Freightways

Climate Statement 2025

FINANCIAL YEAR ENDED 30 JUNE 2025

Contents

This Climate Statement is structured around the four mandatory sections of the Aotearoa New Zealand Climate Standard 1 – Climate-related Disclosures ('NZ CS 1'), which are based on the recommendations of the Task Force on Climate-Related Financial Disclosures ('TCFD') that Freightways has reported against in previous years. The order of the disclosures in some sections differs from the order in NZ CS 1 for the purpose of readability.

About this Climate Statement

Reporting entity

This Climate Statement is for the parent company Freightways Group Limited (the 'Parent') and its subsidiaries (together referred to as 'Freightways' or 'the Group'). The Parent is a Climate-Reporting Entity under the Financial Markets Conduct Act 2013.

This Climate Statement has been prepared for the year ended 30 June 2025 (the 'Reporting Period'). The scope of the reporting entity aligns with that used for the Group's 2025 Consolidated Financial Statements.

Compliance statement and use of adoption provisions

This is the Parent's second reporting period under the Aotearoa New Zealand Climate Standards ('NZ CS'). In preparing this Climate Statement, Freightways has elected to use the following adoption provisions:

ADOPTION PROVISION 2:
Anticipated Financial Impacts
This adoption provision exempts Freightways from disclosing anticipated financial impacts of climate-related risks and opportunities reasonably expected by Freightways. This provision also exempts Freightways from disclosing a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could potentially occur.

ADOPTION PROVISION 4:
Scope 3 GHG emissions
This adoption provision exempts Freightways from disclosing all Scope 3 greenhouse gas emissions sources, or a selected subset of its Scope 3 sources. Freightways has elected to rely on this provision for a subset of its Scope 3 emissions, relating to categories 9, 10, 11 and 12.

ADOPTION PROVISION 5:
Comparatives for Scope 3 GHG emissions
This adoption provision exempts Freightways from disclosing comparative Scope 3 emissions information for the prior two reporting periods.

ADOPTION PROVISION 6:
Comparatives for Metrics
This adoption provision permits Freightways to only disclose one year of comparative information for disclosed metrics.

ADOPTION PROVISION 7:
Analysis of Trends
This adoption provision exempts Freightways from disclosing analysis on the main trends in disclosed metrics between previous reporting periods.

With those adoption provisions applied, this Climate Statement complies with the NZ CS.

This Climate Statement was approved by the Board of Directors of Freightways on 22 September 2025.

Mark Cairns

Abigail Foote

For and on behalf of the Board of Directors.

Important information for readers

Climate-related risk management remains an emerging area, and often uses data and methodologies that are developing and uncertain. Freightways started its public TCFD reporting a few years ago. With the introduction of mandatory reporting and Freightways becoming a Climate Reporting Entity ('CRE'), considerable effort has been made to uplift the assessment of climate risk. As a lean organisation, this has involved engaging expert external consultants to support with analysis and processes. As part of that engagement, Freightways has received advice from external consultants and used third-party sources of information to inform internal processes and contribute to parts of the content of this Climate Statement.

This Climate Statement contains forward-looking statements, including climate-related metrics, climate scenarios, estimated climate projections, assumptions, forecasts and statements of Freightways' future intentions and anticipated climate-related impacts. These statements necessarily involve assumptions, forecasts and projections about Freightways' present and future strategies and the environment in which Freightways will operate in the future, which are inherently uncertain and subject to limitations, particularly as to inputs, available data and information which is likely to change. Freightways has used best efforts in the preparation of this Climate Statement to provide accurate information as at 30 June 2025, but cautions against reliance being placed on representations that are necessarily subject to significant risks, uncertainties or assumptions. Climate-related forward-looking statements may therefore be less reliable than other statements Freightways may make in its annual reporting.

Descriptions of the qualitative impacts of climate change draw on and/or represent estimated impacts. In particular, the risks and opportunities described in this Climate Statement may not eventuate or may be more or less significant than anticipated and comments about potential reactions to those risks and opportunities should be read in that light.

There are many factors that could cause Freightways' actual results and outlook for the future to differ materially from that described, including climatic, government, consumer, technology and market factors outside of Freightways' control. Freightways also expects that some forward-looking statements made in this document may be amended, updated, recalculated, and restated in future documents as the quality and completeness of its data and methodologies continue to evolve and improve. Freightways does not intend to revise or update those statements and opinions in this Climate Statement after publishing this Climate Statement.

This disclaimer notice should be read together with the limitations identified elsewhere in this report and, in particular, the limitations and assumptions applied to methodologies used by Freightways in the preparation of quantitative information included in this Climate Statement.

This Climate Statement is not an offer document and nothing in this Climate Statement should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. To the extent permitted by law, Freightways does not accept any liability whatsoever for any loss arising directly or indirectly from any use of, or reliance upon, the information contained in this Climate Statement. For detailed information on Freightways' financial performance, please refer to the **2025 Annual Report**.

Materiality

Freightways has followed the guidance set out in Aotearoa New Zealand Climate Standard 3 – General Requirements for Climate-related Disclosures ('NZ CS 3') in relation to the application of materiality. Information is considered material where omitting, misstating or obscuring it could reasonably be expected to influence decisions that primary users make on the basis of an entity's climate-related disclosures. The primary users of this report are expected to be existing and potential investors, lenders, and other creditors.

Defined terms

Capitalised terms used but not otherwise defined in this Climate Statement have the meaning given to them in NZ CS. To help with terminology used throughout this Climate Statement, a glossary of key terms is included as Appendix 1 on page 35.

All financial values in this report are presented in NZD, unless otherwise stated.

FY25 overview

Scope 1 GHG emissions

35,127 tCO_2e

▲ 2.8% from FY24

Scope 2 GHG emissions

6,058 tCO_2e

▲ 20% from FY24

(location-based)

Scope 3 GHG emissions

(selected*)

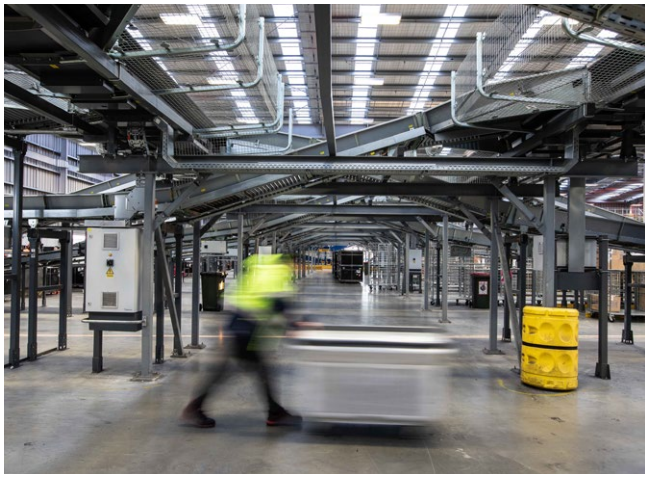
148,048 tCO_2e

Emissions intensity

31.9 tCO_2e

per million dollars of revenue
(Scope 1 and Scope 2)

▼ 2.3% from FY24



Total reported GHG emissions*

189,234 tCO2e**

* In the Reporting Period, Freightways relied on NZ CS 2 adoption relief for Scope 3 categories 9, 10, 11 and 12. Remaining Scope 3 emissions were reported. ** The Scope 1, Scope 2 and selected Scope 3 figures do not add to the stated total due to rounding.

Freightways' family of brands

Freightways Group Limited and its subsidiaries across New Zealand and Australia offer services in express package and business mail, waste renewal, information management, and temperature controlled services.

The members of the Group that are subsidiaries, are referred to as the 'Controlled Businesses' and this term is used throughout this Climate Statement. Through the Controlled Businesses, Freightways has an equity share in Upcycled Building Materials Limited (38.51 percent), Sweetspot Group Limited (33.3 percent) and Parcelair Limited (50 percent). Freightways does not have operational control of these entities, so they are referred to as 'Equity Share Entities' in this Climate Statement.

Freightways has grown organically and through acquisitions and now, through one or more of its Controlled Businesses, operates in every major town in New Zealand and every state in Australia.

Freightways operates trusted brands in the communities it serves – the key brands are displayed in Figure 1. These brands (except those identified as brands operated by Equity Share Entities) are the key brands operated by the Controlled Businesses during the Reporting Period.

FIGURE 1: FREIGHTWAYS BRANDS

Figure 1 is illustrative in nature and is provided to support understanding of the key brands operated across the Group. It does not present a complete or exact representation of all brands used across the Group.

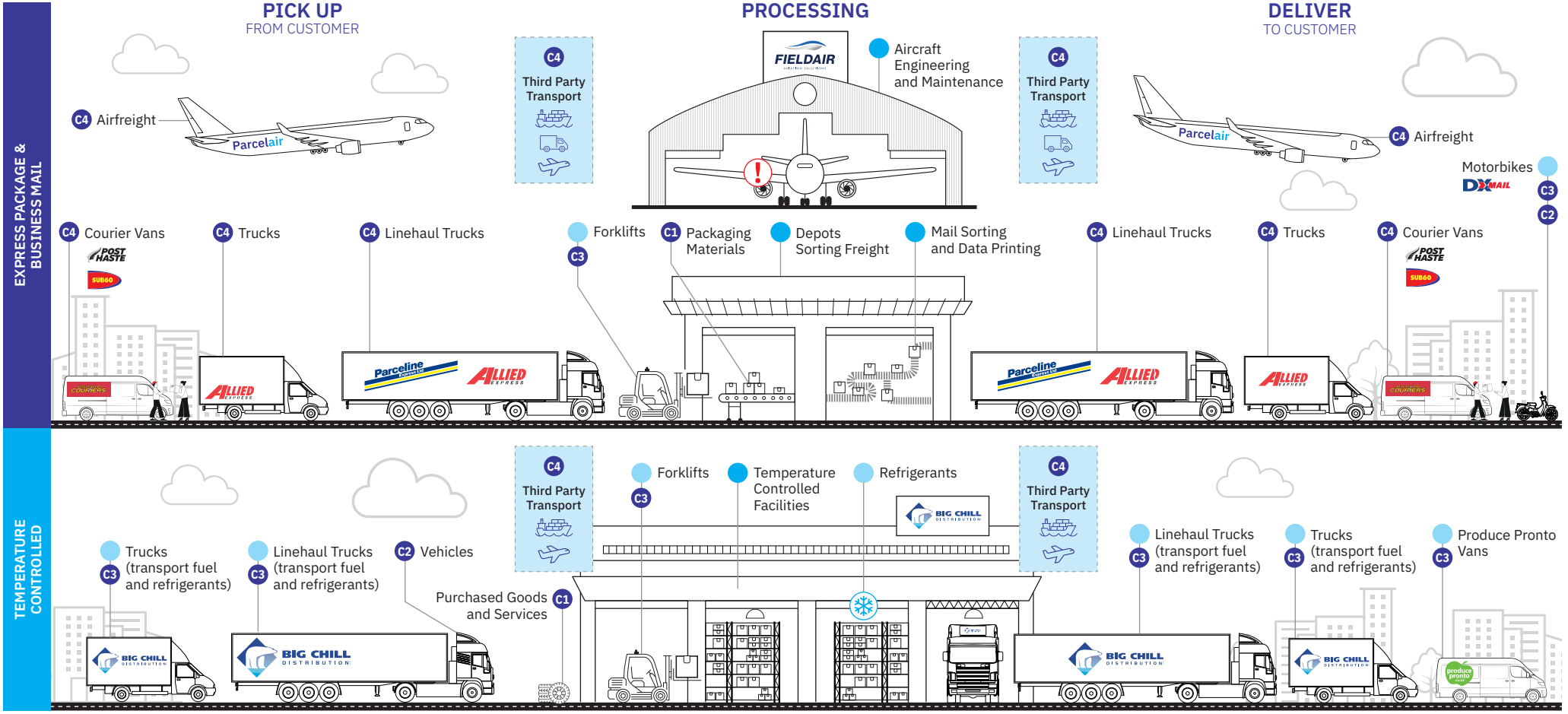
*Freightways through its wholly owned subsidiaries holds a 75% equity share.

** Freightways Information Services is an internal shared services provider of information technology and advisory services to the Freightways Controlled Businesses.

Group activities and emissions impact at a glance

Scope 1 · Scope 2 · Scope 3 (relevant category)

Across the Group, emissions from the use of vehicles make up a large portion of overall emissions. Some Controlled Businesses own or control the vehicles they use – emissions from the fuel used in these vehicles are Scope 1 emissions. Other Controlled Businesses use independent contractors to provide pick up and delivery services. Emissions generated from fuel used by contractor drivers are reported as Scope 3, category 4.

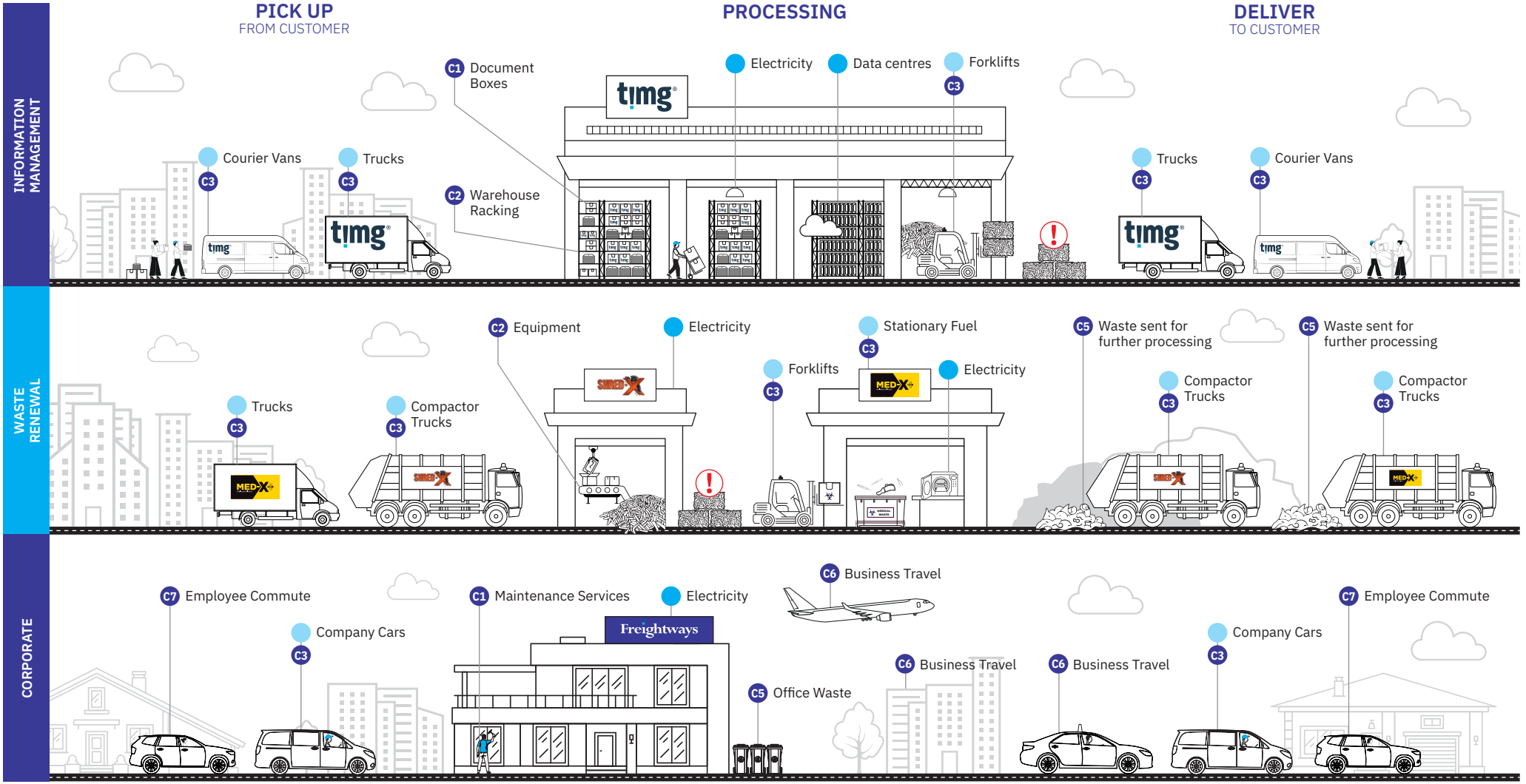


This image is illustrative in nature and is provided to support understanding of the Group's activities and related emissions. It does not present a complete or exact representation of all activities, businesses, brands, emissions sources, or impacts. Please refer to pages 27 – 30 for information on reported and assured GHG emissions.

