



Channel

Infrastructure NZ

Sustainability Report 2025



About this report

Our reporting

Channel Infrastructure NZ Limited presents the Company's 2025 environmental, social, and governance (ESG) performance, which comprise this Sustainability Report (report), the 2025 Annual Report, and its Governance Statement. These documents form an integrated suite of reports and should be read in conjunction with each other, and where possible, we have drawn links between each. They are all available for download at: www.channelnz.com, alongside several underlying documents and policies referred to throughout this report.

In this report, references to "Channel", "Channel Infrastructure", the "Company", the "Group", "we", "us" and "our" refer to Channel Infrastructure NZ Limited (NZX:CHI), unless otherwise stated. All dollar figures are in New Zealand dollars unless otherwise stated.

This report

This report has been prepared in compliance with Part 7A of the Financial Markets Conduct Act 2013 (FMCA 2013), The New Zealand External Reporting Board's (XRB) Aotearoa New Zealand Climate Standards (NZ CS), including the use of adoption provisions 2, 5, and 7 (refer to Appendix 4- CRD disclosure index on page 65 for more details).

Channel's ordinary shares are quoted under the ticker CHI on the NZX Main Board Equity Market ('NZX Main Board') and as a Foreign Exempt Listing on the Australian Securities Exchange operated by ASX Limited. It is subject to regulatory control and monitoring by both the NZX (through NZ RegCo) and the Financial Markets Authority (FMA), and by ASX (to the extent applicable as a Foreign exempt Listed Issuer). This report has been prepared in accordance with the NZX Corporate Governance Code (refer to www.nzx.com).

A complete suite of Channel Infrastructure's governance documents can be publicly viewed at the "Investor Centre" on our website (www.channelnz.com), which includes detailed reporting against the NZX Corporate Governance Code, board and committee governance

documents, and our suite of policies, including those which govern our approach to ESG matters.

The data presented in this report is unaudited, however Channel has engaged EY to provide a limited level of assurance over scope 1, 2 and 3 Greenhouse Gas (GHG) emissions. A copy of EY's report on Channel's GHG inventory report can be found on page 57. This Sustainability Report also contains forward-looking information, or forward-looking statements. Please see "Forward-looking Information", Appendix 5- Forward looking statements on page 68 of this report.

Directors' statement

The Directors are pleased to present Channel Infrastructure NZ Limited's Sustainability Report for the year ended 31 December 2025. This report is dated 26 February 2026 and is signed on behalf of the Board by:



JB Miller, ONZM
Chair of the Board



AM Molloy
Chair, Audit and
Finance Committee

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ESG Framework



ESG Framework

OUR VISION

World-class energy infrastructure company



OUR PURPOSE

Delivering resilient infrastructure solutions to meet changing fuel and energy needs

A MORE SUSTAINABLE FUTURE

We are committed to caring for our people, the environment and the community in which we operate, focusing on sustainable practices to improve environmental, social and governance performance, delivering for all stakeholders.



OUR VALUES

- One Team
- Innovation
- Honesty
- Care

ESG Pillar, Objectives and SDG Alignment

ENVIRONMENT

Protect the environment in which we operate

Reduce our carbon footprint and build resilience to climate change risks

Responsibly contribute to achieving New Zealand's decarbonisation goals



PEOPLE & COMMUNITY

Everyone "safely home, everyday"

Be a good neighbour and corporate citizen, including contributing to regional development

Partner with local iwi, mana whenua and community in impactful ways

Attract, support, and maintain a diverse workforce and a healthy working culture



GOVERNANCE & FINANCE

Open and transparent reporting

Disciplined capital management

Support our customers to provide a resilient fuel and energy supply chain for New Zealand

Operate our critical infrastructure safely and reliably



MATERIAL ISSUES

Climate change

Land, waste & water

MATERIAL ISSUES

Health, safety & wellbeing

Iwi & community partnerships

Equity, diversity & inclusion

MATERIAL ISSUES

Infrastructure resilience and security of supply

Asset & lifecycle management

Transparency & financial discipline

Our 2026 metrics and targets

	GOAL	MEASURE	2025 TARGET	2025 ACHIEVED	2026 TARGET
Environment	Net Zero Scope 1 and 2 by 2030	Scope 1 and 2 emissions	70% lower ¹	●	80% lower ¹
	Protect our environment	Tier 1 and 2 process safety incidents	Zero	●	Zero
People and Community	Safely home everyday	Lost time injuries	Zero	●	Zero
	Diverse and engaged team	Employee engagement score	Maintain	●	Maintain
	Meaningful relationships	Customer assessment	+5%	● ³	+2.5%
Governance and Finance	Reliable infrastructure	Pipeline availability	> 98%	●	>98%
	Supply resilience	Contracted new revenues including through contracted storage and potential lease revenues	+10% ²	●	N/A
	Financial discipline	Deliver plan and meet EBITDA guidance	EBITDA guidance \$89-\$94 million	●	EBITDA guidance \$95-\$100 million

- Achieved
- Not Achieved

¹ Lower than the 2023 baseline of 4,037 tCO₂e

² On FY24

³ 2.5% achieved

Our sustainability targets

In addition to the targets set for 2026 included in our Company Scorecard and presented on page 6, Channel has committed to the following longer-dated sustainability focused targets. Details on or progress towards these targets are provide in the 'Our performance' section of this report. These targets ensure we continue to focus on improving our ESG performance over time.

LEGACY HYDROCARBON PLUME

10% reduction in legacy hydrocarbon plume over five years from 2024 (refer to page 10)

GENDER REPRESENTATION

At least 40% female /40% male /20% any gender representation across our permanent workforce (refer to page 12)

GHG EMISSIONS

Net zero scope 1 and scope 2 emissions by 2030 (refer to page 15).



Our 2025 performance

Environment



Protect the environment in which we operate

Reduce our carbon footprint and build resilience to climate change risks

Responsibly contribute to achieving New Zealand's decarbonisation goals

PEOPLE & COMMUNITY

GOVERNANCE & FINANCE



Material Issues

CLIMATE CHANGE

LAND, WASTE & WATER



Objective

Our Commitment

- Maintain a high standard of environmental performance.
- Build resilience to climate change risks.
- Act as responsible managers of the land and coastline upon which we operate.

What we do

Our environmental management systems include monitoring of our discharges to water, soil and groundwater, awareness and permit to work controls, as well as a zero spill target and prompt cleaning and remediation, as far as possible, of all leaks or spillage if this is not achieved.

Our coastal erosion management plan includes regular coastal dune surveys to monitor recession or accretion of the dune and our pipeline asset management plan includes regular geohazard monitoring.

The outputs from the recent climate risk assessments completed in 2023 and 2024 are incorporated into our asset management plans.

For more information on our environmental management systems refer to the Environment section of our website at www.channelnz.com.

Sustainability goal: Groundwater remediation - 10% reduction in legacy hydrocarbon plume over five years from 2024

Channel continued to operate its groundwater program for the hydraulic containment of the hydrocarbon plume beneath the site. The focus throughout 2025 was to maintain reliability of the 156 wells on our site, including the four hydrocarbon depression wells. In 2025, downtime due to maintenance, which included replacement of a pump, on the key recovery wells, was kept below 1%.

Full gauging of monitoring wells across the site was undertaken in 2025 and showed no significant change in overall plume extent in 2025 (less than 1% reduction). To enhance the rate of hydrocarbon recovery, which in turn reduces the extent of the hydrocarbon plume, an additional recovery well in the Northern sector of the site is currently in the detailed engineering design stage and is expected to be operational in 2026.

2025 Achievements

No Product to Ground initiative

During the year we launched our "No Product to Ground" safety initiative aimed at reducing product losses across our operations. This program reflects our unwavering commitment to a clean site, environmental stewardship, workplace safety, and world class operational excellence. Product losses pose not only environmental risks but also increase safety hazards for our employees. As a result of this initiative we have made measurable improvements in this area, highlighting the importance of awareness, pre-work planning, and execution strategies.

Marine oil spill contingency plan

During the year we renewed our site's marine oil spill contingency plan, strengthening our response capability for one of our most significant environmental risks. Boom deployment exercises with Maritime NZ and the Northland Regional Council have demonstrated that our response capabilities have improved as a result of the replacement of the site's response boat with a larger and more powerful boat - the Kātoitoi - and training and exercises involving site staff continue to enhance Channel's competency in this area.

Biodiversity

Mediterranean Fan Worm (*Sabella spallanzanii*) was first detected in 2008 in New Zealand and has since proliferated throughout harbours and coastlines. These non-indigenous worms out-compete other native taonga species for food and habitat, such as scallops and mussels.

Channel is funding research with iwi to assess whether community-based initiatives are a viable method of controlling the number of Mediterranean fan worm in the harbour. The study is a five year program to support kaitiaki to revitalise the mauri of their taonga tuku iho in the form of safeguarding kaimoana and other taonga species. The project aims to provide information on reinfection rates to better understand if eradication has lasting effects. Since November 2024 a total of 13,786

Mediterranean fan worm have been removed from the trial area. Re-surveying and monitoring the removal area is planned in the upcoming season to provide data on the reinfestation rates. These findings will inform future eradication strategies.

Channel has continued to collaborate with Patuharakeke in undertaking sediment and shellfish sampling on both Marsden and Mair banks Mātaitai area as part of the program of work to better understand the health of the Mātaitai area and surrounding aquatic systems.

The annual study measures kokota (pipi) biomass in the survey area and analyses sediment core samples for contaminants such as heavy metals and hydrocarbons. The 2025 survey showed some encouraging signs of greater density in one size class compared with the previous year.

ENVIRONMENT

People & Community



GOVERNANCE & FINANCE



Everyone "safely home, everyday"

Be a good neighbour and corporate citizen, including contributing to regional development

Partner with local iwi, mana whenua and community in impactful ways

Attract, support, and maintain a diverse workforce and a healthy working culture

3 GOOD HEALTH AND WELL-BEING


5 GENDER EQUALITY


8 DECENT WORK AND ECONOMIC GROWTH


Material Issues

HEALTH, SAFETY & WELLBEING

IWI & COMMUNITY PARTNERSHIPS

EQUITY, DIVERSITY & INCLUSION



Objective

Our commitment

- 'Everyone Safely Home, Every Day' whether they are Channel people, contractors, or visitors.
- Partner with local iwi, hapu and community in impactful ways.
- Be an employer of choice by attracting, retaining and developing our diverse workforce.

What we do

Our commitment is to get 'Everyone Safely Home, Every Day' whether they are Channel people, contractors, or visitors. We live this commitment daily with every leadership team meeting commencing with a safety share and safety discussions, the measurement of lead indicators such as on-site safety engagements as part of the internal Company scorecard, and Safety Toolboxes being undertaken.

Underpinning our safety culture programme are safety engagements, which are undertaken by people from across the business providing the opportunity for our leaders and supervisors to engage with employees and contractors on compliance with our safety management system. Importantly the focus is on reinforcement of positive behaviours or identification of corrective actions.

We are focused on building strong and enduring partnerships with the kaitiaki (guardians) over the poupouwhenua. We are proud of our work and acknowledge iwi perspectives as we recognise the intergenerational impact our business has had on tangata whenua from our region. We are committed to upholding the principles of Te Tiriti o Waitangi, as we manage the impact of our operations on the site, and harbour at Marsden Point, now and in the future.

We have long-term formal relationship agreements with two of our nearest iwi partners – Patuharakeke and Te Parawhau. This mechanism gives us a framework to work through differences and a way to work together in areas where we share a common interest. This includes regular kanohi ki te kanohi (face-to-face) hui with our iwi partners, and a six-monthly joint Mana Whenua Roopu hui, which brings together leadership from local iwi. We have open lines of communication with iwi, and frequently update them on key business decisions, particularly those in areas of known interest to iwi, such as protecting our environment, and the future use of our site.

At Channel, diversity and inclusion means a commitment to recognising and appreciating the variety of characteristics that make individuals unique and removing perceived or tangible barriers to feeling a sense of belonging, being treated fairly and respectfully and having equal access to opportunity. The Company's Diversity and Inclusion Policy guides our recruitment, talent management, performance management, values, and succession planning. The Company wishes to improve its gender, age and ethnic diversity so that it better reflects our community, and promotes the benefits of diversity and inclusion.

Sustainability goal: Gender representation - 40/40/20

Our gender representation has reduced year on year with 32% (2024: 36%) identifying as female and 68% (2024: 64%) identifying as male.

We continue to work hard at all levels of our organisation to attract and recruit women into the operations part of our business.

The proportion of senior leadership roles held by women has reduced from 41% in 2024 to 37% in 2025. We aim to increase female representation in senior roles by focusing on the candidate lists and balancing our interview panels, whilst selecting the best candidate for each role.

Pay equity

The gender pay equity gap for the business is currently 22% (2024: 16%). The pay equity gap shows the difference in median salary for males and females. Within each pay grade women and men are paid equally for equal work adjusting for experience, performance and seniority in role. The change in the gender pay gap metric since last reported is directly attributed to the recruitment of a few highly specialised senior roles, for which males were ultimately recruited, while at the other end of the spectrum there have been several female trainees who have been actively recruited into early career roles in the organisation.

While it is challenging to attract females to our industry, we have been relatively more successful at attracting women to early career roles with a view to growing these individuals into future leaders - which adversely impacts the gender pay gap metric.

2025 Achievements

As Channel executes on its growth strategy there is ongoing change within the business. Continuing support for our people's safety, mental health and well-being has remained a focus for the business.

"Care" framework

A refreshed Care framework was developed in 2025, to create an environment where our people feel safe, valued, and empowered to thrive, both personally and collectively. The framework aims to integrate care into the daily culture and operations of Channel and strengthen our connection with our community. We continue to partner with employee support provider – Telus Health – providing a digital platform with access to a vast library of well-being information along with direct and confidential access to an excellent selection of counsellors to provide support. We have utilised their monthly webinars throughout the year to provide opportunities for our people to learn more about areas that are important to them.

Safety management

As part of its continuous improvement in this area, Channel engaged a leading consultant – Dupont Sustainable Solutions (dss+)- to evaluate its safety management system. Several improvements were identified with workstreams progressing across safety leadership, critical risk management as well as contractor management.

For example, Channel has engaged with contractors on developing a suite of performance measures against which contractor performance in the health and safety space will be measured for 2026. The measures include both lagging and leading indicators which encourage contractors to improve their own safety management systems. Channel will continue to work with contractors to develop relationships with a view to moving the site safety culture from one of dependence to an interdependent relationship with a high degree of collaboration between Channel and contractors. This cultural evolution will likely take several years to be fully embedded.

Our leadership training continued in 2025 with the latest review of our safety systems. Senior leaders were provided with Visible Leadership training by dss+. This training will continue into 2026 with Critical Risk containment training and further Visible Felt Leadership training.

Lost time injury (LTI)

Disappointingly Channel had one lost time injury in 2025. The injury was a strained back as a result of manual handling activities undertaken. Channel has provided further manual handling training and has a

number of initiatives underway to minimise manual handling injury risk such as safety assessment of and improvements to equipment across the site such as valves and tank quick flush units.

Iwi internship

In conjunction with Marsden Maritime Holdings we created an internship for an individual from Patuharakeke, who demonstrates potential and is looking for hands-on work experience. The scope and outline of this programme was developed in conjunction with Patuharakeke. The internship started in March 2025 and the the intention was for the successful individual to spend time with Marsden Maritime Holdings and Channel for a 12 month period. After eight weeks working in Channel's Terminal Operations team, the intern was offered the opportunity to join the Channel team on a permanent basis. The iwi internship will be run again in 2026.

Developing our people

In 2025 our people were offered a range of development opportunities to support understanding and openness, and foster an inclusive environment, including:

- Embedding "Channel Connections – Wāhine" to further develop a community that supports, empowers and inspires the women at Channel to make a meaningful impact both through their roles, and in the wider community;
- Providing access to an externally provided Te Ao Māori course for our people, 11 people completed this course during 2025;
- Development and delivery of a Leadership Development Programme Accelerator for those 20 leaders who completed the Leadership Development Programme in 2024; and
- Development and delivery of a Senior Leadership Development Programme for those 18 Senior leaders.

ENVIRONMENT

PEOPLE & COMMUNITY

Governance & Finance



- Open and transparent reporting
- Disciplined capital management
- Support our customers to provide a resilient fuel and energy supply chain for New Zealand
- Operate our critical infrastructure safely and reliably

Material Issues

INFRASTRUCTURE RESILIENCE AND SECURITY OF SUPPLY

ASSET & LIFECYCLE MANAGEMENT

TRANSPARENCY & FINANCIAL DISCIPLINE



Objective

Our commitment

- Be open and transparent with our disclosures, and act in the best interests of our shareholders.
- Support our customers to provide a resilient and secure fuel supply chain.
- Operate our critical infrastructure safely and reliably over the long-term.

What we do

Channel maintains a strong focus on delivering reliable, high-quality fuel to customers by operating critical infrastructure safely and efficiently over the long term. This includes robust process safety management systems, crisis management frameworks, and comprehensive operational plans that ensure continuity and resilience of supply. Our asset management approach integrates insights from regular geohazard monitoring and climate-risk assessments, with findings incorporated into maintenance and operational planning to strengthen system reliability. Together, these processes ensure Channel continues to provide a resilient, secure, and high-quality fuel supply chain for New Zealand.

For more detail, refer to our Safety Case Summary available on our website.

Channel's financial sustainability is critical to the delivery of our ESG goals and Company strategy. Channel's capital management framework is to pay 70-90% of normalised free cash flow as a dividend and maintain credit metrics consistent with a shadow BBB/BBB+ credit rating.

Sustainability goal: GHG emissions – Scope 1 and scope 2 net zero by 2030

Scope 1 and 2 emissions for the 2025 financial year have reduced to 527 tCO₂e using a market-based methodology.

The significant decrease from our FY23 base year primarily relates to our long-term renewable electricity contract, cessation of crude oil storage, reduction in mobile equipment use as decommissioning projects are completed and optimisation of on-site activities.

Achievement of this target relies on a market-based approach to emissions accounting for scope 2 emissions, operational improvements and the use of high-quality offsets for those emissions that are hard to abate.

Refer to Channel's Climate-related disclosures and Greenhouse Gas (GHG) Emissions Inventory Report FY25 (Appendix 1) for further detail.

2025 Achievements

Jetty civil structures

In FY25 we completed the first stage of the most comprehensive condition assessment in the history of the 60-year-old jetty infrastructure. The purpose of this assessment was to understand the current condition of the structures and identify additional assessments required. The scope of work included underwater inspection, topside inspection and concrete durability assessment. The assessment confirmed the asset is well placed to support supply resilience and provided data to allow us to map out priorities for future maintenance and refurbishment work.

Pipeline reliability

During the year we delivered a number of pipeline reliability and integrity improvements to strengthen the operational resilience of the pipeline. These many small initiatives reduce pipeline downtime through upgrades to support incident prevention, and effective response and repair processes.

