Sustainability Report

Pūrongo toitū 2024

Clarus

Firstgas

rockgas

Flexgas

Firstlightnetwork

FirstRenewables

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About this report

Our 2024 Sustainability Report brings together 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.

We are working to deliver the country's energy in a changing world.

Kia ū mātou ki te tuku pūngao atu ki a Aotearoa

Message from Our Board Chair

Nau mai haere mai - Welcome

Welcome to Clarus's second annual Sustainability Report. It is a pleasure to bring you the stories behind another year of progress against our Environmental, Social, and Governance (ESG) ambitions.

I am pleased to share how Clarus has continued to reduce emissions, improve sustainability and demonstrate effective governance.

We are working on some exciting ways to make a positive impact in the future, like introducing biomethane to the gas pipeline, working towards trialling a hydrogen blend in part of Aotearoa New Zealand's gas pipeline system for the first time ever and working in a joint venture with UK company Harmony Energy to build a solar farm that will generate enough renewable energy to power the equivalent of around 35,000 Kiwi homes.

As the impacts of climate change continue to be felt, it is more important than ever that businesses like ours commit to doing our bit for the environment.

At Clarus, we aim to continuously improve our tiaki taiao, a Māori phrase that means "taking care of the environment". We do this through our emissions reduction work and considering climate-related risks.

We own assets and have operations in regions all over Aotearoa New Zealand. We are determined to take good care of the land around where we work, including identifying environmental risks.

In these pages, you will find information about the work our teams have been focused on in the 2024 financial year 1 October 2023 - 30 September 2024.

Clarus is growing capability through our apprentice programmes, internships, and graduate programmes. As you can see on page 35, we're working hard to increase diversity and reduce our gender pay gap.

In the FY24 year, Clarus made great progress in reducing emissions and using proven innovations to continue powering our regions.

We are working to deliver good energy for a brighter Aotearoa.

Thank you for reading.

Nāku noa

Mark Ratcliffe
Chairperson

Our Board | Tā mātou poari

Clarity of vision and strong leadership for a bright future. That's Clarus.

We are led by a stable and diverse team of passionate experts dedicated to infrastructure. Our board and executive team are focused on operational excellence, a high safety and service level, building customer relationships and maintaining strong energy infrastructure to support New Zealanders.

Mark Ratcliffe
Chairperson

Jason McDonald
Director

Gavin Kerr
Director

Daniel Timms
Director

Fiona Oliver
Director

Blair O'Keeffe
Director

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 Ownership

Clarus is the umbrella term for a group of Aotearoa New Zealand companies headquartered in Ngāmotu New Plymouth.

The companies are owned by global investment funds. The majority shareholders are represented by Igneo Infrastructure Partners. Igneo invests in high quality, mature, mid-market infrastructure companies in renewables, digital infrastructure, waste management, water utilities and transportation / logistics sectors in the United Kingdom, Europe, North America, Australia and Aotearoa New Zealand.

Our Board of Directors

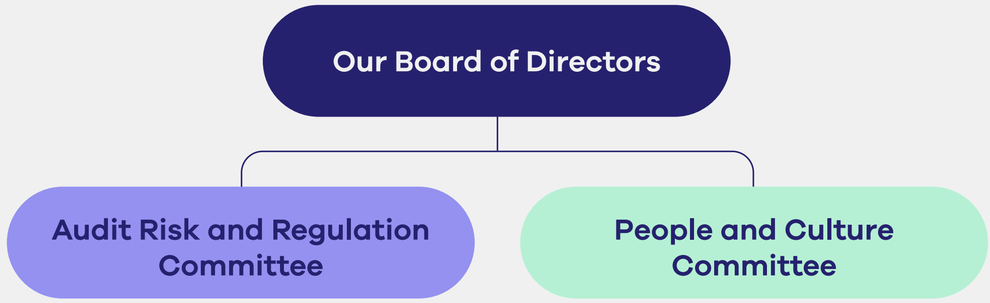
Our board has responsibility for oversight across our business in terms of risk mitigation, strategy, organisation structure and performance, financial soundness, and regulatory compliance. Our business and risk strategy includes the management of climate-related risks and opportunities. Our directors 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.

The Audit, Risk and Regulation Committee

The Audit, Risk and Regulation Committee (ARRC) is responsible for overseeing the integrity and adequacy of financial management and financial reporting, the integrity of regulatory reporting and the effectiveness of the risk management framework. They advise on the relevant policies and information required by the board for effective governance and climate-related risk oversight, as well as overseeing ESG management.

People and Culture Committee

The People and Culture Committee reviews how we support and engage our people, and monitors progress on key programmes and initiatives. 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, health and safety, and recommendations made by the Executive Management Team.



Policies Related to ESG

- Code of Conduct and Ethics Policy
- Delegation Policy
- Workplace Bullying and Harassment Policy
- Whistleblower Policy
- Conflicts of Interest Policy
- Risk Management Policy Statement
- Health and safety Policy Statement
- Sustainability Policy Statement
- Rebaselining Policy for GHG Emissions Reporting
- Environmental Policy Statement
- Modern Slavery Policy
- Belonging, Diversity and Inclusion Policy

Information Systems and Cyber Risk

Clarus Information Security is aligned with the National Institute of Standards and Technology (NIST) cybersecurity framework, and balances risk, compliance, and strategy. Our position on cybersecurity assumes a hostile operating environment that is constantly changing, becoming more challenging and increasingly complex. We aim to ensure operational availability, protect our information, and keep our people safe.

Our board oversees our information security strategy which is based on four principles of resilience, value, continuous, and integrated.

Message from Our Chief Executive

The Clarus purpose – deliver good energy for a brighter Aotearoa – speaks to the role we play by proudly powering Kiwi lives and businesses.

As a leading energy company, we own and operate critical energy infrastructure assets. Without energy, life as we know it would grind to a halt. With our position comes a responsibility to do better for our environment.

While the majority of our existing assets and infrastructure remain in the traditional natural gas and LPG sector, we are also looking to the future. The nature of some parts of our business means that producing emissions can be inevitable, but we are working hard to have a different, greener and more sustainable gas and energy business by 2050.

Currently we are working on developing our Sustainability Strategy. We anticipate it will be completed during FY25.

In this Sustainability Report, you can read about what we have done during the FY24 year to work towards a lower carbon energy future for our people, the environment and communities.

I am proud of what we have achieved this year, including reducing our emissions across ISO 14064 categories. This reflects the efforts and focus of many people and I am pleased to see such positive results.

Our First Renewables business is leading our work programme, looking at the potential for renewable gas developments. It has also progressed construction towards one of Aotearoa's largest solar farms.

A major milestone is that we were granted exemptions from WorkSafe New Zealand to commence the country's first hydrogen blending project and we began flowing renewable gas through the Firstgas transmission pipeline for the first time in November 2024.

I am delighted with the effort of Firstlight Network, the lines company supplying electricity to the Tairāwhiti and Wairoa region. The team were part of a collective of groups recognised as winners of the 2024 Mitre 10 New Zealand Community of the Year Award, Ngā Pou Whirinaki o te Tau, for their work responding to a myriad of weather events to maintain and restore power across 12,000 square kilometres of the Wairoa and the East Coast. The ongoing challenges of challenging environmental conditions over recent years has meant that this is no small feat!

We are at an interesting stage in the transition to a lower emissions economy as the impacts of the transition are being felt by many businesses across the motu. We are focused on continuing to improve the operational excellence of our core businesses, reducing their carbon intensity and growing a low carbon energy business that supports decarbonisation.

Personally, I want our world to not only be more liveable, I want it to be a little bit better for our kids and for Papatūānuku.

I am looking forward to Clarus building on the momentum of our achievements so far to play a leading role in working to deliver the country's energy in a changing world.

Our good energy empowers change for the better.

