



MERIDIAN ENERGY LTD

SECOND PARTY OPINION : MERIDIAN ENERGY LTD

GREEN FINANCE PROGRAM – GREEN LOAN PRINCIPLES  
AND GREEN BOND PRINCIPLES



**Document Title:** Second Party Opinion on Meridian Energy Ltd Finance Program

**Prepared By:** DNV Business Assurance Australia Pty Ltd

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## MERIDIAN ENERGY LIMITED GREEN FINANCE PROGRAMME

### DNV Periodic Second Party Opinion 2025 Green Bond & Loan Principles Project Pool (Hydro)

#### Scope and Objectives

Meridian Energy Ltd ("Meridian" or "Issuer") established a Green Finance Programme ("Programme") in FY20. The Programme has been structured to include dedicated pool of eligible projects and assets under the Climate Bonds Standard v3.0 ("CBS") and a separate pool of projects and assets aligned with the Green Bond Principles 2022 ("GBP") and Green Loan Principles 2023 ("GLP").

This Second Party Opinion covers the financial instruments (referred to as "Instruments") that are notionally earmarked against the pool of projects and assets considered eligible under the GBP and GLP ("GBP Pool"), as listed in Schedule 1. At the time of this periodic external review as at June 2025, the GBP pool contains projects and assets with a total book value of NZD 12,099m. Meridian's schedule of instruments notionally earmarked against the GBP Pool as of June 2025 totals NZD 1,651m, as listed in Schedule 2, which Meridian has earmarked against the pool. Meridian has submitted both the Meridian Green Finance Framework and the Instruments for review under the GBP and GLP.

Meridian has allocated the proceeds from the Instruments to refinance nominated projects and assets falling under the following GBP/GLP eligible Green Project categories (GBP/GLP Project Pool):

- Renewable Energy – Hydropower

The specific Instruments notionally earmarked against the GBP Pool are listed in Schedule 2.

DNV Business Assurance Australia Pty. Ltd. (henceforth referred to as "DNV") has been commissioned by Meridian to provide a Green Finance External Review of the Instruments. Our methodology to achieve this is described under 'Work Undertaken' below.

No assurance is provided regarding the financial performance of the Instruments, the value of any investments in the Instruments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Instruments have met the criteria established on the basis set out below.

**The scope of this DNV opinion is limited to the Green Bond Principles 2022 (GBP and Green Loan Principles 2023 (GLP).**

#### Responsibilities of the Management of Meridian and DNV

The management of Meridian has provided the information and data used by DNV during the delivery of this review. This review represents an independent opinion and is intended to inform Meridian's management and other interested stakeholders in the Instruments as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by Meridian. DNV is not responsible for any aspect of the nominated projects and assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Meridian's management and used as a basis for this assessment were not correct or complete.

## Basis of DNV's Opinion

We have adapted our GBP and GLP methodology, which incorporates the requirements of the GBP and GLP, to create a Meridian-specific Green Bond Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a green bond should "enable capital-raising and investment for new and existing projects with environmental benefits".

As per our Protocol, the criteria against which the Instruments have been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds:** The Use of Proceeds criteria are guided by the requirement that an issuer of a Green Instrument must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection:** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green Instrument should outline the process it follows when determining eligibility of an investment using Green Instrument proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds:** The Management of Proceeds criteria are guided by the requirements that a Green Instrument should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting:** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the instrument investors should be made of the use of instrument proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

## Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Meridian in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Meridian-specific Protocol, adapted to the purpose of the Instruments, as described above and in Schedule 3 to this assessment;
- Execution of a GBP and GLP External Review Protocol, which is summarised in Schedule 3;
- Assessment of documentary evidence provided by Meridian on the Instruments and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Meridian's management, and review of relevant documentation
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
- Review of the Instruments outstanding that have been notionally earmarked to the Hydro Pool and verification of these amounts.
- Review of the asset pool valuations at the time of periodic verification.

