



A certified pathway for 24/7 sustainable energy

SUSTAINABLE ENERGY COMMITMENT

CERTIFICATION TRADE MARK RULES

A certified pathway through which organisations make a commitment to plan, implement and verify their progress to becoming a 24/7 Sustainable Energy Prosumer and a sustainable asset on the energy network.

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1 Introduction to Sustainable Energy Commitment

Background

Global energy markets and in particular electricity grid emissions must decarbonise significantly by 2030.

A bold global effort is needed to accelerate the decarbonization of the world's electricity systems to mitigate climate change and ensure access to clean and affordable electricity for all in line with UN Sustainable Development Goal 7 (SDG7). Currently, governments and businesses are committing to 2040 and 2050 targets, yet the science clearly indicates that decarbonisation must occur far more rapidly, at scale and as a global collective during this critical decade.

In order to limit global warming to under 1.5°C, global greenhouse gas emissions must be reduced by 43% by 2030 compared to 2019 levels. The 1.5°C target set by the Paris Agreement is critical, however the current policies and measures set out by international agreements are insufficient to achieve this. Although still possible, this goal is increasingly becoming unachievable and the window of opportunity is closing. With more than 70% of all global carbon emissions coming from energy, decarbonisation of the world's energy is the catalyst towards a carbon-free economy, making the rest of the green transition easier. Since energy decarbonisation is the fastest means possible to limit global warming, immediate action must be taken to rapidly eliminate carbon from all energy production and use.

Decarbonising the world's energy system is a process with significant complexity that will require unprecedented, widespread effort to shift the way energy is produced, transported and consumed. The complexity of this transition is amplified with increasing renewable energy share and the phasing out of fossil fuels occurring in parallel. The intermittency of renewable energy creates generation gaps and grid instability, which can only be improved with 24/7 Sustainable Energy initiatives. This will involve:

- Improved grid resilience by supporting a broad range of renewable energy technologies that facilitate 24/7 carbon-free energy.
- Accelerating the deployment of advanced technologies including dispatchable renewable storage to supplement renewable wind and solar resources to enable the phasing-out of fossil fuel capacity and eliminate reliance on fossil fuels.
- A shift to decentralised energy infrastructure which will require technical innovation and widespread commitment from businesses and communities (energy users).
- A significant increase in consumer owned distributed energy resources and control of energy supply and usage through market participation and reduced reliance on traditional networks and suppliers.
- Locally sourced energy providing a fundamental step towards accelerating decarbonisation, decentralisation of energy infrastructure and shifting electricity systems away from fossil fuels.

The challenge

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Current international agreements and targets are insufficient and the inter-play of measurement frameworks and standards is complex and confusing. In addition, energy transition is becoming more complex and interconnected due to its social and technical (socio-technical) and governance implications. This is slowing progress to a net-zero and ideally a net-positive energy world.

Global shift

The United Nations (UN) 24/7 Carbon-free Energy Compact



In response to the urgent need to drive rapid decarbonisation across the global economy, a group of energy buyers, energy suppliers, governments, system operators, solutions providers, investors and other organisations have joined together to accelerate the decarbonisation of electricity grids by adopting, enabling, and advancing 24/7 Carbon-free Energy (CFE). The Circular Energy Group (CEG) (formerly Circular Energy Holdings) is the first Australian company to become a signatory.

24/7 Carbon-Free Energy means that every kilowatt-hour of electricity consumption is met with carbon-free electricity sources, every hour of every day, everywhere. It is both the end state of a fully decarbonised electricity system, and a transformative approach to energy procurement, supply, and policy design that is critical to accelerating its arrival.

The United Nations-led 24/7 Carbon-Free Energy Compact is a set of principles and actions that stakeholders across the energy ecosystem can commit to in order to drive systemic change. Joining the Compact means the organisation will become part of a global community, connected by one goal: creating a future where all electricity consumption worldwide is served by Carbon-Free Energy sources, every hour of every day.

Due to the remarkable ongoing progress in clean energy and enabling technologies, the transition to a fully decarbonized electricity sector is possible. Achieving it will require a concerted and targeted effort by all stakeholders to develop and scale the energy policies, technologies, procurement practices, and solutions to transform the broader energy ecosystem to enable rapid and cost-effective achievement of 24/7 CFE for all. (UN Climate Compact)

24/7 CFE is based on the following principles:

- 1. Time-matched procurement:** 24/7 CFE focuses on matching each hour of electricity consumption with carbon-free electricity generation. Hourly matching helps connect clean energy purchasing to underlying electricity consumption.
- 2. Local procurement:** 24/7 CFE means purchasing clean energy on the local/regional electricity grids where electricity consumption occurs. This is the only way to drive the electricity-related emissions that a consumer is directly responsible for to zero.

3. Technology-inclusive: 24/7 CFE recognizes the need to create zero- carbon electricity systems as fast as possible, and that all carbon- free energy technologies can play a role in creating this future.

4. Enable New Generation: 24/7 CFE focuses on enabling new clean electricity generation, in order to support the rapid decarbonisation of electricity systems.

5. Maximize System Impact: 24/7 CFE focuses attention on maximising emissions reductions and solving for the dirtiest hours of electricity consumption.

The ‘24/7 Sustainable Energy Commitment Certification’

The 24/7 Sustainable Energy Commitment Certification has been developed to contribute to, and align with, a global network of businesses and communities that embrace, rather than compete with, energy transition and hence create valuable assets that will accelerate the shift to a lower cost and reliable sustainable energy future. The certification is guided by the United Nations 24/7 CFE 5 Principles, and will support connection between technical energy transition challenges and the alignment with broader sustainability standards such as the International Sustainability Standards Board (ISSB), the Taskforce for Climate-related Financial Disclosures (TCFD), and other relevant international jurisdictional frameworks and regulatory guidance.

