



WHEN TRUST MATTERS



# GENESIS ENERGY LIMITED SUSTAINABLE FINANCE FRAMEWORK AND GREEN BOND



**Document title:** Second Party Opinion on Genesis' Sustainable Finance Framework and Green Bond

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

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### Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct<sup>1</sup> during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

<sup>1</sup> DNV Code of Conduct is available from DNV website ([www.dnv.com](http://www.dnv.com))

## **DNV'S INDEPENDENT ASSESSMENT**

### **Scope and Objectives**

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

Genesis have adopted a holistic approach to Sustainability. Through an understanding of the impact on people and the environment, Genesis incorporates social, economic, and environmental risks and benefits into business decision-making.

GENESIS has developed a Sustainable Finance Framework (the "Framework") under which it intends to issue and/or manage Green and sustainability-linked instruments, and in doing so contribute to positive environmental and social impacts. GENESIS will use the proceeds of any Green instruments issued under the Framework to finance or refinance the Eligible Projects which meet its eligibility criteria.

DNV Business Assurance Australia Pty Ltd ("DNV") has been commissioned by GENESIS to review the Framework and proposed issuance and provide a Second Party Opinion in relation to alignment of these with Green Bond Principles 2021 ("GBP"), published by the International Capital Market Association ("ICMA") and the Climate Transition Finance Handbook 2020 ("CTFH").

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

### **Responsibilities of the Management of GENESIS and DNV**

The management of GENESIS has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform GENESIS management and other interested stakeholders in the Framework as to whether the Framework and Bond are aligned with the GBP. In our work we have relied on the information and the facts presented to us by GENESIS. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by GENESIS' management and used as a basis for this assessment were not correct or complete.

### **Basis of DNV's opinion**

We have adapted our assessment methodology to create the GENESIS-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

- 1. Use of Proceeds**
- 2. Process for Project Evaluation and Selection**
- 3. Management of Proceeds**
- 4. Reporting**

DNV has also considered the Framework and instruments that may be issued under the Framework in the context of the CTFH including elements of:

- 1. Issuer's climate transition strategy and governance**

The financing purpose should be for enabling an issuer's climate change strategy.

- 2. Business model environmental materiality**

The planned climate transition trajectory should be relevant to the environmentally-material parts of the issuer's business model.

- 3. Transition is science-based including targets and pathways**

Issuer's climate strategy should reference science-based targets and transition pathways.

- 4. Implementation transparency**

Market communication in connection with the offer of a financing instrument which has the aim of funding the issuer's climate transition strategy should also provide transparency of the underlying investment program.

## Work Undertaken

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

- Creation of a Protocol, adapted to the purpose of the Framework, as described above and in Schedule 4 to this Assessment;
- Assessment of documentary evidence provided by GENESIS on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by GENESIS and GENESIS' website;
- Discussions with GENESIS' management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

## Findings and DNV's Opinion

DNV's findings are listed below:

### 1. Use of Proceeds

GENESIS intends to notionally allocate the proceeds of the Green Bond (GNE030) under the Framework to finance or refinance, in whole or in part, new or existing Eligible Green Project Categories. The Framework identifies eligible categories including Renewable Energy, Energy Efficiency, Clean Transportation and Green Buildings. The Bond pool at the time of SPO includes Renewable Energy (Wind and Hydropower projects). DNV concludes that the eligible categories and projects detailed in the Framework are consistent with the categories outlined in the GBP.

### 2. Process for Project Evaluation and Selection

The Process for Project Evaluation and Selection section in the framework sets out the process for the identification and qualification of projects. DNV concludes that GENESIS' Framework appropriately describes the process of project evaluation and selection.

### 3. Management of Proceeds

The Framework states that the net proceeds from the Bond issued or managed under the Framework will be notionally allocated immediately after the Bond (GNE030) is reclassified as a Green Bond, and in any circumstance within 24 months. Genesis intends to maintain a balance of Eligible Assets that have a Book Value which is larger than the sum of the net proceeds from the Green Bond. DNV has reviewed the evidence presented and can confirm that the proceeds arising from the future issuances will be appropriately managed.

### 4. Reporting

GENESIS intends to publish a report on the allocation of net proceeds and associated impact metrics of its Bond annually, and as necessary in the event of material developments. GENESIS' reporting will include allocation reporting, eligibility reporting and impact reporting. DNV concludes that GENESIS' reporting is also aligned with the relevant principles.