## Findings and DNV's Opinion

DNV's ongoing and updated findings are listed below:

- 1. Principle One: Use of Proceeds:** Meridian has notionally earmarked the proceeds of the Instruments to a nominated pool of projects and assets which fall under the eligible project category of Renewable Energy (Hydro Power) under the GBP and GLP. DNV reviewed the criteria for the project category mentioned above to determine the eligibility of the nominated projects and assets.
- 2. Principle Two: Process for Project Evaluation and Selection.** Proceeds from the Instruments have been notionally earmarked to the nominated project and assets as defined in Schedule 1. DNV has reviewed evidence that demonstrates that Meridian regularly assesses opportunities for improvement and devises action plans and initiatives to identify and mitigate any negative environmental and social impacts from its operations. DNV concludes that it is well aligned with the GBP and GLP.
- 3. Principle Three: Management of Proceeds:** DNV has reviewed evidence showing how Meridian plans to track and trace the proceeds from the Instruments under the Green Finance Framework, from the time of issuance to the time of disbursement. The full amount of proceeds has been managed within treasury (or an equivalent function) and subsequently disbursed and notionally earmarked in line with the Green Finance Framework. The details of the disbursement and the outstanding value have been tracked using Meridian's internal financial reporting system. At the end of the financial period, Meridian has reviewed the outstanding balance of the Instruments. DNV concludes that it is well aligned with the GBP and GLP.
- 4. Principle Four: Reporting.** Meridian has prepared a section on the Green Finance Programme in its Integrated Business Reporting and a dedicated section on its website. Meridian proposes to report against relevant categories including Allocation Reporting<sup>1</sup>, Eligibility Reporting and Impact Reporting. DNV acknowledges that Allocation Reporting has been conducted within the Green Finance Programme Register, while Impact Reporting has been conducted under the Meridian GHG Emissions Inventory Report and the Meridian Annual Report. Meridian has stated that where possible its Impact Reporting will include qualitative and quantitative metrics. DNV concludes that it is well aligned with the GBP and GLP.

On the basis of the information provided by Meridian and the work undertaken, nothing has come to our attention that causes us to believe that the Meridian Green Finance Programme, Green Finance Framework and notionally earmarked Instruments are not, in all material respects, in accordance with the criteria established in the Protocol, GBP and the GLP.

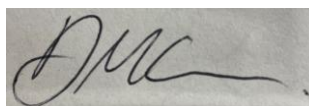
**for DNV Business Assurance Australia Pty. Ltd.**

Sydney, Australia / 18 August 2025



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Deepthi K Sugumar  
**Lead Verifier**



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**Quality Reviewer**

### About DNV



Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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<sup>1</sup> [Annual results and reports | Meridian Energy](#)

## Schedule 1: Description Of Nominated Assets and Projects Within the Hydro Pool

Meridian has provided the schedule of nominated projects and assets for the GBP Pool of 30 June 2025 in NZD as follows:

GLP/GBP Eligible Green Project Category	Project/Asset	Type	Location	Linked United Nation Social Development Goals ("UN SDGs")	Book Value (NZDm)
Renewable Energy	Waitaki Hydro Scheme	Hydro Power (Existing)	Waitaki River, NZ	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div></div></div> <div><div>13 CLIMATE ACTION</div><div></div></div>	12,099
	Manapouri	Hydro Power (Existing)	Lake Manapouri, Fiordland National Park, NZ		
Total					12,099

See Meridian's Integrated Annual Report: [Annual results and reports | Meridian Energy](#)

## Schedule 2: List Of Instruments Notionally Earmarked Against The GBP Pool

Meridian has provided the schedule of instruments to be notionally earmarked against the GBP Pool at 30 June 2025 in NZD as follows:

Instrument	Type	Value (NZDm)
Meridian USPP Series 2014-1 Tranche B	Private Placement	147
Meridian USPP Series 2019-1 Tranche A	Private Placement	183
Meridian USPP Series 2019-1 Tranche B	Private Placement	183
Meridian USPP Series 2019-1 Tranche C	Private Placement	73
Meridian Bank Facilities	Loan	900
Meridian Commercial Paper	Commercial Paper	165
<b>Total</b>		<b>1,651</b>

## Schedule 3: Green Bond Eligibility Assessment Protocol

### 1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of instrument	<p>The instrument must fall in one of the following categories, as defined by the Green Bond / Loan Principles:</p> <ul style="list-style-type: none"> <li>• Standard Green Use of Proceeds instrument</li> <li>• Green Use of Proceeds Revenue instrument</li> <li>• Green Project instrument</li> <li>• Secured Green instrument</li> </ul>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Instrument terms</li> <li>- Meridian Green Finance Framework</li> </ul> <p>Discussions with Meridian management</p>	The reviewed evidence confirms that the Instruments fall in the category: Standard Green Use of Proceeds Instruments.
1b	Green Project Categories	The cornerstone of a Green Instrument is the utilization of the proceeds of the instrument which should be appropriately described in the legal documentation for the security.	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Instrument terms</li> <li>- Meridian Green Finance Framework</li> <li>- Asset Specification and Asset Valuation</li> </ul> <p>Discussions with Meridian management</p>	<p>As identified in the Green Finance Framework, the purpose of the Programme is to earmark existing Instruments to the Pool of Eligible Projects and Assets, as well as to support new issuances to finance and refinance projects falling under the following GBP/GLP eligible Green Project category:</p> <ul style="list-style-type: none"> <li>• Renewable Energy (Hydro Power)</li> </ul> <p>DNV's assessment of the Green Finance Programme Register verified that these assets are aligned with the eligible Green Project categories under the GBP and GLP, providing independent assurance of Meridian's commitment to best-practice sustainable finance frameworks.</p>
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Instrument terms</li> <li>- Meridian Green Finance Framework</li> </ul>	DNV reviewed the hydropower projects that are included within the Hydro Pool.

