CHORUS

CLIMATE STATEMENTS 2025

For the 12 months ended 30 June 2025

Climate-Related Disclosures (CRD) under Part 7A of the FMCA

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Publication date: 25 August 2025

Welcome

Chorus is pleased to release our second year of climate statements, containing our climate-related disclosures **(CRD)** for FY25, prepared in accordance with the requirements of the Aotearoa New Zealand Climate Standards. The telecommunications sector has a role to play in climate mitigation and adaptation, as more businesses, individuals and communities look to technology to help reduce emissions and adapt to a more uncertain climate. In 2022, the World Broadband Association acknowledged that fixed broadband service providers will play a key role in reducing the environmental impact of the telecommunications sector, particularly fibre-to-the-home networks.[1]

In FY25, Chorus reset its corporate strategy with a clear vision of transitioning to an all-fibre business, with a purpose of unleashing potential through connectivity and enabling better futures for Aotearoa. The withdrawal of copper services and transition to an all-fibre network remains a fundamental part of our Emissions Reduction Plan, through which we aim to realise the environmental benefits of fibre as a low-emissions technology, together with our trials in the self-generation of renewable electricity.

Our climate statements reflect Chorus' ongoing focus on climate action and building resilience in our business. In this report, we describe our progress over FY25 and key steps we are taking to support Aotearoa's transition to a low-emissions, climate-resilient future state. A number of the core systems and processes underpinning our climate response remain consistent with last year, and we have noted where this is the case with a view to reducing the overall length of reporting to focus on information that is material for primary users. The impacts associated with severe weather events continue to be a key area which Chorus monitors and responds to through our business continuity processes. Through our climate targets, we are working towards emissions reduction and exploring energy efficiency opportunities for our network.

Although we are well on our way with our sustainability journey, we recognise there is more to do, and a need for continued iteration and adaptation over time. Chorus continues to explore new ideas, options, and technology innovations to support our sustainability performance as we work towards enabling better futures for Aotearoa.

Mark Cross
Director and Board Chair
Dated: 22 August 2025

Kate Jorgensen
Director and ARMC Chair
Dated: 22 August 2025

1 World Broadband Association, '**Importance of Environmental Sustainability in Telecom Service Providers' Strategy**', 2022.

Overview

Chorus Limited is a climate reporting entity under the Financial Markets Conduct Act 2013 **(FMCA)**. This report contains Chorus' group climate statements under the mandatory reporting regime for financial year 1 July 2024 – 30 June 2025 **(FY25)** and relates to Chorus Limited and its wholly owned subsidiary (and operating company) Chorus New Zealand Limited (together, **Chorus**). The scope of reporting entity is consistent with Chorus' FY25 financial statements.[2]

Chorus is New Zealand's largest fixed line telecommunications network operator providing wholesale telecommunications services to broadband retailers. Its fibre network offers access to high-speed, reliable, and world-class fibre broadband.

Chorus' climate statements have been prepared in accordance with the requirements of the FMCA, and the Aotearoa New Zealand Climate Standards 1, 2 and 3 **(NZ CS)** across the four thematic areas of Governance, Strategy, Risk Management and Metrics & Targets.

This report builds on Chorus' disclosures from FY24 and is intended to inform primary users of how Chorus is positioning itself to manage the climate-related risks and opportunities that may affect its business over time.

Statement of compliance

NZ CS 3, 55-56

Chorus' climate-related disclosures comply with the mandatory requirements of the Aotearoa New Zealand Climate Standards NZ CS 1, 2 and 3. The table in **Appendix 1** summarises where key disclosures can be found in this report.

Chorus has used the following adoption provisions under NZ CS 2 for our FY25 CRD:

- Adoption Provision 2 (paragraphs 12–14 of NZ CS 2) – Anticipated financial impacts
- Adoption Provision 6 (paragraphs 20–21 of NZ CS 2) – Comparatives for metrics (noting that one year of comparative information is provided as required)
- Adoption Provision 7 (paragraph 22 of NZ CS 2) – Analysis of trends

Important note

This report includes climate-related data, assessments, and forward-looking statements that are by their nature subject to significant uncertainty, assumptions, and limitations. Inputs may be incomplete or unreliable, and modelling methodologies are still evolving. As such, information may change and should not be relied upon as definitive.

Forward-looking statements, including targets, forecasts, anticipated impacts and strategic plans, may not eventuate as expected including due to factors beyond Chorus' control. Chorus does not guarantee the accuracy of these statements and cautions against reliance being placed on these statements which are necessarily less reliable than Chorus' other external reporting.

This report is not an offer or investment advice. For financial performance, please refer to **Chorus' Annual Report**. For further information, please read the limitations detailed throughout this report and in **Appendix 2.**

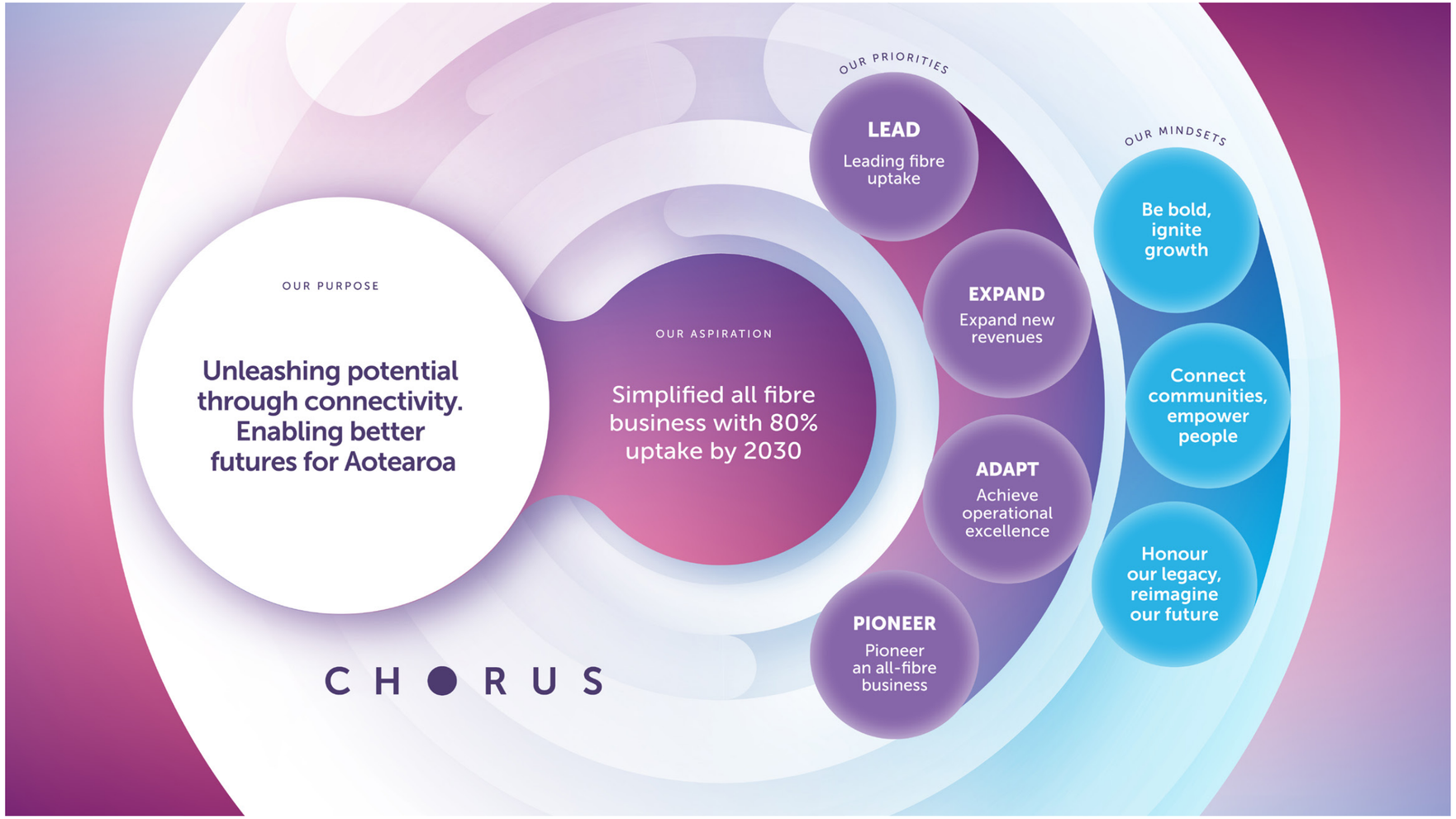
2 Unless the context otherwise requires, all references in this report to "we", "us", "our" and "Chorus" should be interpreted to relate to Chorus Limited.

Chorus' current business model & strategy

NZ CS 1, 16(a)

In FY25, Chorus released its updated corporate strategy. This describes our ambition to transition to a simplified, all-fibre business by 2030. Chorus' new purpose is to unleash potential through connectivity, enabling better futures for Aotearoa.[3]
The intended retirement of Chorus' copper network by 2030 and focus on efficient network operation supports our ongoing focus on climate responses, as we work to reduce emissions and adapt to the changes that climate change may pose to the Chorus business and network over time.

The diagram opposite captures Chorus' renewed corporate strategy and key priorities as at the end of FY25:



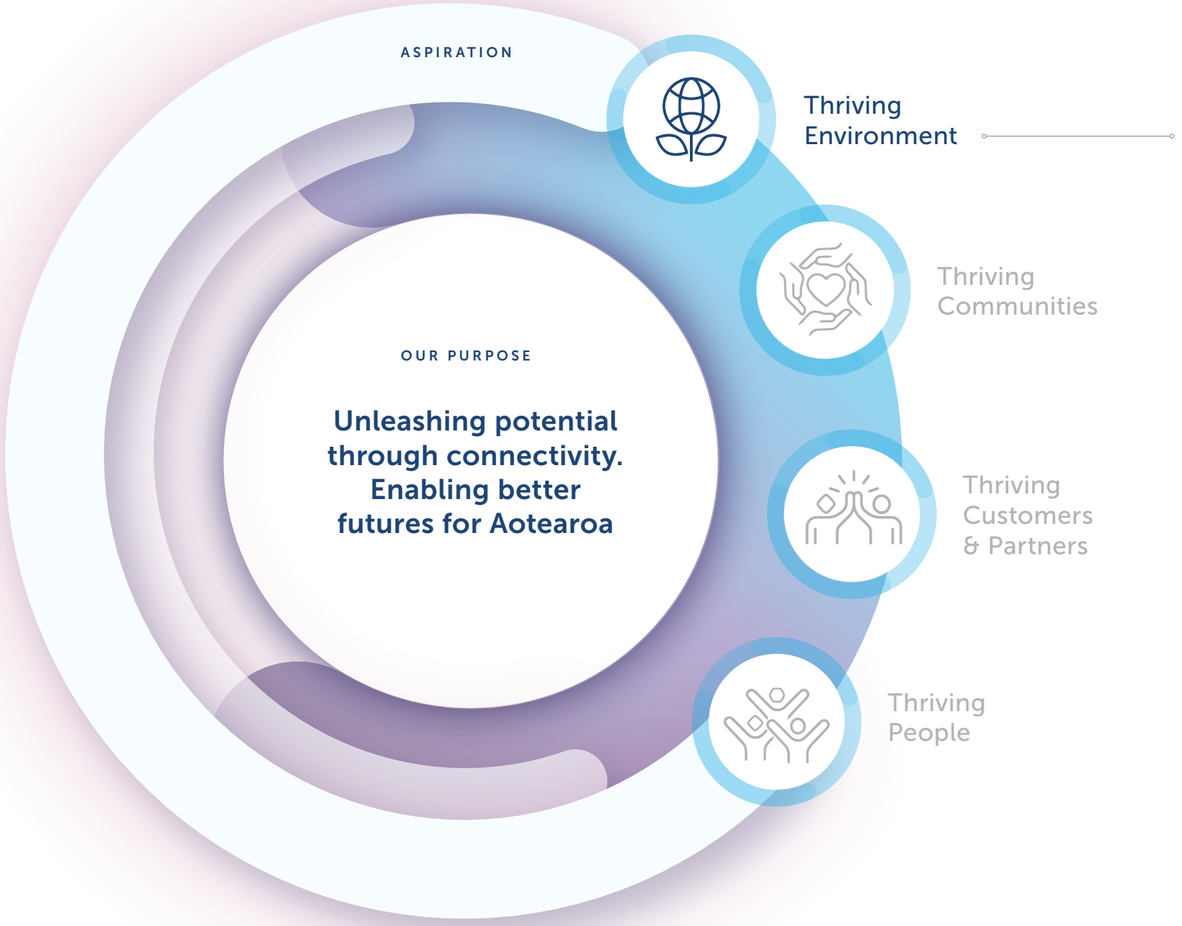
3 **Chorus Investor Day Presentation 2024**, see pages 14 – 21 for an outline of Chorus' updated corporate strategy.

Sustainability Strategy

NZ CS 1, 16(a)

Chorus' continued focus on sustainability is aligned to Chorus' overall corporate strategy and contributes to achieving our objectives – it is part of *how* Chorus will enable better futures for Aotearoa. Our aspiration of becoming a simplified all-fibre business encompasses taking sustainable action to best enable communities to thrive and optimise the benefits of fibre as a low-emissions technology.[4] Chorus' Sustainability Strategy was also updated in FY25 and aligns to the same four ecosystems Chorus is seeking to support through its renewed corporate purpose: Environment, Communities, Customers & Partners, and People.

