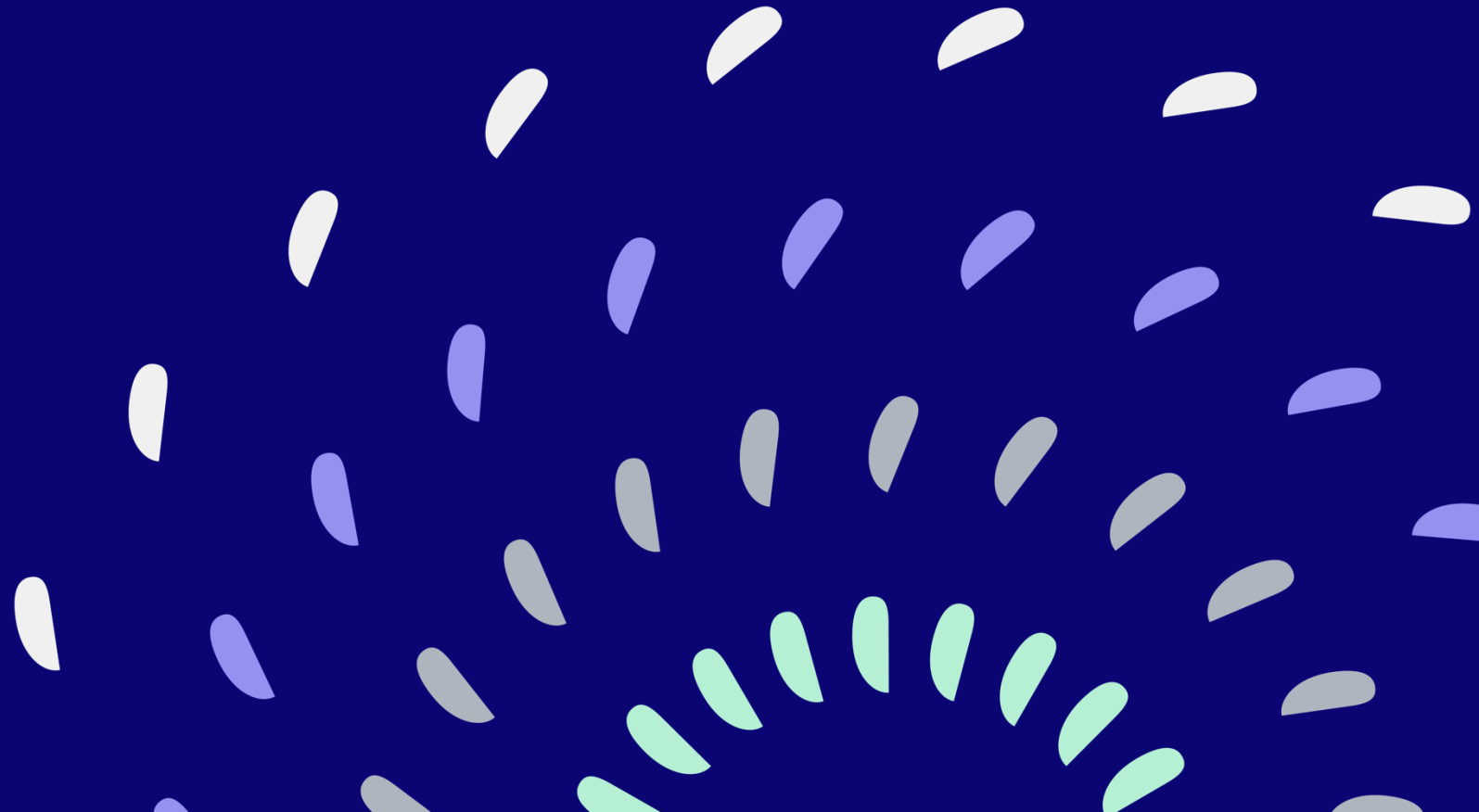
Sustainability report
Pūrongo toitū

2023



Contents | Ngā ihirangi

Message from the Board Chair

Nau mai haere mai – welcome

This report provides an overview of Clarus' (previously Firstgas Group) performance for the 2023 reporting period and details our progress towards assessing our climate-related risks and opportunities as well as our strategy for transitioning towards a sustainable future.

Although reporting for Clarus is voluntary under Aotearoa New Zealand's current legislative requirements, we believe it's important to show our stakeholders what we are doing to support the transition to a low-emission, climate-resilient future.

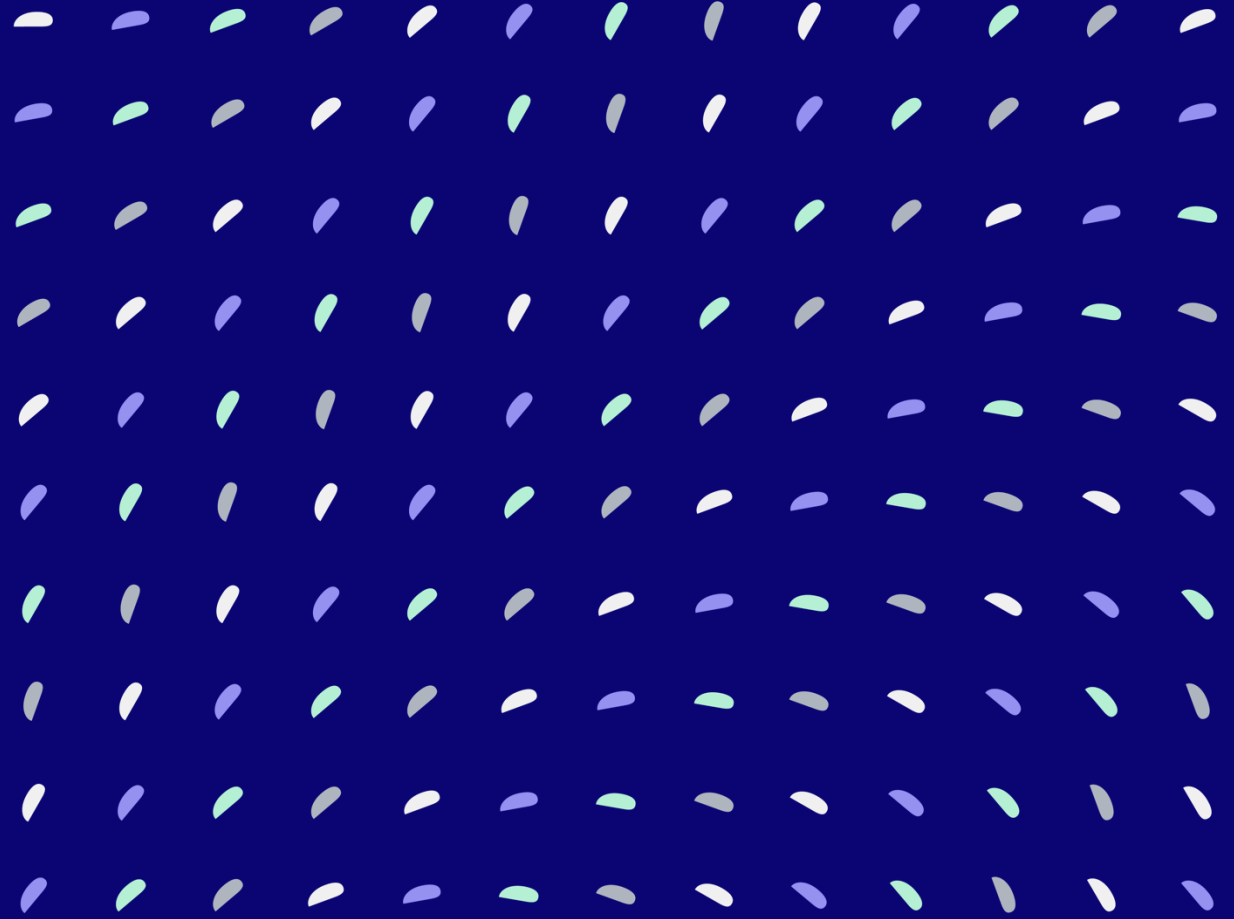
This report details the progress we are making across Environmental, Social and Governance (ESG) sustainability matters.

This report integrates aspects of the Task Force on Climate-Related Financial Disclosures (TCFD) reporting framework and the External Reporting Board's (XRB) Aotearoa New Zealand Climate Standards (Climate Related Disclosures). While this report is not (nor is it required to be) prepared in accordance with those standards, Clarus is embarking on its ESG reporting journey with enthusiasm, transparency, and integrity. We are aiming for our voluntary reporting to mature over the coming years.

How we care for our organisation's future is closely intertwined with how we care for our people and our communities. By reporting in this way, we aim to record and measure our progress to ensure that we are moving in the right direction.

Nāku noa
Mark Ratcliffe

About us
Mō mātou



Clarus

Energy is what we do, but it's people we do it for. Without energy, life as we know it would grind to a halt. We take this responsibility seriously, seeking to ensure that we play our part in safely, reliably, and affordably delivering on the country's energy needs. We're proud of the important role we play in peoples' lives.

We are energy experts, using our collective knowledge and experience to engage in conversations about the future of our industry – Aotearoa New Zealand's future. We have a team of technical experts in their fields such as; pipeline and electrical engineering, field technicians and commercial operations. Senior leaders from Clarus also represent the energy industry through industry associations like Electricity Networks Aotearoa, GasNZ, and Ara Ake.

While the majority of our existing assets and investments remain in the traditional natural gas sector, we are also looking to the future. We aim to play our part in Aotearoa New Zealand's decarbonisation by actively researching, innovating, and investing in future fuels not only for the good of the country, but for our business, customers and employees too.

Who are we | Ko wai mātou

Clarus is one of New Zealand's largest energy groups. Whether it's transmission, distribution, supply or storage of energy, the companies within the Clarus group service over half a million homes and businesses of all sizes around Aotearoa New Zealand.

Firstgas connects over 300,000 homes and businesses with natural gas through its gas distribution and high-pressure transmission network. This essential infrastructure supports Aotearoa New Zealand's economy, so the group is committed to helping customers maximise value from it.

Flexgas provides gas storage services at the underground Ahuroa Gas Storage Facility. This sort of storage can offer an important source of flexibility to the electricity system at periods of peak demand, supporting security of electricity supply as Aotearoa New Zealand moves to higher levels of intermittent wind and solar generation.

Rockgas is Aotearoa New Zealand's largest LPG retail supplier, providing fast and reliable service through a national network of branches and franchises.

Firstlight Network is the lines company supplying electricity to the Tairāwhiti and Wairoa region, responsible for keeping the lights on across 12,000 square kilometres of the East Coast.

We are investing in innovative renewable gas technologies such as biogas upgrading and hydrogen blending equipment. These technologies have the potential to play a part in the transition to a lower emissions energy system.

