2026 CLIMATE CHANGE RELATED DISCLOSURE REPORT

Period Ended 30 September 2026

NAPIER PORT
Te Herenga Waka o Ahuriri

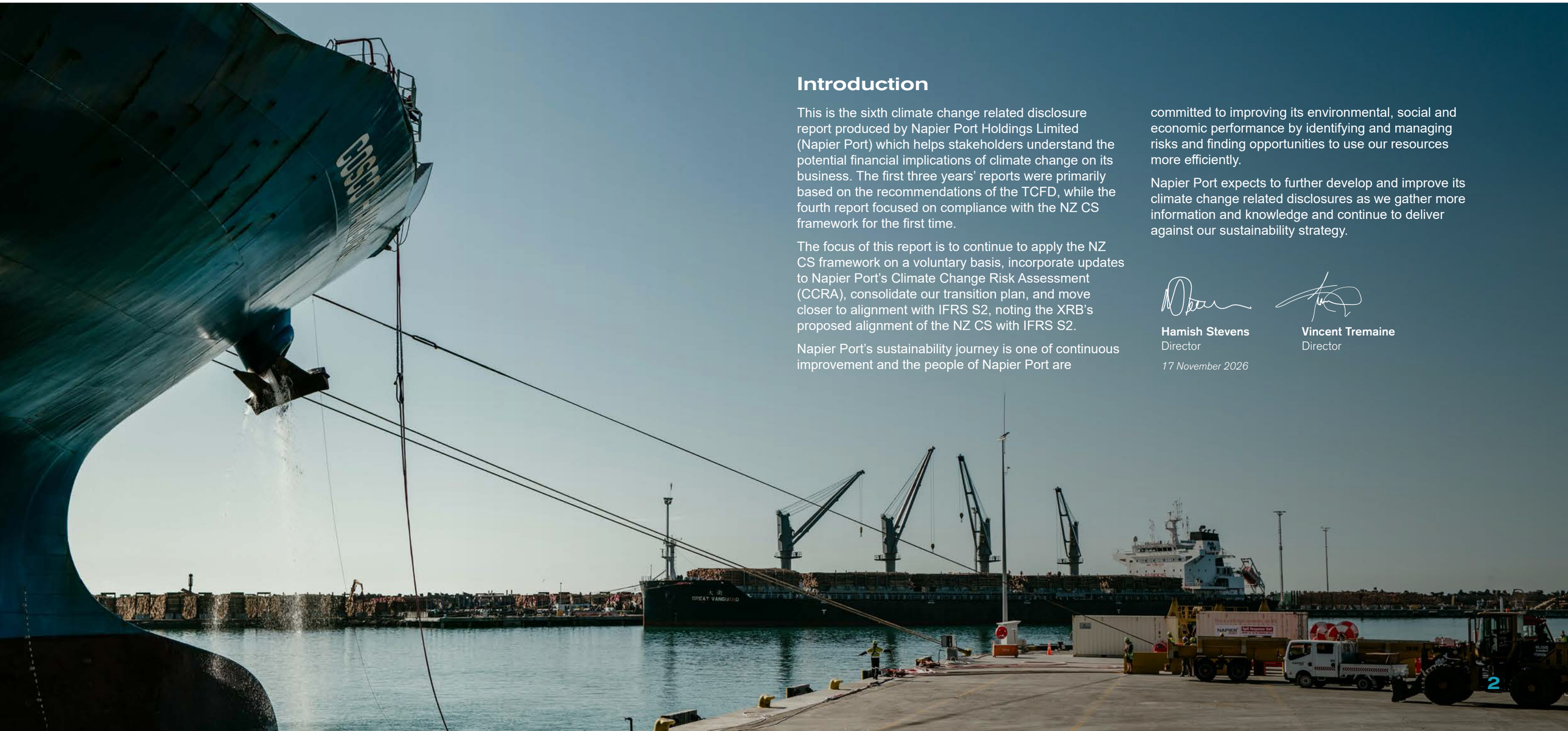
Basis of Preparation

This report has been prepared on a voluntary basis and applies the Aotearoa New Zealand Climate Standards (NZ CS) 1 – Climate-related Disclosures, 2 – Adoption of Aotearoa New Zealand Climate Standards, and 3 – General Requirements for Climate-related Disclosures.

The New Zealand External Reporting Board (XRB) issued the NZ CS in December 2022. They apply to climate reporting entities for reporting periods commencing on or after 1 January 2023. The NZ CS are based on the Taskforce on Climate-Related Financial Disclosures (TCFD) framework, which this report also follows. Napier Port has not applied any of the adoption provisions that are permitted under NZ CS 2. This report has also been prepared with reference to the International Financial Reporting Standards S2: Climate-related Disclosures (IFRS S2) but does not claim compliance.

Napier Port was previously a climate reporting entity under Part 7A of the Financial Markets Conduct Act 2013 (FMC Act). In October 2025 the New Zealand Government announced that the reporting threshold for listed issuers will increase to $1 billion of market capitalisation, and Napier Port falls below the new threshold. The Financial Markets Authority (FMA) adopted a 'no action' approach to entities that expect their climate reporting obligations to cease once the legislation is passed. The Financial Markets Conduct Amendment Bill that would give effect to the change did not pass before the House rose for the 2026 election. Therefore, the FMA extended this 'no action' relief on 29 September 2026 to reporting periods with balance dates from 31 March 2027 up to and including 31 January 2028. However, Napier Port has chosen to continue to report on a voluntary basis.

The currency used in this report is the New Zealand dollar (NZD) which is also the functional currency used in the Napier Port Holdings Group financial statements. This report also follows the same reporting period as the financial statements.



Introduction

This is the sixth climate change related disclosure report produced by Napier Port Holdings Limited (Napier Port) which helps stakeholders understand the potential financial implications of climate change on its business. The first three years' reports were primarily based on the recommendations of the TCFD, while the fourth report focused on compliance with the NZ CS framework for the first time.

The focus of this report is to continue to apply the NZ CS framework on a voluntary basis, incorporate updates to Napier Port's Climate Change Risk Assessment (CCRA), consolidate our transition plan, and move closer to alignment with IFRS S2, noting the XRB's proposed alignment of the NZ CS with IFRS S2.

Napier Port's sustainability journey is one of continuous improvement and the people of Napier Port are committed to improving its environmental, social and economic performance by identifying and managing risks and finding opportunities to use our resources more efficiently.

Napier Port expects to further develop and improve its climate change related disclosures as we gather more information and knowledge and continue to deliver against our sustainability strategy.

Hamish Stevens
Director

Vincent Tremaine
Director

17 November 2026

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Important information for readers: This report is prepared voluntarily with reference to NZ CS 1. It is not a statutory climate statement, and Napier Port has not asserted compliance with IFRS S2. The quantifications in this report, including financial impacts, capital cost ranges, emissions projections and the modelled figures in the transition plan, are estimates. They rest on assumptions about technology, energy prices, grid capacity, regulation and the timing of works, among other factors. They are not earnings guidance, forecasts of results or commitments to spend, and actual outcomes may differ materially. The climate scenarios are used to test resilience and are not predictions. The greenhouse gas (GHG) verification opinion provided by Toitū Envirocare applies only to the GHG emissions disclosures identified in the assurance report. Other information in this report has not been assured. Other material risks and opportunities may exist or arise that are not included in this report. Forward-looking statements reflect Napier Port's views at the date of this report, and Napier Port is not obliged to update them except as required by law. No representation is made as to the accuracy, completeness or reliability of the estimates beyond Napier Port's obligations under the law.



GOVERNANCE

Section 1

NZ CS Requirements:

Describe the board's oversight of climate-related risks and opportunities

Describe management's role in assessing and managing climate-related risks and opportunities

The Napier Port Board of Directors is ultimately responsible for oversight of climate-related risks and opportunities. It identifies the principal risks Napier Port faces and takes reasonable steps to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent reasonably possible, reduce the impact of these risks, including material climate-related risks. The Board meets at least six times per year and reviews Napier Port's Risk Management Policy annually. The Board also considers climate-related risks and opportunities when overseeing the implementation of Napier Port's strategy and its decisions on major transactions.

The Audit and Risk Management Committee supports the Board in this function by ensuring that management is implementing Napier Port's overall risk management framework and policy, monitoring corporate risk assessments and ensuring that risk controls are implemented. The Audit and Risk Management Committee meets at least twice a year and reviews Napier Port's overall risk management framework. Its proceedings are reported back to the Board.

The Health, Safety and Sustainability Committee (HSSC) reviews annually a Climate Change Risk Assessment (CCRA) inclusive of a climate-related risk register specifically for the management of climate-related risks and opportunities. This is part of the HSSC's wider role to identify and consider relevant environmental, social and governance (ESG) matters to provide strategic guidance and feedback to the Board and management on Napier Port's ESG-related strategies, policies, frameworks, initiatives, performance and reporting.

The HSSC meets at least three times per year to review progress on the implementation of Napier Port's Sustainability Strategy, the assessment of climate-related risks and opportunities documented within the CCRA, and progress and achievements against climate-related metrics. The Committee proceedings are reported back to the Board, and the Board reviews the HSSC Charter annually.

The Board maintains a director skills matrix, which includes a specific category for sustainability expertise. The skills matrix is an important recruitment consideration when a new director is being considered to join the Board. The Corporate Governance Statement found within the Annual Report (page 90) shows the Board skills matrix and the attendance at HSSC meetings.

As climate-related issues, including the Aotearoa New Zealand Climate Standards, are evolving, directors are continuing to develop their knowledge, including by attending courses and presentations and reading relevant literature.

The Chief Executive (CE) and Senior Leadership Team are responsible for ensuring that risks to the business, including climate-related risks and opportunities, are identified and evaluated, effective responses and control activities developed, and appropriate monitoring and timely re-evaluation conducted in accordance with Napier Port's Risk Management Policy.

The General Manager – Assets and Infrastructure has overall responsibility for the development and implementation of the sustainability strategy, including the assessment of climate-related risks and opportunities and reports on progress to the HSSC.

Board and management utilise external advice and expertise for climate-related issues where appropriate.

Remuneration policies for the CE and Senior Leadership Team are outlined in the Corporate Governance Statement in the Annual Report, and for the CE and certain executives includes remuneration linked to the achievement of sustainability strategy related objectives.

The different levels of responsibilities and the supporting Risk Management Policy that governs the management of climate-related risks at Napier Port are illustrated in Figure 1.

Figure 1. Governance of climate-related risks at Napier Port

Risk Management Policy

- Provides the overarching framework for identifying, assessing, managing and monitoring risk at Napier Port, including climate-related risks.
- Objectives of the policy include ensuring that Napier Port operates in a sustainable manner and protects the Port environment in accordance with its sustainability strategy.

Board of Directors

- Oversees climate-related risks and opportunities and sets the strategic direction of Napier Port.
- Reviews the Risk Management Policy and the HSSC Charter annually and receives reports from the Audit and Risk Management Committee and the HSSC.

Health, Safety and Sustainability Committee

- Oversees the development of Napier Port's ESG strategy and ESG workplan and monitors progress, including reporting to the Board on material ESG matters requiring governance decisions.
- Ensures an appropriate framework is maintained for the management of ESG related risks and oversees the review of underlying ESG reporting processes.

Chief Executive and Senior Leadership Team

- Identify, evaluate and respond to climate-related risks and opportunities in line with the Risk Management Policy.
- The Chief Financial Officer (CFO) reports to the Audit and Risk Management Committee on the risk management framework. The General Manager – Assets and Infrastructure, leads the sustainability strategy and reports to the HSSC.

