Port of Tauranga

Climate-related Disclosures Report

FY2026



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Introduction

This report is prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CS1, CS2 and CS3).

These mandatory climate standards are designed to encourage companies to proactively manage climate-related risks and opportunities, demonstrate how they are doing so, and support capital allocation to activities consistent with the transition to a low-emissions, climate-resilient future.

This is the third Climate-related Disclosures report produced by Port of Tauranga Limited (the Port). Previous reports are available on the Port's website.

The Port is taking advantage of the adoption provisions in the standards to ensure that the information presented in the report is not only thorough, but also meaningful and robust.

This year, the Port has developed an approach and completed initial analysis of its current and anticipated financial impacts from climate change.



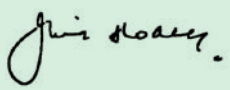
Statement of compliance

Port of Tauranga Limited is a Climate Reporting Entity under the Financial Markets Conduct Act 2013. This report constitutes our Climate Statements in accordance with the Act and covers the reporting period 1 July 2025 to 30 June 2026. The statements are compliant with the Aotearoa New Zealand Climate Standards (NZ CS1, CS2 and CS3) issued by the External Reporting Board (XRB).

Of the adoption provisions provided within NZ CS2 (as amended), the Board of Directors has chosen to apply the following exemptions:

- **Adoption provision 2: Anticipated financial impacts.** The Port remains in the process of quantifying the anticipated financial impacts of climate-related risks and opportunities. Substantial progress in FY2026 has enabled it to voluntarily disclose qualitative descriptions of anticipated financial impacts for its direct risks and selected indirect risks. The Port has a work programme to extend this analysis in FY2027 to the remaining indirect risks and direct and indirect opportunities. This will support compliance with NZ CS1 paragraphs 15(b) and (d), through quantitative disclosure where feasible. Where it is not, the Port will provide its best-supported qualitative assessment and explain why quantification is not possible.
- **Adoption provision 4: Scope 3 greenhouse gas emissions.** While Port of Tauranga has been measuring some Scope 3 emissions since 2017 (e.g. the emissions relating to chartered freight trains), the Port will not be reporting Scope 3 emissions in this report. The Port is continuing to undertake further work (in collaboration with other sector participants) to define appropriate and sensible Scope 3 boundaries.
- **Adoption provision 5: Comparatives for Scope 3 greenhouse gas emissions.** The Port has not disclosed comparative information for Scope 3 greenhouse gas emissions.
- **Adoption provision 7: Analysis of trends for Scope 3 greenhouse gas emissions.** The Port has not disclosed an analysis of trends for Scope 3 greenhouse gas emissions.
- **Adoption provision 8: Scope 3 greenhouse gas emissions assurance.** The Port is applying the exemption from assurance over Scope 3 greenhouse gas emissions disclosures.
- **Comparative information: Adoption provision 6 is no longer applicable in FY2026.** Except for Scope 3 emissions, the Port provides comparative information for the two preceding reporting periods (FY2024 and FY2025) for established metrics, with one comparative year for metrics first disclosed in FY2025 and no comparatives required for metrics first disclosed in FY2026. The scope for quantitative comparison of realised climate-related risk and opportunity impacts remains limited, as most have not yet manifested in a sufficiently discernible or measurable way. Changes in those impacts are therefore addressed, to the extent observable, through the qualitative current impacts commentary.

Approved on behalf of the Board of Directors on 29 October 2026.



Julia Hoare
Chair



Sir Robert McLeod KNZM
Chair, Audit Committee

Statement of compliance (continued)

This report sets out Port of Tauranga Limited's mandatory Climate-related Disclosures (CRD) for the financial year ending 30 June 2026, in accordance with the Aotearoa New Zealand Climate Standards (also referred to as NZ CS1, CS2 and CS3).

Pursuant to the requirements of NZ CS1-3, this report includes a range of forward-looking statements (including but not limited to climate-related scenarios, assumptions, and projections, forecasts, estimates and judgements regarding climate-related risks, opportunities, impacts and related matters, as well as statements of the Port's future intentions, and metrics and targets). These statements are often based on early and evolving assessments of current and future data, which may be incomplete and estimated, particularly in areas such as climate change projections and socio-economic anticipated outcomes/forecasts. These are inherently uncertain as they are driven by numerous dynamic factors, many of which are interconnected, complex, non-linear and unpredictable especially over the medium to long-term. Accordingly, all forward-looking statements set out in this CRD report (whether they relate to climate-related risks and opportunities or otherwise):

- Are not facts, nor are they intended to constitute capital growth, earnings guidance, and/or any other type of advice or guidance (legal, financial, tax or otherwise)
- Pertain to outcomes that may arise under stipulated climate change scenarios set out within, which, as noted in NZ CS1, "...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"
- Are inherently uncertain and subject to limitations, particularly as to inputs, available data and information (including that which the Port has derived from relevant sector climate change scenarios), all of which are likely to change and evolve
- May not eventuate (in full or in part), and where they do eventuate, may be materially more or less significant than is anticipated or otherwise indicated in this report
- May have omitted to identify and include (in full or in part) material climate-related risks, opportunities and impacts that do eventuate.

Owing to the above, all climate-related forward-looking statements in this CRD report may be less reliable than statements contained in the Port's non-climate-related annual reporting.

Notwithstanding the above, this CRD report represents the Port's best estimate and current understanding of future climate-related eventualities at the date of publication. Subject to the various practical challenges and limitations, the Port has used all reasonable endeavours to ensure the accuracy and completeness of this report (subject to specified omissions in reliance of the adoption provision in NZ CS2, including the amendments to the Adoption of Aotearoa New Zealand Climate Standards issued in 2024 and 2025), but strongly cautions against undue reliance being placed on representations within.

To the maximum extent permitted by law, the Port and its directors, officers, employees and contractors shall not be liable for any loss or damage arising in any way from or in connection with any information provided or omitted as part of this report.

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Executive summary

This year's report updates Port of Tauranga's climate context and climate-related risks and opportunities. We continue to refine our assessments and methods, and this year have integrated insights from our assessment of current and anticipated financial impacts. A progress update is also provided on our Transition Plan objectives and near-term actions, outlining the Port's response to its evolving strategic landscape under a changing climate.

Current position

The Port's climate-related risks and opportunities (CRR/Os) remain largely unchanged following this year's review. The Port's Transition Plan response continues to build on its inherent resilience to both physical climate risks and the transition to a low-emissions economy. The Port is well positioned by its national network, infrastructure and commercial strategy, which is anchored in diversification of cargo, geography, operations, and revenue streams.

As New Zealand's largest port and the only one currently capable of accommodating the largest vessels on the Oceania network, Port of Tauranga holds a strategic position in decarbonising the country's international supply chain.

The Port continues to increase its capacity to cater for larger shipping vessels, which have lower emissions per container than smaller, older vessels. On 7 September 2026, the Port received regulatory approval of the proposed Stella Passage development, subject to appeals and conditions. If it proceeds, it will enable the next stage of growth, improve flexibility and resilience, and unlock further decarbonisation opportunities.

Ports have an important role to play in the decarbonisation of New Zealand's international supply chain, as sea freight is the most carbon-efficient mode of transport for large quantities of cargo. Port of Tauranga remains committed to supporting New Zealand exporters with the lowest-emissions supply chain possible by reducing our operational emissions, prioritising rail over road transport, and advocating for coastal shipping.

By building the capacity for larger vessels, Port of Tauranga is also ensuring importers and exporters avoid unnecessary delays and costs from shipping through Australian ports.

Key changes

Financial quantification

This year the Port of Tauranga has taken on board the XRB's clear direction that developing decision-useful anticipated financial impact (AFI) disclosures takes time and care. The Port is using the extended adoption period to build the necessary capability before disclosure becomes mandatory.

As New Zealand's primary international shipping hub, the Port has many possible pathways through which climate-related risks and opportunities could affect it financially. Developing a robust approach therefore takes time. The methodology is summarised in the Financial quantification section of this report.

FY2026 updates

Qualitative impact pathways have been developed for the majority of CRR/Os and are reflected in the FY2026 report. Refer also to Port of Tauranga Climate-related Disclosure FY2025 for additional technical information on each CRR/O.

Remaining areas for refinement and potentially quantifiable CRR/Os have been identified for FY2027. The analysis has also supported updates to the underlying Exposure, Vulnerability and Impact (EVI) assessment, climate scenarios and climate driver-outcome framework. Updates include an improved evidence base and technical understanding and documentation of CRR/Os characteristics.

FY2026 emissions inventory

Total Scope 1 and 2 emissions for FY2026 were 19.2 kilotonnes CO_2e, down 12% from FY2025 and up 1% from the FY2023 base year.

The Scope 1 and 2 emissions intensity for FY2026 is 0.00076 tonnes CO_2e per cargo tonne. This is a 9% decrease compared with FY2025 and a 2% increase compared with the FY2023 base year.

Climate-related risks and opportunities

The Port's climate scenarios have been updated with the latest transition driver developments relevant to the Port, such as emission-based trading rules, changes in the political landscape, and key sector updates.

The Port's CRR/Os are largely unchanged, although anticipated impacts for two direct physical risks (DR3 and DR5) were downgraded following financial impact assessment.

Type	Summary of change
Direct physical risks	DR3 downgraded to non-material in the short to medium-term; monitored. DR5 downgraded to a non-material watch and brief in short to medium-term.
Indirect physical risks	No change.
Direct transition opportunities	No change. Note targeted updates for policy, technology and market shifts with stronger evidential support and usability, core architecture unchanged.
Indirect transition risks and opportunities	No change. Note targeted updates for policy, technology and market shifts with stronger evidential support and usability, core architecture unchanged.

Staged approach to reporting

Port of Tauranga has taken a staged approach to mandatory reporting. In FY2024, our focus was on building robust foundational Climate-related Disclosure systems, capability and knowledge. We identified existing and potential climate-related risks and opportunities and assessed our exposure and vulnerability to each.

We also developed three Port climate scenarios, identifying key drivers and outcomes.

In FY2025, our focus shifted to building on the foundational identification and assessment work, extending it to the Port's national network. We prepared a detailed Transition Plan, outlining a comprehensive response to the Port's priority short and medium-term risks and opportunities.

In FY2026, we established a robust means of assessing the current and anticipated financial impact of the Port's climate-related risks and opportunities. We also reviewed the Transition Plan and made updates and refinements based on progress to date.

Having completed the initial three-year roadmap, our focus now moves to extending financial quantification and integrating it more deeply with our enterprise risk management framework.

The Port also continues to work with other sector participants to define appropriate and sensible Scope 3 boundaries for future reporting.

Governance

Port of Tauranga Limited is listed on the New Zealand Stock Exchange (NZX) and adheres to the NZX Main Board Listing Rules and guidance, including the NZX Corporate Governance Code.



Board oversight of climate-related risks and opportunities

Port of Tauranga's Board of Directors ensures the company adheres to NZX governance requirements and maintains high ethical standards in serving the interests of Port of Tauranga stakeholders, including shareholders, employees, customers and the wider community.

The Board approves the company's strategic direction and oversees management of long-term value drivers such as customer satisfaction, asset investment, employee engagement, iwi and community engagement, enhanced environmental performance and reputation protection. Key Port strategies are formally reviewed at least once per year.

All risks, including climate-related risks, are also reviewed annually by the Board, with "deep dives" into specific risks on a quarterly basis.

The Board has overall responsibility for the Port's climate change response.

The Audit Committee is specifically responsible for ensuring the Port complies with climate-related reporting requirements. Other committees of the Board have specific responsibilities related to risk management, outlined below. All committees report to the full Board.

Board skills and competence

The Board requires Directors to have competencies across a range of disciplines, including sustainability and risk management, to operate effectively and meet its responsibilities. Directors' skills are self-assessed annually, moderated by the Board as a whole, and provided to shareholders in a matrix published annually in the Corporate Governance Statement. The statement and other governance-related documents, including the charters of the Board and its committees, are available on the Port's website.

Monitoring progress

The Board approves and monitors progress against the metrics and targets used to measure the Port's climate-related risks and opportunities. For example, management reports to the Board annually on greenhouse gas emissions and progress in relation to achieving the Board's long-term target of net zero emissions by 2050, and its short-term goal of an annual reduction in carbon intensity (t CO_2e per cargo tonne). Additional metrics and targets, including for the senior management team, have been developed in alignment with the Port's climate Transition Plan, which is annually reviewed and progress monitored by the Board. Specific decarbonisation projects requiring capital expenditure are also reported to the Board for approval as required by delegation of authority policies.

The Board considers the identification, understanding, control and monitoring of core risks (including climate-related risks and opportunities) to be a whole-of-Board function.

Audit Committee	People and Remuneration Committee
Assists the Board with the financial reporting process, internal controls and management of financial risks, and the audit process (including assurance on regulatory requirements such as Climate-related Disclosures). The committee holds at least three meetings annually and reviews all climate change risk and opportunity-related work, including recommending the Board approve publication of the company's Climate-related Disclosures.	Oversees remuneration policies and practices, including executive packages that include performance targets for sustainability-related measures such as greenhouse gas emissions, health and safety, and employee and community engagement. The committee has incorporated specific climate-related metrics into executive remuneration.
Board Health and Safety Committee	**Nomination Committee**
Assesses health and safety risks and controls relating to the impacts of climate change.	Reviews the Board's composition, performance and succession planning to ensure it has skills in sustainability, as well as regulatory compliance, risk management, stakeholder liaison and other competencies. The committee, of which all Directors are members, meets at least twice per year.

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

All members of the senior management team have responsibilities related to the company's strategy and risk management. They ensure that risks to the business, including climate-related risks, are identified and evaluated, and that effective and practicable responses and control activities are developed.

The senior management team reports monthly to the Board and attends all Board meetings. The Chief Executive and Chief Financial Officer attend the Audit Committee meetings. The Chief Executive and General Manager Corporate Services attend the People and Remuneration Committee meetings, and the Chief Executive and General Manager Health and Safety attend the Board Health and Safety Committee meetings.

Risks to Port of Tauranga's ability to create value are regularly discussed in depth by the senior management team, which meets weekly. The team identifies risks and their materiality, evaluates mitigation options and ensures they are feasible. Climate-related risks are part of this process. They are integrated into the Port's enterprise risk management framework and regularly reviewed and monitored.

Sustainability measures are incorporated into the remuneration of members of the senior management team as well as their relevant direct reports.

The individual responsibilities laid out in this table have been agreed over time through consultation, job descriptions, strategic planning processes and directives of the Board. Performance is monitored by the Chief Executive and incentivised through remuneration policies, including a short-term incentive component measured through mutually agreed Key Performance Indicators (KPIs) and approved by the Board's People and Remuneration Committee. The Board is responsible for the performance of the Chief Executive.

All of the senior management team have a specific climate-related KPI, requiring progression of the climate Transition Plan and associated metrics and targets. In FY2026, 5% of the managers' short-term incentive was allocated to this KPI.

Day-to-day risk management is undertaken by an empowered and coordinated extended leadership team, with centralised oversight by the senior management team and Risk Specialist. The senior management team is required to establish formal and/or informal processes with their teams to demonstrate a positive risk culture by actively monitoring and discussing risk.

All teams have some responsibility to identify, assess and monitor critical risks, including those related to climate change, relevant to their business areas.

Members of the extended leadership team report directly to a senior management team member. Those with specific climate-related responsibilities include:

- Environmental Manager
- Financial Controller
- Terminal Development Manager
- Engineering Manager
- Risk Specialist
- Marine Operations Manager.

Chief Executive	Chief Financial Officer/Company Secretary
Manages and delivers the company's strategy and performance. Responsible for promoting proactive risk management, including risks and opportunities associated with climate change, and reporting it to the Board. Incorporates climate-related risks and opportunities into the company's strategic planning process. Maintains relationships with local and central government and regulators.	Ensures timely release of information to the market and adherence to the relevant rules and regulations, including NZX, accounting and Climate-related Disclosure standards. Assesses the financial impacts of climate-related risks and opportunities in financial planning, capital allocation, insurance and financial reporting. Responsible for an effective risk management framework that identifies, assesses, monitors and manages risk.
General Manager Property and Infrastructure	**General Manager Commercial**
Overall responsibility for the development and implementation of Port of Tauranga's decarbonisation strategy and greenhouse gas emissions inventory report. Ensures port infrastructure is resilient to climate change, including the provision of new infrastructure to meet increased demand (e.g. power equipment for electrification). Prioritises the purchase of more fuel-efficient vehicles and equipment whenever possible (e.g. hybrid straddles).	Jointly responsible (with the General Manager Corporate Services) for business continuity and crisis management planning. Ensures the business plan has inherent flexibility and resilience. Oversees significant operational initiatives, such as container handling automation and marine fleet purchases, with a material impact on greenhouse gas emissions.
General Manager Communications	**General Manager Corporate Services**
Publishes Port of Tauranga's announcements via website, broadcast emails and media releases. Publishes comprehensive financial and non-financial disclosures in the company's Integrated Annual Report, including material exposure to environmental, economic and social sustainability risks.	Overall responsibility for employee engagement and implementation of the Port's people-related strategies and policies. Develops and recommends climate-related KPIs for the senior management team to the People and Remuneration Committee.
General Manager Health and Safety	
Assesses the health and safety impacts of climate change. Promotes proactive employee and contractor engagement in the Port Users' Health, Safety and Environment Forum. Membership of the Port Industry Association Leadership Group.	

Risk management

Port of Tauranga operates in a complex environment with a wide range of strategic, operational, commercial and safety risks that must be effectively managed to protect the company's employees, the environment, company assets and reputation.

Risk management approach

Robust risk management is essential to the protection of long-term value, safe and reliable operations, and confident investment. As Port of Tauranga is nationally significant infrastructure, resilience is a strong focus.

Our risk management and policy framework structures and guides our approach to identifying and managing all business risk, including climate change, and our framework is aligned to the Australian/New Zealand Risk Management Standard *AS/NZS ISO 31000:2018 Risk management – Guidelines*.

Progress in FY2026

The Risk Specialist has worked with teams across the business to enhance the Port's risk management systems and ensure the correct controls, mitigations and reporting are in place. Further details on the consequences, mitigation strategies and key controls for all significant risks can be found in the Port's Corporate Governance Statement in the Integrated Annual Report.

The Transition Plan actions and climate-related risks and opportunities (CRR/Os) are included in this process, ensuring they are well-integrated into the Port's risk management framework, practice, and regular review and strategic planning cycles. Specifically, the Port's CRR/Os:

- Have assigned risk owners, with all team members expected to be responsible for proactive monitoring and management.
- Are included in regular review cycles as part of the Port's strategic and enterprise risk landscape and are regularly discussed by the senior management team and the Board of Directors.
- Are embedded in long-term asset planning, capital investment, emergency preparedness, business continuity planning and major project governance.

Looking ahead

The Port has established a firm foundation for active climate risk management and ongoing progress against the Transition Plan. Like managing other forms of risk, integrating climate-related risks and opportunities is an iterative practice. Some aspects are unique and distinct, requiring development of methods and processes to support effective active management over time.

The Port's CRR/Os vary in their characteristics and will continue to evolve. Among other things they can differ in their type (e.g. acute or chronic physical hazards, transition, systemic), complexity, temporality, how their impacts may unfold, and potential cumulative effects. While aspects can be captured as operational risk and be monitored in shorter-term cycles, thresholds and escalation to materiality and/or strategic risk implications require further refinement, along with support for risk owners, managers and leadership teams.

The focus in FY2027 will be developing staged initiatives and technical improvements to further refine processes, responsiveness and maturity with a continuous improvement approach. It will build on, and be integrated with, the Port's work on financial quantification, which has improved understanding of risk pathways, escalation points, and financial triggers.

Identification and assessment of climate-related risks and opportunities

Port of Tauranga adopted a five stage approach to identify, assess and manage its climate-related risks and opportunities, summarised in Figure 1. This is based on international risk management practices and standards, and the steps and methods employed at each of the five stages are based on the Port's existing risk management systems. Several specific adjustments take into account both the unique nature of climate-related risks and the need for compliance, including:

- Compliance with NZ CS1 and NZ CS3
- Understanding and managing climate-related risks and opportunities in a judicious and responsible manner
- Compliance with applicable Directors' duties as a result of the Port's exposure to climate-related risks and opportunities.

We have based these adjustments on a number of existing international and New Zealand climate change-related standards and guidelines.

The Port's climate-related risks and opportunities and their underlying analysis are reviewed and updated each year. This is comprehensive across the Context, Identification, Assessment and Management stages of the five stage approach.

XRB guidance

We also ensured the XRB's "Staff Guidance, Entity Level Scenario Development" guidance was integrated into the Port's five stage process.

In identifying current and anticipated climate-related risks and opportunities, the Port:

- Used traditional assessment methods to identify past, current and anticipated climate-related risks and opportunities in a comprehensive and detailed way
- Identified sector scenarios relevant to the Port's business model (e.g. Aotearoa Circle transport, agriculture and energy scenarios)
- Defined parameters including global references, emission trajectories, temperature outcomes and other assumptions.

A long list of drivers is assessed annually and ranked by influence and uncertainty. Various methods are used to unpack, rationalise and map how each driver might play out under each scenario, including understanding interactions and dependencies between one or several drivers. The scenarios are then used to identify anticipated climate-related risks and opportunities not already identified, followed by a qualitative assessment of the Port's exposure and vulnerability to each.

Identification

A comprehensive assessment of potential indirect climate risks and opportunities was carried out across key value chains – dairy, logs and other forestry, kiwifruit, liquid fuel and stock feed.

A detailed assessment of current and anticipated knock-on impacts of each potential risk and opportunity was carried out to establish materiality.

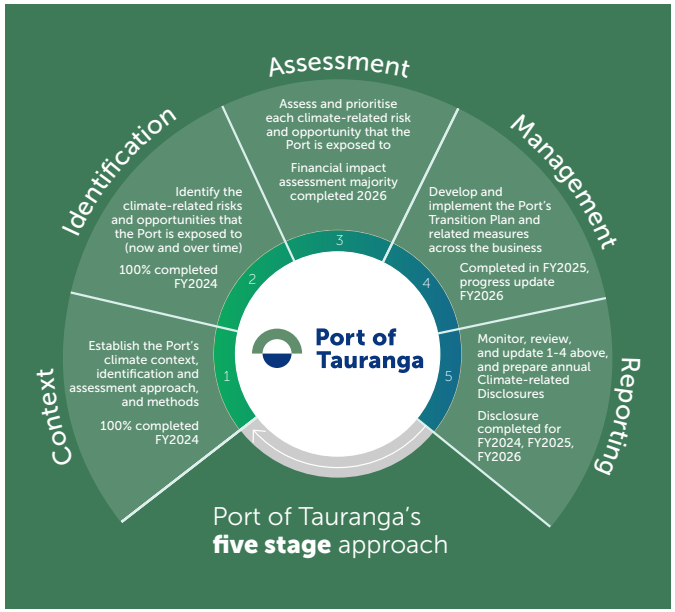
Containerised goods, lower volume commodities and breakbulk imports and exports were also addressed. However, because of the practical limitations, this entailed a much higher level assessment of upstream (supply chain) and downstream (market access and demand) risks and opportunities.

Key operations and material assets such as buildings, infrastructure, plant and equipment were assessed for exposure to physical and transition risks. This was carried out at the individual asset level for all building and infrastructure assets, as well as for key operations.

Financial quantification

This is the financial component of the assessment stage of the Port's five stage approach, providing the Port with a more credible basis for judging where its business model and strategy remain resilient, where resilience may come under pressure, and what assumptions or responses that conclusion depends on.

Figure 1:



Financial quantification

In FY2026, Port of Tauranga developed and applied a methodology for assessing the anticipated financial impacts (AFIs) of its climate-related risks and opportunities (CRR/Os).

NZ CS1 states that for anticipated impacts and financial impacts (paragraph 15):

> An entity must include the following information when describing the anticipated impacts of the climate-related risks and opportunities it has identified (see paragraph 11(d)):
>
> a. the anticipated impacts of climate-related risks and opportunities reasonably expected by the entity;
>
> b. the anticipated financial impacts of climate-related risks and opportunities reasonably expected by an entity;
>
> 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; and
>
> d. if an entity is unable to disclose quantitative information for paragraph 15(b), an explanation of why that is the case.

End-to-end scenario analysis is used to understand how identified CRR/Os may play out under different plausible climate futures and what impacts would arise. AFIs then translate those impacts into financial consequences. This strengthens the Port's understanding of its financial exposure, the magnitude and severity of potential impacts, the circumstances under which impacts could become material, and its strategic resilience.

Methodology

The methodology works the anticipated impacts through the Port's assets, operations, customers, value chains and financial model to establish when, where and to what extent financial performance, financial position and cash flows could be affected. This requires identifying the conditions and thresholds through which impacts may arise, relevant variables, timing, dependencies and financial consequences.

The process has three broad stages:

- **Establishing the assessment:** Confirm the scope, scenarios, CRR/O assessments, baselines and available evidence; provisionally assess quantification feasibility; develop detailed impact pathways linking climate drivers to Port-level financial effects; and select appropriate modelling methods, boundaries, financial-impact categories and data requirements.
- **Developing financial estimates:** Quantify or defensibly bound relevant scenario driver outcomes across the Port's time horizons; identify suitable indicators, assumptions and financial relationships; and, where supportable, estimate gross financial impacts, explicitly accounting for uncertainty and sensitivity.
- **Assessing net and combined impacts:** Evaluate realistic management and adaptation responses, including costs, timing, dependencies and effectiveness, to establish net impacts. Results are then assessed across the CRR/O portfolio to identify interactions, overlapping effects, amplification and offsets, and avoid double counting.

General rules and principles

The methodology is governed by three complementary layers: general principles and constraints, conventions for financial quantification outputs, and technical rules governing its application in practice. Together, these operationalise, where applicable, the underlying requirements and principles of NZ CS3 and relevant FMA guidance within the execution of the methodology. These are shown in the following table.

General principles / constraints Overarching standards and boundaries against which the methodology as a whole is designed and applied.	Relevance
	Defensibility and feasibility
	Traceability
	Comprehensiveness
	Quality assurance
	Reasonable effort
	Iterative improvement (over reporting cycles)
Approach to financial quantification outputs Govern the form, framing and presentation of the outputs produced by the methodology.	Financial impact categories
	Time representation
	Uncertainty representation
	Discounting
	Disclosure vs management use
Technical rules / considerations Operational rules and principles governing how the methodology is applied through the assessment process in practice.	Driver outcomes first
	System response and adaptation behaviour
	Treatment of uncertainty and avoiding false precision
	Gross then net
	Interaction controls

Practical considerations

The Port's position as a major international freight gateway creates particular challenges. Many potentially consequential financial impacts arise indirectly through wider changes in freight volumes and composition, often influenced by economic, sector and market responses outside the Port's direct control. Fully modelling these systems may require disproportionate effort without necessarily producing reliable financial estimates.

The methodology therefore adopts a proportionate, risk-based approach, consistent with the assessment logic of ISO 31000 and ISO 14091. It uses detailed impact pathways, supported where appropriate by indicators, proxies, analogues and bounded assumptions, rather than attempting to predict entire physical, economic or market systems.

Materiality is considered both individually and across the Port's combined CRR/O profile, recognising that shared drivers, financial effects and interacting risks may produce material cumulative outcomes even where individual impacts are not material.

Quantitative and qualitative treatment

The Port quantifies financial impacts where bounded, traceable and decision-useful estimates can be supported, as a single estimate, a range or a sensitivity. Quantification may not be supported where:

- Estimates risk false precision or undermine fair presentation
- Reliable calculation baselines or thresholds are unavailable
- Financial impacts depend on multiple uncertain conditions or future third-party decisions
- Materially different outcomes remain plausible within a scenario
- Key assumptions lack sufficient evidence and verifiability
- Quantification may also be disproportionate where substantial additional modelling would still produce highly assumption-sensitive estimates.

In these cases, a more detailed qualitative financial assessment is developed using the same analysis. This explains how financial impacts could arise, the conditions required, relevant uncertainties and the reasons quantitative disclosure cannot presently be supported.

Financial quantification is an iterative process. The Port's approach allows further assessment and refinement over successive reporting cycles as data, methods and capability mature, while maintaining a focus on decision-useful information and demonstrable progress.

Time horizons

Time horizons have been based on Port of Tauranga's business planning cycles, infrastructure asset life planning, and long-term strategies.