The vision for the 24/7 Sustainable Energy Commitment is a comprehensible standardised approach to provide a pathway to a world where affordable and sustainable energy is accessible to all. We have identified two fundamental building blocks to measure progress towards achieving 24/7 Sustainable Energy at both an individual organisational level and more broadly at an energy system level. These are referred to as the 24/7 Sustainable Energy Pillars.

- **Resilience:** Organisations that have the capability to adjust and thrive in an evolving and complex energy market and have developed the governing foundations and systems to be able to manage energy as a sustainable intangible asset.
- **Impact:** Organisations operating energy related activities every hour, every day and in turn are maximising the benefits of managing energy as a sustainable intangible asset.

The 24/7 Sustainable Energy Commitment (SEC) Certification is underpinned by 9 ESG categories and 20 sub-categories of criteria. The SEC has been designed to support the planning, implementation and stewardship of the optimal path to 24/7 Sustainable Energy including verification of progress at any point of time. Organisational commitment to the 24/7 SEC is governed by the following 9 key areas:

1. Policy, Strategy and Targets
2. Organisational Capability
3. Tools and Measurement
4. Baseline Energy Data
5. Smart Energy
6. 24/7 Carbon-Free Energy
7. Circular Energy Economy

8. Inclusion and Leadership
9. Sustainability

Within the 24/7 SEC framework, typical solutions like carbon offsets, credits, and other similar initiatives are only acceptable as a final means of carbon abatement (i.e. reducing residual emissions that cannot otherwise be eliminated with current technology). The carbon market cannot be relied on to deliver climate change targets, and there is insufficient land on Earth to offset all emissions currently being generated. Issues on additionality, permanence and measurability are also difficult to assess. These initiatives can act as a distraction from meaningful solutions and real climate action. Instead, leading organisations should focus on reducing absolute emissions rather than simply relying on offsets and credits (and potentially risking reputational harm), as that approach ensures tangible and sustained outcomes.

Organisations that can achieve the requirements across those 9 key areas will be eligible to use the SEC certification trade mark.

2 Definitions

- 2.1 **Applicant** means any person or entity applying to become an Authorised User.
- 2.2 **Authorised User** means an entity that has been approved by a Certifier to use the Certification Trade Mark in accordance with these Rules.
- 2.3 **CEH** means Circular Energy Holdings Pty Ltd.
- 2.4 **CEH Management Team** means:
 - Co-founders and co-CEOs**
 - Jed Durdin
 - Rodd Beitmanas
 - General Manager**
 - Noon McNamara
 - Advisory Board**
 - Legal and Corporate Strategy Advisor: Jeremy Goldman
 - Policy and Government Engagement Advisor: Corey Wingard
 - ESG and Legal Advisor: Ian Lieblich
 - ESG, Climate and Health Advisor: Amanda Rischbieth
 - Alternative Clean Fuel Advisor: Nick Lagonik
- 2.5 **Certification Trade Mark Licence Agreement** means an agreement between an Authorised User and the Certifier in relation to the Authorised User's use of the Certification Trade Mark.
- 2.6 **Certifier** means CEH and any other person or entity approved by CEH, including the CEH Management Team that have experience and knowledge in developing and

assessing business cases for energy efficiency and emission reduction opportunities, energy management strategy, carbon accounting specific to energy, energy policy, renewable energy procurement and circular economy methodologies, and must have skills, knowledge and experience in:

- a) regulatory and compliance requirements for energy efficiency and emission reduction programs;
- b) financial modelling, planning and auditing;
- c) general knowledge of future energy technology, and

must not provide consultancy or other services to assist organisational plan scope and development.

2.7 **Certification Fees** means an annual fee payable by an Authorised User, as set out in a Certification Trade Mark Licence Agreement.



2.8 **Certification Trade Mark** means and any substantially identical trade mark, that is owned by or licensed to CEH.

2.9 **Commencement Date** means the day of SEC contract signage

2.10 **Commitment Plan** means a plan developed by an Authorised User in compliance with the SEC Criteria.

2.11 **MAX Platform** means the software platform to support the tracking about Authorised Users.

2.12 **Pending Authorised User** means either (a) an Applicant who has submitted its Commitment Plan and is under review; or (b) an Authorised User who has been downgraded to Pending Authorised User in accordance with Rule 5.3.

2.13 **Rules** means this set of rules and regulations, or any other rules and regulations contained in a Certification Trade Mark Licence Agreement, and as updated by CEH from time to time.

2.14 **Status** means the status of an Authorised User, being Authorised User or Pending Authorised User.

2.15 **SEC Criteria** means the criteria that must be met in order to become an Authorised User, as set out at Attachment A, and otherwise as updated by CEH from time to time.

2.16 **SEC Score** means an Authorised User's score calculated in accordance with the SEC Criteria.

2.17 **Sustainable Energy Commitment** means the commitment that Authorised Users make to comply with the Rules.

