IN OUR NATURE

Taskforce for Nature-Related Financial Disclosures Report 2026

PORT of NEWCASTLE

PORT of NEWCASTLE

ABOUT THIS REPORT

This report has been prepared to disclose Port of Newcastle's approach to identifying, assessing, managing, and disclosing nature-related risks and opportunities, in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

It has been written in accordance with the TNFD guidelines and reflects our commitment to enhancing transparency, supporting informed decision-making, and integrating nature considerations into our governance, strategy, risk management, metrics and targets.

The report aims to provide stakeholders with a clear and balanced view of our nature-related impacts, dependencies, risks, and opportunities — while supporting alignment with emerging best practice in nature-related reporting. It should be read in conjunction with our 2025 Sustainability Report.

ACKNOWLEDGING OUR ABORIGINAL HERITAGE

Port of Newcastle operates within the Muloobinba area. This name comes from a local plant and means 'the place of sea ferns'. Daily, commercial vessels visiting the Port pass by Whibayganba (Nobby's Headland) and travel along the Coquun (Hunter River) to their berth destination.

We acknowledge the Traditional Custodians of the land and waters on which the Port of Newcastle operates, the Awabakal and Worimi People, and pay our respects to all Elders past and present.

CEO STATEMENT

At Port of Newcastle, we recognise that the long-term success of our business is closely tied to the health and resilience of the natural environment in which we operate. As global expectations evolve, so too must the way we understand, manage and disclose nature-related risks and opportunities.

We are proud to have been among the first organisations in Australia to sign up as early adopters of the Taskforce on Nature-related Financial Disclosures (TNFD) framework. This reflects our commitment to leadership in nature-related risk management and transparency, and to supporting the development of consistent, decision-useful disclosures. This report represents our first formal TNFD-aligned disclosure. It builds on our existing sustainability and climate reporting, providing an integrated picture of how environmental factors influence our long-term resilience and value creation.

During the reporting period, we strengthened our approach by updating our climate scenario analysis to reflect the latest science, guidance and transition pathways. We also completed an updated, integrated climate and nature risk assessment. This deepens our understanding of our exposures, dependencies and impacts across operations and value chains.

Importantly, we have assessed climate and nature together, recognising they are inextricably linked. Climate change is a key driver of nature loss, while the degradation of nature can in turn exacerbate climate-related risks. Addressing these challenges in an integrated way is critical to effective risk management and informed decision-making.

This work marks an important step in our ongoing journey to embed climate and nature considerations into our strategy. As expectations and best practice continue to evolve, so too will our approach.

We remain committed to building on this foundation by enhancing data quality, advancing our scenario analysis, and further integrating nature-related considerations across our business. In doing so, we aim to contribute to a more sustainable, resilient future for our region, our stakeholders and the environment we all depend on.

Craig Carmody, CEO

Port of Newcastle is located on the east coast of Australia, a global trade gateway delivering safe, sustainable and efficient logistics solutions for customers.

As custodians of the regions' most critical asset, we are striving every day to create a safe, sustainable and environmentally and socially responsible port for the future. We strive to minimise impacts to and from nature in the goal of becoming a nature positive port.

Port of Newcastle Operations Pty Ltd is an Australian private company located and solely operating in Newcastle, NSW Australia. We have a significant portion of land tenanted by private terminal operators.

We are responsible for common user berths and provide maintenance of channel depths to enable the safe passage of commercial vessels.

With a deepwater shipping channel, capacity to double trade volumes, available portside land, and berth side connections to the heavy rail network, few Australian ports can match our unique capabilities.

CORE VALUES

COMMUNITY

We are engaged with our communities and proud of the Port's role in the region

WELLBEING

We support and invest in our people and their wellbeing

INTEGRITY

We are genuine, open and respectful in everything we do

CURIOSITY

We challenge the status quo by questioning if there is a better or safer way

WITH TRADE THROUGHPUT WORTH BILLIONS TO THE NATIONAL ECONOMY, WE ENABLE AUSTRALIAN BUSINESSES TO SUCCESSFULLY COMPETE IN INTERNATIONAL MARKETS.

With trade throughput worth billions to the national economy, we enable Australian businesses to successfully compete in international markets.

As custodians of our region's most critical asset, we are striving every day to create a safe, sustainable, and environmentally and socially responsible port for the future. We strive to minimise impacts to and from nature, and our goal is to become a nature-positive port.

Approach to materiality

We have adopted a materiality definition in line with the Global Reporting Initiative (GRI) materiality assessment guidelines and conducted a stakeholder engagement process to capture the views of internal and external stakeholders. This comprehensive approach ensured our materiality assessment was robust, credible, and aligned with emerging best practices in nature-related disclosure.

Our stakeholders have also been key in developing the materiality assessment for our environmental, social and governance (ESG) strategy to understand what is important and material to us and our stakeholders, in terms of developing sustainably.

We undertook a formal materiality assessment in 2021 to better understand the key material topics for PON from our stakeholders' perspective. This was refreshed again in 2023 and 2025, which captures stakeholders' views on some of the significant changes to business and climate since 2021.

The highest materiality in each sector; people, planet, prosperity and partnerships, are listed in Table 1.

In our approach to materiality for this report we adopted the TNFD LEAP framework (locate, evaluate, assess and prepare) to systematically identify and evaluate nature-related dependencies, impacts, risks, and opportunities across our operations and value chain.

We applied the principle of double materiality to ensure we considered:

- how nature and our activities impact our business
- the financial impacts.

Table 1 – Material topics

PEOPLE	PLANET	PROSPERITY	PARTNERSHIPS
Safety	Waste	Diversification	Collaboration
Business ethics	Pollution/ contamination	Security	Social Licence
Leadership	Water	Infrastructure/ asset management	
Health & Wellbeing	Decarbonisation – Scope 1 & 2	Growth	
Diversity & Inclusion			

During the LEAP assessment we utilised online tools including the Science Based Targets Network materiality screening and United Nations Environment Programme Prioritising Nature Disclosures.

Scope of disclosures

This is our first TNFD report, and the findings will be used to inform future business decisions, including capital allocation. While the nature-related risks and opportunities identified in this report have not yet been quantified, we intend to enhance our analysis and disclosures in future reporting cycles. As such, this report addresses 11 of the 14 TNFD recommended disclosures, as indicated in Figure 1. It outlines our current approach to identifying, assessing, and managing nature-related risks and opportunities across our operations and value chain.

We have used external consultants to assist with strategy, risk assessment and reporting to ensure best practice and alignment with international standards.

Figure 1 – TNFD recommended disclosures

Governance	Strategy	Risk & impact management	Metrics & targets
Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.	Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.	Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.	Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.
Recommended disclosures	**Recommended disclosures**	**Recommended disclosures**	**Recommended disclosures**
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities. **B**. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities. **C**. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	**A**. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term. **B**. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place. **C**. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios. **D**. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	**A**(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. **A**(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s). **B**. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities. **C**. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	**A**. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process. **B**. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature. **C**. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.

GOVERNANCE

Our Board of Directors comprise representatives from both our shareholder groups, The Infrastructure Fund (TIF) and China Merchant Port Holdings (CMPort).

As shown in Figure 2, we have in place a robust governance framework to ensure that we operate our business in a responsible manner. Our framework includes management systems and processes aligned with international standards. To further support and enhance our responsible management practice our Board of Directors provide a key role in overseeing this approach.

PON Director demographics

As of 31 March 2026 Male Female

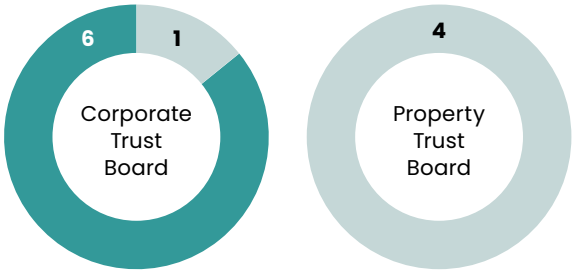


Figure 2 – PON governance structure

Board ESG Champion: Brian Salter
In addition to his role on the board of directors, Brian is responsible for the oversight of our ESG strategy and has oversight on climate change and nature risk.

The Audit, Risk & Compliance Committee (ARCC) is the sub-committee managed by the Board of Directors which oversees the climate and nature risks and opportunities assessments. The ARCC met twice in 2025 and was provided with updates, including Port of Newcastle's progress against ESG targets and strategy.

The Board and Executive Leadership Team both play a central role in assessing and managing climate-change and nature-related risks and opportunities through subject matter experts and working groups. The Executive Leadership Team integrates climate and nature considerations into strategic planning, conducts thorough risk assessments, and champions a sustainability culture throughout the organisation. This proactive approach underscores our commitment to responsibly navigating the challenges and opportunities posed by climate change.

