Spark nz
hello tomorrow

Climate-related Disclosures Report FY25

Contents

Introduction

Welcome to Spark's first stand-alone Climate-related Disclosures report. This report provides all our climate-related disclosures in one document, combining information that was previously included in our integrated Annual Report and stand-alone Greenhouse Gas (GHG) Inventory Report.

We know that climate change has the potential to cause significant disruption to all New Zealand businesses, including Spark. In recent years we have witnessed the impact of increasing weather events on communities around New Zealand. The physical impacts of climate change, and the impact of climate transition, present risks to our customers and our business due to changing economic conditions and disruption to our supply chain, operations, infrastructure and employees. It is important that we understand these risks and integrate these potential impacts into our strategy and our investment in network and operational resilience.

Climate change also creates opportunities for Spark to help enable our customers to reduce their emissions and to support New Zealand to adapt to the impacts of a warming climate. We believe that our sector has an important role to play, and that Spark is well placed to champion the role digital technology can play in the transition required. Alongside this opportunity we recognise our responsibility to reduce our own emissions, and this report includes data on how we are tracking against our science-based emissions reduction target. This year we have achieved significant steps towards our ambition of decoupling business growth from emissions growth, with the commencement of our ten-year renewable energy partnership with Genesis Energy.

Alongside environmental and economic disruption, we also recognise the human and social impacts of climate change. If digital technology is an important enabler of climate transition, then digital equity and inclusion are essential to a just transition. Digital skills will be vital for the workforce of the future, and digital access will continue to be an important factor in social connection, inclusion, and involvement.

Compliance with Climate Standards

This Climate-related Disclosures Report complies with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3) issued by the External Reporting Board (XRB). Climate Standard NZ CS 2 provides a number of adoption provisions, which climate reporting entities may elect to use. Spark New Zealand has elected to apply the following adoption provisions for our FY25 Climate-related Disclosures Report (our second reporting period):

- Adoption provision 2 (related to anticipated financial impacts)
- Adoption provision 5 (related to comparatives for Scope 3 GHG emissions)
- Adoption provision 6 (related to comparatives for metrics)
- Adoption provision 7 (related to analysis of trends)

Spark's FY24 Climate-Related Disclosures were included within its FY24 integrated Annual Report. For its FY25 climate-related disclosures Spark has published its climate-related disclosures in a separate report. This has resulted in some simplification and re-ordering of disclosures.

Where documents are referred to or web links are provided in this report, those documents and links are provided by way of additional context only and are not incorporating disclosures by reference, unless stated otherwise.

Important notice: challenges and uncertainties

Our climate-related disclosures and the conclusions we make reflect our current understanding as at August 2025. This includes current and forward-looking information regarding climate change, its impact on Spark, and our response to it. Climate change, and the impacts it will have on individual businesses, is subject to significant uncertainty. The information in this report is based on estimates, judgements, assumptions, and incomplete data that we consider to be appropriate under current circumstances. As such, we caution reliance on information that is inherently subject to significant uncertainty and data limitations.

This report includes forward-looking statements, including in relation to climate-related scenarios, targets, risks and opportunities, anticipated impacts, and transition plans. Such forward-looking statements are based on the beliefs of, and assumptions made by, our Management, along with information currently available at the time such statements were made.

These forward-looking statements are not guarantees or predictions of future performance. Any statements in these climate-related disclosures that are not historical facts are forward looking statements.

Reporting entity

Spark New Zealand Limited is a climate-reporting entity under Part 7A of the Financial Markets Conduct Act 2013. These climate statements relate to the Spark Group, which consists of Spark New Zealand Limited and its subsidiaries (referred to throughout this report as "Spark", "we" or "our"). The scope of the reporting entity aligns with that used for Spark New Zealand Limited's FY25 group financial statements. All figures are expressed in New Zealand dollars. While Spark Finance Limited (a subsidiary of Spark New Zealand Limited) also meets the definition of a climate-reporting entity under Part 7A of the Financial Markets Conduct Act 2013, the Financial Markets Conduct (Climate Statements – Spark Finance Limited) Exemption Notice 2024 (available here) exempts it from the requirement to prepare climate statements.

This report is dated 20 August 2025 and is signed on behalf of the Board of Spark New Zealand Limited by Justine Smyth, Chair; and Gordon MacLeod, Chair Audit and Risk Management Committee.

Justine Smyth CNZM
Chair

Gordon MacLeod
Chair Audit and Risk Management Committee

Climate governance

The role of Spark's Board and Management team in assessing and managing climate-related risks and opportunities

Governance body oversight of climate risks and opportunities

The Spark Board is the governance body responsible for oversight of climate-related risks and opportunities. The Board is informed and engaged on climate change through a number of regular processes:

- Oversight of Spark's overarching enterprise risk management system via the Audit and Risk Management Committee (ARMC) – a committee of the Spark Board which incorporates material climate-related risks (see Climate Risk Management section, page 24)
- Approval of, and engagement in, Spark's climate scenario risk analysis processes and annual climate risk reporting (via the ARMC)
- Quarterly sustainability updates from the Corporate Relations and Sustainability Director, and non-cyclical Board papers that include climate-related risks or opportunities and performance against climate targets

The ARMC assists the Board in relation to the oversight of, and monitoring compliance with, the Risk Management Framework. The ARMC meets at least four times each year and receives regular updates on all principal business risks, including regular updates on the key risk 'Ensuring the performance and resilience of network, infrastructure and ICT technology ', which includes physical adaptation risk to our networks, and risk in our network supply chain (see detailed climate risk tables on pages 14 – 23). The papers and minutes from ARMC meetings are available to the Board and all directors may attend meetings of the ARMC.

The ARMC is also responsible for Spark's climate reporting in compliance with the Aotearoa New Zealand Climate Standards, with this Climate-related Disclosures Report published alongside our annual financial disclosures. This includes review of the climate-related risks and opportunities identified, which is published alongside our emissions metrics and performance against our climate targets. The Board was engaged in our refreshed climate scenario analysis, undertaken in FY24, to pressure test the climate scenario narratives and validate the identified effects on Spark, and ultimately approves this Climate-related Disclosures report.

The Board is provided a sustainability update on a quarterly basis, including as part of annual integrated reporting for year-end.

In FY25, these updates covered a range of topics, including performance against key performance indicators (KPIs), tracking emissions and energy use. We also report on broader topics, such as climate risk, transition planning, and long-term emissions reduction target setting.

This, together with additional papers that contain climate-related content, mean that climate-related risks and opportunities are discussed regularly at Spark Board meetings.

As the governance body for significant sustainability and climate-related decisions, the Board approves Spark's sustainability framework, policies, and targets (such as Spark's science-based emissions reduction target, and approval of key initiatives such as our renewable energy partnership with Genesis Energy (see page 29).

Our directors are committed to continuously educating themselves to ensure that they have the appropriate expertise and can effectively perform their duties. Sustainability, together with risk management and regulatory expertise, is one of the competencies assessed in our Board Skills Matrix (see page 55 of our Annual Report). While the Board did not undergo specific climate-related training in FY25, the Board has been provided with briefings and sessions to support further development of climate-related risk management skills and to foster its climate expertise, particularly in the processes of our refreshed climate scenario analysis completed in FY24. Expertise is also gained by directors who have directorships in industries with climate risks that are related to Spark's. Jolie Hodson, Spark CEO and Board member, is also a member of the Climate Leaders Coalition Steering Committee. The Climate Leaders Coalition is a CEO-led community of organisations aiming to lead the response to climate change. The Coalition provides opportunities to upskill through fostering connections with other organisations that have signed up to be part of the Coalition.

A description of how the Board considers climate-related opportunities when developing and overseeing Spark's strategy, and the way in which resiliency (related to physical risk) is integrated into our business, is set out in the 'Transition plan elements of Spark's strategy' section on page 8, and in the climate-related risk and opportunity tables on pages 14 – 23.

The Human Resources and Compensatory Committee (HRCC) – a committee of the Spark Board, is responsible for remuneration policies. For our Leadership Squad (direct reports to the CEO) and a select group of senior leaders, a Long-Term Incentive (LTI) scheme forms part of their remuneration package. For the years FY23 to FY25 this scheme included performance measures relating to Spark's Environmental, Social and Governance (ESG) performance, including performance against our emissions reduction target, which constitutes 12.5% of the LTI performance assessment weighting. These long-term incentives relate to performance for the years FY25 to FY27.

An overview of the climate-related risks and opportunities responsibilities between the Spark Board and Management is described in the diagram on page 5.

Management's role in climate-related risks and opportunities

Climate-related responsibilities are assigned across a number of the Spark Leadership Squad and supported by a number of internal governance groups and processes:

- The Chief Financial Officer is responsible for management of our overarching risk management system
- The Corporate Relations and Sustainability Director is responsible for Spark's overall sustainability strategy
- The Network and Operations Director is responsible for our most material climate change risks, which are integrated into the key risk 'Ensuring the performance and resilience of network, infrastructure and ICT technology' in our enterprise risk management system, and progress against our emissions reduction target

For the preparation of Spark's climate-related disclosures, the Board and Leadership Squad established a formal due diligence process, approving the establishment of a Due Diligence Committee to oversee the preparation of the Spark's climate-related disclosures. This Committee is comprised of the Leadership Squad members identified above, as well as Spark's General Counsel. This Committee was first established for our FY24 disclosures, and was re-constituted to provide oversight of this FY25 report.

For broader issues the full Leadership Squad serves as Spark's sustainability steering group, with a standing agenda item each quarter to review performance against sustainability KPIs, discuss risks and opportunities and make decisions related to climate change and our broader sustainability work. The Corporate Relations and Sustainability Director then provides a quarterly sustainability update to the Spark Board. The key sustainability KPI that relates to climate change is our emissions reduction target – see page 27 for more information.

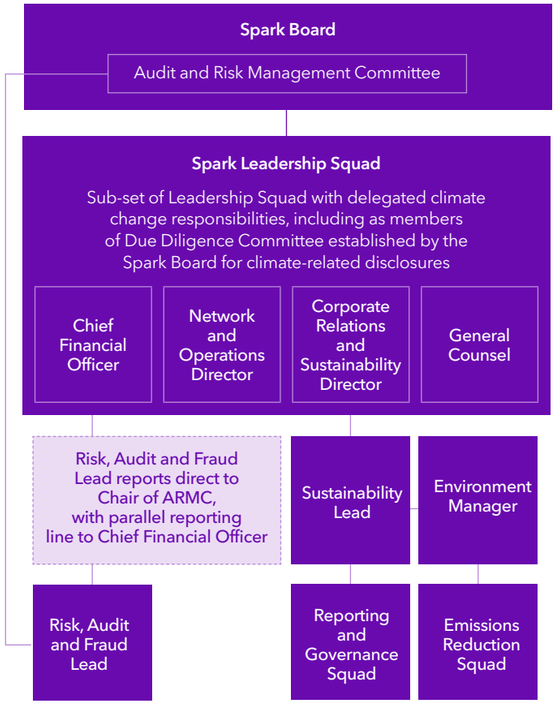
The Leadership Squad was engaged in our refreshed climate scenario analysis, supporting the development of our climate scenario narratives and exploring the identified effects on Spark. This work was completed in late FY24. The Leadership Squad is also engaged in the annual preparation and review of our Annual Report, meaning all Leadership Squad members are informed about climate-related risks and opportunities on an annual basis.

The Leadership Squad is regularly updated on risks identified in our Enterprise Risk Management System. Spark's Risk, Audit and Fraud Lead provides a quarterly update to the Leadership Squad and ARMC, a sub committee of the Board. Our risk management system helps our people to manage uncertainty and adapt to challenges as they pursue our strategy.

A number of supporting squads and steering committees are led by Spark's Sustainability Lead and Spark's Environment Manager. This includes our Governance and Reporting Squad and Emissions Reduction Steering Committee. These squads report progress to the Leadership Squad and Board through the quarterly sustainability updates.

The Governance and Reporting Squad is a cross-functional group accountable for our performance, reporting, and risk management, including representatives from Spark's financial, risk, legal, regulatory affairs, people and culture, and corporate relations functions. The Squad is led by Spark's Sustainability Lead and provides additional oversight and tracking of actions related to climate change. The Emissions Reduction Steering Committee is led by Spark's Environment Manager and comprises senior leaders and Leadership Squad members from Network and Operations and Procurement and Partnerships teams.

Climate governance structure



Strategy and climate change

How climate change may impact Spark now and into the future: scenario analysis, climate transition, risks and opportunities

Our climate strategy and transition plan actions are integrated into our overarching strategy and business processes. This integrated approach to transition planning reflects the connection of the climate transition to business strategy and financial value creation to shareholders. We consider that the core of our business strategy – investment in resilient infrastructure and supporting customers through connectivity and digital technology – combined with the relatively low emissions footprint of our direct operations, is broadly consistent with the need to transition to a low-emissions climate-resilient future. As such, while we anticipate careful evolution of our strategy to respond to climate risks and opportunities in our business and broader value chain, we have not identified that a significant shift of our business model or asset base is required.

As an infrastructure provider we have established processes to manage physical risk across our business, which includes resilience to climate change (alongside other hazards such as earthquake risk). We focus on ensuring that these existing business processes can readily respond to an increase in frequency and severity of climate incidents. Resiliency (related to physical risk) is a key input into our network capital deployment and funding.

The Board and Leadership Squad have considered opportunities from climate change as an input to Spark's strategic evolution. A focus of Spark's new SPK-30 strategy is a better network, linked to resilience, reliability and trust. The strategy is underpinned by a number of enablers, including technology leadership, and sustainability. The sustainability elements of our strategy are expanded in our 'Better Digital Future' sustainability framework, available here. This includes working in our operations and supply chain to reduce climate impact, working with customers and communities to champion digital equity, and supporting Aotearoa's transition to a low-emissions future.

Applying the <IR> Integrated Reporting capitals model (see pages 10 and 11 of our integrated Annual Report) we describe our business model as:

- Investment and innovation in network, technology, and digital infrastructure that enables customers and underpins New Zealand's digital economy
- Market-leading products and services that connect and enable New Zealanders, including businesses and Government
- Sustainable business practices that protect and grow our license to operate and market leadership
- A culture that develops and empowers our people.