(!) The Group provides aviation engineering and maintenance services. NZ CS 2 relief has been used in relation to potential Scope 3, category 9, 10, 11 and 12 emissions associated with this activity.

Group activities and emissions impact at a glance (continued)

Scope 1 · Scope 2 · Scope 3 (relevant category)



This image is illustrative in nature and is provided to support understanding of the Group's activities and related emissions. It does not present a complete or exact representation of all activities, businesses, brands, emissions sources, or impacts. Please refer to pages 27 – 30 for information on reported and assured GHG emissions.

(!) The Group sells shredded paper and broken down electronic waste for re-purposing. NZ CS 2 relief has been used in relation to potential Scope 3, category 9, 10, 11 and 12 emissions associated with this activity.

Governance

Oversight by the Board of Directors

GOVERNANCE BODY

Freightways' Board of Directors (the 'Board') is responsible for the long-term resilience and stewardship of the Group to ensure the proper direction and control of Freightways' activities. This includes directing and approving the strategic direction of the Group (including in relation to climate matters) and oversight of climate-related risks and opportunities.

The Board's climate-related responsibilities were updated in the Board Charter in February 2024, and again in July 2025. Corresponding updates were made to the Audit & Risk Committee ('ARC') charter. These updates clarified the allocation of responsibility and oversight for climate-related matters between the Board and the ARC.

The ARC is the delegated sub-committee of the Board that oversees and makes recommendations to the Board in relation to financial reporting, compliance, risk management practices, and climate-related reporting. As part of its role, the ARC oversees key risks for the Group including climate-related risks.

The People & Safety Committee ('PSC') is the delegated sub-committee of the Board that oversees and makes recommendations to the Board in relation to resourcing, diversity and inclusion, remuneration (including short-term incentives) and health and safety matters. As part of its role, the PSC may consider the role of climate-related matters in remuneration.

GOVERNANCE PROCESS AND FREQUENCY

The Board receives information about climate-related risks and opportunities through regular board reporting which is supplemented by standalone approval requests and information updates from Management or external consultants.

The Board received the following climate-related updates during the Reporting Period:

- Climate-related risks and opportunities have been formalised as a standard Board agenda item. Under this standard agenda item, the Board met or received written updates on climate-matters 9 times in the Reporting Period.
- In addition to the standard climate-related update, the Chief Financial Officer ('CFO') provides frequent (typically monthly) updates to the Board. In the Reporting Period, 10 CFO Reports including updates on climate-related matters were provided to the Board.
- An annual update on the Group's top risks, including climate-related risks.
- Annual review and approval of the Group's Climate Statement and Greenhouse Gas Emissions Report.

In July 2025, the Board considered and approved the strategic focus areas of the Group's Transition Plan. In the Reporting Period, the Board also considered climate-related elements of other matters on an ad hoc basis.

In July 2025, the Board approved updates to the Delegation of Authority Policy, requiring information on climate-related impacts and exposures to be included in new business cases provided to the Board for review and approval. Following this change, the Board will be presented with information that helps them have regard to such climate-related matters when making approval decisions.

The ARC has responsibility for climate-related reporting and business risks, including climate-related risks. In the Reporting Period, the ARC met 6 times to review Management's progress on climate-related reporting and identifying and addressing climate-related risks and opportunities.

BOARD SKILLS AND COMPETENCIES

The Board ensures that appropriate skills and competencies are available to provide oversight of climate-related risks and opportunities through training, engaging with internal and external specialists, and taking part in relevant external forums.

In October 2024, Mark Rushworth retired from the Board of Directors. In November 2024, Grant Devonport was appointed to the Board.

All directors are supporters of Chapter Zero New Zealand, the New Zealand Chapter of the Climate Governance Initiative. Most have attended events hosted by Chapter Zero since joining.

The Chair of the ARC, Abby Foote, has specific external governance and facilitation roles that expose her on an ongoing basis to the latest climate-related developments in New Zealand. She is a member of the Chapter Zero New Zealand Steering Group and has completed and been a facilitator for the New Zealand Institute of Directors Climate Governance Essentials course and the Climate Change section of the Advanced Directors Course. In the Reporting Period she qualified for the New Zealand Institute of Directors issued Climate Governance Credential.

The Board's experience and training is supplemented by dedicated external support when required. External support has been relied on to assist where needed, including in relation to the climate risk assessments described in the Risk Management section, scenario analysis and financial quantification of climate-related impacts.

Details of the Directors' broader skills and experience can be found in the matrix on page 41 of the **2025 Annual Report**.

INTEGRATION OF CLIMATE IN COMPANY STRATEGY

Board and ARC charters allocate oversight and responsibility for setting, monitoring progress against, and overseeing achievement of metrics and targets for managing climate-related risks and opportunities. The Board has responsibility for approving climate-related metrics and targets. The ARC has responsibility for reviewing and recommending metrics and targets to the Board, and for monitoring any metrics and targets set.

The strategic focus areas of the Group's Transition Plan were approved by the Board in July 2025. In approving the focus areas of the Transition Plan, the Board updated the company strategy to incorporate the Transition Plan into Freightways' Growth Strategy. The Transition Plan outlines Freightways' focus areas to enhance its resilience to the changing climate and respond to the risks and opportunities that climate-change presents. The Transition Plan is detailed in the Strategy section, on pages 20 to 24.

Climate-related targets have not been set in the Reporting Period. The Group has focused on identifying and agreeing focus areas within the Transition Plan, before setting the pace of the transition via targets. Establishing effective governance processes for the oversight and implementation of the Transition Plan at the Board and Management level and setting the pace and ambition for the transition via targets are focus areas for the next reporting period.

MANAGEMENT REMUNERATION

Freightways' PSC provides advice and assistance to the Board in its responsibilities relating to people and safety.

Climate-related matters were included in the short-term incentive ('STI') scheme for certain members of senior management in the Reporting Period. Climate-related performance metrics formed part of the Chief Executive Officer's ('CEO') STI in the Reporting Period, having a weighting of 5 percent. In the Reporting Period, these climate-related performance metrics were achieved in full.

The CFO had climate-related performance metrics, with a weighting of 10 percent. In the Reporting Period, these climate-related performance metrics were achieved in full.

Until March 2025, the General Manager of Safety and Sustainability had responsibility for climate-related matters. In March 2025 a Head of Sustainability and Climate was appointed, taking over responsibility for Sustainability (including climate). Each of these roles had climate-related performance metrics, with a weighting of 10 percent and 100 percent respectively.

The role of Management

MANAGEMENT-LEVEL RESPONSIBILITIES

Freightways' CEO and CFO have delegated authority from the Board to oversee the assessment and management of consolidated risks and opportunities across the Group. As members of the Freightways' Senior Leadership Team ('SLT'), the CEO and CFO play an important role in shaping the strategic and risk management approach to climate-related risks and opportunities.

The CEO is responsible for the integration of climate-related considerations in the overall business strategy and its implementation. In the Reporting Period, the CEO had oversight of the development of the Transition Plan, its integration in the company strategy and recommended it to the Board for approval in July 2025. The SLT is jointly responsible for implementing and delivering the Transition Plan. Establishing effective Management level governance processes for the Transition Plan is a focus area for the next financial year.

Amongst the SLT, the CFO has primary accountability for the identification and management of all business risks (including climate-related risks) and the preparation of climate-related reporting.

The CEO and CFO work with the SLT and the general managers of the Controlled Businesses ('General Managers') to maintain and update the Group risk profile, incorporating inputs from each of the Group's Controlled Businesses. This consolidated risk profile is reported to the ARC on an annual basis. This process is described in the Risk Management section on page 25.

General Managers and the financial controllers of Controlled Businesses are involved in identifying, assessing, and managing climate-related risks and opportunities through this risk management process. They are also responsible for implementing operational-level strategies relating to climate-related matters and were involved in developing the Transition Plan.

At the Group level, day-to-day responsibility for managing climate-related strategy and reporting is held by the Head of Sustainability and Climate. Prior to March 2025, responsibility for managing climate-related strategy was held by the General Manager of Safety and Sustainability.

The frequency with which Management engage with the Board and ARC is described in the Governance process and frequency section on page 7.

PROCESS AND FREQUENCY OF CLIMATE-RELATED UPDATES TO MANAGEMENT

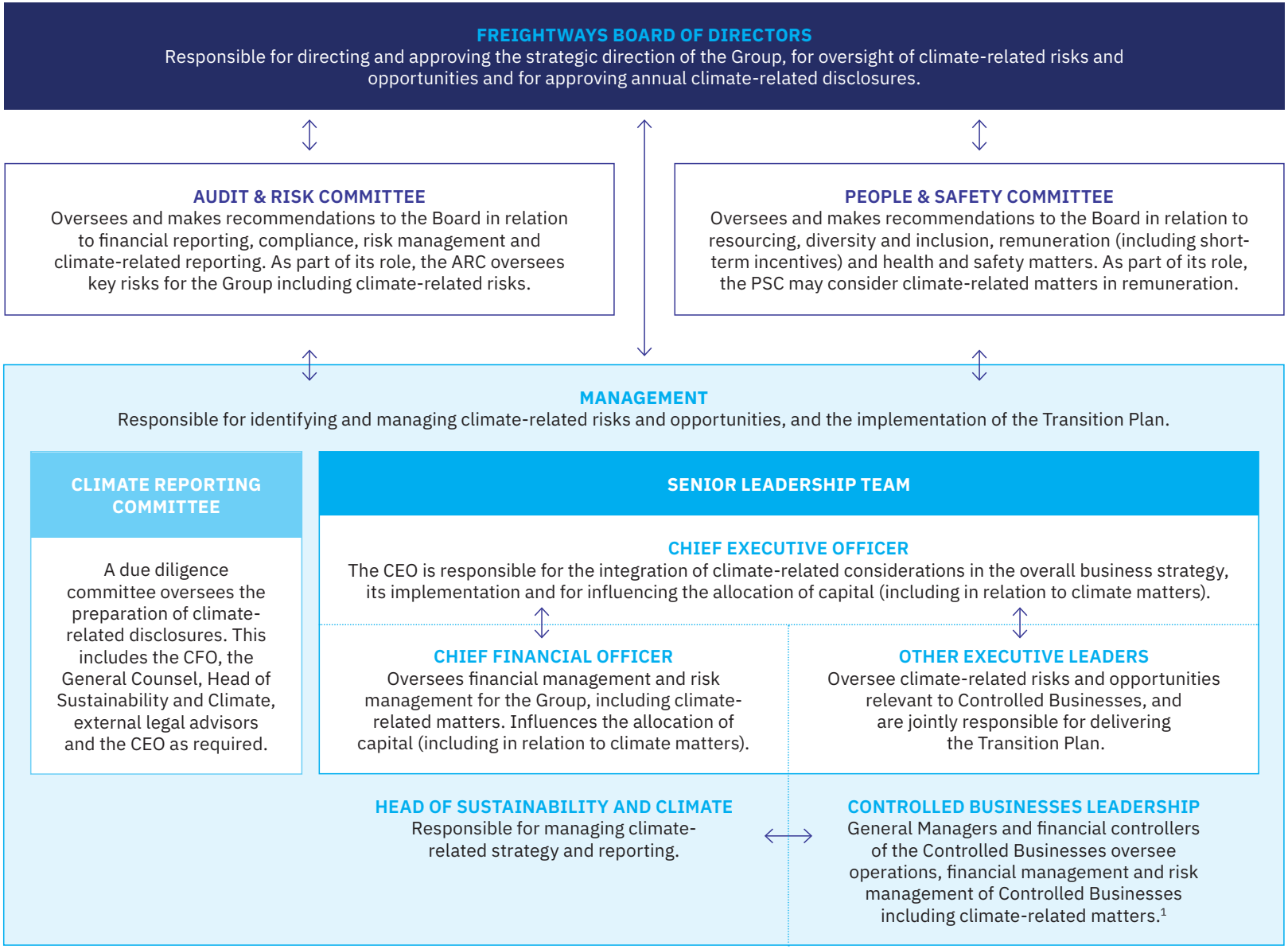
Climate-related updates are communicated to SLT members and senior management in several ways:

ANNUALLY	On an annual basis, the Controlled Businesses set business plans for the next year to give effect to the Freightways' strategy. Climate-related items are included. Relevant members of the SLT, including the CEO and CFO have oversight of business plans.
MONTHLY	From April 2025, the monthly financial and business operational commentary provided by Controlled Businesses to the CFO include reporting on physical climate-related impacts experienced at an operational level by that Controlled Business in the prior month.
REGULARLY	From May 2025, a due diligence committee was established to oversee the preparation of mandatory climate-related reporting requirements. This committee includes the CFO, General Counsel, Head of Sustainability and Climate, external legal advisors and other members, including the CEO as required. This committee met in May, June, August and September 2025.
	A climate working group was established to support climate-related workstreams, including climate scenario analysis, climate risk assessments, and financial quantification of climate-related impacts. This group included the CFO, the New Zealand Group Financial Controller, the Australian Group Financial Controller, and the General Manager Safety and Sustainability. From March 2025, the Head of Sustainability and Climate joined Freightways, replacing the General Manager of Safety and Sustainability in this group. This group ('Climate Working Group') worked closely with external sustainability consultants, Oxygen Consulting.
AD HOC	In July 2025, changes were introduced to business case templates for investments or spend requiring CFO and / or CEO approval. Business case templates have been formally updated to include details of potential climate-related impacts, lower impact alternatives and any climate-related exposures of new business cases. From July 2025, the CFO and / or CEO will be presented with information that helps them have regard to climate-related matters when making approval decisions.
	In June 2025, training and guidance materials were released to relevant SLT and senior leaders across the Group on making environmental claims (including climate-related claims).

Organisational structure

The organisational structure showing climate-related Management-level positions, is illustrated in Figure 2.

FIGURE 2: ORGANISATIONAL STRUCTURE



[1] In most cases, General Managers of Controlled Businesses report to the General Manager Freightways or the General Manager Express Package Division (both are part of the Senior Leadership Team). In the case of one Controlled Business, its General Manager reports directly to the CEO. In the case of a few smaller Controlled Businesses, the Controlled Business General Managers may report directly to another Controlled Business General Manager (who in turn report to the Senior Leadership Team).

Strategy

Current climate-related impacts

No material physical or transitional climate impacts were experienced in the Reporting Period.

In the Reporting Period, acute weather events were experienced in the Freightways network in New Zealand and Australia. This includes flooding in Dunedin in October 2024, heatwaves impacting multiple States in Australia in December 2024, Cyclone Alfred impacting Queensland in March 2025, Cyclone Tam impacting Northland and Auckland in April 2025, and widespread flooding in Canterbury in May 2025. While these events and others potentially caused damage and disruption to communities, customers and teams in these locations, they did not result in a material financial impact to the Group in the Reporting Period.

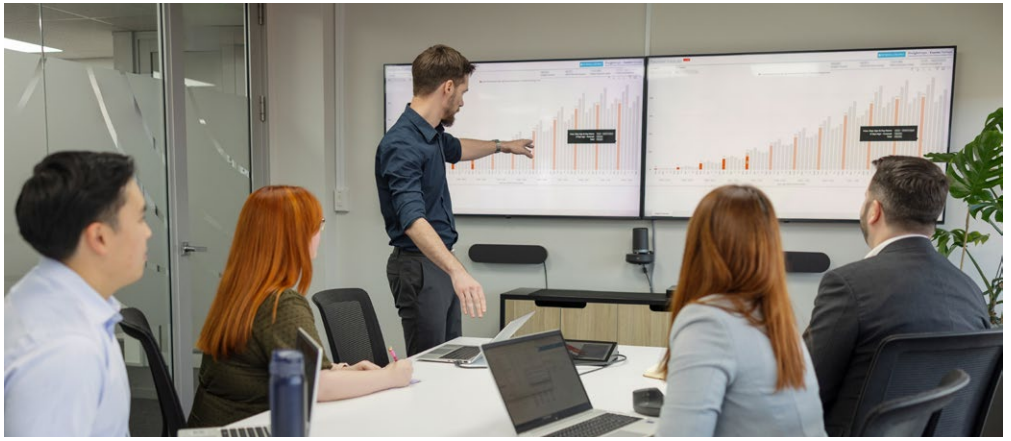
In the Reporting Period, all fossil fuel purchased for use in the New Zealand road and air network, by both company-controlled vehicles and the contracted fleet (including aircraft), included an amount passed through to address the cost faced by the fuel provider to meet its obligations under the New Zealand Emissions Trading Scheme ('ETS'). The ETS pass through cost to the Group in FY25 has been estimated at around $5m.

