



Synlait

Integrated Climate Report 2025

Lead with
Pride





Synlait’s Whakapuāwai programme has seen nearly 330,000 native seedlings planted across Canterbury farms and community projects.

Foreword

This is the second integrated Climate Report from Synlait Milk Limited (Synlait). It incorporates Synlait’s mandated climate-related disclosure, sustainability report and greenhouse gas inventory for the 2025 financial year (FY25) which ran from 1 August 2024 to 31 July 2025.

This report covers all Synlait subsidiaries including Dairyworks Limited and Synlait Milk Dunsandel Farms Limited, both wholly-owned subsidiaries of Synlait. It excludes companies or investments that Synlait does not hold a majority ownership stake in, unless otherwise stated.

Aspects of this report have been produced to align with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3). A climate-related disclosure (CRD) index has been provided in the appendices. In alignment with External Reporting Board (XRB) staff guidance, we have included a summary of our updated scenario analysis within this report. A scenario is a believable but hypothetical sequence of events leading to a plausible future outcome.

It is important to note that climate scenarios are not forecasts and do not necessarily represent management’s performance expectations for Synlait. The scenarios cannot and should not be relied upon as fact and may be subject to change due to circumstances unforeseen at the time of analysis. Our climate scenario analysis provides insights into possible future pathways. We have leveraged these scenarios to test our business model and strategy, to better understand potential climate-related risks and opportunities that may transpire for Synlait. Any risks or opportunities outlined in this document are intended for guidance purposes and should not be interpreted as predictive forecasts.

KPMG has provided limited assurance (Scope 1, 2 and 3) over our greenhouse gas data (GHG). The assurance opinion can be found from page 44. However, this applies only to the GHG Inventory Report (pages 33 to 43) and the greenhouse gas data contained in the metrics and targets section (page 32).

Reporting Suite

Synlait has taken a proactive approach to sustainability reporting since we published our first sustainability report in 2019. We have published these sustainability-related reports on an annual basis, knowing our stakeholders value such information. In early 2025, the company’s first annual Modern Slavery Statement was published separately. A copy of this report and all previous reports in our reporting suite are available at: synlait.com/investors/

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Statement of Compliance

Synlait’s climate-related disclosure (CRD) complies with the Aotearoa New Zealand Climate Standards (NZ CS) issued by the External Reporting Board (XRB). Information about the adoption provisions Synlait has elected to use is located in the appendices.

Our sustainability approach is underpinned by:

Certified



Corporation

Lead with
Pride



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We are committed to:







CLIMATE
LEADERS
COALITION

ON A MISSION TO REDUCE
EMISSIONS IN NEW ZEALAND



George Adams, Chair



Richard Wyeth, CEO

Chair and CEO Welcome

It is our pleasure to present Synlait’s second Integrated Climate Report for the financial year ended 31 July 2025 (FY25).

This was not an easy 12 months for Synlait. People at all levels of the business pulled together to ensure the company overcame a number of major challenges – including solvency, manufacturing disruptions and the potential loss of the majority of our milk supply.

The fact there was never a shortage of people, both in the business and within our wider support base, willing to put their shoulder to the wheel and work some long hours to get the company through, speaks to the strong engagement people have with Synlait and what it stands for.

Synlait was set up to be different – to disrupt the status quo by offering Canterbury farmers choice, enabling them to earn more for their milk while supporting them to uplift their on-farm performance.

A proud history of pioneering sustainability is part of that difference.

Synlait established Australasia’s first internationally accredited dairy farm assurance system, Lead With Pride™,

more than a decade ago. The programme remains market-leading.

Farmers are independently audited before being certified and the programme’s rigorous standards go beyond New Zealand’s legal requirements for dairy farming.

The fact 81% of Synlait farmers have chosen to do the work required to become Lead With Pride™ certified reflects the fact they are forward thinkers who go above and beyond for their animals, their communities and their environment.

Our farmers are making real progress.

FY25 saw Synlait farmers further lower their farms’ modelled nitrogen loss to waterways. It is now 38% lower than our baseline year of FY18 with a year-on-year reduction of 8%.

This ongoing progress is the result of a collective effort across Canterbury that we can all be proud of.

Alongside that, Synlait farmers’ on-farm greenhouse gas emissions are dropping with a 13% decrease (per tonne of milk solids) reported this year compared to our FY20 baseline.

FY25 saw us deepen our understanding of the climate risks facing our business.

This included quantitative analysis to better understand how potential climate variables, such as an increase in hot days, might affect our sites and our suppliers under different scenarios and time horizons. This will help inform action towards increased resilience to climate change.

This report contains a number of key metrics, including:

- A 6% decrease in Scope 1 and 2 emissions compared with Synlait’s base year (FY20). These increased 7% on FY24 due to energy sources, including the use of coal and a change to the emission factor applied to electricity.
- Another 80,000 native seedlings planted across Canterbury as part of our Whakapuāwai programme.
- A successful pilot of new plant-based pellets to fire our boilers.
- A new agreement to power our South Island operations with 100% renewable solar energy.
- The completion of our first Modern Slavery Statement.

The fact we have taken some steps towards our ambition to be ‘net positive for the planet’ while we were fighting

Synlait’s survival is something we are proud of.

It reflects both an ongoing commitment from leadership and the fact that sustainability is embedded in Synlait’s DNA and a natural part of the way our people do business.

It is a mindset that will ensure Synlait keeps progressing towards the targets and KPIs laid out in our Sustainability Strategy because they’re valued – by our global customers, our farmers and our people.

Regards,

George Adams
Chair

Richard Wyeth
CEO

Sustainability Metrics

FY25 was a challenging year for Synlait's financial performance. The metrics on this page show we made some progress towards our sustainability goals despite that.



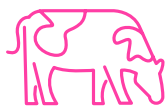
▼6%

Scope 1 and 2 emissions compared with our FY20 base year¹



81%

Farmers Lead With Pride™ certified²



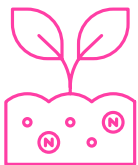
▼13%

On-farm GHG emissions per tonne of milk solids compared to FY20



99.4%

Synlait packaging reusable, recyclable or compostable³



▼38%

Modelled nitrogen loss on-farm compared to FY18



85%

Dairyworks packaging reusable, recyclable or compostable⁴



327,589

Native plants distributed under Synlait's Whakapuāwai programme since 2019



85%

Non-hazardous waste recycled⁵

¹ Scope 1 and 2 emissions are up by 7% on FY24. This was driven by Synlait's energy sources, including the use of coal, and changes to the emission factor applied to electricity.

² A 4% increase on FY24.

³ A 0.3% decrease on FY24.

⁴ A 5% increase on FY24.

⁵ A 3% increase on FY24.

CHAPTER ONE

Sustainability Report

Our Sustainability Strategy

FY24 saw Synlait update its strategy to ensure the company was still focused on the right goals to reach our ambition to be net positive for the planet.

Our new strategy contains 35 key commitments under three pillars – Climate, Nature and Wellbeing. You can see these on the following page.

What didn’t change were our key commitments, which have a target date of FY28.

They are:

- 30% Intensity reduction in on-farm emissions¹
- 45% Absolute reduction in Scope 1 and 2 emissions¹
- 20% Reduction in water use per tonne of product²
- 20% Reduction of nitrogen discharge per tonne of product²
- 99% Total non-hazardous manufacturing waste diverted from landfill

Progress towards our targets is broken down by focus area:



PILLAR 1
Climate

Mitigation and Adaptation

Climate change is one of the biggest issues facing the planet. Synlait has set science-based targets to cut business and on-farm emissions and is working to ensure supply chain resilience.