Paul Goodeve
Chief Executive

Executive Leadership Team | Tā mātou hautūtanga

Iwan Bridge
Chief Operating Officer
/ Deputy Chief Executive

Michael Cooper
Chief Technology and
Improvement Officer

Kellie O'Sullivan
GM People, Safety and Sustainability

Ben Gerritsen
GM Customer and Regulatory

James Irvine
GM Future Fuels

Helen Murchison
GM Rockgas

Lucy Riddiford
General Counsel

Our Mission

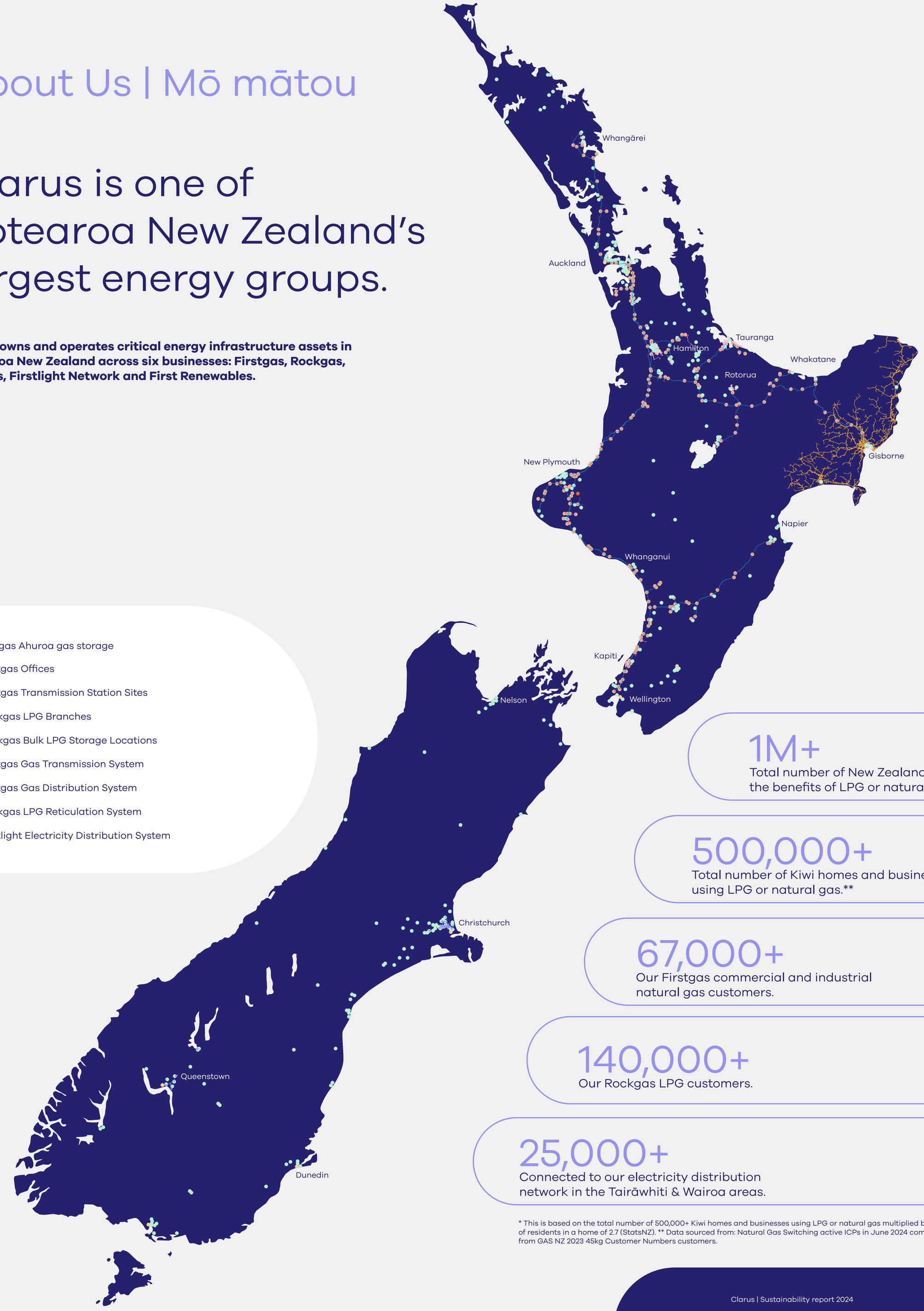
Deliver safe, reliable, and cleaner energy today and in the future, doing right by our environment, people, and communities.

Mō te taiao, ngā kaimahi, ngā hapori hoki.

About Us | Mō mātou

Clarus is one of Aotearoa New Zealand's largest energy groups.

Clarus owns and operates critical energy infrastructure assets in Aotearoa New Zealand across six businesses: Firstgas, Rockgas, Flexgas, Firstlight Network and First Renewables.



- Flexgas Ahuroa gas storage
- Firstgas Offices
- Firstgas Transmission Station Sites
- Rockgas LPG Branches
- Rockgas Bulk LPG Storage Locations
- Firstgas Gas Transmission System
- Firstgas Gas Distribution System
- Rockgas LPG Reticulation System
- Firstlight Electricity Distribution System

1M+
Total number of New Zealanders enjoying the benefits of LPG or natural gas.*

500,000+
Total number of Kiwi homes and businesses using LPG or natural gas.**

67,000+
Our Firstgas commercial and industrial natural gas customers.

140,000+
Our Rockgas LPG customers.

25,000+
Connected to our electricity distribution network in the Tairāwhiti & Wairoa areas.

* This is based on the total number of 500,000+ Kiwi homes and businesses using LPG or natural gas multiplied by the average number of residents in a home of 2.7 (StatsNZ). ** Data sourced from: Natural Gas Switching active ICPs in June 2024 combined with LPG numbers from GAS NZ 2023 45kg Customer Numbers customers.

Who Are We | Ko wai mātou

Based in the energy-rich region of Taranaki, Firstgas owns more than 2,500 km of high-pressure gas transmission pipelines and stations that are essential to supplying natural gas to industrial customers throughout the North Island.

Firstgas also owns 4,800kms of gas distribution networks across the North Island. These networks extend north as far as Northland and south as far as Kāpiti, as well as covering Waikato, Hawkes Bay, Gisborne and the Bay of Plenty.

Through these distribution networks, Firstgas directly connects more than **67,000+** homes and businesses to gas.

There are more than 4,500 landowners and iwi who have Firstgas transmission and distribution pipelines running through their properties and land.

Rockgas is one of Aotearoa New Zealand's largest LPG retailers, serving over **140,000+** customers from 10 branches and a network of 25 franchises throughout the country.

We deliver 45kg bottles to homes for gas cooking, heating and hot water needs, as well as providing LPG tanks for business gas essentials.

BBQ 9kg bottles and LPG vehicles are also covered by Rockgas, with a network of more than 130 Refill & Save locations throughout Aotearoa New Zealand.

For customers in certain parts of Canterbury, Queenstown or Wanaka, we can pipe LPG straight to their properties through our reticulated gas network.

Who Are We | Ko wai mātou

Firstlightnetwork

Firstlight Network is the electricity lines company for Tairāwhiti and Wairoa that keeps the lights on across **12,000** square kilometres of the East Coast.

We own and maintain the poles, wires and underground cabling used by electricity retailers to supply customers with electricity. We also own the region's high voltage electricity transmission network.

Firstlight Network has a strong focus on ensuring we can continue delivering a reliable service as the way people use electricity changes and grows.

FirstRenewables

First Renewables is leading our work programme looking at the potential for renewable developments and solar power. 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.

Flexgas

Flexgas owns and operates Taranaki's 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, hydro and solar generation.

Our Sustainability Policy Statement

All permanent, fixed term and casual employees employed by any of these legal entities and all contractors and consultants undertaking work on behalf of Clarus are also expected to adhere to this Policy.

At Clarus, we are a leading provider of gas transmission and distribution services.

This can only be achieved through the development and maintenance of a sustainable approach to our operations, our people, our stakeholders and the environment.

This requires sound leadership and practices in environmental, social and governance (ESG) domains.

Environmental:

- We believe that the responsible use of gas has a crucial role in supporting a sustainable transition to a lower carbon economy.
- We will assess the effect to land, air and water of all our operations to minimise our impact.

Social:

- We recognise that there is no business without the support of our people, our customers and the communities in which we operate.
- We will act ethically, transparently and with care for all of our stakeholders.

Governance:

- We will operate our business in line with sound governance principles to discharge our fiduciary obligations.
- We will align our practices with relevant international standards for responsible investment.
- We will ensure an appropriate balance of skills and experience in governance roles to allow properly informed decision making.

To achieve this, we will:

- Implement individual policies for key components of ESG management.
- Set specific objectives for ESG performance.
- Undertake regular reviews to learn, understand and improve.
- Implement this policy day to day by working in accordance with our values.

Performance measures will be implemented. These will ensure that:

- Performance against this policy is understood and is transparent.
- Opportunities for improvement are identified and acted upon.
- Improvement over time can be clearly demonstrated.

This Sustainability Policy Statement is up for renewal in August 2025.

Strategy and Business Transition
Te Rautaki me te Whakawhitinga Pakihi

While we work towards a sustainable energy future, gas will continue to play an important role in meeting our country's energy needs.

As a leader in Aotearoa New Zealand's energy sector, energy is what we do but it's people we do it for.