Material aspects of Chorus' Sustainability Strategy are depicted in the diagram opposite, including areas we intend to work towards by 2030.



Aspirations for 2030

Chorus continues decarbonising through climate targets and accelerating our journey towards being Net Zero by 2050.

OUR INTERIM EFFORTS ARE FOCUSED ON:

- Making progress towards our scope 1, 2 & 3 science-based targets, and
- Considering whether we are ready to establish a formal Net Zero target.

Climate mitigation and adaptation inform how we do business.

OUR INTERIM EFFORTS ARE FOCUSED ON:

- Applying a climate assessment lens to asset management planning
- Testing and iterating an Internal Emissions Price to guide relevant decision making and investments, and
- Enabling climate impact financial assessments to be given appropriate focus in corporate financial planning over time.

Transition planning

NZ CS 1, 16(b)

In FY25, Chorus continued its transition planning journey through several initiatives including our Emissions Reduction Plan **(ERP)**. These efforts build upon existing programmes of work at Chorus, which already support decarbonisation, climate adaptation and building resilience. Chorus' transition planning is designed to support the business in identifying and managing climate risk and opportunity in a manner aligned to our corporate strategy and transition to an all-fibre business by 2030.

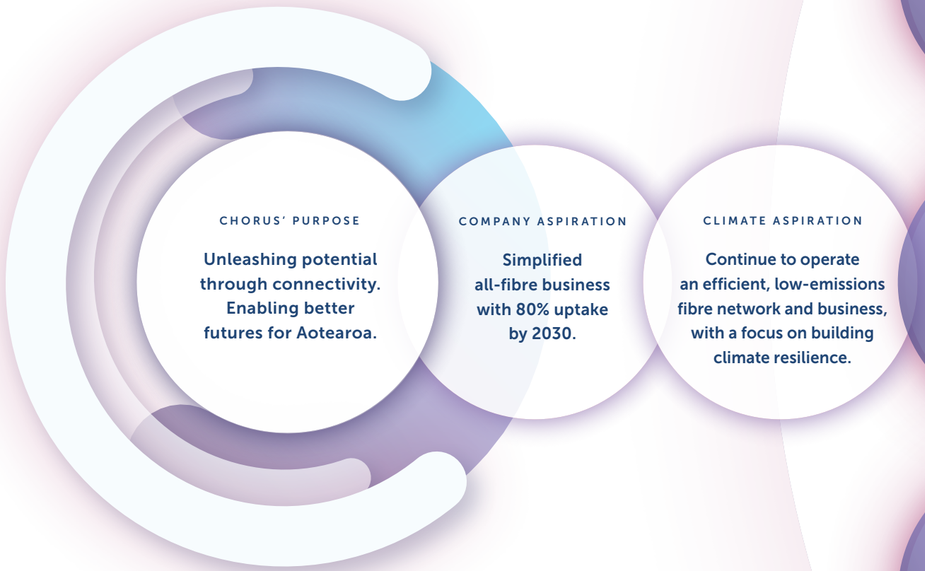
In early 2025, Chorus brought these efforts together in its first documented Transition Plan, to facilitate an integrated approach moving forward. To inform this exercise, Chorus ran workshops with internal and external experts on key topics relevant to future transition planning, including asset management. The Transition Plan describes how Chorus will leverage its strategy by working to address physical and transition climate risks and opportunities, and charts a pathway forward to support progress towards our climate targets. It also highlights key assumptions and dependencies that will inform Chorus' trajectory over time, and the potential barriers to progress. The Transition Plan was approved by Chorus' Audit and Risk Management Committee **(ARMC)** in June 2025. Key aspects are discussed in the following section.

4 Sapere Report, **'Assessing the emissions footprint of the fibre networks relative to other fixed broadband options in NZ'**, 2021, at 4.1.

Chorus' transition plan on a page

NZ CS 1, 16(b)

The diagram below reflects the material aspects of Chorus' Transition Plan as at the end of FY25. Our Transition Plan is designed to address the material climate related risks and opportunities set out in Table 2, below.



Chorus' verified science-based emissions reduction targets

Chorus has a broad ambition to reach Net Zero emissions by 2050. The following verified science-based emissions reduction targets are designed to help us reach this ambition:

SCOPE 1 & 2
Reduce absolute scope 1&2 emissions 62% by FY30 against a FY20 base year.

SCOPE 3
Engagement goal with 70% of our suppliers by spend to have a science-based target by FY29*.

* Representing 70% of Chorus spend.

	TODAY	HORIZON 2			HORIZON 3
	FY25 PROGRESS	**FY26**	**FY27**	**FY28**	**FY30**
Decarbonise through our Emissions Reduction Plan	Scope 1 & 2: 25% reduction of emissions against FY20 Scope 3: 43% of our top suppliers have verified science-based targets in place Electricity: 11.1% reduction against FY20 100% climate-positive Toitū-certified electricity used to power our network since FY23 Fleet: 56% of our vehicles are EV or hybrid	Continue initiatives that reduce electricity consumption (such as copper withdrawal)	Continued monitoring of technological advances, and reduction of generator fuel use	100% EV or hybrid fleet	Aim to reduce electricity use by 25% against FY20 Consider formalising a Net Zero target for Chorus with supporting plan and roadmap defined
	FY25 PROGRESS	**FY26**	**FY27/FY28**		
Renewable and resilient electricity generation	Solar PV on exchange trials (six sites)	Expand solar trial to additional sites	Consider setting renewable generation target following trial completion, and expand battery storage opportunity		
	FY25 PROGRESS	**FY26/FY27**			**FY30**
Minimise climate impact through transition to an 'all-fibre business'	Climate mitigation and adaptation assessments in development for portfolio asset management plans Interim Internal Emission Price (IEP) adopted	Updated climate hazards and vulnerability assessment completed. Mitigations developed. Anticipated financial costs of climate impacts identified in line with CRD requirements Internal Emissions Price tested on initiatives to market Climate lens applied to property optimisation programme			Planned withdrawal of copper network and fibre extension to ~9,000 premises complete An all-fibre network future, with climate vulnerability assessed regularly

Please refer to Page 12 - Table 2: Chorus climate-related risks, opportunities & impacts – FY25 for icons key.

Material assumptions & dependencies

NZ CS 3, 49

Below are the key assumptions, dependencies and potential barriers that may impact Chorus' progress towards delivering its climate goals and supporting initiatives.

Climate goal	Assumptions, dependencies & barriers
Scope 1 and 2 emissions reduction by FY30	• Progress assumes Chorus can smoothly transition to an all-fibre business and out of copper by 2030, with operating model and settings consistent with continued decarbonisation. • Solar, battery back-up and energy efficiency opportunities are proven feasible for Chorus, and can be scaled. • Renewable generation and storage from the national grid continues to improve. • Collaborative effort with industry to pursue joint decarbonisation initiatives where appropriate.
Scope 3 emissions engagement by FY29	• Stable supply chain, with access to alternative suppliers if required. • Minimal changes to trade settings that could negatively impact supplier emissions. • Key suppliers meet their contractual obligations to Chorus, in relation to having Science Based Targets initiative **(SBTi)** targets in place by FY29 and providing emissions data.
Electricity reduction by FY30	• As above – this relies on similar assumptions to Chorus' scope 1 and 2 targets. • Copper withdrawal remains on track for 2030. • Supplier emission reduction commitments remain on track and technology supports Chorus' overall consumption decreasing over time. • Replacement of legacy metering equipment also proves feasible and improves electricity monitoring capacity over time.
Net Zero ambition by 2050, across scope 1, 2 & 3 emissions (Chorus to consider formalising Net Zero 2050 target in FY30)	• Continued all-fibre business model, with scope for operations simplification and emissions reduction, and timely exit from copper network enabled by regulatory settings. • Chorus' climate targets continue to reflect latest climate science and are achievable by the specified dates. • Supply chain plays its part to reduce emissions and other environmental impacts on the Chorus network. • Government maintains its Net Zero commitment with enabling Emissions Reduction Plan aligned to Paris Agreement. • Broader policy and regulatory settings consistent with pathway to Net Zero, including scope for collective industry action and innovation. • Chorus' regulatory framework enables adequate climate investment. • Chorus' climate-related expenditure framework in place by end of FY26. • Scope for carbon offsets where required in line with applicable Corporate Net-Zero Standards.

Strategy. Investment. Action.

NZ CS 1, 16(b)

To support Chorus' climate transition journey, several initiatives are underway. Key updates to information provided in Chorus' FY24 CRD are summarised below:

Climate mitigation focus

Emissions Reduction Plan: Chorus' scope 1 & 2 emissions reflect a small part of its overall emissions inventory. Over 90% of this is attributable to electricity use (scope 2). Chorus updated the modelling of its ERP in March 2025. This included aligning assumptions to our financial 10–year planning process and emission factor analysis based on sector scenarios. Chorus' scope 1 & 2 base year emissions calculations (FY20) were restated using more accurate information and subject to a limited assurance engagement by KPMG. This helps Chorus accurately track progress over time against this reference year.

In FY25, Chorus' scope 1 & 2 emissions increased, primarily due to the use of the recently published Ministry for the Environment **(MfE)** emission factors for electricity emissions.[5] This increase in emission factors was the key driver for Chorus' overall emissions increase despite a reduction in its electricity consumption (GWh).[6] Updated modelling indicates Chorus remains on track overall to reach its 62% reduction in scope 1 & 2 emissions by FY30.

Supply chain engagement: Chorus continued supply chain engagement throughout FY25, including appropriate sustainability requirements in contracts with suppliers captured by our SBTi target, as we acknowledge that scope 3 is the most material contributor to our total GHG emissions profile.[7] For our top tier suppliers, we conducted targeted engagement around emission reporting and reduction plans. In FY25, we also worked with our suppliers to assess emissions associated with key network assets to identify emissions reduction opportunities.

Energy Efficiency Programme: Chorus' energy efficiency programme was established in November 2024. Three key workstreams were set up to address electricity costs, drive efficiency and improve data and reporting. Energy efficiency opportunities have previously been incorporated into Chorus' ERP; however, in FY25 this was elevated to its own programme of work. As part of this, in FY25, Chorus commenced a new initiative to review the temperature setpoint within its exchanges to assess potential for reducing electricity consumed for cooling.

Climate adaptation focus

Identifying and managing climate-related risks and opportunities for its business is a key component of Chorus' climate adaptation work. Consideration of climate risks within Chorus' broader enterprise risk framework, supported by its dedicated climate risk reviews, is part of how Chorus plans to transition to a low-carbon, resilient business over time, and achieve progress against its targets. In FY25, the main focus was asset management.

Asset management focus: Chorus continues to develop capability in the way it manages network assets and assesses climate risk. Increasing asset management maturity enables Chorus to gain more value from asset expenditure and protect the future resilience of the network. In FY25, Chorus continued this focus, partnering with Tonkin & Taylor to develop a training plan to assist asset managers and key personnel across Network Operations, Strategy & Investment, Risk & Finance to integrate climate considerations into asset management planning, with support from the Sustainability Team.

In FY25, Chorus' annual update of climate risks and opportunities focussed on asset management. In late 2024, portfolio architects from the Technology Strategy & Architecture team participated in this review to help further integrate findings from the Telecommunications Sector Scenario analysis undertaken into asset risk assessments.

5 **https://environment.govt.nz/publications/measuring-emissions-guide-2025/** – 2025 emissions factors workbook.
6 Calculating scope 2 emissions involves multiplying activity data by an emissions factor. For entities using a location-based method, this means calculating the amount of electricity consumed by the average emission factor associated with the national NZ grid. Consequently, when looking at the means by which Chorus can reduce its scope 2 location-based emissions, the main opportunity is to reduce electricity consumption (GWh).
7 Focus of Chorus' engagement in FY25 was our top suppliers by spend, in line with our scope 3 engagement target. Additionally, sustainability requirements are incorporated into our supplier contracts as appropriate.

Alignment of transition planning to capital deployment and funding decision making processes

NZ CS 1, 16(c)

Currently, Chorus' transition plan initiatives are aligned with capital deployment and funding decision making to the extent they are funded by standard internal capital and operating expenditure decision making processes. Chorus is working to integrate transition planning, and a sustainability focus more specifically into appropriate capital planning and investment frameworks over time, to support Chorus' transition to a low-emissions and climate-resilient future.

Key developments include:

Scenario-based financial modelling: Financial modelling against climate-related scenario analysis commenced in FY25. This provides a data-driven foundation for understanding how different climate futures could affect Chorus' capital needs, asset values, and overall financial performance over time.

IEP: Internal Emissions Price in development over FY25 (see page 19).

Energy efficiency: Energy efficiency is part of Chorus' assessment of material potential equipment purchases, and sustainability impacts continued to be considered as part of Chorus' internal 'initiative-to-market' process in FY25.

EPMO: Sustainability processes are being considered as part of Chorus' new Enterprise Project Management Office **(EPMO)** currently in development. As part of this, attention will be given to how sustainability considerations can be appropriately embedded into material business decision-making. This is intended to facilitate project delivery frameworks that recognise climate resilience and emissions reduction opportunities across project lifecycles.

Climate-related expenditure framework: Chorus has a framework in development, which continued to be refined in FY25. The framework describes how Chorus intends to account for current and anticipated financial impacts of climate change on its business and support the application of a climate lens to investment and prioritisation decisions. Further information is provided on page 13.

Long-term financial planning alignment: Anticipated sustainability-related financial impacts impacts are intended to be factored into Chorus' 10-year financial planning round from FY27 onwards. This supports robust capital forecasting and is intended to provide a foundation for Chorus' FY26 CRD regarding the anticipated financial impacts of climate change.