Key staff tasked with risk management activities

(e.g. infrastructure, finance and operations teams)

- Support the identification, monitoring and assessment of climate change risks and the management actions taken.
- Maintain the safety, performance and capability of infrastructure assets and plant over their economic lives through long term asset management plans.

Audit and Risk Management Committee

- Ensures that management is implementing Napier Port's overall risk management framework and policy, including reporting to the Board on sufficiency of controls.
- Responsible for overseeing the assessment of financial and economic impacts related to the physical and transition impacts of climate change as well as the internal controls and the external review and audit processes in relation to the preparation of the Climate Change Related Disclosure Report.

STRATEGY

Section 2

Strategy drives everything we do at Napier Port: how we manage and operate our assets, how we provide innovative solutions to customers, and how we partner with our suppliers and operate within our community and environment.

Our strategy looks out over the next decade to 2035 and focuses on the challenges and opportunities we could face.

Sustainability and future climate resilience is a core part of Napier Port's business model and are integrated into our strategy. Sustainability principles are continually being embedded throughout all areas of our business.

Our business is also exposed to climate-related risks outside our port gate, including transport links and the impact of climate change on our community and customers. We work collaboratively with relevant territorial authorities and community groups, sharing information and developing solutions, to deliver a more resilient business and region.

Napier Port recognises that climate change is currently impacting the way we operate, as outlined on the following pages.

NZ CS requirements – an entity must disclose:

A description of its current climate-related impacts

A description of the scenario analysis it has undertaken

A description of the climate-related risks and opportunities it has identified over the short, medium and long-term

A description of the anticipated impacts of climate-related risks and opportunities

A description of how it will position itself as the global and domestic economy transitions towards a low emissions, climate resilient future state

OUR STRATEGY

Our Purpose:

Together, we build a thriving region by connecting you to the world

The four pillars of our strategy are:

Growing our Port Plus+
Grow Value for Customers & Ourselves

Delivering Excellence to the Core
Profitable, Sustainable Business Operations

Building Alliances
Achieving More Together & Where it Matters the Most

Learning and Leading Port
Adopting Technology & Embracing Innovation

HOW WE CREATE VALUE

▼ The diagram below depicts Napier Port's strategy and how we create value for all stakeholders.

WHAT WE RELY ON

01 Relationships
Customers, partners and community, who give us our social licence to operate

02 Skills and knowledge
Expertise in port operations, logistics and data, backed by new digital systems

03 People
Skilled, safety-focused team of 318 permanent employees (2025: 315)

04 Financial
Shareholder and lender capital, and the cash our operations generate

05 Physical assets
Port land, wharves, channels, cranes and our marine and heavy plant fleet

06 Natural environment
The coastal and marine environment we share and depend on

WHAT WE DO

Services We Provide



01 Container Operations



02 Bulk Cargo



03 Marine Services



04 Landside Logistics



05 Warehousing Services



06 Cruise

Our Strategy, 2025-2035

Our Strategic Pillars

Growing our Port Plus+
Grow Value for Customers & Ourselves

Delivering Excellence to the Core
Profitable, Sustainable Business Operations

Building Alliances
Achieving More Together & Where it Matters the Most

Learning and Leading Port
Adopting Technology & Embracing Innovation

Our Foundations

People + Culture
Achieve Everything Else

Integrated
Sustainability

THE VALUE WE CREATE

01 Community
A good neighbour in Hawke's Bay

02 Customers
Capacity and reliable access to markets

03 Our People
Safer work, new skills, growing careers

04 Shareholders
A platform for sustainable returns

05 Our Region
A gateway for our region and beyond

06 Environment
Lower emissions as we electrify

Scenario analysis

Napier Port analyses three climate scenarios to test the resilience of its business model and strategy, as NZ CS 1 requires. The scenarios use the Intergovernmental Panel on Climate Change's (IPCC's) Shared Socioeconomic Pathways (SSPs) with regional projections for Hawke's Bay that the National Institute of Water & Atmospheric Research (NIWA) downscaled and the Ministry for the Environment adapted. They are not predictions, and none is intended to be the most likely outcome.

Scenario	Application	Degree of Warming	Description
SSP 1-2.6 'green growth'	Lower emissions scenario, used as the closest available proxy for a 1.5-degree scenario	1.3 to 2.4 degrees by 2100	Global warming is limited through sustainable development
SSP 2-4.5 'middle of the road'	Third scenario chosen by Napier Port	2.1 to 3.5 degrees by 2100	Socio-economic factors follow their trends, with no significant change in reducing current temperature rise projections
SSP 3-7.0 'regional rivalry'	Scenario of 3 degrees or greater	2.8 to 4.6 degrees by 2100	Rising nationalism and regional conflicts focus countries on domestic issues, and environmental policies receive little global attention

SSP 1-2.6 is used as the closest available downscaled proxy for a 1.5-degree scenario. The 1.5-degree pathway in the IPCC Sixth Assessment Report is SSP 1-1.9, but downscaled projections for it are not widely available for New Zealand. We chose SSP2-4.5 as our third scenario because it sits between the other two scenarios and is a widely used reference pathway in New Zealand climate projections guidance.

The results of the analysis are reflected in the risks and opportunities on page 10-11. Further background on the climate projections and scenarios is in Appendix A.

Current impacts of climate change

Current physical climate impacts

There were no physical climate impacts to disclose in 2026. Tropical Cyclone Gabrielle in February 2023 caused widespread flooding and property damage to the Hawke's Bay region. Although the physical impact on Napier Port's infrastructure was not significant, it was a reminder of the devastating impact severe weather events can have and the potential consequential effects arising from this. Flooding and infrastructure damage outside the port gate resulted in decreased cargo being exported from the region via our port. Such losses represented millions of dollars of lost earnings for Napier Port.

Current transition climate impacts – including impacts on Napier Port's business model and value chain

As part of its asset management programme, Napier Port continues to assess how it can utilise technological advancements and alternative equipment choices to shift its fuel intensive heavy equipment and marine fleet assets towards lower emission and more energy efficient options. However, in most cases the procurement of 'greener' equipment carries additional cost premiums when compared with the traditional internal combustion engine equivalent. For example, Napier Port introduced five new Eco Reachstackers into the container handling mobile plant fleet during 2025 and each carry a capital cost premium of approximately 15% over the price of the base model reachstacker. Eight Eco Reachstackers are now in operation within the heavy plant fleet.

Napier Port will continue to consider a broad range of objectives including the financial implications and its obligations as a lifeline asset and significant regional infrastructure as it considers pathways and the timeframes it adopts to transition its mobile plant equipment and marine assets.

Capital expenditures will be financed according to its long-term planning and from its general balance sheet. Additionally, Napier Port has established a Sustainable Finance Framework to source forms of sustainable financing to fund eligible sustainability expenditures and assets where the criteria are met.

Napier Port is well progressed through its Napier Port Transformation (NPT) project. This transformation project will see the introduction of 12 battery electric autonomous trucks and trailers to undertake horizontal transport of containers within the boundary of Napier Port. The project deliverables are expected to significantly reduce overall diesel fuel usage and Scope 1 carbon emissions across our mobile plant fleet. Under existing modelling over a 19-year time horizon, an estimated 11 million litres of diesel could be saved along with a reduction of between 21,000 and 31,000 tonnes of carbon dioxide equivalent (tCO2e).

NPT is also expected to lower annual maintenance costs, reduce capital deployment and extend the useful life of our container handling forklifts, as they will be operated more in line with their intended design and travel shorter distances.



NPT is an important part of our transition plan. 12 battery electric autonomous trucks will replace diesel powered horizontal transport in the container terminal.

Napier Port also has a focus on improving work practices which reduce fuel usage across its mobile fleet of assets which in turn has contributed to a reduction in future carbon emissions. Examples of successfully implemented changes to work practices have been identified in the table on the next page.

Initiative	Impact	Status	Effect
1 **Tug operating practices**	Prioritises the most fuel-efficient tug, uses synthetic shorelines to reduce pushing during berthing and reduces the number of moves per vessel visit. Tugs are the largest single consumer of fuel (11,500 to 14,500 litres a month on average across 3 vessels), and no tug replacement is expected in the short term	Implemented	About 284 tCO2e of reduced fuel emissions to date (2025: 233 tCO2e). Comparison between actual fuel use and calculated fuel use based on historic % use of each tug
2 **Reduced engine idle time**	Uses data from our integrated Internet of Things (IoT) system to identify elevated idle time across the forklift and light vehicle fleet and change operator behaviour	Implemented	Reduced engine use leads to lower fuel consumption
3 **Terminal optimisation**	Planning changes to reduce the distance a forklift travels between a container stack and the vessel loading point	Implemented as an interim measure until the new autonomous electric operating model is delivered	Reduced engine use leads to lower fuel consumption
4 **Machine deployment**	Uses smaller, lower emitting machines to move empties and reserves large reachstackers for full containers	Implemented as an interim measure until the new autonomous electric operating model is delivered	About 10 litres an hour less fuel per empty container handler than a legacy reachstacker
5 **Eco Reachstackers**	Eight Eco Reachstackers operate within the heavy plant fleet, each with a capital cost premium of about 15% over the base model	Implemented	Over the past nine months, the Eco Reachstackers used an average of 23% less fuel per kilometre than the older fleet, equating to a reduction of 0.83 L/km
6 **LED lighting and cladding**	Continual retrofit of light towers, cranes and storage sheds with low-energy LED lighting, evaluate lower-emissions and renewable energy technologies and replacement of clear lite cladding to reduce interior lighting needs in daylight hours	Ongoing	More efficient luminaires require less energy
7 **Procurement policy**	Commits Napier Port to consider and evaluate renewable energy technologies when procuring higher value assets	Ongoing	Examples include the purchase of eight new Eco Reachstackers over the past three years and 12 battery electric autonomous trucks (NPT project)

The impacts of severe weather events such as extreme rainfall and tropical cyclones (like Cyclone Gabrielle) can have an adverse impact on our insurance renewal programme for our material damage and business interruption policies. As a result of Cyclone Gabrielle trading losses incurred by Napier Port, policy premiums and insurance capacity have been negatively affected. However, the direct financial impact on insurance is not determinable as policy premiums reflect multiple factors that insurers do not itemise.

Future impacts of climate change

For Napier Port, a warmer world in 2100 consistent with the SSP 3-7.0 scenario would result in potential physical impacts on our infrastructure, creating uncertainty as to how our region would be affected and be required to adapt, and what our business may look like as a result. The transition impacts of climate change caused by strong climate action policy will also create a mix of risks and opportunities for our business. We have identified and assessed these risks and opportunities, undertaking analysis of the potential impacts for our business.

The physical and transition risks below are drawn from Napier Port's latest CCRA and rated very high under the Risk Management Policy and the climate-related timeframes noted in the Risk Management section (section 3). The assessment reflects risks that are likely or almost certain to occur, with consequences exceeding $5 million, under at least the SSP 3-7.0 scenario over the medium to long term. These risks are also present under SSP 2-4.5, although they are expected to emerge later. The financial implications shown for each risk are estimated capital costs of Napier Port's planned response, such as rock bags, pumping stations, akmons and electrical upgrades. They are not the effect of the hazard on revenue or assets, and each is labelled as a one-off capital cost or an annual amount.