The PON Executive Leadership Team are responsible for leading our core values. Our employees led the identification of four values that best reflect our culture: community, wellbeing, integrity and curiosity (see page 5).

Integration with other sustainability-related disclosures

We publish an annual sustainability report aligned with the Global Reporting Initiative (GRI) Standards and independently verified against these guidelines. This TNFD report provides additional complementary disclosures and should be read in conjunction with our 2025 Sustainability Report.

As a part of this assessment, we updated our climate risk assessment to incorporate nature-related risks and opportunities. This report brings together climate and nature

across governance, strategic planning, and risk and opportunities assessments. In preparing this report, we have drawn on elements of international frameworks, including GRI.

Updated climate projections and scenario modelling was used to understand our exposure to physical and transition climate risks. The assessment showed our current exposure to extreme heat, heavy rainfall, hail and strong winds. These risks are expected to increase over time, particularly under high-emissions scenarios.

Riverine flooding was also assessed and showed significant risk across the port, especially in low-lying areas such as Carrington. Sea-level rise projections indicate that these areas will become more vulnerable to flooding by 2050, particularly when combined with extreme weather events.

Transition risks linked to our reliance on high-emissions commodities such as coal, fuels, and fertilisers were also considered. Our trade profile and infrastructure are highly exposed to changes in regulation, policy, and markets as the world shifts to lower-emissions supply chains. These findings highlight the need for early action to adapt, diversify, and build resilience.

Human rights policies and engagement activities

We have been proactive in mitigating modern slavery in our value chain and have developed policies and standards regarding sustainable procurement and human rights. Our human rights policy outlines the objectives to conduct our business in a manner that upholds the rights, dignity, respect and equality of all individuals we interact with.

Our approach aligns with internationally recognised human rights frameworks, including the United Nations Universal Declaration of Human Rights, the United Nations International Covenant on Economic, Social and Cultural Rights, and the United Nations Declaration on the Rights of Indigenous Peoples.

Engagement with Indigenous peoples, local communities and affected stakeholders

Stakeholder engagement for the purposes of this report was in accordance with the PON stakeholder engagement framework. The framework has been developed in accordance with the International Association of Public Participation (IAP2) Quality Assurance Standard. We also developed an Indigenous Stakeholder Engagement Plan in 2025 which guided our engagement with Aboriginal and Torres Strait Islander stakeholders.

As part of our reconciliation journey, we launched or first reconciliation action plan (RAP) in December 2022. Our subsequent Innovate RAP was endorsed by Reconciliation Australia in December 2024. We are committed to building stronger relationships with our local Aboriginal and/or Torres Strait Islander communities and will continue to engage with them as nature reporting evolves.

STRATEGY

This section outlines how the organisation considers nature-related risks and opportunities within its strategic planning and decision-making processes.

It describes:

- the time horizons applied to assess potential impacts
- the use of scenario analysis to test strategic resilience under different nature-related futures
- the locations across operations and the value chain where interactions with nature are most relevant.

Together, these elements support a forward-looking understanding of how dependencies and impacts on nature may influence the organisation's strategy, business resilience and long-term value creation.

Time horizons considered

Our scenario analysis was updated in 2021 and 2025 and is used to inform our overall business strategy, strategic planning and risk management processes, consistent with TNFD guidance. The analysis considers a range of future scenarios across low, medium and high pathways as follows:

SCENARIO 1 NET ZERO 2050

Limits global warming to +1.5°C

This scenario aligns with the PON net zero 2040 target. This pathway is characterised by predictable carbon pricing and regulatory frameworks, accelerated deployment of clean technologies, and reduced physical climate risks compared to higher warming scenarios. This scenario offers a relatively stable environment for long-term infrastructure investment and policy planning. Climate risks will continue to amplify albeit at a slower rate than other scenarios.

SCENARIO 2 FRAGMENTED WORLD

Assumes global warming of +2.4°C

This pathway is characterised by a delayed and divergent global climate policy response leading to high physical and transition risks. This scenario assumes a world of heightened tension, reduced cooperation and deep market fragmentation.

SCENARIO 3 – CURRENT POLICIES

Assumes global warming of +3°C

Under this pathway, the world remains on a trajectory of high emissions and severe warming, with global temperatures to rise by around 3°C or more by 2100. Abrupt changes and tipping points are likely to be encountered. Fossil fuels remain the dominant energy source, and renewable energy adoption progresses slowly due to weak policy signals and limited investment incentives.

These scenarios are applied to:

- assess the resilience of our strategy
- identify nature and climate related risks and opportunities across various time horizons
- support decision making under conditions of uncertainty.

These assessments aim to improve resilience to physical and transitional risks over the selected time periods.

Current risks

HISTORY OF THE PORT

FIRST NATIONS

The Awabakal and Worimi people were the first inhabitants of the area where the port is located, living around the harbour and foreshores where there was an abundance of fish and wildlife. Shellfish was harvested by the local clans for tens of thousands of years and their discarded shells were piled into enormous middens which were later burned by Europeans to produce lime for building purposes.

1799

The first commercial export of coal left Newcastle for Bengal, India, in the Barque Hunter.

EARLY 19TH CENTURY

The estuary of the Hunter River was transformed from a series of mudflats and shallow channels into the largest deepwater global gateway on Australia's east coast.

The port's shipping channel is part of the largest and most efficient coal supply chain in the world — the Hunter Valley Coal Chain — comprising 35 mines owned by 11 coal producers, four rail haulage providers and three coal terminals

TODAY

The port services the needs of businesses and consumers in the region by handling diversified trade including fuels, ammonia, fertiliser, meals and grains, wheat, alumina, ammonium nitrate, cement, magnetite, petroleum coke, aluminium, machinery and project cargo, steel, timber, containers and wind turbine components.

Port of Newcastle is establishing a Clean Energy Precinct offering common user, shared infrastructure with electricity supply and services for renewable hydrogen and ammonia production and storage.

LOCATION

PON is located in the heart of the city and comprises three geographical precincts — Kooragang, Mayfield and Carrington, as well as our head office in Newcastle.

Under the Port Lease, the organisation is responsible for the management of 780 ha of portside land.

We manage the land within the Port Lease Area and operate the port's landside activities. This includes, but is not limited to, vessel scheduling activities, control of a range of physical port assets, sub-leasing land, maintenance dredging and hydrographic surveying.

The port has evolved from a facilitator of trade as a government entity into a corporatised developer and operator. This transformation positions the port as a provider of value-added services and facilities, including general logistics and integrated supply chain solutions. Central to our operations is close collaboration with all levels of government,

regulators, and enterprises across the freight supply chain and port services. We also work in partnership with local councils within our catchment, and the Hunter Joint Organisation (a collaboration of 10 councils).

State Environmental Planning Policy (SEPP)

The Port of Newcastle SEPP area boundary is defined by the State Environmental Planning Policy (Transport and Infrastructure) 2021 – Chapter 5 Three Ports. This is the key planning instrument controlling land use and development for all Ports in NSW. This area encompasses our operations as well as other private landowners' assets and activities as seen in Figure 3.