		quantified or assessed by the issuer.	<ul style="list-style-type: none"> <li>- Meridian Asset Specifications</li> </ul> <p>Discussions with Meridian management</p>	<p>The type of hydropower assets includes dedicated hydropower facilities on existing natural water bodies. All hydropower assets are located in Temperate zones of New Zealand.</p> <p>DNV considered the regulatory environment in New Zealand related to hydropower operations and development. DNV considers the environmental, social and OHS regulatory frameworks in New Zealand to meet global guidance including the IFC Hydropower Good Practice Notes and Free Prior and Informed Consent under the UN Declaration of Rights of Indigenous Peoples.</p> <p>DNV has considered the environmental impact of the hydropower projects based on any change to pre-existing hydrological conditions.</p> <p>The projects fall into 2 categories of impact:</p> <ol style="list-style-type: none"> <li>1. Hydropower facilities built on existing water bodies that result in no change to pre-existing water levels, and;</li> <li>2. Hydropower facilities built on existing water bodies that result in increase to pre-existing water levels.</li> </ol> <p>Category 1 does not result in increases to existing water levels and present minimal risk of additional greenhouse gases ("GHG") emissions associated with the inundation of terrestrial areas. Category 2 does result in inundation of terrestrial areas and the potential for this resulting in higher GHG emissions relative to fossil fuel use has been considered in the context of relative power density (area of added reservoir footprint relative to the output of the hydropower project) measured in W/m<sup>2</sup>.</p> <p><u>DNV's defined Hydro Project Criteria</u></p> <ol style="list-style-type: none"> <li>A. DNV considers the risk of emissions relative to fossil fuel use to be minimal for existing temperate zone hydropower projects with a relative power density of &gt;5W/m<sup>2</sup> (area of added reservoir footprint relative to</li> </ol>
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				<p>the output of the hydropower project measured in W/m<sup>2</sup>). Projects meeting these criteria are considered by DNV to be aligned with the Green Bond/Loan Principles.</p> <p>B. DNV considers existing temperate zone hydropower projects that did not result in changes to baseline water levels to have a low risk of GHG emissions relative to fossil fuel use and are considered by DNV to be aligned with the GBP/GLP.</p> <p>The conditions of the nominated hydropower projects were evaluated by DNV and confirmed as follows:</p> <table><tr><th>Project</th><th>Category</th><th>Relative Power Density (W/m<sup>2</sup>)</th><th>Qualifies</th></tr><tr><td>Waitaki Hydro Scheme</td><td>2</td><td>7.12</td><td>Yes (A)</td></tr><tr><td>Manapouri</td><td>1</td><td>NA (infinite)</td><td>Yes (B)</td></tr></table> <p>DNV concludes that the nominated projects meet the defined criteria and are considered to fall under the eligible Green Project category of Renewable Energy according to the GBP and GLP.</p>	Project	Category	Relative Power Density (W/m <sup>2</sup> )	Qualifies	Waitaki Hydro Scheme	2	7.12	Yes (A)	Manapouri	1	NA (infinite)	Yes (B)
Project	Category	Relative Power Density (W/m <sup>2</sup> )	Qualifies													
Waitaki Hydro Scheme	2	7.12	Yes (A)													
Manapouri	1	NA (infinite)	Yes (B)													
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Review of: <ul style="list-style-type: none"><li>- Instrument terms</li><li>- Instrument disclosure documentation</li><li>- Instrument Proceeds and reporting framework</li></ul> Discussions with Meridian management	The proceeds from the Instruments are allocated entirely (100%) towards the refinancing of the nominated project assets listed in Schedule 1.												