Time horizons	
Short-term	Risk over the next 0-5 years, in line with Port of Tauranga's budget and business planning cycle.
Medium-term	Risk within the time horizon 5-25 years, in line with Port of Tauranga's long-term strategy, including our net zero emissions target.
Long-term	Risk within the time horizon 25-50 years, in line with long-term infrastructure asset life planning and strategic outlook for Port of Tauranga.

Port of Tauranga value chain

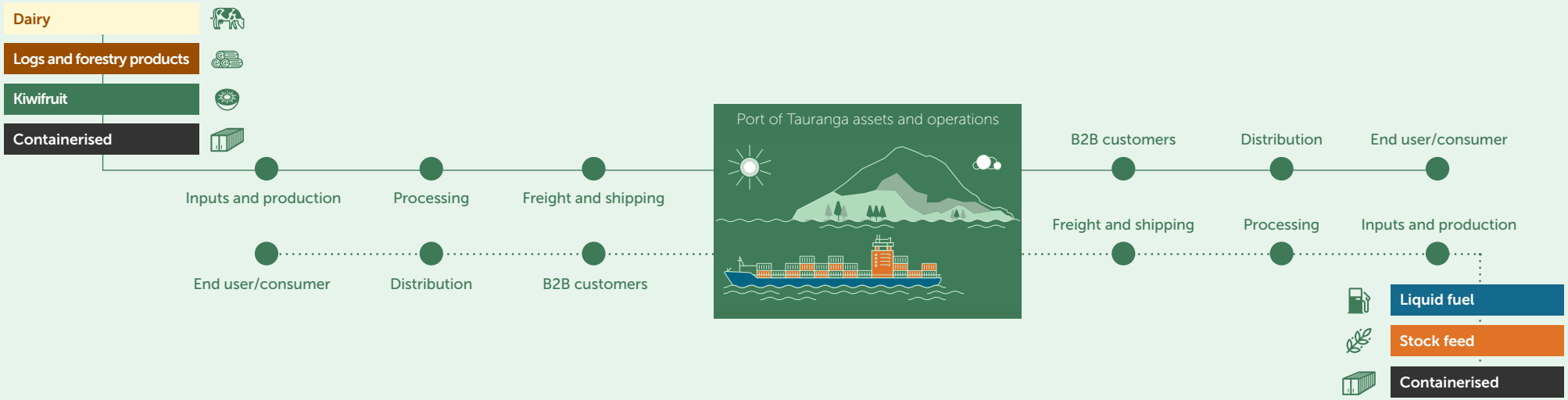
Context

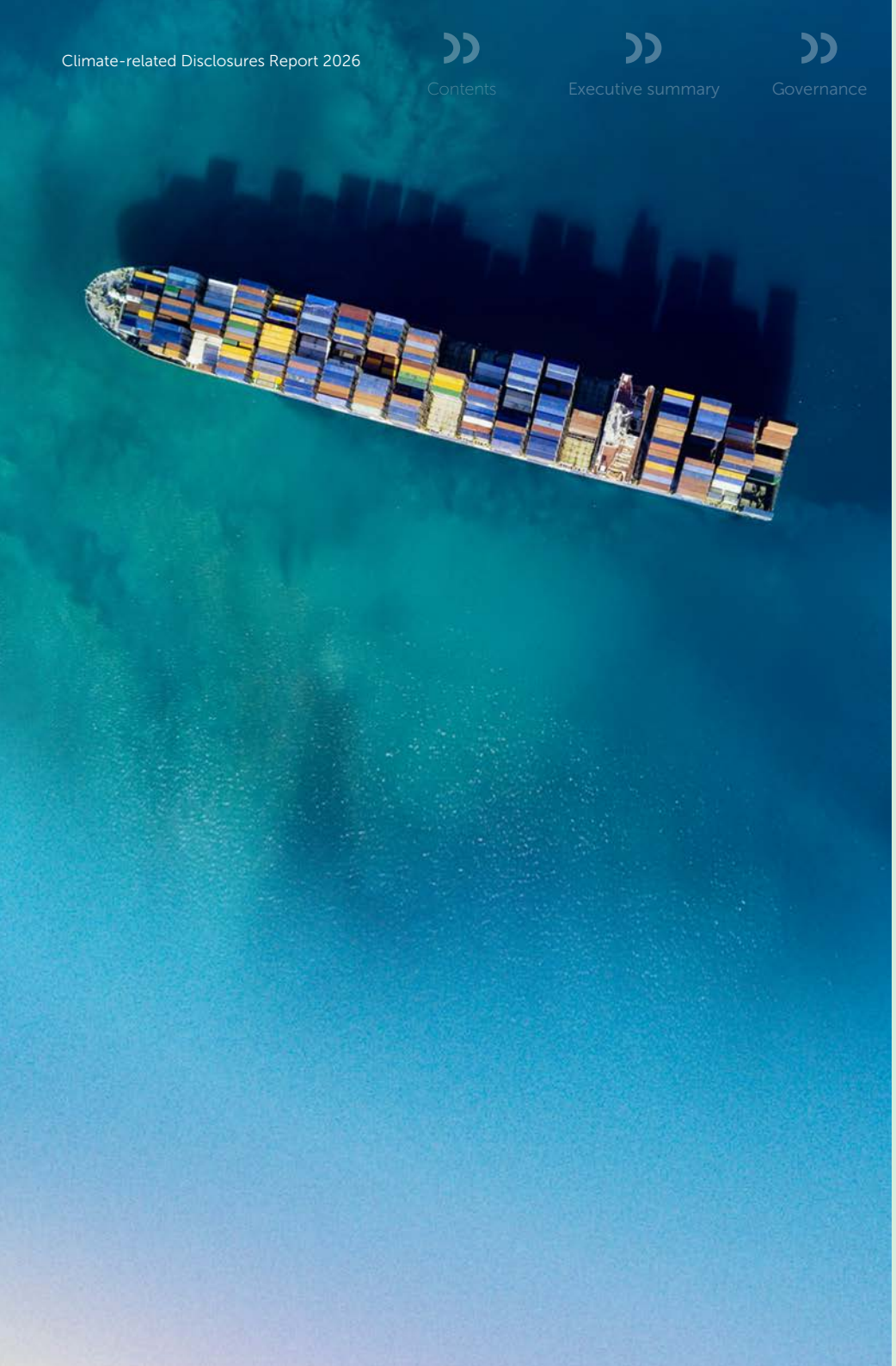
As New Zealand's largest sea port, Port of Tauranga (together with its inland ports and wider Group sea port operations) manages import and export commodities and goods that belong to an indeterminate number of value chains.

For this reason, it is not feasible to carry out a full analysis of every value chain, especially in the case of containerised freight, as accurately identifying the specific value chain of every container's contents is not practically possible.

Accordingly, guided by the fair presentation, value chain and materiality requirements of NZ CS3, the Port focused on identifying and mapping the value chain for its:

- Four largest export commodities, i.e. dairy, logs, other forestry products and kiwifruit, which comprise approximately 77% of total exports by volume
- Two largest import commodities, i.e. liquid fuels and stock feed, which account for 32% of total imports by volume.





Strategy

Port of Tauranga has examined how the company might perform under a range of potential futures. The Port's operating environment will be influenced by social, technological, economic, environmental and political drivers.

We have made some assumptions and logical conclusions to help identify potential impacts and their severity on our operations, strategy and finances. Because of Port of Tauranga's unique position within the supply chain, we have drawn from the scenarios developed by the agricultural, transport and energy sectors.

This section summarises the climate-related risks and opportunities identified as impacting, or likely to impact, Port of Tauranga's business as well as the Port's response.

This year, Port of Tauranga developed its approach to quantifying anticipated financial impacts (AFIs), strengthening both its understanding of its climate-related risks and opportunities and its risk management practice.

In FY2025 the Port developed a Transition Plan and a summary of progress is included in this report. The strategic intent of the Transition Plan is to ensure the Port can continue to deliver on its core objectives by providing and championing robust, low-emission and resilient infrastructure for the benefit of New Zealand.

By embedding climate resilience and emissions reduction in operational and investment decisions, the Port can maintain reliable and sustainable services to customers, and safeguard the resilience and long-term value of assets and infrastructure, operations and stakeholder relationships in a changing climate.

Port of Tauranga's business model and strategy

Port of Tauranga is New Zealand's largest and most efficient port. It has grown to become the key international freight gateway for the country's imports and exports, and the only port currently able to accommodate the largest container vessels that visit New Zealand.

According to Ministry of Transport and Statistics New Zealand data, Port of Tauranga handles 31% of all New Zealand cargo by volume, 39% of all shipping containers and 36% of all New Zealand exports by volume[1].

Purpose and vision

The Port's purpose of "connecting New Zealand and the world" is underpinned by seven key aspirations for 2030 that go beyond profit:

- Drive national prosperity
- Improve community wellbeing
- Protect our natural environment
- Respect mana whenua
- Nurture our people
- Provide superior customer service
- Deliver long-term value.

The Port approaches the challenges and opportunities of climate change through this lens, and its purpose and vision also inform how it assesses and prioritises climate-related risks and opportunities.

Business model

Port of Tauranga works with key import and export partners to develop and deliver efficient, integrated logistics solutions. Over the past two decades, the Port has developed a national freight and logistics strategic network supported by subsidiaries and joint ventures.

Port of Tauranga is connected to three multi-modal (connected by road and rail) inland ports: Ruakura (central Hamilton), MetroPort Auckland (South Auckland, operated by KiwiRail) and MetroPort Christchurch (Rolleston).

It has also partnered with local owners in two regional feeder ports – Northport (a deep water commercial port near Whangārei in Northland) and PrimePort Timaru (a multi-cargo port serving the primary producing regions of Mid and South Canterbury). At PrimePort Timaru, Port of Tauranga owns the Timaru Container Terminal, which is operated by the Port's wholly owned subsidiary, QM Logistics (formerly known as Quality Marshalling).

QM Logistics also operates the container rail exchange at Port of Tauranga and the Ruakura Inland Port.

Port of Tauranga also has joint ownership in Coda Group, a freight logistics group, and PortConnect, an online cargo management system.

The network described here is central to the Port's value proposition – its ability to provide customers with highly efficient, integrated supply chains. Maintaining this network is integral to not only the Port's commercial competitiveness, but also its long-term climate resilience.

Key import and export commodities

Port of Tauranga's business model has been shaped in large part by its focus on servicing a range of key commodities responsible for the majority of annual cargo volumes and revenue. Export cargoes, responsible for around 65% of all Port volumes, include:

- Logs and other forestry products (approximately 51% of total export volumes)
- Kiwifruit (approximately 14% of total export volumes)
- Dairy exports, including milk powder (approximately 13% of total export volumes)
- Other, mostly containerised, cargo (approximately 23% of total export volumes).

Imports fluctuate from year to year, but typically make up around a third of Port cargo volumes. Key import commodities include:

- Liquid fuel imports (approximately 17% of total import volumes)
- Stock feed imports (around 15% of total import volumes)
- Other, mostly containerised, cargo (nearly 68% of total import volumes).

Port of Tauranga's climate change strategy

Port of Tauranga is preparing for the physical impacts of climate change while supporting the decarbonisation of its operations and wider supply chain.

Its diverse portfolio of cargoes, operations, assets and revenue sources supports resilience to a changing climate. It continues to monitor changing cargo trends and invest in infrastructure and capability to accommodate larger, more efficient vessels.

As New Zealand's international hub port, Port of Tauranga is currently the only New Zealand port able to accommodate the largest container vessels visiting the country. The second stage of its shipping channel deepening project is under way and expected to be completed by mid-2027, enabling vessels in excess of 12,000 TEU.*

The Port's national network of inland freight hubs and regional ports, connected by road, rail and coastal shipping, provides importers and exporters with lower-emissions pathways to and from international markets.

The Port is also progressing the decarbonisation of its own operations through electrification, automation and lower-emission marine vessels, including New Zealand's first fully electric straddle carrier, to be trialled in FY2027, and a new hybrid tug currently under construction.

In accordance with the Climate-related Disclosures framework, Port of Tauranga has prepared a detailed Transition Plan describing how climate change is expected to affect the Port's business model and strategy, and how it will respond. Progress against the Plan, together with management responses to specific climate-related risks and opportunities, is outlined later in this report.

**TEU = twenty foot equivalent units, a standard measure of shipping containers.*

Port of Tauranga-specific climate scenarios

Port of Tauranga has developed three climate scenarios to identify and assess its climate-related risks and opportunities across short, medium and long-term time horizons.

Climate-related risks and opportunities have been categorised as being driven by either physical impacts (acute and chronic) or impacts from the transition to a lower-carbon future.

As outlined in the Time horizons section, Port of Tauranga's time horizons reflect its business model and planning cycles:

- Short-term: 0-5 years
- Medium-term: 5-25 years
- Long-term: 25-50 years.

Port of Tauranga's three chosen scenarios are not predictive or probabilistic forecasts but aim to provide plausible futures to enable the Port to identify climate-related risks and opportunities and test the resilience of its business model and strategy.

Scenario development

The Port's three climate scenarios were developed with assistance from external experts and input from external stakeholders to challenge and test the assumptions and findings of each scenario.

The Port has sourced data and information from the New Zealand Climate Change Commission (CCC), Earth Sciences New Zealand (formerly NIWA), Representative Concentration Pathway (RCP) scenarios, the Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change Shared Socioeconomic Pathways (SSP) and other sources.

The three scenarios are:

- Orderly: global warming is kept to 1.4 degrees Celsius by 2100
- Disorderly: global warming is kept to 2.6 degrees Celsius by 2100
- Hothouse: global warming reaches 3.9 degrees Celsius by 2100.

They draw on the Aotearoa Circle sector scenarios most relevant to the Port, namely:

- Transport sector, applicable to the Port's broader freight and logistics operations as well as liquid fuel imports
- Agricultural sector, applicable to all of the Port's key export commodities (logs and other forestry, dairy, kiwifruit) as well as stock feed imports
- Energy sector, applicable to the future of freight and shipping energy (e.g. alternative fuels), shore power, and liquid fuel imports.

A comparative analysis enabled the downscaling of the relevant elements, such as emissions trajectories, to the Port level in a coherent and internally consistent way. Various methods were used to unpack and rationalise how each scenario might play out.



Port of Tauranga climate scenarios: defining features and characteristics

Scenario	Orderly – 1.4°C at 2100	Disorderly – 2.6°C at 2100	Hothouse – 3.9°C at 2100
Macro context Globally	**Ambitious and coordinated international action leads to the world promptly and decisively shifting to a more sustainable, low-emission, and inclusive path, which prioritises ensuring global and domestic economies respect planetary boundaries.**	**Action is delayed until 2032, when a spate of severe weather events and missed Paris Agreement targets push many countries to rapidly implement stringent policies aligned with reducing emissions to net zero as soon as possible. Not all countries take equal action.**	**Conflict and economic disruption in the 2020s and 2030s lead to geopolitical division that stalls effective climate action and drives prioritisation of energy and food security. Global mitigation action falters and fossil fuel use continues as a result. Some abatement occurs as a by-product of energy security and resilience concerns.**
New Zealand	New Zealand's transition is coordinated and immediate. Emission reduction occurs across all sectors, driven by clearly signalled policy changes and proactive sector-led initiatives aligned with achieving net zero emissions by 2050. Initial transition momentum is catalysed by ambitious policies that are implemented immediately and become gradually more stringent in the lead up to 2050.	New Zealand follows suit to keep up with and retain access to export markets. Stringent and blunt mitigation policies are introduced over a shorter timeframe, often in poorly coordinated fashion. Prioritisation of emissions reduction is required to achieve revised targets. The resulting transition comes at a higher level of cost, disruption, and inequity across society, and between sectors and regions.	New Zealand joins the rest of the world in prioritising food and energy security. As a result, no additional mitigation policies are implemented from the late 2020s onwards. Faced with high costs and disrupted global markets, the focus shifts to adaptation and ensuring food production remains high despite increasingly severe physical climate impacts.
Reference scenarios and data sources	**NGFS: Net Zero 2050** **CCC Tailwinds** **SSP1-1.9** *Tū-ā-pae (Orderly) Agriculture Sector Scenario and the Fully Charged Transport Sector Scenario are both aligned with the above. The Port also elected to base its Orderly scenario on the above, using SSP1-2.6 for physical climate projections.*[2]	**NGFS: Delayed Transition** **CCC Headwinds** **SSP2-4.5** *Tū-ā-hopo (Disorderly) Agriculture Sector Scenario aligns with the above in full. The selected SSP deviates from the Short Detour Transport Sector Scenario (which uses SSP2-2.6 projections).*[2]	**NGFS: Current Policies** **CCC Current policy reference** **SSP3-7.0** *The Bypass to Breakdown Transport Sector Scenario aligns with the above in full. The selected SSP reference scenario deviates from the Tū-ā-tapape (Hothouse) Agriculture Sector Scenario (which is based on SSP5-8.5).*[2]
Policy ambition and response	**Ambition:** 1.5°C aligned (highly ambitious) **Response:** Immediate, becoming gradually more stringent; smooth; coordinated and well signalled (internationally and domestically).	**Ambition:** 2°C aligned (low ambition to 2032, then highly ambitious) **Response:** Delayed until 2032; then swift and stringent but disorderly; variable/differentiated between nations.	**Ambition:** ≥ 3.0°C (low ambition) **Response:** No further mitigation policy; adaptation focused policy response becomes stringent over time.
Temperature outcomes	**Global mean annual change:** 1.6°C at 2050 1.4°C at 2100 **NZ mean annual change:** 2031–2050: 0.7°C 2081–2100: 0.7°C–1°C	**Global mean annual change:** 2.0°C at 2050 2.6°C at 2100 **NZ mean annual change:** 2031–2050: 0.7–0.9°C 2081–2100: 1.3–1.4°C	**Global mean annual change:** 2.5°C at 2050 3.9°C at 2100 **NZ mean annual change:** 2031–2050: 0.9–1.1°C 2081–2100: 2.8–3.1°C
Market response and behaviour changes	**GDP:** moderate to high impacts short-term then eases. Lower household consumption offset by significant and sustained transition capital investments. **High pressure to decarbonise:** rapidly mainstreams across customer, investor, lender, and insurer preferences (particularly in developed economies).	**GDP:** High impact medium-term. Consumer consumption reduction is greater. Transition capital investment softer due to capital and resource constraints. **Orderly analogous but delayed and more stringent/abrupt:** due to the shorter timeframe sectors, investors, lenders and insurers have to decarbonise.	**GDP:** relatively unaffected short-term. Medium to long-term impacts high to extreme due to the physical effects and adaptation related transition. **Slow and delayed:** mitigation over the long-term. Access to capital and insurance becomes increasingly difficult over time due to physical impacts.
Impact severity	**Short-term:** **Medium-term:** **Long-term:**	**Short-term:** **Medium-term:** **Long-term:**	**Short-term:** **Medium-term:** **Long-term:**
Physical impacts	Low / Low/Moderate / Moderate	Low / Moderate / High	Low / Moderate/High / High/Extreme
Transition impacts	Moderate/High / Moderate / Low	Low/Moderate / High/Extreme / Low/Moderate	Low / Moderate *(adaptation only)* / High *(adaptation only)*

Climate-related risks and opportunities for Port of Tauranga

In accordance with the reporting requirements in NZ CS1 and NZ CS3, the Port has (subject to practical limitations) identified and assessed a detailed list of climate-related risks and opportunities across the value chains it forms part of.

The depth and specificity with which climate-related risks and opportunities have been identified and assessed, including at each Port of Tauranga site and across the value chains of key export and import commodities, were guided by the following considerations:

- The assessed level of materiality on capital or revenue value-at-risk basis (as applicable), and/or strategic importance
- The availability of information and data (i.e. as a lack of data can inhibit a more detailed assessment)
- Other practical limitations (e.g. it is not possible to assess every import and export on a value chain basis).

The Port applies the Exposure–Vulnerability–Impact method when assessing each climate-related risk and opportunity set out in this disclosure (under the assessment stage of its five stage approach) and in line with best practice (e.g. ISO 14091 and XRB guidance). Refer to the Port's Climate-related Disclosure FY2025 for full detail on this method and its approach to rating exposure, vulnerability and impact.

How to read the impact ratings: The ratings format on each page is carried forward from FY2025. It shows the level of exposure and potential impact under each scenario and time horizon, before the Port's management response. This year's Anticipated impacts column goes a step further. It considers how the Port, its customers and the wider system are likely to respond, and concludes whether a material financial impact on the Port is expected. A higher rating can therefore sit alongside a conclusion that the financial impact on the Port is not expected to be material.

Direct climate-related risks and opportunities

The Port elected to identify and assess current and anticipated climate-related risks and opportunities that its assets and operations are directly exposed to:

- At the individual asset level for those with a capital value of $5 million or more, and/or critical to operations
- At the asset category level (e.g. for plant and equipment, lower-value assets, and underground infrastructure)
- On a site and category basis for key Port operations.

Indirect climate-related risks and opportunities

Climate-related risks and opportunities arising across a given value chain can generate knock-on impacts that materially affect the Port. These indirect climate-related risks and opportunities were identified and assessed at a relatively granular level by:

- Identifying and mapping the key segments of each value chain
- Identifying the climate hazards and transition drivers that key segments of each value chain are, or may become, exposed to over the relevant time horizons
- Deriving a long list of potential climate-related risks and opportunities to be considered as part of the Port's scenario analysis.

Containerised goods, lower volume commodities and bulk imports and exports were also addressed. However, because of the practical limitations, this entailed a much higher level assessment of upstream (supply chain) and downstream (market access and demand) climate-related risks and opportunities.

Joint ventures

In FY2025, Port of Tauranga carried out a climate-related risk and opportunity assessment for its joint ventures at the same level of granularity applied to wholly owned Port assets in FY2024. This provided a detailed understanding of how broadly comparable risk and opportunity profiles vary across joint venture sites, capturing site-specific physical and transition nuances for PrimePort Timaru and Northport Group.

The analysis also expanded the scope of identified risks and opportunities, although joint ventures collectively represent about 9.6% of total Group asset value. The largest individual investment in a joint venture company, Northport Group, comprises 5.4% of the Group's total asset base.

Transition planning

Envisioning success under each of the Port's climate-related scenarios was a critical step in transition planning (as outlined in the XRB's guidance for strategy formulation under deep uncertainty).

Building on the Port's FY2024 and FY2025 climate risk assessment and scenario analysis, transition planning used the Port's climate scenarios to stress-test how its strategy may perform under a range of plausible future conditions. The assessment considered potential risks and opportunities across three high-impact areas — Port infrastructure, national and international freight networks, and import and export commodity trends — and explored the resilience of existing strategies, potential areas for strategic or risk-management adjustment, and opportunities to strengthen adaptive capacity. These insights informed the Port's transition objectives and its response to climate-related risks and opportunities.

The FY2025 current response and transition measures reported against each climate-related risk and opportunity were reviewed, with only minor updates where initiatives were completed. Detailed progress on near-term priorities is provided in the Transition Plan Summary section of this report.

Snapshot of key climate-related risks and opportunities for Port of Tauranga

Key | **Impact rating:** Climate-related risks
Low | Moderate | High | Extreme

Key | **Impact rating:** Climate-related opportunities
Material | High | Very high

Risk/opportunity summary	Time horizon	Orderly	Disorderly	Hothouse
Direct Risks ("DR") – Physical				
DR1: Increased wear and tear and risk of acute damage to Port sites and assets.	**Medium – Long-term** *(Long-term impact ratings depicted only)*			
DR2: Increasing instances of disruption to Port operations (non-flood related).	**Medium – Long-term** *(Long-term impact ratings depicted only)*			
DR3: Heightened risk of flood related damage and disruption.	**Long-term**			
DR4: Increasing risk of disruption to road and rail access.	**Long-term**			
DR5: Risk to harbour access, wharves and loading/unloading capability.	**Long-term**			
Indirect Risks ("IDR") – Physical				
IDR1.A: Increasing seasonal variability and gradual decline in dairy export commodity supply.	**Medium – Long-term** *(Long-term impact ratings depicted only)*			
IDR1.B: Increasing seasonal variability and gradual decline in forestry and related forestry product export commodity supply.	**Medium – Long-term** *(Long-term impact ratings depicted only)*			
IDR1.C: Increasing seasonal variability and gradual decline in kiwifruit export commodity supply.	**Medium – Long-term** *(Long-term impact ratings depicted only)*			
IDR2: Reduced availability and/or increased cost of imported stock feed.	**Medium – Long-term** *(Long-term impact ratings depicted only)*			

Risk/opportunity summary	Time horizon	Orderly	Disorderly	Hothouse
Direct Opportunities ("DO") – Transition				
DO1: Structural changes to New Zealand's national freight system (road to multi-modal).	**Medium – Long-term** *(Long-term impact ratings depicted only)*			
DO2: Introduction of larger low carbon shipping vessels.	**Short – Medium-term** *(Medium-term impact ratings depicted only)*			
Indirect Risks and Opportunities ("IDR/IDO") – Transition				
IDR3: Reduced demand for dairy export commodities.	**Medium – Long-term** *(Long-term risk ratings depicted only)*			
IDR4: CBAM and climate regulation impacts on commodity exports.	**Short – Medium-term** *(Medium-term risk ratings depicted only)*			
IDR5: Decarbonisation of New Zealand's transport system and broader energy systems.	**Medium – Long-term** *(Long-term risk ratings depicted only)*			
IDO1: Increased demand for logs and other forestry export commodities.	**Medium – Long-term** *(Long-term impact ratings depicted only)*			
IDO2: Impacts of climate migration and transition on demand for imported goods.	**Short – Long-term** *(Medium-term impact ratings depicted only)*			

How direct physical risks vary across Port Group sites

This page outlines how site-specific exposure, vulnerability, and anticipated impacts are assessed to vary across the Port's national network of wholly owned and joint venture-owned sites. No additional material physical risks have been identified beyond DR1–DR5. However, differences in location, assets and operations influence how these risks may affect individual sites. Understanding these differences helps assess the significance of risks at each site and prioritise appropriate management responses.

Northport Group

Northport Group consists of Northport, Marsden Cove Marina and an adjacent business park.

Northport is a deep water commercial port near Whangārei. The business park has significant future development potential. Northport Group is 50% owned by Port of Tauranga with Northland Regional Council owning 43% and Tupu Tonu (Ngāpuhi Investment Fund) owning 7%.

MetroPort Auckland

Operated by KiwiRail, MetroPort Auckland is an inland port in the heart of Auckland's commercial and industrial area.

MetroPort Auckland is connected by rail to Tauranga and Hamilton, providing a critical link for containerised import and export volumes moving to and from New Zealand's largest city and economic centre.

Timaru Container Terminal

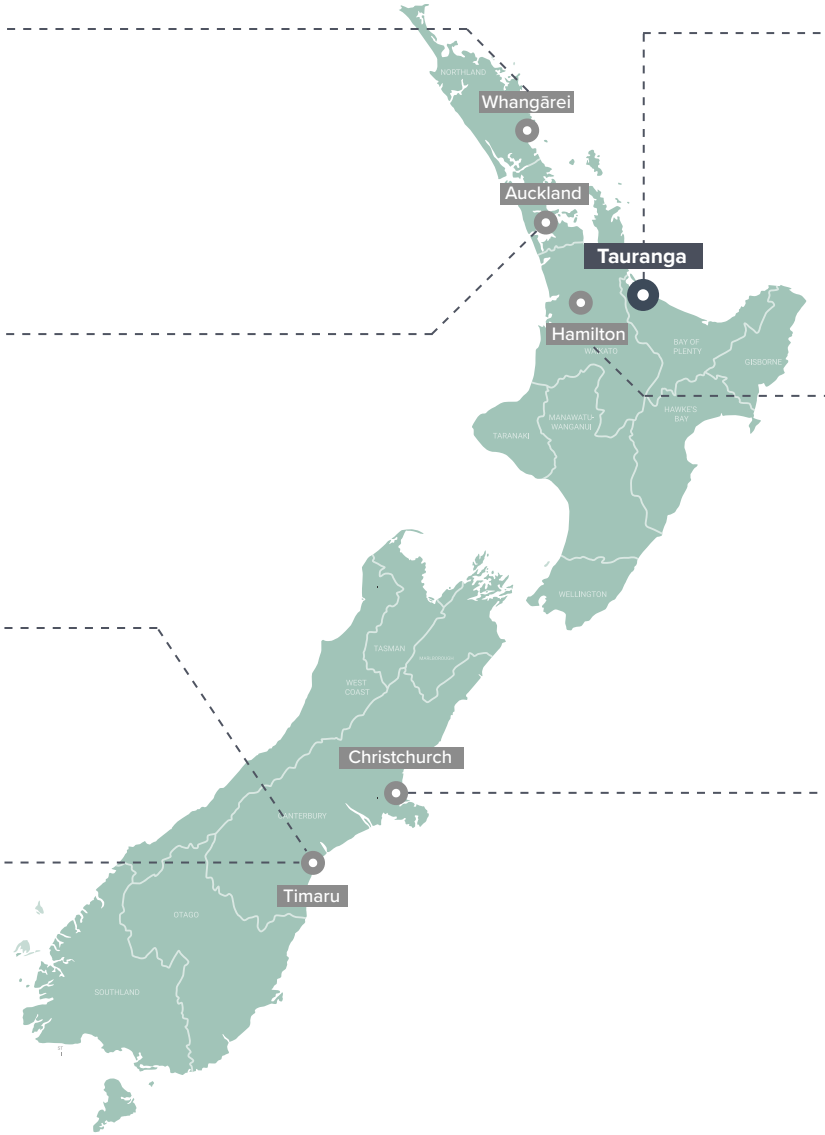
Timaru Container Terminal is a containerised regional terminal.