At Clarus, our First Renewables business is leading our work programme looking at the potential for renewable gas developments. We aim to open the door for Aotearoa New Zealand homes, businesses and energy-intensive industries to access lower emissions gas energy options in the future. Refer to page 37 Strategy and Business Transition for further information.

Clarus

Firstgas
rockgas
Flexgas
Firstlightnetwork
FirstRenewables

Our Mission, Vision and Values | Tō mātou Whāinga Matua, Whakaaranga me ngā Uara

Mission
Whāinga Matua

To safely and reliably deliver energy that's affordable and acceptable to Aotearoa New Zealand families and businesses.

Vision
Whakaaranga

To lead the delivery of Aotearoa New Zealand's energy in a changing world.

Values
Ngā Uara

At Clarus we aim to create a working environment that supports TIGER values:

Together, Integrity, Grow, Empower, Respect.

Clarus

Good energy @work

He wairua pai i te mahi

Keep your

good energy @ work

roaring with our

TIGER values

TOGETHER • KIA PIRI

T

Together • Kia piri

We have fun
We are one team
We care about each other

INTEGRITY • KIA PONO

I

Integrity • Kia pono

In our actions
With our words
In our safety

GROW • KIA TUPU

G

Grow • Kia tupu

The company
Ourselves
Our team

EMPOWER • KIA MANAAKI

E

Empower • Kia manaaki

Each other
Realise goals
Challenge the norm
Chase opportunities
Treat it like you own it

RESPECT • KO TE AROHA

R

Respect • Ko te aroha

The assets
The environment
Our people
Our customers
and the TIGER

2023 highlights
Ngā miramiratanga

2023 highlights | Ngā miramiratanga

TOITŪ ENVIROCARE

FY22 Carbon Emissions verified by Toitu Envirocare.

Clarus employees engaged with Māori cultural awareness programmes.

First pilot for hydrogen blending in our gas distribution network planned for 2024. This pilot is subject to us obtaining the necessary regulatory and industry participant approvals and is anticipated to see us blend up to ~10% by volume of hydrogen with natural gas, which equates to an ~3% reduction in emissions compared to the same quantity of natural gas burned.

Deployed a second SELMA (Street Evaluating Laser Methane Assessment) vehicle as part of our future emissions reduction programme.

300+ e-waste items repurposed with NGOs or recycled.

Commissioned ZEVACs (Zero Emissions Vacuum Compressors) for our distribution network to reduce venting of natural gas to atmosphere.

254 employee skin checks.

Firstlightnetwork

Acquired Firstlight Network as part of our focus on infrastructure that supports renewable electricity development.

~30% staff attended wellbeing seminars.

Working with Ecogas to progress biogas upgrading plant at Reporoa. Estimated this could enable Ecogas to supply enough renewable gas (biomethane) that would meet the gas demand of up to 7,200 homes* when the plant is operating at full capacity (expected in 2024).

Finalist for the Wellbeing Award at the NZ Energy Awards for our inclusion programme (Building Belonging).

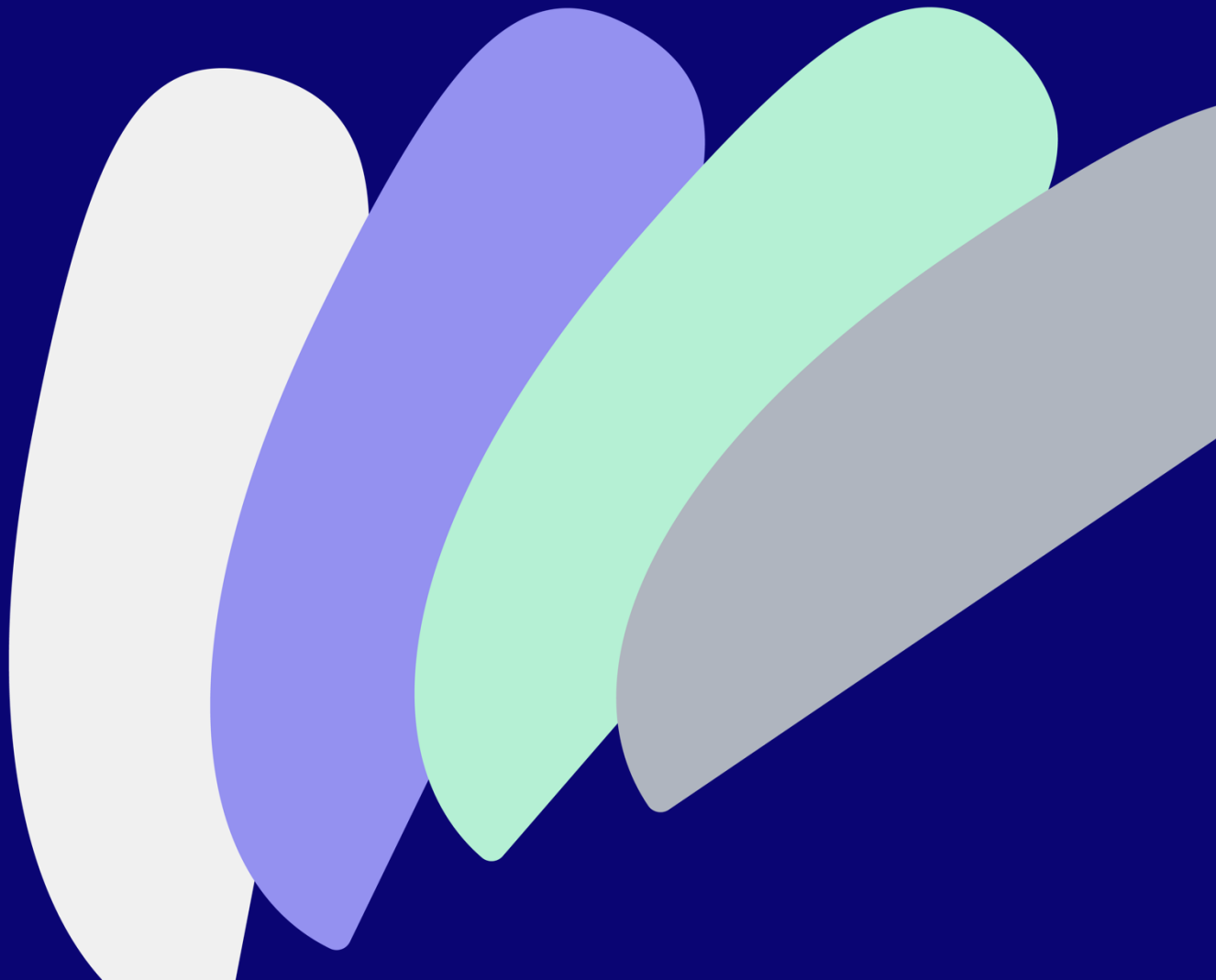
Progress on closing our gender pay gap, which now sits at **9.3%**

Extended parental leave benefits to include up to 26 weeks full paid parental leave, unlimited sick leave for the first 6 months of returning to work.

New greenhouse gas emissions reporting tool 'ESP CSR' implemented which covers all Clarus-wide. ISO 14064 -1: 2018 Categories 1-6 GHG emissions (Scope 1-3 emissions).

*The equivalent gas used by 7,200 homes at an average residential gas demand of 22GJ p.a. = 160TJ p.a. (estimated annual biomethane injected at Broadlands).

Governance
Mana whakahaere



Governance | Mana Whakahaere

Effective governance and risk management are central to the growth and success of Clarus.

We are committed to developing a culture that provides greater certainty for all our stakeholders by understanding and responsibly managing the risks and opportunities our business faces. Our governance framework is designed to ensure transparency, accountability, and responsible decision making in our commitment to environmental, social and governance principles.

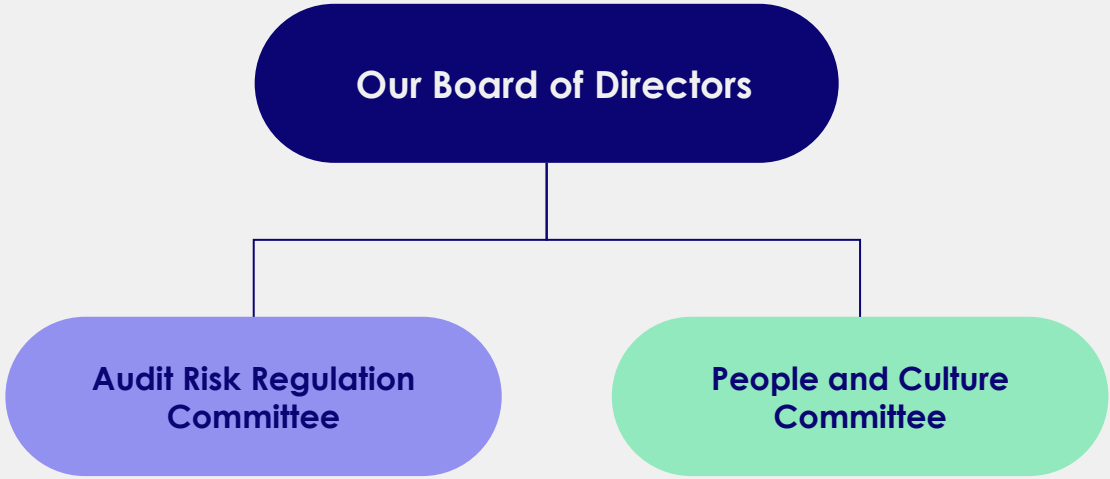
Our Board of Directors

Our board prioritises a diversity of expertise and experience and has oversight responsibility across business and risk strategy, organisation, financial soundness, and regulatory compliance. Our business and risk strategy includes the management of climate-related risks and opportunities.

Our directors are actively engaged in applying new lessons learned to inform decision making, helping us to continue to effectively address our ongoing sustainability challenges and opportunities.

The board manages their oversight and compliance responsibilities through our People and Culture Committee and our Audit, Risk and Regulatory Committee (ARRC).

Details about the Board of Directors and Executive Management Team can be found at clarus.co.nz/about-us/people



The Audit Risk Regulation Committee

The Audit Risk Regulation Committee (ARRC) advises on the relevant policies and information required by the board for effective governance and climate-related risk oversight. They are across governance activities at various levels within the organisation and support management in their efforts to enhance programme efficiency and effectiveness.

People and Culture Committee

The People and Culture Committee reviews how we care for and engage our people and considers how our key programmes and initiatives are progressing. The committee also ensures that our people and culture strategies align with our broader commitment to sustainable and ethical business practices. They provide checks and balances, oversight, and monitoring of reporting, such as reviewing performance, remuneration, and recommendations made by the Executive Management Team.

