Climate Related Disclosures 2024

MOVE

INTRODUCTION

MOVE Logistics Group Limited (MOVE) is pleased to present its first Climate Statement.

STATEMENT OF COMPLIANCE

MOVE is a climate-reporting entity (CRE) under the Financial Markets Conduct Act 23 and as such is required to produce a climate statement that complies with the Aotearoa New Zealand Climate Standards (NZ CS) issued by the External Reporting Board (XRB). This document has been prepared in compliance with NZ CS 1, 2 and 3 and relates to the period 1 July 2023 to 30 June 2024.

ADOPTION PROVISIONS

In preparing this statement we have utilised several Adoption Provisions as set out in NZ CS 2:

Adoption Provision 1: Current financial impacts

This provides a first reporting period exemption from NZ CS 1 paragraph 12(b), which requires a CRE to disclose the current financial impacts of the physical and transition impacts it identified.

Adoption Provision 2: Anticipated financial impacts

This provides a first reporting period exemption from NZ CS 1 paragraph 15(b), which requires a CRE to disclose the anticipated financial impacts of climate-related risks and opportunities reasonably expected by an entity.

Adoption Provision 3: Transition planning

This provides a first reporting period exemption from NZ CS 1, paragraphs 16(b) and 16(c) which require a CRE to disclose the transition plan aspects of its strategy, including how its business model and strategy might change to address its climate-related risks and opportunities; and the extent to which transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes.

Adoption Provision 6: Comparatives for metrics

This provides a first reporting period exemption from NZ CS 3, paragraph 40 which requires a CRE to disclose comparative information for the immediately preceding two reporting periods for each metric disclosed in the current reporting period.

Adoption Provision 7: Analysis of trends

This provides a first reporting period exemption from NZ CS 3, paragraph 42 which requires a CRE to disclose an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period.

LIMITATIONS AND DISCLAIMERS

This report sets out MOVE's understanding of, and response to climate-related risks and opportunities, approach to scenario analysis, current and anticipated impacts of climate change and the strategy to respond to these risks and opportunities.

This report reflects MOVE's understanding as of 29 October 2024 for the financial year ending 30 June 2024. MOVE is required to produce group climate statements under the Financial Markets Conduct Act 2013 (**FMCA**) that comply with the Aotearoa NZ Climate Standards for FY2024 (1 July 2023 – 30 June 2024).

This report contains disclosures that rely on early and evolving assessments of current and forward-looking information, incomplete and estimated data, and MOVE's related judgements, opinions and assumptions. MOVE has sought to provide accurate information in respect of FY2024 but cautions reliance being placed on representations that are necessarily subject to significant risks, uncertainties and/or assumptions. Climate change is an evolving challenge, with high levels of uncertainty, particularly over long-term horizons. Descriptions of the current and anticipated impacts of climate change on MOVE therefore draw on and/or represent estimates only.

This document contains forward-looking statements and opinions about MOVE and the environment in which MOVE operates, including climate-related metrics, climate scenarios, targets, estimated climate projections, and statements of MOVE's future intentions and performance. It also contains forward-looking statements regarding MOVE's business operations, market conditions, sustainability objectives or targets and risk management practices. These statements and opinions necessarily involve assumptions, forecasts and projections about MOVE's present and future strategies and the environment in which MOVE will operate in the future, which are inherently uncertain and subject to contingencies outside of MOVE's control and limitations, particularly as to inputs, available data and information which is likely to change. We base those statements and opinions on reasonable information available to us at the date of publication. We do not represent those statements and opinions will not change or will remain correct after publishing this report. MOVE is under no obligation to revise or update those statements and opinions if events or circumstances change or unanticipated events happen after publishing this report.

The risks and opportunities described in this report, and MOVE's strategies to achieve its targets, may not eventuate or may be more or less significant than anticipated. There are many factors that could cause MOVE's actual results, performance or achievement of climate-related metrics (including targets) to differ materially from that described, including economic and technological viability, climatic, government, consumer, and market factors outside of MOVE's control. MOVE is committed to progressing its response to climate related risks and opportunities over time but is constrained by the novel and developing nature of this subject matter. MOVE cautions reliance on climate related forward-looking statements that are necessarily less reliable than other statements MOVE may make in its annual reporting. MOVE gives no representation, warranty or assurance that actual outcomes or performance will not materially differ from the forward-looking statements in this report. MOVE does not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in this report.

This report is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase financial products. Nothing in this report should be interpreted as investment, legal, financial, tax or other advice. For detailed information on MOVE's financial performance, please refer to the FY24 Annual Report available online.

Approved on behalf of the Board on 29 October 2024 by:

Julia Raue
Chair

GOVERNANCE

OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

MOVE's Board of Directors is responsible for the company's corporate governance and, as part of this, oversees the management of all principal risks, including climate-related risks and opportunities. The Board's oversight includes:

- Ensuring that MOVE has appropriate risk management and regulatory compliance policies in place and monitoring the appropriateness and implementation of these policies.
- Promoting the long-term success of the company with regard to Environmental, Social and Governance (ESG) matters by ensuring that strategies and action plans are in place to help underpin long-term shareholder and stakeholder value.
- Approving and monitoring the company's climate statement and ensuring disclosure obligations are met.

The Risk Assurance and Audit Committee (RAAC) is a sub-committee of the Board, which assists the Board in relation to risk management and oversight and fulfilling its responsibilities in relation to climate-related disclosures. It provides additional monitoring of the enterprise risk management processes and ensures all key risks, including climate-related risks, have been appropriately identified, managed, and reported to the Board.

BOARD SKILLS AND COMPETENCIES

The Board Charter specifies the high-level skills and competencies that are required from Board members.

