

# Climate-related Disclosures 2025

MERIDIAN ENERGY LIMITED

# About this report

Meridian Energy Limited (Meridian) presents its Climate-related Disclosures for the year ended 30 June 2025 (FY25).

This Climate Statement has been prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS) published by the External Reporting Board.

Meridian has elected to not use any of the adoption provisions in NZ CS 2.

**Reporting entity**

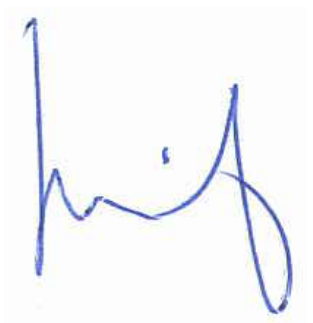
Meridian is a climate reporting entity under the Financial Markets Conduct Act 2013.

These Climate-related Disclosures are for Meridian Energy Limited, its subsidiaries and controlled entities (referred to throughout this report as “Meridian”, “Meridian Group” or “we”). The scope of the reporting entity aligns with that used for Meridian’s FY25 Group Financial Statements, which are located in its 2025 Integrated Report, available on the [Meridian website](#).

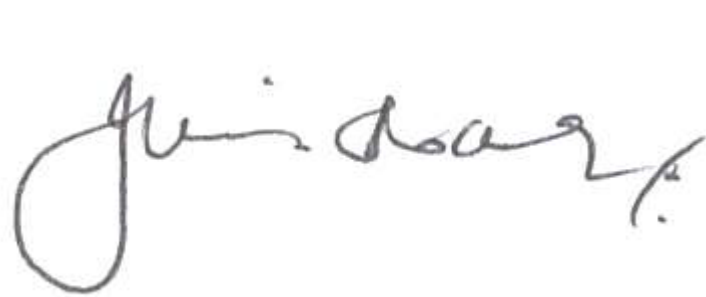
This report has been broadly structured in accordance with NZ CS which was developed by reference to the Taskforce on Climate-related Financial Disclosures.

Numbers presented are in New Zealand dollars (NZD) and rounded to millions (\$M) unless otherwise stated. In some instances, quantifications have been provided as a range.

Approved on behalf of the Board on 26 August 2025.



Mark Verbiest  
Chair



Julia Hoare  
Chair, Audit and Risk Committee

**Important notice**

This report includes current and forward-looking statements about climate change, the impacts of it on Meridian, and Meridian’s response to it. The information in this report (including, but not limited to, quantifications of the financial impacts of climate change) is based on estimates, judgements, assumptions and incomplete data that Meridian considers to be appropriate under current circumstances. However, Meridian cautions reliance being placed on information that is subject to significant uncertainty.

This report includes a range of forward-looking information, including statements about climate-related scenarios, targets, risks and opportunities, anticipated impacts, and transition plans. This forward-looking information is based on assumptions, estimates and judgements that are uncertain and likely to change over time, including as a result of factors that are outside of Meridian’s control. Forward-looking statements should not be taken as guarantees of future performance, and actual results may differ materially from what is stated. For example, Meridian’s actual performance against its climate-related targets, the strategies that it adopts, and the impacts of climate-related risks and opportunities may be materially different than anticipated. New climate-related risks and/or opportunities may also eventuate.

The information in this report may change following publication of this report and will not be updated over time. This report is not an offer or recommendation to invest in, distribute or purchase financial products and the information in it does not constitute earnings guidance. Nothing in this report should be interpreted as advice, whether investment, legal, financial, tax or otherwise.

Where these climate-related disclosures refer to other documents (such as information published on Meridian's website), these documents are referred to by way of additional context and are not incorporated into Meridian's climate-related disclosures unless stated otherwise.

# Contents

About this report	2	Transition plan – Meridian’s priorities	28
Contents	3	100% renewable generation	29
A message from the Chair and Chief Executive	4	Customer decarbonisation	30
Governance	5	Manage our emissions and build capability	31
Board oversight of climate-related risks and opportunities	5	Metrics and Targets	33
Board skills and competence	5	Greenhouse gas emissions	33
Monitoring progress against metrics and targets	6	Greenhouse gas reduction targets	35
Management’s role in assessing and managing climate-related risks and opportunities	6	Remuneration	38
Risk Management	8	Capital deployment	39
Time horizons	8	Internal emissions price	41
Climate-related risks and integration with Group risk-management approach	9	Industry-based metrics	41
Strategy	10	Metrics and targets – climate-related risks and opportunities	42
Business model and strategy	10	Appendix A: Climate scenarios	45
Meridian’s climate scenarios, methodology and assumptions	14	Climate scenario focal question	45
Net Zero Revolution	16	Climate scenario boundaries	45
Adaptive Evolution	17	Appendix B: Greenhouse gas emissions - additional information	47
Hot House	18	Methodologies and assumptions, and uncertainties	47
Climate considerations in asset management	19	Emissions source exclusions	51
Climate-related risks and opportunities	20	Independent Assurance Report	52
Transition plan aspects of Meridian’s strategy	28		



# A message from the Chair and Chief Executive

We are proud to present Meridian's Climate-related Disclosures report for FY25, marking our seventh year of climate reporting. This is our second year of reporting under Aotearoa New Zealand Climate Standards.

Meridian's strategic focus on climate change has been instrumental in enhancing our understanding of climate-related risks and opportunities. This proactive approach has enabled us to seamlessly adopt New Zealand's mandatory climate reporting standards (the NZ CS) without relying on optional adoption provisions.

As a renewable energy generator, Meridian plays a critical role in enabling New Zealand's transition to a low-emissions economy, by delivering clean energy solutions, supporting electrification, and embedding Environmental, Social and Governance (ESG) considerations into our operations and reporting practices.

In FY25, Meridian has refined its climate reporting to better assist our stakeholders understand impacts on our business. As climate events increasingly dominate global headlines, the urgency for climate action has never been greater. Meridian remains steadfast in its responsibility to understand and address the effects of climate change on our operations, while also ensuring clear communication with investors, stakeholders, and the wider community.

We recognise climate change presents risks and opportunities for Meridian: this includes acute physical impacts such as storms and floods, and more gradual climatic changes. In addition, the transition to a lower-carbon future presents significant risks and opportunities for our business. The rapid pace of change in our operating environment has threatened the security of the energy system, particularly through shortages of critical fuels (gas) necessary for the transition to a net zero future. While we have processes in place to manage these risks, we are also strategically positioning our business to capitalise on these opportunities, including the electrification of transport and process heat.

As more businesses in New Zealand embrace the responsibility of managing climate risks and opportunities, our collective resilience as a nation strengthens. Meridian is committed to playing a pivotal role in this journey, fostering a sustainable and resilient future for all.

MARK VERBIEST, CHAIR AND MIKE ROAN, CHIEF EXECUTIVE





# Governance

## Board oversight of climate-related risks and opportunities

Meridian’s Board of Directors (Board) oversees all risks and opportunities, including those related to climate change.

As outlined in the Board Charter<sup>1</sup>, its responsibilities include:

- Providing leadership and setting strategic objectives, including climate-related goals.
- Ensuring appropriate and effective risk practices, including in relation to climate-related risks and opportunities.
- Overseeing and monitoring progress on climate-related metrics and targets.
- Approving the annual Climate-related Disclosure and Climate Action Plan.

Two Board Committees support this oversight:

The Audit and Risk (A&R) Committee.

- Assesses, monitors and manages climate-related risks and opportunities.
- Reviews climate-related risks and opportunities and progress against climate-related metrics and targets annually.
- Recommends the Climate-related Disclosures for Board approval.
- Conducts six-monthly enterprise risk reviews and quarterly emerging risk reviews, which may incorporate climate-related risks.

The Safety and Sustainability (S&S) Committee.

- Oversees safety, sustainability, and ESG performance.
- Reviews the Climate Action Plan, Environment Policy, and emissions reduction initiatives quarterly.

The Board approves strategic objectives annually through its business plan and strategy map. To date, Meridian hasn’t formally integrated climate-related risks and opportunities into the Board’s strategy development and oversight processes. In practice, the business plan and strategy map take into account certain matters relating to climate change given the centrality of these to Meridian’s business. Information about how Meridian’s overarching strategy takes climate change into account is set out on page 9. The Board holds management accountable for implementing key priorities and initiatives in the annual strategy map via:

- Annual policy reviews (Risk Management, Remuneration, Environment).
- Short and long-term strategic objectives and performance incentives.
- Ongoing oversight of key risks and opportunities.

## Board skills and competence

The Board ensures that appropriate skills and capabilities are available to provide oversight of climate-related risks and opportunities through director appointments, professional development, and a skills matrix. The A&R Committee Charter requires at least one member of the A&R Committee to have appropriate climate-related capability and/or experience.

Meridian’s FY25 Corporate Governance Statement<sup>2</sup> includes the Director skills matrix, showing five Directors with climate-related risk and opportunity management capabilities, including two A&R Committee members.

When there are significant changes to climate-related risks, relevant regulation, or Board membership, the Board may hold a session to upskill members on the latest requirements, good practice, and the implications for Meridian. The most recent of these climate-related sessions was held in February 2025.

Several Board members are actively involved in Chapter Zero New Zealand, a director-led initiative hosted by the Institute of Directors that supports boards in addressing climate change. This involvement strengthens the Board’s capability to oversee climate-related risks and opportunities.

The Board accesses climate expertise internally and externally, as required. For example, in FY23, Meridian obtained independent scientific advice to inform assumptions on the physical impact of climate change on hydro inflows.

<sup>1</sup> [Meridian Energy Board Charter](#).

<sup>2</sup> [Meridian's Corporate Governance Statement](#).

## Monitoring progress against metrics and targets

Meridian uses various metrics and targets to manage climate-related risks and opportunities set by the Board during annual and strategic planning.

The A&R Committee annually reviews progress on climate-related metrics and targets as part of the Climate-related Disclosures. The Board oversees this progress through the annual disclosure approval and routine Committee reports.

The S&S Committee oversees and recommends for Board approval, Meridian's emissions reduction plan and associated targets. The S&S also review Meridian's environmental, social and governance (ESG) activity on a quarterly basis. This includes reviewing emissions reduction opportunities and progress against established initiatives.

The Executive Scorecard is the mechanism used to monitor the performance of strategic objectives and embed performance against climate-related goals into the remuneration of the Executive Team.

Approved by the Board, the Executive Scorecard aligns with the Meridian business plan's key initiatives. The People, Remuneration and Culture Committee reviews progress against the Executive Scorecard twice a year. Details are in the Metrics and Targets section on page 38.

## Management's role in assessing and managing climate-related risks and opportunities

The Board assigns climate-related responsibilities to management using mechanisms such as Board-approved policies and the Executive Scorecard. Management report to the Board Committees on a quarterly basis. Management's reporting covers climate-related issues as required.

Meridian Executive Team members are responsible for ensuring the business identifies, assesses, manages and monitors climate-related risks and opportunities. Meridian's Climate-related Disclosures process (which incorporates the annual climate-related risk and opportunities assessment) has been facilitated by the Strategy and Finance teams with a primary governance pathway via the A&R Committee to the Board.

The Strategy and Finance teams complete an annual update of climate-related risks and opportunities. This update considers significant context changes that could create new risks or opportunities or change the materiality of existing ones. Progress on the management actions associated with climate-related risks and opportunities is reported to the Board or one of the Committees, depending on the topic. Information about the risk management approach is available in the Risk Management Section on page 5.

Meridian has an Investment Committee with representative members from the Executive Team. The Investment Committee considers and approves investment initiatives by reference to a template, which includes sustainability-related guidance in relation to a number of criteria. These criteria include climate risk and internal emissions pricing.

An outline of key climate-related risk and opportunity responsibilities and processes at both Board and Management level is provided in [Figure 1](#).



Governance and Management Hierarchy Overview

FIGURE 1. GOVERNANCE AND MANAGEMENT OF CLIMATE-RELATED ISSUES AT MERIDIAN



\* While the Board and Committees typically convene on a monthly and quarterly basis respectively, the actual frequency of meetings may vary from time to time as required.



# Risk Management

## Identifying, assessing and managing climate-related risks and opportunities

Meridian’s internal Climate Risk and Opportunities Assessment Guidelines (Guidelines) establish clear roles and responsibilities, and provide an overview of the process for identifying, assessing, managing and reporting on climate-related risks and opportunities. The methodologies outlined in the Guidelines are informed by the Intergovernmental Panel on Climate Change (IPCC) and Aotearoa New Zealand’s National Climate Change Risk Assessment (NCCRA) method report. Meridian’s approach to risk assessment draws on recommendations from the Task Force on Climate-Related Financial Disclosures framework.

Meridian undertakes an annual assessment of its climate-related risks and opportunities, based on scenario analysis that Meridian initially developed in FY23 and matured in FY24. Meridian reviewed these scenarios in FY25 as described on page 14. In FY25 the scenarios remain unchanged. However, in the event of a revision of our strategy or new information significantly impacting our scenarios a full scope scenario analysis would be conducted following the steps described on page 15. This process is one of a number of channels that Meridian deploys to understand and evaluate climate related risks and opportunities. Climate-related risks and opportunities are also identified through bespoke project level assessments that draw on an established natural hazards climate risk assessment framework.

In FY25 the annual climate risk assessment process involved the following stages:

- Identification: Given an understanding of the scenarios and Meridian’s strategic direction, any potential new climate-related risks or opportunities (physical or transitional) were discussed and detailed assessments undertaken for those with potential material impacts.
- Detailed Assessment: This stage involved workshops with key risk and opportunity owners, along with business SMEs, to assess new climate-related risks and opportunities and review existing ones against climate scenarios and current thought leadership. These sessions captured both current and anticipated future impacts to determine their ongoing relevance and identify any required updates before formal assessment.

- Action Planning: This involved reconfirming the validity of the actions identified (FY24) to manage the climate-related risks and opportunities. Where feasible, anticipated impacts were quantified.

The identification process considers a broad range of types of transitional risks and opportunities, including current and emerging regulation, technology, legal, market, reputational and both acute and chronic physical risks or opportunities. The methodology considers all Meridian value chain stages as in scope, including our own operations and both upstream and downstream activities. Meridian acknowledges that many of our suppliers are in the early stages of their journeys and, as a result, data and information are limited in some areas. Where information gaps exist, they are noted.

## Time horizons

Meridian’s annual climate risk and opportunity assessment is based on scenarios across three time horizons. Longer time horizons are helpful in considering the useful lives of assets (beyond a typical business case horizons). Meridian anticipates continuing to review these time horizons based on emerging and relevant contexts, including climate science. The time horizons are as follows:

- Short term: from today through to 2030.
- Medium term: from 2030 to 2050.
- Long term: from 2050 to 2100.

## Transition risks and opportunities

To ensure consistency in approach to the identification of risk, transition risks are evaluated using the same likelihood and consequence framework as enterprise risks within the business. The consequence assessment considers impacts that may eventuate across people, financial, environmental and reputational categories. The category which is expected to be the most significant drives the overall consequence rating. For transition opportunities, Meridian uses ‘benefit’ in place of consequence. Transition risks and opportunities tend to consider a short-to-medium time horizon as the transition impacts beyond a mid-century time horizon are highly uncertain. Initial

assessments of transition risks and opportunities are generated for each relevant scenario and time-horizon.

## Physical risks and opportunities

Meridian has considered physical risks and opportunities for the three time horizons, including the long-term as its core business relies on assets that have useful lives over that period.

Meridian assesses physical risks using exposure and vulnerability. For physical opportunities, Meridian uses ‘benefit’ in place of vulnerability. Exposure refers to how much of an asset, business activity, or other element is exposed to a hazard when it eventuates. Vulnerability encompasses a variety of concepts and elements including sensitivity or susceptibility to harm and lack of capacity to cope and adapt (adaptive capacity).

## Managing climate-related risks and opportunities

All identified risks and opportunities (physical and transitional) are recorded in a climate risk and opportunities register, along with their assessment across each relevant time horizon and scenario and how the risks are being managed, including updated action items if any changes to the management of those risks are required.

An overall rating of Low, Medium, High or Extreme is used to indicate the relative significance of climate-related risks and opportunities and is assigned by the risk/opportunity owner through their consideration of all the information gathered in the process including an assessment of the consequences/benefits, the urgency of action, and the current and future impacts for Meridian. This overall rating requires judgement to be applied, including a consideration of the previous risk or benefit ratings generated under each relevant scenario and time horizon. A check for consistency is applied after all risks and opportunities have been assessed.



The Guidelines also set out a framework for the ownership, resourcing, reporting and monitoring of climate-related risks and opportunities given their overall risk/benefit rating. Decisions to mitigate, transfer, accept or control are made on a risk/opportunity-specific basis and are informed by:

- Viable mitigation and/or control options.
- Views on the most appropriate entity and/or individual to take mitigation action(s).
- Materiality and likelihood.

Inclusion of a risk or opportunity in these Climate-related Disclosures is based on a materiality assessment undertaken in accordance with NZ CS 3. Refer to the Strategy section of this report for disclosed risks and opportunities, including a description of impacts.

Outside the annual review process of climate-related risks and opportunities, management actively responds to emerging issues and considers the regulatory landscape and its potential impacts on Meridian. Management considers climate-related risks and opportunities as required during strategy development, business planning, when planning new initiatives and when making large financial decisions. Some elements (outside the annual review) continue to develop as these processes become more refined.

# Climate-related risks and integration with Group risk-management approach

Meridian’s Risk Management Policy provides the overarching framework for assessing, monitoring and managing risks at Meridian, including climate-related risks. The policy meets ISO 31000:2018 Risk management – Guidelines (second edition). An overview of the policy is available on Meridian’s [website](#), outlining the categories of risk considered, such as people, financial, environmental and reputational risks.

In general, the specific process for identifying, assessing and managing climate-related risks and opportunities is aligned with Meridian’s broader corporate risk management methodology, with some key differences around 1) inclusion of opportunities, 2) assessing physical risks/opportunities on the basis of vulnerability and exposure and 3) focus on residual risk ratings across multiple time horizons and climate scenarios.

Meridian’s climate-related risks are assessed with the same Low, Medium, High and Extreme overall ratings as Meridian uses for its other risks. Climate risks assessed as ‘High’ or ‘Extreme’ and requiring near-term action are included in the enterprise risk register that is reviewed by the A&R Committee on behalf of the Board.

Applying a consistent approach to risk categories and integrating climate-related risks into the risk register enables Meridian to prioritise all risks (including climate-related risks) according to their impact in a consistent way.



# Strategy

## Business model and strategy

Meridian’s purpose statement “Clean Energy for a Fairer and Healthier World” and underlying strategy “Expertly navigate Aotearoa New Zealand’s energy transition” both highlight Meridian’s strategic aim to help New Zealand transition to a net-zero and climate-resilient future<sup>3</sup>. Our business model is anchored in creating short-, medium- and long-term value by generating electricity from renewable energy sources (wind, water and sun) and retailing electricity to customers. Meridian can help with New Zealand’s decarbonisation through growing renewable energy capacity and flexibility, and providing targeted decarbonisation offers to customers in sectors such as transport and process heat.

The Meridian Group undertakes the following business activities:

- Meridian – seven large hydro power stations and eight (including acquisition of NZ Windfarms Limited on 30 July 2025) large wind farms contributing around 30 percent of the national electricity generation, alongside the Ruakākā Battery Energy Storage System (BESS) and a retail business with two brands (Meridian and Powershop) that sell electricity to customers in New Zealand.
- Flux – a subsidiary that offers configurable energy software, operating in New Zealand and Australia.
- Dam Safety Intelligence – a subsidiary that offers dam management expertise to dam owners in New Zealand and internationally.

Meridian’s strategy aims to deliver value by integrating the activities above. It presents this strategy internally using the framework shown in [Figure 2](#).

### Meridian’s scenario analysis process

Meridian has established climate scenarios that are used to help identify climate-related risks and opportunities test the resilience of its business model. The scenarios are intended to be robust and to inform decision making over agreed time-horizons. A review of the scenarios and applicability of those scenarios has been carried out in FY25 and we consider the scenarios remain appropriate. Scenario analysis is facilitated by the Strategy and Finance teams with a primary governance pathway via the A&R Committee to the Board. The Risk Management section of this report describes how Meridian uses its three climate scenarios to identify and assess its climate-related risks and opportunities across short-, medium- and long-term time horizons. The outputs from the annual review of the scenarios are reviewed and endorsed by the A&R Committee on behalf of the Board. In FY25, the Board approved the final outputs.

While climate considerations are a key focus in Meridian’s strategy, the climate scenario analysis process is not yet formally integrated into its wider strategy development process. To date, climate scenario analysis has been undertaken as a standalone process. However, Meridian’s strategy development process is informed by climate-related issues as outlined on page 5 in the Governance section of this report.

Further information about Meridian’s scenario analysis process is set out on pages 14-15.

### The resilience of Meridian’s strategy and business model to climate scenarios

Overall, Meridian considers that it is well-positioned to benefit from the transitional impacts of climate change – its strategy, business model and capability are focused on climate action. The products and services Meridian offers can be enablers for businesses and individuals across Aotearoa to decarbonise.

Meridian has identified both risks and opportunities relating to the physical impacts of climate change. To help mitigate against physical climate change risks, Meridian must ensure that its assets, and those of its local and international suppliers, are resilient, particularly to acute weather events. Meridian acknowledges that it will face the increasing effects of climate change over the long term.

Based on its assessment of the actual and potential impact of climate-related risks and opportunities on its business, Meridian has assessed its business model and strategy to be resilient to the climate scenarios assessed. The transition plan aspects of Meridian’s strategy, including mitigating actions to manage climate risks and opportunities and targets, are outlined in the Strategy section on pages 28 and 29.

<sup>3</sup> Our purpose statement and strategic aim are both aspirational in nature and not a formal target or summary of Meridian’s current performance.



Climate-related risks and opportunities - summary

Climate-related risks and opportunities have been categorised as being driven by either:

- Physical impacts arising from climate impacts such as floods and other climate system changes. Physical impacts can be acute (extreme weather events) or chronic (sea-level rise and other gradual changes); or
- Transition impacts that arise as the economy and people transition to a lower-carbon future, such as changes to policy and customer demand that are primarily motivated by climate interests.

Meridian’s identified physical risks are dominated by impacts on water/hydroelectricity generation, asset damage from extreme weather events and/or impacts on the goods and services procured through its global supply chain.

The combination of growing electricity demand and reduced near-term flexible energy due to a shortage of gas represents a transition risk for Meridian.

Meridian employs a range of risk management techniques to address transitional climate risks arising from the decarbonisation of the New Zealand economy, the transition to electrification, the intermittency of renewable energy sources and the volatility in the availability of flexible energy, including the unpredictability of hydro inflows. These techniques include:

- Financial derivatives such as contracts for difference (CFDs), swaptions and other agreements to manage electricity price risk and energy supply. These derivatives do not represent physical energy transactions and may be linked to energy from non-renewable sources;
- Seasonal flex energy agreements, including demand response options; and
- Participation in strategic energy reserve frameworks, such as the Huntly Strategic Reserve agreements.

Emissions associated with these techniques are excluded from the GHG inventory due to the difficulty and complexity of accurately tracking and reporting of emissions.

Meridian continues to monitor guidance from the International Sustainability Standards Board and GHG Protocol guidance to ensure ongoing alignment with global reporting standards.