Aviation fuel product quality upgrades

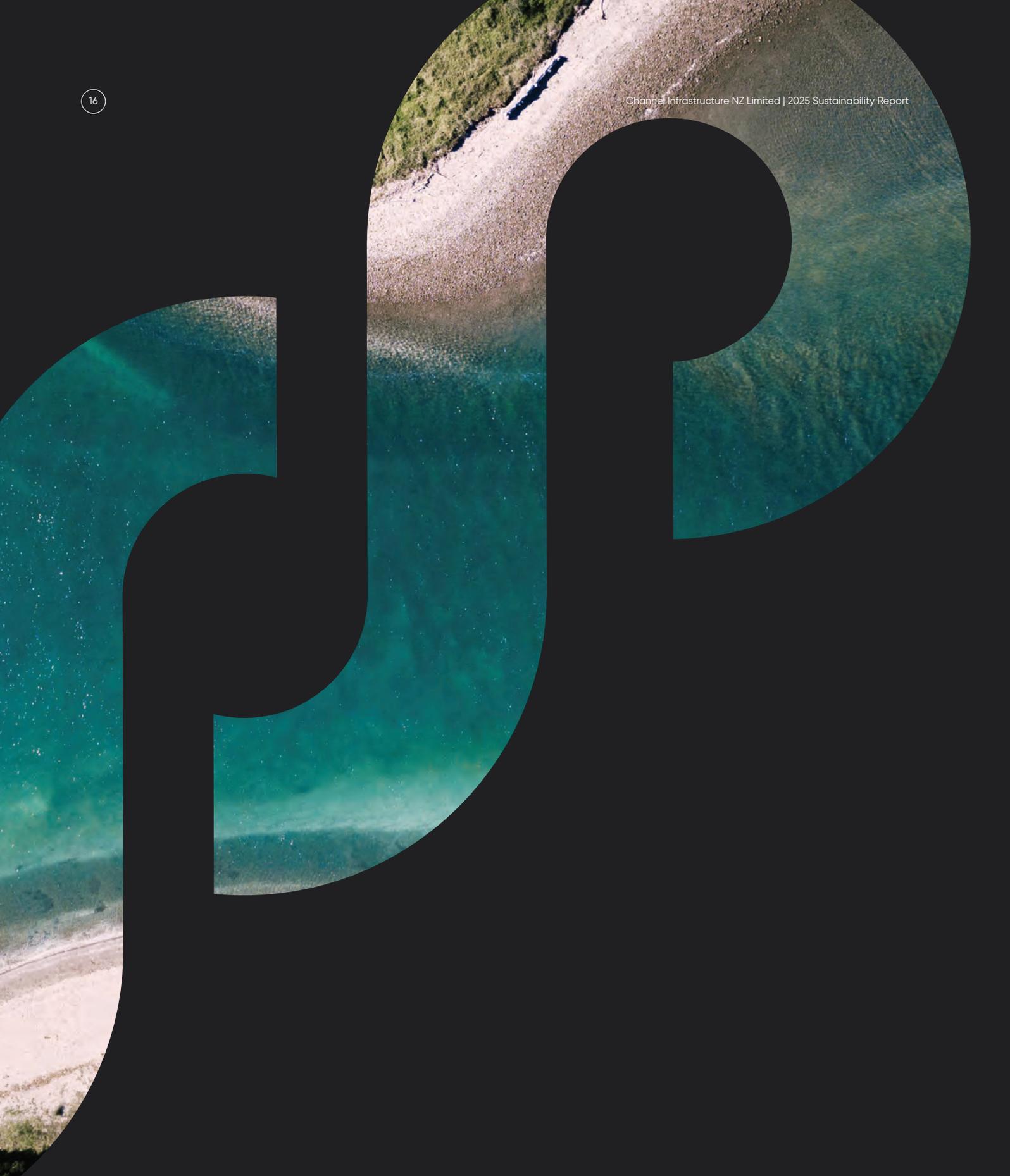
We also completed upgrades to three out of a total of six dewatering facilities (quick flush tanks) for aviation fuel tanks across FY25. In parallel, we progressed design and procurement for installation of floating suction arms across four aviation fuel tanks, for upgrades starting in 2026. These dewatering and floating suction asset upgrades enhance Channel's capability for long-term resilient supply of aviation fuel.

Financial results

Channel's EBITDA as at 31 December 2025 was \$93.4 million. Channel has also announced a final ordinary dividend of 6.75 cents per share taking the total dividends for the year to 13.0 cents per share for the 2025 financial year.

Channel has completed FEED on a 72MW diesel-powered electricity peaking plant within the Marsden Point Energy Precinct, with the cost of the FEED having been borne by two electricity market participants. Electricity market participants with whom Channel has engaged see a diesel peaker situated north of Auckland as a useful resilience asset for firming renewables, supporting Upper North Island grid stability and assisting with dry year risk on a separate node to other key thermal generation assets in New Zealand. Channel's project would be relatively fast to construct and benefits from the significant fuel reserves already stored on Channel's Marsden Point site, providing for near-immediate start up as required.

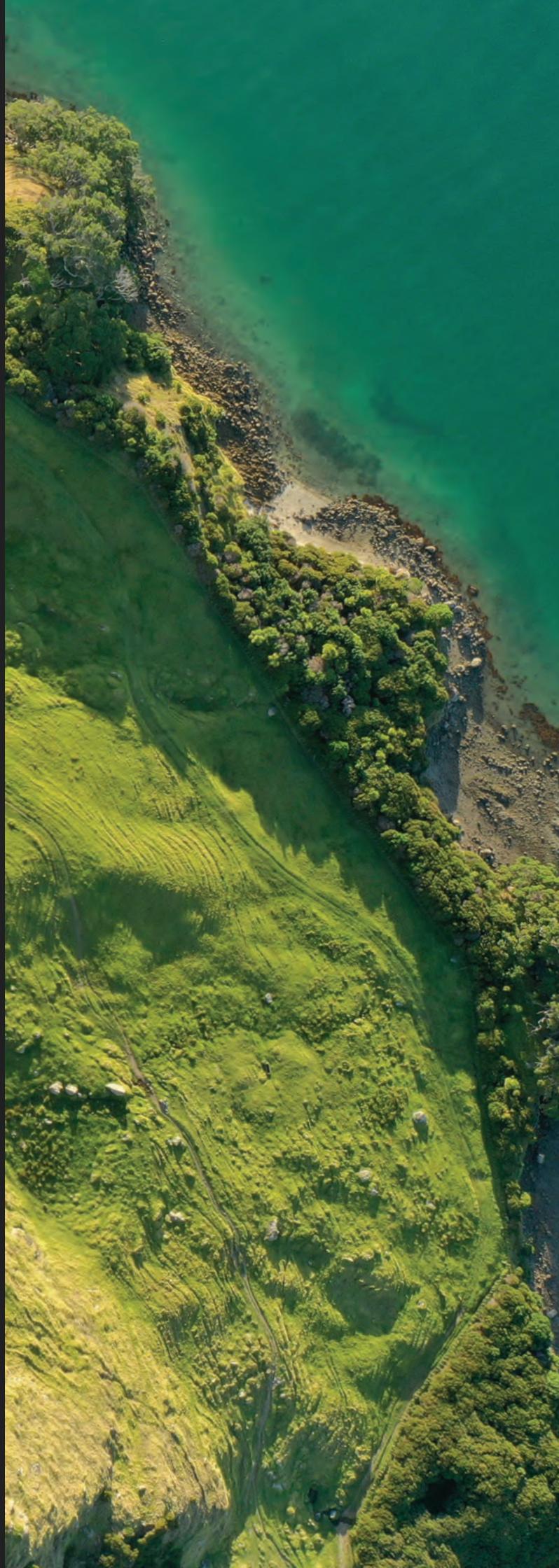
Channel was in advanced discussions with several parties regarding a long-term capacity contract to underwrite the development costs of the project, to be funded by Channel. Following the New Zealand Government's announcement that it is considering proposals relating to a potential LNG import facility, development of the project has been paused, pending the outcome of the Government's work on the facility.



Climate-related disclosures

CLIMATE-RELATED DISCLOSURES

Governance



Board Oversight

Channel Infrastructure's Board of Directors is the governance body responsible for risk management, including having the oversight of climate-related risks and opportunities.

The Corporate Governance framework, shown on page 20, sets out our governance practices and processes, the delegations from our Board to management, and the structure and focus of our Board committees. Our Board reviews and approves the environmental, social and governance strategy and policies of the Company, including in relation to sustainability impacts and responding to the risks, impacts and opportunities of climate change.

Our Board is committed to growing expertise and competency for oversight of climate-related risks and opportunities and, in conjunction with building our Board and management understanding of general environmental, social, and governance matters, we continue to keep our Board skills matrix under review, to identify the collective skills, competencies and experience required of our Board to deliver on Channel Infrastructure's strategy.

Governance of sustainability and climate change

The direction and oversight of sustainability and climate change is delegated to three sub-committees, reflecting the particular subject matter. The respective roles of the Board, its committees and management (the Leadership Team) are set out in the Board and relevant committees' charters. Committees annually evaluate their own performance, processes and procedures against their charter obligations, to assist the Board in effectively fulfilling its role and meeting its duties. The Board also periodically reviews its own performance as a board. A third-party independent organisation undertakes an evaluation of the Board performance on an approximately biennial basis. The most recent evaluation was undertaken in Q2 of 2025.

The Board sets the Company's risk appetite on an annual basis, and receives semi-annual reporting from management on the risk tolerances and metrics. Management also provides deep dive risk assessments, for each identified risk category, to the relevant sub-committee, or the full Board, on an annual basis. Climate-related risks are embedded within this risk management framework.

A consolidated view of climate-related risks, impacts, and opportunities utilising inputs from each sub-committee is presented to the Board annually.

Audit & Finance Committee (AFC)

The AFC reviews our corporate financial matters, including reporting and treasury risk management. This includes reviewing all proposed external financial reporting, taking into account the financial impacts (both current and anticipated) of reasonably expected climate-related risks and opportunities, and reviewing the annual assurance of greenhouse gas emissions prepared by a third-party assurance provider in consultation with management.

Health, Safety, Environment & Operations Committee (HSEO)

The HSEO Committee continuously reviews and manages our Health, Safety, Environment, and Operations risks and responsibilities. Meetings between management and the HSEO Committee provide oversight and feedback of information that includes an annual deep dive on climate-related operational risks.

People & Culture Committee

The People & Culture Committee reviews our Company's People Strategy, our talent development strategy and succession planning processes (including succession planning for executive roles), culture, pay equity, diversity and inclusiveness initiatives.

Nominations Committee

The Nominations Committee ensures the Board and its committees are structured appropriately and composed of suitably qualified individuals to support the Board's effectiveness in discharging its duties and responsibilities and adding value through good governance, as well as providing recommendations on the appointment of the chief executive and director and CEO remuneration.

Sustainability metrics and targets

Sustainability metrics and targets included in the Company Scorecard and the three longer-dated sustainability focused targets are set by management and approved by the Board. Performance against the Company Scorecard is tracked over time and reported at each reporting period.

The Board approves Channel's short-term incentive (STI) scheme annually. The STI scheme is focused on both Company and personal performance. The Company performance measures included in the STI scheme broadly align with the Company Scorecard, and individual Leadership Team objectives contribute to Channel's performance against these targets.

Management's role

Channel's Leadership Team, led by the Chief Executive, is responsible for the identification, assessment and management of risks and opportunities, including those relating to climate change. The Chief Financial Officer and General Manager Operations have climate change related responsibilities that require an understanding and oversight of the Company's climate-related risks and opportunities.

The Leadership Team reviews enterprise risks, including those relating to climate change, each quarter and report to the Board twice a year.

At the operational level, the General Manager Operations and supporting team members oversee ongoing activities on-site, including environmental and climate-related issues such as identifying and implementing opportunities for efficiency gains through minimising fuel and electricity usage, and appropriate responses to extreme weather events.

Climate Working Group (CWG)

The Climate Working Group comprises the Leadership Team and subject matter experts. The CWG consolidates the Company's response to climate change and reviews the GHG emissions reporting and decarbonisation pathway.

The CWG is responsible for providing a corporate representation of climate-related risks, impacts, and opportunities to the Board, by consolidating inputs from each sub-committee for consideration by the full Board annually.

Corporate Governance Framework

The Board

Is responsible for overseeing the performance and operations of the Company

Board Committees

Assist the Board to discharge its responsibilities in relation to:

PEOPLE & CULTURE

Oversees remuneration framework, people and culture strategies including diversity and inclusion and community engagement

AUDIT & FINANCE COMMITTEE

Oversees risk management framework, internal audit, financial reporting and the integrity of our sustainability reporting

NOMINATIONS COMMITTEE

Oversees the composition and structure of the Board and its committees and appoints the CEO

HEALTH, SAFETY, ENVIRONMENT & OPERATIONS

Oversees the environmental aspects of sustainability as well as health, safety and operational quality

CLIMATE WORKING GROUP

Comprised of senior leaders and subject matter experts, responsible for providing a corporate representation of climate-related risks, impacts, and opportunities to the Board, by consolidating inputs from each sub-committee.

Channel Infrastructure's Management System

Company policies, operating procedures, including the risk appetite and the Risk Management Framework

Management under the leadership of the CEO

Are responsible for delivering the strategic direction and goals approved by the Board

The CEO is responsible for instilling a culture that aligns with Channel's values

CLIMATE-RELATED DISCLOSURES

Strategy



Our strategic framework

Our Vision

World-class energy infrastructure company



Our Purpose



Delivering resilient infrastructure solutions to meet changing fuel and energy needs

Our Strategic Priorities

World-class Operator	High Performance Culture
<ul style="list-style-type: none"> Strong safety systems and culture Resilient infrastructure Long-term asset management Customer focused 	<ul style="list-style-type: none"> People and capability development Future focused Continuous Improvement Adaptive
Infrastructure Partner of Choice	

Grow from the Core	Support Energy Transition
<ul style="list-style-type: none"> Brownfield opportunities at Marsden Point Consolidator of fuels infrastructure Supply chain optimisation for our customers 	<ul style="list-style-type: none"> Repurposing Marsden Point Support transition of aviation to lower carbon fuels Marsden Point Energy Precinct
Grow through supporting the Energy Transition	

Disciplined Capital Management	Good Neighbour, Good Citizen
<ul style="list-style-type: none"> Target credit metrics consistent with a BBB/BBB+ shadow credit rating Deliver above WACC returns Cost management Stable and growing dividends 	<ul style="list-style-type: none"> Reducing environmental impacts Community engagement and iwi relations Just transition Transparency and disclosure
More sustainable future	

Resilience of our strategy

Our Strategic Framework, set out on page 22, is underpinned by three key strategic pillars – being an infrastructure partner of choice, growing through supporting the energy transition and focusing on a more sustainable future. Each of these pillars have aspects that support the global and domestic transition towards a low-emissions, climate resilient future state.

We underpin the resilience of New Zealand's fuel supply chain with our tank capacity, which enables increased storage of fuel in New Zealand, and through efficient, low-emission distribution of the fuel into the Auckland market. Given our proximity to Auckland, and critical role in the jet fuel supply chain, Channel is well positioned to support the renewable fuel transition. Our plan for growth includes supporting fuel resilience for New Zealand through additional fuel storage on our site, unlocking the strategic value of the Marsden Point Energy Precinct Concept which reflects the significant role Channel could play in supporting New Zealand's energy transition – through potential opportunities including supporting the manufacture of lower-carbon future fuels, as well as a range of potential energy security opportunities, and exploring expansion beyond Marsden Point.

We also own a 25% interest in the Somerton jet fuel pipeline to Melbourne Airport and our wholly-owned subsidiary, Independent Petroleum Laboratory Limited, provides fuel quality testing services throughout New Zealand.

Infrastructure partner of choice

Resilient infrastructure and long-term asset management are key strategic priorities for Channel. Our Strategic Asset Management Plan (SAMP) outlines over the long-term, the way the business will manage asset design, construction, operation, maintenance and disposal. Insights from the climate risk assessments (considering impact of coastal erosion and inundation, slope instability, flood exposure, river erosion and bank instability, surface erosion, treefall, coastal hazards) are included in the SAMP to support long-term infrastructure reliability and resilience.

The SAMP is reviewed annually by the HSEO Committee and is an input into our long-term funding plan that maps out the asset investments needed to support business objectives through our budgeting process.

More sustainable future

We are committed to being a good neighbour, and good citizen and are proud to have set and achieved a significant reduction in our scope 1 and scope 2 emissions since our 2023 baseline year, lowering these by 87%¹ to 527 tCO₂e. Channel remains among the lowest emitters on the NZX50².

Channel recognises that the fuel and transport sector significantly contributes to climate change and our infrastructure continues to distribute refined oil products. The Company remains committed to supporting the reduction of emissions within the fuels supply chain. Our large storage capacity at Marsden Point is able to support larger shipping vessels, providing opportunity for emissions efficiency of delivered fuel and lower upstream emissions intensity, and via our Pipeline, we provide our customers with the lowest emissions delivery of fuel to Auckland. The Marsden Point Energy Precinct Concept also provides opportunities for lower-carbon fuels manufacture to support the transition from refined oil products over time.

Channel's role to support a just transition to a low-emissions, climate resilient future is to ensure its infrastructure is available to support the changing energy demand over time. Decarbonisation of the transport sector, which Channel provides the fuel infrastructure to support, will be dependent on the uptake of EV's and continued fuel efficiency improvements for the light vehicle fleet; the development of alternative technologies (such as electric, hydrogen, biofuels and Sustainable Aviation Fuel (SAF)) and improved technologies leading to fuel efficiencies for heavy transport and air travel. Government policy, geopolitical and economic drivers will influence these trends over time.

¹ Reduction In Scope 1 and Scope 2 emissions achieved through the long-term electricity contract, reduction in diesel usage and removal of residual crude oil from storage.

² Comparing reported scope 1 and scope 2 emissions.

Grow through supporting the energy transition

A key part of our strategy is to grow from the core, and support New Zealand's energy transition. The Marsden Point Energy Precinct Concept outlines how the Company can maximise the value from our highly strategic site to play a significant role in supporting New Zealand's energy transition. The Marsden Point Energy Precinct is being considered by the New Zealand Government as one of New Zealand's first Special Economic Zones.

The range of potential opportunities for the Marsden Point site includes additional storage, lower-carbon future fuels manufacture, as well as a range of energy security projects such as electricity firming, importation and storage opportunities.

Opportunities being pursued include the Marsden Point Biorefinery project led by Seadra Energy and their consortium partners Qantas, Renova Inc, Kent Plc and ANZ Bank for which Channel would be the landlord and ancillary infrastructure provider. The consortium welcomed the addition of Air New Zealand in February 2026.

Other proposed projects include a diesel-powered electricity peaking plant. Channel has completed FEED on a 72MW diesel-powered electricity peaking plant within the Marsden Point Energy Precinct, with the cost of the FEED having been borne by two electricity market participants. Electricity market participants with whom Channel has engaged see a diesel peaker situated north of Auckland as a useful resilience asset for firming renewables, supporting Upper North Island grid stability and assisting with dry year risk on a separate node to other key thermal generation assets in New Zealand. Channel's project would be relatively fast to construct and benefits from the significant fuel reserves already stored on Channel's Marsden Point site, providing for near-immediate start up as required.

Channel was in advanced discussions with several parties regarding a long-term capacity contract to underwrite the development costs of the project, to be funded by Channel. Following the New Zealand Government's announcement that it is considering proposals relating to a potential LNG import facility, development of the project has been paused, pending the outcome of the Government's work on the facility.

In addition to the specific opportunities outlined above, we continue to monitor domestic and international technology developments which may represent commercially attractive opportunities for our business over the longer-term.