The Governance and Remuneration Committee of the Board is responsible for ensuring that the Board comprises the required breadth and depth of experience, diversity, and knowledge to achieve its objectives. It assesses the Board's range of skills, including corporate social responsibility, sustainability and climate change risk competencies, using a skills matrix.

Board members are supported to undertake appropriate training and education so they can best perform their duties. This may be undertaken individually or collectively. In the current reporting period, one of our Board members completed the Institute of Directors' Advanced Climate Governance course, and the full Board received materials prepared by external consultants on the key provisions of the climate-related disclosure framework.

Our Board and sub-committees access climate-related expertise and advice from within the business and externally as required.

REPORTING PROCESS AND FREQUENCY

The RAAC receives six-monthly reporting from management on the risk register and top risk profile, as well as ad hoc reporting on risk management when required.

The Chair of the RAAC reports the committee's findings and recommendations to the Board twice per year. This includes updates relating to climate-related risks and opportunities.

The Board reviews all enterprise risks, including climate-related risks, at least annually.

STRATEGY DEVELOPMENT

The Board reviews MOVE's strategy annually. The Board is informed of key enterprise risks (including the risks relating to climate) in the monthly reports from management and considers these in its assessment of the annual strategy.

The strategy is developed by management, and takes into consideration material risks and opportunities, including those related to climate and sustainability.

STRATEGY IMPLEMENTATION

On a monthly basis, the Board receives updates on the Group's performance, including, where relevant, progress against strategic initiatives.

OVERSIGHT OF METRICS AND TARGETS

We have measured and reported GHG emissions, and emission reduction practices, since 2019. Our GHG inventory is externally assured against ISO 14064. The Board receives a summary report of GHG emissions each month. At this stage, our climate-related metrics and targets, are limited to those associated with emissions.

REMUNERATION

The Group's incentive scheme is not currently linked to any specific climate or sustainability related initiatives.

MANAGEMENT

The Board delegates oversight and management of climate-related issues to the Chief Executive Officer (CEO), who acts as the principal representative of MOVE and in turn delegates functions to the management team, as set out below:

The Chief Financial Officer (CFO) is primarily responsible for management of risks, including climate-related risk, and reporting and presenting risks to the Board and RAAC. Reporting includes six-monthly reporting to the RAAC on the risk register review and top risk profile, as well as ad hoc reporting on climate-related risk management as risks are escalated.

The Sustainability Lead Is responsible for establishing the framework for setting climate-related metrics and targets and tracking performance. This includes measuring MOVE's GHG emissions and reporting these to the Board.

We have broadened the remit of our Health and Safety Committee to include oversight of climate and sustainability-related matters and to promote the climate and sustainability agenda across the business. This Committee currently comprises all executive managers, and representatives from various divisions across general managers, health and safety managers and branch managers. The Committee meets bi-monthly and presents a report at every Board meeting.

MANAGEMENT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

We undertook a full climate-related risk assessment in March 2023, which involved key stakeholders from across the business and the management team. This assessment was a first-pass qualitative risk assessment to surface climate-related risks and opportunities that the group is exposed to. We have committed to undertaking a climate risk assessment every three years, supported by an annual pulse check.

GHG emissions are reported monthly to the Board. Emissions are currently measured at the group level. We are currently implementing a new GHG emissions measurement tool which will enable more granular reporting and monitoring.

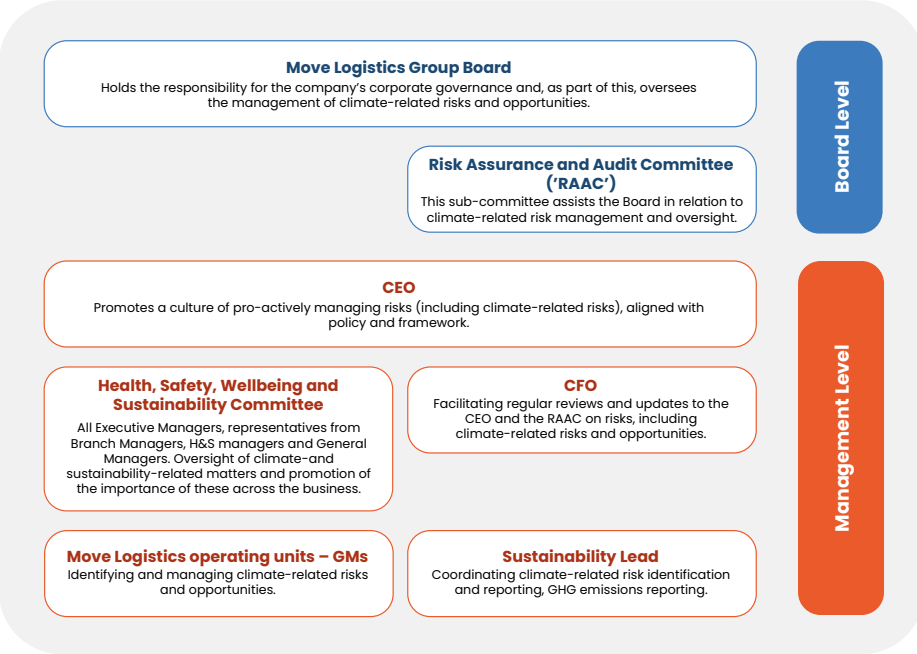


Figure 1 Organisational structure related to climate-related risks and opportunities.

STRATEGY

OUR VISION

To be the preferred freight and logistics provider in Australasia

This means delivering the best solution and service for our customers, providing secure and rewarding work opportunities for our people, and generating value for our shareholders.

OUR MISSION

To keep our customers moving

Our expert term provides comprehensive freight and logistics solutions to help our clients stay ahead and succeed.