In the longer term this risk is expected to reduce as new generation assets, new energy storage and flexible demand products become available at a greater scale. Transition opportunities are significant for Meridian, driving growth in the business and further opportunity to utilise the flexibility of our hydro generation facilities. Meridian is well-placed to support the electrification of transport and process heat at scale through its retail strategy.

A summary of our climate-related risks and opportunities, including assessment outcomes, financial quantification where feasible, and management actions in place, is provided in Tables 3–5. Refer to the Metrics and Targets section to identify the climate-related risks and opportunities to which Meridian’s metrics and targets connect.



FIGURE 2. MERIDIAN ENERGY STRATEGY – SUMMARY





Meridian’s planning horizons

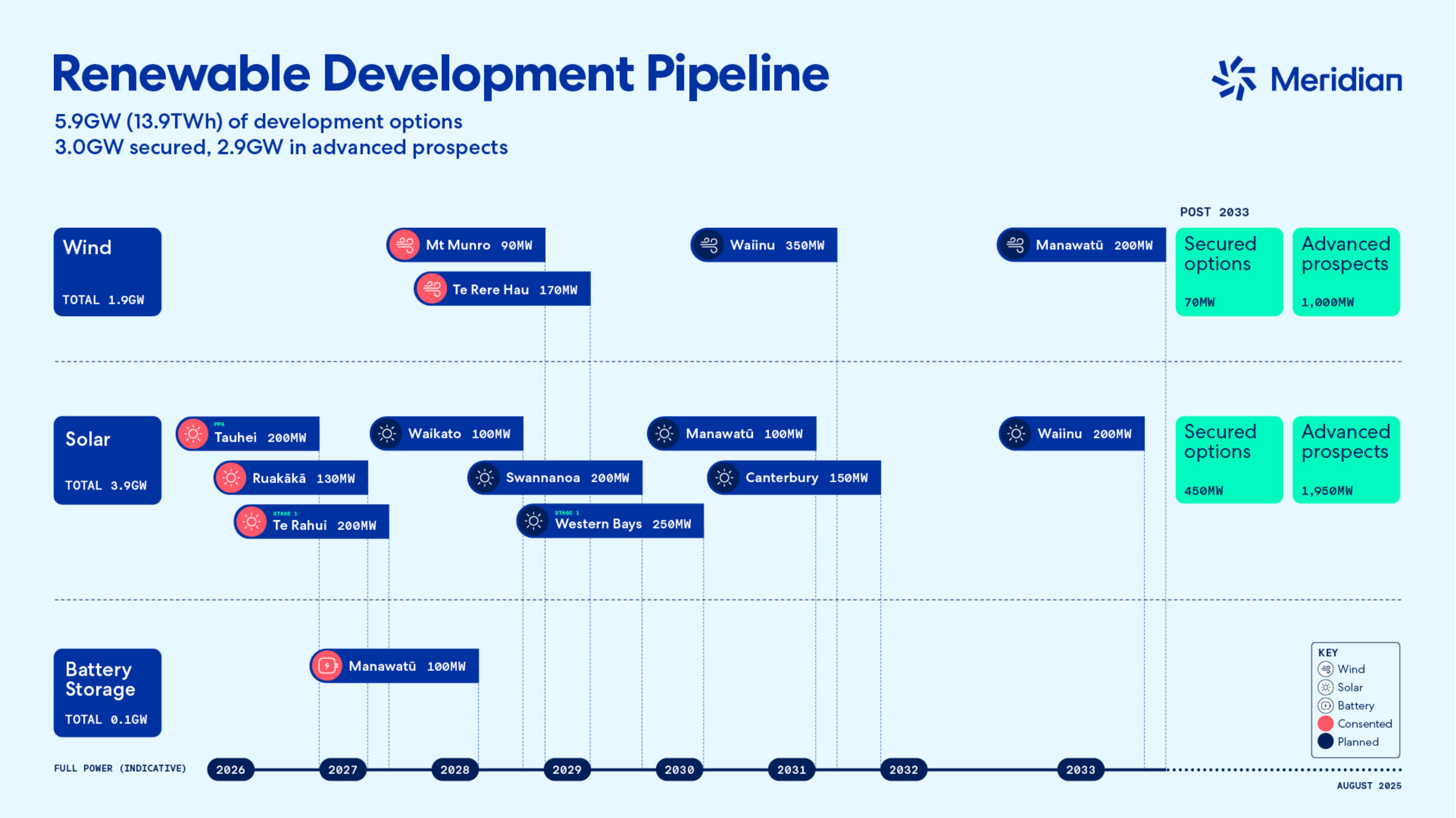
Meridian’s business planning and capital allocation timeframes are currently defined as: short 1 – 5 years; medium 5 – 10 years; and long term 10 – 30 years. Transitional climate impacts strongly influence short term business planning and capital allocation decisions (such as investment in a renewable energy generation pipeline). Our three climate scenarios inform physical climate risks and opportunities that increase in impacts (and uncertainty) over longer time horizons out to 2100. We use this information to inform business planning and capital allocation decisions today, such as land purchases and the design of new assets.

Climate-related impacts as an input into internal capital deployment and financial planning

Meridian undertakes financial planning annually, taking into consideration its two-year rolling budget cycle, five-yearly strategic targets, 30-year internal model and climate scenarios that extend to a 2100 time horizon. Major investment decisions have typically been made on a 30-year time horizon, but we are starting to consider a longer timeframe. Climate-related risks and opportunities are factored into financial planning and capital allocation by accounting for climate-related transitional impacts in Meridian’s models and climate scenarios. These include, for example, factoring in plausible demand increases for electricity over time, driven by policy impacts and customer demand for transport electrification. These demand pathways then inform aspects such as the scope of Meridian’s renewable energy generation pipeline and its assumptions for the planned allocation of capital over time for future investments. Information about the planned allocation of capital for future investments is provided in [Table 11](#) in the Metrics and Targets section of this report. Climate-related risks and opportunities are also factored into funding decisions on a project-by-project basis.

Meridian has established a Green Finance Programme and accompanying Framework<sup>4</sup>. This is aligned with Market Standards: the International Capital Markets Association Green Bond Principles; the Climate Bonds Standard version 3.0 (CBS); and the Asia Pacific Loan Market Association Green Loan Principles. The Programme and Framework contribute to achieving Meridian’s sustainability objectives. The Framework enables Meridian to connect company strategy and vision to financing requirements and provide investors who want investments that align with the Market Standards with a mechanism to make that investment.

FIGURE 3: RENEWABLE DEVELOPMENT PIPELINE



<sup>4</sup> More information about this programme is available on the [Meridian website](#).




# Meridian’s climate scenarios, methodology and assumptions

Meridian has three scenarios to help it identify potential climate risks and opportunities and test the resilience of its business model and strategy. Meridian recognises that many plausible futures exist, with differences in global temperature pathways, changes in regulations, and changing consumer preferences. It is also plausible that climate action in New Zealand occurs at a different pace from elsewhere in the world, potentially creating unique transition impacts.


Meridian’s scenarios are not forecasts but aim to provide sufficiently distinct and plausible futures to help Meridian test the resilience of its business model and strategy, and identify and assess climate-related risks and opportunities. The scenarios were developed by Meridian with expert, independent peer review and advice from a climate scientist. Meridian’s Executive Team and Board endorsed these scenarios in May 2023. Meridian further developed these scenarios in FY24 following publication of guidance from the External Reporting Board. In FY25, the climate scenarios were reviewed during workshops to ensure they remain effective and robust planning tools. In FY25, there were no material changes to the scenarios, and this was approved by the Board.

## Meridian climate scenarios overview




**NET ZERO  
REVOLUTION**

Emissions are in line with the Paris Agreement climate goal of limiting global warming to 1.5°C by the end of the century, with low overshoots (<0.1°C) of 1.5°C in earlier years. This leads to high transition risks, but lower physical climate risks.



**ADAPTIVE  
EVOLUTION**

There is a lack of international coordination on the climate response, with regions operating independently. Emissions decline but lead nonetheless to 2.7°C of warming by 2100, associated with moderate to severe physical risks. Transition risks are low-moderate.



**HOT HOUSE**

Globally, only currently implemented policies are preserved. Emissions increase until 2100, leading to 3°C+ of warming by 2100 and severe physical risks but lower transition risks.

## Meridian’s modelling work

Meridian maintains future-looking long-term forecasts – its Wholesale Market Outlook (WMO) – that are used to inform its views of the New Zealand power system. The WMO models are not the same thing as Meridian’s three climate change scenarios, but have been used to inform our three climate scenarios. An explanation of which WMO model has informed which climate scenario is provided in the sources section for each climate scenario on pages 16 to 18. WMO modelling is also used for financial quantification.

WMO is a forward-looking, long-term quantitative analysis of the fundamentals underpinning the New Zealand wholesale electricity market. It provides an analytical framework to explore, understand and respond to the strategic issues facing Meridian and the electricity market within a volatile future environment.

The methodology seeks to establish a balance in the costs, security, and sustainability challenges inherent in meeting the future energy needs of New Zealand.

Meridian’s WMO modelling uses historical weekly hydro inflow sequences – historical data that represents a distribution of possible hydro inflow profiles for a given year. These hydro inflow distributions are then applied to future years, but with adjustments applied for climate change effects (intensifying seasonality and volatility). The models each use an average hydro inflow profile from the distribution of future climate-change-adjusted hydro inflow sequences. Extreme future climate-change-adjusted hydro inflow sequences may be used for targeted analysis if needed. The modelling methodology necessarily maintains a view on all the other non-hydro features needed by a power system to serve consumer demand, from wind and solar generation, to power transmission, instantaneous reserves and frequency management.



Climate-related scenarios development process

In FY24, Meridian considered the External Reporting Board’s recommended six step process for climate-related scenario development and undertook the following steps to update our three climate scenarios that had been initially developed in FY23:

XRB SIX STEPS	RELATED WORK UNDERTAKEN BY MERIDIAN IN 2024
1. Engage stakeholders and prepare an effective group	A group of relevant Meridian personnel was appointed to review and update the scenarios ahead of FY24 Climate-related Disclosures. The team included personnel from our modelling team, sustainability and strategy and risk functions. An externally contracted climate disclosures specialist was also involved in reviewing and updating the scenarios. No other external stakeholders were involved in updating the scenarios.
2. Define the problem	We defined a focal question and boundaries for our climate-related scenarios. These are provided in Appendix A on page 45.
3. Identify driving forces and critical uncertainties	We conducted a ‘STEEP’ (Social, Technological, Economic, Environmental, and Political) analysis to determine driving forces of relevance to Meridian. A summary of the STEEP analysis and driving forces is provided in Appendix A on page 45.
4. Select temperature outcomes and pathways	We reviewed the ‘architecture’ of each climate scenario. This resulted in some minor changes from FY23’s scenario architectures. For example, we changed the alignment of our Net Zero Evolution scenario from the Network for Greening the Financial System (NGFS) ‘Divergent Net Zero’ scenario (in FY23) to the NGFS ‘Net Zero Emissions’ scenario (in FY24). This change reflected the removal of the ‘Divergent Net Zero’ scenario from the latest Phase 4 set of NGFS scenarios published in November 2023. We also updated our climate scenarios to explicitly include assumptions regarding carbon sequestration and negative emissions technology.
5. Draft narratives and quantify	The driving forces identified in the STEEP analysis were used to revise and expand the narrative component of each climate scenario. Building on the STEEP analysis, we added a section to each scenario covering implications specific to Meridian across short, medium, and long-term time horizons.
6. Assess strategic resilience	Strategic resilience was tested via our annual risk and opportunity assessment process, described in the Risk Management section of this report on page 8.

In FY25, this process was not re-performed given Meridian’s corporate strategy remains unchanged and Meridian’s review of the key inputs to the climate scenarios concluded that a refresh of the scenarios was not required.

Relevance of scenarios

Meridian is confident that its climate scenarios are relevant and appropriate for assessing the resilience of our business model and strategy to climate-related risks and opportunities. We have based our climate scenarios on the internationally recognised NGFS and IPCC scenarios. We have also incorporated data from reputable domestic scenarios: the Climate Change Commission scenarios and NIWA physical climate data downscaled for New Zealand (based on the IPCC’s fifth assessment RCP scenarios). We recognise that there is an inherent uncertainty and limitations associated with any climate scenarios. In climate science there is a concept known as “tipping points”. Tipping points are critical thresholds beyond which a system reorganises, often abruptly or irreversibly. Examples of possible climate tipping points include Antarctic Ice Sheet loss, permafrost collapse, and Amazon rainforest dieback. The treatment of potential tipping points in internationally recognised scenarios, such as the IPCC scenarios, is an area of on-going research and uncertainty. The international and domestic scenarios we have used to develop our own are, however, widely used by entities for conducting scenario analyses and climate risk assessments (both internationally and in New Zealand).



# Net Zero Revolution

Emissions are in line with the Paris Agreement climate goal of limiting global warming to 1.5°C by the end of the century, with low overshoots (<0.1°C) of 1.5°C in earlier years. This leads to high transition risks, but lower physical climate risks.

Globally, some countries achieve net-zero targets faster and more easily than others. In New Zealand, some sectors face higher burdens to cut emissions than others, while other sectors are protected from policy pressures. However, accelerated uptake of consumer electrification and industrial decarbonisation is rapid, broad, and well-supported. Increased demand for low emissions products is offset by an increase in capacity and investment to manage the transitional impacts (i.e., Europe builds more transformers in preparedness for greater product demand). This investment flows through to cheaper and shorter timeframes for the acquisition of products. New investment in renewable energy generation is required with a phase out of fossil fuels occurring rapidly.






Rapid, broad, and well-supported electrification and industrial decarbonisation swiftly reduces gross emissions, reducing the need for mass afforestation of exotic species. Locally and globally, indigenous reforestation and nature-based solutions are priorities for carbon sequestration.

Attempts are made for carbon capture and storage, but these are technically or economically infeasible in the short to medium term. Carbon capture and storage may play a moderate to significant role in the long term.






Hydro inflows are favourable in the medium term. The number of hot days (>25°C) across New Zealand is expected to increase by 40% by 2040, and plateau out to 2090. The increase in hot days is expected to have minimal impact on solar yields (given solar output derating occurs at temperatures >35°C). This is reflected in modelled regional solar yields within our WMO.

For details regarding assumptions and drivers underlying the scenarios refer [Appendix A](#) (page 45).




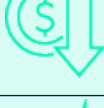



## Global response

 POLICY AMBITION	 POLICY REACTION	 TECHNOLOGY CHANGE	 C02 REMOVAL APPROACHES	 REGIONAL POLICY VARIATION
1.5°C	Immediate but divergent	Fast change	Low-medium use	Medium variation

## NZ Response & Physical Risk

 RISKS TO ASSETS	 RISKS TO GENERATION	 EASE OF DEVELOPMENT	 GOVERNMENT INTERVENTION	 MARKET RESPONSE
Small increase	Small increase	Easier	Medium	High demand; High competition

## Meridian implications

SHORT TO MEDIUM TERM (NOW-2050) :	
	Winter snow replaced by rain will boost winter hydro inflows.
	Less snow reduces spring and summer spill risk for hydro dams.
	Flood, drought, and other extreme weather event risk rises.
	Falling levelised cost of electricity for wind and solar.
	Increased investment in wind and solar generation.
LONG TERM (2050-2100) :	
	Winter rains increase by 0-5%, while summer rains decrease by 0-10% in our hydro catchments.
	Warmer summers increase demand (2% per degree abnormality).

### Data sources

- NIWA Our Future Climate New Zealand – available on NIWA website.
- Global – to 2050 – NGFS Net Zero 2050.
- Global – to 2100 – IPCC Shared Socioeconomic Pathway SSP1-1.9.
- New Zealand – to 2050 – CCC Headwinds.
- New Zealand – to 2100 – NIWA Representative Concentration Pathway RCP2.6\*.
- Meridian’s Revolution model (WMO Revo) – which models a low-carbon future, with strong uptake of disruptive technology.
- In FY25, NIWA SSP1-2.6 has been used where data is available. RCP2.6 is used where newer data is not yet available for scenarios that NIWA has down scaled for New Zealand. NIWA has not down scaled data for RCP1.9 or SSP1-1.9.



# Adaptive Evolution

There is a lack of international coordination on the climate response, and regions operate independently from each other. Emissions decline but lead nonetheless to 2.7°C of warming by 2100, associated with moderate to severe physical risks. Transition risks are low-moderate.

Globally, existing climate policies are delayed or postponed, and new climate policies are not introduced until 2030. Levels of action differ across countries and regions based on currently implemented policies, leading to a ‘fossil-fuelled recovery’ out of the economic crises of the early 2020s as countries rely on coal, oil and gas developments to underpin energy security and drive economic growth at the expense of climate goals.

In New Zealand, government subsidies in place today are wound back, slowing the rate of electrification and decarbonisation. While these processes do still occur, financial and reputational incentives are lower.






Globally, annual emissions do not begin to decrease until after 2030. Stronger policies are then needed to limit warming, but take time to be implemented.

Attempts are made for carbon capture and storage, but these are technically or economically infeasible in the short to medium term. Carbon capture and storage may play a moderate role in the long term. New Zealand is more reliant on afforestation for attempting to meet its decarbonisation goals in the medium term (compared to Net Zero Evolution). CO<sub>2</sub> removal approaches tend to use mass monoculture plantations both in New Zealand and globally, and there is a limited deployment of nature-based solutions.






Hydro inflows that are favourable in the medium term are affected by drought. The number of hot days (>25°C) across New Zealand is expected to increase by 40–100% by 2040, and to 40–300% by 2090. The increase in hot days is expected to have minimal impact on solar yields, particularly in the short to medium term (given solar output derating typically occurs at temperatures >35°C). This is reflected in modelled regional solar yields within our WMO.

For details regarding the assumptions and drivers underlying the scenarios, refer [Appendix A](#) (page 45).

## Global response

 POLICY AMBITION	 POLICY REACTION	 TECHNOLOGY CHANGE	 CO <sub>2</sub> REMOVAL APPROACHES	 REGIONAL POLICY VARIATION
2.7°C	Delayed and divergent	Slow change	Low-medium use	Medium variation

## NZ Response & Physical Risk

 RISKS TO ASSETS	 RISKS TO GENERATION	 EASE OF DEVELOPMENT	 GOVERNMENT INTERVENTION	 MARKET RESPONSE
Moderate increase	Moderate increase	Same	Low-medium	Medium demand; High competition

## Meridian implications

SHORT TO MEDIUM TERM (NOW-2050) :	
	Electricity demand growth is slower (compared to Net Zero Revolution).
	Fossil fuel plants remain, and new thermal generation is installed in the 2020s.
	Peak electricity prices increase (relative to 2024).
	Less incentive to invest in new renewables.
	Costs of wind, solar, and batteries get cheaper.
	Low carbon prices slow development.
	Physical changes are similar to those in the Net Zero Revolution scenario.
LONG TERM (2050-2100) :	
	Climate changes and impacts will be more rapid than in the Net Zero Revolution scenario.
	Drought and flood risks increase.
	Inflow occasionally disrupted by dry weather (e.g. summer inflows 5-10% lower), especially in Waitaki chain.

- Data sources**
- NIWA Our Future Climate New Zealand – available on NIWA website.
  - Global – to 2050 – NGFS Nationally Determined Contributions.
  - Global – to 2100 – IPCC SSP2-4.5.
  - NZ – to 2050 –CCC Current Policies.
  - NZ – to 2100 –NIWA RCP4.5\*.
  - Meridian’s Evolution model (WMO Evo) – which models a more business-as-usual mode for the New Zealand electricity system.
  - In FY25, NIWA SSP2-4.5 was used where available, and RCP4.5 used when SSP2-4.5 is not yet available.



# Hot House

Globally, only currently implemented policies are preserved, leading to elevated physical climate risks. Emissions increase until 2100, leading to 3°C+ of warming and severe physical risks.

The economic costs of climate change impacts are strong, making finance for new investments more expensive, which in turn limits new renewable investment. Demand growth is muted but still occurs. The national and global economies are battered by increasing physical risks.






Government policies in New Zealand are delayed, or divergent, hindering investor confidence as sudden policy changes make planning increasingly uncertain. Government intervention is haphazard, and many actions taken by local communities are maladaptive, wasting time and resources. Due to the lack of absolute emissions reductions, New Zealand is more reliant on afforestation in attempting to meet its decarbonisation goals in the medium term (compared to Net Zero Evolution). CO<sub>2</sub> removal approaches tend to use mass monoculture plantations both in New Zealand and globally, and the deployment of nature-based solutions is limited. Limited attempts are made at carbon capture and storage, but these are technically or economically infeasible in the short to medium term. Carbon capture and storage plays a minor role in the long term.

Political fractiousness is high, and investment is increasingly diverted to maintain increasingly fragile and expensive legacy systems rather than in durable solutions. Insurance costs rise, leaving some communities uninsured, as some companies choose riskier self-insurance policies.






Physical climate risks include irreversible changes such as higher sea-level rise. Significant drought impacts hydro generation. The number of hot days (>25°C) across New Zealand is expected to increase by 100% by 2040, and to 300% by 2090. The increase in hot days is expected to have minimal impact on solar yields, particularly in the short to medium term (given solar output derating typically occurs at temperatures >35°C). This is reflected in modelled regional solar yields within our WMO.

For details regarding the assumptions and drivers underlying the scenarios, refer [Appendix A](#) (page 45).





## Global response



 POLICY AMBITION	 POLICY REACTION	 TECHNOLOGY CHANGE	 CO <sub>2</sub> REMOVAL APPROACHES	 REGIONAL POLICY VARIATION
3.0°C+	No change	Slow change	Low use	Low variation

## NZ Response & Physical Risk

 RISKS TO ASSETS	 RISKS TO GENERATION	 EASE OF DEVELOPMENT	 GOVERNMENT INTERVENTION	 MARKET RESPONSE
Large increase	Large increase	Harder	Low	Low demand; High competition

## Meridian implications

SHORT TO MEDIUM TERM (NOW-2050):	
	Demand growth is sluggish; some industries close rather than decarbonise.
	The consumer home adoption of solar and batteries is slow due to high costs.
	The government subsidises thermal generation to support energy security, even when not commercially viable, which drives increased price volatility.
	Severe weather increases plant and line outage timeframes.

LONG TERM (2050-2100):	
	Climate changes and impacts increase more rapidly compared to other scenarios.
	Drought and flood risks increase.
	Inflow often disrupted by dry weather in Waitaki chain (e.g. summer inflows 10-15% lower ) and Manapōuri (e.g. summer inflows 5-10% lower).

