TRANSPOWER

Green Bond
Report

November 2026



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Introduction

Transpower has been powering and connecting Aotearoa New Zealand for over 100 years. **Integrated Report**.

Transpower owns and operates the national grid on behalf of all New Zealanders, a lifeline utility that moves electricity from where it is made to where it is needed for our nation's homes, businesses and communities.

In our role as System Operator we run the electricity market and balance electricity demand and supply to ensure the dispatch of secure, stable electricity in real time.

The national grid is made up of thousands of kilometres of lines that span thousands of towers and connect with substations from Kaikohe to Bluff. Our team and Service Provider whānau work behind the scenes to plan, maintain, build and operate these infrastructure assets, and to ensure the smooth and secure running of the power system. We work to safeguard and support this infrastructure so that New Zealand gets the energy it needs to fuel warmth, security and economic prosperity long into the future.

Preparing for a highly electrified future is a team effort. It will require clear and transparent communication and close collaboration between the electricity industry, business, iwi, Government, our regulators and all New Zealand communities.

Transpower is committed to this effort and to ensuring our infrastructure remains reliable and resilient to enable growth and meet New Zealanders' needs at the least cost for generations to come.

This Green Bond Report demonstrates ongoing compliance, allocation of proceeds, impact reporting and adaptation/resilience disclosures for Transpower's Green Financing Framework and certified Green Bonds.



Transpower New Zealand Limited

How compliance is assessed, measured and reported

In assessing compliance with the Electrical Grids and Storage Criteria (Criteria), Transpower identifies new generation capacity added to the electrical system over a rolling five-year period, together with a calculation of capacity of new generation below the generation threshold of 100g CO_2e/kWh (measured on a Product Carbon Footprint (PCF) basis) to total new generation capacity.

There are two components Transpower considers as part of achieving the requirements of the Criteria:

1. The Mitigation component

> More than 67% of newly connected generation capacity in the System in which the infrastructure is located is below the generation threshold value of 100g CO2e/kWh measured on a PCF basis, over a rolling five-year period

Compliance with the Mitigation component is reviewed at least annually using the "Operational Electricity Generation Capacity by Plant Types (MW)" statistics published by the New Zealand Ministry of Business Innovation and Employment (MBIE) **Electricity statistics | Ministry of Business, Innovation & Employment (mbie.govt.nz)**.

Transpower determines system eligibility for the mitigation component using the added generation capacity methodology described in Methodological note 2 (3.5.2) of the Criteria.

2. The Adaptation and Resilience component

> Has the issuer fulfilled the requirements of the Adaptation and Resilience checklist?

Compliance with the Adaptation and Resilience component is similarly reviewed at least annually. Transpower assesses the organisation's assets, projects, operations and management processes against the requirements of the Adaptation and Resilience checklist listed in Appendix 3 of the Criteria. Compliance is reported as part of this Green Bond Report.

As part of the Green Financing Framework, Transpower operates a Green Financing Committee which meets at least annually.

The Committee's primary objectives are to:

I. Carry out the process of selection of assets and/or projects that meet the eligibility criteria set out in this Framework

II. Confirm that the asset and/or project does not fall within the Excluded Categories set out in this Framework

III. Monitor and approve the Annual Green Financing reporting, processes and publication

IV. Review and recommend any proposed changes to the Green Financing Framework

Assets and projects are considered and assessed based on their environmental impact, their compliance with the eligibility criteria, contribution to Transpower's Sustainability Strategy, and are expected to adhere to Transpower's policies and standards.

Confirmation Eligible Green Assets continue to meet the relevant Climate Bond Initiative criteria

Eligible Green Assets include High Voltage Alternating Current (HVAC) and High Voltage Direct Current (HVDC) Transmission Lines and Substations.

Transpower measures the eligibility threshold at least annually using both external New Zealand government published statistics and internal data held by Transpower. To remain eligible, more than 67% of newly connected generation capacity in the system in which the infrastructure is located is below the generation threshold value of 100g CO_2e/kWh, measured on a PCF basis, over a rolling five-year period.

Using the most recent available data, for the five-year period up to the calendar year ended December 2025, the current percentage is 99.3% as follows:



Period	< 100g CO2e/kWh	> 100g CO2e/kWh	Total	Percentage
2025 - Rolling five-year new capacity (MW)	1,330.5	9.7	1,340.2	99.3%

Source: **Electricity statistics | Ministry of Business, Innovation & Employment (mbie.govt.nz)**

Methodology

The new generation capacity added data is measured over the five-year period to December 2025. Transpower uses the most recent data produced by the **Ministry of Business Innovation and Employment (MBIE)** at the time of compiling this report (September 2026). MBIE gathers and publishes new generation capacity data.

In determining the proportion of new generation capacity that is below 100g CO_2e/kWh, Transpower follows the guidance of the Intergovernmental Panel on Climate Change (IPCC). According to the IPCC[1], certain energy generation technologies generally fall below the threshold of 100g CO_2e/kWh:

- Solar
- Wind
- Geothermal
- Hydropower

Transpower determines the proportion of new generation capacity that is above 100g CO_2e/kWh from all other generation capacity. Included in the above 100g CO_2e/kWh generation capacity is:

- Biogas
- Diesel
- Coal/Gas
- Other Thermal

In accordance with the methodology, capacity additions are calculated as the net change in installed capacity over the applicable five-year assessment period, and generation technologies exhibiting a net decrease in installed capacity are excluded from the calculation of total added capacity.

[1] IPCC Working Group III – Mitigation of Climate Change, Annex II Metrics and Methodology - A.II.9.3 (Lifecycle greenhouse gas emissions)" (PDF). pp. 1306–1308

Allocation reporting

Use of Proceeds Allocation Report as at 30 June 2026

Eligible Green Assets Portfolio	Eligible Green Assets (NZ$m)	Green Financing Instruments	Amount of Green Financing (NZ$m)
Energy Transmission & Distribution Assets	5,195	Green Financing Instruments applied to the Eligible Green Asset Pool	3,615
		Green Financing Instruments not yet applied to the Eligible Green Asset Pool	0
Total Eligible Green Assets	**5,195**	**Total Green Financing**	**3,615**
Excess Eligible Green Assets			1,581
Percentage of Eligible Green Asset Portfolio Allocated to Green Financing Instruments			69.6%
Percentage of Net Proceeds of Green Financing Instruments Allocated to the Eligible Green Assets Portfolio			100.0%
Percentage of Eligible Green Asset Portfolio Unallocated			30.4%

No Eligible Green Assets are allocated to any other certified bonds, such as Social Bonds or other Sustainable Development Goal (SDG) Bonds.

