A shift in energy

Meridian.

Our purpose is clear

The transition to a resilient net zero economy is gathering pace. Meridian took several steps during the year to deliver on our strategy – from securing the long-term future of New Zealand's Aluminium Smelter (NZAS) with an agreement that supports a more renewable and flexible electricity system, to significantly growing our renewable pipeline and enhancing the performance of our assets.

Our confidence in delivering on our purpose has grown. We've progressed work to shape our new future as a retailer of electricity, putting our customers at the heart of our goal to deliver cleaner, cheaper energy solutions. We've set a nature-positive ambition and we're growing our cultural capability to maximise the positive impacts for people and the planet as we deliver clean energy for a fairer and healthier world.

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About this report

Our strategy reflects the urgency we feel to play our part to advance our country's transition to a net zero future.

This Integrated Report is dated 27 August 2024 and has been signed on behalf of the Board by:

Mark Verbiest
Chair

Julia Hoare
Chair, Audit and Risk Committee

This Integrated Report reviews our financial, economic, social and environmental performance for the year ended 30 June 2024 (FY24) and how we've created value for the short, medium and long term.

This year, in line with our strategic aim to take an all-encompassing focus on climate action, we've delivered on our ambitions to develop more renewable generation, provide cleaner, cheaper energy, operate with excellence, and grow our capability and culture.

The Board has established processes to ensure the quality and integrity of the annually produced Integrated Report, and has entrusted Management with preparing and presenting it.

The Report covers the performance of all members of the Meridian Group[1], which comprises of our Meridian Energy and Powershop brands, Dam Safety Intelligence in New Zealand and Flux Federation, our electricity retailing software business that operates in New Zealand and Australia. For the most part, the focus is on Group performance. Many of the topics discussed also centre on the parent company, mainly because the other businesses are smaller (representing less than 10% of the Group's overall revenue).

1 See Note E1 Subsidiaries and other interests of the Financial Statements.

Technicians working at West Wind Farm, Te Whanganui a Tara Wellington.

This Report has been prepared using the International Integrated Reporting Framework and the 2021 Global Reporting Initiative (GRI) Standards. Deloitte has provided limited assurance for GRI disclosures as identified in the GRI Content Index. The financial statements have been prepared using appropriate financial reporting standards and have been assured by Deloitte on behalf of the Auditor-General.

OTHER DOCUMENTS IN OUR INTEGRATED REPORTING SUITE

- **Integrated Report Data Pack** bit.ly/4devDzs
- **Climate Action Plan** bit.ly/4fyAbBZ
- **Climate-related Disclosures** bit.ly/3SzilVK
- **Corporate Governance Statement** bit.ly/3Wy4sse
- **Greenhouse Gas Emissions Inventory** bit.ly/3LUqgcs
- **Modern Slavery Statement** bit.ly/3LUdSJw

Aligning all our actions

NEAL BARCLAY
Chief Executive

MARK VERBIEST
Chair

This year we've made significant progress on our strategic commitment to an all-encompassing focus on climate action.

DIVIDEND DATES

- **5 September 2024**
  Record date
- **4–10 September 2024**
  Dividend Reinvestment Plan price determination period
- **20 September 2024**
  Dividend paid and new shares issued under the Dividend Reinvestment Plan

Our '7 in 7' renewable build programme is well advanced, with the Harapaki Wind Farm now completed, the Ruakākā Battery Energy Storage System (BESS) due for completion in early 2025 and several other wind and solar projects at advanced stages of development.

We've finalised groundbreaking new contracts with New Zealand's Aluminium Smelter (NZAS) that provide much-needed certainty for the entire electricity sector and will underpin further investments in renewable energy. We've continued the work to shape what the next generation of retail means for our customers and our business. And we've set long-term emission reduction targets and advanced work on our nature-positive ambition, that anchors our sustainability performance to ambitious long-term goals.

A strong return on our climate-focused strategy

The business continues to deliver well for our shareholders. Increased electricity generation, prudent wholesale pricing and trading by our wholesale team, and increased growth in retail customer sales have all contributed to a great financial result. Meridian Energy has reported operating cash flows of $667 million for the year ending 30 June 2024, up from $509 million the previous year, with net profit after tax up from $95 million to $429 million. The growth in net profit after tax was influenced significantly by net gains on hedge instruments of $249 million in the 2024 financial year. In the prior year the company recorded net losses on hedge instruments of $351 million. EBITDAF[2] was up 16% to $905 million and underlying net profit[3] rose 14% to $358 million. Both of these are non-GAAP measures.

The strong and improved operating result was driven by higher customer sales and positive wholesale trading results. At the same time, the company invested $349 million in new and existing generation assets.

The Board declared a final ordinary dividend of 14.85 cents per share. This brings the total ordinary dividends declared in FY24 to 21.00 cents per share.

The Board has approved continuation of the Dividend Reinvestment Plan at a 2% discount.

The company notes that, while the operating result for the last financial year was strong, the operating environment shifted dramatically during June as an extended drought emerged. Inflows into Meridian's hydro catchments from May 2024 through to mid-August 2024 have been the lowest on record. As a result, the 2025 financial year currently looks to be far more challenging.

2 Earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairments and gains or losses on sale of assets.
3 Net profit after tax adjusted for the effects of changes in fair value of unrealised hedges, electricity option premiums and other non-cash items and their tax effects.

GROW RENEWABLE GENERATION

A groundbreaking 20-year agreement with Rio Tinto

It was very pleasing to settle the uncertainties around the aluminium smelter at Tiwai Point. At the end of May 2024 we announced a package of long-term contracts with NZAS for part of the smelter's electricity needs for a further 20 years. These contracts end a long and very stressful period of uncertainty for many people in Southland. They also provide much needed certainty for the electricity sector and will facilitate more investment in renewable energy across the motu. Importantly, the smelter owners are showing how large industrial businesses can thrive in Aotearoa, leveraging our highly renewable electricity system to create low-carbon sustainable products, high-value jobs and economic growth for New Zealand.

The package itself comprises two key elements: a long-term, fixed-price contract for wholesale electricity; and a demand response agreement.

The core fixed-price energy contract will reduce in stages from a net 472MW to 377MW as at 1 January 2025. NZAS has negotiated directly with two other parties to meet the remainder of its energy needs. The pricing in the contract is sustainable and allows for price escalation at CPI if the international market for aluminium also escalates.

The demand response element of this new agreement is groundbreaking, as it will provide new levels of flexibility to support the electricity system when the country's hydro storage is low. Flexibility of this scale advances decarbonisation because it reduces the country's reliance on burning coal to meet seasonal electricity demand.

> ... we estimate that, for Meridian to meet its share of the country's renewable energy needs by 2050, we'll need to build the equivalent of 20 Harapaki-sized renewable generation assets.

Our ambitious development programme is on track

This year, and against the odds given the challenges of cyclones and storms, Harapaki, the 176MW wind farm located in Hawke's Bay, and the first of our 7 in 7 projects, began generating on time and was delivered within budget. The 100MW peak and 200MWh (2 hours) grid-scale BESS at Ruakākā Energy Park, near Whangārei, is expected to be online by early 2025. Its introduction will support stable grid operations by enabling us to store energy during low-demand times of the day then inject it back into the grid at peak demand times.

We have a range of other wind, solar and battery projects at the advanced stages of design. This is important because we estimate that by 2050, for Meridian to deliver our share of the country's renewable energy needs, we'll need to build the equivalent of 20 Harapaki-sized renewable generation assets. That's a huge and exciting challenge for our business. We've resourced up accordingly and we're getting on with it.

The importance of collaboration and partnership

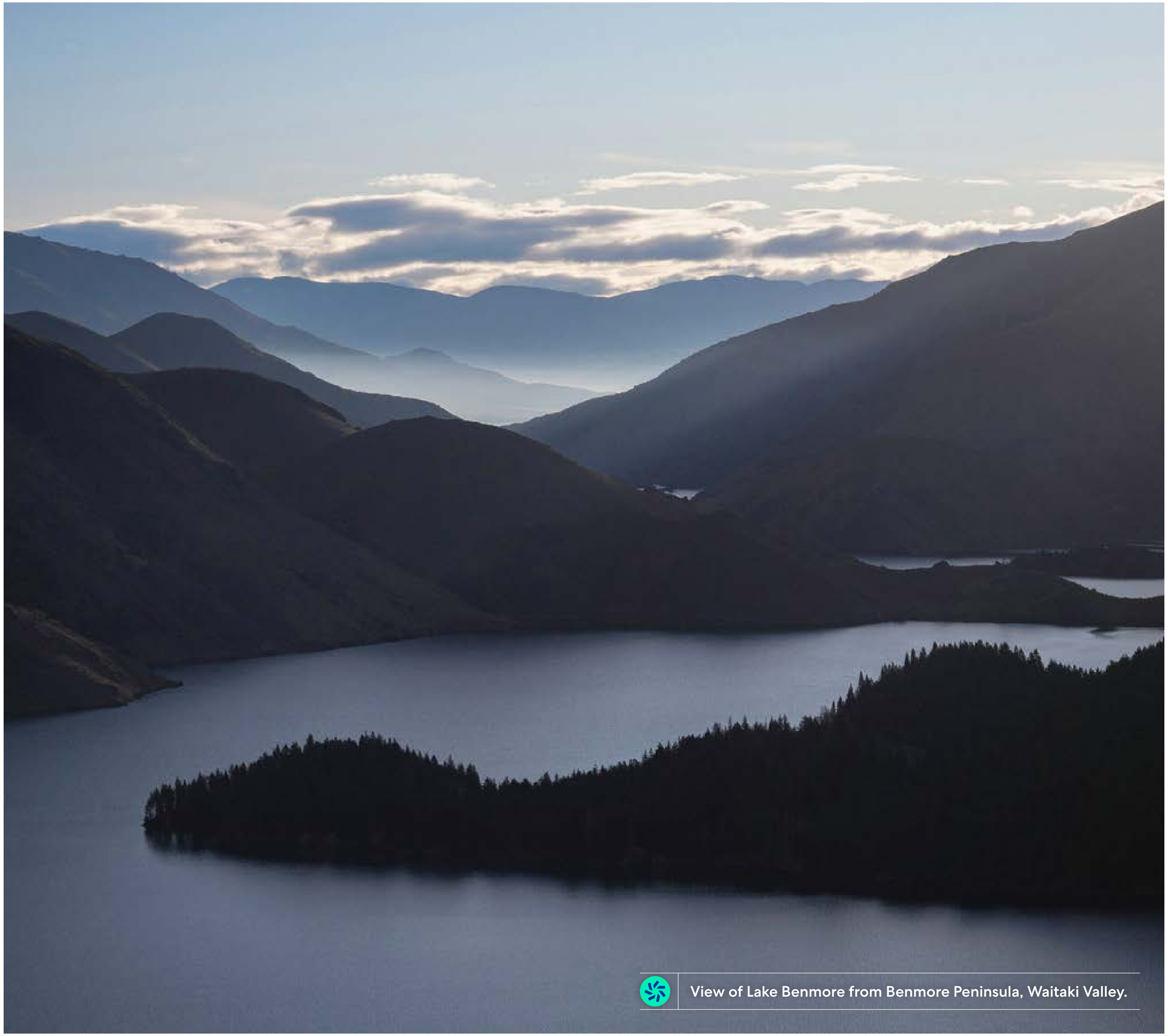
Most ambitious large infrastructure projects have an inherent tension between the localised effects of the projects and the national priorities and/or economic advantages they create. Our experience at Meridian tells us clearly that the current Resource Management System has become far less efficient in the past decade or so and burns unnecessary time and money. So, while we note the credible public concerns about the new Fast-track Approvals Bill for new infrastructure, we must see a more efficient decision-making process for the allocation of natural resources in New Zealand. We believe the Bill can deliver a more efficient process whilst still ensuring adequate environmental and community safeguards.

The most significant project Meridian currently has in the consenting process is the reconsent of the Waitaki Hydro Scheme. We lodged the reconsent application with Environment Canterbury (ECAN) in July 2023. This project was publicly notified in July 2024 and ECAN has formally agreed to refer the project directly to the Environment Court. Before lodging we worked with a wide range of people.

The most significant project Meridian currently has in the consenting process is the reconsent of the Waitaki Hydro Scheme.

This collaboration has been valuable in building rapport and aligning interests. It's important that we address the key impacts of this important scheme and grow our relationships with both iwi, communities and other stakeholders to ensure it remains a corner-stone of the country's electricity system long into the future for the benefit of all New Zealanders.

Partnership itself is a learning curve and as a modern New Zealand company we understand that partnership is a commitment for the long term. We also recognise the unique positions that iwi and hapū play in our various developments, and we note they have been generous and welcoming in their manaakitanga. Our projects are all the better for their involvement.



View of Lake Benmore from Benmore Peninsula, Waitaki Valley.

DELIVER CLEANER, CHEAPER ENERGY

Aiming to lift 5,000 households out of hardship

In the pursuit of decarbonisation, as a country we must ensure the transition does not disadvantage people who are struggling with energy hardship. We are committed to supporting our most vulnerable customers, so this year we've expanded our Energy Wellbeing Programme beyond its initial pilot, with the goal of helping 5,000 Meridian and Powershop households out of energy hardship. This has built on the Board's signing off of a $5 million investment over a minimum of two years to assist those who are finding it difficult to pay for their power and heat their homes. To date, through this programme, we've helped over 1,400 customers. This project aligns well with the 'fairer' part of our company purpose, and we're immensely proud of the work we're doing to make a meaningful and sustainable difference for households in hardship.

Rewarding residential customers who work with us

As the electricity system evolves into an even more renewable one, it creates opportunities for customers to participate by enabling them to move energy use throughout the day or removing energy use completely. The new demand response agreement with NZAS is a great example and these kinds of opportunities are also becoming available for small business and residential customers. We're putting a lot of effort into introducing a new retail model, using new technology to evolve our retail propositions. We're creating opportunities for all our customers to be involved by way of reducing consumption sensibly at times when they don't necessarily need to consume all the power they normally would, and using that power to balance demand across the grid. Importantly, where customers can be flexible they can also be financially rewarded, reducing their overall energy costs.

Industrial decarbonisation beats our target

The industrial use of fossil-based fuels, particularly for process heat (where heat is used in industrial processes), remains a significant contributor to our country's greenhouse gas profile.

Fortunately, more and more companies are making a commitment to decarbonisation. A great example is Meridian's partnership with Fonterra, announced in January 2024. The agreement will assist Fonterra to replace a coal-fired boiler with a new, 20MW electrode boiler at its Edendale site in Southland. All up, our Process Heat Electrification Programme has exceeded targets again this year, with 525GWh (to date) of process heat conversion from fossil fuels to electricity now fully committed. The pipeline for further conversions is substantial and by 2030 we expect to support enough electric conversions to remove around 140,000tCO_2e annually from the environment, when all contracts are completed.

> …by 2030 we expect to support enough electric conversions to remove around 140,000tCO_2e annually from the environment…

In the past year, 168 companies have purchased more than 863GWh of Renewable Energy Certificates (RECs) from Meridian. This is an increase of 35% on the last financial year, with no signs of slowing. Through the purchase of RECs, our customers' consumption volume is matched to our 100% renewable generation, allowing the customers to offset the RECs against their Scope 2 emissions. To round out the environmental benefits, Meridian has committed to invest 100% of the net proceeds from the sale of RECs into community and business decarbonisation funds. This year our funds distributed $1.42 million to decarbonisation projects nationwide.

DELIVER OPERATIONAL EXCELLENCE

Important gains in our existing capacity

Alongside our renewable development programme, we've been making important changes in how we operate our generation assets.

We've increased peaking capacity at both our Manapōuri and Benmore Power Stations, giving us more than 15MW of additional capacity to support the electricity system over daily peak periods.

We're also changing our maintenance regimes to, wherever possible, avoid outages in peak periods of the day and optimise the flexibility of outages to undertake maintenance and ensure electricity supply over winter. And we're looking at our existing assets through a new lens to establish where major enhancements can deliver more peak megawatts and more energy.

We're optimistic that there is significant further peaking capacity and energy to be extracted from more of our existing assets in the years ahead.

Our Manapōuri automation and mechanical programmes became complex with transformer failures in November 2022 and July 2023. We secured a new transformer with expedited delivery, and worked with the manufacturer to establish the root cause of the failures and where possible undertake improvements or repairs. Unfortunately the root cause remains unclear and improvements were not successful, so we're now pursuing additional replacements.

> We've increased peaking capacity at both Manapōuri and Benmore, giving us more than 15MW of additional capacity...

Post financial year – winter update

While the operating result for the last financial year was strong, the operating environment shifted dramatically during June as an extended drought emerged. As a result, the 2025 financial year currently looks to be far more challenging.

Record low inflows into Meridian's hydro catchments from May 2024 through to mid-August 2024 have combined with a shortage of gas and unseasonally low wind, causing wholesale prices to lift materially. Meridian quickly called on the hedge arrangements available to us to ensure our lakes were managed within consent conditions and to maintain the security of supply.

The wider sector took several steps including exercising demand response options, buying gas from Methanex for electricity generation, and securing access to contingent hydro storage should we need it. At the time of publication, these actions resulted in wholesale prices reducing by more than half from their peaks, although prices were still sitting above $300/MWh.

While a very small number of electricity users have direct exposure to the wholesale market, unfortunately, some have been significantly impacted. It's a tough economic environment and this is not an outcome this sector wants for any business. Less than 0.01% of Meridian customers have been affected by these wholesale prices. Meridian's residential customers, being on fixed prices, were shielded from wholesale market fluctuations. Meridian looked after our larger commercial and industrial customers rolling off their existing contracts by offering to extend their current pricing through to 1 November 2024.

The impact of this activity will be outlined in future operating results. Meridian's ability to manage through this situation is sound and our balance sheet is geared to provide for this eventuality.

GROW CAPABILITY AND CULTURE

Focusing on ESG performance for the long term

This year we set a target to reduce our scope 1 and 2 GHG (greenhouse gas) emissions by 90% by FY40 from an FY21 base year. We also set a target to reduce our scope 3 emissions by 90% by FY50 from the same base year. These targets are consistent with our purpose, our strategy and our focus on doing our part to limit global warming. While a challenge, it was a natural extension of our 'Half by 30' operational emissions reduction target.

The Half by 30 programme gave us the impetus to purchase the world's first electric hydrofoil ferry to replace our current boat at Manapōuri. This will arrive in the next financial year and will remove around 240 tCO_2e from our operations. Other areas of our Half by 30 programme remain more challenging, and include managing the growth of emissions in our supply chain and from flying and further reducing the emissions on farmland we own. The culture of the Meridian team, however, is such that we continue to push hard to innovate and adapt our behaviours to meet these important mid-term goals.

This year we advanced work supporting our nature-positive ambition, developing the roadmap to guide our work and choices from here. Our investment in nature to date has been significant, but we believe we can do better. If achieved, this commitment will support our consenting processes and give investors, customers and communities even greater confidence in Meridian as a leader in sustainability and a developer of new renewable generation.

Pleasingly, Meridian was again included in the Dow Jones Sustainability Asia Pacific Index, an independent global S&P Index that ranks our ESG performance against like companies in that region. It provides independent validation of our ESG performance for our stakeholders and assists in attracting a cohort of international institutional investors to our share register.

Adapting our ways of working to deliver on our strategy

Like all businesses, at Meridian we need to be increasingly agile to keep pace with what our customers need to help drive the transition to a net zero future. We need to make the best use of highly engaged teams, technology and data to grow our market share and intelligently meet the increasing demands on the electricity system. Not surprisingly, data and artificial intelligence (AI) are starting to drive more of our processes and accelerate our decision-making.

Customers are demanding efficient and smart digital service propositions to save them time and money. And as we discussed earlier, a new raft of technology solutions will help customers to manage their demands within the overall system in ways that improve system efficiency and ultimately save them money.

Our wholesale business will benefit from digital solutions that help us better manage transactions and automate more of our trading and hydraulic management decisions to achieve more efficient outcomes.

Similarly, for our Generation teams, we're starting to use data to better target asset management and to co-ordinate downtime with fewer impacts on customers. As we push our generation assets to do more, the ability to make informed decisions on asset management has all sorts of potential payoffs in the ways that we best use the natural resources that power our business.

Ultimately, aligning our retail, development, wholesale, ICT and corporate functions is all about synchronising the many moving parts it takes to speed up our delivery. One of our core values at Meridian is to 'Be in the waka'. It signals we are one team and when we all pull in the same direction we create great outcomes.

Experienced leadership

We continue to have a stable, experienced and highly capable Executive team at Meridian. There has been only one change in our Executive Team in the past year: Nic Kennedy resigned as CEO of Meridian's subsidiary, Flux Federation. Meridian's Chief Information Officer, Bharat Ratanpal, has been seconded as Interim CEO to lead the Flux business through the next phase of its development.

While Bharat works with the Flux business, Edna Maddocks, one of our ICT team leaders, has stepped in to lead Meridian's ICT team. We would like to acknowledge Nic's hard work in getting Flux to this point.

The Board members are also highly experienced governors with extensive and varied sector experience that enables them to bring a range of perspectives to the oversight of

> ...our investors should take from our results, the message that the pursuit of our purpose can indeed be achieved with competitive returns.


Solar installation at Waipuna Community Services, Ōtautahi Christchurch.

Meridian's strategy. For the Board, we were pleased to welcome David Carter as a Non-Executive Director. Our thanks and best wishes to Mark Cairns who, after a long tenure, retired at our last Annual Shareholder Meeting.

Everyone stands to gain

The strengthening of our commitment to deliver on our strategy and help decarbonise Aotearoa's economy is changing how we do business on many fronts. Our teams are tackling issues in new and refreshing ways. The use of data is enabling much of the change and helping us to enhance our brand, our customer propositions and our generation assets.

Extending demand response opportunities to smaller business and residential customers will incentivise many Kiwis to change how they manage power consumption whilst assisting greatly with the management of system demand peaks.

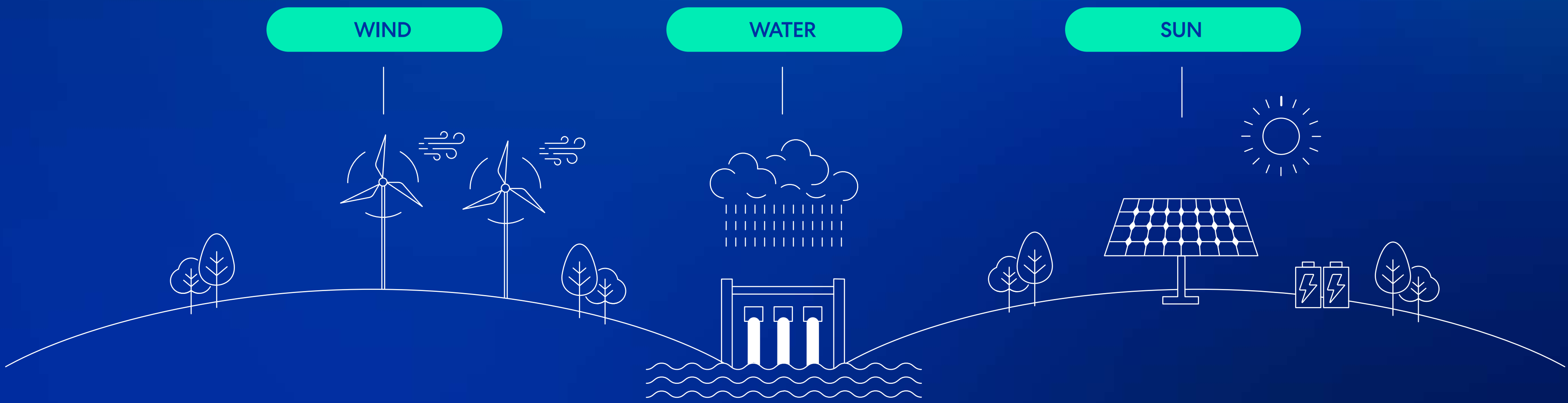
In a global trading environment where energy use is under increasing scrutiny, more than ever we are convinced that Aotearoa's highly renewable electricity system can be a significant source of competitive advantage for our country. New Zealand has a once-in-a-generation opportunity to grow our economy by leveraging our renewable energy advantage to build low carbon intensive products for export, delivering more high-value jobs and greater prosperity for all Kiwis. At Meridian we're determined to play a role in this transition by fostering long-term partnerships with the iwi, industry, customers and communities, who remain the key to building a shared future.

Finally, our investors should take from our results that the pursuit of our purpose can indeed be achieved with competitive returns.

On behalf of the Board and the Executive Team, ngā mihi to our customers, the communities in which we work, our partners and our investors. And to our talented Meridian team, thanks for doing the mahi to ensure we continue to deliver on our purpose and aspiration to deliver "clean energy for a fairer and healthier world".

The right resources

Meridian Energy is a 100% renewable energy generator. We're one of Aotearoa New Zealand's largest organisations, employing over 1,000 people.



Highlights

NET ASSETS	FY24 OPERATING REVENUE	TOTAL MARKET CAPITALISATION	FY24 EBITDAF*
$8.2b	$4.9b	$16.3b	$905m

* EBITDAF is a non-GAAP financial measure of earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairment and gains or losses on sales of assets.

ONE OF AOTEAROA NEW ZEALAND'S LARGEST ORGANISATIONS

Kiwi

MAJORITY OWNED BY THE NZ GOVERNMENT

NZX + ASX

LISTED

10%

LEGISLATED MAXIMUM NON-CROWN OWNERSHIP BY ANY PERSON

Our strategy

Meridian's purpose, Clean Energy for a Fairer and Healthier World, means we are committed to contributing meaningfully to the transition to a net zero and climate-resilient future.

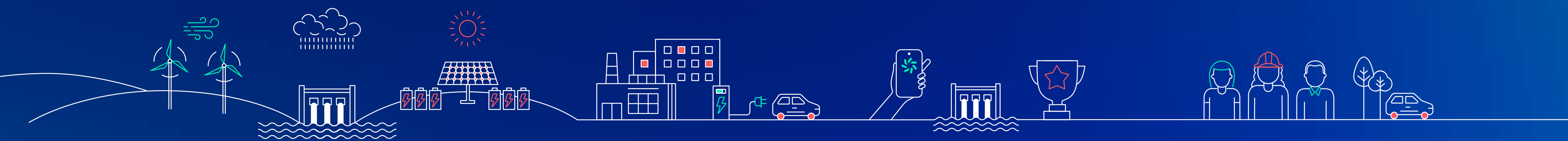
Meridian's business model is focused on creating short-, medium- and long-term value by generating electricity from renewable energy sources (wind, water and sun) and retailing electricity to customers. We've continued to build on our electricity-generation heritage with further renewable generation investments and targeted decarbonisation offers to customers to help reduce their emissions in transport and process heat.

Climate-related risks and opportunities for Meridian are driven by two factors: physical impacts such as storms and floods and more gradual climatic changes; and the economic and societal transitional effects of the world moving towards a lower-carbon future. We also see great potential in the opportunities that transitioning to a low-carbon economy will provide for New Zealand. We're in a unique position here in Aotearoa, as our renewable-energy abundance gives us a significant advantage when it comes to this transition. Our climate-related disclosures provide comprehensive analysis of the risks and opportunities for Meridian's business as a result of the transition.

Climate-related Disclosures
bit.ly/3SzilVK

Our strategy map

Te kaupapa *Our purpose*	**Clean energy for a fairer and healthier world**			
Te rautaki *Our strategy*	An all-encompassing focus on climate action			
Te kaupapa matua *Our priorities*	**Grow renewable generation**	**Deliver cleaner, cheaper energy**	**Deliver operational excellence**	**Grow capability and culture**
Te arotahinga *Our focus*	To speed our path to a resilient, net zero future	Through innovation that unlocks value for customers	So everything we do aligns to deliver on our goals	Because how we do the mahi is what will make the real difference



Te mahi
Our key initiatives

Grow renewable generation

- Accelerate Aotearoa New Zealand's decarbonisation by delivering scale energy projects at pace:
  - Build renewable generation options.
  - Deliver on our 7 in 7.
  - Secure long-term access to water.
  - Accelerate electrification of transport and process heat.
- Grow system flexibility:
  - Grow our dispatchable MW capacity.
  - Bring dispatchable customer capacity to market.

Deliver cleaner, cheaper energy

- Develop an innovation culture that delivers digital, and data driven customer experiences.
- Expansion of the energy product set that unlocks the value of transport electrification, process heat and demand flex.
- Continued investment in energy hardship and community programmes that promotes equitable access to the benefits of the energy transition.
- Policy advocacy that promotes climate action and supports New Zealanders through the energy transition.

Deliver operational excellence

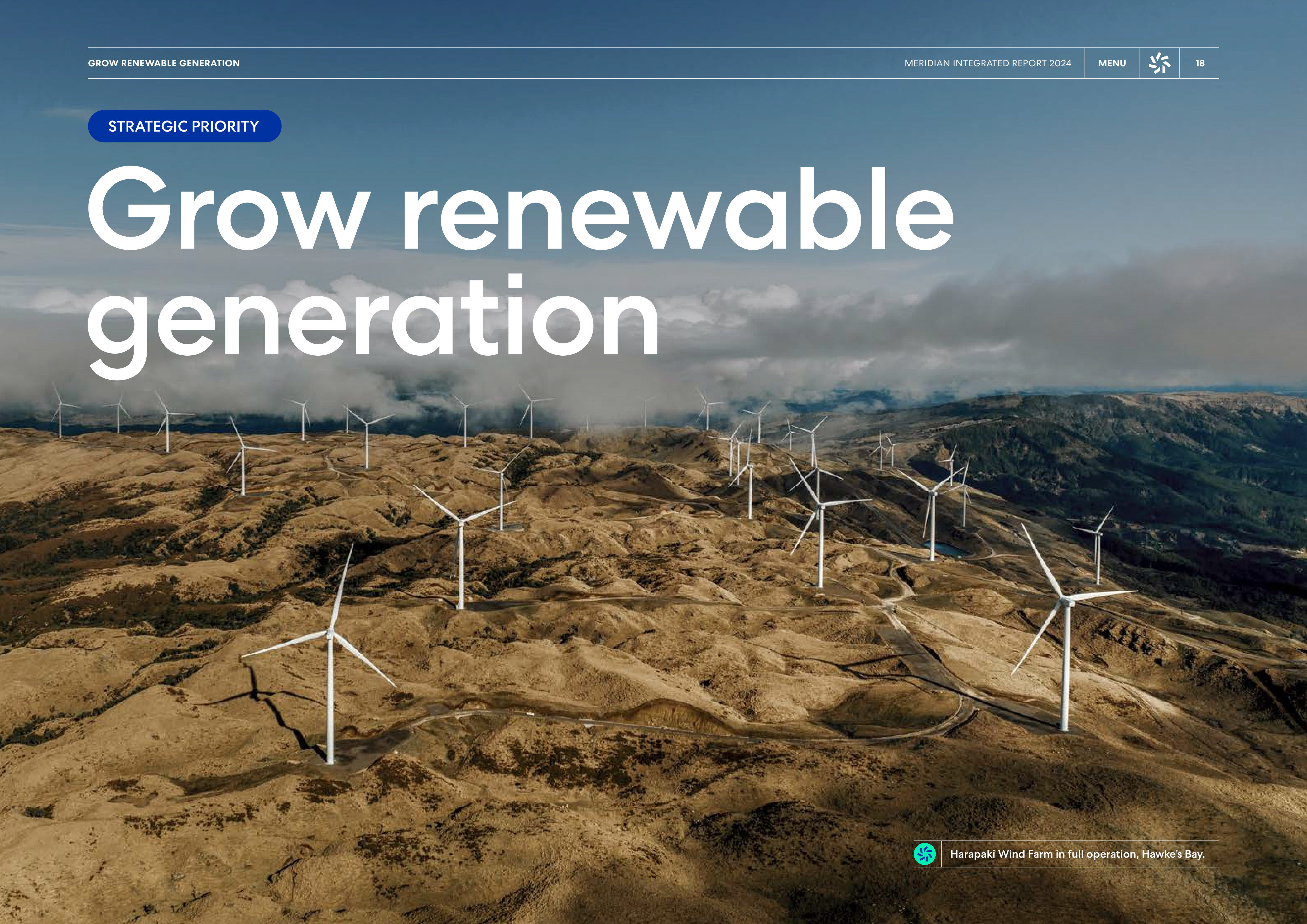
- Build operational flex and agility while sustaining excellent asset productivity.
- Modern data and digital systems to promote collaboration, operational efficiency, innovation and data-driven decisions.

Grow capability and culture

- Grow a diverse and inclusive, skilled workforce that reflects the country we live in.
- Nurture leadership capability to support the cultural and digital maturity of a future Meridian.
- Our developing understanding of the Māori world view helps build long term relationships with tangata whenua and better outcomes for all.
- Safety leadership that grows in maturity as we build into the energy transition.
- Sustainability culture and leadership that benefits people and planet, inspires climate action, and attracts investors.

STRATEGIC PRIORITY

Grow renewable generation



Harapaki Wind Farm in full operation, Hawke's Bay.

WHY READ THIS SECTION

Read this section to better understand how we intend to protect and expand our renewable generation portfolio to deliver clean energy for a fairer and healthier world.

MATERIAL TOPICS

- Renewable energy generation
- Affordability
- Ngā Tukinga o Te Ao Tūroa – the impacts on the natural world
- Climate-related impacts

IN THIS SECTION

- Our path to a resilient, net zero future
- A new growth curve emerges
- Delivering on 7 in 7
- Increasing our national capacity
- Continued net zero commitment supports our strategy
- Securing long-term access to water
- Groundbreaking new contract with NZAS
- Our partnership with Southern Green Hydrogen
- Case study: Innovating how we meet peak demand

SUMMARY

On track with our developments

Harapaki

NOW OPERATIONAL

~70,000

HOMES ABLE TO BE POWERED BY HARAPAKI ANNUALLY

SUMMARY

Ruakākā

BESS SCHEDULED TO BE OPERATIONAL IN EARLY 2025

Mt Munro

CONSENT LODGED (HEARING IN SEPTEMBER)

Waitaki

RECONSENT APPLICATION SUCCESSFULLY LODGED

OUR PATH TO A RESILIENT, NET ZERO FUTURE

Electrification remains the most obvious catalyst for Aotearoa New Zealand to achieve a net zero economy. With the long-term viability of NZAS now certain after the signing of a new 20-year agreement, Meridian, and more broadly the sector, can confidently progress in developing our renewable generation pipeline.

Undertaking the full electrification of the Aotearoa New Zealand economy will take a collective effort and long-term partnerships with customers large and small. From an economic perspective, the long-term target of Net Zero Emissions by 2050 is expected to require around $30 billion of investment in new renewable generation from the energy sector, with around $10 billion from Meridian alone.

A NEW GROWTH CURVE EMERGES

For more than a decade, electricity consumption in our country has been steady, with little or no growth in demand. New Zealand currently uses around 40 terawatt hours (TWh) of electricity per year, but more recently rising consumer demand from the electrification of transport and the conversion of industrial processes has caused electricity consumption predicted to rise significantly, by as much as 70% to 100% by 2050.

This level of growth over a relatively short period of time would be the greatest in our country's history. And to deliver on this increased demand, the sector will need to build the equivalent of three to four medium-sized wind farms every year.

Fortunately there's no shortage of good renewable options and capable, well capitalised businesses wishing to develop them.

Meridian is well placed to support Aotearoa's transition to a low-carbon society. We currently generate around 30% of the country's electricity and we're the biggest supplier of retail electricity. We aim to maintain our leadership position and have resourced up accordingly.

> Flexible generation assets and flexible demand are as important as ever in ensuring that the system remains reliable, especially in times of national peak demand.

Configuring all our energy for reliability

In addition to building new generation options, a successful transition to a low-carbon economy requires the electricity generation sector to enhance its existing renewable-generation assets. A critical challenge will be to secure enough flexible resources and peak-management products to ensure a reliable transition. This flexibility sits alongside and supports our ongoing focus on managing dry-year risk.

Because wind and solar are intermittent energy sources – meaning that the amount of energy they supply depends on whether it's windy or sunny – we're adapting the way we use our hydro assets to help smooth the gaps.

Flexible generation assets and flexible demand are as important as ever ensuring that the system remains reliable, especially in times of national peak demand. Traditionally, gas and coal have played key roles in complementing the country's hydro and geothermal generation. But with the carbon intensity of coal making that less desirable and gas supplies proving to be less dependable and less immediately available than expected, the whole sector is having to think harder about how we configure all our systems to be reliable and flexible at the same time as demand is increasing. Meridian's first Battery Energy Storage System (BESS) will play a key role in managing this.

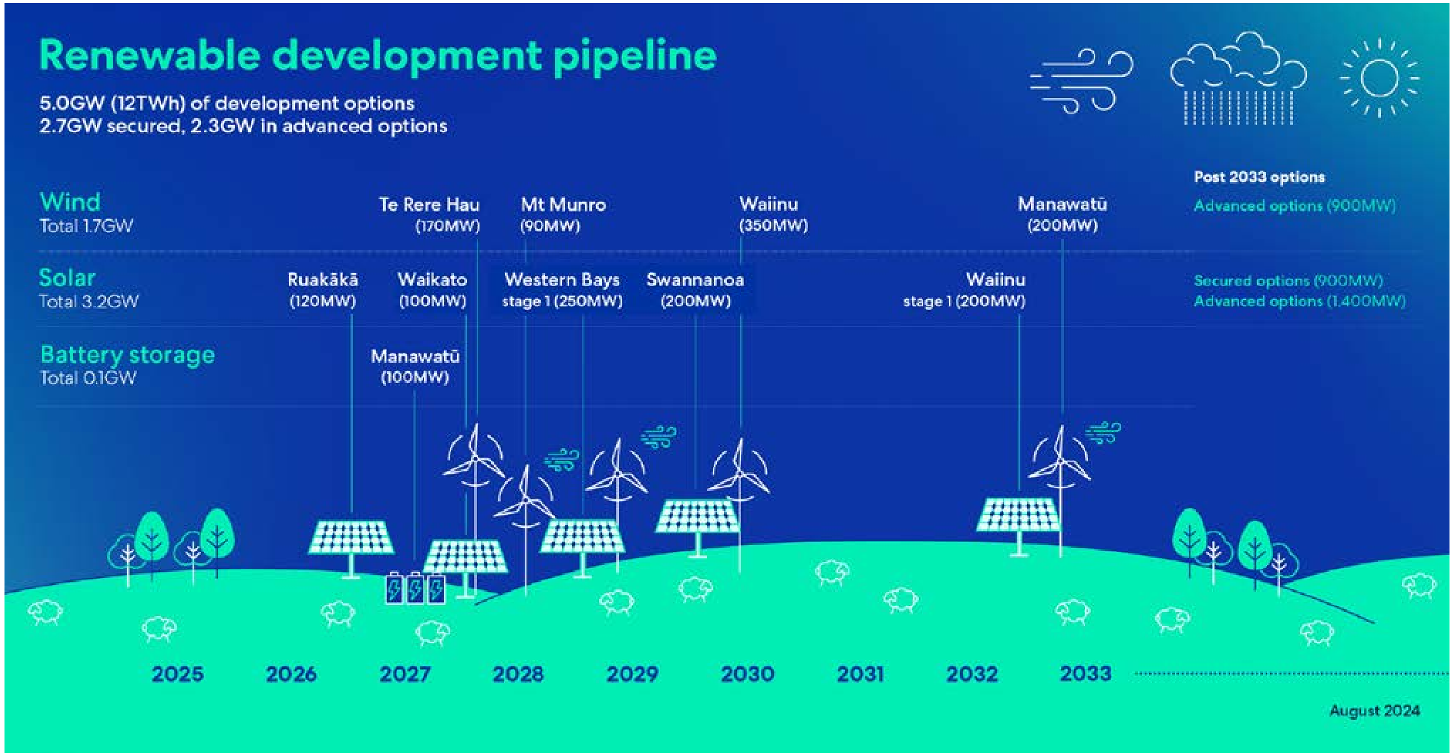
Hydrogen is an option for the future that could enable another scaled energy development to be turned down or off to manage the security of the country's energy supply. This makes it an important potential addition to our demand-flexibility portfolio and the country's electrification drive. At this stage, that's a little way off.

DELIVERING ON 7 IN 7

Our target is to complete the equivalent of 20 wind farms – each the size of our newest Harapaki Wind Farm in Hawke's Bay – by 2050. We've made this more real for our teams and the communities we serve by committing to an ambitious goal of 7 in 7, which will see seven new large-scale renewable generation developments underway by 2030.

Our pipeline of projects amounts to 5 gigawatts (GW) (12TWh) of development options. Those projected developments include wind generation at Mt Munro and Te Rere Hau (a joint venture with NZ Windfarms), Waiinu (Taranaki) and solar capacity at Ruakākā, Swannanoa, Waikato, Waiinu and Western Bays (on the western side of Lake Taupō).

We've checked that our renewable development programme while ambitious, is affordable and compatible with delivering attractive shareholder returns. Most importantly we're ramping up our rate of build to ensure we remain on target to deliver it.



A significant expansion

The Harapaki Wind Farm was fully commissioned in July this year and is now powering up to 70,000 households. We expect to commission a 100MW peak and 200MWh (2 hours) grid-scale Battery Energy Storage System (BESS) at Ruakākā Energy Park near Whangārei in early 2025. This is a little later than our initial plan to commission the project by the end of the calendar year. The hold-up relates to the challenge of connecting this new infrastructure to the grid. The $186 million BESS will support stable grid operations as it stores energy during low-demand times of the day, then injects that energy back into the grid at peak times. We've worked through the compatibility issues of integrating the lithium-ion batteries with the grid. While the batteries are the latest versions of proven technology, they're new to us, and at this scale they're also new for the national grid.

We've lodged consent applications for three more projects, including a 120MW solar farm at Ruakākā that will share the BESS grid connection infrastructure, and a new, 90MW wind farm at Mt Munro, in Wairarapa. We'll lodge three more consent applications in FY25, and aim to take two new projects to final investment decision (FID) stage during the year. We're progressing the detailed design and procurement for Te Rere Hau under the terms of the joint venture with NZ Windfarms. We expect to reach FID, on this project, this financial year.

Undertaking work at Manapōuri Power Station, Fiordland.

INCREASING OUR NATIONAL CAPACITY

Increasingly, our development, generation, wholesale and retail teams are working together to innovate and develop new ways to create greater capacity during peak times and dry years.

Historically, generators have focused on energy output and efficiency. However, that focus is changing, as intermittent sources like wind and solar are becoming more available and coal and gas generation is being decommisioned or limited by supply issues.

Our teams are looking at new ways to increase the capacity of our existing hydro assets and optimise the associated maintenance work. We've also introduced new initiatives that have not only improved the way customers consume electricity, but saved them money and made our grid more resilient – projects like our virtual power plant, in which customers with electric vehicles (EVs) are rewarded for using energy stored in those vehicles to help us take pressure off the grid at peak times. We believe that the collective potential of these virtual power plants will quickly add up to something significant.