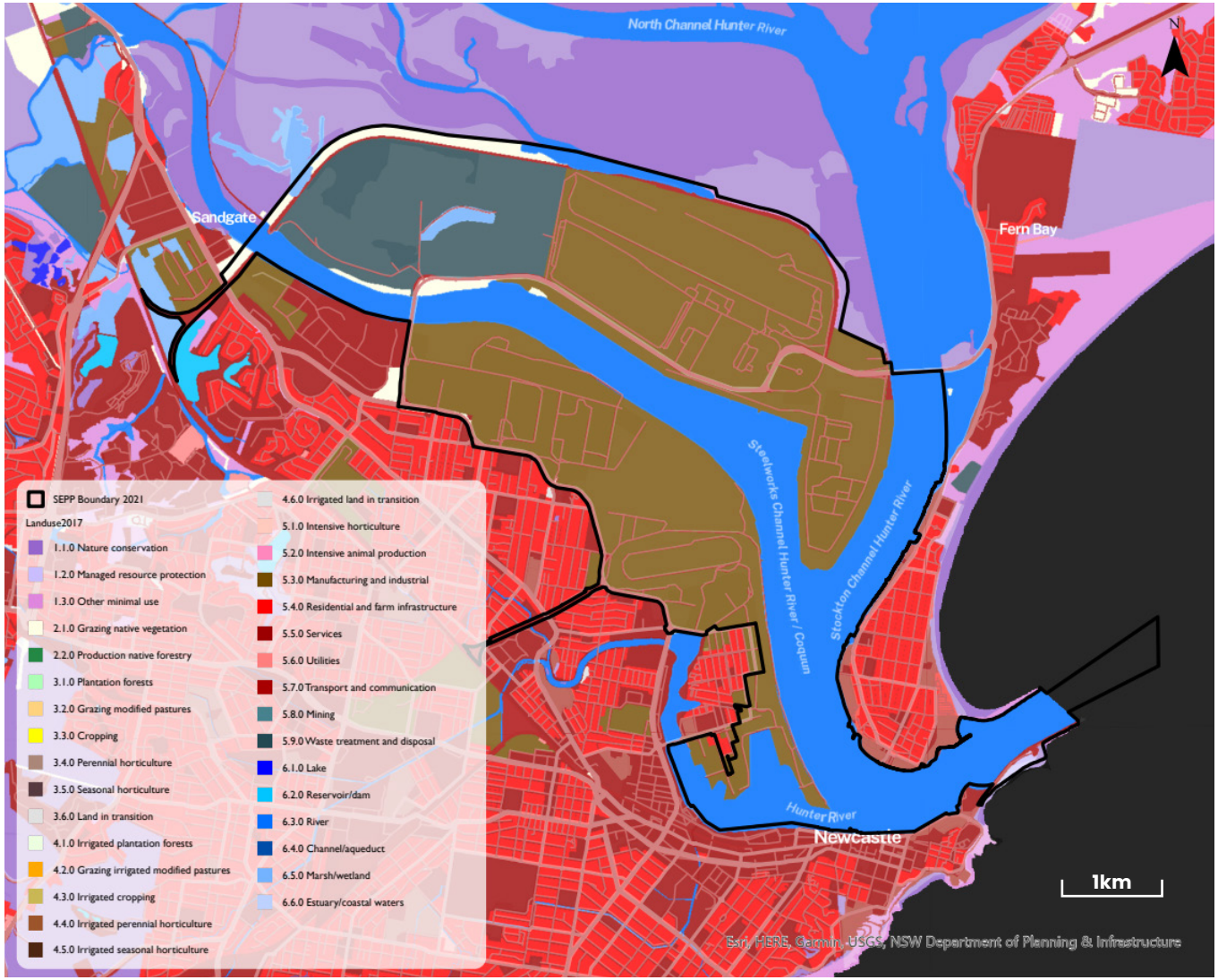
Port Lease area

The Port Lease area is a subset of the broader Port SEPP area and describes the land that is owned by the NSW Government and leased to PON. Much of this area is sub-leased to other commercial entities. Figure 4 shows the Port precinct map.

Defining boundaries

The locate phase of this assessment focused on defining the boundaries of our study. We have used the SEPP boundary and extended it with a five km buffer to capture the broader area of influence. This ensures that we are assessing both direct and indirect impacts in our assessment, reflecting the reality that our operations impact on ecosystems and communities beyond our immediate border.

Figure 3 – Land use within PON SEPP and surrounding areas



The port is centred around the Hunter River which is an artery for one of two major catchments providing water that sustains the region.

We operate within and around areas of:

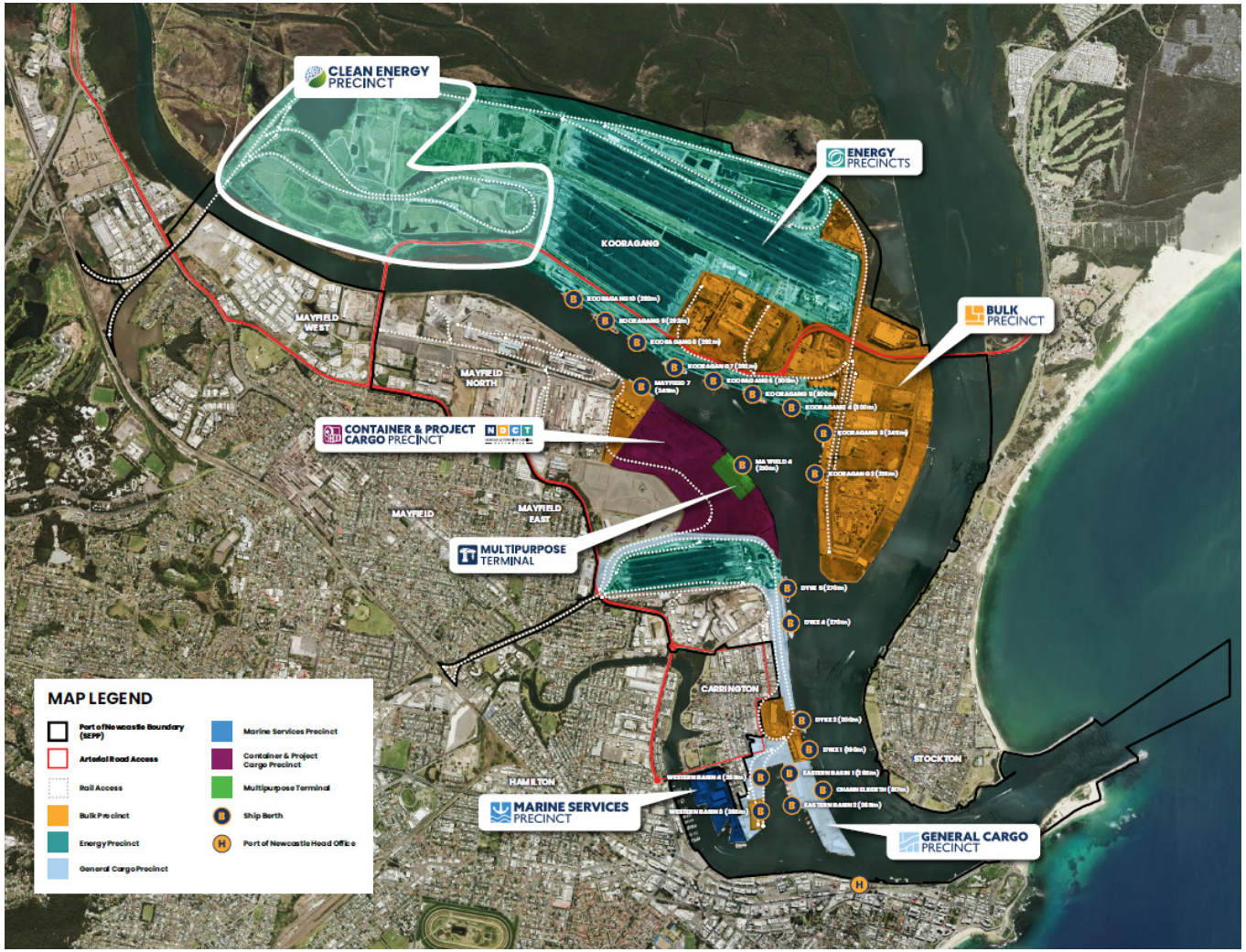
- high biodiversity importance
- high physical water risk
- rapid decline in ecosystem integrity
- high ecosystem integrity.

PON overlaps with area of likely critical habitat as determined under the International Financing Corporation performance standard 6 (IFC PS6) critical habitat criteria. This includes important marine mammal areas, key biodiversity areas, and Ramsar listed wetlands.

Threatened species include the migratory shorebirds and Green and Golden Bell Frog (GGBF) (Litoria aurea) communities that occupy the clean energy precinct (CEP) site. Within the PON boundary the habitat condition was generally low with almost 70% of the original vegetation being removed as seen in Figure 5. Some areas surrounding the boundary including the Hunter Wetlands National Park are of higher quality and support higher biodiversity.

The assessment used the IUCN Global Ecosystem Typology to characterise the dominant terrestrial and marine ecosystems across the assessment boundary and how this has changed over time.