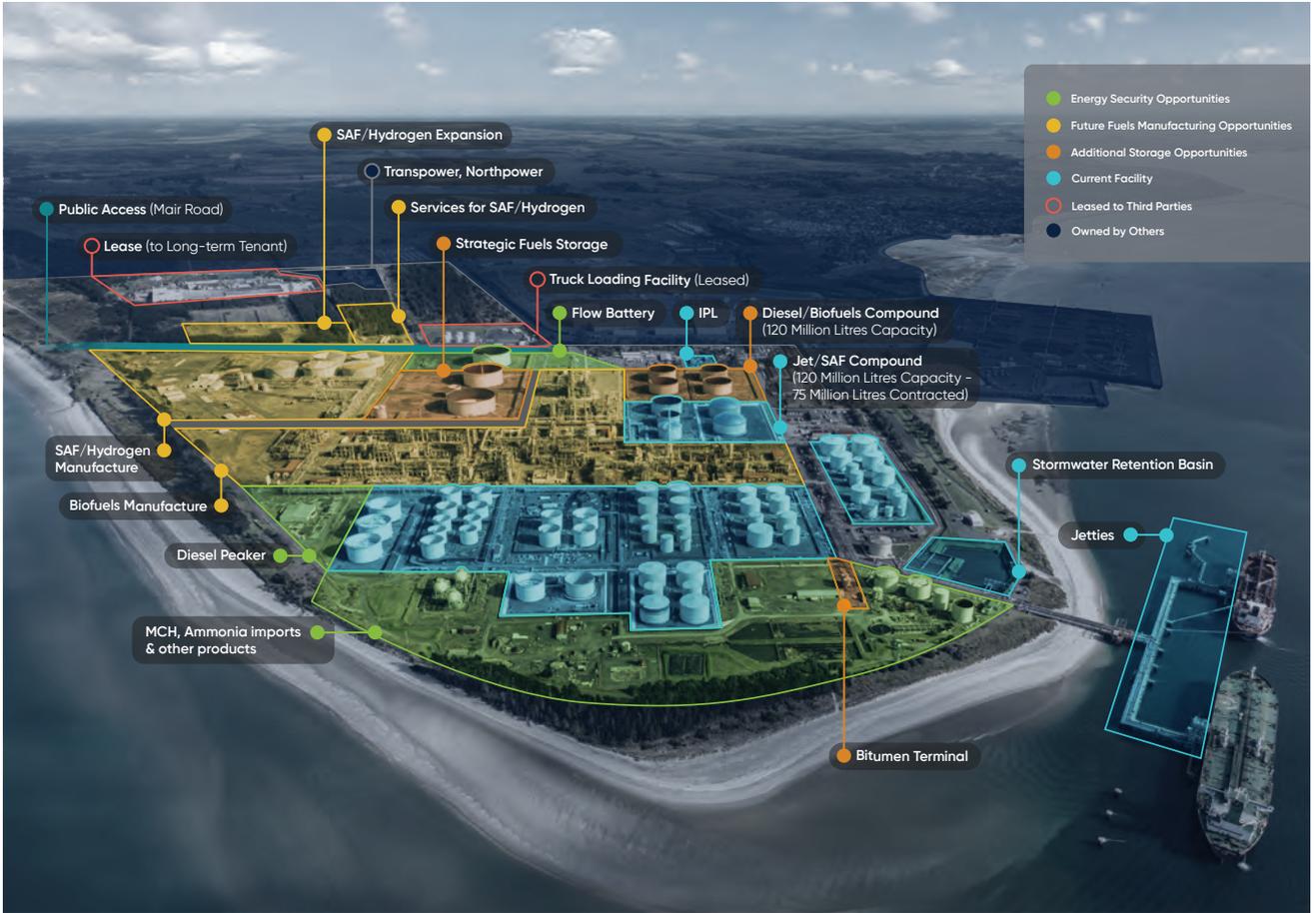
Global environment for future fuels

Globally, future fuels manufacturing projects face economic volatility, softening demand signals, financing and investment headwinds, escalating cost of construction alongside policy and regulatory uncertainty albeit good quality projects are likely to attract capital. Research continues to support SAF as a decarbonisation pathway for long haul air travel and biofuels, batteries and hydrogen for heavy transport. Transition to these fuel types is widely anticipated and over time technologies are likely to evolve and policy settings stabilise to facilitate long-term offtake contracts.

We are in discussions with our customers on the potential use of our strategic infrastructure to enable the receipt, storage, testing and distribution of lower-emissions fuels. This includes considering opportunities to increase scale as demand and available supply grows. We have previously processed a shipment of SAF through our infrastructure as part of a trial for Air New Zealand.

Given the critical role that Channel plays within the supply chain for New Zealand's aviation gateway, Auckland International Airport, our infrastructure will have a long-term role to play in enabling the decarbonisation of the aviation industry in New Zealand.

With an industrial scale electricity connection, proximity to fuel import terminal and pipeline to Auckland, our site is ideal for the manufacture of lower-emissions fuels and we have a number of parties that are interested in our site for that purpose albeit these opportunities have a longer time horizon.



Scenario analysis

In 2023 Channel developed three scenarios to help identify climate-related risks and opportunities and test the resilience of its business model and strategy.

These scenarios describe plausible and distinct futures, and are designed to test a range of potential climate-related impacts. Importantly, these scenarios do not represent our forecasts or predictive views of the future. Channel recognises that many plausible futures exist where different global temperature pathways, policy settings and consumer preferences can play out.

The scenario analysis process undertaken included the mapping of global and local reference models; setting of scope boundaries; assessing physical and transitional climate risks and opportunities; identifying the most material drivers of change; and completing synthesis of the climate scenarios and their narratives. The process involved a range of environmental experts along with our Leadership Team and internal subject matter experts.

The scenarios are reviewed each year by the Climate Working Group to assess whether they remain relevant and whether new information warrants updating the scenarios. Any material changes to the scenarios would be reviewed by the Board. The scenarios were updated in 2024 following the release of new climate data, and have been reconfirmed for the 2025 financial year.

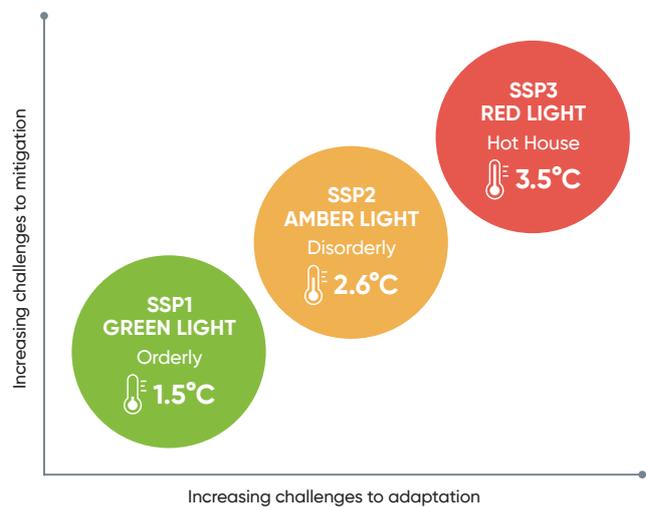
The climate scenario process is not formally integrated into Channel's strategic reviews or annual business planning process. Rather, the inputs to these processes are the SAMP and the long term funding plan, which include our response to the climate-related risks identified through the climate assessments completed, and the fuels demand outlook.

The fuels demand outlook has been prepared by Envisory¹. Envisory modelled three demand cases; the "Base" case which represents the "most expected" outcome; the "Faster" case, which assumes a faster transition; and the "Slower" case, in which the transition occurs over a longer period.

The forecast of fuel passing through our infrastructure is, in our view, the most material climate transition impact for our business. The alignment of our business planning processes with our climate scenarios is shown in the Business Planning section on page 30.

Channel acknowledges the links our infrastructure services have to the aviation industry and tourism sector and where relevant, have included information from The Aotearoa Circle Energy and Tourism sector Climate Change Scenario Analysis publications in preparing the three scenarios for our scenario analysis. Like these publications, Channel's climate scenarios are grounded in global reference scenarios to utilise applicable data and increase comparability with other climate reporting entities.

Channel has mapped a series of global references to design our three climate scenarios and their temperature pathway. The three climate change scenarios are summarised below.



¹ Envisory provides independent strategic advice and consultancy services to the energy sector

Green Light
Orderly

1.5°C
Limit temperature Rise.
Global temp increase¹ by 2100, relative to pre-industrial levels

SCENARIO INDICATORS

\$309 NZ carbon price ² for 2050, per tonne	6.2M New Zealand Population ³ in 2050	0.19m NZ sea level rise ⁴ for 2050 relative to 2005
+69% Whangarei Hot days ⁶ for 2041-2060 relative to 1972-2021	+7.8% Rainfall intensity ⁵ Marsden Point 20-yr ARI 1-hr rain depth, 2031-2050 relative to 1986-2005	

An orderly scenario narrative, including progressive and coordinated decarbonisation/transition.

In the 2020s, the introduction of strict and transformative climate regulations, combined with a strong shift in consumer preferences towards sustainable solutions, requires Channel to quickly reduce emissions and adjust the proportions of fuel types stored and transported.

From 2030, increased accessibility and strong development in the performance, range, and chargeability of light fleet EVs leads to a significant uptake, and mass adoption by 2050. Water use and wastewater products increase in the mid 2030s as green hydrogen production increases, and gradually replaces conventional diesel from that point on for heavy transport. SAF becomes widely available from the mid-2030s in NZ, replacing conventional jet fuel.

There is a 69% increase in the number of hot days in Whangarei by 2050, and a 7.8% increase in rainfall intensity for 1-in-20 year rainfall events of a 1 hour duration at Marsden Point. Global population continues to increase at a steady and expected rate, with New Zealand’s population expected to reach 6.2 million by 2050 as the country becomes more attractive to immigrants across the socioeconomic spectrum.

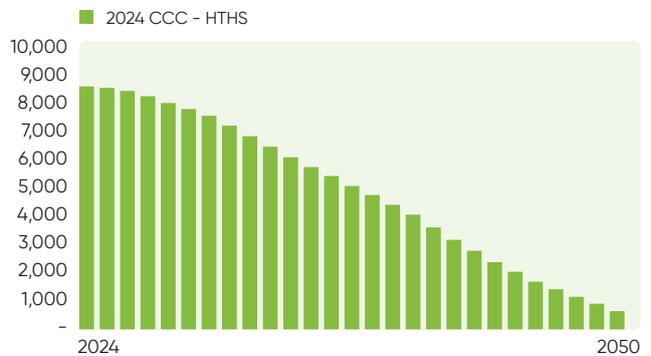
The cost of capital for ‘green’ investments continues to decrease, while the cost of capital for all investments associated with fossil fuels and GHG emissions increases from the mid-2020s. Channel has successfully achieved Net Zero Scope 1 and 2 emissions by 2030, and continues

to provide infrastructure and storage capacity to support lower emissions/ sustainable fuels and assist in a rapid transition with challenging reductions to liquid fossil fuel demand. The Emissions Trading Scheme (ETS) remains in place, and the carbon price signal shows a managed transition away from fossil fuels at \$309 per tonne by 2050.

NZ Total Fuel Demand (ml)

2024 CCC - Fossil fuels only

TOTAL NZ, FOSSIL FUELS ONLY, DOES NOT INCLUDE RENEWABLE LIQUID FUELS



High Level Descriptors

Global temperature rise 1.5°C by 2100

Physical risk severity	MODERATE
Transition risk severity	MODERATE
Policy reaction	IMMEDIATE AND SMOOTH
Technology change	FAST
Behaviour change	FAST
Socio-political instability	LOW - MODERATE

Data sources:

- IPCC (2021) WG1 AR6 Summary for Policymakers
- New Zealand Treasury (2023) Assessing climate change and environmental impacts in the CBAX tool
- Stats NZ. (2022) National population projections: 2022 (base)-2073. 50th percentile
- Ministry for the Environment. (2018) Climate change projections for New Zealand
- NIWA. (2017) High Intensity Rainfall Design System Version 4. Stations IDs averaged: 548215, A54753, A54842
- Gibson, P. B., et al. (2024) Dynamical downscaling CMIP6 models over New Zealand: added value of climatology and extremes

Reference scenarios:

NGFS Orderly, RCP2.6, SSP 1, CCC High technology and high systems change (HTHS)



Amber Light
Disorderly

2.6°C
Limit temperature Rise.
Global temp increase¹ by 2100, relative to pre-industrial levels

SCENARIO INDICATORS

\$411 NZ carbon price ² for 2050, per tonne	6.5M New Zealand Population ³ in 2050	0.22m NZ sea level rise ⁴ for 2050 relative to 2005
+87% Whangarei Hot days ⁶ for 2041-2060 relative to 1972-2021	+9.8% Rainfall intensity ⁵ Marsden Point 20-yr ARI 1-hr rain depth, 2031-2050 relative to 1986-2005	

A disorderly scenario narrative, involving globally inconsistent decarbonisation/transition.

In the short-term, global demand for fossil transport fuels continues to rise, and advancements in green energy technology are primarily improvements in the cost and access of existing solutions as opposed to emerging technologies breaking through.

No new targets are set by the Government to transition New Zealand’s energy and infrastructure needs until the 2030s, where extreme regulatory and social pressures are placed on heavy emitting industries to decarbonise quickly. There is a 87% increase in the number of hot days in Whangarei by 2050, and a 9.8% increase in rainfall intensity for 1-in-20 year rainfall events of a 1 hour duration at Marsden Point.

In New Zealand, capital is allocated to recovery from multiple, successive severe weather events and retreat from the 2030s onwards. New Zealand’s population increases as immigrants, particularly climate refugees, move to New Zealand - reaching 6.5 million by 2050. Global population growth levels off in the second half of the century.

Large amounts of SAF and green hydrogen, whether imported or locally produced, are not available in New Zealand until after 2040 due to a lack of production technology and demand. These are initially very expensive, contributing to the Disorderly scenario’s very high transition cost in comparison to the Orderly and Hot House scenarios. Diesel continues to be used until 2040 for heavy transport. From the 2040s, investing

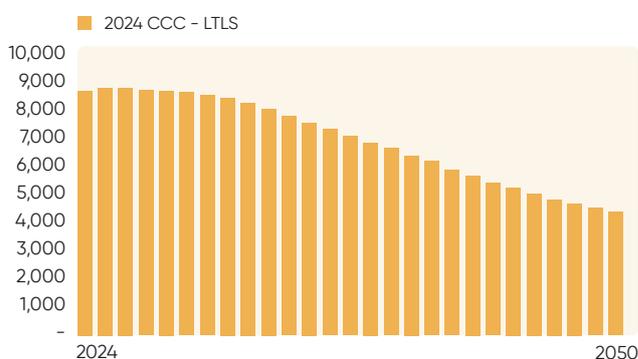
in decarbonising agriculture and transport becomes a priority.

Due to delayed action and need for capital investment, Channel has achieved Net Zero scope 1 and 2 emissions by 2035.

NZ Total Fuel Demand (ml)

2024 CCC - Fossil fuels only

TOTAL NZ, FOSSIL FUELS ONLY, DOES NOT INCLUDE RENEWABLE LIQUID FUELS



High Level Descriptors

Global temperature rise 2.6°C by 2100

Physical risk severity	MODERATE
Transition risk severity	HIGH
Policy reaction	DELAYED
Technology change	SLOW, THEN FAST
Behaviour change	SLOW, THEN FAST
Socio-political instability	MODERATE

Data sources:

- IPCC (2021) WG1 AR6 Summary for Policymakers
- New Zealand Treasury (2023) Assessing climate change and environmental impacts in the CBAX tool
- Stats NZ. (2022) National population projections: 2022 (base)-2073. 50th percentile
- Ministry for the Environment. (2018) Climate change projections for New Zealand
- NIWA. (2017) High Intensity Rainfall Design System Version 4. Stations IDs averaged: 548215, A54753, A54842
- Gibson, P. B., et al. (2024) Dynamical downscaling CMIP6 models over New Zealand: added value of climatology and extremes

Reference scenarios:

NGFS Disorderly, RCP4.5, SSP 2, CCC Low technology and low systems change (LTLS)



3.5°C
 Temperature rise >3
 Global temp increase¹ by 2100,
 relative to pre-industrial levels

SCENARIO INDICATORS

\$206 NZ carbon price ² for 2050, per tonne	6.9M New Zealand Population ³ in 2050	0.24m NZ sea level rise ⁴ for 2050 relative to 2005
+107% Whangarei Hot days ⁶ for 2041-2060 relative to 1972-2021	+11.3% Rainfall intensity ⁵ Marsden Point 20-yr ARI 1-hr rain depth, 2031-2050 relative to 1986-2005	

A hot house scenario narrative, with little to no decarbonisation/transition. Emissions grow.

Population growth is low in industrialised countries, and high in developing countries, with New Zealand's population increasing to 6.9 million by 2050.

The Government has set either no targets or very low ones for changing New Zealand's energy supply, and people's preferences for transport haven't changed. Around the world, demand for fossil fuels continues to grow rather than decrease. However, declining fossil fuel reserves increase import prices, and more frequent and severe extreme weather events often interrupt Channel's supply chain. This creates difficulties in securing fossil fuel supplies, particularly in the long term (2080+).

There is an 107% increase in the number of hot days in Whangarei by 2050, and an 11.3% increase in rainfall depth for 1-in-20 year events of a 1 hour duration at Marsden Point. Capital investment is required to remediate physical damage to infrastructure as a result of extreme weather events.

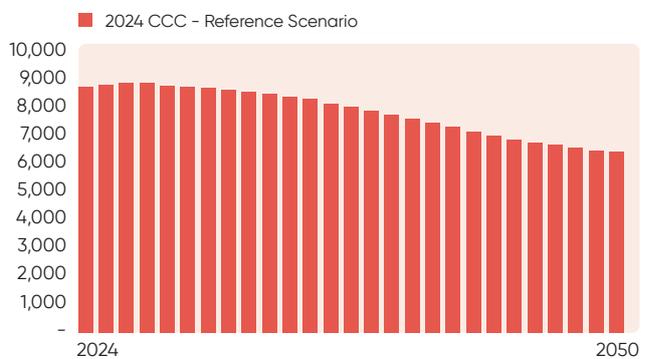
Demand for land transport fuels peaks within the early 2030s and slowly declines from then to 2100 due to a gradual EV uptake. SAF, green hydrogen and other lower-carbon fuels do not become available in significant quantities and remain largely unaffordable. Demand for international travel has augmented strongly due to a growing middle class globally traveling more and away from unfavorable climatic events/seasons, and conventional jet fuel continues to be used for aviation.

Despite challenges, Channel continues to meet demand, providing infrastructure and storage of conventional fossil fuels to current policy and regulation standards. The ETS remains in place, however, the carbon price signal does not strongly encourage a transition away from fossil fuels at a maximum of \$206 per tonne in 2050. Insurance premiums to cover Channel's assets rise over time.