Social
Ā-pāpori

Caring for our people | Te tiaki i ā mātou tāngata

Got Your Back

Got Your Back is our award-winning wellness programme aimed at providing every Clarus employee with holistic wellbeing support.

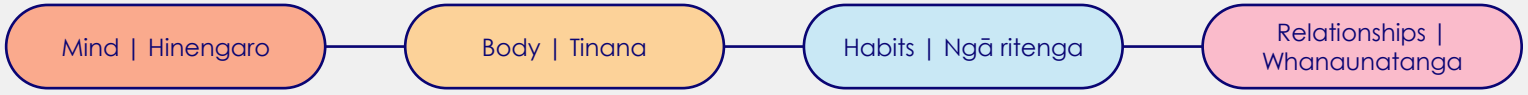
The programme is constantly evolving to meet the needs of our increasingly diverse and engaged workforce. It provides information, tools, training, seminars, live sessions, and support based on the four pillars of wellness.

Benefits include confidential counselling services and wellbeing events, tools and other supports, such as healthy eating guides, and financial advice. Each Clarus employee can apply for a $350 grant each year, which they are able to spend on anything that supports their whole self-wellbeing – whether that's a gym membership, a new pair of running shoes, a retirement coach, a financial advisor, or a nutritionist. Also included is a yearly medical check and funding for private medical checks, which have helped boost wellness across the business. Skin checks have also been successful in early detection of skin cancer in several employees.

Each Clarus employee also receives 2 Got Your Back days per year to use for their own wellbeing, which may include community volunteering.

We regularly review and adjust the benefits to support better holistic health for every person working at Clarus and last year we extended the Got Your Back programme to make many of the resources available to Clarus whānau and friends as well.

We also extended our parental leave benefits to include up to 26 weeks full paid parental leave, increased KiwiSaver contribution and unlimited sick leave for the first 6 months returning to work.



A place for everyone

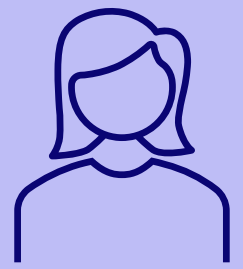
Building Belonging

Our Building Belonging programme is aimed at ensuring that our workplace is welcoming and inclusive for everyone – regardless of background, experiences, ethnicity, race, religion, gender or sexual orientation. Building Belonging is about prioritising inclusivity within the Clarus team in order to grow our collective understanding of different perspectives and support all our people. This is an evolving programme that helps our company encourage diversity of thought and become a better place to work.

As a part of the programme, we are also in the process of increasing our cultural competence by lifting awareness of key events in Aotearoa New Zealand's history and growing our understanding and use of te reo Māori through workshops and integration into our written text.

Closing the gender gap

We are actively working to close the gender gap at Clarus to ensure there is a more balanced gender representation within the business. Currently our gender ratio is 30% female to 70% male and of the people hired to date in 2023, 37.9% were women. Our gender pay gap is trending downward, currently at 9.3% (compared with **10%** in 2022), and continues to be an area of focus for reduction.



37.9%

of new hires in 2023 are women.

Health and safety | Hauora me te Haumaru

Clarus' Health and Safety programme is based on the foundation of our First Principles, which outline our approach to achieving a safe and healthy workplace. We recognise that much of what we do is complex and cannot be simplified down to a set of rules to comply with. Instead, we encourage everyone to consider health and safety every day, in everything they do.

We have strong central systems that help us identify and monitor risks, provide guidance on best practice, and give us assurance across the organisation. But we also know that to really make health and safety live, we must embed our safety principles throughout the organisation. Process safety and individual safety work together to ensure our people go home safely every day.

First principles | Ngā mātāpono tuatahi

Health and Safety values

Respect the risk

We respect the risks of the work we do and commit to managing high risks with care and thoroughness. We keep the risk discussion alive – always vigilant. We stop if we're not sure.

Understand the work

We take time to understand the reality of how work is done. We understand that people are not perfect – we take ownership of our work and our mistakes and respond fairly to others.

Harness knowledge

We trust in the expertise of our successful work.

We move decisions to where the expertise lies.

Listen, learn, improve

We look for improvement opportunities and take ownership to make them happen. We are comfortable speaking up and do not judge issues raised by others.

Work together

We value the skills and experiences of different teams and work together to embed HSEQ into successful work.

Critical risk management | Whakahaere tūraru waiwai

Design for safety

Incorporate rigorous review of designs and processes to minimise risks and improve operation.

Isolate energy

Isolate sources of energy and double-check before work.

Control ignition

Manage ignition sources in hazardous areas. Use well-maintained, certified equipment.

Manage change

In the event of change, stop and reassess hazards and controls and communicate findings.

Drive safely

Manage driver fatigue. Use robust vehicles appropriate for the activity.

Ensure wellbeing

Maintain a supportive working environment, with care for each other.

What our people say

Using metrics from our continuous employee listening survey, we found:

8.8/10	8.8/10	8.9/10	9.3/10	8.9/10
"I feel I have a place here at Clarus"	"I know where to get support when I need it"	"Someone at work cares about my wellbeing"	"I feel safe at work"	"I am treated with respect at work"

In addition to this, other categories have also been positively impacted:

8.5/10	8.4/10	8.1/10	8.5/10
For health and safety	For culture and environment	For engagement	For fairness and inclusion

Our aim is to ensure operational availability, protect our information, and keep our people safe.

Information systems and cyber risk

Clarus' position on cybersecurity assumes a hostile operating environment that is constantly changing, becoming more challenging and increasingly complex.

Our information security strategy is based on four principles of **resilience, value, continuous,** and **integrated**. These principles help establish robust, enduring, and fit-for-purpose information security capabilities. Clarus Information Security is aligned with the National Institute of Standards and Technology (NIST) cybersecurity framework, and balances risk, compliance, and strategy.

We maintain an up-to-date cybersecurity programme by focusing on the iterative development, extension, and implementation of our existing cybersecurity qualities, with an eye towards both our Operating Technology and Enterprise ICT environments. These programmes of work are informed by four key factors:

(i) An ongoing internal assessment programme of risk and capability

(ii) Periodic (currently annual) external vulnerability assessments of risks and capabilities

(iii) Formal architectural and design assessments of new services and capabilities

(iv) Collaboration with vendors and suppliers, industry forums, and government agencies

Caring for our communities

Te tiaki i ō mātou hapori

Caring for our communities | Te tiaki i ō mātou hapori

Clarus' activities touch many communities across Aotearoa New Zealand. We are always looking for ways to support local people, places and events – often through our Partnership Programme of community initiatives.

Our focus on safety awareness makes it important to communicate regularly with our communities through our land and planning operational teams. Both stakeholders and our teams in the field take time to check in with the community, and our regular survey programme across stakeholder groups provides direct feedback. Our activities can impact communities where infrastructure is located, so we work closely with them, aiming to prevent or minimise negative effects and make sure we're building strong relationships.

Caring for our communities | Te tiaki i ō mātou hapori

Our Community Sponsorship Fund

The Clarus Community Sponsorship Fund supports worthy causes in education, environment, sports, and community enrichment. The fund helps us put many of our organisational values into action, providing flexible funding we can allocate to support both small local projects and longer-term initiatives to benefit the wider community. In FY23, we sponsored 14 local events, initiatives and individuals representing their region.

Ethical supply chains

Clarus has long-standing contracts for labour and technical resources. We attempt to procure materials and items from ethical suppliers with similar values and policies. Our policies provide proportional supplier qualification processes taking onto account financial thresholds.

We are also taking steps to ensure that our position is clearly articulated through improvements in our procurement and modern slavery policies and assurance practices that we aim to have in place in 2024.

Stakeholder engagement

We engage with local iwi and communities as an essential part of working with tangata whenua and landowners around our business. Our engagement efforts and contribution to community projects associated with pipeline work continue to receive positive feedback from our stakeholders. We recognise our relationship is long term and we are committed to keep building and growing this connection.

2023 Hikoi with Ngati Tama Iwi, Parininihi, Taranaki.

CARING FOR OUR COMMUNITIES

Pukearuhe | Marae visit

In May 2023, Clarus had the privilege of accepting an invitation from Ngāti Tama to visit Pukearuhe Marae in Taranaki. Ngāti Tama are one of the eight iwi of Taranaki and are the kaitiaki of the whenua between Wai-iti and the Mokau river.

We were formally welcomed onto the marae with a pōwhiri from Ngāti Tama, with members of our team leading the karanga onto the marae. We then shared greetings, waiata, and kai before hearing stories about the partnership journey Clarus and Ngāti Tama have been on.

A highlight was the preview of a short documentary which tells the history of Ngāti Tama and our ongoing relationship with them. We were also honoured to see an artist's impression of what Ngāti Tama's ancestral pā would've looked like pre-colonisation. The videos and artistry were displayed publicly in the Mokau museum.

For many Clarus employees, this was their first time visiting a marae. For others, it was a long overdue homecoming to their tūrangawaewae after growing up and working on the surrounding whenua for years. We were all humbled by the warm welcome we were given and the manaakitanga on display.

CARING FOR OUR COMMUNITIES

Energy Excellence Award finalists

We were thrilled to be announced as a finalist in the Wellbeing category at the NZ Energy Excellence Awards 2023 for our Diversity and Inclusion programme – Building Belonging.

At Clarus, we want everyone to feel like there is a place for them. Our Building Belonging programme recognises the benefits of our differences and celebrates the new and better ways of doing things that diversity brings.

After our Got Your Back programme won Best Wellness Programme at last year's NZ Human Resources Awards, we're proud to see our Building Belonging programme also receive recognition as we have worked so hard to make it a cornerstone of our culture. The concept of belonging is already woven into all our values, and Building Belonging brings that to life by actively celebrating our diversity of upbringing, influences, and experiences.

CARING FOR OUR COMMUNITIES

Clarus volunteer trappers

Our internal volunteer trapper group have two non-public traplines on Taranaki Maunga as part of the Taranaki Kiwi Trust pest control programme with the Department of Conservation (DOC).

Every month, several employees make the trek up the slopes to clear these traps and provide maintenance when necessary. There are roughly 75 traps across both lines, with each of them needing to be set and baited regularly. Recent weather events have sometimes changed the trapline or presented navigational challenges, and the climbs are not for the light-hearted; but it's great fun and very rewarding. Normally, the team traps between 2 to 14 rats per run on each line, with the occasional stoat.

CARING FOR OUR COMMUNITIES

Sustainability challenge

To create meaningful and long-lasting engagement with staff, we wanted them to start thinking about sustainability outside of work. To help bridge this gap we decided to enlist the help of their tamaraki, whose unique perspective on the impacts of the climate crisis put them in the driver's seat when it comes to imagining and implementing tangible change.