OUR MANTRA

Customer, Safety, Team

We work together to deliver the best possible customer experience and business performance, strive to exceed our customer's expectations and remain unwavering in our dedication to ensuring the well-being and safety of our people, partners and communities in our work.

WHAT WE DO

MOVE is a one stop shop for all logistics services. We can provide a solution for supply chain challenges of all kinds.

Freight

We are one of the largest domestic freight providers in New Zealand. Our services include general freight, temperature-controlled goods, project cargo and full truck loads.

Fuels

Our specialist road tanker division is one of the largest fuel delivery operators in the New Zealand market.

Specialist

We move oversized and large items that require specialist haulage. From heavy haulage, and machinery transports to oversized freight movements – we can move anything.

Warehousing

We offer contracted solutions for customers including warehousing and supply chain capability. Our warehouses are central to main routes and easy for port access.

International

We are logistics specialists and provide international freight forwarding and shipping agency services across a broad range of industries. Our trans-Tasman shipping service adds another valued service to our offer.

Figure 2 Our Strategy

SCENARIO ANALYSIS

To help identify climate-related risks and opportunities and better understand the resilience of our business model and strategy, we analysed three scenarios – Orderly (~1.5ºC), Disorderly (~2ºC) and Hot house world (~3º+C). The scenarios are not intended to be forecasts or predictions but represent challenging, plausible futures.

A group of senior managers and subject matter experts from across the business participated in a workshop session, facilitated by external consultants, to develop and analyse the scenarios.

SCENARIO DEVELOPMENT PROCESS

The boundaries for the scenario analysis were established as being one tier up and one tier down our value chain. Our value chain map indicating the scope of our climate risk assessment can be found in Appendix 1. Any part of the value chain beyond this was excluded. The time horizons of short-(to 2030), medium-(to 2050) and long-term (to 2080) were chosen to align with our asset design life and strategic planning horizons. These boundaries are the same as those used in our earlier climate risk and opportunity assessment.

To guide our scenario development, we defined the focal question "How can MOVE best navigate climate-related regulatory and technology uncertainty, while securing employee buy-in, meeting customer expectations, and keeping in-step with competition?".

We agreed the key driving forces, choosing from a long list informed by the Transport Sector Climate Change Scenarios, prepared by the Aotearoa Circle.[1]

We determined the driving forces most relevant for informing our narratives by applying a materiality lens, considering the influence the driving force will have for us, and the level of certainty around it.

The political, social, and economic context of each of the key driving forces was explored, with participants working in groups and brainstorming potential developments under each scenario and time horizon.

The scenario narratives were drafted, bringing together the contexts and potential developments identified in the workshop. These narratives were then reviewed and endorsed by the Board.

SCENARIOS CHOSEN

We chose a 1.5ºC scenario ('Orderly') and a 3ºC scenario ('Hot house world'), in accordance with NZ CS 1. Our third scenario is a 'Disorderly' scenario, in which global average temperatures increase by around 2ºC, chosen because the combination of higher transition and physical risks this scenario presents in the 2030 to 2050 period makes it a challenging scenario to consider the resilience of our business model against.

TIMEFRAMES USED IN SCENARIO ANALYSIS

Our scenario analysis was performed over three timeframes: short-term (present-2030), medium-term (2030-2050), and long-term (2050-2080). Within each scenario, we primarily considered the timeframe that would pose the greatest challenge to our strategy and our business model. Over the short-term, we anticipate incurring moderate-high transition challenges under an orderly transition, while a disorderly transition, characterised by delayed and disjointed responses, will result in higher transition and physical impacts during the 2030-2050 period. In a hot house world scenario, where the status quo is maintained, the years beyond 2050 are anticipated to be the most challenging, as our exposure to physical impacts become more extreme.

Our scenario narratives were developed during FY24 and incorporate outputs of our physical risk scenario analysis conducted in FY23. Our scenario analysis has not yet been integrated with our annual strategic planning process.

[1] At the time of our workshop, these scenarios were in a draft format and not publicly available – we had access to these because our Sustainability Lead was a member of the working group.

SCENARIO SUMMARY

	Orderly	Disorderly	Hot House World
Critical time frame	Present day – 2030	2030 – 2050	2050 - 2080
Policy ambition	<1.5°C	<3.0°C	>3°C
Global Context			
IPCC AR6, AR5	SSP1 – 1.9 1.4˚C temperature increase by 2100	SSP1-2.6, SSP2-4.5 1.8 ˚C - 2.7˚C temperature increase by 2100	SSP5-8.5 4.4˚C temperature increase by 2100
NZ Context – Physical Hazards			
NIWA (downscaled from IPCC AR5)	NIWA downscaled RCP2.6	NIWA downscaled RCP4.5	NIWA Downscaled RCP8.5
The Aotearoa Circle – Transport Sector Climate Change Scenarios	Fully Charged	Short Detour	Bypass to Breakdown
Macro Trends			
Technology	Fast change	Slow/Fast change	Slow change
Domestic Policy response	Immediate	Delayed	None – current policies
Behaviour change	Fast	Slow	Slow
MOVE's key driving forces			
Social Expectations of Sustainability, Health and Wellbeing	Society demands sustainable action	Slow change, with short-term cost considerations impacting progress	Disconnected, with a focus on mitigating damage
System user preference and behaviours	Early adoption of low emissions technology	Delayed adoption of technology due to high costs	Cost-centric, with consumers unwilling to pay a premium for sustainability
Government funding and investment	Government funding enables wide adoption of technology	Government support is delayed and inconsistent	Limited government funding and investment, focused on mitigation
Acute climate impacts	Climate events occur at current frequency and intensity	Increasing frequency and severity of events	Frequent damage to large parts of the transport infrastructure network
Chronic climate impacts	Some evidence of chronic impacts in certain locations	Chronic impacts become more widespread	Impacts such as heat stress and sea level rise are felt widely
International geopolitical stability	Disrupted trade	Heightened instability, frequent supply-side shocks	Trade protectionism and conflict
Government enforcement of climate laws	Stable policy environment, unified approach	Divided and changeable	Policies limited and inconsistent

SCENARIO NARRATIVES

We have summarised the outputs from the climate scenario workshops, in which we explored how the key driving forces we identified might shape the political, social, and economic landscape under each scenario.