3 Becoming an Authorised User

- 3.1 An Applicant can apply to become an Authorised User by lodging an application form on the SEC website or contacting a Certifier directly, who may lodge the application form on the Applicant's behalf. The application form must include:
- a) the Applicant's full name, legal entity details, address and contact number; and
 - b) a copy of their Commitment Plan and any supporting evidence.
- 3.2 An Applicant must establish to the satisfaction of the Certifier that they have developed a Commitment Plan to meet the SEC Criteria:
- a) to an acceptable pass of 80%;
 - b) with a minimum of 10% progress against the SEC Score target per year until the target is met; and
 - c) have completed plan to a passing SEC Score of >80% within 10 years of start date
 - d) Application Forms will be reviewed by CEH within 90 days.
- 3.3 If the Certifier is satisfied that the Applicant has met the requirements under Rule 3.2, the Certifier will approve the Applicant as an Authorised User by entering into a Certification Trade Mark Licence Agreement, and the Authorised User will be required to make payment of the Certification Fees.
- 3.4 The Certifier may require further information and evidence from an Applicant if necessary to satisfy itself that the Applicant will meet the SEC Criteria.
- 3.5 Upon execution of a Certification Trade Mark Licence Agreement by both parties, the Authorised Users will be entitled to use the Certification Trade Mark in accordance with the Rules.

4 Register of Authorised Users

- 4.1 CEH will maintain a register of Authorised Users (Register), which will record:
- a) the name of the Authorised User;
 - b) the nature of the Authorised User's business;
 - c) the date on which it became an Authorised User; and
 - d) the Status of the Authorised User.
- 4.2 Authorised Users must notify CEH of any changes to its name, which will be reflected on the Register.
- 4.3 The Register will be made available for public inspection.

5 Maintaining Authorised User Status

- 5.1 Authorised Users must:

- a) document any adjustments to the baseline and asset register, and roadmap, on a quarterly basis; and
 - b) undertake all actions and projects as detailed in the roadmap (**Planned Actions**) and complete within the planned annual period in accordance with the SEC Criteria. Planned Actions that are no longer feasible must be:
 - (i) adjusted or changed;
 - (ii) replaced with a suitable action that has been assessed by a Certifier, and cannot impact the Authorised User achieving their Commitment Plan.
- 5.2 All Authorised Users must undergo an annual audit (starting from commencement date) conducted by the Certifier to ensure that each Authorised User maintains compliance with the Rules. Audit will include:
- a) Annual SEC Report (as detailed in SEC Criteria S5.1)
 - b) Assessment of project completion (minimum 10% of Roadmap project completion each 12-month period)
- 5.3 If the Certifier determines that the annual audit reveals an Authorised User is not compliant with the Rules, the Certifier must notify CEH.
- 5.4 Upon such notice from the Certifier:
- a) CEH will notify the Authorised User in writing of the outcome of the audit;
 - b) within 30 days from notice of non-compliance, Authorised User must provide a written plan to CEH demonstrating the steps to remedy the non-compliance;
 - c) the Authorised User must remedy such failure within 6 months (**Rectification Period**);
 - d) during the Rectification Period, the Authorised User's Status will be downgraded to Pending Authorised User, which will also be recorded on the Register;
 - e) If the non-compliance is remedied during the Rectification Period, the Status will return to Authorised User. If the non-compliance is not remedied to the satisfaction of CEH, CEH will terminate the Certification Trade Mark Licence Agreement.
- 5.5 CEH reserves the right to revoke Certification Trade Mark Licence Agreement if the Authorised User is in breach of these Rules or the Certification Trade Mark Licence Agreement, or CEH believes that the Authorised User has or is likely to cause reputational damage to CEH or the Certification Trade Mark.

6 Monitoring Via the MAX Platform

- 6.1 Every Authorised User will have access to the MAX Platform including:
- a) Private dashboard (displaying live SEC Score, their goal SEC Score and targets)

- b) Breakdown of the live SEC Score for all sub-criteria
- c) Listed projects and completion status
- d) File uploading platform

6.2 The MAX Platform will be used to monitor the Authorised User's compliance with the Rules.

7 Dispute Resolution

- 7.1 If any person (**Complainant**) disagrees with a decision made by a Certifier in relation to the granting and use of, and any other issue relating to, the Certification Trade Mark, it may request an internal review of the decision by lodging a written notice to disputes@sustainableenergycommitment.com.au, outlining the grounds on which the decision should be reviewed and evidence to support its complaint (**Dispute Notice**).
- 7.2 CEH will, within 30 days, review the Dispute Notice and respond to the Complainant.
- 7.3 If the Complainant is not satisfied with CEH's response, authorised representatives of each party will discuss the dispute and attempt to resolve within 30 days from CEH's initial review, at the end of which, CEH will make a final decision.
- 7.4 If the Complainant wishes to appeal CEH's final decision, the Complainant must notify CEH within 7 days from receiving the final decision, after which the parties must appoint an independent mediator to resolve the dispute by mediation and the parties must participate in the mediation in good faith. The costs of the mediation must be equally shared by the parties.