Scenario analysis

SCENARIO ANALYSIS PROCESS

In 2024, Freightways engaged sustainability consultants, Tadpole, to assist with the development of climate scenarios for Freightways. Alongside the scenario development, Freightways participated in The Aotearoa Circle Transport Sector Climate Change Scenarios ('Transport Sector Scenarios').[2] As these workstreams occurred in parallel, the Freightways scenarios are modelled on and influenced by the Transport Sector Scenarios but are tailored to the Freightways business and its operation. The process undertaken by Freightways in 2024 in conducting scenario analysis is as described in the **2024 Freightways Climate Statement** on page 15.

In the Reporting Period, Freightways assessed the existing climate scenarios and agreed they remained relevant and appropriate for assessing the resilience



of Freightways' business model and strategy to climate-related risks and opportunities. Oxygen Consulting supported the Climate Working Group with this assessment, which considered specific stakeholder and general regulator feedback, and consideration of the Transport Sector Scenarios. It also included a review of existing scenario analysis methodologies and inputs, including the climate narratives and the Group Climate Risk Register. As part of this review, one change was made to the Shared Socioeconomic Pathway ('SSP') referred to in the Disorderly scenario – specifically, the SSP was updated from SSP3 to SSP1.[3] The use of existing climate scenarios, with the one SSP change, was approved by the ARC.

In the Reporting Period, Oxygen Consulting supported Freightways to utilise existing scenarios to assess climate-related risks and opportunities.

[2] The Aotearoa Circle. (June, 2024). *Transport sector climate change scenarios*. Available **here**.
[3] The SSP was changed from SSP3 *Regional Rivalry – A Rocky Road*, to SSP1 *Sustainability – Taking the Green Road*. In this updated SSP scenario, major policy, behavioural and technological changes are delayed until the 2030s, realising a higher RCP than the Orderly scenario.

This process involved the Climate Working Group and included a re-evaluation of risks and opportunities previously identified and disclosed, as well as the identification of new climate-related risks and opportunities. The outputs of this analysis were reported to the ARC in May 2025.

The scenario analysis was conducted as a standalone process but its outputs were used in a number of ways, including influencing the development of Freightways' Transition Plan and its inclusion in the Freightways' strategy, providing the framework for ongoing work to quantify anticipated financial impacts of climate-related risks and as an input to Freightways assessment of material climate-related risks in its risk management process, described in the Risk Management section on page 25.

Freightways relied on published models from the International Energy Agency ('IEA'), the Network for Greening the Financial System ('NGFS'), Hou Pou a Rangi Climate Change Commission ('CCC') and the Intergovernmental Panel on Climate Change ('IPCC'), without undertaking any in-house modelling. These scenarios were applied to assess the resilience of Freightways' operations and strategy. These were selected for their credibility, transparency, and acceptance in climate risk and disclosure frameworks. More information on the emission reduction pathways used in the scenario analysis is available in Appendix 2 on page 36.

The analysis used short (FY26 – FY30), medium (FY31 – FY40), and long-term horizons (FY41 – FY50) to evaluate evolving transition and physical risks across Freightways diverse business units.

DESCRIPTION OF SCENARIOS

Table 1 provides a summary of the three emissions reduction pathways used by Freightways' climate-related scenarios, the assumptions underlying each pathway and sources of data. A summary of each scenario narrative is included on the following pages.

Climate-related scenarios are used to provide a range of plausible and challenging future pathways based on assumptions about external drivers, including those that may give rise to physical and transition risks. These scenarios are not predictive or probabilistic, nor do they represent the most likely outcomes of climate change. Rather, they provide reference points to test the resilience of Freightways' strategy, support the assessment of climate-related risks and opportunities, and build internal capability to respond to an uncertain and evolving climate future.

TABLE 1: OVERVIEW OF SCENARIOS

	Orderly	Disorderly	Hot House World
Temperature outcomes (2050)[4]	1.4°C[5]	1.6°C	3+°C
Scenario archetype[6]	**NGFS – Orderly theme** RCP 1.9 SSP1: Sustainability CCC: Tailwinds IEA: NZE	**NGFS – Disorderly theme** RCP 2.6 SSP1: Sustainability (delayed)[7] CCC: Headwinds IEA: SDS	**NGFS – Hot House World theme** RCP 8.5 SSP5: Fossil Fuel Development CCC: Current Policy Reference IEA: STEPS
Policy reaction	Immediate and smooth. Pre-emptive	Reactive in real-time	Retroactive reactions
Regional policy variation	Collaborative. Broad agreement on policies	Significant. Singular focus. Less collaboration. Focus on domestic priorities	Low collaboration, limited variation. Minimal policy changes up to 2050
Speed of technology change	Rapid. High investment levels	Delayed until 2030, rapid thereafter	Slow
Consumer sentiment / behaviour change	Broad re-orientation towards sustainable living and resource use	Delayed until 2030, followed by significant shift to sustainable living	Gradual shift, driven by future generations
Physical risk severity	Low	Medium	High
Transition risk severity	Medium (higher short-term)	High	Low
Health impacts of physical risks	Low. Preventative action in an equitable manner	Medium	High
Global transport emissions	Rapid, sustained and substantial decrease	Steady decrease across all decades that does not kick in until the 2030s. Reductions significant but not substantial	Increase in the 2030s followed by a small decrease in 2040s that is not sustained. Overall levels increase
Freight mode sharing	A strong shift to more rail and coastal shipping, most prevalent in the 2030s	A minor shift away from road	No modal shift. Road freight predominates across all decades

[4] Temperature outcomes at 2050 are in alignment with climate scenario pathways and models (architectures) that have been used for the scenario analysis.

[5] This is used to represent the 1.5 degree scenario required in NZ CS, as the rapid decarbonisation pathway considered in the Orderly scenario provides a scenario narrative consistent with the socio-economic, technological and climate drivers and outcomes of a 1.5 degree aligned scenario.

[6] The Network for Greening the Financial System ('NGFS') archetypes identified in bold, were used in the scenario analysis, with broadly corresponding RCP, SSP, CCC and IEA alignment noted for reference.

[7] In this SSP1 scenario, major policy, behavioural and technological changes are delayed until the 2030s, realising a higher RCP than the Orderly scenario.

ORDERLY SCENARIO

The world embarks on a swift and smooth transition towards a low carbon economy, driven by rapid advancements in low emissions technologies such as electrification, bioenergy, and green hydrogen.

In New Zealand and Australia, bipartisan political commitment sends strong signals to the market, with climate litigation reinforcing the urgency for decarbonisation. Social expectations and climate policy fuel demand for low emissions technologies, reshaping investment and financing landscapes. Early movers are committing capital to future-proof operations, despite rising costs and constrained domestic supply of alternative fuels.

Governments prioritise emissions reductions through decisive policy, funding, and regulation – particularly targeting high-emitting sectors. Financing is increasingly linked to sustainability performance, rewarding businesses with credible transition plans. Insurance and investment decisions now reflect climate risk, driving further scrutiny and strategic change.

In freight, rising demand and regulation are accelerating innovation, with artificial intelligence supported technology, data sharing, and public-private collaboration delivering smarter, low-emissions freight systems. Verified carbon data, book-and-claim models, and resilient infrastructure are becoming industry standards.

Globally, climate urgency is reshaping trade, with carbon pricing, tariffs, and shifting demand patterns altering freight flows. Public pressure, climate activism, and workforce expectations are escalating the need for freight operators to decarbonise or face legal, financial, and reputational consequences. Into the 2030s, climate action intensifies, with directors and officers held to account for transition performance. Infrastructure investments and the uptake of low emissions vehicles enhance efficiency and resilience, while adaptation efforts keep freight routes operational amid worsening climate impacts. Green purchasing becomes the norm, as consumers prioritise locally sourced products, leading to the transition to a high-value, low-volume economy.

DISORDERLY SCENARIO

Climate action in the 2020s is characterised by conflicting governmental priorities and limited progress. The topic is highly politicised, oscillating in response to political cycles and often overshadowed by other challenges. Large-scale transport decarbonisation efforts are deprioritised, with only modest improvements achieved through collaboration and data sharing. Consumer and market behaviours remain largely unchanged, reinforcing the status quo. While a few forward-thinking companies begin to transition, they do so largely unsupported and at their own expense.

By the early 2030s, the impacts of climate change, particularly on transport routes and coastal infrastructure, become unavoidable across Australia and New Zealand. Mounting public pressure forces governments to introduce climate policies with minimal consultation or coordination. Carbon prices rise rapidly by 2040, reflecting the rushed nature of the transition. Globally, similar reactive shifts in policy and rising nationalism lead to market fragmentation, with new trade barriers and increased demand for low emissions technologies. Australia and New Zealand are required to compete on the global stage for these technologies and larger players are likely to outcompete both countries.

Like the carbon price, the cost of these technologies increases due to the global demand.

Climate-related infrastructure damage escalates throughout the 2030s and 2040s, impacting public and private finances. Transition planning becomes a prerequisite for accessing finance and insurance, while emissions-intensive businesses face higher borrowing costs – or are excluded entirely. By 2040, national debt has increased as major infrastructure investments are made. Consumers are still mostly unwilling to pay, leading to the private sector bearing the costs of the transition.

By 2040, those who transitioned early begin to benefit, while others navigate high costs and compounding climate impacts. Land freight largely completes its transition to low emissions systems, though at a financial cost. Aviation and shipping remain reliant on costly imported fuels, and without sufficient domestic supply, businesses continue to face high operational expenses into the final decade.

HOT HOUSE WORLD

A lack of new climate policies beyond those already in place has allowed global warming to accelerate, shifting focus toward food and energy security. Short-term focused, GDP-driven decision-making persists, with governments prioritising adaptation over mitigation. Support for low emissions technologies remains weak, as cost-of-living pressures and cyclical political leadership deprioritise long-term planning. In Australia and New Zealand, subsidies flow to agriculture, fossil fuels, and mining, while freight strategies focus on protecting existing infrastructure rather than reducing emissions. This continued inaction deepens social inequality, particularly for vulnerable communities.

Throughout the 2030s, high-consumption lifestyles persist, driving carbon-intensive imports and worsening infrastructure congestion. With governments focused on reactive adaptation, key infrastructure is abandoned rather than upgraded, increasing delivery costs and service unreliability. The freight sector is required to navigate frequent disruptions and must invest in skilled labour and rapid-response systems to manage worsening climate impacts. Finance becomes harder to access as risk forecasting grows more difficult, directing capital towards short-term adaptation efforts.

By the 2040s, climate change routinely disrupts the freight network. Roads, bridges, ports, and airports face frequent closures and escalating maintenance costs. Legacy infrastructure fails under repeated stress, and international freight becomes increasingly unreliable. Heightened disruptions and cost pressures result in retreat from certain locations and industries, impacting some remote communities. Freight companies turn to predictive technologies to manage risk and maintain efficiency.

Political instability, compounding over the previous two decades, adds further complexity. This instability exposes freight operators to increasing fluctuations in resource and fuel prices, exacerbating the challenges. Broadly, economies turn inward to secure domestic needs first, fostering low levels of cooperation and high regional rivalry. A fragmented global market and inconsistent demand for Australian and New Zealand exports make freight planning increasingly complex and costly, with individualistic, short-term approaches to climate action continuing to undermine coordinated progress.

Climate-related risks and opportunities

Freightways has identified 7 material climate-related risks and 3 climate-related opportunities.

Tables 2 and 3 summarise the climate-related risks and opportunities that Freightways identified under the three selected climate scenarios. To determine anticipated impact(s), these risks and opportunities were assessed against the internal Group Risk Rating Matrix for each scenario and time horizon. This assessment was qualitative and judgement was applied when assessing risks against the Group Risk Rating Matrix under different scenarios and time horizons. The process for assessing and identifying these risks is further detailed in the Risk Management section on page 25.

The identified climate-related risks and opportunities are considered over short (FY26 – FY30), medium (FY31 – FY40), and long-term (FY41 – FY50) time horizons. These time horizon definitions are not linked to strategic planning horizons or capital deployment plans as Freightways does not adopt standardised time horizons across its broader strategic and capital deployment planning.

In July 2025, changes were introduced to business case templates for investments or spend requiring CFO, CEO, or Board approval. Business case templates have been formally updated to include details of climate-related impacts, lower impact alternatives and any climate-related exposures of new business cases. Beyond this, climate-related risks and opportunities do not formally serve as an input to internal capital deployment and funding decision-making processes.

TABLE 2: CLIMATE-RELATED RISKS

RISK-RATING: Very high 🔴 High 🟠 Medium 🟡 Low 🟢

TIME HORIZON: Short term ('S'): FY26 – FY30 **Medium term ('M'):** FY31 – FY40 **Long-term ('L'):** FY41 – FY50

	Risk description	Orderly			Disorderly			Hot house		
	Weather-related disruption to the transport network and its value chain	**S**	**M**	**L**	**S**	**M**	**L**	**S**	**M**	**L**
PHYSICAL	An increase in the frequency and / or severity of extreme weather events may lead to temporary or prolonged disruptions across Freightways' operations. This includes weather-related impacts experienced in Freightways' value chain, resulting in operational disruptions for Freightways.	🟡	🟡	🟡	🟡	🟠	🟠	🟡	🟠	🔴
	Anticipated impacts Freightways operates an integrated freight and logistics network that involves the collection, processing, and delivery of goods across multiple transport modes and geographic regions. The increasing frequency and / or severity of weather events – such as storms, flooding, heatwaves, and cyclones – could impact the continuity and efficiency of these operations. Disruption may occur through direct damage to or restricted access to critical infrastructure, including Group sites and depots, roads, ports, airports, and the fuel supply. Adverse weather conditions can compromise the safety and operability of transport routes, resulting in delayed or suspended operations, reduced capacity, and heightened risks for personnel operating in adverse conditions. In some cases, roads or infrastructure may become impassable, and operations may need to be paused or altered at short notice, affecting service reliability. In addition, severe weather can negatively impact network efficiency by increasing the incidence of out-of-sequence routing, empty vehicle movements, or suboptimal freight consolidation. These disruptions may result in a reduced ability to meet delivery schedules, spoilage of time or temperature-sensitive goods, and operational inefficiencies. Weather-related disruption has the potential to impact financial performance. Operational inefficiencies and service interruptions can lead to increased direct costs, including additional fuel and labour expenses, higher vehicle maintenance due to adverse conditions, and costs associated with rerouting or rescheduling freight. In some cases, contingency measures may require the use of other freight modes (including increased use of airfreight), which can increase costs per unit delivered. Revenue impacts could arise from delayed or missed pick-ups and / or deliveries, or inability to operate a critical site. Financial impacts could arise from one large event (such as the impact of Cyclone Gabrielle in New Zealand in February 2023) or on a cumulative basis throughout the reporting period.									