Scenario analysis

NZ CS 1, 13 & NZ CS 3, 51

In 2024, Chorus contributed to the climate scenario analysis undertaken by the Telecommunications Forum (TCF)'s Climate Change Working Group. The TCF commissioned Tonkin & Taylor to prepare a climate change scenario for the telecommunications sector.[8]

Chorus' Head of Sustainability formed part of a project management team and wider stakeholder group to support and oversee the work. Management and ARMC provided oversight of the development of the climate scenarios and scenario analysis process, including having an opportunity to provide feedback on the draft scenarios prior to finalisation of the report. The scenario analysis process was conducted externally and separate to Chorus' strategy processes, although findings continued to inform internal workstreams in FY25.

Given Chorus' participation in the telecommunications sector analysis, these scenarios were adopted by Chorus and used to progress work in FY25. In particular, the scenarios were used as a basis to deepen Chorus' assessment of resilience to climate-related risks and opportunities and have informed the annual review of Chorus' climate register including mitigations and action plans. The scenario analysis also informed the preparation of Chorus' Transition Plan in FY25, including key dependencies and assumptions relevant to maintaining the resilience of the Chorus network.

Further details of the scenario analysis previously undertaken are set out on page 10.

The three climate scenarios Chorus adopted based on the above telecommunications sector scenario analysis are as follows.

1. Scenario 1: Orderly Transition (Paris Agreement aligned transition scenario)
2. Scenario 2: Hot House World (high-warming scenario)
3. Scenario 3: Disorderly Transition (additional scenario).

The Orderly Transition and Hot House World scenarios were selected to align with the 1.5C and >3C scenarios mandated by the NZCS. Disorderly Transition was selected as a third scenario as it contains a mix of physical and transition impacts that test the resilience of Chorus' business model and strategy. Shortlisted drivers, being the key factors outside of Chorus' or the telecommunications sector's control that could have the greatest influence in shaping outcomes for its sector, were identified and mapped across three climate scenarios. A select number of drivers were chosen to be 'featured' or key to the scenario narrative, while others were 'supporting'.[9]

Table 1: Telecommunications sector climate scenarios – summary of narratives

Orderly Transition	Hot House World	Disorderly Transition
Aotearoa New Zealand (NZ) and the world transitions to Net Zero by 2050 with strong policy and market changes clearly signalled by the government. Physical impacts from climate change are limited and align with the SSP1–1.9 scenario. Average global temperatures are limited to 1.5 degrees above preindustrial levels by 2050.	NZ and the world abandon Net Zero targets, and there is no national or global movement to reduce emissions. Existing policies are reversed, and fossil fuel use continues. Physical impacts from climate change are severe with annual average global temperatures rising to 2 degrees above pre-industrial levels by 2050 and 3.6 degrees by 2100 (in alignment with SSP3–7.0)	NZ and the developed world are delayed in their transition to Net Zero and continue to use fossil fuels over the short-term. This results in a steady increase in temperature and physical impacts in alignment with SSP2–4.5 (2 degrees by mid-century). By 2030, NZ and the developed world realise that urgent action is needed to reach Net Zero, which results in abrupt and poorly signalled policy and market changes.

The sector scenario analysis was produced using international and national scenario parameters, including global climate and socio-economic parameters, and NZ specific climate and transition pathways parameters.

The time horizons applied were as follows:

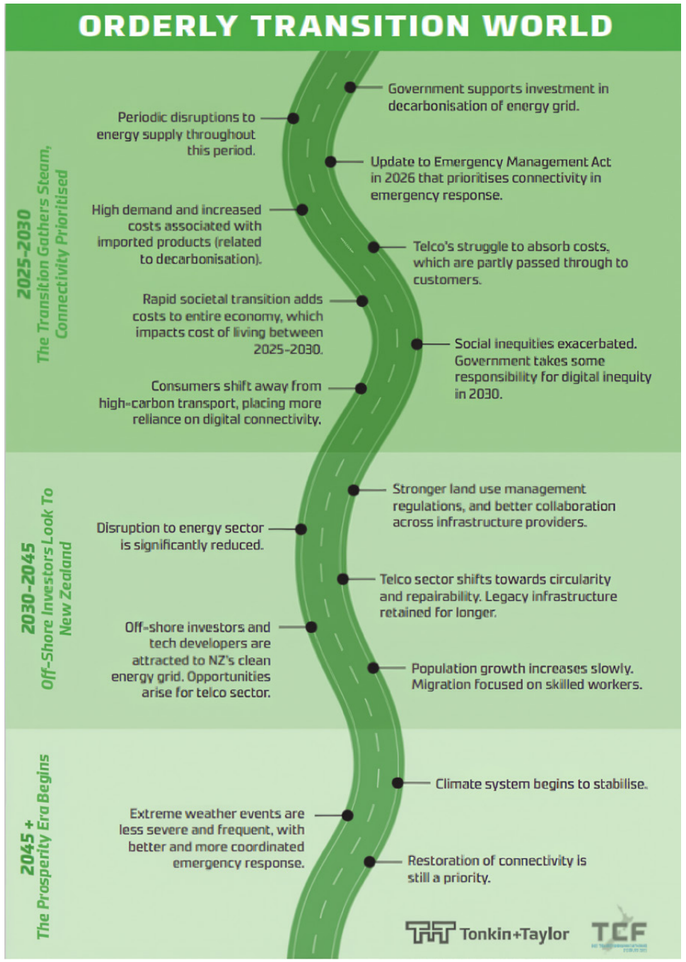
1. Short-term (5 years: 2030) – aligns to telecommunications organisations' emissions reduction targets (including Chorus)
2. Medium-term (15 years: 2040) – aligns with Chorus' 10–year strategic planning horizon, along with average life of electronic network equipment
3. Long-term (30+ years: 2055+) – aligns with potential materialisation of physical risks, particularly infrastructure impacts and aligns to New Zealand's 2050 Net Zero ambition.

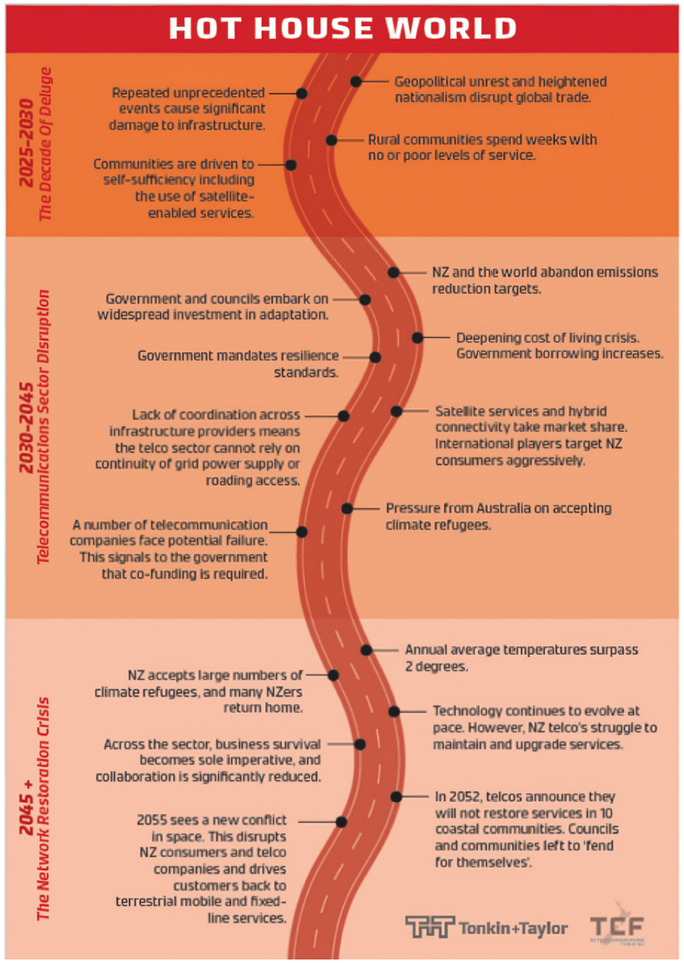
8 See Tonkin & Taylor, **Telecommunications Sector Climate Change Scenarios | NZ Telecommunications Forum (tcf.org.nz)**, dated 15 July 2024. Chorus did not conduct any independent modelling beyond that reflected in the TCF Scenarios. RCP and NIWA data sets are contained at Table 4.2 on page 20 of the Telecommunications Sector Climate Change Scenarios.

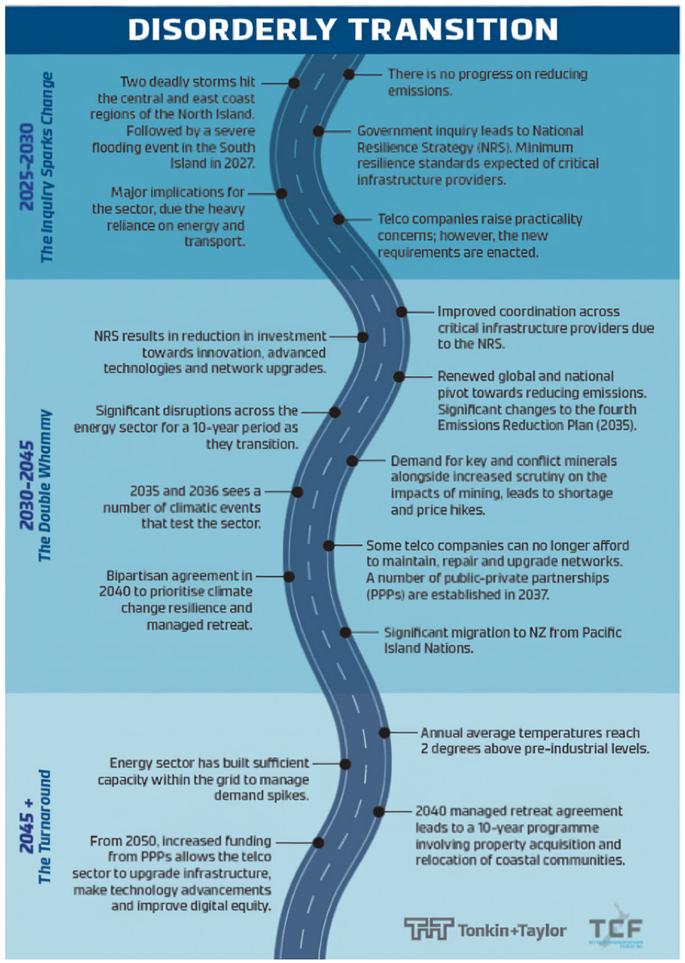
9 While carbon sequestration from afforestation, nature-based solutions and negative emissions technologies were part of the underlying SSPs used to build the scenarios, they were not shortlisted drivers, and therefore not included in the sector scenarios.

Scenario analysis continued

The pathway assumptions for each scenario are summarised below:







Climate risks, opportunities and impacts

NZ CS 1, 14 and 15

Chorus' climate risks and opportunities register operates within our enterprise-wide risk management framework. The register has been in place since FY23 and is reviewed annually with oversight by ARMC.

Within the wider enterprise risk management framework, potential impacts associated with climate change continued to be identified as a 'Principal risk' and 'Emerging risk' in FY25. Specifically, the risk of climate change materially impacting Chorus assets was identified as a 'Principal risk', and the risks associated with climate-driven population and migration movements impacting infrastructure demands, and the potential for polarisation of views including in relation to climate action, were identified as 'Emerging risks'.

Table 2 below describes the material climate risks and opportunities identified by Chorus in FY25, including impacts and mitigations. Primary risk and opportunity categories remain consistent with those disclosed in Chorus' FY24 CRD, with minor updates to reflect insights from our focus on asset management.

Current impacts

NZ CS 1, 12

Chorus did not experience any material impacts (including any material financial impacts) from climate change in FY25. Current impacts listed in Table 2 are all non-material for FY25 and are included for completeness to give primary users insight into the types of developments Chorus monitors for under these risk categories.

Table 2: Chorus climate-related risks, opportunities & impacts – FY25

Material risk/opportunity/type	Summary of current (FY25) and anticipated impacts	Current controls[10] and additional mitigations[11]
Risk: Increase in frequency and intensity of extreme climate-related weather events including storms, extreme wind, rainfall, drought, and wildfire. **Type:** Physical **Time horizon:** Short to medium term	**Current impact:** Minimal. Chorus experienced localised weather events in certain regions causing outages and faults in its copper and fibre networks, issuing Force Majeure notices in May and June 2025 in connection with heavy rain events in the South Island. However, the Chorus network did not suffer any significant interruptions from climate-related weather events in FY25. **Anticipated impact:** Prolonged service disruption may have a detrimental operational, financial and/or reputational impact, particularly where it impacts a large area or number of consumers (e.g. damage to key fibre routes or widespread loss of electricity). Significant damage may require replacement or relocation of assets. Extreme temperatures or cascading climate-related events could affect the ability of Chorus staff to work.	Controls: • Business continuity processes. • Force Majeure notices as required based on service company information, to inform customers of potential impacts. • Internal project codes established to track operational expenditure attributable to extreme weather events that trigger force majeure events. Mitigations: • Ongoing investment programmes to enhance network resiliency. Chorus continues to use data, mapping, and insights to assess climate impact and build network resilience, prioritising fibre uptake and copper shutdown (noting fibre is less susceptible to weather-related faults).
Risk: Insufficient electricity could lead to demand outstripping supply or energy blackouts. **Type:** Physical **Time horizon:** Short to medium term	**Current impact:** Minimal. Chorus experienced power shortfall warnings this year and outages due to weather related events, however no significant network level impacts occurred. **Anticipated impact:** Energy rolling blackouts could increase, especially during peak energy use times, which could affect the delivery of telecommunications services to customers. Could also see increased carbon emissions and increased electricity prices.	Controls: • Battery reserves at exchanges. • Diesel back-up generators. Mitigations: • Copper withdrawal and upgrading key network equipment are anticipated to reduce Chorus' electricity use significantly over the next four years. • Chorus plans to install solar PV on some exchanges as part of a multi-year programme, with installation at six trial sites completed in FY25. Further trial sites are scheduled for FY26. • Alternative back-up generation is being investigated as part of Chorus' transition planning.
Risk: Projected risk of damage to Chorus' network assets from sea-level rise or coastal flooding. **Type:** Physical **Time horizon:** Long term	**Current impact:** Nil. **Anticipated impact:** Damage to cables or buildings could affect the delivery of telecommunications services to customers.	Mitigations: • Asset impact assessments, with findings incorporated into long term asset management planning. • Chorus continues to use data, mapping, and insights to assess climate impact and build resilience across its network.