Attachment A – SEC Criteria

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Governance

Governance: Policy, Strategy and Targets

G1. Policy

20% | *A clear policy is in place to drive positive action toward embedding 24/7 carbon-free energy.*

Assessment Criteria

G1.1. A clear purpose statement (20%)

G1.2. A framework underpins the policy (70%)

The framework includes:

G1.2.1 The 24/7 SEC Pillars and how they will be embedded (30%)

G1.2.2 Commitment to move to 24/7 Carbon-Free Energy (20%)

G1.2.3 A target timeframe set to achieve 24/7 Carbon-Free Energy (20%)

G1.3. The policy is reviewed and updated a minimum of every 3 years and signed off by the managing director (10%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G1 Assessment Criteria | Meets 20-39% of the G1 Assessment Criteria | Meets 40-59% of the G1 Assessment Criteria | Meets 60-79% of the G1 Assessment Criteria | Meets above 80% of the G1 Assessment Criteria |

G2. Strategy

40% | *A strategy is in place that delivers the 24/7 carbon-free energy policy requirements. A roadmap of actions has been developed to meet the 24/7 SE commitment rules and ensure targets will be met.*

Assessment Criteria

G2.1. A strategy is in place that delivers the 24/7 carbon-free energy policy requirements (30%):

The strategy includes:

G2.1.1 Guiding principles that define the decision-making processes and actions people in the business should take (5%)

G2.1.2 Prioritisation of actions required to achieve the objective (5%)

G2.1.3 Allocation of resources required to accomplish the objective (5%)

G2.1.4 Guiding principles to deal with uncertainty relating to future innovations (5%)

G2.1.5. The strategy is reviewed every 12 months and signed off by the managing director (10%)

G2.2. A roadmap of actions has been developed to meet the 24/7 SE commitment rules and ensure targets will be met (40%):

The roadmap includes:

G2.2.1 Verification and measurement tools to demonstrate baseline, planned progress and targets being met (5%)

G2.2.2 Integrated roadmap cashflow model (5%)

G2.2.3 Major capex projects within the first 5 years have been assessed against a minimum of a class 4 cost estimate (10%)

G2.2.4 Carbon abatement waterfall chart (5%)

G2.2.5 Risk analysis of the roadmap (5%)

G2.2.6 Any major capex projects post 5 years have undergone a feasibility process, updated every 3 years (10%)

G2.3. A feasibility study has been undertaken for all projects addressing non-renewable energy sources that are planned post 5 years from the initial 24/7SEC Plan development. The feasibility study must be completed at least 1 year before planned project implementation (30%)

Each feasibility study includes:

G2.3.1 Technical and operational feasibility. This includes an evaluation of the proposed technology, determination of technical viability and whether the project meets defined objective (10%)

G2.3.2 Commercial and financial feasibility. This includes the economic viability, resource requirements, scale, and maturity of technology (10%)

G2.3.3 Energy and emissions reduction metrics achieved through project implementation (5%)

G2.3.4 Implementation roadmap that outlines a strategy for implementation (5%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G2 Assessment Criteria | Meets 20-39% of the G2 Assessment Criteria | Meets 40-59% of the G2 Assessment Criteria | Meets 60-79% of the G2 Assessment Criteria | Meets above 80% of the G2 Assessment Criteria |

G3. Targets

40% | *Short Term (5 years) and Long Term (10 years) 24/7 carbon-free energy targets have been established that are aligned with 24/7 SEC rules. A formal public commitment to meeting these targets has been declared.*

Assessment Criteria

G3.1. Short term target (40%)

A short term target has been established to reach the following minimum requirements:

G3.1.1 24/7 Carbon-Free Electricity (20%)

G3.1.2 A SEC Score of 60% (20%)

G3.2. Long term target (40%)

A long term target has been established to reach the following minimum requirements:

G3.2.1 24/7 Carbon-Free Energy (20%)

G3.2.2 A SEC Score of 80% (20%)

G3.3. Signed public commitment and media release (20%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G3 Assessment Criteria | Meets 20-39% of the G3 Assessment Criteria | Meets 40-59% of the G3 Assessment Criteria | Meets 60-79% of the G3 Assessment Criteria | Meets above 80% of the G3 Assessment Criteria |

Governance: Organisational Capability

G4. Training and Competency

40% | 24/7 SEC accredited energy efficiency and usage training programs are in place and all personnel are trained and competent in line with the competency requirements of the role as defined by their position descriptions.

Assessment Criteria

G4.1. Annual 24/7SEC business training is conducted for all staff (50%)

Training includes:

G4.1.1 Overview of the 24/7SEC and it's purpose (10%)

G4.1.2 How it's assessed (10%)

G4.1.3 The organisation's baseline and current position to highlight progress (10%)

G4.1.4 Short and long-term targets (10%)

G4.1.5 Current projects and next steps (10%)

G4.2. Additional 24/7SEC accredited sustainable energy training modules are being actively used by more than 50% of employees (35%)

Training modules include:

G4.2.1 The global climate issue and the need to stay below the 1.5 degree temperature increase (5%)

G4.2.2 The importance of energy decarbonisation (5%)

G4.2.3 The challenges surrounding energy decarbonisation (5%)

G4.2.4 How 24/7 Carbon-Free is the solution (5%)

G4.2.5 How to implement sustainable energy initiatives at home and the benefits of doing so (5%)

G4.3. There is a plan to increase staff 24/7SEC training completion to 80% within 2 years. The plan includes detailed descriptions of steps required to achieve 80% completion and associated deadlines (10%)

G4.4. Company competency metrics are recorded, available and audited annually (15%)

The following information is recorded for business training:

G4.4.1 Date and time (2.5%)

G4.4.2 Topics covered (2.5%)

G4.4.3 Attendance (2.5%)

The following information is recorded for individual modules:

G4.4.4 Date and time (2.5%)

G4.4.5 Topic completed and employee name (2.5%)

G4.4.6 Competency Score (2.5%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G4 Assessment Criteria | Meets 20-39% of the G4 Assessment Criteria | Meets 40-59% of the G4 Assessment Criteria | Meets 60-79% of the G4 Assessment Criteria | Meets above 80% of the G4 Assessment Criteria |

G5. Roles and Responsibilities

20% | Roles, responsibilities, and competencies for 24/7 sustainable energy management are clearly defined and documented in position descriptions. Targets are clear and employee expectations are well understood and included in annual performance reviews.