NZ Total Fuel Demand (ml)

2024 CCC - Fossil fuels only

TOTAL NZ, FOSSIL FUELS ONLY, DOES NOT INCLUDE RENEWABLE LIQUID FUELS



High Level Descriptors

Global temperature rise 2.2°C by 2050; 3.5°C by 2100

Physical risk severity	EXTREME
Transition risk severity	LOW
Policy reaction	WEAK - CURRENT POLICIES
Technology change	SLOW
Behaviour change	SLOW
Socio-political instability	HIGH

Data sources:

- IPCC (2021) WG1 AR6 Summary for Policymakers
- New Zealand Treasury (2023) Assessing climate change and environmental impacts in the CBAX tool
- Stats NZ. (2022) National population projections: 2022 (base)-2073. 50th percentile
- Ministry for the Environment. (2018) Climate change projections for New Zealand
- NIWA. (2017) High Intensity Rainfall Design System Version 4. Stations IDs averaged: 548215, A54753, A54842
- Gibson, P. B., et al. (2024) Dynamical downscaling CMIP6 models over New Zealand: added value of climatology and extremes

Reference scenarios:

NGFS Hothouse, RCP7.0, SSP 3, CCC Reference Scenario

Business planning

Channel's business planning process considers the current view of New Zealand's total fuel demand outlook, including the use of lower-carbon future fuels. Trends are aligned with the pathways used in our climate change scenario analysis.

To combine our business planning processes with our climate scenarios, we have utilised the Climate Change Commission (CCC) data tables (aligned with the three Shared Socio-economic Pathways (SSP's) underpinning our scenario analysis) to provide a trend line of New Zealand Liquid Fossil Fuel Demand (converted from petajoules (PJ) to million litres (ML)) across our Envisory demand outlooks. This is to show the degree of alignment between our business planning process and the climate change scenarios. For FY25 we have updated the data tables to reflect the CCC 2024 projections.

It is noted that the Envisory data includes future fuels that can be handled by Channel's infrastructure, whereas the CCC data is for fossil fuels only.

To interpret the trend line comparisons, it is important to recognise the significantly different basis upon which the two data sets have been developed. The 2024 Envisory demand outlook was "built up" by detailed bottom-up modelling whereas the CCC's 2024 scenarios focus on possible actions taken based on technology and systems changes rather than an optimal mix of actions.

The 2024 Envisory New Zealand demand modelling considered the following:

- The jet demand forecast was based on the long-term passenger number forecast developed by international consultants DKMA for Auckland Airport in December 2022, adjusted for the near-term trends available to FY24. This passenger forecast included flight destinations, enabling Envisory to be more specific on fuel consumption, categorising flights as domestic, short-haul, long-haul, and extra long-haul (>11,500km). Air freight is a growing segment and was modelled separately.
- For diesel, the modelling was based on each consumption sector separately, including Agriculture, Industrial, Commercial, Residential, Transport and International shipping.
- The vehicle fleet was split between light passenger, light commercial, motorcycle, heavy transport and buses; each was modelled with its own split between new and used vehicles and turnover rates; and different proportions of electric vehicles coming into the fleet. This was done for each category and for new/used vehicles over time.

- Future fuels volumes were assessed for petrol and diesel, although not for jet fuel as SAF is a drop-in fuel, fully interchangeable with jet fuel and is able to be supplied via Channel's existing infrastructure.

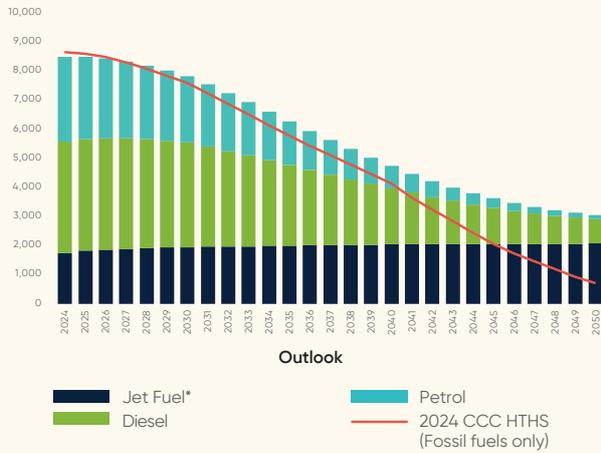
The CCC's liquid fuel demand was modelled using the Energy and Emissions in New Zealand model (ENZ) and includes fossil fuels only, based on projected use/mode of transport from the Ministry of Transport.

It is also important to note that the trend lines on the charts also show New Zealand's total fuel demand profile, which will be materially different to Channel's, due to the Company having a greater exposure to jet fuel, with Channel transporting 80% of New Zealand's jet fuel via the pipeline to Auckland.

ENVISORY FUEL OUTLOOKS OF NEW ZEALAND TOTAL FUELS DEMAND

Faster Transition

Faster Transition: NZ Fuel Demand (Million Litres)



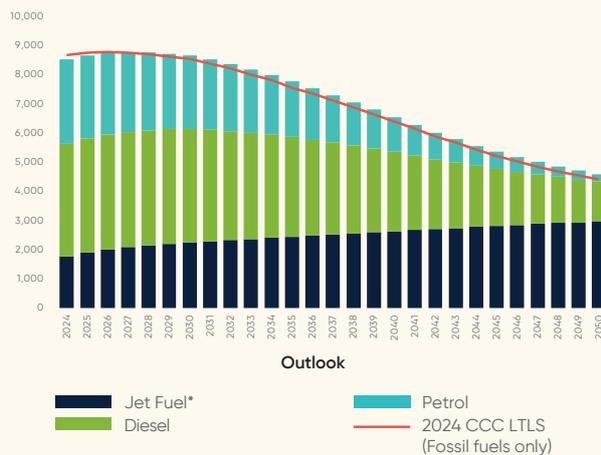
Factors influencing faster transition:

- Behavioural changes have more impact than expected,
- Electric Vehicles (EV's) reach cost parity with Internal Combustion Engines (ICE) earlier,
- Efficiency of new ICE fleet improves faster than expected,
- Better economic conditions increasing rate of fleet turnover,
- Breakthroughs in development of alternate fuel heavy vehicles,
- More technological breakthrough in aviation,
- Government policies: fleet efficiency targets, bio-fuels, mandates.

The CCC trend line follows a similar rate of decline over the short-medium term; however, the forecasted volumes are observed to be higher from the mid 2030s, due to Envisory's expectation of biofuels substitution.

Base Case

Base Case: NZ Fuel Demand (Million Litres)



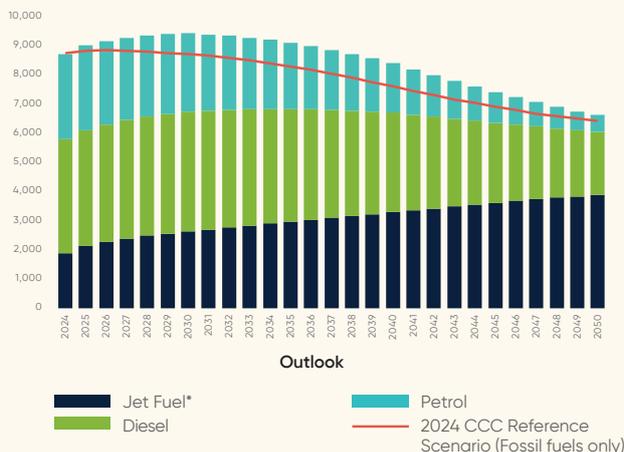
Base Case:

- Petrol volumes decline most rapidly due to replacement transport options (mainly EV's) being available,
- Diesel volumes decline, although at a slower rate, due to some "difficult to shift" demand,
- Jet volumes (including liquid SAF) continue to increase, due to post-covid recovery, continued demand for international travel and difficulty of substitution.

The CCC trend line more closely follows the trend line of total fuel decline.

Slower Transition

Slower Transition: NZ Fuel Demand (Million Litres)



Factors influencing slower transition:

- More difficult to change people's behaviour,
- More inertia in transition, possibly due to alternate (cheaper) ways of meeting emissions reductions,
- EV's take longer to reach cost parity,
- Slower efficiency improvement due to less efficient vehicles coming into the fleet,
- Poorer economic conditions result in age of fleet increasing,
- Less encouragement from Government and lack of support for net zero by 2050 (no bio-fuels obligation/mandate).

The CCC trend line shows lower demand in the short to medium term, but is closely aligned as the volume approaches 2050.

Source: Envisory Forecast

*NZ Jet Fuel demand assumes Channel makes up 80% of NZ's fuel demand, includes SAF

CLIMATE-RELATED DISCLOSURES

Risk Management



Reporting on risk

The Channel Infrastructure Board is responsible for reviewing and managing enterprise risk, including those related to climate change. Day-to-day risk management is delegated to the Chief Executive, with quarterly risk assessments conducted by the Leadership Team.

Climate-related risks across Channel's value chain are embedded within our enterprise risk management framework. For example, climate-related risks arising due to extreme weather events are included within the Critical Infrastructure Risk Category. This risk category is owned by our General Manager Operations and a deep dive risk assessment for this risk category is reported to the HSEO Committee annually.

Identifying and assessing climate-related risks

Climate-related risks were initially identified through a series of workshops leveraging an independent consultancy assessment of climate change risks to the Marsden Point site and the fuels Pipeline.

Subsequently, Channel has:

- commissioned a coastal hazards assessment by an independent expert for the Marsden Point site, considering future sea-level rise under climate change warming scenarios. The assessment included coastal erosion and inundation hazard risks, conducted in addition to our scenario analysis. The results of this assessment illustrated that most assets are safe from coastal erosion and inundation risks provided the existing rock revetment is maintained or realigned, with a flood gate mitigating inundation risks. The existing sand dune may require nourishment and/or stabilisation with rock revetment.
- completed detailed climate change modelling and assessment to understand the physical impacts to the Pipeline from climate change. This work included the assessment of hazards including increased slope instability, flood exposure, river erosion and bank instability, surface erosion, treefall, coastal hazards and high temperatures and their potential impact on the pipeline across all three time horizons and warming scenarios. The outputs of this assessment reinforced the continuation of Channel's comprehensive geohazard monitoring and remediation programme managed through our pipeline asset management plan.

Risks are assessed through Channel's Risk Assessment Matrix which assesses the likelihood of the event occurring and the impact on the business should it occur, to produce a total "risk rating" that is either low, moderate, high or critical.

Climate-related risks have been considered across three future time horizons:

- Short-term to 2030
- Medium term to 2050, and
- Long-term to 2100.

The short-term horizon broadly aligns with the existing Terminal Services Agreements that we have in place with our customers. The medium and long-term horizons align with Channel's longer term strategic planning and the lives of significant infrastructure assets.

Managing climate-related risks

We actively plan and prepare for weather impacts on our site and assets with well-developed response systems, coastal erosion management framework and established incident management processes. In recent years we have improved the resilience of our site to severe weather events through investments in our stormwater management systems, decommissioning of refining plant and cleaning of associated sewer networks and dune protection improvements.

For the pipeline we maintain a pipeline asset management plan and complete regular geohazard surveillance, monitoring and remediation measures for the pipeline.

We maintain Material Damage and Business Interruption insurance for property damage and consequential business interruption as a financial mitigation of these risks.

Transition risks are related to the transition to a low-emissions, climate-resilient global and domestic economy, which could have a material impact on our business if Channel's infrastructure is by-passed. Transition risks are managed strategically through diversification of Channel's revenue streams with a focus on stable inflation linked revenues that are independent of fuel throughput volumes.

From a risk management perspective, Channel will invest to mitigate risks (including climate-related risks), in line with our risk tolerances.

Climate-related risks and opportunities

The following pages set out the material physical and transition climate-related risks and opportunities identified by Channel. Risks have been identified across the Channel's entire value chain. The anticipated impacts that might be experienced, and the timeframe/s in which the impact might reasonably be expected to occur are set out.

RISK

Extreme weather events causing damage to infrastructure assets at Marsden Point and/or the pipeline

RISK TYPE Physical

KEY SCENARIO Hothouse



TIMEFRAME Long term

RESPONSE AND MITIGATIONS

- Coastal erosion management framework kept up to date reflecting latest climate-change information, including maintenance of rock revetment and sand dune.
- Pipeline asset management plan kept up to date reflecting latest climate-change information.
- Continued geohazard surveillance, monitoring and remediation measures for the pipeline.
- Material Damage and Business Interruption insurance maintained for property damage and consequential business interruption.

ANTICIPATED IMPACT

The risks to the Marsden Point site and pipeline are assessed as low to medium until at least 2080 in the majority of global warming cases.

Damage to infrastructure at Marsden Point and the pipeline could result in increased capital expenditure and remediation works.

Marsden Point site

The management of coastal erosion, flooding and inundation at Marsden Point site may require the following investments:

- By 2080, floodgate installation, rock wall extension and additional site bunding.
- By 2130, elevation of critical assets and stormwater upgrades, further rock wall extension and site bunding.

Pipeline

The management of ground instability and flooding along the pipeline may require the following investments:

- By 2080, bund upgrades along the pipeline, groundwater pumps, and additional geotechnical annual remediation costs.
- By 2130, seawall expansion, relocation of 1km of the pipeline, elevation or relocation of a pump station, and additional geotechnical annual remediation costs.

CURRENT IMPACT

- In recent years the resilience of our site to severe weather events has been improved through investments in stormwater management systems, decommissioning of refining plant and cleaning of associated sewer networks and dune protection improvements.
- In FY25 we removed the cladding from redundant tanks on our site following a high wind event. Costs incurred: \$0.4 million.

REFERENCES

- Marsden Point Coastal Climate Risk Assessment Report prepared by Wood Beca Limited (August 2023)
- Physical Climate Impact Assessment for the Channel NZ Marsden Point to Auckland Pipeline prepared by Pattle Delamore Partners Ltd (June 2024)

RISK

Extreme weather events exacerbated by sea level rise increasing the risk of flooding at Auckland Airport and Wiri Terminal

RISK TYPE Physical

KEY SCENARIO Hothouse 

TIMEFRAME Long term

ANTICIPATED IMPACT

Auckland Airport and Wiri Terminal are expected to have their own mitigation plans and event responses.

Consequential impact to fuel volumes, including jet fuel, through the Marsden Point terminal.

RESPONSE AND MITIGATIONS

Actively work with Auckland Airport and Wiri Terminal to ensure our asset management plans are aligned.

CURRENT IMPACT

None

RISK

Extreme heat risk increasing the risk of wildfires or adversely impacting employee wellbeing

RISK TYPE Physical

KEY SCENARIO Hothouse 

TIMEFRAME Medium term

ANTICIPATED IMPACT

Channel does not expect extreme heat risk to impact its operations in the short term.

Extreme heat risk could:

- Increase the incidence and/or severity of wildfires that may damage or restrict access to infrastructure assets.
- Adversely impact the physical wellbeing of site workers, potentially leading to shorter shift patterns or increases in the number and duration of work breaks.

RESPONSE AND MITIGATIONS

- When data is available, site assessments will be updated to include analysis of the risk of wildfire.
- Continued application and periodic review of Channel's existing heat stress and fatigue management guidelines

CURRENT IMPACT

None

RISK
Insurance companies reduce exposure to Channel

RISK TYPE	Transition
KEY SCENARIO	Hothouse 
TIMEFRAME	Medium term

ANTICIPATED IMPACT

Channel does not expect insurance availability to be impacted in the short term.

Increased frequency and severity of weather events could impact the availability or cost of insurance coverage, increasing the risk that Channel must self-insure some or all of its assets.

- RESPONSE AND MITIGATIONS**
- Material Damage and Business Interruption insurance maintained for property damage and consequential business interruption.
 - Diversity of insurers/underwriters on the MDBI insurance program.
 - Transparent and balanced disclosure of the risks faced by the business.

CURRENT IMPACT

None

RISK
Investors and financiers reduce exposure to Channel

RISK TYPE	Transition
KEY SCENARIO	Disorderly 
TIMEFRAME	All time horizons

ANTICIPATED IMPACT

Higher interest rates and cost of capital.

- RESPONSE AND MITIGATIONS**
- Diversity of funding sources across bank and bond markets.
 - Transparent and balanced disclosure of our sustainability impacts and performance, including Greenhouse Gas Inventory and decarbonisation initiatives.

CURRENT IMPACT

None

RISK

Reduction in demand for Channel's infrastructure assets

RISK TYPE	Transition
KEY SCENARIO	Disorderly
TIMEFRAME	Long term

ANTICIPATED IMPACT

Channel does not expect a material reduction in jet fuel demand in the short or medium term.

Transition to a lower-carbon economy could reduce potential revenue.

- Fuel demand could reduce as a result of improvements in fuels efficiency, electrification, development and take-up of alternative technologies including non-drop in fuels (i.e. Channel's infrastructure is by-passed), and public sentiment and cost impacting consumer purchasing decisions.
- Lower-carbon future fuels (e.g. sustainable aviation fuel) can 'drop in' to Channels existing infrastructure and therefore would not affect overall revenue. However, a reduction in overall fuel demand, particularly jet fuel, would have an adverse financial impact on the business.

RESPONSE AND MITIGATIONS

Diversification of Channel's revenue streams with a focus on stable inflation linked revenues that are independent of fuel throughput volumes. Approximately 50% of Channel's revenues are fixed and not dependent on fuel throughput at present.

CURRENT IMPACT

None

OPPORTUNITY

Population growth

RISK TYPE	Transition opportunity
KEY SCENARIO	Hothouse
TIMEFRAME	Medium to long term

ANTICIPATED IMPACT

Population growth expected towards the middle of the century as climate change impacts are felt around the world.

Increased demand for transport fuels due to population growth as immigrants, particularly climate refugees move to New Zealand, could increase potential future revenue.

RESPONSE AND MITIGATIONS

Strategic Asset Management Plan kept up to date to support the long-term reliability and resilience of our infrastructure and support the growth in demand.

CURRENT IMPACT

None

REFERENCES

Envisory outlook September 2024

OPPORTUNITY**Marsden Point Energy
Precinct Concept****RISK TYPE** Transition opportunity**KEY SCENARIO** Disorderly **TIMEFRAME** Short and medium term**ANTICIPATED IMPACT**

Demand for alternative fuels is accelerating globally, but will be dependent on incentives and government policy on lower-carbon fuels.

The Marsden Point Energy Precinct Concept includes lower-carbon future fuels manufacture on our site. Channel's role in these potential projects would be as landlord and infrastructure provider. If these projects eventuate, they could increase potential future revenue.

RESPONSE AND MITIGATIONS

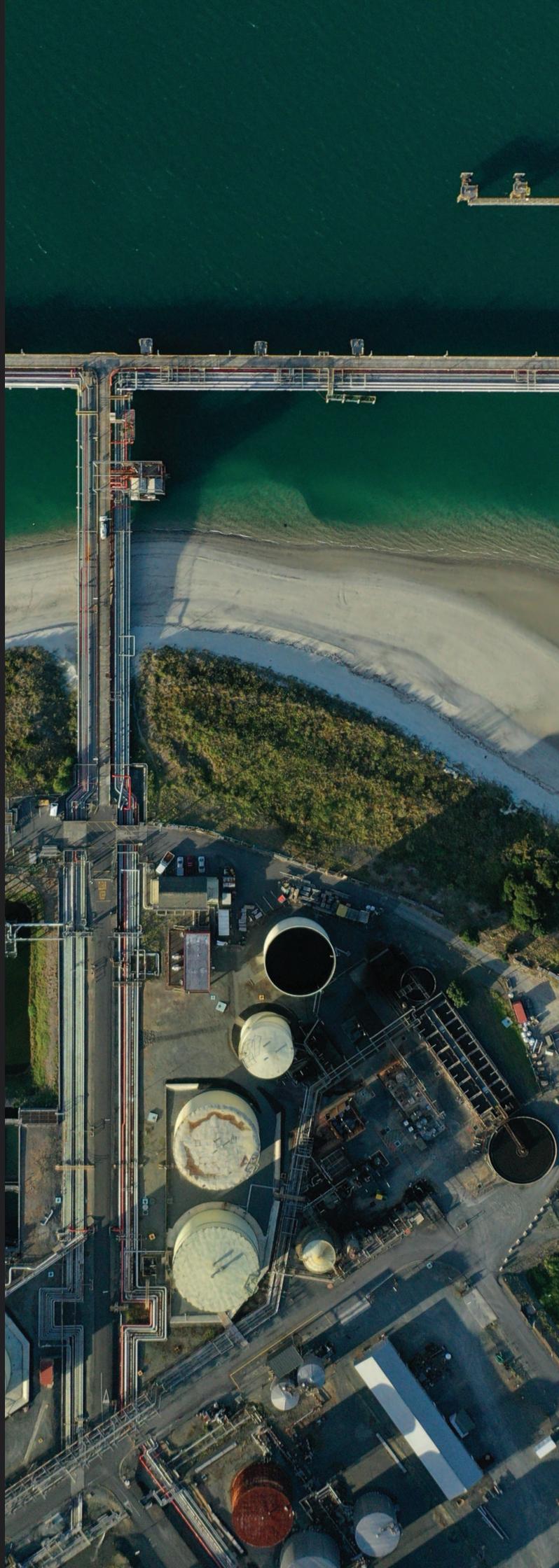
Engage with project owners to support potential lower-carbon fuels projects within the Marsden Point Energy Precinct and provide assistance with third party discussions including with electricity providers and regulators.