The 'Transition plan aspects of Spark's strategy' infographic on the following page provides a high-level view of the key actions across four key focus areas: resilient infrastructure, enabling customer transition through technology, reducing our emissions, and supporting a just transition. This includes metrics and targets we use to track our performance, and how these focus areas are aligned to our funding and capital allocation processes. Examples of how our capital allocation aligns to climate transition opportunities include our acquisition of Adroit, a leading IoT provider that specialises in technology solutions for real-time environmental monitoring. The inclusion of lifecycle energy costs and emissions reduction considerations in capital investment decision processes also aligns capital processes to decarbonisation transition action.

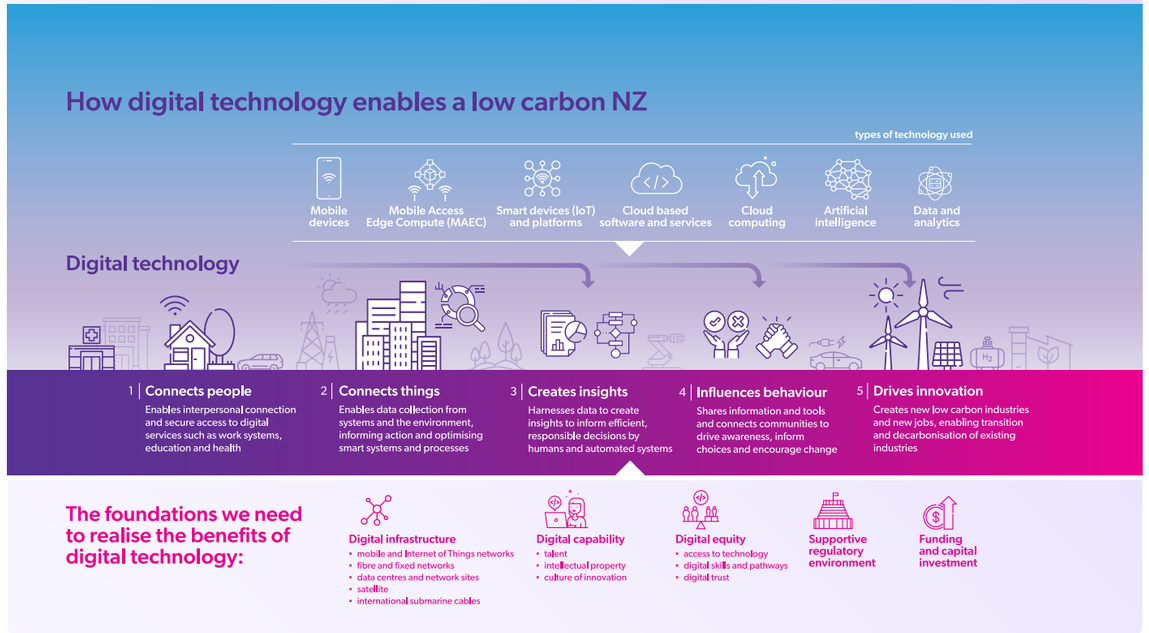
We provide more detailed commentary on transition planning actions in the tables on pages 14 – 23, with actions detailed under 'Management actions/commentary' for each of the material climate-related risks and opportunities identified through our climate scenario analysis. Although supporting a just transition is an important part of our climate transition approach, linked to our focus on digital equity and inclusion, this does not relate to a specific material risk to Spark. Information on our approach to Digital Equity is available in our integrated Annual Report and our website here.

Enabling customer transition through technology

Digital technology has an important role to play in enabling emissions reductions across our economy. The role of digital technology in enabling decarbonisation is broad – it provides secure access to remote services, which helps people to reduce commuting; it can connect and monitor physical assets and natural environments, which creates insights that people and systems can then act on; it can influence behaviour; and it underpins the creation of low-carbon industries and jobs.

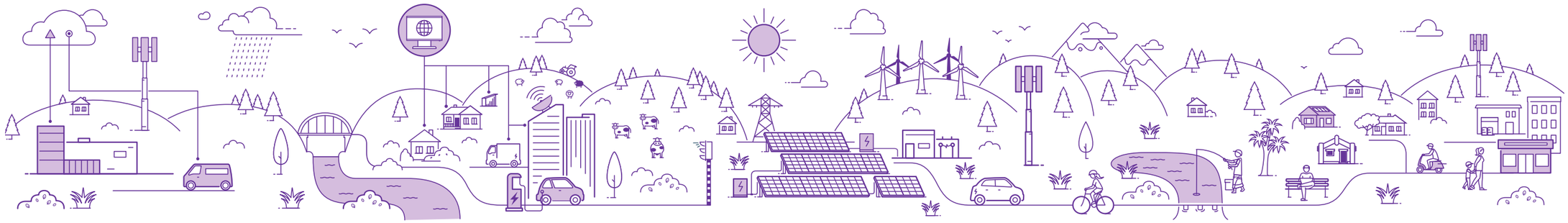
To quantify the potential impact of the role that digital technology can play in reducing emissions, we undertook research with thinkstep-anz which was launched in FY23. At a high level, through this study we found that digital technologies could support significant annual emissions reductions. This highlights the opportunity for Spark to support our customers to respond to climate change. The insights from the research were used as an input in our strategy development, and in our climate opportunity identification. The full report is available here.

We continue to advocate for the role of digital technology in New Zealand's climate change response. In FY24, this included working in partnership with NZTech, the Ministry of Business, Innovation, and Employment, and the Ministry for the Environment, to support the 'Technology for Emissions Reduction' report. This report draws on perspectives from hundreds of New Zealand businesses to provide actionable steps to integrate climate technology into business practices, including a framework for developing a Climate Technology Roadmap for New Zealand.



Transition plan aspects of Spark's strategy

(Current, ongoing actions supporting Spark's climate transition)



Key actions integrated into Spark strategy

Resilient infrastructure

Ongoing investment in infrastructure

- annual investment to build network capacity, coverage, and resilience considering natural risk factors (see p10)
- targeted investment to increase resilience at key sites

Incident response

- our Network Operations Centre (NOC) function coordinates incident response (p15)
- investment to support response, including satellite-connected portable mobile towers, and additional portable generators (see p17)

Advocacy and collaboration

- working with telecommunications and other critical infrastructure sectors on disaster preparedness and during major incidents (see p19)

Enabling customer transition through technology

Focus on technology

- enabling New Zealand businesses to grow and become more productive and sustainable through technology is part of our business strategy
- our analysis of sector-by-sector emissions reduction opportunities has been used as an input to strategy-setting processes
- we have invested in capability through the acquisition of Adroit, a leading IoT provider that specialises in technology solutions for real-time environmental monitoring

Thought leadership and advocacy

- we advocate for the role of digital technology in New Zealand's response to the climate challenge (p7)

Reducing our emissions

Renewable energy partnership

- partnership established with Genesis Energy, linking procurement to new renewable energy generation to decouple Spark's business growth from emissions growth (see page 29)
- Lauriston Solar farm operational in FY25, enabling significant reduction in reported market-based scope 2 emissions
- working to complete the transition to 100% renewable energy from new generation capacity

Decarbonising our operations

- continue to transition our vehicle fleet and optimise fleet efficiency (see page 28)
- improving the energy efficiency of our assets and infrastructure, including through retiring legacy infrastructure (see page 29)
- investigating and adopting low carbon alternatives to refrigerants, fire suppressants and diesel backup generators (see page 28)
- working with our partners to design and deliver more energy efficient networks

Engaging with our suppliers

- continue to work with our suppliers to encourage them to set science-based targets and reduce their emissions (see page 29)

Supporting a just transition

Integration with purpose and strategy

- as our economy decarbonises digital skills and access will become increasingly important for a socially just transition. This aligns with our purpose to support all New Zealanders to win big in a digital world, and is integrated into our strategy through our commitment to digital equity

Community investment

- Spark Foundation leads Spark's digital equity work in the community, funding programmes using a strategic partnership approach

Improving digital access and affordability

- low-cost subsidised broadband service Skinny Jump is delivered in partnership with community providers to reduce barriers to access

Alignment to capital allocation processes

- Improvements to network capacity, coverage, and resiliency is a key input into our capital allocation processes, with the majority of our capital invested into our network infrastructure (see page 26)
- Opportunities are considered through our strategy development process, with investment weighed against other business priorities as part of our ongoing capital management process
- Climate impact and lifecycle energy/carbon costs are included in IVP (Investment Value Proposition) process to support decision making
- Emissions Reduction Steering Committee (page 5) provides forum to highlight investment opportunities to key decision makers, enabling prioritisation
- Our ten-year renewable energy partnership was a financially material long-term commitment requiring Board approval supported by detailed analysis
- Spark has an ongoing commitment to fund Spark Foundation
- Skinny Jump is designed to operate on a not-for-profit basis, with the revenue generated covering programme costs

How we track performance and progress

- Network reliability and coverage measures are integrated into our network strategy and performance tracking
- Revenue linked to opportunities for climate mitigation and adaptation services (see page 22)

Emissions performance is reported to management and the Board quarterly and included in full year reporting annually, including an external audit of the GHG Inventory. Key targets include:

- SBTi target: Scope 1 + 2: 56% reduction in scope 1 and 2 emissions by FY2030 from a FY2020 baseline year (see page 27)
- Scope 3: 70% of suppliers by spend with science based target by 2026 (see page 29)

- The Spark Foundation Board of Trustees monitors progress of Spark's community investments. Skinny Jump performance is reported to management quarterly – in FY25 33,917 households were using the service (up from 31,776 in FY24)

Awards received for reliability and coverage

Our customers rely on us to keep them connected in as many places as possible. Spark invests significantly into our network every year, to expand coverage and capacity, and further strengthen resilience to climate-related risk.

Testament to this, in FY25 we were awarded the Reliability Experience award in The New Zealand Mobile Network Experience Report, released by Opensignal in September 2024[1]. Reliability experience measures the ability of users to connect to, and successfully complete basic tasks on a mobile network such as stream video, browse the internet, and use applications, as well as analysing user experience and connectivity issues. Additionally, we also secured the top position for Coverage Experience. The Opensignal Coverage Experience metric measures the extent of mobile networks in the places people live, work and travel. The metric represents the experience users receive as they travel around areas where they would reasonably expect to find coverage.

Climate scenario analysis

Spark has undertaken climate scenario analysis to help it to identify its climate-related risks and opportunities and develop a better understanding of the resilience of its business model and strategy.

Climate scenarios provide an opportunity for organisations to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change. They are plausible, challenging descriptions of how the future may develop based on a coherent and consistent set of assumptions about physical and transition risks:

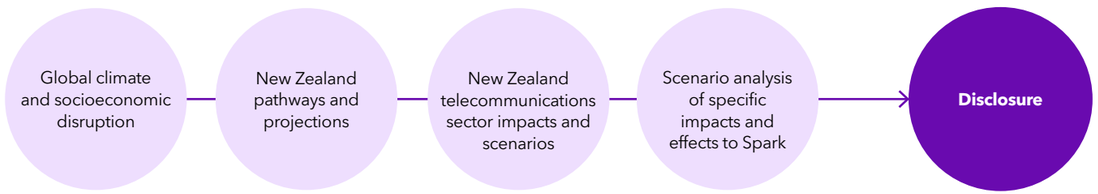
- **Physical risks**: risks relating to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute), such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise
- **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

Spark co-led a sector-wide approach to the development of our climate scenarios. A shared sector approach is recommended by the XRB. The sector scenarios were developed in FY24 through a series of workshops, facilitated by environmental consultancy Tonkin + Taylor and our industry body, The Telecommunications Forum (TCF). The process was guided by a focal question:

"How could climate change plausibly disrupt the telecommunications sector over the short (5 years), medium (15 years), and long-term (30+ years)?"

The sector-wide approach to climate scenario analysis supports collective engagement with other sectors and stakeholders. This is particularly important to inform long-term collaboration and planning and will be a key input to New Zealand's next National Climate Change Risk assessment, due to be published by the Climate Change Commission in 2026. Throughout the process the sector consulted with the Ministry for the Environment, the Climate Change Commission, and representatives from the energy sector who were integrated into the TCF process. Since publication of the sector scenarios the TCF has created an ongoing Climate Change Working Group to continue sector collaboration and to present a single voice for the telecommunications sector in other climate change forums, promoting collaboration with other interdependent sectors.

Stages of scenario analysis



1. Opensignal Awards – New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024 © 2024 Opensignal Limited.

Our three climate scenarios

The three climate scenarios the telecommunications sector selected are outlined in the table on the following pages. These scenarios align to the requirements in NZ CS 1 for entities to analyse three scenarios, with each scenario drawing from a range of widely used global and local scenario archetypes, for example the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSPs), the National Institute of Water and Atmospheric Research (NIWA) representative concentration pathways (RCP) and the New Zealand Climate Change Commission decarbonisation pathways. They are also based on scenario archetypes that are consistent with those used by other infrastructure sectors in New Zealand. The scenarios were designed and agreed in consultation across the sector. Given the broad range of inputs and alignment to recognised scenario archetypes we believe the scenarios capture a broad set of possible outcomes that are relevant and appropriate to assessing the resilience of our business model and strategy to climate-related risks and opportunities.

A full report of the sector climate scenarios is published on the TCF and Spark websites. This includes detailed descriptions of the emissions reduction pathways in each scenario and the assumptions underlying pathway development over time, including the policy and socioeconomic assumptions and macroeconomic trends.[2] It also includes full descriptions of the relevant scenario narratives, and an outline of the process followed to develop the scenarios. Those descriptions are included in this report by cross-reference. The report is available here.

These three scenarios were used to drive Spark's internal climate scenario analysis, which applied the detailed scenarios to our business and strategy to identify risks and opportunities specific to Spark. This was a stand-alone process, independent of our existing risk governance. The scope of our climate scenario analysis covers all of Spark's operations and the entire value chain, from upstream supply chain impacts to downstream impacts on our customers and the broader economy. It encompasses business activities, operating companies, and subsidiaries. While external stakeholders and partners were involved in the sector-based scenario development, Spark's internal process did not involve any external partners or stakeholders.