Timaru Container Terminal, within PrimePort Timaru, has direct shipping links to the international hub port at Tauranga and is operated by Port of Tauranga's subsidiary QM Logistics.

PrimePort Timaru

Port of Tauranga has a 50% shareholding in PrimePort Timaru.

PrimePort handles bulk cargoes and is home to a major cement facility and oil terminal. PrimePort benefits from key rail and state highway links along the east coast of the South Island.



Port of Tauranga

New Zealand's largest port and international freight hub.

Container terminal, bulk/breakbulk cargo wharves and bunkering/bulk liquids facilities. Extensive cargo storage and handling facilities.

Rail connections to Hamilton, Auckland and the central North Island.

Extensive road networks (State Highways 2 and 29) and coastal shipping connections.

Ruakura Inland Port

Inland port connected by rail to Tauranga and Auckland.

Part of the Ruakura Superhub logistics and industrial precinct, creating an integrated supply chain solution for both importers and exporters.

Ruakura Inland Port is a joint venture between Port of Tauranga and Tainui Group Holdings and is managed by Port of Tauranga's subsidiary QM Logistics.

MetroPort Christchurch

MetroPort Christchurch is an intermodal freight hub at Rolleston.

Operated by Timaru Container Terminal, it has rail connections to the terminal and the rest of the South Island, as well as links to State Highways. It is also home to a large warehouse.

DR1: Increased wear and tear and risk of acute damage to Port sites and assets

Key | **Impact rating:** Climate-related risks — Low | Moderate | High | Extreme

Increasing severity, frequency, duration and spatial extent of rainfall, wind and storm events is likely to place growing physical stress on Port Group sites and assets. Wind loading, moisture ingress, corrosion and humidity may accelerate wear and tear and reduce useful life on vulnerable assets. In more severe events, this could separately cause significant damage to critical assets.

Climate hazard/driver

Non-flood acute hazards: heavy/extreme rainfall, wind and storm events, with projected changes in severity, frequency, duration and/or spatial extent, as applicable.

Aggravating chronic hazards: rising average temperatures and the average number of hot days per year (>25°C), increasing solar radiation, and warmer, wetter winters

Elements at risk/aligned

The following assets and infrastructure are exposed to acute weather hazards and aggravating chronic factors across Port Group, joint venture and part-owned sites: (a) buildings (e.g. wharf sheds, offices, cold stores and prefabricated structures); (b) wharves and structures; (c) pavements, hardstand areas and other ground improvements; (d) utilities and services; and (e) plant and equipment (e.g. cranes, straddle carriers and marine fleet).

How the risk arises

Projected increases in the severity, frequency, duration and spatial extent of heavy and extreme wind, rain and storm events are expected to increase physical stress on Port assets and infrastructure, via three main impact pathways:

- **Accelerated wear and tear:** Repeated or compound storm loading, including wind loading and rain-driven moisture ingress, may accelerate deterioration and corrosion of exposed components, increasing maintenance and minor repair requirements.
- **Reduced expected useful life:** Repeated and cumulative physical stress may shorten the expected service life of affected assets and infrastructure, bringing forward renewal or replacement.
- **Higher likelihood of acute asset damage:** More severe non-flood events may cause major damage to exposed assets that needs significant repair or replacement, beyond routine maintenance. Secondary chronic stresses, particularly increasing temperatures and solar radiation, and warmer/wetter winters, are also expected to produce additional physical stressors that contribute directly to wear and useful-life reduction through thermal-, moisture- and corrosion-related deterioration. This deterioration can amplify the affected asset's sensitivity to acute loading, while acute stress can further accelerate existing deterioration.

What shapes the impact on the Port

How DR1 affects the Port in practice is expected to depend principally on the following asset-base, sensitivity and resilience characteristics:

- **Asset mix:** Buildings and fixed civil and ground-improvement assets (pavements, hardstand and wharves) account for more than 80% of the total value of assets exposed to DR1 and have the strongest identified impact pathways linking primary acute-hazard exposure (as amplified by higher temperatures and wetter winters) to significant asset deterioration or damage.
- **Changing exposure and sensitivity over time:** By the time meaningful above-baseline DR1 effects are expected to emerge (see Anticipated impacts), remaining useful-life estimates of current exposed assets, together with the Port's ongoing trend towards fewer buildings at the main Port site, indicate that a meaningful share of today's assets are likely to have been renewed or replaced before the relevant timeframe. Where appropriate, replaced or redeveloped assets will also be built to higher performance standards that improve resilience to DR1 impacts. For example, when renewing or replacing pavements, hardstand and other ground improvements, the Port can adjust their materials and design to suit warmer, wetter conditions, improving resilience over their next service life.
- **Sensitivity and inherent resilience:** Port assets have demonstrated a high level of inherent resilience to historical acute events, although more severe future conditions may exceed that resilience. Buildings, particularly large-span wind-sensitive structures, are generally more susceptible to both cumulative deterioration and acute damage. Fixed civil and ground-improvement assets are generally more resilient but account for the largest share of DR1-exposed asset value; more gradual, dispersed deterioration across extensive, operationally important pavements and hardstand can still generate meaningful aggregate maintenance and renewal pressures.
- **Acute damage and insurance:** For acute damage to generate a material financial impact, several conditions would need to align: worsening events would need to cause sufficiently significant capital damage, insurance protection would need to reduce enough for a meaningful share of losses to remain with the Port, and those uninsured losses would then need to become too large or recurrent for the Port to contain or pass on.

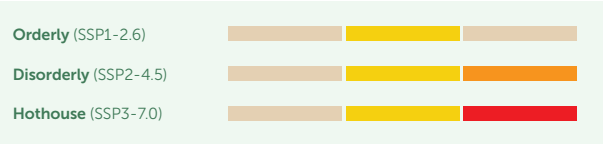
Anticipated impacts

Of DR1's three impact pathways, accelerated wear and tear and reduced useful life are expected to be the more likely sources of material financial impact, reflected in above-baseline maintenance and repair Opex and, where renewal or replacement of all or part of an asset remains necessary, brought-forward renewal Capex. Acute asset damage remains contingent: a material impact would arise as major repair, remediation, reinstatement or replacement costs, but only to the extent losses are neither insured nor able to be passed on.

Timing: Based on the rate at which acute climate hazards, the primary driver of DR1, and secondary chronic stresses are projected to increase under NIWA's downscaled CMIP6 modelling, material DR1 impacts are not anticipated before 2040 across all Port scenarios[3], as uplift in the relevant hazards before then is projected to be generally limited and gradual, although the intensity of selected upper-tail acute events is projected to increase within that period. Even if hazard uplift becomes material, resulting deterioration would likely take time to accumulate before maintenance and minor-repair requirements increase above baseline, to levels that could have a demonstrable impact on cost. The same deterioration may also progressively shorten remaining useful life, potentially alongside increased maintenance, but its financial effect is expected to emerge later still – i.e. once it becomes clear that renewal or replacement will need to be brought forward due to physical stress arising under DR1.

Evolving asset base: Allowing for the time expected before hazard uplift becomes material, and the further time expected before the resulting deterioration increases maintenance and minor-repair requirements above baseline, recorded remaining useful lives indicate that approximately 60–70% of assessed buildings and 50–80% of fixed civil and ground-improvement assets, by value, are expected still to be in service. Turnover before then would therefore leave less of today's more sensitive assets exposed to DR1 impacts, although useful lives are indicative and longer service lives could leave more exposed.

Scenarios: Against that evolving asset base, Hothouse (SSP3-7.0) presents the clearest potential for material maintenance and renewal impacts from the late medium-term into the long term, as heavier rainfall and stronger warming increase cumulative physical stress. That potential is lower and more uncertain under Disorderly (SSP2-4.5). Material net costs from acute capital damage are also a long-term possibility, particularly under Hothouse and potentially under Disorderly, if insurance retreat leaves losses the Port cannot contain or pass on. Orderly (SSP1-2.6) remains below materiality on the current assessment.



Response and outcomes

Current response: Over the past six years the Port has been assessing and building the evidence base for its asset and site resilience (with regard to sea-level rise, stormwater and servicing infrastructure and/or flooding).

Development decisions pre-1990s established a good baseline of inherent resilience in current assets, and the Port continues to assess, plan and invest accordingly for future resilience.

Transition objectives: Robust and resilient infrastructure fit for a changing climate.

Near-term priorities:

- All future infrastructure developments are designed to take into account the impacts from expected climate change and ensure long-term resilience.
- Continue to build the Port's evidence base and monitoring, including identifying and addressing any further gaps in impact and risk monitoring and research. Supported by integration of CRR/Os and transition activities in the Port's risk and strategic management frameworks and practice.
- Outline consistent expectations for subsidiaries to align with objectives for resilient, future-ready infrastructure.

Short to medium-term goals:

- The Port's infrastructure vision, investment and planning ensure climate resilience.

DR2: Increasing instances of disruption to Port operations (non-flood related)

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

Increasing severity, frequency, duration and spatial extent of rainfall, wind and storm events is expected to interrupt critical Port Group operations more often and for longer, including vessel servicing and freight handling between ships, storage and landside transport. If sufficiently sustained or recurrent, these disruptions may increase affected operating costs and degrade service levels enough to affect freight volumes through shipping-line port-call or customer freight-routing decisions.

Climate hazard/driver

Non-flood acute hazards: heavy/extreme rainfall, wind/gust and storm events, with projected changes in severity, frequency, duration and/or spatial extent varying by hazard and season.

Elements at risk/aligned

The following operations are critical functions sensitive to acute weather hazards across Port Group, joint ventures and part-owned sites: (a) ship entry/exit, pilot and tug operations, landing/berthing, lines ("Marine Services"); (b) loading and unloading vessels, including crane operations; (c) straddle carrier and reach stacker operations (containerised freight only); (d) container storage; and (e) receiving, dispatching and marshalling (all freight). (a) and (b) coastal sites only: Port of Tauranga (Sulphur Point and Mount Maunganui), Timaru Container Terminal, Northport (Marsden Point), PrimePort Timaru.

How the risk arises

Projected increases in the severity, frequency, duration and spatial extent of non-flood acute climate hazards are expected to cause more frequent and longer pauses or slowdowns, particularly across the Port's most weather-sensitive operations, namely Marine Services, crane use and container handling. Further FY26 analysis has identified two main impact pathways through which DR2 may affect the Port financially:

- **Increasing cost to serve:** Even where delays are recovered, maintaining or restoring service may increase operating costs through standby, overtime and catch-up work, escalating further where the Port cannot recover before the next disruption or peak demand window.
- **Changes in freight volumes (positive or negative):** As outlined in FY2025, this pathway is considered plausible where DR2 disruption events become frequent, severe and/or prolonged enough that the Port faces increasing instances of being unable to absorb and recover before shipping lines and/or customers are demonstrably affected. Freight flows may then alter through two distinct channels:
  - **Shipping-line port-call decisions:** Shipping lines may change or consolidate calling patterns (e.g. reactively skip or redirect individual calls from ports experiencing comparatively greater DR2 disruption or, where DR2-type disruption across New Zealand ports on a vessel's rotation materially raises cumulative waiting time and cost, make

What shapes the impact on the Port

How impacts arise in practice is expected to depend on a number of the Port's strategic, infrastructure and operational characteristics, including:

- Its resilience to DR2 disruption relative to many ports competing for the affected freight, based on its comparative abilities to:
  - **limit disruption**, by having crane infrastructure with higher wind operating tolerances than at many competing ports;
  - **absorb disruption**, by operating a multi-cargo model that allows unaffected activities to continue in parallel or be brought forward while disrupted operations are constrained or prevented; and
  - **recover from disruption**, by deploying additional existing cranes on delayed vessels to accelerate loading and unloading and clear backlogs promptly.
- Its strategic positioning as New Zealand's international hub port, with an integrated network connecting sea and inland ports via rail, road and coastal shipping, creating conditions expected to favour the Port receiving additional freight if DR2 disruption prompts shipping lines to redirect or consolidate calls. Its comparative strengths in crane capacity and larger-vessel capability (DO2) reinforce that position. The same network also provides a point-to-point efficiency advantage that can outweigh additional DR2 delays, limiting the potential for DR2 to cause a material loss of freight volumes via customer-led rerouting, while equally supporting the potential for a material gain where one or more competing ports are comparatively less resilient to DR2.
- Its financial and operational capacity to expand handling and recovery where commercially justified, helping it manage increasing disruption and accommodate redirected or concentrated freight.

Beyond these characteristics, differences in harbour characteristics and vessel-access constraints (e.g. shelter from wind and swell, and vessel-specific tidal windows) are also expected to affect Tauranga's ability, relative to competing ports, to maintain or resume vessel movements where a DR2 disruption event has occurred, and in that sense represent a further variable in relative resilience to DR2 disruption, although their implications for the Port are yet to be established.

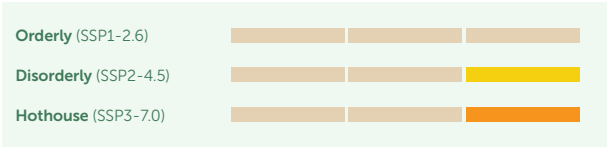
Anticipated impacts

Of DR2's two impact pathways, freight-volume changes likely have the greater potential to generate material financial impacts: freight throughput drives the Port's principal revenue base, whereas any increase in cost-to-serve Opex is a narrower, above-baseline effect expected to be moderated by cost pass-through, together with additional storage revenue where DR2-related delays leave freight on Port sites for longer.

For the freight-volume pathway, the strategic, infrastructure and operational advantages unique to the Port are expected, on balance, to make it more likely to retain or gain freight than to lose it through either channel:

- **Shipping-line port-call decisions:** Expected to be the more likely and earlier of the two channels, given shipping lines' more direct exposure to cumulative delay and cost across rotations. Reactive redirection is expected first, with the Port's identified comparative resilience advantages supporting capture of calls redirected from more affected ports. Should calls later consolidate, its hub role, larger-vessel capability and capacity to expand handling would support a greater share of the concentrated freight.
- **Customer freight-routing:** Expected to favour retention, given the point-to-point efficiency advantage of the Port's integrated national network, with scope for gain where a competing port proves comparatively less resilient. Leakage would require that advantage to erode and a competing port to prove materially more resilient to DR2 — a comparison that cannot presently be assessed with confidence.

Scenarios: Consistent with DR1, uplift in the relevant acute hazards is expected to remain limited and gradual before 2040. Hothouse (SSP3-7.0) presents the clearest potential for reactive redirection and longer-term hub-and-spoke consolidation to emerge from the late medium-term into the long term, although both the timing and scale of the resulting freight-related revenue effect remain uncertain. That potential is lower and more uncertain under Disorderly (SSP2-4.5). Customer-led freight volume loss is most plausible under Hothouse and, to a lesser extent, Disorderly. Orderly (SSP1-2.6) is expected to generate limited DR2-driven pressure: occasional reactive redirection may still occur, but any resulting hub-and-spoke consolidation is more likely to reflect DO1/DO2 dynamics than DR2. A residual cost-to-serve effect may also arise under Orderly, but is not expected to be material.



Response and outcomes

Current response: Existing operational capacity and hazard controls, particularly at the Tauranga sites, are demonstrated during peak demand occurrences and overlap. Backlogs are cleared often and efficiently. Business continuity and crisis management planning is undertaken, including regular simulations and testing of the Port's response.

Combined with the Port's entrenched strategic role as New Zealand's primary international freight hub, with strong nationwide intermodal connectivity, it has good capacity to deploy a range of adaptation measures and additional hazard controls identified under all Port scenarios.

Transition objectives: Robust and resilient infrastructure fit for a changing climate, and:

- Support our workforce, stakeholders and communities
- Remain adaptive and responsive as the transition unfolds.

Near-term priorities:

- Ensure business continuity planning incorporates relevant climate-related risks when developing and stress-testing response. This also supports well-integrated risk management.
- Ensure existing emergency response across direct and outsourced labour is fit-for-purpose under different climate futures and/or stressors.
- Ensure current and future workforce planning is integrated with transition planning, to make sure the Port's people are looked after through future of work, technology, and operational health and safety changes.

DR2: Increasing instances of disruption to Port operations (non-flood related) (continued)

Key **Impact rating:** Climate-related risks — Low | Moderate | High | Extreme

How the risk arises	What shapes the impact on the Port	Anticipated impacts	Response and outcomes
a longer-term strategic shift towards a hub-and-spoke model by concentrating cargo through fewer ports and using transhipment). • **Customer freight-routing:** Customers may reroute freight to or from the Port (e.g. away, where sustained disruption makes an alternative end-to-end logistics option materially more attractive, or towards the Port, where its comparatively lower disruption makes it the more attractive option).			**Short to medium-term goals:** • Deliver long-term value for investors through leading environmental and ethical performance, business resilience and sound financial management. • Understand and deliver on our customers' needs and create innovative supply chain solutions. Deliver on our promises, provide superior service and grow together. • Completing the Stella Passage development will increase berth capacity at both the Tauranga Container Terminal and Mount Maunganui multi-cargo operations which will improve the Port's ability to recover from periods of disruption.

DR3: Heightened risk of flood-related damage and disruption

Key | **Impact rating:** Climate-related risks — Low | Moderate | High | Extreme

Rising sea levels and intensifying rainfall, wind and storm events may increase the depth, extent, frequency and duration of pluvial and coastal flooding at Port sites. Flooding may temporarily restrict freight storage and handling areas, potentially increasing operating costs and, if sustained, affecting throughput and service levels. Where vulnerable assets remain exposed, flooding may also damage pavements, buildings, utilities and other infrastructure, creating repair or reinstatement costs.

Climate hazard/driver

Acute: heavy/extreme rainfall, wind and storm events, with projected changes in severity, frequency, duration and/or spatial extent, as applicable.

Chronic: sea-level rise.

Resulting hazards: pluvial and coastal flooding.

Elements at risk/aligned

All exposed Port Group, joint venture and part-owned sites[4]: (a) buildings; (b) pavements, hardstand and other ground improvements; (c) utilities and services; (d) plant and equipment; and (e) operations depending on access to and use of materially affected assets or operational areas. These sites are Port of Tauranga (Sulphur Point and Mount Maunganui Wharf), Timaru Container Terminal, Northport (Marsden Point) and PrimePort Timaru.

How the risk arises

Projected sea-level rise, combined with projected increases in the severity, frequency, duration and spatial extent of heavy and extreme rain, wind and storm events, is expected to increase the depth, footprint, frequency and duration of pluvial and coastal flooding at exposed Port sites. Pluvial flooding occurs when rainfall exceeds site and network drainage capacity and/or high storm-tide levels restrict stormwater outfall; coastal flooding occurs when elevated sea levels from sea-level rise, storm surge and wind-driven waves push water onto land. Further FY2026 analysis has identified two financial impact pathways for DR3:

- **Flood damage to assets and infrastructure:** Flooding that reaches Port assets may cause damage requiring repair, remediation, reinstatement or replacement. Representative examples include:
  - **Buildings**: water damage to susceptible internal linings, floor finishes, insulation, low-level fittings and fixed plant, and damage or contamination of water-sensitive contents.
  - **Pavements and hardstand:** localised deterioration or deformation under loading where water ingress weakens or erodes susceptible pavement layers or underlying support.
  - **Utilities and services:** water damage to susceptible electrical, mechanical and control components, with additional contamination and corrosion where seawater enters.
- **Temporary restriction or loss of operational areas:** Flooding may render affected operational areas unsafe, restricted or temporarily unusable until clean-up, inspection and any repairs are completed, disrupting operations that depend on them.

What shapes the impact on the Port

How DR3 affects the Port in practice is expected to depend principally on the following exposure, asset and resilience characteristics:

- **Extent and nature of exposure:** Flood exposure at Tauranga is limited to discrete low-lying areas at southern Sulphur Point and the fringes of the Mount log-marshalling area. At the Mount, the exposed hardstand is relatively flood-resilient and used for log marshalling, a comparatively low-sensitivity use with limited potential for material damage, leaving southern Sulphur Point as the principal focus for potential asset damage.
- **Changing exposure and sensitivity over time:** In line with the Port's ongoing trend towards fewer buildings, most of today's buildings within the exposed southern Sulphur Point area are expected to have been removed, and are unlikely to be replaced, before material flood damage becomes plausible (see Anticipated impacts). Fixed civil and ground-improvement assets (pavements and hardstand) and utilities and services will nevertheless remain exposed. Where assets are instead replaced or redeveloped, they will be built to higher performance standards that improve resilience to DR3 impacts. Any new building works are also subject to applicable elevation requirements, which reduce future flood exposure.
- **Sensitivity and inherent resilience:** Assets that remain exposed during the relevant flood-exposure timeframe, in particular, fixed civil and ground-improvement assets and utilities and services, are relatively flood-resilient compared to most other asset classes. Should any buildings also remain, they are generally basic sheds and workshops whose build and materials make them less sensitive to inundation than more water-sensitive building types. Under conditions to date, the Port's current stormwater system materially limits whether rainfall develops into persistent or widespread pluvial flooding. Although flood-related disruption history is limited, the Port can generally absorb and recover relatively quickly from comparable short-lived disruptions.

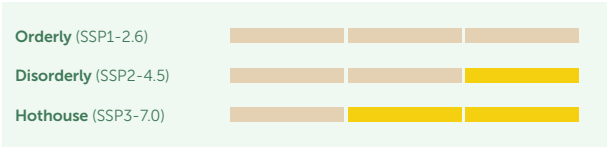
Acute damage and insurance: For acute damage to generate a material financial impact, several conditions would need to align: severe flooding would first need to cause sufficiently significant capital damage to the assets that remain, insurance response would need to leave a meaningful share of losses with the Port, and those residual losses would then need to become too large or recurrent for the Port to contain or pass on.

Anticipated impacts

Of DR3's two impact pathways, temporary restriction or loss of operational areas remains a valid risk pathway (as it may give rise to adaptation considerations) but is not expected to generate a material financial impact. The financial focus is therefore acute flood damage to assets and infrastructure which, as with acute asset damage under DR1, remains contingent: a material impact would arise as major repair, remediation, reinstatement or replacement costs, but only to the extent losses are neither insured nor able to be passed on.

Timing: Based on the projected rate of increase in the acute hazards and sea-level rise driving DR3, material DR3 impacts are not anticipated before mid-century across all Port scenarios. Uplift in the relevant rainfall hazards is projected before then, but rainfall alone is expected to cause localised ponding rather than material flood damage to assets and infrastructure, although rising sea levels may increasingly restrict stormwater outfall. Material flood damage is more likely to arise from coastal inundation, alone or combined with heavy rainfall. Projections indicate that coastal inundation is only plausible from the mid-to-late century under Hothouse and later under Disorderly at or beyond the end of the Port's long-term horizon.

Scenarios: Against the timing outlined above, Hothouse presents the clearest potential for material net costs from acute capital damage over the long term, as its hazard trajectory brings both the earliest onset of coastal inundation and the greatest potential for insurance retreat leaving uninsured costs for the Port to bear (e.g. through broader exclusions for flood-related damage and loss). Disorderly presents a lower potential for such costs, as its hazard trajectory brings a later onset of coastal inundation and, although insurance retreat is also likely, it is expected to be less extensive and may start later, thereby limiting the chance of uninsured costs for the Port to bear. However, under both scenarios, the evolving asset base is expected to dampen that potential, with the vast majority of assets remaining at risk over the long-term expected to be fixed civil and ground-improvement assets, which are relatively flood-resilient. Orderly (SSP1-2.6) is unlikely to have a material impact because coastal inundation, the more likely route to material acute capital damage, is not considered plausible under this scenario.



Response and outcomes

Current response: The Port has demonstrated good capacity to manage potential operational disruptions, and has mitigation strategies and controls in place. This enables it to deploy a range of adaptation measures and additional hazard controls identified under all Port scenarios.

Transition objectives: Ensure robust and resilient infrastructure fit for a changing climate, and:

- Support our workforce, stakeholders and communities.
- Remain adaptive and responsive as the transition unfolds.

Near-term priorities:

- Priorities include future infrastructure developments, evidence base and monitoring, and climate-related risk and transition activity integration across business continuity, emergency response and workforce planning.

Regarding servicing infrastructure:

- A detailed examination of the impact sea-level rise may have on the Tauranga and Auckland sites' stormwater systems.
- Continuing to monitor stormwater system performance, as and when heavy and extreme rainfall events arise.
- Review and monitor the effect of sea-level rise on the harbour and work with key stakeholders when planning and executing future harbour access maintenance.

Subsidiaries and joint ventures:

- Engage the wider Group on ambition and objectives, and expectations that they align their own organisations with the Port.

Short to medium-term goals:

- The Port's infrastructure vision, investment and planning ensure climate resilience.
- Group-wide commitment to managing and responding to climate-related risks and opportunities.
- Deliver long-term value and provide superior customer service.

DR4: Increasing risk of disruption to road and rail access

Key | **Impact rating:** Climate-related risks: Low | Moderate | High | Extreme

Rising sea levels, together with increasingly severe, frequent, prolonged and widespread rainfall, wind and storm events may increase disruption from flooding, landslide, and slope instability along key road and rail corridors connecting the Port's coastal and inland freight network. If sufficiently sustained or recurrent, these disruptions may increase affected operating costs and, in extreme cases, degrade service reliability enough to reduce Port freight volumes.

Climate hazard/driver

Acute: increasing severity, frequency, duration and spatial extent of heavy/extreme rainfall, wind and storm events.

Chronic: sea-level rise.

Resulting corridor hazards: pluvial, fluvial and coastal flooding, erosion and landslides/ slope instability.

Elements at risk/aligned

Key landside access corridors serving exposed Port Group, joint venture and part-owned sites, together with Port operations dependent on their timely availability: (a) strategic rail corridors; (b) main arterial road corridors; and (c) receiving, dispatching, marshalling, vessel loading/unloading and intermodal transfers. These sites include Port of Tauranga (Sulphur Point and Mount Maunganui Wharf), Timaru Container Terminal, Northport (Marsden Point) and PrimePort Timaru. Key external network dependencies include Ruakura Inland Port and MetroPort Auckland. While relevant exposure exists across the wider strategic network, the financial impact analysis focuses on the Port of Tauranga sites, which account for more than 90% of Port revenue at risk, with particular focus on the Auckland–Hamilton–Ruakura–Tauranga rail corridor.

How the risk arises

Projected sea-level rise, together with projected increases in the severity, frequency, duration and spatial extent of heavy and extreme rainfall, wind and storm events, is expected to increase flooding, erosion and slope/land instability across key landside access corridors. These hazard increases are likely to cause more frequent and prolonged interruptions to road or rail by temporarily restricting or preventing use of affected corridors. Further FY2026 analysis has identified two main impact pathways through which DR4 may affect the Port financially. However, further work is being undertaken to establish whether one or both pathways are capable of generating a material financial impact in practice:

- **Increasing cost to serve:** Where disruption affects key strategic road or rail corridors carrying material Port freight flows, maintaining or restoring those flows may increase operating costs through the following operational and recovery responses, particularly where disruption becomes more prolonged or recurrent:
  - **Freight-flow workarounds**: including rerouting, rail-to-road substitution/road bridging and altered scheduling.
  - **Downstream catch-up and recovery:** where disruption to road or rail ingress and egress delays or interrupts dependent Port operations, including receiving/ dispatching, marshalling, yard clearance, intermodal transfers and vessel loading/ unloading.