This thinking led to the creation of our 2023 school holiday sustainability challenge. We provided four categories to enter, each aimed at encouraging our children to think outside the box to make a difference to their whānau's carbon footprint. As well as providing a sugar and screen free form of entertainment during what is often a chaotic time of year, it also empowered them to take the adults in their family on a journey towards more sustainable living.

Along with some incredibly creative entries, the challenge resulted in our staff being more involved in their whānau's efforts to be sustainable, and more receptive to future engagement in our environment-focused programmes.

CARING FOR OUR COMMUNITIES

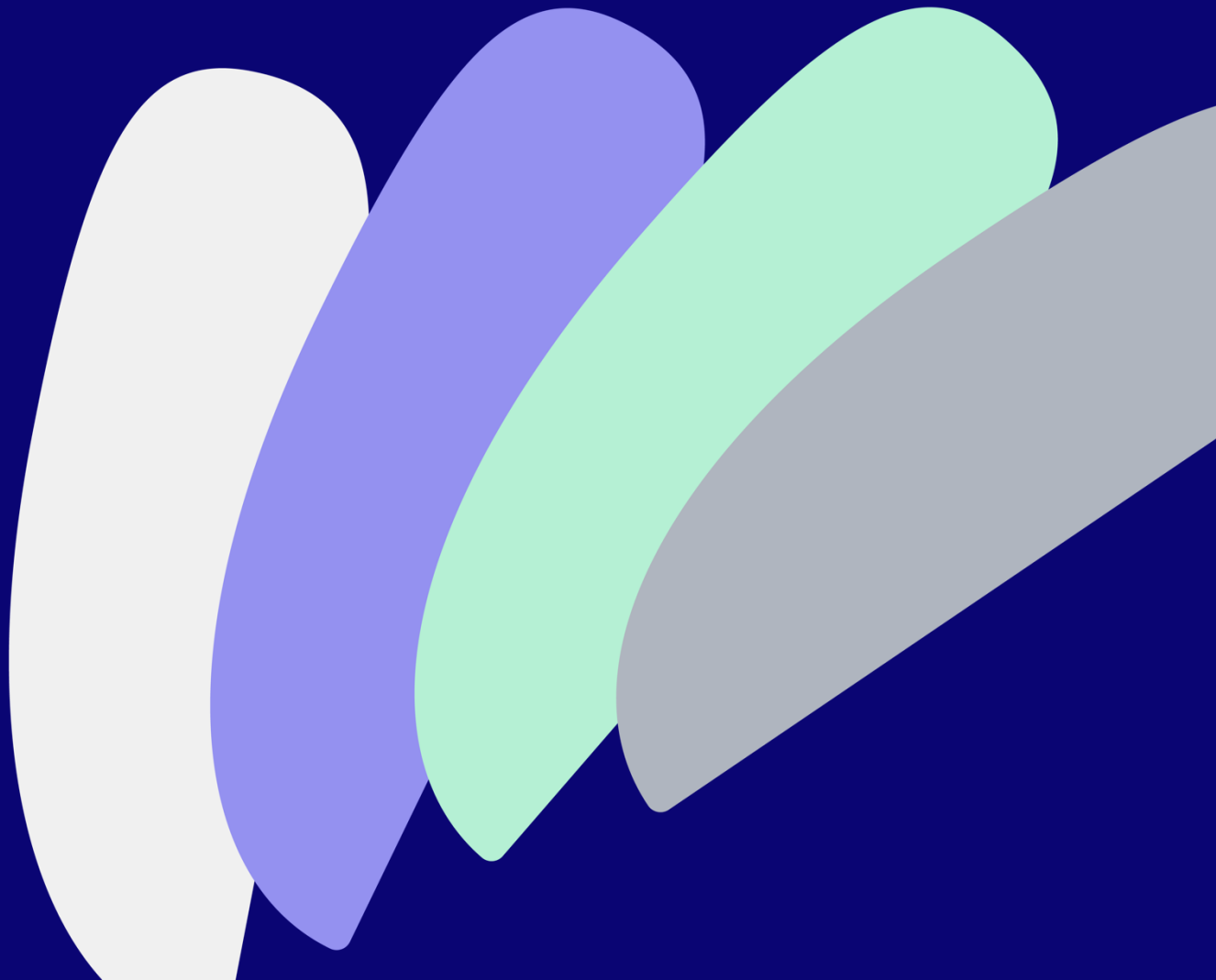
Christmas charity donation

Each year, our people vote on a community organisation to support with our annual Christmas charitable donation. Kindness Collective was this year's recipient, receiving $5,000 towards their Christmas Kindness initiative, which provided food and presents for groups such as Women's Refuge and Kōhanga Reo.

This year they supported more than 300 families in their MDM Women's Refuge community with presents for children, gifts for mums, and food boxes in December.

One family had this to say: "This is unbelievable that this is happening, I normally go to the op shop to buy my children's gifts. I could never afford gifts like these for all my children this is all their wishes come true! I can't wait to see their faces on Christmas morning thank you so much."

Environment
Te Taiao



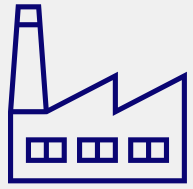
Caring for the environment | Te tiaki i te taiao

We aim to continuously improve our tiaki taiao through environmental programmes, investing in new technologies and research, and focusing on how Clarus could contribute to a more sustainable future.

Clarus' environmental vision is to see our operations generate positive, sustainable outcomes for future generations.

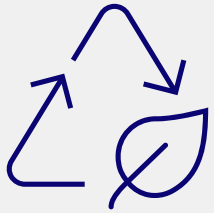
Our environmental programmes align with ISO 14001 Environmental Management Systems and industry best practice codes such as, the Australian Pipelines and Gas Association Code of Environmental Practice to ensure we effectively manage environmental risk across our business.

We aim to responsibly manage and protect the land and biodiversity surrounding our assets and regional operations through robust environmental management systems that identify environmental risks and compliance requirements. This helps us ensure appropriate resource consents are obtained, management plans are complied with and required controls are in place for identified environmental risks.



GHG emissions reduction

(Refer to pages 30-31)



Waste minimisation

(Refer to page 32)

Climate change risk and adaptation

(Refer to pages 44-47)

Employee and community engagement

(Refer pages to 14-27, 32, 36)

Our commitment to reducing emissions

At Clarus we assess our emissions in accordance with ISO 14064 -1: 2018 Green House Gases. Clarus has committed to reducing Category 1-4 (Scopes 1,2 and part of 3) GHG emissions by 30% by 2030 – as measured from our baseline year of 2019. This equates to a total reduction of approximately 30,000 tonnes of CO_2 emissions between 2019 and 2030.

Clarus is a member of the New Zealand Climate Leaders Coalition and is working towards meeting its commitments under the Coalition's 2022 Statement of Ambition.

Each year since 2019 we have measured our Category 1-6 (Scope 1-3) greenhouse gas emissions. That measurement allows us to better understand our emissions and what areas of our business have the biggest opportunities for reduction.

Clarus has now completed a fifth cycle of GHG emissions reporting for the business. In 2023 our FY23 emissions inventory was independently verified by Toitu Envirocare, in line with ISO14064-1:2018 Green House Gases. This level of audit provides assurance in our data management processes, modelling and reported data.

FY23 GHG emissions are currently unverified. Verification is scheduled with Toitu Envirocare for mid-2024. In the event of inaccuracies in the GHG data following verification, Clarus will reissue this report with corrected data and revised conclusions.

GHG emission summaries are presented on page 50.

As part of our improvement processes, we are currently implementing new emissions reporting processes and implementing a reporting system to enhance our reporting capabilities. This new software will enable us to gain valuable insights into our emissions and how we set up future reduction initiatives.

Comparison of GHG protocol scopes Vs ISO 14064-1:2018 GHG Categories

GHG Protocol Scope	ISO 14064-1:2018 – GHG Category	Direct / Indirect emissions and removals	Clarus examples
Scope 1	Category 1	Direct GHG emissions and removals.	Fuel use (petrol, diesel, natural gas, LPG) Fugitive emissions
Scope 2	Category 2	Indirect GHG emissions from imported energy.	Purchased electricity
Scope 3	Category 3	Indirect GHG emissions from transportation.	Business travel (flights etc.), freight
	Category 4	Indirect GHG emissions from products an organisation uses.	Waste to landfill
	Category 5	Indirect emissions (use of products from the organisation).	LPG sales
	Category 6	Indirect GHG emissions (other sources).	Natural gas transmission

Our commitment to reducing emissions

Emissions reduction plan

As part of Clarus' ongoing work to reduce our GHG emissions, we have several initiatives underway that aim to reduce our GHG emissions over the next 2-3 years which we expect will make significant inroads to reducing our carbon footprint. More detail on these are on page 50.

Clarus' 2030 emissions reduction plan has a particular emphasis on reducing emissions in the distribution and transmission networks via initiatives such as: SELMA programme, deployment of ZEVACs, Kaitoke and Mokau compressor station upgrades.

Transmission and distribution emissions equated to approximately 76% of our Category 1 emissions (based on our FY22 verified inventory).

- 31% Firstgas compressor fuel gas
- 17% Firstgas distribution (fugitive emissions)
- 28% Firstgas transmission (fugitive emissions and emergency venting)

Clarus led engagement with MfE on the methodology for calculating fugitive emissions, which led to an update in MfE's 2023 emissions guidance. This now links in nicely with our SELMA (Street Evaluating Laser Methane Assessment) emission reduction initiatives and wider future emissions reduction programme.

The fugitive emission modelling guidance developed by MARCOGAZ* is now the standard for calculating future emissions across natural gas transmission and distribution networks. This now forms part of the MfE emissions guidance 2023.

Clarus is currently in the process of undertaking additional emission abatement assessments after engaging with employees across the business to determine whether we can set more ambitious targets. These assessments will include the potential emission savings, capital allocation and feasibility required for any new reduction initiatives.

We have set this target as we are committed to playing our part to help New Zealand meet its goal of net zero carbon by 2050. Our path toward meeting our targets is not entirely within our control. We'll be reliant on the right technology, an enabling policy environment, the right skills, data and other resources and the support of our customers and other partners and stakeholders to get there, which is why we are taking the steps set out in this report. In 2024, we'll be working on a transition plan toward meeting our targets including the key assumptions, uncertainties and risks associated with our emissions reduction journey.

*MARCOGAZ is a non-profit international association and represents the European gas industry on all technical aspects of the gas system's value chain, focusing mostly on the midstream and downstream's sectors. https://www.marcogaz.org/about/about-us/

Our commitment to sustainability

Waste minimisation

Our waste minimisation programme is based on the concept of a circular economy where we focus on reducing waste to landfill and increasing opportunities for reuse and recycling of resources. Our current goal is to reduce our landfill waste by 25% from 2023 to 2025, while building upon our current waste minimisation programme and enhancing reporting for areas of the business where we are actively repurposing and recycling resources across Clarus operations.