Climate scenarios illustrate what the future might look like under differing degrees of climate change. They are not predictions about what will happen, but rather plausible hypotheses about potential pathways to different futures that can aid our understanding of, and preparation for, the uncertain future impacts of climate change.

Orderly (Present Day – 2030)

An orderly scenario presupposes early and decisive investment in decarbonisation from the present day to 2030. This will allow New Zealand and the world to halve emissions by 2030 and achieve the target of net zero emissions by 2050. In this scenario, the exposure to physical risks over the medium and long term is low, while the exposure to transition risk in the short and medium term is high.

A coherent, cohesive, and proactive societal response to climate change is supported by government regulation and investment in low-carbon transport and associated infrastructure. The Land Transport Clean Vehicle Standard is extended beyond light vehicles to include heavy vehicle imports. Climate resilient infrastructure and assets, including climate-controlled logistics, are investment priorities, and while there are often disruptions from changing weather patterns and other climate events, the impacts are relatively minor and short-lived.

Transport mode shift is apparent and multi-modal freight is increasingly common. Low-emissions transport technology is readily available, and uptake is strong as new technologies outperform expectations. Consumer behaviour shifts to favour products and services that have a low emissions profile, with consumers accepting price premiums and/or a slower supply chain.

Waste management and product stewardship is a focus for government, both in terms of increasing the options for reducing waste to landfill and ensuring fair attribution of waste management costs. Governments resort to implementing waste charges, subsidies for circularity, and waste take-back mandates as a means of improving waste reduction. This creates additional revenue streams for logistics providers, driving demand for end-of-life product and packaging take-back logistics services as part of the shift to a circular economy.

Disorderly (2030 - 2050)

A disorderly scenario assumes delayed investment into decarbonisation between the present day to 2035. A sudden shift in domestic and international governments' response to climate change occurs after 2035, driving rapid investment into decarbonisation technologies. The demand spike places upward pressure on prices.

The years to 2050 are characterised by disjointed policy responses to climate change, with successive governments failing to provide a consistent policy framework that supports investment in emissions reduction and climate resilience. The international response lacks co-ordination and it becomes increasingly costly and difficult for New Zealand to procure essential goods and components. It is only through strengthened ties with Australia that New Zealand is able to secure imports.

Delayed investment into critical infrastructure and resilience results in increased costs associated with damage remediation caused by increasingly frequent and intense climate events. The damage caused to roads, rail and ports leads to increased disruption to freight networks and safety risks to operators. A positive side-effect of the damage, however, is an increase in demand for freight and logistics services to manage transport of demolition and construction waste and materials.

The need to decarbonise becomes increasingly urgent, however the delay has resulted in higher prices and supply chain issues. Wider societal engagement in sustainability actions is characterised by partial buy-in when it comes to shouldering the associated costs. The industry response is highly disjointed with some market participants undercutting prices and still relying on fossil-fuelled vehicles, which provides consumers with cheaper options and hinders the wide-spread societal shift away from these transportation choices. Road freight remains dominant however damage to road infrastructure creates demand for ocean freight as alternate transport services.

Hot House World (2050-2100)

Under a Hot House World scenario, economic growth remains tied to fossil fuels and there is little to no transition risk in the short, medium and long-term. Exposure to physical climate-related risks however increases steadily from low to moderate in the short-term; moderate to high in the medium-term; and high to extreme over in the long-term.

Regular, severe climate events present significant challenges to society. Governments are reactive and expenditure is heavily directed towards recurring recoveries and rebuilding national infrastructure. Major disruptions to trade and energy flows result in protectionist trade policies and a drift from global citizenship responsibilities. There is increased population displacement, climate migration, and social unrest as vulnerable communities are disproportionately impacted.

A lack of investment in infrastructure results in communities that are increasingly difficult and costly to serve. New Zealand's primary sector is profoundly affected by damage to commodities and supply chain disruption.

Consumers are highly price-sensitive and are unwilling and unable to pay a premium for low-emissions products. Technology is unevenly and inequitably distributed. Transport services are being forcibly prioritised due to growing pressures of scarcity, and the local transport sector faces its own supply chain challenges with components difficult to procure.

TRANSITION RISKS AND OPPORTUNITIES

Transition risks were considered over a 30-year time horizon, to 2053. The short-term was 5 years into the future, medium-term 5-15 years, and long-term 15-30 years. We identified transition risks in the context of the IPCC AR6 SSP1-1.9 and NGFS Orderly Transition, as this is the scenario where transition risks are greatest in the near-term. The following tables set out the transition risks and opportunities that we have identified that could impact MOVE in the short-to-medium term. We have not observed any material impacts from these transition risks in the current reporting period.