The Spark Board and Leadership Squad were engaged in the internal scenario analysis. This process included separate workshop sessions with the full Board and Leadership Squad. The purpose of these sessions was to discuss and pressure test the assumptions behind the three scenarios and to examine the potential effects of each scenario on Spark. This involved testing and building on effects identified by Spark employees as part of the sector-based process. These were considered across a number of categories:

- Economic
- Business-to-business customers
- Consumer customers
- Government and policy
- Infrastructure
- Supply chain
- Investors
- Managed retreat
- Social

Boosting resilience to natural disasters

One of the main reasons for telecommunications outages in a natural disaster is a loss of power or backhaul (fibre between cell sites that connects local towers to the core network). Most of our cell sites are equipped with battery backup and the ability to connect standalone generators when those battery reserves are exhausted. Over the past year, we have been working to extend battery life on critical sites to ensure they can withstand longer power outages. We are also rolling out a monitoring solution that will enable our cell sites to detect when they are unable to draw power from the grid, report real-time power consumption, and conserve power by automating decision-making to prioritise connectivity for essential communications such as calls and texts.

We have been working to establish a network of satellite-connected small cells throughout the country, which can be deployed to provide access to a basic level of mobile connectivity during emergencies when fibre backhaul becomes compromised. These satellite-connected emergency small cells are housed in strategic locations around the country, including Northland, Auckland, Gisborne, Palmerston North, Canterbury, and Westport, making them readily available to deploy in a disaster.

In June, this satellite solution was successfully deployed in Murchison, when areas of the South Island were impacted by severe flooding and storms. This was the first time we used this type of solution as part of our standard emergency response.

We also work collaboratively with our peers on disaster preparedness and during major incidents. The sector comes together through our industry group, the Telecommunications Forum (TCF), which coordinates operators, other infrastructure sectors, including electricity and roading, as well as government, to restore services.

2. See Section 4 and Appendix A of the sector climate scenarios. The assumptions used to create the sector scenarios were those that were considered to be most relevant to the sector. Specific assumptions were not included relating to energy pathways, carbon sequestration from afforestation, climate technology such as negative emissions technology, and nature-based solutions.

The outputs of these workshops shaped the climate-related risks and opportunities disclosed in our FY24 climate disclosures. This was reviewed as a part of the Board approved due diligence process, which was overseen and coordinated by the Due Diligence committee (see 'Management's role in climate-related risks and opportunities' section, page 5).

This scenario analysis remains the basis of our updated climate-related risk and opportunity disclosure for FY25. We believe this is appropriate as the three sector scenarios remain plausible descriptions of how the future may develop, based on current understanding. As the global climate context evolves it may be appropriate to refresh the underlying scenario analysis for future years. However, this is not expected to be an annual process.

In this Climate-related Disclosure Report we have reviewed and updated our detailed climate-related risk and opportunity tables (pages 14 – 23). This includes additional commentary on current impacts, including reporting current financial impact. Members of the Leadership Squad have reviewed and approved the updated disclosure, including as part of the Due Diligence Committee processes. The Board has reviewed and approved the updated FY25 climate-related risks and opportunities disclosed in this report.

Physical risk analysis

As part of our scenario analysis process we updated our physical risk analysis against climate models newly released by the Ministry for the Environment in 2024. This analyses risk to our infrastructure and assets against the risks of sea level rise/coastal flooding, temperature, wind and rain pattern changes. This modelling provides information on the number and location of sites that may be of greater risk, and enables us to quantify the scale of potential impact and the investment required to mitigate risk, for example by strengthening or relocating vulnerable sites. We updated this analysis against our current assets based at the end of FY25, adding new sites added over the past financial year.

Through the analysis we identified a small number of assets vulnerable to direct physical risks. This includes 25 mobile sites and one regional exchange vulnerable to coastal flooding under a 20cm sea level rise scenario, equating to less than 2% of our infrastructure sites. This analysis is against 2041 – 2060 time period data aligning with our 30-year time horizon. We acknowledge the limitations and uncertainty of this mapping approach. We note that our analysis does not factor risk to interconnected infrastructure, nor does it include more sophisticated analysis of the impact of climate change on pluvial (surface water flooding or flash flooding) and fluvial (river bank bursting or overflowing) flooding risk, or other climate risks such as fire.

Real-time flood monitoring for Hawke's Bay

In FY25 we supported Hastings District Council to improve flood resilience by using real-time Internet of Things (IoT) sensor technology to protect communities in high-risk areas.

In the aftermath of Cyclone Gabrielle, the Council was looking for a smarter, faster way to detect and respond to rising stream levels across Havelock North. Partnering with engineering consultancy Beca, we deployed a network of solar-powered sensors to monitor water levels at 15 key sites – transmitting data via our IoT network, with satellite connectivity as fallback in low-coverage areas.

These sensors feed critical data to our Adroit cloud platform, where automated alerts flag rapid water-level increases, and trigger early warnings to Council teams and emergency agencies. From there the data is integrated into a public-facing dashboard, giving residents real-time visibility of stream activity and empowering them to assess local risk and respond more effectively during severe weather events.

The project is the most comprehensive deployment of environmental sensors for flood detection in New Zealand to date. It also marks the first time a Council has committed to making this level of real-time flood data available to the public – enhancing transparency, trust, and community preparedness.

With a scalable platform and a growing suite of environmental sensors, Spark is enabling local councils to respond more effectively to climate-driven challenges – improving decision-making, safety, and long-term infrastructure resilience across the country.

Our climate scenarios

(Developed for FY24 telecommunications sector climate scenario analysis)

	Scenario #1: Orderly transition	Scenario #2: Disorderly transition	Scenario #3: Hothouse
Brief description of scenario narrative (further detail included in sector scenarios)	New Zealand 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˚C above pre-industrial levels by 2050.	New Zealand and the developed world are delayed in their transition to net zero. This results in a steady increase in temperature and physical impacts in alignment with SSP2-4.5 (2 degrees by mid-century). By 2030, prompted by a number of significant weather events, NZ and the developed world realise that urgent action is needed to reach net zero, which results in poorly signalled policy and market changes coinciding with increased adaptation and recovery costs creating significant medium-term challenges.	New Zealand 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).
Scenario datasets	• Intergovernmental Panel on Climate Change: SSP1-1.9 • NIWA: RCP 2.6 • Climate Change Commission: Tailwinds pathway	• Intergovernmental Panel on Climate Change: SSP2-4.5 • NIWA: RCP 4.5 • Climate Change Commission: Headwinds pathway	• Intergovernmental Panel on Climate Change: SSP3-7.0 • NIWA: RCP 8.5 • Climate Change Commission: Current policy
Global temperature change	1.5˚C	<2˚C	>3˚C
Transition risk	Highest	Medium	Lowest
Physical risk	Lowest	Medium	Highest
Policy response	Early and strategic	Slow until 2030, then reactive and significant	Slow, market-led, focussed on adaptation
Economic impact	Highest in 5-year horizon, lowest over 30+ years	Highest over 15-year horizon	Highest over 30+ year horizon

Time horizons for scenario analysis

	Short term	Medium term	Long term
Time horizon	5 years	15 years	30 + years*
Year relative to baseline year (2024)	2030	2040	2055+
Rationale for selection and link to strategic planning horizons and capital deployment plans	Aligns with emissions reduction target and with future-facing investment horizon	Aligned with typical life of technology assets	Aligned with further materialisation of physical risks, particularly on infrastructure.

*For risk analysis we used a timebound 30-year horizon. The 30+ year time horizon was used for long-term scenario development.

Climate-related risks and opportunities

The tables below outline the current impacts of climate change on Spark's business, and climate-related risks and opportunities that Spark has identified over the short, medium, and long-term. As many of the risks and opportunities identified are present across all time horizons we have explained the trend that these risks and opportunities follow across time horizons, identifying the horizon in which the risk or opportunity is most significant. The tables also include information relating to the anticipated impacts of Spark's climate-related risks and opportunities.

Where we have reported a quantified current financial impact we have explained the methodology and data included in each calculation. We acknowledge that the precise quantification of current climate-related financial impact is subject to significant uncertainty, and that isolating climate-related factors from interrelated factors is not always possible. Through this financial quantification disclosure our objective is to provide transparent and useful data to provide context on the scale of climate-related impacts and costs on our business over the past year.

Physical risks

Damage to Spark infrastructure

Risk description
Increased weather events may result in increased damage to Spark sites. This includes active mobile network equipment, exchanges, data centres and data transport networks

Time horizon
Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest
Present in all scenarios, but most significant under Hothouse scenario

Current impacts

In FY25 we did not observe a significant change in the frequency or intensity of weather events that impacted our operations, with a number of localised outages managed as business-as-usual. While we experienced no single events causing widespread outage at a regional scale, localised weather events occurred in line with previous years. Our network was resilient to these events and we were able to address and resolve outages through our standard operating practices.

Current financial impact (including adaptation costs)

Year-on-year there was no material change in reactive maintenance costs that could be attributed to long-term increases in frequency or intensity of weather events.

We saw no direct climate-related impact on our insurance costs in FY25. We also saw no climate-related increase in costs of new infrastructure.

No identified climate-specific impact in FY25

Note: We have quantified specific climate-related FY25 investment in network resilience in the "Disruption to supporting infrastructure" physical risk on the following page 16. This is because the majority of our climate-related investment in network resilience is to address failure to supporting infrastructure, including power and fibre networks. This includes investment in batteries, generators, portable cell sites and satellite backhaul technology.

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased reactive maintenance costs (labour, fleet, contractors, and parts)
- Increased customer disruptions impact revenue, brand, and reputation
- Increased insurance cost
- Increased costs of new infrastructure builds to meet higher climate resilience standards, e.g. data centres

We anticipate impacts to be limited. Our physical risk analysis (see the 'Physical risk analysis' section on page 12 for a summary of the process and limitations of our analysis) shows only a small number of Spark sites are likely to face significant risk of direct physical damage, with a small number of mobile sites, and one regional exchange, in locations vulnerable to coastal inundation and flooding over a 30-year horizon.

Management actions/commentary (transition planning actions integrated into strategy)

We continue to invest in network capacity and resilience annually, which is a key part of our business model. Investment to support the growth in capacity of our network, such as the rollout of new mobile sites, also provides network redundancy and protects against other physical hazards, such as earthquake and tsunami risks.

For this reason it is not possible to isolate climate-specific investment. **In FY25 our capital investment in fixed and mobile networks, which includes investment that supports resilience against physical climate risk, was over $200m.**

Existing exchange buildings and data centres have been carefully located considering physical hazards. New data centre builds account for future climate scenarios.

Our three geographically diverse, resilient network data centres provide core voice and mobile services, with each core able to operate independently and support our total national demand.

We have strengthened our high-speed fibre optic backbone, which carries data across the country, and are now extending its reach to more regional areas. This ensures better connectivity and faster recovery in the event of an outage, with multiple redundancy paths and automated technology to diagnose and resolve network issues.

All network outages are managed through a centralised Network Operations Centre (NOC). The NOC function is based across multiple geographically diverse locations, supported by our strategic network partners in New Zealand and overseas. It is supported by a unified monitoring system, improving coordination and making it easier to respond to network issues quickly.

Spark's Outage Assist service notifies customers when we detect fixed-broadband service outages. Eligible Spark mobile customers can receive free mobile data, calls and texts to stay connected during the outages.

For more detail refer to the **Boosting resilience to natural disasters section** (page 11).

Physical risks (continued)

Disruption to supporting infrastructure

Risk description
Increased weather events result in more outages and disruption to infrastructure that supports Spark's operations

Time horizon
Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest
Present in all scenarios, but most significant under the Hothouse scenario

Current impacts

As per the physical risk 'Damage to Spark infrastructure' on the previous page, in FY25 we did not observe a significant change in the frequency or intensity of weather events that impacted our network, with a number of localised outages managed as business-as-usual. While we experienced no single events causing widespread outage at a regional scale, localised weather events occurred in line with previous years. Our network was resilient to these events, including outages to supporting infrastructure, and we were able to address and resolve outages through our standard operating practices.

Current financial impact (including adaptation costs)

As per 'Damage to Spark Infrastructure', year-on-year there was no material change in reactive maintenance costs related to weather events, including costs that could be attributed to long-term increases in frequency or intensity of weather events, including costs related to failures in supporting infrastructure such as power outages.

In FY25 resilience and readiness investments included:

- Upgrade of portable cell sites which are deployed in case of outages
- Expanded battery backup at a number of sites
- Investment in additional generator sets (via our partner Connexa), which have been distributed to key sites around the regions
- Investment in satellite capable backhaul equipment to be deployed reactively to sites that have lost connection

These costs to Spark are included in the financial impact quantification below.

FY25 financial impact: ~$2m

Note: In FY25 our capital investment in fixed and mobile networks, which includes investment that supports resilience against physical climate risk, was over $200m.

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increase in damage to passive tower infrastructure (e.g. tower masts) causes outages or creates damage to Spark's active infrastructure
- Increase in frequency and duration of grid outages results in increased network outages
- Increased frequency of backhaul (fibre) outages caused by flooding, landslips, and road and/or bridge damage along transport corridors
- Increased damage to road transport networks limits ability to reach sites to perform maintenance and upgrades or address outages, e.g. installing and/or fuelling generators, restoring backhaul connectivity etc.

Damage to supporting infrastructure is potentially material in many regions. The majority of outages to Spark's network are caused by damage to supporting infrastructure, particularly electricity transmission damage causing extended power outages. Damage to roads exacerbates outages as it limits access to repair electricity lines, or to access Spark sites to install temporary generators.

Management actions/commentary (transition planning actions integrated into strategy)

We continue to invest in resilience to supporting infrastructure outages. Investment to protect against disruption to supporting infrastructure includes power backup and alternatives to fibre backhaul, allowing our sites to maintain connectivity whilst other infrastructure is unavailable. This investment also protects against other physical hazards, such as earthquake and tsunami risks.

For our mobile network we have invested to extend battery life on major, critical mobile sites to ensure they can withstand power outages for longer periods of time, alongside improvements to cell tower management during outages to prioritise connectivity for essential communications functions such as calls and texts.

For prolonged outages portable generators are used to provide power to mobile sites. Large-scale fixed generators are in place at critical exchange and data centre sites, which can operate continuously without grid power.