Assessment Criteria

G5.1. Job descriptions for all relevant staff include 24/7SEC responsibilities and associated competencies (50%)

G5.1.1 Job descriptions are in place for all relevant staff (10%)

G5.1.2 Job descriptions for all relevant staff include 24/7SEC responsibilities and associated competencies (20%)

G5.1.3 Job descriptions including 24/7SEC responsibilities and associated competencies are in place for all staff supporting the company's 24/7SEC (20%)

G5.2. SEC specific KPIs are established for relevant staff and included in performance reviews (50%)

G5.2.1 KPIs are in place for all relevant staff (10%)

G5.2.2 Annual performance reviews are undertaken for all relevant staff (10%)

G5.2.3 KPIs and performance reviews include SEC-specific roles and targets (30%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G5 Assessment Criteria | Meets 20-39% of the G5 Assessment Criteria | Meets 40-59% of the G5 Assessment Criteria | Meets 60-79% of the G5 Assessment Criteria | Meets above 80% of the G5 Assessment Criteria |

Notes:

- Relevant staff must include at least one signing program endorser (CXO or Director), the 24/7SEC Program Manager and any other roles added at the company's discretion

G6. Collaboration

40% | *There is ownership and accountability for energy usage and efficiency throughout the organisation and the use of technology and innovation is encouraged to improve 24/7 sustainable energy management processes and systems.*

Assessment Criteria

G6.1. A designated SEC committee is established that includes the 24/7SEC Program Manager and at least one additional internal participant (eg. site specific operation managers), and quarterly meetings have been undertaken (50%)

G6.1.1 Quarterly meetings have been undertaken for a minimum of 12 months with attendance, minutes and actions recorded (30%)

G6.1.2 Progress reports are generated in relation to each of the 24/7 criteria categories, gaps are identified and subsequent action is planned (20%)

G6.2. There is an active program to share knowledge within the company (50%)

This program includes:

G6.2.1 SEC committee meeting outcomes shared across the company, quarterly (25%)

G6.2.2 Outputs from the sustainable energy management platform to demonstrate progress in line with meeting outcomes, quarterly (25%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G6 Assessment Criteria | Meets 20-39% of the G6 Assessment Criteria | Meets 40-59% of the G6 Assessment Criteria | Meets 60-79% of the G6 Assessment Criteria | Meets above 80% of the G6 Assessment Criteria |

Governance: Tools and Measurement

G7. Metering

50% | *Energy usage to a sub meter level is available to ensure that energy flows are understood behind the main meter. The energy usage baseline is defined with detailed interval data, time of use, peak demand data and power quality data. Historical energy trends are available and used to support decisions on future energy efficiency actions and improvement opportunities.*

Assessment Criteria

G7.1. Electrical submetering is in place, with metering capability that must include detailed interval data, peak demand data, power quality data and minimum power factor (60%)

G7.1.1 Historical energy trends are available for at least 24 months (15%)

G7.1.2 Metering at Point of Connection (POC) (15%)

G7.1.3 Metering at Sub Meter Level 1 Main Switchboard (15%)

G7.1.4 Metering at Sub Meter Level 2 Distribution Board (15%)

G7.2. Monitoring is in place for all continuous, non-electrical energy streams including individual assets. Where no non-electrical energy streams are in use (40%)

G7.2.1 Historical energy trends are available for at least 24 months (20%)

For 24/7 processing:

G7.2.2a Consumption is reported by asset on an hourly basis (20%)

OR

For intermittent processing:

G7.2.2b Consumption is reported by asset on a daily basis (20%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G7 Assessment Criteria | Meets 20-39% of the G7 Assessment Criteria | Meets 40-59% of the G7 Assessment Criteria | Meets 60-79% of the G7 Assessment Criteria | Meets above 80% of the G7 Assessment Criteria |

G8. Maintenance

30% | *Maintenance procedures are in place to maintain the reliability, availability and accuracy of energy metering systems, energy generating assets and major energy consuming equipment.*

Assessment Criteria

G8.1. Maintenance and servicing plans are in place for all company owned energy systems, equipment, and infrastructure (greater than 5kW or 5kJ/s per unit/system) (50%)

G8.1.1 All energy meters are calibrated and tested every 24 months (20%)

G8.1.2 Energy consuming and/or producing equipment shall be serviced at a minimum of 24 months to assure efficiency and reliability. If this is not feasible, equipment servicing shall be undertaken at the frequency recommended by the original equipment manufacturer (OEM). Any maintenance servicing procedures that fall outside the 24-month execution frequency shall be documented. (30%)

G8.2. Preventative maintenance (PM) routines for all energy related plant and equipment are documented in the maintenance planning system and scheduled to be executed at least annually or in line with the OEM recommendations (50%)

G8.2.1 The score is based on the percentage of the annual PM routines that are fully completed within the defined schedule:

- 0-19% (10%)
- 20-49% (20%)
- 50-79% (30%)
- Above 80% (Full 50%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G8 Assessment Criteria | Meets 20-39% of the G8 Assessment Criteria | Meets 40-59% of the G8 Assessment Criteria | Meets 60-79% of the G8 Assessment Criteria | Meets above 80% of the G8 Assessment Criteria |

Notes:

- Where an organisation don't have equipment as outlined in G8.2, a full score is achieved