Transpower maintains registers of Eligible Green Assets and Green Financing Instruments within core financial systems. Eligible Green Assets are identified by Asset Classifications (HVDC and HVAC Substations and Transmission lines – excluding direct connection assets to non-renewable generation (approximately $3 million of switchgear)). All certified Green Financing Instruments are included within the Green Financial Instrument portfolio and allocated against Eligible Green Assets.

Eligible Green Asset portfolio

CBI Taxonomy Green Category Assets and Eligibility Criteria/ Location	Asset Specifics	Alignment with UN Sustainable Development Goals		Transpower's Eligible Green Assets		Asset Book Value (NZ$m) 30 June 2026
Energy - Transmission and Distribution Infrastructure All Eligible Green Assets are located in New Zealand	Transmission lines, substations and related grid equipment that support a safe, reliable and resilient national grid, and help connect renewable generation to meet growing electricity demand. • Overhead lines (conductors and insulators) and pylons • Transformers, reactors and substations • Underground cables • Circuit breakers and switchgear • Sub-stations, buildings, fences and busbars • Fuses, circuit breakers, disconnectors, reactors, capacitors, transformers, voltage regulators and switchgear • Interconnectors between transmission systems • Installation of transmission and distribution transformers • Equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation • Equipment to increase the controllability and observability of the electricity system and enable the development and integration of renewable energy • Sensors and measurement tools • Communication and control • Equipment to allow for exchange of renewable electricity between users	7 AFFORDABLE AND CLEAN ENERGY	Enable access to reliable, secure and increasingly renewable electricity by moving electricity from generation sources through the national grid to large users and local networks.	Transmission and distribution infrastructure or equipment or projects that comply with the following electrical grid criterion: More than 67% of newly connected generation capacity in the system in which the infrastructure is located is below the generation threshold value of 100g CO2e/kWh measured on a PCF basis over a rolling five-year period	HVAC Transmission Lines	2,310
		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Support resilient, future-ready infrastructure through investment in transmission lines, substations, HVDC assets, digital substations, system monitoring, communications and control systems that help meet growing electrification demand.		HVAC Substations	2,384
		13 CLIMATE ACTION	Enable climate action by connecting new renewable generation, supporting electrification of industry and transport and strengthening the grid so New Zealand can progress toward a low-carbon electricity system.		HVDC Transmission Lines	97
		15 LIFE ON LAND	Manage environmental effects from transmission corridors, substations, construction, maintenance and vegetation management, including biodiversity, land-use and community interactions associated with national grid assets.		HVDC - Substations	407
Less direct connection assets to high emissions generation						(3)
Total Green Financing Instruments						5,195

Excluded assets: Any electrical grid infrastructure dedicated to a connection, or creating a connection, or expanding an existing direct connection to generation plant with emissions of more than 100g CO_2e/kWh.

Green Financing Instruments portfolio

Transpower's Green Financing Instruments are issued under Transpower's Green Financing Framework, aligned with the Climate Bond Standard and have been certified under the Criteria.

The proceeds of Transpower's Green Financing Instruments are applied to funding Eligible Green Assets which have an impact on reducing system generation emissions and enabling electrification and new renewable generation. Transpower's transmission assets enable New Zealand's existing highly renewable electrical generation system and new renewable generation connections, address climate resilience in the face of climate change risks and do not compromise the climate resilience of the surrounding system.

Transpower published its Green Financing Framework in June 2022 following programmatic certification from the Climate Bond Initiative. All existing financial instruments (bonds and notes) were certified as Green Bonds used to finance or refinance Eligible Green Assets by the Climate Bond initiatives. Subsequently Transpower issued further notes and bonds used to refinance Eligible Green Assets in the Eligible Green Asset Portfolio. To date new issuances have not been classified as New Financing and are allocated as Refinancing existing Eligible Green Assets.

	NZX Code/ CUSIP/ISIN	Maturity Date	Currency	Amount in issue currency (m)	NZD Amount ($m)	Existing Bond Certified at inception of Green Financing Framework	Refinancing	Total Allocated Green Financing Instruments (NZ$m)
Domestic Bond	NZTRPD0090L7	8-Sept-26	NZD	200.0	200.0	200.0		200.0
Domestic Bond	NZTRPD0926L2	14-Sept-26	NZD	200.0	200.0		200.0	200.0
United States Private Placement Note	AZ4207686	13-Oct-26	USD	70.0	85.8	85.8		85.8
Bank Term Debt		6-Apr-27	NZD	100.0	100.0		100.0	100.0
Bank Term Debt		28-Jun-27	NZD	225.0	225.0		225.0	225.0
Domestic Bond	NZTRPD0100L4	16-Sept-27	NZD	200.0	200.0		200.0	200.0
Swiss Bond	CH0461238997	16-Dec-27	CHF	125.0	196.8	196.8		196.8
Domestic Bond	NZTRPD0328L1	15-Mar-28	NZD	100.0	100.0	100.0		100.0
United States Private Placement Note	AZ4207728	28-Jun-28	USD	75.0	110.3	110.3		110.3
Domestic Bond	NZTRPD0728L2	31-Jul-28	NZD	125.0	125.0		125.0	125.0
Australian Medium-Term Note	AU3CB0294528	29-Nov-28	AUD	200.0	216.2		216.2	216.2
Domestic Bond	NZTRPD0329L9	9-Mar-29	NZD	57.0	57.0		57.0	57.0
Swiss Bond	CH0522158838	16-Mar-29	CHF	160.0	241.4	241.4		241.4
Domestic Bond	NZTRPD0629L2	18-Jun-29	NZD	70.0	70.0		70.0	70.0
Swiss Bond	CH1376931601	4-Feb-30	CHF	120.0	233.4		233.4	233.4
Australian Medium-Term Note	AU3CB0300655	30-Jun-30	AUD	300.0	325.5		325.5	325.5
Domestic Bond	NZTRPD0110L3	31-Jul-30	NZD	100.0	100.0		100.0	100.0
Swiss Bond	CH1290871032	21-Mar-31	CHF	150.0	276.7		276.7	276.7
Australian Medium-Term Note	AU3CB0319432	12-Mar-32	AUD	270.0	298.7		298.7	298.7
Swiss Bond	CH1376931619	4-Feb-33	CHF	130.0	252.9		252.9	252.9
Total Green Financing Instruments								**3,615**

Impact reporting

Aotearoa New Zealand has a target of net-zero emissions by 2050, which is driving the increasing electrification of its economy and communities. Transpower has a significant role to play in enabling the transition from a predominantly fossil-fuel based energy sector, to one that is based on renewable resources.