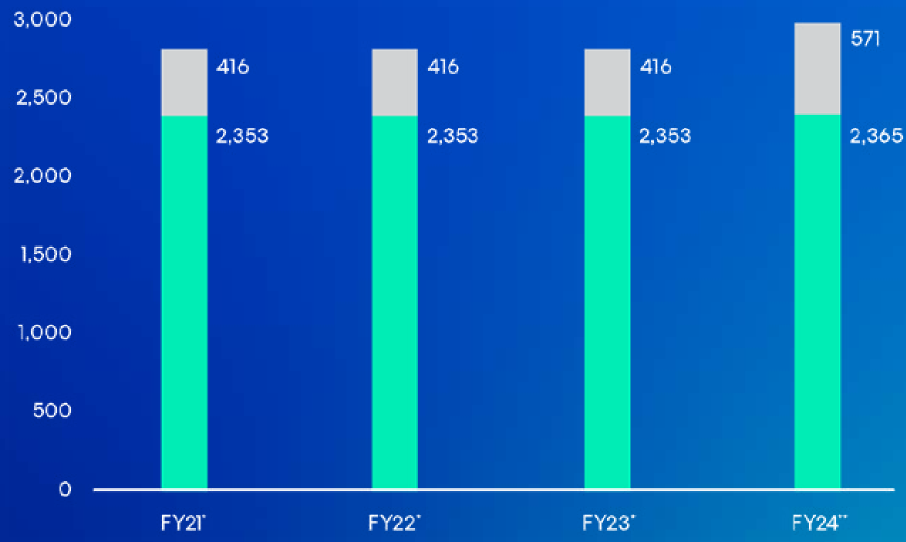
The future focus for our retail business will be on providing cleaner, cheaper solutions in homes that have the added benefit of making our electricity grid even more flexible. Working with customers in this way aligns with the improvements we're making at our renewable asset sites like the Benmore and Manapōuri Power Stations, and the work we're doing to smooth supply fluctuations (adding what we call firming capacity) through our Ruakākā grid battery (BESS) project.

GENERATION (GWH)

KEY
- Hydro
- Wind

CAPACITY (MW)

KEY
- Hydro
- Wind



* Waitaki Power Station total generation capacity updated following restoration.

** Benmore Power Station total generation capacity upgraded and Harapaki Wind Farm commissioned.

CONTINUED NET ZERO COMMITMENT SUPPORTS OUR STRATEGY

The Government has reiterated its commitment to achieving Net Zero Emissions by 2050, with a doubling in renewable electricity a contributing goal. It seems likely that there'll continue to be separate approaches to tackling methane and carbon dioxide emissions.

Work on the NZ Battery Project, including a pumped hydro scheme at Onslow, has been cancelled. The Government has stopped further investment in the Decarbonising Industry (GIDI) Fund and removed clean car discounts in favour of allowing the market to deliver the solutions without subsidies. The Government also aims to accelerate its investment in EV infrastructure, which includes providing funding for a nationwide public charging network.

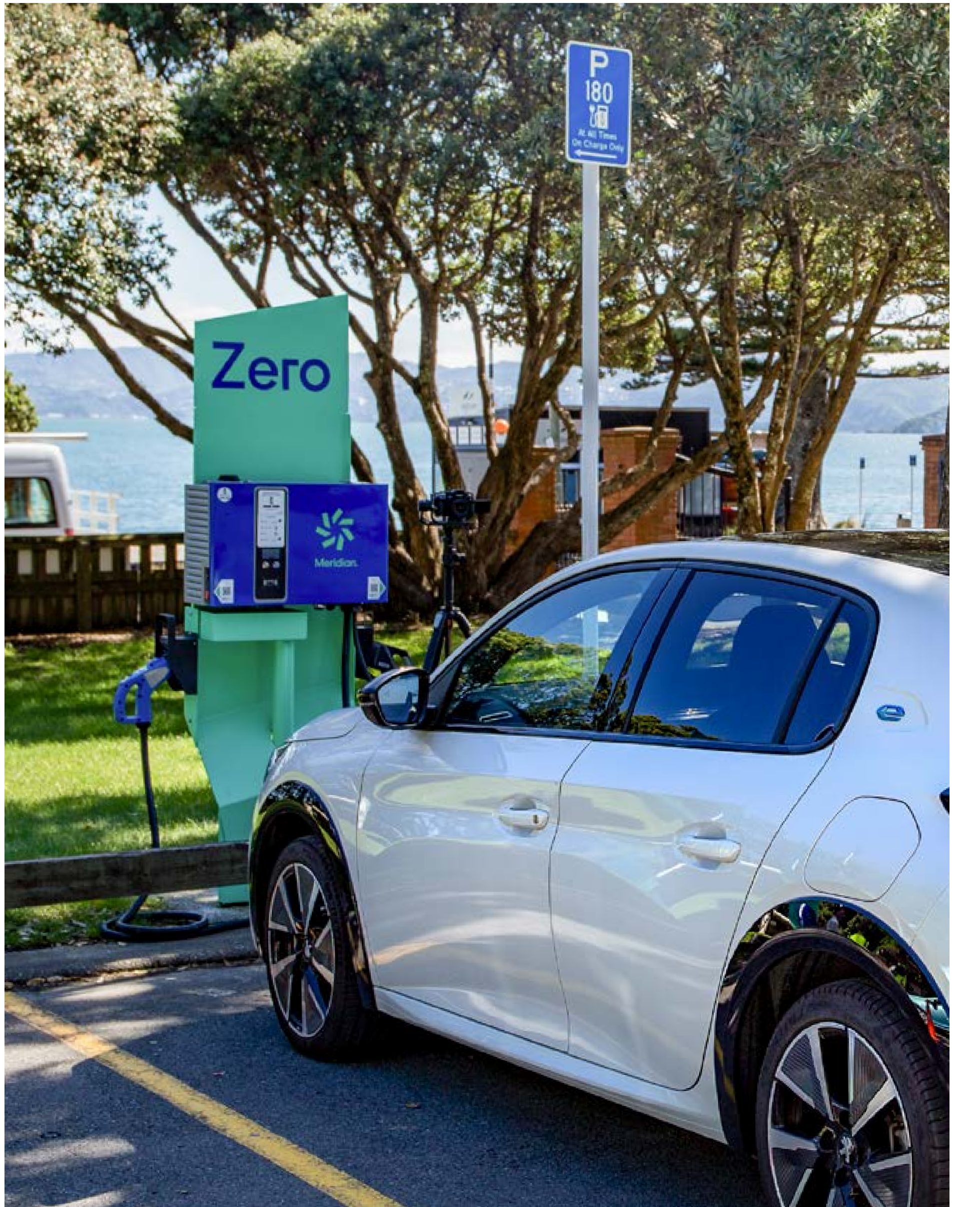
The Government's confirmation of its continued commitment to the 2050 Net Zero Emissions target, the expansion of renewable electricity, the expansion of the EV infrastructure and the policy developments relating to resource consenting aligns directly with our strategy, helping us to proceed with confidence and at pace with our electrification programme.

The removal of GIDI funding affected some of our larger customers, given that the underlying economics of their projects were contingent on access to the funding. These opportunities will still be offered but most likely they will be delayed at least until the New Zealand and international emissions trading schemes start to project more consistent and reliable future prices.

Time to change the pace of decision-making

Ongoing hold-ups in resource-consent processes are seeing consent decisions for our projects take considerable time. This is typical of the challenges all New Zealand energy developers are facing as they navigate this country's current Resource Management Act 1991 (RMA). We welcome the Government's review of the settings and believe the right balance must be struck between localised effects and community views and the national and climate advantages associated with large-scale renewable-electricity projects.

While it will always be important to work with communities, there's also a need to change the pace of decision-making. We've submitted in support of the Fast-track Approvals Bill for infrastructure and development projects with significant regional or national benefits.



One of our 328 Zero EV charge points, Days Bay, Te Whanganui a Tara Wellington.

SECURING LONG-TERM ACCESS TO WATER

New Zealand is relying on its renewable electricity system to achieve its climate change, social and economic goals, and provide security of supply for homes and businesses. The Waitaki Hydro Scheme consists of eight power stations from Lake Takapō to Lake Pūkaki. Meridian owns and operates six of these stations, making it a vital part of this system, providing around 16% of the country's electricity needs. It's so important to the country's energy system that it's protected under current legislation.

Given that the existing consent conditions are set to expire in April 2025, we submitted an application to Environment Canterbury to reconsent the scheme for an additional 35 years in July 2023. Our existing consents will remain in place until the reconsenting application has been granted and all appeals have been determined. We're only asking for the operational flexibility we currently have – not a drop more water, but also not a drop less.

In preparing our application, Meridian sought agreement from a number of interested parties. Those with which we worked included the three Ngāi Tahu Waitaki Rūnaka (Moeraki, Waihao and Arowhenua), Te Rūnanga o Ngāi Tahu, the Department of Conservation (DOC), Waka Kotahi and Fish & Game New Zealand, all of which share interests in this important catchment.

These agreements set out plans for us to work together in supporting the long-term operation of New Zealand's largest renewable hydro scheme, and achieve meaningful, long-term environmental and cultural outcomes for the catchment, such as through our annual programme in partnership with Ngāi Tahu to move thousands of tuna (eels) by trapping and transferring the elver (young tuna) upstream from our dams and moving the tuna heke (migrant adult eels) back downstream to spawn.

Through this partnership, other initiatives that will focus on improving cultural and environmental outcomes for iwi in their takiwā will be developed over the 35-year period of the consent. Many of these activities will not only benefit iwi, but in their nature be positive for all New Zealanders.

A fast-track process might become an option in future if suitable amendments can be integrated with the Fast-track Approvals Bill to handle reconsenting applications, but currently we believe the existing RMA process best serves all parties as we seek consent for the Waitaki Hydro Scheme.

Our Integrated Report Data Pack contains information on our use of water, including for withdrawal, discharge and consumption.

Integrated Report Data Pack
bit.ly/4devDzs

Aviemore Power Station, Waitaki Valley.

> The level of flexible demand offered by NZAS will support the system to become even more renewable, while relying less on coal and gas when the hydro lakes are low.

GROUNDBREAKING NEW CONTRACT WITH NZAS

NZAS remains a significant customer, drawing the equivalent of around 36% of our total generation output and 12% of the national demand.

On 31 May 2024 we announced that we had successfully negotiated and signed a package of conditional 20-year contracts for part of the NZAS Tiwai Point aluminium smelter's electricity needs. The package includes a long-term, fixed-price contract for electricity and a significant demand response agreement that will provide critical dry-year cover, further supporting the decarbonisation of New Zealand's economy. The new arrangements, which came into force on 3 July 2024, will replace all the current arrangements between Meridian and NZAS.

The package is commercially sustainable, delivers value for our shareholders and removes significant uncertainty for the electricity sector and the people of Southland. It also provides Meridian with confidence to make the right investments to deliver on its renewable energy goals.

The key terms of the long-term contracts are:

- 472MW base load volume from the date the contract takes effect to the end of 2024
- 377MW base load volume from 2025
- Pricing that begins on 1 July 2024, with a 20-year term up to and including 31 December 2044. The pricing includes an opportunity for annual price escalation from the start of 2028
- Four demand response options that incentivise the smelter to reduce consumption, ranging from 25MW to 185MW.

Demand response will provide dry-year cover

The demand response element of our new agreement with NZAS is groundbreaking, not only for this country but globally. The level of flexible demand offered by NZAS will support the electricity system to become even more renewable, while relying less on coal and gas when the hydro lakes are low.

A maximum of approximately 800GWh of demand response is available in any given year, with an average of approximately 400GWh per annum in the 20-year term of the contract. This will be important during periods of low lake inflows, providing critical dry-year cover to the electricity system.

When NZAS reduces its consumption of electricity, that power can effectively be made available to other users. The net result will be a reduction both in carbon emissions from burning less coal and the avoidance of needing more expensive hydro firming solutions.

We look forward to continuing to work with NZAS in the years ahead, and are very mindful of the value of the Smelter to the Southland region and the livelihoods of many Southlanders.

OUR PARTNERSHIP WITH SOUTHERN GREEN HYDROGEN

Southern Green Hydrogen (SGH) is a unique opportunity to leverage New Zealand's renewable resources globally, supporting markets to decarbonise their economies and meet international commitments.

The SGH opportunity has faced some headwinds in the past 18 months, with global inflationary pressures increasing the cost of renewable energy, the key input to green hydrogen production, and capital costs relating to building hydrogen facilities increasing substantially. These factors have put pressure on SGH economics, consistent with challenges other hydrogen projects are experiencing overseas. Markets have been slow to resolve the significant gap between the cost of producing green hydrogen and potential customers' willingness to pay for green hydrogen.

As a result, Meridian has decided to put the project on hold. We have also agreed to conclude our partnership with Woodside. From here, Meridian will continue to actively monitor our target markets as we believe Southern Green Hydrogen remains well placed to be a competitive green project opportunity in the future. We will review the opportunity to progress SGH when the time is right.

Manapōuri Power Station, Fiordland.

CASE STUDY

Innovating how we meet peak demand

It began the way these things often do, with two people chatting after work on a Tuesday afternoon.

Manapōuri Power Station, Fiordland.

Manapōuri Power Station, Fiordland.

"It works for customers and our investors and it gives us access to additional flexible capacity, which is just what the country needs."

The topic of conversation was how to make the most of Manapōuri's capacity in order to meet demand peaks – when consumer demand for energy is highest.

"We knew that Manapōuri had a greater capacity than we were accredited for. The question was, with managing winter peaking on both our minds, could we somehow access that?" says Mat Bayliss, Meridian's Head of Generation Strategy.

That exchange kicked off a mechanical analysis to see if higher output could indeed be achieved in safe margins and what the effects would be in terms of acceleration on wear and tear. "We were literally looking to redefine the parameters within which Manapōuri could work," says Mat.

To do the work, they needed a dispensation from Transpower to operate above the connection code conditions. Once that had been granted, the Generation team was able to start running the plant at 128MW per turbine, up from 125MW. Today, and with the five turbines currently operating, that amounts to another 15MW of peaking capacity.

"That extra capacity makes a big difference," says Mat. "It dampens high wholesale prices, which is good for consumers, and it gives us greater peaking capacity, which is good for revenue. We estimate that, in just over four months, we've saved around 1,700 tonnes of carbon that would otherwise have been generated from coal and gas."

Mat says that lifting the capacity and remixing the way that hydro supports solar and wind have transformed the generation profile for Meridian. "It works for customers and our investors and it gives us access to additional flexible capacity, which is just what the country needs."

Globally, the world is realising the advantages of using hydro this way. For Meridian, it provides unparalleled flexibility in re-orienting the base energy contribution and filling peak-demand gaps. Mat says that more capacity is possible, particularly as Transpower implements its grid upgrade strategy. "Seeing past what we've assumed has been the key to accelerating electrification," he says. "We've started an asset-by-asset analysis, and fully expect to be able to do more with the assets we already have."

STRATEGIC PRIORITY

Deliver cleaner, cheaper energy

Meridian customers embracing solar generation for their home and EV, Waitaki Valley.

WHY READ THIS SECTION

In this section we discuss our progress in electricity retailing, our support for the electrification of transport, and how and why we link these to our social licence to operate.

MATERIAL TOPICS

- Customer decarbonisation
- Affordability

IN THIS SECTION

- Evolving our retail role
- Electrifying transport and heat
- Our Decarbonisation Fund grows
- Setting our compass on customers and increasing social good
- Digital and data-driven customer experiences

SUMMARY

Electrification starts at home

1ST

POWERSHOP ONCE AGAIN TOOK THE TOP SPOT IN CONSUMER NZ'S PEOPLE'S CHOICE AWARD

328

ZERO NETWORK EV CHARGE POINTS

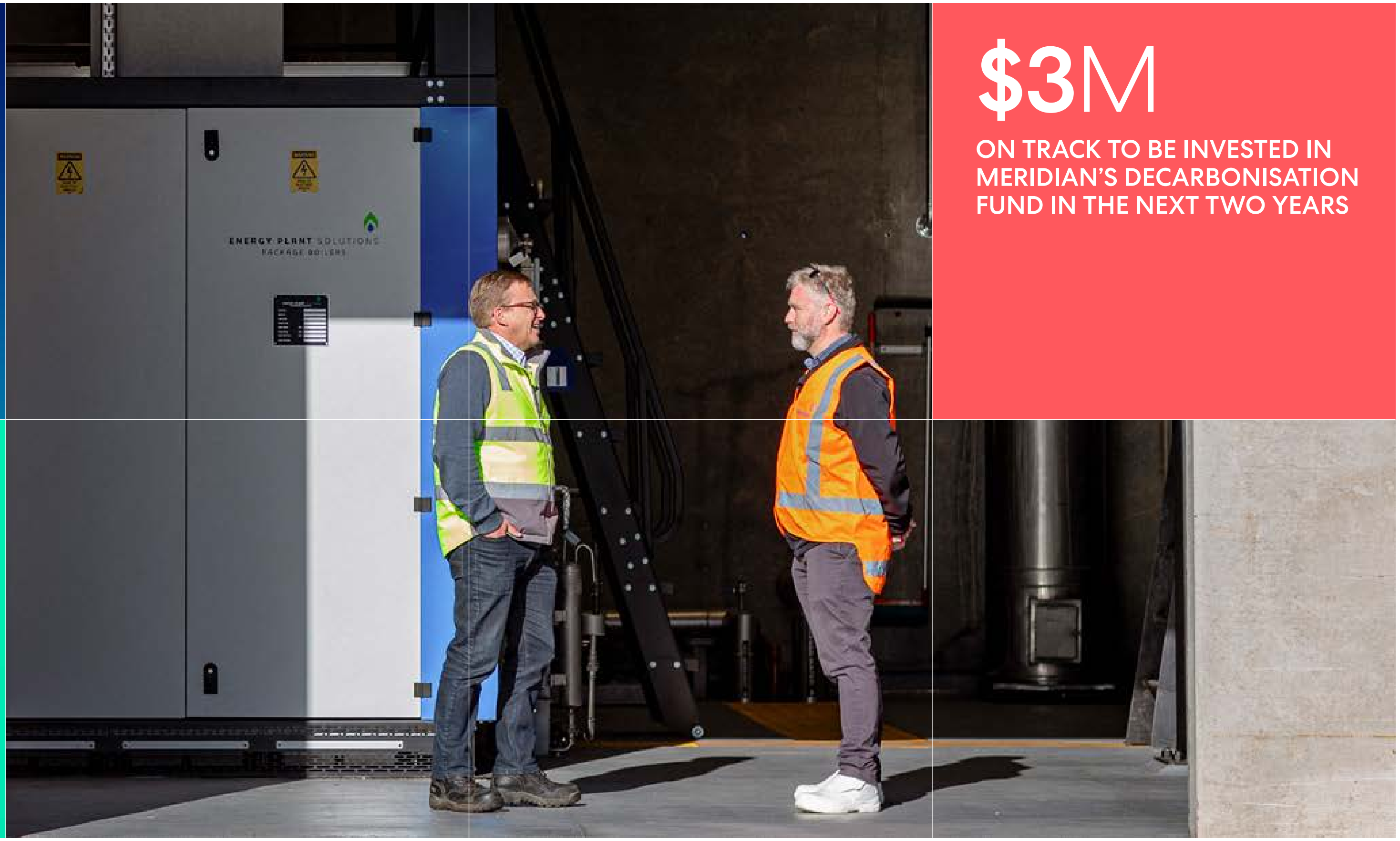
1,400

HOUSEHOLDS OF OUR TARGET ARE NOW PART OF MERIDIAN'S ENERGY WELLBEING PROGRAMME

SUMMARY

18,000

THE EQUIVALENT OF CARS REMOVED FROM NZ ROADS BY MERIDIAN'S PROCESS HEAT ELECTRIFICATION PROGRAMME THIS YEAR



$3M

ON TRACK TO BE INVESTED IN MERIDIAN'S DECARBONISATION FUND IN THE NEXT TWO YEARS

2,030GWh

OF RENEWABLE ENERGY CERTIFICATES HAVE BEEN PURCHASED BY 191 COMPANIES

EVOLVING OUR RETAIL ROLE

In the past 12 months our residential brands have delivered a 2% growth in customer connections and 4% in customer sales volume (GWh).

We remain the country's biggest supplier of retail energy, with sales in excess of 9,500GWh. This year we've added around 6,000 new connections, with connections for Powershop rising by around 2,600 and connections for our Meridian brand rising by around 3,700. We now have 370,000 customer connections, representing around 16% of Aotearoa New Zealand's households and businesses.

Making flexibility valuable for customers

Given that electrification is a national issue, it makes sense to broaden the ways that Kiwis can participate in, and interact with, the country's energy system. As we build more generation, we'll be better off if we're smarter about how we use energy and manage capacity.

With our retail business continuing to look for and find ways to pass value on to customers, we're looking to expand our residential customer base. The power of customers large and small in being able to participate actively in the electricity market, and through more flexible energy options, will support the delivery of cleaner, cheaper electricity, support our electricity system to become even more renewable and reduce the average cost to consumers.

ELECTRIFYING TRANSPORT AND HEAT

Our Process Heat Electrification Programme continued to deliver this year, with a cumulative 525GWh of process heat being converted from fossil fuels to electricity for big businesses under agreement and further memorandums of understanding being worked through. This level of conversion will prevent around 140,000tCO_2e annually being emitted into the atmosphere, the equivalent of removing around 69,000 cars from our country's roads.

The programme complements our initiatives in demand flexibility, enabling customers to be part of the electrification solution by rewarding their flexibility. This year, Mataura Valley Milk has commissioned an electric boiler.

Enabling demand flexibility in large industries is critical to a smooth transition. But it can't stop there: dynamic load control is about offering households and small businesses rewards for responding to load demands, and using the power they already have stored in different ways.

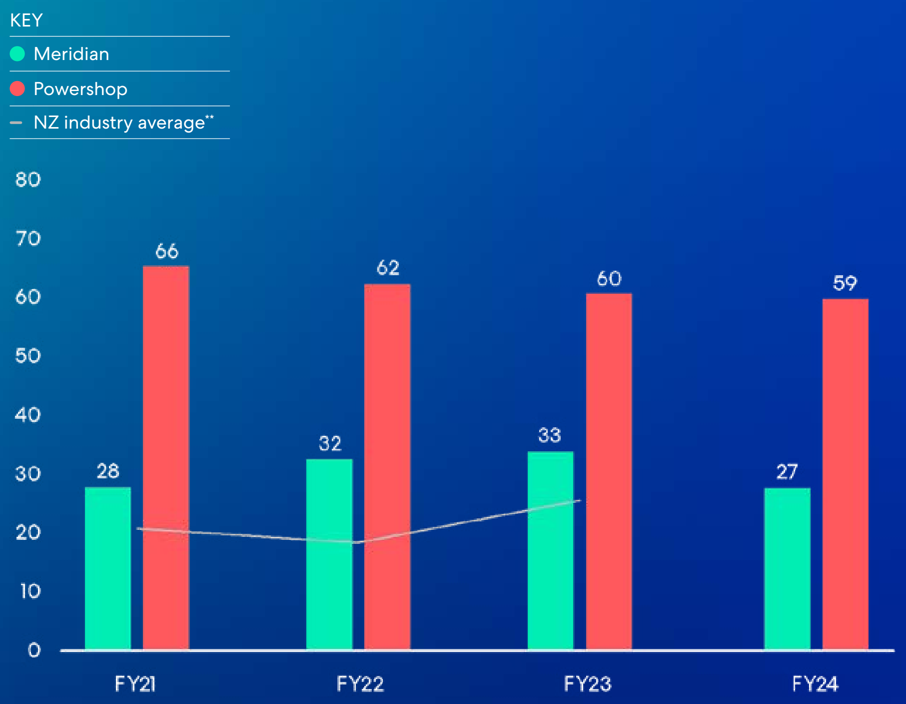
This year we've been trialling a demand-flexibility product that enables households with EVs to be paid for participating in a 'virtual power plant' that will alleviate strain on the grid during peak periods.

This smart-charging trial involves 50 Tesla and BMW EV owners testing new vehicle-to-grid and smart charging technology to optimise how they charge their EVs in response to market demand and pricing. We've also been trialling a bidirectional charger at our Christchurch office that highlights the huge potential from the large number of EV batteries that will be parked and available during peak times, by showing that the technical solution can be incorporated into a fleet that is in everyday use. We expect this to become a solution that works well for both customers and the energy system as hardware becomes more available and affordable.

The ability of EVs to store electricity means there is energy potentially available during peak periods that could be replenished when there is less pressure on the grid. The stored power could also be combined with the use of other customer-owned sources, such as hot-water cylinders and home solar and industrial heating and cooling processes.

EV charging is an important element in overall transport electrification. Our Zero EV charging network is the second largest in the country, with 328 charge points available for those using the Zero app, up from 235 Zero charge points last year. The ongoing expansion of Zero is helping to address a lack of EV charging infrastructure nationally.

CUSTOMER SATISFACTION (NET PROMOTER SCORE)*



RETAIL CUSTOMER CONNECTIONS* (ICPs)

* Powershop New Zealand and Meridian New Zealand residential customers only. Net Promoter Score is calculated from a survey asking customers using a 0–10 scale "How likely is it that you would recommend Meridian/Powershop to a friend or colleague?" then subtracting the percentage of detractors from the percentage of promoters. A positive value indicates that more customers are promoters versus detractors (and vice versa). Results are a 12-month moving averages from July to June each financial year.

** Perceptive Group Limited: New Zealand NPS Industry Benchmarks. FY23 updated since last report. FY24 data currently unavailable.

* Excludes the Tiwai Point aluminium smelter; <10 of the above ICPs are connected to the transmission network; around 4,700 customer connections have distributed generation metering.

OUR DECARBONISATION FUND GROWS

To date, over 191 companies have signed up to purchase more than 2,030GWh of Renewable Energy Certificates (RECs). Meridian's Certified Renewable Energy product allows our customers to match the electricity they use from the grid with an equivalent amount of electricity produced by some of Meridian's hydro stations and wind farms – which have been independently verified as producing 100% renewable energy.

Meridian has committed to reinvest all of the net proceeds that we receive from customers when they purchase RECs into a decarbonisation fund. What's more, the popularity of Certified Renewable Energy has meant we're on track to invest more than $3 million into our Decarbonisation Fund over the next two years. This will advance decarbonisation and energy-efficiency projects nationwide.

Our first round of fund contributions saw $333,310 awarded to Waipuna Community, Youth and Child Services, St John of God Hauroa Trust, EcoMatters Bike Hubs, Ngā Manu Nature Reserve, KidsCan and South Island Rowing. Round two saw $1,087,187 awarded to Satisfy Food Rescue, Tread Lightly, Everybody Eats, Electrifying Conservation (Southern Lakes Sanctuary), Blue Light Youth Driver, Te Ahi Kaa Training & Social Services, Kairos Food Rescue, Te Kāhu Tiu's kōhanga, Ngā Manu Nature Reserve, Rānui Apartments, Ōtorohanga Kiwi House, EquiGEN, Featherston Community Centre and Northern Southland Community Pool.

You can access more information on the fund and its impact on our website.

Impact and Transparency Report
bit.ly/3A8UiXx

> Meridian has committed to reinvest all of the net proceeds that we receive from customers when they purchase Renewable Energy Certificates into a decarbonisation fund.

EcoMatters Bike Hub, Tāmaki Makaurau Auckland.

SETTING OUR COMPASS ON CUSTOMERS AND INCREASING SOCIAL GOOD

Aotearoa New Zealand's electricity industry is high performing by global standards. The World Energy Council ranks New Zealand 9th in the world on measures of energy security, energy equity and environmental sustainability, and ours is the only country outside Europe and North America in the top 10.

> We're proud to have fully complied with the Electricity Authority's Consumer Care Guidelines; we build them into all our customer processes, especially in the way we support medically dependent and financially vulnerable customers to access the electricity they need.

Nevertheless, the cost of living, including energy, has affected regular household spending.

We're proud to have fully complied with the Electricity Authority's Consumer Care Guidelines; we build them into all our customer processes, especially in the way we support medically dependent and financially vulnerable customers to access the electricity they need. Meridian's disconnections for non-payment are consistently low compared with the industry average. Disconnection is a last resort and we will only disconnect for non-payment where a customer refuses to engage with us. We aim to enable customers to take control of their energy through flexible payment products such as LevelPay, and access usage information on customer apps.

Goal to get 5,000 households out of hardship

The long-term, sustainable use of energy in this country is about balancing energy sustainability, energy supply and energy equity – helping people to get themselves back on track and enabling them to access the energy they need.

We've expanded our Energy Wellbeing Programme beyond its initial pilot, with a goal of helping 5,000 Meridian and Powershop households in energy hardship via a dedicated $5 million fund over a minimum of two years. To do this, we look at four things: energy supply; housing quality; energy efficiency; and financial situation.

The programme provides tailored, flexible support to Meridian customers who are experiencing energy hardship. By partnering with community energy organisations, we aim to reduce the likelihood of energy hardship in the future.

An independent 'GoodMeasure Report' by ImpactLab, released in November 2023, considered the programme's social return on investment. The Report found that for every $1 spent, we can provide $5.20 of measurable good to Aotearoa New Zealand.

GoodMeasure Report
bit.ly/3WSvmw8

We've now supported 1,467 households through the programme. We've also established a dedicated Hardship Team and broadened our geographical coverage to 75% of the country, supported by 12 community energy partners. These partners provide energy assessments, education and energy-efficient goods such as light bulbs, heaters and curtains, as well as large-scale interventions such as insulation and heat pumps in line with the EECA Warmer Kiwi Homes programme.

Energy hardship itself is a complex subject. What we've learnt through the Energy Wellbeing pilot and in the past year is that hidden hardship is a very real barrier to understanding the extent of energy hardship in New Zealand, and that deeper data will be needed if we're to better identify and quantify the real situation.

We've also come to realise that high levels of intervention and case management are needed to support people in the right ways with the best interventions. This takes time – in fact it can take up to six months to assess, agree on and schedule the work required.

Securing the services of partners is helping us to identify energy hardship situations and interventions, and their long-term commitment is needed for our Energy Wellbeing Programme to be truly effective.

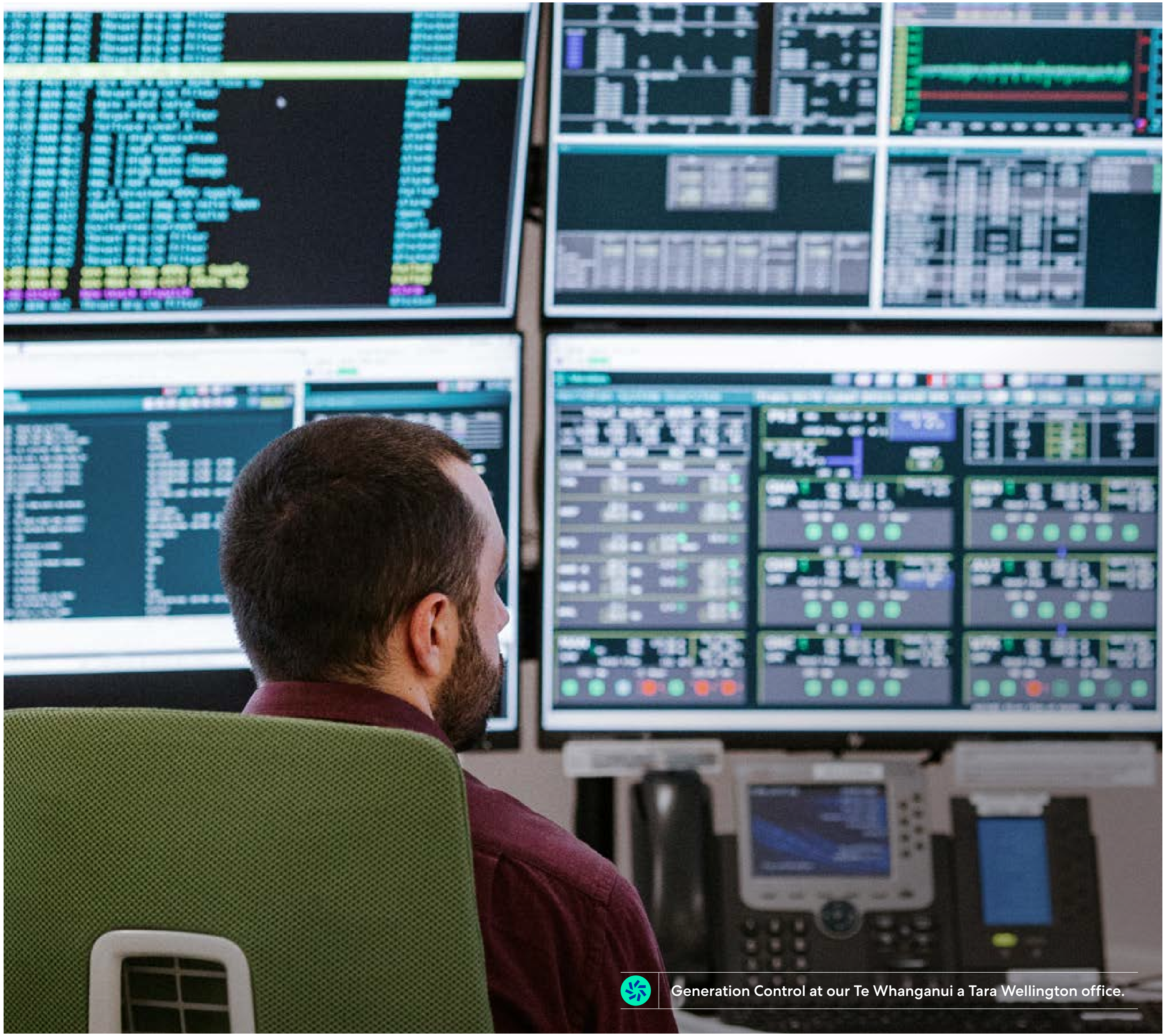
People's Choice for customer service

Consumer NZ released its annual power company consumer satisfaction survey in May. It's been a competitive year, with the cost of living still on people's minds and big players from other sectors now offering power. However, for the seventh time in 10 years, Powershop took the top spot in the survey, earning it the People's Choice award.

4 YEARS RUNNING
consumer.
PEOPLE'S CHOICE
Powershop NZ

The Meridian satisfaction score increased from 46% in 2023 to 57% in 2024, putting it ahead of all the other large retailers. Regardless of the channel of choice, a Meridian customer can expect to be supported by a knowledgeable service agent within an average of 45 seconds of contacting us.

Campaign image from Powershop advertising.



Generation Control at our Te Whanganui a Tara Wellington office.

DIGITAL AND DATA DRIVEN CUSTOMER EXPERIENCES

It's critical that our retail business takes an agile and lean operating approach that's future fit and future focused. This will deliver a stronger retail performance and continue improving customer experiences.

This year we've started building a new technology architecture for our customers. Our aim is to run a world-class cost-to-serve model that significantly lowers our costs of acquiring new customers and, through providing demand flexibility, enables us to sell customers energy when the price is low. This approach will help us reduce the cost of energy and enable us to work closely with our customers as we electrify transport and innovate to meet their changing needs.

STRATEGIC PRIORITY

Deliver operational excellence

Our Te Whanganui a Tara Wellington office.

WHY READ THIS SECTION

Read this section for more on how we're building operational flexibility and agility into the ways we operate. Aligning everything we do to deliver on our goals requires clear policy positions and, increasingly, the ability to make data-driven decisions.

MATERIAL TOPICS

- Renewable energy generation
- Cyber security

IN THIS SECTION

- Hedging products in demand
- Getting more from our assets
- Advocating for the planet
- Flux refocuses
- Data is key to delivering competitive market offerings
- Case study: Harapaki is already proving a success

SUMMARY

Better, bigger, more informed

2.2%

INCREASED GENERATION CAPACITY AT BENMORE HYDRO STATION – FROM 540MW TO 552MW

100%

RENEWABLE ENERGY TARGET

AI

AND MACHINE LEARNING BECOMING MAINSTREAM ACROSS THE BUSINESS – CAPTURING EFFICIENCIES AND ENHANCING INNOVATIONS

SUMMARY

15MW

MORE THAN 15MW OF ADDITIONAL CAPACITY AVAILABLE DURING PEAK PERIODS

2.4%

INCREASED GENERATION CAPACITY AT MANAPŌURI HYDRO STATION – FROM 125MW TO 128MW

FLUX

BUSINESS REFOCUSES ON AUSTRALASIAN MARKET

HEDGING PRODUCTS IN DEMAND

Overall, energy trading volumes have been up this year, alongside growth in solar and wind power. While these trends are healthy for the industry, they do mean the type of energy being offered into the market and the wholesale price of electricity is becoming more volatile.

If there's no wind or no sun, if capacity is down because of planned outage schedules or if there's an issue with transmission capacity, a supply shortage could result, leading to a rapid increase in wholesale prices.

To help smooth out this potential instability, we're able to use the inherent flexibility in our hydro assets to supply hedging products to help industry participants cover their risks, including flat and peak products. Hedges work like a counterbalance to spikes in market prices. They add predictability to what participants can expect to pay.

The demand for these products has increased this year, in response to dry-then-wet-then-dry weather patterns that have added volatility to peak-time pricing, and a faster-than-expected reduction in gas availability, which has been used to help smooth out price spikes.

GETTING MORE FROM OUR ASSETS

In addition to increasing capacity, it's important that we maximise our use of existing assets. Our goal, which we set last year, is to deliver 500MW of restored and new capacity from our generation portfolio by the end of FY28.

There's no doubt that our existing hydro assets will play a critical, ever-evolving role in the years ahead. As demand ramps up and more generation comes online, our hydro stations will need to produce as much reliable energy as possible while being flexible enough to act as energy stores for times when other sources can't deliver what's required.

Achieving this requires rethinking not just how we add capacity, but also how we think about asset health, how we schedule our planned maintenance work and outages and how we use data to speed up decision making and problem solving.

We've continued to grow and take to market our dispatchable capacity by increasing the installed capacity of our power stations at Manapōuri and Benmore.

Last year we reported problems with two transformers at Manapōuri. They had to be taken out of service, and this meant two generating units were unable to operate. This year we've worked very hard, with the support of the manufacturer, to investigate the fault and see if we can undertake repairs on site. Unfortunately though, while on-site improvements have been completed, they've not been successful. A new transformer is due to arrive at the end of calendar year 2024, and this will enable six units to be operational. We're also pursuing options to purchase additional new transformers to ensure we have seven operational generating units and a spare transformer.

This year we've successfully reassessed the maximum capacity of Benmore, from 540MW to 552MW. This 12MW increase, which has been available since May 2024, has been made possible by the changes we've made to the Benmore turbines in recent years. The extra station capacity will only be available when all six Benmore units are operating. Our overall station output is still constrained by water discharge limitations embedded in our resource consents.

We've increased the capacity of each of the seven Manapōuri units, from 125MW to 128MW. These enhancements have added the equivalent of a mid-sized wind farm to our outputs.

This year, we've also experienced a prolonged outage of one of the transformers at our West Wind Farm. This means that its capacity is currently constrained to 98MW instead of the usual 143MW. We expect to have this resolved by mid-August 2025.

We've increased the capacity of each of the seven Manapōuri units, from 125MW to 128MW. These enhancements have added the equivalent of a mid-sized wind farm to our outputs.

ADVOCATING FOR THE PLANET

A lot remains unresolved with regards to policies that will promote climate action and support New Zealanders through the energy transition. Pivotal to understanding expectations is the second Emissions Reduction Plan, which will be part of the Government's policy package to achieve national emissions budgets and targets.

Overall, we endorse the direction and proposed pace for decarbonisation identified by the Climate Change Commission.

Looking beyond the ETS

The Emissions Trading Scheme (ETS) alone is unlikely to be enough to reduce emissions. The current settings do not, in our view, provide sufficient financial incentives for change, and the withdrawal of the GIDI Fund only adds hesitancy to many looking to invest and convert to electric. The ETS is supposed to target emitters but seems to encourage exotic forest planting rather than carbon reduction.

The volume of exotic forestry planting also affects the value of New Zealand Units and has meant that auction prices are not rising in accordance with the Climate Change Commission's advice. The current form of the ETS therefore raises a number of questions, and clarification is needed on whether the present settings are working – or if New Zealand wants to see more emission reductions at source in line with the Climate Change Commission's advice. We need to address the ETS in a bipartisan way if we want to avoid climate policy swings between governments and a disorderly transition. Meridian will continue to advocate for the Government adopting the Commission's advice.

The Government's support of the electrification of transport is moving away from the vehicles themselves and towards charging networks. Support for charging infrastructure aligns with our aim to expand our own Zero network, but with the Clean Car Discount gone, EV uptake has slowed.

RMA changes to our development options are uncertain

Streamlining resource consenting will help our assets to come online and grow electrification nationally, but how we'll apply it across our 7 in 7 strategy remains to be seen. For example, while fast-tracking would be an attractive option for the electricity infrastructure we're planning in Taranaki and Waikato, two of our other developments – the 300GWh wind farm at Mt Munro, just south of Eketāhuna, and the Ruakākā solar project in Northland – are already in the current RMA process.

Ongoing areas of potential regulation

Financial hedges have caught the attention of the Electricity Authority, with a Risk Management Review underway. The review will consider whether the availability and pricing of risk-management contracts, and other risk-management options, are creating any problems for competition.

The Electricity Authority, New Zealand's electricity regulator, is gathering data on hedge transactions and other risk-management options. We expect it to issue draft findings for consultation later in the year, then decide on whether any regulatory settings should change. We think that small retailers have the same access to risk-management options as any other retailers. Meridian already offers a wide range of hedge products to other parties, and anyone can invest in physical generation as an alternative to hedging.

> We need to address the ETS in a bipartisan way if we want to avoid climate policy swings between governments and a disorderly transition.

Another area of investigation for the Electricity Authority is the mandating of its Consumer Care Guidelines, the adoption of which has to date been voluntary. The guidelines ask retailers to deliver to minimum standards of customer care. They also include detailed rules on how to work with consumers experiencing hardship and for disconnection processes.

Meridian already meets the proposed mandatory standards and we welcome this development, as it will ensure all retailers lift their performance and deliver minimum levels of support for all customers.

Bharat Ratanpal, Interim Chief Executive Flux Federation.

FLUX REFOCUSES

Our subsidiary Flux Federation continues to offer its quality, flexible billing platform to the New Zealand and Australian energy markets. The platform has strong security credentials in the form of ISO 27001 certification and PCI compliance.

Until November 2023, Flux was focused on building the Flux platform as a global business. However, following a review in May, the Flux Board took the pragmatic decision to focus Flux's efforts back on the Australasian market in service of its existing customers. Meridian, including Powershop, is the largest customer of Flux and the platform is critical for our service delivery. Meridian's Chief Information Officer, Bharat Ratanpal, has been seconded as Interim Chief Executive to lead the business through this next phase.

DATA IS KEY TO DELIVERING COMPETITIVE MARKET OFFERINGS

A drive to use data smarter has dominated Meridian's efforts to modernise our systems, with the aims of promoting collaboration, capturing operational efficiencies and driving innovation. The use of advanced technologies such as AI and machine learning is becoming mainstream across the business.

We've started using a data lake – a large repository of continually refreshing data – to process large volumes of data and run innovative data science models that are changing our decision-making at all levels.

For example, applying data science helps us to better forecast how quickly and in what volumes water will shift from the hills to the lakes after rainfall. Through this, we can better determine the volume of water we can expect for generation.

We're using data to better model our risks and the maintenance required for our generation assets. Shifting our wind turbine assessments from manual inspections on site to electronic inspections via computers has reduced the time required and the chances of human error, and helped us to construct a more fulsome view of the overall health of our wind and hydro assets.

We've also started using generative AI to humanise and simplify the ways our people interact with our technology. Our plan is to extend this use to our customers so that they can interact effectively with our technology.