## 2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The issuer of a Green Instrument should outline the decision-making process it follows to determine the eligibility of projects using Green Instrument proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>• A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond/Loan Principles;</li> <li>• The criteria making the projects eligible for using the Green Bond/Loan proceeds; and</li> <li>• The environmental sustainability objectives</li> </ul>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Instrument terms</li> <li>- Meridian Green Finance Framework</li> </ul>	<p>The Green Finance Framework has set out the criteria for project selection. This includes the responsibilities for project selection, the pathway for selection and reference to the selection criteria.</p> <p>DNV confirmed this format and process to define a clear system by which projects will be identified and included or excluded from the Hydro Pool.</p>
2b	Issuer's environmental and social and governance framework	<p>In addition to information disclosed by an issuer on its Green Instrument process, criteria, and assurances, Green Instrument investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.</p>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Meridian Sustainability Policy</li> <li>- Meridian Sustainability Reporting</li> <li>- Meridian Green Finance Framework</li> </ul> <p>Discussions with Meridian management</p>	<p>DNV reviewed the Meridian Sustainability Policy in addition to Meridian Sustainability Reporting publications.</p> <p>Meridian's sustainability policies and governance frameworks provide the foundation for transparent stakeholder reporting on key metrics, including GHG emissions, energy generation, waste management, technological rollouts, and other social and environmental indicators. Reporting for the Meridian Green Instruments is fully integrated with the company's established sustainability reporting framework, ensuring consistent, credible disclosure to stakeholders and investors. Meridian's Sustainability reporting is conducted according to GRI Guidelines with external review of their Sustainability Reporting.</p>

				<p>DNV notes that the performance of the nominated assets within the Hydro Pool is to be reported as a part of Meridian’s periodic integrated reporting as per the Meridian Green Finance Framework.</p> <p>DNV has also carried out a high-level media review of Meridian. We have found no evidence to suggest that Meridian or any of the assets and projects is or has been operating in breach of national or local environmental regulations.</p> <p>Based on the evidence reviewed and the discussion we had with Meridian’s senior managers, we found nothing to suggest that Meridian’s environmental, social and governance framework is not in line with good practice of the industry in which it operates and is well aligned with the GBP and GLP.</p>
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### 3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Green Instruments should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	Review of: <ul style="list-style-type: none"> <li>- Instrument terms</li> <li>- Instrument Proceeds and reporting framework</li> </ul> Discussions with Meridian management	<p>The evidence reviewed shows Meridian has tracked and traced the proceeds notionally earmarked to the Hydro Pool.</p> <p>The full amount of the proceeds for each new issuance has been managed within treasury or equivalent, and thereafter disbursed in accordance with the debt obligations.</p> <p>The details of the disbursement and the outstanding value have been tracked in Meridian's internal financial system. At the end of the current financial period, the outstanding balance of the Instrument has been reviewed, and allocation is reported.</p> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the Hydro Pool Projects, that are well aligned with the GLP and GBP.</p>
3b	Tracking procedure	So long as the Green Instruments are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	Review of: <ul style="list-style-type: none"> <li>- Instrument term sheet</li> <li>- Meridian Green Finance Framework</li> </ul> Discussions with Meridian management	<p>The evidence reviewed shows that Meridian has tracked and traced the proceeds from the Instruments using Meridian's internal financial systems. At the end of the current financial period, the outstanding balance of the Instrument has been reviewed, and allocation is reported. The balance of the Instruments is reduced by the value of proceeds allocated to eligible assets.</p> <p>DNV has confirmed that tracking provisions are considered to be reasonable in context and should provide a basis for the accurate reporting of allocation data.</p>
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the issuer should make known to	Review of: <ul style="list-style-type: none"> <li>- Instrument Management of Proceeds framework</li> </ul>	<p>DNV confirmed through review of the Meridian Green Finance Framework and interviews with Meridian's management that unallocated proceeds will be held in cash, or cash equivalents, within a Treasury function.</p>

		investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Discussions with Meridian management	
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#### 4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Instrument proceeds have been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Review of: - Meridian Green Finance Website - Meridian Green Finance Framework Discussions with Meridian management	<p>Meridian has prepared summary reporting on the Instruments for its Integrated Annual Reporting and a more detailed and dedicated section on its website in the Green Finance Programme Register Document. This will include Allocation Reporting, Eligibility Reporting and Impact Reporting. DNV acknowledges that Allocation Reporting has been conducted within the Green Finance Programme Register, while Impact Reporting has been conducted under the Meridian GHG Emissions Inventory Report and the Meridian Annual Report.</p> <p>Where possible, Meridian is providing qualitative and quantitative reporting of the environmental impact resulting from the Nominated Assets. Reporting on renewable generation is being conducted collectively in Hydro Pool.</p> <p>DNV considers the Meridian commitments related to Green Finance reporting to be well aligned with the criteria of the GBP and GLP.</p>