What shapes the impact on the Port

How DR4 affects the Port in practice is expected to depend principally on the following network, operational and strategic characteristics:

- **Concentration in strategic rail corridors**: Although both road and rail networks are exposed to DR4 hazards, road generally provides greater routing redundancy, while rail can be more sensitive to localised landslips / slope instability, inundation and other weather-related damage that can interrupt service. Timaru also remains exposed through the Main South Line and port spur; however, consistent with the financial concentration identified under Elements at risk, the FY2026 analysis focuses principally on the Tauranga sites. The Port is particularly dependent on the Auckland–Hamilton–Ruakura–Tauranga rail connection, with further FY2026 analysis identifying the Ruakura–Tauranga section of the East Coast Main Trunk as having the greatest potential to generate material DR4 impacts. By comparison, disruption to the East Coast Main Trunk east of Tauranga, which primarily serves forestry freight, can be more readily managed through rail-to-road substitution, as demonstrated during Cyclone Gabrielle.
- **Inherent adaptive capacity and recovery:** Existing resilience across the Port and wider freight system includes alternative routing, scheduling, storage, corridor redundancy, rail-to-road substitution / road bridging (including from Ruakura for containerised freight), customer coordination and backlog recovery. These capabilities mean short-lived disruption can generally be absorbed and recovered from relatively well, while prolonged or recurrent rail outages may be more difficult to manage. Rail-to-road substitution and other routing flexibility would also be constrained where a single significant event disrupts key road and rail corridors simultaneously. The Port has operational and recovery responses available to mitigate the knock-on impacts of external corridor disruption, but does not operate, control or own the relevant road and rail corridors.

Anticipated impacts

Of DR4's two impact pathways,[5] increasing cost to serve is the more plausible financial impact: it arises directly from the operational and recovery responses needed to maintain or restore freight flows, whereas reduced freight volumes through customer-led rerouting are considered a more remote possibility, for the reasons outlined below. Any increase in cost-to-serve Opex above current-day baselines would also be expected to be moderated by cost pass-through, together with additional storage revenue where DR4-related delays leave freight on Port sites for longer.

For the freight-volume pathway, a material loss is considered plausible only where DR4 disruption is at the more prolonged or recurrent end of possible Port climate scenario outcomes (given the Port's inherent adaptive capacity and recovery, and the sustained effect on service reliability and customer commitments that rerouting would first require). Even then, the Port's broader relative resilience, including the point-to-point efficiency of its integrated national network, is expected to favour retention. Leakage would require repeated disruption to erode that efficiency advantage enough for a commercially viable alternative port to become materially more attractive.

Scenarios: Consistent with DR1, uplift in the relevant acute hazards is expected to remain limited and gradual before 2040. Hothouse (SSP3-7.0) presents the clearest potential for a material above-baseline uplift in cost to serve from the late medium-term into the long-term, although the timing and scale of any such uplift remain uncertain, in part because the impact in practice will also depend on the adaptation response of third parties responsible for the maintenance, repair, and resilience requirements of key road and rail links. Under this scenario, more frequent and prolonged disruptions are expected to place increasing demands on the freight-flow workarounds and downstream catch-up and recovery needed to maintain or restore freight flows. Disorderly (SSP2-4.5) presents a lower and more uncertain potential for such an uplift, as its hazard trajectory is expected to bring a later and less pronounced escalation in disruption. To the extent a material loss of freight volumes through customer-led rerouting remains possible, it is currently considered most plausible over the long-term under Hothouse and, to a lesser extent, Disorderly. Orderly (SSP1-2.6) is expected to generate limited DR4-driven pressure: a residual cost-to-serve effect may still arise but is not expected to be material, and a material loss of freight volumes is not expected, for the reasons outlined above.

Response and outcomes

Current response: The Port has inherent resilience to physical risks in current assets and operational capacity to manage disruptions. It continues to assess, plan and invest accordingly for future resilience, and develop disruption mitigation strategies and controls.

Corridor rerouting options and redundancies, and the Port's strategic network position, further supports short-term management of road and rail disruption.

Transition objectives: Ensure robust and resilient infrastructure fit for a changing climate, and:

- Support our workforce, stakeholders and communities.
- Remain adaptive and responsive as the transition unfolds.

The Port endeavours to provide New Zealand shippers with the lowest emissions supply chain, including the use of rail over road and accommodating larger, lower emission ships.

Near-term priorities:

- Future infrastructure developments, evidence base and monitoring, and climate-related risk and transition activity integration across business continuity, emergency response and workforce planning.

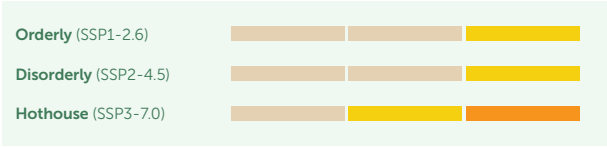
Regarding the wider network:

- Complete the Stella Passage project as part of the Port's vision for an integrated, efficient, cost-effective and resilient Upper North Island supply chain involving the region's existing three sea ports – Tauranga, Auckland and Northport.
- Champion investment in resilient transport networks, particularly rail, supported by development of evidence base with key stakeholders.

DR4: Increasing risk of disruption to road and rail access (continued)

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

How the risk arises	What shapes the impact on the Port	Anticipated impacts	Response and outcomes
Reduced freight volumes: Where sustained or recurrent disruption to key strategic road or rail corridors makes it more difficult for the Port to recover before service reliability and customer commitments are materially affected, customers may then reroute freight to other ports, potentially reducing freight volumes captured through the Port.	**Customer freight-routing:** The Port's broader relative resilience, combining its Port-side abilities to absorb and recover from disruption (as outlined at DR2) with the point-to-point efficiencies of its integrated national network, is expected to limit the potential for DR4 to cause a sustained and material loss of freight volumes via customer-led rerouting.		**Servicing infrastructure:** • Continue to engage with key decision-makers on the strategic importance of the Port as a lifeline utility. Share knowledge and insights on climate-related risk where relevant, to drive awareness and enhance the importance of adequate investment. **Short to medium-term goals:** • Integrated, efficient, cost-effective and resilient supply chains for New Zealand. • Targeted and timely investment in key infrastructure to support a low-emissions and climate resilient supply chain.

DR5: Risk to harbour access, wharves, and loading/unloading capability

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

Rising sea levels, amplified or offset by local vertical land movement, may alter tidal flows, sedimentation and scouring, affecting vessel access through harbour entrances and channels to wharves at Port Group and joint venture-owned coastal sites. This may increase or reduce maintenance-dredging and consenting costs. Where adverse changes cannot be managed effectively, access restrictions may disrupt loading and unloading, affecting Port service levels and revenue.

Climate hazard/driver

Chronic: sea-level rise.

Acute: increasing severity, frequency, duration and spatial extent of heavy/extreme rainfall, wind and storm events, events affecting sediment delivery/mobilisation.

Elements at risk/aligned

All coastal Port Group, joint venture and part-owned sites: Port of Tauranga (Sulphur Point and Mount Maunganui Wharf), Timaru Container Terminal, Northport (Marsden Point) and PrimePort Timaru. Relevant operations include harbour/channel access and its maintenance, marine movements (ship entry/exit, pilotage, towage and berthing), and vessel loading/unloading. Buildings, infrastructure and other site assets may also be affected if material loss of harbour or wharf access constrains their use.

How the risk arises

Projected sea-level rise, together with projected increases in the frequency and intensity of heavy and extreme rainfall, wind and storm events, may alter tidal dynamics, sedimentation and scouring at coastal Port sites, changing harbour and channel navigability, with effects on the Port expected to arise via two main impact pathways:[6]

- **Changes in dredging / maintenance requirements:** the physical changes outlined above can:
  - *Reduce channel/harbour navigability:* Changes in tidal dynamics driven by sea-level rise (SLR), and increased fluvial sediment delivery during heavy and extreme rainfall events, may raise the chance of sediment build-up in port approaches and channels, potentially reducing effective depth/width and increasing maintenance-dredging frequency and/or volumes relative to baseline.[7]
  - *Improve channel/harbour navigability*: Sea level rise (SLR) lifts mean water levels, increasing under-keel clearance and, by enlarging the tidal water volume, can in some settings (e.g. constricted harbour entrances) increase current velocities and promote scouring, maintaining or increasing effective depth/width and reducing maintenance-dredging requirements.
- **Constrained vessel-access capability:** Where adverse navigability changes reduce effective channel depth or width, alter safe-transit windows or otherwise affect vessel access, and the required dredging or other harbour-management responses cannot be consented or delivered effectively, vessel-access constraints may increase above baseline through draught restrictions or changed vessel-handling requirements.

For the first impact pathway it is important to note that sediment build-up and scouring may occur in

What shapes the impact on the Port

How DR5 affects the Port in practice is expected to depend principally on the following exposure, harbour, operational and strategic characteristics:

- **Concentration of Group exposure:** More than 93% of total capital and revenue value at risk is concentrated at Tauranga, the principal focus of the DR5 assessment. Northport, PrimePort Timaru and Timaru Container Terminal remain in scope for adaptation planning.
- **Harbour conditions and management:** Historical and recent observations of how Tauranga's harbour entrance and approach channel respond to acute hazards provide useful insights that inform how DR5 impacts may arise. To date, annual maintenance dredging has maintained safe under-keel clearance. However, significant storm-related infill in 2024 and 2025 increased dredging requirements and challenged existing maintenance-dredging consent limits; ongoing storm patterns (including observed La Niña/El Niño-related patterns) are expected to keep requirements above historical baselines and may put further pressure on consent limits. No SLR-attributable change in sedimentation, scouring or access has been identified to date; SLR may alter tidal dynamics, sedimentation and scouring, but the likely effect on navigability remains unresolved.
- **Dredging consents:** The Port already holds resource consent to deepen the channel to 16 metres to accommodate larger vessels, so that capital deepening does not first require a new resource consent. That already-consented ability to deepen the channel provides practical headroom that would offset at least some deterioration in navigability if SLR-driven changes in tidal dynamics at Tauranga produced material adverse effects on channel conditions. While increasing maintenance dredging requires resource consent, it is expected that this would be granted if the need arose due to DR5-related impacts.

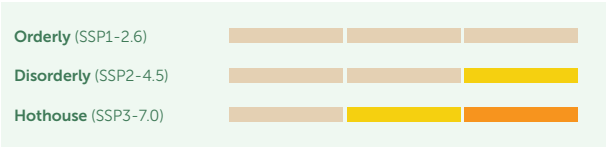
Broader relative operational and logistics resilience: The significance of any residual vessel-access restriction depends on Tauranga's broader resilience relative to competing ports. For persistent access constraints, the Port's international-hub role, larger-vessel capability, integrated network connecting sea and inland ports via rail, road and coastal shipping, and point-to-point efficiency are identified comparative resilience advantages.

Anticipated impacts

Of DR5's two impact pathways, constrained vessel-access capability remains a valid risk pathway but is considered a comparatively remote possible outcome, as adverse navigability changes would need to exceed what can be managed through established maintenance dredging and already-consented channel-deepening headroom before meaningful constraints arose. The prospect of that pathway generating a material financial impact on its own is therefore not currently considered plausible. The financial focus is instead changes in dredging / maintenance requirements: an increase or decrease in maintenance-dredging costs, together with any additional consenting costs, with any resulting cost increase remaining with the Port only to the extent it is not recoverable or able to be passed through.

Timing: Consistent with DR1, uplift in the relevant acute hazards before 2040 is projected to be generally limited and gradual, although the intensity of selected upper-tail acute events is projected to increase within that period, with some earlier divergence across scenarios, potentially placing further pressure on maintenance-dredging requirements over the short-term. However, with broader hazard uplift projected to remain gradual through to 2040, any such increase is expected to remain manageable through established maintenance dredging, supplemented by consent to increase maintenance-dredging limits if required. The potential for more substantial and sustained change in maintenance-dredging requirements increases over the longer term as broader hazard uplift becomes more pronounced and relative SLR more influential.

Scenarios: Against the timing outlined above, Hothouse (SSP3-7.0) presents the clearest longer-term potential for more substantial and sustained change in maintenance-dredging requirements, reflecting the strongest uplift in the relevant acute hazards and greatest projected relative SLR. Disorderly (SSP2-4.5) presents a higher longer-term potential than Orderly, with the same drivers becoming more pronounced later, though to a lesser extent than under Hothouse. Orderly (SSP1-2.6) presents the lowest indicative prospect of material navigability change, given comparatively contained hazard uplift and much lower relative SLR. Across all three scenarios, the net direction remains unresolved: maintenance-dredging requirements and costs may increase or decrease depending on the balance of sediment build-up and scouring.



Response and outcomes

Current response: Assessment and planning for all potential eventualities, with further site-specific studies to be commissioned as required (e.g. if a trigger event makes this prudent). This enables adjustments to existing maintenance dredging programmes as required.

Transition objectives: Robust and resilient infrastructure fit for a changing climate.

Near-term priorities:

- The Port will continue to review and monitor the effect of sea-level rise on the harbour and work with key stakeholders when planning and executing future harbour access maintenance.
- All future infrastructure developments are designed to take into account the impacts from expected climate change and ensure long-term resilience. While the likelihood of sea-level rise impacting ship access to Port wharves is low, this issue will be given careful consideration when planning future wharf upgrades to ensure any prudent adaptation measures are incorporated into wharf extension and upgrades.
- Both the above are part of and supported by integration of CRR/Os and transition activities into risk and strategic management frameworks and practice.

Short to medium-term goals:

- The Port's infrastructure vision, investment and planning ensure climate resilience.

DR5: Risk to harbour access, wharves, and loading/unloading capability (continued)

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

How the risk arises	What shapes the impact on the Port	Anticipated impacts	Response and outcomes
different parts of the same harbour and channel system, requiring increased maintenance dredging in some locations and less in others, with the net change in requirements determining whether dredging costs rise or fall overall and whether additional consenting costs arise.	For temporary restrictions, its multi-cargo operations can absorb some disruption, while additional crane deployment can help recover delayed vessel servicing once access resumes. These characteristics affect whether any remaining DR5 constraint is sufficient to alter Tauranga's overall service, cost or point-to-point efficiency for shipping lines and customers.		

DO1: Structural changes to New Zealand's national freight system (road to multi-modal)

Key | **Impact rating:** Climate-related opportunities

Material | High | Very high

The Port's integrated national freight network is expected to benefit from transition drivers aimed at or associated with decarbonising and strengthening the resilience of New Zealand's freight network. These drivers are expected to shift a growing share of inter-regional freight from dispersed road freight to rail and coastal shipping, concentrating flows and, in turn, supporting increasing movement towards a hub-and-spoke port network, potentially reinforced by DO2. This could help the Port attract or retain freight and increase use of its services and assets, supporting revenue.

Climate hazard/driver	Elements at risk/aligned
Transition drivers: government policy, market pressure and new technology aimed at cutting heavy-transport emissions and making the freight network more resilient.	Port Group and joint venture freight-handling, inland-port and rail-linked operations and assets, including terminal operations, multi-cargo handling, marine services, freight storage, wharves, buildings, hardstand, plant and equipment, and leased premises. MetroPort Auckland is also a key part of the network, although the Port Group does not own or operate it.

How the risk arises

Policy, market and technology changes aimed at decarbonising heavy transport and strengthening the freight network are expected to gradually move inter-regional freight from road to rail and coastal shipping[8,9]. This could benefit the Port in two connected ways:

- **More freight through the Port's network:** Rail and coastal shipping work best when freight is gathered in larger volumes and moved between connected hubs. More inter-regional freight may therefore pass through the Port's inland ports, rail links and regional port connections.
- **Freight concentrating at a main hub port:** Over time, this shift is expected to encourage a "hub-and-spoke" model, where international ships call at one or two main port(s) and smaller ports are served by coastal feeder ships. As New Zealand's largest port, Tauranga would be a natural hub. Larger ships (DO2) are expected to reinforce this.

What shapes the impact on the Port

How much DO1 benefits the Port is expected to depend mainly on four things:

- **Whether rail and coastal shipping become real alternatives:** A significant shift needs investment in rail, coastal shipping and connecting infrastructure, and services that are frequent and reliable enough to compete with trucks[10]. If this is slow, the shift will be too, however strong the push to decarbonise.
- **Whether customers use them:** Once alternatives are available, customers will choose based on cost, reliability and their own emissions goals. Shipping lines, freight companies and other ports will also respond, which affects where freight ends up.
- **Whether the shift brings new freight to the Port:** The Port's hub role, rail-linked inland ports and ability to expand handling put it in a strong position. But more rail or coastal shipping does not automatically mean more freight for the Port. It may simply change how freight the Port already handles gets there.
- **How far freight concentrates at hub ports:** This depends on the relative costs of hub and regional services, shipping lines' routing decisions and whether the system can handle the concentrated volumes. Larger ships (DO2) may speed this up, and more frequent weather disruption across ports (DR2) could also push shipping lines towards fewer, more resilient ports, although that link is still to be tested. The opportunities overlap and the benefit is only counted once.

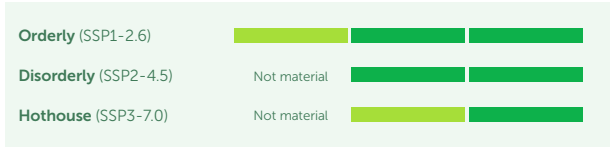
Anticipated impacts

The main financial benefit would be more freight revenue, from terminal operations, multi-cargo handling and marine services, where the shift brings additional or retained imports and exports through the Port's network. Better use of existing capacity would also help margins, and a larger rail and coastal network would strengthen the Port's lower-emission logistics offer to customers. If volumes grew enough, demand for Port buildings, storage and leased space could rise too, although any new investment to meet it would carry its own costs.

This year's assessment found no benefit yet that can be linked to the shift: recent growth at the inland ports and in transhipment reflects commercial and service changes, not climate-driven change. Because any future benefit depends on national policy, infrastructure investment and how competitors respond, it cannot yet be reliably estimated.

Timing: Rail and coastal shipping need years of investment before they can carry much more freight. Any significant benefit is therefore expected to build from the medium term, with smaller, earlier effects possible where policy is well coordinated.

Scenarios: Orderly (SSP1-2.6) offers the clearest potential for a material benefit: coordinated policy and investment support the shift from the short-term, and the Port's network positions it to capture a meaningful share as freight concentrates over the medium to long term. Under Disorderly (SSP2-4.5), a material benefit is possible but later and less certain, as delayed and uneven investment squeezes the shift into the medium term. Under Hothouse (SSP3-7.0), the shift is slower and driven by resilience rather than emissions. Because rail is itself more exposed to severe weather in this scenario (see DR4), any benefit is expected to be smaller and to come later.



Response and outcomes

Current response: The hub-and-spoke model has been positioned as a strategic response that links lower-carbon logistics, national supply-chain resilience and the Port's role.

Climate change initiatives to decarbonise Port operations and support New Zealand exporters with the lowest emissions supply chain, including advocacy for rail transport and coastal shipping as an alternative to road transport for moving large volume and heavy cargo.

Transition objectives: Robust and resilient infrastructure fit for a changing climate, and providing New Zealand exporters with the lowest emissions supply chain.

Near-term priorities:

The Port will continue to invest in the capability to accommodate larger vessels as the hub-and-spoke model emerges, including:

- Complete the planned Sulphur Point wharf extension project, as part of the Stella Passage development, which will provide the Tauranga Container Terminal with additional berth capacity to cater for the expected growth in coastal shipping and vessels larger than 12,000 TEU.
- Complete the second stage of capital dredging to cater for the larger vessels expected to cascade into the Oceania shipping network. Currently under way and due for completion in mid-2027.
- Champion investment in resilient transport networks, particularly rail, supported by development of evidence base with key stakeholders.
- All future infrastructure developments are designed to take into account the impacts from expected climate change and ensure long-term resilience.

Short to medium-term goals:

- The Port's infrastructure vision, investment and planning ensure climate resilience.

DO2: Introduction of larger low-carbon shipping vessels

Key | **Impact rating:** Climate-related opportunities — Material | High | Very high

Transition drivers aimed at or associated with decarbonising international shipping (e.g. EU Emissions Trading System carbon pricing, the potential International Maritime Organisation Net-Zero Framework, uptake of alternative fuel technologies, and growing supply chain pressure to cut embodied emissions) are expected to drive deployment of larger, lower-emission vessels to New Zealand, which the Port is positioned to accommodate, with capital dredging under way to extend that capability. As other ports currently face certain constraints which may limit their ability to do the same, greater freight volumes may be channelled through Port of Tauranga as a result.

Climate hazard/driver

Decarbonisation drivers: shipping-emissions regulation / carbon pricing; lower-emission and alternative-fuel vessel technologies; supply-chain/customer emissions pressure.

Secondary systemic drivers: energy-security and resilience pressures.

Elements at risk/aligned

Port Group and joint venture coastal and inland-port operations, particularly international cargo handling, marine services, transhipment and coastal shipping. Relevant assets include harbour and channel access, wharves, berths, cranes, terminal capacity and freight storage.

How the risk arises

Pressure to cut emissions from international shipping is expected to bring larger, lower-emission ships to New Zealand routes[11]. Larger ships burn less fuel per tonne of cargo and are better suited to new low-emission fuels. This could benefit the Port in two connected ways:

- **Winning or keeping international services:** Tauranga can take larger ships than most other New Zealand ports. As these ships arrive, more international services and freight may come through Tauranga.
- **Freight concentrating at a main hub port:** Regional ports that cannot take larger ships may increasingly be served by smaller coastal feeder ships, bringing more transhipment through Tauranga as a hub port. This overlaps with DO1.

What shapes the impact on the Port

How much DO2 benefits the Port is expected to depend mainly on four things:

- **Whether larger ships are actually sent to New Zealand:** New ships worldwide are getting bigger and cleaner, but shipping lines decide which routes they serve. Bigger ships being built overseas does not guarantee they will be used here.
- **Tauranga's capability compared with other ports:** Tauranga can already take the largest container ships visiting New Zealand and is currently undertaking further capital dredging to deepen its channel. Its advantage depends on having enough berth, crane and terminal capacity, and on whether other ports overcome their own channel limits.
- **How shipping lines and customers respond:** Bigger ships do not necessarily mean more freight or more ship visits. The benefit depends on how shipping lines rearrange their services and how much cargo is exchanged at each visit, and on customers' choices about cost, reliability and emissions.
- **How far freight concentrates at hub ports:** Where regional ports cannot take larger ships, shipping lines may route international services through Tauranga with coastal feeders. This depends on the cost of feeder services and demand from customers. The benefit overlaps with DO1 and is only counted once.

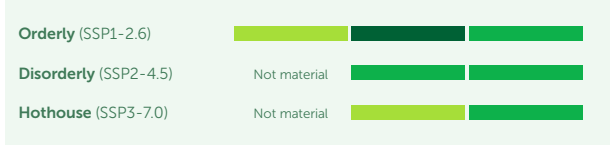
Anticipated impacts

The main financial benefit would be more freight revenue where larger ships bring international services and cargo to Tauranga that might otherwise go elsewhere, together with more transhipment and better use of existing capacity. Access to lower-emission international shipping may also draw customers looking to cut their supply-chain emissions. Marine services revenue could rise with more international services, although fewer, larger ships may partly offset this.

Larger ships are expected to come to New Zealand eventually for cost reasons alone. The climate-related opportunity is the extent to which emissions pressure brings them sooner or in greater numbers. This year's assessment found no benefit yet that can be linked to this, and estimating it would need a specific case of which ships are deployed on which routes. The Port will consider whether such a case can be assessed in future reporting.

Timing: The Port expects ships larger than 12,000 TEU (twenty-foot equivalent units) to reach the Oceania network over the short to medium-term. How quickly they arrive depends on the scenario.

Scenarios: Orderly (SSP1-2.6) offers the clearest potential for a material benefit, from the short to medium term, as carbon pricing on shipping and customer demand for lower-emission supply chains bring larger ships sooner. Under Disorderly (SSP2-4.5), a material benefit is possible but later and less even. Under Hothouse (SSP3-7.0), larger ships still arrive, but more slowly and mainly for fuel efficiency and energy security rather than emissions. The benefit is expected to be positive but lower, over the medium to long-term.



Response and outcomes

Current response: Climate change initiatives to decarbonise Port operations and support New Zealand exporters with the lowest emissions supply chain, particularly with focus on readiness for lower-emissions vessels.

Transition objectives: Robust and resilient infrastructure fit for a changing climate and providing New Zealand exporters with the lowest emissions supply chain.

Near-term priorities:

The Port will continue to invest in the capability to accommodate larger vessels as the hub-and-spoke model emerges, including:

- Complete the planned Sulphur Point wharf extension project, as part of the Stella Passage development, which will provide the container terminal with additional berth capacity to cater for the expected growth in coastal shipping and vessels larger than 12,000 TEU.
- Complete the second stage of capital dredging to cater for the larger vessels expected to cascade into the Oceania shipping network. Currently under way and due for completion in mid-2027.
- All future infrastructure developments are designed to take into account the impacts from expected climate change and ensure long-term resilience.
- Continue to regularly consult with key customers regarding forecasts and long-term trends in order to understand, manage and mitigate any impacts on the business.

Short to medium-term goals:

- The Port's infrastructure vision, investment and planning ensure climate resilience.

IDR1: Increasing seasonal variability and gradual decline in export commodity supply

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

Projected increases in acute and chronic physical hazards may increasingly affect dairy, forestry and kiwifruit exports through the Port: first, via a gradual increase in seasonal production volatility (e.g. yield losses from acute events or climate-amplified El Niño conditions); second, through the cumulative effects of acute and chronic hazards, which may gradually reduce total annual productive capacity and erode the economic viability of affected dairy systems, leading to a sustained decline of exports.

Climate hazard/driver

Chronic climate hazards: rising average temperatures and the average number of hot days per year (>25°C); increasing solar radiation; wetter winters and drier summers; reduced winter chill, and fewer frost days/cold nights (kiwifruit only);

Acute climate hazards: heavy/extreme rain, wind, storm and wildfire hazards, with projected increases in frequency, intensity and/or spatial extent as applicable; drought.

Related natural hazards: landslides/slope instability, soil erosion and increased pests/pathogens.

Elements at risk/aligned

Agricultural systems supplying the Port's three main export commodities, located across its key freight catchment areas: (a) **Dairy (farming and processing systems)**. Key regions include Waikato, Bay of Plenty, Taranaki and the lower North Island, Northland; (b) **Forestry (plantation forests)**. Key regions include the Central North Island, Bay of Plenty, Waikato; and (c) **Kiwifruit: orchard systems.** Key regions include the Bay of Plenty (around 80% of New Zealand's kiwifruit). Zespri reports that more than 95% of its New Zealand fruit is exported through the Port. Scope note: Includes systems supplying freight that reaches the Port overland or by transhipment

How the risk arises

Projected increases in a range of acute and chronic climate hazards (see list above) have the potential to impact dairy, forestry and kiwifruit export volumes via two established pathways[12]:

- **Increasing seasonal volatility:** More frequent and intense acute events, chronic changes in seasonal conditions, and climate-amplified El Niño conditions may increase seasonal production volatility, with outcomes varying by commodity:
  - **Dairy:** Acute events, together with hotter and drier seasonal conditions, could reduce pasture growth and domestic supplementary feed production, stress animal health and reduce water availability (e.g. for irrigation), amplifying seasonal production volatility[13].
  - **Forestry:** Projected increases in the frequency, intensity and spatial extent of rain, wind, storm and wildfire hazards may increase the potential for damaged trees, slope destabilisation and disrupted access. However, these impacts tend to trigger salvage and early harvesting, which in the past has led to temporary post-event pulses/increases in log export volumes.
  - **Kiwifruit:** More frequent and intense rain, wind and storm events can damage vines and orchard infrastructure, disrupt harvest and reduce volumes in affected seasons.

What shapes the impact on the Port

How IDR1 affects the Port in practice is expected to depend principally on two sets of conditions: first, how affected agricultural systems respond and adjust to climate pressures, and what that means for export volumes through the Port; and second, how the Port accommodates the resulting changes in freight. Beginning with the agricultural systems, the key considerations are:

- **Adaptation:** Adaptation measures and productivity improvements are expected to moderate climate impacts on production:
  - **Seasonal volatility:** In dairy, storage, processor scheduling and production from other regions can buffer the effects of seasonal shocks on export volumes. Kiwifruit is more vulnerable to sudden export-volume losses from acute events, as there is less scope to buffer lost exportable supply through stockpiling or production from other regions. Forestry is also vulnerable to acute events, but salvage and early harvesting can temporarily increase log export volumes rather than reduce them.
  - **Structural decline:** Dairy, forestry and kiwifruit have a range of adaptation measures expected to moderate structural impacts[17] (see the Port's FY2025 disclosure, pages 28–30). However, access to and the effectiveness of some measures, particularly capital-intensive or site-dependent measures, will vary across the regions supplying the Port. Under higher-emissions scenarios, increasing water stress and tighter water-use controls may also make irrigation less viable, or rule it out, in affected dairy and kiwifruit-growing areas. Where adaptation is unavailable, insufficient, uneconomic or too slow to preserve viability, changes in production systems or land use may follow.
- **Replacement production:** Where structural decline triggers land-use change, land is expected to be repurposed to the next-best productive use, which in most cases is likely to remain export-oriented, providing at least a partial offset to the decline in export volumes of the affected commodity.