### Data sources

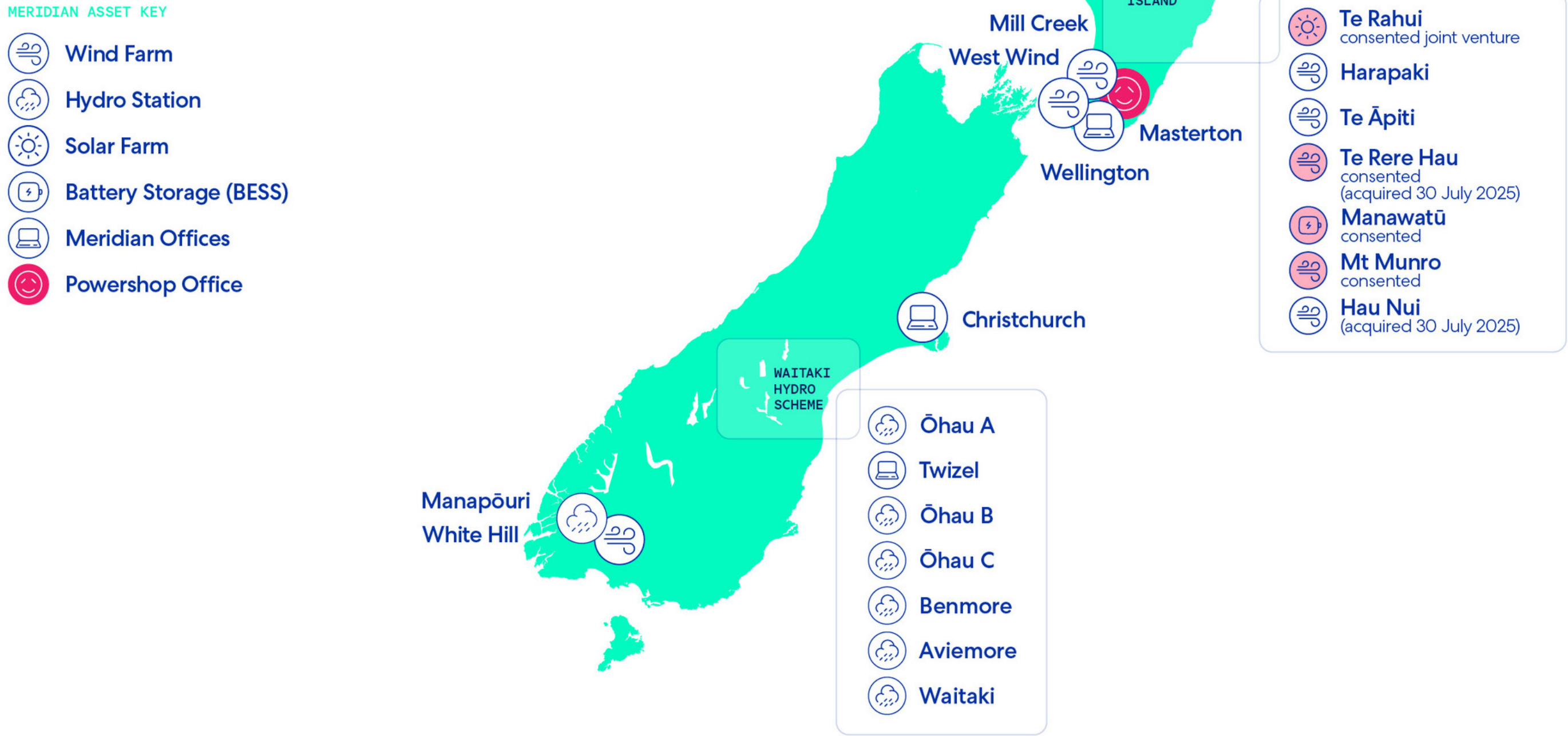
- NIWA Our Future Climate New Zealand – available on NIWA website.
- Global – to 2050 – NGFS Current Policies.
- Global – to 2100 – IPCC SSP3-7.0.
- NZ – to 2050 – CCC Current Policies.
- NZ – to 2100 –NIWA RCP8.5\*.
- Meridian’s Devolution Model (WMO Devo) – which models a disrupted and divergent future with limited decarbonisation, de-industrialisation, and difficult conditions for new builds.
- In FY25, NIWA SSP3-7.0 has been used where available, and RCP8.5 when newer data is not available.



# Climate considerations in asset management

An overview of Meridian’s assets and a summary of the regional climate change impacts is provided in Figure 4. The ranges represent the variation across the three scenarios.

FIGURE 4. MERIDIAN ASSETS AND POTENTIAL CLIMATE CHANGE IMPACTS



## Climate impacts on existing assets, all scenarios with a long-term view to 2100.<sup>5</sup>

### Northland

We can expect 22 - 86 more hot days per year and average precipitation to decrease by 3% to 9%. Drought conditions are expected to become more frequent.

### Waikato

Storm events will become more likely. We can expect 14 - 71 more hot days per year and average precipitation to be within the range of 0%-6% lower.

### Hawke’s Bay

Storm events will become more likely. We can expect 22 - 70 more hot days per year. Minimal change in annual precipitation.

### Lower North Island

Average precipitation may be lower by 1% to 5%, and the risk of storm events will increase.

### Lower South Island

Minimal change in average winter precipitation, however a decrease in average summer precipitation of 3% to 10%. Elevated risk of drought or prolonged dry periods as well as a risk of more frequent flood events.

## Impact on Meridian assets

### Hydro

Periodic reviews of probable maximum inflows to Meridian catchments will inform the dam safety processes and procedures, ensuring the physical climate resilience of the assets.

### Wind

A 35-year design life for equipment means more frequent upgrades to the latest technology. At the point of these upgrades, Meridian tests the continued viability of the sites and ensures that the new equipment will be resilient to likely changes in their lifetimes.

### Solar

Meridian has a solar farm under construction and a joint venture underway. The development of solar assets considers the impacts of climate change in site-selection and design.

### Battery storage

The Ruakākā BESS became operational in early 2025 and has been designed to be resilient against climate-related hazards (flood risk) that are likely to be experienced over the project’s design life.

### Offices

We have not identified any material anticipated impacts on our offices. Meridian leases its office sites and could relocate these in the future, if necessary, to avoid exposure to physical climate risks.

### Future development opportunities

Meridian has a number of development options in the pipeline. Meridian reviews the suitability of sites when determining which options to progress.

<sup>5</sup> Data sourced from New Zealand Ministry for the Environment (MfE), ‘climate-projections-summary-dashboard’ by the relevant Territorial Authority to asset location, and the MfE’s Climate Projections Map ([map.climate.data.environment.govt.nz](https://map.climate.data.environment.govt.nz)) in the case of seasonal precipitation changes. For ‘Lower South Island’, Waitaki is used, and in the case of the map, Gate 18 (Pukaki Canal exit from Lake Pukaki) is taken as the reference location (Sep 2024).



## Climate-related risks and opportunities

Meridian has reassessed climate-related risks and opportunities through its annual assessment process. This reassessment has refined the presentation of these risks and opportunities to better support primary users' understanding of their position relative to our value chain (as shown in [Table 1](#)). The review process has resulted in a smaller number of material risks and opportunities. For consistency and clarity, the abbreviation numbering remains the same as those used for the FY24 Climate-related Disclosures. Key changes, along with their rationale, are presented in [Table 2](#).

The following pages 21 to 27 set out Meridian’s current physical and transition impacts of climate change, a description of the transition and physical climate-related risks and opportunities that Meridian has identified over the short, medium and long term, and the anticipated impacts of climate-related risks and opportunities reasonably expected by Meridian. This includes setting out the current financial impacts of Meridian's physical and transition impacts, the anticipated financial impacts of climate-related risks and opportunities Meridian reasonably expects, and the time horizons over which the anticipated financial impacts could reasonably be expected to occur. Where Meridian has been unable to disclose quantitative information, the reasons for this are explained. This table also sets out relevant metrics and targets corresponding to each climate-related risk or opportunity. This is provided to help primary users to understand the amount or extent of assets or business activities vulnerable to climate-related risks or aligned with climate-related opportunities. Meridian has utilised industry metrics where possible, but has found that many of the risks and opportunities identified do not have suitable industry metrics.

Physical risks and opportunities are denoted with the abbreviation PR and PO respectively, and transition risks and opportunities are denoted with the abbreviation TR and TO respectively.

TABLE 1.

CLIMATE CHANGE:				
RISKS AND OPPORTUNITIES TO MERIDIAN'S VALUE CHAIN				
DEVELOPMENT		GENERATION ASSETS		ELECTRICITY SUPPLY
Risks	PR4 – Global climate change impacts on supply chain cost and reliability		PR2 – Changing seasonal weather patterns increases hydro flow volatility	
	TR3 – Global supply chain demand may impact affordability of and timely access to goods and services		TR1 – Insufficient flexibility for a fully renewable electricity system leads to supply shortages	
		PR3 – Increased severe weather events could damage assets and infrastructure		
Opportunities	TO2 – Sustainability leadership and environmental, social and governance (ESG) performance			
			TO1 – Retail growth through Cleaner and Cheaper Energy*	
			*Opportunity renamed in FY25 to align with retail strategy refresh.	
Climate Action Plan				

TABLE 2.

RISK/OPPORTUNITY DISCLOSED IN FY24 CLIMATE-RELATED DISCLOSURES	ACTION
PR1 More intense, extreme rainfall events impact hydro catchment flood risk	Risk combined with PR3 given materiality of the risk and relationship with increased severe weather events
TR2 Carbon price uncertainty increases uncertainty in wholesale market	Risk removed following a review of materiality (1)
TR4 Inadequate market supply due to insufficient physical firming plant	Risk combined with TR1 given alignment with electricity supply
TR5 Sharp increase in residential solar leads to reduced demand, impacting Meridian’s earnings	Risk combined with TO1 (renamed) given relationship to Meridian’s retail strategy
PO1 Annual and seasonal hydro inflow profiles improving generation and demand alignment	Opportunity removed following a review of materiality (2)

(1) This physical risk was disclosed in the FY24 Climate-related Disclosures and demonstrated that Meridian's exposure to the carbon price was not material. The carbon price exposure was estimated to be 0-3% of the FY24 energy margin.

(2) This physical opportunity was disclosed in the FY24 Climate-related Disclosures to demonstrate that Meridian had identified and assessed the potential future impacts of changes to the annual and seasonal hydro inflow profiles. The opportunity has been removed as it is not considered material and would materialise naturally, rather than be aligned to tangible initiatives.

Note – All climate-related risks and opportunities, including those that are deemed to be not material, are entered into the climate risk register and monitored.



TABLE 3. PHYSICAL RISKS

PR 2 – CHANGING SEASONAL WEATHER PATTERNS INCREASES HYDRO INFLOW VOLATILITY			
INCREASED HYDRO INFLOW VOLATILITY (PROLONGED DRY PERIODS AND LARGER INFLOW EVENTS) DUE TO CHANGING SEASONAL WEATHER PATTERNS, LEADING TO INCREASED SPILLING OR RUNNING OUT OF STORAGE.			
SUMMARY	RISK RATING	ANTICIPATED IMPACTS	TIME HORIZON
While Meridian expects future average annual and seasonal hydro inflow profiles to improve generation and demand alignment, it also expects increased volatility in the weather, such as prolonged dry periods and larger inflow events. This could make it harder to manage lake levels to balance reducing the need to spill when it is wet and retaining enough water to last for a dry season. This could affect Meridian’s earnings by requiring more hydro firming products.	<ul style="list-style-type: none"><li>• Overall rating: Medium.</li><li>• Net Zero Revolution: Medium.</li><li>• Adaptive Evolution: Medium.</li><li>• Hot House: Medium.</li></ul>		Long term (2050–2100).
CURRENT IMPACTS	ANTICIPATED IMPACTS	MANAGEMENT ACTIONS	METRICS
In FY25, hydro production has been significantly influenced by challenging weather conditions, including droughts and fluctuating rainfall patterns. Prolonged dry periods from May - August 2024, followed by dry conditions between December 2024 persisting into 2025, have constrained water availability for hydro generation.	<p>Meridian anticipates increasing weather volatility over time, influenced by the progression of climate change. The Hot House scenario in particular, presents the highest weather volatility. This risk will evolve with a generation mix where wind and solar are expected to constitute a larger portion of the market.</p> <p>Predicting hydro patterns accurately is becoming more challenging. While over time, average precipitation is likely to slightly increase, dry periods are likely to be more prolonged and/or intensify.</p> <p>This risk could have significant financial, strategic, and reputational impacts, depending on the observed level of volatility.</p>	<p>Management actions that contribute to mitigating this risk include:</p> <ul style="list-style-type: none"><li>• Increase generation capacity with new wind and solar developments.</li><li>• Expand grid-level battery storage for peak capacity balance.</li><li>• Expand Virtual Power Plant offerings for EV/battery users to sell power back to the grid.</li><li>• Utilise and grow demand-response options with industrial customers (e.g., NZAS) and swaption arrangements (Genesis, Nova).</li><li>• Maximise hydro capacity from existing assets.</li><li>• Develop a flexible retail portfolio for demand response.</li><li>• Regularly review and adjust the optimal contract book size and shape.</li></ul> <p>Many of the above actions are both ways to mitigate this risk and also present opportunities for Meridian’s future growth.</p>	<p>Dry period volatility: FY25: 13%, (FY24: 12%, FY23: 3%)</p> <p>Wet period volatility: FY25: 6% FY24: 4%, FY23: 8%,</p> <p>Metric trend: Both metrics fluctuate from year-to-year. Three years of data is a relatively short period to track volatility, with uncertainty in how much the percentages are influenced by normal weather patterns versus climate change.</p> <p>Methods and assumptions: The metric calculates the percentage of days in the year where total inflows are below the 10th percentile average inflow levels at Meridian hydro catchments (dry period) or above three times the median inflow levels (wet period). The metric is considered a proxy to represent the extent of Meridian’s hydro inflows which are exposed to this risk.</p>
<p>Actual financial impact: See also under TR1.</p> <p>There is a considerable number of non-linear interactions between inflows and prices in the current market. It is also difficult to assess the current climatic influence on inflow volatility within the same year.</p> <p>The financial implications of the recent drought conditions are discussed under climate transition risk (TR1) later in this report. This is because hydro-inflow volatility is anticipated, and Meridian has a strong risk management strategy to handle it. However, unexpected market constraints related to energy system flexibility have primarily driven the financial impact in FY25. There is overlap between TR1 and PR1 in the current financial year.</p>	<p>Anticipated financial quantified impact: (\$150M) - (\$195M) annualised in the short term to 2030, (\$20M) - (\$60M) annualised in the period 2031 - 2050. This represents an exposure of 2-20% of Energy Margin. Impact not quantified beyond 2050.</p> <p>Method examined Meridian’s modelled (WMO) physical water flows for 91 climate-adjusted historic inflow sequences, selecting 5th and 50th percentile inflows (P5 and P50) for each year, and matching with Meridian's anticipated net revenues for that sequence-year. While the physical gap between P5 and P50 inflows grows, the market impact is expected to diminish as other renewable energy sources grow, reducing hydro's role proportionally. Note there is some overlap with the financial impacts in TR1 in the 2026-2030 timeframe, however the 2031-50 period includes only the impact of the physical inflows, isolated from the whole portfolio.</p> <p>Due to the subjectivity of assumptions and limitations in data accuracy, the anticipated impacts should not be considered precise.</p>	<p>Related Targets:</p> <p>Deliver 200MW returned and 300MW new generation capacity by FY28.</p> <p>Seven new renewable generation projects underway by 2030.</p> <p>30,000 residential customers on demand-flex product by FY26.</p>	



TABLE 3. PHYSICAL RISKS CONTINUED

PR 3 – INCREASED SEVERE WEATHER EVENTS COULD DAMAGE ASSETS AND INFRASTRUCTURE			
DAMAGE TO ASSETS AND INFRASTRUCTURE DUE TO SEVERE WEATHER EVENTS (STORMS & EXTREME RAINFALL), RESULTING IN FINANCIAL LOSS VIA REDUCED GENERATION AND INCREASED INSURANCE PREMIUMS.			
CURRENT IMPACTS	ANTICIPATED IMPACTS	MANAGEMENT ACTIONS	METRICS
<p>Meridian anticipates that climate change will lead to more frequent and intense storms, including extreme rainfall, which could damage its assets and the infrastructure it relies on. This could result in financial loss from reduced generation, significant repair costs for hydro dam spillways and control structures, and increased insurance premiums.</p> <p>Historical events have demonstrated that while Meridian’s assets themselves might have adaptive capacities during extreme weather events, damage to the surrounding land and infrastructure can also significantly disrupt its operations.</p>	<ul style="list-style-type: none"><li>• Overall rating: Medium.</li><li>• Net Zero Revolution: Medium.</li><li>• Adaptive Evolution: Medium.</li><li>• Hot House: Medium.</li><li>•</li></ul>	<p>Long term (2050–2100).</p>	<p>Links to Meridian enterprise risks – Event or Disaster Destroys Balance Sheet Value and Extended Significant Outage of Other Party’s Transmission or Generation.</p>
CURRENT IMPACTS	ANTICIPATED IMPACTS	MANAGEMENT ACTIONS	METRICS
<p>No material weather events occurred during FY25. However, Meridian has incurred expenditure associated with Cyclone Gabrielle remedial work as outlined below.</p>	<p>Extreme weather events will become more frequent, posing risks to Meridian’s hydro, wind, solar, and battery assets. While hydro assets have low short-term risks due to conservative dam safety plans, severe weather can increase costs, disrupt supply chains, reduce revenue, and raise insurance premiums. Future projects may incur higher costs for resilience.</p> <p>Broader impacts include reputational damage, staff displacement, and pressure on staff wellbeing.</p> <p>Damage to third-party infrastructure, like Transpower’s HVDC (high-voltage direct current) link, could also disrupt the network.</p>	<p>Collaborate with local government and NEMA (National Emergency Management Agency) on hazard analysis.</p> <p>Roll out the Natural Hazards Framework for climate risk assessment and mitigation.</p> <p>Use the Electricity Hedging policy to manage exposure to North Island and spot pricing risks.</p> <p>Contribute to DSHG (Dam Safety Hydrology Group) work on updating PMP (Probable Maximum Precipitation) and PMF (Probable Maximum Flood) models.</p> <p>Implement 10-year PMP/PMF reviews (Waitaki 2026, Waiau 2027).</p> <p>Implement new aligned Waitaki Valley flood rules, work to get adoption from ECan (Environment Canterbury) ahead of resource consent renewal, controlled under a Management Plan and not via Resource Consent.</p> <p>Address spillway vulnerabilities through Dam Safety Assurance Programme (DSAP) and Structural Safety Evaluation Programme (SSE).</p>	<p>FY25: 100% of Meridian’s generation assets are potentially vulnerable to this risk (FY24: 100%, FY23: 100%).</p> <p>Metric trend: Metric has remained the same for the past three years.</p> <p>Methods and assumptions: This metric has been calculated using the assumption that all of Meridian’s generation assets are potentially exposed to damage from severe weather events.</p> <p>Meridian notes this vulnerability will differ significantly by asset type and location.</p>
<p>Actual financial impact: \$10M in expenditure related to this risk in FY25.</p> <p>Quantification methodology: \$7M relates to remedial expenditure associated with Cyclone Gabrielle at our Harapaki wind generation site and additional spend of \$3M for resilience works to future proof against heavy rainfall events. Costs incurred are presented as net of insurance proceeds where applicable and will form part of asset capitalised in Meridian’s financial statements – Section B – Integrated Report.</p>	<p>Anticipated financial quantified impact: Not quantified.</p> <p>Meridian has been unable to quantify the anticipated financial impacts of this risk described qualitatively above, given the variety of asset types and geographic locations. Meridian intends to use NIWA’s newly downscaled climate projections data to attempt to quantify the impacts of this risk, in conjunction with future work in operationalising the Natural Hazards Framework. Potential impacts will vary by asset type and location.</p>	<p>Related Targets:</p> <p>Complete climate risk assessments (using Climate and Natural Hazards Framework tool) and develop climate adaptation plans for all key operational and new development sites by FY30.</p>	



TABLE 3. PHYSICAL RISKS CONTINUED

PR 4 – GLOBAL CLIMATE CHANGE IMPACTS ON SUPPLY CHAIN COST AND RELIABILITY			
INCREASED SUPPLY CHAIN DISRUPTIONS AND COSTS DUE TO GLOBAL CLIMATE CHANGE IMPACTS ON MERIDIAN’S SERVICE AND OPERATING COST LEVELS.			
SUMMARY	RISK RATING	ANTICIPATED IMPACTS TIME HORIZON	MATERIALITY
<p>Climate change will affect the operations of Meridian’s suppliers globally and potentially impact their ability to supply materials. Meridian has a complex range of suppliers who in turn source key materials from around the globe. This risk will have impacts across Meridian’s supply chain, with the biggest impacts likely to affect our Generation and Development business units.</p> <p>Meridian needs a better understanding of where its suppliers source key materials so that it can confidently identify vulnerabilities to climate change in its supply chain.</p>	<ul style="list-style-type: none"><li>• Overall rating: Medium.</li><li>• Net Zero Revolution: Low.</li><li>• Adaptive Evolution: Medium.</li><li>• Hot House: Medium.</li></ul>	Long term (2050–2100).	<p>This climate-specific risk is not currently identified as a key risk to Meridian. This risk has been included to demonstrate that Meridian has information gaps relating to its supply chain vulnerability that it wishes to address.</p> <p>Meridian has a separate Transition supply chain risk – TR 3.</p>
CURRENT IMPACTS	ANTICIPATED IMPACTS	MANAGEMENT ACTIONS	METRICS
<p>Meridian is not aware of any material supply-chain challenges in FY25 related to its suppliers and caused by the physical impacts of climate change.</p> <p>In FY25, Meridian has made progress towards delivering a framework to better understand supply chain risks. Work has progressed on the implementation of Meridian’s ESG supplier programme, known as the ‘Supply Chain - good energy programme’. This programme will support the screening of key suppliers to identify material exposures and aid in adaptation planning.</p>	<p>Meridian expects its current and future suppliers to be exposed and vulnerable to the physical impacts of climate change. As the focus on climate change increases among companies around the world, Meridian expects greater visibility and transparency from suppliers as to the extent of this vulnerability.</p> <p>Meridian acknowledges it needs more information in this space, but notes that its key suppliers are usually large and well-resourced multinational companies, which potentially increases their ability to adapt to climate change impacts. This could help to reduce Meridian’s vulnerability to supply chain disruptions.</p> <p>The anticipated impacts of supply chain disruptions include increased costs, supply chain delays leading to longer lead times and shortages in or an inability to access certain goods and services.</p>	<p>Meridian has started a project to implement new technology in the next two to three years that will allow a greater centralisation of and improvements to data collection regarding its supply chain.</p> <p>Meridian plans to implement an enterprise Supplier Relationship Management framework, to assist it in managing its relationships with suppliers, including in relation to climate change matters. The framework will enable Meridian to assess all key suppliers for climate risk vulnerability and action plan maturity.</p> <p>To help mitigate this risk, Meridian maintains ‘on-hand’ critical spare parts for generation assets. This helps to minimise downtime in the case of supply chain disruptions.</p>	<p>FY25: 100%, of Meridian’s supply chain is potentially vulnerable to this risk (FY24: 100%, FY23: 100%).</p> <p>Metric trend: The metric has remained the same from FY23 to FY25.</p> <p>Methods and assumptions: Meridian has not yet undertaken a detailed assessment of its supply chain. Until an assessment is completed that breaks down supply categories and key suppliers, it is assumed the full supply chain is potentially vulnerable to the physical impacts of climate change.</p>
<p>Actual financial impact: Not material.</p> <p>Quantification methodology: Meridian has not identified any material financial impacts on either supply chain costs or reliability in FY25 that are directly attributable to physical climate change impacts.</p>	<p>Anticipated financial quantified impact: Not quantified.</p> <p>Meridian is currently unable to quantify the anticipated impacts of supply chain disruptions caused by climate change impacts described qualitatively above due to limited visibility and data from its global supply chain.</p> <p>A detailed supply-chain assessment is needed to quantify the impacts of this risk.</p>	<p>Related Targets:</p> <p>Introduce enterprise Supplier Relationship Management framework in FY26 (target date revised from FY25 as project delayed due to Oracle implementation), and include the introduction of Climate Risk in the FY26 Supplier ESG programme update.</p>	