Data models are pivotal to our evolving retail focus, through which we're looking to take to market innovative products that will help customers to improve energy efficiency and increase savings.

We have systems to protect customer and company data

Our strong focus on data will improve our efficiencies and help us provide better value – but to do that responsibly, the data must be safe and secure. Strong foundational data combined with a data governance framework will help with automation. At Meridian, safeguarding customer and company data is fundamental. We adhere to industry regulations and standards and proactively manage cyber risks.

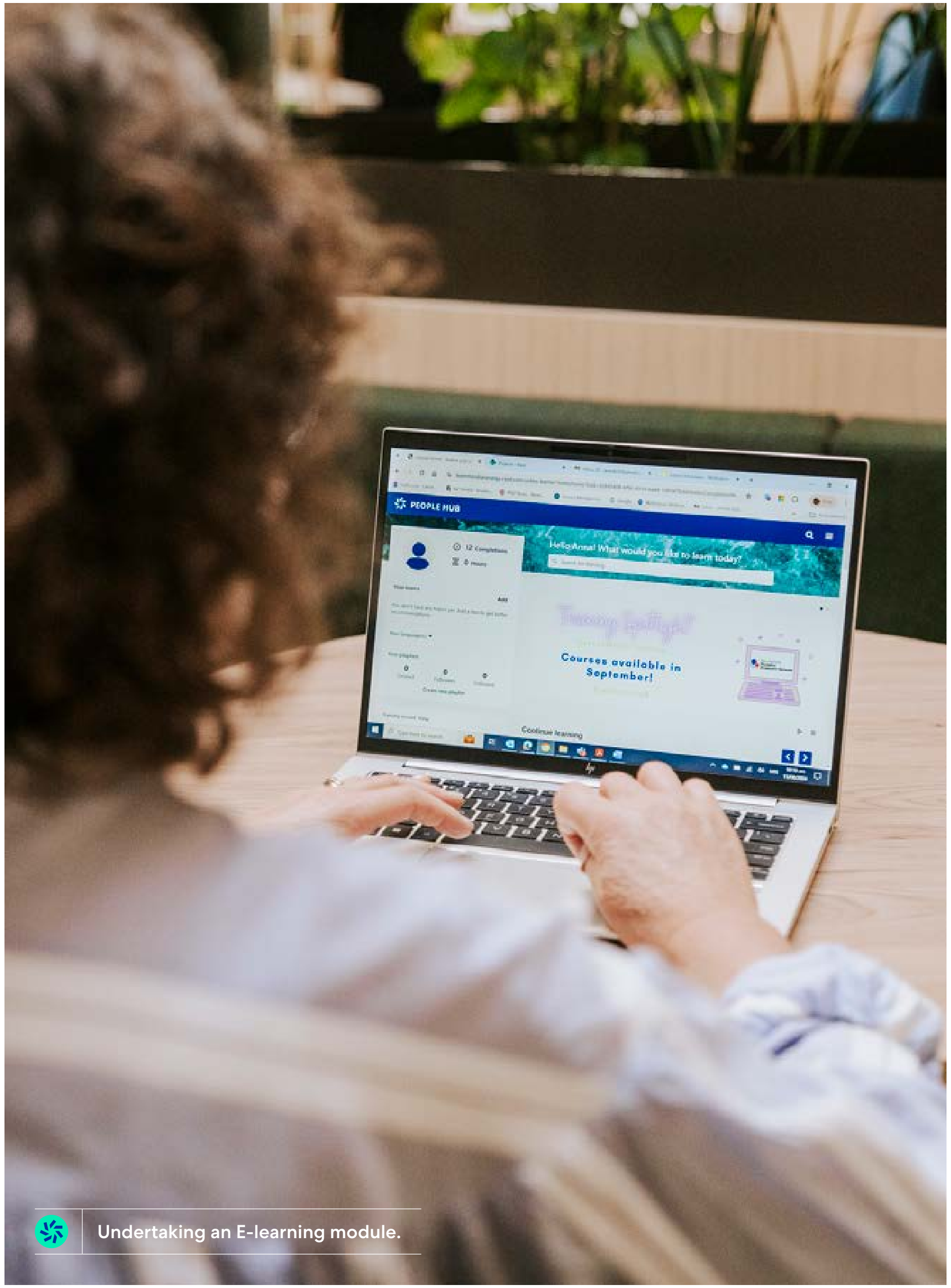
Our comprehensive programme fosters a culture of awareness and resilience in ensuring the security of our information and communications technology and operational technology infrastructure. Cyber security is a component of Meridian's employee performance expectations, as outlined in our Code of Conduct.

We enhanced our governance by creating a dedicated Cybersecurity Board Committee in June 2024. Our FY24–25 cybersecurity road-map aligns with the National Cyber Security Centre's Cyber Security Framework and the Australian Energy Sector Cyber Security Framework as well as Meridian's strategy. The roadmap emphasises risk assessment, governance, security culture, awareness, incident response, compliance and metrics.

We take a multi-layered approach to cyber defence that includes continuously monitoring our environments. Our Managed Cyber Defence provides real-time threat detection and response. Third-party vulnerability analysis and penetration testing further strengthen our security position. Our security incident management is integrated with the company-wide emergency response framework to ensure swift restoration during cyber incidents.

We have a supplier assurance programme that ensures suppliers adhere to our policies, which include continuous monitoring and robust supply chain security risk management. Our internal programme delivers comprehensive education, training and awareness-raising. Through e-learning modules and phishing exercises, we foster a proactive and positive cyber security culture, with a clear escalation process for reporting suspicious events that has resulted in phishing failure rates averaging below 1%.

In FY25 we'll enhance our information-protection controls, asset management and identity and access governance. Targeted awareness and training programmes will empower employees, and collaboration across business teams will strengthen our cyber defences against evolving threats.



Undertaking an E-learning module.

CASE STUDY

Harapaki is already proving a success

The first of our 7 in 7 deliverables, Harapaki, achieved full power in July 2024. All the civil works at the Hawke's Bay site have now been completed and the project village has been removed.

Harapaki Wind Farm, Hawke's Bay.

One of the great advantages of Harapaki was that we were able to generate power from the time the first turbine was successfully installed, meaning we didn't need to wait until the end of the project for it to start contributing to the grid. In November, the first five turbines were generating power. As of the end of June, the pre-assembly of all the turbines was complete and 36 turbines (154.8MW) were available to generate electricity. Total production to the end of June was 134,861 kilowatt hours.

We introduced a number of sustainability initiatives throughout the project to lower our impacts on the environment, including the re-use of as much as we could from the site within the community. This was our most sustainable project yet. Everything we learned from it will be carried to the next project with the support of a passionate team of sustainability specialists.

On average, around 75% of the waste that would once have gone to landfill is instead being recycled or reused within the local community.

On Harapaki we set key performance indicators for local employment and local spend for both Meridian and our contractors.

The project exceeded its target for local employment, which is currently sitting at 49% after peaking at 57% during civil works, against a target of 40%. That's around 1,400 local employees.

The local spend was surpassed in quite a dramatic style. Our goal was to exceed $40 million in local spend in the life of the project, and we're already around $100 million.

A novel foundation design that required less concrete, coupled with an on-site concrete plant, significantly decreased the transportation needs from Napier.

An avian monitoring team also visited every six weeks during construction, and will do so for three years post construction (the frequency is set at the end of construction), a total of seven years of monitoring.

Nominations are also open for panel members and suitable projects for the Power Up Harapaki community fund.

Harapaki Wind Farm, turbine foundation under construction, Hawke's Bay.

Harapaki exceeded its target for local employment, which is currently 49% after peaking at 57% during civil works, against a target of 40%. That's around 1,400 local employees.

STRATEGIC PRIORITY

Grow capability and culture

Our Te Whanganui a Tara Wellington office.

WHY READ THIS SECTION

Read this section to find out about our commitment to delivering a culture and leadership that benefit people and the planet, inspire climate action and attract investors.

MATERIAL TOPICS

- People
- Ngā Tukinga o Te Ao Tūroa – the impacts on the natural world
- Business emissions and waste

IN THIS SECTION

- A culture of care
- Investing in safety
- Enriching our worldview
- Sustaining our competitiveness
- Forever Forests on track

SUMMARY

How we do the mahi is what will make the real difference

75%

EMPLOYEE ENGAGEMENT 2024 RESPONSE – UP 2% ON THE PREVIOUS YEAR

DOW JONES

INCLUDED IN THE DOW JONES SUSTAINABILITY ASIA PACIFIC INDEX

2024

LAUNCHED A WELLBEING STRATEGY TO ENHANCE SUPPORT FOR OUR PEOPLE

SUMMARY

~450k

TREES PLANTED IN OUR FOREVER FORESTS BY END OF FY24

$150,000

IWI FUND CREATED TO SUPPORT THOSE IMPACTED BY CYCLONE GABRIELLE

11

YEARS CELEBRATED AS PRINCIPAL PARTNER OF KIDSCAN AND 8 YEARS SUPPORTING THE KAKAPO RECOVERY PROGRAMME AS THE NATIONAL PARTNER

A CULTURE OF CARE

To deliver on our ambitious plans in the context of a rapidly changing sector, we need a strong, diverse workforce that reflects the country in which we live.

Our all-encompassing focus on climate action requires us to empower our people to deliver powerful, cumulative change. Knowing that our business opportunities and challenges are dynamic, our focus on culture is all about tapping in to our ability to deliver on our purpose and strategy.

Delivering value through our people

To do that, we need to do three things:

1. Ensure our workforce is diverse and sustainable, with gender and ethnic diversity that reflects our country's demographics, including Māori representation.
2. Make sure our people have the capability and support to achieve our business aspirations.
3. Be deliberate in the way our culture evolves through change, by considering how we reward and recognise behaviours and performance, foster wellbeing and connect to Te Ao Māori as a bicultural organisation.

Employee engagement increases

The overall employee engagement in the Meridian Group (excluding Flux) has increased again this year, to 75%, which means we're firmly in the top quartile of New Zealand companies of a comparable size. We were pleased to see a very high voluntary response rate of 95%, which signals that our people value this process and know their feedback will be heard.

Working differently

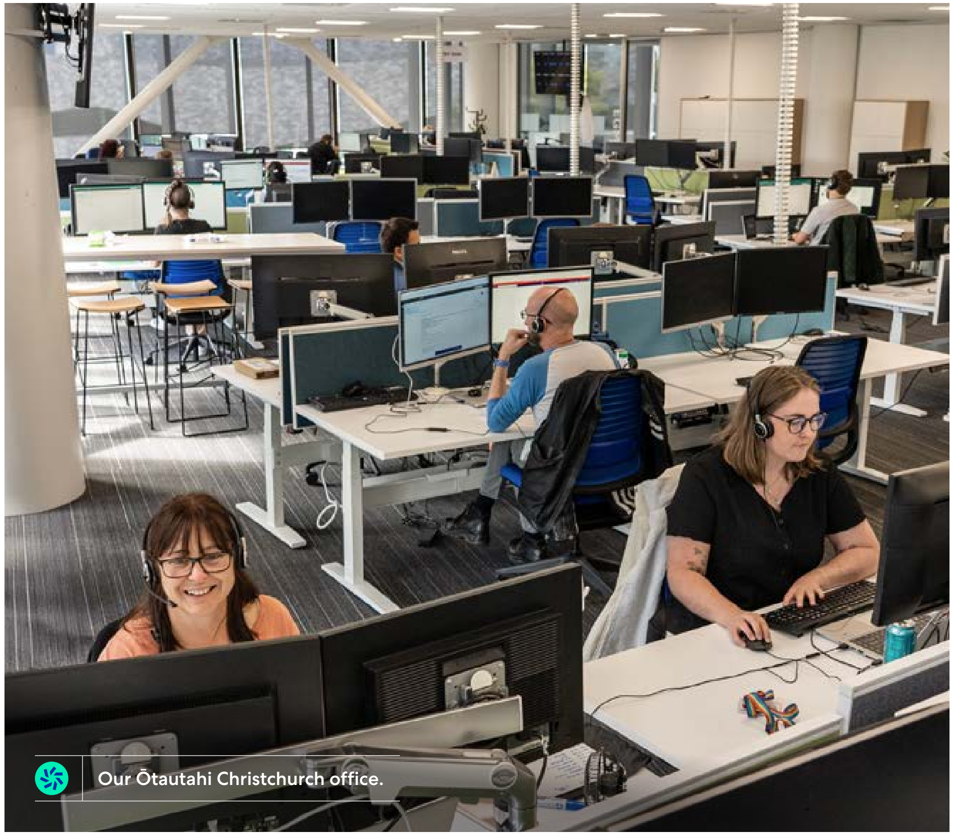
Change has become a constant in this environment, so to succeed we need to think differently about how work is organised. We're continuing to embed a new operating model in the Generation team, which focuses on building a culture of innovation and experimentation.

Following a successful trial this year in Retail, we're building greater business agility into the design of our Retail operating model to enable a more focused, flexible, engaged workforce that will work iteratively to deliver what our customers need.

Wellbeing is our commitment

This year we've formalised an approach to wellbeing that focuses on thriving employees, families and communities. Our wellbeing focus addresses four risks: the design and prioritisation of work; change; complex projects; and social connectivity in a hybrid world.

In addition, we continue to ensure that many of our wellbeing services are available to the whānau of our employees, as we acknowledge the importance of family and community for our people. This industry-leading strategy is another way in which we're setting our people up to succeed, as well as attracting new talent, so that we can continue to work towards a net zero future.



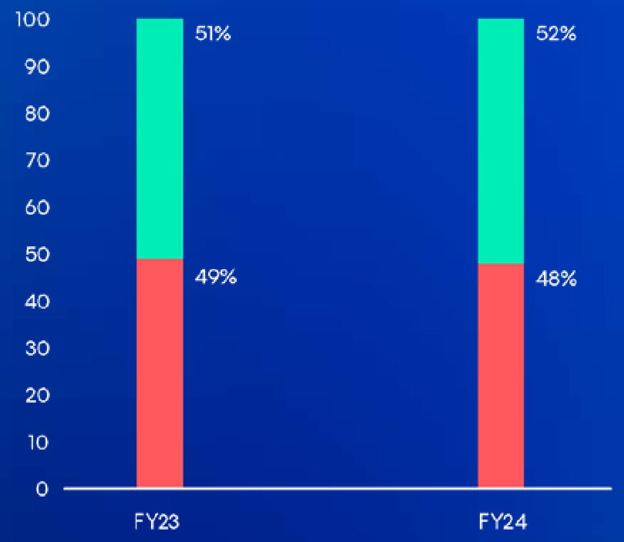
Our Ōtautahi Christchurch office.

EMPLOYEE ENGAGEMENT*

KEY
- Meridian
- Global Top 25%
- NZ Top 25%

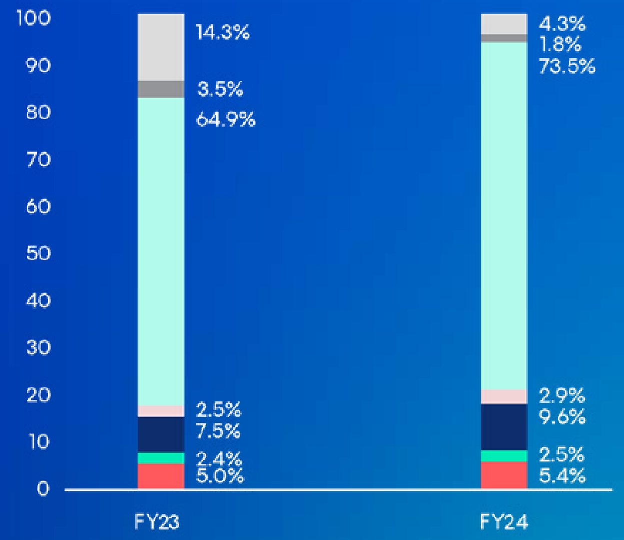
DIVERSITY BY GENDER**

KEY
- Female
- Male



DIVERSITY BY ETHNICITY**

KEY
- Māori
- Pacific Peoples
- Asian
- Middle Eastern/Latin American/African
- European
- Other
- No information stored



* Measured by 'level of agreement' – the percentage of staff who 'agree' or 'strongly agree' with the five questions that collectively determine our Engagement Index (previously calculated as a weighted mean).

** Includes casuals and Flux UK.

Our Integrated Report Data Pack contains more information on our workforce

Integrated Report Data Pack
bit.ly/4devDzs

INVESTING IN SAFETY

Protecting our people, including our contractors, is our first priority. Our people – particularly those involved in building new renewable projects and maintaining our existing assets – often work in technically challenging environments. Keeping our teams safe as we grow our business requires us to address all risks and potential hazards, which range in frequency, consequences and probability.

> We continue to strengthen our safety culture. This requires us to use a mix of safety leadership, shared responsibilities and improve outcomes through learning to further mature our approach.

Reportable injuries steady

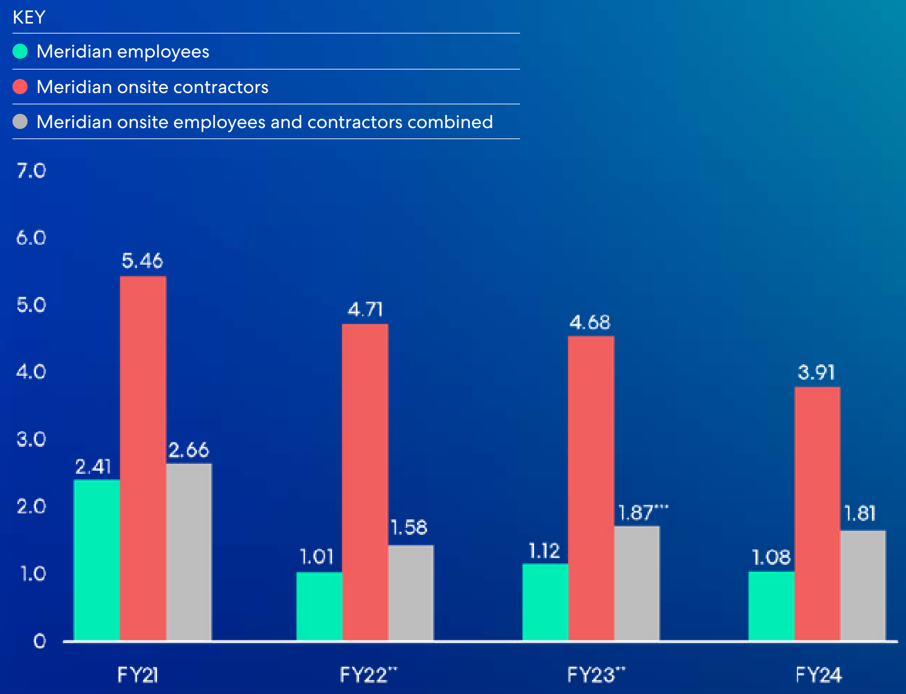
Our reportable injuries have held steady this year. Our total recordable injury frequency rate for employees and contractors per 200,000 hours worked was 1.81 (compared with 1.76 in FY23), with 18 people hurt (10 contractors and 8 employees). The main types of injury were once again sprains, strains and superficial injuries.

There were no significant instances of non-compliance with health and safety laws and regulations, and we paid no fines during the reporting period. We determine the significance of non-compliance with reference to the severity of impacts and sectoral benchmarks. There were also no significant instances of injury that required reporting.

A multi-level approach to safety

We continue to grow and strengthen our safety culture. This requires us to use a mix of safety leadership, shared responsibilities and improve outcomes through learning to further mature our approach. It also involves having shared attitudes, beliefs and values when it comes to safety and motivating and inspiring our people to work safer. To this end, we've established a Safety Leadership Forum with our Generation team that brings representatives together to share

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR*)



* The TRIFR is calculated per 200,000 hours and includes all lost-time, medical treatment and restricted work injuries for Meridian New Zealand employees and contractors only. While we have incident numbers for Powershop New Zealand and offsite contractors, the TRIFR cannot be calculated, as the number of hours worked for those periods has not been recorded.

** FY22 and FY23 data excludes Flux.

*** Restated due to an error in previous reporting period. Previously reported as 1.76.

Our Integrated Report Data Pack contains more information on our health and safety metrics

Integrated Report Data Pack
bit.ly/4devDzs

learnings and improve our overall safe practice. Our site committees continue to meet every month to identify hazards and share learnings.

Turbines bring inherent risk to our wind farms, because their operation and maintenance see teams working at height and in tight spaces. We use our Critical Risk Framework to examine situations like this, especially where there is real potential for serious injury or worse, and look to reduce any inherent risks. Firstly, we provide education and risk assessments, and implement safety controls to reduce the risks of working in these spaces. Secondly, the teams themselves examine their work protocols to identify ways to make every day on site as safe as possible. This includes identifying new opportunities to reduce risks – for instance, using physiotherapy to support people's musculoskeletal health when they're working in tight spaces in turbines. We're now expanding our occupational health service to include proactive physiotherapy to support our people undertaking this type of work.

As our business continues to evolve, we're also factoring in new risks to our Risk Framework. For example, installing EV chargers and implementing solar projects create new risks that sit alongside established risks, such as those around public safety, lakes, waterways and access.

Learning Teams go from strength to strength

Our Learning Team process, with its focus on learning and improving, is proving to be a successful way to bring everyone together to improve our collective safety knowledge and processes. Involving all those doing the work, including our contractors, it lifts our understanding of how issues arise and how we can respond with safety improvements.

Our goal is to normalise reporting as a safe and encouraged process within our culture. Our Safety Observation system, in addition to our network of health and safety representatives, encourages our people to be active safety observers and to initiate conversations if they see anything that concerns them or if they encounter situations where they see opportunities for improvement.

Mesh as a source of truth

A year since it was introduced, our health and safety management system, Mesh, has become a powerful source of truth. The software is configured to enable us to better capture information, report events, make observations and identify hazards across the organisation (including work by our contractors), then share that information with our people quickly and easily.

We also remain an active member of and contributor to StayLive, an electricity industry forum focused on working together.

National approach to dam safety

The introduction of a nationally consistent approach to dam safety this year means the country now has an operative dam safety framework. The new dam safety regulations require owners of some dams to have in place effective Dam Safety Assurance Programmes including regular inspection, review and emergency response plans.

Dams that exceed certain height and storage volume criteria are required to be registered with the relevant Regional Authority. These dams must also be classified in terms of their potential to cause harm in the event of failure. Owners of dams classified as having medium to high potential impacts are required to have appropriate Dam Safety Assurance Programmes for each dam. Compliance with elements of the dam safety assurance programme will be independently audited annually from 2026.

As a responsible dam owner Meridian has Dam Safety Assurance Programmes that include covering all its hydro dams since its inception. This programme aligns with the requirements of the Building (Dam Safety) Regulations 2022, the NZ Dam Safety Guidelines and the New Zealand Society of Large Dams' Dam Safety Guidelines.

All of Meridian's hydro dams and canals are classifiable dams in terms of the Dam Safety Regulations, and most are High Potential Impact Classification dams, so will be registered. Meridian is also reviewing all dam structures located on our wind farm sites to determine if any are required to be registered.

Work is underway to establish the process required to allow annual independent audits of each of Meridian's dams and their associated Dam Safety Assurance Programmes.

ENRICHING OUR WORLDVIEW

We continue to develop strong working partnerships with iwi. To ensure we do these relationships justice, it's important that we build a deep understanding of the Māori world view. Strengthening our understanding will help us to meet the expectations of Māori and improve the way we think about the use of, and access to, precious natural resources. We have a company-wide cultural education programme that aims to lift our collective perspectives, and we're on a journey to apply what we learn to different areas of our business.

We'd like to acknowledge and thank those with whom we have partnerships.

- We work with Ngāti Hineuru and the Maungaharuru-Tangitū Hapū at the Harapaki Wind Farm.
- We've engaged with local hapū Patuharakeke at Ruakākā in Northland, and Te Parawhau hapū who are working as cultural monitors for the project.
- We recognise the mana whenua of Ngāi Tahu, particularly in relation to our hydro schemes in the Ngāi Tahu takiwā. We also benefit from having a Ngāi Tahu-affiliated director on our Board.
- Four Murihiku rūnaka, who collectively are the Murihiku Hapū, hold mana whenua and mana moana over the Murihiku/Southland region. We work closely with local Murihiku rūnunga (Awarua, Hokonui, Ōraka Aparima and Waihōpai) through Te Ao Marama and the Waiau Working Party.
- We work closely with Waitaki rūnaka (Arowhenua, Moeraki and Waihao) through the Waitaki Governance Group, as well as trusts, to protect mahinga kai and native fish in the Waitaki and Waiau catchments.

This year we've begun developing a Te Tiriti approach for the organisation, and establishing ways to support social wellbeing and economic development for our iwi partners. You can find the scope of our focus in our recently published Code of Conduct.

Code of Conduct
bit.ly/4dvYpuU

An example of this commitment in action was the creation of the Cyclone Recovery Fund, created for iwi residing in the wake of Cyclone Gabrielle. The $150,000 fund provided practical financial support for clean-up activities for those directly affected by the cyclone.

Deep Cove, Fiordland National Park.

Funds were allocated to help with the recovery and restoration of taonga from the devastated Tangoio marae in Hawke's Bay and to support efforts to provide emergency food and shelter in Wairoa.

We also expanded the criteria for our Power Up Harapaki community fund to provide a more active representation of the iwi on the panels that allocate the funding, and greater access for iwi who are affiliated with the area but may not reside there, so they can apply for projects in their official takiwa.

Our Kōkiri Tangata workstream is looking at how we can best grow our understanding of tikanga Māori and weave this mātauranga (knowledge) into our people processes. As well as reviewing our processes, we have re-established the Matakahi cadetship programme with Ngāi Tahu to introduce Ngāi Tahu cadets to our business in the year ahead.

For iwi in our new development areas, we've been learning about and identifying the initiatives in which they're most interested – be they training, Forever Forests partnerships, scholarships or work opportunities. Of course different iwi will always have different aspirations, but our goal is to provide enough opportunities to encourage dialogue and find ways to work together.

Guy Waipara, GM Development Meridian and Justin Tipa, Kaiwhakahaere (Chair) of Te Rūnanga Ngāi Tahu.

Powerful Partnerships

We've worked with partners to deliver our Forever Forests programme: one with the Christchurch Foundation for our Tūī Corridor Christchurch plantings, others with private landowners near our wind farms, and iwi-based trusts.

We signed a new agreement for the Waitaki catchment biodiversity mitigation programme with DOC and Fish & Game New Zealand alongside co-funder Genesis Energy.

We celebrated eight years of supporting the Kākāpō Recovery programme in partnership with DOC and Ngāi Tahu, doubling the kākāpō population in this time. Our 11th year as principal partner of KidsCan has also been a privilege as we support tamariki living in hardship to reach their full potential.

> We celebrated eight years of supporting the Kākāpō Recovery programme in partnership with DOC and Ngāi Tahu...and our 11th year as principal partner of KidsCan

SUSTAINING OUR COMPETITIVENESS

Since committing to only renewable generation, we've evolved our sustainability focus to prioritise climate action and recognise the social, environmental and economic factors that underpin our success. Our Climate Action Plan includes ambitious targets for growing renewable electricity generation, increasing customer decarbonisation and managing our own resilience and emissions. Our climate-related disclosures cover these targets, as well as the risks and opportunities for Meridian as a result of the transition to net zero.

Climate Action Plan
bit.ly/4fyAbBZ

Climate-related Disclosures
bit.ly/3SzilVK

As part of our continuous improvement, our Code of Conduct has been updated to sharpen our focus on conduct, ethics and human rights and align with the principles of Te Tiriti. We've also introduced a new environment policy.

Code of Conduct
bit.ly/4dvYpuU

Environment Policy
bit.ly/3YtqxKT

Ambitious goal for ESG performance

We were again included in the Dow Jones Sustainability Asia Pacific Index, an independent global Standard & Poor's (S&P) index that ranks our environmental, social and governance (ESG) performance against like companies in our region. We performed well in the renewables and governance categories. Our work to advance how we deliver on our Nature Positive ambition will grow our focus on biodiversity, while also supporting us to increase our ranking in the Index. Our near-term goal is to move from the Asia Pacific Index to the Global Index, which sets the highest standards and provides further independent validations of our ESG performance for investors and other stakeholders.

Aiming for net zero

We've set our long-term emission reduction targets this year which have been submitted for independent Net Zero verification. This is a natural extension of our Half by 30 business emissions-reduction target, and we'll build out the plan to achieve this ambitious goal in the year ahead.

During the year we've focused on embedding sustainability priorities into our business planning process with the Board and the Executive Team, engaging leadership teams in further focusing on performance objectives, and continuing to provide coaching and learning and development support. See our Climate Action Plan and Climate-related Disclosures for information on reaching this target.

> During the year we focused on embedding sustainability priorities into our business planning process with the Board and the Executive Team…

Climate Action Plan
bit.ly/4fyAbBZ

Climate-related Disclosures
bit.ly/3SzilVK

Being nature positive

We know that Aotearoa New Zealand is highly vulnerable to the impacts of climate change, having one of the world's highest rates of habitat loss and degradation, and the highest proportion of native species at risk of extinction.

Our Land 2024, MFE
bit.ly/4chEw9U

Following the setting of our biodiversity and deforestation commitment, and our nature positive ambition, we developed a roadmap to guide our choices from here.

Biodiversity Commitment
bit.ly/3A56Ui8

This work will have a multi-year focus, using different approaches to better define our impacts and dependencies on nature. Ultimately we want communities, customers and investors to better understand our impacts on nature and the actions we're taking to mitigate those impacts. These actions will increasingly become part of our licence to operate. Our nature focus will support our consenting processes and give communities confidence in us as a leader in sustainability and a developer of new renewable generation.

Upholding human rights

Human rights speak to the inherent value of all people, regardless of background, and span everything from the right to live to the right to work and the right to rest and leisure.

This year we've finished our first human rights risk assessment. This has helped us to reflect on our current practices, identify areas on which to focus our attention and identify ways to build on the practices and commitments we have in place. This programme of work has broadened the due diligence around modern slavery that we've had in place for a number of years to mitigate the risks of impacts on people, particularly those in our global supply chain. Our Modern Slavery Statement contains our reporting on our modern slavery due diligence.

Modern Slavery Statement
bit.ly/3LUdSJw

Setting our sights on supply chain improvements

We've also initiated a dedicated supply chain – good energy programme to enhance sustainability outcomes throughout our supply chain. This project aims to give our suppliers confidence in our direction and encourage collaboration, so we can realise this objective together.

Having set up the programme, we'll spend the year ahead looking at emissions and climate risks, training for our key buyers and strengthening our contracts. We'll then start a multi-year journey in which we'll review the project annually to determine progress and next steps.

Half by 30 targets elusive

Half by 30 is the part of our Climate Action Plan that focuses on reducing emissions.

Our ability to hit our Half by 30 goal is uncertain. We're doing everything we can to get there, but some actions, such as managing flights and commuter emissions and reducing supply-chain emissions are proving challenging due to the growth that our business and the sector are experiencing.

We've signed a deal with Swedish company Candela to bring the world's first electric hydro-foiling ferry to Lake Manapōuri. The ferry will provide daily transport for staff and contractors servicing the country's largest hydro power station. It'll save 240 tonnes of carbon emissions annually and is expected to begin operating in 2025.

We've also focused on lowering emissions and reducing our need for highly potent greenhouse gases like SF_6 (sulfur hexafluoride), which are found in things like our transformers. Eradicating these is not something we can achieve on our own, so we'll be looking to collaborate with the industry to make these wider changes possible more quickly. For more detail, see our Climate Action Plan.

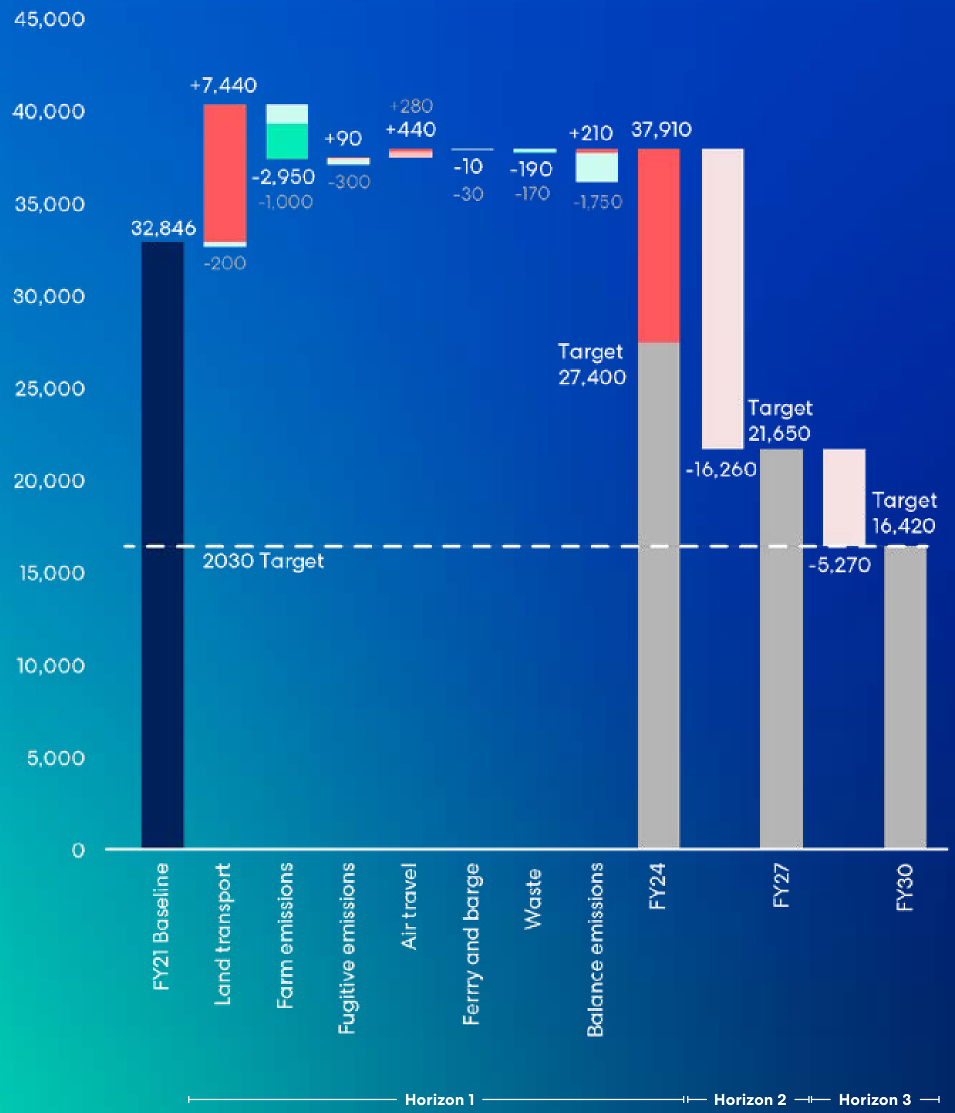
Climate Action Plan
bit.ly/4fyAbBZ

Simulation of our electric hydro-foiling ferry currently under construction.

HALF BY 30 EMISSIONS PROGRESS (tCO_2e)

KEY

- Adverse movement to forecast
- Positive movement to forecast
- Forecast trajectory (prior to FY24)
- Abatement required across all focus areas



MERIDIAN GROUP GHG EMISSIONS

tCO_2e	FY21	FY22	FY23	FY24
Scope 1	1,020	643	1,191	1,060
Scope 2 (market based)	14	2	2	2
Scope 3 operational	31,812	33,920	32,156	36,848
Total Group operational emissions*	**32,846**	**34,565**	**33,349**	**37,910**
Scope 3 one-time construction and upgrades	284	8,242	14,295	75,291
Total Group value chain emissions**	**33,130**	**42,807**	**47,644**	**113,201**

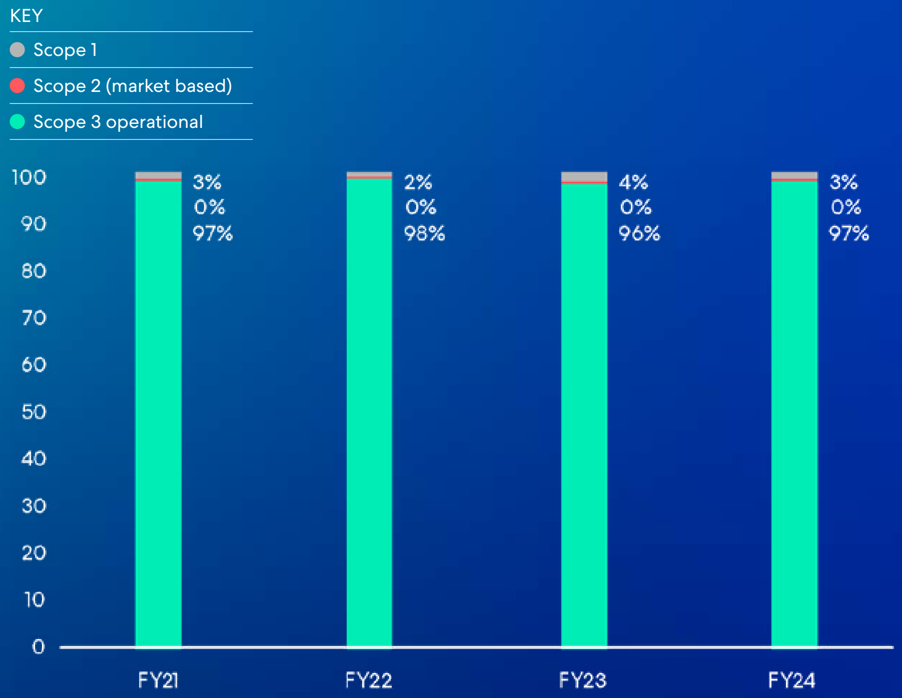
* Meridian's operational emission boundary includes all scope 1, 2 and 3 categories, excluding all one-time construction emissions from major projects and all activities that are capitalised as part of renewable energy projects. Our FY21, FY22 and FY23 operational emissions were restated in FY24 due to change in source for spend-based emission factors.

** Group emissions are offset, using Gold Standard Voluntary Emissions Reductions (GS VERS) after taking into account credits cancelled by suppliers against their own emissions.

This chart shows performance to date and movement against Horizon 1 targets.

New spend-based emissions factors became available in FY24 (previously published in 2023, and now updated annually). The adoption of these factors resulted in a >5% change of our total emissions for the base year, driven by impact to balance emissions. As a result we have restated Balance emissions for each year using these factors (an increase in FY21 and FY22, and decrease in FY23), and our Horizon 2 and 2030 target accordingly.

TOTAL OPERATIONAL GHG BY SCOPE (tCO_2e*)



Meridian's generation emissions intensity is zero (tCO_2e/GWh of total generation). As a generator of 100% renewable energy, the fuel source for the electricity generated has no emissions.

* Meridian's operational emission boundary includes all scope 1, 2 and 3 categories, excluding all one-time construction emissions from major projects and all activities that are capitalised as part of renewable energy projects. Our FY21 baseline, FY22 and FY23 emissions were restated in FY24 due to a change in source for spend-based emission factors.

FOREVER FORESTS ON TRACK

Since 2019 we've invested in planting permanent forests in Aotearoa through our Forever Forests programme, to create our own carbon sink for our operational emissions out to 2030. Forever Forests is deliberately sized to soak up the carbon that's left after we've removed all we can against our Half by 30 target.

We remain on track to deliver on our target of growing the carbon credits we need for offtake in 2030. Currently our operational emissions are offset via Gold Standard Verified Emission Reduction units. In taking responsibility for the carbon in our operational footprint, of which more than 95% is from our suppliers, we're helping them to take climate action and we're leaving a lasting legacy in nature for future generations.

Climate Action Plan
bit.ly/4fyAbBZ

Forever Forest planting at West Wind Farm, Te Whanganui a Tara Wellington.

The power to make a difference

We harness nature to generate electricity through Wind, Water and Sun.

An overview of our operations

GENERATION

30%

We generate around 30% of New Zealand's electricity through:

- 7 Hydro stations
- 6 Wind farms
- 1 Grid-scale solar array underway.

OPERATION

936

We have 936 employees – 124 at our power stations and development sites – throughout 5 offices across New Zealand.

CUSTOMERS

16%

We have 370k customer connections, around 16% New Zealand's households and businesses (Meridian Energy and Powershop).

FLUX

126

A presence in 3 countries (Australia, NZ and UK). 126 Employees.

Our Board

Our Directors' biographies
bit.ly/3YxZQ7Y

GRAHAM COCKROFT
Independent Director

NAGAJA SANATKUMAR
Independent Director

TANIA SIMPSON
Independent Director

JULIA HOARE
Independent Director

DAVID CARTER
Independent Director

MICHELLE HENDERSON
Independent Director

MARK VERBIEST
Chair and
Independent Director

Our Executive Team

Our Executive Team's biographies
bit.ly/3WzB5ph

JASON WOOLLEY
General Counsel & Company Secretary

NEAL BARCLAY
Chief Executive

TANIA PALMER
General Manager Generation

CHRIS EWERS
General Manager Wholesale

JASON STEIN
Chief People Officer

LISA HANNIFIN
Chief Customer Officer

GUY WAIPARA
General Manager Development

CLAIRE SHAW
General Manager Corporate Affairs & Sustainability

MIKE ROAN
Chief Financial Officer

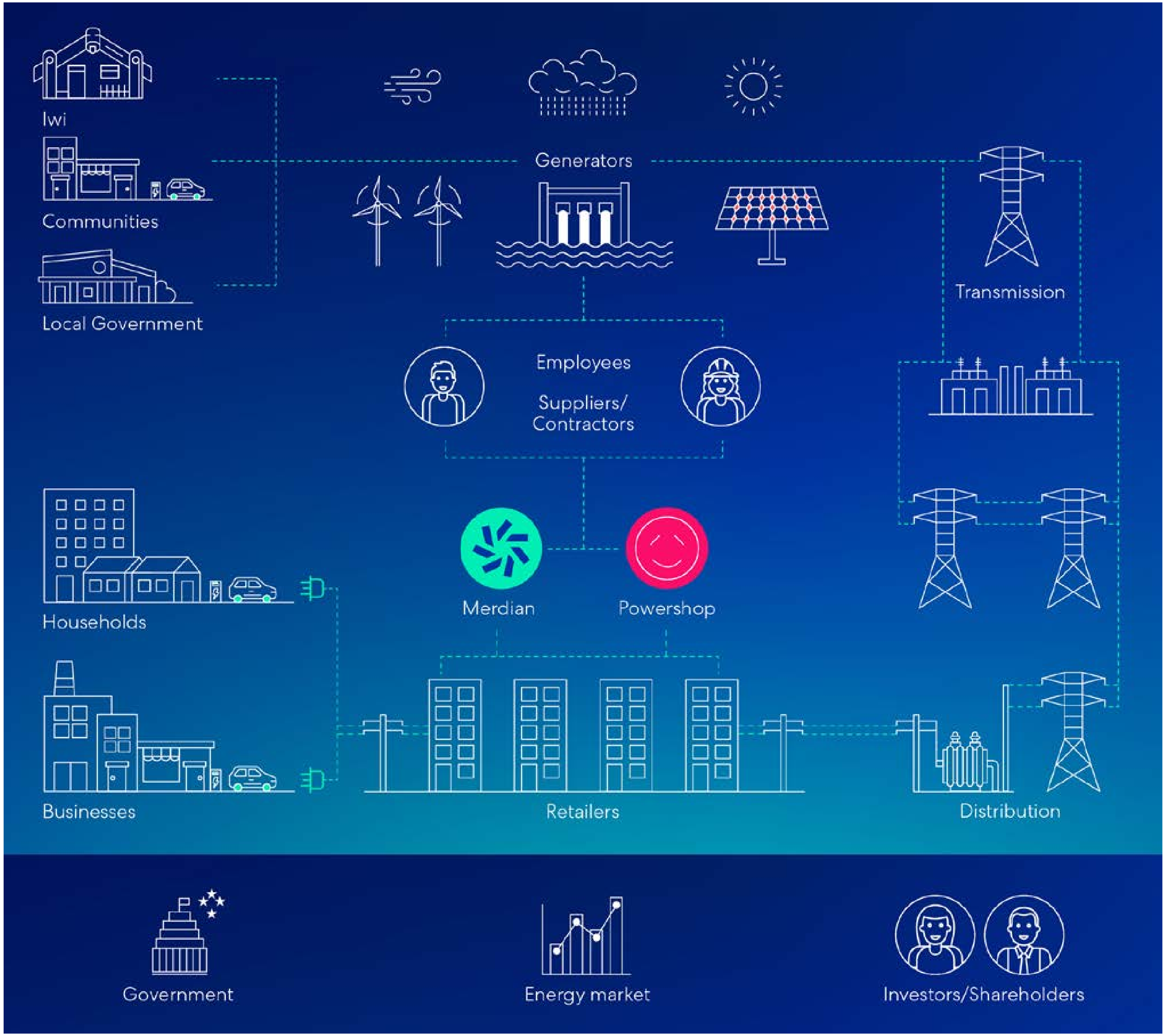
BHARAT RATANPAL
Chief Information Officer

HOW WE CREATE VALUE

Meridian generates electricity through 100% renewable sources – wind, water and sun. We believe it's the only way forward for people and the planet.