G9. Monitoring

20% | *Changes in energy usage are monitored, deviations are investigated, and corrective actions are applied in a timely manner to minimise energy usage and losses and inform 24/7 sustainable energy investment decisions. Progress towards achievement of the 24/7SEC certification is monitored through an online management system.*

Assessment Criteria

G9.1. Routine monitoring program is in place (60%)

Program must include:

G9.1.1 Identification and investigation of deviations from normal operational performance using RCA techniques (20%)

G9.1.2 Corrective actions to address deviations as soon as reasonably practicable (20%)

G9.1.3 A management system is in place to monitor progress across all 24/7SEC criteria (20%)

G9.2. Energy usage data is used to make decisions on maintenance improvements and capital investment upgrade opportunities. All decisions are based on data rather than assumptions (20%)

G9.3. Processes are in place to measure and record all batch-sourced, non-electrical energy streams including individual assets. Where no non-electrical energy streams are in use, a full score is achieved (20%)

G9.3.1 Total consumption is measured and digitally recorded with each new batch (10%)

G9.3.2 Asset consumption is recorded as frequently as is reasonably practicable (10%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the G9 Assessment Criteria | Meets 20-39% of the G9 Assessment Criteria | Meets 40-59% of the G9 Assessment Criteria | Meets 60-79% of the G9 Assessment Criteria | Meets above 80% of the G9 Assessment Criteria |

Environment

Environment: Baseline Energy Data

E1. Asset Register

60% | *A detailed energy asset register is in place that specifies individual asset type, location and model. A defined process is in place to ensure the accuracy of the register is maintained.*

Assessment Criteria

E1.1. A detailed, digital asset register for energy consuming assets (60%)

E1.1.1 Asset Register is in place for all fixed and major non-fixed assets (30%)

Asset register includes:

E1.1.2 Individual asset types (10%)

E1.1.3 Location and model (10%)

E1.1.4 Estimated emission output (10%)

E1.2. The asset register is updated at least annually (20%)

E1.3. All new or modified equipment is included in the asset register within 3 months of project completion (20%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the E1 Assessment Criteria | Meets 20-39% of the E1 Assessment Criteria | Meets 40-59% of the E1 Assessment Criteria | Meets 60-79% of the E1 Assessment Criteria | Meets above 80% of the E1 Assessment Criteria |

E2. Baseline Data

40% | *Energy related emissions data from a portfolio to an asset level is available, segmented by GHG emissions scopes (1 and 2) and fuel source to identify and drive emissions reduction initiatives.*

Assessment Criteria

E2.1. Historical interval data is available in line with the TCFD requirements of 24 months in order to create a baseline and understand energy trends. Where data is unavailable, a new baseline shall be established through measurement and verification for a 6-month period (30%)

E2.2. An emissions register is established, measured in tonnes of CO₂e- (50%)

The emissions register includes:

E2.2.1 A baseline has been established for energy-related emissions in line with the TCFD requirements of 24 months (15%)

E2.2.2 Data is segmented by emission scope and fuel source (15%)

E2.2.3 Data is updated when asset changes are made (10%)

E2.2.4 Data is reviewed annually to identify and drive emissions reduction initiatives (10%)

E2.3. Energy intensity & Power intensity baselines shall be established using data from a 12-month period within the last 7 years that accounts for the normal operating patterns of the organisation to properly represent the full range of performance (disregarding anomalies). Where data is unavailable a new baseline shall be established through measurement and verification for a 6-month period (20%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the E2 Assessment Criteria | Meets 20-39% of the E2 Assessment Criteria | Meets 40-59% of the E2 Assessment Criteria | Meets 60-79% of the E2 Assessment Criteria | Meets above 80% of the E2 Assessment Criteria |

Environment: Smart Energy

E3. Energy Intensity

40% | *There is a program in place to drive the reduction in energy intensity; Energy intensity shall be measured by assessing energy consumed against a specified unit output of the entity. A fixed unit output shall be determined upon 24/7 SEC adoption. The same unit metric shall be used for both energy and power intensity measurements.*

Assessment Criteria

E3.1. Measured quantitatively:

| Score | | | | |
|--|---|--|---|---|
| 1 | 2 | 3 | 4 | 5 |
| <5% energy intensity reduction (Joules per unit) | 6-8% energy intensity reduction (Joules per unit) | 9-11% energy intensity reduction (Joules per unit) | 12-14% energy intensity reduction (Joules per unit) | >15% energy intensity reduction (Joules per unit) |

Notes:

- Renewable generation projects shall not contribute to energy intensity reduction
- A baseline shall be established using data from a 12-month period within the last 7 years that accounts for the normal operating patterns of the organisation to properly represent the full range of performance (disregarding anomalies). Where data is unavailable a new baseline shall be established through measurement and verification for a 6-month period.
- Ongoing measurement and verification shall be used to assess the energy intensity against the baseline every 24 months or any significant variation to asset base or output that exceeds 15%
- No penalties will be incurred providing an ongoing measurement and verification process is in place, where the energy intensity of operations increases as a direct result of projects relating to:
 - o Participation in energy markets
 - o Stakeholder engagement

E4. Power Intensity

40% | *There is a program in place to drive the reduction in power intensity;* Power intensity shall be measured by assessing electrical peak demand against a specified unit output of the entity. A fixed unit output shall be determined upon 24/7 SEC adoption. The same unit metric shall be used for both energy and power intensity measurements.