On the basis of the information provided by GENESIS and the work undertaken, it is DNV's opinion that the GENESIS Sustainable Finance Framework and proposed Bond meet the criteria established in the Protocol and are aligned with the GBP.

In consideration of the Climate Transition Finance Handbook 2020:

- 1. Issuer's climate transition strategy and governance:** DNV found that the proposed Framework and Bond were well aligned with Genesis' Sustainability Strategy, which is set out to consider and manage impacts and interactions with the environment and the community. Genesis has a medium-term (2025) SBTi-validated Science-Based Target aligning to 1.5 degrees, with interim targets established to support achievement of that target. Decarbonisation levers and accompanied strategic planning are outlined by Genesis in the Future-gen strategy. DNV found the transition plan based on Genesis' validated Science Based Target to be credible, ambitious and achievable.
- 2. Business model environmental materiality:** DNV found that the climate transition focus of the Genesis business was central to its core operations delivering both environmental and social outcomes as well as supporting the commercial drivers of the business. The Future-gen strategy centres around transitioning the renewable energy asset base and is core to the business model. The climate transition focus is relevant to Genesis' material environmental impacts and is considered to be qualitatively and quantitatively material in impact.

- 3. Transition is science-based including targets and pathways:** DNV confirmed that Genesis' transition strategy is quantified and built around a Science Based Target model, with a verified baseline year, and specified pathways for the sustained reduction of all scopes of emissions in an absolute sense. The demonstrated trajectory of emissions reduction meets and exceeds the 1.5 degree benchmark and is validated by the SBTi.
- 4. Implementation transparency:** DNV has considered the investment and deployment plans associated with Genesis' transition strategy including investments made to date and commitments for investment and expenditure into the future. DNV up to Board level has also publicly outlined its commitment to a "Just Transition" and has provided to DNV some of the key components of Genesis' "Just Transition" strategy.

DNV has also concluded that the Genesis sustainability and transition strategy is well aligned with the guidance provided in the Climate Transition Finance Handbook 2020. DNV considers instruments issued under the Genesis Sustainable Finance Framework (including Green Bonds and Sustainability Linked Loans) to be aligned with the Handbook. Genesis has in place a quantified, ambitious and achievable plan to transition to a low carbon future that has been benchmarked to a 1.5 degree future.

**for DNV Business Assurance Australia Pty Ltd**

Sydney, Australia / 26 October 2021



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Mark Robinson  
**Lead Assessor**



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David McCann  
**Technical Reviewer**

## Schedule 1. Description of Categories to be financed or refinanced through GENESIS' Sustainable Finance Framework

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Renewable Energy	<p>Expenditure, financing or refinancing related to the construction, transmission, maintenance, operation and/or expansion of renewable energy generation projects. Renewable Energy includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• Solar energy</li> <li>• Wind energy (onshore and offshore)</li> <li>• Hydro energy (Run of river or small-scale hydropower schemes (&lt;15MW capacity); or Schemes with power density of greater than 5W/m<sup>2</sup>; or schemes in natural lakes that do not significantly alter an ecosystem.)</li> <li>• Geothermal energy for electricity generation (limited to direct emissions of &lt;100g CO<sub>2</sub>e/kWh)</li> </ul> <p>Eligible Assets may include the purchase of renewable energy pursuant to long-term power purchase agreements or virtual power purchase agreements entered into prior to the commencement of commercial operation of the renewable project. This contributes to Genesis' objective of sourcing new renewable energy generation.</p>	<ul style="list-style-type: none"> <li>• Solar Power is deemed by DNV to be renewable energy and eligible as a green use of proceeds.</li> <li>• Wind Power: Wind Power is deemed by DNV to be renewable energy and eligible as a green use of proceeds.</li> <li>• Hydropower <ul style="list-style-type: none"> <li>- The activity complies with: <ul style="list-style-type: none"> <li>✓ the electricity generation facility is a run-of-river or natural lake based plant that does not have an artificial reservoir; or</li> <li>✓ the power density of the electricity generation facility is above 5 W/m<sup>2</sup>;</li> </ul> </li> </ul> </li> <li>• Geothermal <ul style="list-style-type: none"> <li>- According to the Climate Bonds Taxonomy, the threshold of direct emissions less than 100gCO<sub>2</sub>/kWh should be applied for geothermal energy for electricity generation.</li> </ul> </li> <li>• DNV considers that the criteria of eligible projects are consistent with the aim of mitigating the effects of climate change and delivering genuine environmental benefits.</li> <li>• DNV verified the list of nominated projects and assets and confirmed that the Wind and Hydro projects met the stated criteria.</li> </ul>
Clean Transportation	<p>Expenditure, financing or refinancing of low carbon transportation assets, systems and/or infrastructure including:</p> <ul style="list-style-type: none"> <li>• Electric vehicles and supporting infrastructure and systems;</li> <li>• Investments, technology or infrastructure that allows for</li> </ul>	<ul style="list-style-type: none"> <li>• Transport is the second largest contributor to global GHG emissions after electricity generation. It is responsible for 23% of all energy-related CO<sub>2</sub> emissions globally and 14% of total GHG emissions. Road transportation for passengers and freight remains the primary source of emissions in the sector, responsible for 73% of CO<sub>2</sub> emissions from all transport<sup>2</sup>.</li> <li>• DNV considers that the criteria of eligible projects are consistent with the aim of</li> </ul>