The ways in which Meridian uses the natural forces at its disposal and takes care of its customers, people, local communities, iwi and the environment are helping to renew our future, both as a business and collectively. Our approach strengthens Meridian's ability as a significant publicly listed company to deliver attractive shareholder returns and to deliver value to all our stakeholders and the planet.

We're a vertically integrated company and our Group's activities range from the generation and development of new assets to retail.



OUR COMMITMENT TO EFFECTIVE GOVERNANCE

Our Board closely monitors the way we manage aspects of our business that we consider long-term drivers of value. These include retaining access to water, building employee engagement, investing in new assets, enhancing environmental performance, advancing climate-related opportunities, satisfying customers and building our reputation and brand.

Strategy days and regular meetings allow directors to question and challenge the Executive Team on the direction it wishes to take the business. These occasions provide opportunities to advance the Board's collective knowledge on sustainable development, which is highly relevant to Meridian's operations and strategy given our commitment to helping shift Aotearoa to a net zero future.

Our commitment to sustainable development is embedded at a governance level through policies such as our new Environment Policy. Our approach to managing our impacts on the economy, the environment and people is evident throughout this report.

Environment Policy
bit.ly/3YtqxKT

The Board sets Meridian's overall appetite for risk and approach to risk management. Our FY24 Corporate Governance Statement summarises our key risks.

Corporate Governance Statement
bit.ly/3Wy4sse

Meridian complies with the NZX Corporate Governance Code recommendations in all material respects (with the exception of recommendation 3.6).

Corporate Governance Code, NZX bit.ly/3WwBatS

Processes for managing conflicts of interest are found in the Board Charter and supported by the Meridian Whistleblowing Policy. The number of Code of Conduct breaches is disclosed annually in our Corporate Governance Statement. Our key governance charters and policies are on our website.

A wide range of internal stakeholders are typically involved in the design and iteration of Meridian policies such as the Code of Conduct and Whistleblowing. All Meridian policies are subject to regular review and iteration in the light of feedback from stakeholders across the business.

Our Human Rights programme will look to continuously improve our grievance and remediation processes, including how we engage stakeholder feedback in their design, operation and improvement.

Whistleblowing Policy
bit.ly/3LRXIjT

Code of Conduct
bit.ly/4dvYpuU

Governance Charters
bit.ly/3LUOWDA

Our Board structure

Meridian recruits Board members with a range of skills and experience. There are currently four female members and three male members, meaning we have a healthy gender balance. While the company's constitution does not require it, our Board has a view that the relationship with Ngāi Tahu, which has mana whenua (authority) over the majority of the South Island where most of our assets are located, is so important that a position on the Board for someone with connections to Ngāi Tahu is always considered. This role is currently undertaken by Tania Te Rangingangana Simpson.

Biographies of our directors and the Management team are available on our website. All directors are independent.

Meridian Directors' biographies
bit.ly/3YxZQ7Y

Further information on the skills, composition and tenure of Board members can be found in the FY24 Corporate Governance Statement. More information on the nomination and selection process, including the criteria used, for Board and committee appointments is provided in the Meridian constitution and Board Charter.

OUR MATERIAL IMPACTS

Meridian is committed to identifying both positive and negative, actual and potential impacts that we have on the environment, society and the economy, including human rights.

We take a double materiality approach, which means we consider our impacts on society, the environment and stakeholders as well as their potential impacts on our bottom line.

Governance

Our Board approves our material topics annually. This is done through the Safety and Sustainability Committee and at a subsequent Board meeting. In addition, progress updates on key initiatives related to our management of material impacts are provided in our quarterly Safety and Sustainability Committee meetings.

How we measure material impacts

We measure our actual and potential material impacts in line with the updated Global Reporting Index (GRI) Standards. We begin the process by taking a high-level view of our business activities and business relationships (including our joint ventures and suppliers). We also consider the sustainability context in which they occur and the stakeholders affected (including their human rights).

We then use a mix of internal and external stakeholder engagements to help us identify the impacts that are important to Meridian and our stakeholders. It is from this stakeholder engagement, and a review of internal processes such as grievance mechanisms and internal risk assessments, that we identify our most significant potential and actual impacts and our involvement with those impacts (whether we cause them, contribute to them or are directly linked to them). Closely related material impacts are grouped into material topics.

Our material topics for FY24 are:

- Renewable energy generation
- Ngā Tukinga o Te Ao Tūroa – impacts on the natural world
- Customer decarbonisation
- Climate-related impacts
- Affordability
- Cyber security
- People
- Business emissions and waste
- Supporting communities.

Forever Forest planting at West Wind Farm, Te Whanganui a Tara Wellington.

Our scoring methodology to assess the most significant impacts for reporting

We prioritise impacts by determining their significance. The significance of each impact is scored by considering its severity and likelihood. For severity, we consider the scale (how grave the impact is), scope (how widespread it is) and each impact's irremediable character (how hard it is to put the impact right). Potential impacts are then multiplied by the likelihood of their impact occurring.

In addition to impact materiality, we determine a significance score for financial materiality. We do this by surveying a mix of internal impact, finance and risk experts to rate the potential financial implications of each impact over time.

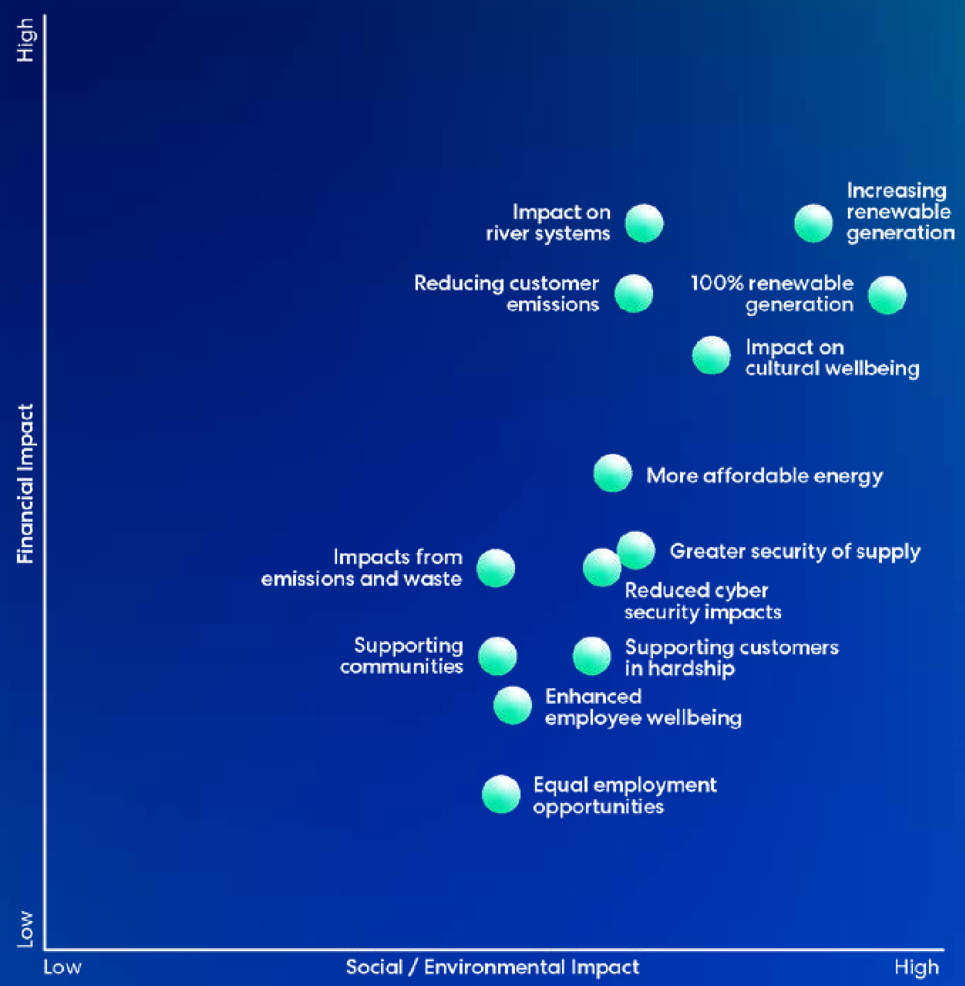
In order to prioritise impacts for reporting we apply a minimum threshold to the significance scores. Impacts that exceed the threshold for either financial materiality or impact materiality are reported in the Integrated Report.

Our FY24 material impacts (review year)

To review our FY24 material impacts, we:

- Conducted internal surveys with subject matter, financial and risk experts in order to score significance (as per the methodology described). We also considered the stakeholder feedback from the most recent round of stakeholder engagement (in this case FY23)[4] for ranking the impacts.
- Conducted a workshop with all impact owners to discuss any changes to our business and market context, and validate the outcomes of the survey scores (i.e. new rankings of impacts).
- Obtained the approval of the Safety and Sustainability Committee and Meridian Board for the topics to be included in this report.
- The material topics that were reported in FY23 but did not meet the FY24 threshold for reporting were: 'Ethics, Governance and Trust', 'Supply Chain' and 'Sustainability Thought Leadership'.

MATERIALITY MATRIX



4 FY23 stakeholder engagement included: customers, customer insights researchers, tangata whenua, community groups, regional economic development agencies, energy industry experts and researchers, environmental regulators and equity analysts

POLICIES, COMMITMENTS AND TARGETS' PROGRESS TABLE

The table below outlines our material impacts for the year ending 30 June 2024 in a prioritised form. Material topics (used to group related impacts) are also identified in the table.

100% RENEWABLE GENERATION — MATERIAL TOPIC: RENEWABLE ENERGY GENERATION

Impact Description

Meridian directly minimises New Zealand's greenhouse gas emissions by generating 100% renewable energy, which represents approximately 30% of New Zealand's total electricity consumption.

Relevant Policies and Commitments

Committed to only generating electricity from 100% renewable sources

- Committed to improving and sustaining the health of our renewable generation assets
- Committed to delivering operational flexibility while sustaining asset productivity.

SDG

7 AFFORDABLE AND CLEAN ENERGY

Key Actions in FY24

We've undertaken a range of initiatives to maximise the availability of our assets. These have included:

- Returning to service approximately 20MW of failed turbines at our White Hill Wind Farm
- Returning to service 15MW from Unit 2 at our Waitaki Hydro Station after a generator failure
- Returning to service 43MW at Manapōuri Power Station by mitigating the impacts of a de-rating applied to Unit 4
- Returning 6MW of capacity for Unit 6 at Ōhau A, which had been de-rated following bypass value issues
- Flexible and off-peak outage scheduling
- Approximately 58 fewer annual routine outage days through maintenance innovation, review and rationalisation

Also see:

- Getting more from our assets (page 46).

Targets and Progress

To maintain generation market share of at least 30% (30% achieved in FY24).

To achieve the following levels of plant availability:

- Hydro 94% (89% achieved in FY24)
- Wind 92% (90% achieved in FY24).

To increase peak supply from existing assets:

- Deliver 500MW of capacity from our current generation portfolio by end of FY28 from a FY23 baseline.

Also refer to the GRI index (page 174).

INCREASING RENEWABLE GENERATION — MATERIAL TOPIC: RENEWABLE ENERGY GENERATION

Impact Description

Meridian is directly helping New Zealand to make further emission reductions by building new energy generation and storage assets.

Relevant Policies and Commitments

- Committed to having seven generation projects underway by 2030 (one per year from 2023).

SDG

7 AFFORDABLE AND CLEAN ENERGY

Key Actions in FY24

Construction and commissioning of Harapaki Wind Farm on track for full commissioning in July 2024.

Construction of Ruakākā battery on track for completion in early 2025.

Consent application lodged for Ruakākā solar farm.

Progression of consenting processes for Mt Munro Wind Farm.

Signed 50-50 joint venture with New Zealand Wind Farms to redevelop Te Rere Hau Wind Farm (already partially consented).

Inclusion of two large-scale projects on the Government's fast-track list (pending passing of fast-track legislation).

Achieved increases in the installed capacity of our hydro power plants

- Additional 21MW from Manapōuri
- Additional 30MW from Benmore.

Targets and Progress

As included in our Strategy Map (page 17).

Grow Renewable Generation:

- 2,000GWh p.a. of new renewable generation and 200MW of BESS capacity delivered by FY31 (176MW Harapaki Wind Farm and 100MW Ruakākā battery on track for completion in early 2025)
- Deliver 500MW of capacity from our current generation portfolio by end of FY28 from a FY23 baseline (up to 20MW achieved in FY24).

Also refer to the GRI index (page 174) and see our FY24 Climate Related Disclosure for our targets and progress against these in FY24.

Key Actions in FY24 continued	Targets and Progress
Also see: • Delivering on 7 in 7 (page 23) • Continued net zero commitment supports our strategy (page 26) • Time to change the pace of decision making (page 26) • Increasing our national capacity (page 24).	

IMPACT ON CULTURAL WELLBEING — **MATERIAL TOPIC: NGĀ TUKINGA O TE AO TŪROA – IMPACTS ON THE NATURAL WORLD**

Impact Description	Relevant Policies and Commitments	SDG
Meridian is directly helping New Zealand to make further emission reductions by building new energy generation and storage assets. Meridian directly affects the cultural wellbeing of some iwi and their relationships with the land, water, biodiversity and other taonga through the construction and operation of generation assets.	• Committed to meaningfully engagement with mana whenua in asset catchments to address cultural and environmental impacts • Meridian's Biodiversity Commitment: to minimise our impact on biodiversity by applying avoidance, remediation, mitigation, restoration and compensation approaches in line with all environmental legislation and resource consent conditions • Inclusion of a commitment to Te Tiriti o Waitangi in the FY24 update of the Employee Code of Conduct.	 

Key Actions in FY24	Targets and Progress
Began implementation of the 35-year agreement (Kawenata) signed in FY23 with Waitaki Rūnaka. Also see: • Securing long-term access to water (page 27). Engaged with local hapū at Ruakākā and Harapaki, including as cultural monitors for development projects. Evolved the criteria of our Power Up Harapaki community fund to provide more active representation of iwi on the panels that allocate the funding, and greater access for iwi who are affiliated with the area but may not reside there. Updated our Employee Code of Conduct to include a commitment to Te Tiriti o Waitangi, which we believe will help support social wellbeing and economic development among our iwi partners. Continuation of our mitigation elver trap and transfer programme. Continuation of our mitigation and remediation partnership commitment to the Te Waiau Mahika Kai Trust. Also see: • Enriching our world view (page 60).	As included in our Strategy Map (page 17). Grow capability and culture: • By FY29 to have achieved tangible outcomes of the Kawenata, with key actions of value identified, shared and carried over to other iwi relationships. For progress, refer to the GRI index (page 174).

IMPACTS ON RIVER SYSTEMS

MATERIAL TOPIC: NGĀ TUKINGA O TE AO TŪROA – IMPACTS ON THE NATURAL WORLD

Impact Description	Relevant Policies and Commitments	SDG
Meridian directly impacts the health of certain river systems (including impacts on biodiversity) as a result of modified water flows caused by hydro structures and water management. Meridian's operations do not introduce any contaminants (chemicals or heat) to the water systems. As hydro generation impacts the water flow and water levels of waterways, there is an indirect impact on the ability of the water body to dilute the contaminants from other sources (for example, land-use runoff and dairy effluent).	• Committed to minimising our impact on biodiversity by applying avoidance, remediation, mitigation, offsetting, restoration and compensation approaches, in line with all environmental legislation and resource consent conditions, as per Meridian's Biodiversity Commitment • Committed to complying with all applicable local and international environmental laws and regulations, as per Meridian's Environment Policy.	6 CLEAN WATER AND SANITATION

Key Actions in FY24	Targets and Progress
Maintained full compliance with consented and regulatory requirements regarding water use. Continuation of our mitigation elver trap and transfer programme. Continuation of our mitigation and remediation partnership commitment to the Te Waiau Mahika Kai Trust. Submitted an application to Environment Canterbury to reconsent the Waitaki power scheme for an additional 35 years with no increase in our current water flows. Seeking resource consent for a deeper channel behind Manapōuri Lake Control Structure to improve flushing flow delivery to the lower Waiau River. Also see: • Enriching our world view (page 60) • Securing long-term access to water (page 27).	100% compliance with consented and regulatory requirements regarding water use (achieved in FY24). By FY29 tangible outcomes of kawenata with Ngāi Tahu are in play. Key actions of value are identified, shared and carried over to other iwi relationships (on track). Also refer to the GRI index (page 174).

REDUCING CUSTOMER EMISSIONS

MATERIAL TOPIC: CUSTOMER DECARBONISATION

Impact Description	Relevant Policies and Commitments	SDG
Meridian is directly helping customers to reduce their emissions by creating new products and/or supporting the introduction of technology to replace fossil fuels or improve energy efficiency.	• Committed to a focus on transport, distributed generation and storage, demand flexibility, process heat and Certified Renewable Energy to enable customer decarbonisation (as per our Climate Action Plan).	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

Key Actions in FY24	Targets and Progress
Key initiatives included: • Continued process heat electrification programme • Expanded Zero public EV charging network • Development of home and business EV charging solution • Increased sales of Renewable Energy Certificates and used our Community Decarbonisation Fund to distribute the net proceeds to support customer and community group decarbonisation projects. Also see: • Electrifying transport and heat (page 36) • Our Decarbonisation Fund Grows (page 38) • T01 in our FY24 Climate Related Disclosure.	As included in our Strategy Map (page 17). Grow renewable generation: • 1,000GWh of process heat under contract by 2030 . Deliver cleaner cheaper energy: • Install additional 75 fast chargers by the end of FY25 • Increase Community Decarbonisation distributions to $1.5m in FY25. For progress, see our FY24 Climate Related Disclosure (T01). Also see our FY24 Climate Action Plan.

GREATER SECURITY OF SUPPLY — MATERIAL TOPIC: CLIMATE-RELATED IMPACTS

Impact Description	Relevant Policies & Commitments	SDG
Meridian has a direct ability to enhance New Zealand's security of supply through how we manage operational risks related to climate change (e.g. physical damage to generation infrastructure).	• Committed to annually assessing, managing and disclosing our climate-related risks in compliance with the Aotearoa New Zealand Climate Standards.	13 CLIMATE ACTION

Key Actions in FY24	Targets and Progress
Published a comprehensive disclosure on risks related to climate-related impacts and associated management actions (see our FY24 Climate Related Disclosure). Note PR1 (flood events), PR3 (severe weather events) and PR4 (supply chain disruptions).	See our FY24 Climate Related Disclosure (PR1, PR3 and PR4) for our targets and progress against them in FY24.

MORE AFFORDABLE ENERGY — MATERIAL TOPIC: AFFORDABILITY

Impact Description	Relevant Policies & Commitments	SDG
Meridian can directly reduce the overall cost of energy through new products and innovations.	• Committed to creating a more flexible energy system that enables a smarter use of electricity in a way that delivers value for customers.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Key Actions in FY24	Targets and Progress
Started building a new flexible technology architecture and operating model to meet customers evolving energy needs. Trialled a Virtual Power Plant demand-flexibility product in households using EVs. Also see: • Electrifying transport and heat (page 36) • FY24 Climate Action Plan.	As included in our Strategy Map (page 17). Grow renewable generation: • 20,000 residential customers using on-demand flex products by end of FY26. Also: • Virtual power plant live by FY25 (completed trial in FY24). In addition, refer to the GRI index (page 174) and our FY24 Climate Action Plan.

REDUCED CYBER SECURITY IMPACTS — MATERIAL TOPIC: CYBER SECURITY

Impact Description	Relevant Policies & Commitments	SDG
Meridian can directly lessen the impacts of cyber attacks on its operations, customers, suppliers and business partners through its cyber security approach.	• Commitment to aligning with Australian energy sector and New Zealand National Cyber Security Centre cyber security frameworks • Committed to adhering to industry regulations and standards, and proactively managing cyber risks. Relevant policies: • Cyber Security Policy for Third Parties • Information Classification & Protection Policy.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

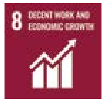
Key Actions in FY24	Targets and Progress
As per our Cyber Security Strategy 2024–2025, our key actions in FY24 were: • Strengthening security governance by creating a dedicated Cyber Security Board Committee • Enhancing our third-party and supply-chain cyber security risk programme to ensure suppliers adhere to our policies and that Meridian continually monitors and manages supply chain security risks • Advancing our security culture and awareness through industry best practices and a security awareness maturity model that ensures Meridian continually improves its security posture and human-cyber risk management • Conducted a cyber security crisis simulation exercise. Also see: • We have systems to protect customer and company data (page 48).	Number of serious cyber security incidents (KPI 0 cases, progress 0 cases). Number of notifiable privacy breaches (KPI 0 cases, progress 0 cases). Refer also to the GRI index (page 174).

SUPPORTING CUSTOMERS IN HARDSHIP — MATERIAL TOPIC: AFFORDABILITY

Impact Description	Relevant Policies and Commitments	SDG
Meridian is directly improving the wellbeing of customers experiencing energy hardship.	• Commitment to supporting 5,000 customers in hardship through our Energy Wellbeing Programme • Committed to continued connection for customers in debt who are actively engaging with us in line with our Consumer Care Policy • Committed to full alignment with Electricity Authority Consumer Care Guidelines.	

Key Actions in FY24	Targets and Progress
Maintained full compliance with the Consumer Care Guidelines. Formed a partnership with the Community Energy Network, expanding our Energy Wellbeing Programme's coverage to 75% of the nation. Enabled customers to take control of their energy through flexible payment products such as LevelPay and the use of information available on customer apps. Also see: • Setting our compass on customers and increasing social good (page 39).	As included in our Strategy Map (page 17). Deliver cleaner cheaper energy: • Support 5,000 customers in hardship by June 2028 (1,467 at 30 June 2024). Also: • Full compliance with the Consumer Care Guidelines (100% compliance in FY24) In addition, refer to the GRI index (page 174).

ENHANCED EMPLOYEE WELLBEING — MATERIAL TOPIC: PEOPLE

Impact Description	Relevant Policies and Commitments	SDG
Meridian may directly enhance the physical and mental wellbeing of staff and contractors through its health, safety, employment and wellbeing practices.	• Committed to world-class performance in safety, health and wellbeing • Committed to alignment with ISO 45003 (risk management for psycho-social risk) • Committed to alignment with ISO 45001 (occupational health and safety management system). Relevant policies: • Safety and Wellbeing Policy • People Policy.	

Key Actions in FY24	Targets and Progress
Key initiatives in FY24 included: Safety: • Embedded a comprehensive health and safety management system • Introduced new forums to enable greater levels of worker participation • Embedded Learning Teams as the preferred method for investigating incidents and near misses. Wellbeing: • New Wellbeing Strategy approved by the Board • Refreshed employee benefits to include free health insurance, unlimited 'Wellbeing Leave' and continued counselling services.	As included in our Strategy Map (page 17). Grow capability and culture: • By end FY25 grow the maturity of the Safety Culture through improvements in lead indicators while managing lag indicators (new target for FY25) • Deliver new Wellbeing Strategy in FY25 (new). Also: • Positive improvement in Engagement Surveys results by June 2025 from a FY24 baseline (new) • Reduction in high risk potential of our safety events related to our Critical Risks due to effective controls by June 2025 from a FY24 baseline (new).

IMPACTS OF EMISSIONS AND WASTE — MATERIAL TOPIC: BUSINESS EMISSIONS AND WASTE

Impact Description	Relevant Policies and Commitments	SDG
Meridian directly causes environmental harm from greenhouse gas emissions and waste to landfill as a result of its construction, generation and corporate activities.	• Half by 30 commitment, including waste reduction targets (see Climate Action Plan) • Long-term emission reduction targets (submitted to Science Based Targets initiative for Net Zero verification) • Committed to offsetting 100% of business emissions (see FY24 Greenhouse Gas Inventory) • Committed to having emission and waste reduction KPIs included in the Sustainability Management Plans of all development and construction projects. Relevant policy: • Environment Policy.	13 CLIMATE ACTION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Key Actions in FY24	Targets and Progress
Implemented a range of emission-reduction initiatives in a range of focus areas, including: • Setting and monitoring travel emission budgets for all business units • Signing a deal with Swedish company Candela to bring the world's first electric hydrofoiling ferry to Lake Manapōuri (for staff transport) • Undertaking work to reduce our need for highly potent greenhouse gases like SF6 (found in transformers) • Appointing a Farming Engagement and Climate Action lead to work on farm emission reductions. Repurposed, re-used and recycled materials from a failed transformer at West Wind Farm, including 36,000 litres of oil being regenerated. Set sustainability KPIs relating to carbon impact reports, waste diversion, transport emissions targets and the delivery of continuous improvement initiatives. See our FY24 Climate Action Plan for more initiatives.	As included in our Strategy Map (page 17). Grow capability and culture: • Half FY21 emissions by 30 (Half by 30). See FY24 Climate Action Plan for detailed progress against targets by focus area. Delivery against waste KPIs in project-specific Sustainability Management Plans: • Harapaki – 75% waste diversion (currently 89%) • Ruakākā Battery – 80% waste diversion (currently 99%). Delivery against project-specific emission KPIs. See our FY24 Climate Related Disclosure (reduction of emissions for one-off renewable energy projects) for our targets and progress on each construction project.

SUPPORTING COMMUNITIES — MATERIAL TOPIC: SUPPORTING COMMUNITIES

Impact Description	Corresponding Material Topic	Relevant Policies and Commitments
We directly enhance the wellbeing of communities in which we operate through employment opportunities and by supporting initiatives and groups that foster community wellbeing.	Supporting communities	• Committed to having Sustainability Management Plans for all development and construction projects, including KPIs for local employment and local spend • Committed to maintaining our Power Up fund, which supports local not-for-profit projects in the areas near our generation assets.

Key Actions in FY24

Distributed $557,999 and supported 85 projects through our Power Up funds in FY24.

Delivered the Sustainability Management Plans for the Harapaki Wind Farm and Ruakākā battery, and developed plans for Te Rere Hau and Ruakākā Energy Park.

Supported active recreation events around our assets, including Meridian Swim Ruataniwha in Twizel, Meridian Twizel Hard Labour Weekend and Meridian Hydro Half Marathon in Fiordland.

Targets and Progress

Full allocation of Power Up funds (all funds fully allocated in FY24).

Delivery against KPIs in Sustainability Management Plans:

Harapaki:

- Local Employment KPI 40% (achieved 47%)
- Local Spend KPI >$40m (exceeded $110m).

Ruakākā Battery:

- Local Employment KPI 50% (currently 95%)
- Local Spend KPI 15% (currently 8.86%).

Also see:

- Harapaki is already proving a success (page 50).

EQUAL EMPLOYMENT OPPORTUNITIES — MATERIAL TOPIC: PEOPLE

Impact Description

Meridian can directly enhance the opportunities available within the company to individuals from under-represented communities (e.g. based on gender, ethnicity or sexual orientation).

Relevant Policies and Commitments

As outlined in Meridian's Belonging Strategy, we are committed to:

- Accessibility – to welcome people with disabilities and neurodiversity
- Gender – to achieve gender balance with a focus on leadership and senior roles
- Rainbow – to encourage LGBTQIA+ diversity
- Ethnicity – to encourage ethnic diversity
- Inclusion – in our culture, people, systems, processes and procedures.

Relevant policies:

- Belonging Policy
- People Policy
- Remuneration Policy
- Gender Identity Expression and Sexual Diversity Guidelines
- Non-Discrimination and Anti-Harassment Policy.

SDG

Key Actions in FY24

We formalised an approach to wellbeing that focuses on thriving employees, families and communities.

See A culture of care (page 56).

In FY24 we also:

- Continued to promote development options to support lifting our female leaders in the business
- Gained Gender Tick accreditation, receiving 'advanced' accreditation
- Refreshed our benefits package to include:
  - Free period products for all sites and offices
  - Flexible working arrangements
  - New wellbeing leave (including for menopause and gender transitioning)
  - Enhanced parental leave policy.

Targets and Progress

As included in our Strategy Map (page 17).

Grow capability and culture:

- 30% women in senior roles by FY26, from a 21.4% baseline.

Also:

- Maintain new placements/recruits at Meridian at 40% female, 40% male and 20% any gender (FY24 performance: 49% female, 51% male)
- Increase proportion of women in leadership roles to 40% (40% in FY24)
- To be representative of the ethnic make-up of Aotearoa, benchmarked against 2018 census data (2018). See the diversity and inclusion page of our website for progress.

Also refer to the GRI index (page 174).

Remuneration Report

Attracting, retaining and motivating talented people, and rewarding them for delivering desired business performance and long-term shareholder value, is key to Meridian's success.

REPORT FROM THE CHAIR OF THE PEOPLE, REMUNERATION AND CULTURE COMMITTEE

Dear Shareholders

As Chair of Meridian's People, Remuneration and Culture Committee, I am pleased to present our Remuneration Report for the year ended 30 June 2024.

Remuneration Report content

In December 2023 the NZX released a suggested template for the remuneration sections of listed companies' Annual Reports, to which Meridian had provided some input. Our previous Remuneration Reports had already contained most of the content suggested in the 2023 NZX template. However, for 2024 we have followed the content and layout recommended in the NZX template, and continued to provide additional disclosures to meet other external requirements, e.g. those of the New Zealand Shareholders Association, the Global Reporting Initiative and the Dow Jones Sustainability Index. We believe this year's Remuneration Report represents a further positive step in transparent and consistent reporting.

This report outlines Meridian's strategy and approach to remuneration for Meridian employees generally, and in particular for its Chief Executive and Executive Team, and Directors. I would like to highlight a few areas of particular focus this year.

Remuneration Policy

Meridian's Remuneration Policy has continued to stand us in good stead in terms of its overarching principles. These principles have continued to guide all elements of our Employee Value proposition, including remuneration and how it is applied.

Attracting, retaining and motivating talented people, and rewarding them for delivering desired business performance and long-term shareholder value, are key to Meridian's success.

However, during 2024, and following external advice, the Board approved an addition to the Remuneration Policy so that it now covers more explicitly how Chief Executive and Executive Team remuneration is determined and reviewed. As Meridian is a major listed company in New Zealand, the Board has determined that it is appropriate for Chief Executive and Executive Team remuneration to be set in reference to relevant market information on fixed and total remuneration for comparable roles within NZX-listed companies of comparable scale and complexity to Meridian, and including similar organisations in the same sector. We have agreed that the fixed remuneration for the Chief Executive and Executive Team roles will normally be within an 80%–120% range of the median for comparable New Zealand roles, dependent also on individual capability and experience and other relevant factors. For Chief Executive and Executive Team roles, Meridian targets the upper quartile of the market for total remuneration, in the context of strong organisational and individual performance.

Our remuneration philosophy is guided by the principles that remuneration will:

- be clearly aligned with our company values, culture and strategy;
- support us to attract, retain and engage employees;
- be fair, equitable and flexible;
- appropriately reflect market conditions and the organisational context;
- recognise and reward high performance;
- align with creating shareholder value.

Chief Executive remuneration increase for FY24

In early FY24 the Board agreed on a salary increase to be applied to the Chief Executive from July 2023, based on the relevant and conservative market data that was available at the time. However, further into the FY24 year we requested an independent external review of Meridian Chief Executive remuneration against our Remuneration Policy for the Chief Executive role, and against the latest publicly available remuneration disclosures for comparable Chief Executive roles. The result showed clearly that the Meridian Chief Executive remuneration had fallen well behind the level of remuneration payable for Chief Executive roles in relevant major listed companies. In light of this, and in recognition of the Chief Executive's strong performance in leading Meridian, the Board approved a revised remuneration increase for the Chief Executive, which was backdated to July 2023. This is outlined in the Chief Executive remuneration table on page 90.

Chief Executive remuneration elements

With external remuneration input, the Board has been considering the growing international trend in Chief Executive remuneration of introducing a deferred element into the Chief Executive short-term incentive (STI) plan including ESG measures in the long-term incentive, and introducing a mandatory shareholding requirement. However, advice received to date is that such practices are not yet prevalent or appropriate within the New Zealand market context for Chief Executive packages, so the Board has decided not to make such changes to the Meridian Chief Executive remuneration package at this stage. The Board will, however, continue to review market Chief Executive remuneration practices in the New Zealand context, and may change the structure of Chief Executive remuneration in the future.

Flexing our remuneration practices

Meridian's workforce is made up of a diverse range of role types – people leadership, engineering and technical trades, financial trading, contact centre support, sales, IT and various other professions – all of which currently share a largely common remuneration framework.

During 2024, Meridian took the brave step of making our remuneration ranges transparent to our people, so that they now know their role levels, the remuneration ranges applicable to them and the remuneration ranges available for other roles. This was only achievable after considerable planning and preparation and included investing in upskilling our leaders to be confident in understanding Meridian's remuneration, framework, and managing it well. This transparency further demonstrated our commitment to being as open as possible with our people about their employment.

Management also revisited the appropriateness of our current practice of offering STIs to employees at all levels of the organisation rather than just senior employees in an economic environment where cost-of-living pressures remain challenging for people. We have retained this element of our remuneration, as incentives are still seen as a useful lever for employee attraction, performance and engagement.

In the year ahead and beyond, Meridian will consider the extent to which we need to build further flex into our remuneration framework to meet the emerging new ways of working, new types of roles, new work challenges, changing market and talent environments and diverging business needs.

Tania Simpson

Chair People, Remuneration and Culture Committee

REMUNERATION GOVERNANCE

The Meridian People, Remuneration and Culture Committee comprised the following members, for the following durations, during FY24. All Committee members are independent directors. Management only attends Committee meetings by invitation.

	Period of People, Remuneration and Culture Committee membership	
Name of directors	From	To
Tania Simpson (Chair)	5 October 2021 (Chair, effective 17 October 2022)	30 June 2024
Mark Verbiest	28 April 2016	30 June 2024
Graham Cockroft	26 July 2022	30 June 2024
Nagaja Sanatkumar	1 January 2020	30 June 2024

The Committee operates under a written Charter, and has responsibilities and processes as outlined in the charter.

People, Remuneration and Culture Committee Charter
bit.ly/4cfu8Qb

The internal governance policy that provides context for the remuneration outcomes is the Remuneration Policy.

Remuneration Policy
bit.ly/3yqFjaK

Meridian's Corporate Governance Statement outlines how Meridian meets the requirements of the NZX Corporate Governance Code, and in particular its Principle 3.3 (Remuneration Committee) and Principles 5.1–5.3. (Director, Chief Executive and Executive Team Remuneration).

Corporate Governance Statement
bit.ly/3Wy4sse

Meridian's Trading in Securities Policy ensures that Meridian and its subsidiaries' directors, senior managers, employees, contractors and secondees comply with the law prohibiting insider trading and that all dealings in Meridian Securities and Other Financial Products by such persons are beyond reproach.

Trading in Securities Policy
bit.ly/4d8CvhH

Meridian does not require a mandatory minimum shareholding for directors, the Chief Executive or Executives. However, all are encouraged to purchase and hold Meridian shares. The Chief Executive and Executives have all been issued performance share rights under the Meridian Long Term Incentive scheme which will convert to shares upon vesting in accordance with that scheme. The Meridian shareholdings of the Meridian Chief Executive and Executives is provided on page 94.

REMUNERATION POLICY

Meridian's Remuneration Policy covers remuneration for Directors, its Chief Executive and the nine other members of the Meridian Executive Team, and all Meridian employees.

The People, Remuneration and Culture Committee regularly reviews Meridian's Remuneration Policy and practice and provides recommendations to the Board. The Board approves the Remuneration Policy two-yearly, and the Executive Team balanced scorecard objectives, company financial performance targets and outcomes on an annual basis.

In 2024 an additional section was added to the Remuneration Policy to make it more explicit about the parameters for the determination of Chief Executive and Executive remuneration.

Remuneration Policy
bit.ly/3yqFjaK

External and independent advice

The People, Remuneration and Culture Committee refers to external and independent remuneration market information provided by EY and PWC in order to gauge actual and forecast movements within the market, and to assess the levels of fixed and target total remuneration to pay its Chief Executive and Executive Team.

Meridian also seeks market remuneration information from independent external sources to guide processes for determining the remuneration of all other Meridian employees.

Fixed remuneration

Fixed remuneration includes base salary and matched KiwiSaver contributions of up to 4%. It's benchmarked to independent market remuneration data obtained from multiple external sources. As a minimum, Meridian pays the Living Wage for all permanent and fixed-term employees.

The People, Remuneration and Culture Committee reviews and approves proposed remuneration packages for the Executive Team. Remuneration for the remainder of the employees is determined and reviewed by managers in accordance with the Remuneration Policy and framework, and is subject to one-up approval.

Salaries are reviewed annually, with the budget and parameters for the company's annual remuneration review approved by the Board. Market Information from independent remuneration providers inform these remuneration decisions.

Individual performance assessment

All employees, including the Chief Executive and Executive Team, have performance objectives aligned to the organisation's business plan and priorities, and individual performance is formally assessed at least annually. Chief Executive performance is assessed and approved by the Board, Executive performance is assessed by the Chief Executive and approved by the People, Remuneration and Culture Committee. For all other employees, performance is assessed by the one-up manager, and approved by the next level of management.

Variable pay

Meridian has an STI scheme and LTI plan, which are variable, performance-based incentives awarded only if specific financial and non-financial performance hurdles are met, and at the discretion of the Board.

Short-term incentive (STI)

The Chief Executive, Executive Team, and all permanent employees may participate in variable pay via an STI scheme at the discretion and invitation of the Board. The STI opportunity within Total Remuneration reflects the complexity and level of the roles. In FY24 the Chief Executive had an STI opportunity of 50% of salary, and the other Executives STI opportunity was 30%. The employee STI opportunity is 10–25% of salary depending on role level.

The STI is an at-risk incentive, which may be offered for a specific year by invitation from the Board. Potential STI payments are wholly discretionary and reflect the achievement of pre-determined Board-approved company profit levels, individual achievements of performance objectives aligned to business strategy and goals, and employee behaviour compliant with the Meridian Code of Conduct. If criteria are met, payment is made in cash after the end of the qualifying company year. Payment is not made in shares, and is not deferred for a subsequent period.

Long-term incentive (LTI)

The Chief Executive, Executive Team and selected Tier 3 leaders also have the opportunity to participate in an LTI plan. An LTI plan is offered at the discretion of the Board to align senior management and shareholders' interests and optimise long-term shareholder returns. An LTI plan is not otherwise available to Meridian employees.

Meridian has a policy that ensures participants in the LTI plan are not able to enter transactions (whether through the use of derivatives or otherwise) that limit the economic risk of their participating in the Plan.

The LTI opportunity is 40% of salary for the Chief Executive, 30% of salary for the Executive Team and 15% of salary for eligible Tier 3 leaders. Vesting of the LTI plan is contingent on their meeting absolute and relative Total Shareholder Return (TSR) performance hurdles at the conclusion of a three-year period.

Under Meridian's LTI plan, the company issues rights to acquire ordinary shares in the company (Performance Share Rights) to eligible participants who accept the offer to participate in the LTI plan. Each Performance Share Right entitles the holder to one ordinary share in the company and an additional number of shares equal to the value of gross cash dividends per share that would have been paid to a New Zealand tax resident who held a share for the duration of the vesting period, calculated using a 10-day volume-weighted average price.

The number of Performance Share Rights that vest is dependent on the following Vesting Conditions:

- Meridian's total shareholder return over a three-year performance period (**Performance Period**) relative to Meridian's cost of equity and the total shareholder return over the Performance Period of a defined group of NZX Main Board and ASX listed companies (**Performance Hurdles**).

- Whether the participant continues to be employed by Meridian during the vesting period (**Employment Condition**).

LTI Performance Hurdles

As at 30 June 2024, there were three LTI plan cycles underway. These plans have performance period which end as follow:

- The FY22 Plan: 30 June 2024
- The FY23 Plan: 30 June 2025
- The FY24 Plan: 30 June 2026.

The three plans have slightly different performance hurdles, as the market has evolved over this period.

The peer group against which relative TSR performance was measured for the FY22 Plan comprised AGL Energy, Origin Energy, Contact Energy, Mercury NZ, Manawa Energy and Genesis Energy. The vesting period for the FY22 LTI scheme ends on 31 October 2024.

The following applies to the FY22 Plan, the performance period for which ends on 30 June 2024:

- Absolute Return Performance Share Rights
- Relative Return Performance Share Rights.

Performance Share Rights lapse if the holder ceases to be employed by Meridian during the vesting period, subject to the Board's discretion.

For **Absolute Return Performance Share Rights** to vest, the company's TSR must be greater than the absolute TSR benchmark that was set at the beginning of the vesting period with regard to the company's cost of equity (Absolute TSR Benchmark) on a compounding annual basis over the Performance Period. If the company's TSR is equal to or lower than the Absolute TSR Benchmark, no Absolute Performance Share Rights will vest. If the company's TSR is greater than the Absolute TSR Benchmark, 100% of the Absolute Return Share Rights will vest.

The number of **Relative Return Performance Share Rights** that vest is determined by the company's TSR over the Performance Period relative to the peer group. For any of the Relative Return Performance Share Rights to vest, the company's TSR must be greater than or equal to the 50th percentile/median TSR of the peer group. 100% of the Performance Share Rights will vest on meeting the 75th percentile TSR of the peer group, with vesting on a straight-line basis between these two points.

For each three-year plan, an independent external expert measures the TSR of Meridian and the peer group of companies along with the outcome on the progressive vesting scale. Performance Share Rights will lapse if the Vesting Conditions are not satisfied (although this is subject to the Board's discretion in relation to the Employment Condition).