Assessment Criteria

E4.1. Measured quantitatively:

| Score | | | | |
|--|---|---|---|--|
| 1 | 2 | 3 | 4 | 5 |
| <2% power intensity reduction (kVA per unit) | 2-4% power intensity reduction (kVA per unit) | 4-6% power intensity reduction (kVA per unit) | 6-8% power intensity reduction (kVA per unit) | 8-10% power intensity reduction (kVA per unit) |

Notes:

- A Watt per unit metric may be utilised for alternative fuel sources where the metric has been approved by the 24/7 SEC certification
- A baseline shall be established using data from a 12-month period within the last 7 years that accounts for the normal operating patterns of the organisation to properly represent the full range of performance (disregarding anomalies). Where data is unavailable a new baseline shall be established through measurement and verification for a 6-month period.
- A score of 3 shall be automatically achieved where
 - o the power factor level is 0.95 or greater
 - o sites who are not on a demand tariff
- Ongoing measurement and verification shall be used to evaluate the demand reduction against the baseline every 24 months or any significant variation to asset base or output that exceeds 15%
- No penalties will be incurred providing an ongoing measurement and verification process is in place, where the power intensity of operations increases as a direct result of projects relating to:
 - o Participation in energy markets
 - o Stakeholder engagement

E5. Market Participation

20% | An organisations capability to integrate into, be flexible and play an active role in the energy market by participating in grid support services and/or establishing load shifting programs to match with and support off-site renewable energy sources.

Assessment Criteria

E5.1. Measured quantitatively:

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Participating in <1 energy & power events per month | Participating in 1-2 energy & power events per month | Participating in 3-4 energy & power events per month | Participating in 4-5 energy & power events per month | Participating in 6+ energy & power events per month |

Notes:

- Participating events include
 - Grid support and stability services
 - Flexible demand
 - Shifting electrical demand for
 - Utilization of surplus renewable energy
 - Grid support
 - Demand shifting programs
 - Bi-directional Electric Vehicle (EV) Grid support
 - Additional and emerging markets may be considered subject to approval by the 24/7 SEC Certification
- Market participation can be supported by third party organisations (eg. Virtual Power Plants) where the third party must provide evidence of the certified user's activity and level of participation
- Market participation events is measured quarterly on a per month average any power quality implementation has been initiated that has resulted in a reduced strain on the electrical network

Environment: 24/7 Carbon-Free Energy

E6. Carbon-Free Energy

100% | Carbon-free energy calculated as energy accompanied by a renewable guarantee of origin, in line with the rules below. A minimum of matched carbon-free energy every hour of every day.

Rules:

- Any renewable energy in the residual grid mix used cannot be considered as carbon-free for the purpose of the 24/7 SEC
- A live energy and emissions accounting system must be in place to measure matched renewable electricity to energy load at a minimum of 60-minute increments. Matching refers to the ability to match electricity consumption with carbon-free electricity generation on a continuous 60-minute basis at a minimum
- Gas and/or fuel usage must be measured and validated at a regular defined frequency, based on continuous or batch sourcing as follows, and must include details and validation of fuel composition:
 - o Continuous: Real-time measurements at 60-minute increments
 - o Batch: Measured by batch, hours and/or km, updated monthly

Assessment Criteria

E6.1. Measured quantitatively:

| Score | | | | |
|--|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| Absolute percentage of carbon-free energy is below 25% | Absolute percentage of carbon-free energy is between 26-49% | Absolute percentage of carbon-free energy is between 50-74% | Absolute percentage of carbon-free energy is between 75-99% | Absolute percentage of carbon-free energy is 100% or more |

Social

Social: Circular Energy Economy

S1. Local Energy Use

50% | *The percentage of matched carbon-free energy use sourced within a defined location, to encourage a decentralisation focus. Measured quantitatively based on percentage of local generation by source, and in line with the rules below.*

Rules:

- Distance can include behind the meter generation and storage.
- A live energy and emissions accounting system must be in place to measure matched renewable electricity to energy load at a minimum of 60-minute increments. Matching refers to the ability to match electricity consumption with carbon-free electricity generation on a continuous 60-minute basis at a minimum
- Gas and/or fuel usage must be measured and validated at a regular defined frequency, based on continuous or batch sourcing as follows, and must include details and validation of fuel composition:
 - o Continuous: Real-time measurements at 60-minute increments
 - o Batch: Measured by batch, hours and/or km, updated monthly

Assessment Criteria

S1.1. Measured quantitatively, based on points achieved as below:

- 1 point for each percent of energy procured within the first HV transmission substation or international equivalent
- 1.5 point for each percent of energy procured within the first DNSP substation

| Score | | | | |
|-------------------|--------------|--------------|--------------|------------|
| 1 | 2 | 3 | 4 | 5 |
| 10 points or less | 11-25 points | 26-35 points | 36-49 points | >50 points |

S2. Social Energy

50% | *A circular energy economy approach is used to actively participate in the energy market to allow bi-directional energy matching with suppliers, employees, customers or other creative areas, initiating wider access to carbon-free energy. Measured quantitatively in line with the rules below.*

Rules:

- A live energy and emissions accounting system must be in place to measure matched renewable electricity to energy load at a minimum of 60-minute increments. Matching refers to the ability to match electricity consumption with carbon-free electricity generation on a continuous 60-minute basis at a minimum
- Gas and/or fuel usage must be measured and validated at a regular defined frequency, based on continuous or batch sourcing as follows, and must include details and validation of fuel composition:
 - Continuous: Real-time measurements at 60-minute increments
 - Batch: Measured by batch, hours and/or km, updated monthly