Figure 4 – PON precinct map



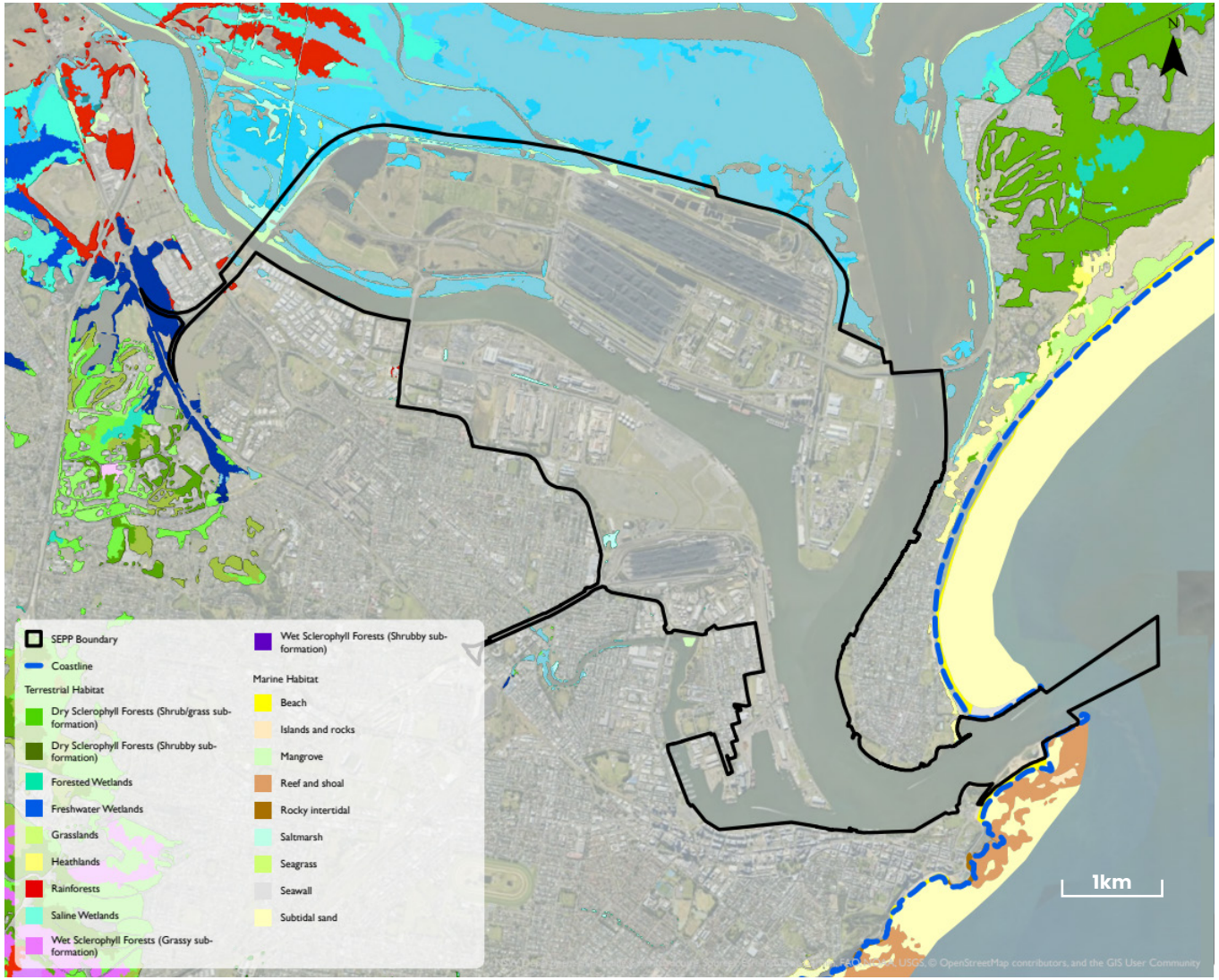
WE OPERATE WITHIN AND AROUND AREAS OF HIGH BIODIVERSITY IMPORTANCE, AREAS OF HIGH PHYSICAL WATER RISK, AREAS OF RAPID DECLINE IN ECOSYSTEM INTEGRITY, AND AREAS OF HIGH ECOSYSTEM INTEGRITY.

The analysis revealed that the main habitat prior to clearing for the current land-use (an industrial site) was Temperate-boreal forests and woodlands, surrounded by saline wetlands (see Figure 6).

The marine environment consists of significant areas of mangroves and saltmarsh, particularly north of the port and fringing the Hunter River. The port borders the Hunter Wetlands National Park and Tilligerry State Conservation Area (TSCA) to the north, which are Ramsar and state protected areas respectively. Saltmarsh is a key habitat within the CEP site and adjacent Ramsar wetland and is listed as an endangered ecological community under the Biodiversity Conservation Act, 2016.

The varying habitat type within the port boundary and the surrounding areas can be seen in Figure 5 which outlines interconnected nature of the natural and built environments.

Figure 5 – Habitat types within PON SEPP and surrounding areas



The 'locate' assessment identified 62 threatened species as well as 101 migratory and 30 pest species identified through the Atlas of Living Australia. The saltmarsh areas within the Kooragang Island Waste Emplacement Facility (KIWEF) site provide habitat for migratory shorebirds including the threatened Southern Myotis (Myotis macropus), and critically endangered Curlew Sandpiper (Calidris ferruginea) and Eastern Curlew (Numenius madagascariensis) identified under the Environment Protection and Biodiversity Act 1999 (EPBC Act).

The site also provides habitat for the local Green and Golden Bell Frog population which is classified as threatened. The habitats for these threatened and endangered species are shown in Figure 7.

Ecosystems within the PON boundary

ECOSYSTEM	PROXIMITY TO PORT
Hunter Wetlands National Park	The Bulk Facility Precinct borders the wetlands
Tilligerry State Conservation Area	Around 7.5 km north of the Bulk Facility Precinct
Green and Golden Bell Frog habitat	Located within CEP boundary
Salt marsh and mangrove habitat	Located around the northern perimeter

Figure 6 – Habitat types within PON SEPP and surrounding areas during 1750, prior to colonial settlement