Page 09



PILLAR 2
Nature

Biodiversity and Soil Health, Water and Waste/Circular Economy

As a business closely connected to New Zealand’s whenua (land), Synlait is committed to improving biodiversity, soil health, and water while embracing the circular economy.

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PILLAR 3
Wellbeing

People and Animal

The wellbeing of people and animals is important to our business. Synlait takes a leadership approach to caring for both across our value chain.

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Our sustainability strategy is supported by several internal and external programmes:



A B Corp™ is a for profit company that has independently verified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and public transparency. Synlait achieved B Corp certification in June 2020 (the first NZ-based dairy processor to do so) and was recertified in 2023, reflecting our commitment to doing milk differently balancing people, planet, and profit.



Lead With Pride™ is Synlait’s flagship farmer certification programme. It guides farmers to best practice across four pillars: Environment, Animal Health and Welfare, Milk Quality and Social Responsibility and rewards them with incentives above the base milk price once they pass an independent audit to become certified. In FY25 81% of our farmers were certified.



A Science Based Target (SBT) is a greenhouse gas emissions reduction goal aligned with climate science to keep global warming within 1.5°C, verified by the Science Based Targets initiative (SBTi). Updates on our progress to our science-based targets is on page 36.



AgriZero^{NZ} was launched in early 2023 as a world-first public-private partnership between the New Zealand government and six major agribusiness companies, including Synlait. This partnership demonstrates how public and private sectors can come together to tackle a major national challenge, reducing agricultural greenhouse gas emissions. Synlait has committed to investing a total of \$3.5 million in this partnership as we recognise the need for industry wide action.

¹ From a baseline year of FY20.
² From a baseline year of FY18 in Dunsandel.

Our Commitments

We have 35 commitments and KPIs in our Sustainability Strategy. These are focused on the three key areas where Synlait can make an impact – Climate, Nature and Wellbeing. They include our science-based targets on greenhouse gas emissions.

Climate			Nature			Wellbeing	
	Mitigation	Adaptation	Biodiversity and Soil Health	Water	Waste/Circular Economy	People	Animal
On-Farm	30% reduction in GHG On-Farm per kgMS by FY28 from a FY20 base year. - Establish a Science-based Targets initiative (SBTi) Forestry, Land and Agriculture (FLAG) target for on-farm emissions.	100% of Lead With Pride™ farms to have a farm resilience plan incorporating climate adaptation.	- Estsblish a science-based target for biodiversity and soil health with agreed roadmap and action strategy. 100% of Lead With Pride™ farms have a farm resilience plan incorporating biodiversity and soil health.	- Quantity: Demonstrating an improvement in water use efficiency across our entire supply base. - Quality: 100% of farms taking action to achieve catchment-specific water quality objectives. 45% reduction in nitrogen loss to waterways per kilogram of milk solids by 2028 from a FY18 base year. - Establish a science-based approach to on-farm water.	100% of Lead With Pride™ farms have a farm resilience plan incorporating waste reduction initiatives.	- Execute Social Responsibility Strategy 2.0 across 100% of Lead With Pride™ farms. - Top quartile supplier Net Promoter Score.	100% of Lead With Pride™ farms have an Animal Health and Welfare Plan in action.
Operations	45% absolute reduction in Scope 1 and 2 emissions by FY28 from a FY20 base year.	Climate adaptation integrated into 10 Year Asset Plan and management decision making.	- Broadening Whakapuāwai into an ecological centre of excellence, that is significantly contributing to restoring biodiversity and contributing to cutting edge ecological projects. - Nature targets and accounting are managed across the Synlait business.	20% reduction in water use per tonne of product by FY28, from a FY18 base year for our Dunsandel site. 20% reduction of nitrogen discharge per tonne of product by FY28 from a FY18 base year for our Dunsandel site.	99% of total non-hazardous manufacturing waste will be diverted from landfill by 2028. 100% of product packaging will be reusable, recyclable, or compostable. - At least 50% recycled content in all packaging.	- Total Recordable Injury Frequency Rate below five. - Positive net wellbeing score accross business. 40% to 50% women as managers or senior specialists (remuneration grade 16 and above.) - Gender pay gap <8% by FY26.	Animal Health and Welfare Plan in action across all Synlait farms.
Supply Chain	100% high value/high risk contracts with GHG criteria.	Business continuity and resilience assessments complete across key markets.	100% high value/high risk contracts with biodiversity and soil health criteria.	100% high value/high risk contracts with water criteria.	100% high value/high risk contracts with waste and circular economy criteria.	- Establish a Modern Slavery Policy and Management Plan. 100% high value/high risk contracts with wellbeing criteria.	100% high value/high risk contracts with animal wellbeing criteria.

 PILLAR 1
Climate

Synlait knows climate change is one of the biggest issues facing the planet and we have a responsibility to take action in this area. We have established science-based targets and roadmaps to meet them.

We are also committed to:

- **GHG on-farm**
Utilising Lead With Pride™ and our customised greenhouse gas tool to support and incentivise our farmers to reduce GHG on-farm. This includes significant financial incentives recognising both good performance and improvement. We are also working closely with farmer suppliers to implement new technologies and change our farming systems to reduce GHG on-farm.
- **Reduction in coal use**
Investing in our assets to allow us to remove coal as a fuel in our processes by 2030 and reduce our Scope 1 and 2 GHG Emissions by 45% by 2028.
- **Climate adaptation**
Climate science tells us that the effects of climate change will produce more extreme weather events. Our focus is on building resilience across our business and our farmer suppliers. We are integrating climate adaptation strategies across the business to offset the potential impacts.
- **Sustainable procurement**
Our climate change responsibility extends through our value chain. We are focused on how we can make more sustainable choices in our procurement, incorporating a balanced climate and financial approach to contracts, such as optimising shipping and sourcing to reduce GHG.
- **Whakapuāwai nursery**
Our biodiversity programme, Whakapuāwai, grows tens of thousands of native plants each year. We provide these to our farmers and community groups for planting projects. FY25 saw us distribute 80,000 plants, taking the total to more than 320,000. We now have years of plant growing expertise to support our farmer suppliers to sequester carbon on their farms.



Synlait's headquarters in Dunsandel, Canterbury.



CLIMATE

Key Initiatives and Results

The key achievement for our Climate pillar in FY25 was further decreases to Synlait farmers’ on-farm emissions. The data shows that the emissions produced per tonne of milk solids decreased to 11.29 tCO₂e/t MS, a decrease of 13% on our FY20 base year.

Combined Scope 1 and 2 emissions increased to 118,442 tCO₂e (including the two dairy farms owned by Synlait) or 110,491 without the farms’ emissions. This was driven by Synlait’s energy sources, including the use of coal, and changes to the emission factor applied to electricity. As detailed below, Synlait has secured an agreement to deliver 100% renewable electricity for our South Island operations which will result in decreases to the market-based electricity emission numbers in the future.

In FY25, we continued to build on the foundation established in FY24 with our use of the Life Cycle Assessment (LCA) method developed by the Bioeconomy Science Institute (formerly AgResearch). Now in its second year of implementation, the LCA approach has enabled us to further enhance the accuracy and transparency of our on-farm emissions reporting.