We are seeking to deliver energy safely and reliably to Aotearoa New Zealand families and businesses.

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 in renewable gas technologies such as biomethane and hydrogen, which have the potential to play a part in the transition to a lower emissions energy system.

Right now, we are seeking to ensure that our customers still get the energy, natural gas and LPG they need delivered safely and reliably.

Known gas supplies are reducing, yet gas remains critical to supporting our country's variable renewable electricity generation sources. This was highlighted with the threat of power shortages in May of 2024, when an early cold snap occurred at a time when wind generation was low and outages were planned at power stations. Kiwis were called on to reduce their power use to prevent blackouts.

Gas helps to fill the gap in meeting energy demand when the wind doesn't blow, the sun does not shine, and when lake levels are low.

It supplies over 500,000 homes, businesses, industry and supports electricity generation, which is why it will continue to play a significant role in our energy mix for many years to come.

1M+
Total number of New Zealanders enjoying the benefits of LPG or natural gas.*

500,000+
Total number of Kiwi homes and businesses using LPG or natural gas combined.**

Gas is the preferred energy choice for hundreds of thousands of Kiwis – Gas Industry Co reports there are more than 307,000 natural gas connections at January 2025. While we work towards a sustainable energy future, gas will continue to play an important role in meeting our country's energy needs for the foreseeable future.

We believe it is important to invest in a mix of energy solutions, without prematurely restricting existing energy resources. Over time, we intend to supplement the natural gas supply with renewable fuels like biogas and green hydrogen. We need to produce more renewable energy, but not at the expense of existing gas customers, before renewable solutions are in place to meet our country's growing energy needs.

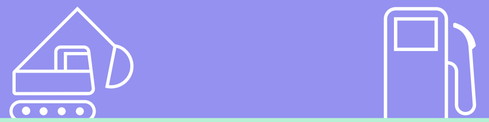
*This is based on the total number of 500,000+ Kiwi homes and businesses using LPG or natural gas multiplied by the average number of residents in a home of 2.7 (StatsNZ). **Data sourced from: Natural Gas Switching active ICPs in June 2024 combined with LPG numbers from GAS NZ 2023 45kg Customer Numbers customers.

Our Emissions Reduction Commitment

Clarus has committed to reducing Category 1-4 (Scopes 1, 2 and part of 3) greenhouse gas emissions 30% by 2030 – as measured from our baseline year of 2019. This equates to a total reduction of approximately 30,000 tonnes of C02 emissions between 2019 and 2030.

Fuel use for compressors and heaters

Fugitive emissions from the transmission and distribution network.



Network losses

Purchased electricity

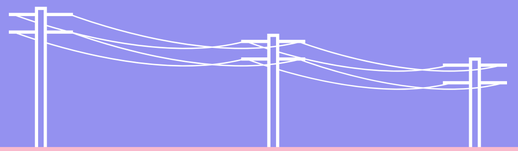
Freight transport from imports

Domestic shipping

Bulk LPG deliveries

Transmission and distribution losses

Materials and waste



Category 1

Direct GHG emissions and removals

Scope 1

Category 2

Indirect GHG emissions from imported energy

Scope 2

Category 3

Indirect GHG emissions from transportation

Category 4

Indirect GHG emissions from products used by the organisation

Scope 3

Our Emissions Profile

GHG Protocol Scope	ISO Category	Emissions Activity	FY19	FY20	FY21	FY22	FY23	FY24
1	Category 1	Direct GHG emissions	87,811	91,668	93,637	102,574	92,513.47	81,471.54
2	Category 2	Indirect GHG emissions from Imported energy + Electricity supply distribution losses (Firstlight Network)	414	194	354	393	1,390.14	2,349.42
3	Category 3	Indirect GHG emissions from transportation	9,656	9,193	9,951	11,209	12,609.12	15,502.51
	Category 4	Indirect GHG emissions from products used by the organisation	148	47	59	62	73.12	75.90
	Category 5	Indirect GHG emissions – Use of products from organization: Rockgas LPG sales	225,147	220,560	234,437	238,755	237,641.00	240,643.80
	Category 6	Indirect GHG emissions – Other sources: Firstgas transportation of natural gas & Firstlight network electricity distributed	8,816,421	9,476,349	8,482,150	7,981,349	6,805,656.63	5,991,901.55
	Total		**9,139,597**	**9,798,010**	**8,820,588**	**8,334,341**	**7,149,883.48**	**6,331,944.72**

Clarus Annual GHG Emissions Summary by ISO 14064-1 Categories & GHG Protocol Scopes Data for FY19-FY21 has not been independently verified. Since FY22, Clarus has had its GHG emissions independently verified by Toitū Envirocare, covering data from FY22 to FY24.

We measure and report on our greenhouse gas (GHG) emissions in accordance with international standards and best practices:

- **ISO14064-1:2018 Greenhouse Gases.** We use the 'operational control' consolidation approach to determine our organisational boundaries.
- **Measuring emissions: A guide for organisations: 2024 detailed guide.** We source our emissions factors and global warming potential rates from this Ministry for the Environment guidance

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 sixth cycle of GHG emissions reporting for the business. In 2024, our FY24 (1 October 2023 - 30 September 2024) 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.

Clarus is actively working to reduce both direct and indirect GHG emissions within our control, focusing on areas we have most influence over. These emissions are grouped into Categories 1 to 4 and are managed through our emission reduction programme.

*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.

Our Emissions in FY24

Our total gross emissions across ISO 14064 categories 1-6 decreased by 11.44% from FY23 to FY24.

The drop in direct Category 1 emissions from FY23 to FY24 is mostly from reduced fugitive emissions (see Glossary on page 46) across transmission, distribution, and gas storage networks, and fuel gas used for compression operations, because of operational improvements we have put in place.

Category 2 emissions from imported energy were up because of network line losses from Firstlight Network, which we bought it in April 2023. This is the first full year it has been included.

Category 3 emissions rose in FY24 due to increased international shipping and international air travel.

Category 4 emissions from product used by Clarus remained steady, with emissions from waste to landfill going up. We saw a reduction in purchased electricity transmission and distribution losses emissions.

Beyond Categories 1-4, where we have greater influence over reducing emissions, we also track emissions in Category 5 (use of sold products) and Category 6 (indirect downstream emissions).

Category 5 emissions increased due to organic business growth driven by higher volumes of LPG products sold by Rockgas.

Category 6 emissions have been declining since FY20, reflecting reduced gas transported through pipelines, a trend that continued in FY24. While Clarus does not own the energy delivered, tracking Category 6 helps understand the broader downstream impact of our activities.

Our Targets | Whāinga

Metrics & milestones	Target	Context
GHG gross operational emissions	30% reduction in Category 1-4 emissions by 2030 (from 2019 baseline).	Work continues to be focused on reduction of Categories 1-4 emissions with a detailed plan of investment and delivery. Our first stage of reduction initiatives is progressing well, resulting in lower emissions (page 16). This will be reflected in our 2025 Sustainability Report.
Continued expansion into renewable energy sources	Develop five renewable energy projects or investments to investment decision by 2026.	We are continuing to grow renewable gas production beyond the Broadlands Upgrading plant through the development of further projects. During early 2025, the Tauhei solar farm (page 21) reached the investment decision stage. Construction is expected to be completed by the end of 2026.
Blended gas usage in pipeline network	Completion of hydrogen blending pilot (up to 10% blend) within a gas distribution network by end 2024.	Hydrogen blending pilot is scheduled for 2025.
Biomethane injection into Firstgas pipeline network	Injection of biomethane into the Firstgas pipeline network from Reporoa biogas plant in 2024.	The First Renewables biogas upgrade facility, located at the Ecogas Reporoa Organics Processing Facility, was completed in 2024. The first injection of biomethane into the Firstgas pipeline network began in November 2024. At full capacity, 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 have part of their short-term incentive payments 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.	Our draft transition plan was reviewed externally in 2024. We will continue to refine and adjust our transition plan as new technologies and options become available to help us meet our ambition for Clarus to be net zero by 2050 (this is likely to include offsets).
Circular economy and waste reduction	Reduce our landfill waste by 25% from 2023 to 2025.	We are 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. We recycle where possible including in FY24 we began recycling our used PPE by partnering with Upparel and we recycled 99 laptops.

Climate Related Risks | Ngā tūraru ā-āhuarangi

Climate change events are likely to impact most businesses. For Clarus, increased weather events are likely to impact our operations and most likely cause an increase in operational and maintenance costs.

