

Climate Change Disclosure

As New Zealand's premier energy trading port, Port Taranaki has both commercial and environmental interests to consider in relation to climate change.

The impact of Climate Change and how Government and stakeholders react to this create both risk and opportunity for Port Taranaki.

We now assess climate-related risks and opportunities in setting the Company's long-term strategic direction, including as part of the Company's risk management framework. Our initial assessment (based upon publicly available reports, primarily from the Ministry for the Environment) on climate-related risks and opportunities is set out below and we are working to further understand how climate change will impact our infrastructure and the environment we work in.

Market Transitions Risks and Opportunities

- Heightened scrutiny from stakeholders.
- National imperative to reduce carbon emissions.
- Rising fuel and carbon costs.
- Opportunity to support renewable energy projects supporting the Taranaki region.
- Opportunity to leverage the Company's capabilities to a new customer base.
- Risk that Methanex withdraws from New Zealand.

Physical risks and opportunities

- The health, safety and wellbeing of our people is impacted by working in warmer conditions and changing weather patterns.
- Insurance costs increase and insurance availability is diminished given sea level rise.
- The intensity of storms impacts stormwater design and capacity.
- Maintenance requirements change as sea levels rise.

We manage physical climate-change risks through mitigation that includes proactive and regular maintenance to ensure safety and resilience (for example regular monitoring, post-event inspections and skmon replacement on our breakwaters).

Risks that will manifest over the long-term (for example, sea level rise) are managed through the annual planning cycle and the Company's Asset Management Plan. For example, in the new financial year, we will be undertaking an engineering study that will help identify what will be required to ensure our assets, primarily the breakwaters, are protected against projected sea level rise and weather-related events.

Internally, we are working on monitoring and reporting on sustainability performance targets (including climate-change). As we mature, our future annual reports will have greater reporting on these matters.