CURRENT IMPACT

In FY25 we commenced site development investigation. Cost incurred: \$0.5 million.

CLIMATE-RELATED DISCLOSURES

Metrics and Targets



2025 GHG emissions

Channel's Scope 1 and 2 emissions for the 2025 financial year were 527 tCO₂e using a market-based methodology and 3,534 tCO₂e using a location-based methodology.

Refer to Channel's Greenhouse Gas (GHG) Emissions Inventory Report FY25 (Appendix 1) for detail on emission sources, reporting boundaries, emission

factors, calculation methodologies and year-on-year comparisons. Limited assurance over scope 1, scope 2 and scope 3 GHG emissions has been provided by Ernst & Young.

A summary of our FY25 emissions, with comparisons to our base year, is shown below.

Scope		Assured	Assured	Not assured	% change from FY23
		FY25	FY24	FY23 ¹	
Scope 1	tCO ₂ e	524	958	1,489	-65%
Scope 2 (Location-based)	tCO ₂ e	3,010	2,167	2,548	18%
Scope 2 (Market-based)	tCO ₂ e	3	5	2,548	-100%
Scope 3	tCO ₂ e	26,415	14,523	Not reported	-
Total Scope 1 and 2 Emissions (Location-based)	tCO ₂ e	3,534	3,125	4,037	-12%
Total Scope 1 and 2 Emissions (Market-based)	tCO ₂ e	527	963	4,037	-87%
		Not assured	Not assured	Not assured	
Scope 1 and 2 Emissions (Market-based) Intensity	tCO ₂ e per million litres throughput	0.15	0.26	1.15	-87%

1 FY23 is the Scope 1 and 2 baseline year

No other industry measures are used to manage climate-related risks and opportunities.

Progress towards our GHG emissions target

Net Zero Scope 1 and 2 by 2030

We are committed to maintaining a high standard of environmental performance and to reducing our impact on the environment in which we operate. Channel has a target to achieve an absolute emissions reduction target of net zero Scope 1 and 2 emissions by 2030. This target is aligned with a 1.5°C pathway for those emissions sources associated with the target. No other metrics or key performance indicators are used to specifically measure climate-related risks and opportunities.

Achievement of this target relies on a market-based approach to emissions accounting for scope 2 emissions, operational improvements and the use of high-quality offsets for those emissions that are hard to abate. Our current emissions reduction pathway, based on our current business model, indicates that Channel may need to investigate the use of offsets for ~500 tCO₂e to meet its 2030 net zero target.

Our long-term supply agreement with Mercury Energy includes Energy Attribute Certificates (EAC's) issued by

the New Zealand Energy Certificate System certifying that the electricity has been generated from renewable sources. The EAC's are available for the initial term of the contract, to 31 December 2029. If the EAC mechanism ceases the Company will consider how it can validate whether the electricity it uses in its operations is generated from renewable sources.

Using a market-based methodology, the Company's Greenhouse Gas Emissions (scope 1 and 2) have reduced 87% to 527 tCO₂e in 2025 from our baseline of 4,037 tCO₂e in 2023, placing the Company on track to achieve its 2030 target.

The significant decrease primarily relates to our long-term renewable electricity contract, cessation of crude oil storage, reduction in mobile equipment use as decommissioning projects are completed and optimisation of on-site activities. Further details can be found in Channel's Greenhouse Gas (GHG) Emissions Inventory Report FY25 (Appendix 1).

Whilst Channel's emissions reduction target ends in 2030, as part of the business planning cycle interim annual targets are set based on our emissions reduction pathway (refer to the Company Scorecard on page 6).

Additional climate-related metrics

Amount or percentage of assets or business activities vulnerable to physical and transition risks

Physical risks identified relate to damage to our assets as a result of extreme weather or extreme heat. Our infrastructure assets are not considered to be vulnerable to these risks in the short term.

Material transition risks identified relate to the availability and cost of insurance, the availability of capital, and reduction in demand for Channel's infrastructure. Vulnerability to transition risks is as follows:

- The availability of insurance and capital are broad risks that cover the business overall.
- As lower-carbon future fuels (e.g. sustainable aviation fuel) can 'drop in' to Channels existing infrastructure, our assets continue to be available for use during the transition and in a lower-carbon future state. However, a reduction in overall fuel demand could result in assets being re-purposed.

Refer to the Risk management section for our response and mitigations relating to climate-related physical and transition risks.

Amount or percentage of assets or business activities aligned with climate-related opportunities

As our infrastructure assets are able to store and transport future fuels, all, i.e. 100%, of our existing infrastructure assets are considered aligned with climate-related opportunities as enablers in New Zealand's transition to a lower-carbon economy.

Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities

No significant capital spend, financing or investment directly attributable to climate-related risks and opportunities in FY25.

However, the resilience of our infrastructure is regularly monitored and assessed in line with our asset management plans.

Internal emissions price

Channel does not use an internal cost of carbon for business activity. For strategic development projects, the Emissions Trading Scheme New Zealand emissions unit (NZU) price is used as an input in our investment decisions.

Proportion of management remuneration linked to climate-related risks and opportunities in the current period

The Leadership Team are eligible to participate in Channel's short-term incentive scheme. The STI scheme is focused on both company and personal performance. The company performance measures included in the STI scheme broadly align with the Company Scorecard, and individual Leadership Team objectives contribute to Channel's performance against these targets. Environmental performance contributes up to 5% of the company performance measure.

Appendices



Appendix 1 - GHG emissions inventory report FY25

This report is the annual Greenhouse Gas (GHG) Emissions Inventory for Channel Infrastructure NZ Limited (Channel) for 1 January 2025 to 31 December 2025. This inventory has been measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (together the GHG Protocol).

EY has been appointed as the third-party independent assurance provider for this report. A limited level of assurance has been given over the scope 1, scope 2 and scope 3 emissions included in this report. This report forms part of Channel's Sustainability Report 2025, which includes Channel's Climate Related Disclosures.

Greenhouse Gas Emissions Inventory

Channel's GHG emissions

SCOPE 1	Our direct emissions		
	GHG emissions released into atmosphere as a direct result of our operations		
		Fuel consumed by stationary and mobile combustion equipment	
		Wastewater treatment	
		Fugitive emissions released from refrigeration systems, lab equipment and switch gear	
SCOPE 2	Powering our operations		
		GHG emissions resulting from purchased electricity we consume to power our offices and operating site	
SCOPE 3	Indirect emissions		
	Indirect emissions other than Scope 2, relating to our value chain		
	Upstream	Downstream	
		Purchased goods and services and capital goods	
		Waste sent to landfill	Lease of downstream assets e.g: Wiri (up to end February 2025)
		Business travel, staff commute	
		Fuel consumed by vessels whilst alongside the jetty	Investments (25% share of Somerton Pipeline JV)
		Fuel and energy related activity emissions e.g: transmission and distribution losses and upstream emissions from the production of fuel consumed by Channel	

Emissions associated with the fuel that Channel stores and transports

Channel considers that emissions associated with the fuels that Channel stores and transports but does not own or sell are not Channel's scope 3 emissions except while those fuels are on Channel's site. Accordingly, these emissions are not reported in Channel's GHG emissions inventory.

The requirements of the GHG Protocol and Aotearoa New Zealand Climate Standards (Climate Standards) have been considered in making this assessment. The rationale for the conclusion reached is disclosed in the section below.

Channel undertakes to continue to monitor the treatment and disclosure of emissions associated with third party products that are stored or transported and will consider any material changes to reporting standards.

How the emissions are generated

Emissions associated with the fuel that is stored and transported through Channel's infrastructure include both emissions resulting from the extraction and production of the fuel ("Well to Tank" emissions), and emissions resulting from final use (combustion) of the fuel ("Tank to Wheel" emissions).

Emissions	Consideration of Channel's organisational boundary and operational control
Well to Tank emissions	The crude oil extraction, transportation, refining and procurement of finished fuel products occur outside of Channel's organisational boundary and the activities are outside of Channel's operational control.
Tank to Wheel emissions	The distribution, marketing, sale and consumption of the fuel products stored and transported by Channel occurs outside of Channel's organisational boundary and the activities are outside of Channel's operational control.

Assessment

Organisational Boundary (scope 1 and 2 emissions)

The GHG Protocol, requires an entity to select a control approach to clearly define its organisational boundary and reporting boundary, and then consistently apply these boundaries when determining its GHG emissions inventory. Channel has applied the operational control consolidation approach, meaning that the organisational boundary of Channel's GHG emissions inventory is defined by those emissions over which Channel has operational control (refer to Organisational Boundary section).

Channel is an energy infrastructure business providing the infrastructure (import terminal, storage tanks and pipeline) to store and transport fuel products imported by its customers. Channel does not own or sell the fuel products that it stores and transports.

Channel does not have operational control over the emissions associated with the fuel that it stores and transports except while those fuels are on site. Specifically, Channel:

- Is not involved in the exploration, development or production of the refined fuels that it stores and transports,
- Is not involved in the commercial distribution, marketing or refining of the refined fuels that it stores and transports,
- Does not at any point in the supply chain take ownership of the refined fuels that it stores and transports, and
- Does not at any point in the supply chain sell the refined fuels that it stores and transports to the end user.

This means that the emissions associated with the fuels that Channel stores and transports but does not own or sell are not within Channel's operational control and therefore not included in Channel's scope 1 or scope 2 emissions.

Value chain (scope 3 emissions)

Channel's value chain includes all the activities, materials, resources, and relationships required to keep its services (storage and transportation of fuel products) operational and available to customers.

The scope 3 GHG emissions from Channel's value chain predominantly consist of emissions from the goods, services and capital items purchased to develop and maintain Channel's terminal and pipeline operations. It also includes emissions from activities such as disposal of waste generated in operations, business travel, employee commuting, fuel and energy related activities, upstream transportation and distribution, and downstream leased assets.

The emissions associated with the fuels that Channel stores and transports but does not own or sell are not included in the list of scope 3 activities defined in the GHG Protocol.

Relevance of "other" scope 3 emissions

The GHG Protocol includes an "other" scope 3 category for optional reporting of emissions from other relevant scope 3 activities that occur in the value chain but are not included in the list of scope 3 activities defined in the GHG Protocol.

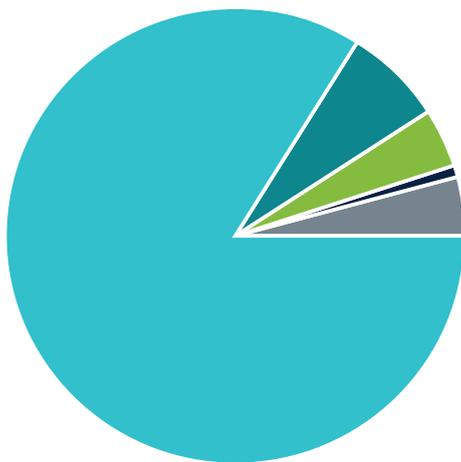
To determine the relevance of scope 3 emissions, the GHG Protocol presents a set of principles for accounting and reporting an entity's scope 3 inventory, and a set of criteria to consider.

Judgement has been applied to determine the relevance of the emissions associated with the fuels that Channel stores and transports but does not own or sell to Channel's stakeholders. These emissions are not considered relevant to decisions relating to Channel and its operations because:

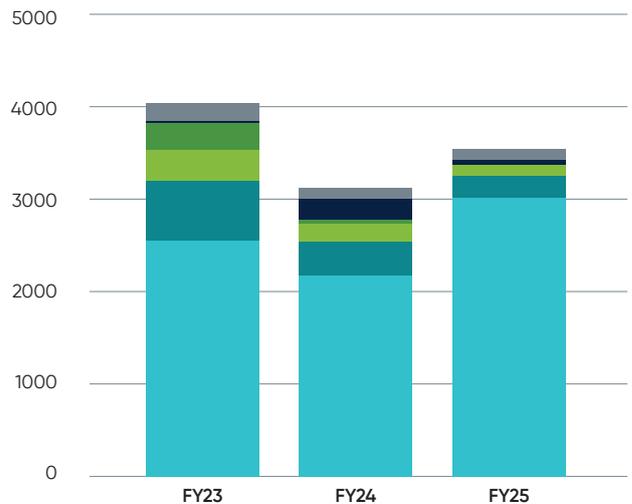
- Channel has no influence over the procurement decisions of its customers or the buying and consumption habits of consumers, and
- Channel's infrastructure is able to store and transport lower-carbon fuels without modification as New Zealand transitions to a lower emissions economy.

FY25 location-based scope 1 and 2 emissions (tCO₂e)

FY25 Scope 1 and 2 emissions by source (tCO₂-e)



Scope 1 and 2 emissions over time (tCO₂-e)



● Wastewater treatment ● Refrigerants ● Crude storage ● Stationary combustion ● Mobile combustion ● Electricity (Location-based)

Channel's FY25 GHG Emissions (tCO₂e)

Scope	Emissions Category	Assured	Assured	Not assured
		FY25 Emissions (tCO ₂ e)	FY24 ¹ Emissions (tCO ₂ e)	FY23 ² Emissions (tCO ₂ e)
Direct Emissions Scope 1	Fuel consumed by stationary and mobile combustion equipment	374	561	974
	Wastewater treatment	130	132	189
	Fugitive Emissions released from crude oil storage and refrigerant systems	20	265	326
Total Scope 1 Emissions		524	958	1,489
Indirect Emissions Scope 2	Electricity (Location-based)	3,010	2,167	2,548
	Electricity (Market-based)	3	5	2,548
Total Scope 1 and 2 Emissions (Location-based)		3,534	3,125	4,037
Total Scope 1 and 2 Emissions (Market-based)		527	963	4,037
Indirect Emissions Scope 3	C1 Purchased Goods and Services	4,728	4,183	Not reported
	C2 Capital Goods	9,511	8,015	Not reported
	C3 Fuel and Energy Related Activities - Fuel	94	140	Not reported
	C3 Fuel and Energy Related Activities - Electricity T&D Loss ³	229	158	Not reported
	C4 Upstream Transportation and Distribution (A)	9,969	Not reported	Not reported
	C5 Waste Generated in Operations	1,447	1,349	Not reported
	C6 Business Travel	69	109	Not reported
	C7 Employee Commuting	325	313	Not reported
	C13 Downstream Leased Assets	43	256	Not reported
C15 Investments (B)	Not reported	Not applicable	Not applicable	
Total Scope 3 Emissions		26,415	14,523	Not reported
Total Emissions (Location-based)		29,949	17,648	Not reported
Total Emissions (Market-based)		26,942	15,486	Not reported
		Not assured	Not assured	Not assured
Scope 1 and 2 Emissions (Market-based) Intensity tCO ₂ e / million litres of throughput		0.15	0.26	1.15

1 FY24 is the Scope 3 baseline year

2 FY23 is the Scope 1 and 2 baseline year

3 T&D loss: Transmission and distribution losses from the electrical network. As electricity travels through powerlines, a proportion of energy is lost as heat due to the resistance in the lines.

Changes in emissions sources

(A) Inclusion of Additional scope 3 emissions source - Category 4 Upstream Transportation and Distribution

In FY25 Channel has included emissions generated from vessels discharging or bunkering fuel while alongside the jetty in its scope 3 GHG emissions inventory (Category 4 Upstream Transportation and Distribution) as these operations occur under Channel's operational control. These emissions were not included in Channel's FY24 GHG inventory as the data was not available to calculate the GHG emissions.

Shipping transport emissions resultant from open sea motoring, transit areas, restricted speed zones, manoeuvring areas and anchorage zones within the Marsden Point marine area have not been included as these activities do not occur under Channel's operational control.

(B) Additional scope 3 emissions source - Category 15 Investments

On 28 November 2025 Channel acquired a 25% interest in the Somerton Pipeline Joint Venture (Somerton Pipeline JV). The 34km Somerton jet fuel pipeline forms part of the only jet fuel pipeline supply chain servicing Melbourne Airport.

Emissions associated with Channel's investment in the Somerton Pipeline JV, acquired 28 November 2025, have not been included in Channel's GHG inventory as the data is not available and because the GHG emissions are considered to be minor.

Scope 2 electricity emissions

Scope 2 emissions have been calculated using both location and market-based calculations. Channel uses market-based calculations for GHG emissions targets and reporting purposes. The market-based emissions calculation reflects Channel's long-term supply agreement with Mercury Energy which includes Energy Attribute Certificates (EAC's) certifying that electricity has been generated from renewable sources. The location-based emissions calculation reflects the default grid emissions factor.

Category	Unit	Assured FY25	Assured FY24	Not assured FY23
Location-based emissions	tCO ₂ e	3,010	2,167	2,548
Market-based emissions	tCO ₂ e	3	5	2,548
		Not assured	Not assured	Not assured
Electricity consumption	kWh	29,769,253	29,721,359	34,346,169

Comparison to previous years

Channel's baseline year for scope 1 and scope 2 emissions is FY23. This year was chosen as the baseline year as it is the first full year of import terminal operations. The baseline year for scope 3 emissions is FY24 as this is the first year that Channel has reported these emissions.

Scope		Assured FY25	Assured FY24	Not assured FY23 ¹	% change from FY23
Scope 1	tCO ₂ e	524	958	1,489	-65%
Scope 2 (Location-based)	tCO ₂ e	3,010	2,167	2,548	18%
Scope 2 (Market-based)	tCO ₂ e	3	5	2,548	-100%
Scope 3	tCO ₂ e	26,415	14,523	Not reported	-
Total Scope 1 and 2 Emissions (Location-based)	tCO ₂ e	3,534	3,125	4,037	-12%
Total Scope 1 and 2 Emissions (Market-based)	tCO ₂ e	527	963	4,037	-87%
		Not assured	Not assured	Not assured	
Scope 1 and 2 Emissions (Market-based) Intensity	tCO ₂ e per million litres throughput	0.15	0.26	1.15	-87%

1 FY23 is the Scope 1 and 2 baseline year

In the 2025 financial year Channel achieved a reduction in total scope 1 and 2 (market-based) emissions of 87% compared to the FY23 baseline.