Employee benefits

Meridian offers a wide range of other benefits and provisions for all permanent Meridian employees, including for the Chief Executive and Executive Team. Benefits include an employee share scheme, company-funded employee life, income protection, trauma and healthcare insurances, enhanced parental leave provisions, wellbeing leave, three days company leave, the ability to purchase additional leave, access to purchasing discounts and various part-time, remote and hybrid working arrangements where possible. These benefits are an important aspect of our Employee Value Proposition, enabling us to attract and retain our highly engaged workforce in a highly competitive market.

Other disclosures

Neal Barclay has been employed on an ongoing basis by Meridian Energy since July 2008, and was appointed by the Board to the position of Chief Executive from November 2017.

Pursuant to the employment agreement, the Chief Executive and Meridian have mutual rights of termination on the provision of six months' written notice. Meridian may also terminate the Chief Executive's employment on the grounds of redundancy or serious misconduct or where an act of bankruptcy is committed.

With the support of the Board, Meridian's practice is that for Chief Executive and Executive Team roles:

- no 'clawbacks' are required except if salary overpayment occurs
- no retirement benefits are payable
- no sign-on bonuses are offered
- termination payments – redundancy compensation is payable to permanent employees whose employment is terminated as a result of redundancy.

KEY PERFORMANCE SUMMARY

As outlined in other sections of this Integrated Report, FY24 was a pleasing year for Meridian, with major achievements in asset development and a strong financial performance.

The above performance led to, and was reflected in the following remuneration outcomes for the Chief Executive and Executive Team.

Short-term incentive

Financial performance

For FY24, Meridian's financial performance impacted 60% of the FY24 STI for the Chief Executive and Executive Team. The measure, EBITDAF less capital charge, exceeded target for FY24.

As a result, the Board approved an FY24 outcome of 140.7% for this component of the STI.

Scorecard performance

For FY24, a Board-approved scorecard impacted 40% of the STI for the Chief Executive and Executive Team. The scorecard included a mix of measures, outlined below. It illustrates that a large proportion of the remuneration of the Chief Executive and Executive Team is directly impacted by their management of the organisation, and its impact on the economy, environment and people.

Based on outcomes and achievements of the scorecard measures, for FY24 the Board approved a scorecard outcome of 85%. A summary of the scorecard targets follows. A breakdown of the scoring on each measure is included under Chief Executive Remuneration STI Outcomes, page 92.

FY24 was a pleasing year for Meridian, with major achievements in asset development, and a strong financial performance.

Our Twizel office.

FY24 Executive Scorecard Measures

Measure	FY24 Target	Weighting (of 40% of STI)
NZAS closure mitigation	Have confidence in 1,000GWh of new consumption while finding ways to conclude NZAS and support meaningful progress of a scale hydrogen facility in Southland.	20% (8% of STI)
Decarbonisation-led growth	Complete Harapaki project and deliver the FY24 stage of the Ruakākā battery project within the revised cost, time and quality envelope (while completing the project safely). Lodge two more consents and have a clear line of consent paths for other development sites.	20% (8% of STI)
Customer	Meet Retail EBITDAF, customer number targets (including targets for those on an energy innovation offers or products), retention rate and cost per ICP (retail customer connection) targets. Demonstrate clear business improvement that was driven by a change in data utilisation.	20% (8% of STI)
Optimise business performance	Meet targeted lift in peaking capacity across wind and hydro fleet in FY24, deliver a prioritised list of generation asset capacity and operational flexibility options, initiate a trial predictive management system and demonstrate clear business improvements driven by a change in data utilisation.	20% (8% of STI)
Sustainability	DJSI ranking trending upwards in the Asia index and towards a 'top global company position' position by end of FY26. Target climate action plan milestones to be met.	10% (4% of STI)
Investment stability	Regulatory influence shapes continued decarbonisation of the economy at speed through electricity market. Land demonstrable progress with the Te Ao Māori programme.	10% (4% of STI)
	The sum of the above may also be varied based on workplace safety culture, overall workplace engagement and individual performance.	

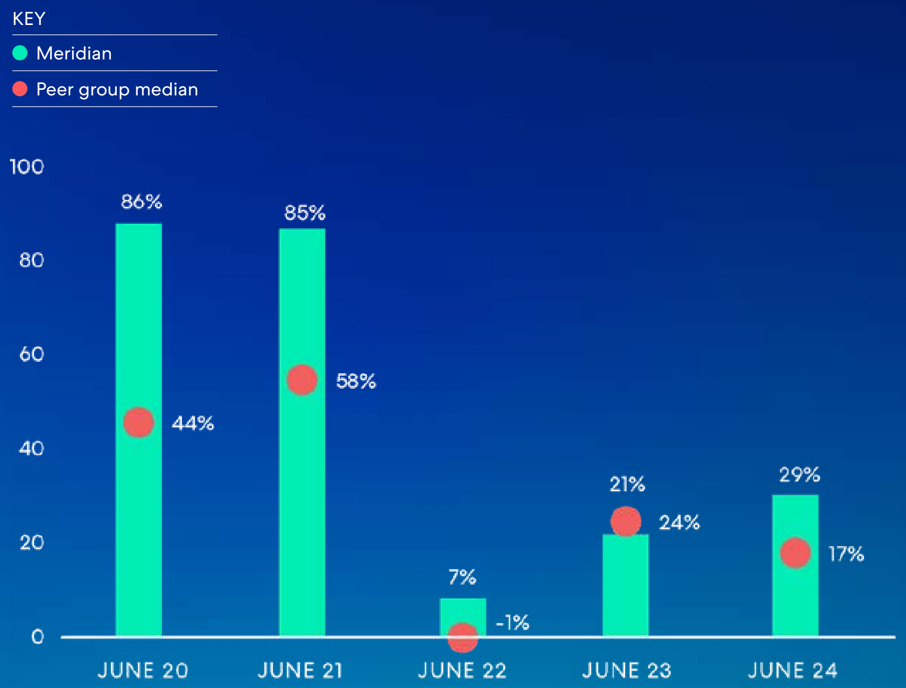
Long-term incentive

Despite changing and challenging economic conditions in the FY22–24 period, Meridian met the absolute and relative Total Shareholder Return target against its Australia and New Zealand energy company competitor group.

- **Absolute Return Performance Share Rights** vest if the company's TSR is greater than the Absolute TSR Benchmark on a compounding annual basis over the Performance Period. For the FY22 scheme the Absolute TSR Benchmark was 7.35% cost of equity plus 1% compounded over 3 years (27.20% Total Absolute TSR Benchmark).
- **Relative Return Performance Share Rights** vest if the company's TSR is greater than or equal to the 50th percentile (median) TSR of the Peer Group. In addition to exceeding the 50th percentile TSR of the Peer Group, the Relative TSR outcome was greater than the 75th percentile TSR of the Peer Group, so 100% vesting applied.

As both the above hurdles were met, the LTI available to the Chief Executive and eligible Executive Team participants for this three-year period ended June 2024 will be payable. For the LTI plan performance period to the end of June 2024, the level of vesting was 100% (2023: 0%). Therefore 418,384 shares (excluding shares for dividends) will be transferred to the eligible participants for the FY22 LTI plan (2023: 0 shares vested).

FIVE-YEAR SUMMARY – THREE-YEAR ROLLING TSR PERFORMANCE (MERIDIAN ENERGY VS PEER GROUP*)



This graph shows Meridian's historical TSR performance, against a peer group of companies between 30 June 2020 and 30 June 2024. TSR performance outcomes are independently validated by external experts.

Up until FY24, for LTI scheme calculations, Meridian's total shareholder return was assessed with a peer group of New Zealand and Australian listed energy companies.* Since FY23, with changes in the New Zealand energy market and Meridian's withdrawal from Australia, the Board has determined that a comparison against the NZX 50 Index is more appropriate. Like many companies worldwide, Meridian's TSR performance was negatively impacted by the economic downturn in FY22 and FY23.

* The peer group comprised AGL Energy, Origin Energy, Contact Energy, Mercury NZ, Manawa Energy and Genesis Energy.

CHIEF EXECUTIVE REMUNERATION

Chief Executive remuneration outcomes

(a) Overall FY24 and FY23 remuneration

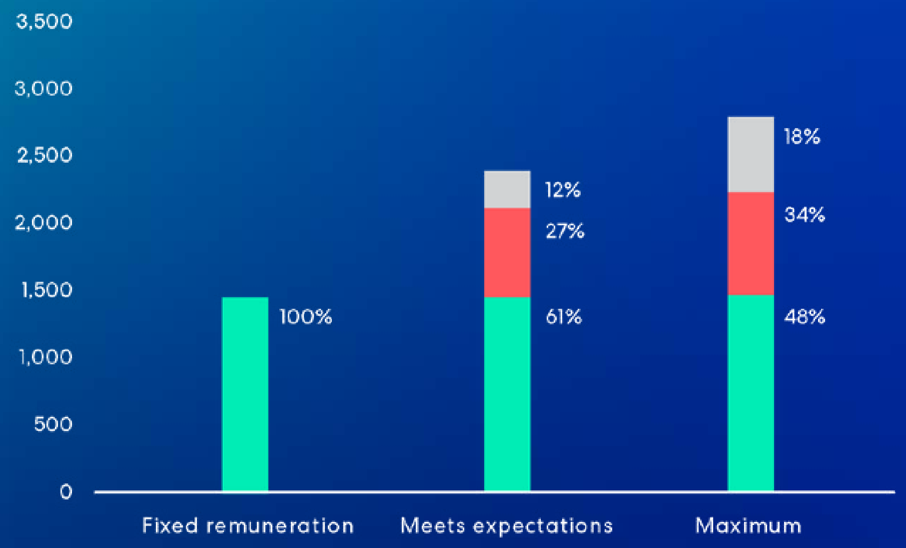
	Fixed remuneration earned			Variable cash-based remuneration earned			Other remuneration earned	Long Term incentive earned				Total remuneration earned
Year	Base salary	KiwiSaver on base salary	Total fixed remuneration	Short term incentive earned (including KiwiSaver)	Amount earned as a % of maximum award	Total variable cash-based remuneration earned	MyShare	Number of shares vested	% of maximum awarded for the performance period	Market price of vested shares at 30 June	LTI plan value	Fixed remuneration + STI plan + Other remuneration + LTI plan Earned
FY24	$1,377,885	$55,115	**$1,433,000**	$848,479	83.4%	**$848,479**	**$2,500**	153,049	100%	$6.29	**$962,678**	**$3,246,657**
FY23	$1,136,250	$45,450	**$1,181,700**	$690,467	82.3%	**$690,467**	**$2,500**	–	–	–	**–**	**$1,874,667**

- Taxable benefits within Fixed Remuneration are 4% company KiwiSaver contributions on salary.
- Fixed remuneration is salary plus company KiwiSaver contributions.
- MyShare is gross value of award shares received in the applicable period.
- STI is the potential payment based on performance achieved for the applicable period and includes 4% company KiwiSaver contributions.
- The vesting period for the FY22 LTI scheme ends on 31 October 2024. Share rights lapse if a holder ceases to be employed by Meridian during the vesting period subject to the Board's discretion.
- The STI and LTI amounts above were earned during the FY24 and FY23 periods above, but paid in the following applicable periods (i.e. FY25 and FY24).

The Chief Executive is entitled to receive a matching employer KiwiSaver contribution of 4% of gross taxable earnings. The company's KiwiSaver contributions for the Chief Executive that were **paid** within the FY24 period (including on the FY23 STI plan which was paid in FY24) were $81,922.

CHIEF EXECUTIVE FY24 REMUNERATION SCENARIOS

KEY
- Fixed remuneration
- Annual variable
- LTI



The chart shows how the amounts and proportions of the Chief Executive's total remuneration may vary under various scenarios. Note, however, that the LTI value depends on share price, and the resulting LTI remuneration may exceed the illustrative scenario.

CHIEF EXECUTIVE FIVE-YEAR REMUNERATION SUMMARY

Year	Single figure remuneration	% STI against maximum	% vested LTIs against maximum	Span of LTI performance period
FY24	$3,246,658	83.4%	100.0%	FY22–FY24
FY23	$1,874,667	82.3%	0.0%	FY21–FY23
FY22	$2,134,372	78.9%	48.8%	FY20–FY22
FY21	$2,308,446	66.7%	100.0%	FY19–FY21
FY20	$2,039,841	78.7%	100.0%	FY18–FY20

(b) FY24 CEO STI outcomes earned (with payment in August 2024, which is within FY25)

For the FY24 year, the Chief Executive had an STI opportunity of 50% of base salary, with the potential STI payment being a maximum of 142% of the target STI opportunity

- 60% was based on Meridian financial performance
- 40% was based on scorecard performance.

The full amount of STI earned and approved was paid as cash remuneration in August FY25, as calculated below, resulting in an STI payment of 118% of target.

The STI payment earned for FY24 equated to 59.2% of salary (58.4% for FY23), and 83.4% of the maximum possible STI award (82.3% for FY23).

		STI Target		Outcome	STI Earned and Awarded	
STI component	Measure	Weighting %	$*	Achievement on STI Target	% awarded for STI measure	$ awarded for STI measure*
Financial	**EBITDAF less capital charge**	**60%**	**$429,900**	**EBITDAF less capital charge achieved was 114.5% of target, resulting in a 140.7% outcome against the financial measure.**	**140.7%**	**$604,869**
Scorecard of other STI measures	NZAS closure mitigation	8%	$57,320	The successful finalisation of New Zealand's Aluminium Smelter contract now provides some commercial certainty in place of a previous inherent risk. In addition, process heat demand has been secured.	100%	$57,320
	Decarbon-isation-led growth	8%	$57,320	The successful completion of the Harapaki wind project and additional Te Rere Hau (Wind) development. The Ruakākā battery project will be commissioned in early 2025. Other consents are progressing.	75%	$42,990
	Customer	8%	$57,320	All measures were delivered ahead of plan.	100%	$57,320
	Optimise business performance	8%	$57,320	Peaking capacity has lifted, and progress is being made on portfolio capacity. The predictive trial has been deferred until FY25.	75%	$42,990
	Sustainability	4%	$28,660	Meridian's Dow Jones Sustainability Index overall rating for FY23 reduced, although we retained our position on the Asia Pacific index. We took actions to improve this position for FY24. Progress was made on our Half by 30 initiatives, including strategic projects to achieve scope 3 emissions abatement later in the decade. But overall, our FY24 emissions exceeded our end of year target (driven by scope 3 increases).	50%	$14,330
	Investment stability	4%	$28,660	The current regulatory setting was stable and provides for continuing decarbonisation and the deployment of Meridian's development options. Our Te Ao Māori education programme delivered by Education Perfect tracked well within the business.	100%	$28,660
	Scorecard subtotal	40%	$286,600	The Board considered that the requirements for a workplace safety culture, overall workplace engagement and individual performance were met, and therefore no adjustment of the scorecard result was applied.		
				STI Scorecard achievement	**85%**	**$243,610**
Total STI target		**100%**	**$716,500**	**Total STI payment against target (Incl KiwiSaver)**	**118%**	**$848,479**

*Including Kiwisaver

(c) FY24 CEO LTI Outcomes (Awarded)

For the three-year period ended FY24, the Chief Executive was eligible for an LTI based on a grant of Performance Share Rights set at 40% of base salary at the start of the three-year performance period (1 July 2022). The vesting of shares at the end of the vesting period was subject to TSR performance hurdles, at right.

Performance hurdles	LTI weighting	Outcome	Weighted Outcome
Absolute TSR – Must be greater than the company's cost of equity benchmark on a compounding basis	50%	Hurdle met	100%
Relative TSR against the peer group*: • Below the 50th percentile, 0% vests • 50th percentile TSR of peer group, at least 50% vests • ≥ 75th percentile TSR, 100% vests • Between the 50th and 75th percentile TSRs of peer group, 50–100% vests, calculated on a straight-line pro rata basis. Share rights lapse if the holder ceases to be employed by Meridian during the vesting period, subject to the Board's discretion	50%	Relative TSR was greater than the 75th percentile TSR of the peer group	100%

* The peer group comprises AGL Energy, Origin Energy, Contact Energy, Mercury NZ, and Genesis Energy. The vesting period for the FY22 LTI scheme ends on 31 October 2024.

Upon vesting, each Performance Share Right is eligible for one ordinary share, which is issued from Treasury Shares to the Chief Executive.

Performance Share Rights [PSRs] held by the Chief Executive (as at 30 June 2024)

				Awarded during the reporting period			PSRs Vested during the reporting period			Shares issued/transferred during the reporting period			
Grant name	PSR Award date	Vesting date	Balance of PSRs at 30 June 2023	PSRs awarded	Market price at award	PSRs lapsed during the reporting period	PSRs vested	Market price at vesting date	Vesting date	Shares issued	Market price at issue date	Issue date	Balance of PSRs at 30 June 2024
FY21 LTI	9 March 2021	11 October 2023	142,759	–	–	(142,759)	–	–	11/10/2023	–	–	–	–
FY22 LTI	21 October 2021	21 October 2024	136,984	–	–	–	–	–	–	–	–	–	136,984
FY23 LTI	3 November 2022	3 October 2025	166,165	–	–	–	–	–	–	–	–	–	166,165
FY24 LTI	24 October 2023	24 October 2026	–	142,180	5.45	–	–	–	–	–	–	–	142,180

Meridian has a policy to ensure that the participants of the Executive LTI plan are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the plan.

MERIDIAN SHARE OWNERSHIP

Chief Executive and Executive Team

Meridian does not have a share ownership requirement for the Chief Executive and Executive Team, but the Board does encourage them to have Meridian Energy shareholdings. The Chief Executive and Executives have all been issued performance share rights under the Meridian Long Term Incentive scheme which will convert to shares upon vesting in accordance with that scheme.

The current individual shareholdings are affected by employee tenure, with longer-serving Executives having had longer timeframes in which to accumulate Meridian shares.

The current individual Meridian shareholdings of the Chief Executive and two of the longer-serving Executive Team members is below.

	Number of Meridian shares owned (excludes Performance Share Rights)	Value of shares as at 30 June 2024	Value of shares as a % of FY24 Salary
Chief Executive	530,925	$3,339,518	242%
Chief Financial Officer	254,303	$1,599,566	244%
General Manager Development	290,913	$1,829,843	332%
Remainder of Executive Team, combined	196,636	$1,236,840	39%

Employee share ownership

Employees are invited to join Meridian's employee share ownership plan, *MyShare*. Under *MyShare*, Meridian shares are purchased for participating employees, funded by monthly pay deductions of between $500 and $5,000 per annum. After three years, participants may be eligible for award shares subject to ongoing employment (Tenure Award Shares) and the company TSR outperforming a peer group of competitors (Performance Award Shares). From the start of FY24, 54% of employees participated in *MyShare*. For FY25, 55% of employees have enrolled to *MyShare*.

ESG DISCLOSURES

Chief Executive/ Employee pay gap

This pay gap represents the number of times greater the Chief Executive's remuneration is than the remuneration of the median of all Meridian employees.

For the purposes of determining median employee pay, all permanent full-time, permanent part-time and fixed-term employees below the Chief Executive are included, with part-time employee remuneration adjusted to a full-time-equivalent amount.

As at the balance date (30/6/24), the Chief Executive's base salary of $1,377,885 was 12.5 times the median employee salary of $109,995 per annum (FY23 11.2 times).[5]

The Chief Executive's Total Remuneration, including STI Earned and LTI Vested, of $3,246,658 was 26.8 times the median employee total remuneration of $121,311 (FY23 16 times).[5]

Chief Executive/Other employee remuneration increase ratio

The Chief Executive's salary increased by 21% between FY23 and FY24 (for commentary about the rationale for this, see page 82). The median employee salary in FY24 increased by 8.2% from the median employee salary in FY23, resulting in a ratio of 2.58:1 Chief Executive to median employee salary increase (FY23 0.34:1).

The Chief Executive's Total Remuneration earned increased by 73% from FY23 to FY24, largely due to there being no LTI award for FY23, but 100% vesting in FY24. Median employee Total Remuneration in FY24 increased by 8.2% from the median employee Total Remuneration in FY23. This resulted in a ratio of 16.9:1 Chief Executive to median employee Total Remuneration increase (FY23 -1.04:1).

5 Median employee Salary and Total Remuneration excludes Flux UK and casual employees.

Gender Pay Gap

The table below shows the difference between full-time, full-year equivalent median and average base salaries and the total remuneration of Meridian employees by gender – regardless of the nature or seniority of work. The overall FY24 gender pay gap, while still large, has improved from FY23.

Meridian has an ongoing focus on increasing the number and proportion of women at senior, higher-paying levels of the organisation. This will help to address the overall current gender pay gap, which is largely an outcome of gender representation differences in roles at different levels.

Meridian also reviews its salary data to ensure that there is no inappropriate pay gap (i.e. not due to performance, skills, experience etc) between men and women doing roles of similar size, type and seniority. Comparing the median salary of men and women in roles of a comparable size and nature, Meridian has a minimal (<2.5%) gender pay gap at most job levels.

	All employees (excluding CEO)	Males (excluding CEO)	Females	Gender Pay Gap FY24	Previous year Gender Pay Gap FY23
Median salary	$109,995	$125,535	$84,000	33.1%	35.2%
Average salary	$118,292	$132,514	$103,056	22.2%	25.4%
Median Total remuneration	$121,311	$146,510	$94,952	35.2%	39.0%
Average Total Remuneration	$138,930	$156,932	$119,641	23.8%	26.8%

Pay gap: 1 – (Females $ / Males $)

REMUNERATION BANDS

The following table notes the number of employees and former employees of Meridian and its subsidiaries, not being directors of the issuer, who, during the reporting period, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded $100,000 per annum, in brackets of $10,000.

They include 181 employees who are no longer employed by Meridian Energy Limited and its subsidiaries.

$10k band	Total Group
100,000–109,999	72
110,000–119,999	56
120,000–129,999	57
130,000–139,999	51
140,000–149,999	81
150,000–159,999	52
160,000–169,999	48
170,000–179,999	25
180,000–189,999	24
190,000–199,999	20
200,000–209,999	22
210,000–219,999	18
220,000–229,999	11
230,000–239,999	10
240,000–249,999	6
250,000–259,999	6
260,000–269,999	1
270,000–279,999	2
280,000–289,999	5
290,000–299,999	4
300,000–309,999	2
310,000–319,999	4
320,000–329,999	4
330,000–339,999	5
340,000–349,999	4
350,000–359,999	1
360,000–369,999	1
410,000–419,999	2
420,000–429,999	1
430,000–439,999	1
440,000–449,999	1
450,000–459,999	1
500,000–509,999	1
530,000–539,999	1
560,000–569,999	2
670,000–679,999	1
680,000–689,999	1
710,000–719,999	1
730,000–739,999	1
900,000–909,999	1
2,120,000- 2,129,999	1
	608

DIRECTOR REMUNERATION

Approved director remuneration for FY24

As Meridian is an NZX-listed company, directors fees (Board remuneration) must be approved by a majority of shareholders voting at a shareholders' meeting. Meridian amended its Remuneration Policy to include how the remuneration of directors is set. A copy of the Remuneration Policy is on our website.

Remuneration Policy
bit.ly/3yqFjaK

Shareholders are kept informed of any changes in the way the company allocates the pool of approved director fees. Refer Corporate Governance Statement.

Corporate Governance Statement
bit.ly/3Wy4sse

Director remuneration is paid from the total director fee pool that was last approved by shareholders at the Annual Meeting on 6 October 2021. Prior to the meeting and vote, Meridian had consulted a number of shareholder representatives to gain their input, and engaged independent consultants PwC to prepare a benchmarking report of Meridian's director fees against those of comparable companies. Further details of that report are available on the NZX website.

Benchmarking summary report, NZX bit.ly/4ccj9a0

Prior to 2021, the last previous change to directors' fees was in 2016.

In November 2022, Meridian established an independent board for one of its subsidiary companies Flux Federation Limited. The directors of Meridian resolved, in accordance with Listing Rule (LR) 2.11.3, to increase the overall director fee pool by the amount necessary to pay the new Flux directors no more than the average paid to the current directors of Meridian. Consistent with LR 2.11.3 and the resolution, the director fee pool was increased in FY23 to pay Kenneth Tunnicliffe and Jodi Mitchell. Mike Roan is the other director of Flux Federation (appointed by Meridian) and does not receive additional remuneration for that role.

During FY24, the Board reverted to having only Meridian executives on the Flux Board. Kenneth Tunnicliffe and Jodi Mitchell resigned with effect from 14 June 2024 and were replaced by Neal Barclay and Jason Woolley, neither of whom receive additional remuneration for the role.

The total pool for Board fees is set out in the following table.

Annual director fee pool

	FY23	FY24 to 14 June 2024	FY24 from 15 June 2024
Board fees	$1,090,000	$1,090,000	$1,090,000
Committee fees	$109,000	$109,000	$109,000
Flux Board fees	$134,000	$134,000	–
Total pool	**$1,333,000**	**$1,333,000**	**$1,199,000**

From 1 July 2024 the fees allocated to Directors will increase by $146,200. This will be funded from within the existing Director fee pool of $1,199,000 approved by shareholders in 2021.

Director remuneration received in FY24

Name of director	Board fees	Audit and Risk Committee	People, Remuneration and Culture Committee	Safety and Sustainability Committee	Additional ad hoc committees	Total remuneration
Mark Verbiest[6] (Chair)	$212,000	–	–	–	$10,000	$222,000
Mark Cairns[7]	$38,917	–	–	$7,000	$3,000	$48,917
David Carter[8]	$109,633	–	–	$8,921	$5,000	$123,554
Graham Cockroft	$116,750	$10,500	$9,500	–	$5,000	$141,750
Michelle Henderson	$116,750	$10,500	–	$9,500	–	$136,750
Julia Hoare	$116,750	$25,000 (Chair)	–	–	$5,000	$146,750
Nagaja Sanatkumar[9]	$116,750	–	$9,500	$18,125 (Chair)	–	$144,375
Tania Simpson	$116,750	–	$21,000 (Chair)	$9,500	–	$147,250
Total	**$944,300**	**$46,000**	**$40,000**	**$53,046**	**$28,000**	**$1,111,346**

Directors are reimbursed for all reasonable and properly documented expenses incurred in performing their duties as Meridian directors. No additional payments, shares or benefits were received by directors in FY24.

Individual Meridian Board-approved annual fee breakdown

Position held	FY23	FY24
Chair	$212,000	$212,000
Director	$116,750	$116,750
Audit and Risk Committee Chair	$25,000	$25,000
Audit and Risk Committee member	$10,500	$10,500
Safety and Sustainability Committee Chair	$21,000	$21,000
Safety and Sustainability Committee member	$9,500	$9,500
People, Remuneration and Culture Committee Chair	$21,000	$21,000
People, Remuneration and Culture Committee member	$9,500	$9,500

6 Does not receive additional fees for committee membership.
7 Ceased to be a director, effective 12 October 2023.
8 Appointed to the Board, effective 25 July 2023.
9 Appointed as Chair of the Safety and Sustainability Committee, effective 12 October 2023, so does not represent a full year.

Flux Board annual fee breakdown

Position held	FY23	FY24
Flux Chair	$84,000	$84,000
Flux independent director	$50,000	$50,000

Flux director remuneration received

Name of director	FY23	FY24
Kenneth Tunnicliffe (Chair)[10]	$49,000	$84,000
Jodi Mitchell[10]	$29,167	$50,000
Mike Roan (Meridian Executive)	–	–
Neal Barclay (Meridian Executive)[11]	–	–
Jason Woolley (Meridian Executive)[11]	–	–
Total	**$78,167**	**$134,000**

Meridian employees appointed as directors of Meridian subsidiaries do not receive any directorship fees.

10 Kenneth Tunnicliffe and Jodi Mitchell resigned with effect from 14 June 2024.
11 Neal Barclay and Jason Woolley appointed with effect from 4 June 2024.

Further Disclosures

Further disclosures required by the NZX Listing Rules, the Companies Act 1993 and other legislation and rules.

Meridian Energy

The table outlines the current directors of Meridian Energy Limited. During FY24 there were two changes to the directors of Meridian Energy Limited: Mark Cairns ceased to be a director; and David Carter was appointed as a director.

Company name	Directors
Meridian Energy Limited	David Carter, Graham Cockroft, Michelle Henderson, Julia Hoare, Nagaja Sanatkumar, Tania Simpson, Mark Verbiest

The Board has determined that as at 30 June 2024, all Meridian directors are independent. The factors relevant to this determination are that no director:

- is currently, or has been within the past three years, employed in an executive role by the issuer or any of its subsidiaries;
- is currently deriving, or has within the past 12 months derived a substantial portion of their annual revenue from the issuer;
- is currently, or has in the past 12 months been in a senior role in a provider of material professional services (other than an external auditor) to the issuer or any of its subsidiaries;
- is currently, or has in the past three years been employed by the external auditor to the issuer or any of its subsidiaries;
- currently has, or has had within the last three years, a material business relationship (e.g. as a supplier or customer) with the issuer or any of its subsidiaries;
- is a substantial product holder of the issuer, or a senior manager of, or a person otherwise associated with, a substantial product holder of the issuer;
- is currently, or within the last three years, has been in a material contractual relationship with the issuer or any of its subsidiaries, other than as a director;
- has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed; and
- has been a director of the entity for a period of 12 years or more.

Current Board and Executive Team gender composition

In accordance with NZX Listing Rules, the gender make-up of Meridian's directors and officers as at 30 June 2024 is:

	As at 30 June 2024			As at 30 June 2023		
	Female	Male	Gender diverse	Female	Male	Gender diverse
Number of directors	4	3	–	4	3	–
Percentage of directors	57%	43%	0%	57%	43%	0%
Number of officers	4	7	–	4	7	–
Percentage of officers	36%	64%	0%	36%	64%	0%

Meridian subsidiaries

The following tables list the subsidiaries of Meridian Energy Limited during the accounting period, the subsidiaries of those subsidiaries, and any changes to those subsidiaries and among the people who held office as directors.

New Zealand subsidiaries

Company name	Company number	Directors	Further information
Dam Safety Intelligence Limited	6152623	Neal Barclay, Jason Stein	No changes
Flux Federation Limited	6292491	Michael Roan, Neal Barclay, Jason Woolley	Neal Barclay was appointed director on 4 June 2024 Jason Woolley was appointed director on 4 June 2024 Kenneth Tunnicliffe ceased to be a director on 14 June 2024 Jodi Mitchell ceased to be a director on 14 June 2024
Meridian Energy Captive Insurance Limited	1612020	Neal Barclay, Michael Roan	No changes
Meridian Energy International Limited	1114014	Neal Barclay, Michael Roan	No changes
Meridian Limited	863312	Neal Barclay, Michael Roan	No changes
Powershop New Zealand Limited	8184062	Neal Barclay, Michael Roan	No changes
Kōkako SPV Ltd	8967098	Michael Roan, Guy Waipara	Registered on the Companies Office register on 18 October 2023

UK subsidiary

Company name	Directors	Further information
Flux-UK Limited	Nicola Kennedy, Rush Bhatt, Bharat Ratanpal	Bharat Ratanpal was appointed director on 10 June 2024 Rush Bhatt was appointed director on 10 June 2024 Kenneth Tunnicliffe ceased to be a director on 14 June 2024

Particulars of entries in the interests register made during the accounting period

Shareholders can review Meridian Energy Limited's full interests register on request.

In accordance with sections 140 and 211(1)(e) of the Companies Act 1993, the table lists the general disclosures of interest by directors of Meridian Energy Limited.

Name	Position	Disclosures
Mark Cairns	Director, Meridian Energy Limited (ceased to be a director on 12 October 2023)	Auckland Airport International Limited, Director Freightways Limited, Chair
David Carter	Director, Meridian Energy Limited (appointed as a director on 25 July 2023)	Beca Group Limited, Director and Employee* Beca Group Holdings Limited, Director* Beca Insurance Company Pte Limited, Director* BGL Depositary No. 2 Limited, Director* BGLIR Trustee Limited, Director* BGL Nominees Limited, Director* BGCF Trustee Limited, Director* OMI Beca Limited, Director** Beca Holding (Thailand) Co., Ltd, Director* Beca (Thailand) Co., Ltd, Director* Beca – PT Bimatekno Karyatama Konsultan, President Commissioner*
Graham Cockroft	Director, Meridian Energy Limited	AGL Energy Limited, Director Tuatahi First Fibre Limited, Director UFF Holdings Limited, Director First Fibre MidCo Limited, Director First Fibre BidCo Limited, Director
Michelle Henderson	Director, Meridian Energy Limited	Fulton Hogan Limited, Director** Fulton Hogan Land Development Limited, Director** Fulton Hogan Australia (Management) Pty Ltd, Director** Fulton Hogan Australia Pty Ltd, Director** Fulton Hogan Construction Pty Ltd, Director** Fulton Hogan Industries Pty Ltd, Director** Fulton Hogan Quarries Pty Ltd, Director** Fulton Hogan Transport Pty Ltd, Director** Fulton Hogan Utilities Pty Ltd, Director** South Port NZ Limited, Director Awarua Holding Limited, Director

* Entries added by directors and effective during the year ended 30 June 2024.
** Entries removed by directors during the year ended 30 June 2024.

Particulars of entries in the interests register made during the accounting period continued

Name	Position	Disclosures
Julia Hoare	Director, Meridian Energy Limited	Auckland International Airport Limited, Director Comvita Limited, Director Port of Tauranga Limited, Director Northport Limited, Director Primeport Timaru Limited, Director
Nagaja Sanatkumar	Director, Meridian Energy Limited	Cawthron Institute, Director Foodstuffs North Island Limited, Director Groov Ltd, Director** Imagen8 Limited, Director New Zealand Post Limited, Director Southern Cross Healthcare Limited, Director* Southern Cross Medical Care Society, Director* Southern Cross Health Trust, Trustee* Tuatahi First Fibre Limited, Director First Fibre Midco Limited, Director First Fibre Bidco NZ Limited, Director UFF Holdings Limited, Director
Tania Simpson	Director, Meridian Energy Limited	Auckland International Airport Limited, Director Tainui Group Holdings Limited, Director Ukaipo Limited, Director Waikato Tainui Fisheries Limited, Director Waste Management NZ Limited, Director* Tui Topco Limited, Director* Tui Bidco Limited, Director* WMNZ Holdings Limited, Director*
Mark Verbiest	Director, Meridian Energy Limited	MBIE Crown Monitor for Worksafe** Summerset Group Holdings Limited, Chair Willis Bond & Co Limited, adviser to Property Income Fund Limited

* Entries added by directors and effective during the year ended 30 June 2024.
** Entries removed by directors during the year ended 30 June 2024.

Particulars of entries in the interests register made during the accounting period – subsidiaries

In accordance with sections 140 and 211(1)(e) and (2) of the Companies Act 1993, the table lists the general disclosures of interest by directors of Meridian Energy Limited's subsidiaries.

Name	Position	Disclosures
Neal Barclay*^	Employee – Chief Executive	Meridian Energy Limited
Mike Roan*^	Employee – Chief Financial Officer	Meridian Energy Limited
Jason Woolley^ (director of Flux Federation Limited)	Employee – General Counsel	Meridian Energy Limited
Jason Stein^ (director of Dam Safety Intelligence Limited)	Employee – Chief People Officer	Meridian Energy Limited
Guy Waipara^ (director of Kōkako SPV Limited, appointed on incorporation on 18 October 2023)	Employee – GM – Development	Meridian Energy Limited
Bharat Ratanpal^ (director of Flux-UK Limited, appointed 10 June 2024)	Employee – Chief Information Officer and Interim Chief Executive of Flux Federation Limited	Meridian Energy Limited
Nicola Kennedy^ (director of Flux-UK Limited)	Employee – Chief Executive	Flux Federation Limited
Rush Bhatt (director of Flux-UK Limited, appointed 10 June 2024)	Employee – Chief Financial Officer	Flux Federation Limited
Jodi Mitchell (director of Flux Federation Limited, ceased 14 June 2024)	Independent director	Flux Federation Limited
Ken Tunnicliffe (director of Flux Federation Limited, ceased 14 June 2024)	Independent director	Flux Federation Limited

* This person is a director of more than one Meridian Energy Limited subsidiary, see the 'Meridian subsidiaries' section above.

^ This person has equity holdings in Meridian Energy Limited, see 'Executive Team equity holdings' below.

During FY24, the following disclosures were made in accordance with section 148 of the Companies Act 1993.

Director	Nature of relevant interest	Date	Acquisition/Disposal	Class	Number acquired*	Consideration received per share
David Carter	Beneficial interest	1 August 2023 – Initial disclosure	Acquisition	Shares	18,000	n/a
Julia Hoare	Legal interest	22 September 2023	Acquisition – Dividend Reinvestment Plan	Shares	164	$5.2039
	Legal interest	26 March 2024	Acquisition – Dividend Reinvestment Plan	Shares	78	$5.7681
Tania Simpson	Beneficial interest	4 September 2023	Acquisition	Shares	849*	$5.269
Mark Verbiest	Beneficial interest	22 September 2023	Acquisition – Dividend Reinvestment Plan	Shares	1,104	$5.1953
	Beneficial interest	26 March 2024	Acquisition – Dividend Reinvestment Plan	Shares	526	$5.7644

* Rounded to the nearest whole number.

Directors' indemnity and insurance

Pursuant to section 162 of the Companies Act 1993, as permitted by Meridian's constitution, Deeds of Indemnity have been given to directors for potential liabilities and costs they might incur for actions or omissions in their capacity as directors. From 1 May 2024, Meridian's directors' and officers' liability insurance was renewed to cover risks normally covered by such policies. Insurance is not provided for dishonest, fraudulent, malicious or wilful acts or omissions.

Donations

The Meridian Energy Group made donations totalling $2,032,363 during FY24. Meridian does not make donations to political parties. All donations must be approved by the Board.

Auditor

Meridian's auditor is the Auditor-General who has appointed Mike Hoshek of Deloitte to carry out the audit of the Meridian Energy Ltd and its subsidiaries on behalf of the Auditor-General.

The fees for other services undertaken by Deloitte during FY24 totalled $0.3 million (2023: $0.2 million). Other assurance services undertaken by Deloitte Limited during the year included reviews of greenhouse gas inventory and sustainability reporting assurance, audit of the securities registers, agreed-upon procedures for insurance purposes, vesting of the Executive Team long-term incentive plan, the solvency return of Meridian Energy Captive Insurance Limited and supervisor reporting.

Other fees paid to Deloitte during the year include $69,200 for climate related disclosure gap analysis, $11,000 for cyber security services and $14,000 (2023: $14,000) to Deloitte Limited for administrative and other advisory services to the Corporate Taxpayers Group, of which Meridian, alongside a number of other organisations, is a member.

Interests in Meridian securities

In accordance with NZX Listing Rule 3.7.1(d), as at 30 June 2024 Meridian Energy Limited directors had the following relevant interests in Meridian Energy Limited Quoted Financial Products:

Director	Number of shares*	Number of bonds
David Carter**	18,000	100,000
Graham Cockroft	40,000	–
Michelle Henderson	7,335*	–
Julia Hoare	8,406	–
Nagaja Sanatkumar	8,769*	–
Tania Simpson	5,140	–
Mark Verbiest	49,828	–

* Rounded to the nearest whole number.
** David Carter, appointed director on 25 July 2023.

Executive Team equity holdings

As at 30 June 2024, the Executive Team had relevant interests in Meridian Energy Limited shares as follows:

Executive Team	Number of shares	Unvested Performance Share Rights
Neal Barclay	530,925	445,328
Chris Ewers	42,088	118,611
Lisa Hannifin	20,304	138,487
Nic Kennedy	14,449	–
Tania Palmer	20,348	145,960
Bharat Ratanpal	19,905	77,552
Mike Roan	254,303	183,985
Claire Shaw	13,259	102,795
Jason Stein	81,506	101,764
Guy Waipara	290,913	149,906
Jason Woolley	–	104,745

Twenty largest registered holders of Quoted Financial Products as at the balance date

The table opposite lists the company's 20 largest registered shareholders as at 30 June 2024.

Names	Number of shares	% of issued shares
The Sovereign in Right of New Zealand acting by and through their Minister of Finance and Minister for State Owned Enterprises	1,321,595,587	51.01
HSBC Nominees (New Zealand) Limited – NZCSD	158,571,794	6.12
HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD	123,650,989	4.77
JPMorgan Chase Bank NZ NZ Branch-Segregated Clients Acct – NZCSD	114,327,875	4.41
Citibank Nominees (New Zealand) Limited – NZCSD	94,186,838	3.63
Custodial Services Limited	87,947,496	3.39
BBP Paribas Nominees (NZ) Limited – NZCSD	81,708,735	3.15
Accident Compensation Corporation – NZCSD	46,643,610	1.80
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited – NZCSD	30,481,228	1.17
TEA Custodians Limited Client Property Trust Account – NZCSD	26,686,005	1.03
JBWere (NZ) Nominees Limited	26,597,522	1.02
New Zealand Depository Nominee Limited	18,696,224	0.72
ANZ Wholesale Australasian Share Fund – NZCSD	17,843,344	0.68
BNP Paribas Nominees (NZ) Limited – NZCSD	16,668,854	0.64
Forsyth Barr Custodians Limited	16,334,246	0.63
FNZ Custodians Limited	15,044,700	0.58
Simplicity Nominees Limited – NZCSD	12,452,897	0.48
PT (Booster Investments) Nominees Limited	9,894,449	0.38
ANZ Custodial Services New Zealand Limited – NZCSD	7,754,447	0.29
HSBC Custody Nominees (Australia) Limited	7,471,777	0.28

* Held through New Zealand Central Securities Depository Limited (NZCSD). NZCSD provides a custodial service that allows electronic trading of securities by its members.

The table opposite lists the company's 20 largest registered holders of MEL050 retail fixed-rate bonds as at 30 June 2024.

Names	Number of bonds	% of issued bonds
Custodial Services Limited	41,722,000	20.86
Forsyth Barr Custodians Limited	26,170,000	13.08
FNZ Custodians Limited	22,659,000	11.32
TEA Custodians Limited Client Property Trust Account – NZCSD	19,384,000	9.69
BNP Paribas Nominees (NZ) Limited – NZCSD	11,900,000	5.95
ANZ Fixed Interest Fund – NZCSD	5,500,000	2.75
BNP Paribas Nominees (NZ) Limited – NZCSD	5,409,000	2.70
HSBC Nominees (New Zealand) Limited – NZCSD	4,877,000	2.43
JBWere (NZ) Nominees Limited	4,610,000	2.30
Citibank Nominees (New Zealand) Limited – NZCSD	4,577,000	2.28
Investment Custodial Services Limited	4,335,000	2.16
MT Nominees Limited – NZCSD	4,000,000	2.00
Forsyth Barr Custodians Limited	3,671,000	1.83
NZX WT Nominees Limited	3,318,000	1.65
ANZ Wholesale NZ Fixed Interest Fund – NZCSD	3,000,000	1.50
Forsyth Barr Custodians Limited	2,397,000	1.19
FNZ Custodians Limited	1,306,000	0.65
JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct – NZCSD	1,200,000	0.60
JBWere (NZ) Nominees Limited	1,000,000	0.50
Dunedin City Council	800,000	0.40

* Held through New Zealand Central Securities Depository Limited (NZCSD). NZCSD provides a custodial service that allows electronic trading of securities by its members.

The table opposite lists the company's 20 largest registered holders of MEL060 retail fixed-rate bonds as at 30 June 2024.