Anticipated impacts

IDR1's two impact pathways have the potential to affect the Port principally through changes in freight-related revenue. The scale, timing and direction of any financial impact are difficult to assess with certainty, as they depend on how agricultural systems respond and on the Port's adaptive capacity (see What shapes the impact on the Port). However, initial work is under way to narrow the plausible range of outcomes under each of the Port's climate scenarios. The circumstances in which each pathway would affect revenue are already clear:

- **Seasonal volatility:** Revenue is affected only where climate-driven production swings are large enough to change export volumes through the Port beyond ordinary seasonal variation. Where exportable production is lost in a single season, the Port forgoes the associated revenue, as short-notice shortfalls usually leave too little time to backfill vacated capacity. By contrast, the Port expects that a multi-season shortfall would give it the time needed to secure replacement cargo, offsetting all or part of the lost revenue. Forestry differs, as brought-forward harvesting is more likely to increase revenue temporarily, although later reductions in log exports could diminish that gain.
- **Structural decline:** Where structural decline triggers land-use change, the next-best productive use is likely to remain export-oriented in most cases. The change in freight through the Port therefore reflects both declining exports of the original commodity and replacement exports, which may differ in volume, cargo form and timing:
  - **Containerised capacity (dairy; containerised kiwifruit):** The Port anticipates being able to backfill vacated capacity with alternative containerised freight (export or import), as container demand is expected to outstrip available capacity before a material structural decline in key export commodities becomes feasible under the projected gradual escalation of climate hazards (see Scenarios). Structural decline in dairy or containerised kiwifruit exports is therefore not expected to generate a material revenue loss.
  - **Bulk and specialised capacity (logs; palletised kiwifruit):** The Port can also redeploy this capacity, but not as quickly as containerised backfill (see What shapes the impact on the Port). Where log or palletised kiwifruit exports decline faster than replacement cargo builds up, the Port could forgo revenue while capacity remains under-utilised. Whether this interim shortfall contributes to a material financial impact, on its own or in conjunction with other key risks, depends on its scale and duration.

Response and outcomes

Current response: Port of Tauranga has a long-term strategy of diversifying cargoes and income streams to increase business resilience. The Port regularly consults with its customers and continuously seeks opportunities to innovate to serve existing customers' changing needs as well as secure new customers and/or cargoes.

The Port has demonstrated good capacity to manage potential operational disruptions and has mitigation strategies and controls in place. This enables it to deploy a range of adaptation measures and additional hazard controls identified under all Port scenarios. The innovation and adaptive capacity of the primary production sector is also acknowledged as a risk mitigant.

Transition objectives: Robust and resilient infrastructure fit for a changing climate.

Near-term priorities:

- Continue to regularly consult with key customers regarding forecasts and long-term trends in order to understand, manage and mitigate any impacts on the business.
- Monitor climate-related changes affecting global trade and domestic production to ensure ongoing proactive and agile response to evolving cargo patterns, and further strengthen the Port's strategic positioning.

Short to medium-term goals:

- New Zealand's primary hub port, providing lower carbon supply chain for importers and exporters to and from international markets, serviced by extensive inland port and rail networks.
- The Port's infrastructure vision, investment and planning ensure climate resilience.

IDR1: Increasing seasonal variability and gradual decline in export commodity supply (continued)

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

How the risk arises

Extreme acute events (such as Cyclone Gabrielle) can also damage vines and root systems, with the potential to suppress yields across multiple seasons if impacts are widespread.

- **Declining structural capacity:** Over time, these acute and chronic hazards are also expected to generate a range of enduring environmental stressors that may gradually reduce total annual productive capacity and erode the economic viability of affected agricultural systems, leading to sustained declines in export volumes, with outcomes expected to vary by commodity:
  - **Dairy:** Increasing pressure on soil, water, pasture and feed availability, and animal health may drive gradual declines in productive capacity and raise on-farm costs – outcomes that may erode farming viability in select locations, especially if accompanied by tighter irrigation controls[14].
  - **Forestry:** Increasing pressure on slopes, soils, water availability and pests and disease may limit growth, raise management costs and drive land-use change in higher-risk sites. Some regions may experience offsetting growth benefits where warmer conditions ease cold limits, moisture remains adequate, and higher CO_2 extends growing seasons, though the scale of these benefits remains uncertain[15].
  - **Kiwifruit:** Warmer winters can reduce winter chill, delaying or unevenly triggering bud-break and lowering yields (especially in green varieties). Hotter, drier summers and changing rainfall patterns can increase the potential for sunburn and soft-fruit losses, water stress and pest and disease pressure. Over time, these stressors have the potential to reduce productive capacity[16].

What shapes the impact on the Port

However, replacement production may differ from the existing use in when it first becomes exportable, how frequently and in what volumes it generates freight, and in cargo form (e.g. containerised rather than bulk) and route. These differences influence how replacement freight flows through the Port and, in turn, when and to what extent the revenue it generates offsets losses from declining exports of the affected commodity.

The second set of conditions concerns the Port's inherent adaptive capacity (how readily it can backfill or redeploy the capacity vacated by the resulting changes in freight), which differs markedly between the seasonal volatility and structural decline impact pathways common to IDR1.A–C:

- Seasonal volatility: Export-volume losses from acute events are difficult to backfill at short notice, given the lead-in times typically required for international freight movements. This is particularly so for bulk and specialised freight, which lacks the interchangeability of containers. By contrast, a multi-season shortfall (e.g. in palletised kiwifruit, where a severe cyclone requires widespread vine replacement) provides more scope to backfill the vacated capacity.

Structural decline: By contrast, gradual decline gives the Port the lead-in time needed to redeploy or retool vacated capacity towards its next-best use, although how readily depends on the type of capacity. Containerised capacity (dairy; containerised kiwifruit) is readily redeployed, as containers are a modular, interchangeable freight mode requiring minimal or no wharfside retooling. Container demand is also expected to outstrip available capacity ahead of the longer-term window in which structural decline could become material, allowing vacated capacity to be backfilled by alternative import or export customers. Bulk and specialised capacity (logs; palletised kiwifruit) is less readily redeployed, as the Port would first seek alternative bulk or specialised customers, with conversion to container use a longer-term option.

Anticipated impacts

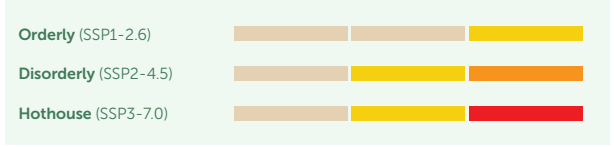
Structural decline therefore has the greater potential to generate a material revenue loss where it affects logs or palletised kiwifruit than where it affects dairy, in the form of a temporary shortfall rather than a permanent loss of the declining commodity's revenue.

Scenarios: Consistent with the climate hazard trajectories outlined under DR1, physical impacts on dairy productive capacity and associated export volumes are expected to remain small, gradual and broadly immaterial through the late medium-term across all Port scenarios. For forestry and kiwifruit, export-volume impacts are similarly expected to remain immaterial through the early medium term. Under Orderly (SSP1-2.6), lower projected hazard escalation, together with sector adaptation, is expected to keep structural export-volume impacts non-material over the long-term across all three commodities, limiting the potential for material freight-related revenue effects.

Under Disorderly (SSP2-4.5) and particularly Hothouse (SSP3-7.0), stronger escalation of acute and chronic hazards beyond 2040 increases the potential for material declines in dairy and forestry productive capacity and associated export volumes, particularly in exposed regions where adaptation becomes constrained. Dairy may also experience sharper, more frequent and widespread seasonal production volatility, with the greatest potential under Hothouse as compounding hazards increasingly challenge the effectiveness of adaptation measures. Forestry differs in that more severe acute events may generate temporary increases in log exports through salvage and early harvesting, potentially followed by reduced future harvest volumes. Some forestry regions may also experience offsetting growth benefits, leaving the net direction of export-volume impacts uncertain.

For kiwifruit, increasing acute-event disruption may result in more pronounced seasonal export-volume losses, including multi-season effects where severe vine or root damage delays recovery. Longer-term structural pressures are expected to increase under Disorderly and particularly Hothouse, although the sector's coordinated approach to adaptation is expected to moderate impacts. Material structural export-volume declines remain principally plausible under Hothouse, with lesser potential under Disorderly, depending on the effectiveness of adaptation.

Against the financial-impact assessment above, these trajectories increase the potential for residual freight-related revenue impacts under Disorderly and particularly Hothouse, most notably where seasonal export-volume shortfalls or structural changes leave freight capacity under-utilised. Whether these effects become material, individually or in combination with other risks, remains dependent on their scale and duration, with additional uncertainty over the net direction of forestry-related freight impacts.



Response and outcomes

IDR2: Reduced availability and/or increased cost of imported stock feed

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

Projected increases in acute and chronic physical hazards may create seasonal shocks and long-term structural constraints in key overseas stock-feed cultivation systems, reducing supply and increasing costs. Rising global demand from competing uses, particularly biofuels and renewable fuels, may also create additional sustained price increases. Together, these pressures may erode affordability over time for New Zealand agricultural end users to varying degrees, particularly among more price-sensitive users. Any resulting reductions or changes in feed purchases may, in turn, materially reduce imported volumes of some or all stock feed categories via the Port.

Climate hazard/driver

Physical climate hazards: See acute, chronic, and related natural hazards outlined at IDR1

Transition driver: rising global biofuel and renewable-fuel demand competing for relevant feedstocks

Elements at risk/aligned

Key stock feed imports including: (a) Palm kernel expeller (PKE): the largest single stock feed import, making up around 54% of total annual imports, sourced predominantly from Malaysia and Indonesia; (b) Grains and oilseeds: Typically the second largest category, together accounting for roughly one-third of total imports. This includes wheat and barley (mainly from Australia, with some volumes from North America), maize and maize products (Australia, USA, South America), and soybean meal (Argentina, Brazil, USA); (c) By-products and residuals: Smaller share (generally under 10% of imports), comprising distillers' dried grains (USA), bran/pollard and milling by-products (Australia), canola meal (Australia), citrus pulp pellets (USA/Brazil), molasses (Australia/Pacific), and fish meal (Peru/Chile).

How the risk arises

Stock-feed import volume, mix and timing are heavily influenced by global supply and prices, both of which may be increasingly shaped by two climate-related pathways[18]:

- **Physical climate impacts on offshore stock-feed production and supply:** Offshore cultivation, processing and export systems that produce most imported stock feed are expected to face more frequent and intense acute hazards, including droughts, floods, heatwaves and storms, increasing the prospect of seasonal production dips and associated price spikes. Rising chronic hazards may reduce climatic suitability, eroding productive capacity and driving gradual cost increases.
- **Transition-driven competition for agricultural feedstocks:** Rising demand from first-generation biofuel producers may increase competition for oilseeds, maize and palm kernel, putting upward pressure on prices. However, this pressure may ease as next-generation biofuels (using non-food feedstocks) displace food-crop-based biofuel production.

Either or both pressures may make imported stock feed unavailable or unaffordable for some New Zealand agricultural end users. Resulting changes in feed purchases may reduce import volumes or alter the mix or timing of stock feed moving through the Port.

What shapes the impact on the Port

How IDR2 affects the Port in practice is expected to depend principally on the following offshore production, importer, agricultural demand and Port operational characteristics:

- **Supplier adaptive capacity:** Most stock-feed import categories have a geographically diverse supply base, reducing the risk of acute events and chronic shifts materially affecting supply and cost. The main exception is palm kernel expeller (PKE), whose concentrated production base (Malaysia/Indonesia) increases vulnerability to physical climate impacts and whose large import share amplifies potential impacts from supply and price pressures. Offshore producers can use irrigation and changed crop management to improve resilience in the nearer term, but these measures are likely to be more limited under greater long-term warming and drought, when more resilient crop varieties or shifts to better-suited growing regions offer further options.
- **Importer flexibility:** Because livestock nutritional requirements can be met through different feed combinations, stock-feed importers routinely adjust feed types and geographical sources in response to global price fluctuations and supply disruptions. A problem with a particular feed or producing region is therefore expected to change the mix, origin or timing of imports, which the Port is accustomed to handling, while supply is broadly maintained. This flexibility is more limited for PKE, and will not always guard against higher or more volatile prices reaching end users, particularly if acute events become more frequent or intense.
- **End-user adaptation:** End users also have a range of ways to adapt to price fluctuations and supply disruptions. Buffer stocks help manage short-term spikes. They can also reformulate rations, replacing a costly or scarce feed with another. This option tends to be more readily available to dairy producers than to poultry and pig producers. If prices stay high, end users may use less feed, which could reduce imports. Conversely, poor pasture growth in New Zealand, including from increasing physical climate pressures (IDR1.A), may increase demand for imported feed, even where higher prices would otherwise discourage purchases.

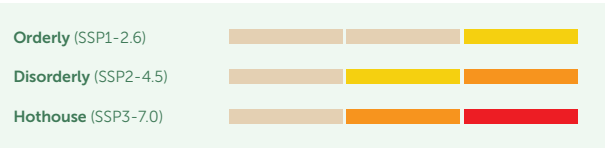
Anticipated impacts

Changes in the mix, origin or timing of imports, whether climate-driven or not, are not expected to generate a material financial impact, as the Port routinely accommodates such changes. The financial focus is therefore a reduction in total stock-feed import volumes, where a material impact would arise as lower revenue from stock-feed throughput. A material reduction is only considered plausible where sustained or widespread price pressure erodes affordability enough to reduce dairy producers' feed purchases, as they account for most imported feed and are less sensitive to higher feed prices than other agricultural end users.

While the combined effects of supply constraints caused by physical climate hazard escalation, biofuel competition for agricultural feedstocks and the adaptive capacity of offshore producers, importers and end users cannot be assessed with certainty, material impacts on import volumes are only considered plausible under the Port's Disorderly and Hothouse scenarios in the long term, as these are the only scenarios where:

- For the reasons outlined at DR1 and again at IDR1.A–C, projected climate hazard escalation post-2040 has the potential to exceed the buffering capacity of adaptation measures and constrain supply to levels that materially affect import volumes (e.g. where imported feed becomes unaffordable for a sufficient share of domestic end users); and
- Reliance on first-generation biofuels may persist for longer, extending and intensifying competing price pressures on oilseeds, maize and palm kernel to levels that may also materially affect import volumes, most clearly under Disorderly, where the transition is delayed.

Uncertainty as to the scale of any reduction anticipated under Disorderly and Hothouse is compounded by a number of other variables. The same acute and chronic hazards expected to affect offshore stock-feed production are also likely to reduce pasture growth in New Zealand (IDR1.A), increasing reliance on and demand for imported feed. At the same time, broader energy- and food-security priorities and macroeconomic conditions contemplated by the global reference scenarios that both Port scenarios are based on also have the potential to restrict access to that feed and erode its affordability.



Response and outcomes

Current response: Response to seasonal variability and gradual decline in export commodity supply also applicable to reduced import demand. This includes diversifying cargoes and income streams, regular consultation with customers, and responding to existing customers' changing needs as well as securing new customers and/or cargoes.

Also relevant are measures to ensure ongoing operational capacity and efficiency, while acknowledging innovation and adaptive capacity of the primary production sector as a risk mitigant.

Transition objectives: Robust and resilient infrastructure fit for a changing climate.

Near-term priorities:

- Continue to regularly consult with its key customers regarding forecasts and long-term trends to understand, manage and mitigate any impacts on the business.
- Monitoring climate-related changes affecting global trade and domestic production to ensure ongoing proactive and agile response to evolving cargo patterns, and further strengthen the Port's strategic positioning.

Short to medium-term goals:

- New Zealand's primary hub port, providing lower carbon supply chain for importers and exporters to and from international markets, serviced by extensive inland port and rail networks.
- The Port's infrastructure vision, investment and planning ensure climate resilience.

IDR2: Reduced availability and/or increased cost of imported stock feed (continued)

Key

Impact rating: Climate-related risks

Low | Moderate | High | Extreme

How the risk arises	What shapes the impact on the Port	Anticipated impacts	Response and outcomes
	Demand drivers: Approximately 60% of stock feed consumed in New Zealand is imported, with dairy accounting for approximately 75% of those imports[19]. Supplementary feed is deeply embedded in dairy production systems, making dairy producers less price-sensitive than poultry and pig producers. Because the dominant buyer is also less price-sensitive, total import volumes are expected to be partly insulated from higher feed prices. However, lower milk prices or weaker export demand (IDR3) may weaken dairy profitability and feed purchasing. Sustained or widespread pressure on dairy margins could materially reduce total import volumes.		

IDR3: Reduced demand for dairy export commodities

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

Transition-driven shifts in consumer and commercial customer preferences/buyer behaviour, together with the emergence of low-emission dairy alternatives, have the potential to progressively erode demand for key dairy exports in both established and emerging markets, particularly in advanced economies. These pressures, potentially amplified by other related transition drivers, may reduce market demand and price, which could, in turn, materially lower dairy export volumes moving through the Port.

Climate hazard/driver

Market drivers: growing consumer and business-customer concern about the emissions in food products, and pressure from large buyers to cut emissions in their supply chains.

Technology drivers: better and cheaper alternatives to dairy, including proteins made through precision fermentation (using microbes rather than cows).

Elements at risk/aligned

Overseas demand for New Zealand dairy exports, particularly in wealthier markets and from large multinational buyers. Relevant products include milk powders, butter and other milk fats, cheese, casein and protein products, and infant formula. For the Port, the exposure is mainly containerised dairy freight.

How the risk arises

Changing consumer tastes, buyers' emissions requirements and new dairy alternatives may gradually reduce demand for traditional New Zealand dairy products in two ways[20]:

- **Pressure from consumers and buyers:** Consumers choosing lower-emission food, and large buyers setting emissions targets for their suppliers, may reduce demand for traditional dairy, mainly in wealthier markets.
- **Competition from dairy alternatives:** Precision fermentation and similar technologies may take market share from some dairy products. Current evidence suggests this is most likely in specialist proteins and ingredients, not in high-volume products such as milk powder.

Lower demand or prices could, over time, affect how much New Zealand produces and exports, and in what form.

What shapes the impact on the Port

How much IDR3 affects the Port is expected to depend mainly on four things:

- **Where New Zealand dairy is sold:** These pressures are expected first in wealthier markets. But more than half of New Zealand's dairy exports go to developing and emerging economies, where affordability and food security matter more. Losing ground in some wealthier markets would not necessarily reduce total exports.
- **New Zealand's competitive position:** New Zealand dairy is relatively emissions-efficient, which may help it keep customers who favour lower-emission suppliers, as higher-emission producers are expected to lose ground first. Recent trade agreements with the EU and UK, population growth and climate pressures on competitors' production also support demand.
- **How far alternatives can go:** Dairy alternatives still face hurdles in cost, scale, regulation and consumer acceptance. There is no current evidence that they will replace milk powder and other high-volume products.
- **Whether the Port's freight actually changes:** Lower demand only affects the Port if it changes how much dairy moves through it. At first it is more likely to slow growth or change the product mix. If volumes did fall, the Port's ability to fill the container space with other cargo (see IDR1) would determine the financial effect.

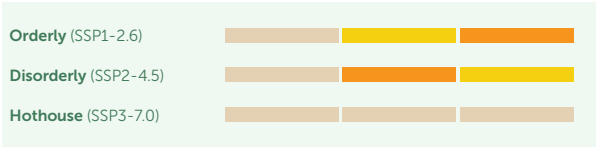
Anticipated impacts

The main financial risk would be lower freight revenue if dairy exports through the Port fell overall. For that to happen, the protections described above would all need to give way: demand from developing markets, New Zealand's emissions advantage, its trade access, and the limited reach of alternatives into high-volume products. The current assessment does not suggest this is likely.

If dairy volumes did fall, the effect on the Port would depend on how far and how fast. Under IDR1, a gradual fall in containerised dairy exports is expected to give the Port time to find replacement cargo, because container demand is expected to outgrow capacity over the longer term. The competitive nature of New Zealand's container freight market means that Port of Tauranga could also potentially replace a reduction in containerised dairy volumes with cargo won from other ports (i.e. market share gain). A fall under IDR3 could come earlier than that, so filling the space would be less certain. This year's assessment found no fall in dairy freight linked to these pressures, and the risk cannot yet be reliably estimated.

Timing: Where action on emissions is strong, these pressures are expected from the short to medium-term, earlier than the physical risks to dairy assessed under IDR1.

Scenarios: Orderly (SSP1-2.6) brings the strongest pressure overall, starting in wealthier markets over the short to medium-term and building over the long term, and the fastest progress on alternatives, although these are still unlikely to replace high-volume products. A material impact on Port revenue is not expected, although replacement cargo is less certain this early. Under Disorderly (SSP2-4.5), the pressure comes later but more abruptly, and more unevenly, and is softened by demand from developing markets; a material impact is not expected. Under Hothouse (SSP3-7.0), weak action on emissions and a stronger focus on affordable food support continued demand for traditional dairy, and no material loss of demand is expected.



Response and outcomes

Current response: Existing strategies related to diversifying cargoes and income streams, regular consultation with customers, and responding to existing customers' changing needs as well as securing new customers and/or cargoes.

Climate change initiatives to decarbonise Port operations and support New Zealand exporters with the lowest emissions supply chain.

Transition objectives: Robust and resilient infrastructure fit for a changing climate and providing New Zealand exporters with the lowest emissions supply chain.

Near-term priorities:

- Priorities include consulting with key customers regarding forecasts and long-term trends, and monitoring climate-related changes affecting global trade and domestic production to ensure proactive and agile response to evolving cargo patterns.

Regarding a low-emissions supply chain:

- Further develop the hub-and-spoke model, with Port of Tauranga as the hub port that is big ship capable and transhipps cargo to other spoke ports through coastal shipping.
- Advocating for rail transport and coastal shipping as an alternative to road transport for moving large volume and heavy cargo.
- Planning and implementation of the necessary works to accommodate larger vessels, including berth extensions and dredging, will be coordinated and aligned with introduction of larger vessels to New Zealand routes.

Short to medium-term goals:

- New Zealand's primary hub port, providing lower carbon supply chain for importers and exporters to and from international markets, serviced by extensive inland port and rail networks.
- The Port's infrastructure vision, investment and planning ensure climate resilience.

IDR4: CBAM and climate regulation impacts on commodity exports

Key | **Impact rating:** Climate-related risks — Low | Moderate | High | Extreme

The anticipated introduction and expansion of carbon border adjustment mechanisms ("CBAMs") and other climate change-related regulations have the potential to directly or indirectly influence market access and/or demand for all key export commodities (dairy, logs, other forestry products and kiwifruit) in applicable offshore markets. For example, CBAMs can add carbon-related costs to covered goods, shipping-emissions pricing can raise freight costs, and climate-reporting requirements can incentivise purchasers to reduce high-emission supply. These effects may strengthen or weaken demand, in turn increasing or reducing export volumes through the Port.

Climate hazard/driver

Transition drivers — existing, emerging and anticipated climate-related regulation:

- CBAMs and other carbon-border adjustment measures.
- Behind-the-border requirements, including deforestation regulation, mandatory climate disclosures and product-labelling/embodied-emissions requirements.
- Shipping carbon-pricing frameworks (e.g. the EU ETS extension to shipping).
- International shipping fuel and emissions regulation (e.g. the potential IMO Net-Zero Framework).

Elements at risk/aligned

Overseas demand for, and access to markets for, the Port's main export commodities: dairy, logs, other forestry products and kiwifruit. Key markets include China, the United States, Australia, the EU, the UK, Japan, South Korea and Southeast Asia. Mandatory climate reporting is in force or proposed in markets taking around 80% of New Zealand exports by value, and around 40% go to countries with carbon border taxes in place or under consideration. For the Port, the exposure is through the volume, mix and routing of export freight.

How the risk arises

Climate-related trade rules are expected to spread across New Zealand's export markets[21]. They could raise costs or change demand for New Zealand exports, in either direction, in three ways:

- **Carbon border taxes (CBAMs):** These add a carbon cost to imported goods. The EU scheme, and the UK scheme planned from 2027, cover industrial goods only and exclude food and fibre, but the EU has named dairy as a possible future addition. Applied as intended, they could favour lower-emission New Zealand products[22].
- **Rules inside export markets:** Requirements such as the EU's deforestation rules and emissions labelling or tracing can add compliance costs and affect access to customers, but can also reward suppliers who can prove low-emissions or sustainable sourcing.
- **Carbon pricing on shipping:** Schemes such as the EU's carbon pricing for shipping, and possible international rules, raise the cost of getting goods to market, which matters more for a country as far away as New Zealand.

What shapes the impact on the Port

How much IDR4 affects the Port is expected to depend mainly on five things:

- **What the rules cover and how they work:** Which products are included, how emissions are measured, any exemptions or phase-in periods, and whether New Zealand's performance is recognised. Few current rules apply directly to the Port's main exports.
- **New Zealand's emissions performance:** New Zealand's relatively low-emission dairy and certified sustainable forestry could turn some rules into an advantage.
- **Exporters' readiness:** Many exporters already measure and report emissions for domestic rules and customers, which lowers the cost of meeting overseas requirements.
- **Which markets act first:** Wealthier markets are expected to introduce rules first, with developing markets following later. Exports weighted towards developing markets, particularly dairy, are partly protected in the short to medium-term.
- **Distance:** New Zealand's distance from its main markets means carbon charges on shipping cost its exporters more than closer competitors.

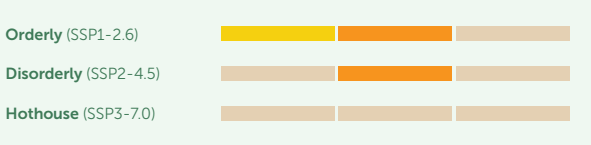
Anticipated impacts

IDR4 could change the volume, mix or routing of exports through the Port, and with it freight revenue. The direction is uncertain and may differ by product and market: compliance and shipping costs could weaken demand in some markets, while recognition of New Zealand's lower emissions could strengthen it in others. The more likely effect is a shift in which products go to which markets, rather than a change in total export volumes.

No effect on the Port was seen in FY2026. The EU's carbon border tax took full effect in 2026 but does not cover the Port's main exports, the EU deforestation rules have been delayed, and recent export changes reflect seasons, demand and production rather than climate rules. Because the outcome depends on future rules in many countries, IDR4 is assessed qualitatively.

Timing: Where action on emissions is strong, new rules are expected in wealthier markets in the short term, with developing markets following from the medium-term.

Scenarios: Orderly (SSP1-2.6) brings rules earliest and most widely, including higher shipping costs, but also the most predictable timetable and the best chance for New Zealand exporters to benefit from their lower emissions. Disorderly (SSP2-4.5) brings rules later but more abruptly and inconsistently, making it the most disruptive and hardest to predict, although slower action in developing markets softens the effect. Under Hothouse (SSP3-7.0), there is little coordinated regulation, although some markets or buyers may still set requirements. In all three scenarios, a material impact on Port revenue is not expected, and the direction of any effect remains uncertain.



Response and outcomes

Current response: Existing strategies related to diversifying cargoes and income streams, regular consultation with customers, and responding to existing customers' changing needs as well as securing new customers and/or cargoes.

Climate change initiatives to decarbonise Port operations and support New Zealand exporters with the lowest emissions supply chain.

Transition objectives: Robust and resilient infrastructure fit for a changing climate and providing New Zealand exporters with the lowest emissions supply chain.

Near-term priorities:

- Priorities include consulting with key customers regarding forecasts and long-term trends, and monitoring climate-related changes affecting global trade and domestic production to ensure proactive and agile response to evolving cargo patterns

Regarding a low-emissions supply chain:

- Priorities include developing the hub-and-spoke model to enable coastal shipping, advocating for rail and coastal shipping as an alternative to road transport and accommodating larger vessels at Tauranga.