Transpower is a climate reporting entity and reports its greenhouse gas emissions, emissions targets and related climate disclosures in its annual **Climate Statement** and supporting **GHG emissions inventory report**. This Green Bond Report should be read alongside those disclosures and focuses on the allocation, eligibility and impact reporting requirements under Transpower's Green Financing Framework.

In August 2026, Transpower published its third disclosure of climate-related risks and opportunities in its annual **Climate Statement**, prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3). As a climate reporting entity, it is mandatory for Transpower to report on its greenhouse gas emissions and associated targets.

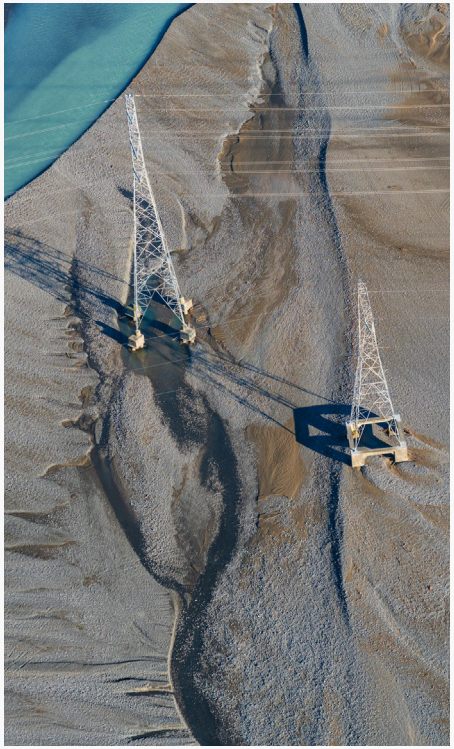
Transpower is a signatory to the New Zealand Climate Leaders Coalition and has been publicly reporting greenhouse gas emissions since 2005, setting public emissions reduction targets and working with our suppliers to reduce their greenhouse gas emissions.

Transpower plays an enabling role in New Zealand's transition to a lower-emissions energy system by connecting renewable generation, supporting electrification and maintaining a reliable national grid. This system-level contribution is distinct from Transpower's own operational greenhouse gas emissions (which are reported separately in its Climate Statement and GHG emissions inventory report) and some operational activities (arising in the build, maintenance and/or operation of its infrastructure) that may result in a negative impact on the environment. These include waste generation, impacts associated with construction, maintenance and vegetation management, biodiversity and land-use effects, and operational greenhouse gas emissions arising from activities and sources described in Transpower's GHG emissions inventory report. These activities and sources include transmission losses, electricity use, fuel use and leakage of SF_6 and other fugitive gases from high-voltage equipment. Transpower works to manage and reduce these impacts through its asset management, environmental management, sustainability and emissions reduction programmes.

Transpower strives to enable positive environmental impacts through its activities in operating and maintaining New Zealand's national electricity transmission network where possible, for example by including measures that improve biodiversity in the design and operation of assets.

Transpower's most material positive environmental impact is through its role in enabling the connection and supply of more renewable energy sources to the grid. This supports electrification of industry and transport and enables Transpower to contribute to New Zealand's transition to a lower-emissions energy system.

Transpower conducts a variety of work programmes to better monitor, report and reduce negative impacts and to provide positive environmental impacts where possible. These are outlined in the **Sustainability Strategy**.



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Impact - selected metrics

The following selected metrics are calculated to measure the environmental benefits related to Eligible Green Assets. The reporting period includes the most up to date information published at the date of the report.

CBI Eligibility Criteria and Eligible Green Assets	Eligible Green Assets (NZ$m)[2]	Share of Total portfolio Financing	Eligibility for Green Financing Instruments	Total Renewable energy operational Capacity (MW)[3]	Newly commissioned Renewable Energy Capacity over past 5-years (MW)[3]	Net Renewable Energy Production (per anum)[3]	Change in Transpower's GHG emissions (year to June 2026) (t CO_2e)[4]	Change in Emissions to Air (t CO_2e) (SF_6 and other fugitive gases)[5]	Contribution to Specific UN Sustainable Development Goals
Transmission and distribution infrastructure or projects	5,195	100%	100%	9,106	1,330	38,474	-76,453	337	Affordable and Clean Energy Industry Innovation and Infrastructure Climate Action Life on Land

Refer to footnotes for sources

Methodology for determining renewable generation capacity

Renewable Energy – Installed capacity / Newly installed generation capacity / Net Renewable Energy Production figures are determined using energy statistics published quarterly from MBIE. The most recent reporting incorporates data collected and reported to December 2025. Renewable energy is defined as Hydro, Geothermal, Wind and Solar as per the **Climate Bond Initiative Electrical Grids and Storage Criteria**.

Transpower's scope 1, 2 and 3 greenhouse gas emissions are described and disclosed to the public and investors in Transpower's annual **Integrated Report**, **Climate Statement** and **GHG emissions inventory report**.

During the 2021-2025 period there was 8,050 GWh of electricity generation from newly installed eligible renewable generation assets (defined as those with lifecycle emissions below the 100g CO_2e/kWh). This includes an estimate of newly installed rooftop solar generation that is derived from MBIE Electricity Statistics. If thermal generation was installed in place of these renewable assets, then Transpower estimates that emissions would have been 4,254 – 7,974 kt CO_2e higher. This is estimated by comparing the emission factors of the new renewable generation source and thermal generation using a range comprising gas at an emissions factor of 0.548 tCO_2e/MWh (gas plant emissions factor for Junction Road generation) and coal at an emissions factor of 1.01 tCO_2e/MWh (coal plant emissions factor for Huntly generation).