Summary of material climate-related risks and opportunities

Risk or opportunity	Horizon	Likelihood and scale	Financial impact	Impact	Management response
Increase in sea level (Relative Sea Level Rise)	Physical. Medium to long-term	Almost certain. High to Very High	$6-$100 million for fortification of eastern boundary sea defences	One-off capital cost, estimated from current civil construction costs in today's money. The range runs from flexible rock bag solutions to a land-based breakwater.	Raise northern log yard pavement levels over time. Develop the western reclamation area to meet future extreme sea levels. Investigate and design long-term sea defences for the eastern beach area
Extreme rainfall events	Physical. Long-term	Almost certain. High to Very High	$5-$10 million	One-off capital cost of installing two pumping stations, based on current civil construction costs in today's money	Model stormwater system capacity under future scenarios. Assess outer breakwater drain capacity and cleaning frequency. Additional drainage works or pumping stations
Tropical cyclones	Physical. Medium to long-term	Almost certain. High to Very High	$10-$15 million	One-off capital cost of planned expenditure plus potential enhancements, based on current civil construction costs for shore protection in today's money	Akmon top-up programme within the Asset Management Plan. Post-cyclone breakwater reinstatement completed in 2025 ($2.5 million). Rock bag protection to the eastern beach ($0.8 million)
Higher fuel costs from regulation	Transition. Short to medium-term	Moderate in the short term and almost certain in the medium to long-term. High to Very High	Unknown impact and timing. A $0.20 per litre increase in the cost of diesel would add cost of approx. $0.5 million a year	Annual operating cost, using 2026 data	Consider fuel price escalation in forecasting. Implement sustainability strategy actions to reduce dependence on diesel

Summary of material climate-related risks and opportunities (Continued)

Impact	Horizon	Likelihood and scale	Financial impact	Impact	Management response
Regulation to encourage a shift to alternative fuels	Transition. Medium to long-term	Almost certain. High to Very High	Unknown impact and timing. Potential electrical infrastructure upgrades of $25 to $35 million. Net book value of diesel-powered plant of $53 million in 2026	One-off capital cost for the electrical upgrades. The net book value is the amount of assets exposed	Keep flexibility in electrical infrastructure under the Electrical Master Plan. Consider fuel cost risk and ESG matters in equipment purchasing and business cases. Consider retrofittable equipment. Review remaining life and residual value of key equipment
Regulation to encourage increased use of rail	Transition. Long-term	Almost certain. High to Very High	$10-$15 million	One-off capital cost, a high-level estimate in today's money	Change operational layout in line with Master Plan provisions to increase on-port rail infrastructure. Consider climate effects in master planning
Drought (commercial and regional)	Physical, in the value chain. Medium to long-term	Almost certain.	$15-$20 million	Annualised impact on trade volume in today's dollars, assuming a complete loss of current refrigerated container trades without substitute produce. Exposure estimated at 15% to 25% of annual export volumes, measured in twenty-foot equivalent units (TEU).	Limited direct control. Napier Port monitors impacts on export volumes and shipping patterns through engagement with cargo customers and master planning
Lower recurring expenses and low carbon supply chain solutions	Transition opportunity Medium to long term	Unquantified	Unquantified	Unquantified	Partner in the supply chain to provide low carbon or zero emission solutions for customers
Grant funding for capital projects such as NPT	Existing transition opportunity	Unquantified	Unquantified	Unquantified	Work with Energy Efficiency & Conservation Authority (EECA), subject to eligibility
Crop substitution in the primary sector	Long term transition opportunity	Unquantified	Unquantified	Unquantified	Engage cargo customers as the primary sector changes

From the analysis undertaken, at this stage, we do not consider that the effects of climate change materially change our overall strategy. Sustainability will continue to be embedded into our ways of working as we continue to collaborate to look after people, planet and place, including completing the actions contained in our sustainability strategy.

The more financially material infrastructure improvement actions are required over the medium to long term to ensure that we continue to have a resilient and agile infrastructure network. Planning to address this is being embedded within our overall infrastructure masterplan. In the short-term, we will continue to complete more detailed investigations of climate-related effects and ensure these are considered in Napier Port's master planning process.

To support our sustainability strategy action plan implementation, we include climate-change considerations within Napier Port's procurement processes and policies. This involves consideration of alternative lower emission options related to plant and equipment procurement and, in the case of more significant investment business cases, emission scenario and financial analysis including the consideration of shadow emission pricing. Work in these two respective areas continues to progress as new information comes to hand.

Physical risks

Climate change related effects result in several risks to Napier Port infrastructure, due to its coastal location and susceptibility to sea level rise. All our tangible assets are susceptible to physical risks today, including from acute weather and natural disaster events. Climate change modelling indicates that higher temperatures will increase the likelihood of extreme weather events that may affect operations and damage infrastructure and there will be ongoing impacts of sea-level rise, extreme rainfall, and intensifying tropical cyclones which may cause coastal inundation, erosion and flooding. Napier Port's breakwater and sea defence asset (our largest infrastructure asset with a net book value of $160.8 million in 2026) is the most exposed to the impacts of climate change and accordingly forms an important part of our assessment of future physical climate risks.

Transition plan

Napier Port is committed to reaching net zero GHG emissions by 2050. This section sets out how our business model and strategy are expected to respond to the climate-related risks and opportunities we have identified. It draws on our Emissions Reduction Strategy, the Electrical Master Plan and Energy Strategy, the Napier Port Transformation project (NPT), our infrastructure master planning and Asset Management Plan, and our Sustainable Finance Framework.

Our transition plan framework follows the Transition Plan Taskforce (TPT) structure of ambition, action and accountability. It is organised around three focus areas that reflect our strategic pillars: decarbonising our operations, building a resilient port, and working with our region and value chain.

Our consolidated transition plan is set out opposite. It does not yet include time-bound interim targets, because these depend on refreshing our asset masterplans. We expect to build out the plan, including its assumptions, milestones and resourcing, in future reports as engineering estimates firm up.

The plan depends on reliable, operationally capable, cost competitive electric or lower emission equipment being available for our operating conditions (e.g., cranes and tugs). It depends on grid capacity and the timing of network upgrades, or on battery energy storage reducing peak demand. It depends on the pace and form of Government policy on diesel fuel and on the importation of diesel-powered equipment, and on continued access to funding, including sustainable finance and grants. It also depends on operating continuity, because Napier Port is a lifeline asset and transition activity must not compromise cargo flows. Key plant such as tugs and mobile harbour cranes has an operating life of up to 30 years, so the pace of replacement follows asset lives and investment cycles.

Our **vision** is that our future is one forged together. Working side-by-side with our customers and our community, we can drive growth and success that benefits our region, our people and our environment.

	Decarbonising our Operations	Building a Resilient Port	Working with our Region and Value Chain
Ambition	Reach net zero GHG emissions by 2050 by progressively replacing diesel powered plant and marine assets with lower emission alternatives, starting with the container terminal.	Keep Napier Port operating as a resilient lifeline asset and regional gateway as sea levels rise and extreme rainfall and tropical cyclones intensify.	Work with customers, shipping lines, energy partners, lenders and regional agencies so that port and regional decarbonisation and adaptation progress together.
Actions	• Deliver NPT in 2027, including 12 battery electric autonomous truck and trailer units for horizontal transport (modelled saving of about 11 million litres of diesel over 19 years) • Continue progressive plant replacement programme, including the possibility of electric ship-to-shore cranes • Progress the Electrical Master Plan and Energy Strategy, including network optimisation, battery energy storage and regenerated crane energy • Continue interim operating measures until NPT is delivered: reduced engine idle time and smarter mobile plant deployment	• Continue the akmon top-up programme within the Asset Management Plan • Complete detailed investigation and design of long-term sea defences for the eastern beach area • Plan for the northern log yards to be raised over time and develop the western reclamation area to levels that meet future extreme sea levels • Model stormwater system capacity under future scenarios and assess drainage upgrades or pumping stations • Consider climate risk in master planning, asset reviews of remaining life and residual value, and procurement decisions	• Engage cargo customers on how regional climate effects may change export volumes and shipping patterns • Work with EECA and energy partners, including on grid capacity and network upgrades, to identify and promote energy efficiency and renewable energy opportunities • Explore opportunities such as low or zero emission supply chain solutions for customers • Continue to participate in the NZ Ports Environmental and Sustainability Group and to work with territorial authorities and community groups on regional resilience • Use the Sustainable Finance Framework and the sustainable loan provisions in our banking facilities to fund eligible assets
Accountability	The Board sets strategic direction and oversees climate-related risks and opportunities. The HSSC monitors progress on the sustainability strategy, the CCRA and climate-related metrics, and the Audit and Risk Management Committee oversees the disclosures and their assurance. The General Manager – Assets and Infrastructure is responsible for implementing the sustainability strategy and reports to the HSSC. Remuneration for the CE and certain executives is linked to sustainability strategy objectives.		

RISK MANAGEMENT

Section 3

NZ CS requirements:

Describe the organisation's processes for identifying and assessing climate-related risks (for both transition risks and physical risks)

Describe the organisation's processes for managing climate-related risks

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Napier Port's Risk Management Policy provides the overarching framework for identifying, assessing, managing and monitoring risk at Napier Port, including climate-related risks and opportunities. Each Napier Port business unit is responsible for establishing and maintaining risk documentation to monitor and report risks that threaten achievement of business objectives. The responsibilities of the Chief Executive and Senior Leadership Team for risk management are described in the Governance section. The Chief Financial Officer, working with senior management, updates the Napier Port enterprise risk register, drawing on business units' documentation, and reports this register to the Audit and Risk Management Committee at least on a six-monthly basis.

An output of the CCRA process is a climate-related risk register specifically for the management of climate-related risks and opportunities. Napier Port has also benchmarked this against recommendations of the NZ CS, IFRS S2 and the TCFD for identifying and assessing climate-related risks.

Napier Port's Assets and Infrastructure team, which includes environmental and sustainability subject matter experts and is supported by others as required, is tasked with staying up-to-date with the latest climate-related research, facilitating regular risk assessments and performing detailed climate change analysis. The Board and management of Napier Port are also continually monitoring developments to existing and emerging regulatory requirements related to climate change as part of their risk assessment processes.

Scenario analysis, including the scenarios used and how they were chosen, is set out in the Strategy section. Supporting background on the climate projections and scenarios is in Appendix A.

Climate-related risks and opportunities are assessed annually to ensure they continue to reflect material changes in our knowledge, business strategy, and operating environment.



For climate-related risk management, we consider a medium to long-term horizon appropriate. This time frame is aligned with the economic lives of our infrastructure assets and Napier Port's asset management plan. As a result, we have used the following timeframes to assess the likelihood of climate-related risks and opportunities occurring under each scenario: Short-term 0-20 years (using SSP scenarios up until 2040); Medium-term 20-70 years (using SSP scenarios up until 2070); and Long-term 70 plus years (using SSP scenarios up until 2100). These horizons extend beyond our strategy horizon of 2035 and the period covered by our financial forecasts, because of the long economic lives of our infrastructure assets.

In accordance with Napier Port's Risk Management Policy, we assess the significance of each identified climate-related risk using a likelihood and consequence matrix. The climate-related risk register assesses the likelihood of risks occurring during the short-term, medium-term and long-term timeframes outlined above, to recognise the longer-term nature of climate-related risks. This varies from the overall risk management framework which assesses the likelihood of a risk occurring based on whether it is probable to occur within the next 12 months. For both, the consequence of the identified risk is assessed based on the potential level of impact on our people, assets/infrastructure, operations and systems, environment, reputation and financial planning. Based on the likelihood and consequence, levels of risk are categorised as very high, high, moderate or low. This allows us to determine the appropriate response for each issue identified.