Key – Timeframes

ST - Short-term (now-2028) 

MT - Medium-term (2029-2038) 

LT - Long-term (2039-2053) 

Risk area	Transition Risk	Anticipated Impacts	Orderly SSP1-1.9 ST- MT - LT
Technology	The cost of low/zero-carbon fuel technology is higher relative to traditional technology.	Increased investment required.	
Technology	Low/zero-carbon fuel technology is not commercialised.	Operational emissions are unable to be reduced.	
Market	Decarbonisation initiatives increase the cost of electricity.	Increased operating costs due to increased transmission / distribution / energy costs and / or increased investment costs (to install onsite generation / storage).	
Policy & Legal	Our progress on decarbonisation is miscommunicated or misinterpreted and action is taken against us.	Increased costs relating to legal action or fines.	
Reputation	MOVE's ability to attract capital in the market is limited due to an inability to demonstrate material progress on climate-related issues, which would impact our growth strategy.	Higher costs of capital and contraction of growth.	
Reputation	Poor communication by us, or a lack of understanding in the market, relating to the barriers to low carbon technology adoption.	Reputational damage and market backlash.	

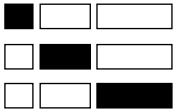
Opportunity type	Opportunity description	Orderly SSP1-1.9 ST- MT - LT
Energy Source	Installation of onsite generating capacity can shield MOVE from rising energy costs and support fleet electrification.	
Markets	MOVE's early investment into low carbon technologies generates greater trust and confidence among investors.	
Markets	MOVE's decision to decarbonise early opens avenues to government subsidies, co-funding opportunities and grants relating to decarbonisation.	
Markets	First mover advantage on low carbon technology adoption could enable MOVE to win greater market share.	
Products and Services	Limited availability of low carbon road logistics translates to higher demand for shipping logistics, conferring competitive advantage on MOVE.	
Resilience	MOVE's ocean freight operations translate into enhanced operational resilience when road freight becomes increasingly impacted by surface flood and landslips.	
Resource efficiency	Low carbon technology enhances MOVE's operational efficiency and lowers its running costs, over time.	
Resource efficiency	Installation of rooftop solar generation can enhance operating efficiency and reduce energy-related costs.	

PHYSICAL RISKS

We assessed physical risks and opportunities over three-time horizons: Short-term (now to 2030), Medium-term (2031-2050) and Long-term (2051-2080). We adopted these time horizons to align with our strategic planning horizons and asset design life and renewal cycles.

Key – Timeframes

ST - Short-term (now-2030)
MT - Medium-term (2031-2050)
LT - Long-term (2051-2080)



Key – Risk Rating

Low
Moderate
High
Extreme

Climate Hazard	Current Impacts	Risk type/future impact	Orderly SSP1-2.6 ST- MT - LT	Disorderly SSP2-4.5 ST- MT - LT	Hot House World SSP5-8.5 ST- MT - LT
Increasing incidence and severity of extreme weather events	Cyclone Gabrielle caused disruption to road freight routes (and customers) but did not result in any material adverse impacts on our assets, operations or people.	Roads are closed leading to delays and impacting customer satisfaction and productivity.			
		Customer demand is disrupted (e.g., crop damage results in less volume to be freighted).			
		Increased transit times cause procurement delays and affect our ability to secure fleet.			
		Injury or loss of life, particularly for our ocean fleet crew and truck drivers.			
Increasing number of hot days	We have not observed any material impacts of hot days on our assets, operations or people.	Working in high temperatures leads to Increased driver fatigue and stress.			
		Investments required in temperature-controlled transport solutions.			
		Increased incidence of asphalt flushing / tarmac melting damages vehicles and increases maintenance costs, and increases the likelihood of health and safety incidents.			
Increasing frequency and intensity of pluvial flooding	The Auckland floods caused disruption to routes (and customers) but did not result in any material adverse impacts on our assets, operations or people.	Flooding reduces access to sites and results in revenue loss.			
		Flooding disrupts operations, leading to delays and associated costs and reputation damage.			
		Rerouting and delays result in increased driver fatigue and stress			

PHYSICAL OPPORTUNITIES

We have identified several opportunities that might arise from the physical impacts of climate change. While these opportunities are expected to present in the short- to medium-term we are yet to determine the likely timeframe for each opportunity and assess the potential financial impact to MOVE. We have not observed any significant impact from these opportunities in the current reporting period.

Climate Hazard	Issue	Opportunity	Future impact
Increasing incidence and severity of extreme weather events and flooding	Damage and disruption to road network	MOVE Oceans offers an alternative to impacted road freight routes/ services	Increased freight and warehousing volume and revenue, increased market share
	Customers incur damage / impaired access to their sites	MOVE's freight and warehousing may offer a more fit-for-purpose, resilient solution	
	Damage and disruption to freight routes and storage facilities	Growth in regional warehouse footprint through enabling customers to store products closer to their final destination	
	Disruption to supply chains requires customers to store more inventory	Growth in warehouse footprint	
	Damage to the roading network requires additional repairs	Opportunity to transport or store equipment to repair road, signage damage, becoming approved partner with NZTA	Our employees are supported to develop new skills.
All	Disruption caused by climate events creates stress for our people	Take action to address climate risks and improve our reputation	Enhance our ability to attract and retain employees
		Reduce climate-related stress on employees by increasing support and providing tools and resources	Improved employee wellbeing
	Disruption caused by climate events increases customer complaints	Increased engagement with our customers will facilitate improved contract management	Improved relationships with customers
	Disruption caused by climate events increases the need for alternative routes	Having additional planned contingency routes will support drivers and reduce down-time, stress, and productivity loss.	Improved employee wellbeing

CLIMATE-RELATED RISKS AND OPPORTUNITIES INPUT INTO CAPITAL DEPLOYMENT AND FUNDING DECISION-MAKING

We have not yet implemented a standardised approach to considering climate-related risks and opportunities in our capital deployment and funding decision making processes. Over the last reporting period climate-related risks and opportunities have been considered on a standalone basis in the following decisions:

- New Oceans charter vessel
- Transition to Owner Drivers and Rail (away from fleet investment)

OUR PROGRESS TOWARDS TRANSITION PLANNING

We operate in a sector that is currently highly-dependent on fossil fuels. We therefore have a key role to play in developing a solution for transitioning to a low emissions future. While we haven't yet fully developed our transition plan, we are committed to reducing emissions where we can, in accordance with our commitments to emissions reduction targets that are aligned with climate science. This includes modernising our fleet, training our drivers to enhance safety and fuel efficiency (i.e., through no engine idling); optimising routes and networks to improve fuel efficiency; and offering multi-modal freight solutions (rail and ocean freight) that are lower carbon intensity than road freight.