[2] Source: Transpower

[3] Source: MBIE Electricity Statistics (June 2026)

[4] Source: Transpower's GHG Inventory Report

[5] Em6: Carbon Methodology (Nov 2025)

Transpower's direct impact reporting alignment with the Sustainable Development Goals

Alignment with UN Sustainable Development Goals		Material Impacts		Relevant section of FY26 Integrated Report
	Ensure access to affordable, reliable, sustainable modern energy for all	Impact to consumers due to disrupted electricity supply	Supporting security of supply through real-time system operation, industry coordination and planning for sufficient electricity generation and transmission capacity.	**Enabling Delivery at pace**
		Increasing the electricity supply by connecting a growing number of new renewable generation customers	Increasing available low-emissions electricity supply by enabling renewable generation, battery and capacity upgrade projects to connect and/or commission.	**A record year for connecting customers and generation**
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Support the transition to a low carbon economy	Reinvesting in grid capability, asset renewal and resilience to support electrification growth and a reliable low-carbon electricity system.	**Strengthening our grid for growth**
		Long-term planning and integrated thinking	Using long-term grid planning, Te Kanapu and industry engagement to ensure network investment keeps pace with future electrification and generation connection needs.	**Te Kanapu – our Future Grid Blueprint**
		Increased adoption of new technologies in the electricity market	Adopting new grid technologies, including digital substation capability, monitoring, communications and control systems, to improve delivery, efficiency and operational performance.	**One giant leap for electrification** **Going digital, delivering faster**
		Regulatory changes to achieve a more efficient and effective electricity system	Proactive engagement and advocacy to ensure the ongoing development and maintenance of the national grid infrastructure.	**Strengthening our grid for growth**
	Take urgent action to combat climate change and its impacts	Responsibility for greenhouse gas emissions	GHG emissions from operating and building our assets, focusing on minimising transmission losses and SF6 gas use across the national grid and influencing our supply chain emissions.	**Our carbon footprint**
		Promoting renewable energy generation and carbon reduction initiatives	Reducing electricity system emissions by enabling more renewable generation and storage connections, supporting industrial electrification and strengthening transmission capacity for a low-carbon grid.	**A record year for connecting customers and generation**
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat deforestation, and halt and reverse land degradation and halt biodiversity loss	Visual impact of our towers and transmission lines	Communities are affected by the physical presence of transmission lines and associated structures	**Material issues index**
		Harm to the natural and physical environment	Managing land, biodiversity, vegetation, community and environmental effects associated with transmission corridors, substations, construction, maintenance and renewal works.	**Sustainability Strategy**

Adaptation & Resilience

1. Transpower's infrastructure and critical interdependencies

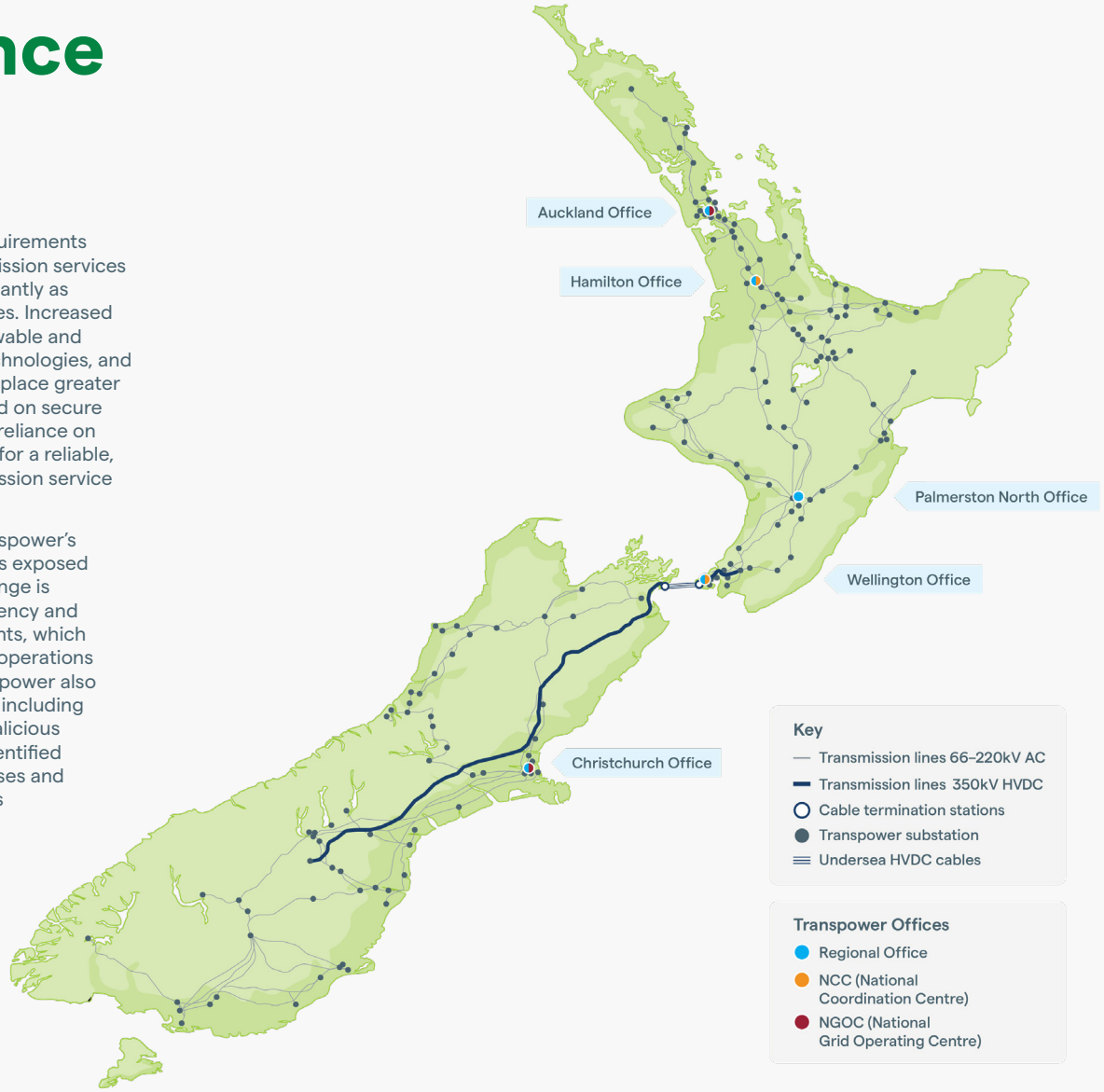
Transpower's transmission network extends across both the North and South Islands of New Zealand. Transpower's transmission assets are predominantly interconnection assets and support the transmission of electricity from generators to electricity distribution networks and large direct connect customers. Transpower does not generate electricity or operate lower voltage distribution networks. Substations and protection equipment separate Transpower's assets and connected third parties.