<sup>2</sup> [https://www.climatebonds.net/files/files/CBI\\_Background%20Doc\\_Transport\\_Jan2020%20.pdf](https://www.climatebonds.net/files/files/CBI_Background%20Doc_Transport_Jan2020%20.pdf)

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
	<p>electric vehicle sharing programs; and</p> <ul style="list-style-type: none"> <li>Hybrid vehicles that meet an emissions intensity threshold of 50 gCO<sub>2</sub> per passenger-km travelled.</li> </ul>	<p>mitigating the effects of climate change and delivering genuine Green benefits.</p>
Energy Efficiency	<p>Expenditure, financing or refinancing of assets, activities or projects that contribute to a reduction in energy consumption. Eligible types of energy efficiency include but is not limited to:</p> <ul style="list-style-type: none"> <li>Energy storage (including batteries); and</li> <li>Energy efficiency processes, appliances, products, and technology (including in apps).</li> </ul>	<ul style="list-style-type: none"> <li>Battery facilities: Assessed as aligning with the GBP Use of Proceeds categories.</li> <li>Energy Storage Facilities: The relevant criterion in the footnote matches that of the Climate Bonds Taxonomy.</li> <li>DNV considers that the criteria of eligible projects are consistent with the aim of mitigating the effects of climate change and delivering genuine environmental benefits.</li> </ul>
Green Buildings	<p>Expenditure, financing or refinancing related to the development, operation or lease of low carbon and energy efficient buildings that at least meet regional, national, or internationally recognised standards or certifications.</p> <p>This includes buildings with a Green Star (Design and/or As-Built) rating of at least 5-Stars and/or a NABERSNZ rating of at least 4-Stars.</p>	<ul style="list-style-type: none"> <li>DNV considers that the stated benchmark for Green Buildings to deliver genuine contribution to the mitigation of climate change and to deliver genuine environmental benefits through energy efficiency in the built environment.</li> </ul>



## Schedule 2. Genesis Nominated Projects and Instruments

Genesis Use of Proceeds Report, as at 11 October 2021.

Asset Name	Renewable Energy - Generation Type	Location - New Zealand	Year Commissioned	Capacity (MW)	Run of River or Natural Lake based (Y/N)	Power Density	Asset Value (NZD \$m), 30 June 2021
Hau Nui	Wind	South Wairarapa	1996	8.65	NA		5.7
Rangipo	Hydroelectricity	Tongariro	1983	120	No	62.1W/m <sup>2</sup>	1,363.9
Tokaanu	Hydroelectricity	Tongariro	1973	240	No	62.1W/m <sup>2</sup>	
Mangaio	Hydroelectricity	Tongariro	1983	1.8	Run of River	NA	
Tuai	Hydroelectricity	Waikaremoana	1929	60	Natural Lake	NA	486.2
Piripaua	Hydroelectricity	Waikaremoana	1943	42	Natural Lake	NA	
Kaitawa	Hydroelectricity	Waikaremoana	1948	36	Natural Lake	NA	
Tekapo A	Hydroelectricity	Mackenzie District	1951	30	Natural Lake	NA	994
Tekapo B	Hydroelectricity	Mackenzie District	1977	160	Natural Lake	NA	
<b>Total</b>				<b>698.45</b>			<b>2,849.8</b>

### Earmarked Instruments

Green Bond (NZX ticker)	Green Bond (NZD \$m)	Date of Issuance	Maturity Date
GNE030	\$100	Mar-16	Mar-22