TABLE 4. TRANSITION RISKS

TR 1 – INSUFFICIENT FLEXIBILITY FOR A FULLY RENEWABLE ELECTRICITY SYSTEM LEADS TO SUPPLY SHORTAGES THERE IS A RISK TO EARNINGS DUE TO INCREASINGLY SCARCE FLEXIBLE ENERGY PRODUCTS, AND INCREASED VOLATILITY OF WHOLESALE ELECTRICITY PRICES (FROM INTERMITTENT GENERATION).			
SUMMARY	RISK RATING	ANTICIPATED IMPACTS	TIME HORIZON
<p>Meridian faces a risk that fuels that are necessary to ensure a reliable electricity supply and are integral to the energy transition, are constrained in supply (either through policy or a depletion in reserves). Shortages of gas result in costly hedge arrangements and high electricity prices. Consequently, this adversely impacts Meridian’s earnings and profitability and represents a barrier to consumers transitioning to renewable electricity.</p> <p>This risk has significantly influenced Meridian’s strategy and decision making to ensure Meridian is contributing to a resilient, efficient, and flexible energy supply for New Zealand.</p>	<ul style="list-style-type: none"><li>• Overall rating: Medium.</li><li>• Net Zero Revolution: Medium.</li><li>• Adaptive Evolution: Medium.</li><li>• Hot House: High.</li></ul>	Short term (now–2030).	<p>This risk is linked to the Meridian enterprise risk around Peak Capacity.</p> <p>This risk also overlaps with the physical risk PR 2.</p>
CURRENT IMPACTS	ANTICIPATED IMPACTS	MANAGEMENT ACTIONS	METRICS
<p>In FY25, Meridian's operating performance was impacted by record low hydro inflows coupled with an unexpected domestic gas shortage. In response Meridian has incurred costs in contracting to maintain its portfolio (managing a mix of energy assets, contracts and products to ensure a reliable cost-effective supply of energy) and exercising demand response options (e.g. the exercise of demand-response options with NZAS during the year) to manage this impact.</p> <p>Meridian continues to progress work on a flexible portfolio that supports demand response and growing renewable generation capacity through development projects. Meridian has invested in Ruakākā BESS that became operational in early 2025.</p>	<p>In the short to medium term, Meridian expects that it may see a higher spend on financial instruments in order to ensure that its exposure to volatile spot pricing is mitigated.</p> <p>This transitional period has the potential to overlap with inadequate supply risk, which could lead to government intervention or regulation that may impact Meridian’s future earnings.</p> <p>Agreements such as the pending Strategic Energy Reserve at the Huntly Power Station are in response to the ongoing challenges posed by gas supply shortages and aim to enhance the security of electricity supply and price stability in New Zealand.</p>	<p>Meridian's Electricity Hedging Policy limits spot price exposure, balancing mitigation costs with risk impacts.</p> <p>Meridian maintains a swaption portfolio and demand-response options for flexibility.</p> <p>Active investments in large-scale batteries and Virtual Power Plant initiatives to access flexible demand-side resources.</p> <p>Capacity of the existing generation assets is being increased, and asset management and outage planning are used to maximize market capacity.</p> <p>These actions will also create growth opportunities for Meridian.</p>	<p>Meridian’s share of total New Zealand flexible generation capacity</p> <p>FY25: 32% (FY24: 30%, FY23: 30%)</p> <p>Metric trend: Meridian’s share has remained stable across FY23 to FY25.</p> <p>Methods and assumptions: This metric is calculated as Meridian’s flexible generation capacity as a proportion of the total flexible capacity in the market. This metric represents the extent of Meridian’s vulnerability to total industry flexibility capacity. We have assumed that ‘flexible capacity’ is made up of hydro, gas, coal, oil and battery capacity.</p>
<p>Actual financial impact: \$300M.</p> <p>Quantification methodology: Meridian’s annual spend on availability of energy flexibility financial products (swaptions and demand-response agreements).</p> <p>These options are in place to help Meridian manage its exposure to risk arising from the generation, purchase and sale of energy. The spend is not solely attributable to this transition risk.</p>	<p>Anticipated financial quantified impact: \$65M — \$210M annualised over the short term (to 2030). This represents the full cost of flexibility. There is an additional \$15 — \$45m representing the required premium cost across this period. This represents an exposure of 2-21% of Energy Margin.</p> <p>Quantification methodology: This calculation estimates the cost of hedging, not the net financial impact. It uses high-level forecasts of future system flexibility and a discounted MWh price to proxy Meridian’s exposure to spot price volatility.</p> <p>Key assumptions and inputs:</p> <ul style="list-style-type: none"><li>• Future flexible capacity requirements in the short to medium term and future electricity prices (using generation weighted average price per kilowatt hour).</li><li>• Meridian's Weighted Average Cost of Capital (WACC), Consumer Price Index (CPI), estimated premium percentage and Meridian's expected market share.</li><li>• In FY25, the method was refined to include short-term intra-horizon volatility, rather than discounting only at 2030.</li><li>• Due to assumptions and data limitations, results should not be considered precise.</li></ul>	<p>Related Targets:</p> <p>Deliver 200MW returned and 300MW new generation capacity by FY28.</p> <p>Seven new renewable generation projects underway by 2030.</p> <p>30,000 residential customers on demand-flex product by FY26.</p>	



TABLE 4. TRANSITION RISKS CONTINUED

TR 3 – GLOBAL SUPPLY CHAIN DEMAND MAY IMPACT AFFORDABILITY OF AND TIMELY ACCESS TO GOODS AND SERVICES			
INCREASED DEMAND FOR ASSOCIATED GOODS AND SERVICES RESTRICTS MERIDIAN’S ACCESS DUE TO CHANGES TO INTERNATIONAL POLICY AND MARKET DEMAND FOR LOW CARBON PRODUCTS RESULTING IN RENEWABLE ENERGY ASSET DEVELOPMENT AND MAINTENANCE COSTS INCREASING AND UNTIMELY ACCESS TO GOODS.			
SUMMARY	RISK RATING	ANTICIPATED IMPACTS TIME HORIZON	MATERIALITY
As the world decarbonises there will be increased competition for products and materials that support decarbonisation. Meridian is a small purchaser on a global scale, so it has to be strategic in how it secures the goods and services required. Meridian is committed to ethical sourcing and recognises that its suppliers have growing businesses in a range of countries with differing employment standards. There is an opportunity to increase Meridian’s visibility of its global supply chain and refine its assessment methodology for this risk.	<ul style="list-style-type: none"><li>• Overall rating: Medium.</li><li>• Net Zero Revolution: Medium.</li><li>• Adaptive Evolution: Medium.</li><li>• Hot House: Medium.</li><li>•</li></ul>	Short term (now–2030).	This climate-specific risk is not currently identified as a key risk to Meridian. It has been included to demonstrate that Meridian has information gaps relating to its supply chain vulnerability that it wishes to address.  Meridian has a separate physical supply chain risk – PR 4.
CURRENT IMPACTS	ANTICIPATED IMPACTS	MANAGEMENT ACTIONS	METRICS
Meridian is continuing to experience increasing lead times and prices in its supply chain. The impact of increased competition from climate-motivated demand is difficult to distinguish from supply chain disruptions caused by geo-political factors, inflation and the lasting impacts of COVID-19-related supply chain disruptions.	Over time Meridian expects the installed capital cost of wind and solar generating technology to fall. However, in the short-term global demand may mean these savings are not realised. This demand surge introduces possible environmental and social standard risks requiring investments in supply-chain transparency, and possible cost premiums from sole sourcing where required to mitigate the risks.	Management actions outlined under PR 4 ‘Global climate change impacts supply chain cost and reliability’ apply here. In addition, Meridian completes targeted due diligence for major developments to support its ethical sourcing commitment. This includes seeking visibility of mineral re-purposing, recycling, and resource recovery initiatives.	FY25: 100% of Meridian’s supply chain is potentially vulnerable to this risk (FY24: 100%, FY23: 100%).  Metric trend: Metric has remained the same from FY23 to FY25. Methods and assumptions: Meridian has not yet undertaken a detailed assessment of its supply chain. Until an assessment is completed that breaks down supply categories and key suppliers, it is assumed the full supply chain is vulnerable to this risk.
Actual financial impact: Not material.  Quantification methodology: Meridian has not identified any material financial impacts on its supply chain costs in FY25 that are directly attributable to this risk.	Anticipated financial quantified impact: Not quantified.  Meridian notes there is significant uncertainty associated with the basis for any potential financial quantification of the anticipated financial impacts described qualitatively above. Supply chain impacts are influenced by multiple factors beyond climate-specific ones. A detailed supply chain assessment is needed to be able to quantify the impacts from this risk.	Related Targets:  Introduce enterprise Supplier Relationship Management framework in FY26 (target date revised from FY25 as project delayed due to Oracle implementation), and include the introduction of Climate Risk in the FY26 Supplier ESG programme update.	



TABLE 5. TRANSITION OPPORTUNITIES

TO 1 – RETAIL GROWTH THROUGH CLEANER AND CHEAPER ENERGY			
THE INCREASED DEMAND FOR CONSUMER ENERGY RESOURCES FOR RENEWABLE ELECTRICITY AS THE ECONOMY DECARBONISES, PARTICULARLY IN PROCESSS HEAT AND TRANSPORTATION WILL PROVIDE OPPORTUNITIES FOR DEMAND FLEXIBILITY AND COULD RESULT IN BUSINESS GROWTH.			
SUMMARY	RISK RATING	ANTICIPATED IMPACTS TIME HORIZON	MATERIALITY
The convergence of energy technologies — including solar, battery storage, and electric vehicles — with advanced digital capabilities (such as data analytics and AI) creates significant opportunities for business growth and revenue generation by redefining customer experiences in the energy sector.	<ul style="list-style-type: none"><li>• Overall rating: High.</li><li>• Net Zero Revolution: Extreme.</li><li>• Adaptive Evolution: Extreme.</li><li>• Hot House: High.</li></ul>	Medium (2030–2050).	This opportunity is a central part of Meridian’s strategy with progress reporting and governance oversight at Board level. The opportunity is a feature in the Executive Scorecard.
CURRENT IMPACTS	ANTICIPATED IMPACTS	MANAGEMENT ACTIONS	METRICS
<p>In FY25, Meridian’s retail team secured approval for significant investments in the next generation technology platform, enhancing capabilities and future growth prospects. This will position Meridian to capture the opportunity through the delivery of new products and experiences to drive decarbonisation in homes and businesses.</p> <p>In FY25, product developments underway or rolled out included: a new hot water flex product, expansion of our Industrial Demand Flex product plus an EV Flex trial. Demand flexibility involves adjusting electricity consumption by users in response to supply conditions, such as high prices or grid instability. We grew the amount of industrial demand response capacity to 34MW, helping to better manage electricity demand and supply, improving grid stability and efficiency.</p> <p>Actual financial impact: Not material.</p> <p>Quantification methodology: The net financial impacts associated with the new products and experiences (such as the Zero EV electric vehicle charging network and commercial solar PPA systems) are currently immaterial for Meridian; both are still in relatively early stages. With scale, the anticipated financial impacts will be significant, as shown in the next section. The current impacts from process heat electrification are unable to be disentangled from the wider industrial portfolio performance.</p>	<p>Electrification of transport and process heat is expected to lift electricity consumption and grow Meridian’s customer base, increasing revenue while enabling demand-response. Meridian expects these benefits to be most significant in the medium term (to 2050). This opportunity also ties into Meridian’s strategy of growing its renewable energy generation capacity and retail customer base.</p> <p>Anticipated financial quantified impact: \$9M — \$90M increase to revenue annualised over the short-term: \$25M — \$140M increase to revenue annualised over the medium term to 2050. Represents an opportunity that is approximately 1-14% of Energy Margin.</p> <p>Quantification methodology: This calculation is based on high-level estimates of the future energy demand requirements in the power system. We have applied a discounted modelled price per gigawatt hour (GWh) to Meridian’s assumed share of demand. There is high uncertainty in these values – demand and pricing forecasts vary in each scenario, The methodology reflects the anticipated uplift in energy revenue ONLY across key areas of focus for Meridian’s retail business within the time horizons over the three scenarios. – the calculation does not include value-add revenues beyond the additional energy load (i.e, excludes revenue streams beyond an uplift in energy load).</p> <p>Key assumptions and inputs:</p> <ul style="list-style-type: none"><li>• Future New Zealand energy demand requirements, with input areas in industrial decarbonisation, EV load, irrigation load and heat pump load.</li><li>• Meridian’s WACC, assumptions around future electricity prices (using time weighted average price per kilowatt hour), CPI, and Meridian’s expected market share.</li><li>• Calculation methodology refined in FY25.</li></ul>	<p>Meridian is focusing on delivering cleaner and cheaper energy to customers. We intend to grow our retail business by identifying opportunities to create new value from the energy system and passing it on to customers. Initiatives include:</p> <ul style="list-style-type: none"><li>• Drive customer value through residential and business demand flexibility products (hot water flex product and EV Flex).</li><li>• Expand Zero public EV charging network and Business EV charging offering.</li><li>• Accelerate our solar offering for commercial customers.</li><li>• Grow Certified Renewable Energy to support more business and community decarbonisation initiatives (via Meridian’s Community Decarbonisation Fund).</li></ul> <p>Related Targets:</p> <p>1,000GWh of process heat under contract by FY30.</p> <p>1300 Zero public EV charge points (including 1038 high capacity DC charge points) installed by the end of FY28.</p> <p>30,000 residential customers on demand-flex product by FY26.</p> <p>Grow retail customer base to 500,000 connections by FY30.</p> <p>Deliver 200MW returned and 300MW new generation capacity from existing assets by FY28.</p> <p>Seven new renewable generation projects underway by 2030.</p>	<p>Process heat in GWh agreed under contract and as a percentage of total retail sales volume.</p> <p>FY25: 563GWh, 6% (FY24: 525GWh, 6%).</p> <p>Metric trend: A new metric in FY24.</p> <p>Method and assumptions: The metric calculates total process heat in GWh under contracted agreements, converted to a percentage of annual retail volumes to show the scale of conversions. It represents conversion under agreements, not actual conversions to date.</p> <p>FY25: 388 (96 DC) Zero public EV charge points, \$3M of EV charging assets (FY24: 328 (52 DC) Zero public EV charge points, \$2M of EV charging assets, FY23: 235 Zero public EV charge points, \$1M of EV charging assets).</p> <p>Metric trend: Removal of clean car discount (CCD) and road user charges (RUC) exemptions provided headwinds in the uptake of EVs. In FY25, installation rate dropped but momentum in securing public charging land agreements provides confidence that installation rate will increase in FY26.</p> <p>Method and assumptions: This metric counts the number of EV public charging points available as part of Meridian’s Zero EV charging network. The value of assets is based on the net book value of EV charging assets held on Meridian’s fixed-asset register at year end. Note that 52 charge points (on the Zero EV charging network) are operated by Meridian but owned by third parties.</p> <p>FY25: 7% of residential customers on demand-flex products (FY24: 0%, FY23: 0%).</p> <p>Metric trend: Uplift in FY25 due to roll-out of new product enabling greater hot-water flex. Residential demand-flex products that reward flexibility were a new area of strategic focus for Meridian in FY24 and made up less than 1% of the total residential customer base, FY23 customers were negligible.</p> <p>Methods and assumptions: This metric calculates the number of Meridian residential customers on a demand-flex product as a percentage of total residential consumer connections. ‘Demand-flex’ product has been defined as any product or offering to residential customers that rewards flexibility.<sup>6</sup></p>

<sup>6</sup> The metric was updated in FY25 to reflect Meridian’s strategic priority of building New Zealand’s largest and most loved charging network by FY28. This strategy refresh has led to a shift away from AC and smaller DC destination chargers to high-capacity chargers. Meridian has set a target of 1300 Zero public charge points to be installed by 2028.



TABLE 5. TRANSITION OPPORTUNITIES CONTINUED

TO 2 – SUSTAINABILITY LEADERSHIP AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE OPPORTUNITY TO INCREASE MERIDIAN’S VALUE THROUGH LEADERSHIP IN ESG AND SUSTAINABILITY				
SUMMARY	RISK RATING	ANTICIPATED IMPACTS	TIME HORIZON	MATERIALITY
Meridian is committed to sustainability and ESG performance. As these factors become increasingly important to investors and consumers, Meridian may gain reputational advantages over less mature organisations.	<ul style="list-style-type: none"><li>• Overall rating: High.</li><li>• Net Zero Revolution: Extreme.</li><li>• Adaptive Evolution: Extreme.</li><li>• Hot House: Extreme.</li></ul>		Short term (now–2030)	This is a key opportunity for Meridian with performance reporting and improvement plans having oversight up to Board level.  It is a measured performance area in the Executive Scorecard
CURRENT IMPACTS	ANTICIPATED IMPACTS	MANAGEMENT ACTIONS	METRICS	
<p>In FY25, Meridian maintained its inclusion in the Asia Pacific S&amp;P ‘Dow Jones Best-in Class Indices’ (renamed from DJSI, Feb 25) achieving the highest score of five Electric Utilities in the 2024 S&amp;P Corporate Sustainability Assessment. Meridian also maintained the top position for the third consecutive year on Forsyth Barr’s 2024 Carbon &amp; ESG rankings, which assesses New Zealand’s largest listed issuers, increasing its grade from A to A+.</p> <p>In FY25, Meridian progressed the implementation of new ESG software to improve efficiency and alignment across ESG reports and to refocus talent to improve ESG outcomes.</p>	Meridian expects to see a continued opportunity to improve its sustainability impacts and reputation through its leadership position on sustainability.	<p>Meridian is aiming to continue to lift its ESG performance, and as it does so, aim towards inclusion in the S&amp;P Global ‘Dow Jones Best-in-Class World Index’ in FY26.</p> <p>Meridian aims to improve the quality and efficiency across ESG reporting through the rollout and implementation of ESG software implemented in FY25.</p> <p>Meridian maintains an ESG improvements programme which aims to continue delivering ESG initiatives and ensuring they are prioritised and resourced throughout the business.</p>	<p>FY25: \$1M of Meridian expenditure aligned to this opportunity (FY24: \$1M, FY23: \$1M).</p> <p>Metric trend: Meridian’s expenditure has remained stable from FY23 levels, consistent with the size and scope of the ESG team.</p> <p>Method and assumptions: This metric has been calculated using spend directly linked to Meridian’s Sustainability team who managed the ESG improvement programme. Meridian notes across the business there are a wide range of initiatives which link to this opportunity. These have not been included in this calculation. Refer to Capital Deployment metric for capital spend on emissions reduction initiatives.</p> <p>FY25: Achieved inclusion in S&amp;P Dow Jones Sustainability Asia Pacific Index and top quartile performance (FY24: Achieved inclusion, FY23: Achieved inclusion).</p> <p>Metric trend: Meridian has consistently achieved inclusion in the Asia-Pacific index across the past three years of comparative data.</p> <p>Method and assumptions: The index inclusion in FY25 relates to the 2024 submission. Inclusion is based on the highest scoring 20% of the 600 largest entities in the Asia Pacific region. The index adopts a robust and structured ESG framework to assess performance.</p>	
Actual financial impact: Not quantified.	Anticipated financial quantified impact: Not quantified.	Related Targets:		
Quantification methodology: With significant uncertainty associated with any quantification method, Meridian has not quantified the current impacts of this opportunity.	Quantification methodology: Meridian expects the value associated with strong ESG leadership to be significant. However, due to the significant uncertainty associated with any quantification method, Meridian has opted not to disclose an indicative figure for the anticipated financial impacts of this opportunity described qualitatively above. It is expected this opportunity could lead to increased share price and enterprise value. However, these are both dependent on a significant number of variables, and it is difficult to isolate the impacts of this opportunity.	Achieve inclusion in the S&P Global Dow Jones World Sustainability Index by FY26 (2025 submission).		
		Interim target: Achieve inclusion in the S&P ‘Dow Jones Best-in-Class Asia Pacific Index’ Upper Quartile – top 25% by FY25 (2024 submission).		
		GHG Emissions targets – refer <a href="#">table 8</a> .		
		Internal Emissions Price target – refer <a href="#">table 12</a> .		



# Transition plan aspects of Meridian’s strategy

## What is a transition plan?

The NZ CS define a transition plan as an aspect of an entity’s overall strategy that describes an entity’s targets, including any interim targets, and actions for its transition towards a low-emissions, climate-resilient future. Transition planning is about the repositioning and transformation of an entity’s business model and strategy in response to climate-related risks and opportunities.

## Capital deployment alignedwith transition plan

The extent to which transition plan aspects of Meridian’s strategy align with capital deployment is provided in [Table 11](#) on pages 39 to 40. We have a planned spend (out to FY27) for key aspects of our transition plan that are aligned with material capital deployment in the future. The time horizons for our planned spend align with Meridian’s short-term (1-5 year) business planning horizon described earlier in this section. We discuss the extent of the alignment between the transition plan aspects of our strategy and funding decision-making processes earlier in the Strategy section on page 11.

# Transition plan – Meridian’s priorities

Meridian’s priorities for transition planning and related key strategic initiatives are outlined in more detail in this section.

## Improving climate resilience

Underpinning all three of our key transition plan strategy initiatives is an underlying aim to improve climate resilience. Key initiatives include:

- By FY30 we plan to complete climate risk assessments and develop climate adaptation plans for all our key operational sites and new development sites. To do this we have developed a framework to determine how vulnerable these sites are to the physical impacts of climate change, such as extreme weather. For more information about progress towards this target refer [Table 14](#) on page 42 in the Metrics and Targets section.
- Roll-out of Meridian’s Supply chain - good energy programme – with the aim of enhancing sustainability outcomes through our supply chain. Having set up the programme in FY24, we plan to focus on

gathering information to support a better understanding of climate-related risks and emissions pressure points in our supply chain. The first steps are already underway as we work to train our key buyers and strengthen our contracts. It will be a multi-year journey and we plan to review the project annually to determine progress and next steps. For more information about related targets refer [Table 14](#) on page 42 in the Metrics and Targets section.

Additional actions to manage our physical climate-related risks are described in the ‘Management Actions’ column in [Table 3](#) on pages 21 to 23 of the Strategy section.

FIGURE 5. CLIMATE ACTION PLAN



# 100% renewable generation

Fully electrifying the Aotearoa New Zealand economy will take collective effort and long-term partnerships. From an economic perspective, New Zealand’s national long-term target of Net Zero emissions by 2050 will require around \$30 billion of investment in new renewable generation from the energy sector.<sup>7</sup>

## Renewable energy development pipeline

Our pipeline amounts to 5.9GW (13.9TWh) of development options. Demand forecasts may see the requirement for up to an additional 30TWh of new generation to come online by 2050. Meridian’s pipeline of existing development options equates to approximately a third of this increase.