The expanded scope of data inputs – including winter livestock management

practices, treatment of peat soils, and land use changes such as deforestation has become embedded in our methodology, providing a more comprehensive and nuanced understanding of our environmental footprint. This sustained application of LCA is helping us track progress more precisely and identify targeted opportunities for emissions reduction across farming operations.

1. Using the sun to power Synlait
- Synlait has reached an agreement with Simply Energy to procure 25% of the electricity that will be generated by Kōwhai Park, the 230-hectare solar farm under construction on Christchurch Airport’s campus. The 10-year agreement means Synlait’s Dunsandel factory and Dairyworks

operations will be powered by 100% renewable electricity once the farm starts commercial operations (anticipated to be August 2026). Any additional energy will be automatically sold back to Simply Energy. The 168MWdc solar farm is being constructed in a joint venture between Contact Energy and Lightsource bp, it will generate enough renewable electricity to power the equivalent of 36,000 homes.

2. Cutting effluent pond emissions on-farm
- In partnership with Nestlé, Synlait is involved in the country’s first commercial rollout of Ecopond technology that can lower the CO₂e emissions (including the measurement

of methane, nitrous oxide and carbon dioxide emissions) generated by farms’ effluent ponds by more than 90%. The technology was developed by Ravensdown and Lincoln University, before being commercialised by Agnition. It uses polyferric sulphate and sulphuric acid to treat effluent ponds. A pilot project of 10 Synlait farms in May 2025 delivered positive results. A further 40 farms will now be treated. Synlait’s and Nestlé’s support of this technology has been pivotal in enabling it to be commercialised.

3. Promising pilot for plant-based pellets
- In 2022, Synlait converted one of our boilers to run on biomass wood pellets. Since then, demand for locally produced pellets has outstripped

supply and we have been forced to consume pellets from other parts of New Zealand (including the North Island), which impacts emissions reductions. 2025 saw us take a large step forward in sourcing a permanent local supply. In partnership with one of our farmers, we trialled pellets made from a waste plant material in Canterbury. There was some success, however, more work needs to be done to improve the durability of the pellets, so they are less prone to damage during storage, transportation and handling. The project is a great example of Synlait investing in an innovation, which, if successful, will not only allow our business to decarbonise but potentially others too.



Some of the plant-based pellets that were trialed at Synlait during FY25.



Synlait has secured 25% of the electricity that will be generated by the solar farm at Christchurch Airport.

FY25 Mitigation Results – On-Farm

Description of Metric/Target	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Scope 3 On-Farm Emissions (tCO ₂ e)	753,615	704,537	999,255	1,084,438	1,049,338	1,024,331	1,016,154	946,144
Scope 3 On-Farm Emissions Per Tonne of Milk Solids (tCO ₂ e/t MS)	11.95	11.11	13.05	12.49	12.66	12.14	12.03	11.29

FY25 Mitigation Results – Operations

Description of Metric/Target	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Absolute Scope 1+2 GHG emissions (tCO ₂ e)	108,002	113,547	126,304	125,465	127,036	119,170	110,649	118,442
Total Scope 1+2, excluding Synlait Farms	108,002	113,547	126,304	125,465	126,862	113,572	103,228	110,491



PILLAR 2

Nature

The second pillar of Synlait’s Sustainability Strategy is Nature – this encapsulates our action on biodiversity, soil health and water.

A summary of our approach to each of these areas is below.

- Water**

With around 200 farms supplying Synlait and irrigation critical to their operations, our focus on water is to work with these farmers to maximise efficiency and ensure we are working to improve and protect water quality. Rather than have one target for everyone, our on-farm water quality targets are focused on supporting our farmers to act on the issues specific to their catchment. Our target is to achieve a 45% reduction in modelled nitrogen loss to waterways per kilogram of milk solids from a 2018 base year by 2028. Each year we recalculate this metric back to base year due to updates in the modelled input data. We are on track to achieve this by the 2028 target date; we have currently achieved a 38% reduction compared to base year.
- Whakapuāwai**

Our biodiversity programme has made a significant contribution to water quality via riparian planting on farms since it was first launched in 2019. Since then, Whakapuāwai has distributed nearly 330,000 native plants across Canterbury. Each species is chosen for its ability to improve on-farm biodiversity. Together with our farmers, the programme has resulted in Synlait growing its native plant knowledge – we now collect our own seeds from local area catchments so we ensure the plants we raise are suited to the environments they will be planted in, maximising survival rates. We will continue to grow and share our knowledge with our farmers and community groups.
- Circular Economy**

Our targets in this area are two-pronged. First, we seek to recycle the non-hazardous waste related to our operations. Second, we want 100% of the products we manufacture to be packaged in reusable, recyclable or compostable materials. We are also working towards ensuring 50% of all packaging is made from recyclable materials providing a solution for materials that might otherwise end up in landfill.

These commitments will extend right throughout our value chain.





NATURE

Key Initiatives and Results

We took another step this year towards reaching our target to reduce modelled nitrogen loss to waterways off-farm by 45% on FY18 baseline levels.

We are now sitting at a 38% reduction and on track to achieve 45% by our target date of FY28. Our major lever to drive this change is with the guidance provided and incentives paid through Lead With Pride™ but the progress is not just a result of Synlait's hard work.

The gains have been made by the hard work and focus of individual farmers, the uptake of many different mitigation techniques, changing regulations, and dozens of workstreams led by catchment groups and sector wide initiatives.

FY25 also saw us set a record for efficient use of water in our manufacturing operations with 11.57 used per tonne of product produced.

1. Seeding education on biodiversity
FY25 was another big year for Synlait's biodiversity programme, Whakapuāwai. As well as distributing 80,000 plants to dairy farms and community projects across Canterbury, the programme held its first on-site workshop for farmers on how to maximise the survival rate of their on-farm plantings. The programme grew more than 40 species this year – many from seeds collected in local ecosystems to ensure the opportunity to boost biodiversity is maxmised. Each species was chosen due to its ability to boost biodiversity on-farm.

This is a legacy project for Synlait, and many of our farmers, are proud these plantings will benefit the environment for future generations.

2. Every bit counts when it comes to recycling
During the year, we identified an opportunity to repurpose pails previously sent to landfill. The Dunsandel maintenance team has begun using these pails to store tools and equipment, reducing waste and avoiding the need to purchase new containers. We have also made pails available for staff to reuse, with more than 100 diverted from landfill in the past month alone. It's a small change, but one that contributes to our waste reduction goals over time.



Synlait's biodiversity programme, Whakapuāwai, grew and distributed 80,000 plants during FY25.

FY25 Water Results – On-Farm

Description of Metric/Target	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Modelled Nitrogen Loss to Waterways Grams Per Kilogram of Milk Solids	38.8	39.6	34.6	30.6	28.7	26.3	26.1	24.1

FY25 Water Results – Off-Farm

Description of Metric/Target	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Off-Farm Water Use Per Tonne of Product (DUN)	13.86	14.36	14.62	12.27	12.99	12.46	16.06	11.57
Nitrogen (in KG) Discharged Per Tonne of Product (DUN and POK)	0.28	0.32	0.38	0.31	0.27	0.36	0.45	0.33

FY25 Circular Economy Results – Off-Farm

Description of Metric/Target	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Non-Hazardous Waste Recycled	84%	78%	79%	80%	85%	71%	82%	85%
Product Packaging that is Reusable, Recyclable, or Compostable – Synlait*	-	-	99.3%	99.1%	99.2%	99.7%	99.6%	99.4%
Product Packaging that is Reusable, Recyclable, or Compostable – Dairyworks	-	-	-	-	-	-	80%	85%
Recycled Content Across Product Packaging – Synlait**	-	-	-	-	-	-	14.7%	14.6%

* The decrease in total packaging (%) that is reusable/recyclable/or compostable (and total recycled content %) is due to the difference in sales split between product groups.
** Calculated as a percentage of total packaging sold (includes primary, secondary and tertiary packaging as sold leaving SML). Weighted by product sales (MT).