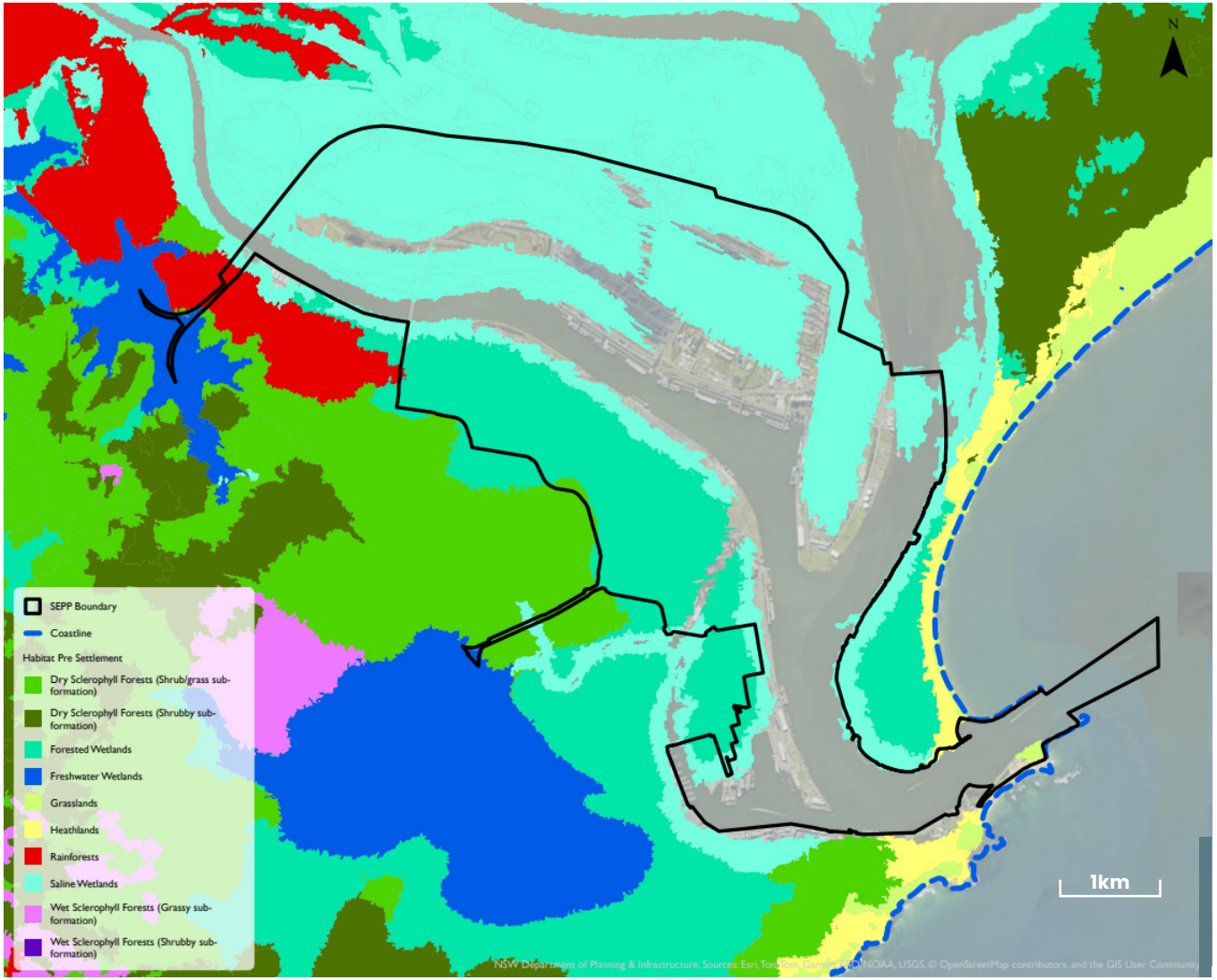
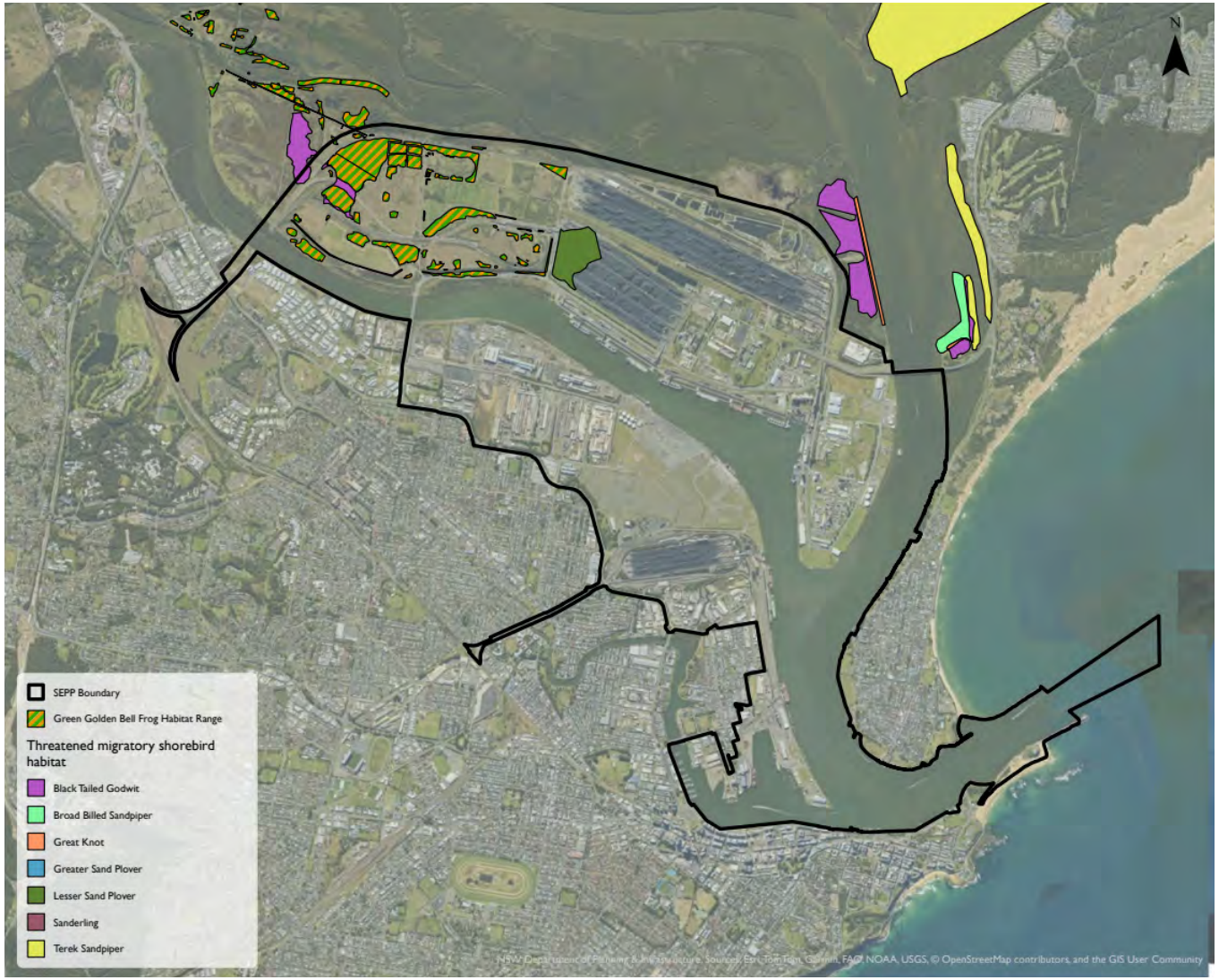


Figure 7 – Threatened species habitat zones within PON SEPP and surrounding areas



NATURE-RELATED RISKS, DEPENDENCIES, AND IMPACTS

To support this TNFD report, we have undertaken a comprehensive climate and nature-related risk and opportunity assessment aligned with the PON risk management framework.

PON operations and value chain are impacted by five key drivers of global nature change, as shown in Figure 8. These are climate change, land/freshwater/ocean use change, resource use/replenishment, pollution/pollution removal, and invasive alien species introduction/removal. They are highlighted by the TNFD across both acute (short-term) and chronic (long-term) temporal scales.

We have undertaken several efficiency and decarbonisation initiatives across the organisation to reduce scope 1, 2, and 3 emissions. In addition, we are developing a clean energy precinct (CEP) which will support largescale clean energy production and export, positioning Newcastle as a national clean energy leader.

PON's key nature-related impacts are detailed in Table 2, while Table 3 shows dependencies and risks. These have been identified to support a structured understanding of key climate and nature-related risks and opportunities across our value chain, as shown in Table 4.

Figure 8 – Key Global Drivers of Nature Change (TNFD 2023)

 **CLIMATE CHANGE**	• Coal exports • Emissions from operations • Physical climate impacts such as flooding and heatwaves	• Indirect climate impacts to value chains such as drought impacts to wheat and flooding to mining • Decrease in flood mitigation services increase the need for acute ship rerouting and longer waiting times to enter ports
 **LAND/FRESHWATER/ OCEAN USE CHANGE**	• Dredging • Ocean dumping of spoil • Land use change and development	• Habitat degradation both marine and terrestrial • Increase in regulatory restrictions close to sensitive areas
 **RESOURCE USE/ REPLENISHMENT**	• Surface water • Groundwater • Energy usage	• Office and industrial procurement for operational supply chains
 **POLLUTION/ POLLUTION REMOVAL**	• Soil contamination • Surface and groundwater contamination • Ocean dumping of sediment	• Contamination from biofouling paints and ocean plastics • Noise pollution limits
 **INVASIVE ALIEN SPECIES INTRODUCTION REMOVAL**	• Ballast water discharge and biofouling — introduced marine species • Introduced terrestrial species	• Habitat degradation for adjacent threatened species and ecological communities • Higher ocean temperatures accelerating reproductive rates of biofouling organisms

Table 2 – Key nature-related impacts

IMPACT DRIVER/ECOSYSTEM SERVICE	RISK TYPE	TIMEFRAME	POTENTIAL IMPACT TO NATURE
 CLIMATE CHANGE	Chronic	Medium to long term	Constrained and modified ecosystems with limited ability to adapt to sea level rise and other climate change impacts
	Chronic	Medium to long term	High volume exports of coal resulting in globally significant accelerations of climate change
	Chronic	Medium term	Greenhouse gas emissions from port operations exacerbating climate change impacts
 LAND/FRESHWATER/ OCEAN USE CHANGE	Acute	Short term	Dredging required to maintain minimum channel depth
	Acute	Short term	Ocean disposal of dredging spoil potentially impacting marine ecosystems in spoil ground
	Acute	Short term	Land-use change
	Acute	Short to medium term	Habitat loss, particularly for threatened species
 POLLUTION/ POLLUTION REMOVAL	Chronic	Medium term	Contamination of water and soil causing environmental and reputational damage
 INVASIVE ALIEN SPECIES INTRODUCTION REMOVAL	Acute	Short term	Invasive species resulting in biosecurity risks

Table 3 – Key nature-related risks

IMPACT DRIVER/ECOSYSTEM SERVICE	RISK TYPE	TIMEFRAME	NATURE DEPENDENCY
 CLIMATE CHANGE	Acute	Short to medium term	PON's trade is dependent on the deepwater channel. Climate change results in increased intensity and frequency of flooding impacting trade volumes
	Acute	Short to medium term	Dependency on ecosystem services for soil and sediment retention to stabilise riverbanks and flood mitigation services. Increased sedimentation in the harbour from flooding events results in increased need for dredging
	Acute	Medium to long term	Dependency on commodities such as coal, wheat and grains within value chain. Increasing frequency and intensity of drought and flood impacts these value chains for export
	Chronic	Long term	Increasingly severe climate change impacts on resilience and economics of global supply chains

Table 4 - Key climate and nature-related risks: Physical risk (continued over page)