Employee engagement

Our employee engagement programme provides our team opportunities to be involved with internal and community related initiatives. Our Green Team is a way our people can get involved and lead initiatives within the business or use volunteering days to support community programmes. Initiatives for FY23 included events such as the volunteering days held at regional wildlife sanctuaries and involvement in recent fruit and vegetable gardens established across our offices.

We will continue to create more opportunities for involvement over the coming financial year.

Climate change

Clarus has utilised some of the climate risk and opportunity assessment concepts from the voluntary Task Force on Climate-related Financial Disclosures (TCFD) reporting framework to inform our climate strategy (e.g. physical and transitional risks and opportunities for sustainable business operations). These processes and assessments are further detailed within this sustainability report.

Our workplan for 2024 includes industry collaboration by participating in The Aotearoa Circle-led energy sector workshops developing further climate scenario analysis and modelling as we work towards voluntary alignment with the Aotearoa New Zealand Climate Standards.

CASE STUDY

ZEVAC technology reducing Clarus' carbon footprint

Firstgas has purchased another Zero Emissions Vacuum Compressor (ZEVAC) for its transmission network. ZEVAC is an air powered vacuum that captures gas, compresses it, and then sends it back into the pipeline. Firstgas already owns a smaller ZEVAC compressor that has been used by our gas distribution team since mid-2022. However, this new ZEVAC unit can deal with much higher pressures and gas volumes experienced in the transmission system.

The purpose of the ZEVAC is to reduce venting gas into the atmosphere. It will be used regularly to capture small releases of gas that are recycled back into the system and is expected to save up to 35 tonnes of carbon emissions a year from planned maintenance work.

CASE STUDY

Firstlight Network and Base Power install innovative off-grid solution

In 2023 the Tairāwhiti region was battered by multiple ‘once in a generation’ weather events, including Cyclone Gabrielle, which brought widespread damage and destruction to the region. This added an extra element of urgency to Firstlight Network’s planned programme to deliver, maintain, and improve energy resilience for their customers and communities.

A key part of this programme was the region’s first standalone power system, built on a remote property 66km north west of Gisborne. This property was isolated by the Tarndale slip, one of the largest land movements in the already remote Raukūmaru Range. The powerline to the property had suffered repeated damage over the years, leaving the owners without power and leading to multiple repair efforts.

In conjunction with Base Power and the property owners, Firstlight Network came up with an innovative off-grid solar solution to safeguard the property’s power supply. The team leaned on Base Power’s experience delivering off-grid solutions at scale, upskilling their own knowledge in solar and battery storage installations. Techniques such as solar forecasting were used to minimise generator run time, and communication devices were embedded to access and share system statuses in real time.

The end result was a bespoke energy solution that met the property’s energy requirements, while being robust enough to stand up to the region’s frequent weather and geology related challenges.

CASE STUDY

SELMA Programme

Firstgas recently purchased a second SELMA (Street Evaluating Laser Methane Assessment) vehicle as part of our fugitive emissions reduction programme. This second SELMA provides the opportunity for more frequent methane (natural gas) leak surveys across our distribution network.

SELMA technology detects natural gas leaks where the data gathered is entered into our Geographical Information Reporting System.

This process allows for timely repairs to our networks, while enhancing the level of public safety across the natural gas distribution network. Data obtained is also utilised in our fugitive emission modelling and asset management planning.

CASE STUDY

Got Your Back volunteer days

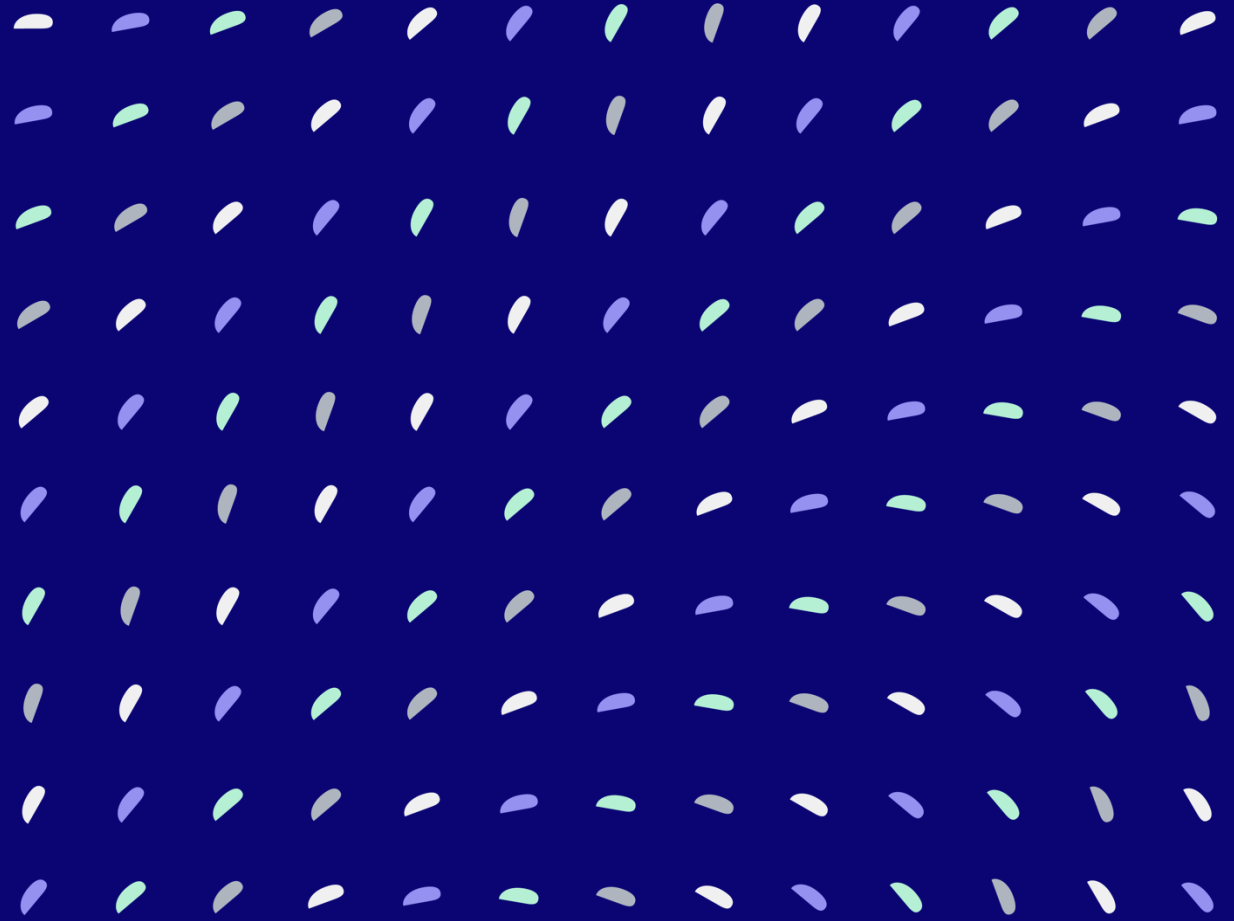
Clarus employees receive 2 ‘Got Your Back’ days a year where they are able to spend time doing something that gives back to them personally or to the community. A group of Clarus employees recently volunteered at the Rotokare Scenic Reserve Trust (Taranaki) and Zealandia (Wellington), helping the wildlife sanctuaries with vegetation maintenance, repairing tracks, and trapping.

- **Rotokare Scenic Reserve** - 8.2 km pest protection fence surrounds the 230 hectare wildlife reserve in Rotokare, Taranaki.
- **Zealandia** - 8.2 km pest protection fence surrounds the 225 hectare sanctuary in Wellington.

“It was a fabulous day in a stunning location – definitely recommend for a GYB activity to really get away from it all. It was an added bonus to see some rare and endangered birds such as saddlebacks, hihi (stitchbird) and robins – plus tuis, piwakawaka, kereru, as well as the slight chance of a kiwi encounter. AND I got to test some powertools”.

– Clarus employee

Strategy and business transition
Te Rautaki me te Whakawhitinga Pakihi



Strategy and business transition | Te Rautaki me te Whakawhitinga Pakihi

As a leader in Aotearoa New Zealand's energy sector, we are committed to playing our part in securing a sustainable future for gas. But while energy is what we do, it's people we do it for, so we make sure our customers still get the energy, natural gas and LPG they need delivered safely and reliably, right now.

We are using our collective knowledge and experience to engage in conversations about Aotearoa New Zealand's energy future. We are actively researching, innovating and investing to play our part in helping Aotearoa New Zealand meet its goal of net zero carbon by 2050. This section sets out our current initiatives on this path.