The estimated weighted average of useful lives by Transpower's asset category is as follows:

Eligible Green Assets	Years
HVAC transmission lines	58
HVAC transmission high voltage cables	45
HVAC transmission lines (tower painting)	15
HVAC substations	43
HVDC substations (including submarine cables)	28
HVDC transmission lines	55

Over the next 30 years, the requirements placed on Transpower's transmission services are expected to change significantly as Aotearoa New Zealand electrifies. Increased electricity demand, more renewable and distributed generation, new technologies, and changing weather patterns will place greater reliance on the national grid and on secure real-time system operation. As reliance on electricity grows, expectations for a reliable, resilient and affordable transmission service are also increasing.

A significant proportion of Transpower's infrastructure is located in areas exposed to natural hazards. Climate change is expected to increase the frequency and severity of severe weather events, which may affect grid assets, access, operations and restoration activities. Transpower also considers other major hazards, including fire, third-party damage and malicious interference. These risks are identified through site-risk review processes and managed through Transpower's broader risk management and climate adaptation planning frameworks.



2. Transpower's infrastructure and risk management framework

Managing risk is an integral element of asset management and supports the delivery of Transpower's strategic objectives. Risk management is embedded throughout planning, investment, operational and asset management activities, and is supported by Transpower's Risk Management Policy and associated frameworks and guidelines.

Transpower identifies and monitors risks through regular risk management processes. Risks are managed through a combination of mitigation actions, controls and assurance activities designed to maintain exposures within the limits set by Transpower's Risk Appetite Statement and tolerances.

Critical risks related to transmission infrastructure are identified in Transpower's annual Asset Management Planning Report (**2026 Asset Management Plan**). This applies a criticality framework to systematically consider consequences of these risks including service performance, public and worker safety, environmental and direct cost impacts.

Risks to transmission assets are managed through a combination of asset lifecycle planning, technical standards, design requirements, monitoring programmes, condition assessments and operational controls. These processes support the safe, reliable and resilient operation of the national grid.

Transpower operates the transmission network to a high level of reliability, availability and security. Performance is measured against a range of service measures, including network availability and unplanned interruptions. Network performance and targets are summarised and disclosed annually in the **Integrated Report**.

To support a more resilient electricity system, Transpower continues to invest in asset and resilience strategies to meet changing climate, electrification demand and shifting generation mix trends. The Commerce Commission has allowed expenditure for a proactive resilience programme for 2025-2030. The expenditure covers investments in risk reduction and readiness.

Three climate scenarios have been developed to help identify Transpower's climate-related risks and opportunities, and to better plan for the resilience of its assets to climate change.

Transpower's climate change scenarios are based on degrees of temperature rise due to global warming out to 2100 and consider a wide range of information to represent possible global, national, and industry-specific developments. They are split into three-time horizons:

- Short term (2025 - 2040)
- Medium term (2041 - 2060)
- Long term (2081 - 2100)

Transpower has adopted three climate scenarios:

- **1.5°C scenario** - A narrow path towards sustainability. This scenario describes a highly electrified economy, while recognising the need for industry to adapt to the effects of climate change.
- **2.5˚C scenario** - A continuation of historical socio-economic trends, leads to increasing inequality. A lack of industry coordination exacerbates inequality and slows investments required for Aotearoa New Zealand to meet its climate ambitions.
- **3.5˚C scenario** - Increasing competition and regional conflicts, resulting in national and regional security issues. This scenario describes a world that is unable to decarbonise fast enough, and where most resources need to be directed towards climate change adaptation.

The **Climate Statement** provides further information about how Transpower applies these climate scenarios. These scenarios are also used in our **Climate Adaptation Plan** which sets out possible climate impacts and adaptation responses for the national grid, together with an action plan for the next five years. Transpower continues to further mature its approach and integrate climate change within existing asset and risk management approaches.



3. Transpower's climate related critical interdependencies

Critical interdependencies between the transmission infrastructure, the system it operates in and climate resilience benefits of the system include, but are not limited to:

Critical Interdependencies	Potential Impacts from Transpower's Infrastructure	Enhancements and Benefits of Transmission Infrastructure	Management Description
The effects of supply disruption or interruption on dependent electricity users or populations	• Constraints on new renewable generation and electrification • Insufficient connections of renewable generation or to new/increasing consumption • Transmission asset outages	• Transpower plays an active role in enabling new connections to the electrical system including new renewable generation and changing customer demand needs • System security and redundancy are actively managed to high service levels supporting asset resilience and service quality • Service performance is measured and monitored including grid interruptions and grid availability and published annually	• Transmission and electricity supply outages have been trending downwards over the past ten years • Transpower manages assets and operations to technical standards for design, operation and service • Minimum service standards are agreed with regulators, monitored and reported • Transpower maintains a procurement policy and asset fleet strategies and management plans to mitigate against the potential for supply disruption
Exacerbation of wildfires	• Transpower's assets can cause and are exposed to wildfire/bushfire risk with the risk to assets and transmission disruption • Reliability of supply will impact electrification	• Transpower's transmission lines are protected by transmission corridors with minimum lines clearance requirements. These are regularly monitored and maintained reducing the risk of wildfires from Transpower's activities and risks to Transpower's assets and security of electricity supply • Transpower's substation assets are designed and maintained with a focus on fire risk mitigation and reduction • Enabling renewable generation, displacing thermal generation reduces GHG emissions	• Transpower maintains transmission lines specifications and standards for clearances and vegetation management. In addition, minimum operating and protection specifications and standards are used to reduce fire risks • Transpower's substation assets are designed with fire risk design specifications, fire mitigation controls and low combustible materials • Transpower monitors system threats and conditions in real-time with active management of lines under threat of wildfire, such as deenergising lines at risk
Reduction in pollinating insects, birds and in biodiversity or High Conservation Value habitat	• Transpower's assets have an impact on pollinating insects and birds through substation sites and transmission lines • Transpower's assets are adjacent to and run across conservation habitats	• Transpower has environmental policies and service specifications which specify the requirements for managing effects on the environment and environmental compliance relating to the construction, maintenance and upgrade of Transpower's assets • Transpower's Environmental Policy and Planning Group manage environmental functions including: o developing and managing Transpower's environmental management system o developing best practice approaches in environmental processes o facilitating compliance with environmental legislation o building effective relationships with external stakeholders (such as councils, central government) • Transpower undertakes environmental impact assessments and seeks to minimise its impact on the environment • Our approach to biodiversity protects and nurtures the ecosystems and species we come into contact with	• Transpower's Biodiversity Strategy outlines its aspiration of: o Avoiding further decline in biodiversity by taking steps to maintain biodiversity o Create a net biodiversity gain for projects o Leave the environment in a better state, by taking a Kaitiakitanga[7] approach and working collectively with iwi[8], hapū[9] and other parties to nurture and protect biodiversity