Our multi-modal freight solutions will also improve resilience in the face of climate hazards such as extreme weather, flooding, and landslides, as, over the longer-term, damage to road infrastructure is anticipated to be increasingly severe, and in this regard, ocean freight may provide a higher degree of reliability, while the back-up option it provides enhances the resilience of MOVE's service offerings.

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK AND INTEGRATION OF CLIMATE-RELATED RISKS

Our risk management framework provides MOVE's Board and management with a clear understanding of how strategic and operational risk is managed across the organisation. It sets out the high-level approach to each stage of risk management.

Our risk management framework is set out below:

Risk management is undertaken within the context of our strategic business objectives and core processes, including the operating environment, strategy and business plan, business-as-usual operations, and material projects.

Risks are identified, using a variety of methods including, but not limited to, past experience, trends, and scenario analysis.

To identify climate-related risks, a first-pass Organisational Climate Change Risk Assessment (OCCRA) process was undertaken in the financial reporting period ended 30 June 2023. External consultants were engaged to facilitate a series of workshops which supported the Group to agree the scope and boundaries of the risk assessment, the global warming scenarios, and strategic time horizons to test against; and work with subject matter experts (SMEs) from within the business to identify and assess the physical and transition climate risks and opportunities.

Our non-climate-related risk assessment assesses consequence and likelihood to derive a risk rating. MOVE uses a five-point scale for both consequence and likelihood, the combination of which results in a risk rating of Low, Medium, High, or Very High (see diagram).

Risk Assessment Matrix

Risk Matrix		Severity				
		Insignificant	Minor	Moderate	Major	Severe
Likelihood	Almost Certain	Med (5)	Med (10)	High (15)	Very High (20)	Very High (25)
	Likely	Low (4)	Med (8)	High (12)	High (16)	Very High (20)
	Possible	Low (3)	Med (6)	Med (9)	High (12)	High (15)
	Unlikely	Low (2)	Low (4)	Med (6)	Med (8)	Med (10)
	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Med (5)

Our physical climate risk assessment, by contrast, assesses exposure, sensitivity, and adaptive capacity (Exposure x (Sensitivity + Adaptive Capacity)) across three-time horizons, under three global warming scenarios. The resulting risk scores are mapped to the 5x5 matrix, enabling prioritisation against MOVE's other risks. Transition risks were assessed using time-bound urgency ratings and we intend to supplement this with an impact rating which will enable us to map the transition risks in the same manner.

Risk management and mitigation strategies vary based on the risk rating, and significant risks (those rated 'High' or 'Very High') are required to have a risk treatment plan in place.

Risks are monitored by the risk owners, who are responsible for reviewing the risks and controls on a regular basis.

The RAAC receives and reviews reports on significant risks from management bi-annually, including the risk register, the profile of significant risks and, if required, supplementary information on issues and events.

PHYSICAL RISK ASSESSMENT

MOVE's physical climate change risk assessment approach aligns with the ISO14091 climate risk methodology and the Ministry for the Environment's National Climate Change Risk Assessment (NCCRA) process and framework.

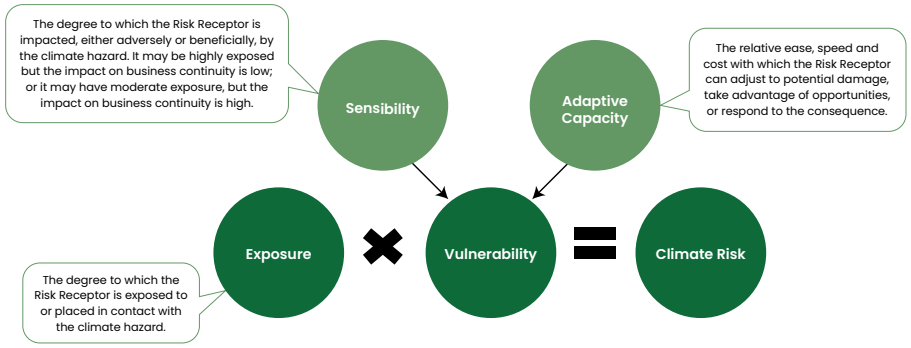
Physical risks were considered at three time horizons (2030, 2050, and 2080). The decision to adopt these time horizons was informed by a sector review of climate disclosures to align with MOVE's peers; the design life of MOVE's fixed and mobile assets; asset renewal cycles; and MOVE's long-term, strategic planning horizons.

During the OCCRA workshops, MOVE's subject matter experts (SMEs) identified physical risks that could impact three key areas: our people; our assets; and our operations.

Our SMEs identified risks arising as a result of each climate hazard, by risk area and risk receptor (the person, asset or operation impacted by the hazard). The risks were categorised by type, and a risk statement, describing the consequence of the risk on the receptor, was drafted.

The climate risk score was calculated on the basis of the exposure, sensitivity and adaptive capacity, with the latter two scores giving an overall vulnerability score. A score was determined for each risk under each of the three scenarios, informed by our internal consequence table and guided by downscaled NIWA climate hazard data provided for RCP2.6, RCP 4.5, and RCP 8.5 at future time horizons.