Napier Port's CCRA includes parts of its value chain outside the operational control of its business. This includes climate change impacts affecting our key local growers and upstream transportation links.

During 2026, using the process described above, we updated our CCRA – looking at infrastructure resilience, trade forecasting, land levels, weather conditions, emergency preparedness and habitat modification. The current assessment has identified 69 climate-related physical and transition risks and 24 opportunities. An overview of the top physical and transition impacts is contained in our strategy disclosures section.



METRICS AND TARGETS

Section 4

NZ CS requirements – an entity must disclose:

The metrics that are relevant to all entities regardless of industry and business model

Industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities

Any other key performance indicators used to measure and manage climate-related risks and opportunities; and

The targets used to manage climate-related risks and opportunities, and performance against those targets.

Greenhouse Gas (GHG) Emissions Methodology

Napier Port has been measuring its GHG emissions for several years and reports them in its Annual Report and on the Napier Port website. These emissions are classified under the following categories:

Scope 1 – Direct GHG emissions occurring from sources that are owned or controlled by the company.

Scope 2 – Indirect GHG emissions occurring from the generation of purchased electricity, heat and steam consumed by the company.

Scope 3 – Emissions that occur because of the company's activities, but from sources not owned or controlled by the company.

Since our initial report in 2021, we have continued to refine the GHG inventory and collect the associated data to expand the scope of our reported emissions. From 2022 onwards Napier Port's reported emissions have been independently assured as part of GHG assurance engagements.

Toitū Envirocare has independently verified our 2026 GHG disclosures. Its assurance report can be found on our website at: ***www.napierport.co.nz/sustainability/***

The verification means we've measured and managed the emissions of our organisation in accordance with ISO 14064-1:2018.

The GHG disclosures have also been prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (together the "GHG Protocol").

Napier Port is also a participant in the NZ Ports Environmental and Sustainability Group (NZ Ports) which has established a common approach to measuring and reporting on GHG emissions that would fairly represent comparable industry climate-related risks and opportunities. An essential part of NZ Ports work was the creation of Scope 3 GHG Emissions: Preliminary guidance for New Zealand Ports (NZ Ports' Scope 3 guidance). The NZ Ports Scope 3 guidance relies heavily on the GHG Protocol and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This guidance was finalised during 2025 and has been used by Napier Port in assessing its Scope 3 GHG emissions inventory since.

How Napier Port Calculates Emissions

Napier Port uses BraveGen as our GHG emission management software. Data is collected and uploaded monthly into BraveGen by Napier Port employees. Emission calculations are then based on multiplying activity data (e.g. litres of fuel or kilowatt-hour (kWh) electricity) by an emissions factor (EF).

The primary source of Scope 1 and Scope 2 EFs for calculating emissions data is obtained from the Ministry for the Environment (MfE), Measuring Emissions Catalogue 2026. This edition uses Global Warming Potential (GWP) values with a 100 year time horizon sourced from the IPCC Sixth Assessment Report.

Scope 3 EFs are sourced from a range of guidelines and the significant ones are outlined below.

- MfE Measuring Emissions Catalogue 2026
- Market Economics (M.E.), 'Table 5 Consumption Emissions Modelling', March 2023
- UK Government GHG Conversion Factors for Company Reporting (2025)
- AusLCI Carbon Emissions Factors

All these international guidelines directly or indirectly use GWP values with a 100 year time horizon sourced from the IPCC Sixth Assessment Report.

The latest relevant EF guidance available at the end of each reporting period is used for our full year GHG emissions reporting.

Napier Port Emission Scope Boundary

The GHG emissions sources included in our inventory were identified with reference to the methodology in the GHG Protocol. GHG emission sources are reported on a comparable basis, while adding further Scope 3 emission sources where they are within our boundary, the emissions data is material and the data is available. For example, increased capital project activity together with additional supplier supplied data during 2025 led to the inclusion of additional Scope 3 emission category measures for capital goods and purchased goods and services. Given the emissions data only became readily available in 2025, Napier Port has chosen not to restate prior periods' data.

Organisational boundaries were set with reference to the methodology described in the GHG Protocol standards. Within the GHG Protocol, Napier Port has elected to use an operational control consolidation approach to account for emissions. Accordingly, Napier Port's joint ventures are excluded due to a lack of operational control over them i.e. Napier Port does not have ultimate authority to implement or change any operating policies relating to the joint ventures. These joint ventures are treated as Scope 3 – Category 15 Investments but have been deemed immaterial.

Table 1 on the next page outlines the emission sources included in Napier Port's inventory, including the data source, methodology and the assessed level of data quality. There have been no new emission sources added to the emissions inventory during 2026.

The primary source of Scope 1 and Scope 2 EFs for calculating emissions data is obtained from the Ministry for the Environment (MfE), Measuring Emissions Catalogue 2026.

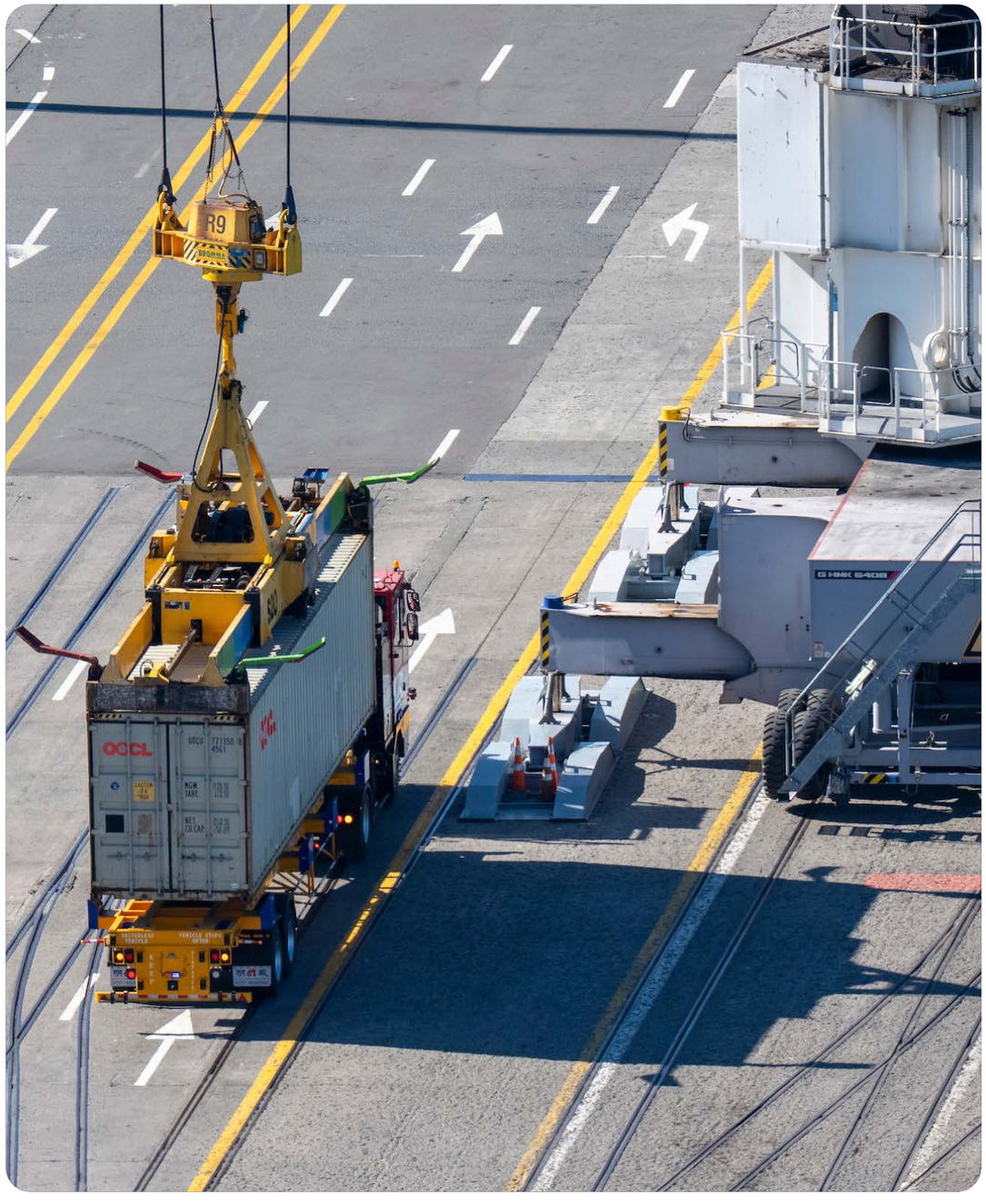


Table 1 – Emissions Category Inventory:

Scope	Emissions Category	Sub Category	Activity	Data Source	Data Collection Unit	Methodology, Data Quality, Uncertainty (Qualitative)
Scope 1	**Mobile Combustion**	N/A	Diesel fuel for: - Mobile plant (cranes, forklifts & trucks) - Floating plant (tugs and pilot vessels) - Light vehicles	Invoice/Fuel records from provider	Litres	*Fuel based method*. Accurate records from billing system. Low uncertainty
Scope 2	**Purchased Electricity**	N/A	Electricity consumption (excluding tenant electricity disclosed under category 13)	Invoice/Billing data from supplier	kWh	*Location based method*. Sub metering used for billing. High quality data and low uncertainty due to complete invoice sets.
Scope 3	**Purchased Goods & Services (Category 1)**	Water supply	Water consumption at all Napier Port sites that operate within organisational boundary	Invoice data from Napier City Council	K/litres	*Average data method*. Assume all water usage use is captured on invoices. Accurate records from billing system. Low uncertainty
		Suppliers spend - opex	Napier Port spend on operational/ material opex	Supplier spend records	$	*Basic Spend based method.* Higher level of uncertainty as calculation based on spend. Emission factors are adjusted for CPI. Emissions for suppliers with annual spend $30,000 or less was calculated using an average across the supplier emission factors used. This category also includes GHG emissions associated with maintenance of capital goods. Approach to emissions calculation was based on NZ Ports Scope 3 Guidance.
	Capital Goods (Category 2)	Construction Projects (Napier Port Transformation project)	Emissions generated from diesel fuels, materials, freight, and waste through significant construction project work by contractors at Napier Port	Monthly work reports from project contractors	*Diesel:* Litres *Freight:* Tonne-Km *Materials:* Steel: *Tonnes, Cement:* Kg, *Concrete:* m^3	*Project specific method used for civil works part of the project.* Involves collecting annual data on fuel, electricity, and waste/materials associated with the project (excluding any electricity or fuel already captured in Scope 1 & Scope 2) and multiplying them by material based emission factors. High quality data and lower uncertainty due to data received directly from contractor. Approach to emissions calculation was based on NZ Ports Scope 3 Guidance.
		Other Construction Projects (based on materiality)	Emissions generated from other material construction projects	Contractor spend records	$	*Basic Spend based method.* Higher level of uncertainty as calculation based on spend. Emission factors are adjusted for CPI. Approach to emissions calculation was based on NZ Ports Scope 3 Guidance.
		Suppliers spend - high value fixed assets	Napier Port spend on high value fixed assets	Supplier spend records	$	*Basic Spend based method.* Higher level of uncertainty as calculation based on spend. Emission factors are adjusted for CPI. Approach to emissions calculation was based on NZ Ports Scope 3 Guidance.