[7] Kaitiakitanga - guardianship and protection. It is a way of managing the environment, based on the Māori world view.
[8] Iwi - Extended kinship group in Māori society, larger than hapū but still descended from a common ancestor.
[9] Hapū - The primary political and social unit in traditional Māori society, consisting of a number of families (whānau) sharing descent from a common ancestor.

Critical Interdependencies	Potential Impacts from Transpower's Infrastructure	Enhancements and Benefits of Transmission Infrastructure	Management Description
Relationships of the asset/project to nearby flood zones	• Transpower's substation and transmission line assets are exposed to risks from river (fluvial), rain (pluvial), and coastal flooding risking transmission disruption and supply issues	• Transpower has identified substation sites and transmission towers and infrastructure prone to flood risk • System redundancy is built into the transmission network to reduce risk of supply disruption from weather and flooding • Transpower is active in managing adaptation and resilience responses to local hazards, including flood risks	• Substation locations are assessed for flood risk • Transpower has identified sites at risk of fluvial, pluvial, and coastal flooding • Flood risk mitigation works is undertaken on a prioritised basis, and Transpower has processes for ongoing assessment and monitoring of risks
Fire and other practices that affect air quality	• Transpower's operations do not involve combustion, fire or thermal generation • Transpower operates with a small volume of GHG's such as SF_6 • Transpower's operations and transmission enable New Zealand's high renewable generation and reduce dependence on thermal generation	• Transpower actively manages the fire risk from our assets through segregation, transmission line corridors, minimum clearance, active and passive fire monitoring and suppression systems • Transpower actively manages and monitors its use of SF_6 and GHG emissions arising out of its operations and transmission losses • Transpower's HVDC transmission lines shift renewable hydro generation from the lower South Island to North Island with reduced transmission losses, reducing system requirements for thermal generation	• Transpower's sustainability strategy and performance targets include GHG emissions reduction targets • Transpower's SF_6 strategy aligns with Transpower's 2030 emission reduction target and aspiration to achieve net zero by 2050. The SF_6 strategy prioritises proactive leak detection and maintenance for existing assets, replacement of low-voltage switchgear with SF_6-free alternatives at end of life where suitable, and continued monitoring of international best practice for SF_6-free switchgear in high voltage systems.
Damage or reduction in value of neighbouring property due to boundary structures at risk of falling during storm events	• Transpower's transmission lines neighbour and cross third-party landowner properties	• Transpower recognises the potential impact our work can have for landowners. We work extensively with landowners and communities to build and maintain positive relationships that benefit all parties and ensure we can collectively carry on with our activities	• Transpower actively works to minimise impact of assets and operations on neighbouring property and landowners • Maintains asset and risk management practices to reduce risk of asset failures during storm events • Maintains service specifications for environment and landowner management • Risk-based asset management practices to reduce the risk of asset failures during storm events • Whilst Transpower can acquire land through a compulsory acquisition process set out in the Public Works Act, Transpower prefers not to appropriate, or acquire land via compulsion • Where required Transpower acquires access rights via easement agreements for lines assets or freehold rights for substation assets. Obligations and compensation are determined via a negotiated process
Appropriation of land or economic assets from nearby vulnerable groups			

4. Transpower's key physical climate hazards, vulnerabilities and mitigations

Transpower's major climate related threats and mitigations are described below:

Acute Hazards		Potential Impacts from Transpower's Infrastructure	Transpower's Risk Management	Management Actions
	Land instability	• Towers, poles, access ways and communication cables • Landslides damaging buildings and structures	• Board governance oversight of critical risks and mitigations including an Audit and Risk Board Committee which meets quarterly and reviews critical risks • Transpower has a Risk Management Policy and risks are actively managed in operations • Asset management planning has a risk based, approach, included within asset class strategies and portfolio management plans • Implementation of a Grid Resilience Strategy • Transpower invests in risk reduction and readiness in accordance with a Resilience Portfolio Management Plan • Maintains technical standards for transmission lines and substations including design and operating specifications • Transpower published a **Climate Adaptation Plan** in September 2024 and implementation is underway • Design and operation management is informed by site risk and hazard assessments • Regular monitoring and maintenance programmes are linked to asset health and asset criticality framework and monitoring	• Slope instability mitigation works. • Monitor and maintain a national register of land stability issues. • Research and probabilistic modelling to improve understanding of impacts.
	Flooding	• Towers, poles, access ways and communication cables • Towers and poles in braided rivers • Substations, control equipment and cables		• Targeted flood resilience works where a credible flood risk is identified. • Work programme to strengthen substation resilience to flooding risks and mitigate risks for towers near braided rivers. • Detailed flood analysis and climate impact assessments. • Improved understanding of vulnerability of structures, accessways, bridges and culverts.
	Extreme Winds	• Substations and Transmission lines		• Undertaking targeted tower and foundation strengthening works on existing assets. Maintain emergency response structures and readiness exercises. • Develop transmission line modelling as climate projections improve.
	Sea level rise	• Low-lying transmission line structures, underground cables, and substations.		• Improve understanding of coastal hazards and asset vulnerabilities. • Develop mitigation options for impacted assets. • Align adaptation actions with replacement, refurbishment and enhancement programmes.