These could include:

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

We participated as part of the Aotearoa Circle Leadership Group in developing the Energy Sector Climate Change Scenarios report, exploring what the sector could look like under different, hypothetical climate futures. The report is designed to be used by Climate Reporting Entities and others adhering to XRB standards. We refer to the report when developing scenarios as part of our work.

Climate risks are integrated into our primary risk registers that are regularly updated, shaping our present and future strategies on asset management and business operations. We prepare for emergencies with contingency planning to minimise the impacts. We continue to provide staff wellbeing support programmes that could help if our people are directly impacted by working and living with, and responding to, increased climate events.

Clarus identifies climate risks with a focus on both physical (acute and chronic) and transition risks.

We assess, review and adjust our business to take account of **acute physical risks** that may arise from changes in event-driven hazards, such as an increased severity of cyclones or floods.

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

Transitional risks through technology and market pressures adjusting during the change to a low carbon future can present the opportunity for us to invest – for example, in solar power (page 21), lower/zero carbon gases such as biomethane and hydrogen, the repurposing of our infrastructure such as the biomethane to pipeline facility at Reparoa (page 23), and investing in electricity distribution business Firstlight Network, as a business that is less reliant on emissions intensive sources. We are considering other opportunities.

Doing Right by Our Environment

Manaaki whenua

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

Tauhei Solar Farm

In early 2024 we announced that First Renewables Power Ltd, a Clarus company, and UK business Harmony Energy will develop and own Tauhei Solar Farm in Te Aroha in the Waikato. Construction is starting in 2025.

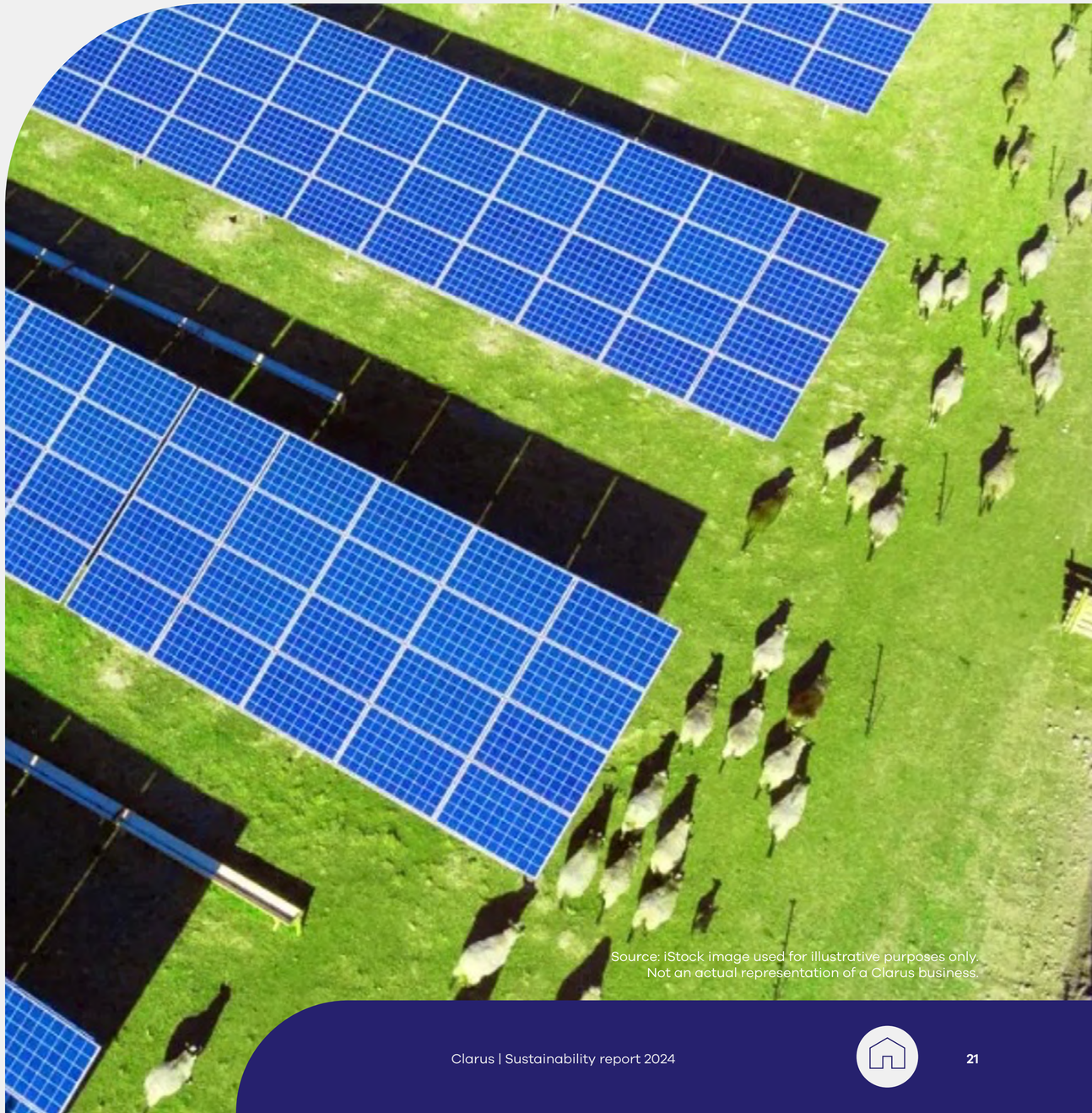
It is estimated that by using solar panels, Tauhei will generate 280 gigawatt hours of electricity each year, which is enough renewable energy to power the equivalent of around 35,000 Kiwi homes*. Meridian Energy has agreed to purchase 100% of the output for the first ten years of operation.

Another part of the of project will involve restoring wetlands and seeking to plant around 100,000 natives in an aim to promote biodiversity in the area. Approximately 25,000 native plants have already been planted on the boundary of the solar farm, seeking to ensure screen planting is established as early as possible.

At an impressive capacity of 202 MWp**, the majority of the 182 hectare site will remain in productive farming, switching from dairy farming to sheep farming. The photovoltaic panels will provide shelter and shade for the sheep, while also helping to retain moisture in the ground during the hottest months of the year.

The Tauhei Solar Farm has the potential to play a part in the transition to a lower emissions energy system in Aotearoa New Zealand.

* This estimate is based on an assumed average household electricity consumption of 8,000 kWh per year, as referenced in MBIE's Key Assumptions for Domestic Electricity Prices. ** Solar PV plants generate 'direct current' (DC) electricity, which is then converted to 'alternating current' electricity by on-site equipment called inverters so it can be injected into the grid. The peak amount of DC power the plant generates is measured in MWp. It is common to refer to a solar plant size by MWp (i.e. DC) capacity. Tauhei Solar Farm has been designed as a 202MWp plant, meaning under optimal conditions (such as midday on a sunny day), the solar panels could collectively generate up to 202MW of DC power before conversion losses and will reduce slightly with plant age (solar modules degrade with time).



Source: iStock image used for illustrative purposes only. Not an actual representation of a Clarus business.

Creating Renewable Gas from Waste

We turn the kumara peel, banana skins and other food scraps in Auckland, that are then processed at Ecogas' organics processing facility in Reporoa, into renewable gas through our First Renewables biogas upgrade facility.

Biomethane to Pipeline Facility

In a first for Aotearoa New Zealand, we are working with Ecogas to turn food scraps into energy that could meet the demand of up to 7,200 homes* when the plant is operating at full capacity.

Kerbside food waste is collected in Auckland, processed in to biogas at Ecogas's organics processing facility in Reporoa, and then we turn it into biomethane by processing it through our First Renewables biogas upgrading facility.

In FY2024, Standards New Zealand revised a 16-year-old gas pipeline standard to allow for changes in the type of renewable gas we can use to fuel our homes and workplaces, enabling the biomethane First Renewables produces, from the biogas produced by Ecogas, to flow through to the pipeline.

Biogas can be used as it is, but the methane content of biogas varies considerably, which means its energy content also varies and it can be corrosive. To create a more reliable and purer product, biogas can be upgraded into biomethane and renewable carbon dioxide.

Once it has been processed by the First Renewables biogas upgrade facility, biomethane can be piped directly into the natural gas grid because it is similar to natural gas.