TABLE 2: CLIMATE-RELATED RISKS (CONTINUED)

RISK-RATING: Very high 🔴 High 🟠 Medium 🟡 Low 🟢

TIME HORIZON: Short term ('S'): FY26 – FY30 **Medium term ('M'):** FY31 – FY40 **Long-term ('L'):** FY41 – FY50

	Risk description	Orderly			Disorderly			Hot house		
PHYSICAL	***Weather-related damage to assets and inventory***	S	M	L	S	M	L	S	M	L
	An increase in the frequency and / or severity of extreme weather events may lead to damage and / or destruction of assets, inventory and property.	🟠	🟠	🔴	🟠	🔴	🔴	🟠	🔴	🔴
	Anticipated impacts An increase in the frequency and /or severity of extreme weather events, could result in physical damage to the Group's assets, including depots, vehicles, equipment, and inventory. Such events could lead to partial or tota l loss of property, interruption of site operations, and longer-term degradation of infrastructure resilience. Damage to inventory, particularly perishable or high-value goods, may result in immediate financial loss and disruption to customer commitments. The financial impacts of such events could include increased costs for repair, replacement, or clean-up; higher insurance premiums or uninsured losses; and potential impairment of fixed assets. Prolonged recovery times may also reduce operational capacity, delay revenue generation, and require additional capital investment to restore affected facilities or improve future resilience.									
TRANSITION	***Carbon pricing regimes increase operational costs***	S	M	L	S	M	L	S	M	L
	Carbon pricing regimes in New Zealand and Australia may lead to increased operational expenditure.	🟠	🟡	🟡	🟡	🟠	🟠	🟡	🟡	🟡
	Anticipated impacts In New Zealand, increases in the price of New Zealand Units ('NZUs') under the New Zealand Emissions Trading Scheme ('ETS') may lead to increased operational expenditure, including higher fossil fuel costs for use in company-controlled vehicles, as well as ETS cost passed through to Freightways from ground transport contractors and aircraft fleet operations. Exposure to similar carbon pricing regimes in Australia would be additional and further increase operating expenditure.									
TRANSITION	***Accelerated transition to low emission vehicles increases operational costs and capital expenditure***	S	M	L	S	M	L	S	M	L
	Stricter climate-related regulations in the short term could accelerate Freightways transition to a lower emission operating model and lead to increased operational expenditure and / or capital expenditure.	🔴	🟠	🟡	🟡	🟡	🟡	🟢	🟢	🟡
	Anticipated impacts The introduction of new and stricter climate-related policies and regulations could require Freightways to accelerate its transition to lower emission vehicles or fuels, leading to increased operational and / or capital costs for Freightways and its transport contractors. An accelerated transition to lower impact vehicles could also lead to early retirement or write-down of the existing internal combustion engine fleet.									

TABLE 2: CLIMATE-RELATED RISKS (CONTINUED)

RISK-RATING: Very high 🔴 High 🟠 Medium 🟡 Low 🟢

TIME HORIZON: Short term ('S'): FY26 – FY30 **Medium term ('M'):** FY31 – FY40 **Long-term ('L'):** FY41 – FY50

	Risk description	Orderly			Disorderly			Hot house		
	Constrained supply of low emission vehicles, delays transition to low emissions vehicles leadings to increased operating costs	S	M	L	S	M	L	S	M	L
TRANSITION	Global demand for low emissions vehicles could constrain Freightways ability to transition and could result in increased operating costs.	🟠	🟡	🟢	🟢	🟡	🟠	🟢	🟢	🟢
	Anticipated impacts International and domestic demand for low emissions ground vehicles may constrain supply, limiting Freightways' (and its contractor drivers') ability to procure suitable low emission vehicles within desired timeframes. This could extend Freightways' reliance on an ageing fleet of internal combustion engine ('ICE') vehicles, potentially exposing it to greater climate-related regulation, regulatory operating restrictions and diminished ability to meet customer expectations. This could result in sustained or escalating increases in operating costs due to its continued reliance on less efficient ICE vehicles, exposure to fuel prices (and associated carbon pricing regimes), and potential climate-related compliance costs. Freightways may also incur increased maintenance expenditure to prolong the operational life of its ageing fleet. Impacts may be amplified if competitors' transition faster to low emission fleets and benefit from lower operating costs.									
	Finance and insurance landscape defined by increasing climate-risk aversion	S	M	L	S	M	L	S	M	L
TRANSITION	Freightways ability to respond and adapt to climate-related risks could affect its access to and cost of capital and insurance.	🟡	🟡	🟡	🟢	🟢	🟡	🟡	🟠	🟠
	Anticipated impacts Increasing climate-related events may impact the availability and cost of finance and insurance for Freightways. Lenders and insurers may place greater emphasis on the climate strategies of borrowers and policyholders, with a preference for businesses demonstrating credible transition plans and effective climate risk management. Freightways' ability to access financing or secure insurance coverage may be influenced by the strength and transparency of its climate-related disclosures and transition plan. Globally, increasing insurance claims from more frequent and severe weather events may lead to higher insurance premiums for Freightways. These increased costs could reduce profitability and elevate operational risk if certain insurance products become prohibitively expensive or unavailable. Freightways could reasonably expect insurance retreat by insurance providers for any sites, locations, or regions deemed by the providers to be at a high risk of climate impacts. This could result in Freightways being required to self-insure high value or high-risk assets.									
	Inability to meet changing customer expectations	S	M	L	S	M	L	S	M	L
TRANSITION	An increase in customers requiring low emission or climate-related services may result in a loss of market share if Freightways cannot meet this demand.	🟡	🟠	🔴	🟡	🟡	🟠	🟡	🟡	🟡
	Anticipated impacts Freightways could face increasing pressure from customers seeking low emissions freight and services, driven by their own transition planning, regulatory obligations or stakeholder expectations. If Freightways is unable to meet this demand, it could lose business to competitors with more advanced or visible offerings potentially impacting market share. This could also include customers choosing to use alternative, lower emission modes of transportation.									

TABLE 3: CLIMATE-RELATED OPPORTUNITIES

MOST RELEVANT SCENARIO AND TIME HORIZON FOR OPPORTUNITY[8] ●

TIME HORIZON: Short term ('S'): FY26 – FY30 **Medium term ('M'):** FY31 – FY40 **Long-term ('L'):** FY41 – FY50

	Opportunity description	Orderly			Disorderly			Hot house		
	Strategic positioning in a transitioning transport sector	**S**	**M**	**L**	**S**	**M**	**L**	**S**	**M**	**L**
TRANSITION	The transition to a low-emission economy presents an opportunity for Freightways to align its services with emerging regulatory requirements and customer expectations, potentially strengthening competitive positioning and unlocking new revenue potential.	●	●							
	Anticipated impacts Freightways may benefit from increased demand for transport and logistics services with lower environmental impacts, driven by evolving emissions regulations, climate policies, and customer procurement criteria. Proactively offering low-emission and climate-resilient solutions may strengthen customer retention, improve access to climate-focused markets, and support premium pricing. Financially, this could result in expanded revenue streams, improved brand value, and a reduced risk of future revenue loss due to misalignment with stakeholder expectations or market trends.									

	Enhanced competitiveness through climate-resilient operations	**S**	**M**	**L**	**S**	**M**	**L**	**S**	**M**	**L**
TRANSITION	Climate-resilient transport infrastructure and operations could strengthen service reliability, support continuity, and improve Freightways' market competitiveness.		●	●		●	●			
	Anticipated impacts Maintaining climate-resilient infrastructure and operations could reduce the frequency and severity of service disruptions caused by severe weather events. This could support consistent delivery performance, protect operational productivity, and reduce unplanned downtime or associated costs. Financially, improved resilience may result in lower maintenance and recovery expenses, enhanced customer satisfaction and retention, and a stronger competitive position in markets where service reliability is critical.									

	Operational efficiency through electrification and optimisation	**S**	**M**	**L**	**S**	**M**	**L**	**S**	**M**	**L**
TRANSITION	Leveraging electrification and network optimisation presents an opportunity to reduce operating costs and improve efficiency.	●	●							
	Anticipated impacts Freightways could achieve cost savings and operational efficiencies by transitioning to electric vehicles and optimising network performance using further data-driven insights into fuel consumption, routing, and vehicle utilisation. Electrification may reduce exposure to fossil fuel price volatility and lower maintenance requirements, while route optimisation may decrease overall energy use and improve asset productivity. Financially, these improvements could result in sustained cost reductions, increased margin stability, and improved resilience to fuel market fluctuations.									

[8] Based on qualitative review and assessment. Time horizons highlighted were assessed as the most relevant time horizons for the opportunity.

Transition Plan

CURRENT BUSINESS MODEL AND STRATEGY

Freightways is a business that is always on the move. Across the Group, Freightways picks up, processes and delivers physical and digital items providing a reliable and efficient service for customers. This business model covers four key areas of activity:

EXPRESS PACKAGE AND BUSINESS MAIL

Freightways operates a multi-brand strategy in the Australasian courier and business mail markets, catering to a range of customer needs and delivery timeframes.

The New Zealand Express Package operations share branch networks, air and road linehaul, and IT systems. These brands include New Zealand Couriers, Post Haste, Castle Parcels, NOW Couriers, SUB60, Security Express, Kiwi Express, STUCK, Kiwi Oversize, Freightways Global, and Pass the Parcel. Airfreight capability for overnight Express Package delivery services is provided through the joint venture airline, Parcelair, and internal linehaul service provider, Parceline via an agreement with aircraft operator Texel Air.[9]

The national Australian network is operated by Allied Express and includes a range of national and courier services.

DX Mail is a dedicated business mail specialist offering time-sensitive physical postal services in New Zealand. It leverages the Express Package network ensuring it can operate in a lean manner. Dataprint offers mail house print services and digital mail presentation platforms across New Zealand.

TEMPERATURE CONTROLLED

The New Zealand Temperature Controlled business is made up of Big Chill Distribution and ProducePronto.

These businesses combine a national refrigerated linehaul fleet with an urban chilled van network, to offer national delivery, same day delivery, third-party logistics ('3PL') and Fourth Party Logistics ('4PL') services utilising Big Chill depots nationwide.

INFORMATION MANAGEMENT

The Information Management Group ('TIMG') operates in New Zealand and Australia offering physical storage and information management services, as well as digital information processing services such as digitalisation, business process outsourcing, online back-up and eDiscovery services. In New Zealand utilisation of storage facilities is enhanced through an eCommerce 3PL service, Stocka.

WASTE RENEWAL

Shred-X offers document destruction, eDestruction and product destruction services in Australia. It also provides medical waste collection and processing services under the Med-X brand.

In New Zealand, TIMG provides secure document destruction, alongside Information Management services.

[9] Freightways has access to capacity on four aircraft in New Zealand via various Aircraft, Crew, Maintenance and Insurance agreements ('ACMI'). Freightways does not have operational control of Parcelair Limited or these aircraft.

Freightways' strategy pursues growth over three horizons across key areas of activity: Horizon One focuses on core business, Horizon Two builds on core capabilities to provide additional growth prospects and Horizon Three focuses on innovation and identifying emerging niches with revenue potential.

TRANSITION PLAN ASPECTS OF THE STRATEGY

In the Reporting Period, Freightways developed the strategic focus areas of its first Group-wide Transition Plan, replacing the former Environmental Statement.

The strategic focus areas of the Transition Plan were approved by the Board in July 2025, and form part of the Freightways Growth Strategy. The Transition Plan outlines the actions Freightways expects to take to transition towards a low-emissions, climate resilient future across its Group Controlled Businesses. It is intended to guide decision-making, in line with the Group's broader strategic and financial goals. In implementing the Freightways' strategy, it will have regard to the strategic objectives of the Transition Plan.

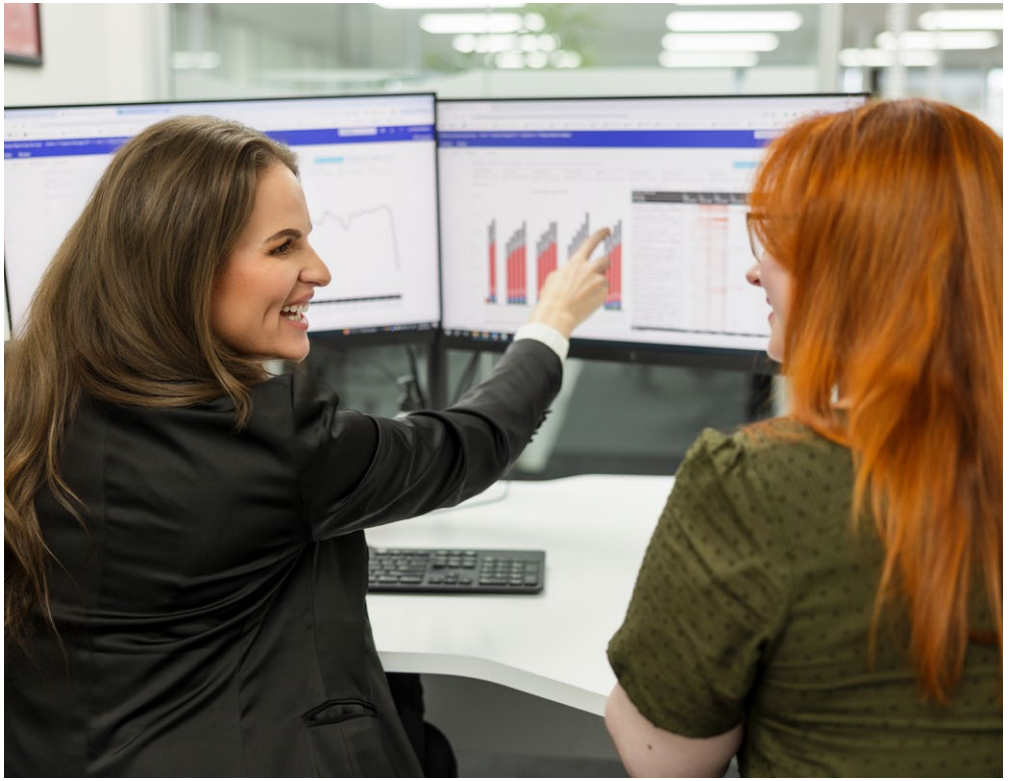
In developing its Transition Plan, Freightways considered the IFRS Foundation's Transition Plan Taskforce ('TPT') guidance.[10] The Transition Plan is formed around the three channels recommended by the TPT to develop a strategic and rounded approach:

1. Reducing emissions
2. Responding to climate-related risks and opportunities
3. Contributing to an economy-wide transition

The Transition Plan sets out Freightways direction of travel and strategic focus areas but does not yet detail the pace or ambition of the transition. In the FY24 Climate Statement, Freightways indicated it planned to set climate-related carbon reduction targets to guide its trajectory. Climate-related targets have not been set in the Reporting Period, instead Freightways prioritised strengthening its foundations by identifying and integrating climate focus areas into its strategy; and reporting and assuring a subset of its Scope 3 emissions for the first time.

Formalising the governance structure for the Transition Plan at the Board and Management level and setting carbon reduction targets to support the execution of the Transition Plan are focus areas for the next reporting period. This includes clarifying internal roles, responsibilities and incentives relating to the execution of the Transition Plan.

Freightways has begun aligning elements of the Transition Plan with internal decision-making processes, particularly



through updates to business case assessments (refer to the Governance section on page 9 – the Process and frequency of climate-related updates to Management). Beyond this, the Transition Plan is not integrated into capital deployment and funding decision-making processes. Freightways acknowledges integration of climate-related risks and opportunities into capital deployment and funding decision-making is an important step and will continue to explore ways to align its financial planning with its transition.

A well-executed transition will support Freightways' long-term financial resilience, competitiveness and stakeholder trust. A summary of the Transition Plan's focus areas is provided in Figure 3.

[10] Transition Plan Taskforce (October 2023). Disclosure Framework. Available **here**.

FIGURE 3: FREIGHTWAYS' TRANSITION PLAN FOCUS AREAS

We move you to a better place

Across the Group, we pick up, process and deliver physical and digital items providing a reliable and efficient service for our customers. Our Transition Plan is part of our **growth strategy**. It has three pillars with focus areas in each.

PILLAR 1 Reducing our emissions

Controlled ground fleet transition: convert a portion of the company-controlled ground vehicle fleet to lower-emission alternatives implementing what is technically feasible and commercially viable. Understand and implement on-site infrastructure to enable a smooth transition.

Contractor ground fleet transition: support contractor drivers to expedite the transition to lower-emission vehicles through fair payment terms, appropriate on-site infrastructure and wrap-around support.

Aircraft modernisation: utilise a modern and fuel efficient fleet.

Network efficiency: optimise network through route, vehicle and load efficiency initiatives.

PILLAR 2 Responding to our climate-related risks and opportunities

Risk Management Framework: mature the business risk management framework to better accommodate and address climate-related risks.

Network resilience: focus on operational network agility through disaster preparedness plans and exposure assessment for critical sites, routes and infrastructure.

Meeting the needs of customers: understand and meet the needs of our customers for climate-related offerings and services.

PILLAR 3 Contributing to an economy-wide transition

Connect communities and support companies: implementation of the Freightways Transition Plan will contribute to emissions reductions for users of its services across communities and economies.

Advocate for maintenance of critical shared infrastructure and the transport sector energy transition: Freightways will advocate for resilient and safe transport infrastructure and policy settings.

Support the grid: understand opportunities to increase renewable electricity supply and gain price certainty through targeted investment.

Emission Reduction Plan Set Freightways' Emissions Reduction Plan and related targets. Monitor through new governance channels and agreed metrics.

Education and awareness Training and engagement will be available across the Group to increase awareness and engagement.

PILLAR 1

Reducing our emissions

Freightways' measured GHG emissions are outlined in the Metrics and Targets section on page 27. Only selected Scope 3 emissions were reported.