The methodology for calculating the risk score is set out below. Each of these elements was rated on a scale of 1 to 5, and the resulting climate risk score was used to prioritise the physical risks. The following diagram sets out the approach to calculating the physical climate risk score:



TRANSITION RISK ASSESSMENT

Our transition risks were identified and assessed in a workshop that drew on the expertise and experience of selected SMEs from the Executive Leadership Team.

To understand the transition risk profile, we identified risks against a <1.5˚ C warming scenario. Accordingly, the transition risks identified reflect the level of transition risk that this scenario presents for MOVE.

Eighteen transition risks were identified, then categorised as Policy and Legal, Technology, Market, and Reputation risks, and assessed using an urgency and time-to-impact scale over a 30-year time horizon. Within this timeframe the short-term is 5 years into the future, medium-term is 5-15 years, and long-term is 15-30 years.

OVERSIGHT OF CLIMATE-RELATED RISKS

The results of the physical and transition risk assessments were presented to the Board for review and feedback. The Board reviewed, discussed, and approved the risks and opportunities identified.

BOUNDARIES OF RISK ASSESSMENT

The value chain considered in MOVE's risk assessment was limited to one tier upstream and one tier downstream. This is included within Appendix 1 for reference.

FREQUENCY OF ASSESSMENT

MOVE has committed to undertaking a full climate risk assessment review at least every three years, with an annual review of the risk register.

Between these reviews the significant risks, as noted on the enterprise risk register, will be reviewed and updated as required, as part of MOVE's enterprise risk management processes.

METRICS AND TARGETS

GREENHOUSE GAS EMISSIONS ('GHG')

ISO Category	GHG Protocol category	FY22 $tCO_{2e.}$	FY23 $tCO_{2e.}$	FY24 $tCO_{2e.}$
Category 1	Scope 1	48,361.84	41,939.14	35,064.91
Category 2[1]	Scope 2	592.20	514.85	261.57
Category 3	Scope 3	1,110.17	1,210.68	984.22
Category 4		55,856.74	52,867.42	44,785.72
Category 5		0	49.59	52.02
TOTAL direct emissions		48,361.84	41,939.14	35,064.91
TOTAL indirect emissions		57,559.11	54,642.54	46,083.53
TOTAL emissions		105,920.95	96,581.68	81,148.44
Emissions intensity metrics				
FTE – Number of Full-Time equivalents (gross tCO_{2e} / persons)		79.88	84.57	83.92
Warehouse capacity – Warehouse capacity for storage (gross tCO_{2e} /m^2)		0.52	0.47	0.43
Operating Revenue (gross tCO_{2e} / $ Millions in NZD)		290.99	277.77	269.97

Our GHG emissions inventory has been prepared with guidance from ISO 14064-1:2018 Specification with Guidance at the Organization Level for Qualification and Reporting of Greenhouse Gas Emissions and Removals ('ISO 14064:2018').

The emission sources deemed significant for inclusion in this inventory were classified into the following categories:

Direct GHG emissions (Category 1): GHG emissions from sources that are owned or controlled by the company.

Indirect GHG emissions (Category 2): GHG emissions from the generation of purchased electricity, heat and steam consumed by the company.

Indirect GHG emissions (Categories 3-6): GHG emissions that occur as a consequence of the activities of the company but occur from sources not owned or controlled by company.

The following emission sources within Categories 3 and 4 have been excluded:

Business unit	GHG emissions source or sink	GHG emissions category	Reason for exclusion
All Companies	Working from home	Category 3	De minimis
All Companies	Recycling – Document destruction services	Category 4	Weight data not available
MOVE Freight	Recycling – Invercargill, Whanganui, Masterton, Hamilton	Category 4	Weight data not available
MOVE Specialist	Recycling - Paper	Category 4	Weight data not available

[1] Emissions are reported using a location-based methodology.

MOVE utilises the 'operational control' consolidation method for our emissions inventory. Organisational boundaries were set with reference to the methodology described in ISO 14064-1:2018 standards. This approach considers all emissions from entities over which MOVE exercises a level of operational control whereby we have complete authority to introduce and implement operating policies.

The entities included in this emissions inventory include:

- MOVE Investments Limited
- MOVE Fuel Limited
- MOVE Freight Limited
- MOVE & Warehousing Limited
- Southern Fleet Leasing Limited
- MOVE Specialist Lifting and Transport Limited
- Pacific Asset Leasing Limited
- MOVE Oceans Singapore Pte Limited
- MOVE International Limited
- Alpha Customs Services Limited
- TNL International Limited

All physical sites of these companies, business units, and facilities were considered and included in the inventory.

We have excluded the following subsidiary companies from our Group GHG inventory as they are non-operating:

- Global Logistics Group Limited (amalgamated June 2022)
- Appian Transport Limited
- MOVE Liquid Logistics Limited
- MOVE Oceans Limited

In addition, the following joint venture entities are not included within our organisational boundary for reporting. These subsidiaries operate independently of our business and use their own accounting systems for financials. These entities are:

- TNL International (Australia) Pty Limited

Our emissions inventory was quantified using the standard calculation methodology:

Emissions = activity data x emissions factor

All emissions were calculated using the Diligent ESG system. The emissions factors and global warming potential ('GWP') rates in Diligent ESG are based on the Ministry for the Environment ('MfE') 2024 'Measuring Emissions: A guide for organisations' (NZ), Department for Environment, Food and Rural Affairs, (UK, DEFRA) 2024, the IPCC fifth assessment report (AR5) and the Market Economics report commissioned by Auckland Council (published 2023) for consumption emission modelling.

More details about our GHG inventory can be found in our detailed GHG Inventory report, which is available here.