Table 1 – Emissions Category Inventory: (Continued)

Scope	Emissions Category	Sub Category	Activity	Data Source	Data Collection Unit	Methodology, Data Quality, Uncertainty (Qualitative)
Scope 3	**Fuel and energy related activities (Category 3)**	Fuel - Well to Tank	Emissions generated from the production & distribution of scope 1 diesel and petrol	Invoice/Fuel records from Fuel provider	Litres	*Fuel based method*. Accurate records from billing system. Medium uncertainty as EFs are UK based. Approach to emissions calculation was based on NZ Ports Scope 3 Guidance.
		Electricity T&D losses	Transmission and distribution losses associated with Scope 2	Invoice/Billing data from supplier	kWh	*Average data method*. Accurate records from billing system. Sub metering used for billing. Low uncertainty
	Upstream transportation & distribution (Category 4)	Freight as a Service	Out of region cargo coming into Napier Port via rail and road	Monthly rail freight TEU reports from relevant departments & Kiwirail	tkm (net tonne kilometres)	*Distance based method.* Medium to low uncertainty. Using MfE emission factor multiplied by calculated tkm. Data accuracy is enhanced with the use of KiwiRail TEU weight information.
	Waste generated in operations (Category 5)		Emissions associated with end-of-life waste disposal to landfill.	Monthly reports from Waste Management	Tonnes	*Average based method.* Assumed weights correct. Low uncertainty. Waste to landfill with gas recovery EFs are used.
	Business Travel (Category 6)	International air travel		Air New Zealand Emissions reports	tCO2e	*Distance based method.* High quality data and low uncertainty due to accuracy of reports provided by airline
		Domestic air travel				
	Employee Commuting (Category 7)		Emissions from the use of personal vehicles to commute to and from work	Manual data collection. Survey completed by staff, average distance is from suburb using GIS mapping.	pkm	*Average data method.* Higher level of uncertainty due to calculation assumptions e.g. an assumption has been made that people are commuting 5 days per week (for all available working days). For those that have not completed the survey, it is assumed 75% drive a petrol car and 25% diesel. High/medium uncertainty.
	Downstream Leased Assets (Category 13)		Electricity onsold to Napier Port tenants	Electricity records from sub-metering of tenant sites at Napier Port	kWh	*Average data method.* High quality data and low uncertainty due to complete invoice sets.

Additional Scope 3 categories are not reported where they are not relevant or material to our business or where there is a lack of data. These excluded categories were determined after Napier Port conducted a materiality assessment across all the emission categories. In accordance with NZ CS 3 an emissions source is material if omitting it could reasonably be expect to influence decisions of primary users which are based on Napier Port's climate related disclosures. Furthermore, materiality is entity-specific, based on the nature, magnitude, or both, of the items to which the information relates.

Visiting ship emissions, in particular, were considered as part of Category 11 (Use of Sold Products) but management concluded they should not be disclosed as part of Napier Port's Scope 3 emissions inventory. This is due to the underlying data currently being inaccessible and the excessive cost/resource commitment required to follow any internationally recognised calculation methodology.

Napier Port has applied an emissions exclusion materiality threshold of less than 5% of total emissions, for any single source emission or in aggregate.

Excluded emission sources are shown in Table 2.

Table 2 – Emission Inventory Exclusions:

Scope	Emissions Category	Activity	Reason for Exclusion
Scope 1	**Fugitive Emissions**	Refrigerant used by: Office buildings Vehicles	Calculated to be immaterial. Less than 5% of total emissions. High uncertainty.
Scope 3	**Electricity (scope 2) - Well to Tank (Category 3)**	Emissions generated from the production & distribution of scope 2 electricity	Calculated to be immaterial. Less than 5% of total emissions.
	Indirect GHG emissions from transportation (Category 4)	Fuel use associated with freight, couriers and post of the port's cargo	Calculated to be immaterial and is based on transport operator spend. High uncertainty. Less than 5% of total emissions.
	Indirect GHG emissions from products used by the organisation (Category 5)	Waste to composting from own operations	Only applies where Napier Port has contractual ownership over any waste sent for composting. Calculated to be immaterial. Less than 5% of total emissions.
		Processing of recycled waste from own operations	Calculated to be immaterial - less than 5% of total emissions
		Wastewater treatment from own operations and third parties operating at Napier Port	Calculated to be immaterial. Medium to high data uncertainty. Less than 5% of total emissions
	Business Travel (Category 6)	Fuel use in rental vehicles Fuel use in taxis Accommodation associated with business travel	Calculated to be immaterial. Less than 5% of total emissions
	Employee Commuting (Category 7)	Energy used by employees while working from home	Immaterial emission source. Less than 5% of total emissions
	Use of sold products (Category 11)	Visiting vessels' fuel use while within Port boundary	Unclear emissions boundary. Very high uncertainty and no easy way to quantify due to inaccessible data. Excessive cost/ resource commitment associated with following any internationally recognised methodology.
		Fuel use by visiting trucks and rail (within Port boundary)	Trucks - immaterial emissions source. Less than 5% of total emissions. Also high uncertainty in data. Rail - already included in freight emissions.
	Downstream leased assets (Category 13)	Leased land	Emissions from activities on leased land estimated to be immaterial. Less than 5% of total emissions.
	Investments (Category 15)	Applies to financed emissions and the downstream impacts of Longburn Intermodal Freight Hub	Napier Port's share of the JV's scope 1 & 2 emissions are immaterial. Less than 5% of total emissions

Table 2 – Emission Inventory Exclusions: (Continued)

Scope	Emissions Category	Activity	Reason for Exclusion
Scope 3	*Not relevant to Napier Port*		
	Upstream leased assets (Category 8)	Leased buildings and assets where a port entity is a tenant (electricity, fuel and gas) if not included in Scope 1 & 2	Not relevant. Napier Port does not lease any upstream assets.
	Processing of sold products (Category 10)	Processing of wholesale products sold in the reporting year by downstream companies	Not relevant. Napier Port is not in the business of processing wholesale goods and onselling them.
	End of life treatment of sold products (Category 12)	Rendering waste	Not relevant. Napier Port does not engage in this activity.
	Franchises (Category 14)	Applies to franchise operations	Not relevant. Napier Port does not have any franchise operations.

Industry-Based Metrics

Napier Port measures and reports total tonnes of carbon dioxide equivalents (tCO2e), and tCO2e per tonne of cargo as our industry based metrics as they are considered to be most relevant to our business activity and the entire New Zealand port industry, whether significant container operations exist or not.

Napier Port is currently using an internal shadow emissions price per tCO2e when undertaking emission scenario and financial analysis when assessing more material procurement and business case opportunities. The central base price used is aligned to the central region carbon shadow price as developed by New Zealand Treasury (2026: $106/tCO2e, 2025: $101/tCO2e, 2024: $100/tCO2e). However this may be varied depending on the analysis being undertaken.

GHG emissions reporting

In 2026, our total GHG emissions were 20,121 tCO2e, an increase of 12% from 18,037 tCO2e in 2025. The 106% increase in 2025 compared with 2024 (8,740 tCO2e) results from the inclusion of new Scope 3 emissions categories for the first time in 2025. These included:

- GHG Protocol Category 1: Emissions from purchased goods and services, including any capitalised maintenance spend on capital goods
- GHG Protocol Category 2: Emissions from capital goods, including construction projects and high-value assets
- GHG Protocol Category 3: Fuel and energy related activities (Fuel-Well to Tank): Emissions generated from the production & distribution of Scope 1 diesel and petrol

No data for these categories is included for reported 2024 emissions due to its unavailability.

An overview of Napier Port's GHG emissions reporting from 2021 to 2026 has been provided to the right.

	2021	2022	2023	2024	2025	2026
Scope 1	8,627	7,155	6,278	6,785	7,110	7,197
Scope 2 (location-based)	1,430	1,759	1,487	979	1,161	814
Scope 3	164	831	947	976	9,766	12,109
Total	**10,221**	**9,745**	**8,712**	**8,740**	**18,037**	**20,121**
Additional Scope 3 categories	n/a	n/a	n/a	n/a	8,550	10,617
Intensity metric (tCO2e per tonne of cargo)	0.00174	0.00181	0.00189	0.00175	0.00356	0.00396

The 2026 GHG emissions are broken down further in figure 2 below.

Figure 2: Total Carbon Emissions by Scope (tCO2e)

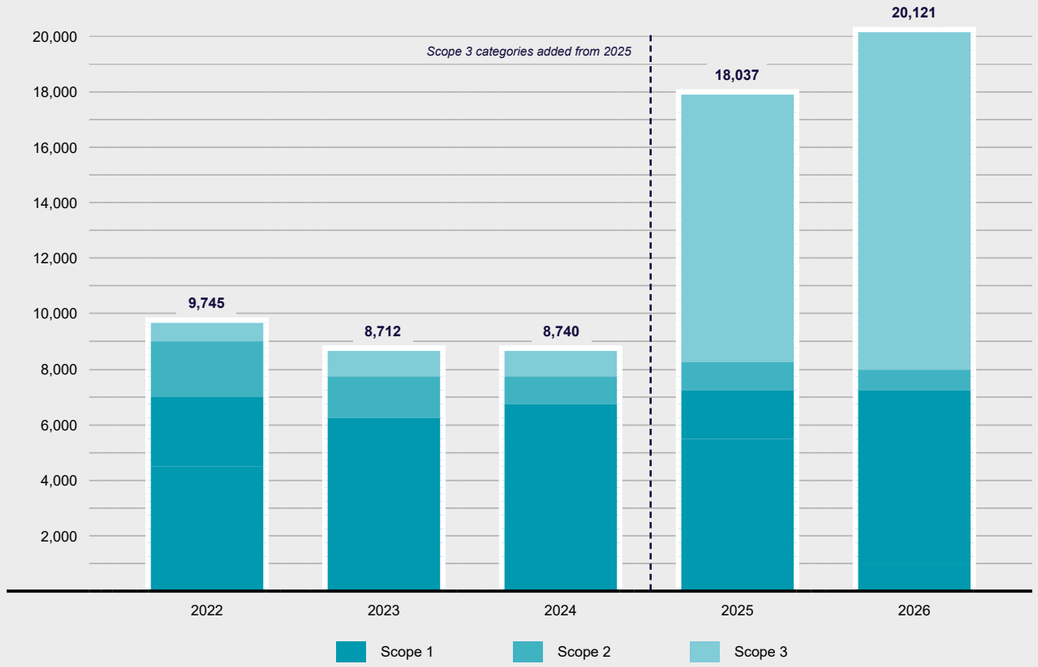
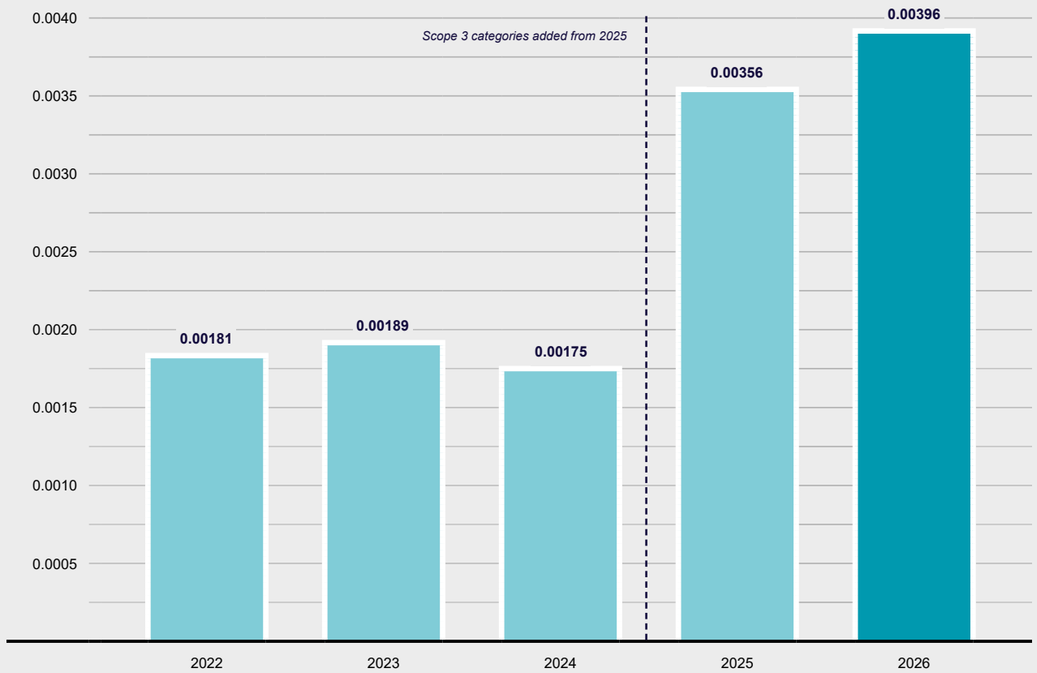