FY24 Biodiversity Results

Description of Metric/Target	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Number of Native Trees and Shrubs Supplied by Whakapuāwai	-	-	-	54,290	44,664	61,666	86,969	80,000
- Number Supplied to Dunsandel Site	-	-	-	168	144	-	-	-
- Number Supplied to Synlait Supplier Farms	-	-	-	52,802	40,900	51,336	53,481	59,155
- Number Supplied to Community Projects	-	-	-	1,320	3,620	10,330	33,488	20,845



PILLAR 3

Wellbeing

Caring for the wellbeing of people and animals right throughout our value chain is the third pillar of our Sustainability Strategy.

- Animal wellbeing**
On farm, our Lead With Pride™ programme ensures we take a leadership position on animal wellbeing. We had planned on developing a Social Responsibility Strategy and working with all our Lead With Pride™ farmers on a customised Animal Health and Welfare Plan in FY25 but these workstreams will now be tackled in FY26.
- Gender equity**
From a gender perspective, we have already achieved our target of having between 40% and 50% of our senior managers or specialists as women. We retain this target to ensure we continue to track to this. Our Gender Pay Gap is one key objective that has not met expectations to date.
- Health and Safety**
We remain committed to the Health and Safety of our people and will continue to dedicate ourselves to driving our Total Recordable Injury Frequency Rate down to below five by 2029.
- Looking after our people**
Within Synlait, work is underway on our Wellbeing Roadmap, which will guide actions to improve wellbeing going forward. This roadmap will focus on meaningful work, work design, connectedness and diversity.





WELLBEING

Key Initiatives and Results

Synlait's Sustainability Strategy includes targets to improve the wellbeing of both people and animals.

Key achievements this year have been a new record for somatic cell count (SCC) which is a core way to measure animal wellbeing in dairy cows. Synlait's average for FY25 was 140,000 which is well below the industry target of 150,000.

From a people perspective, Synlait met its target to have at least 40% of women as managers and senior specialists with a total of 41% (Dairyworks was slightly behind at 37%). Dairyworks made excellent progress in closing its gender pay gap from 30% in FY24 to 20% this year, while Synlait's widened from 11% to 14% year-on-year.

1. **Synlait's first Modern Slavery Statement**
Modern Slavery legislation in Australia has been the driving force behind Synlait publishing our first Modern Slavery Statement earlier this year. The publication, which was submitted to the Australian Modern

Slavery Register in January 2025, reiterates Synlait's commitment to conducting ethical business and to developing our approach to better align with best practices for human rights due diligence under the United Nations Guiding Principles on Business and Human Rights. In the document we acknowledge the inherent risks of modern slavery in our supply chains and operations, identify how existing programmes support our response and outline planned next steps for maturing our systems and controls. The full statement can be accessed on our website. Our Modern Slavery Statement is not just a compliance document – it represents our values and commitment to ethical business practices.

2. **A new approach to calf rearing**
In a project sponsored by Nestlé, calves at Synlait's Dunsandel farms are given the best chance for a healthy life with an ad lib feeding programme helping them create resilience from the beginning. The programme gives calves ad lib access to milk, typically consuming

around 10 litres per day. This feeding approach allows natural drinking behaviour with smaller, more frequent meals, supporting optimal digestion, steady growth, and improved welfare. Calves also have ad lib access to meal, hay, and grass, encouraging early rumen development and a smooth transition to solid feed. To ensure calves are progressing well, each calf is DNA tested and fitted with a SenseHub monitoring tag that records activity, feeding behaviour and enables the earlier detection and treatment of health and welfare concerns. This approach is better for the calf with research showing that it creates a more resilient mature cow. This is important because it potentially enables the number of replacement animals to be reduced over time. This reduction in replacements will have a positive impact on GHG emissions, Nitrogen loss, and farm profitability. The next step for this project is to share the outcomes with other farmers and encourage wider uptake with Synlait farmers.

FY25 People Wellbeing Results

Description of Metric/Target	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Gender Pay Gap* – Synlait	18%	13%	13%	10%	14%	13%	11%	14%
Gender Pay Gap – Dairyworks	-	-	-	32%	29%	29%	30%	20%
Total Recordable Injury Frequency Rate (TRIFR)** – Synlait	18.9	13.7	9.9	21.0	14.9	10.6	15.0	13.5
Women as Managers and Senior Specialists – Synlait	34%	36%	37%	36%	37%	40%	43%	41%
Women as Managers and Senior Specialists – Dairyworks	-	-	-	24%	25%	39%	35%	37%

* Organisation wide gender pay gap is calculated as the median gender pay gap (calculating using the average pay gap = 8.7%).
* TRIFR – Total Recordable Injury Frequency Rate (TRIFR) is calculated as (annual total of recordable injuries (medical and lost time) x 1,000,000 hours/actual employee hours worked. As at 31 July 2025.

FY25 Animal Wellbeing Results

Description of Metric/Target	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Somatic Cell Count (SCC)	155,000	152,700	148,219	146,218	147,000	147,000	145,063	140,000
Average Length of Farmer Partnership with Synlait in Years								
- South Island*	-	6.8	7.8	8.0	8.9	9.7	9.7	10.6
- North Island*	-	-	1.0	1.9	2.7	2.8	3.6	4.4
Lead With Pride™ Certified Farmer Suppliers*	28%	49%	57%	62%	69%	77%	77%	81%

* as of 31 May 2025.



The calves at Synlait's Dunsandel farms were part of an ad lib feeding programme this year.

CHAPTER TWO

Climate-Related Disclosures

SECTION ONE

Governance

1.1 Board of Directors

This is Synlait's Board of Directors as at the date of publication.

Paul Washer served as an Independent Director throughout the reporting period and retired at the Annual General Meeting in November 2025.

Independent Directors



George Adams

- Chair of the Board
- Audit and Risk Committee Member
- People, Environment and Governance Committee Member



Paul McGilvary

- People, Environment and Governance Committee Member
- Audit and Risk Committee Member

Bright Dairy Appointed Directors



Julia Zhu

- Chair of Audit and Risk Committee



Leon Fung

- Chair of People, Environment and Governance Committee



Tao Zhang



Edward Yang

Board Oversight and Governance

The Synlait Board of Directors is responsible for the overall governance of the company, including the oversight of climate-related risks and opportunities. This involves setting strategic priorities, ensuring compliance with environmental regulations, and integrating sustainable practices into the company's operations. The Board considers and addresses all significant matters impacting Synlait. The Board Charter, which is available on our website, details its role and responsibilities. These include strategic planning, financial performance, executive management, audit and risk management, corporate governance, performance evaluation, workplace health and safety, ethical conduct, and climate-related risks and opportunities.

Governance and operations
The Board is the ultimate decision-making body of Synlait and is accountable to shareholders for the company's performance in building sustainable value. It advances the interests of shareholders,

employees, customers, and other key stakeholders by acting honestly, faithfully, intelligently, and in accordance with applicable laws.

The Board sets the overall tone for the culture, performance, and accountability of Synlait. We are committed to maintaining high standards of corporate governance and regularly review our performance with best practice guidelines.