10 Control measures are here to help identify, track and respond to an existing or upcoming risk.
11 Mitigations help manage and reduce the magnitude of a risk.

Climate risks, opportunities and impacts continued

Material risk/opportunity/type	Summary of current (FY25) and anticipated impacts	Current controls[13] and additional mitigations[14]
Risk: Supply chain disruption. **Type:** Physical **Time horizon:** Medium term	**Current impact:** Nil. **Anticipated impact:** Climate-related events including increase in the frequency and intensity of severe weather patterns could disrupt supply channels, or telecommunications or network equipment could be hard to source due to material shortages, particularly where Chorus relies on international suppliers	Mitigations: • Completion of the UFB network roll-out reduces Chorus' reliance on large equipment volumes associated with intensive build activity. • Supply chain management enables contingency measures such as holding critical network spares and supplier held stock to support the ongoing operation and maintenance of the Chorus network and future growth. • Chorus' transition to an all-fibre business, by 2030, also means reduced need for copper equipment replacement. • Chorus conducts supplier analysis and engagement based on the geographic location of key supplier facilities as part of monitoring our supply chain. Suppliers are generally geographically diverse many with multiple manufacturing locations which provides some mitigation. Business continuity processes also respond where a key supplier is likely to be materially impacted.
Risk: Insufficient priority on, and investment in, climate mitigation and adaptation. **Type:** Transition **Time horizon:** Short to medium term	**Current impact:** Nil. There has been no impact arising from insufficient investment in FY25. Chorus has an emissions reduction target for scope 1 & 2 emissions, along with a supporting ERP. Key activities include energy efficiency, energy reduction and switching to EV/Hybrid fleet. Investments to support Chorus achieving its target are already in the 10–year financial plan. Chorus has a resiliency strategy in place. **Anticipated impact:** Potential increase in unplanned capital expenditure for frequent and extensive service and network restoration activities. Regulatory framework could see insufficient future allowances for weather related expenditure or asset investment.	Mitigations: • Climate-related expenditure framework in development. • Regulatory engagement to maximise allowances in future Chorus price-quality regulatory periods.
Risk: Government policy & regulation restricts Chorus' ability to act. **Type:** Transition **Time horizons:** **Commerce Commission expenditure allowance constraints:** Medium term **Broader legislative and policy changes:** Medium to long term	**Current impact:** Minimal. Chorus' price-quality regulatory regime is well understood and managed by the business. **Anticipated impact:** The Commerce Commission or the New Zealand Government could limit Chorus' ability to invest in climate mitigation or adaptation, or mandate requirements that are unanticipated and/or problematic for the business. For example, insufficient future expenditure allowances for asset management, resilience, and adaptation planning, could result in Chorus needing to deprioritise climate resilience initiatives in favour of core activities, including to ensure service quality standards are met. More broadly, Government could mandate 'over-investment' requirements where this is deemed necessary to provide climate futureproofing or avoid a disorderly transition scenario. Depending on the scale and timing of such requirements, and the extent of alignment to Chorus' existing strategy and investments, such requirements could result in a low return, and redirect focus from core activities.	Mitigations: • Chorus monitors and inputs into proposed legislative and policy changes that might impact its business. • Chorus has strong relationships with policymakers and Government stakeholders. Timeframes for significant regulatory change are typically long, so there's time to respond. Chorus monitors, and attempts to influence, any broader policy and regulatory developments that could affect its business and pursuit of climate-resilience initiatives. • Through Chorus' regulatory engagement and expenditure forecasting processes with the Commerce Commission, Chorus works to secure appropriate expenditure allowances.
Risk: Economic and social risks. **Type:** Transition **Time horizon:** Medium term	**Current impact:** Minimal. **Anticipated impact:** Physical or transitional climate impacts could widen the digital divide for low socio-economic communities and reduce access to telecommunications services. The need for managed retreat from low-lying areas could exacerbate inequality.	Mitigations: • In FY25 Chorus launched the Whiria Te Aka Matihiko programme, which aims to provide access to affordable broadband and digital skills education. • Chorus continues to monitor this area – for further information please see Chorus' FY25 Sustainability Report.
Opportunity: Renewable energy self-generation. **Type:** Opportunity – Transition and Physical **Time horizon:** Short to medium term	**Current impact:** Minimal, pending feasibility assessment. Electricity continues to be Chorus' largest source of scope 1 & 2 carbon emissions (based on the location-based method) at 7,233 tCO_2e[12] in FY25. Continuity of supply is key to maintaining its services, which requires uninterrupted electricity supply. **Anticipated impact:** Generating its own renewable electricity and having the ability to potentially store electricity on-site could strengthen both Chorus' resilience and that of local communities in the event of extreme weather events, whilst supporting emission reductions and guarding against volatile electricity prices.	Progress: • In FY25 Chorus completed the installation of roof mounted solar PV build on six trial exchange buildings to evaluate the feasibility of self-generation. Further to these early steps, Chorus has additional trial site installations planned for FY26, following which it will evaluate findings. • Chorus continues to monitor for emissions reduction opportunities to reduce its overall footprint and increase security of supply.

12 Tonnes of carbon dioxide equivalent.
13 Controls are here to help identify, track and respond to an existing or upcoming risk.
14 Mitigations help manage and reduce the magnitude of an existing or upcoming risk.

Climate risks and opportunities as an input into capital deployment

NZ CS 1, 14(c)

Chorus continued to develop a climate-related expenditure framework in FY25. This is designed to confirm the robustness of our arrangements to support climate-related expenditure where required in future, and climate considerations being factored into appropriate investment and prioritisation decisions.

As part of this, our focus is on material climate-related risks and opportunities, and facilitating capital investments that contribute to long term-environmental and operational resilience.

Chorus' climate risks and opportunities register incorporates insights from its asset management planning processes and helps prioritise deployment of capital where relevant. For example, in FY24 climate network asset assessment served as an input into Chorus' 10-year business plan and regulatory proposal for our second regulatory reporting period **(RP2)**. This reflects Chorus' current approach, whereby climate risk and opportunity considerations inform funding discussions in some circumstances, where there is a relevant climate lens to be applied.

Chorus is working to factor anticipated climate impacts into its financial planning rounds, to support robust capital forecasting and meet NZ CS 1 requirements to disclose anticipated financial impacts of climate change. Chorus is also considering how best to align the treatment of capital and operational expenditure attributable to climate events, which will also inform climate-related capital deployment strategy and future CRD.

Targets

NZ CS 1, 23

Chorus' climate targets are a key part of its Sustainability Strategy and reflect Chorus' ongoing focus on decarbonisation and minimising environmental impact. Chorus has reported on its emissions reduction targets in sustainability reporting since FY21, and in CRD since FY24.

These targets were validated by the SBTi in 2024 as being aligned to international guidance on keeping global warming within 1.5 degrees.[15]

Chorus has an absolute scope 1 & 2 target and a scope 3 engagement target (as described in the below table) which align with the detail provided by the SBTi in the guidance for ICT Companies;[16] and neither target relies on offsets.

Table 3: Summary of Chorus' climate targets as at FY25

Thriving environment			
Ambition	**Targets / outcomes**	**Progress**	**Supporting initiatives**
Chorus has decarbonised and accelerated its journey to be Net Zero by 2050	**Verified science-based target – scope 1 & 2 emissions reduction:** Reduce absolute scope 1 & 2 emissions 62% by FY30 against a FY20 base year[17] (using location-based method).	**FY20**: 10,536 tCO2e **FY24**: 6,387 tCO2e (39% reduction) **FY25**: 7,877 tCO2e (25% reduction)	Emissions Reduction Plan: • Scope 1: Proactive aircon maintenance has delivered a reduction in refrigerant leaks. • Scope 2: Reduced electricity consumption (by 4.8%). Scope 2 emissions have increased due to the 39% increase in the MfE emissions factor.[18] • Note: Chorus' prior sustainability reports describe scope 1 & 2 emissions since the base year for its emissions reduction target (FY20).[19]
	Electricity reduction goal: Reduce electricity use by 25% against FY20 baseline by FY30, with interim milestone to reduce electricity use by 15% against FY20 baseline by FY25.	**FY20**: 80.4 GWh **FY24**: 75.1 GWh **FY25**: 71.5 GWh – 11.1% reduction achieved from **FY20** to **FY25**	• Short term goal of 15% reduction by FY25 not met, chiefly due to prioritisation decisions resulting in certain copper and optimisation initiatives being postponed. However, the restatement of our base year also played a role. • However, ERP modelling and copper withdrawal planning indicates Chorus' longer range target of 25% electricity reduction by FY30 remains on track.
	Verified science-based target – scope 3 engagement: Scope 3 engagement goal with 70% of suppliers by spend to have a science-based target by FY29.	**FY24**: 30%[20] **FY25**: 43%	• Planning for contract renewals and new tenders to include requirement for SBTi target commitment. • Sustainability team engagement with top suppliers underway.
	Chorus vehicle fleet reduction goal: 100% EV or hybrid fleet by the end of FY28.	**FY23:** 30% **FY24:** 37% **FY25:** 56%	• Chorus continues to reduce its fleet whilst meeting operational needs. • In FY25 five vehicles were replaced with Hybrid and EV alternatives.

15 https://sciencebasedtargets.org/target-dashboard.
16 Science Based Targets initiative, Information and Communication Technology (ICT) sector specific guidance, **Guidance for ICT companies including fixed line operators**.
17 During FY25 Chorus restated its base year (FY20) scope 1 & 2 emissions. The restated emissions were subject to a limited assurance review by KPMG. The restated numbers were not materially different to previously disclosed numbers in Chorus' historical **sustainability reports**.
18 Ministry for the Environment - 2025 Emissions Factors Workbook (summary of changes) **https://environment.govt.nz/publications/measuring-emissions-guide-2025/**.
19 **Chorus' sustainability reports** describe scope 1 & 2 emissions over FY20-FY23. As above, Chorus engaged KPMG to perform a limited assurance engagement over its restated FY20 scope 1 & 2 emissions, included in Table 3 above, however FY21–FY23 data included in the sustainability reports are not assured.
20 This represents the percentage (%) of Chorus suppliers who have already set a Science Based Target (SBTi).

Metrics

NZ CS 1, 22

GHG Emissions Inventory

NZ CS 1, 22(a), 24

Table 4 provides an overview of Chorus' scope 1 & 2 emissions against base year. Table 5 provides Chorus' total Greenhouse Gas emissions for FY24 and FY25. To review the details of the calculation methods, data quality and uncertainty and other information, please refer to Appendix 4.

KPMG was engaged to carry out a limited assurance review of Chorus' GHG scope 1, 2 & 3 Emissions Inventory for the reporting period (1 July 2024 to 30 June 2025) as required by NZ CS 1. KPMG's limited assurance opinion is attached as Appendix 5.

Table 4: Chorus' GHG emissions (scope 1 & 2) in metric tonnes of carbon dioxide equivalent (t-CO_2e)

Scope / Category	FY20 (base year)	FY24	FY25
SCOPE 1 (totals)	**962**	**913**	**644**
Stationary combustion *Includes Diesel generators and Natural gas*	279	340	401
Fugitive emissions	479	442	112
Mobile Combustion	203	131	131
SCOPE 2 - (totals – location based)	**9,574**	**5,474**	**7,233**
SCOPE 1 & 2 TOTALS	**10,536**	**6,387**	**7,877**

Table 5: Chorus' GHG emissions (all scopes) in metric tonnes of carbon dioxide equivalent (t-CO_2e)

Scope / Category	FY24	FY25
SCOPE 1 (totals)	**913**	**644**
Stationary combustion *Includes Diesel generators and Natural gas*	340	401
Fugitive emissions	442	112
Mobile Combustion	131	131
SCOPE 2 – (totals – location based)	**5,474**	**7,233**
Electricity Location based	5,474	7,233
Electricity Market based[21]	604	903
SCOPE 3 (totals)	**45,939**	**42,249**
Category 1 & 2 – Purchased goods and services & Capital goods (spend based)	24,337	22,398
Category 1 & 2 – Purchased goods and services & Capital goods (supplier-specific data)	11,470	8,410
Category 3 – Fuel and energy use *Includes T&D Losses and WTT from fuel use*	3,736	3,213
Category 4 – Upstream Transportation and distribution	929	822
Category 5 – Waste generated in operations	13	11
Category 6 – Business travel *Includes air travel, accommodation, taxis, rental car, mileage claims and EV charging*	513	497
Category 7 – Employee commuting *Includes employee commuting and working from home*	323	325
Category 11 – Use of sold products[22]	3,883	5,718
Category 13 – Downstream leased assets	735	855
SCOPE 1, 2 (location based) & 3 totals	**52,326**	**50,126**

21 Scope 2 market based emissions reflect the generation fuel mix from which the reporting company contractually purchases electricity and/or is directly provided electricity via a direct line transfer.