Scope 1 emissions represent around 19 percent and Scope 3 emissions represent around 78 percent of Freightways' total measured greenhouse gas emissions in the Reporting Period.[11] In the Transition Plan, Freightways has identified the main areas it will focus on to reduce its emissions.

CONTROLLED GROUND VEHICLES

Emissions from the combustion of fossil fuel in vehicles owned or controlled by Freightways.

These emissions primarily relate to operational vehicles used in the Temperature Controlled, Information Management and Waste Renewal businesses, including large truck and trailer units, waste collection trucks, metro trucks, vans, cars, motorbikes and forklifts. These emissions form part of Freightways' Scope 1 and Scope 3, category 3 emissions. In the Reporting Period, emissions generated by fuel used in Freightways' controlled vehicles represented around 22 percent of total measured greenhouse gas emissions.

Freightways' Transition Plan focuses on minimising these emissions by converting a portion of the fleet to lower emission alternatives. At the end of the Reporting Period 56 percent of forklifts and hoists owned or controlled by the Controlled Businesses were electric and 61 percent of company-controlled cars and utes were hybrid, electric or plug-in hybrid. In August 2025, the Temperature Controlled business introduced a single electric refrigerated trailer to its fleet. While the emissions reductions delivered by this trailer will be nominal, the trailer will provide useful learnings on network performance and integration.

CONTRACTOR DRIVERS

Emissions from the combustion of fossil fuel in the contractor driver ground fleet.

Express Package businesses, including New Zealand Couriers and Post Haste, rely on a fleet of contractor drivers to provide courier services. This also includes contractor drivers providing linehaul services to Parceline and Allied Express. These emissions form part of Freightways' Scope 3, category 4 emissions. In the Reporting Period, emissions generated by contractor drivers represented around 24 percent of total measured greenhouse gas emissions.

Freightways' Transition Plan focuses on minimising these emissions by enabling contractor drivers to expedite their transition to a lower emission vehicle. Contractor drivers have autonomy to purchase the vehicle that best suits their needs. However, Freightways has the ability to influence this decision through closer engagement, leveraging its scale to allow contractor drivers access to cost-effective and lower emission solutions, and by providing a supportive environment for contractor drivers wishing to use a lower emission vehicle. In the Reporting Period, 3 contractor drivers in the Express Package business were operating electric vans and 4 contractor drivers were operating hybrid vehicles.

AIRCRAFT

Emissions from the combustion of fossil fuel in the aircraft fleet used to support the Express Package businesses.

These emissions form part of Freightways' Scope 3, category 4 emissions. In the Reporting Period, emissions generated from the aircraft fleet represented around 7 percent of total measured greenhouse gas emissions.[12]

Freightways accesses airfreight services to support its Express Package businesses in New Zealand through the joint venture airline, Parcelair, and aircraft operator Texel. Freightways' Transition Plan focuses on lowering airfreight emissions through contracting for more modern, fuel-efficient aircraft to replace older Boeing 737-400 models currently used by the airfreight providers.

[11] In the Reporting Period, Freightways relied on NZ CS 2 adoption relief for Scope 3 categories 9, 10, 11 and 12. Remaining Scope 3 emissions were reported.

[12] Emissions related to the consumption of jet fuel are not included within Scope 1 emissions because Freightways does not have operational control of Parcelair Limited or the aircraft operated for the contracted airfreight services. A fixed percent of airfreight capacity on scheduled flights is made available to Freightways (and another independent party) under various ACMI agreements. Under the ACMIs, Freightways does not have operational control over the flight operations. Under the ACMIs, Freightways procures airfreight services and these emissions are accounted for in Scope 3, category 4.

PILLAR 2 Responding to climate-related risks and opportunities

Freightways has identified 7 material climate-related risks and 3 climate-related opportunities. These are outlined in the Climate-related risks and opportunities section on page 16. Understanding and responding to these climate-related risks and opportunities is a core objective of the Transition Plan.

In the next reporting period, Freightways aims to formalise its Emissions Reduction Plan to translate decarbonisation focus areas into an actionable plan. This includes setting carbon-reduction targets, implementing governance structures to monitor delivery, and further integrating climate risks into risk management systems. This activity supports all pillars of the Transition Plan.

The Risk Management section on pages 25 and 26 outline existing processes for identifying, integrating and managing climate-related risks. Maturing internal risk management processes and engaging with Controlled Businesses to better understand, manage and disclose physical and transition climate risks is a focus area and forms part of the Transition Plan. Related to this, better understanding the parts of the network most impacted by and vulnerable to severe weather remains a focus area in the Transition Plan. This work will build on route and premises assessments previously conducted by Freightways in 2024.

Understanding the climate-related needs of customers across the Group forms part of this pillar. Understanding customer demand for climate-related products and services will help Controlled Businesses to respond to this demand in a manner that aligns with the operational realities of that Controlled Business.

PILLAR 3 Contributing to an economy-wide transition

Freightways businesses connect and serve communities across New Zealand and Australia. Decarbonising Freightways' operations and increasing its operational climate-related resilience will have flow on benefits for users of these services across these economies.

Freightways has identified focus areas it can influence to decarbonise its operations. It also relies upon infrastructure and energy systems that it cannot control or where it has less direct influence. Transport sector decarbonisation and operational resilience will require coordinated decision-making across the transport and energy sectors supported by governments. Freightways will continue to advocate for coordinated and appropriate policy settings. Freightways is a signatory to the New Zealand Climate Leaders' Coalition and will continue to leverage this coalition for knowledge sharing, awareness building and advocacy support.

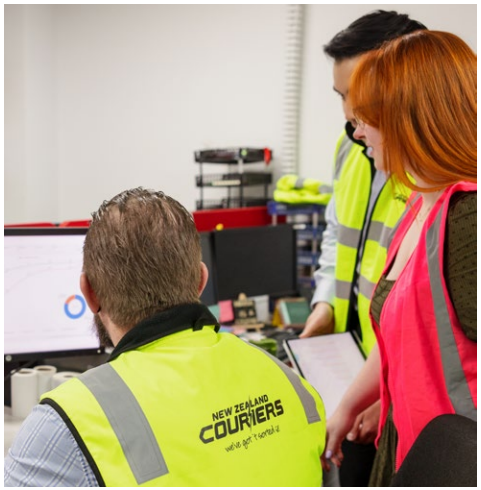
Freightways' decarbonisation relies on an energy system that can be scaled to meet growing electricity needs. Freightways will continue to grow its understanding of infrastructure required to facilitate and manage this this transition.

All areas of the Freightways' Transition Plan will be facilitated by increased climate-related education and awareness across the Group. Building internal capability and understanding of climate change and how it impacts Controlled Business operations supports all pillars of the Transition Plan.

Risk Management

Processes for identifying, assessing and managing climate-related risks

In the Reporting Period, some steps were taken to integrate climate-related risk management processes into the Group's overall risk management process. Freightways engaged sustainability consultants, Oxygen Consulting, to support climate risk identification, and to advise upon assessing and managing climate-related risks.



In the Reporting Period, the following process was followed:

- On an annual basis, each Controlled Business is responsible for undertaking its own review process to identify any relevant risks to its operations. This process includes any climate-related risks. In the Reporting Period, Controlled Businesses were required to integrate climate-related risks into their general risk registers. Controlled Business risk registers include specific mitigation responses to manage risks. Most Controlled Businesses have integrated climate-related risks into business risk registers. Some Controlled Businesses continue to maintain a separate climate specific risk register that supplements the general risk register.
- On an annual basis, Controlled Business risk registers (and any climate specific risk registers) are reviewed and synthesised by the CFO at the Group level. Any Controlled Business risks which individually or together are considered material at a Group level are elevated to the Group Risk Register. The Group Risk Register includes climate-related risks.

- The Group Risk Register is supplemented with outputs from the climate scenario analysis conducted at the Group level, supported by sustainability consultants, Oxygen Consulting. Climate scenario analysis conducted by the Group is described in the Strategy section on pages 11 to 15. Outputs of the climate scenario analysis are detailed in a standalone Group Climate Risk Register which uses the Group Risk Rating Matrix to guide an assessment of likelihood and impact across the three climate scenarios under three time horizons.
- Members of the SLT, including the CEO, review the draft Group Risk Register ahead of it being presented to the ARC annually. The ARC reviewed the Group Risk Register and updated the Board in July 2025.

While some integration of climate-related risks into the overall risk management process has occurred, the process remains immature. Maturing internal risk management processes and further engagement with Controlled Businesses to better understand, manage and disclose physical and transition climate risks is a focus area for the next reporting period and forms part of the Transition Plan.

Tools and time frames

Several risk identification tools and methods have been used to identify and assess the scope, size and impact of identified climate-related risks. These tools and methods are described to the right. Time frames used for the dedicated climate scenario and risk analysis were:

- Short term (FY26 – FY30)
- Medium term (FY31 – FY40); and
- Long term (FY41 – FY50).

These time frames differ from the likelihood ratings in the Group Risk Rating Matrix, which does not accommodate the temporal and chronic nature of climate risk. The Group Risk Rating Matrix therefore is not used on its own for climate-related assessments. Judgement from Management is required when comparing the time frames over which climate risks might occur with other, more conventional risks that the Group faces.

Value chain and prioritisation

Freightways has undertaken an initial assessment of its value chain to identify and assess climate-related risks, based on currently available knowledge and data. No material parts of the value chain have been intentionally excluded from this assessment. However, a comprehensive end-to-end value chain mapping has not yet been completed.

Risk ratings determined through the risk management process detailed above, are used to prioritise risks in the Controlled Businesses risk registers and the Group Risk Register. Climate-related risks are given equal weighting to other risks in this assessment process.

CLIMATE SCENARIO ANALYSIS

In the Reporting Period, Oxygen Consulting facilitated climate scenario analysis at the Group level. This helped identify climate-related risks and opportunities. This is described in the Strategy section on pages 11 to 15.

QUANTIFICATION OF ANTICIPATED IMPACTS

In the Reporting Period, climate scenarios were also used to analyse anticipated financial impacts of climate-related risks and opportunities. Freightways' broader process in relation to the quantification of such anticipated financial impacts, supported by Oxygen Consulting, remains ongoing and is intended to be disclosed in subsequent reporting periods.

GROUP RISK RATING MATRIX

The Group Risk Rating Matrix was used to guide an assessment of the likelihood and impact of potential climate-related risks.

The likelihood ratings were applied to the time horizons specified within the relevant climate scenario.

Impact ratings considered a similar range of impacts as other business risks such as financial or reputational impact. However, climate-related risks and opportunities were assessed on a qualitative basis only and judgement from Management was applied when assessing time frames and impacts of climate-risks.

Likelihood: probability of occurrence	5	4	3	2	1	
Very Likely	Medium	Medium	High	Very High	Very High	A
Likely	Low	Medium	High	High	Very High	B
Possible	Low	Medium	Medium	High	High	C
Unlikely	Low	Low	Medium	Medium	High	D
Very unlikely	Low	Low	Low	Medium	High	E
	Minor	Moderate	Significant	Major	Catastrophic	
	Impact when occurs					

ROUTE AND PREMISES EXPOSURE ASSESSMENT

Freightways undertook an exposure exercise in the 2024 reporting period, supported by Ernst & Young ('EY') to understand the possible vulnerability of business assets and activities to identified climate-related physical and transition risks under varying climate projections and time horizons. The focus of the assessment was the exposure of Group premises in Australia and New Zealand as well as the exposure of major routes in Australia and New Zealand. The Route and Premises Exposure Assessment is detailed in Appendix 3 on page 37. This assessment is considered a baseline assessment. Freightways expects to build on this analysis in future reporting periods.

Metrics and Targets

Greenhouse gas emissions

Freightways' Scope 1, Scope 2 (location-based) and selected Scope 3 greenhouse gas ('GHG') emissions for the Reporting Period are set out in Table 4. Freightways has used adoption relief under NZ CS 2 for Scope 3 categories 9, 10, 11 and 12.

Freightways' emissions reporting has been prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) (together the 'GHG Protocol').[13] Any exclusions from reporting are disclosed and justified. The measured GHG emissions metrics in this section cover the Reporting Period.

PricewaterhouseCoopers ('PwC') provided an unqualified limited assurance report on each of the FY25 total Scope 1, total Scope 2 (location-based) and total selected Scope 3 GHG emissions shown in Table 4. The PwC assurance report is detailed on pages 33 and 34.

TABLE 4: FREIGHTWAYS' FY24 – FY25 GREENHOUSE GAS EMISSIONS (tCO_2e)[15]

	FY24	FY25
Scope 1		
Mobile combustion	32,926	33,327
Stationary combustion	89	820
Fugitive emissions	1,173	980
Total Scope 1	**34,187**	**35,127**
Scope 2		
Electricity (location-based)	5,051	6,058
Total Scope 2	**5,051**	**6,058**
Total Scope 1 and 2	**39,238**	**41,186**
Scope 3[14]		
Category 1 Purchased goods and services	-	8,473
Category 2 Capital goods	-	2,579
Category 3 Fuel- and energy-related activities	-	9,917
Category 4 Upstream transportation and distribution	-	100,325
Category 5 Waste generated in operations	-	19,097
Category 6 Business travel	-	1,814
Category 7 Employee commuting	-	5,584
Category 8 Upstream leased assets	-	Not applicable[16]
Category 9 Downstream transportation and distribution	-	Excluded – NZ CS 2
Category 10 Processing of sold products	-	Excluded – NZ CS 2
Category 11 Use of sold products	-	Excluded – NZ CS 2
Category 12 End-of-life treatment of sold products	-	Excluded – NZ CS 2
Category 13 Downstream leased assets	-	203
Category 14 Franchises	-	Not applicable[17]
Category 15 Investments	-	56
Total selected Scope 3	-	**148,048**[18]
Total reported GHG emissions (location-based)	-	**189,234**

[13] In FY24 Freightways' emissions were measured using ISO14064-1:2018 and the GHG Protocol. In FY25, Freightways elected to align with the GHG Protocol. As Scope 3 emissions were not reported in FY24, this has no material impact.

[14] In FY24, Freightways did not report any Scope 3 emissions, relying on NZ CS 2 adoption relief. In the Reporting Period, Freightways has relied on NZ CS 2 adoption relief for Scope 3 categories 9, 10, 11 and 12. Remaining Scope 3 emissions were subject to limited assurance provided by PwC.

[15] The figures in the table may not add to the stated total due to rounding.

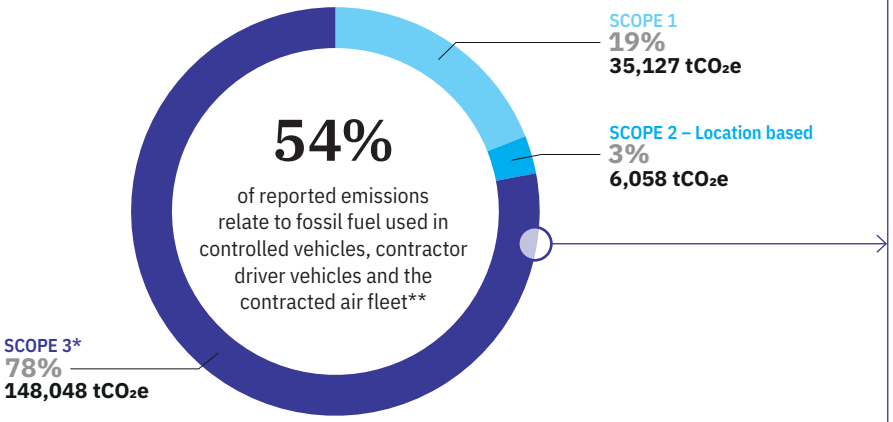
[16] Category 8 was assessed as not applicable to the Group.