### Genesis Project Holding Comparison

Total Value Eligible Assets (\$m)	\$2,850
Green Bond (\$m)	\$100
Surplus Eligible Assets (\$m)	\$2,750

### Schedule 3. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
Renewable Energy	<p><b>SDG 7 Affordable and Clean Energy</b></p> <ul style="list-style-type: none"> <li>• 7.2 Increase substantially the share of renewable energy in the global energy mix.</li> </ul> <p><b>SDG 13 Climate Action</b></p> <ul style="list-style-type: none"> <li>• 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</li> </ul>	<p>DNV is of the opinion that eligible categories outlined in the Framework contribute to the achievement of the UN SDGs. DNV notes that these SDGs are aligned with the contributions to a Just Transition as set out in the Climate Transition Finance Handbook 2020 guidance.</p>
Clean Transportation	<p><b>SDG 11 Sustainable Cities and Communities</b></p> <ul style="list-style-type: none"> <li>• 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</li> </ul>	
Energy Efficiency	<p><b>SDG 7 Affordable and Clean Energy</b></p> <ul style="list-style-type: none"> <li>• 7.3 By 2030, double the global rate of improvement in energy efficiency</li> </ul>	
Green Buildings	<p><b>SDG 7 Affordable and Clean Energy</b></p> <ul style="list-style-type: none"> <li>• 7.3 By 2030, double the global rate of improvement in energy efficiency</li> </ul>	

## Schedule 4. Green Bond Eligibility Assessment Protocol

### 1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of bond / loan	<p>The Bond must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> <li>Green Use of Proceeds Bond</li> <li>Green Use of Proceeds Revenue Bond</li> <li>Green Project Bond</li> <li>Green Securitized Bond</li> </ul>	<p>The GENESIS' Sustainable Finance Framework clearly describes the instruments fall in green bonds or loans, and other forms of debt financing. GENESIS also clarifies that the Framework has been developed based on the most up-to-date principles.</p> <p><b>From the Framework</b></p> <p><i>This Framework is consistent with the applicable sustainable finance principles and guidelines issued by the International Capital Market Association (ICMA), the Loan Market Association (LMA), the Asia-Pacific Loan Market Association (APLMA) and the Climate Bonds Standard &amp; Certification Scheme (CBS), where applicable (together the 'Market Standards'). The Market Standards are voluntary and accepted as best practice for issuance and management of Sustainable Debt in the global capital markets.</i></p>
1b	Green Project Categories	<p>The cornerstones of Green Bonds and Loans are the utilization of the proceeds of the bond and the loan which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project categories presented by GENESIS are as follows:</p> <p><b>Green Categories</b></p> <ul style="list-style-type: none"> <li>Renewable Energy</li> <li>Clean Transportation</li> <li>Energy Efficiency</li> <li>Green Buildings</li> </ul>
1c	Environmental benefits	<p>All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>DNV considers it is well described in the section by selecting environmentally beneficial projects, which are closely aligned with the Green Bond Principles, Climate Bond Initiative, EU Taxonomy or any other relevant international standards, reinforced later by quantitative indicators in the Impact Reporting.</p>
1d	Refinancing Share	<p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or</p>	<p>The Bond issued March 2016 is to be notionally allocated to the nominated projects and assets for retrospective refinancing. The effect is a 100% refinancing share.</p> <p>DNV notes that the current value of the Green project pool at the time of SPO was NZDm 2,849.8. The retrospectively earmarked Bond Issuance from March 2016 was a NZDm 100</p>

Ref.	Criteria	Requirements	DNV Findings
		project portfolios may be refinanced.	issuance. DNV confirms a significant surplus of eligible projects and assets.