Scope 1 emissions

Scope 1 emissions reduced 65% compared to FY23 due to:

- Reduction in diesel usage as a result of the optimisation of the on-site boiler operation and reduction in mobile equipment operation for decommissioning and capital project activities.
- Reduction in fugitive emissions from crude oil storage as Channel's customers removed the last of their residual crude oil from storage at the end of April 2024.
- Use of an electric Tower Crane in the jet tank conversion project (FY25) reducing the use of diesel cranes, trucks and forklifts, and the contractor running the project acquiring diesel directly, i.e. the diesel emissions move from scope 1 to scope 3 for Channel.

In FY24 these reductions in scope 1 emissions were partially offset by an increase in the emissions associated with Channel's refrigerant systems which required higher than usual top-ups of gases during the year.

Scope 2 emissions

Scope 2 emissions (Market-based) reduced from FY23 due to the use of EACs from 1 January 2024.

Location-based scope 2 emissions are impacted by underlying electricity consumption and the emissions factors applied.

- Underlying electricity consumption has reduced from FY23 due to the impact of the replacement and/or decommissioning of the legacy refinery equipment.
- Updated MfE emissions factors released in June 2025 (reflecting New Zealand's 2024 electricity grid generation profile) used to calculate Channel's FY25 GHG emissions are 40% higher than the previous year.

Scope 3 emissions

Scope 3 emissions have increased from FY24 primarily due to the inclusion of emissions generated from vessels discharging or bunkering fuel while alongside the jetty.

Other impacts on scope 3 emissions include:

- an increase in calculated emissions due to changes to the emissions factors used for spend-based methods (refer to the Methodologies and Uncertainties section for details), and
- a reduction in high emissions factor activities such as tank cleaning services and subsequent waste disposal services.

Emissions trend and outlook

Channel notes that the business is undergoing a phase of rapid growth with three new growth projects announced in FY24 and further investments in a storage contract extension and critical infrastructure at Marsden Point announced in FY25. These projects will involve total capital expenditure of \$75-\$92 million over FY24-FY27 and generate revenues of \$16 million per annum by FY28. As a result, Channel's GHG emissions are anticipated to grow over these financial years with the emissions intensity expected to start reducing by FY27 once the revenue associated with the growth projects commences (based on Channel's existing business operations, excluding the impact of any other growth projects or growth beyond Marsden Point).

Base-year recalculation policy

Base-year data may need to be revised when material changes occur and have an impact on calculated emissions. This includes:

- If additional emission sources are discovered and represent more than 5% of the total GHG inventory.
- If emission factors change substantially and are relevant to prior years (e.g. if the science behind a factor changed); or
- If the operational boundary changes significantly.

Organisational Boundary

The organisational boundary for Channel's GHG inventory was set with reference to the methodology described in the GHG Protocol. Channel has applied the operational control consolidation approach, meaning that the organisational boundary of Channel's GHG inventory is defined by those emissions over which Channel has operational control. This consolidation approach allows Channel to focus on those emissions sources over which it has control and can therefore implement management actions, consistent with Channel's sustainability strategy.

Channel's organisational boundary encompasses the activities shown in the diagram on the following page.

Change in organisational boundary

At the end of February 2025, the Wiri terminal lease expired and ownership of the assets transferred to Channel's customers. GHG emissions associated with operation of the Wiri terminal have been included in Channel's GHG emissions inventory (Category 13 Downstream Leased Assets) up to the end of February 2025 when Channel's ownership and operational control of the assets ceased.

On 28 November 2025 Channel acquired a 25% interest in the Somerton Pipeline Joint Venture (Somerton Pipeline JV). The 34km Somerton jet fuel pipeline forms part of the only jet fuel pipeline supply chain servicing Melbourne Airport.

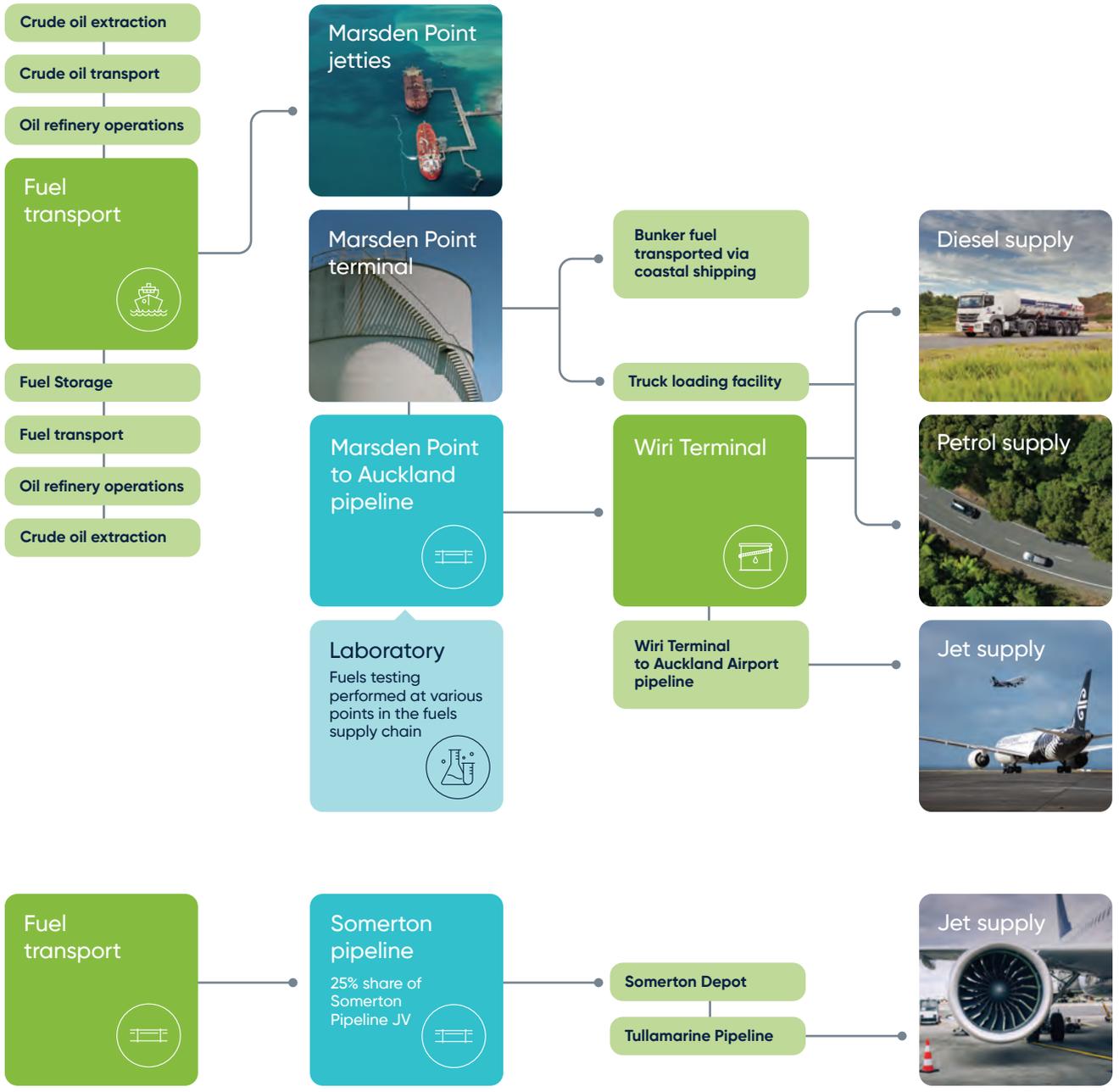
As the Somerton Pipeline JV is an unincorporated joint venture, Channel does not have operational control. Channel would account for its 25% share of the Somerton Pipeline JV's scope 1 and scope 2 emissions that occur in the reporting period in scope 3, category 15 Investments.

Scope 1 and scope 2 emissions of the Somerton Pipeline JV are expected to be minimal as the Somerton Pipeline JV is a pipeline asset only, with all pumping operations being outside of the Somerton Pipeline JV operational control.

Customer

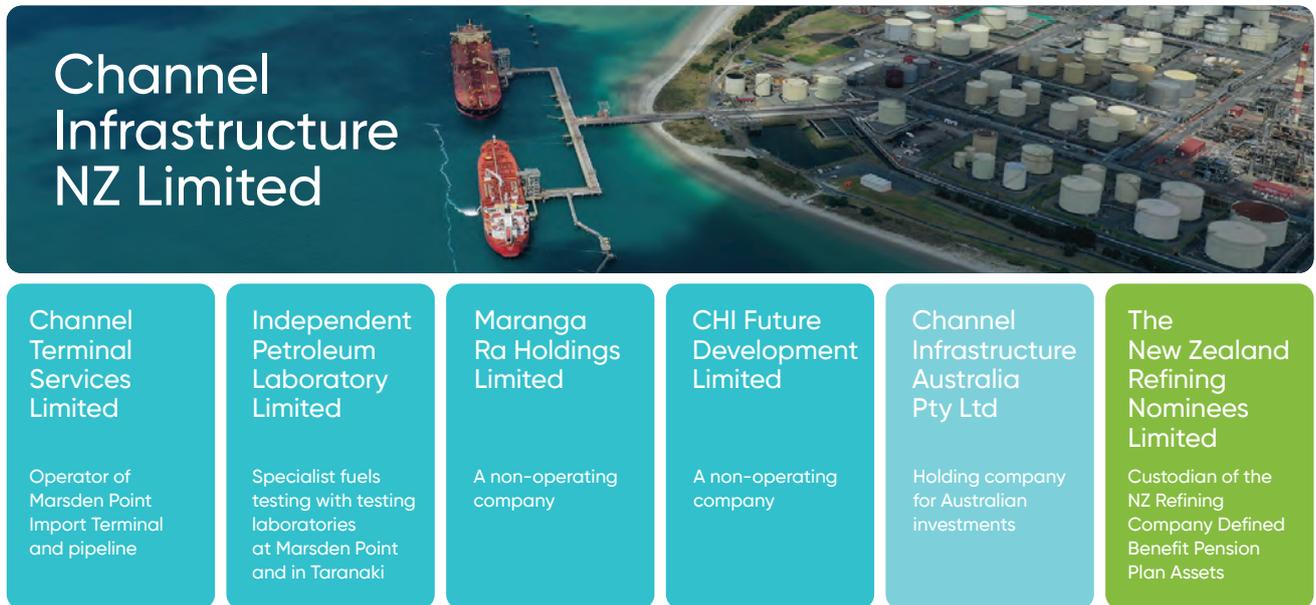
Channel

Customer



Channel's corporate structure

Channel's corporate structure is shown in the diagram below.



The New Zealand Refining Nominees Limited, which Channel had an interest in during the reporting period, is excluded from the GHG emissions inventory. This is because The New Zealand Refining Nominees Limited acts as custodian of the assets belonging to the New Zealand Refining Pension Fund, a legacy defined benefit Restricted Workplace Savings Scheme. The Pension Fund is independently governed and is therefore not under direct or operational control of Channel as it does not make the investment decisions for the Pension Fund and the administration of the Fund is carried out by an independent third party.

Channel Infrastructure Australia Pty Ltd was incorporated in November 2025. It is the holding company for Channel's Australian investments. On 28 November 2025 the Group acquired 100% of the shares in DIF CIF I Australia Pty Ltd, subsequently renamed Channel Infrastructure Somerton Pty Ltd. Channel Infrastructure Somerton Pty Ltd holds a 25% interest in the Somerton Pipeline Joint Venture through its wholly owned subsidiary CM Somerton Pty Ltd.

Methodologies and uncertainties

Emissions factors and Global Warming Potential (GWP) rates

Channel calculates emissions by multiplying activity data with appropriate emissions factors. Where possible, emission factors are sourced from:

- The 2025 publication of the Ministry for the Environment's (MfE) Emission Factors Workbook. This publication supplies the emissions factors used in the following calculations:
 - Scope 1 Refrigerant Emissions, Stationary Combustion Emissions and Mobile Combustion Emissions
 - Scope 2 Electricity (Location Based Method Emissions)
 - Scope 3 Electricity - Transmission & Distribution Losses, Waste Generated in Operations Emissions, Employee Commuting Emissions, Upstream Transportation and Distribution
 - MfE supplied GWP values are also used to convert calculated Methane, N₂O and SF₆ emissions to tCO₂e emissions.
- The 2025 publication of Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW) Australian National Greenhouse Account Factors. This publication supplies the emissions factors used in the following calculations:
 - Scope 3 FERA Emissions from fuels consumed by mobile and stationary combustion sources.

In the absence of emissions factors in these documents, relevant sector information from the following publications is used:

- For scope 3 spend-based methods:
 - FY25: Report prepared by thinkstep anz, Emissions Factors for New Zealand – Greenhouse Gas Emission Intensities for Commodities and Industries (July 2025).
 - FY24: Market Economics Limited, research report prepared for Auckland Council – Consumption Emissions Modelling (March 2023).
- Emissions factors from the National Embodied Carbon Repository (NECO2) 2025 – (emission factors for scope 3 Capital Goods).

MfE, DCCEEW, NECO2 and thinkstep anz use GWP's from the IPCC's Fifth Assessment Report (GWP100).

Market Economic Limited's Consumption Emissions Modelling uses GWP's from the IPCC's Fourth Assessment report (GWP100).

Calculation methods, assumptions and uncertainties

Channel's GHG emissions inventory covers all material emission sources and has generally adopted the most specific calculation methods that its data currently allows.

The table below provides an overview of the emission sources covered by Channel's GHG emissions inventory, including calculation methods, assumptions made, and an assessment of the uncertainty.

Emissions source	Calculation method	Data source	Data quality and uncertainty
Scope 1			
Fuel consumed by stationary and mobile combustion equipment	Activity (Fuel) based method	Supplier invoices and fuel card data	High quality data. Reliant on completeness and accuracy of supplier invoiced data. High Certainty GHG Inventory estimation; calculations completed based on high quality activity data and published MfE Emissions factor.
Wastewater treatment	Activity (Chemical Oxygen Demand, COD) based method	Calculated from wastewater feed processed and average: a) COD of feed, and b) conversion of COD to organic matter	Reasonable quality data. Refer notes below for commentary on data sources, calculation methodology and assumptions used. Moderate-Low certainty GHG Inventory estimation; calculations are based on industry standard correlations using reasonable quality data and published MfE Emissions factor. There is inherent model uncertainty associated with industry correlation and additional uncertainty introduced by the key assumption on COD conversion, Nitrogen in feed and COD:BOD (Biochemical Oxygen Demand) ratio.
Fugitive emissions released from refrigeration systems	Top up method	Site survey report from refrigeration system maintenance provider	High quality data. Reliant on completeness and accuracy of record of refrigerant top-up for the year from supplier. High Certainty GHG Inventory estimation; calculations completed based on high quality activity data and published MfE Emissions factors.
Scope 2			
Electricity (Location-based)	Location based method, using activity data	Consumption report from electricity supplier	High quality data. Reliant on completeness and accuracy of supplier invoiced data. High Certainty GHG Inventory estimation; calculations completed based on high quality activity data and published MfE Emissions factor for purchased grid-average electricity (2024 annual average).

Emissions source	Calculation method	Data source	Data quality and uncertainty
Electricity (Market-based)	Market-based method, using activity data and EAC emission factors and Residual Supply Emissions factors	EAC certificates for each individual ICP covered by the energy provider. Consumption report from electricity suppliers for non EAC bundled electricity consumption.	High quality data. Reliant on completeness and accuracy of supplier invoiced data and supplier provided emissions factors for electricity supplied from renewable energy facilities. High Certainty GHG Inventory estimation; calculations completed based on: <ul style="list-style-type: none"> high quality activity data and supplier specific emissions factors (EACs), and high quality activity data and the BraveTrace RSF.
Scope 3			
C1 Purchased Goods and Services	Spend based method	Internal financial records	Reasonable quality data. Company spend is taken from internal financial records (opex balance). 100% of relevant opex spend is included in the spend based calculation. Data is allocated to broad spend based categories that represent the cost category but may not always accurately reflect the actual purchased goods and services. Low certainty GHG Inventory estimation; the financial data is reasonable quality due to parameter uncertainty (company spend data can be broad and not always align with a single spend based category). There is also inherent model uncertainty associated with using a statistically derived spend based emissions factor.
C2 Capital Goods	Average-product method	Tonnage of concrete, steel and aluminium used on site from supplier invoices	High quality data. Reliant on completeness and accuracy of supplier provided activity data for the Average-product method of calculating GHG Emissions (concrete, steel and aluminium). Moderate certainty GHG Inventory estimation; calculations completed based on high quality activity data and average product emissions factors. There is inherent uncertainty in the accuracy of the average product emissions factors.
	Spend-based method	Internal financial records capex project spend	Reasonable quality data. Company spend is taken from internal financial records (capex balance). 100% of relevant capex spend is included in the spend based calculation (capex spend is backed out of the capex balance for materials that have GHG emissions calculated based on activity data). Capex is allocated to broad spend based categories that represent Channel's spending patterns on major projects that account for >70% of Channel's capex spend. Moderate-Low certainty GHG Inventory estimation; the financial data is reasonable quality due to parameter uncertainty (company spend data can be broad and not always align with a single spend based category). There is also inherent model uncertainty associated with using a statistically derived spend based emissions factor.
C3 Fuel and Energy Related Activities - Fuel	Average data method	Supplier invoices and fuel card data	High quality data. Reliant on completeness and accuracy of supplier invoiced data. Moderately high certainty GHG Inventory estimation; calculations completed based on high quality activity data and published scope 3 Emissions factor (supplier specific emissions factors not available).

Emissions source	Calculation method	Data source	Data quality and uncertainty
C3 Fuel and Energy Related Activities - Electricity T&D Loss	Average data method	Consumption report from electricity supplier	<p>High data quality. Reliant on completeness and accuracy of supplier invoiced data.</p> <p>High certainty GHG Inventory estimation; calculations completed based on high quality activity data and published MfE emissions factor.</p>
C4 Upstream Transportation and Distribution	Activity (Fuel) based method	Bunker survey reports	<p>High quality data. Reliant on completeness and accuracy of bunker survey report.</p> <p>High certainty GHG Inventory estimation; calculations completed based on high quality activity data and published MfE emissions factor.</p>
C5 Waste Generated in Operations	Waste type specific method	Supplier invoices and Certificates of Destruction	<p>Reasonable quality data. Reliant on completeness and accuracy of supplier invoiced data.</p> <p>Refer notes below for commentary on data sources, calculation methodology and assumptions used.</p> <p>Moderate-Low certainty GHG Inventory estimation; calculations are based on reasonable quality data and either published MfE Emissions factor (when applicable) or an Emissions factor derived via the methodology outlined in the MfE detailed guide. There is inherent uncertainty in both MfE presented emissions factors and calculated emissions factors.</p>
C6 Business Travel	Supplier specific data (Air travel)	Air travel provider issued GHG emissions report	<p>High quality data. Reliant on completeness and accuracy of supplier provided data.</p> <p>High certainty GHG Inventory estimation; emissions data provided directly by Air travel provider (supplier specific data).</p>
	Spend based method (Road travel)	Supplier invoices and Internal financial records	<p>Reasonable quality data. Company spend on road-based business travel is taken from internal financial records (opex balance).</p> <p>Moderate-Low certainty GHG Inventory estimation; the financial data is reasonable quality due to parameter uncertainty (company spend data can be broad and not always align with a single spend based category). There is also inherent model uncertainty associated with using a statistically derived spend based emissions factor.</p>
C7 Employee Commuting	Distance based method	Staff survey (FY24) confirming age of private vehicle, type of engine and distance travelled per week for each staff member	<p>Reasonable quality data. Staff survey completed to confirm age of vehicle, engine type/size, and distance travelled per week for each staff member, however not all staff participated in the survey.</p> <p>Moderate certainty GHG Inventory estimation; calculations completed based on reasonable quality activity data and published MfE Emissions factor.</p>
C13 Downstream Leased Assets	Lessor specific method	Externally published GHG emission data of lessor	<p>Reasonable quality data. Reliant on lessor external reporting accurately reflecting their share of of the GHG emissions of the leased assets (Wiri terminal).</p> <p>Moderately high certainty GHG Inventory estimation; calculations are based on reasonable quality data.</p>

Additional information on the calculation methods and assumptions used for the emissions sources that require a higher level of assessment is provided below.