Short to medium-term goals:

- New Zealand's primary hub port providing lower carbon supply chain for importers and exporters, to and from international markets, serviced by extensive inland port and rail networks.
- The Port's infrastructure vision, investment and planning ensure climate resilience.

IDR5: Decarbonisation of New Zealand's transport and broader energy systems

Key | **Impact rating:** Climate-related risks

Low | Moderate | High | Extreme

Policy, market and technology-based transition drivers specific to transport and other fuel-intensive sectors are expected to progressively reduce New Zealand's reliance on imported liquid fuels. For example, increasing electrification of the light vehicle fleet, increased use of public and active transport options, and gradual uptake of alternative fuels for heavy transport are likely to alter the scale and composition of future fuel demand over time, reducing traditional liquid-fuel imports through the Port as a result.

Climate hazard/driver

Transition drivers of particular note:

- Declining production of internal combustion engine vehicles, particularly light vehicles, alongside accelerating electric vehicle adoption and charging-network rollout.
- Policies incentivising mode shift from private vehicles to public and active transport.
- Development and uptake of alternative-fuel technologies for heavy transport, together with freight mode shift to rail and coastal shipping.

Potential regulatory changes, including internal combustion engine import restrictions, mandated biofuel blending and fuel-efficiency requirements.

Elements at risk/aligned

Demand for imported liquid fuels moving through the Port. Nationally, liquid fuel imports in 2025 were roughly 47% diesel, 31% petrol and 20% aviation fuel[23]. Diesel is used mainly for freight, farming, construction and backup power, and petrol mainly for cars. Only a small amount of aviation fuel moves through the Port, so its exposure is mainly to petrol and diesel. Imports of biofuels may partly replace some of these.

How the risk arises

Policy, market and technology changes in transport and other fuel-heavy sectors are expected to reduce New Zealand's reliance on imported fossil fuels, and so the volume of fuel coming through the Port[24]. The pace will differ by fuel:

- **Petrol:** expected to fall first and fastest, as electric and more efficient cars replace petrol vehicles and more people use public transport, walking and cycling.
- **Diesel:** expected to fall more slowly, because trucks, farm and construction machinery and backup generators are harder to switch to other fuels.
- **Aviation fuel:** expected to fall slowest, because alternatives for aircraft are limited and expensive.

Biofuels and other alternative fuels may partly make up the lost volume where they replace diesel or aviation fuel and are imported through the Port.

What shapes the impact on the Port

How much IDR5 affects the Port is expected to depend mainly on four things:

- **How easily each fuel can be replaced:** This is easiest for petrol in cars and hardest for aviation and heavy diesel uses.
- **Policy and infrastructure:** Clean-vehicle policy, charging networks and the rate at which vehicles are replaced determine how quickly lower demand reaches the Port.
- **Other causes of change:** Fuel imports also rise and fall with prices, stock levels, the economy, air travel and fuel security, which can hide or exaggerate transition effects in any one year.
- **Whether alternative fuels come through the Port:** Biofuels and other alternatives only offset lost volume if they are imported through the Port and can be handled with existing facilities.

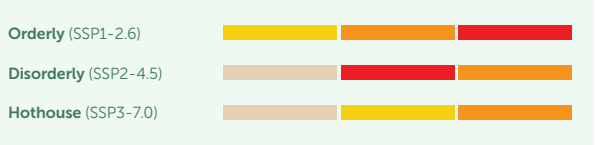
Anticipated impacts

The main financial risk is lower revenue from handling fuel imports as volumes fall. Because petrol is expected to fall first and diesel and aviation fuel more slowly, the effect is expected to build gradually rather than all at once. Alternative fuels may offset part of it, but are not expected to replace it fully.

Oil product imports through the Port fell by more than 2% in the year to 30 June 2026, but this has not been linked to the transition, as prices, stock levels and other factors also affect volumes. IDR5 is assessed qualitatively this year, with partial quantification by fuel type planned for FY2027, depending on available data.

Timing: Where policy is strong and early, lower petrol demand could start to affect Port volumes in the short-term and deepen through the medium-term, with diesel and aviation fuel following later.

Scenarios: Orderly (SSP1-2.6) brings the earliest and steadiest decline, led by petrol from the short term, with the clearest offset from biofuels. Under Disorderly (SSP2-4.5), the decline is delayed and then sharper through the medium term, with less certain offsets. Under Hothouse (SSP3-7.0), fossil fuel use persists longer, and later change is driven by fuel security and cost rather than emissions. A material impact is not expected in the short term. Whether the decline becomes material in the medium to long-term under Orderly and Disorderly will be tested through the FY2027 quantification.



Response and outcomes

Current response: Similarly to other import and export impacts, existing strategies related to diversifying cargoes and income streams, regular consultation with customers, and responding to existing customers' changing needs as well as securing new customers and/or cargoes.

On wider transport and energy system change, climate change initiatives to decarbonise Port operations and support New Zealand exporters with the lowest emissions supply chain.

Transition objectives: Robust and resilient infrastructure fit for a changing climate and providing New Zealand exporters with the lowest emissions supply chain.

Near-term priorities:

- Priorities include consulting with key customers regarding forecasts and long-term trends, and monitoring climate-related changes affecting global trade and domestic production to ensure proactive and agile response to evolving cargo patterns.

And further supporting a low-emissions supply chain:

- Priorities include developing the hub-and-spoke model to enable coastal shipping, advocating for rail and coastal shipping as an alternative to road transport and accommodating larger vessels at Tauranga.
- Consider and develop supply and demand-side options for energy management and resilience in infrastructure design and planning. Inform strategy by modelling future scenarios i.e. granular forecasting where possible, electricity market and dynamics, and demand-side economics.

Short to medium-term goals:

- New Zealand's primary hub port, providing lower carbon supply chain for importers and exporters to and from international markets, serviced by extensive inland port and rail networks.
- The Port's infrastructure vision, investment and planning ensure climate resilience.

IDO1: Increased demand for logs and other forestry export commodities

Key | **Impact rating:** Climate-related opportunities

Material | High | Very high

Transition-driven shifts in consumer and commercial buyer preferences, together with an increasing number of policy- and technology-enabled uses of sustainable timber in emissions-intensive sectors such as energy, transport, construction and manufacturing, may increase demand for New Zealand forestry products. Examples include engineered wood substituting steel and concrete, cellulose replacing plastics, woody biomass and biofuels displacing fossil-fuel alternatives, and other bio-based materials. Any resulting uplift may affect the composition and/or volume of forestry exports through the Port.

Climate hazard/driver

Market and stakeholder drivers: increasing consumer and commercial-buyer focus on embodied emissions and broader environmental impacts; increasing preference and procurement demand for low-carbon alternatives; and increasing supply-chain emissions-reduction pressure from customers, lenders, investors and insurers.

Policy and technology drivers: policy settings and technological advances supporting substitution of emissions-intensive materials and fuels with sustainable timber and wood-fibre alternatives, including engineered wood, biomass/biofuels and bio-based materials.

Elements at risk/aligned

Overseas demand for New Zealand forestry exports: logs, woodchips, pulp and paper, sawn timber and engineered wood, and newer uses of low-grade logs and residues such as bioenergy, biofuels and bio-based materials. Key markets include China, the United States, Japan, Australia, South Korea and Southeast Asia. For the Port, the exposure is through the volume, mix and form of forestry exports.

How the risk arises

As buyers seek lower-emission materials and policy and technology open up new uses for wood, demand and prices for New Zealand forestry products may rise[25]. Three uses have the greatest potential:

- **Building with wood:** timber and engineered wood products replacing steel and concrete.
- **Energy and fuels:** wood residues and low-grade logs used for heat, bioenergy and biofuels.
- **Bio-based materials:** wood fibre replacing fossil-based plastics, packaging, textiles and chemicals.

Sustained higher demand could encourage more planting, more of the harvest going to export, and changes in the types of forestry products moving through the Port.

What shapes the impact on the Port

How much IDO1 benefits the Port is expected to depend mainly on four things:

- **Whether demand becomes lasting:** New uses need consistent policy and buyer demand before they scale up. Building with wood is the most developed; bio-based materials are at an earlier stage.
- **The harvest cycle:** Forestry exports are expected to peak around 2026 and fall by up to a third in the 2030s, for reasons unrelated to climate, before recovering. Any climate-driven increase sits on top of this cycle, and new forests take decades to reach harvest.
- **Whether demand matches what New Zealand grows and makes:** New demand needs to be for the types of wood fibre New Zealand can supply, and processing investment needs to turn it into exportable products. The benefit may come more through higher-value or processed products than through more logs. Residues and low-grade wood may also be used within New Zealand for heat or fuel rather than exported.
- **Supply and competitors:** Climate impacts on New Zealand forests (IDR1) may limit supply, while competitor countries facing bigger climate impacts could strengthen New Zealand's position.

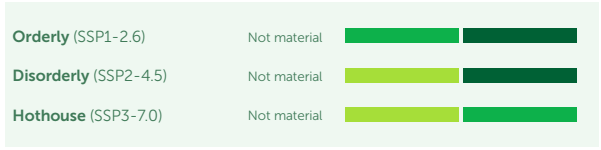
Anticipated impacts

The main financial benefit would be more freight revenue from forestry exports. This is more likely to come from changes in the type and value of products than from more logs. Any increase could also help offset the period of spare bulk capacity identified under IDR1 if log exports fall.

No effect on the Port has been seen so far: newer uses of wood have not yet changed exports, and recent movements reflect markets, prices and the harvest cycle. Because the benefit depends on new industries and processing developing, it cannot yet be reliably estimated.

Timing: Wood residues and low-grade logs could respond sooner, but a lasting increase depends on new or replanted forests reaching harvest, so any significant effect is expected in the medium to long term.

Scenarios: Orderly (SSP1-2.6) offers the strongest opportunity over the medium to long term, led by building with wood. However, because the benefit is likely to show up mainly in product type and value rather than volume, and some wood may be used within New Zealand, it is not expected to be material for the Port on its own. Under Disorderly (SSP2-4.5), the opportunity comes later and less predictably. Under Hothouse (SSP3-7.0), weak climate policy leaves a narrow opportunity, mainly in bioenergy, much of which may be used domestically. A material benefit is not expected under Disorderly or Hothouse.



Response and outcomes

Current response: Response to seasonal variability and gradual decline in export commodity supply also applicable to increased demand. This includes diversifying cargoes and income streams, regular consultation with customers, and responding to existing customers' changing needs as well as securing new customers and/or cargoes. Also relevant are measures to ensure ongoing operational capacity and efficiency.

Transition objectives: Robust and resilient infrastructure fit for a changing climate and providing New Zealand exporters with the lowest emissions supply chain.

Near-term priorities:

- Priorities include consulting with key customers regarding forecasts and long-term trends, and monitoring climate-related changes affecting global trade and domestic production to ensure proactive and agile response to evolving cargo patterns.

Regarding a low-emissions supply chain:

- Priorities include developing the hub-and-spoke model to enable coastal shipping, advocating for rail and coastal shipping as an alternative to road transport and accommodating larger vessels at Tauranga.

Short to medium-term goals:

- New Zealand's primary hub port, providing lower carbon supply chain for importers and exporters to and from international markets, serviced by extensive inland port and rail networks.
- The Port's infrastructure vision, investment and planning ensure climate resilience.

IDO2: Impacts of climate migration and transition on demand for imported goods

Key | **Impact rating:** Climate-related opportunities: Material, High, Very high

The transition to a low-carbon, climate-resilient future, alongside the physical effects of climate change, is expected to both lift and dampen demand for imported goods: population growth, including climate-induced migration, and large-scale investment in decarbonisation and resilience measures are expected to increase demand for some import categories (e.g. commercial materials, components, plant and equipment), while macroeconomic headwinds from transition and physical impacts may dampen demand for others (e.g. household, consumer, food and beverage goods). The balance of these opposing forces may increase import volumes through the Port.

Climate hazard/driver

Systemic climate drivers: cumulative economy-wide effects of the transition to a low-carbon, climate-resilient economy and the physical impacts of climate change.

Demand-uplift systemic climate drivers: mitigation and adaptation/resilience investment; population growth, including climate-induced migration. Demand-dampening systemic drivers: macroeconomic and broader economic-structural headwinds arising from transition and physical climate impacts.

Elements at risk/aligned

Demand for imported goods moving through the Port, including capital goods and infrastructure, building and commercial materials, technology, food and drink, and household goods. These differ in how much freight they generate: high-value equipment and technology take up relatively little space, while materials, food and household goods account for more volume.

How the risk arises

Climate change and the shift to a low-emission economy are expected to push demand for imports both up and down, through three opposing forces:

- **Investment:** Spending on cutting emissions and adapting to climate change may increase imports of materials, components, machinery, technology and infrastructure.
- **Population growth:** A growing population, including people moving to New Zealand because of climate impacts elsewhere, may support demand for food, household goods and building materials.
- **Economic pressure:** Higher costs, weaker incomes and pressure on public budgets from climate impacts and the transition may reduce demand for household, discretionary and some business imports.

The balance between these forces may change how much is imported through the Port, and what.

What shapes the impact on the Port

How much IDO2 benefits the Port is expected to depend mainly on four things:

- **Which force is stronger:** A net increase only happens where investment and population growth outweigh economic pressure elsewhere. Broad growth across all imports is not expected.
- **Funding and sourcing:** Public investment and support help unlock private investment in emissions reduction and adaptation; if public budgets are stretched, this investment slows. Whether goods are made locally or imported, and global supply constraints, also affect how much reaches the Port.
- **Value versus volume:** Expensive equipment and technology add relatively little freight. Materials, food and household goods matter more to the Port.
- **Whether imports come through Tauranga:** Population growth in the Upper North Island and the Port's hub role help it capture additional imports, and DO1 and DO2 make this more likely.

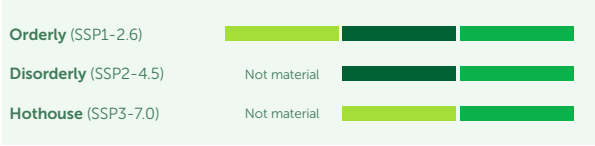
Anticipated impacts

The main financial benefit would be more import freight revenue, mostly from containers, in the categories where investment or population growth outweighs economic pressure. The effect is more likely to show up as changes in what is imported and when, plus growth in some categories, than as broad import growth.

No change linked to these drivers has been seen so far. Imports rose in the first half of FY2026, but mainly because of strong demand for agricultural products. Because the forces involved pull in opposite directions, the net effect cannot yet be reliably estimated.

Timing: Where investment in emissions reduction is well coordinated, it could lift some imports from the short to medium term. Imports for adaptation and repair are expected to grow later, as physical impacts build up.

Scenarios: Orderly (SSP1-2.6) offers the clearest potential for growth in some import categories over the short to medium term, as coordinated investment starts earlier and economic pressure is easier to manage. Under Disorderly (SSP2-4.5), any growth is later and more volatile. Under Hothouse (SSP3-7.0), there is less investment in cutting emissions, and imports for repair and adaptation are likely to be irregular and outweighed by economic pressure. In all three scenarios, IDO2 is not expected to be material on its own, and the overall direction remains uncertain.



Response and outcomes

Current response: Similarly to other import and export impacts, existing strategies related to diversifying cargoes and income streams, regular consultation with customers, and responding to existing customers' changing needs as well as securing new customers and/or cargoes.

On wider transport and energy system change, climate change initiatives to decarbonise Port operations and support New Zealand exporters with the lowest emissions supply chain.

Transition objectives: Robust and resilient infrastructure fit for a changing climate and providing New Zealand exporters with the lowest emissions supply chain.

Near-term priorities:

- Priorities include consulting with key customers regarding forecasts and long-term trends, and monitoring climate-related changes affecting global trade and domestic production to ensure proactive and agile response to evolving cargo patterns.

And further supporting a low-emissions supply chain:

- Priorities include developing the hub-and-spoke model to enable coastal shipping, advocating for rail and coastal shipping as an alternative to road transport and accommodating larger vessels at Tauranga.

Short to medium-term goals:

- New Zealand's primary hub port, providing lower carbon supply chain for importers and exporters to and from international markets, serviced by extensive inland port and rail networks.
- Future development of Northport berths and adjacent land holdings to cater for increases in import cargo volumes.
- The Port's infrastructure vision, investment and planning ensure climate resilience.

Climate-related risks and opportunities previously assessed as immaterial and carried forward for FY2026

In FY2024 and FY2025 the Port identified a number of direct physical risks, direct transition risks and opportunities, and indirect physical risks and opportunities that were deemed immaterial, but had the potential to become material over time. These have been carried forward for FY2026. The Port remains aware of and continues to monitor this cohort of lower-level risks and opportunities on a precautionary basis for any changes that may affect materiality. The tables below list each of these risks and opportunities:

Continued monitoring of direct physical risks currently deemed immaterial	
Impact of wetter winters: Physical risk	All Port sites are projected to experience warmer wetter winters, which can cause lower levels of accelerated wear and tear to Port assets and infrastructure. Existing maintenance programmes and asset resilience limit materiality.
Impact of drier summers: Physical risk	All Port sites are located in areas projected to experience drier summers. Prolonged dry conditions can cause soil to shrink and contract, damaging underground utilities and building foundations in the process.
Groundwater rise: Physical risk	Rising coastal water tables may increase hydrostatic pressure exerted on foundation slabs and other underground elements, such as basement levels and underground utilities. It can also lead to "salinity intrusion" that attacks concrete and reinforcing. Most exposed assets will be decommissioned in the relevant timeframe.
Temperature increases: Physical risk	Increasing temperatures and solar radiation were identified as having the potential to impact thermal comfort levels, lead to increased air conditioning use, generate widespread but low-grade additional wear and tear.
Worker health and safety: Physical risk	Various acute and chronic climate hazards were identified as having the potential to increase the prevalence of certain workplace hazards and/or potential harm they may cause. However, existing and readily available Workplace Health and Safety measures, can adequately mitigate and manage these anticipated increases in workplace hazards due to climate change.

Continued monitoring of indirect physical risks and opportunities currently deemed immaterial	
Comparative extent of climate impacts: Physical opportunity	New Zealand's geographic isolation and relatively moderate pre-existing climate may lead to producers of primary exports experiencing less severe physical climate impacts compared to their counterparts in other key producing nations, potentially resulting in increased demand in offshore markets. Such an outcome may in turn have a positive impact on exported volumes.
Shipping disruptions: Physical risk	Physical climate risks have the potential to disrupt and adversely impact shipping in numerous ways. Having assessed the potential impacts and available adaptation measures that the shipping sector will or may implement, it was determined that any resulting impacts on the Port would likely be immaterial based on the Port's current understanding.
Impacts on dairy transport: Physical risk	Acute events are expected to increasingly disrupt farm-gate access and supply chains. For example, Cyclone Gabrielle cut access to over 600 Fonterra farms through slips and flooding, but the impact on total exports was minimal given New Zealand's ~21 billion litres of annual milk production.

Continued monitoring of direct transition risks and opportunities currently deemed immaterial	
Stakeholder and public expectations: Opportunity and risk	The Port anticipates increased scrutiny of its greenhouse gas emissions and climate-related risk profile by all stakeholders. However, it anticipates that robust reporting alongside effective and ambitious transition planning will ensure that this presents an opportunity.
Cost and security of electricity supply: Transition risk	Electricity costs are expected to increase and become more volatile, especially under the Port's Orderly and Disorderly scenarios. From a cost perspective, this risk was deemed manageable, as any electricity cost increases are likely to be passed on in full. Potential brownout or blackout risks were also deemed low.
Building regulation changes: Transition risk	The Port anticipates that changes to building regulations imposing whole-of-life embodied and operational emissions rules will be implemented in the short to medium-term. However, additional costs can be passed on and low-carbon, energy-efficient new builds are already a priority. Therefore this risk is currently deemed immaterial.
Other supply chain risks, cost and access: Transition risk	Decarbonisation of supply chains at the global and domestic levels has the potential to increase the general cost of materials and potentially lead to supply shortages as manufacturers re-tool, and end user demand for low embodied emission materials increases. Again, such costs are expected to be passed on. Access issues can also be managed via prudent transition planning.
Shore-to-ship power: Transition opportunity	Investing in shore-to-ship power would enable the Port to secure a meaningful reduction in Scope 3 emissions. This mitigation measure is being investigated, however current transmission capacity constraints may make this a medium to long-term opportunity.
Resource management and consenting: Transition risk	Port anticipates that resource management and environmental policies will be subject to ongoing changes as they respond to increasing physical risks and implement changes recommended in national emission reduction and adaptation plans. As it is not currently possible to anticipate the exact substance and timing of such policy changes, the Port will continue to monitor this risk.
Increased insurance costs: Transition risk	The increased frequency and severity of climate events like Cyclone Gabrielle are expected to have significant impacts on insurance costs, underwriting criteria, and cover. The Port intends to mitigate this anticipated cost pressure by continuing to focus on preserving climate resilience and engagement with insurance stakeholders.

Transition Plan summary

The Port's Transition Plan informs decision-making, drives accountability and strengthens the Port's management response to climate-related risks and opportunities.

Strategic intent

The Port's Transition Plan and objectives are structured around three core areas of impact, consistent with the XRB and Transition Plan Taskforce frameworks:

1. **Responding to climate-related risks and opportunities** – by integrating the Port's evolving understanding of climate-related physical and transition risks and opportunities into its business strategy, infrastructure planning, customer engagement, and asset development programme. Interventions should be commercially feasible, cost-effective and resilient.
2. **Contributing to the real-economy transition** – by leveraging the Port's unique national and international position to support decarbonisation across New Zealand's freight and logistics sector. This includes continued investment in hub port capacity, coastal shipping connectivity, rail integration, and future-ready infrastructure that supports low-emissions transport pathways and climate-resilient supply chains.
3. **Decarbonising the Port Group** – by progressively reducing direct and indirect emissions across the Port's operations and infrastructure, including Scope 1 and 2 emissions, and material Scope 3 emissions where the Port can influence change (e.g. modal freight shifts, tenant activity, and supply chain choices). The Port is part of a wider ecosystem and the plan accounts for the relevant dependencies and opportunities in its decarbonisation strategies.

Transition Plan initiatives align with the Port's strategic intent, operational context and current maturity, to ensure interventions are impactful and have a strong commercial rationale. Progress against the long-form internal plan – summarised here – is regularly monitored during the year. An annual review ensures it is developed through a staged and adaptive approach and its associated implementation strategy is refined over time, particularly as clarity improves around technology availability, infrastructure readiness, shipping trends and customer needs and expectations.

Update on relevant trends and strategic drivers

In FY2025 the Port reviewed transition-relevant trends, strategic drivers, planning challenges unique to the Port and potential trade-offs between its objectives. It identified key structural trends that are likely to be significantly shaped by both physical effects of climate change and the global transition to a low-emissions, climate-resilient economy. These remain relevant to the Port's transition planning, and critical when refining its phased and adaptive response to ensure delivery of long-term value and resilience.

Key trends include:

- North Island population growth: Continued urbanisation, particularly in Auckland and surrounding regions, is expected to be a primary driver of future import growth. This reinforces the strategic importance of the Port's inland freight network and Tauranga's role as the Upper North Island's key cargo gateway.
- Changing land use and industrial geography: Planning constraints and evolving land use in and around Auckland are anticipated to push industrial activity north and south of the city. This increases the strategic value of the Port's sites at Tauranga, Ruakura, and Northland, although additional industrial land may be needed to fully meet Upper North Island freight and manufacturing demand.
- Larger, lower-emissions vessels: The global container shipping fleet is continuing to evolve towards larger vessels with deeper draught requirements (15-15.5m), which are expected to have significantly lower emissions per unit of cargo. The Port's ability to accommodate these larger vessels represents a key resilience, decarbonisation and strategic advantage, ensuring New Zealand can retain direct services and reduce emissions intensity of trade to our shores. Importantly, the second stage of the Port's capital dredging programme to deepen its shipping channels is under way and will be complete by mid-2027. On 7 September 2026, the Port received regulatory approval of the Stella Passage development, subject to appeals and conditions. If it proceeds, it will increase capacity and further unlock decarbonisation opportunities.
- Import and export volumes: which present emission reduction challenges to the Port, as they naturally result in higher operational (Scope 1 and 2) and value chain (Scope 3) emissions.
- Global enablers: many of the Port's critical decarbonisation and resilience enablers are shaped by broader influences outside its direct control (e.g. shipping fuel use).

The FY2026 strategic landscape has also been shaped by the fuel price crisis caused by the ongoing conflict in the Middle East and constraints on the Strait of Hormuz. This led to some additional costs of operating diesel generators to power refrigerated containers during peak export season, that could not be passed through Fuel Adjustment Factor (FAF) arrangements. Fuel price and energy shocks remain relevant trends when considering mutual benefits of energy diversification to low-emissions sources, noting the Port has been reducing its generator use through electrifying container blocks.

Progress in FY2026

Summary

The Port's vision, key aspirations, and strategy remain well-positioned to support progress on its Transition Plan. In FY2025, three significant ancillary benefits were identified through assessment of its climate-related risk and opportunities:

- Inherent resilience to physical and transition risks: through the development of its national strategic network and commercial strategy, anchored in diversification of cargo, geography, operations and revenue streams. In addition, its proactive monitoring and response to evolving cargo patterns, many of which will increasingly reflect climate-related changes in global trade and domestic production, further strengthens its strategic positioning.
- Contributing to real economy transition: through consistent investment and strategic development of its capacity to accommodate larger, more carbon-efficient container vessels to New Zealand, and;
- The Port's national network of inland freight hubs and connected regional ports – linked by rail, road, and coastal shipping – providing exporters and importers with access to lower-emissions transport options across key national supply chains.

Steady progress has been made operationalising its strategic intent and associated initiatives, including the Port's FY2025 focus to ensure CRR/Os are well-integrated in the Port's strategic and risk management practice. Engaging the wider Group across all objectives is ongoing, aiming to foster broad organisational ownership of the objectives to ensure resilient, future-ready infrastructure and a low-emissions supply chain.

Detailed progress against Transition Plan objectives

A. Ensure robust and resilient infrastructure fit for a changing climate

The Port has a well-established over-arching infrastructure vision and plan that caters for the impacts of climate change. Future-focused infrastructure and services remain a high priority for customers and stakeholders, and the Port's aim is to ensure its assets and infrastructure support the resilience and ongoing function of New Zealand's import and export trade. Existing key actions and established practice have inherently reduced exposure of the Port's assets and sites, operations, wharves, and harbour access. The Port continues to build the evidence base, identify gaps, test assumptions and monitor impacts.

Near-term priorities	FY2026 status
Infrastructure	
All future infrastructure developments are designed to take into account the impacts from expected climate change and ensure long-term resilience.	**Maintained:** Future developments incorporate Bay of Plenty Regional Council (BOPRC) and Tauranga City Council (TCC) inundation requirements to ensure that new infrastructure remains resilient to projected climate-related impacts. Recent and planned resilience enhancements include higher-capacity cranes designed to withstand increased wind loads and the use of roller-compacted concrete paving to improve durability and performance under changing environmental conditions.
Review and monitor the effect of sea-level rise on the harbour and work with key stakeholders when planning and executing future harbour access maintenance.	**Maintained:** Regular hydrographic surveys are undertaken to monitor channel depths, sedimentation patterns, and seabed changes influenced by weather and coastal processes. Survey results inform maintenance dredging programmes and support the long-term resilience and accessibility of harbour infrastructure and shipping channels.
Complete the second stage of capital dredging to cater for the larger vessels expected to cascade into the Oceania shipping network.	**In progress:** Stage 2 of the capital dredging project to accommodate larger vessels is under way, aiming to complete by mid-2027.
Complete the Stella Passage project as part of the Port's vision for an integrated, efficient, cost-effective and resilient Upper North Island supply chain involving the region's existing three sea ports – Tauranga, Auckland and Northport. Includes the planned Sulphur Point wharf extension project providing additional berth capacity.	**In progress:** The Stella Passage development received regulatory approval, subject to appeals and conditions, on 7 September 2026. The Stella Passage development involves increasing capacity through berth extensions, reclamation and dredging.
Regarding servicing infrastructure: A detailed examination of the impact sea-level rise may have on the Tauranga and Auckland site's stormwater systems. Continuing to monitor stormwater system performance, as and when heavy and extreme rainfall events arise.	**In progress:** In April 2026, the Port opened a new stormwater treatment facility at the Mount Maunganui wharves. The $1.5 million facility captures and treats the 'first flush' of a heavy rain event. Performance of the new facility will be monitored and findings used to inform the design of future treatment facilities.
Engage the wider Group on ambition and objectives, and expectations that they align their own organisations with the Port.	**On-going.**

A. Ensure robust and resilient infrastructure fit for a changing climate – continued

Near-term priorities	FY2026 status
Business intelligence, evidence base and monitoring	
Continue to build the Port's evidence base and monitoring, including identifying and addressing any further gaps in impact and risk monitoring and research.	**As above, and further progress under way:** essential foundations established with integration of CRR/Os into the enterprise risk management (ERM) and strategic risk management (SRM), with further implementation plan under way to develop maturity over time. **See also E: Remain adaptive and responsive as the transition unfolds.**
Monitor climate-related changes affecting global trade and domestic production to ensure ongoing proactive and agile response to evolving cargo patterns, and further strengthen the Port's strategic positioning.	**Maintained:** close engagement with customers, industry participants, government agencies and regulators, to maintain visibility of emerging geopolitical, trade and economic developments that may impact cargo volumes or supply chains. Complemented by diversified cargo mix, long-term customer and supplier relationships, and diversified earnings streams, which together improve resilience and reduce reliance on any single market or trade corridor.
Continue to regularly consult with key customers regarding forecasts and long-term trends in order to understand, manage and mitigate any impacts on the business.	
Engagement and advocacy	
Champion investment in resilient transport networks, particularly rail, supported by development of evidence base with key stakeholders.	**As above:** and see also **B: Providing New Zealand exporters with the lowest emissions supply chain.**
Continue to engage with key decision-makers on the strategic importance of the Port as a lifeline utility. Share knowledge and insights on climate-related risk where relevant, to drive awareness and enhance the importance of adequate investment.	**Maintained:** The Port's lifeline utility role is explicitly recognised through engagement with the Lifeline Utility group, linking the Port's national supply-chain importance with transport and energy resilience.