Climate-related responsibilities
The Board's climate-related responsibilities include endorsing the company's Sustainability Strategy and key initiatives, as well as non-financial success measures such as climate and nature frameworks, metrics, commitments, targets, and policies. The Board monitors the company's exposure to climate-related risks and opportunities, ensuring the resilience of the company's strategy and value chain to climate impacts, and evaluating the financial implications of climate-related risks and opportunities.

Delegation of responsibilities
The Board delegates certain functions to its committees who oversee specific areas of the business and report back to the Board after each meeting. Additionally, the Board delegates the day-to-day running of the company to the CEO, who works closely with the Executive Leadership Team (ELT). The ELT briefs the Board on sustainability issues, including climate-related risks and opportunities, throughout the year.

Synlait ensures the Board has the appropriate skills and competencies to oversee climate-related risks and opportunities by regularly reviewing director capabilities, seeking external expertise where needed, and providing ongoing education on emerging sustainability and climate governance practices as opportunities arise. More information about the skills the Board has is available on the Board Skills Matrix on the next page.

1.2 Board Skills Matrix Update

		Number of Directors (Total 6)	
		Level of Capability	
Capability	Description	High	Medium
Consumer Products	Experience as a senior executive in, or as a professional advisor to, consumer products businesses, including sales and marketing, product innovation and supply chain.	● ● ●	● ●
Data and Technology	Experience in the implementation of digital transformation or new digital product development, including digital marketing and commerce, and leveraging data and technology in a consumer products business.	● ●	● ●
Financial Acumen	Understanding of financial statements and reporting, key drivers of financial performance, corporate finance and internal controls.	● ● ●	● ●
Food and Manufacturing Safety and Quality	Technical or managerial experience relating to food, food product development and the development and/or implementation and management of safe practices for the sourcing, production, transport and distribution of food.	● ● ●	● ● ●
Governance	Experience in and commitment to the highest standards of corporate governance, including as a non-executive director of a listed company, large or complex organisation or government body, or through former C-suite executive experience in a large organisation.	● ● ●	● ●
International Business Experience	Experience as a senior executive in, or as a professional to, international businesses with exposure to global markets and a range of different political, regulatory and business environments.	● ● ●	● ●
Leadership	Experience in a senior management position in a listed company, large or complex organisation or government body, including experience in leading strategy development and execution.	● ● ●	●
Health and Safety	Experience in the development of health, safety and wellbeing frameworks and risk-management tools at large organisations, or experience in health and safety leadership positions.	●	●
People and Culture	Leadership experience in the oversight, development and implementation of people and culture programmes at large organisations, people management, development and succession planning, setting remuneration frameworks and promoting diversity and inclusion.	● ● ●	
Risk Management	Experience in identification, assessment, monitoring and management of material financial and non-financial risks and understanding, implementation and oversight of risk management frameworks and controls.	● ●	● ●
Strategy	Experience in strategic oversight, including the development and implementation of strategic plans for organisations of similar scale and complexity to Synlait.	● ● ● ● ●	
Sustainability	Knowledge, understanding or experience in sustainable practices to manage the impact of business operations on the environment and community and the impact of climate change on the company.	● ●	●
Industry Involvement and Advocacy	Experience in being a leading voice within the food or consumer goods industry.	● ● ●	●
		● = One Director	

A skills matrix ensures the Board has the appropriate skills and competencies for oversight. The Board skills matrix evaluates understanding and identification of climate-related risks and opportunities.

1.3 Sub-Committees of the Board

Audit and Risk Committee	Key Highlights	
The Audit and Risk Committee is responsible for monitoring the company’s performance against its Sustainability Strategy and targets, particularly those related to climate change. This includes assessing progress towards sustainability goals, ensuring adherence to climate-related targets, and regularly reviewing compliance with relevant laws and regulations. The Committee focuses on identifying, assessing, and mitigating environmental and climate-related risks, reviewing climate-related disclosures for legislative and regulatory adherence, monitoring performance against climate initiatives, and evaluating capital allocation decisions to ensure alignment with climate targets.	Composition: Consists of a majority of independent directors. The CEO, CFO, Head of Legal and Governance (also the Company Secretary), and Senior Independent Assurance, Risk and Compliance Manager have standing invitations to attend the meetings. Meetings: At least four times throughout the year, with updates provided to the Board. Committee Papers: Compliance Reports are standing agenda items. The report covers key reporting on environmental laws and regulations and other areas of compliance and concern	across Synlait’s operating business. All Board members have access to the Audit and Risk Committee papers to ensure appropriate oversight and provide all directors with key information. Enterprise and Strategic Risk Management: The Committee oversees enterprise risk and strategic risk management. This function is run in conjunction with the ELT and Synlait’s Senior Independent Assurance, Risk and Compliance Manager. Key workstreams are dedicated to identifying and monitoring risks in this space. Climate-related risks and opportunities are embedded in Synlait’s risk management framework.
People, Environment and Governance Committee	The People, Environment, and Governance Committee is responsible for overseeing the company’s sustainability initiatives, with a focus on social and environmental governance. This includes managing the company’s approach to climate related risks and promoting ethical practices. The Committee works to integrate sustainable practices into the company’s culture and operations, fostering a commitment to environmental stewardship and social responsibility. Additionally, the Committee monitors progress towards sustainability goals and ensures alignment with the company’s broader Sustainability Strategy.	Key Highlights Composition: Consists of a majority of independent directors. The CEO, CFO, Director of Safety, People and Culture, Director of On-Farm Excellence, Business Sustainability and Corporate Affairs, Head of Legal and Governance (also the Company Secretary), and Senior Independent Assurance, Risk and Compliance Manager have standing invitations to attend the meetings. Meetings: At least five times throughout the year, with updates provided to the Board. Committee Papers: Sustainability Dashboard and Sustainability Update papers are standing agenda items. In addition, the ELT presents a variety of other sustainability or compliance related papers and deep dive topics across the year. All Board members have access to the People, Environment and Governance Committee papers to ensure appropriate oversight and provide all directors with key information.

1.4 Our Executive Leadership Team



Richard Wyeth
Chief Executive Officer



Andy Liu
Chief Financial Officer



Naiche Nogueira
Chief Revenue Officer^{1,2}



Tim Carter
Dairyworks Chief Executive Officer



Abby Ye
President China and Director of Foodservice



Paul Mallard
Chief Operating Officer¹



Rob Stowell
Chief Commercial Officer



Charles Fergusson
Director On-Farm Excellence, Business Sustainability and Corporate Affairs



Stephanie Manning
Director of Safety, People and Culture



Glenn Laing
Director of Manufacturing



Hila Mory
General Manager Quality

Executive Leadership Team

The Executive Leadership Team (ELT) is responsible for monitoring and managing the company’s climate-related risks and developing the Sustainability Strategy. This includes setting and achieving specific targets, integrating sustainable practices into all aspects of the business, ensuring compliance with environmental regulations, and fostering a culture of sustainability throughout the organisation. Synlait has an internal strategic and goal-focused accountability framework that starts with the ELT. This framework involves setting annual targets for strategic objectives, which then cascades down to individual goals for team members.

Composition

Led by the CEO Richard Wyeth, the ELT for Synlait has nine key executives responsible for various aspects of the business denoted by their titles. Dairyworks is led by Tim Carter who also forms part of the Synlait ELT.