Purchased goods and services and capital goods:

- Product or supplier specific data is not available for most purchased products or capital goods emissions (Scope 3, Categories 1 and 2). For these categories, Channel has adopted the spend-based method and average product method to estimate emissions. This approach has limitations, both with regards to the activity data used, which is allocated into broader purchasing categories rather than individual products, and in relation to the emission factors used.
- In the specific case of Capital Project spend (Scope 3 Category 2) the total spend (\$ value) has been split into four broad categories of spend as follows, based on typical project cost estimate breakdowns (%):
 - 20% of total spend is estimated to be on design engineering and project management services. This is classified as "Architectural and Engineering Services" and assigned an emissions factor of 0.080ktCO₂-e / \$million (FY24: 0.065 ktCO₂-e / \$million).
 - 48% of total spend is estimated to be on construction and installation services. This is classified as "General Construction of Non-residential buildings" and assigned an emissions factor of 0.206 ktCO₂-e / \$million (FY24: 0.212 ktCO₂-e / \$million).
 - 30% of total spend is estimated to be on civil engineering services. This is classified as "General Construction Services of Civil Engineering works" and assigned an emissions factor of 0.191 ktCO₂-e / \$million (FY24: 0.194 ktCO₂-e / \$million).
 - 2% of total spend is estimated to be on Electrical installation work. This is classified as "Electrical installation services" and assigned an emissions factor of 0.182 ktCO₂-e / \$million (FY24: 0.163 ktCO₂-e / \$million).

Wastewater emissions:

- Methane, CO₂ and N₂O generation from wastewater treatment is calculated via the method set out in API Compendium of GHG emissions methodologies for the Oil and Natural Gas industry (2021).
- Conversion of Chemical Oxygen Demand (COD) present in wastewater feed to activated sludge removed from the system is 72%, based on validated historical data and confirmed via crosscheck with operational data.
- A methane conversion factor of 0.1 has been used based on API Compendium Table 7-81 for aerobic wastewater systems.
- Nitrogen present in the wastewater feed is estimated at 0.045kg N/m³ which is considered appropriate relative to the amount measured during refining operations.
- The CO₂ generation calculation is based on the reduction in Biochemical Oxygen Demand (BOD) across the wastewater treatment plant. The BOD reduction is inferred from the COD reduction across the wastewater plant, assuming a COD:BOD ratio of 2:1 which is typical for industrial wastewater plants.

Emissions from waste generated in operations:

- Channel applies the recycled content method of the GHG Protocol to the waste Channel generates that is recycled through use as a fuel by third parties. This method allocates the recycling emissions to the user of the recycled material. Emissions associated with recycling the material or combusting the waste-derived fuel do not form part of Channel's GHG inventory. Waste generated in Channel's operations that is recycled as waste-derived fuels include sludge, sawdust, wood, cardboard and hydrocarbons. The emissions associated with material recovery for recycling (i.e. recovery, sorting and preparation processes that typically consume diesel or electricity) are included in Channel's scope 1 and 2 GHG inventory.
- Channel has calculated GHG emissions for waste generated in operations via a waste-specific method. All waste streams generated from operations on Channel's site have been monitored and reported to ensure activity data is available for the GHG Inventory calculation.
- Several waste streams have been disposed of to landfill in a Class 1 Municipal landfill with gas recovery. Appropriate emission factors for waste specifically classified in the MfE 2024 detailed guide (i.e. general waste, food waste) with disposal to Class 1 landfills with gas recovery are sourced from the MfE Emission Factors Workbook 2025.
- Emissions factors for soil contaminated with inorganic metals and hydrocarbon is calculated in accordance with section 10.3.3 of the MfE 2024 detailed guide. The concentration of hydrocarbon was determined from soil samples, with degradable organic carbon content derived from chemical formulae.

- Emissions factors for speciality chemicals sent to landfill are calculated in accordance with section 10.3.3 of the MfE 2024 detailed guide, with degradable organic carbon content derived from chemical formulae.
- Emissions from spent catalyst sent for metal recovery and disposal (by landfill) are calculated by multiplying the amount of carbon (coke) content in the spent catalyst by the ratio of molecular weight of CO₂ to carbon (44/12). The carbon content of spent catalyst is calculated as 87% of the laboratory analysed Loss on Ignition (LOI) content. All carbon present in the spent catalyst is converted to CO₂ in a thermal treatment process (kilning). Post thermal treatment all material reclaimed as metal or sent to landfill is inert.
- Waste disposed of through combustion has been classified as similar in composition to diesel and the GHG emissions are calculated by multiplying the activity data (volume of material) by the diesel stationary combustion emissions factor (industrial use).

GHG emissions source exclusions

The following emissions sources have been excluded from the GHG emissions inventory:

Emissions source	Explanation
Emissions associated with the fuel that Channel stores and transports	Channel considers that emissions associated with the fuels that Channel stores and transports but does not own or sell are not Channel's scope 3 emissions except while those fuels are on Channel's site. Accordingly, these emissions are not reported in Channel's GHG emissions inventory.
Industrial gases used for welding on Channel owned sites (scope 1)	Gases associated with welding activities is considered to be minor.
Refrigerant top-up at leased office space in Auckland and New Plymouth (scope 3).	Refrigerant top up at these leased office spaces is considered to be de minimis.
Transportation of materials (scope 3)	Emissions associated with the transport of purchased materials to Channel's sites, and transport of materials to waste disposal facilities are immaterial compared to the materials embodied emissions, which are included in the inventory. The cost of transport that is recorded separately from the materials is captured in the spend based approach and therefore included in C1 Purchased Goods and Services.
Shipping transport emissions within Marsden Point marine area (scope 3)	Shipping transport emissions resultant from open sea motoring, transit areas, restricted speed zones, manoeuvring areas and anchorage zones within the Marsden Point marine area have not been included in Channel's GHG emissions inventory as these activities do not occur under Channel's operational control.
Investments (scope 3)	Emissions associated with Channel's investment in the Somerton Pipeline JV, acquired 28 November 2025, have not been included in Channel's GHG inventory as the data is not available and because the GHG emissions are considered to be minor.



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Independent limited assurance report to Channel Infrastructure NZ Limited

Assurance conclusion - Scope 1, Scope 2 and Scope 3 GHG emissions

Based on our limited assurance procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Channel Infrastructure NZ Limited's consolidated gross scope 1, scope 2 and scope 3 Greenhouse Gas ("GHG") emissions, related additional required disclosures of gross GHG emissions and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our limited assurance engagement (as outlined below) (together "GHG disclosures") included in the 2025 Sustainability Report for the year ended 31 December 2025 ("Sustainability Report") are not fairly presented and not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards ("NZ CS") issued by the External Reporting Board (XRB).

Scope

Ernst & Young Limited ("EY") has undertaken a limited assurance engagement to report on Channel Infrastructure NZ Limited's (the "Company" or "Channel"):

- ▶ Consolidated gross GHG emissions:
 - ▶ Scope 1 on page 40;
 - ▶ Scope 2 (location-based and market based) on page 40;
 - ▶ Scope 3 on page 40;
- ▶ Related additional requirements for the disclosure of consolidated GHG emissions on page 43 to 47, 49 and 51 to 52;
- ▶ Related GHG emissions methods, assumptions and estimation uncertainty on page 52 to 56.

included in the Sustainability Report for the year ended 31 December 2025 (the "Subject Matter" or "GHG disclosures"). The reported amounts and disclosures relate to the Company and its subsidiaries (the "Group") as explained in the Climate Statement.

Our assurance engagement does not extend to any other information included, or referred to, in the Sustainability Report on pages 1 to 42, 47 to 48, 50 and 61 to 72. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Criteria applied by Channel

In preparing the GHG disclosures, Channel applied NZ CS (the "Criteria"). In applying the Criteria the methods and assumptions used are described on pages 43, 49 and 51 to 56 of the GHG disclosures, as are the estimation uncertainties inherent in the methods and assumptions used.

Key matters

In this section we present those matters that, in our professional judgement, were most significant in undertaking the assurance engagement over GHG Disclosures. These matters were addressed in the context of our assurance engagement, and in forming our conclusion. We did not reach a separate assurance conclusion on each individual key matter.



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Emissions associated with the fuel that Channel stores and transports

Why significant	Procedures to address key matter
<p>Channel is required to disclose its scope 1, 2 and 3 GHG emissions. In doing so, Channel uses the GHG Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard (together the "GHG Protocol") to consider the measurement of these emissions.</p> <p>Channel has chosen not to include emissions related to the fuel that it stores and transports in its scope 3 emissions. The rationale for this exclusion is set out on pages 43 to 45 of the Sustainability Report. The scale of the emissions from these activities would be very significant to Channel's reported GHG emission inventory if they were included. The GHG Protocol requires management judgement to evaluate whether these emissions should be included within Channel's GHG emission inventory. NZ CS requires entities to disclose a summary of specific exclusions of emissions sources and a rationale for their exclusion.</p>	<p>In considering the treatment of emissions associated with fuel that Channel stores and transports we:</p> <ul style="list-style-type: none"> ▶ Inquired whether the contractual arrangements regarding stored and transported fuel had changed since the prior year. ▶ Considered whether there had been updates to the GHG Protocol requirements for measurement of scope 3 emissions or NZ CS which would require inclusion of these emissions in the reported amounts. ▶ Discussed with management whether there had been any changes to their rationale for excluding these emissions from the reported scope 3 amounts in the current year. ▶ Considered the disclosure made by Channel in relation to exclusion of these emissions from the reported scope 3 amounts and the rationale for this exclusion. We also assessed this disclosure for consistency with the prior year.

Channel's responsibility

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the GHG disclosures in accordance with NZ CS. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG disclosures, such that they are free from material misstatement, whether due to fraud or error.

EY's responsibility

Our responsibility is to express a limited assurance conclusion on the GHG disclosures based on the procedures we have performed and the evidence we have obtained.

Our engagement was conducted in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* ("NZ SAE 1") and in accordance with the International Standard for Assurance Engagements (New Zealand): *Assurance Engagements on Greenhouse Gas Statements* ("ISAE (NZ) 3410"). Those standards require that we plan and perform this engagement to obtain limited assurance about whether the GHG disclosures have been prepared, in all material respects, in accordance with the Criteria. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



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As we are engaged to form an independent conclusion on the GHG Disclosures prepared by management, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

Ernst & Young provides financial statement audit and review services to the Group. We have no other relationship with, or interest in, the Group.

Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* issued by the External Reporting Board (XRB) and the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the report and related information and applying analytical and other relevant procedures.

Our procedures included:

- ▶ Obtaining, through inquiries, an understanding of Channel's control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- ▶ Evaluating whether Channel's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Channel's estimates;
- ▶ Performing analytical procedures on particular emission categories by comparing the expected GHGs emitted to reported GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified;



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- ▶ Assessing the appropriateness of the emission factors used;
- ▶ For spend-based emissions, comparing the spend data to the underlying system and financial records; and
- ▶ Considering the presentation and disclosure of the GHG disclosures.

We also performed such other procedures as we considered necessary in the circumstances.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Inherent uncertainties

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

The comparative GHG disclosures related to the period ended 31 December 2023 have not been subject to assurance.

Use of our assurance report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than Channel, or for any purpose other than that for which it was prepared.

The engagement partner on the engagement resulting in this independent assurance conclusion is Matthew Cowie.

A handwritten signature in black ink that reads 'Ernst & Young Limited'.

Ernst & Young Limited
Auckland
26 February 2026

Appendix 2 – Summary data tables

Environmental

ENVIRONMENTAL	MEASURE	2025	2024	2023	2022	2021
Scope 1 GHG emissions	tCO ₂ e	524	958	1,489	726	-
Scope 2 (Location-based) GHG emissions	tCO ₂ e	3,010	2,167	2,548	-	-
Scope 2 (Market-based) GHG emissions	tCO ₂ e	3	5	2,548	-	-
Scope 3 GHG emissions	tCO ₂ e	26,415	14,523	-	-	-
NOX, SOX, VOC and particulate matter	Tonnes	157	125 ¹	188	1,777	-
Releases outside of consent	#	-	-	-	3	10
Direct CO ₂ emissions (Scope 1)	tCO ₂	- ¹	- ¹	-	236,940	857,042
Indirect CO ₂ emissions (Scope 2)	tCO ₂	- ¹	- ¹	-	47,321	141,940
Sulphur Dioxide Emissions (Refinery)	Tonnes	-	-	-	1,259	3,341

1 The CO₂ emissions were refinery metrics calculated for NGA reporting. NOX and SOX only relevant in FY22; VOC only from FY23.

RESOURCE USAGE	MEASURE	2025	2024	2023	2022	2021
Total fuel usage (Refinery)	Petajoule	-	-	-	2.97	11.6
Natural gas usage (Refinery)	Petajoule	-	-	-	0.23	1.9
Electricity usage	Petajoule	0.11	0.11	0.12	0.32	0.96
Water usage	Million Tonnes	0.01	0.02	0.22	0.82	1.46
Water consumption intensity	Total water consumption (m ³)/revenue	0.09	0.13	1.68	5.17	6.24

Waste

WASTE	MEASURE	2025	2024	2023	2022	2021
Total Waste	Tonnes	17,055	21,582	5,601	-	-
Recycled / Re-used	Tonnes	1,273	4,843	1,269	-	-
Landfill	Tonnes	15,782	16,739	4,332	-	-

Health, Safety and Well-being

SAFETY	MEASURE	2025	2024	2023	2022	2021
Total Recordable Case Frequency	TRC/200,000 hours	1.82	1.96	0.90	1.80	-
Lost-Time Injury Frequency	LTI/200,000 hours	0.61	-	-	0.77	-
Tier I Process Safety Incidents	#	-	-	1	-	2
Tier II Process Safety Incidents	#	-	-	-	-	-
Number of Emergency Exercises	#	18	13	12	5	14
Number of reportable pipeline incidents ¹	#	-	-	-	-	-
Percentage of pipeline inspected internally with Pipeline Inspection Gauge (PIG)	%	100	-	-	100	-
Percentage of pipeline inspected externally ²	%	100	100	100	100	100
Total metric ton-kilometers of refined fuels transported by mode of transport	Metric T kilometers	14,915	14,687	14,168	11,528	9,879

1 As per SASB Standards definition of reportable pipeline incidents.

2 External inspection activities include aerial and ground based observations over the length of the pipeline. Preventative maintenance inspection activities of above ground equipment as per the inspection schedule.

People, Diversity and Community

PEOPLE	MEASURE	2025	2024	2023	2022	2021
Number of Staff	#	105	97	101	135	294
Number of Contractors	#	105	132	127	220	109
Employee Turnover:						
Unplanned	%	10.4	7.8	8.5	4.0	-

Diversity

	2025						2024					
	BOARD		LEADERSHIP TEAM		WORKFORCE		BOARD		LEADERSHIP TEAM		WORKFORCE	
	#	%	#	%	#	%	#	%	#	%	#	%
GENDER												
Male	3	50%	5	83%	67	68%	4	50%	5	83%	58	64%
Female	3	50%	1	17%	32	32%	4	50%	1	17%	33	36%
Gender Diverse	-	-	-	-	-	-	-	-	-	-	-	-
ETHNICITY												
NZ European/Pākehā	3	50%	4	67%	45	46%	4	50%	4	67%	40	44%
Other European	2	33%	2	33%	7	7%	3	38%	2	32%	12	13%
Māori & NZ European	-	-	-	-	10	10%	-	-	-	-	10	11%
Māori	1	17%	-	-	9	9%	1	13%	-	-	9	10%
Asian	-	-	-	-	15	15%	-	-	-	-	8	9%
Other	-	-	-	-	13	13%	-	-	-	-	12	13%
AGE												
Under 30	-	-	-	-	6	6%	-	-	-	-	5	5%
30 to 50	3	50%	3	50%	47	48%	3	38%	3	50%	48	53%
over 50	3	50%	3	50%	46	46%	5	63%	3	50%	38	42%

Appendix 3 – Climate scenario data

Focal question

How could climate change plausibly affect our transport fuels infrastructure organisation, what should we do and when?

References for climate change scenarios physical and socio-economic indicators

Indicator	Scenario			Reference
	Green Light	Amber Light	Red Light	
Physical				
Global temperature increase by 2100, relative to pre-industrial levels	1.5	2.6	3.5	IPCC WG1 AR5 Summary for Policymakers.
New Zealand sea level rise for 2050 relative to 2005	0.19m	0.22m	0.24m	NZ Sea Rise Programme. (2023). Maps. Ministry for the Environment. (2024). Coastal hazards and climate change guidance. <i>Vertical land movement excluded. Site 7067 taken as a central location to be representative for New Zealand.</i>
Increase (%) in 20yr ARI 1hr rainfall depth for 2031–2050, relative to 1986–2005 at Marsden Point	+7.8%	+9.8%	+11.3%	NIWA. (2017). High Intensity Rainfall Design System (HIRDS). Average taken from stations: 548215, 548215, A54753.
Increase (%) in Whangarei hot days (maximum temperature $\geq 25^{\circ}\text{C}$) for 2041–2060, relative to the 1972–2021 baseline	+69%	+87%	+107%	Gibson, P. B., et al. (2024). Dynamical downscaling CMIP6 models over New Zealand: added value of climatology and extremes. <i>Climate Dynamics</i> , https://doi.org/10.1007/s00382-024-07337-5 , 27p
Socio-economic				
New Zealand carbon price at 2050	\$309 NZD	\$411 NZD	\$206 NZD	New Zealand Treasury (2023). Assessing climate change and environmental impacts in the CBAX tool.
New Zealand population at 2050	6.2 million	6.5 million	6.9 million	Stats NZ. (2022). National population projections: 2022(base)–2073. 50th percentile.
New Zealand fuel demand graph	n/a	n/a	n/a	Climate Change Commission. (2021). Scenarios dataset for the Commission's 2021 Final Advice.