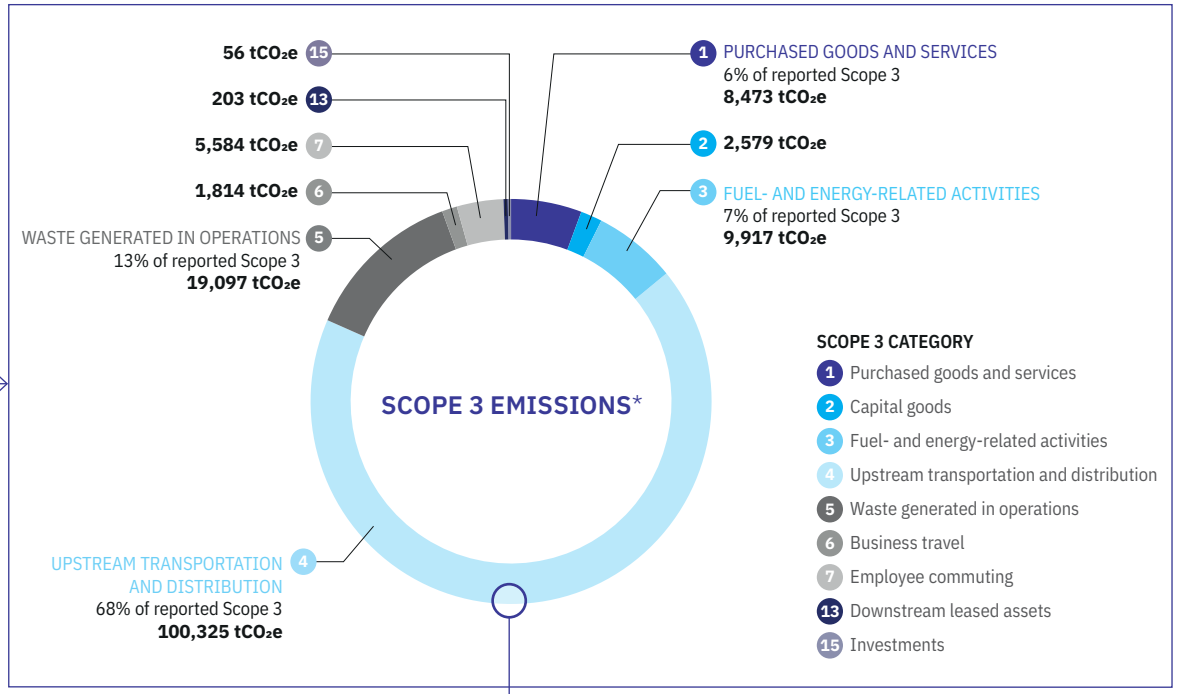
[17] Category 14 was assessed as not applicable to the Group.

[18] Total selected Scope 3 emissions do not include categories 9, 10, 11 and 12. Remaining Scope 3 emissions were subject to limited assurance provided by PwC.

Emissions snapshot

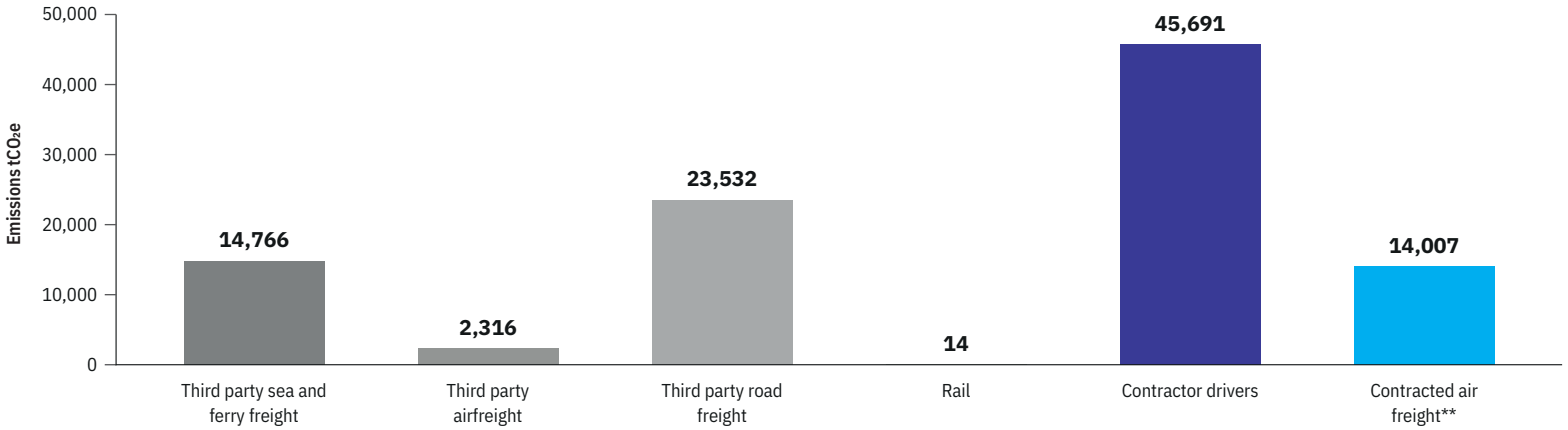
FY25 EMISSIONS SNAPSHOT





*In the Reporting Period, Freightways has relied on NZ CS 2 adoption relief for Scope 3 categories 9, 10, 11 and 12. Remaining Scope 3 emissions were reported.

BREAKING DOWN SCOPE 3, CATEGORY 4◊



** Emissions related to the consumption of jet fuel are not included within Scope 1 emissions because Freightways does not have operational control of Parcelair Limited or the aircraft operated for the contracted airfreight services. A fixed percent of airfreight capacity on scheduled flights is made available to Freightways (and another independent party) under various ACMI agreements. Under the ACMIs, Freightways does not have operational control over the flight operations. Under the ACMIs, Freightways procures airfreight services and these emissions are accounted for in Scope 3, Category 4.

◊ The figures in this graph may not add to the category total due to rounding.

BASE YEAR

The base year for Scope 1 and Scope 2 emissions is FY24. In the Reporting Period, Freightways measured and reported selected Scope 3 emissions for the first time. The base year for selected Scope 3 emissions is FY25.

CONSOLIDATION APPROACH AND ORGANISATIONAL BOUNDARIES

Freightways applies an operational control consolidation approach to determine the boundary of its GHG emissions. This means that 100 percent of the emissions from operations over which Freightways, or one of its subsidiaries, has control are accounted for.

None of Freightways' subsidiaries have been excluded from the GHG emissions inventory. Many do not emit any GHG emissions (as they do not have substantive physical operations), and those that do are reported within the Group. All Australian and New Zealand Controlled Businesses are within the operational control of the Parent and have been included. Freightways, through its subsidiaries, has an equity share in Upcycled Building Materials Limited (38.51 percent), Sweetspot Group Limited (33.3 percent) and Parcelair Limited (50 percent). These Equity Share Entities are excluded from Scope 1 and 2 emissions and accounted for within Scope 3 on the basis that Freightways does not have operational control of these entities.[19]

MATERIALITY THRESHOLD

Materiality is assessed by emission Scope, with a materiality threshold set at 5 percent of total emissions for the relevant Scope. Scope 3 categories 9, 10, and 12 were screened as likely to exceed a de minimis materiality threshold. Scope 3, category 11 has not been subject to a materiality screening exercise. For the Reporting Period, Freightways has used NZ CS 2 relief in relation to these categories.

OPERATIONAL BOUNDARIES

In accordance with the GHG Protocol, Freightways' GHG emissions inventory is measured in three scopes:

Scope 1 includes all direct emissions occurring from Freightways' operations, most notably diesel, petrol, and natural gas use across owned or controlled fleet and facilities. The inventory also includes emissions from refrigerant top-ups in chilled facilities and fleet operated by the Group.

Scope 2 covers emissions from the generation of purchased electricity consumed within Group operations. Scope 2 emissions have been measured using location-based emissions factors.

Scope 3 refers to all other indirect emissions that occur as a consequence of Freightways' activities but occur from sources not owned or controlled by the Group, across its value chain (both upstream and downstream). The GHG Protocol divides Scope 3 emissions into 15 different categories.

The following Scope 3 categories are measured in the Group's GHG emissions inventory:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuel- and energy-related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 13: Downstream leased assets; and
- Category 15: Investments.

Categories 8 and 14 were considered and assessed as not applicable to Freightways in the Reporting Period.

Freightways aims to disclose all Scope 1 and Scope 2 emissions, due to its influence over these emissions. However, where the effort and difficulty obtaining accurate data outweighs the benefits, some immaterial exclusions apply. These exclusions are detailed in Table 5. This table also includes individual selected Scope 3 emissions sources excluded.

[19] Emissions related to the consumption of jet fuel are not included within Scope 1 emissions because Freightways does not have operational control of Parcelair Limited or the aircraft operated for the contracted airfreight services. A fixed percent of airfreight capacity on scheduled flights is made available to Freightways (and another independent party) under various ACMI agreements. Under the ACMIs, Freightways does not have operational control over the flight operations. Under the ACMIs, Freightways procures airfreight services and these emissions are accounted for in Scope 3, Category 4.

TABLE 5: INDIVIDUAL EMISSION SOURCES EXCLUDED FROM THE GROUP'S GHG INVENTORY

Emissions scope / category	Excluded emissions activity	Reason for exclusion
Scope 1	Mobile combustion – fuel purchases on personal credit cards that have not been reported.	Inability to source records of these purchases from personal credit cards.
Scope 3, category 1	Goods acquired on behalf of Produce Pronto customers.	Produce Pronto does not have control over the goods at any stage prior to delivery to the customer. Produce Pronto are merely holding the goods in their distribution warehouse unopened. They are considered an agent of the customer.
Scope 3, category 4	Some contractor drivers opt not to use the Freightways provided fuel card for all fuel purchases. Where contractors are identified as not using a fuel card at all, an alternative methodology is applied. In some cases, a fuel card user may not consistently use the fuel card and some contractor fuel purchases may be made via other payment means. Freightways are unable to identify when alternative payment systems have been used, so this fuel may not be accounted for.	Inability to identify when a fuel card is not used, and unable to identify when a fuel card is used for personal usage. Freightways is able to identify when a fuel card is never used by a contractor. However, if a contractor uses it periodically, Freightways cannot identify when other payment methods might be used.
Scope 3, category 6	Some staff travel may be paid for on personal credit cards and not reported.	Inability to source records of these purchases from personal credit cards.

SOURCE OF EMISSION FACTORS AND GLOBAL WARMING POTENTIAL RATES

All emissions disclosed are expressed in total tonnes of carbon dioxide equivalent (tCO_2e). The time horizon in all cases is 100 years.

Emission factors from a range of sources were used to calculate the Group's GHG emissions inventory. Emissions factors and the Global Warming Potential ('GWP') sources used for the main emission sources covered by Freightways' GHG emissions inventory, are outlined in Appendix 4 on page 40.[20]

METHODS, ASSUMPTIONS AND UNCERTAINTIES

GHG emissions accounting generally relies on assumptions and estimates that can lead to estimation uncertainty. The effect of this uncertainty is that measured emissions might be over- or understated, so the corresponding emissions data should be interpreted accordingly.

Appendix 4 on page 40 provides an overview of the main emission sources covered by Freightways' GHG emissions inventory, including calculation methods, assumptions made, and an assessment of the uncertainty. In a few cases, where it is available, supplier-specific emissions data has been used to improve GHG emissions accuracy. In all other cases, a calculation methodology has been applied for quantifying GHG emissions in accordance with the Greenhouse Gas Protocol. This approach multiplies activity data by an appropriate emissions factor.

Other metrics

INDUSTRY-BASED METRICS AND INTERNAL EMISSIONS PRICE

Freightways has not formally adopted industry-based metrics to measure and manage climate-related risks and opportunities in the Reporting Period.

Freightways has not used an internal emissions price in the Reporting Period.

EMISSIONS INTENSITY

In FY24, Freightways reported emissions intensity based on its aggregated Scope 1 and Scope 2 tCO_2e per million dollars of revenue. Due to the expanded scope of emissions measured and reported in the Reporting Period, Freightways has expanded this assessment across measured GHG emission scopes. Table 6 outlines Freightways' GHG emissions intensity, measured in tCO_2e per million dollars of revenue.

TABLE 6: tCO_2e PER MILLION DOLLARS OF REVENUE

	FY24	FY25
Scope 1	28.5	27.2
Scope 2	4.2	4.7
Scope 3	- [21]	114.8[22]
Total (Scope 1 and 2)	**32.7**	**31.9**
Total (Scope 1, 2 and selected Scope 3)	**-** [23]	**146.7**

[20] In September 2025, the Australian Department of Climate Change, Energy, the Environment and Water ('DCCEEW') released the National Greenhouse Accounts Factors: 2025. On 31 July 2025 thinkstep-anz published 2025 emission factors. Freightways has an internal position to not use emissions factors released 1 month or later than the end of the reporting period but prior to publication. The 2025 DCCEEW and thinkstep-anz factors have not been used by Freightways in the preparation of the FY25 GHG emissions inventory. The use of the 2025 DCCEEW emission factors would not have a material impact on the GHG emission disclosures. The impact of the 2025 thinkstep-anz factors has not been tested.

[21] In FY24, Freightways did not report any Scope 3 emissions, relying on NZ CS 2 adoption relief.

[22] Total selected Scope 3 emissions.

[23] In FY24, Freightways did not report any Scope 3 emissions, relying on NZ CS 2 adoption relief.

EXPOSURE TO CLIMATE-RELATED RISKS AND OPPORTUNITIES

Freightways' assets and business activities are located and operate throughout New Zealand and Australia. These assets and activities are exposed to both physical and transition risk.

Vulnerability to physical risk

Freightways' business model relies on a transportation network and infrastructure across New Zealand and Australia to enable it to pick up, process and deliver on behalf of its customers.

Freightways has conducted risk assessments to consider the exposure of its business activities and assets to physical risk. In FY24, Freightways engaged EY to conduct a Route and Premises Exposure Assessment to understand its risk exposure to physical risk. While this analysis involved significant assumptions and uncertainties, it provided an overview of business activities that could be exposed to physical risk. The parameters and findings of this assessment are detailed in Appendix 3 on pages 37 to 39.

Freightways expects to build on this analysis in future reporting periods.

Vulnerability to transition risk

A large part of Freightways' current business model relies on the use of fossil fuel to generate revenue. As such, Freightways considers that all of its business activities are currently exposed to climate-related transition risk.

Freightways is exposed to fossil fuel costs directly for its company-controlled vehicle fleet (largely Temperature Controlled, Information Management and Waste Renewal businesses) and indirectly through its contractor drivers (supporting the Express Package businesses) and for jet fuel used in the aircraft it has access to.[24]

Table 7 outlines the percentage of company-controlled vehicles by engine type. In the Reporting Period, 3 electric vans and 4 hybrid vehicles were used in the New Zealand Express Package contractor fleet. Beyond these vehicles, there were no other low emission vehicles known to have been used in the Express Package contractor driver fleet in New Zealand and Australia. Table 8 outlines the percentage of jet fuel used in the contracted aircraft fleet that is Sustainable Aviation Fuel ('SAF').

TABLE 7: PERCENTAGE OF COMPANY-CONTROLLED VEHICLES BY ENGINE TYPE (AT 30 JUNE 2025)

Vehicle Type	Total vehicle count	Internal combustion engine (%)	Hybrid / PHEV (%)	Battery electric (%)
Forklift / hoist	387	44%	0%	56%
Motorbike	355	99%	0%	1%
Car	299	38%	62%	0%
Ute	13	62%	38%	0%
Van	175	100%	0%	0%
Truck / tractor unit	366	100%	0%	0%
Refrigerated trailer / reefer*	113	100%	0%	0%
Total	**1708**	**76%**	**11%**	**13%**

*Non-refrigerated trailers are excluded from this table.

TABLE 8: PERCENTAGE OF JET FUEL USED IN FY25 BY TYPE

	Aviation fuel type (%)
Jet fuel (fossil)	100%
SAF	0%
Other	0%

[24] Freightways has access to capacity on aircraft in New Zealand via various ACMI agreements. Freightways does not have operational control of Parcelair Limited or the aircraft used for the contracted airfreight services. It can track exposure to jet fuel prices through contract terms with the aircraft operators.

Climate-related opportunities

Freightways has identified climate-related opportunities to develop new services, increase its operational resilience and increase its efficiency. These opportunities have the potential to impact all of Freightways operations and activities. As such, all of Freightways' activities could be aligned with climate-related opportunities.

CAPITAL DEPLOYMENT

Freightways generally operates a capital light business model, relying on contractor drivers across its Express Package businesses and in many cases leasing vehicles where these are within the control of the Controlled Businesses.

In the Reporting Period, Freightways made investments with climate-related considerations, including upgrading some vehicles to Euro 6 models in the Temperature Controlled business. However, these investments were not a financially material amount.

REMUNERATION

Management remuneration linked to climate-related risks and opportunities in the Reporting Period is outlined in the Governance section on page 8.