## Build new generation

We are currently on track to deliver our target of 7 in 7 (having already delivered two new renewable assets against our target -refer page 43 for progress against our target), which is our plan to have seven new large-scale renewable generation developments underway by 2030.

In FY25, we successfully completed the construction and commissioning of New Zealand’s first large-scale grid BESS at Ruakākā. The BESS is now operational, providing 100MW of power and 200MWh of storage capacity. This system enhances energy resilience, smooths out peak demand periods, and supports the North Island electricity reserves market. Construction has started at the Ruakākā Solar Farm, which when operational will deliver 130MW to New Zealand’s grid. This farm is the second stage of the Ruakākā Energy Park. For more information about our 7 in 7 target and progress against this refer [Table 14](#) on page 43 in the Metrics and Targets section of this report. Information about capital deployment towards projects that increase renewable development/ storage capacity is available in [Table 11](#) on page 39.

## Grow grid scale system flexibility

In addition to bringing on new capacity, it’s important that we maximise our use of existing assets. We have a target to deliver 200MW returned and 300MW new capacity from our generation portfolio by FY28. For more information about this target and progress against this target refer to [Table 14](#) on page 43 in the Metrics and Targets section of this report.

<sup>7</sup> Ministry of Business, Innovation and Employment (MBIE) – Electricity Demand and Generation Scenarios: Results summary – July 2024



# Customer decarbonisation

## Grow customer demand flexibility

To help achieve our country’s climate change targets, we need to get smarter about how we use our energy and manage capacity. We continue to look for and find ways to pass value on to customers, including ways through which our customers can actively participate in the electricity market through more flexible energy options. Our target is to have 30,000 residential customers on demand flex products by the end of FY26. We have also expanded our demand For more information about this target refer [Table 14](#), on page 44 in the Metrics and Targets section.

## Electrifying transport and heat

Our Process Heat Electrification Programme has paused temporarily, though the FY30 target remains, with 563GWh under contract at the end of FY25 and more load secured under our Industrial Demand Flexibilty Product (now up to 34MW). For more information about targets related to this programme refer [Table 14](#) on page 44 in the Metrics and Targets section.

EV charging is an important factor in transport electrification. Our Zero EV charging network is the second largest in the country and its ongoing expansion will help remove a barrier for those who want to drive electric. For more information about targets related to EV charging infrastructure refer [Table 14](#), on page 44 in the Metrics and Targets section. Information about capital deployment towards investment in energy solution projects, including EV charging, is available in [Table 11](#) on page 39 in the Metrics and Targets section. This year we have expanded our business charging solution and now provide solutions for staff charging in homes and completed an EV flexibility trial where customers were rewarded for allowing us to control the time of charging.

## Certified renewable energy and community funding

Meridian’s Certified Renewable Energy product allows our customers to match the electricity they use from the grid, with an equivalent amount of electricity produced by Meridian from our hydro stations and wind farms – which have been independently verified as producing 100% renewable energy.<sup>8</sup> The net proceeds from this product are invested back into business and community decarbonisation projects such as EVs, solar panels, batteries and electric heating. For information about the spend of the net proceeds refer to [Table 11](#) on page 40 in the Metrics and Targets section.

## Commercial scale solar

We support our large customers with commercial-scale solar solutions. We offer payment flexibility with a buy-now option or customers can choose a Power Purchase Agreement with no upfront capital costs. Information about capital deployment towards investment in energy solutions projects, including commercial solar, is available in [Table 11](#) on page 39 in the Metrics and Targets section.

## Increasing community good

Meridian has an Energy Wellbeing Programme that provides flexible support to Meridian households who are experiencing energy hardship. This is a key initiative described in our Strategy Map on page 12.

<sup>8</sup> Certified supports businesses aiming to report their market-based Scope 2 emissions as zero, using the market-based methodology as per the GHG Protocol Scope 2 Guidance. This Guidance highlights that where market-based method is used for reporting, the location-based method reporting must also be applied.

# Manage our emissions and build capability

Reducing our emissions remains a priority and an important step towards achieving our longer-term Net Zero targets. Through this, we are also building capability and growing our Forever Forests programme<sup>9</sup>, which will help to mitigate some emissions we have not yet reduced.

## A revision of our near-term 2030 targets

Our original Half by 30 plan and associated targets were set in FY19, with an update to our base year in FY21 to verify that the targets were science-based.

Since then, the global landscape and New Zealand’s energy industry has changed and grown significantly to enable the decarbonisation of multiple sectors. Development activity has increased in response to meet the needs of New Zealand and led to our 7 in 7 ambition - ensuring seven large scale renewable developments are underway by 2030.

We have also learned a lot about the complexity of delivering a target where over 95 percent emissions reduction is embedded in our supply chain that is broad and complex, and with varying levels of climate action maturity. This year we have taken the opportunity to revisit our 2030 targets and take stock of where we are at.

Considering this current landscape, we have refined our Half by 30 targets to reflect how we will prioritise and manage Scope 3 emission reductions as a part of our plan, given the majority of emissions sit in this area. This refinement allows us to better allow for development growth that the sector needs to ensure security of electricity supply and to refocus on the work we do together with suppliers as we head toward 2030. Our Scope 1 and 2 (market based) targets to halve our operational emissions are unchanged and we continue to make progress against these.

As these revised 2030 targets have only recently been re-set, FY25 performance reporting is based on progress against the original 2030 targets. Our forward reduction plan is focused on the new revised targets, and progress reporting against these will commence from FY26.

## Our FY25 progress

Before turning focus to the future, some key successes from our FY25 Half by 30 programme include:

- FY25 Supply chain - good energy programme scope advanced. This programme aims to enhance suppliers' ESG capabilities with an initial focus to support suppliers to measure and reduce emissions, and set meaningful emissions-reduction targets.
- Meridian air travel budget met, with emissions managed within the reduced FY25 cap compared to FY24.
- Meridian SF<sub>6</sub> (sulphur hexafluoride) Roadmap implemented, including the replacement and refurbishment of high-priority equipment and the implementation of SF<sub>6</sub> monitoring systems to detect leaks earlier.
- We continued to contribute to sector collaboration on common emission sources, such as from transport and SF<sub>6</sub>.
- Meridian’s farm portfolio data improvements achieved by adopting a reliable industry-standard tool across our portfolio. Also initiated bespoke action plans to enable on-farm emission reductions.

Information about our performance against our original FY30 targets is available in [Table 8](#) on page 36.

## Reducing our emissions

Our refreshed Climate Action Plan provides an illustration of the actions we are intending to take moving forward to reduce our emissions. A summary of our 2030 targets, initiatives and assumptions are provided below.

- Reduce absolute Scope 1 and 2 (market-based) emissions 50% by FY30 from a FY21 baseline. To work towards this target we are planning to focus on:
  - continue enhanced SF<sub>6</sub> monitoring across generation assets, including implementation of our SF<sub>6</sub> Roadmap (including actions such as early leak detection pilot).
  - introducing a new electric ferry (by FY27), with agreement already in place.

- electrify the balance of our vehicle fleet (by FY29), building on electrification of our light fleet which is already completed, and

- continued use of Renewable Energy Certificates (including allocating funds for additional decarbonisation).

- New target relevant for performance reporting from FY26: Reduce Scope 3 emissions 51.6 percent per MW of installed generation capacity by FY30 from a FY21 baseline (excluding one-off construction emissions, investments and transmission and distribution company Scope 3 emissions)<sup>10</sup>. Scope 3 emissions make up the majority of our emissions, and our CAP includes three major focus areas to enable delivery of our target:

- Supply Chain - It is anticipated that our good energy programme and introduction of the Oracle Finance suite will help us to reduce our emissions from purchased goods and services and build emissions criteria into our decision making. In FY26 we'll start screening and assessing for emissions risk, and build internal capability to work with our suppliers.

- Continue local sector collaboration with transmission and distribution companies - to address shared emission sources (others direct emissions impact our Scope 3 emissions). We’re continuing to progress opportunities to accelerate SF<sub>6</sub> emission reductions and land transport emissions, including through collaboration and pilots.

- Implementing bespoke action plans across all farms, to help us identify and deliver localised opportunities to reduce emissions. Action plans for all farms are in development, and regular emissions reporting is in place.

- Manage one-off construction emissions, by building on project-specific KPIs in place for all new renewable development projects, and introducing an overarching supplier engagement target - aiming for 80 percent of one-off emissions from construction in scope of science-based targets by FY29. This decade’s focus includes continuing the roll-out of Sustainability Management Plans for all projects, incorporating emissions-focused metrics, and screening suppliers accordingly.

<sup>9</sup> Meridian’s Forever Forests programme which is described on page 32.

<sup>10</sup>Meridian’s share of transmission and distribution company (TDC) Scope 1 and 2 emissions, and maintenance-related Scope 3 emissions, are included on Meridian’s GHG Inventory - only TDC Scope 1 and 2 emissions are included within Meridian’s target boundary.



Key assumptions made to support the refined 2030 target suite above, and reduction plan, include:

- Supply chain: Existing supplier commitments and broader industry trends (such as Climate Change Commission demonstration pathways). We also factored in expected influence on reductions from our emissions reduction plan initiatives.
- Direct operations: Projections here are more certain, reflecting current and planned internal efforts, many of which are already underway.
- Construction: These emissions vary annually based on activity. Forecasted emissions and supplier engagement assumptions are based on existing emissions development pipeline data, the current science-based target status of companies we work with, and rigour applied through our supplier selection processes.

Looking beyond to Net Zero.

We set long-term emissions reduction targets in FY24, with SBTi verification of these as Net Zero targets in FY25 (see [Table 8](#)). Our Net Zero targets were chosen based on SBTi standards, stated supplier commitments, and judgements regarding plausible technology solutions available. Our revised Climate Action Plan includes important stepping stones to enable larger post-2030 emission reductions, in the same focus areas for our 2030 targets stated above. For example, Meridian’s SF<sub>6</sub> roadmap includes regular market scans today to inform option-evaluations as SF<sub>6</sub> assets reach end of life. Investment in SF<sub>6</sub>-free switchgear, or modern SF<sub>6</sub> equipment with significantly reduced leakage risk, will support emissions reduction beyond 2030 and support delivery of our long-term net zero targets.

Forever Forests

Since 2019 we have invested in planting permanent forests in Aotearoa through our Forever Forests programme, with the aim of creating our own carbon sink. Forever Forests is sized to create a high quality supply of approximately 15,000tCO<sub>2</sub>e of emission removals per annum for Meridian’s residual operational emissions from FY30. Information about the Forever Forests programme and related targets is available in [Table 8](#) in the Metrics and Targets section. Information about capital deployment towards emissions reductions or offsets, including Forever Forests, is available in [Table 11](#) in the Metrics and Targets section.

Build capability

Underpinning all the actions we take to help prepare for and adapt to the impacts of climate change, is a focus on building the capability of our staff and suppliers. This year we progressed our Supply chain - good energy programme – which included the provision of a tool to enable our suppliers to measure their emissions where they may not be already. Our Sustainability Infrastructure Framework provides guidance for Meridian staff on applying sustainability practices to major construction projects in ways that are consistent with our Group sustainability commitments. To build staff knowledge, we continue to provide training – such as through our sustainability e-module. We have also continued our sustainability-focused e-newsletter and a webinar series (“Tackling Zero”) to discuss key issues in sustainability.

TABLE 6: SUMMARY OF REVISED 2030 EMISSION TARGETS

	CHANGE	TARGET	COMMENT
NEAR-TERM SCOPE 1+2	No change	• Reduce absolute Scope 1 and 2 (market-based) emissions 50% by FY30 from a FY21 baseline.	• SBTi verified as aligned to 1.5 degrees. • Does not rely on offsets to deliver target.
NEAR-TERM SCOPE 3	Revised	• Reduce Scope 3 emissions 51.6% per MW of installed generation capacity by FY30 from a FY21 baseline (excluding one-off construction emissions, investments and Transmission and Distribution Scope 3 emissions).	• Performance reporting commences from FY26. • Replaces existing target of 50% absolute scope 3 emissions by FY30 from a FY21 baseline. • An intensity target. • Submitted to SBTi for verification. Target aligns with SBTi guidance for near-term scope 3 coverage, and limiting global temperature to well-below 2 deg C. • Does not rely on offsets to deliver target.
NEAR-TERM SCOPE 3	New	• Supplier engagement target for 80% of one-off emissions from construction in scope of science-based targets by FY29	• Performance reporting commences from FY26. • Submitted to SBTi for verification. Consistent with SBTi guidance (Supplier Engagement Target (SET) – not absolute or intensity). Alignment to a global temperature limit to be confirmed through verification process. • Does not rely on offsets to deliver target. • FY21 baseline.
LONG-TERM SCOPE 1+2	No change	• Reduce absolute Scope 1 and 2 (market-based) emissions 90% by FY40 from a FY21 baseline.	• Verified as aligning with with SBTi Corporate Net Zero standard, and 1.5 degrees aligned. • Does not rely on offsets to deliver target.
LONG-TERM SCOPE 3	No change	• Reduce absolute Scope 3 emissions 90% by FY50 from a FY21 baseline.	• SBTi verified as aligning with with SBTi Corporate Net Zero standard, to reach net-zero by 2050. • Does not rely on offsets to deliver target.

# Metrics and Targets

## Greenhouse gas emissions

Meridian prepares an annual GHG Inventory, including Scope 1, 2 and 3 emissions. A summary of these emissions is reproduced from its GHG Inventory in [Table 7](#).

Meridian’s GHG Inventory is stated in accordance with the requirements of:

- ISO 14064- 1:2018: Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals.
- the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).
- the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

The boundaries for Meridian’s GHG emissions inventory were set with reference to the methodology described in the GHG Protocol and ISO14064-1 standards. The boundary encompasses the operations owned or controlled by Meridian, its subsidiaries, associate companies and joint ventures.

Meridian applies the operational control consolidation approach to the Meridian Group emissions inventory.

### Emissions factors

Emissions factors were sourced from the latest publication of New Zealand’s Ministry for the Environment (MfE) or the UK’s Department for Energy Security and Net Zero, with additional data from Thinkstep (spend-based emissions factors) , BRANZ CO<sup>2</sup>NSTRCT (construction emissions factors), and BraveTrace (residual emissions factors for electricity not covered by renewable energy certificates). Global warming potentials (GWP) are based on the IPCC Fifth Assessment Report with a 100-year time horizon.

### Emissions source exclusions

Meridian employs a range of risk management techniques to address transitional climate risks arising from the decarbonisation of the New Zealand economy, the transition to electrification, the intermittency of renewable energy sources and the volatility in the availability of flexible energy.

These techniques include:

- Financial Derivatives, such as contracts for difference (CFD’s), swaptions and other agreements to manage electricity price risk and energy supply. These derivatives do not represent physical energy transactions and may be linked to energy from non-renewable sources;
- Seasonal flexibility agreements, including demand response options; and
- Participating in strategic energy reserve frameworks, such as the Huntly Strategic Reserve agreements.

Emissions associated with these techniques are excluded from the GHG inventory due to the difficulty and complexity of accurately tracking and reporting of emissions.

Meridian continues to monitor guidance from the International Sustainability Standards Board and GHG Protocol guidance to ensure ongoing alignment with global reporting standards.

A full summary of emissions source exclusions and justification for exclusion is available in [Appendix B](#) of this report.

### Methodology and assumptions

All emissions data in the report was calculated using BraveGen CSR, which multiplies activity data by emissions factors to quantify greenhouse gas emissions in tonnes of CO<sub>2</sub>e. Meridian calculates greenhouse gas (GHG) emissions using a combination of supplier data, and financial proxies.

For more information about the methodology, assumptions, data quality and uncertainty associated with emissions source inclusions, refer [Appendix B](#) of this report.

### Uncertainties

For information about estimation uncertainties and the effects of these uncertainties on the GHG emissions inventory, refer to [Appendix B](#) of this report for further details.



GHG emissions metric trends

Total operational emissions (excluding energy purchased and on-sold and one-time construction emissions (location based)) trended upward between FY23 and FY24 with a increase of 4,573tCO2e. This trend has continued between FY24 and FY25 with an increase of 8,531tCO2e. Total group value chain emissions (including all Scope 1, 2, and 3 emissions (location based)) has trended upwards each year from FY23 to FY24 and then reduced by 63,703tCO2e between FY24 and FY25. The reduction in total group value chain emissions in FY25 is due to lower one-time construction emissions. This fall in emissions is a result of less construction activity, however it is anticipated emissions will increase in FY26 as Meridian commences new development projects. Meridian’s total electricity generation (GWh) has remained relatively steady between FY22 and FY24 with some year-to-year fluctuations. The emissions from fuel used to generate electricity (tCO<sub>2</sub>e) and generation emissions intensity (tCO<sub>2</sub>e/GWh of generation) has remained at 0 between FY23 and FY25, as Meridian uses only renewable energy to generate electricity.

TABLE 7. FY25 GHG EMISSIONS (INCLUDING INDUSTRY-BASED EMISSIONS METRICS)

BUSINESS ACTIVITY	SCOPE	FY21	FY23	FY24	FY25
		tCO <sub>2</sub> e (base year)	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e
Operational	Scope 1	1,020	1,192	1,061	714
	Scope 2 (location based)	2,353	1,209	1,314	2,430
	Scope 3 operational	34,188	34,738	39,337	47,099
	Subtotal	37,561	37,139	41,712	50,243
Energy purchased and on-sold	New Zealand electricity*	0	0	0	0
One-time construction	Scope 3 one-time construction	285	14,295	75,289	3,048
Investments	Scope 3 investments	0	0	14	21
Total Group value chain emissions (S1, 2, & 3)**		37,846	51,434	117,015	53,312

ADDITIONAL INDICATORS	FY23	FY24	FY25
Electricity generation (kWh) Meridian NZ	13,903	13,565	12,752
Emissions from fuel used to generate electricity (tCO <sub>2</sub> e)	—	—	—
Generation emissions intensity (tCO <sub>2</sub> e/GWh of generation)***	—	—	—

Note: All numbers in the table above have been assured by Deloitte. Refer under ‘Assurance’ for more information.

\* Emissions of Meridian’s retailed electricity using the market-based methodology. In New Zealand we use the annual netting off methodology. An explanation of the annual netting off methodology is available in Appendix B of this report.

\*\* Total emissions shown in table above differs from that shown in GHG Inventory report, as the table above uses the location-based methodology for Scope 2 emissions. Note that Meridian offsets its total market-based Scope 2 emissions (1tCO<sub>2</sub>e for FY25) but not its total location-based Scope 2 emissions (2,430 tCO<sub>2</sub>e for FY25). All emissions exclude historical Meridian Australia emissions (business sold end January 2022). Comparative numbers have been restated in the table above where required.

\*\*\* Meridian’s generation emissions intensity is calculated using an industry-accepted metric. The GHG emissions included are those from the fuel used in generation. As Meridian uses only renewable energy to generate electricity, this is 0%.

Restatements

In FY25 Meridian acquired a 138ha dairy farm in Waikato. The farm was operational in FY21 and had emissions of 2,376tCO<sub>2</sub>e. The quantum of emissions has meant a revision to our base-year under the conditions of our internal policy. Scope 3 base year emissions for Downstream Leased Assets (farms) for FY22, FY23, and FY24 have all been restated for FY25 reporting.

Assurance

In compliance with New Zealand’s Climate Standards, the greenhouse gas emissions disclosed in the Group Climate-related Disclosures have been subject to an independent assurance engagement by Deloitte Limited, on behalf of the Auditor-General in accordance with NZ SAE 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures (‘NZ SAE 1’). Refer to assurance report on pages 52 to 54.

A separate GHG Emissions Inventory Report has been prepared in accordance with the requirements of International Standard ISO 14064-1 Greenhouse gases - Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals and the Greenhouse Gas Protocol: A corporate Accounting and reporting Standards (Revised Edition, 2015). This has been subject to a separate assurance engagement by Deloitte Limited in accordance with International Standard on Assurance Engagements (New Zealand) 3410: Assurance Engagements on Greenhouse Gas Statements 'ISAE (NZ) 3410'. Refer to the [GHG Emissions Inventory](#) Report and related assurance opinion.

# Greenhouse gas reduction targets

## Half by 30 - interim target<sup>11</sup>

Meridian has original interim SBTi verified GHG reduction targets of halving FY21 operational emissions by FY30, which includes a 50 percent Scope 1 and 2 reduction, and a 50 percent Scope 3 reduction (excluding all Scope 3 one-time emissions from construction and activities capitalised as part of renewable energy projects). These targets are referred to as our ‘Half by 30’ targets. Meridian has had approval from the SBTi that its target to reduce absolute Scope 1 and 2 GHG emissions by 50 percent by FY30 from a FY21 base year is in line with a trajectory that limits global warming to 1.5°C. The SBTi has noted our further target to also reduce absolute Scope 3 GHG emissions by 50 percent in the same timeframe. Our Half by 30 targets (with the exclusions noted above) are absolute targets, which means they do not rely on offsets.

## One-off construction - interim target

A significant portion of Meridian’s emissions come from its one-off construction projects. Meridian aims to reduce these construction emissions where possible. Refer to [Table 8](#) for detail on our short-term, one-off construction project targets.

## Net Zero - long term target

Meridian has also set longer-term emissions-reduction targets . A target has been set to reduce absolute Scope 1 and 2 emissions by 90 percent by FY40 from a FY21 base year. A further target has been made to reduce absolute Scope 3 emissions by 90 percent by FY50 from an FY21 base year. The FY50 absolute Scope 3 target includes one-time construction emissions. These targets were verified by the SBTi in FY25 as aligning with their Corporate Net Zero Standard. These long-term targets are absolute targets, which means they do not rely on offsets.

Meridian’s Half by 30 and Net Zero targets are measured using the market based methodology.

