable Finance Framework. |
| **Thermal generation** | Thermal generation uses steam power created by natural gas or coal to rotate generators and create electricity. |
| **SSP** | Shared Socio-economic Pathway. |

| Term | Definition |
|---|---|
| **Transition risk** | Risks related to the transition to a lower emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change. |
| **Use of sold products** | Emissions from the use of goods and services sold by Genesis to customers. This is a specific category within scope 3 of the Greenhouse Gas Protocol. |
| **Unit 5** | Combined cycle gas turbine used to generate electricity. |
| **Value chain** | The full range of activities, resources and relationships related to an entity's business model and the external environment in which it operates. A value chain encompasses the activities, resources and relationships an entity uses and relies on to create its products or services from conception to delivery, consumption and end of life. Relevant activities, resources and relationships include those in an entity's operations, such as human resource; those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and the financing, geographical, geopolitical and regulatory environments in which an entity operates. |
| **Weighted average interest rate** | An interest rate that reflects the average interest expense on all debt for the year, taking into account the relative size of each debt. |

## ELECTRIFICATION

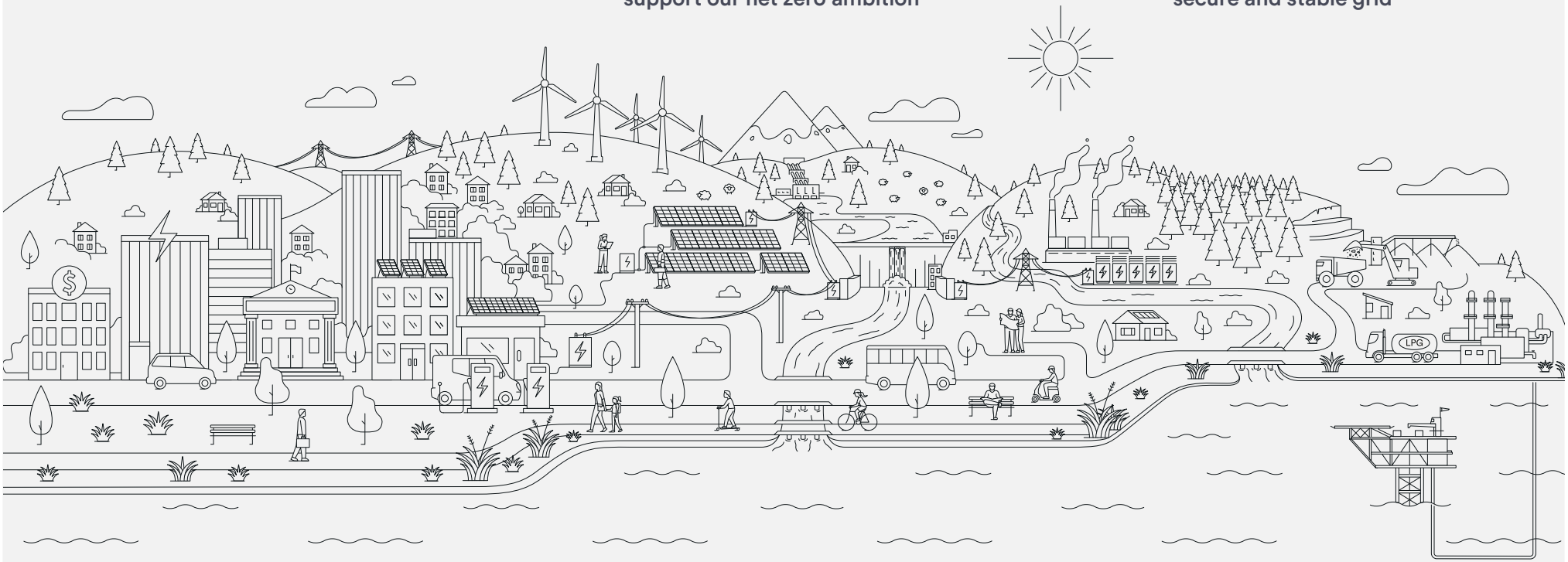
Empowering the customer-led transition

## GROW RENEWABLES

Grow our portfolio of renewable generation to support our net zero ambition

## FLEXIBILITY

Transitioning our thermal generation portfolio while supporting a secure and stable grid