Use of reference scenarios

Scenario	RCP	Rationale	SSP	Rationale
Green light	2.6	RCP2.6 is the most stringent mitigation scenario in which carbon dioxide emissions decline to net zero relatively quickly. It reflects a world in which warming is limited to around 1.5–2°C by 2100.	1	SSP1: Sustainability reflects a world in which energy affordability and human well-being is prioritised. There are 'low challenges to mitigation and adaptation'. This aligned well with the rapid and smooth transition described in Green Light.
Amber light	4.5	RCP4.5 illustrates global emissions peak around 2040 and slowly begin to decline thereafter. Similar climatic impacts are expected in the disorderly scenario described in this report. This reflects a world where global warming reaches 2.6°C by 2100.	2	SSP2: Middle of the Road describes a world with largely similar socio-economic trends of today with 'medium challenges to mitigation and adaptation'. This aligns well with the lack of action until the mid-2030s, when dramatic changes are enforced.
Red light	7.0	RCP7.0 presents a trajectory of over 3.5°C global warming by 2100. This scenario features growing emissions, leading to severe physical impacts and is understood to be the worst-case of climate scenarios.	3	SSP3: Regional rivalry describes a world with material focused consumption and low international priority for addressing environmental concerns. This aligns well with the lack of political action and technological development over time.

Appendix 4- CRD disclosure index

Channel Infrastructure has reported the climate-related disclosures required by Aotearoa New Zealand Climate Standards in this report as shown below.

NZ CS 1	Disclosure	This Report
Governance		
7 (a)	the identity of the governance body responsible for oversight of climate-related risks and opportunities	18
7 (b)	a description of the governance body's oversight of climate-related risks and opportunities	18
7 (c)	a description of management's role in assessing and managing climate-related risks and opportunities	19
8 (a)	processes and frequency by which the governance body is informed about climate related risks and opportunities	18-19
8 (b)	how the governance body ensures that the appropriate skills and competencies are available to provide oversight of climate-related risks and opportunities	18
8 (c)	how the governance body considers climate-related risks and opportunities when developing and overseeing implementation of the entity's strategy	18
(d)	how the governance body sets, monitors progress against, and oversees achievement of metrics and targets for managing climate-related risks and opportunities, including whether and if so how, related performance metrics are incorporated into remuneration policies	18
9 (a)	how climate-related responsibilities are assigned to management-level positions or committees, and the process and frequency by which management-level positions or committees engage with the governance body	20
9 (b)	the related organisational structure(s) showing where these management-level positions and committees lie	20
9 (c)	the processes and frequency by which management is informed about, makes decisions on, and monitors, climate-related risks and opportunities	33
Strategy		
11 (a)	a description of its current climate-related impacts	34-38
11 (b)	a description of the scenario analysis it has undertaken	26
11 (c)	a description of the climate-related risks and opportunities it has identified over the short, medium, and long term	34-38
11 (d)	a description of the anticipated impacts of climate-related risks and opportunities	34-38
11 (e)	a description of how it will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state	23-25
2 (a)	its current physical and transition impacts	34-38
12 (b)	the current financial impacts of its physical and transition impacts identified in paragraph 12	34-38
12 (c)	if the entity is unable to disclose quantitative information for paragraph 12(b), an explanation of why that is the case	N/A
13	An entity must describe the scenario analysis it has undertaken to help identify its climate related risks and opportunities and better understand the resilience of its business model and strategy	26-31
14 (a)	how it defines short, medium and long term and how the definitions are linked to its strategic planning horizons and capital deployment plans	33
14 (b)	whether the climate-related risks and opportunities identified are physical or transition risks or opportunities, including, where relevant, their sector and geography	34-38

NZ CS 1	Disclosure	This Report
14 (c)	how climate-related risks and opportunities serve as an input to its internal capital deployment and funding decision-making processes	33
15 (a)	the anticipated impacts of climate-related risks and opportunities reasonably expected by the entity	34-38
15 (b)	the anticipated financial impacts of climate-related risks and opportunities reasonably expected by an entity	
15 (c)	a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur	Adoption provision 2
15 (d)	if an entity is unable to disclose quantitative information for paragraph 15(b), an explanation of why that is the case	
16 (a)	a description of its current business model and strategy	22-25
16 (b)	the transition plan aspects of its strategy, including how its business model and strategy might change to address its climate-related risks and opportunities	22-25
16 (c)	the extent to which transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes	22-25
Risk Management		
18 (a)	a description of its processes for identifying, assessing and managing climate-related risks	33
18 (b)	a description of how its processes for identifying, assessing, and managing climate related risks are integrated into its overall risk management processes	33
19 (a)	the tools and methods used to identify, and to assess the scope, size, and impact of, its identified climate-related risks	33
19 (b)	the short-term, medium-term, and long-term time horizons considered, including specifying the duration of each of these time horizons	33
19 (c)	whether any parts of the value chain are excluded	33
19 (d)	the frequency of assessment	33
19 (e)	its processes for prioritising climate-related risks relative to other types of risks	33
Metrics And Targets		
21 (a)	the metrics that are relevant to all entities regardless of industry and business model	40
21 (b)	industry-based metrics relevant to its industry or business model used to measure and manage climate-related risks and opportunities	40
21 (c)	any other key performance indicators used to measure and manage climate-related risks and opportunities	N/A
21 (d)	the targets used to manage climate-related risks and opportunities, and performance against those targets	40
22 (a)	greenhouse gas (GHG) emissions: gross emissions in metric tonnes of carbon dioxide equivalent (CO ₂ e) classified as:(i) scope 1;(ii) scope 2 (calculated using the location-based method);(iii) scope 3;	40
22 (b)	GHG emissions intensity	40
22 (c)	transition risks: amount or percentage of assets or business activities vulnerable to transition risks	41
22 (d)	physical risks: amount or percentage of assets or business activities vulnerable to physical risks	41
22 (e)	climate-related opportunities: amount or percentage of assets, or business activities aligned with climate-related opportunities	41
22 (f)	capital deployment: amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	41
22 (g)	internal emissions price: price per metric tonne of CO ₂ e used internally by an entity	41

NZ CS 1	Disclosure	This Report
22 (h)	remuneration: management remuneration linked to climate-related risks and opportunities in the current period, expressed as a percentage, weighting, description or amount of overall management remuneration	41
23 (a)	the time frame over which the targets applies	40
23 (b)	any associated interim targets	None
23 (c)	the base year from which progress is measured	40
23 (d)	a description of performance against the targets	40
23 (e)	for each GHG emissions target:	
(i)	whether the target is an absolute target or intensity target	40
(ii)	the entity's view as to how the target contributes to limiting global warming to 1.5 degrees Celsius	40
(iii)	the entity's basis for the view expressed in 23(e)(ii), including any reliance on the opinion or methods provided by third parties	40
(iv)	the extent to which the target relies on offsets, whether the offsets are verified or certified, and if so, under which scheme or schemes	40
24 (a)	a statement describing the standard or standards that its GHG emissions have been measured in accordance with	43
24 (b)	the GHG emissions consolidation approach used: equity share, financial control, or operational control	49
24 (c)	the source of emission factors and the global warming potential (GWP) rates used or a reference to the GWP source	51
24 (d)	a summary of specific exclusions of sources, including facilities, operations or assets with a justification for their exclusion.	56

Adoption provision 5: Comparatives for Scope 3 GHG emissions 2025 is the second year Channel has reported Scope 3 GHG emissions. Adoption provision permits one year of comparative information to be provided this report (rather than two years).

Adoption provision 7: Analysis of trends 2025 is the second year Channel has reported Scope 3 GHG emissions. Adoption provision permits analysis of trends for scope 3 GHG emissions to be excluded from this report.

Appendix 5- Forward looking statements

This report contains certain forward-looking statements, which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “intend”, “plan”, “ambition”, “anticipate”, “estimate”, “continue”, “assume”, “project”, “target”, or “forecast” or comparable terminology. Forward looking statements include climate-related metrics, climate scenarios, estimated climate projections.

Primary users are reminded that the climate-related scenarios used in scenario analysis are not intended to be probabilistic or predictive, or to identify the ‘most likely’ outcome(s) of climate change. They are intended to provide an opportunity for entities to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change. Further, scenario analysis is simply a process for systematically exploring the effects of a range of plausible future events under conditions of uncertainty. Engaging in this process is meant to help an entity to identify its climate-related risks and opportunities and develop a better understanding of the resilience of its business model and strategy.

Therefore, primary users are cautioned in their use of the information presented in this report. The information presented in this report is not a prospective financial statement. Primary users are also reminded that pages 27-29 and Appendix 3: Climate change & GHG emissions (see page 63) set out the methods and assumptions underlying the climate-related scenarios used, and the scenario analysis process employed. It is important that primary users understand the limitations applicable to the information presented. Climate change is also prone to inherent uncertainty and novelty, and is subject to ongoing change as the circumstances of a transition to a low-emissions economy and climate change develop in New Zealand and across the world over a long period of time.

The forward-looking statements in this report:

- To the extent prepared by entities or persons other than Channel Infrastructure and repeated herein, are not adopted by Channel Infrastructure unless expressly stated otherwise. Channel Infrastructure does not make any representation or warranty (express or implied) as to, the accuracy, completeness, reliability, adequacy or reasonableness of any such statements, or matters (express or implied) contained in, or derived from, or any omissions from such statements.
- To the extent prepared or adopted by Channel Infrastructure, are based on management’s current expectations and reflect judgements, assumptions, estimates and other information available when the report was compiled or scenario analyses were undertaken. With respect to climate related disclosures they are inherently uncertain and subject to limitations, particularly as to inputs, available data and information. Therefore, the forward-looking statements that Channel Infrastructure has prepared or adopted may be affected by a range of variables which could cause actual results to differ materially from what was planned or expected.
- Relating to climate related disclosures are subject to risk factors associated with, amongst other things, the energy sector, decarbonisation technologies, government action, consumer attitudes and potentially carbon products and markets. Users are also reminded that Channel Infrastructure’s business and plans are subject to risks that may also cause actual results to differ materially from the forward looking statements. These risk categories are set out in Channel Infrastructure’s Governance Statement available on its website www.channelnz.com.
- Involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, achievements and outcomes to be materially different from the forward-looking statements contained in this report (including things such as availability of technology or the cost of technology or other emission reduction proposals). Users are again reminded of the inherent limitations that are associated with scenario analysis noted above.
- Should be read in the context of the variables, risks, uncertainties and other factors outlined above or mentioned in the report, the Annual Report and Governance Statement.

Accordingly, this report should not be relied upon as a recommendation, forecast or guarantee by or expectation of Channel Infrastructure, its related or controlled entities or officers, directors, employees or agents, (together, the Channel Entities) and the Channel Entities, to the maximum extent permitted by law, disclaim any liability whatsoever (including for negligence) for any loss howsoever arising from any use of this report or reliance on anything contained in or omitted from it or otherwise arising in connection with this report. Other than as required by law or the Listing Rules of the New Zealand Stock Exchange, the Channel Entities will not release publicly any updates to any forward-looking statement contained herein to reflect changes to relevant risks, inputs, uncertainties or other factors, and/or the Channel Entities’ understanding of them.

Appendix 6– Definitions and abbreviations

Abbreviations	Definitions
Aotearoa New Zealand Climate Standards (NZ CS)	Standards issued by the External Reporting Board that comprise the climate related disclosure framework
ARI	Annual recurrence interval
BL	Billion litres
Carbon dioxide equivalent (CO₂e)	In order to aggregate and compare the different types of GHGs that have different levels of global warming potential, emissions and removals are largely expressed in tonnes of carbon dioxide. The carbon dioxide equivalent is calculated by multiplying the quantity of a GHG by the relevant global warming potential
Climate-related disclosure framework	Climate-related disclosure framework has the same meaning set out in section 9AA of the Financial Reporting Act 2013
Climate-related opportunities	The potentially positive climate-related outcomes for an entity. Efforts to mitigate and adapt to climate change can produce opportunities for entities, such as through resource efficiency and cost savings, the adoption and utilisation of low-emissions energy sources and building resilience along the value chain
Climate-related risks	The potential negative impacts of climate change on an entity. See also the definitions of physical risks and transition risks
Climate-related scenario	A plausible, challenging description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces and relationships covering both physical and transition risks in an integrated manner. Climate-related scenarios are not intended to be probabilistic or predictive, or to identify the 'most likely' outcome(s) of climate change. They are intended to provide an opportunity for entities to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change
CCC	Climate Change Commission
COD	Chemical oxygen demand - a measure of water and wastewater quality
CO₂	Carbon dioxide
Decarbonise	The process of avoiding, reducing or offsetting anthropogenic greenhouse gas emissions through operational activities or efficiencies, technology deployment, use of generated or acquired carbon credit units, and/or other means
EACs	Energy Attribute Certificates
Emissions	CO ₂ emissions unless otherwise specified
Emissions factor	A factor allowing GHG emissions to be estimated from a unit of available activity data (for example, tonnes of fuel consumed) and absolute GHG emissions
Emissions intensity	Scope 1 and 2 tCO ₂ e per million litres of throughput
Employees	Direct hire permanent employees
End user emissions	Upstream and downstream emissions that result from the end use consumption (combustion) of transport fuels that Channel stores and distributes through its infrastructure but does not take ownership of and therefore does not own or sell to the end user
ESG	ESG, also known as the three pillars, is an acronym for three categories (environment, social, and governance)
ETS	Emissions Trading Scheme
EV	Electric vehicle

Abbreviations	Definitions
Global warming potential (GWP)	A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of carbon dioxide (CO ₂)
GRI	Global Reporting Initiative
H₂	Hydrogen
Hot days	Maximum temperature of 25°C or more
ICE	Internal combustion engine
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change - the United Nations body for assessing the science related to climate change
Kt	Thousand tonnes
LTIF	Lost Time Injury Frequency: The sum of work-related injury cases per 200,000 hours worked, where the injured person is deemed medically unfit for any work as a result of the injury
Materiality assessment	In reference to GRI Standards, a process to identify and prioritise the issues that are most important to an organisation and its key stakeholders
Material topics	In reference to GRI Standards, topics that have a direct or indirect impact on the organisations ability to create, preserve or erode economic, environmental and social value for the organisation and its stakeholders
ML	Million litres
MON	Motor Octane Number measures the knock resistance of gasoline in engine conditions mirroring high-speed, high-load driving scenarios
MW	Megawatt
Net Zero	When anthropogenic emissions of greenhouse gases are balanced by anthropogenic removal of greenhouse gases through means such as operational activities or efficiencies, technology or offset through the use of carbon credits, or other means
NGA	Negotiated Greenhouse Agreement
NZU	New Zealand Emissions Trading Scheme emissions unit
Aotearoa New Zealand Climate Standards (NZ CS)	Standards issued by the External Reporting Board that comprise the climate related disclosure framework
Physical risks	Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise
Pipeline	Channel's 170km fuels pipeline from Marsden Point to Auckland
PJ	Petajoule (1 million billion joules)
RON	Research Octane Number measures the knock resistance of gasoline in engine conditions mirroring low-speed and low-load driving
RCP	Representative Concentration Pathways - climate change scenarios formally adopted by the IPCC
SAF	Sustainable Aviation Fuel – with lower overall emissions than fossil-jet
SDG	United Nations Sustainable Development Goals. More information about the SDGs can be found at https://sdgs.un.org/goals
UNSDG	
Somerton Pipeline	A dedicated 34km jet fuel pipeline serving Melbourne Airport
SSP's	Shared Socio-economic Pathways - climate change scenarios of projected socio-economic global changes up to 2100 as defined in the sixth IPCC Assessment Report on climate change in 2021

Abbreviations	Definitions
Sustainable/sustainably	At Channel, sustainability is about striving to ensure safe operations, minimising environmental harm and greenhouse gas emissions, and creating long-term value for our stakeholders including our customers, iwi and community, employees, contractors and suppliers and shareholders: balancing the needs of today without undermining the ability to meet the demands of tomorrow
Tier 1 process safety event	An unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: a Lost Time Injury (LTI) and/or fatality; a fire or explosion resulting in greater than or equal to \$100,000 of direct cost to the Company; a release of material greater than the threshold quantities given in Table 1 of API 754 in any one-hour period; an officially declared community evacuation or community shelter-in-place
Tier 2 process safety event	An unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: a recordable injury; a fire or explosion resulting in greater than or equal to \$2,500 of direct cost to the Company; a release of material greater than the threshold
Transition plan	An aspect of an entity's overall strategy that describes an entity's targets, including any interim targets, and actions for its transition towards a low emissions, climate-resilient future
Transition risks	Risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change
TRCF	Total Recordable Case Frequency: The number of lost time incidents, restricted work cases, medical treatment cases and fatalities per 200,000 man-hours worked
TRIF	Total Recordable Injury Frequency
UNSDG SDG	United Nations Sustainable Development Goals. More information about the SDGs can be found at https://sdgs.un.org/goals
Value Chain	The full range of activities, resources and relationships related to an entity's business model and the external environment in which it operates
WACC	Weighted average cost of capital
XRB	External Reporting Board - responsible for developing and issuing reporting standards on accounting, audit and assurance, and climate, for entities across the private, public, and not-for profit sectors

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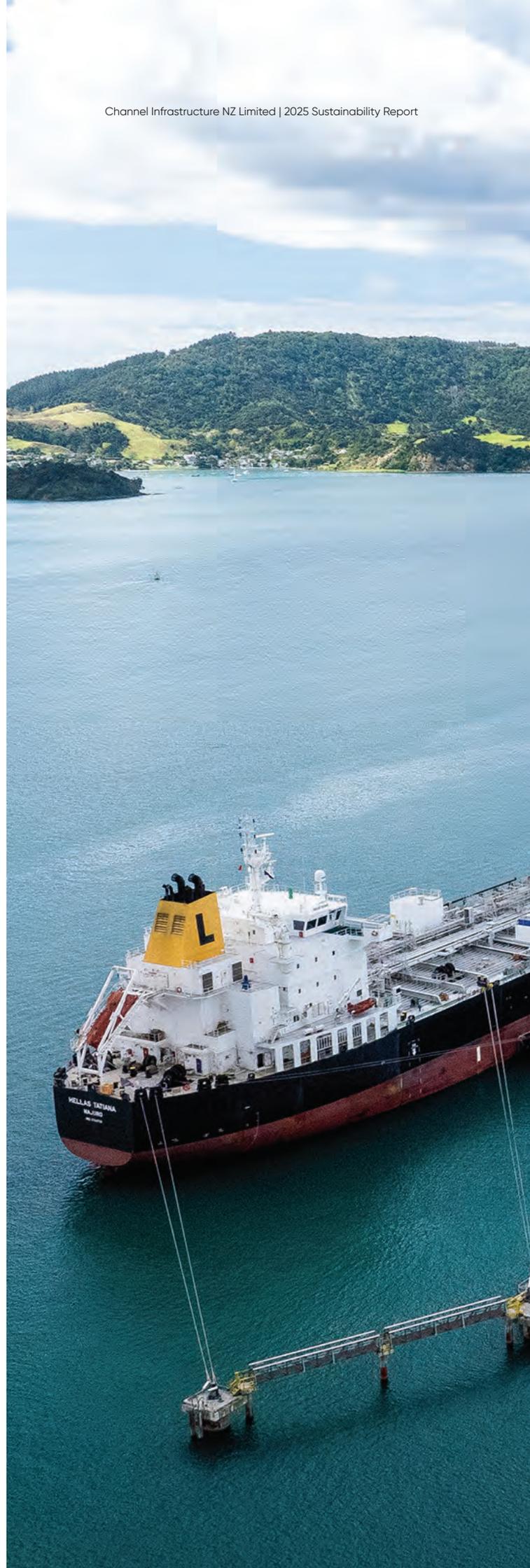
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Feedback

We are committed to continuous improvement of our ESG reporting practices and value our stakeholders' perspectives. We welcome feedback on this report and our performance. To do so, please email us at: investorrelations@channelnz.com.







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