As we invest in new and expanded network capacity, including the rollout of 5G technology, we also invest in upgraded power backup. This includes investing in greater battery storage at 5G sites where power consumption has increased in line with additional capacity. Through our network partner Connexa we have also upgraded the capacity of portable generators to ensure they are able to meet these increased power needs.

To improve backhaul resiliency we have established a network of satellite-connected temporary small cell sites throughout the country for use in emergencies. We are also investigating backup satellite backhaul at a number of permanent cell towers.

For more detail refer to the **Boosting resilience to natural disasters section** (page 11).

Supply chain disruption

Risk description
Physical climate impacts (e.g. factory fire/flooding) disrupt global supply for critical inputs, including network equipment and customer devices. Increased global weather events increase competition and demand for network spares.

Time horizon
Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest
Present in all scenarios, but most significant under the Hothouse scenario

Current impacts

We have not identified any significant global supply chain disruption linked to weather events in FY25

Current financial impact (including adaptation costs)

No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Constrained supply of network equipment increases costs, limits ability to respond to reactive maintenance needs, and slows opportunities for investment in new technologies
- Disruption to supply chain for customer devices (e.g. mobile handsets, modems etc.) limits ability to serve customers, impacting revenue, brand, and reputation

Management actions/commentary (transition planning actions integrated into strategy)

Through our annual supplier ESG survey we ask priority suppliers to share their processes to identify climate-related risks in relation to the provision of products and services to Spark and other customers. This includes information on identified risks and mitigations.

For supply chain and strategic partners a key consideration is diversity to reduce single points of failure and build resilience.

For critical inventory items and spares we continually review our working capital levels to hold appropriate levels of stock in-country.

Transition risks

Telecommunications market disruption

Risk description
Customers in rural or vulnerable locations shift to satellite or alternative technologies due to concerns over resilience of connectivity due to physical climate risks

Time horizon
Already happening to a degree, likely to increase to be most material in the 15-year time horizon

Scenario where risk is greatest
Present in all scenarios

Current impacts
We have not identified any climate-specific impacts in FY25.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- Loss of customers in rural and/or vulnerable locations to satellite providers

Management actions/commentary (transition planning actions integrated into strategy)
Technology evolution will continue to influence the market. Over short/medium term it is clear that satellite can complement telecommunications, enabling customers to be served in areas where it is uneconomic or not viable to provide mobile connectivity or there is greater risk of service disruption due to climate-related events. Many of the people in remote locations who have already adopted satellite broadband are likely to have done so for non-climate reasons. We are working in partnership with satellite providers to provide satellite-enabled services to our customers.

Over the long-term 30+ year horizon there is lower certainty on the impact of technology evolution on Spark.

Regulation and government intervention

Risk description
Regulation of network resilience standards, coordination of managed retreat

Time horizon
Most likely under the Orderly scenario in the 5-year horizon (risk of inflexible regulation)

Scenario where risk is greatest
Most likely under the Disorderly scenario in the 15-year time horizon (risk of uncoordinated approach)

Current impacts
We identified no specific climate-related impacts from regulatory interventions requiring additional investments during the year

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- Inflexible regulation could mandate inefficient investment and reduce ability to innovate and adapt to evolving technologies, e.g. satellite. (Most likely under the Orderly scenario in the 5-year horizon)
- Uncoordinated approach to managed retreat may lead to investment uncertainty. (Most likely under the Disorderly scenario in the 15-year time horizon)

Management actions/commentary (transition planning actions integrated into strategy)
We are engaging with local and central Government to advocate for a coordinated approach to adaptation and resilience with clear cost benefit analysis supporting any new standards.

Supply chain disruption

Risk description
Rapid adoption of low-emissions technologies disrupts supply of input materials to digital technologies

Time horizon
Most likely under the Orderly scenario in the short-term 5-year horizon (constrained supply of network equipment)

Scenario where risk is greatest
Most likely under the Disorderly scenario in the 15-year time horizon (disruption to customer devices)

Current impacts
We have not identified any climate-specific impacts in FY25.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- Constrained supply of network equipment increases costs and limits ability to respond to reactive maintenance needs, also slowing opportunities for investment in new technologies. (Most likely under the Orderly scenario in the short-term 5-year horizon)
- Disruption to supply chain for customer devices (e.g. mobile handsets, modems etc.) limits ability to serve customers, impacting revenue, brand and reputation. (Most likely under the Disorderly scenario in the 15-year time horizon)

Management actions/commentary (transition planning actions integrated into strategy)
We are engaging with priority suppliers to understand their climate risk processes and critical failure points.

For critical inventory items and spares we work with our suppliers and partners to ensure we hold appropriate levels of stock in-country.

Transition risks (continued)

Economic disruption

Risk description
GDP reduction caused by economic transformation and climate events

Time horizon
Likely in Disorderly due to combined transition and physical impacts in 15-year time horizon

Scenario where risk is greatest
Likely in Hothouse scenario due to significant long-term physical impacts in 30+ year time horizon

Current impacts
As a long-term macro economic issue it is not possible to isolate any particular impacts on Spark in FY25.

Current financial impact (including adaptation costs)
We are unable to quantify impact on a short-term annual basis. On an annual basis we consider this to be unmeasurable unless there is a single (or series of) significant events that result in measurable economic contraction. There were no significant events noted in the past 12 months.

FY25 financial impact: NOT QUANTIFIABLE

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- Reduced revenue caused by reduced economic activity that is unevenly distributed across customer sectors

Management actions/commentary (transition planning actions integrated into strategy)
We maintain a flexible business plan and can adjust to shifting economic conditions. We are planning for long-term climate impacts across our customer base by understanding exposure to high-risk sectors and regions.

Meeting stakeholder expectations

Risk description
Increased expectations to reduce climate impact drive stakeholder behaviour change, including investors, customers and communities

Time horizon
Most likely in the short-term 5-year horizon

Scenario where risk is greatest
Most likely under the Orderly scenario

Current impacts
No negative impacts identified in FY25. In the past year the opening of the Lauriston solar farm will support our long-term emission reduction through our ten-year renewable energy partnership with Genesis Energy. Our long-term energy commitment is anticipated to reduce electricity costs over the ten-year period. See page 27.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- **Investors**: Shifting capital to low-carbon, low-risk organisations that are well-positioned for climate transition and other ESG risks
- **Customers**: Consumers and business customers shifting spend to organisations aligned to their climate expectations and broader sustainability concerns
- **Renewable energy**: Risk that insufficient new renewable energy generation capacity limits data centre growth opportunities due to customer requirements and national decarbonisation expectations

Management actions/commentary (transition planning actions integrated into strategy)
ESG (environment, social and governance) is integrated into our business strategy. We have a Sustainability Framework that guides continual improvement, and clearly established governance frameworks with oversight at the highest level, through our Board.

We have established a near-term science-based emissions reduction target for our scope 1 and 2 emissions, which has been verified by the SBTi (see page 27). This establishes our own internal decarbonisation pathway, against which we are tracking progress. Initiatives include our ten-year renewable energy partnership with Genesis Energy that supports the generation of new renewable energy in New Zealand (see page 29).

We benchmark our performance via the Corporate Sustainability Assessment, which informs the Dow Jones Sustainability Index.

For more detail refer to www.spark.co.nz/online/about/sustainability

Access to capital

Risk description
Climate-related disruption to global markets limits long-term access to capital

Time horizon
Not a short-term risk. Most significant in the 30+ year time horizon

Scenario where risk is greatest
Most significant under the Hothouse scenario

Current impacts
This is a long-term risk. In FY25 we have not identified any instances where investors in Spark have shifted capital away or towards Spark for climate-related reasons.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- Limited access to capital for future investment

Management actions/commentary (transition planning actions integrated into strategy)
We are not a heavy emitting business, and as outlined above, we have an approach to ESG that drives continual improvement. As a digital services company, we enable climate mitigation and adaptation through the services we provide. On this basis we believe that climate risk is unlikely to limit Spark's long-term access to financial capital.

Climate-related opportunities

COMBINED CURRENT IMPACTS
Opportunity for climate mitigation and adaptation services

Current impacts

Many of our existing IoT services, including connectivity and monitoring solutions, are linked to climate benefits. An example is connectivity services related to smart energy meters, which can enable climate mitigation innovation through a smarter, connected grid alongside other benefits to customers.

These services provide an ongoing source of revenue to Spark.

Current financial impact (including adaptation costs)

Includes revenue from:

- connectivity services for IoT customers used in monitoring, e.g. smart energy meters, environmental monitoring
- specific customer solutions, e.g. environmental monitoring, fleet tracking

FY25 financial impact: ~$15m revenue

Opportunity for climate mitigation services

Opportunity description: Innovation and provision of digital and high-tech services that support customers to become more productive, efficient and sustainable

Time horizon

Most significant in the 5 and 15-year horizons

Scenario where opportunity is greatest

Most significant under the Orderly scenario

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased revenue from connectivity services and or advanced/converged digital solutions which drive efficiency, e.g. GPS fleet optimisation, industrial process automation

Management actions/commentary

(transition planning actions integrated into strategy)

Our IoT business provides solutions to customers that deliver environmental benefits, with connections and revenues continuing to grow year-on-year.

We have completed research on the key sectors where the greatest emissions reduction opportunities lie. We have partnered with NZTech to promote the integration of these opportunities into New Zealand's national emissions reduction planning. We continue to advocate for the role of digital technology in addressing climate-related challenges.

For more information see the Enabling customer transition through technology section (page 7)

Opportunities for climate adaptation services

Opportunity description: Providing services to enable customers to adapt to climate change, including environmental monitoring to track physical risks such as flooding, wind, fire etc.

Time horizon

Present across all scenarios and time horizons, but most material across the following:

Disorderly – 15 years
Hothouse – 30+ years

Potential impacts

(anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased revenue from IoT and monitoring services, which monitor climate risks

Management actions/commentary

(transition planning actions integrated into strategy)

Our IoT business provides solutions to customers that deliver environmental benefits, with connections and revenues continuing to grow year-on-year. This includes the integration of environmental IoT company Adroit, which was acquired in FY24 and now forms part of Spark IoT.

Climate risk management

How climate-related risks are identified, assessed and managed

Processes and tools for identifying, assessing, and managing climate-related risks and integration into overall risk management processes

Our climate scenario analysis is our primary process for identifying new and emerging risks and opportunities from climate change. We completed our first climate scenario analysis in FY21, the results of which were published in our FY21 Annual Report. The risks and opportunities identified through this process have been reviewed annually by our Board and Leadership Squad as part of annual reporting processes. For FY24 we refreshed our scenario analysis, with this updated scenario analysis forming the basis of the climate-related risks and opportunities disclosed in this FY25 report. See the 'Climate scenario analysis section on page 10 for more information on the processes we have followed to identify and assess risk, and the time horizons considered by our analysis. The scenario analysis processes undertaken consider Spark's entire value chain.

Our climate scenario analysis is an input into our overarching risk governance. Our risk policy and framework are benchmarked to COSO ERM 2017 (COSO), a leading practice risk management standard. We also use other leading risk management standards like ISO31000:2018 and specific standards and guidance, where available, to benchmark and inform our risk management practices.

Within our overarching risk framework, we update our principal risk profiles twice a year. Our risk framework is how we prioritise different types of risks across the organisation. This considers risks to Spark delivering against its five-year strategy. The materiality of risks is considered against the likelihood of occurrence and the scale of financial impact. 'Ensuring the performance and resilience of network, infrastructure and ICT technology' is one of the principal risks, which includes physical adaptation risk to our networks, and risk in our network supply chain, aligned to the physical risks identified through our climate scenario analysis. See the Managing Risk section of our FY25 Annual Report (page 69) more detailed information on how Spark manages principal risks.

To ensure linkage between our principal risk processes and our sustainability/ESG risks (including climate change) we include a summary of sustainability risks in quarterly risk reporting to our Board and Leadership Squad. This lists our most material sustainability topics, identified through our sustainability materiality processes and our climate scenario analysis. We also map these topics across to our principal risks to show how we have integrated emerging and longer-term issues into our enterprise risk management approach.

The timeframes for our climate scenario analysis (5, 15 and 30+ years) extend beyond the time horizons considered by our principal risk assessment which is aligned to our five-year strategy horizon.

For emerging risks that fall outside of the principal risks described above, we identify actions for managing those risks outside the enterprise risk system. An example of this is the research published into the role of digital technology in supporting emissions reductions (see page 7).

Climate metrics and targets

How Spark measures and manages climate-related risks and opportunities, including our emissions targets and performance

Climate-related metrics

The table below sets out our key climate-related metrics by reference to the relevant paragraph of NZ CS 1. Outside of the metrics below, Spark does not use any industry-based metrics or key performance indicators to measure and manage climate-related risks and opportunities. We have included information relating to the methods, assumptions and uncertainties associated with the below metrics within the table, with further detail of the methods, assumptions and uncertainties relating to our GHG emissions outlined in our GHG inventory report (Appendix 1 of this report). Please see Appendix 2 for the Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures provided by Deloitte.

	Metric Category	Metric	Notes
22(a)(i)	Scope 1 emissions (including comparatives and analysis of trends)	FY25: 4,732 tCO_2e FY24: 4,670 tCO_2e FY23: 2,694 tCO_2e	See our GHG Inventory Report for breakdown of scope 1 emissions (page 32) and 'Our emissions performance' for comparatives/analysis of trends (pages 28, 29).
22(a)(ii)	Scope 2 emissions (location-based) (including comparatives and analysis of trends)	FY25: 15,980 tCO_2e FY24: 11,684 tCO_2e FY23: 10,301 tCO_2e	Using location-based method required by NZ CS 1. See our GHG Inventory Report for breakdown of scope 2 emissions (page 32) and 'Our emissions performance' for comparatives/analysis of trends (pages 28, 29).
	Scope 2 emissions (market-based) (including comparatives and analysis of trends)	FY25: 13,998 tCO_2e FY24: 12,204 tCO_2e FY23: 10,624 tCO_2e	Using market-based approach aligned to our existing GHG reporting against our SBTi target. See our GHG Inventory Report for breakdown of scope 2 emissions (page 32) and 'Our emissions performance' for comparatives/analysis of trends (pages 28, 29).
22(a)(iii)	Scope 3 emissions	FY25: 212,909 tCO_2e FY24: 397,721 tCO_2e	See our GHG Inventory Report for breakdown of scope 3 emissions (page 33) and 'Our emissions performance' for comparatives/analysis of trends (pages 28, 29).
22(b)	GHG emissions intensity	FY25: 0.062 $kgCO_2e$ / $ revenue FY24: 0.107 $kgCO_2e$ / $ revenue	Calculated as total scope 1, 2 (market-based) and 3 emissions divided by reported revenue.
22(c)	Transition risks – amount or percentage of assets or business activities vulnerable to transition risks	FY25: Not quantifiable for individual assets or activities (unchanged from FY24).	We have identified enterprise-wide transition risks, with the most material risks related to medium/long-term economy-wide economic impacts of climate change. As such, these relate to the entire Spark business rather than to an identifiable amount or percentage of assets or business activities.
22(d)	Physical risks – amount or percentage of assets or business activities vulnerable to physical risks	FY25: <2% of all sites identified in physical risk analysis. FY24: <2% of all sites identified in physical risk analysis.	Refer to the Physical risk assessment section on page 15.