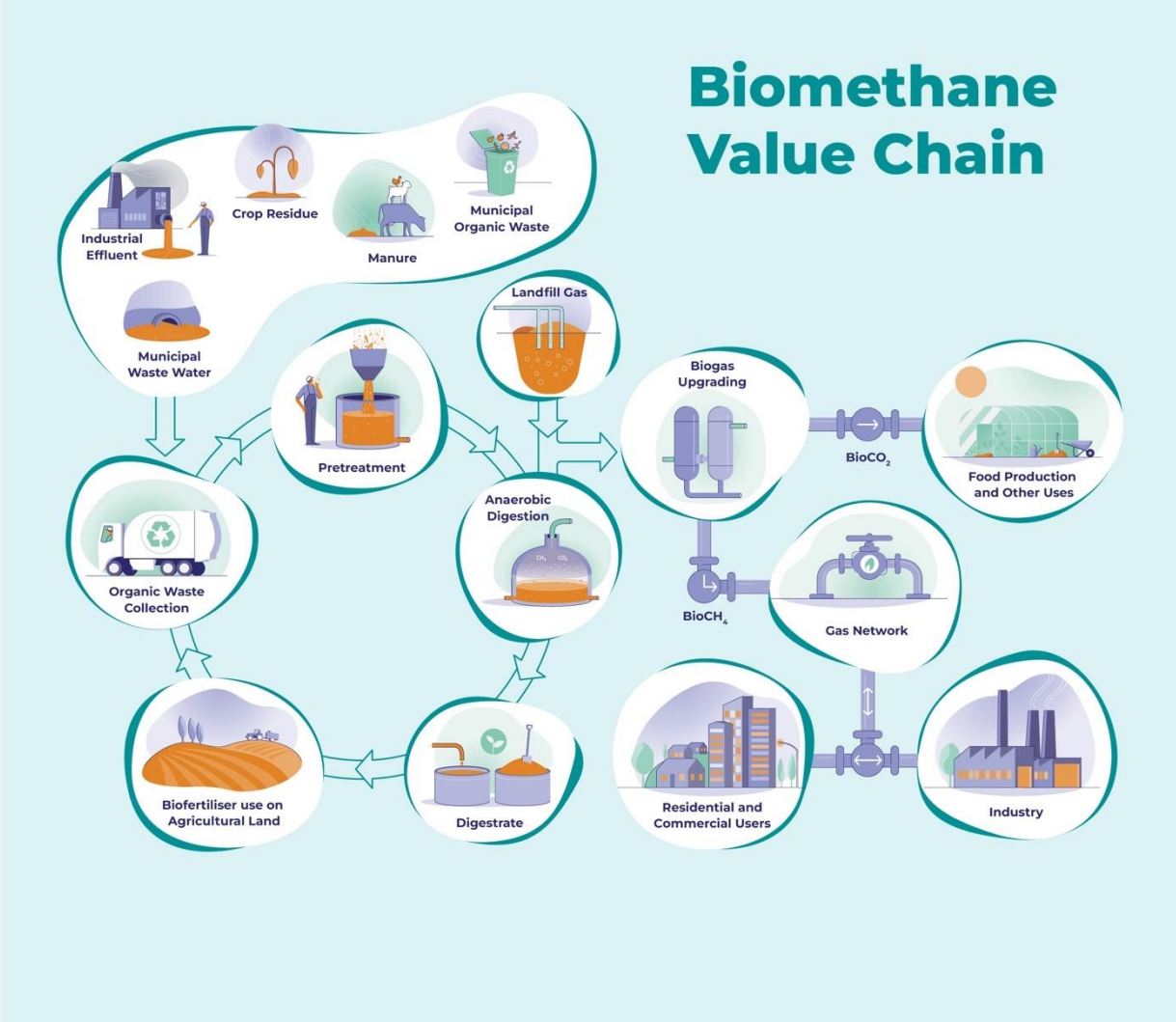
Preparing the business for the future

Clarus is committed to delivering energy safely and reliably and ensuring it's affordable and acceptable to Aotearoa New Zealand families and businesses, both now and in the future.

Renewable Gas Work Programme

First Renewables have done substantial work to progress our renewable gas projects this year and are on track to deliver Aotearoa New Zealand's first state-of-the-art biogas to biomethane upgrading facility in 2024. And we've made great progress on the planning and development of Aotearoa New Zealand's first hydrogen blend trial. More detail on both of these initiatives is on the following 2 pages.

We continue to investigate the ways that hydrogen might be used in Aotearoa New Zealand to contribute towards achieving decarbonisation goals. Blending natural gas with hydrogen has potential to achieve emissions reductions while, in some instances, allowing the utilisation of existing pipelines.



Our role – biogas upgrading and transmission/distribution. **Source:** First Renewables, Clarus.

Biomethane to pipeline facility

We believe that biomethane has potential to offer significant environmental, economic and reliability benefits for gas users, waste generators, asset owners, their communities, and the environment, and will play a role in the transition to a low emissions energy future.

Ecogas has built a state-of-the-art biogas facility that was officially opened at Reporoa in October 2022, where the organics processing facility will transform kerbside food waste into biogas. First Renewables plan to capture the biogas produced by Ecogas and upgrade this to biomethane before reinjecting Ecogas's gas back into the First Gas owned transmission network (planned for 2024).

The compressor will take the biogas from the anaerobic digesters and send it through the upgrading process, turning it into biomethane, the lower carbon equivalent to natural gas*. The pressure generated by the compressor then allows the biomethane to be transported through the pipeline to customers on our network. The initial estimated production will produce enough renewable gas to supply 7,200 homes when fully operational (which equates to all the natural gas consumed by the Taupo region).**

In the future, Clarus would like to see the development of multiple renewable gas-to-pipeline facilities in Aotearoa New Zealand.

*Biogas and Biomethane in New Zealand (BECA, Joint Study, 2021).

**The equivalent gas used by 7,200 homes at an average residential gas demand of 22GJ p.a. = 160TJ p.a. (estimated annual biomethane injected at Broadlands).

Hydrogen blend trial

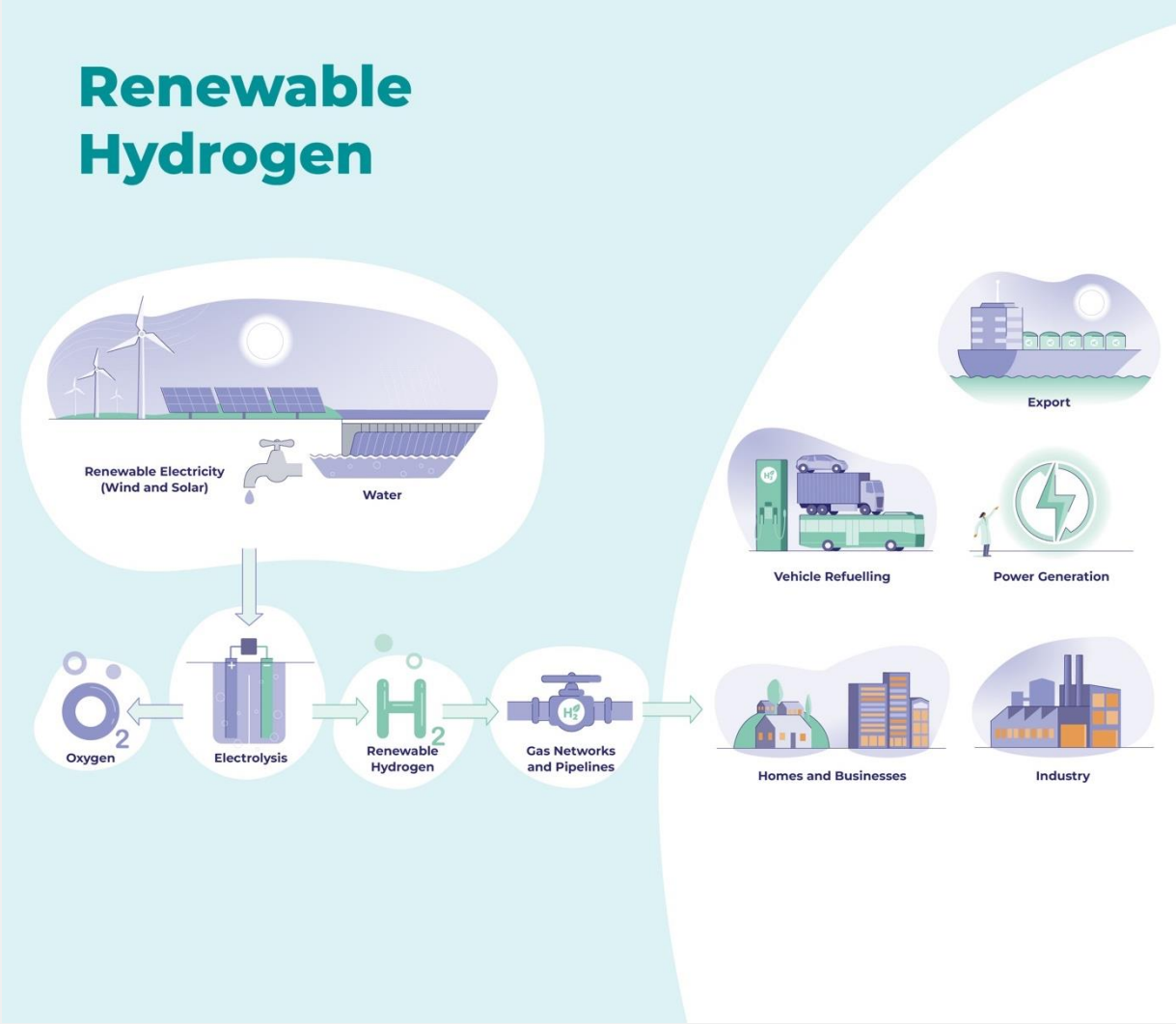
We believe that hydrogen will play an important role in helping to decarbonise the gas pipeline network, but the transition to hydrogen is complex and we can't do it alone. Clarus has an established work programme as outlined below to understand how existing infrastructure can be used to transport green hydrogen and contribute to emissions reductions.

Work programmes

As part of these work programmes, the following tasks are currently underway:

- Determining the technical feasibility of converting the gas grid into a hydrogen (or hydrogen blend) transmission system
- Planning and preparation for 2024 technical trials for blending hydrogen into a natural gas pipeline*
- Assessing the potential sources and uses for hydrogen/hydrogen blends
- Establishing the economics of decarbonisation using hydrogen/hydrogen blends

*This trial will involve approximately 200 customers (out of 60,000) and is subject to receiving regulatory and industry approvals.



Our role – transmission and distribution of renewable hydrogen. **Source:** First Renewables, Clarus.

Our partnerships

Key partners we are working with to better understand a changing environment.

Climate Leaders Coalition

Clarus has been a member of the Climate Leaders Coalition (CLC) since 2019. We have committed to reducing our direct carbon emissions, setting targets for categories 1-4 emissions, assessing impacts to our operations from climate change and reporting on our progress. As we progress with our transitional plans, we work towards the CLC statements of ambition.

https://climateleaderscoalition.org.nz

Aotearoa Circle

We are one of several energy related stakeholders who have recently partnered with Aotearoa Circle's energy sector group. The primary objective is to establish consistent energy sector climate change scenarios.

More information about the energy sector scenario process is available on The Aotearoa Circle website.