Names	Number of bonds	% of issued bonds
Custodial Services Limited	44,612,000	22.30
Forsyth Barr Custodians Limited	34,809,000	17.40
JBWere (NZ) Nominees Limited	18,955,000	9.47
FNZ Custodians Limited	18,655,000	9.32
HSBC Nominees (New Zealand) Limited – NZCSD	12,300,000	6.15
BNP Paribas Nominees (NZ) Limited – NZCSD	8,777,000	4.38
Investment Custodial Services Limited	4,968,000	2.48
Queen Street Nominees ACF Pie Funds – NZCSD	4,800,000	2.40
Southland Building Society – NZCSD	3,800,000	1.90
Forsyth Barr Custodians Limited	2,821,000	1.41
HSBC Nominees (New Zealand) Limited A/C State Street –NZCSD	2,020,000	1.01
ANZ Fixed Interest Fund – NZCSD	1,825,000	0.91
JBWere (NZ) Nominees Limited	1,800,000	0.90
MT Nominees Limited – NZCSD	1,700,000	0.85
JBWere (NZ) Nominees Limited	1,500,000	0.75
ANZ Wholesale NZ Fixed Interest Fund – NZCSD	1,500,000	0.75
PIN Twenty Limited	1,400,000	0.70
FNZ Custodians Limited	1,368,000	0.68
NZX WT Nominees Limited	1,321,000	0.66
Adminis Custodial Nominees Limited	1,255,000	0.62

* Held through New Zealand Central Securities Depository Limited (NZCSD). NZCSD provides a custodial service that allows electronic trading of securities by its members.

The table opposite lists the company's 20 largest registered holders of MEL070 retail fixed-rate bonds as at 30 June 2024.

Names	Number of bonds	% of issued bonds
Custodial Services Limited	71,898,000	23.96
Forsyth Barr Custodians Limited	37,512,000	12.50
BNP Paribas Nominees (NZ) Limited – NZCSD	29,104,000	9.70
NZPT Custodians (Grosvenor) Limited – NZCSD	21,730,000	7.24
FNZ Custodians Limited	19,267,000	6.42
Generate KiwiSaver Public Trust Nominees Limited NZCSD	15,714,000	5.23
TEA Custodians Limited Client Property Trust Account – NZCSD	14,343,000	4.78
JBWere (NZ) Nominees Limited	11,400,000	3.80
ANZ Fixed Interest Fund – NZCSD	10,300,000	3.43
HSBC Nominees (New Zealand) Limited – NZCSD	9,540,000	3.18
Citibank Nominees (New Zealand) Limited – NZCSD	7,920,000	2.64
BNP Paribas Nominees (NZ) Limited – NZCSD	7,320,000	2.44
ANZ Wholesale NZ Fixed Interest Fund – NZCSD	7,270,000	2.42
Forsyth Barr Custodians Limited	5,085,000	1.69
HSBC Nominees (New Zealand) Limited A/C State Street –NZCSD	2,900,000	0.96
Investment Custodial Services Limited	2,120,000	0.70
Mint Nominees Limited – NZCSD	2,075,000	0.69
Dunedin City Council	2,070,000	0.69
JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct – NZCSD	1,593,000	0.53
MT Nominees Limited – NZCSD	1,590,000	0.53

* Held through New Zealand Central Securities Depository Limited (NZCSD). NZCSD provides a custodial service that allows electronic trading of securities by its members.

Substantial security holder

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013 (FMCA). According to notice given pursuant to section 280 of the FMCA, the substantial security holder in the company and its relevant interests as at the date of the notice are noted opposite. The total number of voting products in the class as at 30 June 2024 was 2,590,459,452.[12]

Ordinary shares	Relevant interest in number of shares	% of shares held at the date of notice	Date of notice
The Sovereign in Right of New Zealand	1,321,595,587	51.01	6 July 2015

Distribution of shareholders and holdings as at 30 June 2024

The table opposite provides information on the distribution of shareholders and holdings of Meridian Energy Limited ordinary shares as at 30 June 2024.

Size of holding	Number of holders	%	Number of shares	Holding quantity %
1 to 1,000	7,836	18.86	5,259,549	0.20
1,001–5,000	20,081	48.34	54,323,948	2.10
5,001–10,000	7,497	18.04	56,616,218	2.19
10,001–50,000	5,553	13.36	108,119,556	4.17
50,001–100,000	380	0.91	26,664,559	1.03
100,001–500,000	146	0.35	28,125,504	1.09
>500,000	60	0.14	2,311,350,118	89.22
Total	**41,553**	**100**	**2,590,459,452**	**100**

12 As at 30 June 2024, the total number of ordinary shares was 2,588,594,444, which excludes 1,865,008 ordinary shares held by Meridian as treasury stock.

The table opposite provides information on the distribution of MEL050 retail fixed-rate bonds as at 30 June 2024.

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1,001 to 5,000	29	5.28	145,000	0.07
5,001 to 10,000	92	16.76	856,000	0.43
10,001 to 50,000	298	54.29	8,313,000	4.16
50,001 to 100,000	72	13.11	5,540,000	2.77
100,001 to 500,000	28	5.1	6,328,000	3.16
>500,000	30	5.46	178,818,000	89.41
Total	**549**	**100**	**200,000,000**	**100**

The table opposite provides information on the distribution of MEL060 retail fixed-rate bonds as at 30 June 2024.

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1,001 to 5,000	31	5.48	155,000	0.08
5,001 to 10,000	156	27.56	1,443,000	0.72
10,001 to 50,000	267	47.17	6,559,000	3.28
50,001 to 100,000	46	8.13	3,483,000	1.74
100,001 to 500,000	33	5.83	7,450,000	3.73
>500,000	33	5.83	180,910,000	90.45
Total	**566**	**100**	**200,000,000**	**100**

The table opposite provides information on the distribution of MEL070 retail fixed-rate bonds as at 30 June 2024.

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1,001 to 5,000	21	5.85	104,000	0.03
5,001 to 10,000	39	10.86	372,000	0.12
10,001 to 50,000	208	57.94	6,097,000	2.03
50,001 to 100,000	37	10.31	2,738,000	0.91
100,001 to 500,000	32	8.91	8,448,000	2.82
>500,000	22	6.13	282,241,000	94.09
Total	**359**	**100**	**300,000,000**	**100**

Waivers from NZX

On 31 January 2020, NZX Regulation published a waiver decision in respect of Listing Rules 5.2.1 and 8.1.5, which re-documented a prior waiver decision dated 18 September 2013. A copy of this waiver decision and a summary of all waivers granted and published by the NZX or relied on by Meridian during the 12 months preceding 30 June 2024 are available on Meridian's website

NZX Waivers
bit.ly/3LPqwJM

Non-standard designation

In New Zealand, Meridian Energy Limited has a 'non-standard' (NS) designation on the NZX Main Board. This is due to particular provisions of the company's constitution, including requirements that regulate the ownership and transfer of Meridian securities. The NS designation is also required as a condition of any NZX waivers and approvals.

Credit rating as at 30 June 2024

S&P Global Ratings reaffirmed Meridian Energy Limited's credit rating of BBB+/stable/A-2 on 1 November 2023.

Registration as a foreign company

Meridian has registered with the Australian Securities and Investments Commission as a foreign company and has been issued with an Australian Registered Body Number of 151 800 396.

ASX disclosures

Meridian holds a foreign exempt listing on the ASX. As a requirement of admission Meridian must make the following disclosures:

- Meridian's place of incorporation is New Zealand.
- Meridian is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act dealing with the acquisition of shares (including substantial holdings and takeovers).

Shareholding restrictions

The Public Finance Act 1989 was amended in June 2012 to include restrictions on the ownership of certain types of security issued by each mixed-ownership-model company (including Meridian) and the consequences of breaching those restrictions. The constitution incorporates these restrictions and mechanisms for monitoring and enforcing them.

A summary of the restrictions on the ownership of shares under the Public Finance Act and the constitution is set out below. If the company issues any other class of shares, or other securities confer voting rights, in the future, the restrictions summarised below will also apply to those other classes of shares or voting securities.

51% holding

The Crown must hold at least 51% of the shares on issue.

The company must not issue, acquire or redeem any shares if such issue, acquisition or redemption would result in the Crown's holding falling below this 51% holding.

10% Limit

No person (other than the Crown) may have a 'relevant interest'[13] in more than 10% of the shares on issue (10% Limit).

The company must not issue, acquire, redeem or transfer any shares if it has actual knowledge that such issue, acquisition, redemption or transfer will result in any person other than the Crown exceeding the 10% Limit.

Ascertaining whether a breach has occurred

If a holder of shares breaches the 10% Limit or knows or believes that a person who has a relevant interest in shares held by that holder may have a relevant interest in shares in breach of the 10% Limit, the holder must notify the company of the breach or potential breach.

Meridian may require a holder of shares to provide the company with a statutory declaration if the Board knows or believes that a person is, or is likely to be, in breach of the 10% Limit. That statutory declaration is required to include, where applicable, details of all persons who have relevant interests in shares as a result of the shares held by or on behalf of that holder.

13 In broad terms, a person has a 'relevant interest' in a share if the person (a) is the registered holder or beneficial owner of the share; or (b) has the power to exercise, or control the exercise of, a right to vote attached to the share or has the power to acquire or dispose of, or to control the acquisition or disposition of, that share. A person may also have a 'relevant interest' in a share in which another person has a 'relevant interest' depending on the nature of the relationship between them.

Determining whether a breach has occurred

The company has the power to determine whether a breach of the 10% Limit has occurred.
In broad terms, if:

- the company considers that a person may be in breach of the 10% Limit; or
- a holder of shares fails to lodge a statutory declaration when required to do so or lodges a declaration that has not been completed to the reasonable satisfaction of the company,

Meridian is required to determine whether or not the 10% Limit has been breached and, if so, whether or not that breach was inadvertent. The company must give the affected shareholder the opportunity to make representations to the company before it makes a determination on these matters.

Effect of exceeding the 10% Limit

A person who is in breach of the 10% Limit must:

- comply with any notice that they receive from the company requiring them to dispose of shares or their relevant interest in shares, or take any other steps that are specified in the notice, for the purpose of remedying the breach and reducing their holding below the 10% Limit
- ensure that they are no longer in breach within 60 days after the date on which they became aware, or ought to have been aware, of the breach. If the breach is not remedied within that timeframe, the company may arrange for the sale of the relevant number of shares on behalf of the relevant shareholder. In those circumstances the company will pay the net proceeds of sale, after the deduction of any other costs incurred in connection with the sale (including brokerage and the costs of investigating the breach of the 10% Limit), to the relevant shareholder as soon as practicable after the sale has been completed.

If a relevant interest is held in any shares in breach of the 10% Limit, then, for as long as that breach continues:

- no votes may be cast directly by a shareholder in respect of any of the shares in which a relevant interest is held in excess of the 10% Limit
- a registered holder of shares in which a relevant interest is held in breach of the 10% Limit will not be entitled to receive, in respect of the shares in which a relevant interest is held in excess of the 10% Limit, any dividend or other distribution authorised by the Board in respect of the shares.

However, if the Board determines that a breach of the 10% Limit was not inadvertent, or that it does not have sufficient information to determine that the breach was not inadvertent, the restrictions on voting and entitlement to receive dividends and other distributions described in the preceding paragraphs will apply in respect of all of the shares (as applicable) held by the relevant shareholder or holder (and not just the shares in which a relevant interest is held in excess of the 10% Limit).

The Board may refuse to register a transfer of shares if it knows or believes that the transfer will result in a breach of the 10% Limit or where the transferee has failed to lodge a statutory declaration requested from it by the Board within 14 days of the date on which the company gave notice to the transferee to provide such statutory declaration.

Crown directions

The Crown has the power to direct the Board to exercise certain of the powers conferred on it under the constitution. For example, where the Crown suspects that the 10% Limit has been breached but the Board has not taken steps to investigate the suspected breach, the Crown may require the company to investigate whether a breach of the 10% Limit has occurred or to exercise a power of sale of the relevant share that has arisen as described under the heading ‘Effect of exceeding the 10% Limit’ above.

Trustee corporations and nominee companies

Trustee corporations and nominee companies (that hold securities on behalf of a large number of separate underlying beneficial holders) are exempt from the 10% Limit provided that certain conditions are satisfied.

Share cancellation

In certain circumstances shares can be cancelled by Meridian through a reduction of capital, share buyback or other form of capital reconstruction approved by the Board and, where applicable, shareholders.

NZX Corporate Governance Code

Meridian complied with the NZX Corporate Governance Code recommendations in all material respects during FY24, other than in respect of recommendation 3.6, as the Board has determined, given Meridian's status as a mixed-ownership model company, it is not appropriate or necessary for Meridian to adopt a takeover protocol, although there are protocols to ensure compliance with the constitution. Meridian has a separate Corporate Governance Statement available on its website. The Corporate Governance Statement outlines in detail Meridian's compliance with the NZX Corporate Governance Code and is current as at 28 August 2024.

Corporate Governance Statement
bit.ly/3Wy4sse

Financial performance

Tasman River delta running in to Lake Pukaki.

Meridian Energy has reported operating cash flows of $667 million for the year ending 30 June 2024, up from $509 million the previous year, with net profit after tax up from $95 million to $429 million.

Financial performance contents

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Independent auditor’s report

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Income Statement

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $M	2023 $M
Operating revenue	A2	**4,856**	3,222
Operating expenses	A3	**(4,102)**	(2,397)
Depreciation and amortisation	A3	**(334)**	(294)
Asset related adjustments	A3	**(18)**	(10)
Net change in fair value of energy hedges	D1	**253**	(375)
Finance costs	A3	**(69)**	(55)
Interest income	A2	**12**	11
Net change in fair value of treasury hedges	D1	**(4)**	24
Net profit before tax		**594**	126
Income tax expense	A4	**(165)**	(31)
Net profit after tax attributed to the shareholders of the parent company		**429**	95
Earnings per share (EPS) attributed to ordinary equity holders of the parent		**Cents**	Cents
Basic and diluted EPS	C3	**16.6**	3.7

Comprehensive Income Statement

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $M	2023 $M
Net profit after tax		**429**	95
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Asset revaluation	S3, B1	**3,152**	1,111
Deferred tax on the above item	A4	**(883)**	(311)
		2,269	800
Items that may be reclassified to profit or loss:			
Net (loss)/gain on cash flow hedges		**(7)**	(11)
Income tax on the above items		**2**	3
		(5)	(8)
Other comprehensive income for the year, net of tax		**2,264**	792
Total comprehensive income for the year, net of tax attributed to shareholders of the parent company		**2,693**	**887**

The notes to the Group financial statements form an integral part of these financial statements.

Balance Sheet

AS AT 30 JUNE 2024

	Note	2024 $M	Restated* 2023 $M
Current assets			
Cash and cash equivalents	C5	**221**	212
Trade receivables	C6	**536**	334
Customer contract assets		**12**	13
Financial instruments	D1, S2	**233**	86
Other assets		**49**	47
Total current assets		**1,051**	692
Non-current assets			
Property, plant and equipment	B1	**12,192**	8,989
Intangible assets	B2	**62**	73
Financial instruments	D1, S2	**224**	186
Other assets		**14**	–
Total non-current assets		**12,492**	9,248
Total assets		**13,543**	**9,940**

	Note	2024 $M	Restated* 2023 $M
Current liabilities			
Payables and accruals	S2	**565**	293
Employee entitlements		**21**	20
Customer contract liabilities		**10**	14
Current portion of borrowings	C7	**234**	214
Current portion of lease liabilities	C9	**3**	3
Financial instruments	D1, S2	**86**	75
Current tax payable		**85**	46
Total current liabilities		**1,004**	665
Non-current liabilities			
Borrowings	C7	**1,113**	1,022
Deferred tax	A4	**2,949**	2,103
Lease liabilities	C9	**27**	24
Financial instruments	D1	**142**	111
Term payables	S2	**62**	28
Total non-current liabilities		**4,293**	3,288
Total liabilities		**5,297**	**3,953**
Shareholders' equity			
Share capital	C2	**1,729**	1,700
Reserves		**6,517**	4,287
Total shareholders' equity		**8,246**	**5,987**
Total liabilities and shareholders' equity		**13,543**	**9,940**

* The Balance Sheet has been restated due to a change in presentation in the current year. Refer to the Significant matters section Note S2 for more information.

For and on behalf of the Board of Directors who authorised the issue of the financial statements on 27 August 2024.

Mark Verbiest
Chair
27 August 2024

Julia Hoare
Chair, Audit and Risk Committee
27 August 2024

The notes to the Group financial statements form an integral part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

$M	Note	Share capital	Share option reserve	Revaluation reserve	Cash flow hedge reserve	Retained earnings	Total equity
Balance at 1 July 2022		**1,671**	**2**	**5,079**	**13**	**(1,242)**	**5,523**
Net profit for the 2023 financial year		–	–	–	–	95	**95**
Other comprehensive income							
Asset revaluation	B1, S3	–	–	1,111	–	–	**1,111**
Net gain (loss) on cash flow hedges		–	–	–	(11)	–	**(11)**
Income tax relating to other comprehensive income	A4	–	–	(311)	3	–	**(308)**
Total other comprehensive income, net of tax		–	–	**800**	**(8)**	**–**	**792**
Total comprehensive income for the year, net of tax		**–**	**–**	**800**	**(8)**	**95**	**887**
Share-based transactions	C2, F1	(1)	1	–	–	–	**–**
Dividend reinvestment plan	C4	30	–	–	–	–	**30**
Dividends paid/reinvested	C4	–	–	–	–	(453)	**(453)**
Balance at 30 June 2023 and 1 July 2023		**1,700**	**3**	**5,879**	**5**	**(1,600)**	**5,987**
Net profit for the 2024 financial year		–	–	–	–	429	**429**
Other comprehensive income							
Asset revaluation	B1, S3	–	–	3,152	–	–	**3,152**
Net gain (loss) on cash flow hedges		–	–	–	(7)	–	**(7)**
Income tax relating to other comprehensive income	A4	–	–	(883)	2	–	**(881)**
Total other comprehensive income, net of tax		**–**	**–**	**2,269**	**(5)**	**–**	**2,264**
Total comprehensive income for the year, net of tax		**–**	**–**	**2,269**	**(5)**	**429**	**2,693**
Recycling of asset revaluation to retained earnings		–	–	(5)	–	5	**–**
Income tax relating to recycling of asset revaluation reserve		–	–	2	–	–	**2**
Share-based transactions	C2, F1	(2)	–	–	–	1	**(1)**
Dividend reinvestment plan	C4	31	–	–	–	–	**31**
Dividends paid/reinvested	C4	–	–	–	–	(466)	**(466)**
Balance at 30 June 2024		**1,729**	**3**	**8,145**	**–**	**(1,631)**	**8,246**

The notes to the Group financial statements form an integral part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $M	2023 $M
Operating activities			
Receipts from customers		**4,614**	3,354
Interest received		**12**	11
Payments to suppliers and employees		**(3,719)**	(2,637)
Interest paid		**(80)**	(65)
Income tax paid		**(160)**	(154)
Operating cash flows	C5	**667**	509
Investing activities			
Sale of property, plant and equipment		**–**	2
Purchase of property, plant and equipment		**(281)**	(316)
Purchase of intangible assets		**(40)**	(13)
Sale of subsidiaries		**8**	–
Purchase of other assets		**(14)**	–
Investing cash flows		**(327)**	(327)
Financing activities			
Borrowings drawn	C7	**467**	255
Borrowings repaid	C7	**(357)**	(160)
Lease liabilities repaid	C7	**(3)**	(3)
Dividends paid	C4	**(436)**	(423)
Shares purchased for long-term incentive	C2	**(2)**	(2)
Financing cash flows		**(331)**	(333)
Net increase/(decrease) in cash and cash equivalents		**9**	(151)
Cash and cash equivalents at beginning of year		**212**	363
Cash and cash equivalents at end of year	C5	**221**	**212**

The notes to the Group financial statements form an integral part of these financial statements.

Harapaki Wind Farm, Hawke's Bay.

Notes to the Group financial statements
About this report

IN THIS SECTION

The notes to the financial statements include information which is considered relevant and material to assist the reader in understanding changes in Meridian's financial position or performance. Information is considered relevant and material if:

- the amount is significant because of its size and nature;
- it is important for understanding the results of Meridian;
- it helps to explain changes in Meridian's business; or
- it relates to an aspect of Meridian's operations that is important to future performance.

Meridian Energy Limited (Meridian) is a for-profit entity domiciled and registered under the Companies Act 1993 in New Zealand. It is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. Meridian's core business activities are the generation, trading and retailing of electricity and the sale of complementary products and services. The registered office of Meridian is Level 2, 98 Customhouse Quay, Wellington. Meridian is dual listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX). As a mixed ownership company, majority owned by His Majesty the King in Right of New Zealand, it is bound by the requirements of the Public Finance Act 1989.

These financial statements have been prepared:

- in accordance with Generally Accepted Accounting Practice (GAAP) in New Zealand and comply with IFRS Accounting Standards issued by the International Accounting Standards Board, and the New Zealand equivalents, as appropriate for a for-profit entity;
- in accordance with the requirements of the Financial Markets Conduct Act 2013;
- on the basis of historical cost, modified by revaluation of certain assets and liabilities;
- in New Zealand dollars (NZD), with all values rounded to millions ($M) unless otherwise stated; and
- using accounting policies as provided throughout the notes to the financial statements.

Basis of consolidation

The Group financial statements comprise the financial statements of Meridian and its subsidiaries and controlled entities, outlined in Note E1 Subsidiaries and other interests.

The financial statements of members of the Group are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the Group financial statements, all material intra-group transactions, balances, income and expenses have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is lost.

Foreign currency

Transactions denominated in foreign currencies are converted at the exchange rates at the date of the transactions. Foreign currency monetary assets and liabilities are translated at the rate prevailing at balance date, 30 June 2024.

The assets and liabilities of any international subsidiaries are translated to NZD at the closing rate at balance date. The revenue and expenses of these subsidiaries are translated at rates approximating the exchange rates at the dates of the transactions.

When the financial statements of subsidiaries are translated into NZD, exchange differences can arise. These are recorded in the foreign currency translation reserve (within equity). If an international subsidiary is disposed of, these cumulative translation differences are recognised in the Income Statement in the period in which that occurs.

The principal functional currencies of international subsidiaries is British pounds; the closing rate at 30 June 2024 was 0.4814 (30 June 2023: 0.4822).

A full list of international subsidiaries and their functional currencies are provided in Note E1 Subsidiaries and other interests.

Key judgements and estimates

In the process of applying the Group's accounting policies and application of accounting standards, Meridian has made a number of judgements and estimates. The estimates and underlying assumptions are based on historical experience and various other factors that are considered to be appropriate under the circumstances. Actual results may differ from these estimates.

Judgements and estimates which are considered material to understanding the performance of Meridian are found in the following notes:

- A2: Income;
- B1: Property, plant and equipment; and
- D1: Financial risk management

S Significant matters in the financial year

IN THIS SECTION

This section outlines significant matters that have impacted Meridian's financial performance.

S1 New Zealand Aluminium Smelter (NZAS)

On 31 May 2024, Meridian announced that it has signed a package of conditional, 20-year contracts with NZAS, for part of NZAS electricity needs. On 26 June 2024, Meridian announced the contracts were unconditional and would come into effect from 3 July 2024 (meaning the old NZAS contracts would come to an end at midnight on 2 July 2024).

The new contract package includes a long-term fixed price contract for wholesale electricity price cover (base contract) and a demand response agreement (DRA).

Key terms of the contracts are as follows:

- 472MW base contract volume from 3 July 2024 to 31 December 2024, then 377MW from 1 January 2025 onward;
- four demand response options, ranging from 25MW to 185MW. Three quarters of a called option will come off Meridian contracted volume;
- pricing that begins 1 July 2024, up to and including 31 December 2044;
- pricing includes links to Consumer Price Inflation (CPI) from 1 January 2028 subject to London Metal Exchange Aluminium prices in the previous year being higher than the year before the previous year; and
- a termination clause, whereby NZAS may provide two years' notice of termination any time from 31 December 2032 onwards, but must make an irrevocable payment of $180 million to Meridian when providing that notice.

Meridian will account for these as follows:

- the base contract will be accounted for as a derivative, with its impacts presented on Balance Sheet within financial instruments and in the Income Statement in net change in fair value of energy hedges;
- the DRA will be accounted for as an executory contract, meaning that premium payments will be recognised in the Income Statement in Operating expenses as incurred;
- an embedded derivative will be recognised in respect of the CPI pricing terms in the DRA, with its impacts presented on Balance Sheet within Financial instruments and in the Income Statement in Net change in fair value of energy hedges; and
- hedge accounting will not be applied to either the base contract or the DRA embedded derivative.

This will mark a significant change in Meridian's accounting for the NZAS contracts. In recent years, Meridian has accounted for the NZAS contracts as follows:

- the old base contract has been accounted for as an executory contract, meaning that fixed-price receipts from NZAS were recognised in the Income Statement in Operating income as incurred, and floating price payments to NZAS were recognised in the Income Statement in Operating expenses as incurred; and
- the old DRA has been accounted for as a derivative asset (in respect of future call value to Meridian), with accompanying amortised cost liability (in respect of premiums payable to NZAS). Each period, the derivative asset unwinds to the Income Statement in Net changes in fair value of energy hedges and the amortised cost liability reduces as premium payments are made to NZAS.

In terms of impact to the current financial year, the most material impact is on our valuation of generation structures. Meridian holds generation structure assets at fair value, and until 31 May 2024 that fair value was calculated on the assumption NZAS would cease operating by 31 December 2024. The new contracts mean that the assumed end date shifts to 31 December 2044 and the forward curve assumptions used in our valuation includes the impact of the new contract pricing. Refer to notes S3 and B1 for more information on the fair value of generation structures.

For future financial years, the new contracts will mean the following impacts compared to previous financials years:

- in the Income Statement, Operating income and Operating expenses will reduce, as the NZAS base contract related components of these cease to exist;
- in the Income Statement, Operating expenses will increase, as DRA premium expenses and DRA call fee expenses are recorded as incurred;
- in the Income Statement, Net changes in fair value of energy hedges may become more volatile, impacted by realised settlements on the base contract, unrealised fair value movements on the base contract, and remeasurements of the DRA embedded derivative; and
- in the Balance Sheet, Financial instrument balances will become more volatile, impacted by unrealised fair value movements on the base contract, and remeasurements of the DRA embedded derivative.

S2 Restatement of presentation of Financial Transmission Rights (FTRs)

Meridian has amended its balance sheet presentation of FTRs. FTRs are Level 1 energy hedges used to manage locational price risk. Meridian previously disclosed FTRs gross, with:

- acquisition cost classified as a liability (in Payables and accruals for current amounts due, and in Term payables for non-current amounts due); and
- the hedge value classified as assets (in Financial instruments).

As FTRs are net settled, the Group has changed its Balance Sheet presentation in the current period and restated the prior year. The effects of this change in presentation on the consolidated balance sheet are shown in the following table.

BALANCE SHEET	2023 Restated $M	2023 $M	Change $M
Financial instruments (current asset)	**86**	141	(55)
Financial instruments (non current asset)	**186**	213	(27)
Financial instruments (current liability)	**75**	71	4
Payables and accruals	**293**	352	(59)
Term payables	**28**	55	(27)

S3 Property, plant and equipment

Within property, plant and equipment, generation structures and plant are carried at fair value for financial reporting purposes. Revaluations are performed with sufficient regularity to ensure that carrying value does not differ materially from that which would be determined using fair values at balance date.

At 30 June 2024, a valuation of Meridian's generation structures and plant assets has been undertaken to determine the fair value of the assets as at this date. The valuation has resulted in a net increase of $3,152 million (2023: increase of $1,111 million). As noted earlier in the Significant Matters section, the rise in value is driven mainly by the change in price forecast and a reduction in Meridian's Weighted Average Cost of Capital (WACC). Since 2021, the price path used for valuation purposes was based on NZAS closing the Tiwai Point Aluminium Smelter, whereas it is now based on NZAS keeping that smelter open. Management calculates a valuation on which the Board's ultimate decision is based. The valuation is set using discounted cashflow (DCF) analysis and assumes NZAS continues to operate until 31 December 2044.

Refer to Note B1 Property, plant and equipment for more information.


West Wind Farm, Te Whanganui a Tara Wellington.

Significant matters in the financial year

IN THIS SECTION

This sections sets out significant matters which have impacted Meridian's financial performance and an explanation of non-GAAP measures within the notes to the financial statements.

Non-GAAP measures

Meridian refers to non-GAAP financial measures within these financial statements and accompanying notes. The limited use of non-GAAP measures is intended to supplement GAAP measures to provide readers with further information to broaden their understanding of Meridian's financial performance and position. They are not a substitute for GAAP measures.

As these measures are not defined by NZ GAAP, IFRS, or any other body of accounting standards, Meridian's calculations may differ from similarly titled measures presented by other companies. The measures are described below, including note references for reconciliations to the financial statements.

EBITDAF

Earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairments and gains or losses on sale of assets.

Segment performance note

EBITDAF is reported in Note A1 Segment Performance, allowing the evaluation of Meridian's operating performance without the non-cash impacts of depreciation, amortisation, unrealised fair value movements of hedging instruments and other one-off or infrequently occurring events and the effects of Meridian's capital structure and tax position. This allows the reader to compare operating performance with that of other electricity industry companies.

Energy margin

Energy margin provides a measure of financial performance that, unlike total revenue, accounts for the variability of the wholesale electricity market and the broadly offsetting impact of wholesale prices on the cost of Meridian's retail electricity purchases and revenue from generation. Meridian uses the measure of energy margin within Meridian's segmental financial performance in Note A1 Segment performance.

Net debt

Net debt is a metric commonly used by investors as a measure of Meridian's indebtedness that takes account of liquid financial assets. Meridian uses this measure within its capital management and this is outlined in Note C1 Capital management.

A Financial performance

IN THIS SECTION

This section explains the financial performance of Meridian, and provides additional information about individual items in the Income Statement, including:

- accounting policies, judgements and estimates that are relevant for understanding items recognised in the Income Statement; and
- analysis of Meridian's performance for the year by reference to key areas including: performance by operating segment, revenue, expenses and taxation.

A1 Segment performance

The Chief Executive (the chief operating decision-maker) monitors the operating performance of each segment for the purpose of making decisions on resource allocation and strategic direction.

The Chief Executive considers the business according to the nature of the products and services and the location of operations, as set out further on this page:

Wholesale

- Generation of electricity and its sale into the New Zealand wholesale electricity market.
- Purchase of electricity from the wholesale electricity market and its sale to the Retail segment and to large industrial customers, including NZAS representing the equivalent of 37% (30 June 2023: 36%) of Meridian's New Zealand generation production.
- Development of renewable electricity generation opportunities in New Zealand.

Retail

- Retailing of electricity and complementary products through two brands, Meridian and Powershop, in New Zealand.
- Electricity sold to residential, business and industrial customers on fixed price variable volume contracts is purchased from the Wholesale segment at an average annual fixed (transfer) price of $133 per megawatt hour (MWh) (2023:$104 per MWh). The transfer price is set in a similar manner to transactions with third parties.
- Electricity sold to business and industrial customers on spot (variable price) agreements is purchased from the Wholesale segment at prevailing wholesale spot market prices.
- Agency margin from spot sales is included within "Contracted sales, net of distribution costs".

Other and unallocated

- Other operations, that are not considered reportable segments, include licensing of the Flux developed electricity and gas retailing platform.
- Activities and centrally based costs that are not directly allocated to other segments.

The financial performance of the operating segments is assessed using energy margin and EBITDAF (a definition of these measures is included within significant matters in the financial year) before unallocated central corporate expenses. Balance Sheet items are not reported to the Chief Executive at an operating segment level.

A1 Segment performance continued

	Wholesale		Retail		Other and Unallocated		Inter-segment		Total	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Contracted sales, net of distribution costs and hedging	**633**	530	**1,363**	1,208	**–**	–	**–**	–	**1,996**	1,738
Cost to supply customers, net of hedging	**(3,487)**	(1,549)	**(1,326)**	(1,006)	**–**	–	**1,507**	1,065	**(3,306)**	(1,490)
Net cost of other hedges	**285**	(121)	**–**	–	**–**	–	**–**	–	**285**	(121)
Generation spot revenue, net of hedging	**2,319**	1,020	**–**	–	**–**	–	**–**	–	**2,319**	1,020
Inter-segment electricity sales	**1,507**	1,065	**–**	–	**–**	–	**(1,507)**	(1,065)	**–**	–
Virtual asset swap margins	**(9)**	(7)	**–**	–	**–**	–	**–**	–	**(9)**	(7)
Other market revenue/(costs)	**(9)**	(9)	**–**	1	**–**	–	**–**	–	**(9)**	(8)
Energy margin (see reconciliation on next page)	**1,239**	**929**	**37**	**203**	**–**	**–**	**–**	**–**	**1,276**	**1,132**
Other revenue	**4**	3	**18**	16	**23**	23	**(9)**	(13)	**36**	29
Energy transmission expenses	**(73)**	(80)	**–**	–	**–**	–	**–**	–	**(73)**	(80)
Hosting expenses	**–**	–	**–**	–	**(4)**	(3)	**–**	–	**(4)**	(3)
Electricity metering expenses	**–**	–	**(49)**	(46)	**–**	–	**–**	–	**(49)**	(46)
Gross margin	**1,170**	**852**	**6**	**173**	**19**	**20**	**(9)**	**(13)**	**1,186**	**1,032**
Employee expenses	**(31)**	(27)	**(38)**	(36)	**(65)**	(56)	**–**	–	**(134)**	(119)
Other operating expenses	**(67)**	(65)	**(40)**	(34)	**(48)**	(38)	**8**	7	**(147)**	(130)
EBITDAF	**1,072**	**760**	**(72)**	**103**	**(94)**	**(74)**	**(1)**	**(6)**	**905**	**783**
Depreciation and amortisation									**(334)**	(294)
Asset related adjustments									**(18)**	(10)
Net change in fair value of energy hedges (see reconciliation on next page)									**102**	(333)
Finance costs									**(69)**	(55)
Interest income									**12**	11
Net change in fair value of treasury hedges									**(4)**	24
Net profit before tax									**594**	**126**
Income tax expense									**(165)**	(31)
Net profit after tax attributed to the shareholders of the parent company									**429**	**95**

A1 Segment performance continued

RECONCILIATION OF ENERGY MARGIN	Note	2024 $M	2023 $M
Energy sales to customers	A2	**2,487**	2,140
Generation revenue	A2	**2,333**	1,053
Energy expenses	A3	**(2,956)**	(1,331)
Energy distribution expenses	A3	**(739)**	(688)
Realised energy hedges (see below)		**151**	(42)
Energy margin		**1,276**	**1,132**

RECONCILIATION OF EBITDAF	Note	2024 $M	2023 $M
Operating income	A2	**4,856**	3,222
Operating expenses	A3	**(4,102)**	(2,397)
Realised energy hedges (see below)		**151**	(42)
EBITDAF		**905**	**783**

RECONCILIATION OF NET CHANGE IN FAIR VALUE OF ENERGY HEDGES	2024 $M	2023 $M
Realised energy hedges shown within energy margin (see above)	**151**	(42)
Unrealised changes in the fair value of energy hedges (as noted on previous page)	**102**	(333)
Net change in fair value of energy hedges, per the Income Statement	**253**	**(375)**

A2 Income

OPERATING REVENUE	2024 $M	2023 $M
Energy sales to customers	**2,487**	2,140
Generation revenue	**2,333**	1,053
Energy-related services revenue	**11**	10
Other revenue	**25**	19
Total operating revenue	**4,856**	**3,222**

	2024 $M	2023 $M
Interest income	**12**	11

Operating revenue

All revenue was generated in New Zealand.

Energy sales to customers

Revenue received or receivable from residential, business and industrial customers.

This revenue is influenced by customer contract sales prices and their demand for electricity.

Generation revenue

Revenue received from electricity generated and sold into wholesale markets.

This revenue is influenced by the quantity of generation and the wholesale spot prices. It is recognised at the time of generation.

Revenue

Electricity consumption

Meridian exercises judgement in estimating retail electricity sales, where customer electricity meters are unread at balance date. These estimates of customer electricity usage in the unread period are based on the customers' historical consumption patterns.

Revenue is recognised at the time of supply and customer consumption. Elements of the sale price such as discounts and credits given to customers and any incremental costs incurred obtaining or retaining a customer contract are deferred to customer contract assets on the Balance Sheet on a portfolio basis and released to the Income Statement over the contract tenure.

Supply contract with NZAS

The current agreement with NZAS has been recognised in these financial statements in a manner consistent with fixed price supply agreements with other industrial customers. Revenue is recognised as electricity sales revenue in the Income Statement and the estimated future cash flows are included in the fair value of generation structures and plant assets on the Balance Sheet. Refer to the Significant Matters section on how this will change under the new NZAS contracts.

Discounts and payment terms

Where a discount is offered, revenue is initally recognised net of estimated discount based on accumulated experience used to estimate the amount of discounts taken by customers.

There are no significant differences between the payment terms and this policy.

A3 Expenses

OPERATING EXPENSES	2024 $M	2023 $M
Energy expenses	**2,956**	1,331
Energy distribution expenses	**739**	688
Energy transmission expenses	**73**	80
Hosting expenses	**4**	3
Employee expenses	**134**	119
Energy metering expenses	**49**	46
Other expenses	**147**	130
Total operating expenses	**4,102**	**2,397**

DEPRECIATION AND AMORTISATION	Note	2024 $M	2023 $M
Depreciation of property, plant and equipment	B1	**304**	266
Amortisation of intangibles	B2	**30**	28
Total depreciation and amortisation		**334**	**294**

FINANCE COSTS	Note	2024 $M	2023 $M
Interest on borrowings		**83**	67
Interest on electricity option premiums		**1**	1
Interest on lease liabilities	C9	**2**	2
Less: Capitalised interest		**(17)**	(15)
Total finance costs		**69**	**55**

ASSET RELATED ADJUSTMENTS	2024 $M	2023 $M
Impairment of property, plant & equipment and other assets	**18**	8
Write down of inventory to net realisable value	**–**	2
Loss on disposal of property, plant & equipment	**8**	–
(Gain) on sale of subsidiaries	**(8)**	–
Total	**18**	**10**

Operating expenses

Energy expenses

The cost of:

- energy purchased from wholesale markets to supply customers; and
- related charges and services.

Energy expenses are influenced by quantity and timing of customer consumption and wholesale spot prices.

Energy distribution expenses

The cost of distribution companies transporting energy between where energy is transmitted/stored and customers' properties.

Energy transmission expenses

Meridian's share of the cost of the high voltage direct current (HVDC) link between the North and South Islands of New Zealand and the cost of connecting Meridian's generation sites to the national grid.

Energy metering expenses

The cost of electricity meters, meter reading and data gathering of retail customer electricity consumption.

Employee expenses

Provisions are made for benefits owing to employees in respect of wages and salaries, annual leave, long service leave and employee incentives for services rendered. Provisions are recognised when it is probable they will be settled and can be measured reliably. They are carried at the remuneration rate expected to apply at the time of settlement.

Contributions to defined contribution plans (largely KiwiSaver) were $5 million in 2024 (30 June 2023: $5 million).

Finance costs – capitalised interest

During the financial year, Meridian capitalised interest costs relating to the build of development sites.

The average rate used to determine the amount of borrowing costs eligible for capitalisation during the year was 5.53% (2023: 5.36%).

Impairment of non-financial assets

Meridian reviews the recoverable amount of its tangible and intangible assets at each balance date. They are grouped into cash-generating units with separately identifiable cash flows. The recoverable amount is the higher of an asset's fair value less costs to sell, and present value of future cash flows expected to be generated by the assets (also known as value in use). If the carrying value of an asset exceeds the recoverable amount, an impairment expense is recognised in the income statement. For assets that are revalued refer to Note B1 Property, plant and equipment for specific treatment.

The current year impairment expense relates to software assets, refer to Note B2 Intangible assets for more information.

A4 Taxation

TAX EXPENSE	2024 $M	2023 $M
Current income tax expense	**198**	167
Other permanent differences	**–**	4
Adjustments to tax of prior years	**–**	(3)
Total current tax expense	**198**	**168**
Deferred tax	**(34)**	(131)
Adjustments to tax of prior years	**1**	(6)
Total tax	**165**	**31**
Reconciliation to profit before tax		
Profit before tax	**594**	**126**
Income tax at applicable rates	**166**	35
Expenditure not deductible for tax	**(2)**	–
Income tax (over)/under provided in prior year	**–**	(3)
Other	**1**	(1)
Tax expense	**165**	**31**

Current tax expense

Tax expense components are current income tax and deferred tax.

Current income tax expense is the income tax assessed on taxable profit for the year. Taxable profit differs from profit before tax reported in the Income Statement as it excludes items of income and expense that are taxable or deductible in other years, and also excludes items that will never be taxable or deductible. Meridian's liability for current tax is calculated using tax rates enacted at balance date, being 28% (2023: 28%).

A4 Taxation continued

DEFERRED TAX LIABILITIES	2024 $M	2023 $M
Balance at beginning of year	**2,103**	**1,932**
Temporary differences in income statement:		
Depreciation and amortisation	**(66)**	(59)
Term payables	**3**	5
Financial instruments	**29**	(86)
Customer contract assets	**(1)**	(1)
Other payables and receivables	**1**	4
	(34)	**(137)**
Temporary differences in other comprehensive income:		
Revaluation reserve movements	**883**	311
Other	**(3)**	(3)
Balance at end of year	**2,949**	**2,103**
Made up of:		
Property, plant and equipment	**2,899**	2,084
Term payables	**(9)**	(12)
Financial instruments	**47**	19
Customer contract assets	**3**	4
Other payables and receivables	**9**	8
Deferred tax liability	**2,949**	**2,103**
Total deferred tax	**2,949**	**2,103**

Deferred tax liabilities

Deferred tax is income tax which is expected to be payable or recoverable in the future as a result of the unwinding of temporary differences.

These arise from differences in the recognition of assets and liabilities for financial reporting and from the filing of income tax returns. Deferred tax is recognised on all temporary differences, other than those arising from the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the accounting nor taxable profit or loss.

The majority of Meridian's deferred tax balance is made up of temporary differences on the revaluation of property, plant and equipment. This balance will only reverse if the fair value of these assets declines back to their original historical cost.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted at balance date.

During the reporting period, the New Zealand government passed legislation to remove commercial building depreciation for tax purposes. This did not have a material impact on Meridian's deferred tax liability balance or income tax expense.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset only if there are legally enforceable rights to set off current tax assets against current tax liabilities and when they relate to the same taxable entity and taxation authority.

Pillar Two

Meridian is within the scope of the Organisation for Economic Co-operation and Development Pillar Two Model Rules on Base Erosion and Profit Shifting. The intention of the Pillar Two rules is to ensure a minimum global effective tax rate of 15% is paid across all jurisdictions and is expected to apply to Meridian from 1 July 2024.

Meridian has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Pillar Two rules are enacted in countries in which Meridian operates but not yet in effect. Since Meridian does not have significant operations in low-tax jurisdictions, the rules are not expected to have a material impact.

B Assets used to generate and sell electricity

IN THIS SECTION

This section shows the assets Meridian uses in the production and sale of electricity to generate operating revenue. In this section of the notes there is information about:

- property, plant and equipment; and
- intangible assets.

At 30 June 2024, had the generation structures and plant been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately $1.4 billion (30 June 2023: $1.2 billion).