<sup>11</sup> For information on our refreshed short-term emissions reduction target refer to page 31



TABLE 8. GHG EMISSIONS TARGETS

	TARGET	BASELINE AND COMPARATIVES	PERFORMANCE	METHODS/ASSUMPTIONS
<b>Half by 30: GHG gross operational emissions – interim target.</b> Target supports climate-related opportunity: TO 2 (refer <a href="#">Table 6</a> in Strategy Section).	Half by 30 – SBTi verified targets: Reduce absolute Scope 1 and 2 GHG emissions by 50% by FY30 from a FY21 base year, in line with a 1.5°C trajectory.	Baseline (FY21): Scopes 1 + 2* = 1,034tCO <sub>2</sub> e Scope 3** = 34,188tCO <sub>2</sub> e Total = 35,222tCO <sub>2</sub> e	FY25: Scopes 1 + 2* = 715tCO <sub>2</sub> e Scope 3** = 47,099tCO <sub>2</sub> e Total = 47,814tCO <sub>2</sub> e (36% increase on FY21) For a breakdown of our FY25 emissions by business activity and facilities see pages 4 -6 of our GHG Inventory.	Method of calculation: Meridian’s emissions are calculated using the operational consolidation approach and stated in accordance with the requirements of ISO 14064-1:2018 –Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of GHGs and removals, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). Percentage increases have been rounded to the nearest 1 decimal place.
	Further target of reducing absolute Scope 3 GHG emissions by 50% within the same timeframe.	FY23: Scopes 1 + 2* = 1,194tCO <sub>2</sub> e Scope 3** = 34,738tCO <sub>2</sub> e Total = 35,932tCO <sub>2</sub> e (2% increase on FY21)  FY24: Scope 1 + 2* = 1,063tCO <sub>2</sub> e Scope 3** = 39,337tCO <sub>2</sub> e Total = 40,400tCO <sub>2</sub> e (15% increase on FY21)	Total = 47,814tCO <sub>2</sub> e (36% increase on FY21) We are currently not on track to meet the Half by 30 targets. The biggest increase compared to FY21 baseline was in Upstream transportation and distribution which increased by 8,2543tCO <sub>2</sub> e or 74%.	Assumptions: The Half by 30 targets apply to Scope 1, 2, and 3 operational emissions only. Investments and One-time construction emissions and activities that are capitalised as part of renewable energy projects are excluded from the targets and the performance calculations.  Meridian’s revised 2030 emissions target, reduction plan and associated uncertainties are outlined on pages 31 to 32 in the Strategy – Transition Plan section.
<b>Net Zero 2050: GHG emissions target – long-term</b> Target supports climate-related opportunity: TO 2 (refer <a href="#">Table 6</a> in Strategy Section).	Longer term targets – SBTi verified targets: 90% reduction in absolute Scope 1 and 2 emissions by FY40, from an FY21 baseline.	Baseline (FY21): Scope 1 and 2* = 1,034tCO <sub>2</sub> e. Scope 3** = 34,473tCO <sub>2</sub> e (Scope 3 operational = 34,188tCO <sub>2</sub> e plus Scope 3 one-time construction = 285tCO <sub>2</sub> e) As our long-term targets were set in FY24.	FY25: Scope 1 + 2* = 715tCO <sub>2</sub> e (-31% decrease on FY21) Scope 3** = 50,168tCO <sub>2</sub> e (46% increase on FY21) As our Net Zero targets were only established in FY24 we have not yet developed a detailed forecast for achieving these targets against which to measure year-on-year performance. However, our near-term target provides an intermediate point to assess progress. As this target includes one-time construction emissions, it is anticipated that emissions will fluctuate significantly from year-to-year depending on construction timelines.	Method of calculation: As for the Half by 30 targets above.
	90% reduction in absolute Scope 3 emissions by FY50, from an FY21 baseline.	FY24 Scope 1 and 2* = 1,063tCO <sub>2</sub> e (2.8% increase on FY21) Scope 3** = 114,640tCO <sub>2</sub> e (233% increase on FY21) Scope 3 operational = 39,337tCO <sub>2</sub> e plus Scope 3 one-time construction = 75,289tCO <sub>2</sub> e plus Scope 3 investments = 14tCO <sub>2</sub> e		Assumptions: Given our long-term 2050 targets are newly set we have not yet developed a detailed plan for achieving these targets. Achieving our long-term 2050 targets is dependent on a number of factors, including: Obtaining increased visibility over Meridian’s supply chain (expected through Supply chain – good energy programme) Organisations across Meridian’s supply chain also committing to aligned Net Zero targets. Stable policy settings and regulatory environment, both in New Zealand and globally. Power sectors in other countries decarbonising to enable reduced embodied emissions from foreign purchased goods. Future technology improvements to enable the decarbonisation or minimisation of transport emissions from the construction process.

\* Scope 2 market-based emissions used to monitor progress as our Half by 30 and Net Zero targets use the market based method for Scope 2. Comparatives for Scope 2 market-based emissions for FY21 and FY22 have been restated from the figures provided in our FY21 and FY22 GHG Inventory reports to exclude emissions from our Australian business (sold January 2022).

\*\* The baseline and comparatives for Scope 3 operational emissions have been restated from last year’s reporting due to the acquisition of a new dairy farm.

	TARGET	BASELINE AND COMPARATIVES	PERFORMANCE	METHODS/ASSUMPTIONS
<b>Reduction of emissions for one-off renewable energy projects</b> Target supports climate-related opportunity: TO 2 (refer <a href="#">Table 6</a> in Strategy Section).	<p>Ruakākā BESS project:</p> <ol style="list-style-type: none"><li>Emissions target for plant and machinery of 2lm3 (2 litres of diesel per cubic metre of material moved). Equates to 5.39kgCO<sub>2</sub>e/m3 of material moved. (2litres = 5.39kg) This is an intensity target.</li><li>&gt;Five continuous improvements per quarter that leads to tangible sustainability benefits.</li></ol>	<p>Baseline: (FY23).</p> <p>FY23 Ruakākā BESS:</p> <ol style="list-style-type: none"><li>Emissions plant and machinery 1.8lm3 (target achieved).</li><li>Ruakākā project was in the construction phase in a minority of FY23 (KPI not applicable).</li></ol> <p>FY24 Ruakākā BESS:</p> <ol style="list-style-type: none"><li>Emissions plant and machinery diesel per cubic meter not applicable during FY24, as project in civil works phase for majority of this period (target not applicable).</li><li>Tangible sustainability benefits minimal for FY24 (KPI not achieved).</li></ol>	<p>FY25 Ruakākā BESS:</p> <ol style="list-style-type: none"><li>Emissions plant and machinery diesel per cubic meter target not applicable in FY25 as earthworks were completed in FY24.</li><li>4.25 continuous improvements per quarter (17 sustainability initiatives delivered across the year as reported by Meridian’s civil contractor, (quantified 7 initiatives including a positive carbon benefit for 5). A further 10 initiatives were unable to be quantified from a carbon perspective but had broader benefits to the community. (reporting was not independently verified).</li></ol>	<p>The intensity target of litres diesel per cubic metre of material moved is focused on reducing the emissions associated with particular projects. Meridian has not undertaken an assessment to identify how these project-specific targets contribute to limiting warming to 1.5°C. The target has not been independently verified by a third party. The intensity target does not rely on offsets, however, the remainder of our construction emissions (not reduced via the intensity targets) are offset using Voluntary Emissions Reductions credits.</p> <p>Sources of uncertainty:</p> <p>The Ruakākā project has only been under construction since March 2023, so there is no historical data available prior to this date.</p> <p>Diesel per cubic metre of material moved target, relates mostly to earthworks which would usually occur in the first couple of years of a project – this was much shorter for Ruakākā BESS given its size and earthworks requirements.</p> <p>Method of calculation: Target on litres of diesel used is calculated from information provided from contractors. A continuous improvement is defined as a sustainability initiative that delivers a material impact on a project, evidenced through qualitative and quantitative measures.</p>
<b>Forever Forests initiative</b> Target supports climate-related opportunity: TO 2 (refer <a href="#">Table 6</a> in Strategy Section).	<p>Create a supply of high-quality emission removals corresponding to circa 15,000tCO<sub>2</sub>e of Meridian’s operational emissions from FY30, also optimising other benefits such as biodiversity and social outcomes.</p>	<p>Baseline: The target was last base-lined to FY21, consistent with Meridian’s Half by 30 base-year target.</p> <p>FY23: we secured 100% of the required land. 2,364 credits were received based on FY22; this equates to 2,364 tCO<sub>2</sub>e</p> <p>The FY24 credit balance was 3,617 tCO<sub>2</sub> e.</p> <p><b>Performance note.</b></p> <p>Interim target to have 700,000 trees in the ground by FY24 met in FY25 with 710,000 (planted).</p>	<p>The FY25 credit balance is 7,462tCO<sub>2</sub>e. On track to meet FY30 target.</p>	<p>The target around which this programme is designed to secure at least a 15,000tCO<sub>2</sub>e annually supply of credits from FY30.</p> <p>Sources of uncertainty include:</p> <p>The scope of potential future policy direction and guidance on voluntary carbon markets.</p> <p>Survival rate of plants.</p> <p>Any significant delays in delivery of seedlings.</p> <p>Method of calculation: Based on credits at the end of FY25 compared to baseline (FY21) and compared to targets.</p> <p>Numbers reported reflect annual tranches of credits received by Meridian, growth is due to tree maturity and planting.</p>



## Remuneration

Meridian’s 2025 Integrated Report provides a detailed description of its approach to remuneration and performance against the Executive Scorecard. Executive remuneration includes a Short-term Incentive (STI) scheme, with a target incentive opportunity of 30 percent of salary for the Executive Team and 60 percent of salary for the Chief Executive Officer. In FY25, 40 percent of the STI is based on performance against the Executive Scorecard. In FY25, the Executive Scorecard was refreshed and simplified to align with updated strategic priorities (refer Strategy Map on page 12 for details of the underlying initiatives). [Table 9](#) describes the alignment of climate-related risks and opportunities within each performance area in the scorecard.

TABLE 9. EXECUTIVE SCORECARD SUMMARY FY25

OBJECTIVE	INITIATIVES	LINK TO CLIMATE RISKS AND OPPORTUNITIES – REFER TABLES 3 TO 5	WEIGHTING*
Grow renewable generation to speed our path to a resilient, net zero future	Deliver scale energy projects at pace Accelerate electrification of transport and process heat Grow peaking generation capacity and bring dispatchable customer capacity to market	Performance area supports management actions and targets related to climate risks and opportunities: TR 1, PR2 and TO 1.	30%
Deliver cleaner, cheaper energy through innovation that unlocks value for customers	Develop digital capability and innovation to achieve scale and grow customer relationships Continue investment in energy hardship and community programs to promote equitable access to the energy transition Advocate policy that promotes climate action and supports Kiwis through energy transition	Performance area supports management action and targets related to risks and opportunities: TR 1 and TO 1.	25%
Deliver operational excellence so everything we do aligns to deliver our goals	Build operational flexibility and agility while sustaining excellent asset productivity	Performance area supports management actions and targets related to risks and opportunities: TR 1 and TO1.	25%
Grow capability and culture because how we do the mahi is what will make the real difference	Build a sustainability culture that benefits people and planet, inspires climate action and attracts investors	Performance area supports management actions and targets related to risks and opportunities: TO2.	20%

Meridian has set a target to increase Executive Scorecard weightings linked to climate initiatives. The purpose of this is to ensure management is incentivised to achieve climate-related objectives.

TABLE 10. EXECUTIVE SCORECARD METRIC AND TARGET

METRIC	METHODS/ASSUMPTIONS	TARGET	PERFORMANCE
FY25: 71% of Executive Scorecard performance areas were aligned to climate-related risks and opportunities (FY24: 68%, FY23: 59%)	Each performance area in the Executive Scorecard is broken down into a list of sub-initiatives. These initiatives have been assessed to determine whether or not they are climate related. We have then apportioned these initiatives evenly by the total weighting given to the performance area (e.g. if the performance area has a weighting of 25% and is split into four sub-initiatives, of which two are deemed to be climate related, the adjusted weighting would be 12.5% (25% multiplied by 2/4).  The metric calculates the sum of each of these apportioned weightings. Judgement has been applied in determining whether the sub-initiatives are climate-related, based on whether they mitigate or address a Meridian climate-related risk or opportunity.  Note that performance against the scorecard accounts for 40% of the CEO/ Executive STI.	Increase weighting of Executive Scorecard performance areas that align with climate-related risks and opportunities to 80% by FY27.	Progress against the target is overseen by the A&R and ultimately the Board.  The baseline year for this target is FY24. The target is set for completion by FY27.  Metric trend and progress against target to date  The alignment of scorecard areas has increased from 40% in FY22 to 78% in FY25. This reflects the increasing focus in Meridian’s strategy on climate-related initiatives. When setting the Executive Scorecard, the Board considers key initiatives that are designed to address material risks, opportunities and to execute Meridian’s strategy.

## Capital deployment

[Table 11](#) describes Meridian’s capital expenditure and investment deployed towards climate-related risks and opportunities. The total capital expenditure towards increasing renewable generation capacity and storage capabilities and investing in energy-solutions projects and emission-reductions projects makes up 60 percent of Meridian’s total FY25 property, plant and equipment capital spend (FY24: 59 percent, FY23 85 percent). This percentage is expected to increase in FY26 as new projects commence.

Beyond business planning to FY27, Meridian does not currently set longer-term specific climate-related targets around capital deployment spend. Meridian’s planned capital deployment spend for the two years to FY27 is disclosed in the table below, including a longer-term planned spend on delivering new development projects. Generally, Meridian’s climate-related targets are based on actions or initiatives being delivered, rather than focusing on the associated capital spend.

TABLE 11. CLIMATE-RELATED CAPITAL DEPLOYMENT

CATEGORY	METRIC	METHODS/ASSUMPTIONS	PLANNED SPEND	PLANNED SPEND DETAIL	LINK TO CLIMATE RISKS AND OPPORTUNITIES
Increasing renewable development/storage capacity projects	FY25: \$96M (FY24: \$215M, FY23: \$273M*)	<p>This metric calculates capital spend on new renewable development projects. The majority of the spend relates to development work on the Ruakākā Energy Park. This includes spend on the development of the battery (Ruakākā BESS) that was completed in FY25 and work towards the development of the solar farm. This metric also includes capital spend on smaller miscellaneous development projects, land purchases and distinct projects increasing capacity from existing assets.</p> <p>The metric does not include spend on increasing the generation capacity from existing generation assets if this spend is operational in nature or is unable to be separated from business-as-usual asset-replacement capital spend. This metric also does not include capitalised interest costs associated with development projects.</p> <p>Metric trend: Capital deployed was highest in FY23 when the Harapaki wind farm was in its peak construction period. Spend has tapered following the completion of Harapaki and Ruakākā BESS however spend is anticipated to increase to delivered on planned projects. Ruakākā BESS/solar make up 80% of this total spend in FY25: (FY24: 91%, FY23: 97%).</p>	<p>\$920M - \$970M capital deployed towards renewable/storage projects by FY27 (73% of total planned spend).</p> <p>Further \$3.0–\$3.5 billion capital to be deployed by FY30 to deliver on remaining projects relating to ‘7 new renewable generation projects underway by 2030’. Refer to <a href="#">Table 15</a> for further detail.</p>	<p>The interim planned spend to FY26 is based on Meridian’s business plan, which sets out the budgeted new development spend for the next two upcoming years. Planned spend includes work planned for the Waitaki upgrade of \$10M-\$40M, planned spend excludes replacement of failed transformers.</p> <p>Sources of uncertainty:</p> <p>The intended interim capital spend is a ‘best estimate’ based on current project plan timelines and budgets. The timing of expenditure is likely to change as projects progress. This spend also includes future non-specific ‘pipeline’ spend. Pipeline spend is by its nature uncertain in timing and quantity.</p>	<p>This spend supports Meridian to increase its renewable generation capacity and increase flexibility in the power system.</p> <p>This supports climate-related risks and opportunities: PR 2, TR 1, and TO 1.</p>
Investment in energy solutions projects	FY25: \$8M (FY24: \$1M, FY23: \$3M*)	<p>The majority of this capital spend relates to the roll-out of the EV charging network and the installation of commercial solar undertaken by the retail business unit.</p> <p>A significant amount of Meridian’s spend on retail energy innovation is operational in nature, and not included in this metric. Additionally, as a portion of the spend on EV charging components is treated as inventory rather than capex, this has been excluded from the metric calculation.</p> <p>Metric trend: The EV charging network project commenced in FY22 and ramped up in number of chargers installed in FY23 and FY24. In FY23 there were several significant commercial solar projects, leading to higher spend.</p>	<p>\$45M - \$50M capital deployed towards retail energy solutions projects by FY27 (4% of total planned spend).</p>	<p>The planned spend to FY26 is based on Meridian’s business plan, which sets out budgeted retail capital project spend over the next two years.</p> <p>Sources of uncertainty:</p> <p>The intended capital spend is a ‘best estimate’ based on forecasted timelines. The timing of expenditure is likely to change as projects progress.</p>	<p>This spend supports Meridian in helping its customers to decarbonise.</p> <p>This supports climate-related risks and opportunities: TO 1, TR 1.</p>



CATEGORY	METRIC	METHODS/ASSUMPTIONS	PLANNED SPEND	PLANNED SPEND DETAIL	LINK TO CLIMATE RISKS AND OPPORTUNITIES
Investment in emissions reduction or offsets	FY25: \$5M (FY24: \$7M, FY23: \$2M*)	<p>This metric includes capital spend related to Meridian internally reducing or offsetting its emissions. The disclosed figure does not include spend on Voluntary Emission Reduction credits.</p> <p>The majority of Meridian’s spend on initiatives to reduce GHG emissions is operational in nature, and not included in this metric.</p> <p>Metric trend: The spend on Forever Forests fluctuates from year to year due to timing of land purchase settlements and has declined in FY25 . The FY25 spend includes costs associated with the electric ferry at Manapōuri and investment in a low emissions vehicle fleet.</p>	\$15M – \$18M capital deployed towards emission reduction capital projects by FY27 (<1% of total planned spend).	<p>The planned spend to FY27 is based on Meridian’s business plan, which sets out budgeted emission reduction/offsets capital project spend in the two upcoming years.</p> <p>Sources of uncertainty:</p> <p>The intended capital spend is a ‘best estimate’ based on forecasted timelines.</p>	<p>This spend supports Meridian in pursuit of its targets in reducing and offsetting emissions.</p> <p>This supports climate-related risks and opportunities: TO 2.</p>
Community decarbonisation funding – from Renewable Energy Certificates	FY25: \$1M (FY24: \$1M, FY23: \$0M*)	<p>This metric includes the distributions spend on community decarbonisation initiatives, using the ring-fenced profits from Meridian’s certified Renewable Energy Certificates (RECs).</p> <p>While this spend does not result in capital assets owned by Meridian, it has been disclosed here to show the wider financing spend towards climate-related initiatives, and for comparability with the prior year’s report.</p> <p>Metric trend: Funding has increased year on year for the past three years. This is a relatively new initiative from Meridian, and is growing in size both in terms of customers buying RECs and in community groups applying for funding.</p>	\$2M funding spend on community decarbonisation initiatives by FY27.	<p>The planned spend is to distribute \$1M by the end of FY26 and a further \$1M by the end of 2027 to support community decarbonisation initiatives.</p> <p>Sources of uncertainty:</p> <p>Meridian sets this planned spend annually as the available spend is dependent on the volume of RECs sold and the profits associated with these certificates.</p>	<p>This spend supports Meridian in helping its customers decarbonise, and in showing performance in ESG initiatives.</p> <p>This supports climate-related risks and opportunities: TO 1, TO 2.</p>

\* Restatement of comparatives: the FY23 comparatives for some metrics have been restated from previous disclosures. We have re-assessed relevant capital spend categories and changed the scope of what is included/excluded. For example, in FY24 we only included spend on the Harapaki and Ruakākā projects in the Increasing Renewable Development category. In FY24 we have included additional spend on smaller new development projects and on capital projects to increase the capacity of existing generation assets.

Meridian also incurs other costs in addressing climate-related risks and opportunities, not included in the above Table 11. This spend is not included in the capital deployment metric as it is either operational in nature or capital spend that is immaterial or unable to be disentangled from wider spend, which has both climate- and non climate-related purposes. An example of the kinds of expenditure is detailed below. The most significant of these is asset maintenance. Most asset maintenance costs that build resilience to climate change will be drawn from operational budgets.

- Spend on maintaining existing generation assets. Includes spend on assessing what future impacts of climate change may look like, and ensuring assets are resilient to these impacts. Supports climate-related risks and opportunities PR 1, PR 3.
- Spend on energy innovation initiatives to help customers decarbonise, grow its customer base and develop flexible retail demand responses, e.g. securing process heat conversions. Supports climate-related risks and opportunities PR 2, TR 1, TO 1.
- Spend on internal emission-reduction projects. Supports climate-related risks and opportunities TO 2.
- Spend on improving supply-chain information gaps. Supports climate-related risks and opportunities PR 4, TR 3.
- Spend on maintaining sufficient insurance in place in case of damage to assets or business interruption from climate events. Supports climate-related risks and opportunities PR 1, PR 3.

## Internal emissions price

Meridian has an established framework for the application of an internal emissions price (IEP) to catalyse delivery against our Half by 30 target.

TABLE 12. INTERNAL EMISSIONS PRICE METRIC AND TARGET

METRIC	TARGET	TARGET DETAIL AND ASSUMPTIONS
Meridian’s IEP in dollars per tonne	Target: Objective: Increase internal emissions price to \$123.30/tonne by FY30.	Target Detail
• FY25: \$78.90		The IEP programme and associated targets are owned by the Half by 30 Governance Group and overseen by the S&S. Targets are relative to a baseline year of \$78.90/tonne in FY24.
• FY24: \$78.90	Interim target: Objective: Increase internal emissions price to \$96.70/tonne by FY27.	Assumptions and sources of uncertainty: We set the IEP based on our WMO23 Evolution model.*
• FY23: \$70.00		• The IEP is set at the levels and time horizons as calculated in FY24.
Metric trend: The price established in FY24 remained applicable to large projects requiring Investment Committee (approval body for significant investment expenditure >\$1.5m) approval and as a tool to explore opportunities for business unit emissions reduction.	In FY25, the IEP was used to develop business unit emissions budgets and to understand the value of the mechanism for driving emissions reductions decision making. Workshops were held with selected business units to discuss budgets and test outcomes.	The IEP was tested as a pilot concept in the current year. The trial considered the IEP as a shadow price with an internal fee.
	The terms of reference of the Investment Committee were updated in FY25 to include the requirement for projects to use the IEP to assess the carbon content of business options.	The application of the IEP remains immature and is subject to the learnings from the pilot outcomes
	Work is in the early stages in Generation business to develop a plan to use the IEP to inform business planning for a large capital project (Waitaki Upgrade).	Carbon pricing is an input to our WMO modelling, which is presented to the Board annually and used to inform key decision making.
		In FY25, the IEP has also been considered as an input with Meridian’s crane procurement strategy.
		In early FY26 we will revisit the learnings from the work carried out in FY25 and in particular the usefulness of using the IEP at a business unit level.
		Meridian already uses the Meridian Offset Price (MOP) to calculate offsets for all one-off construction projects. We are considering using the IEP (different from the MOP) as a reference on one-off construction business cases and to compare lower carbon options for construction.
• WMO Evolution projection for emissions pricing is based on Climate Change Commission data and adjusted for current New Zealand emissions unit (NZU) pricing.		

## Industry-based metrics

In FY25 Meridian has considered the International Sustainability Standards Board (ISSB) sector metrics for Electric Utilities & Power Generators<sup>12</sup> to identify industry-based metrics. The ISSB industry-based metrics for the Greenhouse Gas Emissions & Energy Resource Planning topic are presented in [Table 7](#), earlier in the Metrics and Targets section. Other ISSB industry-based metrics relevant to and monitored by Meridian are provided in [Table 13](#).