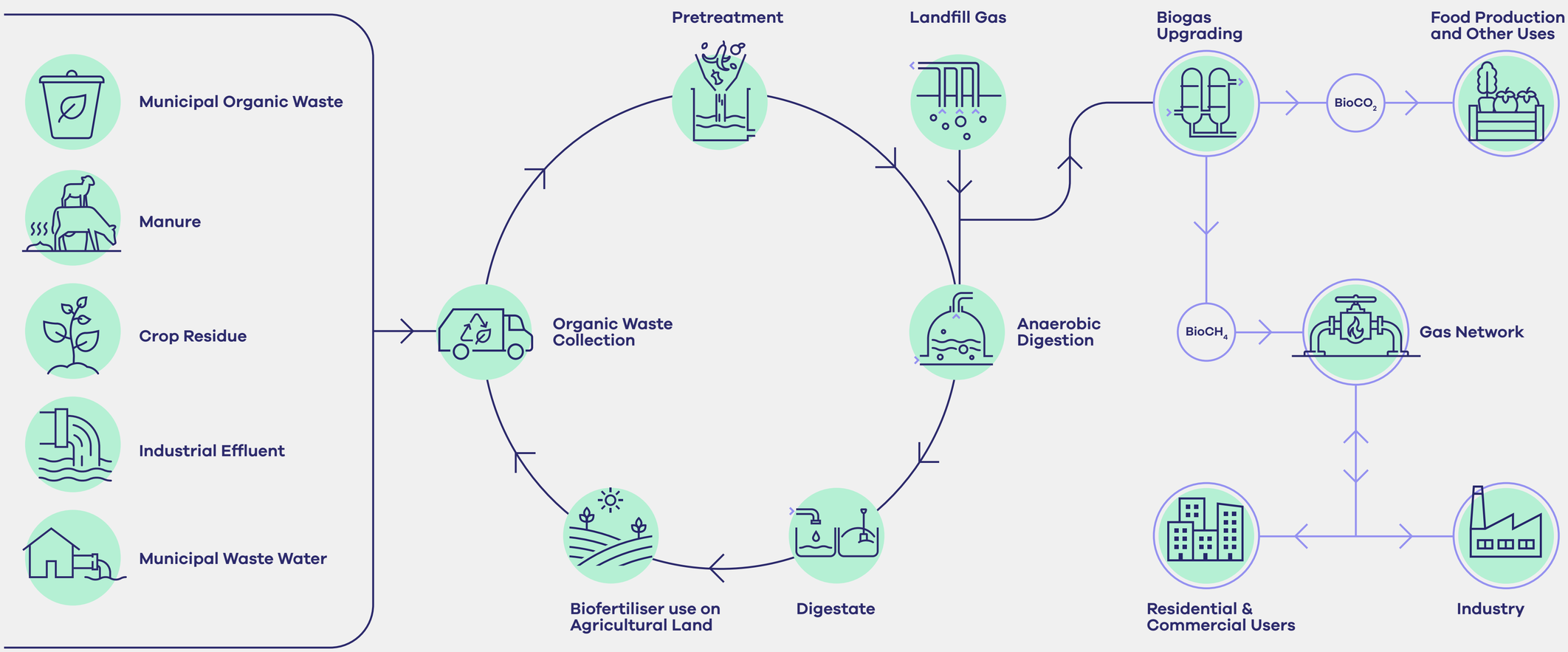
In an innovative additional step, we are seeking to send the renewable carbon dioxide, or bioCO2, to a nearby glasshouse to enhance the growth of tomatoes and further the carbon emissions benefit of the project.

We seek to use as much of the end product of the food waste processing journey as possible to play a part in reducing waste:

- The digestate can be used as liquid biofertiliser on farms near Reporoa, reducing the need for imported and/or synthetic fertiliser.
- Biogas can be used to power the Ecogas facility and heat up glasshouses nearby.
- Biomethane can be piped into the Firstgas grid, which displaces the need for natural gas. Enough biomethane could be produced to supply around 7,200 Kiwi homes with net zero carbon gas, while also reducing CO2 emissions by 11,000 tonnes per year*.

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

Biomethane Value Chain



Disclaimer: This diagram demonstrates the general process for biomethane at a high level. It is not an illustrated example of the detailed process used at the Reporoa facility referred to on page 23.

Key Milestone for Hydrogen Blending Pilot

In a first for Aotearoa New Zealand, in 2025 we plan to start a small trial of hydrogen blending through our pipeline.

Firstgas is getting closer to commencing Aotearoa New Zealand's first ever hydrogen blending pilot, with support from our partners Vector, Powerco, Nova Energy and GasNet.

We plan to blend a small amount of green hydrogen, a type of renewable gas, with natural gas into the existing natural gas pipeline in Te Horo. Fourteen households will use the blended gas in their home appliances for the period of the pilot.

The blend will start with 2% hydrogen and will gradually increase to 15% hydrogen. The beauty of blending a small percentage of hydrogen with natural gas is that gas appliances operate as they usually do, meaning people can still enjoy all the normal benefits associated with their standard natural gas supply.

A key milestone for this project was WorkSafe granting two exemptions to Firstgas, providing the regulatory framework for Firstgas and our partners to safely conduct the Hydrogen Blending Pilot.

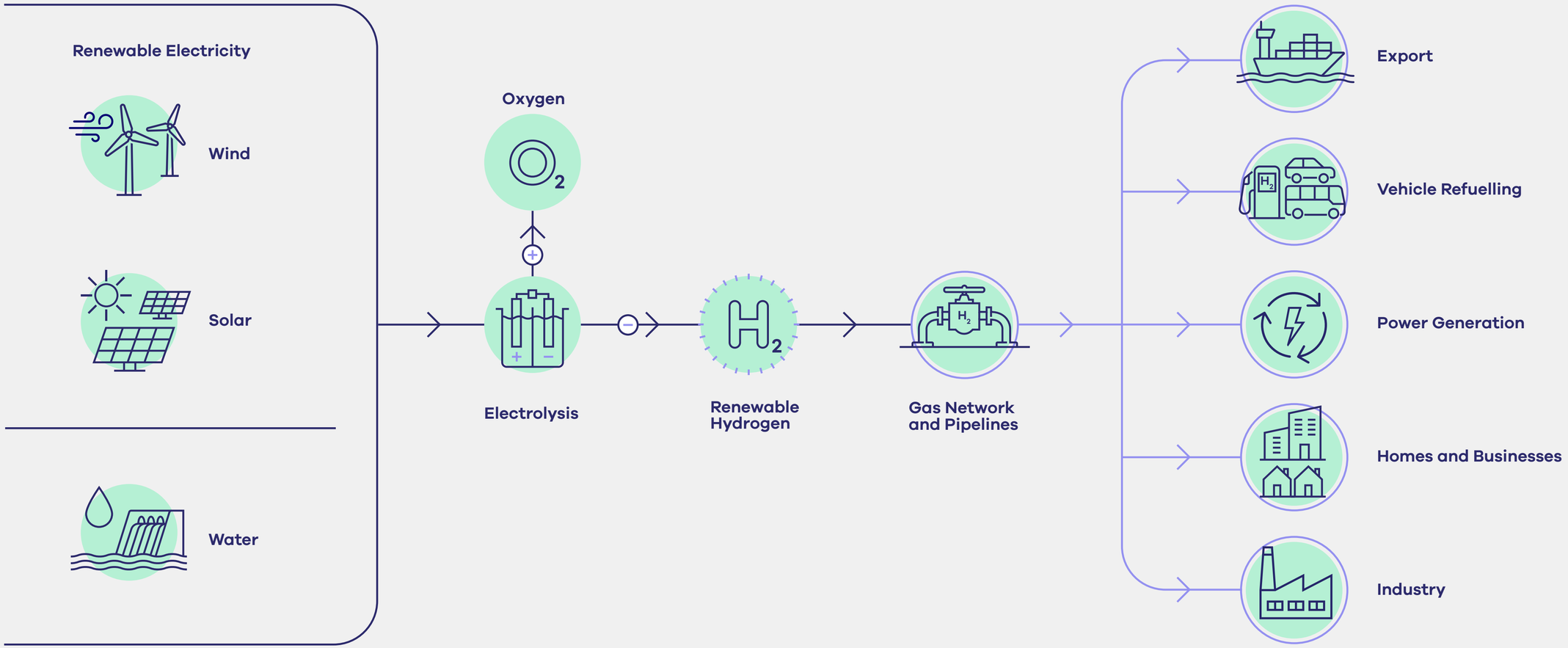
The technology to inject hydrogen has already seen some success overseas.

Hydrogen can play an important role in helping to decarbonise the gas pipeline network and Aotearoa New Zealand's broader energy system.

Our work programme includes:

- Determining the technical feasibility of utilising existing gas infrastructure to convey hydrogen (in blends up to 15%).
- Investigating a possible pathway for the conveyance of hydrogen blends in natural gas networks via the execution of this hydrogen blending pilot
- Monitoring and supporting the development of industries that require hydrogen as a feedstock.