Assessment Criteria

S2.1. Measured quantitatively:

| Score | | | | |
|--|---|---|---|--|
| 1 | 2 | 3 | 4 | 5 |
| 0% of total energy use is shared with external groups (kW/kWh) | +/-3% of total energy use is shared with external groups (kW/kWh) | +/-5% of total energy use is shared with external groups (kW/kWh) | +/-8% of total energy use is shared with external groups (kW/kWh) | +/-10% of total energy use is shared with external groups (kW/kWh) |

Social: Inclusion and Leadership

S3. Stakeholder Engagement

100% | *The organisation is recognised by peers and the community for its leadership and engagement with local business, industry and the community to raise awareness of sustainable energy matters and improve accessibility to carbon-free energy. Employee health and working conditions are of high importance and considered in energy-related decision making.*

Assessment Criteria

S3.1. Employee health and workplace conditions such as ventilation, cleanliness, space, lighting and temperature are considered in relation to the transition to 24/7 carbon free energy (10%)

S3.1.1 The site has a NABERS rating of 5 stars (5%)

S3.1.2 The site has a NABERS rating of 6 stars (5%+5% from S3.1.1)

S3.2 Organisational policies and strategies are in place to improve employee health and wellbeing, demonstrated in decisions related to the 24/7 carbon-free energy transition (10%)

S3.2.1 Policies and strategies are in place (5%)

S3.2.2 Evidence/demonstration of decision-making is consistent with the policies and strategies outlines in S3.2.1 (5%)

S3.3. Procurement of all new energy-related assets include a tender evaluation criteria weighting in excess of 10% for employee health and wellbeing factors, in addition to cost, reliability and quality criteria (10%)

S3.3.1 10-12% health and wellbeing criteria weighting (2.5%)

S3.3.2 13-15% health and wellbeing criteria weighting (2.5%)

S3.3.3 16-18% health and wellbeing criteria weighting (2.5%)

S3.3.4 19-20% health and wellbeing criteria weighting (2.5%)

S3.4. There is a proactive engagement program incorporating local business, industry and community groups (50%)

S3.4.1 Engagement in the form of an email, newsletter or meeting occurs at least biannually to share sustainable energy progress (10%)

S3.4.2 The provision of carbon-free energy through donations and sponsorship to external groups (20%)

S3.4.3 One supplier adopts a Sustainable Energy Commitment (5%)

S3.4.4 Two or more suppliers adopt a Sustainable Energy Commitment (15%)

S3.5. Philanthropy measures are in place to improve carbon-free energy accessibility in developing countries or those affected locally by fuel poverty. Financial or energy donations are made on a defined regular basis to create a meaningful impact on groups suffering electricity-related hardships and support the United Nations Sustainable Development Goal 7 (20%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the S3 Assessment Criteria | Meets 20-39% of the S3 Assessment Criteria | Meets 40-59% of the S3 Assessment Criteria | Meets 60-79% of the S3 Assessment Criteria | Meets above 80% of the S3 Assessment Criteria |

Social: Sustainability

S4. Safety and Design

50% | Standards are in place for managing safety on site. Design requirements address energy efficiency, increased technology life cycle, recyclability and end-of-life material recovery strategies to minimise emissions and waste as part of total life cycle cost for investment decisions. Human rights issues in the supply chain of energy related products have been evaluated in 24/7 sustainable energy investments.

Assessment Criteria

S4.1. A procurement plan is in place that assesses the sustainability of energy-related equipment (100%)

Plan includes:

S4.1.1 Environmental factors including assessment of emissions associated with production and the sustainability of materials (10%)

S4.1.2 Social factors including ethical assessments relating to material sourcing and fair work (10%)

S4.1.3 Employee health factors in the workplace relating to energy (10%)

S4.1.4 Development of an approved product register (10%)

S4.1.5 A current safety system or certification for implementation of new energy-related projects (10%)

S4.1.6 An assessment of each project against the above factors to ensure all requirements are met prior to implementation. Decisions are well documented and based on assessment outcomes (25%)

S4.1.7 Total project lifecycle cost economics have been modelled for all new energy-related equipment. Investment decisions are well documented and based on modelling outcomes (25%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the S4 Assessment Criteria | Meets 20-39% of the S4 Assessment Criteria | Meets 40-59% of the S4 Assessment Criteria | Meets 60-79% of the S4 Assessment Criteria | Meets above 80% of the S4 Assessment Criteria |

S5. Reporting

50% | *A comprehensive, audited annual sustainability report is publicly available that includes energy and emissions management strategies, policies, and statistics and the SEC Score. The current SEC Score is publicly available.*

Assessment Criteria

S5.1. An annual energy sustainability report that is independently audited and publicly available (50%)

The report must include:

S5.1.1 24/7 SEC Score and progress since commencement date (10%)

S5.1.2 Progress made in the last 12 months under each of the criteria categories in the 24/7SEC (20%)

S5.1.3 Planned progress for the next 12 months under each of the criteria categories in the 24/7SEC (20%)

S51.3. Planned Actions that are no longer feasible. These must be:

- (i) adjusted or changed;
- (ii) replaced with a suitable action that has been assessed by a Certifier, and cannot impact the Authorised User achieving their Commitment Plan.

S5.2. The current SEC Score is publicly available at all times (50%)

| Score | | | | |
|---|--|--|--|---|
| 1 | 2 | 3 | 4 | 5 |
| Meets 0-19% of the S5 Assessment Criteria | Meets 20-39% of the S5 Assessment Criteria | Meets 40-59% of the S5 Assessment Criteria | Meets 60-79% of the S5 Assessment Criteria | Meets above 80% of the S5 Assessment Criteria |