IMPACT DRIVER/ ECOSYSTEM SERVICE	RISK TYPE	TIMEFRAME	POTENTIAL IMPACT TO BUSINESS	KEY MEASURES
 **CLIMATE CHANGE**	Acute	Short to medium term	Increased sedimentation in the harbour from flooding events resulting in increased need for dredging	Sweeper vessel utilised to improve efficiency and limit excess dredging, limiting carbon output
	Chronic	Long term	Sea level rise	Flood mapping and modelling done to understand key impact areas for operations. Mitigation measures to be prioritised in areas of high risk from sea level rise
	Chronic	Medium to long term	Direct and upstream combustion of fossil fuels exacerbating climate change risks and impacts to air quality	Decarbonisation strategies to continue to reduce scope 1 carbon emissions. This includes upgrading or retrofitting existing vessel fleet currently reliant on diesel. Mobile harbour cranes and vehicle fleet have been converted to electric Safety mechanisms for loading/offloading of hazardous and non-hazardous substances
	Acute	Short term	Increase in extreme weather events (such as high-intensity rainfall leading to surface flooding, and high temperatures) causing disruption to major projects and scheduling	Storm mitigation measures, continuous operation of the port. PON fatigue management procedure to include working in extreme temperatures
 **LAND/ FRESHWATER/ OCEAN USE CHANGE**	Acute	Short term	Increased intensity and frequency of flooding causing damage to assets and infrastructure. Risk of surface flooding and inundation causing delays in port operations	Continuous dredge and sweeper operation to account for increased sedimentation. Continued maintenance to limit downtime and maintain efficiency
	Chronic	Medium to long term	Port expansion for diversification projects negatively impacting biodiversity, threatened species habitats, and local ecosystems	Development approval process to mitigate this risk. Nature opportunities to be investigated to mitigate loss of biodiversity
 **POLLUTION/ POLLUTION REMOVAL**	Chronic	Long term	Changes in groundwater levels from sea level rise and rainfall impacting contaminated sites	Groundwater monitoring to continue at relevant sites to ensure contamination is not occurring
	Acute	Short term	Noise and light pollution from vessels entering harbour increasing risk of species extinctions due to behavioural changes	Noise and light pollution monitoring to mitigate this risk
	Acute	Short term	Pollution or contamination of waterways from port operations, including release of contaminants, spills, runoff, or waste mismanagement resulting in environmental damage from emissions of toxic soil and water pollutants	Environmental monitoring to mitigate this risk. Vessel maintenance and operation – high ocean water quality limits the presence of algal blooms, limiting the rate of microfouling/biofouling on the hull and niche of vessels. This in turn supports fuel efficiencies

Table 4 - Key climate and nature-related risks: Physical risk (continued from previous page)

IMPACT DRIVER/ ECOSYSTEM SERVICE	RISK TYPE	TIMEFRAME	POTENTIAL IMPACT TO BUSINESS	KEY MEASURES
 **RESOURCE USE/ REPLENISHMENT**	Chronic	Medium to long term	Water security and long-term drought impacts, increase increasing water requirements from major projects	Water usage to be monitored and possible water efficiency plans to be implemented across the organisation through initiatives such as recycled water. Drought impacts on value chain to be mitigated through diversification strategy
	Chronic	Medium term	Risk to habitats within seabed from infrastructure maintenance and dredging. Risk of contamination to seabed and damage to rock revetments/breakwall assets through erosion or seabed damage	Annual maintenance monitoring and repairs to damaged assets
 **INVASIVE ALIEN SPECIES INTRODUCTION REMOVAL**	Acute	Short term	Introduction and spread of invasive species resulting in biosecurity risks and compliance costs	Monitoring of harbour using marine arrays to identify the presence of marine pests and potential biosecurity incidents

Key climate and nature-related risks: Transition risk

TIMEFRAME	POTENTIAL IMPACT TO BUSINESS	KEY MEASURES
Short term	Increasing regulatory disclosure requirements requiring greater time and effort	Working groups formed to ensure cross-collaboration efforts to meet compliance requirements
Short term / long term	Increasing community resistance and erosion of trust in the economics and benefits of coal exports	Promotion of diversification projects within the Port (including container terminal and clean energy precinct) and strong community engagement and support (through community grants and sponsored events)
Short to medium term	Community resistance, blockades, and loss of social licence to operate Labour risks due to failure to meet evolving employee and contractor expectations on ESG	Stakeholder engagement plan to increase community confidence. ESG strategy to increase social licence to operate Talent management and wellbeing initiatives in place
Medium term	Exposure to carbon pricing mechanisms or international trade restrictions Inadequate ESG governance, oversight or integration into corporate strategy leading to poor decision making or investor withdrawal	Port decarbonisation strategy and diversification strategy PON's Audit Risk & Compliance Committee (ARCC) indicates the roles and responsibilities of the Board
Medium to long term	Inability to adapt port services to meet customer ESG expectations (for example low-emission logistics and green shipping corridors) Loss of major customers or trade routes due to global decarbonisation (reduction in coal exports)	Port diversification and transition planning to ensure adaptation to meet customer expectations Diversification project to increase non-coal trade
Long term	Collapse of insurance markets due to ongoing climate impacts	Insurance risk mitigation strategies in place

NATURE-POSITIVE INITIATIVES NOT ONLY MITIGATE CLIMATE IMPACTS BUT ALSO CONTRIBUTE TO REGULATORY COMPLIANCE.

Nature-related opportunities

Ports are uniquely positioned as critical gateways in the global trade and have opportunities to become nature-positive. By integrating nature into port planning and operations, ports can reduce environmental risks, improve stakeholder trust, and unlock new sources of value. Nature-positive initiatives not only mitigate climate impacts but also contribute to regulatory compliance, carbon offsetting, and reputational gains. Moreover, nature-based solutions can enhance port resilience against sea-level rise, storm surges, and flooding—increasingly urgent challenges in a changing climate.

In addition, our climate and nature risk assessment identified opportunities to:

- Boost cultural engagement with local communities and Aboriginal stakeholders, to improve planning and implementation of projects and increase cultural awareness and reconciliation
- Increase biodiversity through projects such as artificial habitats, saltmarsh restoration and bank stabilisation.

We are working to address the key nature-related opportunities for ports as identified by the World Economic Forum in its *Nature Positive Transitions: Port Sector Report* (2025) as follows:

1. Sensitively plan port areas to minimise impacts on nature

The natural environment is fundamental to port operations, and our strategy focuses on sustainable long-term growth by maximising existing road and rail assets to improve freight efficiency while minimising environmental impact. By developing underutilised industrial land and leveraging existing transport networks with sufficient capacity for current and forecasted trade, PON can increase operational efficiency without major infrastructure upgrades or encroachment on undeveloped environments.

2. Enhance the use of clean energy, sustainable materials & advanced equipment & operating systems

We have undertaken several efficiency and decarbonisation initiatives to reduce scope 1, 2 and 3 emissions. In addition, we are developing a clean energy precinct (CEP) which will support largescale clean energy production and export, positioning Newcastle as a national clean energy leader. The project is supported by $100 million in funding from the Australian Government and NSW Government for hydrogen readiness. It contributes to key objectives to accelerate decarbonisation and clean energy opportunities by increasing renewable energy generation, storage, and investment under the NSW Government's Electricity infrastructure Roadmap.

3. Improve prevention and mitigation capacity against pollution and invasive species

We implement strict biosecurity measures to protect port land, waterways, and sensitive habitats from invasive species. This includes full compliance with Australian ballast water regulations and collaboration with government agencies to monitor and manage marine biosecurity risks. Additional site specific controls at the CEP protect the endangered GGBF by preventing contamination and the spread of Chytrid fungus.

4. Promote a circular economy and catalyse cross-sector collaboration in regulation, finance and innovation

Our ESG strategy includes objectives to reduce waste-to-landfill and increase circularity within our operations. We have formed an industrial symbiosis steering group with our tenants which aims to increase recycling and reduce resource consumption.

5. Actively protect & restore nature

We have undertaken annual saltmarsh monitoring in the Hunter River since 2016, with no impacts from capital dredging identified to date. We also partner with industry and the University of Newcastle to monitor the endangered Green and Golden Bell Frogs at the CEP site, and explore opportunities to enhance marine and terrestrial biodiversity.

Effects on business strategy

The climate and nature-related risk and opportunity assessment plays a central role in informing our business strategy. The outcomes of the assessment are integrated into strategic planning, project development, and asset management processes to ensure that material nature-related risks and dependencies are identified early and addressed in decision-making.