Renewable Hydrogen



Upgraded Kaitoke Compressors will Reduce Emissions

Kaitoke is our key site for the supply of natural gas throughout the lower North Island. During FY2024, we worked on preparing it for the arrival of two new state-of-the-art, lower-emitting compressors.

The pair of new compressors will allow Firstgas to respond even better to gas demand at peak times and when gas is needed to support our electricity system. They will operate with fewer emissions, keep up with the demand for gas and improve our network's reliability and flexibility.

More than 150 Clarus people are involved in this major project. The compressors are due to be switched on in April 2025.

"As of February 2025, the two new compressors have arrived on site and have been successfully lifted into place. The next step is installation of the compressors," says Bayliss.

"We have also made significant progress on the new utilities at site, with construction and early commissioning complete on the bulk oil, instrument air, station computer systems needed to run the new compressors alongside existing equipment."

New compressors will generate less emissions when operating.

Their new technology is a huge step up on the existing equipment, according to Ian Bayliss, Project Manager, pictured on the right - in orange overalls.

"Their new engine management technology, which include catalytic converters on the exhausts that will enable the compressors to perform more efficiently, and reduce carbon emissions," Bayliss explains.

The compressors are coming from Enerflex, Houston, which specialises in sustainable energy solutions. Bayliss and the team started thinking about how best to upgrade the facility in 2019 and undertook comprehensive studies through to 2023 before finally reaching a decision.

Solar Panels Starting to Shine

Clarus is thinking about how we can improve things with new investments, key projects and the day to day of how we run our business. As you will read throughout this report, we are reducing emissions as part of our business as usual operations in many ways.

One small example of how we have implemented this commitment is by installing solar panels on the roof of one of our biggest buildings.

The 60kW solar system panels are on the north facing roof of our New Plymouth offices. Thanks to some stunning Taranaki sunshine, the solar panels have been performing well since they were installed in June 2024, and have been generating more than half the power the office uses at peak times.

This solar project will generate significant environmental benefits by reducing the volume of grid-imported power used by our New Plymouth building.

It has also given us an opportunity to educate our staff about the benefits of solar power.

While it will take between five to seven years for the investment in the solar panels to bring a return, this is part of our ongoing commitment to reducing emissions.

Reducing Waste

Garment Recycling

In August 2024, we partnered with Upparel to provide a sustainable end of life programme for used garments to help manage and minimise the textile waste going to landfill.

'Fit for wear' or recyclable personal protective equipment clothing items are given a second life through Upparel's social enterprise programme. While this is a new programme for Clarus, between August 2024 and February 2025 we donated three 120 litre bins of used garments.

When the garments are too well-used to be worn anymore the textiles are washed, shredded or transformed into non-woven felt material. It is then cut to size, laminated or finished with an outer fabric covering into 100% recycled products such as homewares, furniture and construction items.

Safety helmets are mostly made from polycarbonate or polyethylene resins due to its strength characteristics. High-density polyethylene is commonly used for industrial helmet manufacture. Due to it being a life-saving safety item, it needs to be inspected regularly and must be changed every three years regardless of condition. Donating our helmets to Upparel will help divert them from going to the landfill.

E-waste Reuse Programme

We supply laptops that are no longer needed to New Zealand-owned business Insite Technology for recycling or, where possible, refurbishing, to prevent them going to landfill.

We recycled 99 laptops in FY2024.

Of those, 75% of our retired laptops went towards supporting high school students who may not otherwise be able to afford a device of their own. This helps more students with their studies, promoting inclusion and IT awareness.

A large number of the laptops refurbished in FY24 went to New Plymouth Girls' High School. The remaining 25% were supplied to IT resellers.

Repurposing Paper

When Clarus undertook a project to digitise our archives, we had 600kg of paper to recycle.

We worked with a company called SaveBoard that transformed our paper waste at their Hamilton plant into 470 ceiling tiles and 4 sheets of board for walls. Some of these have been installed in our Bell Block offices.

Doing Right by Our People

Manaaki tāngata

At Clarus, we have a team of awesome individuals with a huge variety of strengths, skills and amazing attitudes.

Our good energy (at work) keeps our people safe, encourages their growth and development.

Values | Ngā Uara

Our values were created by our people, for our people.

The symbol of the tiger represents not only our values, but also the hidden dangers in the work we do.

Sometimes process safety uses a tiger as an example of dangers than can creep up on you.

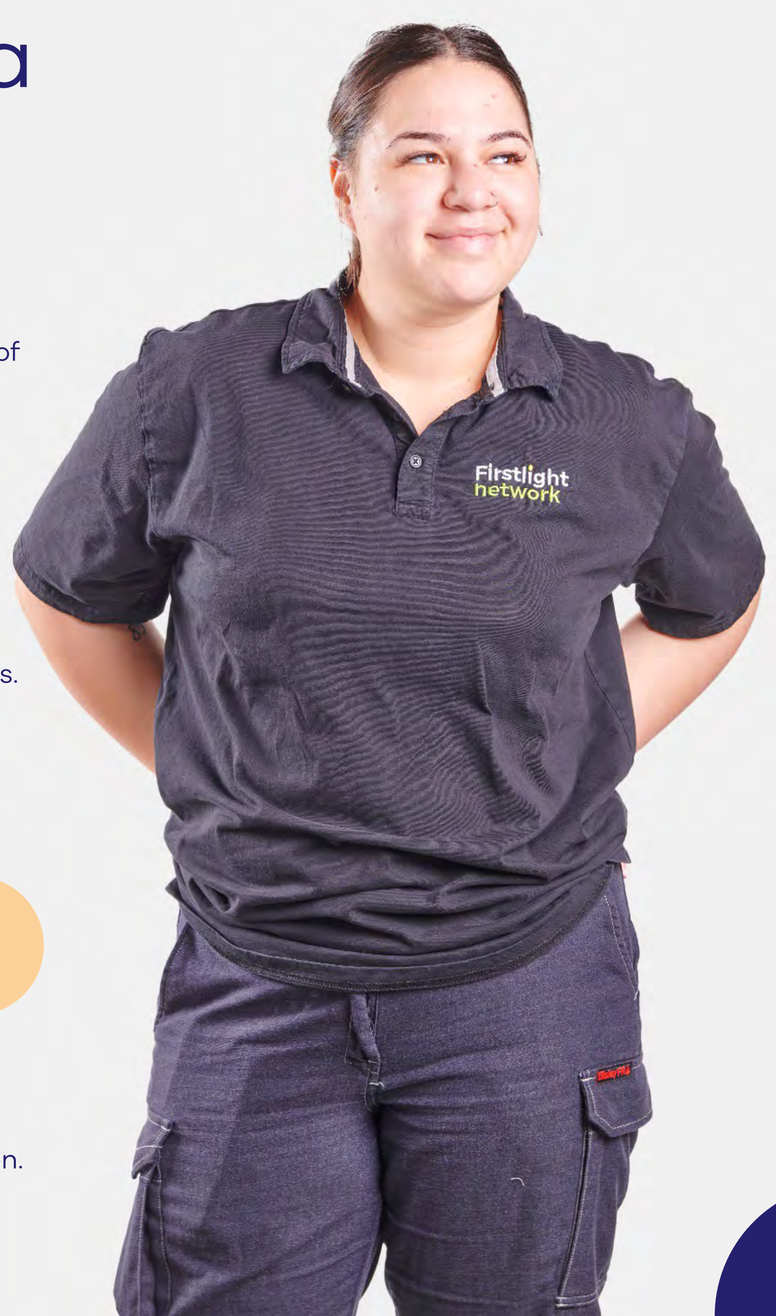
The idea of the tiger is that you won't see it coming, it's a stealth predator. Compared to lions who hunt in the open, tigers are very difficult to see. Both animals can kill you, but you won't see the tiger until it's too late.

It's the same with keeping our assets and people safe. We must always be on the lookout for risks and hazards.

Our people feel a deep-seated pride in our business and what we do, and so owning our values reminds us of the culture we want to build on as well as making sure our people work in a safe environment.

Our people feel a deep-seated pride in our business and what we do.

TIGER is central to how we treat each other, how we interact with customers and people in the community and how we approach our work. Every, single day. It is the common anchor across all parts of our organisation.