22 According to the GSMA GeSI scope 3 guidance for telecommunications operators, ONT could be reported either in Category 11 or Category 13. It is noted that according to the Greenhouse Gas Protocol Value Chain standard, Category 11 should report on emissions using lifetime emissions. After careful consideration, internal discussion and external comparison of industry best practice, Chorus decided to report the ONT emissions under category 11 for consistency with the telecommunication industry without applying the lifetime reporting requirements as Chorus has access to more accurate information (actual annual electricity consumption until the ONT is disconnected).

Metrics continued

Consolidation approach and standards

NZ CS 1, 24(a)-(c)

Consolidation approach: In measuring GHG emissions, Chorus uses an operational control consolidation approach (as defined by the GHG Protocol) that includes Chorus New Zealand Limited only, as the operating company and sole subsidiary of its parent company, Chorus Limited.

GHG emissions standards: Chorus' GHG emissions have been measured in accordance with:

- Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard[23]
- Greenhouse Gas Protocol – scope 2 Guidance – An amendment to the GHG Protocol Corporate Standard[24]
- Greenhouse Gas Protocol – Corporate Value Chain (scope 3) Accounting and Reporting[25]
- Greenhouse Gas Protocol – Technical Guidance for Calculating scope 3 Emissions.[26]

Other guidance used:

- ISO 14064–1:2018 – Greenhouse gases Part 1
- GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T) – Scope 3 Guidance for Telecommunication Operators[27]
- Ministry for the Environment – Measuring emissions: A guide for organisations.[28]

Source of emission factors and GWP rates: Chorus reports its GHG emissions in tonnes of CO_2 equivalents (tCO_2e). As part of its reporting, activities contributing to all relevant seven Kyoto Protocol gases were considered: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3) in compliance with the requirements set by the GHG emissions standards listed above.

All purchased and generated energy emissions are dual reported[29] using both location based and market based methods.

The sources of emissions factors and associated Global Warming Potential (GWP) rates for Chorus' emissions are:

- New Zealand Ministry for the Environment's 2025 Guidance for Voluntary Greenhouse Gas Reporting
- Business, Energy & Industrial Strategy (BEIS) Formerly, Department for Environment, Food, and Rural Affairs (Defra) (UK) – Greenhouse gas reporting: conversion factors 2023
- Thinkstep anz – Greenhouse Gas Emissions for Commodities and Industries v1.1 May 2024[30]
- Bravetrace residual supply factor for Market based reporting.[31]

The emission factor sources are based on global warming potentials (GWPs) varying from AR5–AR6. The latest MfE emission factor publication updated the GWP values to align with the requirements for GHG inventory reporting under the Paris Agreement.[32]

It is a requirement under ISO14064–1:2018 and the Greenhouse Gas Protocol to consider, assess and disclose the uncertainty associated with a Greenhouse Gas Inventory. The nature of GHG emissions inventory reporting means there will always be a level of uncertainty, especially within scope 3. To minimise this uncertainty, source data has been used where possible. Where uncertainty exists or source data is unavailable, a conservative estimation approach has been taken. Where emission factors are historical (i.e. Thinkstep-anz – Greenhouse Gas Emissions for Commodities and Industries v1.1 May 2024), an adjustment for inflation has been applied.

Estimates and uncertainties have been disclosed in **Appendix 4**, in alignment with the applicable standards.

23 Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard.
24 Greenhouse Gas Protocol - Scope 2 guidance – https://ghgprotocol.org/sites/default/files/2023-03/Scope%202%20Guidance.pdf.
25 Greenhouse Gas Protocol – Corporate Value Chain (scope 3) Accounting and Reporting.
26 Greenhouse Gas Protocol – Technical Guidance for Calculating Scope 3 Emissions.
27 GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T) – scope 3 Guidance for Telecommunication Operators, 2023.
28 Ministry for the Environment – Measuring emissions: A guide for organisations.
29 Dual reporting illustrates the role of supplier choice, onsite renewable energy generation and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts.
30 Thinkstep-anz – Greenhouse Gas Emissions for Commodities and Industries v1.1 May 2024.
31 Bravetrace, Residual Supply Mix factor publication, FY25.
32 As agreed in decisions 18/CMA.1 and 5/CMA.3, parties to the Paris Agreement are required to use the 100-year time horizon GWP (GWP100) values, as listed in table 8.A.1 of the Fifth Assessment Report (AR5) of the IPCC, excluding the value for fossil methane.

Metrics continued

Exclusions

NZ CS 1, 24(d)

Specific emission sources have been identified and excluded from Chorus' GHG emissions calculation in FY25. These sources are either not applicable to Chorus' operations or are relevant but are either not material in the context of the GHG inventory (less than 5% of overall emissions), not material to stakeholders, and/or not technically feasible or cost effective to be quantified at present.

Table 6: Exclusions

Scope/category	Greenhouse emission source or sink	Reason for exclusion	Est. size of exclusion tCO_2e	% of total inventory
Scope 3/Category 1 Scope 3/Category 1	Purchased goods and services Capital goods	Chorus' top 105 suppliers provided coverage for 96% of its corporate spend. The remaining 4% of spend consists of a high volume of low value suppliers. Noting the extensive work that would be required to estimate emissions for these suppliers, and their low business impact given their individual dollar value, Chorus has assessed these as immaterial.	2,012	4.01%
Scope 3/Category 4 Scope 3/Category 9	Upstream transportation and distribution Downstream transportation and distribution	Chorus has conducted spend based estimate testing and the potential additional freight has been assessed as immaterial.	220	0.44%
Scope 3/Category 8	Upstream leased assets	Chorus does lease some assets, but these emissions are accounted for within its scope 1 & 2 respectively.	n/a	n/a
Scope 3/Category 10	Processing of sold products	This category includes the further processing of intermediate products (e.g. material, component) sold to downstream companies and is normally not considered relevant to telecommunication operators.[33]	n/a	n/a
Scope 3/Category 12	End of life treatment of sold products	Inclusion of end-of-life treatment of sold goods is particularly challenging with regards to lacking access to accurate data, need for assumptions about end-of-life preferences of customers, low accuracy of supplier emission factors and limited availability of country specific data.	n/a	n/a
Scope 3/Category 14	Franchises	Chorus does not have any franchises.	n/a	n/a
Scope 3/Category 15	Investments	Chorus does not have any relevant investments.	n/a	n/a

33 GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T), Scope 3 Guidance for Telecommunication Operators, 2023.

Metrics continued

NZ CS 1, 22

Emissions intensity

NZ CS 1, 22(b)

Chorus monitors emissions intensity against the amount of data transmitted across its network in petabytes (PB). As the amount of data transmitted on its network steadily increases as more people and devices connect, its emissions intensity decreases. While this is not a formal target, Chorus aims to achieve and maintain an emissions intensity of under 1 (tCO_2e/PB).

Chorus calculates the emission sources in the intensity calculation using scope 1 & 2 emissions only. Chorus chose a per petabyte measure as this measure is the most relevant to its business. Additionally, Chorus reports on scope 1, 2 & 3 per million dollars of revenue as it is the most relevant intensity measure when covering all scopes.

Table 7: Scope 1 & 2 GHG emissions intensity (tCO_2e / PB)

Financial year	Data traffic (PB)	Scope 1 and 2 (tCO_2e)	Emissions intensity (tCO_2e/PB)
FY24	7,978	6,387	0.80
FY25	**8,741**	**7,877**	**0.90**

Chorus' emissions intensity increased in FY25, despite remaining within its intended range of <1 (tCO_2e/PB). This was due to the change in emissions factors noted above which increased our overall emissions profile, despite there being more data traffic on the network.

Table 8: Scope 1, 2 and 3 GHG emissions intensity per million-dollar revenue (tCO_2e/M$)

Financial year	Million-dollar revenue (M$)	Scope 1, 2 and 3 (tCO_2e)	Emissions intensity (tCO_2e/M$)
FY24	1,010	52,326	51.81
FY25	**1,014**	**50,126**	**49.43**

Transition risks

NZ CS 1, 22(c)

Consistent with its FY24 CRD, Chorus conservatively estimates that all our business activities are vulnerable to climate-related transition risks to some degree. These include risks related to the transition to a low-emissions, climate-resilient global and domestic economy such as policy, legal, technology, market, and reputation changes.

As a regulated entity, Chorus is subject to price-quality regulation set by the Commerce Commission. If the Commission provides insufficient future allowances for asset management practices, resilience, and adaptation planning, this could result in Chorus needing to deprioritise climate resilience initiatives in favour of core activities and maintaining compliance (with for example Chorus' quality standards). Chorus continues to manage exposure to this risk by monitoring regulatory change, and advocating for appropriate regulatory outcomes, for both its fibre and copper networks.

Physical risks

NZ CS 1, 22(d)

Chorus' assessment of network assets vulnerable to physical climate-related risk similarly is consistent with our FY24 CRD.[34] Aon's assessment of the exposure of Chorus' assets to climate change undertaken in FY23 remains the best available proxy measure for vulnerability to physical risk at this time. Aon's assessment used two global emissions scenarios: moderate (SSP2–4.5) and high (SSP5–8.5) to 2040 and 2090.

In summary, their assessment showed:

- Fluvial flooding poses the greatest exposure to Chorus' assets, in particular other exchange/access sites.
- Fluvial flooding includes rivers and streams breaking their banks resulting in water ingress into adjacent low-lying areas.
- 11% of those sites would potentially face high to very high exposure under the two global emissions scenarios used by Aon in its FY23 assessment of the exposure of Chorus' assets. 23% would potentially face some exposure (very low to very high), which reflects current day levels.

Further details of Aon's findings by asset type are set out on page 40 of Chorus' FY24 climate statements.[35] With the planned retirement of its copper network, Chorus' asset exposure has begun to reduce as we exit legacy network sites and retire utility assets such as poles and cabinets. Climate mitigation and adaptation assessments have been applied to portfolio asset management plans to build on Aon's work, and further analysis of network asset vulnerability against key climate hazards is planned to continue.

Climate-related opportunities

NZ CS 1, 22(e)

Chorus' main area of climate-related opportunity in FY25 was trialling new ways to generate our own renewable energy.[36]

Solar: Chorus completed roof mounted solar PV on six trial sites in FY25. Further sites are planned to be added to trial scope in FY26 as part of its ongoing feasibility assessment. Data from trial sites is essential to evaluating the future viability of solar to Chorus and potential future programmes of work. The trial is intended to cover approximately 1% of suitable exchange sites. In FY24, our efforts were focused on preparation for trial commencement, as described on page 41 of our FY24 CRD.

Capital deployment

NZ CS 1, 22(f)

In FY25, Chorus' total capital expenditure towards climate-related risks and opportunities was <$1 million and related primarily to managing the impacts of severe weather events on our copper and fibre networks, generator use for power outages and for its solar trial programme. This was in addition to operating expenditure on climate-related initiatives including engaging consultants to support transition planning work. Overall capital expenditure in FY25 did not meet Chorus' quantitative materiality financial threshold, consistent with Chorus not experiencing any material impacts from climate change this year.

By contrast, in FY24 Chorus' capital expenditure towards climate-related risks and opportunities was approximately $4.2 million.[37] A significant portion of this was attributable to managing the residual impacts of Cyclone Gabrielle on our copper and fibre networks.

34 Chorus has chosen to report exposure as that is the metric for which it had reliable data available in FY25.
35 Chorus, FY24 climate statements, page 40 – Table 10, Chorus network exposure to climate change.
36 While withdrawal of the copper network was noted as a climate-related opportunity in its FY24 CRD, Chorus did not recognise it as a material climate-related opportunity in FY25. Accordingly, Chorus has not provided comparatives in relation to this programme.
37 The ~$4.2 million total resulted from managing the impacts of Cyclone Gabrielle on Chorus' networks (~$3.3 million) and the rollout of two Mobile Exchanges on Wheels (MEOWs) at a total cost of ~$915,000, as noted in page 41 of Chorus' FY24 climate statements.

Metrics continued

Internal Emissions Price

NZ CS 1, 22(g)

In FY25, Chorus set an interim internal emissions "shadow" price of $140/tCO2e for the first time. Other options were considered, with an interim decision made to adopt, test, and iterate this as a shadow pricing mechanism from FY26. The figure reflects advice released by the Climate Change Commission and Chorus' consideration of international guidance and comparable sector approaches.

Chorus also established an Internal Emissions Committee in FY25. Its purpose is to oversee Chorus' approach to internal emissions pricing and help facilitate integration across the business in a way that aligns with Chorus's climate targets, strategic and regulatory settings. By exploring scope to integrate the cost of carbon into appropriate business decisions over time, it aims to drive innovation and support decision-making.

Remuneration

NZ CS 1, 22(h)

All Chorus Executives have a strategy execution (company scorecard) KPI, which includes components relating to implementation of Chorus' sustainability plan and reducing emissions. As part of this, specific electricity consumption reduction targets are in place for each financial year. These KPIs are taken into account along with other KPIs when assessing Executive performance and remuneration. This approach is consistent with FY24.