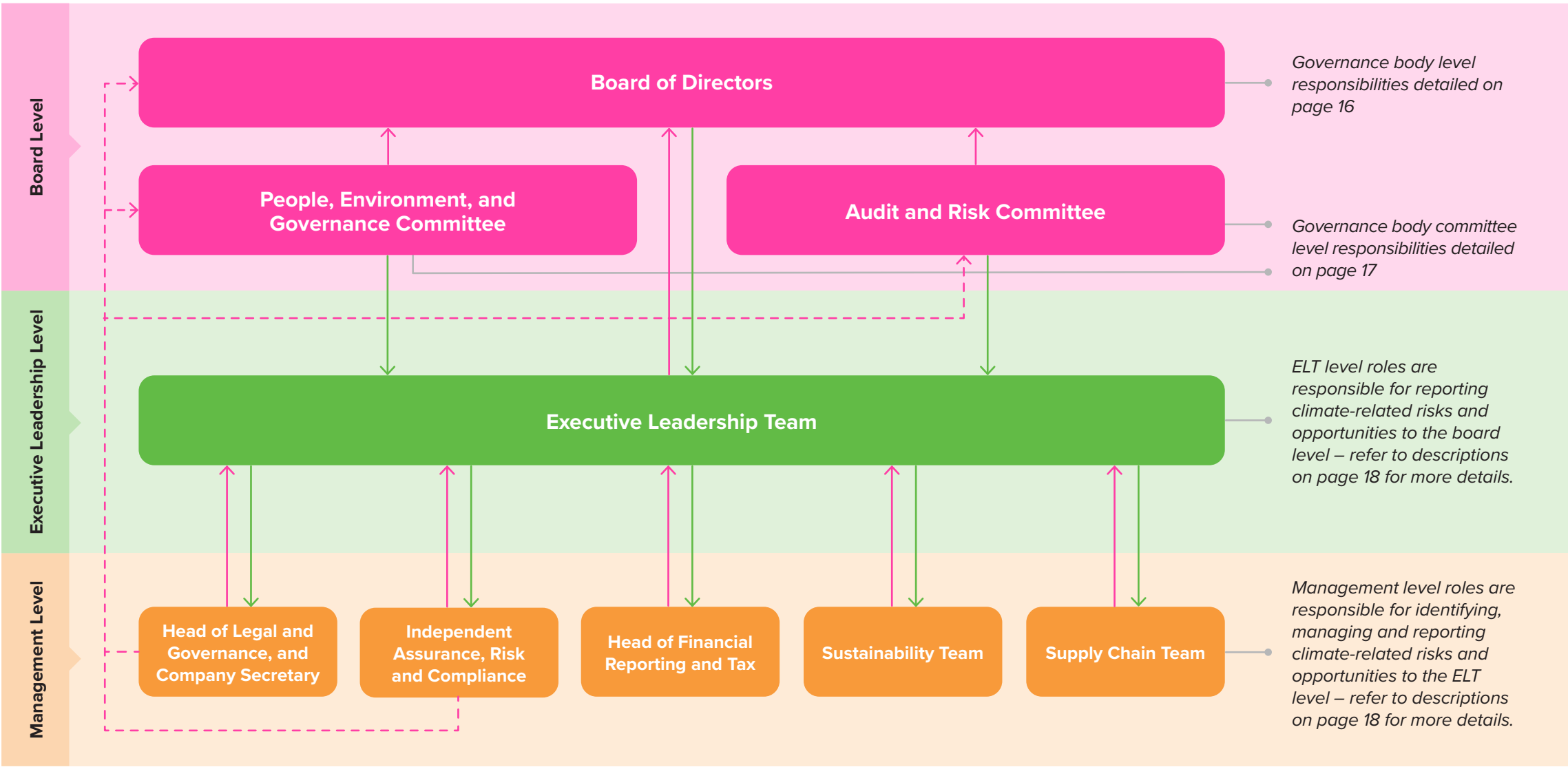
Responsibilities

- The CEO ensures alignment with the company’s sustainability goals.

- Key executives oversee specific climate-related responsibilities, such as milk supply, sustainability initiatives, and financial strategy.
- Throughout the year, ELT members engage with the Board and its committees by attending meetings and presenting papers. At least 12 formal meetings are held annually, with participation from ELT and management.
- Each ELT member manages teams that inform them of matters material to climate risk and opportunity. The ELT monitors relevant KPIs depending on their role. They are informed of updates by their team through meetings, reports, escalation processes, or less formally if relevant. The frequency of this is determined on a team-by-team basis.
- ELT members are delegated decision-making power by the Board to address climate-related risks and opportunities.
- Several key management functions play significant roles in managing Synlait’s climate-related risks and opportunities. These include:
 - **Chief Financial Officer (CFO):** Integrates climate-related risks into the long-term financial strategy, using financial modelling and scenario analysis. Oversees reporting on climate-related risks and opportunities. The Group Financial Controller assists the CFO in these obligations.
 - **Chief Commercial Officer (CCO):** Reporting to the CCO, the Senior Independent Assurance, Risk and Compliance Manager supports the business and Board by ensuring audits and sustainability reporting are completed and climate-related risks are embedded into the organisation. Together with the Head of Legal and Governance and Company Secretary, this function monitors compliance with laws and regulations.
- **Business Sustainability and On-Farm Excellence Teams:** Led by the Director of On-Farm Excellence, Business Sustainability and Corporate Affairs, the sustainability team implements and advances the company’s sustainability initiatives. This includes managing climate-related risks, developing and executing sustainability strategies, and setting measurable targets. The team ensures compliance with environmental regulations and promotes a culture of sustainability. They collaborate with stakeholders to drive continuous improvement in environmental stewardship and corporate social responsibility. The On-Farm Excellence Team focuses on Synlait’s farmer supplier base, ensuring competitiveness and accelerating environmental and greenhouse gas reduction targets. A key feature is the Lead with Pride™ program, run with farmer suppliers.

¹ Naiche Nogueira and Paul Mallard will be leaving Synlait in December 2025.
² Hamish Yates has been appointed Synlait’s new Chief Revenue Officer and will be joining the business in December 2025.

1.5 Governance Structure



1.6 Remuneration

- Board remuneration is independently assessed, and ELT remuneration is linked to financial outcomes and share market performance.
- In FY25, remuneration has not been linked to climate metrics.

SECTION TWO

Strategy

Synlait is a nutrition company. It combines expert farming with state-of-the art processing to produce Advanced Nutrition, Foodservice, and Ingredient products In the year to 31 July 2025, Synlait made no changes to its company structures.

In April 2024, Synlait initiated a strategic review of its North Island assets as part of its business recovery plan. The review explored a wide range of options, including alternative ownership structures, mothballing the Pōkeno plant, and how to balance its capability to process both dairy and plant-based proteins.

In September 2024, Synlait announced that the Board had decided to focus Pōkeno’s operations solely on producing advanced nutrition products that do not require raw milk. This decision followed the strategic review’s finding that alternating between processing plant-based proteins and raw dairy milk at Pōkeno was hindering operational efficiency.

Post the 31 July balance date, in September, Synlait subsequently announced the sale of its North Island

assets to global healthcare leader, Abbott, which has been a customer of Synlait since 2020.

The two companies negotiated the sale and purchase of Synlait’s North Island assets – these are the Pōkeno manufacturing facility, along with the company’s Auckland sites (assets held at the blending and canning facility on Richard Pearse Drive and the warehouse facility on Jerry Green Street), and associated inventory and leasehold arrangements. The sale price is approximately NZ\$307 million, and the targeted completion date is 1 April 2026.