Together • Kia piri
We have fun
We are one team
We care about each other

Integrity • Kia pono
In our actions
With our words
In our safety

Grow • Kia tupu
The company
Ourselves
Our team

Empower • Kia manaaki
Each other
Realise goals
Challenge the norm
Chase opportunities
Treat it like you own it

Respect • Ko te aroha
The assets
The environment
Our people
Our customers
and the TIGER

Clarus
Good energy @ work
He wairua pai i te mahi

Keep your good energy @ work roaring with our TIGER values

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 engaged and increasingly diverse workforce. It provides information, tools, training, seminars, live sessions and support based on the four pillars of wellness.

Skin checks have also been successful in early detection of skin cancer in several employees.

- **267 staff took the opportunity to have skin checks.**
- **53 referrals were made for medical follow-up.**
- **Of those people, we know that 21 were found to have skin cancer.**
- **At least 3 people were diagnosed with melanoma.**

Mind | Hinengaro — **Body | Tinana** — **Habits | Ngā ritenga** — **Relationships Whanaunatanga**

Benefits include confidential counselling services and wellbeing events, tools and other supports such as healthy eating guides and financial advice.

Each permanent Clarus employee can apply for a $350 grant each year 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 that has helped boost wellness across the business.

Helping staff get to work in a healthier and greener way

We have a partnership with Workride to offer staff the opportunity to save 32-63% of the cost of a new bike, e-bike or scooter for their daily commute to work.

48 Clarus employees have taken part in the WorkRide scheme so far.

57% of those were not previously riding a bike or scooter to work, indicating the scheme encouraged them to take up a new form of active and low emissions transport.

What Our People Say

We survey our employees continually to check in how they are feeling about work, with regular questions via email using a tool called Joyous.

We ask a set of questions that span the categories of Fairness and Inclusion, Wellbeing, Culture and Environment, Engagement and eNPS (employee net promoter score). We ask the same questions to allow us to track these aspects over time.

We are proud that our eNPS in 2024 was 71, an excellent score.

This year, our results show most employees feel welcome and supported working at Clarus. We found:

“I feel I have a place here at Clarus” – 8.8/10
“I know where to get support when I need it” – 8.7/10
“Someone at work cares about my wellbeing” – 8.9/10
“I am treated with respect at work” – 9/10

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

Health and safety - 8.8/10
Wellbeing – 8.8/10
Culture and environment – 8.6/10
Engagement – 8/10
Fairness and inclusion – 8.8/10

Building Belonging

As an employer, we think about how to support diverse perspectives at work because we want everyone to feel like there is a place for them here.

It's better when we are together, feel respected and empowered, and can simply be ourselves.

We all do our part in making others feel accommodated, whether its identifying each of our skills and how we can best tap into them, accessibility of information, or being supportive our various communication styles, approaches and environment needs.

This extends beyond the workplace to our whanau, friends and wider communities. Sharing stories, training, policy, tools and resources – these are all aimed at increasing our awareness, helping us further our empathy and understanding, and valuing our differences.

Building Belonging

Working to Increase Diversity

Closing the gender pay gap is a long-term focus that requires ongoing commitment. We are working to support our employees, pay competitive fair salaries and hold ourselves to account. Our gender pay gap closed further during FY24, down to 6.7% on average from 9.3% in FY23.

Some examples of ways we are working to increase diversity and reduce the gap are:

- **Ensuring representation of females on interview panels**
- **Creating starting salary guidelines for recruiting managers to use**
- **Introducing relevant checks into the annual remuneration review analysis**
- **Increasing internal transparency and building understanding around our diversity measures/challenges**
- **Developing internal talent**
- **Building diversity and future NZ demographics into comprehensive workforce planning**

Pou Tuarā

Pou Tuarā is the name of our Māori learning centre.

The Pou Tuarā is the central piece in the ceiling of the whare on a marae. It is known as the ‘spine’ or ‘backbone’ of the whare and it is connected to all the parts that come off it – much like our own spines as humans. We keep the pou aligned by nourishing all parts of the structure.

Our Pou Tuarā rōpū (group) is made up from people around the organisation who are passionate about building cultural awareness and understanding of Te Reo and Te Ao Māori. As kaiarataki, we’re building on a Te Ao Māori perspective by providing manaakitanga and kaitiakitanga for our people.

We see the application of Te Ao Māori as a positive – it gives us strength to move forward and contributes to the success of Clarus and our kaimahi. It holds us upright and makes us proud of who we are.

In addition to sharing regular pūrākau (stories and legends) relevant to our locations, we recognise important events throughout the year such as Waitangi Day, Matariki and Te Wiki o te Reo Māori (Māori language week). We also use an external provider, Manavation, to build cultural competency in Te Ao and Te Reo Māori for our kaimahi (employees).

The theme for Matariki this year was Matariki heri kai and comes from the Māori proverb ‘Matariki whetū heri kai’ meaning ‘Matariki, the bringer of food’. At Clarus, we celebrated by enjoying a hāngī at all our locations across the motu, to bring people together and connect over a shared kai.

First Principles

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 team to deliver 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

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.

Health and Safety

Prioritising Worker Health and Safety

We carried out a Safety Culture Survey at the end of 2023 that showed us we performed well in staff's personal views of their own health and safety management and need to feel safe, providing a supportive environment for working safely, and prioritising safety.

In FY2024, we started creating action plans to build on the positive safety culture we already have in place.

Within each business within Clarus, we are working on reviewing employee engagement, increasing the safety content in our inductions for new staff, sharing safety lessons we have learned and increasing overall safety communication. We are working to ensure all our operational teams have effective health protection in place to safeguard against occupational health hazards.

We are developing new awareness training modules, comprehensive risk assessments, continuous monitoring program and associated documentation to further support staff to be healthy and safe at work.

Two Dedicated Teams

Clarus has two teams dedicated to health and safety – one focused on people safety and one focused on process safety. The Health and Safety Team are geographically spread across the country to provide coaching, advice, and support. They support the business by providing specialist health and safety advice, involvement in projects and work processes, and facilitating risk and process reviews and investigations. The team harness the knowledge of our experts – those doing the work – to ensure work is done efficiently, to a high quality and ultimately safely.

The First Principles Team's mission is to bring the First Principles to life by embedding First Principles into our everyday practices, to enhance the safety culture at Clarus. By simplifying health and safety processes, we can make it easier for workers to undertake work and understand their responsibilities, guided by the First Principles.

Refreshing our People Safety Critical Risk Approach

Our First Principles were established to identify how to approach safety across Clarus. This is our guiding document of how we undertake Health and Safety throughout our organisation. The First Principles outline our Health and Safety values and a commitment for how we approach the management of People Safety Critical Risks.

In FY24, we began a review of our People Safety Critical Risks, to set up a consistent framework and verification processes. Because our group of businesses is diverse, we are taking a deep dive to review the risks of each business in the group. This is an on-going piece of work.

Our Health and Safety First Principles

Doing Right by Our Communities

Manaaki hapori whānui

At Clarus, energy is what we do but it's people we do it for.

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 commitment to the community is evident through our day to day interactions with landowners and customers, our community sponsorship fund and our employee Got Your Back days. Each permanent Clarus employee receives two Got Your Back days per year (see page 45).

Each Clarus employee receives two Got Your Back days per year to use for their own wellbeing and community volunteering. Volunteering can include participating in various community service projects such as beach cleaning, planting trees, helping at wildlife sanctuaries and working with organisations that support people living with physical, intellectual, emotional and social challenges. Often volunteering is undertaken in groups or teams which not only benefits the community but also fosters the strengthening of employee relationships.

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 FY24, we sponsored 12 local events, initiatives and individuals representing their region.

Stakeholder Engagement

We engage with local iwi and communities as an essential part of working with tangata whenua and landowners around our business. We recognise our relationships are long term and we are committed to keep building and growing this connection.

Helping Milly’s Paralympics Journey

Milly Marshall Kirkwood is a remarkable young woman with a burning desire to become a world champion in seated discus and shotput and compete in the 2028 Paralympics.

Through the Clarus Community Partnership Fund, we are proud to support Milly as a sponsor to help fulfil her dream.