Insights from the assessment will be used to prioritise capital expenditure towards assets, infrastructure, and projects that enhance the Port's resilience to climate and nature-related physical risks, particularly in low-lying and flood-prone areas. This includes directing investment towards adaptive infrastructure, maintenance of critical assets such as wharves and rock revetments, and upgrades that reduce ecosystem degradation. Where risks are identified as material, they are factored into business cases, cost-benefit analyses, and investment approvals to ensure long-term asset viability and value protection.

The assessment also informs diversification and transition planning by highlighting the Port's exposure to nature-related and climate-related transition risks, including those associated with high-emissions commodities and increasing regulatory, market and community expectations. These insights support strategic decisions to diversify trade, develop new infrastructure such as the clean energy precinct, and invest in industries and services aligned with lower-impact and nature-positive outcomes. Diversification initiatives are assessed against their potential impacts and dependencies on nature. This is to avoid the transfer of risk and support sustainable, long-term growth.

For major development projects, the climate and nature risk assessment is applied at the early planning stage to guide site selection, design, approval pathways, and mitigation measures. This ensures that potential impacts on biodiversity, ecosystem services, and surrounding communities are minimised. It also ensures that nature-related risks to project delivery, operational continuity, and reputation are effectively managed. Where relevant, opportunities for nature-based solutions and biodiversity enhancement are considered as part of project design.

As the organisation continues to mature its metrics and targets, future assessments will increasingly be used to quantify financial exposure to nature-related risks and inform more detailed capital allocation decisions.

Priority areas

Prioritisation of risks was developed by assessing the materiality of the risk and the confidence level of the organisation. This informed whether a risk was considered priority mitigation or priority investigation.

The 'evaluate' component of the LEAP assessment identified priority mitigation areas across the business including:

- greenhouse gas emissions from operations to be mitigated through decarbonisation plans
- expansion of land and water infrastructure which needs to consider ecosystem services and biodiversity
- noise and light disturbance from operations
- solid waste from operations and maintenance
- increasing water requirements for major projects and operations — particularly the clean energy precinct, roll-on/roll-off wash down facilities, dust suppression, cooling systems and irrigation.

The port is also highly dependent on nature to regulate extreme weather events and associated water flow and erosion impacts, as well as filtering and diluting sediments and pollutants from dredging and operations.

Risk and impact management

Climate change is a key consideration in PON's approach to risk management and long-term decision-making. We are committed to limiting our contribution to climate change and supporting the transition to a net zero economy. We recognise the close interrelationship between climate change, nature-related impacts and the resilience of port operations over time.

Climate change is therefore treated as both a direct source of risk and an amplifier of nature-related risks across the business.

PON manages climate and nature-related dependencies, impacts, risks and opportunities through an enterprise risk and opportunity management framework, aligned to ISO 31000:2018. Nature-related risks are assessed and managed alongside other strategic, operational, environmental and compliance risks. The Port's risk appetite statement provides the overarching parameters for risk assessment and management, including those relating to climate change and nature.

Building on existing climate risk and resilience work, and to support TNFD reporting, PON undertook an updated and structured climate and nature risk and opportunity assessment aligned to the TNFD LEAP framework. This work strengthens and formalises how nature-related considerations are identified, assessed and integrated into existing enterprise risk management arrangements.

In practice, PON's approach follows a defined risk management sequence. Nature-related impacts and dependencies are first identified and screened using the LEAP framework, informed by the Port's operational footprint, asset base and environmental context. Prioritised impacts and dependencies are then translated into specific climate and nature related risks and opportunities.

These risks are assessed using the Port's enterprise risk criteria, including likelihood and consequence, and prioritised based on materiality and uncertainty. Management responses are addressed through operational, environmental, asset management, project delivery and governance arrangements. This approach enables nature-related risks to be considered consistently with other enterprise risks, while supporting ongoing refinement as data quality and organisational understanding improve.

Nature-related risks identified through this process are managed through established controls and business-as-usual processes. Depending on the nature of the risks, these may include regulatory compliance requirements, licence and approval conditions, environmental management plans, operational procedures, monitoring programs and project design requirements. In several cases, risks have been prioritised for further investigation to improve data quality, clarify exposure and inform future management actions.

Material climate and nature related risks are reflected within the Port's broader risk profile, including the strategic risk register where relevant, ensuring they are considered in the context of enterprise-level risks and priorities. Climate and nature-related risks are considered through existing governance pathways where they intersect with strategic, environmental, safety, financial or compliance matters.

CLIMATE CHANGE IS A KEY CONSIDERATION IN PON'S APPROACH TO RISK MANAGEMENT AND LONG-TERM DECISION-MAKING.

Escalation occurs based on the nature and materiality of the issue.

The risk assessment identified a small number of nature-related risks requiring focused management attention due to their potential severity and systemic implications. These include:

- risks associated with contaminated sediment mobilisation during dredging activities
- longer-term systemic risks related to ecosystem degradation and insurance availability.

Low-lying areas of the Port, particularly within the Carrington precinct, were also identified as priority locations due to cumulative exposure to flooding, sea-level rise and climate-nature interactions.

We recognise that our approach to managing climate and nature-related risks will continue to evolve. Future priorities include improving monitoring and data quality, strengthening integration with enterprise risk and planning processes, expanding value-chain coverage over time, and developing clearer metrics to track risk exposure and management effectiveness.

METRICS & TARGETS

We aim to embed climate and nature risks and opportunities into all our operations and currently have key performance indicators in place to improve our environmental, social and governance impacts — both internally and for the community in which we operate.

Our progress against ESG performance is tracked throughout the year and reported to the Board, with the end-of-year results published in our annual sustainability report. We have not yet set a metric around nature and therefore this report focuses on our existing climate metrics and targets, with nature metrics to be considered in future reports.

We aim to align with the Science Based Targets for nature and plan to produce a biodiversity strategy following this report.

Carbon Footprint

Our annual sustainability report includes our carbon footprint including scope 1, 2 and 3 emissions. These are presented in Table 5.

Scope 1 and 2 emissions are prepared in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard and GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard).

Waste

We have made improvements within our waste management to reduce waste-to-landfill and now have a total of 21 different streams of waste that we aim to recycle, reuse or repurpose. In 2025, a total of 563 tonnes of solid waste was diverted from landfill. A total of 124 tonnes of liquid waste was sent for treatment and recycling in 2025.

Net zero

We have committed to achieving net zero by 2040 for scope 1 and 2 emissions, and selected scope 3 emissions. A net zero pathway is established and reviewed annually to ensure decarbonisation initiatives are included within the budget. We will achieve net zero through the following initiatives (over the page:

Table 5 – Location-based greenhouse gas emissions (GHG)

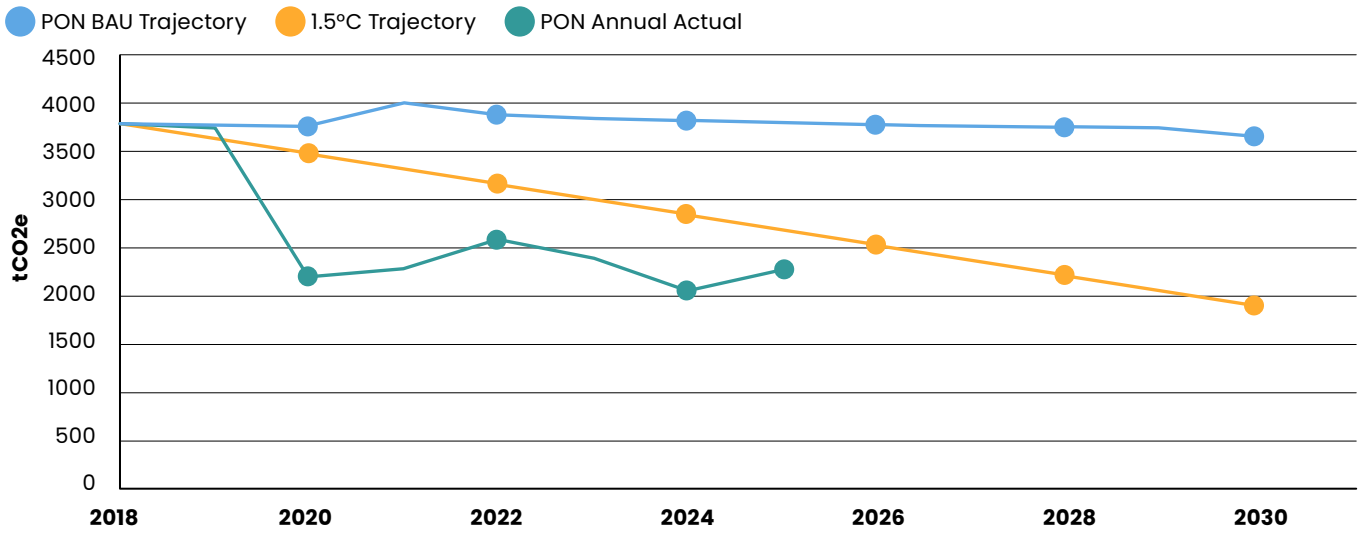
TONNES OF CARBON DIOXIDE EQUIVALENT (tCO2e)	2018	2019	2020	2021	2022	2023	2024	2025
Scope 1 GHG emissions	2,381	2,579	1,589*	2,286	2,582	2,387	2,099	2,275
Scope 2 GHG emissions	1,400	1,180	915	1,037	685	757	823	875
Total tCO2e	**3,781**	**3,755**	**2,504**	**3,323**	**3,267**	**3,144**	**2,922**	**3,150**

*The reduction in scope 1 emissions for 2020 is due to a cessation in maintenance dredging for 5-yearly scheduled maintenance of the David Allan dredger.