Critical Interdependencies		Potential Impacts from Transpower's Infrastructure	Enhancements and Benefits of Transmission Infrastructure	Management Description
	Increasing ambient air temperatures	• Derating of all current carrying assets and a shift to a summer peak • Insufficient cooling of control equipment particularly at stations	• Continuous monitoring and management of system risks and threats is undertaken across the network • Geospatial modelling and analysis of assets versus risks is adopted • System redundancy, critical spares and readiness plans maintained and practiced with power industry and maintenance crews	• Monitor performance of stations and HVDC equipment during extreme temperature events. • Review impacts on overhead transmission line ratings. • Consider operational and asset upgrade options where required.
	Wildfire	• Wildfire encroaching assets • Transpower starting wildfire		• Vegetation management undertaken on regular cycles, incorporating LIDAR surveys to identify, prioritise and manage vegetation encroachment on transmission corridors and reduce risks • Ongoing conductor inspection and joint testing. • Rollout of improved protection equipment to identify faults and defects.
	Supply chain disruption	• Disruption of production at factories and transportation networks • Damage to supply chain infrastructure • Alteration of global trade routes		• Assess supply markets and maintain supplier relationships. • Diversify suppliers and manufacturing locations where practicable. • Increase stock holdings and advance procurement of critical equipment.

In measuring the effectiveness of Transpower's operations and risk management, Transpower assesses performance against key service standards as well as asset health and other measures identified by Transpower in its annual Statement of Corporate Intent (**SCI**). Performance is disclosed annually in the Our Targets and Performance disclosure in the **Integrated Report**. Transpower has also commenced regular reporting on material climate-related risks in its annual **Climate Statement**.

Glossary

GW/GWh	Gigawatt / Gigawatt Hours
HVAC	High Voltage Alternating Current
HVDC	High Voltage Direct Current
MBIE	Ministry of Business, Innovation and Employment - is the public service department of New Zealand charged with "delivering policy, services, advice and regulation"
MW/MWh	Megawatt / Megawatt Hours
SF_6	Sulphur Hexafluoride - gas used as insulation in some of Transpower's electrical switchgear



Transpower New Zealand Limited

TRANSPOWER NEW ZEALAND LIMITED - CBS VERIFICATION OPINION

Document Title: Transpower New Zealand Limited Programmatic Verification Opinion

Prepared By: DNV Australia Pty Ltd

Location: Sydney, Australia

Date: 25 November 2026

DNV Reference: DNV-2026-ASR-00487675

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DNV VERIFICATION OPINION

Scope and Objectives

Transpower New Zealand Limited ("Transpower" or "Issuer") has issued Green Financing Instruments against its pool of eligible projects and assets. From 2022, Transpower has elected to conduct its Certified Green Bond Issuance in a Programmatic format as facilitated by the Climate Bonds Standard v4.1 ("CBS"), which is consistent with the Climate Bonds Standard v3.0.

Transpower Green Financing Instruments that have been issued and are outstanding as at 30 June 2026 for verification include:

	NZX Code/CUSIP/ISIN	Maturity Date	Total Allocated Green Financing Instrument (NZDm) as of 30 June 2026
Domestic Bond	NZTRPD0090L7	8-Sept-26	200.0
Domestic Bond	NZTRPD0926L2	14-Sept-26	200.0
United States Private Placement Note	AZ4207686	13-Oct-26	85.8
Bank Term Debt		6-Apr-27	100.0
Bank Term Debt		28-Jun-27	225.0
Domestic Bond	NZTRPD0100L4	16-Sept-27	200.0
Swiss Bond	CH0461238997	16-Dec-27	196.8
Domestic Bond	NZTRPD0328L1	15-Mar-28	100.0
United States Private Placement Note	AZ4207728	28-Jun-28	110.3
Domestic Bond	NZTRPD0728L2	31-Jul-28	125.0
Australian Medium-Term Note	AU3CB0294528	29-Nov-28	216.2
Domestic Bond	NZTRPD0329L9	9-Mar-29	57.0
Swiss Bond	CH0522158838	16-Mar-29	241.4
Domestic Bond	NZTRPD0629L2	18-Jun-29	70.0
Swiss Bond	CH1376931601	4-Feb-30	233.4
Australian Medium-Term Note	AU3CB0300655	30-Jun-30	325.5
Domestic Bond	NZTRPD0110L3	31-Jul-30	100.0
Swiss Bond	CH1290871032	21-Mar-31	276.7

Australian Medium-Term Note	AU3CB0319432	12-Mar-32	298.7
Swiss Bond	CH1376931619	4-Feb-33	252.9
Total Green Financing Instruments			**3,615**

Transpower has used the proceeds of the Instruments to finance the nominated projects and assets falling under the following categories:

- Electrical Grids and Storage

DNV Australia Pty Ltd (henceforth referred to as "DNV") has been commissioned by Transpower to provide the Annual Programmatic Verification of the Bonds as an independent and approved verifier under the Climate Bonds Standard. Our criteria and information covered to achieve this is described under 'Work Undertaken' below.

No assurance is provided regarding the financial performance of the Bonds, the value of any investments in the Bonds, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Bonds have met the criteria of the Climate Bonds Standard Version 4.1 ("CBS") and the associated Technical Criteria on the basis set out below.

The scope of this DNV opinion is limited to the Climate Bonds Standard Version 4.1 and the following associated Sector Technical Criteria:

- Electrical Grids and Storage (v1)

The nominated projects and assets which fall under the Electrical Grids and Storage category have been certified in the Pre-Issuance verification under the Electrical Grids and Storage Criteria v1. As confirmed through discussion with CBI, these assets were certified, have been earmarked, and continue to be recognised as eligible by CBI. Any new assets introduced into the pool will have to align with the criteria applicable at the time of being admitted.

Responsibilities of the Management of Transpower and DNV

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

Basis of DNV's Opinion

DNV has conducted the verification against the CBS V4.1, associated Sector Criteria through the creation and execution of a verification protocol addressing each requirement of the CBS V4.1 and the relevant Sector Criteria. The detail of areas covered in the DNV verification is summarised in Schedule 2 below.