This collaborative approach will provide a foundation for future assessments, reporting, and strategy.

https://www.theaotearoacircle.nz/energy-sector-climate-scenarios

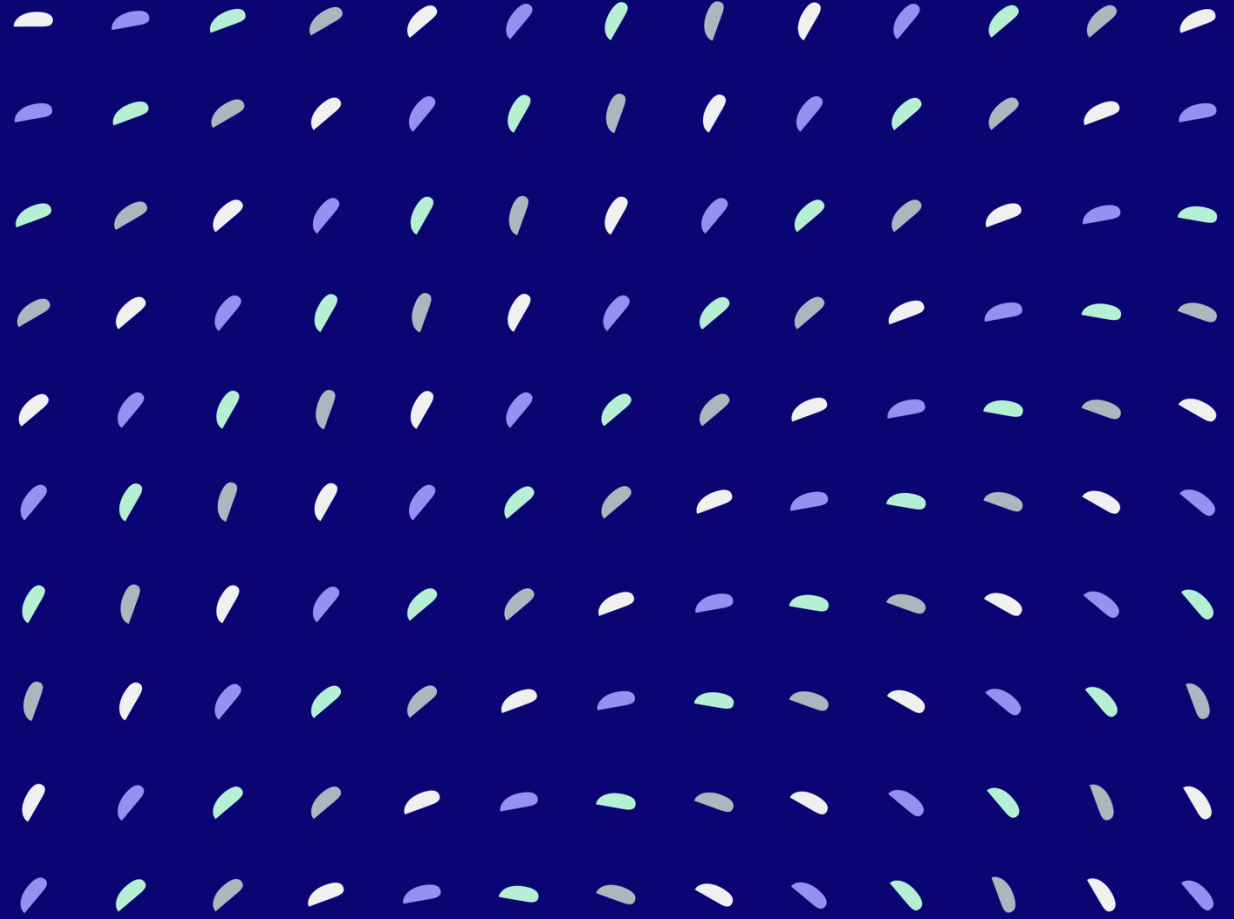
Powering Change

The energy sector plays a key role in helping to reduce emissions and that's why several of New Zealand's energy companies, including Clarus, have teamed up to create Powering Change – a collective commitment to a more sustainable future for Aotearoa New Zealand. Powering Change is focused on making existing energy systems smarter and transforming them to be built around all customers. The collective Powering Change commitment means working to find better ways to generate, store and use energy, while unlocking the potential of technology to get more out of the current energy infrastructure.

https://www.poweringchange.nz

Climate related risks

Ngā tūraru ā-āhuarangi



Climate related risks | Ngā tūraru ā-āhuarangi

Clarus identifies climate risks with a focus on both physical and transition risks.

Physical risks

Physical risks are divided into acute and chronic.

Acute physical risks arise from changes in event-driven hazards, such as an increased severity of cyclones or floods. Assessing, reviewing and adjusting our business to take account of acute physical risk has been a long-standing part of our business operations. An example of this process in practice is the monitoring and relocation of pipelines in areas affected by coastal erosion and landslides.

Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves. In looking at chronic physical risks we have reviewed impacts on people, asset and network resilience.

Transition risks

Transition risks relate to the risks associated to transitioning to a lower-carbon economy. These risks can be driven by policy, legal, technology, or market changes. We consider these as part of our goal setting and increasingly as part of our investment decisions.

Our process for identifying and assessing climate-related risks.

Clarus is committed to assessing and reporting on our climate change risk because it makes good business sense. With a business like ours, we have been undertaking analysis and risk assessment of our physical environment for years – monitoring land movement and changes to physical contours.

Representatives from across the organisation actively engage in identifying climate change risks and opportunities for our current and future operations.

We regularly review and assess climate risk to ensure we capture acute and chronic physical risks and transitional risks, including opportunities as part of our business process. This forms part of our efforts to work towards TCFD-aligned reporting.

Clarus is also a member of the recently formed Aotearoa Circle's energy sector group who are working collectively on climate related scenarios for the wider energy sector which will provide a consistent basis for future detailed analysis.

Climate related risks | Ngā tūraru ā-āhuarangi

Managing climate related risks

Our risk evaluation and assessment processes adhere to our comprehensive Risk Management Framework. We consider likely, potential consequences including current and prospective mitigation measures.

Climate risks have been integrated into our primary risk registers and they remain a central focus in shaping our present and future strategies on asset management and business operations.

High-level overview of Clarus' key risks, opportunities, impacts and how we're responding

Physical risks

Climate change events are likely to impact our business with increased weather events and may impact our operations. In particular we anticipate an increase in;

- Land erosion around pipeline and powerline assets
- Flooding events destabilising pipeline river and stream crossings
- Wind events damaging powerlines and storm events restricting transport routes and site access

Managing these events will most likely cause an increase in operational and maintenance costs.

We are beginning to incorporate the potential long-term effects of climate change into our extended asset management strategies, considering factors including sea level rise and temperature increases, to ensure network resilience.

Monitoring and surveillance programmes ensure awareness on key areas of concern and emergency preparedness with contingency planning to minimise the impacts.

Our people are likely to be directly impacted working and living with (and responding to) increased climate events. Clarus continues to provide staff wellbeing support programmes including our externally recognised Got Your Back holistic programme, flexible working, health checks and monitoring, flexible leave, work programme planning and resourcing contingencies.

We anticipate the work undertaken across the energy sector by the Aotearoa Circle will enable more detailed risk assessment in this area.

Transition risks

Clarus is likely to experience a range of transitional risks.

Demand for natural gas and LPG are anticipated to decline as renewable energy production increases and technology advances globally.

International and domestic policy shifts will also most likely influence investments on our current and future infrastructure. We are balancing the cost of current asset investment against the rate of change to a low carbon future and seeking to meet today's and future needs. Clarus is committed to balancing our sustainability goals with energy safety, affordability and reliability, and this may influence our investment decisions and progress towards our targets.

These transitional risks also present opportunity for Clarus to invest in lower/zero carbon gases such as biomethane and hydrogen, and the repurposing of our infrastructure. Additionally, Clarus' recent investment into electricity distribution provides for further opportunities to diversify its assets to those with clear opportunities during the low emissions transition.

As technologies and market pressures change, we recognise the need to continue to review our transition risks.

CASE STUDY

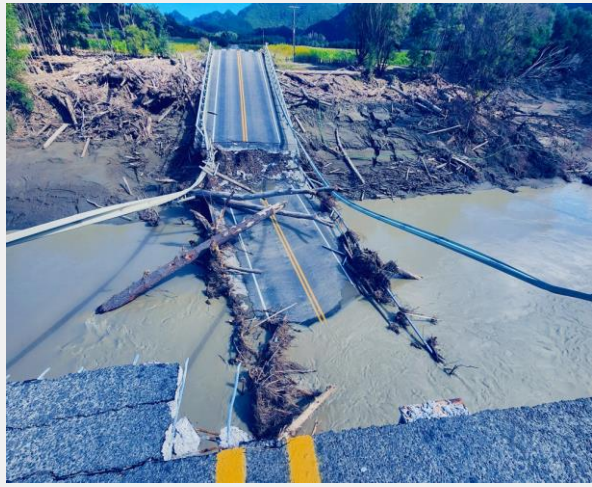
Cyclone Gabrielle

Recent acute weather events in New Zealand, such as Cyclone Gabrielle in February 2023 and subsequent storm events, impacted our business and the communities in which we operate, making it clear that climate change risks are here and now.

Infrastructure was impacted across both the Firstlight and Firstgas transmission networks which presented operational challenges to our teams. This required quick reactions from our emergency response and operational teams to mitigate risk and ensure the continuation of essential 'lifeline' utility services.

These significant weather events also highlighted the importance of our wider business, including Rockgas, who were able to provide essential services in the form of LPG to the affected East Coast communities.

To better understand the acute and chronic risks we face from climate change, the business is currently working on more granular climate risk assessments and hope to begin scenario modelling in the next 12 months. This information will assist in assessing where Clarus should focus its efforts to mitigate operational risks and will also complement our investment strategies into future fuels.



Metrics and targets
Ngā ine me ngā whāinga

Metrics and targets | Ngā ine me ngā whāinga

Measuring our emissions

In May 2023, our FY22 emissions inventory was independently verified by Toitū Envirocare, in line with ISO14064-1:2018 Green House Gases.

We use the 'operational control' consolidation approach to determine our organisational boundaries within which we measure our GHG emissions for FY22 and FY23. In FY23 we have also reported on six months of (unverified – see below) GHG emissions data associated with Firstlight Network, from the date of its acquisition in FY23.

We source our emissions factors and global warming potential rates from the Ministry for the Environment (MfE) *Measuring Emissions: A guide for organisations: 2023 detailed guide*. Gaps in our 2020 emissions data are identified below in the GHG emissions table.

Toitū Envirocare verification of our FY23 emissions data is scheduled to occur later this year. However, to ensure this report is based on our most recent available emissions data, we have reported our 2023 emissions below using preliminary unverified data. Consequently, while we have taken care in the preparation of that data, our reported 2023 GHG emissions, and any conclusions drawn from that data, may require restatement and/or revision following Toitū Envirocare's verification process later this year.

Our emissions profile

The following table sets out Clarus's GHG emissions data in FY19 to FY23. The FY19 – 21 data has not been independently verified and the FY23 data is based on preliminary data sets only (anticipated to be verified later this year). In FY22 Clarus commenced independent verification or our GHG emissions data. Accordingly, the FY22 data has been independently verified by Toitū Envirocare.

As shown in that table, Clarus' total Category 1-6 GHG emissions decreased in 2023 by comparison to 2022 [1] (see comments on changes to Category 1-4 emissions below).

As part of our ongoing work to reduce emissions, we continue to look to minimise our direct operational emissions (Category 1-4 emissions). The reduction in Category 1 emissions between 2022 and 2023 was primarily driven by a reduction in fuel gas used for compression and heating, plus reduced volumes of natural gas venting.

The increase in Category 2 emissions between 2022 and 2023 can be largely attributed to Clarus accounting for GHG emissions associated with 'network line losses' following the acquisition of Firstlight Network. Increased emissions associated with our imported LPG and subsequent international shipping movements is the main contributing factor for the increase in Category 3 & 4 emissions.