The Board has had to be short-term in its thinking as Synlait resolved the company’s balance sheet issues. Now we are nearly free from those, the Board and Management have clear air to carefully and strategically explore a wide array of opportunities for the company’s future. The Board is currently reviewing Synlait’s future strategy and is aiming to have a plan in place to share with all stakeholders by March 2026.

In the interim, FY26 is seeing Synlait shift from reactive recovery to proactive performance. To achieve this, we have defined six key focus areas, with measurable KPIs, to deliver this shift, internally these are known as “Our Big 6 for ’26” and are set out to the right.

2.1 Current Impacts

Understanding and addressing climate-related risks and opportunities is critical to Synlait’s long-term resilience and sustainability.

To consider if any climate impacts have been experienced by Synlait in the reporting period, we looked at any acute climate-related attributable weather events; any changes to policy settings or regulations enacted; or tangible market, technology or reputational shifts evident within the current reporting period. We also reviewed our climate-related risks and opportunities to assess if any related impacts had occurred.

As a result, there has been no change to Synlait’s core business model or operations from climate change impacts.

However, this year, for the first time, we have quantified the current financial impacts of the physical and transition impacts identified.

The table below outlines the current physical and transition impacts experiences across Synlait’s business operations within the reporting year.



Transition Risks and Opportunities	Physical Risks and Opportunities
Risk: Increased customer pressure to meet carbon reduction targets. FY25 Result: In the period, Synlait incurred \$4,811,013 in transition related costs which includes, physical risk modelling, climate disclosure reporting, including measurement and assurance of GHG emissions, costs associated with Science Based Targets, AgriZero ^{NZ} , LWP and Whakapuāwai programme.	Risk: Increasing occurrence of extreme weather events (like hot days, drought, high rainfall, high winds and flooding events causing operational pressure and disruption on farm. FY25 Result: Synlait has not incurred any material expenses during the reporting period.
Risk: Cross-sector demand for biomass fuels increases as New Zealand transitions to low emissions heat and power FY25 Result: Synlait incurred transition costs related to biomass and biomass availability but is currently unable to disclose this amount due to commercial sensitivities.	

2.2 Scenario Analysis Undertaken

To assess our exposure to transition risks, we adopted the SSP1-1.9; SSP2-2.6; and SSP5-8.5 which represent our 1.5 degrees Celsius climate-related scenario; our 3 degrees Celsius or greater climate-related scenario; and our third (1.8 degrees Celsius) climate-related scenario.

To assess our exposure to physical risks, we adopted the RCP 2.6, RCP 4.5 and RCP 8.5 scenarios. These then fed into our three Synlait scenarios narratives (which we have named Orderly, Disorderly and Hot House World) around which to contextualise the future under different warming scenarios and time frame. In FY25, we updated our scenarios to capture material macroeconomic and geopolitical changes, and to reflect emerging climate science and any updates to climate data sets.

We believe these scenarios are relevant and appropriate to assessing the resilience of the entity’s business model and strategy to climate-related risks and opportunities because they align with the guidance provided by the Aotearoa Circle for the purpose of sector level scenario analysis, the availability of data from NIWA, alignment with NZCS1 standard (paragraph 13) and comparability of the result with peers.

More information about the full scenario analysis process is available in the risk management section. Full descriptions of each scenario are available in Appendix 4.

Summary of Synlait’s Orderly, Disorderly and Hot House World Scenario

Orderly

The Orderly Scenario describes a future where coordinated global climate action limits warming to 1.5°C, with emissions steadily reducing to net zero by 2050. Strong policy, technological innovation, and green investment drive a managed transition, resulting in moderate transition risk and low physical climate risk exposure and vulnerability. Consumer demand, regulation, and trade pressures accelerate decarbonisation, particularly in agriculture and energy.

- Network for Greening the Financial System (NGFS) – Net Zero and Highway to Paris
- IPCC AR5, AR6 – SSP1-RCP1.9
- Climate Change Commision – Tailwinds
- Agriculture Sector Climate Change Scenarios – Tū-ā-pae, Stance in order, step in succession

Policy ambition
1.4°C

Policy reaction
Immediate and smooth

Technology change
Fast change

CDR (CO₂ removal)
Medium-high use

Regional policy variation
Medium variation

Disorderly

The Disorderly Scenario reflects a delayed and politically fragmented response to climate change, followed by sudden and severe policy intervention after 2027. Transition risks are high due to rapid regulatory change, volatile carbon prices, and disruptive market shifts, while physical climate risks intensify over time. Businesses face inflationary pressures, increased compliance costs, financial instability, and pressure to decarbonise abruptly in response to tightening global trade and emissions standards.

- NGFS – Delayed Transition and Sudden Wake-up Call
- IPCC AR5, AR6 – SSP1-RCP2.6
- Climate Change Commission – Headwinds
- Agriculture Sector Climate Change Scenarios – Tū-ā-hopo, Misstep

Policy ambition
1.8°C

Policy reaction
Delayed

Technology change
Slow/fast change

CDR (CO₂ removal)
Low-medium use

Regional policy variation
High variation

Hot House World

The Hot House World Scenario assumes limited global climate action, leading to temperature increases exceeding 3°C and extreme, irreversible climate impacts. Transition risks remain low due to minimal policy change, but physical risks are catastrophic, driving major disruption to supply chains, land use, food security, and economic stability. Social unrest and environmental degradation rise sharply, creating severe long-term challenges for business viability and resilience.

- NGFS – Current Policies and Disasters and Policy Stagnation
- IPCC AR5, AR6 – SSP5-RCP8.5
- Climate Change Commision – Current Policies
- Agriculture Sector Climate Change Scenarios – Tū-ā-tapape, Faltered step, to fall

Policy ambition
3°C+

Policy reaction
Delayed

Technology change
Slow change

CDR (CO₂ removal)
Low use

Regional policy variation
Low variation

CLIMATE-RELATED DISCLOSURES FY25

SYNLAIT MILK LIMITED

2.3 Time Horizons

Synlait adopted three time horizons against which to assess our risks and opportunities against each of our three warming scenario narratives. The time horizons are determined by an end point in time, as set out in the table below.

Timeframe Definitions and Alignments		
Short	2025-2030 (5 years)	Aligns with and incorporates our corporate strategy and short-term sustainability goals (such as our science-based targets and AgriZero ^{NZ} investment) which have targets ending in in FY28.
Medium	2031-2050 (20 years)	Aligns with and incorporates our 10-year asset planning cycle and capital deployment plans.
Long	2051-2100 (50 years)	Aligns with and incorporates our long-term strategic planning cycles and beyond.

These have been updated from previously disclosed time horizons due to the previous short term time horizon lapsing (the previous short-term horizon ended in 2025). We have also offset the start of the following time horizons, e.g. 2031-2050 to ensure there is no cross over.



2.4 Physical Climate-related Risks

The following list details the most material physical risks faced by Synlait. These risks were identified by a diverse panel of stakeholders who were considered subject matter experts in their areas of expertise. This review took place during the FY25 year and more information about the process is contained in the risk management section of this report. Time horizons have been determined by identifying the scores assigned to each risk and then assigning the time horizon and scenario corresponding to the highest risk score. In the event that across all the time horizons and scenarios the same score was applied then the nearest time horizon to today was chosen. The present day time horizon represents an Orderly transition.