## 2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Green Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond Principles and Green Loan Principles;</li> <li>The criteria making the projects eligible for using the Green Bond and Loan proceeds; and</li> <li>The environmental sustainability objectives, and/or the social objectives</li> </ul>	<p>The Framework states that GENESIS will have a dedicated Sustainable Financing Committee (“Committee”) to ensure that eligible projects and assets are reviewed and selected in accordance with the project category and exclusion list presented in the Framework.</p> <p><b>From the Framework</b></p> <p><i>The Committee will manage the Eligible Asset selection process and will consider each proposed project against the following factors:</i></p> <ul style="list-style-type: none"> <li><i>Conformance with the GBP or GLP (as applicable);</i></li> <li><i>Conformance with the Eligibility Criteria set out in section 4.1;</i></li> <li><i>Alignment with Genesis’ Sustainability Goals outlined in Section 3;</i></li> <li><i>Alignment to the SDGs;</i></li> <li><i>Genesis’ own professional judgement, discretion and sustainability knowledge; and where Genesis chooses, conformance with any other principles, standards or tools that are or become both commonplace and respected in the market; and</i></li> <li><i>If certified under the CBS, compliance with the applicable CBS Sector Criteria.</i></li> </ul>
2b	Issuer/borrower’s environmental and social and governance framework	<p>In addition to information disclosed by an issuer on its Green Bond/Loan process, criteria and assurances, Green Bond and Loan investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental and/or social sustainability.</p>	<p>GENESIS has set out a comprehensive summary of the broader sustainability position, outlook and strategy of the organisation covering environmental stewardship, Community Support, Stakeholder Care and Support for a Just Transition.</p> <p><b>From the Framework</b></p> <p><i>Through an understanding of the impact on people and the environment, Genesis incorporates social, economic, and environmental risks and benefits</i></p>

Ref.	Criteria	Requirements	DNV Findings
			<p>into business decision-making (<b>Sustainability Strategy</b>). Since implementation, significant progress has been made in the areas that matter the most to and have the greatest impact on our stakeholders (<b>Material Issues</b>):</p> <p><b>Caring for our environment</b></p> <ul style="list-style-type: none"> <li>Emissions reductions.</li> <li>Water and Wildlife.</li> </ul> <p><b>Building Strong Communities</b></p> <ul style="list-style-type: none"> <li>Our Communities – focus on education</li> <li>Our People – focus on fair pay, equality, diversity and health and safety</li> </ul> <p><b>Powering New Zealand</b></p> <ul style="list-style-type: none"> <li>Putting control in our customers hands.</li> <li>Delivering New Zealand's energy future.</li> </ul> <p><b>Ngā Ara Creating Pathways Programme</b></p> <ul style="list-style-type: none"> <li>Inspiring young people to become the energy innovators of the future.</li> <li>Pathway opportunities</li> </ul> <p><b>Supporting a 'Just Transition'</b></p>

### 3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	The net proceeds of Green Bond should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green Projects.	<p>The evidence reviewed shows how GENESIS plans to trace the Bond proceeds, in accordance with the evaluation and selection process presented.</p> <p><b>From the Framework</b></p> <p><i>Genesis commits to tracking the receipt and allocation of net proceeds from the Green Bonds and/or Loans and maintain a register of Eligible Assets, including the notional allocation of net proceeds against total Eligible Assets. This will ensure that Eligible Assets are appropriately identified and included in monitoring reports provided to the Committee at a minimum on an annual basis.</i></p>

Ref.	Criteria	Requirements	DNV Findings
3b	Tracking procedure	So long as the Green Bond/Loan is outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	GENESIS commits to monitor the allocation of net proceeds and track the net proceeds through its internal financial reporting system.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>Immediately after the Bond (GNE030) is reclassified as a Green Bond, GENESIS will notionally allocate all proceeds to eligible projects or assets, or at a minimum within 24 months. Any unallocated proceeds can be used as cash or cash equivalents, as low GHG intensive investments or used to repay existing borrowings under general credit facilities of GENESIS.</p> <p><b>From the Framework</b></p> <p><i>In the unlikely event that the net proceeds from the Green Bonds and/or Loans are unallocated, Genesis will ensure that any unallocated proceeds shall be temporarily:</i></p> <ul style="list-style-type: none"> <li>• <i>Held in cash or cash equivalent instruments with a Treasury function;</i></li> <li>• <i>Held in investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy; or</i></li> <li>• <i>Applied to reduce indebtedness of a short term or revolving nature before being redrawn for investments or disbursements to Eligible Assets.</i></li> </ul>

#### 4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Bond proceeds have been allocated including - when	<p>The relevant information is appropriately described in the Framework as follows:</p> <p><b>From the Framework</b></p> <p><i>Genesis will also disclose annual Update Reports, which will be in line with the Market Standards, and at a minimum include the following information:</i></p> <ul style="list-style-type: none"> <li>• <b>Allocation Reporting:</b> <i>A list of the Eligible Assets being financed or</i></li> </ul>