VULNERABILITY TO TRANSITION RISKS

To date, our risk assessment has been undertaken on a qualitative basis and consequently we are not able to accurately quantify the percentage of assets or business activities that are vulnerable to transition risks.

Our business model, and the transport sector more broadly, is currently reliant on fossil fuels and therefore particularly vulnerable to transition risks associated with the cost of carbon, regulation, the availability of lower carbon technologies, and market sentiment.

100% of our moveable assets, with the exception of our forklifts, are powered by fossil fuels, and therefore vulnerable to transition risks associated with asset stranding (depending on the availability of lower carbon technologies), and rising fuel costs.

VULNERABILITY TO PHYSICAL RISKS

Our plant and equipment assets comprise predominately moveable assets and, from our high-level assessment, we have determined the vulnerability of these assets to physical risks is not material.

Our network of leased warehouses (right-of-use assets) spans locations around New Zealand, and we have assessed the vulnerability of our warehouse network to physical risks as not material. In terms of specific events, our warehouses in Auckland and the Hawkes' Bay were not impacted by the weather events in February 2023.

In relation to business activities, we function across the length of New Zealand and certain ports in Australia. This broad coverage diminishes the vulnerability of our business activities to acute climate events as the network can be dynamic and respond to disruptions by working out of different regions as needed. When network disruption does occur, the impacts are primarily on service levels as costs relating to re-routing are generally passed on to our customers.

ALIGNMENT WITH CLIMATE-RELATED OPPORTUNITIES

Our approach to harnessing climate-related opportunities has, to date, focused on the optimisation of routes, efficiency of our fleet and growth of our ocean logistics and rail business.

We currently manage these activities as part of our business-as-usual operations and there are no specific metrics in the current reporting period. We intend to develop metrics that will provide insight into the alignment of our activities with climate-related opportunities.

CAPITAL DEPLOYED TOWARDS CLIMATE-RELATED RISKS AND OPPORTUNITIES

During FY24, we did not make any material investments in initiatives that addressed climate-related risks or harnessed climate-related opportunities.

INTERNAL EMISSIONS PRICE

We do not currently use an internal emissions price. However, this is currently under development with an intent to use it in support of procurement decisions.

REMUNERATION LINKED TO CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our employee remuneration scheme does not currently include any performance-related incentives, and there is no management remuneration linked to sustainability or climate-related risks or opportunities.

INDUSTRY BASED METRICS

We do not currently use any industry-based metrics to measure and manage climate-related risks and opportunities.

GHG TARGETS

MOVE's emissions reduction targets are set out in the table below. We established these targets in 2022, as part of our commitment to a lower carbon future. Our GHG emissions reduction targets for all scopes are aligned with limiting warming to 1.5 degrees Celsius. We are targeting a 42% reduction in absolute emissions from Scope 1 and 2, and 42% reduction in absolute emissions from Scope 3 both from a FY22 baseline. We have not set any interim targets. Our targets do not rely on us offsetting any emissions.

Emissions Scope & Category	Baseline tCO2e - 2022	Timeframe for Target tCO2e – 2030	Actual tCO2e – 2024	% Overall reduction from Base year	Performance against target (comments)
Scope 1 Total	48,362	28,050	35,065	(27.5%) ▼	Total scope 1 emissions have decreased aheaddue to lower customer demand because of target, the lower economic activity in New Zealand. The reduction is also reflective of a shift to an asset light model, a focus on reducing the age of the fleet and increasedan increase in the use of contractors. different modes of transport e.g. rail. There is also has been a fleet optimisation project undertaken on the back of decreased transport activity.
Scope 1 – Mobile Combustion	48,227	27,972	35,057	(27.3%) ▼	Mobile combustion emissions have decreased aheaddue to lower customer demand because of target, the lower economic activity in New Zealand. The reduction is also reflective of a shift to an asset light model, a focus on reducing the age of the fleet and increasedan increase in the use of contractors. different modes of transport e.g. rail. There is also has been a fleet optimisation project undertaken on the back of decreased transport activity.
Scope 2 – Location based	592	344	262	(55.8%) ▼	The FY24 emissions have decreased aheadfactor represents a higher level of target due to rationalisation of locations and energy efficiencyrenewable electricity in the NZ electricity grid mix. This has resulted in a reduction in emissions along with improvements made] to the data capture methodology.
Scope 3 – Combined	56,967	33,041	46,083	(19.1%)	Scope 3 total emissions have increased slightly, reflective of a shift to an asset light model and increased use of contractors.]Scope 3 emissions have decreased due to recessionary factors where steps were taken to rationalise OPEX spending and defer CAPEX. Emissions from waste have reduced due to increased waste segregation and more accurate data reporting.

APPENDIX 1 – VALUE CHAIN MAP

Our value chain map indicating the scope of our climate risk assessment is included below.

STAKEHOLDERS

- Vehicle procurement
- Port authorities
- Fuel suppliers
- Electricity providers
- NZTA and Local councils (roading infrastructure)
- National infrastructure bodies (electric and hydrogen)
- Government agencies, i.e., Worksafe
- Kiwi rail
- Ferry operators
- Landlords
- Insurance provider(s)
- Banks/lender
- Investors and shareholders
- Regulators

CORE OPERATIONS

Road freight, Rail freight, Ocean freight, Warehousing, Freight forwarding

- Employees
- Contractors
- Owner-drivers
- Board of Directors

STAKEHOLDERS

Key customers:

- Aqua-culture (salmon and mussels)
- Horticulture (kiwifruit, hops supply)
- Food grade packaging
- Fuel (Z Energy)
- Wind farm transport
- Timber/forestry
- Ammonium nitrate
- Beverage industry