# Results announcement

| Results for announcement to the market | | |
|---|---|---|
| Name of issuer | Genesis Energy Limited (GNE) | |
| Reporting Period | 12 months to 30 June 2024 | |
| Previous Reporting Period | 12 months to 30 June 2023 | |
| Currency | NZD | |
| | **Amount (000s)** | **Percentage change**[1] |
| Revenue from continuing operations | $3,047,800 | 28.4% |
| Total Revenue | $3,047,800 | 28.4% |
| Net profit/(loss) from continuing operations | $131,100 | -33.0% |
| Total net profit/(loss) | $131,100 | -33.0% |
| **Interim/Final Dividend** | | |
| Amount per Quoted Equity Security | $0.07000000 | |
| Imputed amount per Quoted Equity Security | $0.02722222 | |
| Record Date | 26/9/2024 | |
| Dividend Payment Date | 11/10/2024 | |
| | **Current period** | **Prior comparable period** |
| Net tangible assets per Quoted Equity Security | $2.14 | $1.91 |
| A brief explanation of any of the figures above necessary to enable the figures to be understood | Please refer to the 2024 Integrated Report attached to this announcement for Genesis' audited financial statements. | |
| **Authority for this announcement** | | |
| Name of person authorised to make this announcement | Tim McSweeney | |
| Contact person for this announcement | Tim McSweeney | |
| Contact phone number | +64 27 200 5548 | |
| Contact email address | Timothy.McSweeney@genesisenergy.co.nz | |
| Date of release through MAP | 22/08/2024 | |

Audited financial statements accompany this announcement.

[1] The comparative information has been restated to reflect a change to the presentation of realised gains/(losses) from non-hedge accounted financial instruments and carbon trading gains/(losses). Refer to the general information and significant matters section of the Genesis Energy 2024 Integrated Report for reconciliation to the previously reported information.

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# Distribution Notice

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**Please note: all cash amounts in this form should be provided to 8 decimal places**

| **Section 1: Issuer information** | | | | |
|---|---|---|---|---|
| Name of issuer | Genesis Energy Limited (GNE) | | | |
| Financial product name/description | Ordinary Shares | | | |
| NZX ticker code | GNE | | | |
| ISIN (If unknown, check on NZX website) | NZGNEE0001S7 | | | |
| Type of distribution<br>(Please mark with an X in the relevant box/es) | Full Year | X | Quarterly | |
| | Half Year | | Special | |
| | DRP applies | X | | |
| Record date | 26/9/2024 | | | |
| Ex-Date (one business day before the Record Date) | 25/9/2024 | | | |
| Payment date (and allotment date for DRP) | 11/10/2024 | | | |
| Total monies associated with the distribution[1] | $75,780,860.89 | | | |
| Source of distribution (for example, retained earnings) | Income available for distribution | | | |
| Currency | NZD | | | |
| **Section 2: Distribution amounts per financial product** | | | | |
| Gross distribution[2] | $0.09722222 | | | |
| Gross taxable amount [3] | $0.09722222 | | | |
| Total cash distribution[4] | $0.07000000 | | | |
| Excluded amount (applicable to listed PIEs) | $0.00000000 | | | |
| Supplementary distribution amount | $0.01235294 | | | |
| **Section 3: Imputation credits and Resident Withholding Tax[5]** | | | | |
| Is the distribution imputed | Fully imputed | | | |
| | ~~Partial imputation~~ | | | |

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form
[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).
[3] "Gross taxable amount" is the gross distribution minus any excluded income.
[4] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.
[5] The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

| | | |
|---|---|---|
| | ~~No imputation~~ | |
| If fully or partially imputed, please state imputation rate as % applied[6] | 100% | |
| Imputation tax credits per financial product | $0.02722222 | |
| Resident Withholding Tax per financial product | $0.00486111 | |
| **Section 4: Distribution re-investment plan (if applicable)** | | |
| DRP % discount (if any) | 2.5% | |
| Start date and end date for determining market price for DRP | 25/9/2024 | 1/10/2024 |
| Date strike price to be announced (if not available at this time) | 2/10/2024 | |
| Specify source of financial products to be issued under DRP programme (new issue or to be bought on market) | New Issue | |
| DRP strike price per financial product | $ | |
| Last date to submit a participation notice for this distribution in accordance with DRP participation terms | 27/9/2024 | |
| **Section 5: Authority for this announcement** | | |
| Name of person authorised to make this announcement | Tim McSweeney | |
| Contact person for this announcement | Tim McSweeney | |
| Contact phone number | +64 27 200 5548 | |
| Contact email address | Timothy.McSweeney@genesisenergy.co.nz | |
| Date of release through MAP | 22/10/2024 | |

[6] Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.