B. Providing New Zealand exporters with the lowest emissions supply chain

The Port has taken an integrated view of the supply chain, investing in other ports, inland freight hubs, cargo handling expertise and logistics companies, giving it levers to reduce emissions, waste and inefficiencies for customers within its national network and beyond. Continued investment in resilience and capacity to accommodate the largest vessels visiting New Zealand supports this strategy. Strong relationships across key import and export value chains, particularly with KiwiRail, enable cargo to shift to lower-emissions transport where practical while maintaining long-term resilience. Together, rail, inland cargo consolidation and coastal shipping provide a pathway to increasing freight volumes while decarbonising the supply chain.

Near-term priorities	FY2026 status
Strategy, Infrastructure	
The Port will continue to invest in the capability to accommodate larger vessels as the hub-and-spoke model emerges, including: Complete the planned Sulphur Point wharf extension project, as part of the Stella Passage development, which will provide the container terminal with additional berth capacity to cater for the expected growth in coastal shipping and vessels larger than 12,000 TEU. Complete the second stage of capital dredging to cater for the larger vessels expected to cascade into the Oceania shipping network.	**Maintained:** The hub-and-spoke model has been positioned as a strategic response that links lower-carbon logistics, national supply-chain resilience and the Port's role. **In progress:** The Stella Passage development received regulatory approval on 7 September 2026, subject to appeals and conditions. Stage 2 of the capital dredging project to accommodate larger vessels is under way, aiming to complete by mid-2027.
Engagement and advocacy	
Advocating for rail transport and coastal shipping as an alternative to road transport for moving large volume and heavy cargo.	**Maintained:** Collaboration with KiwiRail supports the continued viability and utilisation of rail-served inland port infrastructure, providing customers with a lower-emissions freight transport option. Regular stakeholder engagement on regulatory and policy direction, participation in major industry associations.

C. Commitment to net-zero by 2050

The Port's long-term aspiration to achieve net-zero emissions by 2050 guides both its internal decarbonisation efforts and its contribution to New Zealand's emissions profile. The Port keeps this ambition in focus, supported by annual review of near-term targets, goals and progress against a 1.5°C aligned pathway to remain adaptive as improvement opportunities arise. The Port continues to seek opportunities across its national strategic network and the broader freight system where it can use its operational scale, resources, relationships, and influence to help enable absolute emissions reductions over time.

Near-term priorities	FY2026 status
The Port has near-term emissions reduction objectives for Scope 1 and 2: • 15% absolute emissions reduction (kt CO_2e) by 2035 relative to a 2023 base year. • 28% emissions intensity reduction (t CO_2e per cargo tonne) by 2035 relative to a 2023 base year. The Port's emissions reduction performance and comparison against near-term targets is detailed in Targets and Metrics.	**Progress:** Purchase of one electric and six hybrid straddle carriers, due for commissioning in October 2026. Our existing seven hybrids in our fleet of 53 straddles have already proven to be about 25% more fuel efficient than the older diesel-electric models. Installation of 212 additional reefer plugs at the Tauranga Container Terminal – now implemented, reducing the need to use diesel generators at peak times for refrigerated cargo. A new hybrid tug is under construction in Türkiye (Turkey) – expected delivery in early 2027. The Port is planning for implementation of electric automated stacking cranes (ASCs). The installation timeframe depends on the construction of the additional container berth at Sulphur Point as part of the Stella Passage development. **Note: interrelated initiatives and progress in B: Providing New Zealand exporters with the lowest emissions supply chain.**
Ensuring planning and investment generate meaningful emission reductions in operations, supported by pricing carbon into investment decisions. Investigating whether a feasible, credible pathway to carbon sequestration, offsets and investing in nature-based opportunities can be developed.	**Ongoing, as above.**
Engage the wider Group on ambition and objectives, and expectations that they align their own organisations with the Port.	**Ongoing.**

D. Support our workforce, stakeholders and communities

Nurturing our people is a key aspiration for the Port of Tauranga, with a strong focus on a positive health and safety culture and supporting overall wellbeing (physical, mental, emotional and financial). The future of work is a material issue currently that the Port aims to address through its strategies.

Outcomes for stakeholders include improving community wellbeing through secure employment and prosperity at the local, regional and national levels, and forming effective partnerships to pursue a shared vision of success.

The Port also needs to ensure appropriate risk and return for shareholders, responsive environmental stewardship, and highly effective and resilient logistics networks that meet the needs of the New Zealand supply chain. As physical and transition risks and opportunities can potentially affect these outcomes, particularly over the medium to long-term outlook, the Port will take a proactive and adaptive response to risks as needs arise. This is supported by its other transition objectives and is an ongoing focus.

Near-term priorities	FY2026 status
Ensure business continuity planning incorporates relevant climate-related risks when developing and stress-testing response. This also supports well-integrated risk management.	**Maintained:** The Port has a strong foundation for emergency response across its labour model, drawing on established coordination practices and lessons from prior disruption events such as COVID-19. A future-ready workforce framework is in place, underpinned by comprehensive development plans at individual, team and organisational levels.
Ensure existing emergency response across direct and outsourced labour is fit-for-purpose under different climate futures and/or stressors.	
Ensure current and future workforce planning is integrated with transition planning, to make sure the Port's people are looked after through future of work, technology, and operational health and safety changes.	

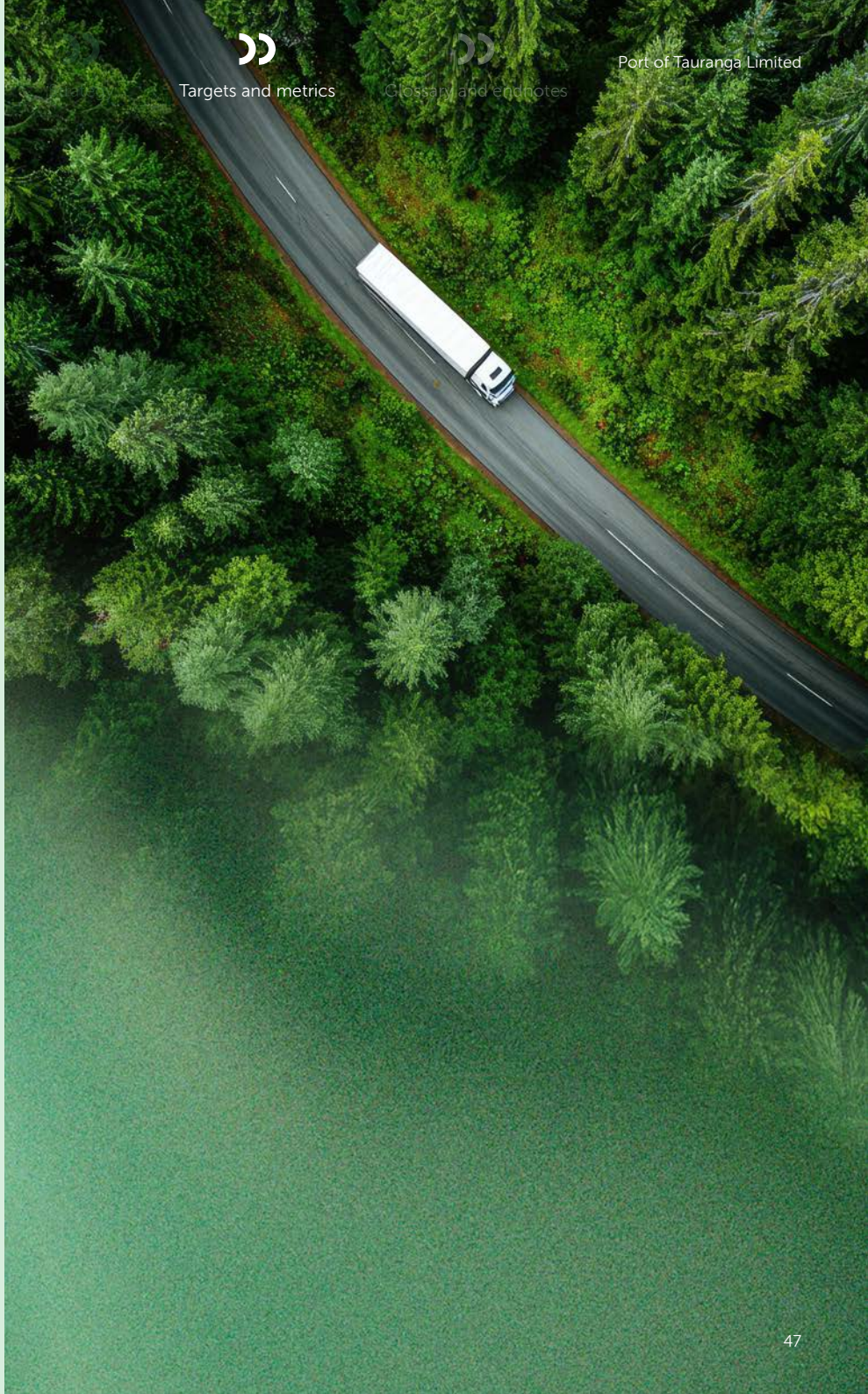
E. Remain adaptive and responsive as the transition unfolds

Achieving the Port's transition objectives requires a strategic risk management system that is set up to recognise, monitor and respond to risks and opportunities, and enables a phased and dynamic adaptive approach.

Commitments	FY2026 status
In FY2025 develop a longer-term blueprint underpinned by regular review aligned with business and strategic planning cycles so the Port's systems are set up to recognise, monitor and respond to risk and opportunities.	**Completed.**
In FY2026, the Risk Specialist will review the updated risks and opportunities from the FY2025 scenario analysis and ensure these are appropriately integrated into the Port's risk management frameworks and practices.	**Completed:** and will be further supported by development of an implementation plan to improve climate risk management maturity and integration with the Port's risk management framework over time.
In FY2026 refine and ensure strategic intent is integrated into each of the Port's core operational areas, with supporting actions mapped and monitored across business operations, services, policies and financial planning.	**As above and ongoing development:** supported by enterprise risk management and monitoring of progress across all initiatives in the Port's internal and detailed Transition Plan.
In FY2026 targeted implementation pathways are developed that help the Port navigate the potential timings and impacts of system interdependencies and help achieve transition objectives.	**As above and ongoing development:** particularly supported by integrating insights from the financial quantification analysis i.e. further refinement and understanding of how climate-related risks could unfold and where they could affect the Port's finances, into the risk management framework.

Targets and metrics

This statement constitutes the preparation used by Port of Tauranga in the disclosures of its Scope 1 and 2 greenhouse gas (GHG) emissions and related targets for reporting under the Climate-related Disclosures (CRD) regime. As permitted by the amended NZ CS2, Scope 3 emissions are not reported.



Reporting period

This statement is applicable for the reporting period 1 July 2025 to 30 June 2026, following the Port's financial year cycle.

Assurance statement

NZ CS1 Appendix B paragraph B1 requires assurance over an entity's GHG emissions for reporting periods that end on or after 27 October 2024.

The Scope 1 and 2 GHG emissions disclosed by the Port for the reporting period under the CRD have undergone assurance by KPMG.

Intended use and users

The Port wants to measure and report its emissions for a number of reasons, namely to:

- Identify and prioritise emissions management and reduction opportunities
- Meet stakeholder expectations
- Meet reporting obligations under the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021.

On this basis, the intended users of the Port's emissions inventory are:

- Existing and potential investors, lenders and other creditors
- The Port's Board of Directors and management
- All other interested stakeholders including regulators, communities, employees, customers, and contractors.

Standards used in the preparation of the inventory

The Port has prepared its Scope 1 and Scope 2 GHG emissions for the reporting period in accordance with:

- The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.

Organisational boundaries

The Port as the reporting company has used the operational control consolidation approach, as defined by the GHG Protocol.

Under this consolidation approach the organisational boundaries established by the Port include the Port as the parent company and its wholly owned subsidiaries, QM Logistics and Timaru Container Terminal and its joint venture interest in Ruakura Inland Port (operated by QM Logistics). This organisational boundary is collectively referred to as the Group. The Port has another wholly owned subsidiary, Port of Tauranga Trustee Company Limited, that has been excluded from the inventory as it has no associated emissions. For the reporting period the Port also held interests in additional joint ventures Coda Group, Northport Group, PrimePort Timaru and PortConnect that have been excluded from the Scope 1 and 2 emissions inventory due to a lack of operational control held by the Port or its subsidiaries. This is further detailed in Table 1 (see page 49).

The selected consolidation approach was chosen as it allows for the establishment of an organisational boundary that best aligns with the ability of the Port to influence emissions reductions. The emissions of joint ventures not included in the organisational boundary may be included in the Port's Scope 3 inventory in FY2028 following a full materiality assessment of Scope 3 sources.

Operational boundaries

The GHG Protocol Standard differentiates emissions into Scopes as follows:

- Scope 1 – Direct GHG emissions
- Scope 2 – Indirect GHG emissions (from the generation of acquired and consumed energy)
- Scope 3 – Indirect GHG emissions (other sources).

Direct GHG emissions are from sources that are owned or controlled by companies within the organisational boundary and indirect GHG emissions are from sources that occur as a consequence of the activities of the companies within the organisational boundary but occur at sources owned or controlled by another company.

Scope 1 emissions included for the Group include diesel combustion in owned or controlled plant (such as straddle carriers, tugs, pilot vessels, generators, terminal tractors, reach stackers, mobile harbour cranes and light vehicles) as well as the combustion of unleaded and premium petrol in light vehicles.

Scope 2 emissions for the Group include the consumption of electricity used in refrigerated container slots, ship-to-shore cranes, floodlighting, office buildings and electric vehicle charging stations.

A small amount of Scope 1 emissions has been excluded from the inventory, being gasses utilised in the Port's mechanical workshop, and refrigerant gas leaks. These have been excluded due to being immaterial to the inventory and/or poor data quality.

The Port leases several buildings where the Port pays for the electricity consumption and then on-charges the cost to the tenant. These electricity emissions have been excluded as they are the Scope 2 emissions of the Port's tenants (Scope 3 of the Port's emissions).

For the specified reporting period, all Scope 3 emissions have been excluded as the Port has elected to adopt the amending standard to provision 4: Scope 3 GHG emissions of NZ CS2 that allows for a climate reporting entity to not report on Scope 3 emissions in its first, second, third and fourth mandatory reporting year. This has been adopted as the Port is still undertaking an assessment of Scope 3 emissions operational boundaries.

Table 1: Organisational boundaries

Entity	Percent interest	Description of entity	Included in inventory?	Justification
Port of Tauranga Limited	100% (Parent company)	New Zealand's largest port and international freight gateway. Facilities include a container terminal, bulk cargo wharves, a bunker berth and extensive cargo storage and handling facilities in Tauranga. Road and rail connections to Hamilton, Auckland and the central North Island with extensive road networks and coastal shipping connections.	Yes	Port of Tauranga is the reporting company and therefore full Scope 1 and 2 emissions are included in the inventory.
QM Logistics NZ Limited	100% (Subsidiary)	Specialist cargo handling services company with operations at Tauranga, Timaru, Rolleston and Ruakura.	Yes	QM Logistics is a wholly owned subsidiary of the parent company and therefore the full Scope 1 and Scope 2 emissions of the organisation are included in the inventory.
Timaru Container Terminal Limited	100% (Subsidiary)	Direct shipping links from Timaru to the international hub port at Tauranga and is operated by Port of Tauranga's subsidiary QM Logistics. Connected to the South Island main trunk railway line, which provides direct access to the MetroPort Christchurch inland port at Rolleston.	Yes	Timaru Container Terminal is a wholly owned subsidiary of the parent company and therefore the full Scope 1 and Scope 2 emissions of the organisation are included in the inventory.
Ruakura Inland Port Group Limited	50% (Joint venture)	Inland container terminal located within Ruakura Superhub, at the nexus of the golden triangle of Tauranga, Auckland and Hamilton. Sits adjacent to the East Coast Main Trunk rail line and the Waikato Expressway. Operated by Port of Tauranga's subsidiary QM Logistics.	Yes	Ruakura Inland Port is under the operational control of QM Logistics and therefore the full Scope 1 and Scope 2 emissions of the organisation are included in the inventory.
Coda Group Limited	50% (Joint venture)	Freight logistics and supply chain management company.	No	Port of Tauranga or its subsidiaries do not have full operational control over Coda Group and therefore it has been excluded from the inventory.
Northport Group Limited	50% (Joint venture)	Northport Group is a joint venture that owns a 100% subsidiary company, Marsden Maritime Holdings (MMH). MMH owns 100% of Northport, a deep water commercial port situated at Marsden Point with container handling and bulk cargo handling facilities. It is New Zealand's northernmost multi-purpose port and the closest to most of New Zealand's international markets. MMH also owns strategic landholdings that are positioned well for future developments and future commercial growth.	No	Port of Tauranga or its subsidiaries do not have full operational control over Northport Group and therefore it has been excluded from the inventory.
PrimePort Timaru Limited	50% (Joint venture)	Commercial port that handles bulk cargoes and is home to a major cement facility and oil terminal.	No	Port of Tauranga or its subsidiaries do not have full operational control over PrimePort Timaru and therefore it has been excluded from the inventory.
PortConnect Limited	50% (Joint venture)	Online cargo management system.	No	Port of Tauranga or its subsidiaries do not have full operational control over PortConnect and therefore it has been excluded from the inventory.
Port of Tauranga Trustee Company Limited	100% (Subsidiary)	A non-trading holding company for Port of Tauranga's employee share scheme.	No	Port of Tauranga Trustee Company has no associated GHG emissions and therefore it has been excluded from the inventory.

Base year

The base year for the Group's Scope 1 and Scope 2 emissions has been set for the reporting period 1 July 2022 to 30 June 2023. This base year has been selected as it represents a period for which reliable data exists and is reflective of usual operational and economic conditions. The base year's Scope 2 emissions have been calculated using the location-based method. The Group is still undertaking an assessment of operational boundaries with respect to Scope 3 emissions. An appropriate base year for Scope 3 emissions will be determined through this process and may differ to the Scope 1 and Scope 2 base year.

Emission inventory summary

The Group's calculated emissions for the reporting period for Scope 1 and Scope 2 emissions are detailed in Table 2 (see page 51) expressed in t CO_2e as well as broken down into the six major GHGs covered by the Kyoto Protocol in Table 3 (see page 51). There is no biologically sequestered carbon to report on for the Group's Scope 1 and Scope 2 emissions.

Calculation methodologies and uncertainty

All calculations of emissions are expressed in tonnes of carbon dioxide equivalent (t CO_2e).

Calculations are based on multiplying activity data (e.g. litres of fuel or kilowatt-hour (kWh) electricity) by an emissions factor (EF). EFs utilised in the Group's inventory for the reporting period are sourced from the Ministry for the Environment (MfE) "Measuring emissions Catalogue 2026." This edition uses Global Warming Potential (GWP) values with a 100-year time horizon sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) and these are the GWPs that have been utilised in the Group's emissions inventory.

In calculating the Scope 2 market-based emissions, the 2025/2026 residual supply mix emissions factor published by BraveTrace was used. The Group has utilised EFs in calculating the emissions inventory as described in Table 4 (see page 52) that also highlights the method used, activity data uncertainty and assumptions and the rationale for the selected calculation methodology.

Uncertainties in either source data quality or EF uncertainties can have an impact on the accuracy of GHG emissions inventories and disclosures. Overall, the Scope 1 and Scope 2 emissions of the Group have a low degree of uncertainty due to clear supplier activity data. In the Group's view, the overall impact of the uncertainty on the disclosures of its Scope 1 and 2 emissions is low.

Emissions reduction targets

The Group's emissions reduction targets are combined Scope 1 and 2 targets where Scope 2 emissions (and associated reductions) are calculated using the location-based method. The Group targets are set out in Table 5 (see page 52).

The net zero by 2050 target reflects the Group's desire to align its reductions with the Paris Agreement goal to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. It is the Group's view that having a long-term aspirational target is an important component of the organisation's long-term future vision.

The Port's near-term combined Scope 1 and 2 emissions reduction targets are as follows:

- A 15% reduction in absolute emissions by FY2035, and
- A 28% reduction in emissions intensity by FY2035, using FY2023 as the base year.

The near-term targets are underpinned by modelling and their success relies on the model assumptions playing out within the assumed timeframes*. This includes a commitment for all future straddle purchases being hybrid (at minimum), the staged rollout of automated stacking cranes, procurement of hybrid tugs, and a trial of an electric straddle carrier (as the Port currently understands these initiatives).

The modelling accounts for growth assumptions and tonnage throughput forecasts as well as emissions factor forecasts for electricity based on MBIE's Electricity Demand and Generation Scenarios 2024 – Reference Scenario from FY2026 onwards. While the Port is committed to the trial of an electric straddle carrier, at this stage this technology still requires testing in the Port's operations and further rollout of electric straddles beyond the trial have therefore been excluded from the targets. Based on the above modelling it was also determined that near-term science-aligned targets were not a feasible option for the Group at this stage, and it is acknowledged they fall short of a 1.5°C aligned pathway using the Science-based Targets Initiative (SBTi) approach.

By keeping the 2050 target in focus, the Group remains adaptive to new opportunities for improvement as they arise and committed to reviewing near-term targets annually as uncertainties are resolved, new initiatives are implemented, and forecasting becomes more granular and mature. As part of these annual reviews, the Group will continue to assess whether near-term science aligned targets become a realistic option that can be backed by a credible delivery plan.

Performance in FY2026

Absolute Scope 1 and 2 emissions for FY2026 are 19.2 kt CO_2e, down 12% from FY2025 (21.9 kt CO_2e) and up 1% from the FY2023 base year (19.1 kt CO_2e).

The Scope 1 and 2 emissions intensity for FY2026 is 0.00076 t CO_2e per cargo tonne. This is a 9% decrease compared to FY2025 (0.00084 t CO_2e) and a 2% increase compared to the FY2023 base year (0.00075 t CO_2e).

The decrease in emissions for FY2026 from FY2025 can be attributed to two main things:

1. The Ministry for the Environment's location-based electricity emissions factor for FY2026 has decreased by 22% compared to the EF used in FY2025. This change is driven by a shift in electricity generation with a higher proportion of renewable sources being used, whereas the FY2025 EF reflected increased reliance on fossil fuels in the national electricity mix.
2. Diesel generator emissions at the Tauranga Container Terminal (TCT) decreased by 41% compared with FY2025.

Generators are used during peak periods when demand for refrigerated container (reefer) power exceeds the capacity of the existing electric plug-in infrastructure.

This significant decrease was driven by several actions taken in response to increasing generator emissions in FY2025 and include both operational and infrastructure improvements including:

- The commissioning of an additional 212 reefer electric plug-in points at TCT
- Proactive engagement with shippers and shipping lines to encourage prioritisation of imminent cargo to reduce container dwell times, and to advocate for more dynamic booking practices aimed at minimising overbooking
- Overall vessel adherence to pro forma arrival windows increasing. Notably, several key reefer services achieved near 100% on-time performance during the year making a substantial difference to the reefer dwell profile and reducing prolonged reefer maximum peaks significantly

*Note the Port's models are based on a 2.5% container volume growth rate at Tauranga Container Terminal (TCT), other emissions sources not dependent on container volume growth at TCT have been modelled at 1% year on year growth. Tonnage forecasts vary depending on location, for example, Tauranga Container Terminal 2.5%, Mount Maunganui Wharves 0.5%, Timaru Container Terminal 0.5% to FY2030, 1% from FY2031, and Ruakura Inland Port 2.5%.

- Relocation of kiwifruit charter vessel loading activities from TCT to the Mount Wharves, where reefers could be connected to electric plug-in points thereby reducing reefer power demand at TCT
- Installation of additional reefer plugs on the majority of Group owned generator sets resulting in increased reefer plug capacity with minimal additional generator load, improving overall power efficiency.

FY2026 is the first year performance can be assessed against the modelled pathway for the Group's near-term targets. Both the absolute and intensity pathways sit below the modelled pathway for FY2026 with the absolute target sitting 7% lower than the modelled pathway and for the intensity target 4% lower than the modelled pathway.

Internal carbon pricing

For the reporting period, no internal carbon price has been set. The internal carbon price used in the analysis of projects that could contribute to emission reductions has been based on current market pricing.

Base year recalculation policy

A base year recalculation is triggered where significant changes occur to the organisational boundary (i.e. merger, acquisition or divestiture), changes to calculation methodologies or emissions factors or the discovery of errors or omissions in the emissions source data. The significance threshold that triggers recalculation is set at 5% for combined Scope 1 and 2 emissions and could be either a single source or cumulative sources. The Group will review the recalculation significance threshold upon determination of its Scope 3 base year. The Group may decide to recalculate the base year for changes below the significance threshold for other reasons such as consistency or clarity. The reasons for recalculation will be clearly stated. For the avoidance of doubt, organic growth or decline does not trigger recalculation.

Table 2: Calculated emissions for the reporting period for Scope 1 and Scope 2 emissions

Scope	Current reporting period (1 July 2025 to 30 June 2026) t CO_2e	1 July 2024 to 30 June 2025 t CO_2e	1 July 2023 to 30 June 2024 t CO_2e	Base year (1 July 2022 to 30 June 2023) t CO_2e
Total Scope 1 and Scope 2*	19,245	21,873	18,154	19,059
Scope 1	16,592	18,182	15,417	15,699
Mobile combustion	14,375	14,412	13,746	14,479
Stationary combustion	2,217	3,770	1,671	1,220
Scope 2 (Location-based)†	2,653	3,690	2,737	3,360
Scope 2 (Market-based)†	2,227	4,141	2,784	2,856

* 100% of our reported Scope 1 emissions and the fossil fuel component of our reported Scope 2 emissions are subject to carbon pricing through the New Zealand Emissions Trading Scheme (ETS).

† The location-based method is the average emissions intensity of the electricity grid. The market-based method reflects emissions from no or low-emission electricity purchased. If none is purchased, then a residual supply mix "emissions factor" can be used that reflects the intensity of whatever electricity remains on the grid, minus renewable energy already purchased. The reporting of both methods is required under the GHG Protocol as the Group operates in a market where product or supplier specific electricity data is available.