Table 6 – Market-based greenhouse gas emissions (GHG)

TONNES OF CARBON DIOXIDE EQUIVALENT (tCO2e)	2018	2019	2020	2021	2022	2023	2024	2025
Scope 1 GHG emissions	2,381	2,579	1,671	2,286	2,582	2,387	2,099	2,275
Scope 2 market-based GHG emissions	1,400	966	973	0	0	0	0	0
Total tCO2e	**3,781**	**3,545**	**2,644**	**2,286**	**2,582**	**2,387**	**2,099**	**2,275**

PON performance against SBTi 1.5° target (Scope 1 and 2)



- 100% electric vehicle fleet – to date, 10 of our 13 vehicles have been converted to electric with the remainder scheduled for replacement
- Lighting efficiency upgrade to LED across the Port (completed in 2024)
- renewable power purchase agreement (PPA) contract for our embedded network
- mobile harbour crane electrification
- electrification or low carbon liquid fuels options for our vessel fleet (feasibility studies are underway)
- replacement of vessel fleet with cleaner technology
- carbon offsets to be purchased and surrendered for remaining or hard-to-abate emissions.

Science-based target initiative (SBTi) performance

Our science-based target to decarbonise scope 1 and 2 emissions was set in 2022 and reviewed for validity independently. As of 2025, scope 1 and 2 emissions remain below the 1.5°C SBTi target set in 2022 (see chart on previous page).

The metrics and targets in Table 7 support the organisation's transition toward TNFD aligned disclosure. The selected metrics reflect priorities identified through our TNFD LEAP assessment and will be refined over time as data quality, coverage and maturity improve. It is noted that metrics C5.0 to C5.3 regarding the financial impacts of our climate and nature risk assessment will be covered in future reports.

Table 7 – TNFD metrics (continued over page)

METRIC	CORE GLOBAL INDICATOR	RESPONSE
C1.0	GHG Emissions (2025 calendar year)	Total Scope 1 emissions: 2,275 tCO2e Total Scope 2 emissions (location based): 875 t CO2e Total Scope 2 emissions (market based): 0 tCO2e Total Scope 3 emissions: 170,858 tCO2e
C1.1	Total spatial footprint	We are responsible for the management of 780 ha of portside land. Total disturbed area (km2) The footprint of the PON SEPP (780 ha) has been disturbed since pre-industrial times. Some areas are currently undeveloped but are disturbed from their natural habitat. There has been limited major construction projects that would constitute disturbance within the calendar year. Total rehabilitated / restored area (km2) – data currently unknown
C2.0	Extent of land/ freshwater/ ocean use change	The PON lease area is 780 ha. Much of this land to the north (Kooragang, bulk precinct) was re-claimed land that was previously saline wetlands. The land to the south and east of the site (Mayfield and Carrington precincts) was formerly forested wetlands. See Figure 6
C3.0	Pollutants released to soil split by type	We have stringent policies in place to ensure that contaminated land at various sites within the port are controlled and not released during operational activities. For example, contamination risk from soil contents is highlighted under the contaminated site management plan (CSMP) at Mayfield precinct along with management and mitigation practices. Contamination risk for port operational land and waters is present but minimal if following relevant procedures.
C3.1	Wastewater discharged	Volume of water discharged (m3) split into: Total 94.72 in 2025 (including – ammoniated water/sludge, ammoniated oily water/sludge, stormwater) Freshwater – 0

METRIC	CORE GLOBAL INDICATOR	RESPONSE
C3.2	Waste generation and disposal	Weight of hazardous and non-hazardous waste generated by type (tonnes), referring to sector specific guidance for types of waste. 56 tonnes in 2025
C3.3	Non-GHG air pollutants	Non-GHG air pollutants (kg/year) by type in 2025 financial year: PM2.5: 2,420 VOC: not measured PM10: 2,640 Sox: 20 Nox: 33,023 Ammonia: not measured
C4.0	Water withdrawal and consumption from areas of water scarcity	We are responsible for a series of private networks which capture our operational needs and some of our tenants. The total third-party water consumption for 2025 was 73 megalitres (ML) and includes overall usage from the PON and tenants within the networks.

Source	Fresh Water ML (≤1000mg/L TDS)	Other Water ML (≥1000mg/L TDS)
Surface water	0	0
Ground water	0	0
Seawater	0	0
Produced water	0	0
Third-party water	73	0
Total	73	0

During the 2025 reporting period, the Hunter Water storages that supply our operations were not in water stress. However, current water levels are the lowest in over five years. If the low rainfall level predictions occur into 2026, the water supply will drop to levels indicative of water stress.

C4.0	Measures against unintentional introduction of invasive alien species	Biosecurity measures in place to prevent invasive marine species from establishing including marine arrays that allow for early detection of foreign species. Strict contamination prevention methods in the Green and Golden Bell Frog habitats to prevent the spread of disease. Collaboration between PON and tenants with the Department of Primary Industries to use traps on land as required to catch and remove pest species.

Table 7 – TNFD metrics (continued from previous page)

METRIC	CORE GLOBAL INDICATOR	RESPONSE
C6.0	Value of capital allocated to nature-related opportunities, by type of opportunity, with reference to a government or regulator green investment taxonomy	Green CAPEX project spend in 2025 was $3.39million:

Green Loan/Bond Principle eligible category	SDG alignment	Project	CAPEX spend 2025	Total spend
Energy efficiency	13 (Climate Action)	Mobile Harbour Crane Electrification	$361,000	$1.17 million
Renewable energy	7 (Affordable and Clean Energy)	Clean energy precinct (non-grant funded)	$2.89 million	$7.13 million
Energy efficiency	13 (Climate Action)	Solar CCTV	$144,000	$144,000

MT.C23.0	Pollutants avoided during downstream ship recycling or decommissioning	N/A – we do not recycle or decommission ships.
MT.A1.0	Marine animal collisions	0
MT.A2.0	Microplastics and heavy metals from antifouling agents	N/A
MT.A2.1	Releases to the environment	There were eight spills during 2025 including minor oil spills, fertiliser spills at Kooragang berths, magnetite water spill, anhydrous ammonia leak (Orica), methyl bromide leak (GrainCorp). No record of volume but all spills/incidents on PON land were contained using correct processes and prevented release into the environment.
MT.A2.2	Pollutants generated through downstream ship recycling or decommissioning	N/A
MT.A2.3	Fleet using alternative energy	At this stage, all vessels use either diesel or unleaded petrol. We currently do not have targets for clean fuel. However, we have SBTi targets for scope 1 and 2 emissions and plan to decarbonise our vessel fleet to meet these targets.
MT.A2.4	Shipping of fossil fuels and hazardous substances	1,726 coal vessel and 34 vessels containing dangerous goods in 2025. 78% of all vessels transporting fossil fuels or dangerous goods.

APPENDIX

TNFD Content Index

PILLAR	DISCLOSURE	LOCATION
GOVERNANCE	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities	P7
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	P8
	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of and response to, nature-related dependencies, impacts, risks and opportunities	P9
STRATEGY	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term	P18
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy, and financial planning, as well as any transition plans or analysis in place	P23
	Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios	P11
	Disclose the locations where there are assets and / or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations	N/A

PILLAR	DISCLOSURE	LOCATION
RISK & IMPACT MANAGEMENT	(i) Describe the organisation's processes for identifying, assessing, and prioritising nature-related dependencies, impacts, risks, and opportunities in its direct operations	P24
	(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)	P24
	Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	P21
	Describe how processes for identifying, assessing, prioritising, and monitoring nature-related risks are integrated into the organisation's overall risk management processes	P25
METRICS & TARGETS	Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process	N/A
	Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature	N/A
	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities, and its performance against these	N/A

PORT of NEWCASTLE