Figure 3: Carbon Emissions Per Tonne of Cargo (tCO2e per tonne)



2026 Scope 1 emissions (tCO2e) rose to 7,197 tCO2e, or 1.2%, from the 7,110 tCO2e during 2025. Although container volumes were on par with 2025, increases in fuel usage for marine plant and light vehicles primarily contributed to the emissions increase. Partially offsetting this emissions increase were reduced emissions associated with cranes, forklifts and stationary energy (generators).

Our purchased electricity (Scope 2) emissions decreased to 814 tCO2e, or 29.2%, from 1,161 tCO2e during 2025. This decrease has occurred due to both a 10% reduction in electricity consumed during the year and a 22% decrease in the Ministry for the Environment (MfE) purchased electricity emission factor used for each reporting year. These emission factors are used to convert electricity consumption into tCO2e. This follows a significant increase in the electricity emission factor used in 2025 of 39%, when compared with the emission factor used in 2024. The reduction in electricity consumption is primarily due to a reduction in the number of refrigerated containers ('reefer') on power days when compared with 2025.

Scope 3 emissions rose to 12,109 tCO2e, or 24%, from 9,766 tCO2e during 2025. This increase is primarily due to the capital investments Napier Port has made to acquire new high-value equipment and machinery e.g. ShoreTension mooring system, new autonomous truck and trailer units and battery swapping station (NPT project) and the new Eco Reachstackers. Total emissions in this category increased by 2,803 tonnes (177%) from 1,585 tCO2e in 2025.

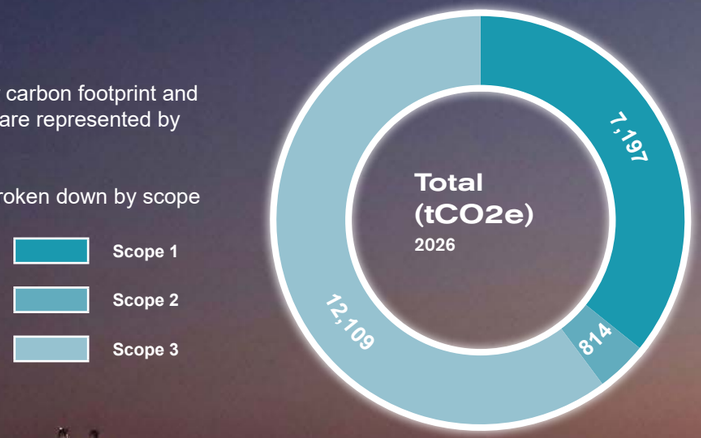
Other Scope 3 emissions had small movements when-compared with 2025, other than:

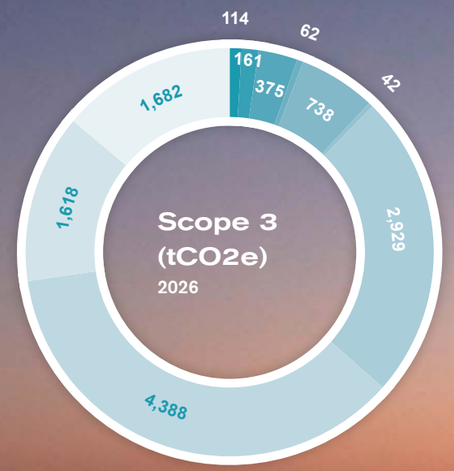
- container rail freight (category 4) which increased by 249 tCO2e (51%) due to an increase in customers transporting their cargo to Napier Port via rail,
- business travel which increased by 64 tCO2e (66%) due to overseas travel associated with our major capital projects, and
- waste/recycling which increased by 64 tCO2e (139%) due to adding in the source of the waste and an increase in the underlying emission factor.

Our 'per cargo tonne' intensity metric increased 11.3% to 0.00396 tCO2e/tonne in 2026, from 0.00356 tCO2e/tonne in 2025, as shown in the figure 2 chart above. This is primarily attributable to the impact of the increase in high-value asset Scope 3 emissions which increased the total emissions base by 11.6% while there was a 0.3% increase in annual cargo tonnage for the year.

Key insights into our carbon footprint and our 2026 emissions are represented by the charts below:

1) Total emissions broken down by scope



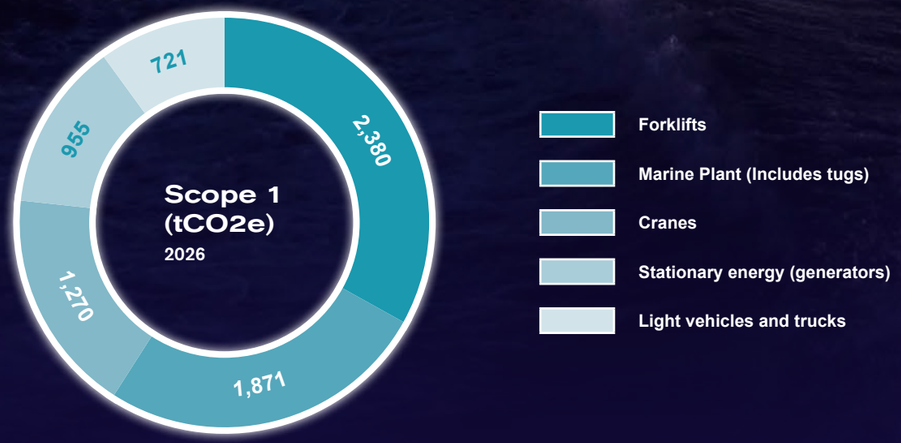


114	Waste^ /Water Supply	42	Tenant electricity
161	Air travel	2,929	Purchased goods & services
375	Employee commuting	4,388	Purchase of high-value assets
62	Electricity T&D* losses kWh	1,618	Construction projects
738	Container Freight - diesel tkm**	1,682	Well-to-tank - Fuel

*^ Landfill with gas recovery *T&D = transmission and distribution **tkm = tonne-kilometre*

2) Scope 1 emissions produced by mobile plant and marine assets contribute 36% of Napier Port's total 2026 emissions (down from 39% in 2025). Marine plant and light vehicles had the highest usage increase during the year.

The make-up of Scope 1 emissions is represented in the chart below:



3) Scope 2 emissions broken down by top emission sources

4% of Napier Port's total 2026 emissions related to Scope 2 emissions (2025: 7%) which arise from purchased electricity off the national electricity grid. Consistent with 2025, the top emission sources within this category are powering reefer containers, operational wharf and site lighting towers, and tug shore power and related infrastructure.

4) Scope 3 emissions broken down by top emission sources

60% of Napier Port's total 2026 emissions related to Scope 3 emissions which has increased from 54% in 2025. Breaking down the Scope 3 emissions data further, 24% of total scope 3 emissions are attributable to purchased goods and services, 13% is attributable to construction projects, 14% is attributable to fuel usage – well to tank, and 36% relates to purchase of high value assets.

Capital deployment

Napier Port undertakes long term planning including infrastructure master planning and financial models to capture its current plans and forecasts. Financial forecasts incorporate future climate related spending plans where identified and quantifiable, and in the cases where future spend is considered probable but not yet reasonably quantified, general capital provisions are incorporated into forecasts and reviewed periodically.

During 2026, Napier Port has incurred significant expenditure directly related to climate-related risks and opportunities. This capital investment involves renewing elements of the mobile plant fleet with lower emitting replacements. This will see some diesel-powered plant being replaced by battery electric or lower emissions plant (e.g. autonomous battery powered truck and trailers and Eco Reachstacker forklifts). In addition, Napier Port is continuing its programme of replacing its High-Intensity Discharge (HID) powered lighting towers with LED equivalents and LED lighting has now also been fitted to four of our mobile harbour cranes. This overall transition to LED will help to lower emissions (as LED lighting consumes less electricity than HID lighting) and will also provide other operational benefits.

The value of spend on such projects during 2026 was $12.6 million. These projects are in progress and are expected to see increased levels of investment in the next financial year.

Setting targets – Decarbonising Napier Port

Napier Port is committed to decarbonisation and reaching net zero greenhouse gas emissions by 2050 and currently this target is focussed on reducing the company's consumption of fossil fuels that produce long lived gases such as CO_2 and N_2O. Our sustainability strategy includes placing a focus on climate action and energy and supporting national net zero 2050 targets. As a result, our initial Emissions Reduction Strategy was developed, providing a framework for possible adoption of low emission technology and to establish a high-level pathway for Napier Port to reach net zero by 2050. This strategy illustrates incremental progress over time aligned to the removal of technological and economic adoption barriers. Consequently, Napier Port cannot set any realistic short or medium time-bound reduction targets at this time. Achievable reduction targets will be set once the appropriate asset masterplans have been refreshed to incorporate the feasible emission reduction technologies required to achieve the ultimate net zero by 2050 outcome. Consequently, it is too early to confirm whether this net zero target will be met without the need for removals or offsets.

At a high level, the Emissions Reduction Strategy aims to:

- Focus on the reduction of diesel consumption given it is the primary source of our current emissions
- Align investment in low emissions technology with
  - Our asset renewal program
  - Any future transformation of Napier Port container terminal operating modes
  - The availability of emerging technology
- Grow our electrical infrastructure through potential electrical capacity upgrades
- Establish a decision-making framework that considers low emission technologies and incorporates emission considerations in investment or business development decisions

This strategy framework continues to be further developed and involves further investigations into the viability of alternative fuel sources and the array of new low emissions technology.

Within this framework, Napier Port is currently developing a combined Electrical Master Plan and Energy Strategy. The plan is progressively establishing a long-term roadmap to decarbonise Napier Port assets while at the same time, assessing the infrastructure required to support future growth in a cost-effective and resilient manner.