Targets

In the FY24 Climate Statement Freightways indicated it planned to set climate-related carbon reduction targets in the Reporting Period. However, climate-related targets have not yet been set. Freightways has focused on identifying and agreeing strategic focus areas within the Transition Plan and progressing the measurement of Scope 3 emissions, before setting the pace of the transition via targets.

Establishing effective governance processes for the oversight and implementation of the Transition Plan at the Board and Management level and setting the pace and ambition for the transition via targets are focus areas for the next reporting period.

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Independent assurance report

To the Directors of Freightways Group Limited

Limited assurance report on Freightways Group Limited's Greenhouse Gas (GHG) disclosures

Our conclusion

We have undertaken a limited assurance engagement on the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty (the GHG Disclosures), as outlined within the *Scope of our limited assurance engagement* section below, included in the Climate Statement of Freightways Group Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB), as explained on page 1 of the Climate Statement.

Scope of our limited assurance engagement

We have undertaken a limited assurance engagement over the following GHG Disclosures on pages 27, 29 to 30, and 40 to 44 of the Climate Statement for the year ended 30 June 2025:

- gross GHG emissions:
  - Total Scope 1 of 35,127 tCO2e on page 27;
  - Total Scope 2 (location-based) of 6,058 tCO2e on page 27; and
  - Total selected Scope 3 of 148,048 tCO2e on page 27;
- additional required disclosures of gross GHG emissions on pages 27, 29 and 30; and
- gross GHG emissions methods, assumptions and estimation uncertainty on pages 30 and 40 to 44.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 26, 28 and 30 to 39. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it. The comparative information for the year ended 30 June 2024 disclosed in the Group's Climate Statement is not covered by the assurance conclusion expressed in this report.

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Key matters to the GHG assurance engagement

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

Description of the key matter	How our assurance engagement addressed the key matter
Key judgements, estimates and assumptions within Scope 3, Category 4: Upstream transportation and distribution Emissions from Scope 3, Category 4: Upstream transportation and distribution account for approximately 68% of the total selected Scope 3 emissions. The main sources are road freight and airfreight, both of which involve key judgements, estimates and assumptions. *Road freight transported by contract drivers and third-party providers* As disclosed in Appendix 4 on page 42, where fuel card data was available, road freight emissions were based on recorded fuel consumption. Where fuel card data was not available, the Group applied the distance-based method, requiring assumptions about the contractor or third party vehicle type, size, and age in order to select appropriate emission factors. *Airfreight provided under Aircraft, Crew, Maintenance and Insurance (ACMI) agreements* As described in footnote 19 on page 29, the Group accounts for emissions from jet fuel in Scope 3, Category 4 as it does not have operational control over Parcelair Limited or the aircraft operated for the contracted airfreight services. The classification of these emissions within Scope 3, involved judgements relating to contractual arrangements, joint venture structures, and interpretation of GHG Protocol guidance. These emissions are not significant to the Total selected Scope 3 emissions, however, had operational control been established, the emissions would have been classified as Scope 1 and significant to that Scope. This is considered a key matter because estimation of road freight emissions requires significant management judgement and these estimated emissions are significant to Scope 3. In addition, the classification of airfreight emissions involved significant judgement over interpretation of control.	To evaluate the key judgements, estimates and assumptions in Scope 3, Category 4, we: • Enquired of management to understand the methodology used and the basis for the key judgements made. • Assessed alignment of the Group's approach with the GHG Protocol. • Considered the appropriateness of related disclosures for methods, assumptions and estimation uncertainty relevant to these emissions sources on pages 29, 42 and 43. For emissions from road freight, we also: • Tested, on a limited sample basis, the fuel type, the kilometres travelled and the emission factors used against underlying records. • Independently developed our own emissions estimate, where the distance-based method was used, by exercising judgement over the appropriate emission factor based on vehicle type, size and age. We then compared this to management's estimate, which was calculated using a default factor, to evaluate the accuracy of the Group's methodology. For emissions from airfreight, we also: • Inspected ACMI agreements and any other relevant agreements. • Enquired of management to understand their assessment of the Group's level of control over Parcelair Limited and other operators. • Reviewed the Group's position paper on the classification of jet fuel emissions.

Directors' responsibilities

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of the GHG Disclosures in accordance with NZ CSs. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of GHG Disclosures that are free from material misstatement whether due to fraud or error.

Inherent Uncertainty in preparing GHG Disclosures
As discussed on page 40 of the Climate Statement, the GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

This assurance engagement was undertaken in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures*, issued by the External Reporting Board (XRB) (NZ SAE 1). NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards and accreditation body requirements:

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*;
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews*.

In our capacity as auditor and assurance practitioner, our firm also provides audit and review services. Subsequent to the year ended 30 June 2025, our firm has also been engaged to carry out an assignment in the area of executive long-term incentives market practice benchmarking. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

Assurance practitioner's responsibilities

Our responsibility is to express a conclusion on the GHG Disclosures based on the procedures we have performed and the evidence we have obtained. NZ SAE 1 requires us to plan and perform the engagement to obtain the intended level of assurance about whether anything has come to our attention that causes us to believe that the GHG Disclosures are not fairly presented and are not prepared, in all material respects, in accordance with NZ CSs, whether due to fraud or error, and to report our conclusion to the Directors of the Company.

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

Summary of work performed

Our limited assurance engagement was performed in accordance with NZ SAE 1, and ISAE (NZ) 3410 *Assurance Engagements on Greenhouse Gas Statements*. This involves assessing the suitability in the circumstances of the Group's use of NZ CSs as the basis for the preparation of the GHG Disclosures, assessing the risks of material misstatement of the GHG Disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Disclosures.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the GHG Disclosures, we:

- Obtained, through enquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Evaluated the Group's organisational and operational boundaries to assess completeness of GHG sources;
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Where we considered it to be appropriate, we tested, on a limited sample basis, the data on which the estimates are based. In some instances, we separately developed our own estimates against which to evaluate the Group's estimates;
- Tested a limited number of items to, or from, supporting records, as appropriate;
- Assessed a limited number of emission factor sources and reperformed a limited number of emissions calculations for mathematical accuracy;
- Performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made enquiries of management to obtain explanations for any significant differences we identified; and
- Considered the presentation and disclosure of the GHG Disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement and does not enable us to obtain assurance that we would become aware of all significant matters that we otherwise might identify. Accordingly, we do not express a reasonable assurance opinion on these GHG Disclosures.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance may occur and not be detected.

Who we report to

This report is made solely to the Company's Directors, as a body. Our work has been undertaken so that we might state those matters which we are required to state to them in our assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Directors, as a body, for our procedures, for this report, or for the conclusions we have formed.

The engagement partner on the engagement resulting in this independent assurance report is Christopher Ussher.

For and on behalf of

PricewaterhouseCoopers

PricewaterhouseCoopers Wellington
22 September 2025

Appendices

Appendix 1: Glossary of Terms

A	**ACMI**	Aircraft, Crew, Maintenance, and Insurance agreement
	ARC	Audit & Risk Committee
	AR5	IPCC's Assessment Report 5
C	**CEO**	Chief Executive Officer
	CCC	He Pou a Rangi, the New Zealand Climate Change Commission
	CFO	Chief Financial Officer
	Climate Working Group	Internal working group, made up of the CFO, the New Zealand Group Financial Controller, the Australian Group Financial Controller, and from March 2025, the Head of Sustainability and Climate
	Controlled Businesses	A subsidiary of Freightways
	CRE	Climate Reporting Entity
D	**DCCEEW**	Department of Climate Change, Energy, the Environment and Water (Australia)
	DESNZ	Department for Energy Security and Net Zero (United Kingdom)
E	**ETS**	New Zealand Emissions Trading Scheme
	EY	Ernst & Young
F	**Freightways**	Freightways Group Limited and its subsidiaries. Also referred to as the Group
	FY	Financial Year
G	**General Managers**	General managers of the Controlled Businesses
	GHG	Greenhouse gas emissions
	GHG Protocol	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
	Group	Freightways Group Limited and its subsidiaries. Also referred to as Freightways
	GWP	Global Warming Potential
I	**ICE**	Internal combustion engine
	IEA	International Energy Agency
	IPCC	Intergovernmental Panel on Climate Change
M	**MFE**	Ministry for the Environment (New Zealand)
N	**NGFS**	Network for Greening the Financial System
	NIWA	National Institute of Water and Atmospheric Research (New Zealand)
	NZ CS	Aotearoa New Zealand Climate Standards
	NZ CS 1	The Aotearoa New Zealand Climate Standard 1 – Climate-related disclosures
	NZ CS 2	The Aotearoa New Zealand Climate Standard 2 – Adoption of Aotearoa New Zealand Climate Standards
	NZ CS 3	The Aotearoa New Zealand Climate Standard 3 – General Requirements for Climate-related Disclosures
	NZD	New Zealand Dollar
	NZU	New Zealand Unit (used in the **ETS**)
P	**Parent**	Freightways Group Limited
	PSC	People & Safety Committee
	PwC	PricewaterhouseCoopers
R	**RCP**	Representative Concentration Pathway
	Reporting Period	The period 1 July 2024 to 30 June 2025
S	**SAF**	Sustainable Aviation Fuel
	SLT	Senior Leadership Team
	SSP	Shared Socioeconomic Pathways
	STI	Short-term incentive
T	**TCFD**	Taskforce for Climate-related Financial Disclosures
	tCO_2e	Tonnes carbon dioxide equivalent
	The Aotearoa Circle	A public private partnership, whose purpose is to restore natural capital in New Zealand
	TIMG	The Information Management Group
	Transport Sector Scenarios	The Aotearoa Circle Transport Sector Climate Change Scenarios
	TPT	Transition Plan Taskforce
	3PL	Third-party logistics
	4PL	Fourth-party logistics

Appendix 2: Details of scenario analysis

Freightways has considered the emissions reduction pathways and associated assumptions for each of the three scenarios used in its scenario analysis process described in the Strategy section on pages 11 to 15.

These scenarios are based on internationally recognised modelling frameworks:

- **Orderly:** Net Zero 2050 (RCP 1.9, NGFS Orderly, IEA Net Zero Emissions)
- **Disorderly:** Delayed Transition (RCP 2.6, NGFS Disorderly, IEA Sustainable Development Scenario); and
- **Hot House World:** Current Policies (RCP 8.5, NGFS Hot House World, IEA STEPS).

Each scenario reflects a distinct emissions trajectory and set of underlying drivers.

The Orderly scenario assumes immediate and sustained global emissions reductions, reaching net zero by 2050 through strong international policy action, high carbon pricing, rapid electrification, deployment of renewables, and early use of negative emissions technologies such as bioenergy with carbon capture and storage ('BECCS') and direct air capture.

The Disorderly scenario assumes limited early action, with emissions peaking around 2030 followed by steep reductions driven by more disruptive policy responses, accelerated technology deployment, and land-based sequestration.

The Hot House World scenario reflects a continuation of existing climate policies, limited adoption of low-emissions technologies, and rising or plateauing emissions through mid-century.

In developing these scenarios, Freightways has considered the scope of its operations, including the emissions it generates. Each scenario incorporates varying policy and socioeconomic assumptions, including levels of international coordination, regulatory ambition, carbon pricing, population, and economic growth.

Assumptions relating to carbon sequestration through afforestation and nature-based solutions, as well as the availability and scale-up of negative emissions technologies, vary across the scenarios in line with their respective pathways.

Appendix 3: Route and premises assessment

This Appendix contains details of and summarises the findings of the Route and Premise Exposure Assessment, referred to in the Risk Management and Metrics and Targets sections.

The exposure assessment conducted by EY in FY24 relies on significant assumptions and uncertainties. It is expected that this analysis will improve in accuracy over time, as more granular climate data becomes available, and exposure methodologies are refined.

This screening included defining business activities of Freightways as the movement of goods in its network while business assets were deemed its physical premises (either leased or owned).

This exercise has been conducted on New Zealand and Australian assets and activities at the time of the assessment. It does not account for any future growth in the Freightways' network or to its assets.

PHYSICAL RISKS EXPOSURE – EXTREME WEATHER EVENTS AND SEA LEVEL RISE

Extreme weather events pose a material threat to Freightways' current and future operations, with climate change increasing the frequency and severity of these events across its network. Freightways undertook a screening to understand the possible number of its premises and daily long-haul truck and aircraft movements in New Zealand and Australia that could be exposed to significant weather events (such as heat stress, bushfires, rainfall, and storms) under different climate projections and timeframes. The screening was limited to the routes travelled by long-haul freight trucks and aircraft as Freightways see this as a core component in its delivery chain and it has flow on effects if disruptions occur. The exposure screening did not include Freightways' city-based delivery network in New Zealand and Australia.

The exposure screening presents the inherent risk exposure and therefore does not account for any mitigation

actions. The timeframes used in the screening align with the timeframes used in Freightways' climate scenario analysis.

For New Zealand, the climate and sea level rise projection data was sourced from the National Institute of Water and Atmospheric Research ('NIWA')[25] and the NZ SeaRise Programme.[26] For Australia, the climate and sea level rise projection data was sourced from the CSIRO and Bureau of Meteorology Australia,[27] World Bank Group,[28] and the IPCC.[29]

The projected frequency and severity of the extreme weather events for New Zealand and Australia was assessed as described in Table 9 under different representative concentration pathways ('RCPs'), shared socio-economic pathways ('SSPs') and timeframes.[30]

Exposure ratings were based upon the thresholds defined for New Zealand in Table 10, and for Australia in Table 11 which were assigned to each region and then to the routes which travel through each region and to each premises. These thresholds were developed by Freightways and are key assumptions in this methodology. They contain significant uncertainty due to the availability of detailed research on the impact of these risks and opportunities at a granular level.

[25] NIWA, Climate Change scenarios for New Zealand, 2024, Climate change scenarios for New Zealand | NIWA

[26] NIWA, Aotearoa-New Zealand 1% AEP extreme sea level flooding viewer, 2024, NZ NIWA Sea Level App (arcgis.com)

[27] CSIRO and Bureau of Meteorology, Climate Change in Australia Information for Australia's Natural Resource Management Regions: Technical Report, CSIRO and Bureau of Meteorology, Australia, 2015, https://www.climatechangeinaustralia.gov.au/en/communication-resources/reports/

[28] The World Bank Group, Climate Change Knowledge Portal, Australia, n.d., https://climateknowledgeportal.worldbank.org/country/australia/climate-data-projections

[29] IPCC, IPCC Sixth Assessment Report, Chapter 11: Australasia, 2022, https://www.ipcc.ch/report/ar6/wg2/chapter/chapter-11/

[30] RCPs are scientifically based projections of plausible future climates for a region based upon the IPCC AR5 assessment, while the SSPs are based upon the AR6, with the value referring to the total solar radiative forcing by 2100. Freightways have used RCP/SSP2.6; RCP/SSP4.5; RCP6.0, SSP7.0; and RCP/SSP8.5 for a stretch test of possible exposure.

TABLE 9: PHYSICAL RISK EXPOSURE DRIVERS AND METRICS

Physical risk driver	New Zealand Event measured	Australia Event measured
Heat stress / Increased temperature	Hot days (number of days where the daily maximum temperature is above 25°C)	Hot days (number of days with Heat Index > 35C)
		Hot days (number of Severe Fire Danger days)
Extreme weather	Wet days (number of days with precipitation > 25mm)	Wet days (number of days with precipitation > 20mm)
	Increased frequency and severity of storms (wind)	Extreme Wind Intensity Change
		Tropical Cyclone Intensity
Sea level rise	Projected relative sea level rise	Projected sea level rise

TABLE 10: NEW ZEALAND PHYSICAL RISK EXPOSURE RATINGS AND THRESHOLDS FOR FREIGHTWAYS' ROUTES

Exposure rating	Hot days	Wet days	Increased frequency and severity of storms	Projected relative sea level rise on roading network
No / Minimal	Between 0 and 50 hot days per year	Between 0 and 15 days per year where the total rainfall is greater than 25mm	Future changes are likely to be less than or comparative to 2023	Roading network is either not projected to be affected by sea level rise or only at minimal parts of the network
Low / Moderate	Between 51 and 100 hot days per year	Between 16 and 30 days per year where the total rainfall is greater than 25mm	Future changes expected to increase but less than 25 percent	Low or partially localised projected impact to the roading network from sea level rise
High / Extreme	Over 101 hot days per year	31+ days per year where the total rainfall is greater than 25mm	Future changes expected to be severe, increased frequency over 25 percent	Wide-spread projected impact to the roading network from sea level rise

TABLE 11: AUSTRALIA PHYSICAL RISK EXPOSURE RATINGS AND THRESHOLDS FOR FREIGHTWAYS' ROUTES

Exposure rating	Hot days	Hot days (severe fire danger days)	Wet days	Increased intensity of wind and tropical cyclones	Projected relative sea level rise on roading network
No / Minimal	Between 0 and 50 hot days per year	Between 0 and 10 fire danger days per year	Between 0 and 15 days per year where the total rainfall is greater than 20mm	Future changes are likely to decrease or be minimal	Roading network is either not projected to be affected by sea level rise or only at minimal parts of the network
Low / Moderate	Between 51 and 100 hot days per year	Between 11 and 20 fire danger days per year	Between 16 and 30 days per year where the total rainfall is greater than 20mm	Future changes expected to increase	Low or partially localised projected impact to the roading network from sea level rise
High / Extreme	Over 101 hot days per year	Over 21 fire danger days per year	31+ days per year where the total rainfall is greater than 20mm	Future changes expected to be severe	Wide-spread projected impact to the roading network from sea level rise

A binary exposure threshold described in Table 12 was applied to the sea level rise exposure screening of Freightways' premises in both New Zealand and Australia.