We expect the initiatives described in this report to help reduce our direct emissions and move us towards our 2030 targets and see us play our part in supporting Aotearoa New Zealand's energy transition.

The emissions data below also shows an overall reduction in Clarus's Category 6 (Scope 3) emissions between 2020 and 2023.[1] [2] This reduction has been driven by reduced natural gas demand from users and a 2023 change in emission factor applied to calculating GHG emissions associated with urea feedstocks. This emission factor change follows updates to the Ministry for the Environment emissions guidelines 2023.

Metrics and targets | Ngā ine me ngā whāinga

GHG Protocol Scope	ISO Category	Emissions Activity	2019	2020	2021	2022*	2023**
1	Category 1	Direct GHG emissions	87,811	91,668	93,637	102,574	92,513
2	Category 2	Indirect GHG emissions – Imported energy + Electricity supply distribution losses (Firstlight Network)	414	194***	354	393	1,390
3	Category 3 & 4	Indirect GHG emissions – Transportation/product use	9,800	9,240	10,010	11,271	12,682
	Category 5	Indirect GHG emissions – Use of products from organisation: *Rockgas (LPG Sales)*	225,147	220,560	234,437	238,755	237,641
	Category 6	Indirect GHG emissions – Other sources: *Firstgas – (Natural Gas Transmission)*	8,816,421	9,476,349	8,482,150	7,981,349	6,805,657
	Total		**9,139,593**	**9,798,010**	**8,820,588**	**8,334,342**	**7,149,883**

* Verified Data – Toitū Envirocare

** 2023 data is based on preliminary data sets and has not yet been verified. This data is therefore subject to change. The preliminary data sets contain only 6 months of Firstlight Network data (1April – 30 September) as ownership transferred 1st April 2023.

*** There is likely to be under reporting in 2020 relative to FY19, FY21 and FY22 due to a data gap for Category 2 Indirect GHG emissions in 2020. This likely under reporting is due to only partial datasets for imported energy being able to be sourced from the relevant energy provider. Since 2020, processes for data collection have been enhanced to improve data collection for subsequent reporting periods.

1. 2023 reduction subject to independent verification.
2. Category 6 (Scope 3 emissions) are significantly influenced by total gas volumes delivered to large industrial customers, which saw an increase in demand in 2020.

Our current targets

Metrics & milestones	Target	Context
GHG gross operational emissions	30% reduction in Category 1-4 emissions by 2030 (from 2019 baseline).	Work is focused on reduction of Categories 1-4 emissions with a detailed plan of investment and delivery. Our first stage of reduction initiatives are in progress.
Continued expansion into renewable energy sources	Develop five (5) renewable energy projects or investments to investment decision by 2026.	We are expanding our business to support and accelerate the development and delivery of renewable energy in New Zealand. This includes renewable gas, renewable power, and projects which support either/both. This also includes the investigation and development of renewable LPG/LPG alternatives.
Blended gas usage in pipeline network	Completion of hydrogen blending pilot (up to 10% blend) within a gas distribution network by end 2024.	Hydrogen pilots are scheduled for Q2 2024. Further pilots are anticipated following the result of this trial.
Biomethane injection into First Gas pipeline network	Injection of biomethane into the First Gas pipeline network from Reporoa biogas plant in 2024.	Biogas upgrading facility is expected to be complete in 2024 to enable the injection of biomethane into the First Gas pipeline network. Production is estimated to supply up to 7,200 homes.
ESG components in remuneration	Performance against ESG targets is linked to remuneration.	From 2024, senior roles in Clarus will have part of their short-term incentives assessed on achievement of organisational ESG targets.
Finalise Group transition plan to support net zero by 2050	In 2024, we'll be working on a transition plan to help guide us toward meeting our targets including the key assumptions, uncertainties and risks associated with our emissions reduction journey.	Credible pathways to meet our Clarus net zero 2050 ambition will be developed and externally reviewed in 2024.

Appendix

Glossary

Term	Definition
Biogas	A renewable energy source containing a mixture of gases, primarily methane, carbon dioxide and hydrogen sulphide. It can be produced from raw materials such as manure, municipal waste, plant material, sewage, green waste, wastewater, and food waste.
Biomethane	We define biomethane consistently with GASNZ, being methane produced from renewable sources like digested organic waste and gasified biomass. It has the same chemical make up as natural gas. It is a less emissions intensive form of methane - produced by further processing or "scrubbing" of biogas. In New Zealand, biomethane is biogas that has been upgraded to meet the pipeline gas specification (NZS5442 in New Zealand).
Clarus Emission Reduction Plan	Internal documented plan which sets out Clarus initiatives and timeframes for working towards reducing GHG emissions across Categories 1-4 (ISO 14064-1:2018). Our first Emissions Reduction Plan was prepared in 2022.
Clarus Transition Plan	Documented plan which sets out Clarus's long term strategy for working towards decarbonising our operations and ensuring our business is well placed to appropriately manage the climate-related risks and opportunities that arise as part of New Zealand's transition to a low emissions economy. We are currently working on this plan with a goal of publication in 2024.
Emissions	The release of GHG into the atmosphere.
Fugitive emissions	Emissions that are not physically controlled but result from the intentional or unintentional releases of GHGs. They commonly arise from the production, processing transmission, storage and use of fuels and other chemicals, often through joints, seals, packing, gaskets, etc.
GHG (Green House Gas)	GHGs are the six gases as listed in Annex A of the Kyoto Protocol: carbon dioxide (CO2); methane (CH4); nitrous oxide (N2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF6).
Green hydrogen	Hydrogen produced by renewable energy, by splitting water through electrolysis.

Glossary

Term	Definition
Hydrogen	An elemental gas (H2) that has a significant energy content and can therefore be used as a fuel or a medium to transport energy. Hydrogen contains around one-third of the energy value of natural gas for the volume of gas delivered. Hydrogen can be produced from a variety of processes, and is often categorised into 'green', 'brown' / 'grey' and 'blue' hydrogen, to refer to how the hydrogen has been produced. Brown or grey hydrogen often refers to hydrogen produced using fossil fuels like coal and gas. Blue hydrogen often refers to hydrogen produced using fossil fuels but where GHG emissions released in the process are captured. Green hydrogen refers to hydrogen produced via electrolysis of water using renewable electricity.
ISO 14064-1:2018	International Organization for Standardisation standard on greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting greenhouse gas emissions and removals.
Natural gas	Natural gas is a highly combustible odourless and colourless hydrocarbon gas largely composed of methane. Natural gas is created in roughly the same manner as oil, by processes that act upon organic matter over millions of years.
Renewable gas	We define "Renewable Gas" consistently with Australian Gas Networks to describe gases that do not produce additional GHG emissions when combusted. There are two primary forms of renewable gas: Renewable hydrogen or green hydrogen (see above) - produced by using renewable electricity to separate hydrogen from water; Biomethane – gas that is captured from decomposing organic wastes from landfills, agricultural produce and wastewater treatment facilities which would otherwise have been emitted to the atmosphere meaning that any emissions associated with the combustion of biomethane are not additional. Generally, renewable gases (or some form of blended renewable gases) can be relatively easily stored in large volumes within existing gas networks.
Renewable energy	Energy from a source that is not depleted when used, such as wind or solar power.
Renewable LPG (rLPG)	We define renewable LPG consistently with GASNZ being a gas that is created from renewable and waste materials. The feedstocks undergo a series of treatments to purify their energy content. It is chemically identical to conventional LPG and is transported and stored in the same tanks and used for the same applications and equipment.
SELMA	Street Evaluating Laser Methane Assessment.
ZEVAC	Zero Emissions Vacuum Compressor.

About this report/disclaimer

Clarus has produced this Sustainability Report (*Report*) voluntarily for FY23 (1 October 2022 – 30 September 2023). It covers Clarus which includes; Firstgas Ltd, Rockgas Ltd, Flexgas Ltd, First Renewables Ltd, Firstlight Network Ltd and related companies. ("Clarus").

Sustainability and associated environmental, social and governance (ESG) issues, including climate change, encompass evolving challenges, with high levels of uncertainty, particularly over long-term horizons. As a result this Report necessarily contains statements that rely on early and evolving assessments of current and forward looking information, incomplete and estimated data, and our related judgements, opinions and assumptions. The Report's descriptions of the current and anticipated impacts of ESG issues, including climate change, on Clarus and the multiple sectors our business covers, therefore draw on and/or represent estimates only. This Report is based on the beliefs of the Clarus' management as well as assumptions made by and information currently available to the Clarus' management, only as at the date of publication. We have sought to provide accurate information, but we caution reliance being placed on representations that are necessarily subject to significant risks, uncertainties and/or assumptions.

In particular, this Report contains forward-looking statements and opinions about Clarus and the environment in which Clarus operates, including ESG-related metrics, scenarios, targets, and statements of Clarus' future intentions. It also contains forward-looking statements regarding Clarus' business operations, market conditions, sustainability objectives or targets and risk management practices. These statements and opinions necessarily involve assumptions, forecasts and projections about our present and future strategies and the environment in which we will operate in the future, which are inherently uncertain and subject to contingencies outside of Clarus' control and limitations, particularly as to inputs, available data and information which is likely to change.

We base those statements and opinions on reasonable information we know at the date of publication. We do not:

- Represent those statements and opinions will not change or will remain correct after publishing this Report, or
- Promise to revise or update those statements and opinions if events or circumstances change or unanticipated events happen after publishing this Report.

In particular, we note that this Report includes preliminary 2023 greenhouse gas (GHG) emissions data which has not, as at the date of publication, been externally verified. While we have endeavoured to take reasonable care in the preparation of that data, Clarus accepts no liability for any inaccuracies in the GHG emissions data in this report, any conclusions drawn from, or any decisions taken in reliance on the same. Verification is expected to occur during the course of 2024, after which Clarus will restate and/or revise the GHG disclosures in this report as appropriate.

The ESG-related risks and opportunities described in this report, and our strategies to achieve our ESG targets, may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Clarus' actual results, performance or achievement of ESG-related metrics (including targets) to differ materially from that described, including economic and technological viability, climatic, legal/regulatory, government, consumer, and market factors outside of Clarus' control. Clarus is committed to progressing our response to ESG-related risks and opportunities over time but is constrained by the novel and developing nature of this subject matter. Clarus including its subsidiaries, affiliates and associated companies (together with their respective officers, employees or agents) give no representation, warranty or assurance that actual outcomes or performance will not materially differ from the forward-looking statements contained in this Report. We do not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in this Report.

This disclaimer should be read along with the any limitations, qualifications, exclusions or similar statements contained within the Report.

Thank you
Ngā mihi