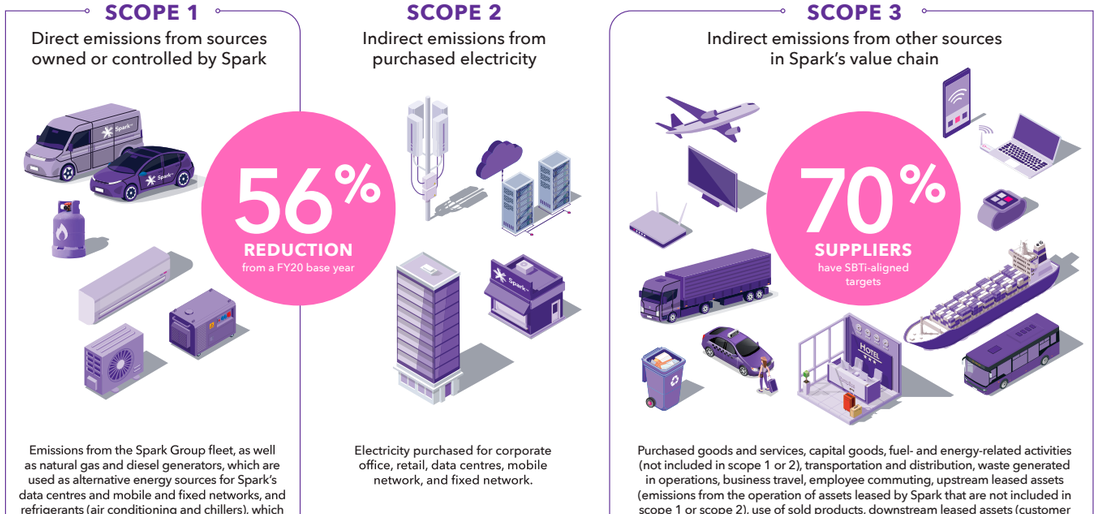
	Metric Category	Metric	Notes
22(e)	Climate-related opportunities: amount of percentage of assets or business activities aligned with climate-related opportunities	FY25: Not quantifiable for individual assets or activities (unchanged from FY24).	It is not possible to distinguish climate-related opportunities from broader telecommunications and digital service assets and activities. Our infrastructure, (e.g. mobile networks, data centres) supports solutions aligned to climate-related opportunities, as they enable technologies and services that deliver climate mitigation and adaptation.
22(f)	Capital deployment: amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	FY25: Not quantifiable (unchanged from FY24).	Due to the nature of our business, the majority of Spark's capital expenditure is to build capacity, coverage, or resilience of our infrastructure – all of which contribute towards addressing both climate-related risks and opportunity. For example, our investment in network resilience, expanded mobile networks and data centres.
22(g)	Internal emissions price: price per metric tonne of CO_2e used	Range considered, escalating over time: $72.1-$88.3 (FY24) $76.8-$97.5 (FY25) $100.0-144.0 (FY30)…	We have used a range of escalating emissions prices, including an emissions price aligned to the Climate Change Commission's demonstration pathway, to assess and compare emissions reduction opportunities. We have built indirect carbon cost into energy cost models for investment analysis, incorporating Renewable Energy Certificate (REC) costs into lifecycle energy cost.
22(h)	Management remuneration linked to climate-related risks and opportunities		Refer to the 'Climate Governance' section on page 4.

GHG emissions reporting approach

	Disclosure requirement	Approach
24(a)	GHG measurement / reporting standards	Our GHG Inventory report has been prepared in accordance with *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* ('the GHG Protocol') and *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard* (2011) ('the Corporate Value Chain').
24(b)	GHG consolidation approach	Operational control approach: A detailed description of consolidation approach is available on pages 35 – 36 under 'Organisational boundary'. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report).
24(c)	Source of emissions factors and GWP rates	A detailed list of emissions factors and GWP rate sources is available for each scope/category in the tables on pages 38 – 43 under 'FY25 Emissions Source Inclusions', and under 'References' on page 44. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report).
24(d)	Summary of specific exclusions from emissions reporting	A detailed description of our reporting methodology and approach is available on pages 37 – 43 under 'Operational boundary'. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report).

Our short-term emissions reduction target

Spark's scope 1, 2 and 3 emissions



Spark's emissions reduction target received verification by the Science Based Targets initiative (SBTi) in 2021. SBTi targets must have a strict absolute reduction target for scope 1 and 2 emissions, and also include a separate scope 3 target if these emissions are greater than 40% of the total footprint. SBTi targets are set against sector-specific emissions trajectories. The ICT sector pathways were developed with the International Telecommunications Union (ITU) based on projected growth and efficiency gains. The wording of targets are set and verified by the SBTi, and follow a common format requiring companies to 'commit' to the target that has been established. For Spark this is as follows:

- Spark New Zealand commits to reduce absolute scope 1 and 2 GHG emissions 56% by 2030 from a FY2020 baseline year.
- Spark New Zealand commits that 70% of its suppliers by spend covering purchased goods and services and capital goods, will have SBTi-aligned targets in place by 2026.

This means Spark is committed to pursuing this target and we are working towards it. For clarity, this is not a guarantee that we will meet this target.

Our scope 1 and 2 target has been verified by SBTi as in line with a 1.5 degree pathway for the period to FY30. We use a market-based approach to calculate baseline year emissions and to track performance against the target. Our supplier target is an engagement target, which means that it does not directly require us to reduce our emissions, but indirectly contributes to limiting global warming to 1.5 degrees by requiring us to engage with our suppliers in relation to setting their own science-based targets.

To achieve our target, we are pursuing emissions reductions within our direct value chain. Spark does not intend to use carbon offsets to achieve our target. This approach aligns to SBTi rules which do not allow carbon offsets to be counted against emission targets.

Long-term emission reduction target setting

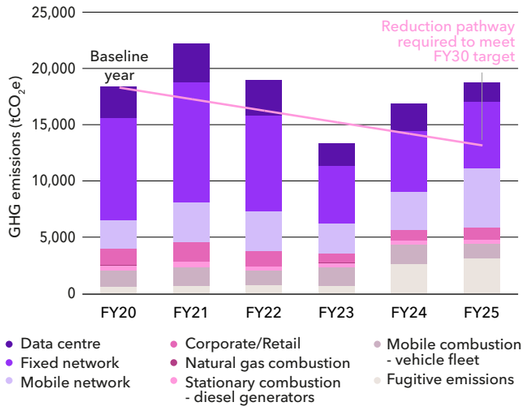
We have deferred setting longer-term emissions reduction targets awaiting the conclusion of the process to seek a capital partner for our data centre assets. Across our portfolio the greatest long-term driver of electricity use growth has been from our data centre sites. Historically these sites have been accounted for under our operational control approach to reporting, with 100% of emissions included in our reporting boundary and within our emissions reduction targets. With the announcement that Pacific Equity Partners (PEP) has signed an agreement to purchase a 75% interest in our data centre business, which happened after the conclusion of FY25, our reporting boundary around data centre operations is likely to change. This will be a consideration for our FY26 reporting.

With this greater certainty on the scope of our emission reporting and targets, a focus for FY26 is to establish long-term emissions reduction targets for our scope 1, 2 and 3 emissions. This will consider international guidance, and how Spark contributes towards New Zealand's net zero 2050 targets.

Performance against our emissions reduction target

Please see pages 32 – 34 for our detailed scope 1, 2, and 3 disclosure tables which are contained within Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25.

Performance against our emissions reduction target (scope 1 and 2)



Our emissions performance

Emissions reduction does not track in a straight-line trajectory, and often occurs in step changes tied to specific initiatives. We remain committed to our FY30 emissions target and we are taking meaningful steps to work towards our emissions reduction target, with progress made on underlying performance in the past year which lays the foundation for future emissions reduction.

A significant initiative that launched in the second half of the year was the commencement of our ten-year renewable energy partnership with Genesis Energy, which enables Spark to reduce our reported (market based) scope 2 emissions through linking emissions, from electricity consumption to new renewable generation.

In FY25 our scope 1 and 2 emissions increased 11.0% year-on-year, 2.1% above our FY20 baseline year. Our emissions are tracking 41.8% above our emissions trajectory, plotted as a straight line between our FY20 baseline and FY30 target year.

Our scope 1 emissions increased 1.3% year-on-year. This includes a significant reduction in fleet emissions, down 26.3%. This is offset against an 18.8% increase in fugitive emissions, the majority of which relate to a single event. See the sections below for more detail on each of these scope 1 categories.

Our scope 2 electricity use, which powers our networks and infrastructure, remains our largest overall source of emissions related to our direct operations, at 74.7% of our total scope 1 and 2 emissions. These emissions are influenced by several factors, including the national grid emissions factor which increased in the past year due to the winter energy crisis. This was caused by a reduction in hydroelectric generation, meaning more coal was burnt to meet electricity generation needs. As a result, the market-based emissions factor we use to report our scope 2 emissions increased by 45.6%. Our new partnership with Genesis will allow us to decouple some of our market-based scope 2 emissions reporting from the national grid emissions factor.

Scope 1 emissions: Fugitive emissions

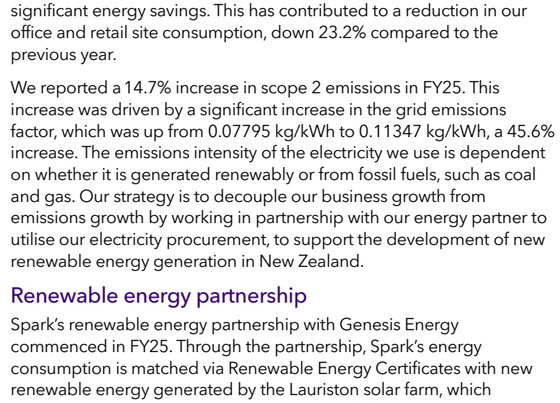
The majority of our FY25 fugitive emissions were associated with a single event. This was fire suppressant discharge triggered by a fire detection system. Due to the high global warming potential of the suppressant gas this resulted in emissions of 2,211 tCO_2e. In response, we have completed a redesign of the system, which will now incorporate a low-emission fire suppressant.

Other fugitive emissions may be caused by refrigerant leaks from cooling systems. In the past year we have trialled an early leakage detection solution using IoT sensors which can detect refrigerant gases. This system has been piloted at an Auckland site, which has shown the importance of sensor location to gas detection. These insights may inform the rollout of sensors to other sites in the future.

Scope 1 emissions: Our fleet

We saw a significant reduction in fleet emissions in FY25, with emissions down 26.3%. This was driven by the rationalisation of the Spark corporate fleet. This focused on reducing the number of personally assigned vehicles and retaining electric vehicles as shared pool cars. The majority of fleet emissions are now associated with the Entelar Group fleet, which includes a number of diesel-powered field services vehicles, alongside electric and hybrid cars.

Scope 2 emissions: Electricity consumption



Scope 2: Our electricity consumption performance

In the past year we have seen a decrease in electricity consumption linked to our scope 2 emissions. Our electricity consumption is down 4.9% from 156.3 GWh to 148.7GWh.

This decrease is largely due to our long-standing programme of network simplification, including the decommissioning of legacy equipment, such as the public switched telephone network (PSTN), which has driven year-on-year reductions in electricity use across our business. These savings offset growth in other areas, such as our mobile network, which is increasing its energy use as we roll out 5G.

In the past year the relocation of Spark's Auckland corporate office to 50 Albert Street also supported our efforts to reduce our environmental impact. Since our move in December 2024, we have already seen significant energy savings. This has contributed to a reduction in our office and retail site consumption, down 23.2% compared to the previous year.

We reported a 14.7% increase in scope 2 emissions in FY25. This increase was driven by a significant increase in the grid emissions factor, which was up from 0.07795 kg/kWh to 0.11347 kg/kWh, a 45.6% increase. The emissions intensity of the electricity we use is dependent on whether it is generated renewably or from fossil fuels, such as coal and gas. Our strategy is to decouple our business growth from emissions growth by working in partnership with our energy partner to utilise our electricity procurement, to support the development of new renewable energy generation in New Zealand.

Renewable energy partnership

Spark's renewable energy partnership with Genesis Energy commenced in FY25. Through the partnership, Spark's energy consumption is matched via Renewable Energy Certificates with new renewable energy generated by the Lauriston solar farm, which officially started supplying the grid in early 2025.

The partnership demonstrates how New Zealand businesses can work together to support New Zealand's decarbonisation – with Spark's procurement supporting Genesis's renewable energy investments, and those investments in turn enabling Spark to meet its emissions reduction target.

The annual production from the solar farm is projected to be equivalent to approximately 60% of Spark's annual electricity consumption. Although the site was only operational for part of the FY25 period, it enabled Spark to reduce reported market-based electricity emissions by 3,954 tCO_2e across scope 2 and 3.

Scope 3 emissions

We have continued to expand and improve on our scope 3 emissions reporting, which is included with our GHG Inventory Report (see page 33). The majority of our scope 3 emissions are related to category 1 (purchased goods and services). We calculate these emissions by analysing our spend across different categories and applying spend-based emissions factors. These factors account for the emissions intensity of different industries, with higher factors for more emission intensive spend (e.g. construction) and lower factors for spend that is less emission intensive (e.g. software).