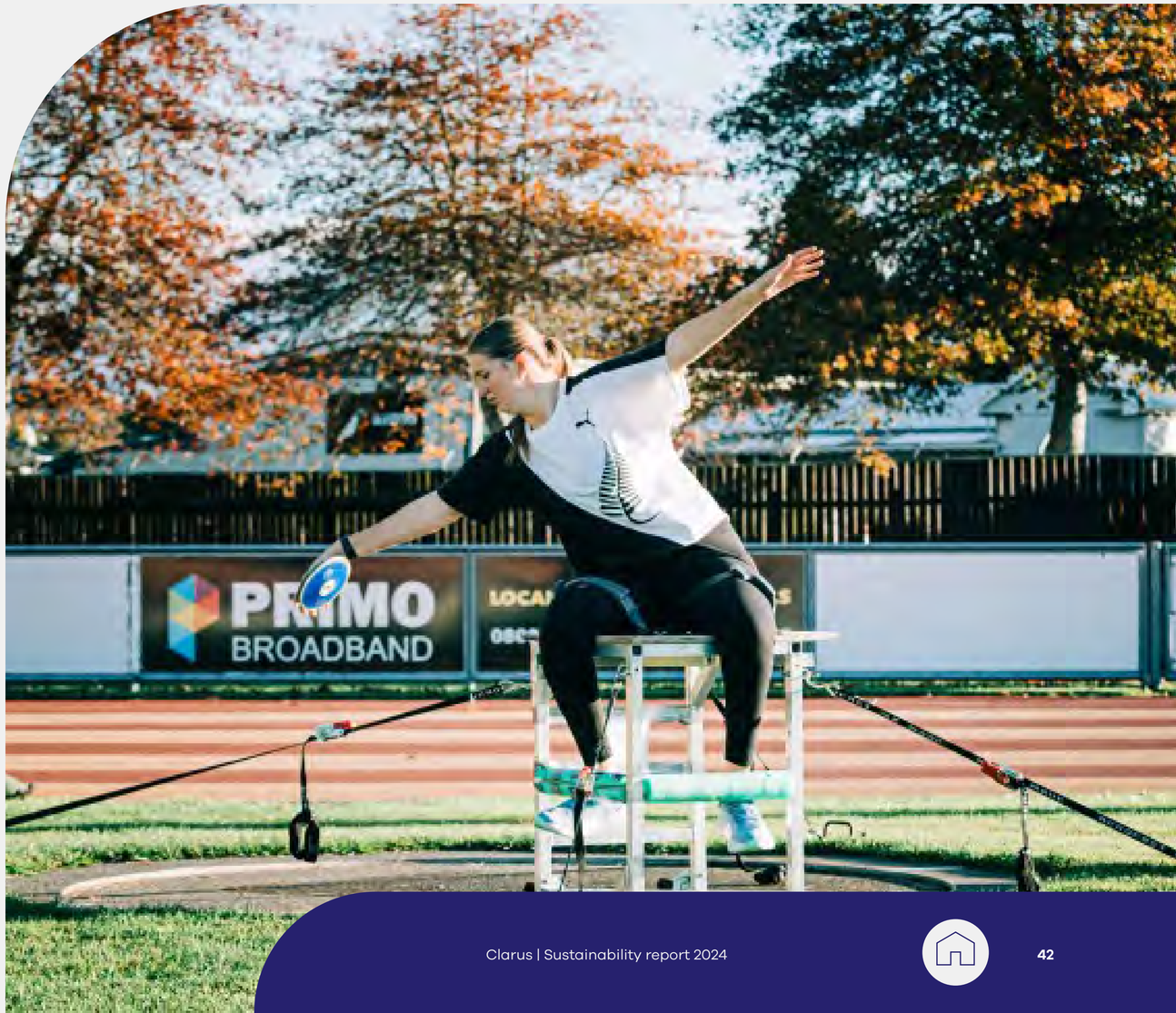
Athletics New Zealand believes Milly, who lives in Taranaki with her family, has the potential to reach the 2028 Paralympics and the World Para Athletics Championships.

Milly says, **“My disability no longer burdens me when I participate in sport; I’m equal. I believe that I have found the sport I belong in and my love of throwing will only continue to grow.”**

Milly is a member of High Performance Sport NZ and holds the current achievements:

Seated Discus U17, U18, U19, U20 and Open Women New Zealand holder - 2nd in the world for U20 women and 25th in the world for Open Women. Oceania F57 champion.

Seated Shotput U17, U18, U19, U20 New Zealand record holder; 3rd in the world for U20 Women and 26th in the world for Open Women.



The Firstgas Bone Carving Symposium at Mokau

In April 2024, the largest gathering of bone carvers in the country came together at Mokau for the Firstgas Bone Carving Symposium 2024.

Firstgas is well known for our transmission pipeline operations in the Mokau area. Our Chief Executive, Paul Goodeve, says we feel like we are part of the Mokau community.

“We are proud to support the carving symposium. It helps encourage and inspire carvers. It’s also great for the community as it brings people to Mokau for the weekend.”

Since this national art event started, there have been six special guest carvers attend from Aotearoa New Zealand and overseas.

This year, there were 63 carvers participating. Gareth McGhie, Ngāti Kahungunu, was the special guest carver and spent the weekend sharing his expertise to help build the skills of other carvers.

This year’s event started with a pōwhiri to welcome the carvers at Maniaroa Marae.

Event organiser, Mike Brown, said the warmth of the welcome, the power of the carvings in the wharenui, and the spiritual depth of the hosts was the ideal foundation for the symposium which helps restore the mana of bone carving.

“Right from the beginning, we were reminded that carvings can have a ‘life force’ and can make us stronger as people.”

At this year’s symposium, attendees organised their own regional carving groups in different parts of the country. This enables people to gather for one day carving sessions several times a year to maintain momentum between symposia.

Kiwi Release on Ngāti Tama whenua

Clarus staff were honoured to attend the release of two kiwi into the wild on Ngāti Tama whenua in May 2024.

Ngāti Tama, the Northern-most Iwi of the eight Taranaki Iwi, are tangata whenua and kaitiaki or guardians of 2000 hectares of coastal to inland forest at Parininihi. The area is culturally, historically and spiritually significant to Ngāti Tama.

Tiaki Te Mauri O Parininihi Trust was formed in 2012 to guide and support long-term ecological management work at Parininihi, and includes people from Ngati Tama and the wider community.

The work of the Trust focuses on restoring and protecting the values of Parininihi with mahi, including pest control, species recovery and translocations.

It was very special, one of our team members who attended says.

“The evening was just so calm weather-wise and it was very peaceful when they were released. I valued joining other fellow Clarus staff and sharing this special experience with them.”

Ngāti Tama is an important relationship to us because our major pipelines Maui and Kapuni run through Ngāti Tama whenua.

We recognise that we are a manuhiri (guests) on the land, and we want to ensure we treat Ngāti Tama with the respect that entails whenever we carry out work on the pipelines.

Over the years Clarus has built a strong and collaborative relationship with local Ngāti Tama, and we were grateful to be invited to a Kiwi release on their whenua.

The Kiwi birds Percy and Gaston were hatched from eggs from the local area and reared at a Taupō sanctuary until they were big enough to be released.
When they reached seven months old, the pair were released into the wild with five Clarus staff lucky enough to see the birds and support their transition to nature.

We were grateful to be invited to a Kiwi release on Ngāti Tama whenua.

Got Your Back Days

Each permanent Clarus employee receives two Got Your Back days per year to use for their own wellbeing, which can include supporting their community.

Our staff had the opportunity to use a Got Your Back day to attend a working bee at Riding for the Disabled in New Plymouth. By spending time doing some mahi at their stables, we supported their volunteers to focus on the incredible work they do with their riders and horses.

On the East Coast, one of our Firstlight Network asset inspectors is a dedicated volunteer with the Manutuke Volunteer Fire Brigade in his spare time. He used a Got Your Back day to participate in the Firefighter Sky Tower Challenge, raising money and awareness for Leukaemia & Blood Cancer New Zealand, wearing full firefighter gear that weighs around 25kgs and climbing 1,103 steps!

Our remuneration and analytics manager and his team used a Got Your Back day to plant harakeke, ti kouka and mingimingi at Waikākāriki/ Horseshoe Lake. He says it was an awesome way to spend a July day in Christchurch.

“It did also help massively that it was a nice, sunny day to be out of the office.”

A staff member in Christchurch whose daughter was recently diagnosed with autism, used a Got Your Back day to attend a course called Framework for Autism in Aotearoa New Zealand, to learn more about how to be a supportive parent to the needs of an autistic child.

“It’s a bit of rollercoaster ride and this course was really informative and great value so the opportunity to participate by using some Got Your Back leave is really appreciated.”

Glossary

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 Aotearoa 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 Aotearoa 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.

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 Standardization 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.

Glossary

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.

Disclaimer

Clarus has produced this Sustainability Report (Report) voluntarily for FY24 (1 October 2023 – 30 September 2024). It covers Clarus which includes; Firstgas Ltd, Rockgas Ltd, Flexgas Ltd, First Renewables Ltd, Firstlight Network Ltd and related companies. ("Clarus").
This report does include information about things that have occurred after the reporting period but prior to the publication of this report.

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 represents 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.

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.

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