Table 3: Major GHGs covered by the Kyoto Protocol

Greenhouse gas	Metric tonnes	t CO_2e
CO_2 (Carbon dioxide)	18,922	18,922
CH4 (Methane)	4	112
N_2O (Nitrous oxide)	1	211
HFCs (Hydrofluorocarbons)	–	–
PFCs (Perfluorocarbons)	–	–
SF_6 (Sulphur hexafluoride)	–	–

Table 4: Calculating the emissions inventory

Scope and type	Unit	EF	EF source	Method adopted	Activity data uncertainty and assumptions	Rationale for selected methodology
Scope 1 (Diesel)	Litres	Transport fuel Stationary combustion commercial use	MfE	Activity-based	Low uncertainty. Activity data is sourced directly from suppliers and expressed as litres sold in the reporting period. It is assumed that supplier reports are accurate, and that fuel reported for the reporting period was used in the reporting period.	This calculation methodology and EFs were selected for quantifying diesel-related emissions as the Group understands it to be the most accurate method available for the quantification of emissions associated to diesel utilised in Group owned or controlled assets.
Scope 1 (Petrol premium and petrol regular)	Litres	Transport fuel	MfE	Activity-based	Low uncertainty. Activity data is sourced directly from suppliers and expressed as litres sold in the reporting period. It is assumed that supplier reports are accurate, and that fuel reported for the reporting period was used in the reporting period.	This calculation methodology and EFs were selected for quantifying petrol premium related emissions as the Group understands it to be the most accurate method available for the quantification of emissions associated to petrol utilised in Group owned or controlled plant.
Scope 2 (Electricity)	kWh	Location-based method grid average annual 2025 Market-based method residual supply mix 2025/2026	MfE BraveTrace	Activity-based	Low uncertainty. Activity data is sourced directly from suppliers either through reports or extracted from data portals or from invoices. Electricity consumption is expressed in kWh per installation control point (ICP) that is charged to the Group. It does not include kWh associated to transmission and distribution losses. kWh consumption for ICPs fully on-charged by the Group to tenants are not included. Partially on charged ICPs where the Port uses more than 50% are included entirely and where it uses 50% or less are excluded entirely. It is assumed that supplier reports are accurate, and that kWh reported for the reporting period was used in the reporting period. It is assumed that the annual EF used is representative of the emissions associated to kWh consumed in the reporting period by the Group despite not aligning completely with the reporting period as the location-based EF is based on a calendar year and the market-based EF for the period 1 April to 31 March.	This calculation methodology and EFs were selected for quantifying electricity related emissions as it can be applied to the full reporting period kWh consumption. The Group understands it to be the most accurate method available (other than quarterly EFs for the location-based method) for the quantification of emissions associated to electricity utilised in Group owned or controlled assets.

Table 5: Group greenhouse gas emissions targets

Applicable Scopes	Target	Target base year	Target type	Reliance on offsets	Rationale for selected methodology
Scope 1 **Scope 2**	Net zero kt CO_2e by FY2050	FY2023	Absolute	To be determined	Target is science-aligned when comparing to Science Based Targets Initiative (SBTi) long-term target criteria and therefore aligns to limiting global warming to 1.5°C.
Scope 1 **Scope 2**	A 15% absolute emissions reduction (kt CO_2e) by FY2035	FY2023	Absolute	This target does not rely on offsets	The organisation has modelled the impacts on emissions of its strategic decarbonisation investments under growth assumptions that are grounded in its current and expected capabilities and expectations in the near-term. This ensures the Group's near-term targets are backed by data and that they can be adjusted and refined over time as uncertainties are resolved and additional decarbonisation initiatives are investigated and implemented. These targets are not science-aligned when comparing to SBTi near-term target criteria and therefore do not align with the degree of reduction required over the near-term to contribute to limiting global warming to 1.5°C. However, these targets along with a commitment to regular review keep the organisation on track to strive for continued reductions whilst investigating further reduction opportunities that may facilitate the setting of more ambitious near-term targets in future.
Scope 1 **Scope 2**	A 28% emissions intensity reduction (t CO_2e per cargo tonne) by FY2035	FY2023	Intensity	This target does not rely on offsets	

Allocation of capital towards climate-related risks and opportunities

The tables below describe the actual spend. This expenditure is part of multi-year projects and does not represent the full investment in these initiatives.

Investment in low-carbon initiatives – Climate-related Risks	FY2026	FY2025	FY2024
Hybrid/electric straddles	$18,053,552	$0	$5,606,859
Hybrid tug	$16,468,744	$0	$0
Automation/electrification	$353,277	$1,383,215	$1,131,660
Lighting upgrades	$739,697	$574,306	$233,978
Total parent capital expenditure	$81,542,000	$27,221,000	$34,691,000
Percentage on low-carbon initiatives	44%	7%	20%

Bigger ships – Climate-related Opportunities	FY2026	FY2025	FY2024
Dredging the shipping channel	$19,661,282	$3,119,970	$1,286,767
Sulphur Point berth extension (Stella Passage project)	$257,720	$1,579,523	$440,075
Total parent capital expenditure	$81,542,000	$27,221,000	$34,691,000
Percentage on CROs	24%	17%	5%
Percentage on CRRs and CROs	68%	24%	25%

% of marine fleet which are low emissions vessels	FY2026	FY2025	FY2024
Number of low-emissions vessels (hybrid or better)	0	0	0
Number of vessels (as at 30 June)	5	5	5
Low-emissions vessels will account for 40% of the total marine fleet (tugs and pilot vessels) by 2035	0%	0%	0%

% of straddle fleet which are low emissions vehicles	FY2026	FY2025	FY2024
Number of hybrid straddles at 30 June (4 purchased in FY2024)	7	7	7
Number of straddles at 30 June	53	53	54
100% of the straddle carrier fleet will be made up of low-emissions units by 2035 (hybrid or better)	13%	13%	13%

Commentary

The proportion of capital expenditure allocated to climate-related risks and opportunities combined increased from 24% in FY2025 to 68% in FY2026, principally reflecting significant investment in hybrid and electric straddle carriers, a hybrid tug and shipping channel dredging. These investments form part of multi-year projects, meaning annual expenditure and the proportion of total capital expenditure allocated to these activities will vary with project timing and delivery. Relevant information is further found in the Transition Plan section of this report.

Port of Tauranga Limited – Targets for the financial years ended 30 June 2026 and 2027

Internal emissions price FY2026

Price of carbon per $tonne: No internal emissions price has been set.

Management remuneration linked to CRR/Os FY2026		
CE – Short-Term Incentive (STI)	Develop Transition Plan and target reduction in t CO_2e	5%
	Targets linked to port expansion, infrastructure development (including berth extension, capital dredging and automation)	12.5%
CFO – STI	Develop Transition Plan and target reduction in t CO_2e	5%
GM Commercial – STI	Develop Transition Plan and target reduction in t CO_2e	5%
	Targets linked to terminal automation project and other infrastructure development projects	10%
GM Property and Infrastructure – STI	Develop Transition Plan and target reduction in t CO_2e	5%
	Targets linked to port expansion, infrastructure development (including Stella Passage development and capital dredging)	15%
GM Corporate Services – STI	Develop Transition Plan and target reduction in t CO_2e	5%
GM Communications – STI	Develop Transition Plan and target reduction in t CO_2e	5%
GM Health and Safety – STI	Develop Transition Plan and target reduction in t CO_2e	5%

FY2026 target category		Near-term (FY2035)	Long-term (FY2050)
GHG emissions	**Intensity per cargo tonne Scopes 1 and 2 (reduction target)**	28%	Net zero
	Absolute emissions Scopes 1 and 2 (reduction target)	15%	Net zero
Investment in low-carbon initiatives	**Low-emission electric/hybrid straddles** **Automation/electrification** **Lighting upgrades** **Low-emission fleet vehicles** **Hybrid tug**	No specific target has been set, however capital budget has been allocated to all items	
Investment in climate-related opportunities	**Dredging the shipping channel** **Sulphur Point berth extension (Stella Passage project)**	No specific target has been set, however capital budget has been allocated to all items	

Internal emissions price FY2027

Price of carbon per $tonne: No internal emissions price has been set.

Management remuneration linked to CRR/Os FY2027		
CE – STI	Targets linked to Transition Plan progress. Target of a 3% reduction in t CO_2e emissions intensity per cargo tonne for FY2027 (aligned to the GHG emissions near-term reduction target (28% reduction in t CO_2e by FY2035)).	5%
	Targets linked to port expansion, infrastructure delivery (including berth extension, capital dredging and automation) strategic growth opportunities and network development.	12.5%
CFO – STI	Targets linked to Transition Plan progress. Target of a 3% reduction in t CO_2e emissions intensity per cargo tonne for FY2027 (aligned to the GHG emissions near-term reduction target (28% reduction in t CO_2e by FY2035)).	5%
GM Commercial – STI	Targets linked to Transition Plan progress. Target of a 3% reduction in t CO_2e emissions intensity per cargo tonne for FY2027 (aligned to the GHG emissions near-term reduction target (28% reduction in t CO_2e by FY2035)).	5%
	Targets linked to terminal automation project and other infrastructure development projects.	10%
GM Property and Infrastructure – STI	Targets linked to Transition Plan progress. Target of a 3% reduction in t CO_2e emissions intensity per cargo tonne for FY2027 (aligned to the GHG emissions near-term reduction target (28% reduction in t CO_2e by FY2035)).	5%
	Targets linked to port expansion, infrastructure development (including Stella Passage development and capital dredging).	15%
GM Corporate Services – STI	Targets linked to Transition Plan progress. Target of a 3% reduction in t CO_2e emissions intensity per cargo tonne for FY2027 (aligned to the GHG emissions near-term reduction target (28% reduction in t CO_2e by FY2035)).	5%
GM Communications – STI	Targets linked to Transition Plan progress. Target of a 3% reduction in t CO_2e emissions intensity per cargo tonne for FY2027 (aligned to the GHG emissions near-term reduction target (28% reduction in t CO_2e by FY2035)).	5%
GM Health and Safety – STI	Targets linked to Transition Plan progress. Target of a 3% reduction in t CO_2e emissions intensity per cargo tonne for FY2027 (aligned to the GHG emissions near-term reduction target (28% reduction in t CO_2e by FY2035)).	5%

FY2027 target category			Near-term (FY2035)	Long-term (FY2050)
GHG emissions	**Intensity per cargo tonne Scopes 1 and 2 (reduction target)**		28%	Net zero
	Absolute emissions Scopes 1 and 2 (reduction target)		15%	Net zero
Investment in low-carbon initiatives	**Low-emission electric/hybrid straddles** **Automation/electrification**	**Lighting upgrades** **Low-emission fleet vehicles** **Hybrid tug**	No specific target has been set, however capital budget has been allocated to all items	
Investment in climate-related opportunities	**Dredging the shipping channel**	**Sulphur Point berth extension (Stella Passage project)**	No specific target has been set, however capital budget has been allocated to all items	

Direct climate-related risk and opportunity metrics

The percentage of Port of Tauranga assets and business activities identified as vulnerable to direct climate-related risks and aligned with climate-related opportunities has been provided on a value at risk ("VaR") basis (capital VaR for assets and annual revenue VaR for activities).

Non-Tauranga assets and business activities

Assets and business activities across sites outside of Tauranga are also addressed (despite constituting a small proportion on a VaR basis) due to the importance of the interconnected and often inter-dependent national network from strategic, value proposition and operational perspectives. Less than 6% of total capital VaR and total revenue VaR is located at sites outside of Tauranga.

Joint ventures

In line with our staged approach to joint ventures, the intention in FY2026 was to develop detailed metrics for these investments (including their underlying assets and revenue streams exposed to climate-related risks and opportunities). This was superseded by the decision to pursue financial quantification, and deemed immaterial.

Direct climate-related risk and opportunity key metrics

In accordance with NZ CS1 22(c) to (e), metrics for direct climate-related risks ("DR") 1-5 and direct climate-related opportunities ("DO") 1-2 are as follows:

Capital VaR

100% **Of assets across all sites are vulnerable to DR1: "Increased wear and tear and risk of acute damage to assets caused by exposure to increased rainfall, wind and storm events".**

However, the level of vulnerability varies across sites (due to variances in regional climate hazards projections) and assets (due to their respective levels of resilience).

<2% **Of Port assets across all sites are vulnerable to DR3: "Risk of flood related damage and disruption, due to sea-level rise and increased extreme rain, wind and storm events".**

This is based on available fluvial, pluvial and coastal flood projections for a 1% AEP pluvial flooding or coastal inundation event under RCP 8.5 (taking into account sea-level rise). This figure has reduced from <9% and <3% in FY2024 and FY2025 respectively due to building values reducing.

Revenue VaR

100% **Of all Port assets and opportunities located across all Port sites are aligned with (i.e. stand to benefit from):**

DO1: Structural changes to New Zealand's national freight system (road to multi-modal).
Freight mode shift from road to rail and coastal shipping entails a further shift to a hub-and-spoke model (where international freight enters/exits hubs such as Port of Tauranga and is then moved between regions via coastal shipping). This outcome is likely to increase freight movements via Port sites.

DO2: Introduction of larger low-carbon shipping vessels.
Operating routes to/from the Port of Tauranga is expected to increase the Port's role as an international hub, further facilitating a shift towards the hub-and-spoke model described above. This is expected to also increase business activity via all sites (due to the interconnected strategic nature of the Port's national network).

100% **Of business activities across all sites are vulnerable to DR2: "Increasing instances of disruption, caused by exposure to increased rainfall, wind and storm events".**

Marine services and certain cargo-handling activities were identified as being the most vulnerable, whereas commercial leasing has a comparatively low level of vulnerability.

89% **Of all business activities are prima facie vulnerable to being impacted by DR3.**

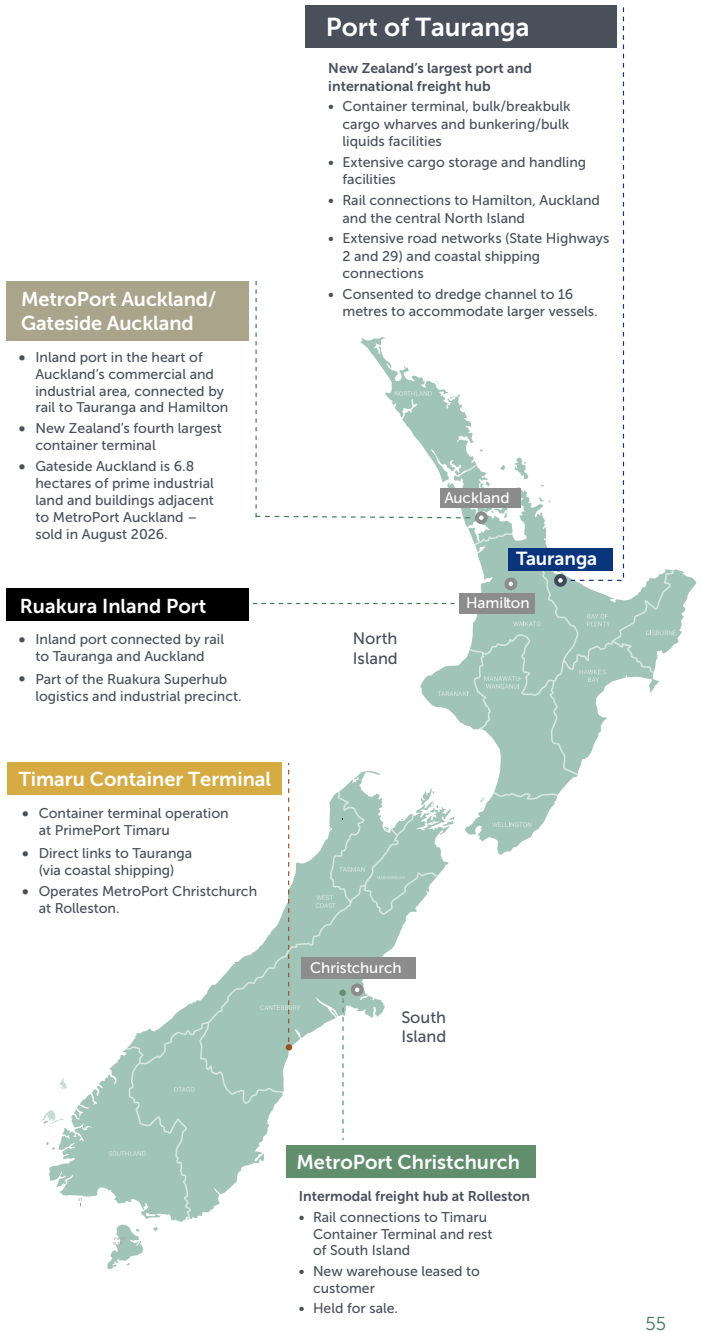
All business activities at the Port of Tauranga, Gateside Auckland, and Ruakura could be disrupted, except for commercial leasing, which is unlikely to be materially impacted by rare instances of flooding and/or coastal inundation.

89% **Of Port activities are vulnerable to DR4: "Risk of disruption to road and rail access due to sea level rise and increased extreme weather (rain, wind and storm) events".**

DR4 is relevant to business activities across the Tauranga, Gateside Auckland, and Timaru sites, excluding commercial rentals. This is based on a 1% AEP pluvial flooding or coastal inundation event under RCP 8.5.

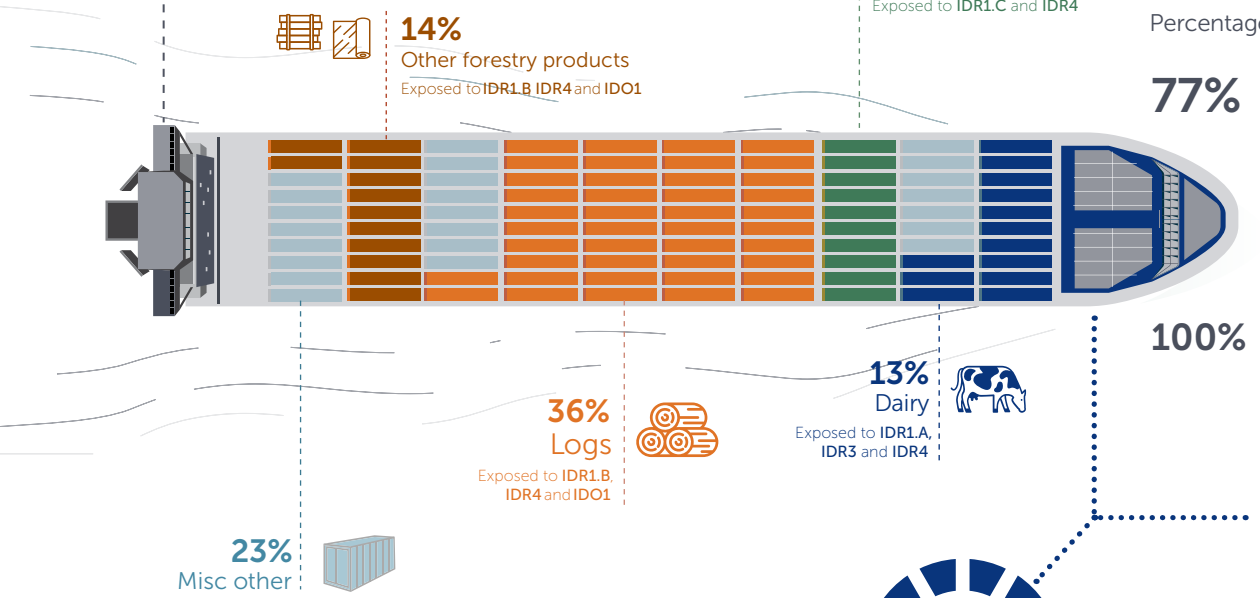
100% **Of all business activities are prima facie vulnerable to DR5: "Risk to Port of Tauranga wharves, harbour access, and loading/unloading capability, due to sea-level rise and increased coastal inundation.**

Most buildings, infrastructure, and other improvements to land assets at the Port of Tauranga are exposed to full or partial stranding if wharf or harbour access is compromised. This may also have an indirect adverse impact on land capital values. Given the inter-dependent network nature of Port of Tauranga's operations across all sites, all business activities are also deemed potentially vulnerable.



Exports 65%

Of total Port activity by volume



Risk and opportunity exposure via import/export commodities by volume

Percentage of exports exposed to physical and transition risks and opportunities:

77% **Of total annual exports are comprised of logs and other forestry products, dairy and kiwifruit "Key Export Commodities".**

50% **Of total annual exports are Logs and Other forestry products, which are aligned with IDO1: Increased demand for logs and other forestry export commodities due to changing preferences and the emergence of new low carbon sustainable alternatives.**

100% **Of Port business activities are exposed to IDO1, IDR1, and IDR4**

All Port business activities (e.g. terminal, cargo, marine, storage and related operations) play a role in facilitating the receipt and shipment of all exports.

100% **Of Key Export Commodities, which comprise 50% of total freight (i.e. all imports and exports) are exposed to:**

- **IDR1:** Risk of compromised seasonal production and gradual loss of productive capacity over time (see IDR1)
- **IDR4:** Impact of changing market access rules and other climate-related regulations on key export commodity volumes.

All imports and exports are exposed to Direct Risks and Opportunities

As each relies on Port assets and business activities which are exposed to direct risks (DR) 1-5 and direct opportunities (DO) 1-2.



Percentage of imports exposed to physical and transition risks and opportunities:

IDR2: Reduced availability and/or increased cost of stock feed

Has the potential to impact supply of and demand for stock feed imports, which comprise:

15% of annual imports; or

5% of total freight (i.e. all imports and exports).

IDR5: Decarbonisation of New Zealand's transport system

Is expected to fundamentally alter demand for liquid fuel imports, which comprise:

17% of annual imports; or

6% of total freight (i.e. all imports and exports).

IDO2: Impact of climate migration and transition to a low-carbon climate-resilient future, on demand for miscellaneous imported goods

Specifically, containerised goods and breakbulk which comprise:

68% of total imports; or

24% of total freight (i.e. all imports and exports).

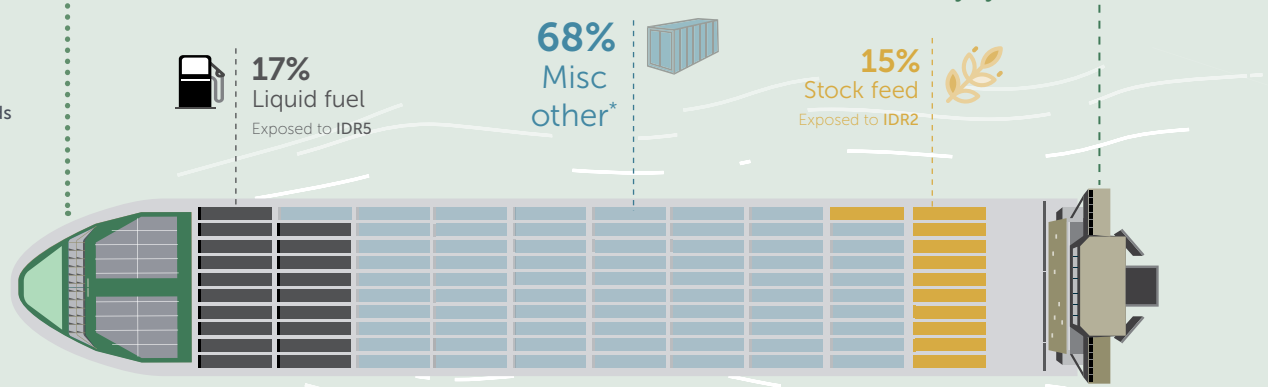
100% of Port business activities are exposed to IDR2, IDR5, and IDO2

As they each play a role in the landing, holding, and dispatching all imported goods (albeit to varying extents depending on the method of unloading and handling each category, amongst other factors).

** Miscellaneous imported goods subcategories are set out in IDO2.*

Imports 35%

Of total Port activity by volume



Glossary

Anticipated Financial Impacts (AFIs)
The estimated effects of climate-related risks and opportunities on a reporting entity's future financial performance, financial position, and cash flows.

Aotearoa New Zealand Climate Standards
Standards issued by the External Reporting Board that comprise the Climate-related Disclosures framework.

Climate drivers
Broad-scale external factors, trends, or uncertainties that shape how the future may unfold, influencing both physical climate impacts and transition risks.

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 resource efficiency and cost savings, the adoption and use of low-emissions energy sources and building resilience in 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 resilience
The capacity to cope with a changing climate. This includes the ability to project, assess, prepare for, respond to, recover from, and adapt to the impacts of climate change.

Climate 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 scenarios are not intended to be probabilistic or predictive, or to identify the "most likely" outcome(s) of climate change. Port of Tauranga has drawn from scenarios developed by Aotearoa Circle for the transport, agriculture and energy sectors. These scenarios may not be representative of the entire sector's views.

Greenhouse gas (GHG)
Atmospheric gases including carbon dioxide, methane and nitrous oxide that contribute to trapping heat in Earth's atmosphere. Human activities such as the burning of fossil fuels increase greenhouse gas levels in the atmosphere leading to more trapped heat and therefore consequential increases in the global average temperature and associated effects on climate systems.

Materiality
The degree to which climate-related risks and opportunities could affect an entity's ability to create value for itself, its stakeholders and society at large.

Physical risks
Risks related to the physical impacts of climate change. Physical risks arising 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.

Scope 1
Direct GHG emissions from sources owned or controlled by the entity.

Scope 2
Indirect GHG emissions from consumption of purchased electricity, heat, or steam.

Scope 3
Other indirect GHG emissions not covered in Scope 2 that occur in the value chain of the reporting entity, including upstream and downstream GHG emissions. Scope 3 categories are purchased goods and services, capital goods, fuel-related and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, and investments.

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.

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. A value chain encompasses the activities, resources and relationships an entity uses and relies on to create its products or services from conception to delivery, consumption and end-of-life. Relevant activities, resources and relationships include those in an entity's operations, such as human resource; those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and the financing, geographical, geopolitical and regulatory environments in which an entity operates

Endnotes

1. Stats NZ: Overseas merchandise trade datasets. Ministry of Transport: Freight Information Gathering System (FIGS): Containers.
2. **Orderly:** The Port's Orderly scenario follows the NGFS Net Zero 2050 and SSP1-1.9 pathway, which limits global warming to around 1.4°C by 2100. NIWA's downscaled climate projections for New Zealand do not include SSP1-1.9, so the Port uses SSP1-2.6, the lowest pathway available, for physical climate projections under this scenario. This is why Orderly is labelled SSP1-2.6 in the risk and opportunity assessments. SSP1-2.6 is also a stringent mitigation pathway (around 1.8°C by 2100), so physical impacts are expected to be similar, particularly within the Port's time horizons. The Aotearoa Circle's agriculture sector scenarios take the same approach. Transition impacts under Orderly continue to reflect the 1.4°C pathway.

   Disorderly: The Aotearoa Circle's Tū-ā-hopo (Disorderly) agriculture sector scenario is based on NIWA RCP 4.5, which gives substantially different physical impacts from RCP 2.6, on which the transport sector's Short Detour scenario is based. The Port chose to align its Disorderly scenario with the agriculture sector scenario because: (a) it provides a more distinct set of challenging circumstances to test against (RCP 2.6 gives physical impacts similar to those in the Port's Orderly scenario); and (b) the difference in physical impacts between RCP 2.6 and RCP 4.5 matters more for the primary sector commodities that make up most of the Port's exports than for the parts of the transport system relevant to the Port.

   Hothouse: The Aotearoa Circle's Tū-ā-tapape (Hothouse) agriculture sector scenario is based on SSP5-8.5, while the Port's Hothouse scenario uses SSP3-7.0. SSP5 assumes continued fossil fuel use and rapid technological progress support functional global trade and high economic growth. In contrast, SSP3 depicts a fragmented world of regional blocs, protectionism and low economic cooperation. The Port chose SSP3 because: (a) its circumstances are arguably more challenging, giving more opportunity to stress test the resilience of the Port's business model; and (b) its physical impacts are likely to be similar to those under SSP5-8.5.
3. Acute and chronic climate hazards projected to rise across all Port scenarios which are aligned with SSP1-2.6, SSP2-4.5, SSP3-7.0. These hazard trajectories remain closely aligned through the 2030s, generating only gradual increases, then diverge sharply from the early 2040s, lifting asset wear and acute-damage risks accordingly.
4. Refer to DR1 for additional details regarding assets located across joint venture sites. These sites are included because they are integral to the Port's broader strategic national network, meaning operational impacts from a significant DR3-related outage could still be material (despite capital value of assets at each site being comparatively low).
5. In addition to disruption to the wider external road and rail networks, FY2025 noted that Port-adjacent roads are exposed to pluvial flooding at all sites. However, initial financial-impact analysis carried out since has established that the resulting temporary restriction or loss of Port-controlled or adjacent road and rail access has limited potential to generate a material financial impact through either pathway. It remains a valid risk that the Port will continue to monitor, as addressing it could require significant adaptation works coordinated with local authorities and other relevant infrastructure owners.
6. DR5 has not progressed to the same level of financial-impact analysis as DR1 to DR4, reflecting the complexity and extent of specialist analysis required to translate future changes in harbour and channel conditions into site-specific financial impacts. Accordingly, the impact pathways above remain expressed primarily in operational terms, rather than as discrete financial impact pathways.
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