TABLE 12: SEA LEVEL RISE EXPOSURE AND THRESHOLDS FOR FREIGHTWAYS' PREMISES

Exposure Rating	Exposure threshold description
No / Minimal Exposure	No area of the premises is exposed to sea level rise
Exposed	The premises is either partially or fully exposed to sea level rise

ROUTE EXPOSURE RESULTS

New Zealand

Under the worst-case climate scenario projections (RCP 8.5), the assessment suggested that 2 percent of routes will have a low to moderate exposure to high daily temperatures in the short-term, increasing to 27 percent in 2050. None of Freightways' routes are likely to be exposed to a high to extreme level of hot days during these time periods. Areas of concern for heat stress in the New Zealand network may include Whangarei, Auckland, Tauranga, and Napier.

The New Zealand network may also be exposed to low levels of extreme rainfall events in the short- and medium-term with 5 percent of routes exposed to moderate or high levels of daily rainfall under the most extreme climate warming projections in 2050. This higher level of risk exposure is predominantly occurring in the Westport network.

Relative sea-level rise does pose a risk on Freightways' use of the extensive roading network in New Zealand. The assessment suggested that in 2050, 18 percent of current routes could be exposed to a high to extreme level of disruption caused by relative sea-level rise under all possible climate scenarios considered. Severe storms may become more frequent across most of the network in the medium-term under the worst-case climate projections, with 69 percent of routes likely to expect a low to moderate increase in the severity of storms and the remaining 31 percent of routes facing a high to extreme increase.

Australia

The Australian roading network results suggest that hot days and extreme rainfall events pose a minimal risk to all Freightways' routes. In 2030 and under a worst-case projection, 6 percent could experience conditions that pose a moderate exposure to wildfires, with all other routes having minimal exposure. The assessment also suggested that 21 percent of the road network could be exposed to a moderate level and 9 percent to a higher level of impact due to rising sea levels under a RCP8.5 projection in 2050.

PREMISES EXPOSURE RESULTS

New Zealand

The exposure assessment suggested that in 2050 and under the worst-case climate projections:

- none of Freightways' New Zealand premises are likely to be exposed to a high-extreme level of high daily temperatures.
- 1 percent of Freightways' New Zealand premises could be exposed to a high-extreme level of extreme daily rainfall events.
- 45 percent of Freightways' New Zealand premises could be exposed to a high-extreme level of increase in the severity of storm events.

The assessment suggested that 6 percent of Freightways' New Zealand premises are likely to be exposed to sea level rise over the short- and medium-term and under all climate projections.

Australia

Freightways' Australian premises will likely experience minimal exposure to hot days and extreme daily rainfall events in 2050 under the worst-case climate projection. All premises are situated in regions of Australia where fire danger poses a minimal risk (in 2030, under a RCP8.5 projection). Sea-level rise does not pose a significant risk to Freightways' premises in Australia, with the assessment noting that under the worst-case climate projections for sea level rise, none of Freightways' depots are exposed in 2050.

Appendix 4: GHG emissions, methodology, uncertainties and assumptions

GHG emissions accounting is inherently uncertain because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

MFE (2025): Ministry for the Environment (New Zealand). 2025. Measuring emissions: A guide for organisations: 2025 detailed guide. (GWP100, IPCC AR5)

DCCEEW (2024): Department of Climate Change, Energy, the Environment and Water (Australia). 2024. Australian National Greenhouse Accounts Factors. (GWP100, IPCC AR5)

DESNZ (2025): United Kingdom Department for Energy Security and Net Zero 2025 Government Greenhouse Gas Conversion Factors for Company Reporting (GWP 100, IPCC AR5)

DESNZ (2023): United Kingdom Department for Energy Security and Net Zero 2023 Government Greenhouse Gas Conversion Factors for Company Reporting (GWP 100, IPCC AR5)

DESNZ (2021): United Kingdom Department for Energy Security and Net Zero 2021 Government Greenhouse Gas Conversion Factors for Company Reporting (GWP100, IPCC AR4)

thinkstep-anz (2024): Emission Factors for New Zealand: Greenhouse Gas Emission Intensities for Commodities and Industries. v1.1. (GWP100, IPCC AR4)

Climalife (2024): R-452A & R-449a product information. (GWP100, IPCC AR5)

AR5: Intergovernmental Panel on Climate Change (IPCC) 'Climate Change 2013: The Physical Science Basis'

AR4: IPCC 'Climate Change 2007: The Physical Science Basis'

SCOPE 1

CATEGORY	EMISSIONS SOURCE / ACTIVITY	DATA SOURCE	CALCULATION METHODOLOGY, ASSUMPTIONS, UNCERTAINTY (QUALITATIVE)	EMISSION FACTOR AND GWP
Mobile combustion	Fossil fuel used in Group owned and leased vehicles	Supplier data	Fuel-based method. Fuel consumption (litres) per fuel type is sourced from fuel card data and transaction reports. Low uncertainty.	MFE (2025). AR5. DCCEEW (2024). AR5. DESNZ (2023). Emission factor: AdBlue. AR5.
	Fossil fuel used in Group owned and leased forklifts	Supplier data	Fuel-based method. LPG (kgs) and diesel (litres) consumption is sourced from invoices. Low uncertainty.	MFE (2025). AR5. DCCEEW (2024). AR5.
Stationary combustion	Fossil fuel used in Group owned and leased boilers, generators, autoclaves and other stationary equipment	Supplier data	Fuel-based method. Natural gas (kWh, GJ), LPG (litres, kWh, kg), and Diesel (litre) quantities are sourced from invoices. Low uncertainty.	MFE (2025). AR5. DCCEEW (2024). AR5.
Fugitive emissions	Refrigerant used in owned and leased air conditioning units and temperature-controlled depots and vehicles	Supplier data Maintenance records	Top-up method. Fugitive emissions calculated using refrigerant top-up quantities (kgs) per refrigerant type sourced from maintenance contractors, and invoices. Freightways relies on the refrigerant quantities provided by maintenance contractors to be complete and to include top-ups performed by sub-contractors. Refrigerant top-ups are completed on an ad hoc basis. Freightways does not monitor top-ups. Freightways has limited visibility over quantities used from on-site stock. Refrigerant top-ups could be understated. Medium uncertainty.	MFE (2025). AR5. Climalife (2024) R-452A & R-449A product information. AR5.

SCOPE 2				
CATEGORY	**EMISSIONS SOURCE / ACTIVITY**	**DATA SOURCE**	**CALCULATION METHODOLOGY, ASSUMPTIONS, UNCERTAINTY (QUALITATIVE)**	**EMISSION FACTOR AND GWP**
Electricity	Electricity used in owned and leased sites – including offices, distribution centres, branches, and depots	Supplier data	Location-based method. Electricity consumption (kWh) is sourced from electricity retailers. Low uncertainty.	MFE (2025). AR5. DCCEEW (2024). AR5.

SCOPE 3				
CATEGORY	**EMISSIONS SOURCE / ACTIVITY**	**DATA SOURCE**	**CALCULATION METHODOLOGY, ASSUMPTIONS, UNCERTAINTY (QUALITATIVE)**	**EMISSION FACTOR AND GWP**
Category 1 Purchased goods and services	Purchased goods and services	Supplier data General ledger	Spend-based method. Purchased goods have been measured at the supplier level. Emissions factors have been applied against each supplier based on the main good provided. Purchased services were measured against GL codes and emissions factors were applied based on the GL code description. Spend-based emissions factors have been used to measure >99% of the category. Due to lack of Australian specific emission factors, New Zealand specific emission factors were applied to goods and services purchased in Australia. High uncertainty due to the use of spend-based emissions factors and their allocation.	thinkstep-anz (2024). AR4. *Adjusted for inflation.*
Category 2 Capital goods	Purchase of capital goods	Fixed asset registers	Spend-based method. Emission factors are applied to a general category of spend based on the description in the fixed asset register. Medium uncertainty due to the use of spend-based emissions factors.	thinkstep-anz (2024). AR4. *Adjusted for inflation.*
Category 3 Fuel-and energy-related activities	Electricity and natural gas transmission and distribution losses (T&D)	Supplier data	Average-data method. Emissions from T&D losses are estimated based on Scope 1 and Scope 2 data. Low uncertainty.	MFE (2025). AR5. DCCEEW (2024). AR5.
	Well-to-tank (WTT) losses	Supplier data	Average-data method. Emissions from WTT (Scope 1) losses are estimated based on Scope 1 data. Low uncertainty. Average-data method. Emissions from WTT (Scope 2) losses are estimated based on Scope 2 data. Medium uncertainty due to the use of an older emissions factor (2021).	DCCEEW (2024). AR5. DESNZ (2021): Emission factor: Electricity supplied from grid - WTT. AR4.

SCOPE 3				
CATEGORY	**EMISSIONS SOURCE / ACTIVITY**	**DATA SOURCE**	**CALCULATION METHODOLOGY, ASSUMPTIONS, UNCERTAINTY (QUALITATIVE)**	**EMISSION FACTOR AND GWP**
Category 4 Upstream transportation and distribution	Road freight transported by contractor drivers and third-party providers	Supplier data General ledger	*Contractor drivers* Contractor fuel emissions are measured using either the fuel-based method or the distance-based method. The fuel-based method is used where contractors use a company provided fuel card. For contractors who do not use a fuel card, but fuel consumption can be estimated based on the consumption patterns of similar drivers using fuel cards, then the fuel-based method is also used. Some fuel consumption reported on company fuel cards may include personal use and some fuel spend may be unreported (i.e. fuel purchased without using a company fuel card). Medium uncertainty due to potential personal use, unreported use and estimation / modelling applied where fuel card data is not available. Where Freightways has been unable to track or estimate fuel usage, the distance-based method has been used (km). Distances were estimated assuming either direct routes between origin and destination location or using scanner data for packages processed per run. In some cases, vehicle type was unknown, and assumptions were applied based on internal surveys of contractor fleets. Average fleet emissions factors were applied where exact fleet composition was unknown. Medium uncertainty due to the estimation and modelling of contractor mileage (distance-based method) when fuel card data is unavailable. *Third party road freight* Third party road freight emissions are measured using a range of methods. The distance-based method is measured using tonne kilometres (tkm). Where distance data is not provided by the supplier, this is estimated based on typical routes. Where weight data is not provided, the distance-based method is measured using kilometres (km), and it is assumed the full vehicle load is attributable to Freightways. For linehaul activities in Australia, specific vehicle data is not available, so an emission factor has been selected based on Freightways' understanding of the vehicle fleet's size and age, and supported by a 2018 paper provided by the Truck Industry Council in Australia based on the age of the Australian truck fleet. Medium uncertainty due to assumption the entire load is attributable to Freightways (where weight data is unavailable), and allocation of emissions factors based on fleet composition assumption. The spend-based method is used where tkm data is unavailable. Medium uncertainty due to the use of spend-based emissions factors.	MFE (2025). AR5 DCCEEW (2024). AR5 MFE (2025). AR5. DCCEEW (2024). AR5. thinkstep-anz (2024). AR4. Adjusted for inflation.

SCOPE 3				
CATEGORY	**EMISSIONS SOURCE / ACTIVITY**	**DATA SOURCE**	**CALCULATION METHODOLOGY, ASSUMPTIONS, UNCERTAINTY (QUALITATIVE)**	**EMISSION FACTOR AND GWP**
	Sea freight services provided by third parties	Supplier data	Emissions from sea freight, including interisland freight, are generally measured using the distance-based method. Where the distance was not known or fixed, the distance was estimated, assuming direct routes between origin and destination location and using weight data supplied by sea freight providers. Medium uncertainty due to the estimation of distance where unknown.	MFE (2025). AR5.
	Air freight (under ACMI agreements) and air freight provided by third-party providers	Supplier data	*Airfreight provided under ACMI agreements* The fuel-based method is used for airfreight provided to Freightways under ACMI agreements it is party to. Under these agreements, Freightways has access to 50% of capacity on set flights. This is measured in litres of jet fuel consumed and allocated based on the 50% contractual share. Low uncertainty. *Third-party airfreight* The distance-based method is used where supplier specific data is not provided. The distance-based method is used measured using tkm. Where the distance was not known or fixed, the distance was estimated, assuming direct routes between origin and destination location, then converted to tkm using supplier provided weight data. Emissions factors include radiative forcing. Medium uncertainty due to the estimation of distance where unknown.	MFE (2025). AR5. MFE (2025). AR5.
Category 5 Waste generated in operations	Landfill waste from New Zealand and Australia operations	Supplier data	In most cases, the average-data method used. Measured in kilograms (kg), this estimate is based on reported or estimated weights of waste (unknown composition) sent to landfill from New Zealand and Australian operations. Where actual weights have not been provided by the supplier, internal or supplier-based estimates of average bin weights by size have been used, calculated from the number of bin lifts completed. New Zealand landfill emissions factors consider gas capture, while Australian landfill emissions factors do not. Medium uncertainty due to the use of estimations and assumptions where weight data has not been provided by the supplier (calculated based on the number of bin lifts completed).	MFE (2025). AR5. DCCEEW (2024). AR5.

SCOPE 3				
CATEGORY	**EMISSIONS SOURCE / ACTIVITY**	**DATA SOURCE**	**CALCULATION METHODOLOGY, ASSUMPTIONS, UNCERTAINTY (QUALITATIVE)**	**EMISSION FACTOR AND GWP**
Category 6 Business travel	Business travel	Supplier data	*Air travel* Distance-based method, measured in passenger kilometres (pkm) and mode of flight. Low uncertainty. *Accommodation* Room nights-stayed method used for hotels and accommodation. Low uncertainty. *Road travel* Spend-based method is used for taxis and rideshare. Low uncertainty. The distance-based method is used for rental cars, measured in kilometres (km). All vehicle classes are included, with average emission factors applied unless specific vehicle types were known. Low uncertainty. The distance-based measure is used for reimbursement of mileage based on direct reporting of distance travelled or calculated by converting reimbursement amounts to km using standard rates. Medium uncertainty due to the use of standard rates to convert reimbursement value into kilometre data (km).	MFE (2025). AR5. MFE (2025). AR5. MFE (2025). AR5. MFE (2025). AR5. MFE (2025). AR5.
Category 7 Employee commuting	Employee commute	Internal survey	The distance-based method is used for employee commute, measured in km. Kilometre estimates are derived from an annual employee survey collating information about typical commuting patterns. This includes information on frequency, distance, and mode of transport. Responses are extrapolated to represent the full employee base. High uncertainty due to the significant use of modelling and assumptions to measure this emissions source.	MFE (2025). AR5.
Category 13 Downstream leased assets	Leased ground power units	Leased asset records	Average-data method, based on ground power unit (GPU) product specifications. Assumes all units operate in the same way and consume electricity at the average rate. Medium uncertainty due to the use of modelling and assumptions to measure this emissions source.	MFE (2025). AR5.
Category 15 Investments	Investments	Supplier data and reporting provided by investment entity	Investment-specific method, based on the Scope 1 and Scope 2 activities of the investment entities. Data collected from entities through utility invoices and reporting. Medium uncertainty due to emissions reporting processes amongst investment entities.	MFE (2025). AR5. DCCEEW (2024). AR5.