Ref.	Criteria	Requirements	DNV Findings
		possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	<p><i>refinanced utilising the Green Bond and/or Loan, including a description of the Eligible Assets and the amounts disbursed or invested.</i></p> <ul style="list-style-type: none"> <li>• <b>Eligibility Reporting:</b> Confirmation that the Eligible Assets meet the relevant eligibility requirements including this Framework and including information on the characteristics and performance of the Eligible Assets.</li> <li>• <b>Impact Reporting:</b> Genesis will endeavour to provide qualitative and/or quantitative reporting of the environmental impacts resulting from the Eligible Assets, which may already be disclosed in Genesis' integrated reporting or other sustainability disclosures (e.g. annual renewable energy generation (GWh), capacity of renewable energy generation facilities (MW), emissions inventory reporting).</li> </ul> <p>In particular, by adding quantitative impact indicators in the Framework, GENESIS commits to disclose the expected environmental and sustainability impacts.</p>

## Schedule 5. Climate Transition Finance Handbook Eligibility Assessment Protocol

### Climate Transition Handbook Alignment

Ref	Criteria	Requirements	DNV Findings
1	Issuer's climate transition strategy and governance	The financing purpose should be for enabling an issuer's climate change strategy. A 'transition' label applied to a debt financing instrument should serve to communicate the implementation of an issuer's corporate strategy to transform the business model in a way which	Genesis has in place a Sustainable Finance Framework and a broader organisational sustainability strategy with various plans and initiatives to manage and enhance the organisation's environmental sustainability and related performance. This was reviewed and confirmed to include a quantified and science based assessment of what is required of the Genesis organisation to meet and exceed the equivalent Paris aligned targets for limiting warming to 1.5 degrees. This is captured within the Genesis Science Based Target and broader

Ref	Criteria	Requirements	DNV Findings
		effectively addresses climate-related risks and contributes to alignment with the goals of the Paris Agreement.	Sustainability strategy, which sets out the performance, initiatives and change required to realistically achieve the emissions reduction performance on an ongoing basis. DNV found that the proposed Framework and instruments were well aligned with Genesis' Sustainability strategy, which is benchmarked to a 1.5 degree performance transition. DNV found the transition plan to be credible, ambitious and achievable.
2	Business model environmental materiality	The planned climate transition trajectory should be relevant to the environmentally-material parts of the issuer's business model, taking into account potential future scenarios which may impact on current determinations concerning materiality.	DNV considered the primary operations associated with Genesis' business activities and their impact upon the natural environment and assessed Genesis' transition strategy in this context. Genesis' operations primarily result in impacts to the climate through production and consumption of energy and the associated scope 1 and 2 emissions within the organisation's operational boundary. Genesis' emission reduction plan is proposed and quantified in an absolute sense with a target set for ongoing scope 1 and 2 emissions to be met. DNV found that the climate transition focus of the Genesis business was central to its core operations delivering both environmental and social outcomes as well as supporting the commercial drivers of the business. The climate transition focus is relevant to Genesis' material environmental impacts and is considered to be qualitatively and quantitatively material in impact.
3	Transition is science-based including targets and pathway	Issuer's climate strategy should reference science-based targets and transition pathways. The planned transition trajectory should: <ul style="list-style-type: none"> <li>• be quantitatively measurable (based on a measurement methodology which is consistent over time);</li> <li>• be aligned with, benchmarked or otherwise referenced to recognized, science-based trajectories where such trajectories exist;</li> <li>• be publicly disclosed (ideally in mainstream financing filings), include interim milestones, and;</li> <li>• be supported by independent assurance or verification.</li> </ul>	Genesis has in place a science based, 1.5 degree aligned transition plan and trajectory that has been developed in conjunction with an external Energy consultancy. This plan has been quantified and planned with defined projects and initiatives to set out an achievable and realistic pathway to reducing emissions in an absolute sense and a plan to maintain absolute emissions to that defined level into the future. DNV confirmed that Genesis' transition strategy is quantified and built around a Science Based Target model, with specified pathways for the sustained reduction of emissions in an absolute sense. The demonstrated trajectory of emissions reduction meets the 1.5 degree benchmark.

Ref	Criteria	Requirements	DNV Findings
4	Implementation transparency	Market communication in connection with the offer of a financing instrument which has the aim of funding the issuer's climate transition strategy should also provide transparency to the extent practicable, of the underlying investment program including capital and operational expenditure.	DNV has considered the investment and deployment plans associated with Genesis' transition strategy including investments made to date and commitments for investment and expenditure into the future. DNV has also reviewed Genesis' Framework commitments to reporting associated with allocations and impacts and Genesis' broader Sustainability strategy and confirmed that a high degree of implementation transparency has been demonstrated and committed to by Genesis.



## About DNV

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

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