DNV has conducted the verification against CBS V4.1 and the Electrical Grids and Storage Criteria v1.

Work Undertaken

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

- Creation and execution of a Climate Bond Standard Protocol, adapted to include the relevant Sector Technical Criteria for the Bonds nominated projects and assets, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by Transpower on the Bonds and supplemented by high-level desktop research, onsite visit for documentation review and interviews with key personnel from the issuer Transpower. These checks refer to current assessment best practices and standards methodology;
- Review and testing of impact reporting data where possible;
- Discussions with Transpower management, and review of relevant documentation;
- Documentation of findings against each element of the criteria.

Findings and DNV's Opinion

DNV has performed the Pre and Post Issuance Verification of the Climate Bonds. It is DNV's responsibility to provide an independent verification statement on the compliance of the Bonds with the **Climate Bonds Standard V4.1**.

DNV conducted the verification in accordance with the Principles & Standards and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Principles & Standards were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV's verification approach draws on an understanding of the risks associated with conforming with the Standards and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the Framework, and other associated documentation, meet the requirements of the Standards.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Climate Bonds are not, in all material respects, in accordance with the Pre and Post Issuance requirements of the CBS and Electrical Grids & Storage Sector Criteria.

For DNV Australia Pty. Ltd.

Sydney, Australia, 25 November 2026

Thomas Leonard
Quality Reviewer

Deepthi K Sugumar
Lead Verifier

Parina Parikh
Verifier

About DNV

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

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS

CBI Sector Criteria	CBI Subcategory	Eligible Assets	Location	Asset Category	Asset Book Value (NZDm) as of 30 June 2025	Total Allocated Green Financing Instruments (NZDm) as of 30 June 2026
Electrical Grids & Storage	Energy - Transmission and Distribution Infrastructure	Transmission and distribution infrastructure or equipment or projects that complies with the following electrical grid criterion: More than 67% of newly connected generation capacity in the system in which the infrastructure is located is below the generation threshold value of 100g CO_2e/kWh measured on a PCF basis over a rolling five-year period	New Zealand	HVAC – Transmission Lines	2,310	3,615
				HVAC - Substations	2,384	
				HVDC – Transmission Lines	97	
				HVDC - Substations	407	

Transpower New Zealand Limited

SCHEDULE 2: CLIMATE BONDS STANDARD VERIFICATION CRITERIA

Summary criteria for assertions of compliance with the Climate Bonds Standard V4.1

A full verification is provided in the associated Verification protocol.
The criteria against which Transpower and its nominated projects & assets have been reviewed prior to inclusion in the Climate Bonds are grouped under the requirements as detailed within the CBS including:

Part A: Pre-Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated projects & assets which are proposed to be associated with the Bonds and which have been assessed as eligible activities under the CBS related Sector Criteria
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer
Reporting Prior to Issuance	Issuer shall prepare a Green Financing Framework and make it available prior to Issuance or at the time of issuance to lenders
Reporting	Reporting on use of proceeds and nominated projects and assets

Part B: Post-Issuance Requirements

Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Bonds and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer
Reporting	Reporting on use of proceeds and nominated projects and assets

Part C: Eligible Projects and Physical Assets

Nominated projects and assets include financing or refinancing of or investments in equipment and systems which enable the mitigation of greenhouse gases, as detailed in Schedule 1.

Eligible Criteria	Eligible Criteria and Description
Electrical Grids & Storage	More than 67% of newly connected generation capacity in the system in which the infrastructure is located is below the generation threshold value of 100g CO_2e/kWh measured on a PCF basis over a five-year period.

Part D: Certification under the Climate Bonds Standard

Area	Requirement
Pre-Issuance Certification	The Issuer of a Climate Bonds Standard Certification must satisfy the Pre-Issuance Certification requirements including the completion of all forms, Pre-Issuance Verification by an approved verifier and provision of relevant information.
Post-Issuance Certification	The Issuer of a Climate Bonds Standard Certification must satisfy the Post-Issuance Certification requirements including the completion of all forms, Post-Issuance Verification by an approved verifier and provision of relevant information.
Maintaining Certification	The Issuer shall provide annual reporting to the CBI and comply with non-conformance correction as required.

SCHEDULE 3: ALIGNMENT WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Alignment of the Use of Proceeds against the United Nations Sustainable Development Goals (UN SDG).

In addition to the Programmatic verification, DNV has reviewed the Use of Proceeds and nominated assets associated with the Transpower Green Bonds for alignment with the UN SDGs in the following table.

Use of Proceeds	UN SDG	UN SDG Target		Assessment of Contribution to Achieving the SDG
Energy – Transmission and Distribution Infrastructure	7. Affordable and Clean Energy	7.1	By 2030, ensure universal access to affordable, reliable and modern energy services	Compliance with CBI Electrical Grids and Storage criteria. This includes a mitigation component to confirm any claims of GHG abatement or avoidance and an adaptation and resilience component that evaluates the planning, design, risks and impacts of the asset. It is noted that, energy transmission and distribution assets have become a piece of critical infrastructure in New Zealand due to an expected 80% increase in electricity demand by 2050. Compliance with the CBI Electrical Grids and Storage criteria demonstrates a contribution towards UN SDG 7, Target 7.1.
	9. Industry, Innovation and Infrastructure	9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries	Compliance with CBI Electrical Grids and Storage Criteria is consistent with the development of and investment in critical energy transmission and distribution infrastructure providing climate adaptation and resilience benefits. DNV confirms that this demonstrates a contribution towards UN SDG 9, Target 9.4.

			taking action in accordance with their respective capabilities	
	13. Climate Action	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Compliance with CBI Electrical Grids and Storage criteria. The energy transmission and distribution infrastructure assets are part of the Transpower strategic investment plans to support adaptation and resilience in New Zealand. Compliance with the CBI Electrical Grids and Storage criteria demonstrates a contribution towards UN SDG 13, Target 13.1.
	15. Life on Land	15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	Compliance with CBI Electrical Grids and Storage criteria. Transpower's Sustainability Strategy 2024/25 outlines ongoing environmental stewardship initiatives that support KPIs that aim to deliver a net biodiversity gain, and improve water quality and reduce contamination risks. Compliance with the CBI Electrical Grids and Storage criteria demonstrates a contribution towards UN SDG 15, Target 15.1.



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