In FY25 we transitioned our reporting to use a more current and location-relevant set of spend-based-factors. More detail on methodology review is available in the GHG Inventory Report (see page 37).

Our reported scope 3 emissions for FY25 total 212,909 tCO_2e. Due to the continued refinements in our reporting approach we are not able to make a year-on-year comparison. We have rebaselined our scope 3 emissions reporting year to FY25 (see page 37 for more information).

Performance against our scope 3 supplier engagement target

The percentage of our spend with suppliers with SBTi-aligned targets in place has increased to around 61%, up from 43% last year. This is against our target that 70% of our suppliers by spend covering purchased goods and services and capital goods will have SBTi-aligned targets in place by the end of 2026.

The majority of this year-on-year increase is driven by our largest New Zealand based supplier, who established their own SBTi-validated target in early FY25. We continue to engage with other key New Zealand suppliers to encourage and support them to establish their own science-based emissions reduction targets.

Across our global supply chain, as we have strengthened our ethical supply chain processes we have implemented a process to survey key suppliers on an annual basis. This provides an opportunity to gather more data on supplier environmental governance, compliance, and commitments, including emissions reduction targets and alignment and validation against SBTi methodology. For global suppliers our membership of the global industry group, the Joint Alliance for CSR (JAC) initiative, provides a platform to engage suppliers alongside other telecommunications companies with similar SBTi-verified supplier engagement targets. For more information on our approach to engaging suppliers on sustainability and ESG matters, refer to our Modern Slavery and Human Rights Statement.

Appendices

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25

About this report

This Appendix is the FY25 Greenhouse Gas Inventory Report for Spark New Zealand Limited ('Spark' and together with its subsidiaries, the 'Spark Group'). This Report covers the emissions for FY25 (the period of 1 July 2024 to 30 June 2025) and provides information about our baseline year (FY20 for scope 1 and 2) and comparative years (FY21-FY24). It has been prepared in accordance with *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* ('the GHG Protocol') and *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard* (2011) ('the Corporate Value Chain').

This report is dated 20 August 2025 and is signed on behalf of the Board of Spark New Zealand Limited by Justine Smyth, Chair.

Justine Smyth CNZM
Chair

Spark New Zealand Limited (NZX: SPK, ASX: SPK)

Our baseline year for reporting

FY20 remains our baseline year for reporting scope 1 and 2 emissions and forms the foundation of our Science Based Targets initiative (SBTi)-validated commitment to reduce these emissions by 56% by FY30.

In FY25, we made several structural and operational changes that impacted the boundaries and data quality of our emissions inventory, particularly within scope 3. These changes included:

- **Divestment of subsidiary Digital Island**
- **Improved data access and methodologies**: Allowing for more accurate capture and attribution of emissions across scope 3 categories, including purchased goods and services, waste generated in operations and downstream leased assets.
- **Better aligned emission factors**: Instead of UK based DEFRA spend-based factors, this year we used New Zealand-based thinkstep-anz EEIO factors to determine our category 1,2,4 and 9 emissions for scope 3.
- **Additional categories measured**: As a result of improved data availability, this year we measured emissions associated with the end- of-life processing of our sold products.

We have not restated previously disclosed scope 3 categories 1, 2, 4, and 9, which have been affected by significant changes in data availability and methodology. These changes reflect the adoption of new data sources and estimation approaches that were not available in prior periods. Consequently, restating FY24 figures is not feasible due to the absence of consistent historical data.

More information on our methodology can be found on page 37.

Given the significance of these changes and in line with the Greenhouse Gas Protocol's guidance, we have reset our baseline year for our scope 3 emissions to FY25. This new baseline year reflects the most complete and accurate representation of our current value chain emissions and sets a more reliable foundation for future tracking and reduction efforts. However, FY20 remains our baseline year for the purposes of tracking progress against our scope 1 and 2 emissions reduction target.

We are committed to maintaining a robust and transparent emissions reporting framework. Going forward, we will trigger a rebaseline of our scope 1, 2, or 3 inventories if:

- Structural or operational changes (e.g. acquisitions, divestments, insourcing or outsourcing) impact emissions by 5% or more.
- There are significant improvements in data availability, emissions factors, or calculation methodologies.
- Material errors are identified in previously reported data.

This approach supports accurate, decision-useful emissions reporting, aligned with international best practices.

Renewable energy use and certificate retirement (Q3-Q4 FY25 only)

Spark's renewable energy partnership with Genesis Energy commenced in January 2025. Through the partnership, Spark's energy consumption is matched via Renewable Energy Certificates (RECs) with new renewable energy generated by the Lauriston solar farm (see page 29).

Each REC certifies that one megawatt-hour (MWh) of electricity was generated from a renewable source and fed into the New Zealand grid. To avoid double counting of renewable energy attributes RECs are cancelled against energy users' site ICPs (Installation Control Points), which are the points at which sites connect to the grid.

During the reporting year, our organisation retired 34,842 MWh of RECs to support the decarbonisation of electricity consumption for the second half of the year (Q3 and Q4) when applying a market-based approach. These RECs were allocated to cover:

- 100% of electricity consumption from our Data Centre (DC) ICPs during Q3 and Q4 FY25, and
- The remainder used to partially offset Fixed Network ICP consumption (exchange sites with data centre utilisation prioritised) in the same period.

No RECs were applied against electricity use during Q1 and Q2.

Allocation of RECs and associated emissions

The following table shows electricity use and REC retirement, segmented by quarter and site type, along with Scope 2 emissions under both location-based and market-based approaches:

Site type	Time period	Total electricity (MWh)	RECs retired (MWh)	Market based emissions (tCO_2e)	Location based emissions (tCO_2e)
Data Centre ICPs	Q1–Q2	15,989	0	1,814	1,720
	Q3–Q4	15,740	15,740	0	1,693
Fixed Network ICPs	Q1–Q2	40,930	0	4,644	4,404
	Q3–Q4	39,579	19,102	2,324	4,258
Total		112,238	34, 842	8,782	12,075

Treatment of oncharged electricity-Scope 3 (Q3–Q4)

Some electricity used at our data centres is on-charged to customers based on estimated kWh consumption. This is energy associated with powering customer-owned equipment that is hosted at Spark-operated sites. This estimated electricity consumption is used to report our emissions against Scope 3 Category 13: Downstream Leased Assets. We provide detail on this reporting methodology, including assumptions, estimations, and levels of uncertainty on pages 42 – 43.

For Q3-Q4, the majority of this on-charged electricity is reported as zero emissions under the market-based approach, as it was fully covered by renewable energy certificates (RECs). By retiring the RECs against the specific sites hosting customer equipment we can ensure that the energy used by customer-owned equipment hosted is linked to renewable energy attributes for reporting purposes.

For Q1-Q2, when no RECs were applied, on-charged electricity is reported using the applicable grid-average residual supply emissions factor.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Greenhouse gas emissions inventory

Scope 1 and 2 emissions

	Greenhouse gas emissions (tCO_2e)					
Scope / category	FY20 (SBTI baseline year)	FY21	FY22	FY23	FY24	FY25
Scope 1	**2,485**	**2,799**	**2,372**	**2,694**	**4,670**	**4,732**
Fugitive emissions	561	637	702	628	2,581	3,067
Mobile combustion – vehicle fleet	1,483	1,678	1,337	1,659	1,768	1,304
Stationary combustion – diesel generators	426	470	325	393	311	353
Natural gas combustion	15	15	8	14	10	8
Scope 2 (Market based)	**15,855**	**19,428**	**16,609**	**10,624**	**12,204**	**13,998**
Corporate/Retail	1,450	1,722	1,361	799	989	1,106
Mobile network	2,589	3,535	3,546	2,687	3,350	5,235
Fixed network	9,061	10,725	8,474	5,116	5,415	5,968
Data centre	2,756	3,446	3,228	2,023	2,450	1,689
Scope 2 (Location based)*	15,836	19,319	16,318	10,301	11,684	15,980
Total Scope 1 and 2 (Market based)	**18,341**	**22,227**	**18,981**	**13,318**	**16,874**	**18,730**

Notes:

See pages 38 – 43 for more information on methodologies and emission factors used to calculate and measure emissions and specific exclusions of sources.

We split our scope 2 market-based electricity reporting across four activity categories - Corporate/Retail, Mobile Network, Fixed Network, and Data Centre. These operational categories align with the ICT sector pathways developed with the International Telecommunications Union (ITU) in its guidance for setting a science-based emissions reduction target.

In FY25 we retired 25,165 MWh of RECs (Renewable Energy Certificates) against a proportion of electricity use at Data Centre and Fixed Network ICPs. These RECs are reported as zero emissions under the market-based method. See page 31 for more information.

Numbers may not sum due to rounding.

Scope 3 emissions

	GHG emissions (tCO_2e)					
GHG Protocol category	FY20	FY21	FY22	FY23	FY24	FY25 (Baseline year)
Category 1: Purchased goods and services					358,987	174,214
Category 2: Capital goods					401	3,099
Category 3: Fuel-and energy-related activities					1,489	2,461
Category 4: Upstream transport and distribution					17,128	3,174
Category 5: Waste generated in operation					822	833
Category 6: Business travel	3,236	707	620	2,402	2,089	1,838
Category 7: Employee commuting					3,565	3,968
Category 8: Upstream leased assets					567	870
Category 9: Downstream transport and distribution					1,302	1,628
Category 11: Use of sold products					9,699	16,836
Category 12: End of life processing					N/A	585
Category 13: Downstream leased assets	1,647	2,063	1,728	1,104	1,176	2,760
Category 14: Franchises					338	370
Category 15: Investments					158	272
Total Scope 3 emissions (tCO_2e)					**397,721**	**212,909**

Notes:

Please see pages 38 – 43 for information on methodologies and emission factors used to calculate and measure emissions and specific exclusions of sources.

Updates to the emission factor database, source data and spend classification methodology used for Categories 1, 2, 4, and 9 mean that reported emissions are not directly comparable between FY24 and FY25. Consequently, any year-on-year differences should be interpreted with caution, as they may result from methodological changes rather than actual shifts in emissions or activity levels. Please see page 37 for more information.

To ensure comparability, we have restated FY24 Waste Generated in Operations to include e-Waste recycling. An additional 450 tonnes (431 tCO_2e) of e-Waste has been added to FY24 category 5.

In FY24, emissions from distributed subsidiary products were not included in Category 11. In FY25, we expanded our dataset to capture emissions associated with the use of these products, improving the completeness of our reporting.

Category 13: Downstream leased assets reporting for FY25 includes emission reduction from the cancellation of Renewable Energy Certificates. See page 31 for more information.

In FY25, we received additional data from our investment entities, enhancing the completeness of Category 15 reporting. As a result, emissions reported under Category 15 are not directly comparable to those in previous years.

Numbers may not sum due to rounding.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Greenhouse gas emissions by gas type

Scope / category	Greenhouse gas emissions (tCO_2e)	CO_2	CH_4	N_2O	HFC
Scope 1	**4,732**	**1,630**	**8**	**27**	**3,067**
Fugitive emissions	3,067				3,067
Mobile combustion – fleet fuel	1,304	1,271	7	26	
Stationary combustion – diesel	353	351	1	1	
Natural gas combustion	8	8			
Scope 2	**13,999**	**13,593**	**378**	**27**	
Corporate/Retail	1,106	1,074	30	2	
Mobile Network	5,235	5,084	141	10	
Fixed Network	5,968	5,796	161	11	
Data Centre	1,689	1,640	46	3	

Notes:

Spark does not have emissions of SF_6, NF_3, or perfluorocarbons (PFCs). Scope 3 emissions are not broken down by individual gas type due to incomplete data. Totals may not add exactly due to rounding.

For Scope 2 market-based emissions, we apply the gas-by-gas breakdown from the Ministry's Scope 2 emissions factor proportionally to the residual mix emissions factor published by BraveTrace, to estimate the individual gas contributions.

Scope 1 and scope 2 energy usage by type

	FY20	FY21	FY22	FY23	FY24	FY25
Scope 1						
Fugitive emissions	N/A	N/A	N/A	N/A	N/A	N/A
Vehicle fleet – premium petrol (litres)	60,079	60,387	24,624	26,235	29,258	16,414
Vehicle fleet – regular petrol (litres)	225,672	212,408	183,263	307,627	272,302	188,109
Vehicle fleet – diesel (litres)	197,756	245,046	240,181	309,282	392,537	304,286
Stationary combustion – diesel generators (litres)	160,004	176,367	121,763	146,304	116,082	131,726
Natural gas combustion (kWh)	78,927	75,731	43,460	70,564	52,934	41,217
Scope 2						
Corporate / Retail (GWh)	14.67	13.83	12.28	11.48	12.69	9.75
Mobile Network (GWh)	26.18	28.38	32.02	38.59	42.97	46.13
Fixed Network (GWh)	91.62	86.12	76.5	73.48	69.47	63.66
Data Centre (GWh)	27.87	27.67	29.14	29.05	31.43	28.98

Organisational Boundary

Our organisational emissions reporting boundary takes an operational control approach as defined by the GHG Protocol and includes Spark and its subsidiaries.

Spark New Zealand Limited is the parent entity of the Spark Group. Spark is publicly listed, and our issued shares are quoted on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX). As at 30 June 2025 the Spark Group comprised 28 controlled entities.

For additional context, more information on significant subsidiaries and controlled entities in the Spark Group as at 30 June 2025 (including ownership percentages and principal activity information) is available in the Spark FY25 Annual Report (see page 118).