TABLE 13. INDUSTRY-BASED METRICS

METRIC	ANALYSIS OF TRENDS
(1) Total fresh surface water withdrawn, (2) total net fresh water consumed	Water consumption is directly linked to the prevailing hydrology conditions each year and is subject to inherent variability and climatic trends. This is reflected in the variability of water consumption across FY22 to FY25.
• FY25: (1) 68,053Mm³, (2) 10,024Mm3	
• FY24: (1) 73,291Mm3, (2) 11,534Mm3	
• FY23: (1) 81,601Mm3, (2) 10,659Mm3	
Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations	FY23-25 an average of four minor incidents per year. These incidents did not result in fines for Meridian. No significant incidents occurred during this period.
• FY25: 0 significant incidents; 4 minor incidents	FY23- 24 minor incidents primarily related to delayed reporting.
• FY24: 0 significant incidents; 2 minor incidents	FY25, minor incidents included three breaches of consent and one discharge.
• FY23: 0 significant incidents; 6 minor incidents	
Number of: (1) residential and (2) commercial/industrial/agricultural customers served: measured as number of ICP connections served rounded to nearest thousand.	Total customer connections increased by approximately 10% in FY25 compared to FY24, driven by growth across all segments.
• FY25: (1) 252,200k, (2) 152,900k	Within the residential segment, PSNZ ICP connections contribute 127.4K and Meridian contributes 124.8K. In the commercial/industrial/agricultural segments, Meridian accounts for 138.3K connections while PSNZ accounts for 14.7K.
• FY24: (1) 225,000k, (2) 145,000k	Note: Figures are measured as the number of ICP connections served, rounded to the nearest thousand.
• FY23: (1) 223,000k, (2) 141,000k	
Percentage of electric load served by smart grid technology: measured as percentage (%) of customer connections with smart meters.	The percentage of customer connections with smart meters has been steadily increasing each year since FY23.
• FY25: 91%	
• FY24: 89%	
• FY23: 87%	

Outside of the metrics disclosed in this report, Meridian does not use any additional key performance indicators to measure and manage climate-related risks and opportunities.

<sup>12</sup> Available on the International Financial Reporting Standards (IFRS) website. (July 2022) Draft IFRS S2 Climate-related Disclosures Appendix B Industry-based disclosure requirements: Volume B32—Electric Utilities & Power Generators.



## Metrics and targets – climate-related risks and opportunities

Meridian's climate-related risks and opportunities (and corresponding metrics) are outlined on pages 20 to 28 of this report. In addition to the general metrics and targets described in this section of this report, Meridian has developed a number of specific targets relating to the particular climate-related risks and opportunities it has identified. Meridian has taken a bespoke approach to targets, including developing project-specific targets in order to enable users to understand how climate-related risks and opportunities are managed. A number of targets address multiple risks and opportunities.

TABLE 14. CLIMATE-RELATED RISK AND OPPORTUNITIES TARGETS SUMMARY

TARGET	PERFORMANCE				RELATED RISKS AND OPPORTUNITES
Implement the next 10-yearly PMP/PMF review cycles for all hydro catchments by FY28, using the new tool/methodology that considers climate change scenarios.	The target is owned by Meridian management, with progress overseen by the Executive Team. The baseline year is FY24.  Progress against target to date:  Meridian has continued its contribution to work underway by the Dam Safety Hydrology Group. Part of this work has involved reviewing PMP modelling and assessment tools to ensure this is set accurately in the context of potential future climate impacts.  Assumptions, methods and sources of uncertainty:  The next PMP/PMF reviews are planned for calendar year 2026 for Waitaki valley, and 2027 for Waiau catchment. These reviews will use the new DSHG tool.	ACTION	FY25	FY24	PR 3 – Increased severe weather events could damage assets and infrastructure.
		Modelling (review and input into DSHG)	Completed	Complete	
		Hydro catchment reviews (#)	Not yet started (NYS)	NYS	
Complete climate risk assessments (using Climate and Natural Hazards Framework tool) and develop climate adaptation plans for all key operational and high priority new development sites by FY30.	The target is owned by Meridian management, with progress overseen by the Executive Team. This target, has a baseline year of FY24.  Progress against target to date:  Establishment of a climate risk assessment register to support the tracking of risk assessment work over Meridian’s generation assets and new developments.  Climate risk assessments completed for development projects, Te Rere Hau wind farm and Ruakākā solar farm in FY25. Climate risk assessments for generation assets planned to be completed by Q1 FY27.  Assumptions, methods and sources of uncertainty:  Ability to meet the target is subject to available expertise and in-house capacity to complete the work.  Risk assessment deemed complete only at the point that the business unit General Manager has reviewed and approved the assessment.  Following risk assessments, this target assumes climate adaptation plans will be formalised and embedded within asset management planning for generation assets.	CLIMATE RISK ASSESSMENTS AND ADAPTATION PLANS	FY25 (# ASSESSMENTS)	FY24 (# ASSESSMENTS)	PR 3 – Increased severe weather events could damage assets and infrastructure.
		Development (business unit)	2	NYS	
		Generation (business unit)	NYS	NYS	
		Total	2	0	
Introduce enterprise Supplier Relationship Management (SRM) framework in FY26, and include the introduction of Climate Risk in the FY26 Supplier chain - good energy programme update.	The target is owned by Meridian management, with progress overseen by the Executive Team. This target, has a baseline year of FY24.  Progress against target to date:  SRM has been introduced in Meridian’s refreshed procurement policy and guidance from January 2025. Progress on embedding and maturing this practice to support the identification and management of climate-related risks will develop in early FY26. A revised target of FY26 has been set from the initial target year of FY25 due to delays with the rollout of the programme.  Design work related to the introduction of climate risk into the Supplier chain - good energy programme is complete. The process to integrate climate risk assessments with Meridian’s new ERP (Enterprise Resource Planning) tool has been delayed, it is anticipated that greater momentum will be achieved in early FY26.  Assumptions, methods and sources of uncertainty:  The target assumes that the programme will be rolled out in stages, enhancing capability with each phase.  Successful implementation is dependent on system capabilities being suitable for risk screening and assessment.				PR 4 – Global climate change impacts on supply chain cost and reliability  TR 3 – Global supply chain demand may impact affordability of and timely access to goods and services

TARGET	PERFORMANCE	RELATED RISKS AND OPPORTUNITES				
Deliver 200MW returned and 300MW new generation capacity by FY28.	<p>The target is owned by the Generation Team, with progress overseen by the Executive Team and ultimately the Meridian Board. The baseline year for this target is FY23.</p> <p>Progress against target to date:</p> <p>FY25 featured the return of Manapōuri Unit 6 Transformer and restoration of capacity at West Wind through the loan Transformer sourced from Transpower (Recommissioned capacity). An additional 8MW was realised on units at Aviemore and Ōhau B 4MW (Growth capacity). In May 25 dispensation for 21MW extra (shown as a gain in growth for FY24) at Manapōuri was not renewed by Transpower - included in the calculation as 21MW negative growth in FY25.</p> <p>Assumptions, methods and sources of uncertainty:</p> <p>This target covers Meridian’s existing generation assets from 1 July 2023.</p> <p>The target’s achievement is expected to come from a mix of restoring assets on extended outages, removing generation constraints and enacting a number of growth and flexibility initiatives. It is assumed this will be made up of approximately 200MW returned capacity and 300MW new capacity.</p> <p>Sources of uncertainty to achieving this target include unexpected outages and project timeline delivery.</p> <ul style="list-style-type: none"><li>Recommissioned capacity is defined as plant returning from major forced outage at the time of our Baseline created on 1 Jul 23. There remains 10MW of recommissioned capacity to be returned (estimate date Jan26).</li></ul> <p>Growth capacity is defined as additional MW capability that increases dispatchable MW (capacity we trade) or our gross MW capacity (relative to agreed values set with Transpower).</p>	DELIVER 500MW OF GENERATION CAPACITY FROM EXISTING ASSETS BY FY28	TOTAL (MW)	FY25 (MW)	FY24 (MW) (1) <sup>13</sup>	<p>PR 2 – Changing seasonal weather patterns increases hydro inflow volatility</p> <p>TR 1 – Transitioning to fully renewable generation sources and increasing demand reduces flexibility in the power system</p> <p>TO 1 – Retail growth through cleaner cheaper energy</p>
		Recommissioned Capacity (MW)	194	173	21	
		Growth Capacity (MW)	51	-9	60	
		Total (MW)	245	164	81	
Seven new renewable generation projects underway by 2030.	<p>This target is owned by the Development Team, with progress overseen by the Executive Team and Meridian Board. The baseline year is FY23.</p> <p>Progress against target to date:</p> <p>Progress against target to date: Three renewable generation assets against the target (2 completed, Harapaki Wind Farm and Ruakākā BESS, and Ruakākā Solar underway)</p> <p>Assumptions, methods and sources of uncertainty:</p> <ul style="list-style-type: none"><li>Renewable generation projects underway is defined as project under construction or has achieved final investment decision (FID) approved by the board.</li><li>Meridian is developing a pipeline of consented projects, many of which are contenders for meeting our target and some of which provide options for further build post 2030.</li></ul> <p>Detail behind this target assumes a goal of delivering 2,000GWh of renewable generation and 200MW of BESS capacity (by 2030).</p> <p>Key sources of uncertainty include, cost , regulatory changes, obtaining consents, ability to connect to transmission network in a timely manner and the impact of a climate-related event on infrastructure (e.g. roading) outside of Meridian’s direct control impacting the ability to meet the target.</p>	STATUS	FY25	FY24	FY23	<p>PR 2 – Changing seasonal weather patterns increases hydro inflow volatility</p> <p>TR 1 – Transitioning to fully renewable generation sources and increasing demand reduces flexibility in the power system</p> <p>TO 1 – Retail growth through cleaner cheaper energy</p>
		Complete	Ruakākā BESS (100MW, 200MWh)	Harapaki Windfarm (542 GWh)		
		Underway	Ruakākā Solar (216 GWh)	Ruakākā BESS (100MW, 200MWh)	Harapaki Windfarm (542 GWh)	
		Consented	4 projects	0 projects	0 projects	
Grow retail customer base to 500,000 connections by FY28.	<p>This target is owned by Meridian management, with progress overseen by the Executive Team and ultimately the Meridian Board. The baseline year for this target is FY24. The target is set for completion by FY28.</p> <p>Progress against target to date:</p> <p>Internal FY25 target exceeded by 10k of ICPs. Additional 95K connections required to meet target.</p> <p>Assumptions, methods and sources of uncertainty:</p> <p>Target is a wider Meridian target to grow the total customer base. In doing this, growth may help offset the impacts of the increased number of customers who have private solar.</p> <p>Achieving target subject to ability to attract and retain new customers.<sup>14</sup></p>	TARGET 500,000 CONNECTIONS BY FY30	FY25	FY24	FY23	<p>TO 1 – Retail growth through cleaner, cheaper energy</p>
		Customer connections (ICPs)	405,000	370,000	364,000	

<sup>13</sup> FY24 reported performance of 20MW restated following a review of the calculation methodology.

<sup>14</sup> Target date of FY30 shown in error in FY24 climate-related disclosure, target date corrected to FY28. Numbers do not include acquiring the Flick customer contracts (approx 38k), these will be reflected in FY26 reporting.



CLIMATE-RELATED DISCLOSURES FY25

TARGET	PERFORMANCE								RELATED RISKS AND OPPORTUNITES
Target: 1,000GWh of process heat under contract by FY30.  Interim target: Convert 200GWh of MoU process heat to contract by FY25.	The target is owned by the Retail Team, with progress overseen by the Executive Team. This target has a baseline of FY24.  Progress against target to date:  At the end of FY25 Meridian had 563GWh under contract.  Assumptions, methods and sources of uncertainty:  Performance against the main target is calculated by summing total GWh of projects (under contract). The interim target tracks projects that have progressed from MoUs to contracted agreements.  Connecting to electricity networks and the removal of Government support through the Investment in Decarbonising Industry Fund are challenges facing businesses electrifying process heat. These challenges are likely to impact on the speed of project delivery.	TARGET	FY25	FY24				TO 1 – Retail growth through cleaner, cheaper energy	
		1,000GWh of process heat under contract by FY30	563	525					
		200GWh of process heat under memorandum of understanding (MoU) to contract by FY25	38						
1,300 public EV charging points by the end of FY28.	The target is owned by the Retail Team, with progress overseen by the Executive Team.  Progress against target to date:  Target established in FY24 and revised in FY25 to embed new strategy. Given we have revised this target, the new baseline is FY25. Underperform against 125 DC fast charge points in FY25 target due to headwinds through EDB (network) and Resource Management Act (RMA) challenges; complex sites and government direction on clean car discounts and road user charges.  Assumptions, methods and sources of uncertainty:  Sources of uncertainty to reaching this target include: the complexity, cost and timing relating to EV charging electrical connections and resource consenting and access to government financial support.  Business case approved for installation of FY26 target (+160 high-capacity charge points) only. Plan to update board and seek future FY funding during FY26.  EV charge point numbers include 62 owned by 3rd parties.	DELIVERABLE	FY25 TARGET	FY24 ACTUAL	FY25 ACTUAL	FY26 TARGET	FY27 TARGET	FY 28 TARGET	TO 1 – Retail growth through cleaner, cheaper energy
		Charge points (incl DC fast charger points) <sup>15</sup>	420 (125 DC)	328 (50 DC)	388 (96 DC)				
		Charge points (incl DC)				540 (256 DC)	830 (556 DC)	1,300 (1,036 DC)	
30,000 residential customers on demand-flex product by FY26. <sup>16</sup>	The target is owned by the Retail Team, with progress overseen by the Executive Team. This target, has a baseline year of FY24.  Progress against target to date:  New residential flexibility product now in market. Eligible customers enrolled based on network and metering criteria being met. Networks availability expanding overtime to increase product uptake. Product introduced shifts hot water heating load outside of peak times.  Assumptions, methods and sources of uncertainty:  The method and amount of network company pass through to promote flexibility.  New digital capability required to connect customers to the flexibility value pools.	TARGET	FY25	FY24				TO 1 – Retail growth through cleaner, cheaper energy	
		30,000 residential customers on demand-flex product by FY26	16400	0					
Achieve inclusion in the S&P Global ‘Dow Jones Best-in-Class World Index’ by FY26 (2025 submission).  Interim target: Achieve inclusion in the S&P ‘Dow Jones Best-in-Class Asia Pacific Index’ Upper Quartile –top 25% by FY25 (2024 submission).	This target is owned by Meridian management, with progress overseen by the Executive Team, S&S and ultimately the Meridian Board.  The baseline year is FY24. The target is set for completion by FY26, with the interim target due for completion in FY25.  Progress against target to date:  In FY25 and FY24 we achieved inclusion in S&P Dow Jones Best-in-Class Asia Pacific Index (DJBICI), In FY25 we achieved top quartile performance meeting our interim target.  Assumptions, methods and sources of uncertainty:  Meridian’s target is based on using the index measure as a proxy for ESG performance. This is a global and independent measurement basis.  Meridian does not set a specific target for increasing the spend aligned to this opportunity, as management does not view higher spend as the pathway to achieving greater ESG performance.  The indices do not have a set inclusion requirement but instead are benchmarked against the performance of all who participate in the survey. To reach World Index inclusion Meridian must continue to lift relative ESG performance, aligned to global comparison standards.								TO 2 – Sustainability leadership and environmental, social and governance (ESG) performance

<sup>15</sup> Target of 420 Zero public EV charge points (including 125 high-capacity DC charge points) by the end of FY25, disclosed in FY24 climate-related disclosure. Updated in FY25, table shows reporting against historical target and new targets.

<sup>16</sup> Target updated in FY25 from 20,000 residential customers to 30,000 to align with updated business plan and scalability of Meridian’s hot water flex product.

# Appendix A: Climate scenarios

## Climate scenario focal question

The focal question defined for Meridian’s climate-related scenarios is: “What could potential futures look like for Meridian, following plausible adaptive or transformative pathways, given biophysical changes to our climate?”

## Climate scenario boundaries

Our climate scenarios cover the electricity sector, both globally (to the extent global trends and emissions pathways are relevant to Meridian) and in New Zealand. Our climate scenarios also cover things entering or exiting the electricity sector (e.g. transport modes entering the electricity sector, such as EVs). We have also expanded the boundaries of our climate scenarios to include afforestation, nature-based solutions, and carbon capture and storage in New Zealand, with a particular interest in the way these drivers interact with the electricity system.

### Driving forces

TABLE 15. DRIVING FORCES UNDERLYING CLIMATE SCENARIOS AND ASSOCIATED SCENARIO ANALYSIS ASSUMPTIONS

DRIVER	NET ZERO REVOLUTION	ADAPTIVE EVOLUTION	HOT HOUSE
Insurance	Insurance costs increase as the effects of climate change intensify. Investments in nature-based solutions pay dividends in terms of co-benefits to help decrease exposures to risk.	Insurance costs increase as acute weather events and chronic climate changes become more prevalent.	Insurance costs increase as acute and chronic events become more prevalent. More self-insurance.
Wholesale electricity prices	Prices decrease in real terms from today, as technology costs fall rapidly after a period of stress.	Prices decrease in real terms from today, as technology costs fall moderately.	Prices stay relatively stable as the effects of climate change are ignored and fossil fuels continue to be used.
Increasing temperatures and hot days	Temperatures trend up. A few severe heat events occur during the decade. Demand for cooling load (particularly in northern regions and central South Island) increases slightly by 2050.	Temperatures noticeably higher than present day, but largely manageable. Demand for cooling load (particularly in northern regions and central South Island) increases moderately by 2050.	Temperatures noticeably higher than present day, with some regions beginning to experience severe effects. Demand for cooling load (particularly in northern regions and central South Island) increases significantly by 2050.
Extreme rainfall and storm events	Trending up, slight annual increases in hydro catchments; dryer on east coasts. One or two extreme rainfall events on the scale of Cyclone Gabrielle occur over a decade.	Moderate annual increases in hydro catchments, some decreases in eastern parts of the North Island. One or two extreme rainfall events on the scale of Cyclone Gabrielle occur over a decade.	Significant annual increases in hydro catchments, some decreases in eastern parts of the North Island. Two or four extreme rainfall events on the scale of Cyclone Gabrielle occur over a decade.
Dry years and drought	Trending up. Demand for agricultural irrigation (especially in Canterbury) increases slightly by 2050.	Moderately worse than present. Demand for agricultural irrigation (especially in Canterbury) increases moderately by 2050.	Significantly worse than present. Dry years significantly drier (in duration or inflow-anomaly). Demand for agricultural irrigation (especially in Canterbury) increases significantly, especially prominently during dry periods in those regions by 2050.
Seasonality	Increasing variability; less snow but more rain.	Significantly more variable than present. Much less snow but more rain in catchments.	Variability significantly increases, and weather is less predictable – i.e. sudden unseasonable cold snaps, longer periods of low wind conditions.
New Zealand policy and regulation changes	A policy of adapting to change is key to New Zealand’s wellbeing. Adaptation and mitigation are needed to protect its international reputation and fulfil its moral obligations.	New Zealand lags behind global efforts; adaptation is incremental and usually reactive, influenced by short-term economic needs and vested interests.	In response to increasing severe weather events, policy for adaptation is reactive and poorly managed. Maladaptation increases severe cost burdens on local and central government.
Consenting process	Fast-track consenting is supported by a strong partnership model with the electricity sector and the Government.	Consenting processes look similar to those of today in time and complexity. A range of consenting routes remain open, with different trade-offs.	Consenting policies are highly contested; rules and frameworks are often halted or repealed, leading to disruption and uncertainty.
Policy incentives for decarbonisation	The Government provides financial incentives and subsidies to promote the rapid adoption of renewable energy sources.	There are no subsidies; however, falling costs and industry are the main drivers of decarbonisation.	There are few incentives for decarbonisation, and technology costs and access remain restrictive. Government policy is sporadic, leading to periods of strong policy responses that are removed or delayed soon after. This affects confidence and industry certainty.



Climate scenarios: assumptions underlying emission reduction pathways

TABLE 16. ASSUMPTIONS UNDERLYING EMISSION REDUCTION PATHWAYS

ASSUMPTIONS UNDERLYING EMISSION REDUCTION PATHWAYS	NET ZERO REVOLUTION	ADAPTIVE EVOLUTION	HOT HOUSE
Global emissions reduction pathway	Aligns with the global emissions reduction pathway for IPCC SSP1-1.9 out to 2100.	Aligns with the global emissions reduction pathway for IPCC SSP2-4.5 out to 2100.	Aligns with the global emissions reduction pathway for IPCC SSP3-7.0 out to 2100.
Scope of operations covered	Refer to ‘Climate scenario boundaries’ described above in Appendix A, page 45.		
Policy and socioeconomic assumptions: global	Align with NGFS ‘Net Zero 2050’ where not otherwise explicitly covered in the scenario narratives or ‘STEEP’ analysis.	Align with NGFS ‘Nationally Determined Contributions’ where not otherwise explicitly covered in the scenario narratives or ‘STEEP’ analysis.	Align with NGFS ‘Current Policies’ where not otherwise explicitly covered in the scenario narratives or ‘STEEP’ analysis.
Policy and socioeconomic assumptions and macroeconomic trends: New Zealand	Align with NGFS ‘Net Zero 2050’ where not otherwise explicitly covered in the scenario narratives or ‘STEEP’ analysis.	Align with NGFS ‘Nationally Determined Contributions’ where not otherwise explicitly covered in the scenario narratives or ‘STEEP’ analysis.	Align with NGFS ‘Current Policies’ where not otherwise explicitly covered in the scenario narratives or ‘STEEP’ analysis.
Energy pathways	Align with Meridian’s in-house WMO Revolution model. WMO Revolution has the highest forecast electricity demand due to higher rates of electrification.	Align with Meridian’s in-house WMO Evolution model. WMO Evolution has a moderate forecast electricity demand compared to the other two models.	Align with Meridian’s in-house Devolution model. WMO Devolution has the lowest forecast electricity demand of the three models due to lower rates of electrification.
Carbon sequestration from afforestation and nature-based solutions	Narrative consistent with CCC ‘Headwinds’.	Narrative consistent with CCC ‘Current Policies’.	Narrative consistent with CCC ‘Current Policies’.
Technology assumptions including negative emissions technology	Short-medium term: consistent with CCC (2021). Supporting Evidence for the Draft Advice for Consultation. Chapter 9: Removing carbon from our atmosphere. Long term: consistent with NGFS ‘Net Zero 2050’.	Short-medium term: consistent with CCC (2021). Supporting Evidence for the Draft Advice for Consultation. Chapter 9: Removing carbon from our atmosphere. Long term: consistent with NGFS ‘Nationally Determined Contributions’.	Short-medium term: consistent with CCC (2021). Supporting Evidence for the Draft Advice for Consultation. Chapter 9: Removing carbon from our atmosphere. Long term: consistent with NGFS ‘Current Policies’.