Key observations and opportunities identified to date include:

- Decarbonisation roadmap – The plan outlines a pathway to reach net zero through the progressive replacement of diesel-powered assets with electric alternatives.
- Network optimisation and energy storage – The plan explores alternatives to significant upstream network upgrades by assessing how existing (or marginally increased) network capacity could be better utilised. This includes the use of Battery Energy Storage Systems (BESS) capable of storing energy from either latent network capacity, onsite solar, or regenerated crane power to reduce peak demand load and thus, eliminate or reduce the need for costly network upgrades.
- Crane regeneration – one benefit being evaluated is the ability to harvest energy generated during lowering and braking cycles during the loading and unloading of containers. This regenerated energy has the potential to be used for charging a BESS before being re-purposed across the operation to power or charge other assets.

In addition to this, the following initiatives are underway, each with the potential to support the decarbonisation of our operation:

- The adoption of battery electric powered truck and trailer units as lower emitting substitutes for heavy plant undertaking horizontal transport in our container terminal operation
- Crane replacement programme which includes assessing the viability of electric powered cranes
- Entering long-term collaboration arrangements with energy partners such as the Energy Efficiency and Conservation Authority (EECA) to identify, implement and promote energy efficiency and renewable energy opportunities
- Partnering with equipment suppliers to evaluate proof of concept renewable energy alternative equipment.

Current emission reduction initiatives already integrated within our business include:

- The operation of eight Eco Reachstackers within the heavy plant fleet
- A continual program of light retrofitting with low energy consumption LED alternatives to our light towers, cranes and storage sheds
- Replacement of clear lite cladding systems to reduce the need for interior lighting during daylight hours
- Deliberate deployment prioritisation of lower fuel consuming tugs
- Reduction in unproductive usage (idle) hours across our container handling mobile plant through the leveraging of IOT data and technology systems
- Procurement policy commitments to consider and evaluate renewable energy technologies and outcomes as a step within the procurement of higher value assets.

Last year Napier Port adopted a Sustainable Finance Framework to support progressive action towards the implementation of its sustainability strategy. This framework positions Napier Port to access sustainable loans and/or bonds to finance investment into eligible assets. Napier Port's Sustainable Finance Framework has been independently reviewed by Sustainable Fitch, a global provider of independent ESG research and opinions specialising in sustainable finance, and its Second-Party Opinion confirmed that Napier Port's Sustainable Finance Framework has 'Good' alignment with global sustainable finance standards.

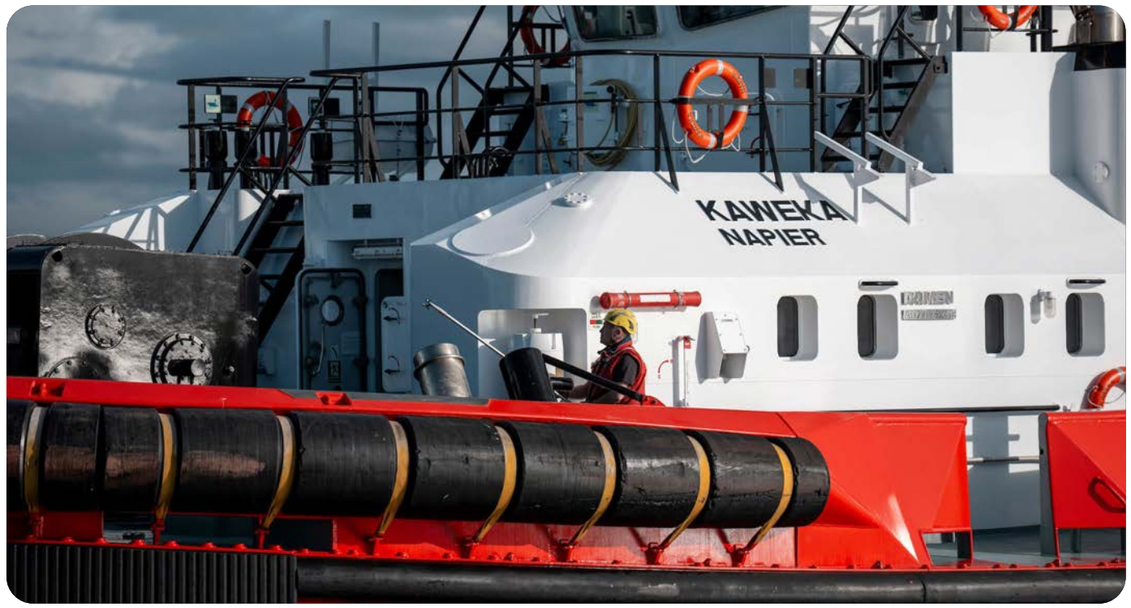
Napier Port's banking facility agreements also incorporate sustainable loan provisions in accordance with its Sustainable Finance Framework. This means that as Napier Port invests in eligible assets, including those related to clean transportation, pollution prevention and control and energy efficiency, it receives financial support from its lenders to do so.

Napier Port's Sustainability Strategy and Action Plan is available on our website at:
www.napierport.co.nz/sustainability/

Other climate-related metrics

NZ CS 1 category	Metric	2026	2025
Transition risks (para 22(c))	Amount and percentage of assets vulnerable to transition risks	$53 million net book value of diesel-powered plant [65% of property, plant and equipment]	$49 million net book value of diesel-powered plant [76% of property, plant and equipment]
Physical risks (para 22(d))	Amount and percentage of assets vulnerable to physical risks	$160.8 million net book value of the breakwater and sea defence asset [28% of property, plant and equipment]	$161 million net book value of the breakwater and sea defence asset [30% of property plant and equipment]
Climate-related opportunities (para 22(e))	Amount or percentage of assets or business activities aligned with opportunities	Unquantified	Unquantified
Capital deployment (para 22(f))	Capital expenditure, financing or investment deployed toward climate-related risks and opportunities	$12.6 million. This includes spend on battery operated plant and Eco Reachstackers	$3.3 million on sea defence works and $3.7million on lower emission plant and LED lighting
Internal emissions price (para 22(g))	Price per tCO2e used in decisions	$106	$101





Appendix A: Scenario analysis background

This appendix provides supporting background on the climate projections and the climate scenarios used to test the resilience of Napier Port's business model and strategy.

In November 2020, Envirolink, Gisborne District Council, and Hawke's Bay Regional Council collaborated to commission a review of climate change projections and their impacts on the Tairāwhiti (Gisborne) and Hawke's Bay regions. This was conducted by the National Institute of Water and Atmospheric Research (NIWA)[1] and was used as the basis for the scenario analysis contained within our original 2021 financial year report. For our subsequent reports, Napier Port has incorporated new data from various sources including the Intergovernmental Panel on Climate Change (IPCC), and the subsequent release of the 2025 Hawke's Bay Climate Change Risk Assessment.[2] These data sources have a direct or indirect impact on the identification of Napier Port's key climate related risks and helps to determine potential shifts in sea levels, wind patterns, temperatures, and extreme weather events. These data inputs enable us to analyse a range of potential future scenarios and assess how they may affect Napier Port's assets, operations, financial plans, and business model.

Future climate projections strongly depend on estimates for future global mean temperature rise resulting from greenhouse gas concentrations. In turn, those concentrations depend on global greenhouse gas emissions that are driven by factors such as economic activity, population changes, technological advances and policies for mitigation and sustainable resource use. Napier Port now uses the IPCC's more recent Sixth Assessment Report (IPCC AR6) as its basis for future climate change modelling and projections. The IPCC AR6 refers to Shared Socioeconomic Pathways (SSPs)[3] for future projected socioeconomic global changes used to derive greenhouse gas emissions scenarios based on different climate policies.

SSPs are a set of scenarios that describe different ways society might develop and how these changes could affect future greenhouse gas emissions. Each SSP is based on a distinct narrative about global trends – including sustainable development, regional rivalry, growing inequality, and fossil fuelled development.

For the IPCC global scale SSP modelling to be useful for Napier Port's CCRA process the results need to be downscaled to a Hawke's Bay regional level. Complete regional climate projections for Hawke's Bay have been released by NIWA and subsequently adapted into an accessible format by the Ministry for the Environment (MfE).

Napier Port's climate-related risk assessment process now considers the below three SSP scenarios based on the downscaled data that is available.

- SSP 1-2.6 is the 'green growth' pathway where global warming is limited to a range of between 1.3 and 2.4 degrees by 2100
- SSP 2-4.5 is the 'middle of the road' pathway where socio-economic factors follow their trends, with no significant change in reducing current temperature rise projections and global warming could increase to within a range of 2.1 to 3.5 degrees by 2100
- SSP 3-7.0 represents the 'regional rivalry' pathway where rising nationalism and regional conflicts lead countries to focus more on domestic or regional issues. Environmental policies receive little global attention, causing serious damage in some areas. Global warming could increase to within a range of 2.8 to 4.6 degrees by 2100

These three scenarios were chosen to align with NZ CS, which requires three scenarios to be analysed:

- one where global temperature increase is limited to 1.5 degrees Celsius (with an emissions pathway aligned to SSP 1-2.6, used as the closest available downscaled proxy because downscaled projections for SSP 1-1.9, the 1.5 degree pathway in the IPCC Sixth Assessment Report, are not widely available for New Zealand),
- another where the temperature is 3 degrees Celsius or greater (aligned to SSP 3-7.0),
- a third scenario of the reporting company's choice. Napier Port has chosen a scenario which looks to limit global temperature increases to a range between 2.1 and 3.5 degrees Celsius (aligned to SSP 2-4.5). We chose this pathway because it sits between the other two scenarios and is a widely used reference pathway in New Zealand climate projections guidance.[4]

Appendix B: Commercial and regional climate detail

This appendix holds the detail on anticipated climate effects on the Hawke's Bay forestry, horticulture and agriculture sectors, including the effects under each scenario and adaptation options.

Whilst the extent of potential impact is not conclusive, climate change is expected to influence land-based production by affecting the quantity, quality, and types of crops and forestry products that can be grown and harvested. Increased weather variability is likely to cause greater year-to-year fluctuations in yields, while long-term changes in temperature, rainfall, and sea level will alter the regional suitability for different commodities.

Acute hazards such as flooding, landslides, and coastal inundation, alongside shifting pest and disease pressures, will pose additional risks to agricultural, horticultural, and forestry operations.[5] Rising sea levels may also gradually reduce the area of land available for primary industries in low-lying parts of the region – especially after considering managed retreat for residential activities.