14 Includes the reversal of accumulated depreciation on generation structures and plant at revaluation date.

B1 Property, plant and equipment

$M	Generation structures and plant at fair value	Land and buildings at cost	Other plant and equipment at cost	Right of use lease assets	Work in progress at cost	Total
Cost or fair value	7,472	56	148	48	232	**7,956**
Less accumulated depreciation	–	(7)	(105)	(12)	(2)	**(126)**
Net book value at 30 June 2022	**7,472**	**49**	**43**	**36**	**230**	**7,830**
Additions	–	–	–	–	328	**328**
Transfers – work in progress	5	1	10	–	(16)	**–**
Adjustment of Right of use lease assets	–	–	–	(1)	–	**(1)**
Disposals	–	–	(1)	–	–	**(1)**
Impairments	–	–	(3)	(9)	–	**(12)**
Generation structures and plant revaluations:						
Increase (decrease) taken to revaluation reserve	1,111	–	–	–	–	**1,111**
Depreciation expense	(254)	(1)	(9)	(2)	–	**(266)**
Net book value at 30 June 2023	**8,334**	**49**	**40**	**24**	**542**	**8,989**
Cost or fair value	8,334	55	139	35	544	**9,107**
Less accumulated depreciation[14]	–	(6)	(99)	(11)	(2)	**(118)**
Net book value at 30 June 2023	**8,334**	**49**	**40**	**24**	**542**	**8,989**
Additions	–	–	–	7	368	**375**
Transfers – work in progress	426	11	12	–	(449)	**–**
Adjustment of Right of use lease assets	–	–	–	(3)	–	**(3)**
Disposals	(10)	(4)	(3)	–	–	**(17)**
Impairments	–	–	–	–	–	**–**
Generation structures and plant revaluation:						
Increase (decrease) taken to revaluation reserve	3,152	–	–	–	–	**3,152**
Depreciation expense	(293)	(1)	(8)	(2)	–	**(304)**
Net book value at 30 June 2024	**11,609**	**55**	**41**	**26**	**461**	**12,192**
Cost or fair value	11,609	60	120	39	461	**12,289**
Less accumulated depreciation[14]	–	(5)	(79)	(13)	–	**(97)**
Net book value at 30 June 2024	**11,609**	**55**	**41**	**26**	**461**	**12,192**

B1 Property, plant and equipment continued

Recognition and measurement

Generation structures and plant assets (including land and buildings) are held on the Balance Sheet at their fair value at the date of revaluation, less any subsequent depreciation and impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Included in work in progress at cost in 2024 are costs in relation to the reconsenting of Meridian's Waitaki Hydro Scheme which provide for mitigation of environmental effects under agreements entered into with various stakeholders as part of the reconsenting process. This reflects Meridian's long term commitment to the region and aims to address existing and future adverse effects on those stakeholders of the continuing ongoing operation of the Waitaki Hydro Scheme.

Fair value and revaluation of generation structures and plant

Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at balance date.

Meridian uses DCF analysis to establish a valuation range on which the Board's ultimate valuation decision is based.

Any increase arising on revaluation is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the Income Statement. In that case the increase is credited to the Income Statement to the extent of the decrease previously charged.

A decrease in carrying amount arising on revaluation is charged to the Income Statement to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation represents the revalued amount.

Subsequent additions to generation structures and plant assets are recorded at cost, which is considered fair value, including costs directly attributable to bringing the asset to the location and condition necessary for its intended purpose, and financing costs where appropriate.

Where a generation asset is partly completed over a reporting period, revaluation is only applied to the completed portion of the generation asset. Value relating to uncompleted assets remains in work in progress and is held at cost.

Meridian performed a valuation assessments of its plant assets at 30 June 2024.

The revaluation resulted in a net increase of $3,152 million (2023: increase of $1,111 million) in the carrying value of our generation structures and plant assets. The impact of the revaluation was recognised as an increase of $3,152 million (2023: increase of $1,111 million) in the revaluation reserve.

As a consequence of the revaluation, accumulated depreciation on generation assets is reset to nil. There was no depreciation impact of this revaluation in the Income Statement.

B1 Property, plant and equipment continued

Generation structures and plant valuation techniques and key inputs

The Board uses its judgement to decide on the appropriateness of key valuation techniques and inputs for fair value measurement. Judgement is also used in determining the estimated remaining useful lives of assets. As the valuation of generation structures and plant utilises some unobservable (non-market data) inputs, it continues to be classified as level 3 under Meridian's fair value hierarchy defined in Note D1 Financial risk management. As discussed on the previous page, Meridian uses DCF analysis to establish a valuation range. The DCF methodology involves calculating the present value of future cash flows expected to be produced over a projection period, including forecast revenues, forecast future generation output, current and forecast reconsenting costs and NZAS continuing to operate until 31 December 2044. The forward curve assumptions used in our valuation include the impact of the new NZAS contract pricing.

The DCF valuation was prepared using a 35 year time period (2023: 20 year time period) in line with New Zealand Treasury forward inflation curve.

Meridian has a mature modelling framework which is a forward looking, long-term analysis of the fundamentals underpinning the New Zealand wholesale electricity market. This modelling framework includes forward-looking climate change impacts, both physical in nature (such as hydrological seasonality and variability) and transitional (such as energy demand changes as New Zealand decarbonises).

As part of its valuation process, Meridian ensures that the inputs used are in line with the anticipated impacts identified as part of its climate-related risk and opportunity assessment.

The table below describes the key inputs and their sensitivity to changes.

		2024			2023		
Key input to measure fair value	**Description**	**Range of unobservable inputs**	**Sensitivity**	**Impact on valuation**	**Range of unobservable inputs**	**Sensitivity**	**Impact on valuation**
Future NZ wholesale electricity prices	The price received for NZ generation	$68MWh to $129MWh between FY25 and FY59 (in real terms)	+$3MWh -$3MWh	$444M ($444M)	$43MWh to $150MWh between FY24 and FY43 (in real terms)	+$3MWh -$3MWh	$456M ($456M)
New Zealand generation volume	Annual generation production	13,232 GWh p.a. to 13,732 GWh p.a.	+250GWh -250GWh	$333M ($333M)	13,304 GWh p.a. to 13,804 GWh p.a.	+250GWh -250GWh	$210M ($210M)
Operating expenditure (excluding electricity purchase costs or transmission charges)	Meridian's cost of operations	Inflated at appropriate escalation rates	+$10M -$10M	($134M) $134M	$154M in FY24, $163M in FY25 (in real terms) and inflated at appropriate escalation rates from FY26 onward	+$10M -$10M	($116M) $116M
Weighted Average Cost of Capital (WACC)	The discount rate considers the time value of money and relative risk of achieving the cash flow forecast	7.68%	+0.75% -0.75%	($1,187M) $1,523M	8.40%	+0.5% -0.5%	($585M) $683M

Sensitivities show the movement in fair value as a result of a change in each input (keeping all other inputs constant).

B1 Property, plant and equipment continued

Depreciation

Depreciation of property, plant and equipment assets, other than freehold land, is calculated on a straight-line basis. This allocates the cost or fair value amount of an asset, less any residual value, over its estimated remaining useful life.

Useful lives

Meridian uses its judgement in determining the remaining useful lives and residual value of assets, which are:

- generation structures and plant – up to 80 years;
- buildings – up to 67 years;
- other plant and equipment – up to 20 years; and
- right of use lease assets – up to 26 years.

The residual value and useful lives are reviewed, and, if appropriate, adjusted at each balance date.

Disposals or retirement

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Income Statement. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Benmore Power Station, Waitaki Valley.

B2 Intangible assets

$M	Software
Cost or fair value	224
Less accumulated amortisation	(139)
Net book value at 30 June 2022	**85**
Additions	18
Impairment	(2)
Amortisation expenses	(28)
Net book value at 30 June 2023	**73**
Cost or fair value	236
Less accumulated amortisation	(163)
Net book value at 30 June 2023	**73**
Additions	37
Impairment	(18)
Amortisation expenses	(30)
Net book value at 30 June 2024	**62**
Cost or fair value	263
Less accumulated amortisation	(201)
Net book value at 30 June 2024	**62**

Software

Acquired computer software licences (that are not considered an integral part of related hardware) are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Additionally, costs directly associated with the production of identifiable and unique software products that will generate economic benefits beyond one year are also recognised as intangible assets.

All these costs are amortised over their useful lives on a straight-line basis.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

The current year impairment is in relation to Flux Federation Limited's billing platform and the Flux Board's decision to refocus global efforts back to the Australasian market.

Useful lives

Meridian uses its judgement in determining the remaining useful lives and residual value of intangible assets, which are:

- electricity and gas retail platform – up to five years;
- generation control – up to 10 years; and
- other software – up to three years.

These are reviewed, and, if appropriate, adjusted at each balance date.

C Managing funding

IN THIS SECTION

This section explains how Meridian manages its capital structure and working capital, the various funding sources and how dividends are returned to shareholders. In this section of the notes there is information about:

- equity and dividends;
- net debt;
- receivables and payables; and
- leases and commitments.

C1 Capital management

Capital risk management objectives

Meridian's objective when managing capital is to provide appropriate returns to shareholders whilst maintaining a capital structure that safeguards its ability to remain a going concern and optimise the cost of capital.

Capital is defined as the combination of shareholders' equity, reserves and net debt.

Meridian manages its capital through various means, including:

- adjusting the amount of dividends paid to shareholders;
- raising or returning capital; and
- raising or repaying debt.

Meridian regularly monitors its capital requirements using various measures which consider debt facility financial covenants and credit ratings. The key measures are net debt to EBITDAF and interest cover. The principal external measure is Meridian's credit rating from Standard & Poor's.

Meridian is in full compliance with debt facility financial covenants.

	Note	2024 $M	2023 $M
Share capital	C2	**1,729**	1,700
Retained earnings		**(1,631)**	(1,600)
Other reserves		**8,148**	5,887
		8,246	**5,987**
Drawn borrowings	C7	**1,331**	1,221
Lease liabilities payable	C9	**30**	27
Less: cash and cash equivalents	C5	**(221)**	(212)
		1,140	**1,036**
Net capital		**9,386**	**7,023**

	Note	2024 $M	2023 $M
Net debt to EBITDAF			
Drawn borrowings	C7	**1,331**	1,221
Lease liabilities payable	C9	**30**	27
Less: cash and cash equivalents	C5	**(221)**	(212)
Add back: restricted cash	C5	**134**	196
Net debt (A)		**1,274**	**1,232**
EBITDAF (B)		**905**	**783**
Net debt to EBITDAF (times) (A/B)		**1.4**	**1.6**

	Note	2024 $M	2023 $M
EBITDAF Interest cover			
EBITDAF (B)		**905**	783
Interest on borrowings	A3	**83**	67
Interest on lease liabilities	A3	**2**	2
Interest (C)		**85**	69
EBITDAF interest cover (times) (B/C)		**10.6**	**11.3**
Standard & Poor's rating		**BBB+**	**BBB+**

C2 Share capital

	2024		2023	
SHARE CAPITAL	Shares	$M	Shares	$M
Shares issued	**2,590,459,452**	**1,738**	2,584,734,122	1,708
Treasury shares held	**(1,865,008)**	**(9)**	(1,565,008)	(8)
Share capital	**2,588,594,444**	**1,729**	**2,583,169,114**	**1,700**

All shares issued are fully paid and have equal voting rights. All shares participate equally in any dividend distribution or any surplus on the winding up of the company.

The movement in shares issued relates to the dividend reinvestment plan. Refer to Note C4 Dividends for further information.

The movement in treasury shares relates to the purchase and issue of shares to participants in the long-term equity settled incentive plan for New Zealand based senior executives (refer to Note F1 Share-based payments) and for hedging of the Long-Term Incentive (LTI) scheme.

C3 Earnings per share

BASIC AND DILUTED EARNINGS PER SHARE (EPS)	2024	2023
Net profit after tax attributed to the shareholders of the parent company	**$429M**	$95M
Weighted average number of shares used in the calculation of EPS	**2,587,596,787**	2,581,801,567
Basic and diluted EPS (cents per share)	**16.6**	3.7

C4 Dividends

DIVIDENDS DECLARED AND PAID	2024 $M	2023 $M
Interim ordinary dividend 2024: 6.15cps (cents per share) (2023: 6cps)	159	155
Final ordinary dividend 2023: 11.9cps (2022: 11.55cps)	307	298
Total dividend expense	**466**	**453**
Dividends declared and not recognised as a liability		
Final ordinary dividend 2024: 14.85cps (2023: 11.90cps)	384	307
Imputation credit balance		
Imputation credits available for future use at 30 June 2024	83	71

Dividend policy

The Board approved a new dividend policy on 27 August 2024. Under the new policy Meridian is to make distributions at a dividend payout ratio within an average over time of 80% to 100% of Operating Free Cash Flow (defined as Operating Cash Flow, less the annual cost of maintaining Meridian's asset base and systems). This is subject to the Board's due consideration of working capital requirements, the medium-term investment programme, maintaining a BBB+ credit rating and risks from short and medium-term economic, market, catchment hydrology conditions and expected financial performance.

Meridian's previous dividend policy considers free cash flow, working capital requirements, the medium-term investment programme, maintaining a BBB+ credit rating and risks from short and medium-term economic, market and hydrology conditions.

Dividend Reinvestment Plan (DRP)

Meridian operates a DRP under which shareholders can elect to receive dividends in additional shares rather than cash.

For the September 2023 final dividend payment, new shares were issued at the prevailing market price of Meridian shares around the time of issue. Meridian investors were issued 3,838,342 new shares with a value of $19 million (2023: 3,864,321 shares with a value of $19 million).

For the March 2024 interim dividend payment, new shares were issued at the prevailing market price of Meridian shares around the time of issue. Meridian investors were issued 1,886,988 new shares with a value of $11 million (2023: 2,000,790 shares with a value of $11 million).

Shares issued in lieu of cash are excluded from dividends paid in the Statement of Cash Flows.

Dividend declared

On 27 August 2024 the Board declared a partially imputed final ordinary dividend of 14.85 cents per share.

Imputation credit balance

Imputation credits allow Meridian to pass on to its shareholders the benefit of the New Zealand income tax it has paid by attaching imputation credits to the dividends it pays, reducing the shareholders' net tax obligations.

The imputation credits available for future use reflect the balance at the end of 30 June 2024. It does not recognise any tax payments between balance date and 27 August 2024.

C5 Cash and cash equivalents

CASH AND CASH EQUIVALENTS	2024 $M	2023 $M
Current account	**221**	212
Cash and cash equivalents	**221**	**212**

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are not subject to a significant risk of change in value.

Restricted cash

Meridian trades electricity hedges on the ASX using Macquarie as a broker. As a result, a proportion of the funds it holds on deposit are pledged as margin which varies depending on market movements and contracts held.

At 30 June 2024, this collateral was $134 million (30 June 2023: $196 million).

All other cash and cash equivalent balances are available for use.

RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOWS FROM OPERATING ACTIVITIES	2024 $M	2023 $M
Net profit after tax	**429**	**95**
Adjustments for operating activities' non-cash items:		
Depreciation and amortisation	**334**	294
Movement in deferred tax	**(33)**	(137)
Net change in fair value of financial instruments	**(98)**	308
Electricity option premiums	**(24)**	(19)
Non-cash finance costs	**5**	–
Other non-cash items in working capital	**(48)**	(23)
Share-based payments	**2**	1
	138	**424**
Items classified as investing activities:		
Loss on disposal of property, plant & equipment	**8**	–
(Gain) on sale of subsidiaries	**(8)**	–
	–	**–**
Changes in working capital items:		
(Increase)/decrease in accounts receivable	**(202)**	65
(Increase)/decrease in customer contract assets	**1**	3
(Increase)/decrease in other assets	**(2)**	2
Increase/(decrease) in payables and accruals/employee entitlements	**273**	(95)
Increase/(decrease)in customer contract liabilities	**(4)**	2
Increase/(decrease) in current tax payable	**39**	15
Working capital items in financing activities	**(5)**	(2)
	100	(10)
Cash flow from operating activities	**667**	**509**

C6 Trade receivables

TRADE RECEIVABLES	2024 $M	2023 $M
Accrued receivables	**493**	303
Current billed	**27**	16
Past due 1 to 30 days	**16**	15
Past due 31 to 60 days	**2**	2
Past due 61 to 90 days	**1**	1
Past due greater than 90 days	**1**	1
Less: credit loss allowance	**(4)**	(4)
Total trade receivables	**536**	**334**
Accounts receivable past due less credit loss allowance	**16**	15
Movement in provision for credit loss allowance		
Opening provision	**(4)**	(8)
Provision released (created) in the year	**(1)**	3
Provision used in the year	**1**	1
Closing provision for credit loss allowance	**(4)**	**(4)**

Trade receivables, measurement and recognition

Trade receivables are measured on initial recognition at fair value, and are subsequently carried at amortised cost. The overdue amounts are largely related to energy sales to retail customers.

Trade receivables written off during the year were $1 million (30 June 2023: $1 million).

Receivables are written off at the point where Meridian believe there is no reasonable expectation of recovery, which is typically a combination of an overdue amount, no communication or response from the debtor, and no payments received. Receivables written off are handed to collection agencies for enforcement.

Credit losses

The allowance for credit losses are an estimate of the Group's expected credit losses over the lifetime of the current amounts receivable. Or rather, it is the difference between the face value of trade receivables and the future cash flows we expect to receive. Additions to the provision are recognised in the Income Statement.

We estimate collective future cash flows by considering customer credit history, historical recovery performance and trends, through which we build default matrices that apply a probability of default given the ageing of debtors. Forward-looking employment statistics are also monitored for New Zealand, with a large rise in forecast unemployment acting as a trigger for us to reconsider the probability rates in our matrices.

C7 Borrowings

$M	Currency borrowed in	2024 Drawn facility amount	2024 Transaction costs paid	2024 Fair value adjustment	2024 Carrying amount	2023 Drawn facility amount	2023 Transaction costs paid	2023 Fair value adjustment	2023 Carrying amount
Current borrowings									
Unsecured borrowings	NZD	235	(1)	–	234	215	(1)	–	214
Total current borrowings		**235**	**(1)**	**–**	**234**	**215**	**(1)**	**–**	**214**
Non-current borrowings									
Unsecured borrowings	NZD	510	–	–	510	420	–	–	420
Unsecured borrowings	USD	586	(1)	18	603	586	(1)	17	602
Total non-current borrowings		**1,096**	**(1)**	**18**	**1,113**	**1,006**	**(1)**	**17**	**1,022**
Total borrowings		**1,331**	**(2)**	**18**	**1,347**	**1,221**	**(2)**	**17**	**1,236**

Borrowings, measurement and recognition

Borrowings are recognised initially at the fair value of the drawn facility amount (net of transaction costs paid) and are subsequently held at amortised cost using the effective interest method. Any borrowings which have been designated as hedged items (USD borrowings) are carried at amortised cost plus a fair value adjustment under hedge accounting requirements – refer to Note D1 Hedge accounting section for further detail on this. Any borrowings denominated in foreign currencies are retranslated to the functional currency at each reporting date. Any retranslation effect is included in the "Fair value adjustment" column in the table, along with any amounts relating to fair value hedge adjustments.

Meridian uses cross-currency interest rate swap (CCIRS) hedge contracts to manage its exposure to interest rates and borrowings sourced in currencies different to that of the borrowing entity's reporting currency. More information on Meridian's risk management and hedge accounting practices can be found in Section D Financial instruments used to manage risk.

Security

Meridian borrows under a negative pledge arrangement, which does not permit it to grant any security interest over its assets, unless it is an exception permitted within the negative pledge.

FAIR VALUE OF ITEMS HELD AT AMORTISED COST	2024 $M Carrying value	2024 $M Fair value	2023 $M Carrying value	2023 $M Fair value
Retail bonds	**700**	**701**	550	543
Unsecured term loan (EKF facility)	**20**	**20**	30	31

Within borrowings there are longer dated instruments which are not in hedge accounting relationships. The carrying values and estimated fair values of these instruments are noted in the table above.

Fair value is calculated using a discounted cash flow calculation and the resultant values would be classified as Level 2 within the fair value hierarchy. The Retail Bonds are listed instruments; however, a lack of liquidity on the NZX precludes them from being classified as Level 1 (a definition of hierarchy levels is included in Note D1 Financial instruments).

Carrying value approximates fair value for all other instruments within borrowings.

C7 Borrowings continued

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

2024

$M	Balance at 30 June 2023	Borrowings drawn	Borrowings repaid	Valuation adjustments	Foreign Exchange	Lease liability remeasurement	Lease liabilities repaid	Lease recognition (derecognition)	Unwind of discounting	Balance at 30 June 2024
Unsecured borrowings – NZD	634	467	(357)	–	–	–	–	–	–	744
Unsecured borrowings – USD	602	–	–	(3)	4	–	–	–	–	603
Lease liabilities	27	–	–	–	–	(3)	(3)	7	2	30
Total	**1,263**	**467**	**(357)**	**(3)**	**4**	**(3)**	**(3)**	**7**	**2**	**1,377**

2023

$M	Balance at 1 July 2022	Borrowings drawn	Borrowings repaid	Valuation adjustments	Foreign Exchange	Lease liability remeasurement	Lease liabilities repaid	Lease recognition (derecognition)	Unwind of discounting	Balance at 30 June 2023
Unsecured borrowings – NZD	539	255	(160)	–	–	–	–	–	–	634
Unsecured borrowings – USD	624	–	–	(34)	12	–	–	–	–	602
Lease liabilities	41	–	–	–	–	(2)	(3)	(11)	2	27
Total	**1,204**	**255**	**(160)**	**(34)**	**12**	**(2)**	**(3)**	**(11)**	**2**	**1,263**

		2024			2023		
SOURCES OF FUNDING ($M)	Currency borrowed in	Facility amount	Drawn facility amount	Undrawn facility amount	Facility amount	Drawn facility amount	Undrawn facility amount
Bank facilities							
New Zealand bank facilities[15]	NZD	625	–	625	550	15	535
EKF funding[16]	NZD	20	20	–	30	30	–
Total bank facilities		**645**	**20**	**625**	**580**	**45**	**535**
Other sources of borrowing							
Retail bonds[17]	NZD	700	700	–	550	550	–
Fixed rate bonds[18]	USD	586	586	–	586	586	–
Commercial paper[19]	NZD	25	25	–	40	40	–
Total other sources of borrowing		**1,311**	**1,311**	**–**	**1,176**	**1,176**	**–**
Total sources of funding		**1,956**	**1,331**	**625**	**1,756**	**1,221**	**535**

15 Funding bears interest at the relevant market floating rate plus a margin – unsecured NZD borrowing.
16 EKF facility is an unsecured amortising loan, provided by the official export credit agency of Denmark, for the construction of Te Uku Wind Farm – unsecured NZD borrowing.
17 Retail Bonds are senior unsecured retail bonds bearing interest rates of 4.21%, 5.91% and 5.40% (FY23: 4.88%, 4.21% and 5.91%) – unsecured NZD borrowing.
18 USD fixed rate bonds are unsecured fixed rate bonds issued in the United States Private Placement Market – unsecured USD borrowing.
19 NZD commercial paper comprises senior unsecured short-term debt obligations paying a fixed rate of return over a set period of time – unsecured NZD borrowing.

C8 Green financing

To recognise Meridian's commitment, leadership and investment in renewable energy, Meridian has designed a Green Finance Programme which covers both existing and future issuances of debt instruments (Programme).

The Programme Framework (Framework) sets out the process, criteria and guidelines under which Meridian intends to issue and/or manage existing and future bonds and loans under the Programme which contribute towards achieving Meridian's sustainability objectives.

DNV Business Assurance Australia Pty Ltd (DNV) has been commissioned by Meridian to provide an external review of the Programme through verification of the Wind Pool and the Green Debt allocated (directly or notionally) to the Wind Pool under the Climate Bonds Standard (CBS); and a second party opinion of the Hydro Pool and the Green Debt allocated (directly or notionally) to the Hydro Pool under the Green Bond Principles (GBP) and Green Loan Principles (GLP).

The conclusion of DNV's external reviews is provided within the following documents (also available on Meridian's website via link below):

- DNV Periodic Assurance Opinion 2024, Climate Bonds Standard Project Pool (Wind) 12 August 2024; and
- DNV Periodic Second Party Opinion 2024, Green Bond & Loan Principles Project Pool (Hydro) 12 August 2024.

The proceeds of Meridian's debt instruments, outlined in the tables on the following page, have been allocated (directly or notionally) to refinance eligible wind and hydro projects and assets that meet the market standards.

Further information on the Green Finance Programme, including the Programme framework document, opinions from DNV, CBS Certification and Green Asset and Debt registers are available on Meridian's website.

Green finance
bit.ly/3M429bx

Aviemore Unit intakes with Lake Waitaki in the background, Waitaki Valley.

C8 Green financing continued

Green Debt Instruments under Meridian's Green Finance Programme

Green Debt allocated to the Hydro Pool[20]

			30 June 2024		30 June 2023	
TYPE ($M)	CUSIP/NZX Code	Currency borrowed in	Facility amount	Drawn facility amount	Facility amount	Drawn facility amount
USPP Series 2014-1 Tranche B[21]	Q5995#AH7	USD	**147**	**147**	147	147
USPP Series 2019-1 Tranche A[21]	Q5995#AE4	USD	**183**	**183**	183	183
USPP Series 2019-1 Tranche B[21]	Q5995#AF1	USD	**183**	**183**	183	183
USPP Series 2019-1 Tranche C[21]	Q5995#AG9	USD	**73**	**73**	73	73
Total Fixed Rate Bonds			**586**	**586**	**586**	**586**
New Zealand Bank Facilities[22]		NZD	**625**	**–**	550	15
Commercial Paper[23]		NZD	**25**	**25**	40	40
Total Green Debt allocated to the Hydro Pool			**1,236**	**611**	**1,176**	**641**

Green Debt allocated to the Wind Pool[24]

			30 June 2024		30 June 2023	
Type ($M)	CUSIP/NZX Code	Currency borrowed in	Facility amount	Drawn facility amount	Facility amount	Drawn facility amount
Retail Bond (Mar-24)	MEL040	NZD	**–**	**–**	150	150
Retail Bond (Jun-25)	MEL050	NZD	**200**	**200**	200	200
Retail Bond (Sep-28)	MEL060	NZD	**200**	**200**	200	200
Retail Bond (Mar-30)	MEL070	NZD	**300**	**300**	–	–
Total Domestic Bonds			**700**	**700**	550	550
EKF Amortising Facility		NZD	**20**	**20**	30	30
Total Green Debt allocated to the Wind Pool			**720**	**720**	**580**	**580**
Total Green Debt			**1,956**	**1,331**	**1,756**	**1,221**

20 Verified as meeting the criteria established for Meridian by DNV which align with the stated definition of Green Bonds and Loans within the Green Bond/Loan Principles.
21 United States private placement (USPP) Notes are included as the NZD equivalent under the Cross-Currency Interest Rate Swaps related to the Issue.
22 Committed Bank facilities are included at the face value of the facilities.
23 Commercial Paper is included as the amount on issue.
24 Certification by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative.

C9 Lease liabilities

LEASE LIABILITIES ANALYSIS	2024 $M	2023 $M
Minimum lease payments		
Not later than 1 year	3	3
Later than 1 year and not later than 3 years	7	6
Later than 3 years and not later than 5 years	7	6
Later than 5 years	28	22
Gross future lease payables	**45**	**37**
Less future finance costs	(15)	(10)
Present value of lease liabilities	**30**	**27**
Analysed as:		
Not later than 1 year	3	3
Later than 1 year and not later than 3 years	6	5
Later than 3 years and not later than 5 years	5	4
Later than 5 years	16	15
Present value of lease liabilities	**30**	**27**
Comprising:		
Current	3	3
Non-current	27	24
Present value of lease liabilities	**30**	**27**

Lease liabilities, measurement and recognition

Meridian recognises the present value of expected lease payments under lease arrangements as a lease liabilities payable. Subsequent repayments are split between principal and interest expense. The interest reflects a constant periodic charge over the expected term of the lease.

A number of our lease arrangements contain options to extend. Where we are reasonably certain of taking up those options, they are included in the lease liability. If there is any uncertainty around whether a lease extension will be taken up, it is excluded from the liability value.

Lease liabilities are classified as financial liabilities at amortised cost.

The weighted average discount rate applied in the calculation of lease liabilities is 4.10% (30 June 2023: 3.41%).

Lease details

The current leases relate to office spaces and a transmission connection asset at Mill Creek.

Meridian reported interest expense on lease liabilities of $2 million (30 June 2023: $2 million) in the Income Statement.

Refer to Note B1 Property, plant and equipment for details of the related right of use lease assets.

C10 Commitments

	Group	
CAPITAL EXPENDITURE COMMITMENTS	2024 $M	2023 $M
Property, plant and equipment	74	333
Intangibles	2	–
Total capital expenditure commitments	**76**	**333**

Guarantees

Various entities within the Group provide guarantees to external counterparties, with these mostly relating to security for energy market clearing and property lease agreements.

The maximum liability under these guarantees is $200 million (30 June 2023: $80 million).

D Financial instruments used to manage risk

IN THIS SECTION

This section explains the financial risks Meridian faces, how these risks affect Meridian's financial position and performance, and how Meridian manages these risks. In this section of the notes there is information:

- outlining Meridian's approach to financial risk management; and
- analysing financial (hedging) instruments used to manage risk.

D1 Financial risk management

Meridian's activities expose it to a variety of financial risks. Its financial risk management framework focuses on the unpredictability of financial markets and wholesale energy markets. The Board approves policies including Group Treasury, Energy Hedging and Credit Policies which set appropriate principles and risk tolerance levels to guide management in carrying out financial risk management activities to minimise potential adverse effects on the financial performance and economic value of the Group. The key risks managed are discussed further below.

In order to help balance certain risk exposures, Meridian uses a variety of financial instruments (hedges). Hedges are categorised as either "Treasury" or "Energy" related, based on their underlying nature. A small number of Treasury hedges are designated in hedge accounting relationships (refer to the Hedge accounting section for further detail). Meridian does not enter into speculative trades.

Financial instrument recognition

Meridian designates or classifies financial hedging instruments as:

- **Fair value hedge,** hedges of the fair value of recognised assets or liabilities or a firm commitment; or
- **Cash flow hedge,** hedges of a particular cash flow associated with a recognised asset or liability or a highly probable forecast transaction; or
- **Held for trading,** financial instruments which have not been designated in a hedging relationship.

Meridian accounts for derivative and certain designated financial instruments as fair value through the Income Statement.

Hedges are initially recognised at fair value on the dates the contracts are agreed, and are subsequently remeasured on a periodic basis. Remeasurement is recognised in the Income Statement except for effective cash flow hedges.

Fair value changes are recognised in the Income Statement as "Net change in the fair value of energy hedges" or "Net change in fair value of treasury hedges", depending on the underlying business nature of the hedge.

Calculation of fair value for financial instruments

Meridian uses quoted prices and/or a discounted cash flows approach in order to calculate fair values for financial instruments. Fair value measurements are grouped within a three-level fair value hierarchy based on the observability of inputs to the valuation process:

- **Level 1 Inputs:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at reporting date;
- **Level 2 Inputs:** either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs other than quoted prices included in Level 1; and
- **Level 3 Inputs:** inputs that are not based on observable market data (i.e. unobservable inputs).

Meridian has a number of energy hedges that require management estimation and judgement in order to generate a fair value at each reporting date. These estimates can have a significant risk of material adjustment in future periods. This is discussed in more detail later in this section.

D1 Financial risk management continued

Credit risk

Meridian is exposed to the risk of default in relation to energy sales to wholesale and retail customers, hedging instruments, guarantees and deposits held with banks and other financial institutions.

For retail customers, credit checks are carried out before new customers are accepted. The credit team oversees the collection of receivables and works with customers to minimise the chances of bad debts occurring. Management monitors the size and nature of retail customer exposures on a regular basis and acts to mitigate the risk if deemed to exceed acceptable levels.

For banks and financial institutions, only independently related parties with a minimum rating of 'A' are accepted.

For wholesale customers, individual credit limits are set based on internal or external credit ratings in accordance with limits set by the Board. Where customers are not independently credit rated, an assessment of credit quality is made, taking into account financial position, past experience and other relevant factors. If appropriate, letters of credit/guarantees are obtained from counterparties to reduce credit risk to acceptable levels. These assessments and the utilisation of credit limits and security provided by wholesale customers are reviewed and monitored by the Chief Financial Officer.

The carrying amounts of financial assets recognised on the balance sheet best represent Meridian's maximum likely exposure to credit risk at the date of this report. Refer to Note C6 Trade receivables for a description of how we provide for any credit losses.

Liquidity risk

Meridian is exposed to the dynamic nature of energy markets and weather patterns, which can affect liquidity.

Meridian ensures flexibility in funding by maintaining committed surplus credit lines available of at least $200 million (refer to Note C7 Borrowings for details of undrawn facilities). This helps ensure Meridian has sufficient headroom under both normal and abnormal hydrological conditions.

Meridian manages its borrowings requirements on a portfolio basis. To reduce concentration risk on any one lender or funding type, Meridian uses a range of different funding sources and currencies. Meridian also monitors contractual maturities and ensures these are well spaced (or laddered) so that refinancing risks are manageable.

In addition to borrowings, Meridian has entered into a number of letters of credit and guarantee arrangements which provide credit support of $200 million for Meridian's general operations (30 June 2023: $80 million). Meridian indemnifies the obligations of the bank in respect of the letters of credit and performance guarantees issued by the bank to counterparties of Meridian.

D1 Financial risk management continued

Liquidity risk – contractual maturities

The following tables are an analysis of the contractual undiscounted cash flows (settlements expected under the contracts) relating to financial liabilities and a reconciliation from total undiscounted cash flows to carrying amounts. Meridian expects to meet its future obligations from operating cash flows and debt financing.

2024 $M	Due within 1 year	Due in 1 to 2 years	Due in 3 to 5 years	Due after 5 years	Total undiscounted cash flows	Impact of other non-cash items	Impact of interest/FX discounting	2024 carrying value
Borrowings	301	66	703	630	**1,700**	(3)	(350)	**1,347**
Lease liabilities	3	7	7	28	**45**	–	(15)	**30**
Payables, accruals, provisions and option premiums	596	10	18	126	**750**	–	(92)	**658**
Treasury hedges	18	1	5	–	**24**	–	4	**28**
Energy hedges	65	35	48	115	**263**	–	(63)	**200**
	983	**119**	**781**	**899**	**2,782**	**(3)**	**(516)**	**2,263**

2023 $M	Due within 1 year	Due in 1 to 2 years	Due in 3 to 5 years	Due after 5 years	Total undiscounted cash flows	Impact of other non-cash items	Impact of interest/FX discounting	2023 carrying value
Borrowings	274	258	270	741	**1,543**	(2)	(305)	**1,236**
Lease liabilities	3	6	6	22	**37**	–	(10)	**27**
Payables, accruals, provisions and option premiums	328	11	19	–	**358**	–	(3)	**355**
Treasury hedges	19	–	5	2	**26**	–	1	**27**
Energy hedges	55	44	71	–	**170**	–	(11)	**159**
	679	**319**	**371**	**765**	**2,134**	**(2)**	**(328)**	**1,804**

D1 Financial risk management continued

Market risk

Meridian is involved in both the energy and financial markets and as such is exposed to rises and falls in those markets and the subsequent income statement volatility this can cause. The main sub-types of market risk that we are exposed to are discussed below.

Commodity price risk

Meridian trades in the wholesale energy markets and so is exposed to volatility in forward energy prices.

Being both a generator and a retailer of energy means that Meridian has a natural hedge for most of the exposure to future energy prices.

Meridian also uses derivatives to help manage its net energy position, some of which are traded in quoted markets, and some of which are traded directly with other energy market participants. Energy hedges are not placed in hedge accounting relationships.

Foreign exchange risk

Meridian is exposed to foreign exchange risk arising from sales and procurement of goods and services denominated in foreign currencies and also from borrowings raised in foreign currencies.

For exposures resulting from Meridian's general operations, foreign exchange spot or forward contracts are used to fix the value in reporting currency terms. Material items may be placed in hedge accounting relationships and can be either fair value hedges or cash flow hedges, depending on the nature of the transaction/underlying exposure.

For borrowings raised in US Dollars, cross currency interest rate swaps (CCIRS) are used to convert the proceeds back to functional currency. These derivatives minimise foreign exchange risk on both the notional and the coupon flows over the life of the debt. CCIRS are placed in both fair value and cash flow hedge accounting relationships.

Interest rate risk

Meridian is exposed to interest rate risk arising from its funding portfolio, which is a mix of fixed and floating rate debt.

Meridian issues debt on both a fixed and a floating basis and is thus exposed to changes in interest rates over time. A portfolio of interest rate swaps (IRS) is then used to manage the net exposure to interest rate risk, in line with a Board approved hedging policy and profile.

Refer to the Foreign Exchange section for derivatives used for term debt raised in foreign currencies.

Meridian swaps a significant portion of its borrowings to floating rates at loan inception, and hedges the resulting interest rate exposure over a tenure based profile of fixed IRS. This is achieved using a combination of CCIRS and IRS hedges. Where Meridian borrows in foreign currency it uses CCIRSs to swap all foreign currency denominated interest and principal repayments to the reporting currency. This results in floating rate borrowings in the entity's reporting currency. Meridian uses IRS hedges to fix floating interest rates in line with the Board approved hedging policy and profile.

Climate risk

Meridian is exposed to future changes in climate, which may impact on our industry, our business and our customers.

Future impacts may be physical, such as changes in weather patterns or rising temperatures, or they may be more transitional in nature, such as amendments to government policy and regulation, or changes in customer energy needs and demands.

Meridian actively assesses the operating environment in New Zealand, in respect of the potential future impacts that changes in climate may have on Meridian. We report formally on this process each year in our Climate-related Disclosure.

Climate-related Disclosures
bit.ly/3SzilVK

As part of preparing this report, Meridian considers climate-related risk and whether it may have any impact on our financial statements and associated disclosures. The most material area we see climate risk potentially having a future impact is on our valuation of generation structures, which we account for at fair value. Refer to Note B1 of the financial report for further detail on this asset class, including a sensitivity analysis indicating how much their value may change with variations in key inputs, such as generation volumes and wholesale market prices.

D1 Financial risk management continued

Meridian groups its financial instrument into two categories – Treasury hedges and Energy hedges.

	Fair value on the balance sheet			
	2024		2023	
$M	Assets	Liabilities	Assets	Liabilities
Treasury hedges	77	(28)	85	(27)
Energy hedges	380	(200)	187	(159)
Total financial instruments	**457**	**(228)**	**272**	**(186)**
of which:				
Current	233	(86)	86	(75)
Non-current	224	(142)	186	(111)
Total financial instruments	**457**	**(228)**	**272**	**(186)**

Further disclosure and analysis of these two categories are noted on the following pages.

Benmore Power Station, Waitaki Valley.

D1 Financial risk management continued

Treasury hedges

Hedges in the Treasury category generally relate to management of the interest rate risk and foreign exchange risk that arise from Meridian's funding activities and from general Group operations.

The instruments used are CCIRS, IRS and forward exchange contracts (FX).

		Fair value on the balance sheet				Fair value movements in the income statement		Outstanding aggregate notional principals[25]	
		2024 $M		2023 $M		2024 $M	2023 $M	2024 $M	2023 $M
TREASURY HEDGES	Level	Assets	Liabilities	Assets	Liabilities				
CCIRS									
Interest Rate Risk[26]		(39)	(13)	(34)	(15)	–	1		
Basis and Margin Risk[27]		–	(1)	–	–	–	–		
Foreign Exchange Risk[28]		71	–	66		–	–		
	2	32	(14)	32	(15)	–	1	586	586
IRS[29]	**2**	44	(14)	46	(12)	(4)	23	1,475	1,365
FX[30]	**2**	1	–	7	–	–	–	38	152
Treasury hedges		**77**	**(28)**	**85**	**(27)**	**(4)**	**24**		

Meridian uses CCIRS to hedge risks involved with borrowings issued in USD. In the above table the CCIRS are separated into component parts as follows:

25 These cover multiple legs including offsetting legs and maturities out to 2034.
26 Interest rate risk: this is the movement in value of the CCIRS due to changes in benchmark interest rates. The other side of this movement is recorded in the Income Statement in the 'Net change in fair value of treasury instruments', together with changes in the fair value hedge adjustments on the designated USD borrowings.
27 Basis and margin risk: this is the movement in the value of the CCIRS due to changes in basis (excluding foreign exchange) and credit margin. The other side of this movement is recorded in the Income Statement in the 'Net change in fair value of treasury instruments', together with cash flow hedge accounting adjustments that transfer effective hedge portions to the Cash Flow Hedge Reserve within Equity.
28 Foreign exchange risk: this is the movement in value of the CCIRS due to changes in spot foreign exchange rates. The impact of retranslation is recorded in the Income Statement in 'Net change in fair value of treasury instruments' and is offset by equal and opposite retranslation effects on the related borrowings.
29 Changes in fair value of IRS are recognised in the Income Statement within 'Net change in fair value of treasury instruments'.
30 Changes in fair value of FX contracts are recognised in the Income Statement within 'Net change in fair value of treasury instruments', together with cash flow hedge accounting adjustments that transfer effective hedge portions to the Cash Flow Hedge Reserve within Equity.

In the previous table, fair value movements in the Income Statement are shown net of any related hedge accounting adjustments and retranslation of foreign currency borrowings.

Refer to the Hedge Accounting section of Note D1 Financial risk management for further detail on fair value and cash flow hedge relationships.

Treasury hedges – sensitivity analysis

The table below summarises the impact of changes in significant inputs (assuming all other variables are held constant) on the valuation of Treasury Hedges and therefore on Meridian's after tax profit and equity.

Note that changes in the fair value of the CCIRS are fully offset by opposite impacts from hedge accounting entries and the FX retranslation of the USD debt. Therefore the CCIRS P&L sensitivity is nil and is not shown in the below table.

The majority of the FX portfolio are designated in cash flow hedge relation-ships. Changes in spot exchanges rates are fully offset by opposite impacts from hedge accounting entries in the P&L, for these contracts the P&L sensitivity is nil.

		Impact on after tax profit & equity	
	Sensitivity	2024 $M	2023 $M
Interest rates			
New Zealand benchmark bill rate	-100 basis points (bps)	**(9)**	(24)
	+100 bps	**8**	21
Foreign exchange rates			
Effect of movement in foreign exchange rates on foreign exchange contracts	-20%	**–**	(1)
	+20%	**–**	1

D1 Financial risk management continued

Energy hedges

Hedges in this category relate to Meridian's management of risk arising from the generation, purchase and sale of energy.

These hedges are generally longer-term, larger volume contracts that manage specific risks that can not be managed through exchange-based markets.

Meridian is exposed to changes in the spot price of electricity it receives for electricity generated, or pays to buy electricity and gas to supply customers. Additionally, inflows into Meridian's storage lakes are variable, therefore the volume of electricity required to supply customers may exceed (or fall short of) generation production.

Meridian's hedging strategy focuses on its net exposure by estimating both expected generation and energy purchases required to support contracted sales. Execution of this strategy is guided by Board approved parameters. Changes in the fair value of energy hedges are recognised in the income statement within "Net change in fair value of energy hedges". Hedge accounting is not applied to Energy Hedges.

The "Market traded electricity hedges" category contains instruments that are traded on various exchange-based markets.

The "Other electricity hedges" category contains over-the-counter (OTC) derivatives with other energy market participants. These hedges are generally contracts for difference (CFDs).

The "Electricity options" category contains OTC derviatives that Meridian trades with other energy market participants. These are used to support the management of inflow and storage variability in the catchments where Meridian generates electricity.