Certain members of Chorus' Executive also have KPIs linked specifically to the execution of its Sustainability Strategy, including Chorus' Executive General Manager – Frontier as the executive responsible for Chorus' sustainability programme from late FY25.

Other industry-based metrics

NZ CS 1, 21(b)-(c)

Chorus is not aware of any other industry-based metrics used to measure and manage climate-related risks and opportunities in the reporting period.

Climate governance

Identity of the governance body and governance body oversight

NZ CS 1, 7(a)

The Chorus Board continues to oversee Chorus' strategy, risk management and governance frameworks, with primary oversight of climate response provided by the ARMC. There were no material changes to governance arrangements in FY25. The Board's delegation of certain functions to Board Committees is set out in Committee Charters. The Board's responsibilities include:

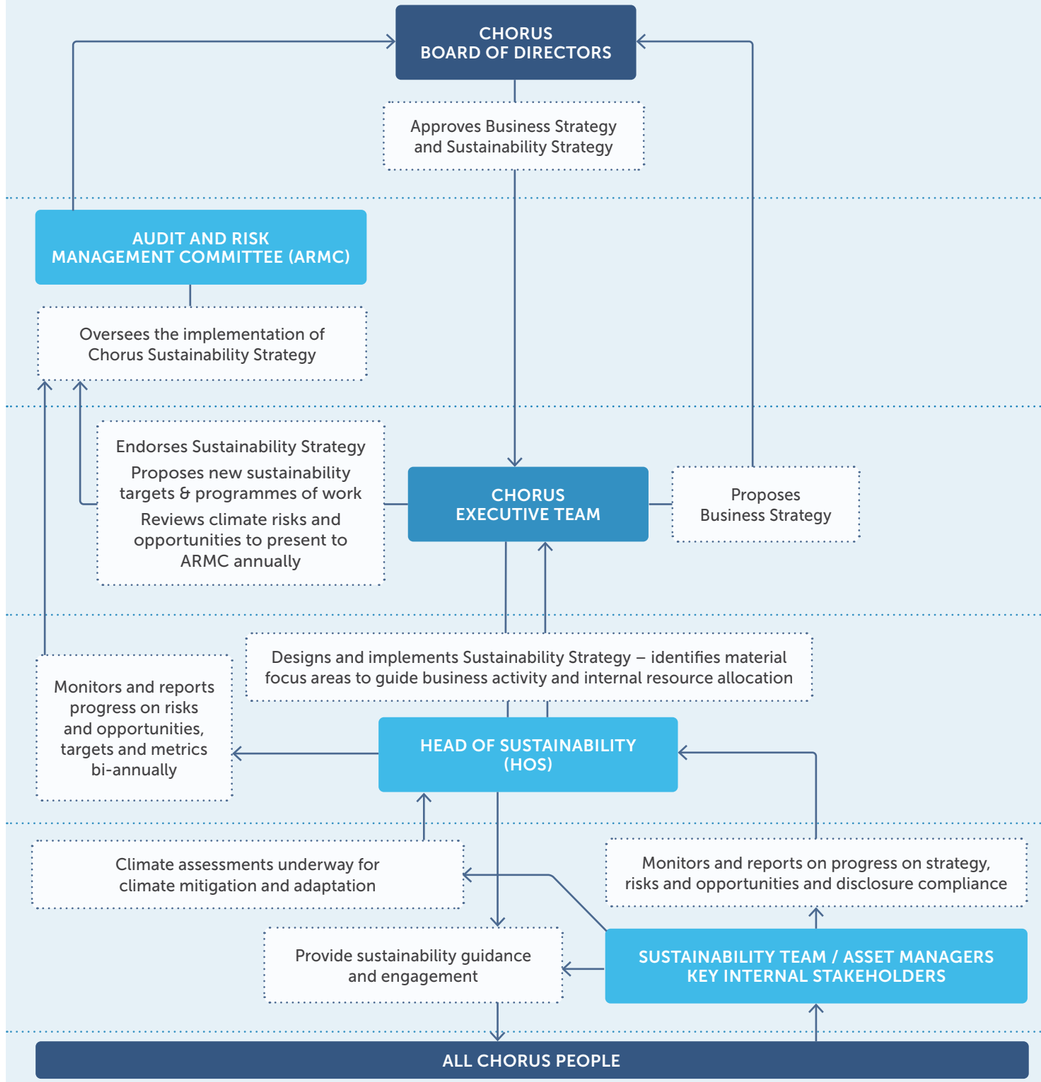
- monitoring the effectiveness of Chorus' sustainability governance policies and practices, including satisfying itself that an appropriate framework exists for information to be reported by management to the Board;
- approving Chorus' Sustainability Strategy; and
- overseeing the social, ethical, and environmental impact of Chorus' activities.

The ARMC has been delegated responsibility to oversee climate-related risks and opportunities, and oversees and monitors progress in relation to the implementation of Chorus' climate strategy and the preparation of CRD. The ARMC's work underpins the Board's strategic oversight of Chorus' sustainability performance.

This year, Chorus completed an organisation restructure to support Chorus' new 'Road to 2030' strategy noted above. The changes did not materially impact climate governance and risk management.

Climate governance structure chart FY25

NZ CS 1, 9(b)



Organisation Chart and Information flow	Regularly (monthly to quarterly)	Annually / Biannually	As required
CHORUS BOARD OF DIRECTORS	• As part of its broader leadership and oversight role, oversees the social, ethical and environmental impact of Chorus' activities.	• Reviews sustainability progress (including targets) annually.	• Sets the business strategy.
AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)	• Oversees and monitors progress in the implementation of Chorus' Sustainability Strategy and compliance with the CRD regime.	• Reviews climate-related risks and opportunities (annually). • Reviews Chorus' climate-related disclosures compliance and recommends climate statement for approval by Board (annually).	
CHORUS EXECUTIVE TEAM	• Provides sustainability leadership within Chorus.	• Monitors progress against the Sustainability Strategy (bi-annually). • Reviews any new sustainability targets proposed by the Head of Sustainability (annually). • Reviews climate related risks and opportunities. • Receives a general sustainability progress report (bi-annually).	• Proposes the business strategy for Board endorsement. • Reviews any new sustainability targets proposed by the Head of Sustainability. • CEO reviews Sustainability Policy.
HEAD OF SUSTAINABILITY (HOS)	• Designs and implements the Sustainability Strategy.	• Reports on sustainability progress to Executive, ARMC and Board (bi-annually).	• Proposes Sustainability Strategy, targets, goals and programmes of work to CEO and executive team. • Communicates Sustainability Strategy and progress with key stakeholders. • Reviews Sustainability Policy.
SUSTAINABILITY TEAM / ASSET MANAGERS KEY INTERNAL STAKEHOLDERS	• Work across Chorus to improve sustainability performance and integrate sustainability initiatives into the business. • Develop and communicate quarterly emission reduction dashboards to senior leaders (executive members and their direct reports). • Provide input into sustainability programmes and activities to help us progress towards our targets.	• Review the climate-related risks and opportunities register (bi-annually). • Assess climate mitigation and adaptation risks and mitigations and incorporate into asset management plans and financial planning as appropriate.	• Inputs into the Chorus sustainability strategy and targets as required.
ALL CHORUS PEOPLE	Aware of Sustainability Strategy, support execution of sustainability priorities and consider sustainability impacts in decision making, where applicable.		

Climate governance continued

Climate reporting processes and frequency – governance body

NZ CS 1, 8(a)

Chorus' dedicated climate-related risks and opportunities register is updated every six months by the Sustainability Team and reviewed and endorsed by the ARMC at least annually. The ARMC meets four times a year (including in FY25), with all directors welcome to attend, and receives climate-related updates from the Head of Sustainability at those meetings.

A broader sustainability update (including environmental and social/digital equity initiatives and progress updates) is provided at least annually to the Board by the Head of Sustainability. One update was provided in FY25. The ARMC also approved the process for the preparation of Chorus CRD again in FY25, supported by advice from external advisers, and reviewed and approved Chorus' FY24 climate statements.

Climate skills and competencies

NZ CS 1, 8(b)

Chorus continues to use a skills matrix to ensure directors have an appropriate range of skills and competencies.[38] Directors build sustainability and climate expertise through ongoing education, training from external experts, and engagement with the Sustainability Team. This complements directors' broader skills and competencies maintained across related disciplines such as governance, regulation, and infrastructure.

In FY25, climate-related Board education focused on transition planning, facilitated by external consultants. Sustainability and climate governance expertise also continue to be a consideration when recruiting new directors.

Consideration of climate-related risks and opportunities in Chorus' strategy

NZ CS 1, 8(c)

The Board sets Chorus overall strategy. In FY25, climate-related considerations sat under the 'Thriving Environment' element of Chorus renewed organisational strategy. Strategic priorities for 'Environment' are set out in the strategy section above. Key focus areas identified in working towards a thriving environment are also captured in Chorus' Sustainability Policy, which is approved by Chorus's CEO and updated periodically. These include identifying and managing climate-related risks, implementing and maintaining an emissions data and reporting system, disclosing annual GHG emissions, identifying and innovating to create a sustainable value chain, and reducing energy, and emissions.

As noted above, Chorus Sustainability Strategy was updated in FY25. The Sustainability Team prepared the updated strategy, with help from the Strategy and Enterprise Performance team, as part of Chorus' overall strategy setting process, taking climate-related risks and opportunities into account to help set strategic priorities and workstreams. This involved reviewing Chorus' current sustainability settings and international trends and engaging with a range of stakeholders. The new strategy was then reviewed by the Executive and approved by the Board for implementation. Implementation of workstreams under the strategy is primarily overseen by the ARMC. Climate-related risks and opportunities also help inform Chorus' ERP and business considerations of new capital requests, predominantly as part of physical network and asset management planning. The Executive team, Board and ARMC receive annual updates on progress against the Sustainability Strategy from the Head of Sustainability.

Setting and overseeing climate targets and metrics

NZ CS 1, 8(d)

Chorus' science-based climate targets were designed by the Head of Sustainability, approved by the CEO, and noted by the Board. These are the building blocks for Chorus' Sustainability Strategy and are supplemented by key initiatives. Monitoring and reporting is delegated to the Head of Sustainability. Chorus' other climate-related targets noted in Table 3 above were also designed by the Head of Sustainability, endorsed by the Executive team and noted by the Board.

The Head of Sustainability reports to the Board annually on progress against targets and any focus areas for the coming period and provides the ARMC with periodic updates on climate-related workstreams.

As explained above, implementation of Chorus' Sustainability Strategy is incorporated within Executive KPIs, including a specific electricity use reduction target. These KPIs are taken into account when assessing Executive performance and remuneration. The Chorus Board oversees achievement of metrics and targets through reports from the ARMC, sustainability updates, and the annual performance review process for the CEO. The CEO's performance is reviewed by the People, Performance and Culture Committee each year, which makes recommendations to the Board in respect of key performance objectives.

38 See page 73 of Chorus' FY25 Annual Report.

Management's role

Chorus management's role in assessing and managing climate risks and opportunities

NZ CS 1, 9(a)

The Board delegates management responsibility for Chorus' risks and implementing Chorus' strategy to the CEO. The CEO further assigns responsibility to relevant members of the Executive. The Executive and their teams are given appropriate guidelines for the day-to-day management of risk, including climate risk where applicable, through Chorus' Managing Risk Policy and Sustainability Policy. See further details of Chorus' climate risk management framework below.

Delegation of climate-related responsibilities within Chorus

NZ CS 1, 9(a)

Chorus' Head of Sustainability leads the internal Sustainability Team, coordinates the Sustainability Strategy, climate targets and programmes of work, as well as reporting to the Executive, ARMC and Board on sustainability progress.

The Sustainability Team works across Chorus within a cross-functional 'sustainability network' that aims to improve sustainability performance and integrate sustainability considerations into day-to-day business planning and strategy, risk management, processes, and culture. The Head of Sustainability reports to the Executive General Manager – Frontier.[39]

The Assistant General Counsel for Regulation, Risk & Compliance (**RR&C**) is responsible for enterprise-wide risk assessment and management, including the incorporation of risks into Chorus' risk register and reporting to the CEO, Executive, ARMC and Board.[40] The Assistant General Counsel RR&C reports to the General Counsel.

Risks are assigned to relevant members of the Executive responsible for their management and mitigation. For example, the Chief Technology Officer is responsible for technological and operational risks related to Chorus' nationwide physical network. The CEO and Executive hold collective responsibility for considering how risks and events may interrelate across categories, and for managing Chorus' overall risk profile. Mitigation measures include planning for network deployment and protection, as well as ongoing maintenance and fault management. The Head of Sustainability and executive for Sustainability (Executive General Manager – Frontier) share the climate-related risks and opportunities with the ARMC annually, and broader sustainability updates are provided to the ARMC and Board at least annually.

Climate reporting processes and frequency – management

NZ CS 1, 9(c)

Chorus' Executive members review the management of climate-related risks and opportunities assigned to their areas of the business annually, as well as ensuring key decisions take risk factors into account and are consistent with the Board's risk appetite. Climate-related risks and opportunities were reviewed by the full Executive in FY25 and endorsed by the ARMC.

The Head of Sustainability updates the Executive during the year on progress against sustainability targets and discusses new strategy initiatives ahead of those being presented to the ARMC. During FY25, four updates were provided to Executives on the climate-related risks and opportunities (including the risk framework), transition planning, Chorus' Sustainability Strategy refresh and general sustainability and climate-related disclosure workstreams. Emissions Reduction dashboards are included in the quarterly financial report presented to the Executive team. Sustainability and climate considerations are also embedded into different operational workstreams at Chorus, such as our 'initiative-to-market' process.