# Appendix B: Greenhouse gas emissions - additional information

## Methodologies and assumptions, and uncertainties

SCOPE	CATEGORY	GHG EMISSIONS	SOURCE	FACILITIES INCLUDED	DATA SOURCE	UNCERTAINTIES	METHODOLOGY & ASSUMPTIONS
SCOPE 1	Stationary combustion	Fuel used for electricity generation		Meridian NZ	No fossil fuel consumed	Low	There were no emissions from the 12,752GWh of electricity generated in the reporting period, as the fuel used to generate this electricity was water and wind.
		Testing of back-up generators		Meridian NZ	Fuel deliveries to sites from McKeown (Waitaki) and RD Petroleum	Low	Assumed fuel deliveries are equivalent to consumption each year.
	Mobile combustion	Car travel (owned, leased, rented)		All facilities	GPS generated odometer readings, fuel card purchase data, rental provider activity reports, and taxi expenditure data	Low	Start/end odometer data (rental vehicles) for distance travelled x average emission factor for vehicle fuel type. Driver behaviour and individual engine performance are not taken into account for rental vehicles. Owned vehicles are calculated from litres of fuel purchased on fuel cards.
		Boat travel (Tug and staff transport boat at Lake Manapōuri)		Meridian NZ	Fuel storage readings	Low	Accurate records of litres used from operator.
	Fugitive emissions	Fugitive emissions from SF6		Meridian NZ	Maintenance records	Low	Records of storage cylinder weights and top-ups.
		Fugitive emissions from air-conditioning systems		All facilities	Maintenance records	Low	Records from service providers who maintain and top up units.
	SCOPE 2	Electricity	Electricity consumed in offices		Meridian NZ	Records from billing system	Low
Electricity consumed by vehicles			All facilities	GPS generated odometer readings, fuelcard purchase data, and rental provider activity reports	Low	Start/end odometer data (rental vehicles) for distance travelled x average emission factor for vehicle fuel type. Driver behaviour and individual engine performance are not taken into account for rental vehicles.	
						Owned vehicles are calculated from kWh of electricity purchased on fuel cards.	
Electricity consumed in facilities			Meridian NZ	The electricity market reconciled consumption files	Low	Accurate records of electricity consumed by Meridian NZ facilities.	
SCOPE 3 OPERATIONAL	Purchased goods and services (category 1)	Goods and services provided not otherwise included in categories below		All facilities	Emissions information provided by suppliers where available.  Where not available \$ spend used.	High level of uncertainty given the majority of emissions in this category are calculated using think-step calculated spend-based emissions factors. The spend-based approach is applied where suppliers have been unable to provide activity data (81%). While activity level data for spend-based calculations can easily be verified, the emissions factors associated with spend categories is considered to have greater uncertainty (and potentially overstate emissions) than the data provided by suppliers.	All major suppliers (spend >\$150k in year) contacted for information on portion of their footprint attributable to activity performed on behalf of Meridian. Generally this information relates to fuel use, electricity in office and travel.  Service types: IT services, professional services, maintenance services, office services and commercial office rental. Where no supplier information available, \$ spend by service type x emission factor sourced from Thinkstep.  In FY25 ,37% of purchased goods and services emissions data has been provided from suppliers directly via surveys undertaken in June 2025.  Data was provided from the suppliers most recent reporting period. The quality of supplier provided data was assessed for reasonableness, with judgement based on emissions reported, spend and comparison to prior years's provided data where available. In the limited case of data relating to a prior financial year the data has been apportioned based on changes in spend over the most recent year. Where a supplier has provided an intensity measure of its emissions (kgtCO2e/\$ revenue) Meridian has applied this factor to identified spend with the supplier to derive emissions.



SCOPE	CATEGORY	GHG EMISSIONS	SOURCE	FACILITIES INCLUDED	DATA SOURCE	UNCERTAINTIES	METHODOLOGY & ASSUMPTIONS
SCOPE 3 OPERATIONAL	Fuel related emissions (not Scope 1 or 2) (category 3)	Production & distribution of fuel		All facilities	Fuel invoices	Low	Calculated from amount of fuel purchased (and consumed) using emission factors sourced from the Department of Energy Security and Net Zero (DESNZ).
		Transmission and distribution losses from electricity consumed in offices		Meridian NZ	Records from billing system	Low	Accurate records from the billing system.
		Contractor fuel (operational maintenance and construction)		All facilities with relevant activity in reporting period	Contractor records	Medium level of uncertainty given a reliance on some supplier estimates	Estimates of the amount of fuel used. Some information is provided by suppliers.
		Contractor fuel for retail meter reading and maintenance		Meridian NZ	Records of distance travelled or fuel consumed by supplier	Medium level of uncertainty given kms are based on calculations of average km for jobs that are either urban, rural or remote.	Information provided by suppliers includes litres of fuel and KM travelled. Emissions are calculated using MfE emissions factor for litres provided and where KM's only are provided a KM factor is taken from the MfE. All data is collected direct from the supplier.
	Upstream transportation and distribution (category 4)	Lines company operational emissions		Meridian NZ	Emissions information provided by suppliers where available.	Medium - some level of uncertainty as regards lines companies data. Not all lines companies measure their footprints. This requires a proxy methodology to determine emissions. The method draws on observable data provided by Lines companies and applied to those companies not able to provide data.	Companies contacted for information on portion of their footprint attributable to activity performed on behalf of Meridian (Scope 1 and 2 but excluding transmission and distribution losses, and Scope 3 field services). Company reporting periods may not match Meridian's reporting period, no adjustments are made to account for this.  Where no supplier information available, volume x emission factor used as proxy.
		Transmission company operational emissions		Meridian NZ	Emissions information provided by supplier	Low	Company contacted for information on portion of their footprint attributable to activity performed on behalf of Meridian (Scope 1 and 2 excluding transmission and distribution losses, and Scope 3 maintenance).
		Couriers and postage		All facilities	Emissions information provided by suppliers where available. Where not available \$ spend used.	Medium level of uncertainty given some reliance on spend based factors which are known to overstate emissions.	Calculated by collating quantity of each service used then carbon emission value assigned for that service. Where no supplier information available, \$ spend x emission factor sourced from Market Economics.
	Waste (category 5)	Waste to landfill and recycling from offices and facilities		All facilities	Actual weight of waste bins. Supplier records	Medium level of uncertainty as waste in our Auckland office is estimated using observable Meridian Group data to derive a waste per person proxy. Some waste volumes are estimates given bin/container sizes.	Waste bins weighed on a monthly basis from some site suppliers.  If weight unavailable, full bins are assumed each time they are emptied. Estimation for sites where Meridian does not control the waste disposal based per person extrapolation of data available.
	Business travel (category 6)	Air travel (domestic and international)		All facilities	Purchase records (supplier data, internal purchasing systems)	Low	Supplier records of flights ticketed (and not cancelled but excludes 'no shows') calculated by our suppliers integrated financial data warehouse and mid-office travel management systems.
							Outputs are calculated using the distances travelled by sector split into domestic, short-haul and long-haul Domestic emissions determined by size of plane whilst short- and long-haul emissions based on class of travel. Directly booked travel determined via Pcard expense management system reporting.

CLIMATE-RELATED DISCLOSURES FY25

SCOPE	CATEGORY	GHG EMISSIONS	SOURCE	FACILITIES INCLUDED	DATA SOURCE	UNCERTAINTIES	METHODOLOGY & ASSUMPTIONS
SCOPE 3 OPERATIONAL	Business travel (category 6) continued	Car travel (taxis and rideshare)		All facilities	Purchase records (supplier data, internal expense management system – Oracle)	Medium given some reliance on spend based factors which are known to overstate emissions	Records of expenditure for taxis and rideshare except Uber. For Uber rideshare this is estimated based on distance travelled x average fuel efficiency of vehicle class (assumed to be hybrid vehicle). Mevo emissions are quantified by multiplying spend by the appropriate emission factor.
		Hotel accommodation		All facilities	Purchase records (supplier data, internal purchasing systems)	Medium level of uncertainty given methodology to determine room nights	Hotel nights provided by travel provider, split by region (NZ, Australia and rest of world). Data is extrapolated to find an average room night cost, and then multiplied against total hotel spend from PCard system to determine total room nights, for bookings made outside of travel provider.
	Employee commuting (category 7)	Travel to and from work (in private vehicles and public transport)		All facilities	Employee commuter survey	Medium level of uncertainty given methodology that extrapolates a sample of staff (38%) as representative of all staff for the year.	Data sourced from staff throughout the year using an internally developed App. The tool enables staff to record commute modes on a weekly basis - this data is then used to develop an emissions value for all users of the App using MfE emissions factors. The data is then extrapolated for all Meridian staff.
		Working from home		All facilities	Employee commuter survey	Medium as above	Data sourced from staff throughout the year using an internally developed App. The tool enables staff to record place of work on a weekly basis. This data is then used to develop an emissions value for all users of the App using MfE emissions factors. The data is then extrapolated for all Meridian staff.
	Downstream leased assets (category 13)	Farming activities		Meridian NZ	Leaseholder	Medium	For farms: Leaseholder provided estimates of key information on stock and other activities. OverseerFM is a farming calculator model that applies assumptions to farm inputs and estimates the total emissions for each farm. Given the assumptions used, there is a higher level of uncertainty around simulated outputs. For salmon farms: Leaseholders provided either GHG inventory, or key information regarding energy used on site.
SCOPE 3 INVESTMENTS	Investments (category 15)	Investments		Meridian NZ	NZ Windfarms Limited (NZWF)	Medium - prior year data assumed applicable to the current year. Emissions are small given holding (19.99%) and reported NZWF assured emissions.	NZWF provided an audited GHG inventory for the 2024 financial year. These emissions have been included based on Meridians interest in NZWF.



SCOPE	CATEGORY	GHG EMISSIONS	SOURCE	FACILITIES INCLUDED	DATA SOURCE	UNCERTAINTIES	METHODOLOGY & ASSUMPTIONS
SCOPE 3 ONE - TIME CONSTRUCTION	Capital goods (category 2)	Major construction and plant upgrade materials		All facilities with relevant activity in reporting period	Project records from manufacturer or design specifications	Medium - there is some level of uncertainty where contractors have applied estimation techniques to activity data. The risk of poor or incomplete data is minimised by internal checks and supplier inquiry processes	Where possible, environmental product declarations (EPD) are sourced from suppliers for capital goods provided. Where an EPD for a particular capital good is unavailable we will source the best alternative approximation of emissions relating to the capital good from a reputable source and use this to quantify the emissions in relation to the goods.
		Contractor fuel used during construction and significant upgrades		All facilities with relevant activity in reporting period	Contractor records	Low	Actual data represented by km’s travelled and fuel usage is provided by contractors/suppliers.
		Contractor electricity use		All facilities with relevant activity in reporting period	Contractor records	Medium - some level of estimation by contractors	Data provided by contractors based on invoices and some estimation as regards electricity usage applicable to services provided to Meridian.
		Contractor air travel		All facilities with relevant activity in reporting period	Contractor records	Low	All data provided to Meridian based by contractors based on airmiles between locations.
		Freight of major materials		All facilities with relevant activity in reporting period	Project records	Medium - level of uncertainty given some materials data is estimated by contractors	Estimates of major materials used calculated from weight of materials x distance travelled provided by project managers. Some tCO <sub>2</sub> e information is provided by suppliers.
		Waste to landfill;		All facilities with relevant activity in reporting period	Contractor records	Medium - some level of estimation is present in waste volumes	All waste volumes and materials provided by contractors.
SCOPE 3 ENERGY PURCHASED AND ON - SOLD	Fuel related emissions (not Scope 1or 2) (category 3)	Electricity purchased and on-sold		Meridian NZ	From internal records	Low	Emissions calculated using the annual netting off methodology. Under this methodology the difference between electricity generated by Meridian and the electricity supplied to its retail customers is calculated on an annual basis. This calculation includes an allowance for transmission losses in the national grid and is based on the amount purchased at the entry point for local network distribution thereby taking into account losses due to distribution. If, on an annual basis, the amount purchased is more than the amount supplied, Meridian reports the net difference as a source of Scope 3 emissions. The emission factor applied is calculated after removing Meridian generation from the mix.

Emissions source exclusions

SCOPE	CATEGORY	GHG EMISSIONS	SOURCE	REASON FOR EXCLUSION	ESTIMATED SIZE OF EXCLUSION TCO <sub>2</sub> E	% OF TOTAL SCOPE 1 & 2 FY25 INVENTORY
SCOPE 1	Fugitive emissions	Fugitive emissions from fridges and vehicle AC systems		Difficult to obtain the data, estimated to be de minimis. Based on FY11 data.	14	1.89 %
SCOPE 2	Biogenic Emissions	Emissions relating to decomposition of organic material in our reservoirs.		Difficult to obtain the data, estimated to be de minimis as most hydro lakes started operation at existing levels (prior to hydro-electric operations), so limited inundation of carbon-rich sources may cause biogenic emissions.	De Minimis	De Minimis
SCOPE 3	Investments	Emissions relating to Investment in Te Arawaru o Te Waitaki Tapui Ltd		No trading activity in the current year any emissions are assumed de minimus.		



# Deloitte.

## Independent Assurance Report

To the Shareholders of Meridian Energy Limited on the GHG emissions disclosed in its group climate statements (also referred to as ‘Climate-related Disclosures’) for the year ended 30 June 2025

Under section 461ZH(3) of the Financial Markets Conduct Act 2013, the Auditor-General is the assurance practitioner of Meridian Energy Limited (the ‘Company’) and its subsidiaries (the ‘Group’). The Auditor-General has appointed me, Anthony Smith, using the staff and resources of Deloitte Limited, to carry out an assurance engagement, on his behalf, on the greenhouse gas (‘GHG’) emissions information disclosed in the Group Climate Statements (the ‘GHG disclosures’), for the year ended 30 June 2025.

### Scope of the engagement

As part of our assurance engagement over the Group’s GHG disclosures, we have undertaken a reasonable assurance engagement in relation to the consolidated Scope 1 and 2 GHG emissions disclosures (‘Scope 1 and 2 GHG disclosures’) and a limited assurance engagement in relation to the consolidated Scope 3 GHG emissions disclosures (‘Scope 3 GHG disclosures’), as set out below.

### Reasonable assurance

SUBJECT MATTER: SCOPE 1 AND 2 GHG DISCLOSURES	REFERENCE
GHG emissions: gross emissions in metric tonnes of Carbon dioxide equivalent (‘CO <sub>2</sub> e’) classified as: <ul style="list-style-type: none"><li>• Scope 1</li><li>• Scope 2 (calculated using the location-based method)</li></ul>	Page 34
Additional requirements for the disclosure of gross GHG emissions per paragraph 24 (a) to (d) of Aotearoa New Zealand Climate Standard 1: <i>Climate-related Disclosures</i> (‘NZ CS 1’), being: <ul style="list-style-type: none"><li>• The statement describing that the Group’s GHG emissions have been measured in accordance with International Standard ISO 14064-1 <i>Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals</i> (‘ISO 14064-1:2018’) and the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)</i> (the ‘GHG Protocol’) to the extent this pertains to Scope 1 and 2 GHG emissions;</li><li>• The statement that the GHG emissions consolidation approach used is operational control, to the extent this pertains to Scope 1 and 2 GHG emissions;</li><li>• Sources of Scope 1 and 2 GHG emission factors and the global warming potential (‘GWP’) rates used or a reference to the GWP source; and</li><li>• The summary of specific exclusions of Scope 1 and 2 GHG emissions sources including facilities, operations or assets with a justification for their exclusion.</li></ul>	Page 33, Appendix B (page 51)
Disclosures relating to Scope 1 and 2 GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of Aotearoa New Zealand Climate Standard 3: <i>General Requirements for Climate-related Disclosures</i> (‘NZ CS 3’): <ul style="list-style-type: none"><li>• Description of the methods and assumptions used to calculate or estimate Scope 1 and 2 GHG emissions, and the limitations of those methods.</li><li>• Description of uncertainties relevant to the Group’s quantification of its Scope 1 and 2 GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures.</li></ul>	Page 33, Appendix B (pages 47-50)

### Limited assurance

SUBJECT MATTER: SCOPE 3 GHG DISCLOSURES	REFERENCE
GHG emissions: gross emissions in metric tonnes of CO <sub>2</sub> e classified as: <ul style="list-style-type: none"><li>• Scope 3</li></ul>	Page 34
Additional requirements for the disclosures of gross GHG emissions per paragraph 24 (a) to (d) of NZ CS 1, being: <ul style="list-style-type: none"><li>• The statement describing that the Group’s GHG emissions have been measured in accordance with ISO 14064-1:2018, the GHG Protocol and the <i>Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</i> (the ‘Corporate Value Chain Standard’), to the extent this pertains to Scope 3 GHG emissions;</li><li>• The statement that the GHG emissions consolidation approach used is operational control, to the extent this pertains to Scope 3 GHG emissions;</li><li>• Sources of Scope 3 GHG emission factors and the GWP rates used or a reference to the GWP source; and</li><li>• The summary of specific exclusions of Scope 3 GHG emissions sources, including facilities, operations or assets with a justification for their exclusion.</li></ul>	Page 33, Appendix B (page 51)
Disclosures relating to Scope 3 GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of NZ CS 3: <ul style="list-style-type: none"><li>• Description of the methods and assumptions used to calculate or estimate Scope 3 GHG emissions, and the limitations of those methods.</li><li>• Description of uncertainties relevant to the Group’s quantification of its Scope 3 GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures.</li><li>• Explanation for base year GHG emissions restatements relating to Scope 3 GHG emissions.</li></ul>	Page 33, Appendix B (pages 47-50)

Conclusion

Reasonable assurance opinion

In our opinion, the Group’s Scope 1 and 2 GHG disclosures within the scope of our reasonable assurance engagement for the year ended 30 June 2025, are fairly presented and prepared, in all material respects, in accordance with Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

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 the Group’s Scope 3 GHG disclosures within the scope of our limited assurance engagement for the year ended 30 June 2025, are not fairly presented and not prepared, in all material respects, in accordance with Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

Other matter – comparative information

The comparative information, being the Group’s GHG disclosures for FY24, FY23 and FY21 on page 34, have not been subject to assurance of an assurance engagement undertaken in accordance with New Zealand Standard on Assurance Engagements 1: *Assurance Engagements over Greenhouse Gas Emissions Disclosures* (‘NZ SAE 1’). As such, these disclosures are not covered by our assurance conclusion.

Other matter – separate GHG Emissions Inventory Report

The Group has also prepared a GHG Emissions Inventory Report for the year ended 30 June 2025 (the ‘GHG Inventory Report’) which includes GHG emissions information disclosed in accordance with requirements of ISO 14064-1:2018, the GHG Protocol and the Corporate Value Chain Standard. Deloitte Limited have performed a separate 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 External Reporting Board on the Group’s GHG Inventory Report. The Group’s GHG Inventory Report together with the separate limited assurance report is available at [Meridian's website](#).

The Board of Directors’ responsibilities

Subparts 2 to 4 of the Financial Markets Conduct Act 2013 set out requirements for a climate reporting entity in preparing a Climate Statement, which includes proper record keeping, compliance with the climate-related disclosure framework and subjecting it to assurance.

The Aotearoa New Zealand Climate Standards have been issued by the External Reporting Board as the framework that applies for preparing and presenting a Climate Statement. The Board of Directors of the Group is therefore responsible for preparing and fairly presenting the Group Climate Statement for the year ended 30 June 2025, in accordance with those standards.

The Board of Directors is also responsible for the design, implementation, and maintenance of internal control relevant to preparing the Group’s Climate Statement that is free from material misstatement, whether due to fraud or error.

Our responsibilities

Section 461ZH of the Financial Markets Conduct Act 2013, requires the GHG disclosures included in the Group Climate Statements to be the subject of an assurance engagement.

NZ CS 1, paragraph 25 requires such an assurance engagement at a minimum to be a limited assurance engagement, and paragraph 26 specifies the scope of the assurance engagement on GHG disclosures. To meet this responsibility, we planned and performed procedures (as summarised below), to provide reasonable assurance on the Scope 1 and 2 GHG disclosures and limited assurance on the Scope 3 GHG disclosures. We conducted our assurance engagement in accordance with NZ SAE 1 and ISAE (NZ) 3410, issued by the New Zealand Auditing and Assurance Standards Board.

Summary of Work Performed

Reasonable assurance

Our reasonable assurance engagement was performed in accordance with NZ SAE 1 and ISAE (NZ) 3410. This involves performing procedures to obtain evidence about the quantification of emissions and related information in the Group’s Scope 1 and 2 GHG disclosures. The nature, timing and extent of procedures selected depend on the assurance practitioner’s judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Scope 1 and 2 GHG disclosures.

In making those risk assessments, we considered internal controls relevant to the Group’s preparation of the Scope 1 and 2 GHG disclosures. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of the Group’s use of Aotearoa New Zealand Climate Standards, as the basis for the preparation of the Scope 1 and 2 GHG disclosures;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by the Group; and
- Evaluating the overall presentation of the Group’s Scope 1 and 2 GHG disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Limited assurance

Our limited assurance engagement was performed in accordance with NZ SAE 1 and ISAE (NZ) 3410. This involves assessing the suitability in the circumstances of the Group’s use of Aotearoa New Zealand Climate Standards as the basis for the preparation of the Scope 3 GHG disclosures, assessing the risks of material misstatement of the Scope 3 GHG disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Scope 3 GHG disclosures.

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, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the Group’s Scope 3 GHG disclosures, we:

- Obtained, through inquiries, an understanding of the Group’s control environment, processes, and information systems relevant to the preparation of the Scope 3 GHG Disclosures. We did not evaluate the



- design of particular control activities, or obtain evidence about their implementation.
- Evaluated whether the Group’s methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group’s estimates.
  - Performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and making inquiries of management to obtain explanations for any significant differences we identified.
  - Considered the presentation and disclosure of the Group’s Scope 3 GHG disclosures.

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 a reasonable assurance engagement been performed.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

**Inherent limitations**

Non-financial information, such as that included in the Group’s GHG disclosures, 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. As outlined on page 33 and pages 47 to 50, GHG 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.

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud or error may occur and not be detected.

**Other information**

The Group Climate Statements and the Meridian Energy Integrated Report contains information other than the Group’s GHG disclosures

and the assurance report thereon. The Board of Directors is responsible for the other information.

Our assurance engagement does not extend to any other information included, or referred to, in the Group Climate Statements on pages 1 to 32 and 35 to 46 or the Meridian Energy Integrated Report, and therefore, no conclusion is expressed thereon, apart from our opinion on the financial statements. We read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Group’s GHG disclosures, or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated.

Where such an inconsistency or misstatement is identified, we are required to discuss it with the Board of Directors, and take appropriate action under the circumstances, to resolve the matter. There are no inconsistencies or misstatements to report.

**Independence and quality management**

We complied with the Auditor-General’s independence and other ethical requirements, which incorporate the 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. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. These principles for example, do not permit us to be involved in the preparation of the current year’s GHG information as doing so would compromise our independence.

We have also complied with the Auditor-General’s quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (‘PES 3’) and Professional and Ethical Standard 4 *Engagement Quality Reviews issued by the New Zealand Auditing and Assurance Standards Board* (‘PES 4’). PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. PES 4 deals with an engagement quality reviewer’s appointment, eligibility, and responsibilities.

In addition to this engagement, our firm is the statutory auditor of the financial statements (on behalf of the Auditor-General) and also

carries out other assignments for the Group in the areas of review of the interim financial statements, supervisor reporting, assurance services relating to the securities and fixed rate bonds registers, greenhouse gas emissions reporting in the greenhouse gas emissions Inventory Report, the sustainability content in the Integrated Report prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards, vesting of the executive long-term incentive plan, the solvency return of Meridian Energy Captive Insurance Limited and an agreed upon procedures engagement for Meridian Energy Captive Insurance Limited.

We also carried out non-assurance assignments for the Group relating to cyber security services and services to the Corporate Taxpayers Group of which Meridian Energy Limited is a member. These engagements are compatible with those independence requirements.

In addition, partners and employees of our firm deal with the Group on arm’s length terms within the ordinary course of trading activities of the Group. Other than this engagement and these assignments, we have no relationship with, or interests in, the Group.



Anthony Smith  
**Partner**  
**for Deloitte Limited**  
**On behalf of the Auditor-General**  
Christchurch, New Zealand  
26 August 2025