Spark subsidiary inclusions

Subsidiary company	Principal activity	Emissions reporting inclusions / exclusions
Adroit Holdings Limited	Environmental IOT solutions	Included in Spark Corporate reporting
Adroit IOT Limited	Environmental IOT solutions	Included in Spark Corporate reporting
Adroit Research Limited	Environmental IOT solutions	Included in Spark Corporate reporting
Computer Concepts Limited	IT infrastructure and Cloud services	Electricity, business travel, fleet, refrigerants, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting, use of sold products, downstream leased assets
Entelar Group Limited	Telecommunications and IT infrastructure build and maintenance services, and distribution and supply chain services	Electricity, business travel, fleet, refrigerants, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting
Gen-i Australia Pty Limited	Provides international, wholesale and outsourced telecommunications services	Excluded as no operational emissions
MATTR Limited	Software company focused on decentralised identity and verifiable data	Office electricity (on a headcount estimate basis for FY22 and earlier), natural gas, business travel, fleet, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting
MATTR Trading Australia Pty Limited	Software company focused on decentralised identity and verifiable data	Excluded as no significant operational emissions
MATTR Trading US, Inc	Software company focused on decentralised identity and verifiable data	Excluded as no significant operational emissions
Qrious Limited	Data analytics business	Included in Spark Corporate Reporting
Revera Limited	IT infrastructure and data centre provider	Electricity, business travel, fleet, refrigerants, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting, use of sold products, downstream leased assets
Spark Finance Limited	Group finance company	Excluded as no operational emissions
Spark New Zealand Cables Limited	Investment company	Included in Fixed Network Electricity (Scope 2)
Spark New Zealand Trading Limited	Telecommunications and digital services company	Included in Spark Corporate reporting
Spark Trustee Limited	Trustee company	Excluded as no operational emissions
TCNZ Australia Investments Pty Limited	Australian operations	Excluded as no significant operational emissions
TCNZ (Bermuda) Limited	Holding company	Excluded as no operational emissions

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Subsidiary company	Principal activity	Emissions reporting inclusions / exclusions
TCNZ Financial Services Limited	Investment company	Excluded as no operational emissions
TCNZ (United Kingdom) Securities Limited	Holding/investment company	Excluded as no operational emissions
Teleco Insurance Limited	Group insurance company	Excluded as no operational emissions
Teleco Insurance (NZ) Limited	Mobile phone insurance	Excluded as no operational emissions
Telecom Capacity Limited	Holding company	Excluded as no operational emissions
Telecom Enterprises Limited	Investment company	Excluded as no operational emissions
Telecom New Zealand (UK) Enterprises Limited	Holding/investment company	Excluded as no operational emissions
Telecom New Zealand USA Limited	Provides international wholesale telecommunications services	Excluded as no significant emissions
Telecom Pacific Limited	Holding company	Excluded as no operational emissions
Telecom Southern Cross Limited	Holding company	Excluded as no operational emissions
Telecom Wellington Investments Limited	Investment company	Excluded as no operational emissions

Investments in associates and joint ventures (at 30 June 2025)

Name	Type	Country	Ownership/ investment	Principal activity	Inclusion/exclusion
Flok Limited	Associate	New Zealand	37.7%	Hardware and software development	Excluded – No operational emissions
Hourua Limited	Joint Venture	New Zealand	50%	Delivering the Public Safety Network	Captured in Scope 1 and 2
Pacific Carriage Holdings Limited, Inc.	Associate	United States	41%	A holding company	Excluded -no operational emissions
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband	Captured in Category 15 – Investments
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company	Excluded – no operational emissions
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development	Excluded – no operational emissions

Operational Boundary

In line with the GHG Protocol, Spark New Zealand categorises its GHG emissions into three distinct scopes:

Scope 1 – Direct emissions. These emissions arise from sources Spark owns or controls. These include fuel consumption from our fleet, refrigerant leakages, fire suppressant discharges, natural gas consumption and diesel top-ups for our generators.

Scope 2 – Indirect emissions from purchased electricity. This scope covers electricity consumption at Spark operated sites.

Scope 3 – Other indirect emissions. Scope 3 encompasses a broad range of emissions throughout Spark's value chain, both upstream and downstream. Based on the GHG Protocol's Value Chain Standard, Scope 3 includes 15 potential categories. To determine which categories are included, the company considers:

- A minimum materiality threshold of 1% of total Scope 3 emissions per category.
- Relevance to stakeholders and the ability to influence emissions.
- Sector-specific guidance.
- Availability of activity data.

Based on these criteria, the following categories are included in our inventory:

- Category 1: Purchased goods and services 81.8%
- Category 2: Capital goods 1.5%
- Category 3: Fuel- and energy- transmission and distribution 1.2%
- Category 4: Upstream transportation and distribution 1.5%
- Category 4: Waste generated in operations 0.4%
- Category 6: Business travel 0.9%
- Category 7: Employee commuting 1.9%
- Category 8: Upstream leased assets 0.4%
- Category 9: Downstream transportation and distribution 0.8%
- Category 11: Use of sold products 7.9%
- Category 12: End-of-life treatment of sold products 0.3%
- Category 13: Downstream leased assets 1.3%
- Category 14: Franchises 0.2%
- Category 15: Investments 0.1%

GHG emissions source exclusions

Scope 3 Category 10: Processing of sold goods is excluded from our inventory as Spark Group does not sell any unfinished products.

Methodology review

Each year we review our methodologies and data sources to assess whether changes are needed -either due to updates in available data or opportunities to enhance our approach for a more accurate and robust view of our climate impact.

- **Spend-based emissions**

In FY24, Spark Group employed an internal Power BI tool, known as Spend Cube, to categorise procurement transactions against Environmentally Extended Input-Output (EEIO) emission factors. The tool was decommissioned in FY25, and emissions estimation for the year was instead based on general supplier categorisation.

FY24 spend-based emissions were calculated using DEFRA EEIO factors adjusted for inflation and New Zealand currency, as these were the most current available at the time. In FY25, we adopted the New Zealand-based thinkstep-anz EEIO dataset, enabling the use of more locally relevant and up-to-date emission factors.

As a result of these methodological changes, scope 3 categories 1,2,4 and 9 are not directly comparable between FY24 and FY25.

- **Scope 3 Category 5: Waste generated in operations**

In FY24, Spark relied on waste data provided by our service provider. These reports covered 29 Spark sites and included a combination of actual and estimated waste collection volumes. The sites accounted for approximately 1,875 full-time equivalent (FTE) staff, with around 75% located at our corporate headquarters on Victoria Street West.

In Q2 FY25, Spark relocated its head office to 50 Albert Street. At this new site, waste services are managed centrally by the landlord, and our contracted service provider no longer services our primary location. As a result, their data no longer reflects the majority of Spark's office-based waste output.

The landlord has since provided a consolidated waste report from their service provider, detailing bin lifts and total tonnage. While tenant-specific breakdowns are not available, Spark is the majority tenant. When comparing the available waste data from 50 Albert Street with our FY24 estimates, we found that waste per person remains consistent with previous calculations.

Going forward, Spark will estimate group-wide waste output using data from 50 Albert Street, to maintain consistency and reflect current operational realities.

In FY25 we have also included the recycling of our e-Waste in category 5. This was determined using tonnes of e-Waste recycled by Spark. We have also restated FY24 category 5 to include e-Waste, for comparability purposes. This data was obtained by our e-Waste service provider.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

FY25 Emission source inclusions

The majority of emission factors in Spark's greenhouse gas inventory are sourced from the Ministry for the Environment (MfE), BraveTrace, and thinkstep-anz. These sources use global warming potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) to convert individual greenhouse gases into carbon dioxide equivalents (CO_2-e). The remaining emission factors also follow the AR5 methodology, except for a small subset related to accommodation, where MfE data is unavailable. These are instead sourced from hotelfootprints.org and are based on GWP values from the IPCC Sixth Assessment Report (AR6).

Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 1: Fugitive Emissions	Refrigerant leakage	Top-up method	Supplier reports, internal work orders, internal refrigerant asset register	MfE (2025), AR5 Refrigerants and other gases: R410A, R134A, R407F, R22, R32, R404A, R407C, The California Air Resources Board (2025), AR5 R438A GWP	All Spark Group refrigerant recharges are included. Only captures known leaks, minor leaks may go unreported until recharge is required. We do not include fire extinguisher routine testing in our inventory due to lack of available data.	Moderate uncertainty – Refrigerant recharge data quality is dependent on what is collected and communicated to us by our suppliers. To reduce this uncertainty, we cross-check against our internal work order reports. We continue to work with our supplier to strengthen this data source.
Scope 1: Fugitive Emissions	Fire suppressant discharge	Top-up method	Supplier reports, internal incident reports	MfE (2025), AR5 – Refrigerants and other gases: HFC227ea	All fire suppressant discharge events that occurred in FY25 are included.	Low uncertainty
Scope 1: Stationary Combustion	Generator diesel consumption	Fuel-based method	Supplier invoices	MfE (2025), AR5 – Stationary combustion fuel: Diesel	All Spark Group generator diesel top-ups are included.	Low uncertainty
Scope 1: Natural Gas	Natural gas consumption	Fuel-based method	Supplier invoices	MfE (2025), AR5 – Stationary combustion fuel: Natural gas (kWh)	All Spark Group gas consumption is included.	Low uncertainty
Scope 1: Mobile combustion	Vehicle fleet fuel consumption	Fuel-based method	Supplier reports, internal fleet management reports	MfE (2025), AR5 – Transport fuels: Regular petrol, Premium petrol, Diesel	All fuel consumed by Spark Group fleet is included. Our inventory does not include personal vehicle use for business.	Low uncertainty
Scope 2: Electricity (Market-Based)	Electricity usage	Market-based method	Supplier invoices	BraveTrace (2024/2025) Residual Supply Factor – AR5	All electricity used by Spark Group is included.	Low uncertainty
Scope 2: Electricity (Location-Based)	Electricity usage	Location-based method	Supplier invoices	BraveTrace (2024/2025) National Grid Factor – AR5	All electricity used by Spark Group is included.	Low uncertainty
Scope 3: Category 1- Purchased goods and services	Extraction, production, and transportation of goods and services purchased in FY25, not otherwise included in categories 2 – 8	Spend-based method	Internal spend reports, call centre electricity consumption report	thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied, Carbon database initiative (2025), AR5 – Philippines national grid factor	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain accurate. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, classified only by supplier industries. We will continue collaborating with our Data and Procurement teams to improve the accuracy and robustness of this data.
Scope 3: Category 2 - Capital goods	Extraction, production, and transportation of capital goods acquired in FY25	Spend-based method	Internal spend reports	thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain accurate. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services,classified only by supplier industries. We will continue collaborating with our Data and Procurement teams to improve the accuracy and robustness of this data.
Scope 3: Category 3 - Fuel and energy transport and distribution	Extraction, production, and transportation of fuels and energy purchased in FY25, not already accounted in Scope 1 and 2	Fuel-based method	Supplier reports, internal spend reports	MfE (2025), AR5 – Transmission and Distribution losses: Natural Gas used (kWh) and Electricity used, DEFRA (2025), AR5 – WTT Fuel, thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	All Spark Group fuel, gas and electricity transmission and distribution included.	Low uncertainty

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 4 – Upstream transportation and distribution	Transportation and distribution of goods to Spark Group	Spend-based method	Internal spend reports	thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain accurate. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, classified only by supplier industries. We will continue collaborating with our Data and Procurement teams to improve the accuracy and robustness of this data.
Scope 3: Category 5 – Waste generated in operations	Landfill disposed of by Spark corporate employees and e-Waste recycled from operations	Average-data method and weight based method	Service provider reports, HR FTE report by location, internal spend reports	MFE (2025), AR5 – Waste-to-landfill with gas recovery – Unknown composition: Office waste, TechCollect report Bontinck, P.A. (2023), Potential environmental benefits of ICT e-waste recycling in Aotearoa New Zealand FY23 update, e-Waste processing emission factor source – AR5 thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Uses an estimate of total-waste-to landfill based on assumed kg per Spark FTE at 50 Albert Street. This assumes waste generation patterns at 50 Albert Street are representative of all Spark employees. It does not consider any ad-hoc waste collection that is facilitated outside of Spark Property team.	Moderate-High uncertainty due to using an estimated waste-to-landfill per person derived from a single corporate building. We will continue to work with our internal service provider to get more robust data for collections outside of 50 Albert Street. We do not account for the carbon-positive benefits of e-Waste recycling in this calculation, only the process emissions.
Scope 3: Category 6 – Business travel	Air travel, hotel stays, travel in rental cars, taxis for business use	Distance-based method for all except taxi travel, where the spend-based method is applied	Supplier reports Internal spend reports	MfE (2025), AR5 – Rental car -petrol default, Taxi travel – regular dollars spent, Hotel stays (country applied), Air travel with radiative forces - domestic national average, short-haul economy class, short-haul business class, short-haul average, long-haul economy class, long-haul premium economy class, long-haul business class, long-haul first class Where country of hotel stay is not in MfE database, we utilise hotelfootprints.org to determine emissions associated with stay. Emissions are sourced from AR6. thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Includes all of Spark Group business travel.	Low uncertainty
Scope 3: Category 7 – Employee commuting	Employee commuting	Average-data method	Survey data, HR FTE report by location	MFE (2025), AR5 – Public transport national averages, private car default factors, Motorcycle >600 cc petrol	Includes an estimate of employee commuting emissions for all employees. We did not include part time, contract staff or those who are assigned to work from home. We assumed total annual working hours, accounting for sick and annual leave entitlements. We used HR FTE report by location as at 30 June 2025, providing a point in time snapshot and may not accurately represent the full reporting period.	High uncertainty due to estimates and assumptions made from our survey responses (21% of total FTE). We will continue to survey our people, aiming to increase response rate year-on-year.
Scope 3: Category 8 – Upstream leased assets	Electricity usage at leased sites by Spark assets	Average-data method	Supplier invoices, internal reports	BraveTrace (2024/2025) Residual Supply Factor – AR5	Due to the diversity of sites, there may be some over estimation of consumption.	Moderate uncertainty due to inability to determine the exact size of assets on leased sites.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 9 – Downstream transportation and distribution	Transportation and distribution of goods from Spark Group	Spend-based method	Internal spend reports	thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain accurate. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, classified only by supplier industries. We will continue collaborating with our Data and Procurement teams to improve the accuracy and robustness of this data.
Scope 3: Category 11 – Use of sold products	Electricity usage of products sold by Spark Group	Average-data method and supplier-specific method	Manufacturer product reports, internal sold product reports	BraveTrace (2024/2025) Residual Supply Factor – AR5	Includes a kWh estimate of all products that consume electricity sold by Spark Group. High level wattage assumptions have been applied to estimate electricity consumption during the use phase of sold electronics. The entire lifetime usage emissions (5 years) are accounted for in the year of purchase. In the absence of detailed usage data, assumptions are informed by expert judgment, and typical user behaviour patterns depending on location of use (Data Centre, Corporate, Consumer use), reflecting a reasonable estimate of daily use based on how the product is generally expected to be operated. Due to a lack of a formal report or system-generated product data, product categorisation was conducted manually based on available product specifications, model naming conventions, and subject matter expertise to ensure reasonable classification accuracy.	High uncertainty due to assumptions around lifecycle length. With over 20,000 product types sold, assumptions around kWh per year are also significant. We will continue to work with the business to get clearer and more consistent reporting for this emission source.
Scope 3: Category 12 – End of life treatment of sold products	Recycling of electronic products sold by Spark Group	Average-data method	Manufacturer product reports, publicly available mass (kg) averages for electronic product types	TechCollect report - Bontinck, P.A. (2023), Potential environmental benefits of ICT e-waste recycling in Aotearoa New Zealand – FY23 update, e-Waste processing emission factor source – AR5	Includes all products sold in FY25. We used an estimated average mass for each product type.	High uncertainty We do not account for the carbon-positive benefits of e-Waste recycling in this calculation, only the process emissions. We also assume all waste is recycled as we do not have a proportional breakdown of e-Waste disposal in New Zealand to derive quantity of waste disposed of in alternative ways.
Scope 3: Category 13 – Downstream leased assets	Electricity oncharged to Spark Group data centre customers	Average-data and activity-data method	Customer on-billing reports, Smart Power report	BraveTrace (2024/2025) Residual Supply Factor – AR5	All customer datacentre oncharge is captured. For some customers, consumption is derived by average input power of their equipment or their invoice. Due to this, there is a risk in over- or under- estimating individual customer consumption profiles.	Low-moderate uncertainty For some customers, consumption is derived by average input power of their equipment or their invoice. Due to this, there is a risk in over- or under- estimating individual customer consumption profiles.
Scope 3: Category 14 – Franchises	Electricity usage and fuel consumption of Spark Business Hubs	Activity-data method	Supplier reports, Business hub electricity reports	BraveTrace (2024/2025) Residual Supply Factor – AR5, MfE (2025), AR5 – Transport fuels: Regular petrol, Premium petrol, Diesel	All Spark Business Hubs are included.	Low uncertainty
Scope 3: Category 15 – Investments	Electricity consumption of Rural Connectivity Group (RCG)	Activity-data method	RCG electricity rand generator diesel reports	BraveTrace (2024/2025) Residual Supply Factor – AR5 MfE (2025) AR5 – Stationary combustion fuel – Diesel	33% of Rural Connectivity Group's total FY25 electricity and generator diesel consumption has been included. Investment in Southern Cross cable is captured in our scope 2. The completeness of this category relies on the completeness on investees reporting.	Low-moderate uncertainty The completeness of this category relies on investees reporting.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