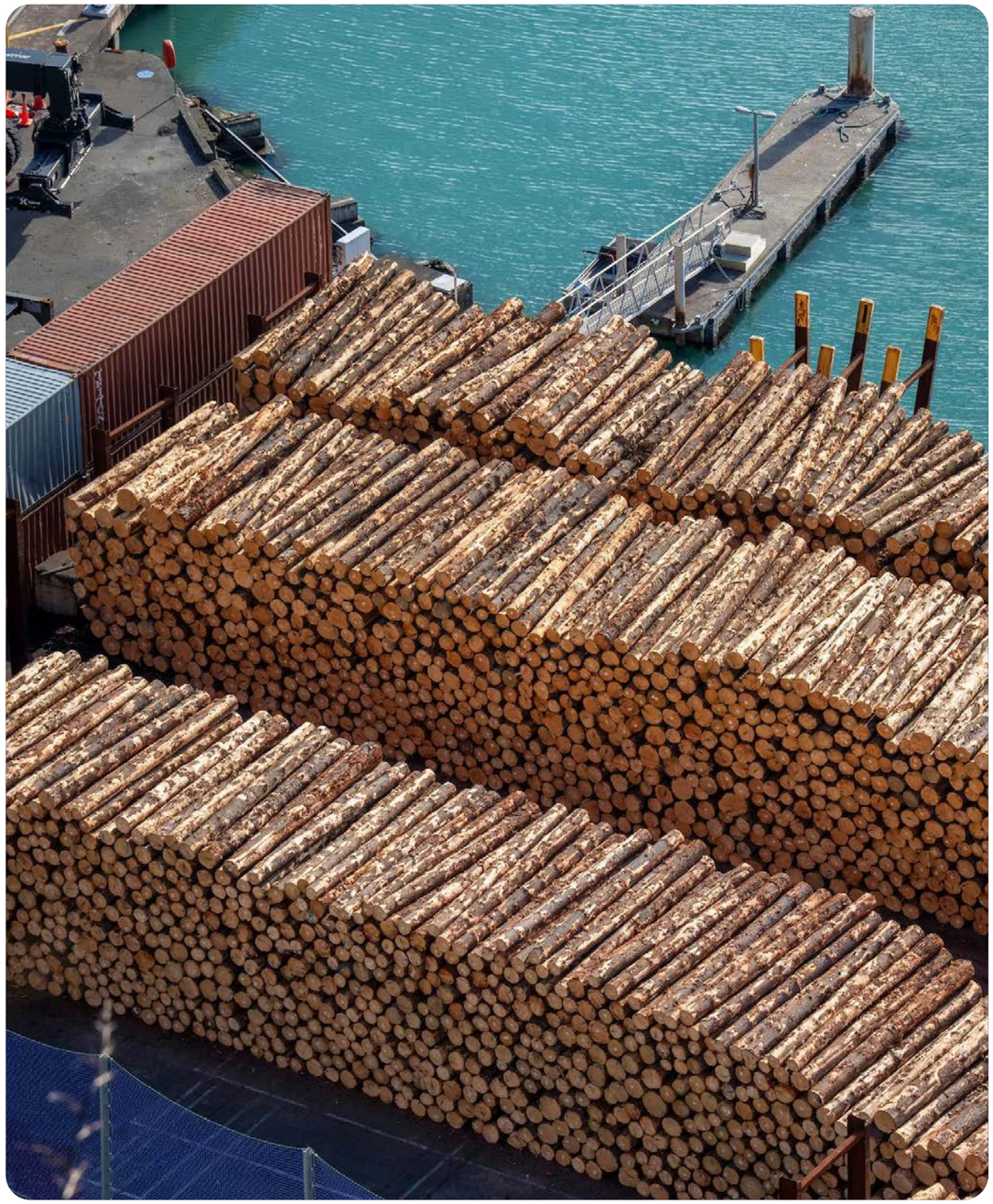
Forestry

Gradual shifts in climate, coupled with rising atmospheric CO_2 concentrations, are projected to provide moderate gains in forestry productivity for some sites by increasing photosynthesis and extending the growing season.[6] Warmer temperatures can also increase the rate of organic matter decomposition and nitrogen mineralisation, improve soil fertility and support tree growth.[7]

However, benefits may be offset by the increasing frequency and severity of extreme weather events, such as storms, high-intensity rainfall, flooding, and landslides.[8] Such hazards pose a significant risk to plantation forests by damaging tree stands, increasing erosion and sedimentation, compromising access roads and harvesting infrastructure, and raising operational costs. As climate risks intensify, adaptive forest management practices and infrastructure planning will be required to maintain productivity and protect asset value across the region's forestry sector. The anticipated climate change effects on the Hawke's Bay forestry industry are linked to SSPs as outlined in the table below. However, the future financial implications of these climate impacts are still to be determined.

Table 3 – The anticipated climate change effects on the Hawke's Bay forestry industry under different SSPs.[9]

SSP 1-2.6	• Increased productivity due to longer growing season and increased CO_2 availability • Some drought stress but manageable • Fire risk elevated but moderate • Landslide and flood risk low, localised slips still possible • Extreme weather events infrequent but isolated windthrow damage possible
SSP 2-4.5	• Drought stress increase particularly for east-facing slopes • Fire risk increases • Increased CO_2 may partially offset losses • Pest and disease pressure increases with warmer winters • More frequent landslides, flooding of forest roads and culverts • Increased frequency of storms/strong wind events causing windthrow and localised damage
SSP 3-7.0	• Productivity declines, particularly on shallow or lower quality soils • Pest incursions increase • Reduced economic viability of dry sites • Higher risk of severe erosion, landslides, flood damage and damage from more frequent severe storms/cyclones



Horticulture

Projected temperature increases are expected to negatively affect growth rates and growing seasons, as well as crops' ability to take up water, likely resulting in damaged crops or reduced quality.[10]

Adaptation will require a combination of short- and long-term strategies to maintain the region's horticultural productivity. Growers are already investing in improved water storage and irrigation efficiency, trialling new crop varieties better suited to warmer conditions, and strengthening on-orchard resilience to extreme weather events through protective infrastructure and improved drainage. Continued investment in research, water storage, coordinated biosecurity measures, and proactive land-use planning will be critical to ensure the sector remains viable as climate risks intensify.[11]

Climate effects on the Hawke's Bay horticulture industry are linked to SSPs outlined in the table below. However, the future financial implications of these climate impacts are still to be determined.

Table 4 – The anticipated climate change effects on the Hawke's Bay horticulture industry under different SSPs.[12]

SSP 1-2.6	• Longer growing seasons may benefit some crops (such as apples and grapes) • Increased disease and pest pressure • Water availability relatively stable if water is managed effectively and rainfall changes are moderate • Fewer frost days impacting crops that need winter chilling • Occasional extreme rainfall events may cause local flooding and soil erosion
SSP 2-4.5	• Significant increase in summer heatwaves; possible heat stress and sunburn damage to fruit crops (pip fruit, grapes, berries) • More droughts place pressure on irrigation • Higher pest and disease risks • Reduced winter chilling may lower fruit set for pip fruit and stone fruit • More frequent extreme weather events, including storms and heavy rainfall, may damage orchards and infrastructure
SSP 3-7.0	• Frequent extreme heat events damage fruit quality and yields • Severe water scarcity due to prolonged droughts • Major winter chill deficits for pip fruit and stone fruit • Increased pest/disease burden, including subtropical pests • Market quality and export reliability are at risk • Severe storms and extreme rainfall events could cause significant crop losses, flooding, erosion, and infrastructure damage



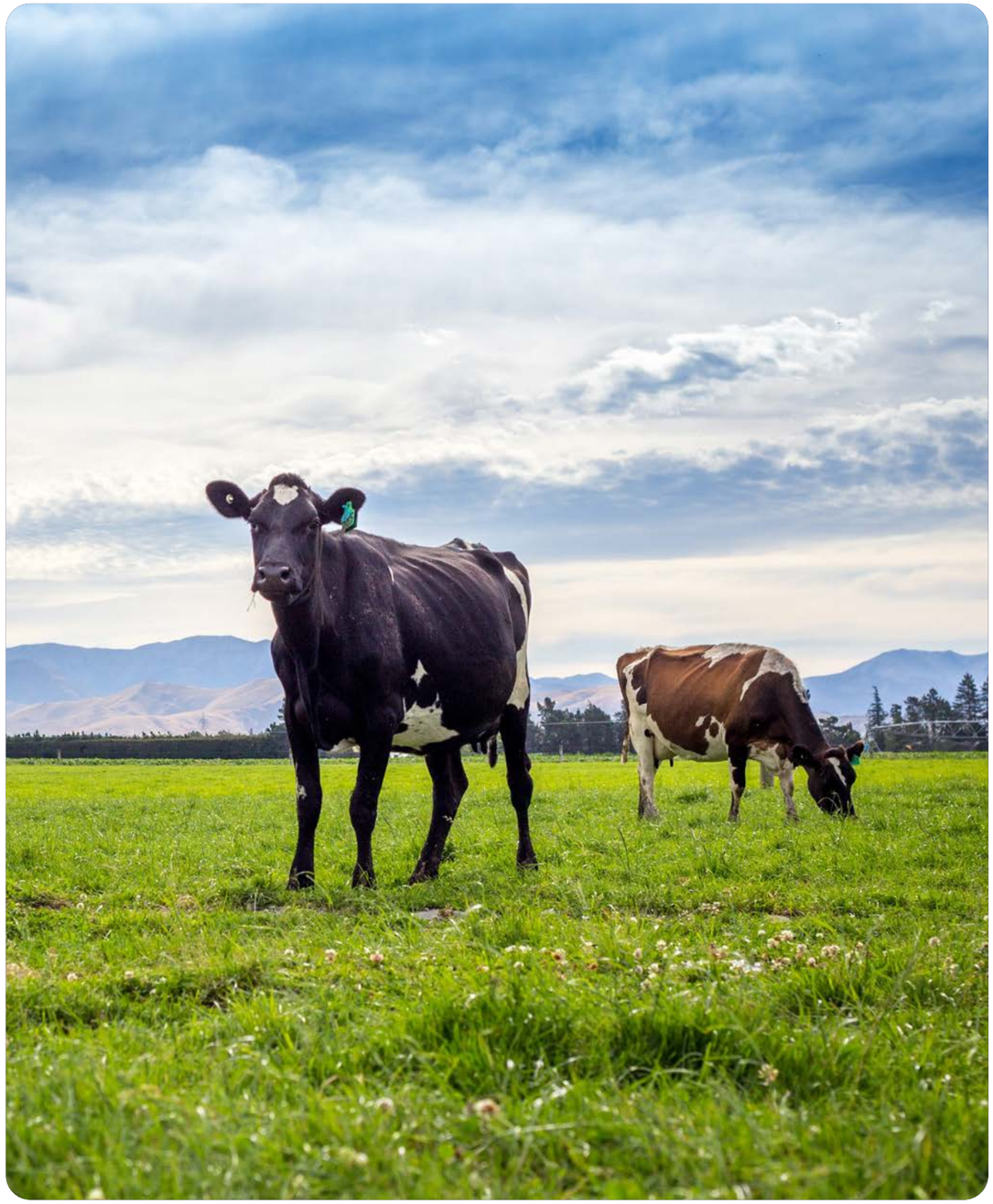
Agriculture

Climate effects on the Hawke's Bay sheep and beef farming industry are linked to SSPs outlined in the table below.

Key adaptation priorities for sheep and beef farming include enhancing pasture resilience through drought-tolerant forage species and regenerative grazing, securing water via improved storage, rainwater harvesting, and efficient irrigation, and protecting livestock welfare with shade, shelter, and heat- or disease-resilient breeds.[13]

Table 5 – The anticipated climate change effects on the Hawke's Bay agriculture industry under different SSPs.[14]

SSP 1-2.6	• Pasture growth may show slight improvement due to longer growing seasons and increased CO_2 availability • Water availability relatively stable if effective water management and moderate rainfall changes • Slight drought stress but manageable • Landslide and flood risk low, localised slips are still possible, which can reduce pasture availability • Livestock productivity remains stable or slightly improved
SSP 2-4.5	• Increased frequency and duration of droughts causing intermittent pasture shortages • Greater variability in pasture growth, dry summers reducing feed availability • Increased irrigation demand stresses water supplies • Higher heat stress reduces livestock weight gain and fertility and increases susceptibility to disease • Soil degradation risk increases due to more frequent drought and overgrazing during feed shortages
SSP 3-7.0	• Frequent severe droughts causing major pasture deficits • Water scarcity substantial • Significant heat stress to livestock, causing slower growth, more disease, lower fertility and higher mortality • Soil erosion and land degradation reduce carrying capacity • Significant declines in overall livestock numbers



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