39 FY24 arrangements continued until this new reporting line took effect in June 2025.
40 FY24 arrangements continued until this new reporting line took effect in June 2025.

Risk Management

Chorus' risk management frameworks allow us to proactively manage risk. The climate risk and opportunity framework that applied in FY25 remains aligned and integrated into Chorus' enterprise-wide risk framework.

The climate risk and opportunity framework uses the same approach, principles, tolerances, impact, and likelihood scales used in Chorus' broader risk management processes, and in line with the Managing Risk Policy endorsed by the Board.

Chorus enterprise-level risk management process

NZ CS 1, 17 and 18

Enterprise risk management is a process applied to identify potential elements that may impact Chorus' ability to achieve its strategic objectives, and ensure risks are managed within the relevant risk appetites set by the Board.

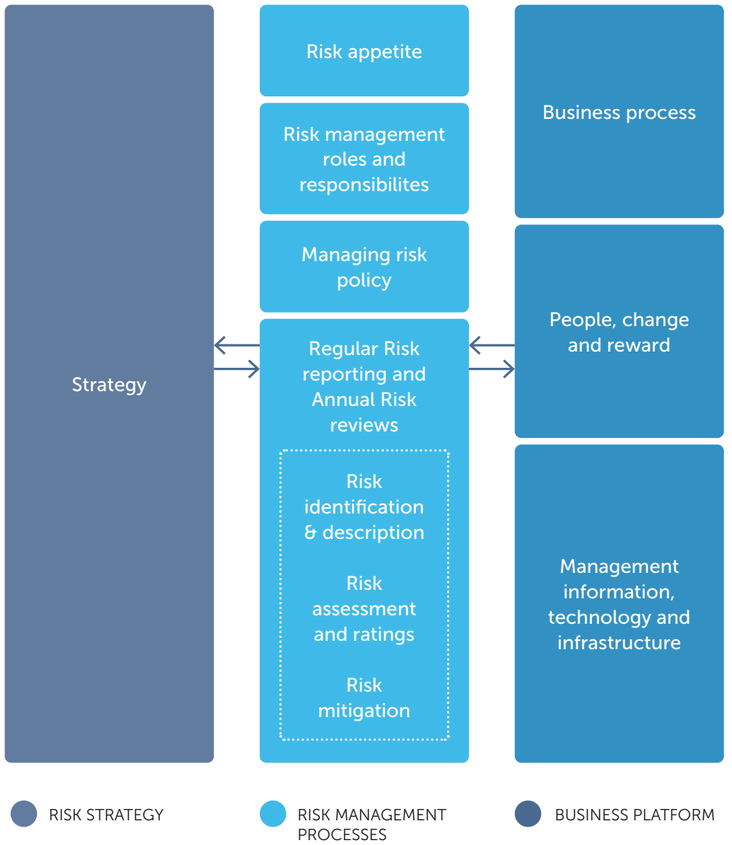
The diagram opposite depicts the enterprise-wide risk management framework that applied in FY25. This framework supports Chorus' Managing Risk Policy and is approved by the Board and updated periodically (usually every 2 years).

Chorus' overall risk approach is shaped around four interlinking risk elements: Principal Risks, Business Unit Risks, Emerging Risks and Unforeseen Risks in line with its Managing Risk Policy. Principal risks are reviewed annually by the Executive team and endorsed by the Board.

Within this wider enterprise-risk management framework, potential impacts associated with climate change continued to be identified and managed as a 'Principal risk' and 'Emerging risk' in FY25.
In FY25, the Board also updated its risk appetite statement in the Risk Management Framework document that supports Chorus' Managing Risk Policy to expressly provide that Chorus will ensure climate mitigation and adaptation is part of how it achieves its strategic objectives.

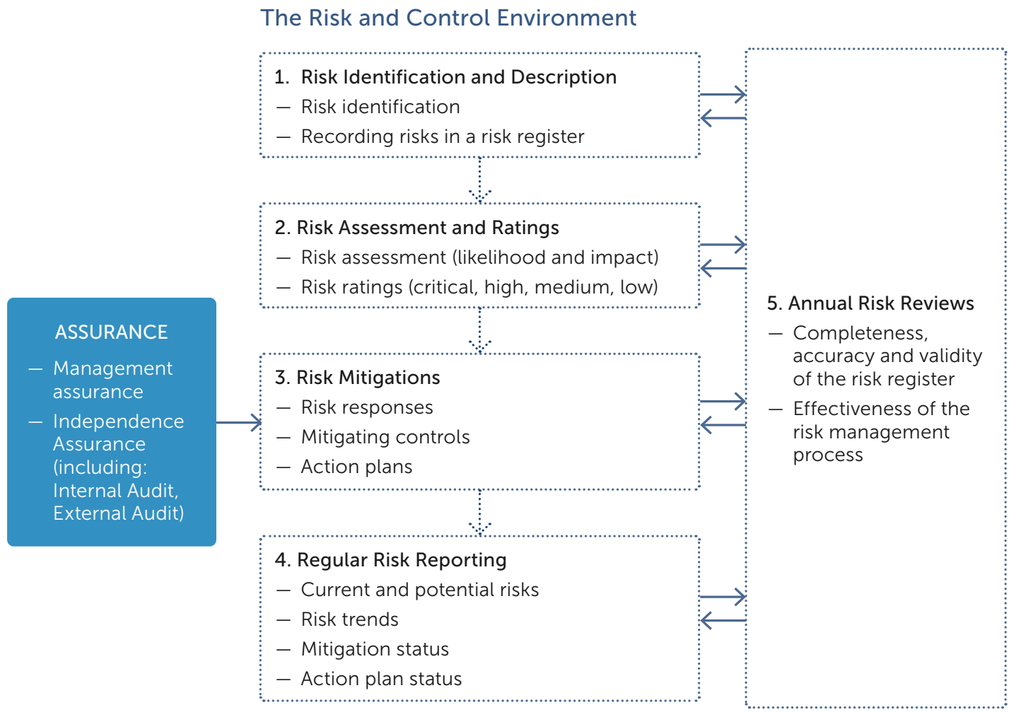
In addition to climate change being considered under Chorus' enterprise-level risk management framework, more specific climate risks have also been managed under a dedicated climate risk management framework since 2023. This dedicated framework is aligned to, and consistent with, Chorus' broader risk management framework, and uses similar processes to identify, assess, prioritise, and manage climate risks which are tracked in a dedicated register.

The Enterprise Risk Management Strategic Processes



Risk Management continued

The diagram below depicts the key elements of Chorus' risk management processes, which are applied in the climate context. This follows the principles of *ISO-31000 – Risk management across each core process*.



Climate risk and opportunities – identification, assessment, prioritisation, and management

NZ CS 1, 18 and 19

Chorus' core processes for identifying, assessing, prioritising, and managing climate risk and opportunities remained consistent with FY24. For simplicity, material aspects are set out in the table below:

Identify	• Chorus' climate-related risks and opportunities register operates within its enterprise-wide risk management framework. • Key elements identified are the risk trigger, risk type (physical, transitional or both), risk category, time horizon, likelihood and impact, and responsibility. • Six monthly reviews consider whether new/existing key risks remain appropriate having regard to any recent events, reports, and stakeholder feedback. • Climate risks can also be identified through additional channels, including workshops, third party assessments, stakeholder feedback, involvement in sector-wide analysis, and 1–to-1 conversations.
Assess	• Mitigation and controls for risks are evaluated and actions assigned. • Consistent with Chorus' enterprise-wide framework, climate risk is assessed based on a combination of the impact and likelihood of an event occurring, resulting in a risk rating of 'critical', 'high', 'medium' or 'low'. Chorus' methodology utilises both financial and nonfinancial measures to allow for consistency in assessment across all risk types, including climate risks. • Updates take place bi-annually. In FY25, this was led by the Environmental Lead for Governance and Compliance.
Prioritise	• The assignment of ratings to key risk areas inherently involves prioritisation, and reflects Chorus' hierarchy of 'principal risks', 'business unit risks', 'emerging risks' and 'unforeseen risks'. • Within the climate risk register individual risks are similarly afforded a 'critical', 'high', 'medium' or 'low' rating. Risks are assigned to a risk owner for management, and risk mitigation initiatives are identified. • Management and mitigation initiatives are prioritised to reflect, among other things, those initiatives which have the most significant potential impact, any cost/benefit analysis undertaken, Executive preference and resource availability.
Manage	• Business owners are assigned to each climate risk, including bi-annual reviews. • The overall purpose of risk reporting is to enable effective and ongoing assessments of whether current risk positions are acceptable. This includes considering the acceptability of inflight/proposed actions and timelines and whether additional actions, budget and/or resources are required to mitigate the risk. • The ARMC receives quarterly reporting outlining how principal risks are being managed to assist in the achievement of our strategy and areas for potential discussion.

Time horizons for risks

NZ CS 1, 19(b)

Chorus' climate risk horizon is based on short, medium, and long-term timeframes, as outlined below:

- Short-term (5 years: 2030) – aligns to telco emissions reduction targets and Chorus' regulatory periods
- Medium-term (15 years: 2040) – spans Chorus' 10-year strategic planning horizon, along with average life of electronic network equipment
- Long-term (30+ years: 2055+) – aligns with potential materialisation of physical risks, particularly infrastructure impacts and New Zealand's 2050 Net Zero ambition

These time horizons also align to the telecommunications sector scenario analysis. Under our new strategy, Chorus' strategic horizons are Horizon 2, FY26–FY30 (Growth, Simplicity & Efficiency) and Horizon 3, FY30–FY35 (All-fibre Business), which are a focus when looking at climate related opportunities.

Value chain exclusions

NZ CS 1, 19(c)

Chorus does not specifically exclude any parts of our value chain from climate risk processes. Chorus continues to monitor for opportunities to encourage suppliers to reduce emissions as part of our ERP.

Appendix 1: Compliance table

The table below contains a summary of where key disclosures can be found.

Table 9: Table of disclosures

NZCS1 requirement	Location
Governance	
Identity of governance body responsible for oversight of climate-related risks and opportunities – *para 7(a)*	Page 19
Governance body oversight – *para 7(b) and 8(a), (b), (c) and (d)*	Pages 19-21
Management's role – *para 7(c), 9(a), (b) and (c)*	Pages 20 and 22
Strategy	
Current physical and transition impacts – *para 12(a)*	Page 11 - No material disclosure
Current financial impacts – *para 12(b) and (c)*	Page 11 - No material disclosure
Scenario analysis undertaken – *para 13*	Pages 9-10
Climate-related risks and opportunities – *para 14(a), (b) and (c)*	Page 11 and Table 2
Anticipated impacts – *para 15(a)*	Table 2
Anticipated financial impacts – *para 15(b), (c) and (d)*	Adoption relief, see page 3
Transition planning: current business model and strategy – *para 16(a)*	Pages 4-7
Transition planning: transition plan aspects of strategy and extent of alignment with internal capital deployment – *para 16(b) and (c)*	Page 8
Risk Management	
Processes for identifying, assessing, and managing climate-related risks – *para 18(a), and 19 (a), (b), (c), (d) and (e)*	Page 24
Integration into overall risk management processes – *para 18(b)*	Pages 23-24
Metrics and Targets	
Metric categories (GHG emissions) – *para 22(a) and (b)*	Page 15 and 18
Metrics categories (Other) – *paras 22(c) to (h), and para 21(b) and (c)*	Pages 18-19
Targets – *para 23(a) to (e)*	Page 14
GHG emissions - additional information – *para 24 (a) to (d)*	Pages 16-17 and Appendix 4
Comparatives for metrics – *para 40 of NZ CS 3*	Pages 15, 18 and 19
Assurance of GHG emissions	
GHG emissions subject to assurance engagement – *para 25 and 26*	Appendix 5

Appendix 2: Limitations of information

Climate-related information

As noted above, this report contains climate statements that are based on data, methodologies, assessments and judgements which are by their nature subject to significant uncertainty, limitations and assumptions and which may change. While Chorus has sought to provide accurate information in respect of the reporting period ended 30 June 2025 and is committed to progressing our response to climate-related risks and opportunities over time, we caution against reliance being placed on information in this report which may be less certain than other aspects of our annual reporting.

Climate-related data and other inputs used (including from third parties and our supply chain) by their nature may be incomplete, inconsistent, unreliable or unavailable, and in certain cases, we have had to rely on certain assumptions, estimates or proxies. Similarly, climate modelling and scenarios are emerging methodologies that rely on assumptions and judgements and may not reliably predict future events.

Forward-looking statements

This report also contains forward-looking statements and opinions, including in relation to climate scenarios, impacts, targets and goals, forecasts and projections, as well as Chorus' business plans and operations, future operating environment, and market conditions. These may not eventuate as predicted. The risks and opportunities described may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Chorus' actual results, performance, or achievement of climate metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of Chorus' control.

We similarly caution against reliance being placed on such statements and opinions, which are necessarily subject to significant risk, uncertainty, and assumptions. We have based our statements and opinions on reasonable information known to us at the time of publication, but these may change including for reasons beyond Chorus' control. We reserve the right to update such statements in future, as the quality and completeness of inputs and information improves, and our organisational strategy evolves.

General

This note should be read with the specific limitations, dependencies, uncertainties set out above, in particular the discussion of climate scenarios, targets, anticipated impacts and transition planning.

Chorus gives no representation, guarantee, warranty or assurance that actual outcomes or performance will occur in line with forward-looking statements and accepts no liability for any loss arising from use of any information contained in this report. To the maximum extent permitted by law, Chorus shall not be liable for any loss or damage arising in any way from or in connection with any information provided or omitted as part of these Climate-Related Disclosures.