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Appendix 2: Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures

Deloitte.

To the Shareholders of Spark New Zealand Limited

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our engagement (as outlined below), included in the Group Climate Statements of Spark New Zealand Limited (the '**Company**') and its subsidiaries (the '**Group**') for the year ended 30 June 2025 (the '**Selected GHG Disclosures**'), are not fairly presented and not prepared, in all material respects, in accordance with *Aotearoa New Zealand Climate Standards* ('**NZ CSs**') issued by the External Reporting Board ('**XRB**'); and
- the Greenhouse Gas (GHG) Inventory Report included as Appendix 1 to the Group Climate Statements for the year ended 30 June 2025 (the '**GHG Inventory Report**'), is not prepared in all material respects, in accordance with the requirements of the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* (the '**Applicable Criteria**'). For scope 3 emissions the Applicable Criteria includes the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*.

Scope of assurance engagement

We have undertaken a limited assurance engagement over the following Selected GHG Disclosures prepared in accordance with NZ CSs, that is required to be the subject of an assurance engagement per section 461ZH of the Financial Markets Conduct Act 2013 ('**FMCA**').

Subject matter: Selected GHG Disclosures	Reference
GHG emissions: gross emission in metric tonnes of Carbon dioxide equivalent ('**CO_2e**') classified as: • Scope 1 • Scope 2 (calculated using the location-based method) • Scope 3	Page 25
Additional requirements for the disclosure of gross GHG emissions per paragraph 24 (a) to (d) of Aotearoa New Zealand Climate Standard 1: *Climate-related Disclosures* ('**NZ CS 1**'), being: • The statement describing the GHG emissions have been measured in accordance with the requirements of the Applicable Criteria; • The statement that the GHG emissions consolidation approach used is operational control; • Sources of emission factors and the global warming potential ('**GWP**') rates used or a reference to the GWP source; and • The summary of specific exclusions of sources, including facilities, operations or assets with a justification for their exclusion.	Pages 26 and 35 to 43
Disclosures relating to GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of Aotearoa New Zealand Climate Standard 3: *General Requirements for Climate-related Disclosures* ('**NZ CS 3**'): • Description of the methods and assumptions used to calculate or estimate GHG emissions, and the limitations of those methods. • Description of uncertainties relevant to the Group's quantification of its GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures. • Explanation for base year GHG emissions restatements, where applicable.	Pages 38 to 43

Appendix 2: Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures (Continued)

In addition, we have undertaken a limited assurance engagement in relation to the GHG Inventory Report of the Group, comprising the emissions inventory and the explanatory notes set out on pages 30 to 44 of Appendix 1 to the Group Climate Statements for the year ended 30 June 2025. The GHG Inventory Report is based on historical information and provides further disclosures about the GHG emissions of the Group for the year ended 30 June 2025 to meet the requirements of the Applicable Criteria, in addition to the minimum disclosure requirements of NZ CSs.

Our limited assurance engagement does not extend to any other information included, or referred to, in the Group Climate Statements on pages 3 to 24 or pages 27 to 29 or the Annual Report for the year ended 30 June 2025. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Other matter – comparative information

The comparative information, being the FY24 and FY23 Group's Selected GHG Disclosures on page 25, have not been the subject of an assurance engagement undertaken in accordance with New Zealand Standard on Assurance Engagements 1: *Assurance Engagements over Greenhouse Gas Emissions Disclosures* ('**NZ SAE 1**'). These disclosures are not covered by our assurance conclusion.

Director's responsibilities

Directors are responsible for the preparation and fair presentation of the Selected GHG Disclosures in accordance with NZ CSs, which includes determining and disclosing the appropriate standard or standards used to measure its GHG emissions. In addition, the Directors are responsible for the preparation of the GHG Inventory Report included as Appendix 1 to the Group Climate Statements in accordance with the requirements of the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Selected GHG Disclosures and GHG Inventory Report that are free from material misstatement whether due to fraud or error.

Inherent uncertainty

Non-financial information, such as that included in the Group Climate Statements, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, as discussed on page 3 of the Group Climate Statements, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

As the procedures performed for this engagement are not performed continuously throughout the relevant period and the procedures performed in respect of the Group's compliance with NZ CSs and/or the requirements of the Applicable Criteria are undertaken on a test basis, our limited assurance engagement cannot be relied on to detect all instances where the Group may not have complied with the NZ CSs or the requirements of the Applicable Criteria. Because of these inherent limitations, it is possible that fraud, error or non-compliance may occur and not be detected.

In addition, we note that a limited assurance engagement is not designed to detect all instances of non-compliance with the NZ CSs or the requirements of the Applicable Criteria, as it generally comprises making enquires, primarily of the responsible party, and applying analytical and other review procedures.

Our responsibilities

Our responsibility is to express an independent limited assurance conclusion on the Selected GHG Disclosures and GHG Inventory Report, based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with NZ SAE 1 and the International Standard on Assurance Engagements (New Zealand) *3410: Assurance Engagements on Greenhouse Gas Statements* issued by the XRB ('**ISAE (NZ) 3410**'). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Selected GHG Disclosures and GHG Inventory Report are free from material misstatement.

Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*;
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews*.

Our firm carries out other assignments for Spark New Zealand Limited in relation to regulatory audit, other assurance related services (such as trustee reporting and agreed upon procedures in relation to the sustainability linked loans) and non-assurance services provided to the Corporate Taxpayers Group, of which the Group is a member. These services have not impaired our independence as assurance provider to the Company and Group. In addition to this, the Chief Executive has both a sister and brother-in-law that are partners at Deloitte. These Deloitte partners are not involved in the provision of any services to the Group and its subsidiaries and this matter has not impacted our independence. Also, the firm, its partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Group.

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

Summary of work performed

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

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

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

- Obtained, through inquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Selected GHG Disclosures and GHG Inventory Report. We did not evaluate the design of particular control activities, or obtain evidence about their implementation.
- Evaluated whether the Group'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 Group's estimates.
- Undertook site visits as deemed necessary to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites.

Appendix 2: Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures (Continued)

- Tested, at each site visited, a limited number of items to, or from, supporting records, as appropriate.
- Performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified.
- Considered the presentation and disclosure of the Selected GHG Disclosures and the GHG Inventory Report.

Our report does not cover any forward-looking statements made by the Group, any external references or hyperlinked documents.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Selected GHG Disclosures and the GHG Inventory Report are fairly presented and prepared, in all material respects, in accordance with NZ CSs or the requirements of the Applicable Criteria respectively.

Use of our Report

Our limited assurance report ('**our Report**') is intended for users who have a reasonable knowledge of GHG related activities, and who have studied the GHG related information in the Group Climate Statements with reasonable diligence and understand that the Selected GHG Disclosures and the GHG Inventory Report are prepared and assured to appropriate levels of materiality.

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

Deloitte Limited

Jason Stachurski, Partner
for Deloitte Limited

Auckland, New Zealand
20 August 2025

This limited assurance report relates to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements for the year ended 30 June 2025 included on the Group's website. The Directors are responsible for the maintenance and integrity of the Group's website. We have not been engaged to report on the integrity of the Group's website. We accept no responsibility for any changes that may have occurred to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements since they were initially presented on the website.
The limited assurance report refers only to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these disclosures. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the copy of the Group Climate Statements lodged with the New Zealand Companies Office and available in the Climate-related Disclosures Register that include the Selected GHG Disclosures and GHG Inventory Report and related limited assurance report dated 20 August 2025 to confirm the information presented on this website.

Appendix 3: Glossary

- **NZ CS1 / CS2 / CS3:** New Zealand Climate Standards 1, 2, and 3 – These are climate-related disclosure standards published by the External Reporting Board (XRB) of New Zealand. They set out the requirements for climate-related disclosures for entities operating in New Zealand, with NZ CS1 covering climate-related disclosures, NZ CS2 outlining the adoption of climate standards, and NZ CS3 addressing general requirements for climate-related financial disclosures.
- **XRB:** External Reporting Board – An independent Crown entity responsible for accounting and auditing standards in New Zealand, including the development of climate and sustainability reporting frameworks.
- **IPCC:** Intergovernmental Panel on Climate Change – The United Nations body responsible for assessing the science related to climate change, providing comprehensive reports on climate science, impacts, and potential response strategies.
- **SSPs:** Shared Socioeconomic Pathways – Scenarios developed to explore how different socioeconomic developments may affect future climate change, used in climate modelling and policy analysis.
- **NIWA:** National Institute of Water and Atmospheric Research – New Zealand's leading environmental science research institute, providing climate, freshwater, and marine research and data.
- **RCPs:** Representative Concentration Pathways – Greenhouse gas concentration trajectories adopted by the IPCC for climate modelling and research, each representing different climate futures, depending on how much greenhouse gases are emitted in the years to come.
- **CCC:** Climate Change Commission (New Zealand) – An independent Crown entity that provides expert advice and monitoring to the New Zealand Government on climate change action, including emissions reduction and adaptation strategies.
- **NOC:** Network Operations Centre – A central location from which IT professionals monitor, manage, and maintain telecommunications or computer networks, ensuring operational stability and efficiency.
- **GRI:** Global Reporting Initiative – An independent international organisation that provides the world's most widely used standards for sustainability reporting, helping organisations understand and communicate their impacts on issues such as climate change and human rights
- **GHG:** Greenhouse Gas – Gases that trap heat in the atmosphere, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases, contributing to global warming and climate change.
- **tCO_2e:** Tonne of carbon dioxide equivalent – A standard unit for measuring carbon footprints, representing the amount of CO_2 that would have the same global warming potential (GWP100) as one tonne of another greenhouse gas.
- **kWh:** Kilowatt hour – A measure of electrical energy equivalent to consuming 1,000 watts for one hour.
- **GWh:** Gigawatt hour – A unit of energy equal to one billion (1,000,000,000) watt hours or one million kilowatt hours.
- **Integrated Reporting** – A process that results in periodic integrated reports by an organisation about value creation over time, combining financial and non-financial data, such as environmental, social, and governance (ESG) information.
- **SBTi:** Science Based Targets initiative – A global body that helps organisations set greenhouse gas emissions reduction targets that are in line with the latest climate science and the goals of the Paris Agreement.
- **Scope 1:** Direct greenhouse gas emissions from owned or controlled sources, such as emissions from company vehicles or on-site fuel combustion.
- **Scope 2:** Indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company.
- **Scope 3:** Other indirect greenhouse gas emissions that occur in a company's value chain, such as emissions from purchased goods and services, transportation, waste disposal, business travel, and investments.
- **TCF:** Telecommunications Forum – An industry body representing New Zealand's telecommunications sector. The TCF works collaboratively with industry participants to develop standards, codes of practice, and solutions that promote a fair, competitive, and innovative telecommunications environment for consumers and providers across New Zealand.
- **ESG:** Environmental, Social, and Governance – A set of criteria and standards for a company's operations that socially conscious investors use to screen potential investments.
- **SBTi-validated target:** An emission reduction target that has been reviewed and approved by the Science Based Targets initiative as being consistent with climate science and the goals of the Paris Agreement.
- **Paris Agreement:** An international treaty adopted in 2015 within the United Nations Framework Convention on Climate Change (UNFCCC) aiming to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.
- **JAC:** Joint Alliance for CSR (Corporate Social Responsibility) – A global industry association that brings together telecommunications operators for collaborative supplier engagement on sustainability and CSR topics.

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