The "NZAS" category contain two instruments, the 20-year CFD through which Meridian provides NZAS with a fixed price for part of its energy consumption, and an embedded derivative value in respect of the NZAS DRA, where the embedded derivative measures the expected forward impact of inflationary changes on the DRA.

		Fair value on the balance sheet				Fair value movements in the income statement		Outstanding aggregate notional volumes[31]	
		2024 $M		2023 $M		2024 $M	2023 $M	2024	2023
ENERGY HEDGES	Level	Assets	Liabilities	Assets	Liabilities				
Market traded electricity hedges	1	**79**	**(15)**	51	(52)	**53**	(230)	**19,459 GWh**	20,383 GWh
Other electricity hedges	3	**152**	**(111)**	102	(107)	**154**	(121)	**6,046 GWh**	9,532 GWh
Electricity options	3	**93**	**–**	34	–	**65**	(24)	**952 GWh**	1,345 GWh
NZAS	3	**56**	**(74)**	–	–	**(19)**	–	**68,180 GWh**	0 GWh
Energy hedges		**380**	**(200)**	**187**	**(159)**	**253**	**(375)**		

31 These cover multiple legs including offsetting legs and maturities out to 2028.

D1 Financial risk management continued

Energy hedges – sensitivity analysis

The table below summarises the impact of changes in significant inputs (assuming all other variables are held constant) on the valuation of Energy Hedges and therefore on Meridian's after tax profit and equity.

		Impact on after tax profit & equity	
ENERGY HEDGES	Sensitivity	2024 $M	2023 $M
Energy prices	-10%	**147**	(74)
	+10%	**(147)**	74
Discount rates	-100 bps	**(1)**	–
	+100 bps	**1**	–
Call volumes	-10%	**(6)**	(2)
	+10%	**7**	3
Consumer Price Inflation (CPI)	-1%	**(63)**	–
	+1%	**67**	–
NZAS CPI probability factor	-5%	**(12)**	–
	+5%	**12**	–

Analysis of fair value movements on energy hedges

The following table provides an analysis of fair value movement on energy hedges. In A1 Segments, realised movements on energy hedges are presented within Energy Margin.

	2024					2023				
$M	Market traded electricity hedges	Other electricity hedges	Electricity options	NZAS	Total	Market traded electricity hedges	Other electricity hedges	Electricity options	NZAS	Total
Realised movement in energy hedges	**2**	**135**	**14**	**–**	**151**	(22)	(21)	1	–	(42)
Unrealised movement in energy hedges	**51**	**19**	**51**	**(19)**	**102**	(208)	(100)	(25)	–	(333)
Total fair value movements on energy hedges	**53**	**154**	**65**	**(19)**	**253**	**(230)**	**(121)**	**(24)**	**–**	**(375)**

D1 Financial risk management continued

Fair value technique and key inputs

In estimating the fair value of an asset or liability, Meridian uses market-observable data to the extent that it is available. The Audit and Risk Committee determines the overall appropriateness of key valuation techniques and inputs for fair value measurement. The Chief Financial Officer explains fair value movements in his report to the Board.

Where the fair value of a financial instrument is calculated as the present value of the estimated future cash flows of the instrument (DCFs), a number of inputs and assumptions are used by the valuation technique.

These are:

- forward price curves referenced to the ASX for electricity, published market interest rates and published forward foreign exchange rates;
- Meridian's best estimate of electricity volumes called over the life of electricity options;
- discount rates based on market wholesale interest rate curves, adjusted for counterparty risk;
- calibration factor applied as a consequence of initial recognition differences;
- NZAS continues to operate until 31 December 2044; and
- contracts run their full term.

The table below describes any additional key inputs and techniques used in the valuation of Level 3 energy hedges.

Financial asset or liability	Description of input	Range of significant unobservable inputs	Relationship of input to fair value
Other electricity hedges and NZAS valued using DCFs	Where quoted prices are not available or not relevant (i.e. for long-dated, discounted contracts), Meridian's best estimate of long-term forward wholesale electricity price is used. This is based on a fundamental analysis of expected demand and the cost of new supply and any other relevant wholesale market factors. It takes into account any fixed discount applicable at inception. The initial fair value of the NZAS contract was assessed at nil at inception.	\$56/MWh to \$77/MWh (in nominal terms), excludes observable ASX prices (2023: \$29/MWh to \$55MWh)	An increase in the forward wholesale electricity price increases the fair value of buy hedges and decreases the fair value of sell hedges. A decrease in the forward wholesale electricity price has the opposite effect.
NZAS	The NZAS CFD and DRA contain price adjustments for inflation, subject to movements in average annual aluminium price. Actual and forecast Consumer price inflation (CPI), as published by New Zealand Treasury, is used as an input. This is adjusted for the probability of CPI increases applying to the contracts. Meridian assesses probability of CPI increases by historic analysis of aluminium prices.	CPI: 0%–2%, Probability 54% (2023: not applicable)	For the CFD, as CPI rises, its value increases. A decrease in CPI has the opposite effect. For the DRA embedded derivative, as CPI rises, the value decreases. A decrease in CPI has the opposite effect.

D1 Financial risk management continued

Level 3 financial instrument analysis

The following provides a summary of the movements through EBITDAF as referred to in Note A1 Segment performance and movements in the fair value of Level 3 financial instruments

RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS $M	2024 Other electricity hedges	2024 Electricity options	2024 NZAS	2024 Total	2023 Other electricity hedges	2023 Electricity options	2023 NZAS	2023 Total
Net change in fair value of energy hedges:								
Unrealised movements	19	51	(19)	51	(100)	(25)		(125)
Realised movements	135	14	–	149	(21)	1		(20)
Total fair value movement in the Income Statement on energy hedges	**154**	**65**	**(19)**	**200**	**(121)**	**(24)**	–	**(145)**
Balance at the beginning of the period	(5)	34	–	29	110	39	–	149
Fair value movements in the Income Statement	154	65	(19)	200	(121)	(24)	–	(145)
Remeasurement	(108)	(13)	–	(121)	6	(1)	–	5
Disposals and derecognition	–	(3)	–	(3)	–	–	–	–
New hedge recognised	–	10	–	10	–	20	–	20
Balance at the end of the year	**41**	**93**	**(19)**	**115**	**(5)**	**34**	**–**	**29**

Fair value movements of Level 3 energy hedges in 2024 which are held at balance date total $45 million (30 June 2023: ($107) million).

D1 Financial risk management continued

Hedge accounting

Meridian makes use of hedge accounting for USD borrowings, certain highly probable forecast transactions and the financial instruments that are used to economically hedge these exposures. Refer to the start of the Risk Management section for a description of the key risks Meridian manages.

Meridian only designates hedge accounting relationships where the underlying exposure and the hedge are eligible for hedge accounting and are an economic match, where credit risk is not expected to dominate the fair value of the hedge, and where we expect the hedge relationship to remain effective over its life.

The USD borrowings (hedged items) and the CCIRS (hedging instruments) present Meridian with risks which we account for in the following ways:

Interest rate risk

The USD borrowings are fixed rate liabilities and thus present interest rate risk, should benchmark interest rates change. This risk is neutralised by receiving the same fixed rate on the USD leg of the matching CCIRS. Meridian designates the interest rate risk on USD borrowings in fair value hedge accounting relationships.

This means:

- the carrying value of the USD borrowings are adjusted for changes in the fair value of the hedged risk noted as "hedge accounting adjustments" in Note C7 Borrowings; and
- the CCIRS are revalued to the Income Statement for this same risk.

As long as the hedge accounting relationships remain effective, the revaluations of both the hedged item and hedging instrument should net to a minimal amount in the Income Statement. This residual difference is referred to as hedge ineffectiveness.

Note that the accumulated life to date hedge accounting adjustments on the USD borrowing decrease the carrying value of the borrowing by $53 million (2023: decrease by $50 million).

Basis and margin risk

The combination of USD borrowings and CCIRS economically results in Meridian having floating rate NZD borrowings. This presents a risk of variability in future cash flows. As such, Meridian designates basis risk (excluding FX) and margin risk into cash flow hedge relationships.

This means:

- the CCIRS are revalued to the Income Statement for basis risk and margin risk; and
- the effective portions of the hedge are moved from the Income Statement to the Cash Flow Hedge Reserve within Equity.

As noted earlier, there may be small differences between the above entries which result in hedge ineffectiveness in the Income Statement.

Refer to:

- Note C7 Borrowings for the carrying value of the hedged items (USD borrowings);
- Note D1 Treasury hedges for further information on the hedging instruments (CCIRS), including notionals and changes in fair value during the period; and
- The Statement of Changes in Equity for the balance of the Cash Flow Hedge Reserve and movements during the period.

Note that on the Balance Sheet, USD borrowings are included within Borrowings and CCIRS are included within Financial Instruments.

Foreign exchange risk

Meridian has hedged highly probable forecast capital expenditure denominated in currencies other than NZD using forward exchange contracts. The foreign currency exposures give rise to the risk of variability to future cashflows. To mitigate this risk, forward foreign exchange contracts have been entered into. The cash flows associated with these contracts are timed to mature when the payment for the capital expenditure is made. For contracts designated as cash flow hedges for accounting purposes, when the cash flows occur Meridian adjusts the carrying value of the asset acquired.

Hedge ineffectiveness

The below table summarises hedge ineffectiveness. This is included within "Net change in fair value of Treasury Hedges" in the Income Statement.

IMPACT ON INCOME STATEMENT	2024 $M	2023 $M
Hedge ineffectiveness gain (loss)	–	1

Ineffectiveness is primarily caused by credit counterparty risk on CCIRS. This risk is part of the CCIRS fair value but is not included in the hedged item.

Hedge ineffectiveness will net to zero over the life of the hedge relationships.

D1 Financial risk management continued

Future cash flows

The below table estimates the contractual undiscounted future cash flows that we expect on hedge accounted items.
Amounts noted include coupons and repayment/exchange of notionals on maturity.

	2024 $M				2023 $M			
CURRENCY AS INDICATED BELOW	Due within 1 year	Due within 1–2 years	Due within 2–5 years	Due after 5 years	Due within 1 year	Due within 1–2 years	Due within 2–5 years	Due after 5 years
USD Borrowings (shown in USD)	**(16)**	**(16)**	**(260)**	**(194)**	(16)	(16)	(140)	(330)
CCIRS								
USD leg (coupons and maturity flow – shown in USD)	**16**	**16**	**260**	**194**	16	16	140	330
Functional currency leg (coupons and maturity flow – shown in NZD)	**(42)**	**(37)**	**(406)**	**(298)**	(42)	(41)	(236)	(503)
Foreign Exchange Contracts								
Foreign currency leg (shown in NZD)	**37**	**–**	**–**	**–**	134	24	–	–
NZD leg	**(36)**	**–**	**–**	**–**	(128)	(24)	–	–

Functional currency coupons are set quarterly based on NZ benchmark rates. They are shown in this table based on market forward interest rates. The foreign currency leg of foreign exchange contracts is translated to NZD using spot exchange rates at reporting date.

Financial instruments which are offset

In certain circumstances Meridian offsets the fair value of financial instruments where it has legal agreements in place that permit netting of positions and net settlement.

	2024 $M			2023 $M		
	Gross value	Value offset	Carrying value	Gross value	Value offset	Carrying value
Financial instrument assets						
Energy hedges	**608**	**(228)**	**380**	352	(165)	**187**
Treasury hedges	**77**	**–**	**77**	85	–	**85**
Total financial instrument assets	**685**	**(228)**	**457**	437	(165)	**272**
Financial instrument liabilities						
Energy hedges	**(428)**	**228**	**(200)**	(324)	165	**(159)**
Treasury hedges	**(28)**	**–**	**(28)**	(27)	–	**(27)**
Total financial instrument liabilities	**(456)**	**228**	**(228)**	(351)	165	**(186)**
Net financial instruments	**229**	**–**	**229**	**86**	**–**	**86**

E Group structure

IN THIS SECTION

This section provides information to help readers understand the Meridian Group structure and how it affects the financial position and performance of the Group. In this section of the notes there is information about Meridian's Subsidiaries and other interests.

E1 Subsidiaries and other interests

The consolidated financial statements include the financial statements of Meridian Energy Limited, subsidiaries and other interests listed on the following table.

Subsidiaries have share capital consisting solely of ordinary shares that the Group holds directly, and the proportion of ownership interests held equals the Group's voting rights.

Meridian Energy Limited provides support to its subsidiaries where necessary in order to ensure they meet their obligations as they fall due.

Name of entity	Principal activity	Functional currency	Interest held by the Group 2024	Interest held by the Group 2023
Meridian Energy Limited[32]				
Flux Federation Limited[33]	Software development	New Zealand dollar	100%	100%
Flux-UK Limited[33]	License holder	British pound	100%	100%
Dam Safety Intelligence Limited[33]	Professional services	New Zealand dollar	100%	100%
Meridian Energy Captive Insurance Limited[33]	Insurance	New Zealand dollar	100%	100%
Meridian Limited[33]	Non-trading entity	New Zealand dollar	100%	100%
Meridian Energy International Limited[33]	Non-trading entity	New Zealand dollar	100%	100%
Powershop New Zealand Limited[33]	Non-trading entity	New Zealand dollar	100%	100%
Kōkako SPV Limited[33]	Non-trading entity	New Zealand dollar	100%	0%
Te Rere Hau Holdings Limited[34]	Non-trading entity	New Zealand dollar	50%	0%
Te Rere Hau Limited[34]	Non-trading entity	New Zealand dollar	50%	0%
Te Rere Hau Holdings (2023) Limited Partnership (LP)[34]	Non-trading entity	New Zealand dollar	50%	0%
Te Rere Hau Project LP[34]	Development entity	New Zealand dollar	50%	0%
Te Arawaru o Te Waitaki Tapui Limited[34]	Non-trading entity	New Zealand dollar	20%	0%

Meridian and NZ Windfarms Limited (NZWF) have agreed to form a 50-50 joint venture to repower and extend the Te Rere Hau Wind Farm. Meridian has incorporated the new company "Kōkako SPV Limited" to manage its ownership in the joint venture.

During the period Meridian purchased a 19.9% shareholding in NZWF at a cost of $11 million. This investment was initially recorded as an investment in associate as significant influence existed and the equity method of accounting was applied. This is classified as an other non-current asset on the Balance Sheet.

On 19 June 2024, Meridian surrendered it's representation on the Board of NZWF. Without representation, Meridian is deemed to no longer hold significant influence and ceased equity accounting for its 19.9% shareholding in NZWF and measures the asset at fair value through profit or loss.

32 Member of the guaranteeing group as at 30 June 2024.
33 Subsidiary.
34 Other interest.

F Other

IN THIS SECTION

This section includes the remaining information relating to Meridian's financial statements which is required to comply with financial reporting standards.

F1 Share-based payments

Long-term incentive (LTI)

The Chief Executive, Executive Team and selected tier three leaders have the opportunity to participate in the LTI plan. A LTI plan is offered at the discretion of the Board, to align senior management and shareholders' interests, and optimise long-term shareholder returns. The LTI plan is not otherwise available to Meridian employees.

Meridian has a policy that ensures participants in the LTI plan are not able to enter transactions (whether through the use of derivatives or otherwise) that limit the economic risk of their participating in the plan.

The LTI opportunity is 40% of salary for the Chief Executive, 30% of salary for the Executive Team and 15% of salary for eligible tier three leaders. Vesting of the LTI is contingent on meeting absolute and relative Total Shareholder Return (TSR) performance hurdles at the conclusion of a three-year period.

LTI plan

Under Meridian's LTI plan, the company issues rights to acquire ordinary shares in the company (Performance Share Rights) to eligible participants who accept the offer to participate in the LTI plan. Each Performance Share Right entitles the holder to one ordinary share in the company and an additional number of shares equal to the value of gross cash dividends per share which would have been paid to a New Zealand tax resident who held a share for the duration of the vesting period, calculated using a 10-day volume weighted average price.

The number of Performance Share Rights that vest is dependent on:

- Meridian's TSR over a three-year performance period (Performance Period) relative to Meridian's cost of equity;
- Meridian's TSR over the Performance Period relative to a defined group of NZX Main Board and ASX listed peer companies (Performance Hurdles); and
- if the participant continues to be employed by Meridian during the vesting period (Employment Condition).

F1 Share-based payments continued

Performance hurdles

As at 30 June 2024, there were three LTI plan cycles underway. These plans have Performance Periods which end as follows:

- FY22 Plan: 30 June 2024;
- FY23 Plan: 30 June 2025; and
- FY24 Plan: 30 June 2026.

The three plans above all have slightly different Performance Hurdles, as the market has evolved over this period.

The following applies to the FY22 Plan the Performance Period for which ends 30 June 2024:

- The Peer Group against which relative TSR performance was measured for the FY22 Plan comprised AGL Energy, Origin Energy, Contact Energy, Mercury NZ, and Genesis Energy.
- The vesting period for the FY22 LTI scheme ends on 31 October 2024.

Performance Share Rights lapse if the holder ceases to be employed by Meridian during the vesting period, subject to the Board's discretion.

Performance Share Rights are granted in two tranches:

- Absolute Return Share (ABS) Rights; and
- Relative Return Share (REL) Rights.

For ABS Rights to vest, the company's TSR must be greater than the absolute TSR benchmark which is set at the beginning of the vesting period with regard to the company's cost of equity (Absolute TSR Benchmark) on a compounding annual basis over the Performance Period. If the company's TSR is equal to or lower than the Absolute TSR Benchmark, no ABS Rights will vest. If the company's TSR is greater than the Absolute TSR Benchmark, 100% of the ABS Rights will vest.

The number of REL Rights that vest is determined by the company's TSR over the Performance Period relative to the peer group. For any of the REL Rights to vest, the company's TSR must be greater than or equal to the 50th percentile / median TSR of the peer group. 100% of the REL Rights will vest on meeting the 75th percentile TSR of the Peer Group, with vesting on a straight-line basis between these two points.

For each three year plan, an independent external expert measures the TSR of Meridian and the Peer Group of companies along with the outcome on the progressive vesting scale. Performance Share Rights will lapse if the Vesting Conditions are not satisfied (although this is subject to the Board's discretion in relation to the Employment Condition).

For the LTI plan performance period to the end of 2024, the level of TSR met will result in 100% of Performance Share Rights vesting (2023: 0%). Performance Share Rights totalling 418,360 will be transferred to the eligible participants for that LTI after balance date (2023: nil)

During the period, 866,246 Performance Share Rights were issued to eligible staff, 433,123 being ABS Rights and 433,123 being REL Rights.

The fair value of the ABS Rights at grant date of $1.76 (2023: $2.66) was estimated by a modified form of the standard Black-Scholes option pricing model, including dividend adjustment. The fair value of the REL Rights at grant date of $2.79 (2023: $3.22) was estimated by using a Monte Carlo simulation of the possible future performance of Meridian's TSR and of the TSR of each company in the Peer Group from the grant date using correlation and volatility input estimates. The fair value of the rights, multiplied by the number of instruments likely to vest, is recognsied as an expense over the relevant three year service period.

F1 Share-based payments continued

Movement in zero-priced share options

Grant date	Vesting date	LTI scheme and type	Weighted average fair value of option	Number of options/rights: Balance at the start of the year	Granted during the year	Vested during the year	Forfeited during the year	Balance at the end of the year
2024								
24/10/23	25/10/26	ABS	**$1.76**	–	**433,123**	–	–	**433,123**
24/10/23	25/10/26	REL	**$2.79**	–	**433,123**	–	–	**433,123**
27/10/22	3/10/25	ABS	**$2.66**	**470,887**	–	–	–	**470,887**
27/10/22	3/10/25	REL	**$3.22**	**470,887**	–	–	–	**470,887**
21/10/21	21/10/24	ABS	**$2.14**	**209,180**	–	–	–	**209,180**
21/10/21	21/10/24	REL	**$2.93**	**209,180**	–	–	–	**209,180**
Total				**1,360,134**	**866,246**	**–**	**–**	**2,226,380**
2023								
27/10/22	3/10/25	ABS	$2.66	–	470,887	–	–	470,887
27/10/22	3/10/25	REL	$3.22	–	470,887	–	–	470,887
21/10/21	21/10/24	ABS	$2.14	209,180	–	–	–	209,180
21/10/21	21/10/24	REL	$2.93	209,180	–	–	–	209,180
9/03/21	30/06/23	ABS	$3.53	212,421	–	–	(212,421)	–
9/03/21	30/06/23	REL	$3.75	212,421	–	–	(212,421)	–
7/10/2019 & 28/2/20	7/10/22	ABS	$3.54	–	–	–	–	–
7/10/2019 & 28/2/20	7/10/22	REL	$3.36	204,834	–	(204,834)	–	–
Total				**1,048,036**	**941,774**	**(204,834)**	**(424,842)**	**1,360,134**

F2 Related parties

Meridian transacts with other Government-owned or related entities independently and on an arm's-length basis. Transactions cover a variety of services including trading energy, transmission, postal, travel and tax.

Directors of the Group may be directors or officers of other companies or organisations with which members of the Group may transact.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2024 $M	2023 $M
Directors' fees	**1**	1
CEO, senior management team and subsidiary chief executives		
Salaries and short-term benefits	**9**	8
Post-employment benefits	**–**	–
Redundancy benefits	**–**	–
Long-term benefits	**–**	1
	9	**9**

F3 Auditor's remuneration

Auditor's remuneration to Deloitte Limited for:	2024 $M	2023 $M
Audit and review of New Zealand-based companies' financial statements	**0.7**	0.7
Total audit fees	**0.7**	**0.7**
Other assurance fees	**0.2**	0.2
Other fees	**0.1**	–
Total auditor remuneration	**1.0**	**0.9**

The Board has adopted a policy to maintain the independence of the Company's external auditor, including a review of all other services performed by Deloitte Limited and a requirement of the Office of the Auditor-General that there be lead partner rotation after a maximum of five years. The Auditor-General has appointed Mike Hoshek of Deloitte Limited as auditor of the company. The audit fee includes Office of the Auditor-General overhead contribution of $37,932 (2023: $37,750).

Other assurance services undertaken by Deloitte Limited during the year included reviews of greenhouse gas inventory and sustainability reporting assurance, audit of the securities registers, agreed upon procedures for insurance purposes, vesting of the executive long-term incentive plan, the solvency return of Meridian Energy Captive Insurance Limited and supervisor reporting.

Other fees paid to Deloitte during the year include $69,200 for climate related disclosure gap analysis, $11,000 for cyber security services and $14,000 (2023: $14,000) to Deloitte Limited for administrative and other advisory services to the Corporate Taxpayers Group, of which Meridian, alongside a number of other organisations, is a member.

F4 Contingent assets and liabilities

There were no contingent assets or liabilities at 30 June 2024 (2023: Nil).

F5 Subsequent events

There are no subsequent events other than dividends declared on 27 August 2024 (refer to Note C4 Dividends for more information).

F6 Changes in financial reporting standards

All mandatory amendments and interpretations have been adopted in the current year. None have had a material impact on these financial statements. Meridian is not aware of any standards issued but not yet effective that would materially affect the amounts recognised or disclosed in the financial statements.

NZ IFRS 18 Presentation and Disclosure in Financial statements was issued in May 2024 (effective from 1 January 2027). This Standard sets out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. Meridian has not yet completed its assessment on the impact of this standard.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MERIDIAN ENERGY LIMITED

The Auditor-General is the auditor of Meridian Energy Limited and its subsidiaries (the Group). The Auditor-General has appointed me, Mike Hoshek, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated financial statements of the Group on his behalf.

Opinion

We have audited the consolidated financial statements of the Group on pages 117 to 167, that comprise the consolidated balance sheet as at 30 June 2024, the consolidated income statement, consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to IFRS Accounting Standards ("NZ IFRS") as issued by the External Reporting Board and IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

Basis for our opinion

We conducted our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

In addition to the audit, our firm has carried out other assurance assignments for the Group in the areas of greenhouse gas inventory assurance, limited assurance of the sustainability content in the integrated report prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards, review of the interim financial statements, audit of the securities registers, audit of the fixed rate bond registers, vesting of the executive long-term incentive plan, the solvency return of Meridian Captive Insurance Limited, and supervisor reporting. We also carried out non-assurance assignments for the Group relating to cyber security services, a gap analysis in regards to climate related disclosures readiness programme, and the Corporate Taxpayers Group of which Meridian Energy Limited is a member, which are compatible with those independence requirements.

In addition, principals and employees of our firm deal with the Group on arm's length terms within the ordinary course of trading activities of the Group. These services have not impaired our independence as auditor of the Group. Other than these engagements and arm's length transactions, and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with, or interests in, the Group.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the consolidated financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group consolidated financial statements as a whole to be $24.5 million.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Valuation of Generation Structures and Plant As explained in **Note B1** in the Group financial statements, generation structures and plant are carried at fair value less any subsequent accumulated depreciation and impairment losses at balance date. The net book value of generation structures and plant as reflected in **Note B1 is $11,609 million** (2023: **$8,334 million**). The Group performs a valuation every year to ensure that the carrying value does not differ significantly from the fair value at balance date. As a result of this valuation, generation structures and plant have been revalued this year as at 30 June 2024. The revaluation resulted in an increase in value by **$3,152 million** (2023: **increase of $1,111 million**) through other comprehensive income and the revaluation reserve. The valuation methodology is based on a discounted cashflow ('DCF') approach. The key inputs into the DCF are: • the future New Zealand wholesale electricity price path (including consideration of the impact of the New Zealand Aluminium Smelter ('NZAS') remaining in operation and the NZAS contract pricing on the wholesale price path); • forecasted future generation volumes; and • the weighted average cost of capital ('WACC'). Changes to these forecasts could significantly change the fair value of the generation assets. The inputs do not fully use observable market data and require significant judgement and estimates to be made by the valuer. As outlined in note B1, the valuation has considered the **impact of climate change**, and the New Zealand Aluminium Smelter ('NZAS') remaining in operation on the valuation. We include valuation of generation structures as a key audit matter because of the financial significance of the generation plant to the financial statements and the inherent technical and judgemental complexity associated with determining the fair value.	Our audit procedures focused on assessing the key inputs into the model used to estimate the fair value of the generation structures and plant. This included: • The reasonableness of the future NZ wholesale electricity price path (including the consideration of any impacts of NZAS remaining in operation and its contract pricing); • The reasonableness of the future forecasted generation volumes; and • The reasonableness of the applied WACC rate. Our procedures included but are not limited to: • Evaluating the Group's processes and controls for the valuation of the generation structures and plant; • Reviewing the valuation methodology and the reasonableness of the significant underlying assumptions as well as challenging whether the forecast was in line with internal data; • Assessing the competence, objectivity and integrity of the valuation team; • Utilising our in-house valuation specialists to assess the appropriateness of the valuation methodology and the reasonableness of the valuation determined by the Group, including the WACC rate and forward price path; • Assessing the reasonableness of the forecasted future expenses (including any allowance for consenting costs, climate change and the impacts of NZAS remaining in operation); • Performing sensitivity analysis on the key assumptions within the model; • Performing a retrospective review of budgets compared to actual data for prior periods to assess the accuracy and robustness of the forecasting process; and • Evaluating the adequacy of the Group's disclosures in respect of the valuation of generation structures and plant. As a result of the above procedures, we are satisfied that the valuation and key assumptions applied to estimate the fair value of the generation structures and plant and the disclosures included in Note B1 are reasonable.
Valuation of Level 3 Electricity Derivatives As explained in Note D1, the Group's activities expose it to commodity price, foreign exchange and interest rate risks which are managed using derivative financial instruments. These instruments are carried at their fair value as at 30 June 2024. Fair value measurements are grouped into three categories based on their inputs into the valuation, with level 3 derivatives being the most complex valuations, given that they use significant inputs that do not use directly observable market data. At 30 June 2024, level 3 electricity derivative assets totalled **$301 million** (2023: **$136 million**) and level 3 electricity derivative liabilities were **$185 million** (2023: **$107 million**).	Our audit procedures focused on: • The reasonableness of the future NZ wholesale electricity price paths (including the consideration of any impacts relating to climate change and the impacts of NZAS remaining in operation); • The reasonableness of the initial recognition and valuation of the NZAS Contract, and the associated embedded derivative value in the Demand Response Agreement; • The reasonableness of the future forecasted generation volumes; and • The reasonableness of the applied discount rate.

Key audit matters	How our audit addressed the key audit matters
We include valuation of level 3 electricity derivatives as a key audit matter for the following reasons: • The forecast price path used in the valuation of electricity hedges is based on the Group's best estimate of the long-term forward wholesale electricity price, which involves significant judgement and estimates regarding discount factors, expected demand, cost of new supply, and other relevant market factors; and • The complexity and judgement involved in the valuation techniques and the judgement involved in evaluating the long-term expected call volumes and discount factor used to determine the fair value of electricity options and swaps.	Our procedures included: • In conjunction with our internal experts, evaluating the appropriateness of the methodology applied in the valuation models for these electricity hedges, options and swaps and ensuring that the methodology has been consistently applied compared with the prior year where appropriate; • Challenging the key assumptions applied, including the long-term forward wholesale electricity price, long-term expected call volumes, fair value of the transaction prices and discount rates; • Agreeing underlying data to contract terms, specifically the contract term, price and volumes; and • Evaluating the adequacy of the Group's disclosures in respect of the valuation of level 3 electricity derivatives. As a result of the above procedures, we are satisfied that the valuation and key assumptions applied to estimate the fair value of the level 3 electricity derivatives and the disclosures made in note D1 are reasonable.

Other information

The Directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Integrated Report and the Climate Statement, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors' responsibilities arise from the Financial Markets Conduct Act 2013.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report t hat includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of shareholders taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our responsibilities arise from the Public Audit Act 2001.

Mike Hoshek, Partner
for Deloitte Limited

On behalf of the Auditor-General
Christchurch, New Zealand
27 AUGUST 2024

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF MERIDIAN ENERGY LIMITED

REPORT ON SUSTAINABILITY DISCLOSURES

Deloitte.

The Integrated Report of Meridian Energy Limited and its subsidiaries (**'Meridian'** or the **'Group'**) for the year ended 30 June 2024 (the **'Integrated Report'**) includes the Global Reporting Initiatives disclosures (**'GRI disclosures'**) within the GRI Standards content index (the **'GRI index'**) on pages 174 to 177 prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards and with reference to Global Reporting Initiative G4 Sector Disclosures Electric Utilities (collectively known as the **'GRI Standards'**). Additionally, the Group have identified sustainability indicators that are not covered in the GRI topic standards (referred to as **'Own Measures'**) within the GRI index and were prepared using the methodology listed in the FY24 Data Pack on tab 'methods' that was internally developed by the Group (**'additional criteria'**).

The subject of our limited assurance engagement are the Group's GRI disclosures and Own Measures referenced in the GRI index (collectively the '**sustainability disclosures**') and presented within either the Integrated Report or the FY24 Data Pack for the year ended 30 June 2024 that accompanies the Integrated Report (the '**IR data pack**'), prepared in accordance with the GRI Standards and additional criteria.

Our report does not cover any forward-looking statements made by the Group, hyperlinked documents (other than to the IR data pack) and Meridian's Own Measures for actions to improve information security and support for customers' climate actions.

Conclusion

This conclusion has been formed on the basis of, and is subject to, the inherent limitations outlined elsewhere in this independent assurance report.

Based on the evidence obtained from the procedures we have performed; nothing has come to our attention that causes us to believe that the Group's sustainability disclosures referenced within the GRI index on pages 174 to 177 of the Integrated Report, have not been prepared, in all material respects, in accordance with the GRI Standards and additional criteria.

Basis for Conclusion

Our engagement has been conducted in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000 (Revised)') issued by the New Zealand Auditing and Assurance Standards Board.

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

Directors' Responsibility

The Directors are responsible for:

- determining the basis of preparation for the Own Measures included within the GRI index;
- ensuring that the sustainability disclosures listed in the GRI index are prepared in accordance with the GRI Standards and the additional criteria;
- determining the Group's objectives in respect of sustainability reporting;
- selecting the material topics and determining whether the disclosures are presented in the Integrated Report or in the IR data pack;
- establishing and maintaining appropriate performance management and internal control systems in order to derive the sustainability disclosures listed in the GRI index; and
- ensuring the completeness, accuracy and availability of the sustainability disclosures within the Integrated Report and IR data pack.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) ('PES-1') issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm is the statutory auditor of the financial statements on behalf of the Auditor-General. In addition to our role as the statutory auditor and this engagement, our firm also does other engagements including: greenhouse gas inventory assurance, review of the interim financial statements, audit of the securities registers, audit of the fixed rate bond registers, vesting of the executive long-term incentive plan, the solvency return of Meridian Captive Insurance Limited, and supervisor reporting. We also carried out non-assurance assignments for the Group relating to cyber security services, gap analysis in regards to climate related disclosures readiness programme, and to the Corporate Taxpayers Group of which Meridian Energy Limited is a member, which are compatible with those independence requirements. In addition to this, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. Our firm has no other relationship with, or interests in the Group.

The firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to conduct a limited assurance engagement in order to express an opinion whether, based on the procedures performed, anything has come to our attention that causes us to believe that the Group's sustainability disclosures listed within the GRI index have not been prepared, in all material respects, in accordance with the GRI Standards and additional criteria.

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with the GRI Standards or additional criteria is likely to arise.

Our procedures included:

- Obtaining an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Obtaining an understanding of the materiality process applied by the Group to determine the material topics chosen for inclusion in the Integrated Report and the IR data pack respectively;
- Analytical review and other test checks of the information presented;
- Checking whether the appropriate indicators have been reported in accordance with the GRI Standards or additional criteria; and
- Evaluating whether the information presented is consistent with our overall knowledge and experience of Group's sustainability reporting processes.

We did not evaluate the security and controls over the electronic publication of the Integrated Report and IR data pack.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Group's sustainability disclosures referenced in the GRI index have been prepared, in all material respects, in accordance with the GRI Standards or additional criteria.

Inherent Limitations

Because of the inherent limitations of a limited assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance with the GRI Standards or additional criteria as it generally comprises making enquiries, primarily of the responsible party, and applying analytical and other review procedures. The conclusion expressed in this report has been formed on the above basis.

A limited assurance engagement does not provide assurance on whether compliance with the GRI Standards or additional criteria will continue in the future.

Use of Report

Our assurance report is made solely to the Directors of Meridian Energy Limited in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Directors those matters we have been engaged to state in this assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors of Meridian Energy Limited for our work, for this assurance report, or for the conclusions we have reached.

Deloitte Limited

Christchurch, New Zealand

27 AUGUST 2024

This limited assurance report relates to the sustainability disclosures of Meridian Energy Limited and its subsidiaries ('Meridian' or the 'Group') , referenced within the GRI Standards content index on pages 174 to 177 (the 'GRI index') of the Group's Integrated Report for the year ended 30 June 2024 ('the Integrated Report'), and presented on the specified pages (as referenced in the GRI index) of the Integrated Report or the FY24 Meridian Integrated Report ESG data pack ('the IR data pack') (collectively the 'sustainability disclosures'). Meridian's Board is responsible for the maintenance and integrity of the Group's website. Deloitte Limited have not been engaged to report on the integrity of the Group's website. We accept no responsibility for any changes that may have occurred to the Integrated Report or IR data pack since they were initially presented on the website.

The limited assurance report refers only to the Integrated Report and IR data pack accompanying the Integrated Report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the Integrated Report or the IR data pack. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the Integrated Report, IR data pack accompanying the Integrated report and related limited assurance report dated 27 August 2024 to confirm the information included in the Integrated Report and the IR data pack presented on this website.

GRI Standards content index

Meridian Energy Limited has reported in accordance with the GRI Standards for the period 1 July 2023 to 30 June 2024. GRI 1: Foundation 2021 has been used.

References are to FY24 Integrated Report (AR), FY24 Data Pack – tab (DP – tab reference), Climate Related Disclosure FY24 (CRD), Climate Action Plan FY24 (CAP), Modern Slavery Statement FY24 (MSS), Corporate Governance Statement FY24 (CGS), Board Charter (approved date April 2024) (BC); Code of Conduct 2024 (COC); Supplier Code of Conduct (SCOC) (dated January 2024), Greenhouse Gas Inventory FY24, Good Energy Programme Guidance (July 2024); Modern Slavery Guidance (December 2023), Whistle Blowing Policy (approved date August 2023), Constitution of Meridian Energy Limited (2019 update) (Constitution).

Own measures – some disclosures are additional or alternatives to those covered in the GRI Standards and have been self-determined by management. See DP – Methods tab for the disclosure criteria for Own Measures. We have additional ESG disclosures reported in the Integrated Report Data Pack which are not included in our GRI content index – refer to DP – Other ESG Information tab.

General disclosures		Reference	Comments
GRI 2: General Disclosures 2021			
2-1	Organisational details	AR Front cover, p.122, 178	
2-2	Entities included in the organisation's sustainability reporting	AR p.4	
2-3	Reporting period, frequency and contact point	AR p.4, 178	
2-4	Restatements of information		Discussed where relevant throughout the report and data pack.
2-5	External assurance	AR p.4–5, 168–173	
2-6	Activities, value chain and other business relationships	AR p.67, 70; MSS p.3	
2-7	Employees	DP – Our People	
2-8	Workers who are not employees	DP – Our People	
2-9	Governance structure and composition	AR p. 68, 71, 78–79, 99; CGS Recommendation 2.5; BC p.3–5; S&S Committee Charter p.1	
2-10	Nomination and selection of the highest governance body	AR p.71; Constitution p.13–15; BC p.2 and CGS Recommendation 2.2 & 3.4	
2-11	Chair of the highest governance body	AR p.6; CGS Recommendation 2.9	
2-12	Role of the highest governance body in overseeing the management of impacts	AR. p.72	Further information available on our **material impacts page** on our website.
2-13	Delegation of responsibility for managing impacts	AR p.72, 87–88	The Board delegates responsibility for managing impacts on people, the planet and the economy via our Delegation of Authority Policy, which applies to the Board, staff of Meridian and subsidiaries

General disclosures		Reference	Comments
2-14	Role of the highest governance body in sustainability reporting	AR p.72	
2-15	Conflicts of interest	AR. p.71; BC p.6; CGS Additional Disclosures table	
2-16	Communication of critical concerns	DP – Communities	
2-17	Collective knowledge of the highest governance body	AR p.71; BC p.5	
2-18	Evaluation of the performance of the highest governance body	AR p.96; CGS Principle 2.7 & 5.1; BC p.5	
2-19	Remuneration policies	AR p.84–86	
2-20	Process to determine remuneration	AR p.82–85	
2-21	Annual total compensation ratio	AR p.94	
2-22	Statement on sustainable development strategy	AR p.7–13	
2-23	Policy commitments	AR p.62–65; COC p.9-10, 23; SCOC p.1–2; MSS p.2; CAP p.10	We use a range of methods to communicate our Group commitments and policies to Meridian, and our supply chain and stakeholders. This includes through Meridian's COC and SCOC expectations, as well as via guidance documents, such as our **Good Energy Programme Guidance** (p.1–2).
2-24	Embedding policy commitments	AR p.62–63; SCOC; MSS p.2, 7–8	
2-25	Processes to remediate negative impacts	AR p.63, 71; CGS Principle 1.1; MSS – Grievance and remediation section p.7.	

General disclosures		Reference	Comments
2-26	Mechanisms for seeking advice and raising concerns	AR p.178; COC p.4; Whistle Blowing Policy p.1–2	
2-27	Compliance with laws and regulations		There have been no significant instances of non-compliance with laws and regulations and we've paid no fines during the reporting period.
2-28	Membership associations	DP – Renewable Energy	
2-29	Approach to stakeholder engagement	AR p.72–73	See throughout report where relevant. We take a purpose driven approach.
2-30	Collective bargaining agreements		No staff are covered by collective bargaining agreeements.

Material topics and associated disclosures		Reference	Comments
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	AR p.72–73	
3-2	List of material topics	AR p.74–80	
Affordability			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.77–78	
Own Measures			
	Disconnections	DP – Customers	
Business emissions and waste			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.79	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	DP – Climate and Environment	
302-4	Reduction of energy consumption		

Material topics and associated disclosures		Reference	Comments
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	AR 63–64; DP – Climate and Environment	See also **Meridian Greenhouse Gas Inventory FY24**.
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity		
305-5	Reduction of GHG emissions		
GRI 306: Waste 2020			
306-2	Management of significant waste-related impacts	AR p.79; DP - Climate and Environment	
306-3	Waste generated	DP – Climate and Environment	
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		
Own Measures			
	Operational emissions reduction target	AR p.62–63; CAP p.7 footnote number 2	Meridian Energy's Target Validation Report is submitted to SBTi in July 2022. The submission of the targets have been submitted and registered on the website and this can be accessed in **sciencebasedtargets.org/companies-taking-action#dashboard**.
Climate-related impacts			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.77	
GRI 201: Economic Performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	AR p.16; DP – Climate and Environment	See also CRD pp.17–28, 39–40.

Material topics and associated disclosures		Reference	Comments
Customer decarbonisation			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.76	
Own Measures			
	Support for customers' climate actions*	AR p.10, 36; CAP p.5–6	
Cyber security			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.77–78	
Own Measures			
	Actions to improve information security*	AR p.48–49	
Ngā whakaaweawe o Te Ao Tūroa – impacts on the natural world			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.75–76	
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	AR p.27, 75–76	
303-3	Water withdrawal	DP – Climate and Environment	
303-4	Water discharge		
303-5	Water consumption		
GRI 304: Biodiversity 2016			
304-2	Significant impacts of activities, products and services on biodiversity	AR p.75–76	
People			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.78–79	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	DP – Our People	
401-3	Parental leave		

* Not within scope of assurance

Material topics and associated disclosures		Reference	Comments
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	AR p.58–59; DP – Our People	100% employees and contractors working on Meridian sites and assets are covered by and work within the parameters of the OHS management system, which is outlined in our Safety and Wellbeing Manual. Contractors are covered but do not have access to the OSH management system. Flux permanent employees and contractors are fully covered by Flux's health and safety management system.
403-2	Hazard identification, risk assessment, and incident investigation		
403-3	Occupational health services		
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-8	Workers covered by an occupational health and safety management system		
403-9	Work-related injuries		
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	DP – Our People	
404-3	Percentage of employees receiving regular performance and career development reviews		All Meridian employees take part in the performance appraisal process, which contributes to incentive and pay outcomes.
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	AR p.57, 71; DP – Our People	
405-2	Ratio of basic salary and remuneration of women to men		

Material topics and associated disclosures		Reference	Comments
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken		There was one incident of harassment during the reporting period. The incident is no longer subject to action.
Renewable energy generation			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.74	
G4 Sector Disclosures – Electric Utilities			
EU1	Installed capacity	AR p.25; DP – Renewable Genereration	
EU2	Net energy output		
EU10	Planned capacity against demand	AR p.23, CAP p.3	Pipeline projections are estimations subject to internal funding approval and final design (which includes resource consent conditions).
EU30	Plant availability factor	DP – Renewable Genereration	
Supporting communities			
GRI 3: Material Topics 2021			
3-3	Management of material topics	AR p.79–80	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	DP – Communities	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	AR p.8–9, 27, 39; DP – Communities	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	DP – Supply Chain	See also **Modern Slavery Guidance** p.1–3; and **Good Energy Programme Guidance** p.1–2.
414-2	Negative social impacts in the supply chain and actions taken		

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