This report is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, or other interests. Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. For detailed information on our financial performance, please refer to our Annual Report.

Appendix 3: Glossary of terms

Key terms are as defined in NZ CS 1, unless otherwise indicated with an asterisk (*) below:

Absolute target	A target defined by a change in absolute GHG emissions over time. For example, reducing scope 1 GHG emissions by 50% by 2030 from a 2019 base year.
Base year	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time.
Board*	Chorus Limited's Board of Directors.
Cabinets*	A cabinet is an enclosed structure containing telecommunications equipment, used for copper and/or fibre services. Chorus cabinets are often small roadside non-building structures but can vary.
CO_2e	Carbon dioxide equivalent. The universal unit of measurement to indicate the global warming potential of each of the seven GHGs, expressed in terms of the global warming potential of one unit of carbon dioxide for 100 years. It is used to evaluate releasing (or avoiding releasing) any GHGs against a common basis.
Electricity – location based reporting	The location-based method uses an emission factor calculated from all electricity delivered to the grid in a year or quarter (in New Zealand this is published by the Ministry for the Environment).
Electricity – market based reporting	Scope 2 market based emissions reflect the generation fuel mix from which the reporting company contractually purchases electricity and/or is directly provided electricity via a direct line transfer.
Emissions*	Emission sources are categorised by scope to manage risks and impacts of double counting. There are three scopes in greenhouse gas reporting.
Exchange*	A local fibre company **(LFC)** owned or leased building, or leased or licensed area within a building, with a floor area of at least 15 square metres (or, since UFB2, can include a cabinet) and a main distribution frame terminating copper or fibre network connected to end-user premises.
Fluvial*	River flooding.
FY*	Financial Year–1st of July to 30th of June periods.
GHG	Greenhouse gas. The following greenhouse gases are listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF_3), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6).
GHG Inventory*	A quantification of an organisation's greenhouse gas sources, sinks, emissions, and removals.
ICP*	Internal Carbon Price. A monetary value on GHG emissions that an entity uses internally to guide its decision-making process in relation to climate-related impacts, risks, and opportunities.
ONT*	Optical Network Terminal, or the termination point of fibre in the home or business.
Petabyte*	One million gigabytes (GB), which is a measure of data volume.
Pluvial*	Surface water flood.
Physical risks	Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise.
SBTi*	Science Based Targets initiatives: **https://sciencebasedtargets.org/**.
Scenario analysis	A process for systematically exploring the effects of a range of plausible future events under conditions of uncertainty. Engaging in this process helps an entity to identify its climate-related risks and opportunities and develop a better understanding of the resilience of its business model and strategy.
Scope 1	Direct emissions from sources that are owned or controlled by a company.
Scope 2	A reporting organization's emissions associated with the generation of electricity, heating/cooling, or steam purchased for own consumption.
Scope 3	A reporting organization's indirect emissions (value chain) other than those covered in scope 2.
tCO_2e	Tonnes (t) of carbon dioxide (CO_2) equivalent (e).
T&D losses	Transmission and Distribution losses, which refer to the difference between the electricity generated and the electricity actually delivered.
Transition plan	An aspect of an entity's overall strategy that describes an entity's targets, including any interim targets, and actions for its transition towards a low-emissions, climate-resilient future.
Transition risks	Risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.
Verification*	An independent assessment of the reliability (considering completeness and accuracy) of a GHG inventory.
WTT	Well-to-Tank (WTT) refers to a method used to calculate the energy consumed and GHG emitted from the moment of production of a transport fuel.

Appendix 4: GHG emissions – methodology

Scope/Category	Emission source	Calculation method	Methodology and data source	Data quality and uncertainty
Scope 1				
Stationary combustion	Diesel generator fuel	Fuel-based method	Invoices and excel reports records of fuel purchased	Low uncertainty and high data quality
Stationary combustion	Natural gas (LPG use in exchanges)	Fuel-based method	Invoices with monthly meter readings	Low uncertainty and high data quality
Fugitive emissions	Fugitive emissions from air-conditioning systems	Supplier-specific method	Records from service providers' maintenance reports and supporting invoices	Low uncertainty and high data quality
Mobile Combustion	Chorus vehicle fleet fuel	Fuel-based method	Invoices and excel reports records of fuel purchased	Low uncertainty and high data quality
Scope 2				
Electricity	Location based	Hybrid-based method (supplier and estimated)	Supplier excel report, small suppliers' invoices with meter reading. Accurate records of electricity purchased. Within multiple exchanges, Chorus rents space from Spark sites and due to limited equipment electricity metering, Spark and Chorus invoice each other for electricity usage based on a usage (kWh) per equipment type[42]	Low uncertainty and high data quality
	Market based[41]			Moderate uncertainty and high data quality
Scope 3				
Category 1 – Purchased goods and services	Financial annual spend records of all suppliers	Spend-based method[43]	Where no supplier information was available or the data was too uncertain, Chorus used a spend based method from internal finance annual spend records by service type x emission factor sourced from GHG emissions for Commodities and Industries emissions modelling	High data quality with high uncertainty around the emission factors selection
Category 2 – Capital goods	Suppliers' fuel data (service delivery partners)	Hybrid-based method (fuel-based and estimated)	All major suppliers (spend >$8M a year) contacted for information on the portion of their footprint attributable to activities performed on behalf of Chorus. Fuel use is most of the emissions, especially for Field Service Agreements (Downer, UCG and Ventia), who provide monthly fuel information	Moderate certainty and moderate data quality due to some estimation around the sub-contractors' fuel use
Category 3 – Fuel and energy use	Transmission and distribution (T&D) line losses from electricity	Average-data method	T&D lines losses based on electricity and gas consumption data from scope 1 & 2 and MfE line loss assumptions. Chorus voluntary reports on T&D losses from scope 3 electricity use (ONT and customers)	Low uncertainty and high data quality (based on supplier information)
	Well-to-tank (WTT) emissions from upstream fuel use	Average-data method	Fuel records for Chorus' own fleet. WTT estimated using BEIS assumptions	Low uncertainty and high data quality
		Average-data method	Estimates of the amount of fuel used and Chorus' scope 3 (contractor fuel details)[44]	Moderate data quality and moderate certainty
Category 4 – Upstream Transportation and distribution	Air and sea freight from overseas to New Zealand and road and rail within New Zealand	Distance-based method	Includes all transport and distribution paid by Chorus regardless of whether the transport occurs upstream or downstream according to the Telecommunication guidance[45] Supplier report (Nokia) provides the distance and weight for packages. Distance is determined using international freight distance databases and weight is based on supplier records per product type Mainfreight provides a supplier-specific emission factor that is externally verified. The information is based on accurate tracking by mode of transport and weight and distance per mode type	Moderate uncertainty and moderate data quality

41 Scope 2 market-based emissions reflect the generation fuel mix from which the reporting company contractually purchases electricity and/or is directly provided electricity via a direct line transfer.
42 Energy audit was completed in 2015 to develop a comprehensive list of all the energy used by equipment type and allow for improved assumptions.
43 Chorus will work to move away from spend based data towards supplier-specific information.
44 Chorus is aware that this might lead to double counting but decided to take a conservative approach.
45 Category 9 – page 56–**GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T)**, Scope 3 Guidance for Telecommunication Operators, 2023.

Appendix 4: GHG emissions – methodology continued

Scope/Category	Emission source	Calculation method	Methodology and data source	Data quality and uncertainty
Category 5 – Waste generated in operations	Waste to landfill produced at Chorus' offices	Average-data method	Third-party building managers provide a report for each Chorus office. Information is broken down by type and weight of waste generated	Moderate uncertainty and low data quality
Category 6 – Business travel	Air travel and Accommodation	Supplier-specific method	Supplier records (Tandem Travel) with type of travel class and distance travelled per passenger. Tandem is audited annually on their methodology and reporting. Outputs are calculated using the distances travelled by sector split into domestic, short haul and long haul split by class of travel	High data quality and low uncertainty
	Taxis	Spend-based method	Records from general ledger	Variable data quality, medium uncertainty overall (due to the emission factor)
	Rental car	Distance-based method	Supplier records itineraries and rental car companies' information (kms travelled). Some assumptions made around the type of vehicle driven	Moderate data quality and moderate uncertainty
	Mileage claims	Distance-based method	Records from general ledger (kms travelled). Data is extracted from Chorus' internal expense claim system and assumes kms travelled to be accurate and a reflection of work-related travels	Moderate data quality and moderate uncertainty
	EV Charging	Supplier-specific information	Supplier electricity reports received from Thundergrid who provide the EV charging infrastructure	High data quality and low uncertainty
Category 7 – Employee commuting	Travel to and from work (in private vehicles and public transport)	Distance-based method	Employee survey to determine commuting based on survey results and office occupancy data	Data quality is low and high uncertainty as it is based on survey
	Working from home	Hybrid-based method	Chorus internal office occupancy tracks occupancy per location, this was used to estimate working from home days	Data quality is high and high uncertainty due to the emission factor assumptions
Category 11 – Use of sold products[46]	Electricity use within customer devices	Direct use-phase method	Chorus internal tracking of number of ONT (Optical Network Terminal) deployed. This is based on the manufacturing estimated electricity use of the ONT installed in premises or powered by end users. It excludes energy use from Wi-Fi gateways provided by Retail Service Providers or customers	High data quality and moderate uncertainty due to the electricity assumption based on manufacturing and product specifications
Category 13 – Downstream leased assets	Electricity use oncharged to customers	Hybrid-based method (supplier-based and estimated)	Within multiple exchanges, Chorus rent some space to Spark and must estimate the electricity (using some assumptions).	Moderate uncertainty and moderate data quality.
			Chorus' Christchurch office ground floor was leased for most of the year and was sub metered, data was based on a specific ICP number	High data quality and low uncertainty

46 According to the **GSMA GeSI scope 3 guidance for telecommunications operators**, ONT could be reported either in Category 11 or Category 13. It is noted that according to the Greenhouse Gas Protocol Value Chain standard, Category 11 should report on emission using lifetime emissions. After careful consideration, internal discussion and external comparison of industry best practice, Chorus decided to report the ONT emissions under category 11 for consistency with the telecommunications industry without applying the lifetime reporting requirements as Chorus has access to more accurate information (actual annual electricity consumption until the ONT is disconnected).

Appendix 5: KPMG Independent Limited Assurance Report

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the scope 1, 2 and 3 gross greenhouse gas emissions, additional required disclosures of scope 1, 2 and 3 gross greenhouse gas emissions and scope 1, 2 and 3 gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the Climate Statement (GHG disclosures) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (the criteria) for the period 1 July 2024 to 30 June 2025.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Chorus Limited's GHG disclosures for the period 1 July 2024 to 30 June 2025. The **GHG disclosures** include the following:

- Total scope 1, 2 and 3 (both location and market based approach) GHG emissions contained in the Climate Statement within table 4 and table 5 (pages 15);
- the additional required disclosures and gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the Climate Statement on pages 16 to 17 and Appendix 4 (pages 28 to 29) of that report.

Our conclusion on the GHG disclosures does not extend to any other information included, or referred to, in the Climate Statement, or other information that accompanies or contains the Climate Statement and our assurance report (**other information**). We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting include the NZ CSs. As disclosed on pages 14 of the Climate Statement, the greenhouse gas emissions have been measured in accordance with:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)
- The Greenhouse Gas Protocol: GHG Protocol scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard
- The Greenhouse Gas Protocol: Corporate Value Chain (scope 3) Accounting and Reporting Standard

As a result, this report may not be suitable for another purpose.

Standards we followed

We conducted our limited assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

How to interpret limited assurance and material misstatement

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.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for Chorus Limited. Our assurance work has been undertaken so that we might state to Chorus Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than Chorus Limited for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than Chorus Limited for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Chorus Limited's responsibility for the GHG disclosures

The Directors of Chorus Limited are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as Directors determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Directors of Chorus Limited are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

Appendix 5: KPMG Independent Limited Assurance Report continued

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG disclosures are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to Chorus Limited.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of Chorus Limited's use of the criteria 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.

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on the understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, 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 limited assurance on the GHG disclosures the procedures we primarily performed were:

- obtained, through inquiries, an understanding of the Chorus Limited'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 whether the Chorus Limited's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Chorus Limited's estimates;
- performing analytical procedures on particular emission categories by comparing the expected GHG emissions to reported GHG emissions and made inquiries of management to obtain explanations for any significant differences we identified;
- agreeing a selection of GHG emissions data to relevant underlying source documents and re-performing emission factor calculations for a limited number of items; and
- considering the presentation and disclosures of the GHG disclosures and explanatory notes against the requirements of the Criteria.

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 a reasonable assurance engagement been performed

Our independence and quality management

This assurance engagement was undertaken in accordance with 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 complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

We have also complied with Professional and Ethical Standard 4 *Engagement Quality Reviews* (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Our firm has also provided other services to Chorus Limited in relation to the statutory audit of the financial statements. Subject to certain restrictions, partners and employees of our firm may also deal with Chorus Limited on normal terms within the ordinary course of trading activities of the business of Chorus Limited. These matters have not impaired our independence as assurance providers of Chorus Limited for this engagement. The firm has no other relationship with, or interest in, Chorus Limited.

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

The engagement partner on the assurance engagement resulting in this independent assurance report is David Gates.

KPMG
KPMG Wellington
22 August 2025

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https://company.chorus.co.nz/