At Risk	Risk Description	Anticipated Impacts	Time Horizon and Scenario for Impact	Strategic Mitigations
Synlait's Supply Chain	Extreme weather events cause asset damage and disrupt supply chain operations, leading to inventory write-offs and unplanned manufacturing plant shutdowns, reducing productivity and revenue.	Extreme weather events are occurring with increasing frequency and intensity, disrupting access to critical inputs (e.g. lactose, solid fuel, key minerals, bottling/canning supplies, and other imported products required for food safety and hygiene). These disruptions may result in unplanned manufacturing plant shut downs, reducing productivity and revenue.	Short (Present Day)	Regularly review inbound logistics and supply chain risk to determine key risk areas to develop mitigation strategies.
		Extreme weather events (storms and flood) occur with increasing frequency and intensity impacting truck drivers ability to collect and deliver key inputs (e.g. solid fuel and milk supply), and impairing site access generally. These disruptions may result in unplanned manufacturing plant shut downs, reducing productivity and revenue.	Long (RCP 8.5)	
		Extreme winds occur with increasing frequency and intensity causing bridge and road closures disrupting tankers used to transport milk to the Synlait manufacturing sites. This may result in lower productivity and increased levels of spoiled milk.	Short (Present Day)	
		Extreme weather events occur with increasing frequency and intensity impacting farmers' ability to source key inputs (e.g. solid fuel), preventing farmers performing duties such as milking and feeding out. This may result in increased pressure on the supply chain, and reduced volumes of milk supplied to Synlait.	Long (RCP 4.5)	
Synlait's Operations and Assets	Increasing temperatures and more frequent extreme weather events accelerate asset wear and cause physical damage to infrastructure, disrupt plant operations and increase operating costs, leading to higher capital expenditure, inventory write-offs, lower productivity and revenue, and potential harm to overall financial performance and brand reputation.	An increasing number of hot days causes brown outs as businesses use more electricity on HVAC for their manufacturing. This may result in the closure of Synlait's manufacturing sites, leading to manufacturing site downtime and lower productivity.	Medium (RCP 4.5)	Integrate climate impacts into Synlait's 10 Year Asset Planning framework.
		Extreme weather events occur with increasing frequency and intensity impacting Synlait's ability to access key inputs (e.g. solid fuel). This may result in unplanned manufacturing plant shut downs and lower productivity.	Medium (RCP 8.5)	Develop scenarios and contingency plans in collaboration with the Synlait Manufacturing and Operations team
Synlait's Milk Suppliers' Operations On-Farm	Extreme weather events, an increase in invasive pest species and changing weather patterns cause asset damage, animal welfare concerns and disrupt on-farm operations and equipment, leading to productivity losses, reduced milk quality and a reduction in revenue.	Extreme winds occur with increasing frequency and intensity causing irrigation pivots to topple, impacting the milk as land is unable to be irrigated for extended periods of time. This may result in less milk due to less feed availability.	Long Term (RCP 4.5)	Support our Synlait suppliers with customised farm resilience plans incorporating climate adaptation and share knowledge of climate risks when relevant.
		An increasing incidence of invasive pests species impacts on animal welfare, negatively impacting milk production. This may result a reduction in milk quality and supply volumes.	Long Term (RCP 4.5)	
		During periods of extreme drought there will be an increase in demand to send stock to the freezing works due to the inability to provide shelter, feed and water stock (milking the cows would not be cost effective). This may result in a decrease in the milk supply as it takes up to two years to bring milk producing stock levels back up to normal levels.	Medium (RCP 8.5)	Continue to support Synlait Suppliers through our Lead with Pride™ programme and payments.
		A decrease in the number of cool nights impacts the ability of farmers to produce feed for cattle (rye grass has an optimal soil temperature, which impacts growth rates). Reduced feed may result in decreased volumes of milk supplied and an increase in the cost per unit of milk.	Long Term (RCP 4.5)	

Notes:

1. The location for all of the risks identied in this table covers all Synlait's operations in Canterbury and the supply chain that supports the Canterbury operations.
2. The financial cost anticipated from theses impacts is currently being calculated and understood. In line with adoption provisions granted by the FMA, Synlait will provide information related to the financial cost anticipated when future editions are published.

2.5 Transition-related Risks

Time horizons have been determined by identifying the scores assigned to each risk and then assigning the time horizon and scenario corresponding to the highest risk score. In the event that across all the time horizons and scenarios the same score was applied then the nearest time horizon to today was chosen. The present day time horizon represents an Orderly transition.

At Risk	Risk Description	Anticipated Impacts	Time Horizon and Scenario for Impact	Strategic Mitigations
Market	Increased customer pressure to meet carbon reduction targets could lead to market exclusion and financial penalties if not met. Additionally, inadequate emissions tracking, and logistical challenges may further jeopardize revenue and market access.	Increasing prices due to carbon-related import tariffs and domestic carbon taxes impact the ability to export into key markets.	Short (Present Day)	Deliver year on year GHG Reductions in Scope 1, 2 & 3.
		This may result in market share loss and revenue loss.		
		Missed GHG targets may result in reduced sales volume, and increased purchase of other brands that are achieving (less ambitious) emissions targets.	Medium (Delayed)	Deliver on our roadmap to meet Synlait's SBTi Targets of -45% reduction in Scope 1 & 2 and -30% reduction in Scope 3.
		Financial constraints may impede Synlait's efforts to decarbonise, resulting in missed targets.	Short (Present Day)	Continue external review and verification of GHG Reporting.
Regulatory and Legal	Synlait's ability to meet its emissions reduction targets could lead to costly liabilities, increased compliance costs, missed tax incentives, Directors' fiduciary duty risk, and potential litigation costs.	Increased customer pressure to transition to low carbon production processes. This may present a risk of increased capital expenditure requirements to convert assets from coal fired to biomass boilers.	Medium (Delayed)	
		Failure to accurately quantify and track carbon emissions inventory due to inadequate systems could result in green-washing allegations and/or financial penalties, consumer defection and loss of revenue.	Short (Present Day)	Continue to monitor availability of low carbon fuel and regulatory GHG reduction requirements.
		Failure to decarbonise in line with set targets may result in costly carbon offset liability exposure.	Medium (Orderly)	Deliver on our roadmap to meet Synlait's SBTi Targets of -45% reduction in Scope 1 & 2 and -30% reduction in Scope 3.
		Synlait is perceived by customers as failing to exert sufficient influence over its supply chain to decarbonise resulting in customer dissatisfaction and or loss	Short (Present Day)	Continue external review and verification of GHG Reporting.
Technology	Technological limitations within the New Zealand and pastoral farming context may increase liability and Synlait's' ability to meet its carbon reduction obligations.	Cross-sector demand for biomass fuels increases as New Zealand transitions to low emissions heat and power generation. This may result in supply insecurity and rising biomass prices, as Synlait competes to secure enough biomass to fire its boilers.	Short (Present Day)	Leverage our investment in AgriZero ^{NZ} to ensure access to methane and nitrous oxide technologies in Aotearoa.
		Synlait faces increased pressure from the regulator and customers to transition to zero carbon production processes. This may present a risk of Synlait being left with sunk investments.	Short (Present Day)	Continue to monitor and follow best practice in GHG accounting. Continue to investigate alternative biomass supply.

Notes:

1. The location for all of the risks identified in this table cover all Synlait's operations in Canterbury and the supply chain that supports the Canterbury operations.
2. The financial cost anticipated from theses impacts is currently being calculated and understood. In line with adoption provisions granted by the FMA, Synlait will provide information related to the financial cost anticipated when future editions are published.

2.6 Physical and Transition Opportunities

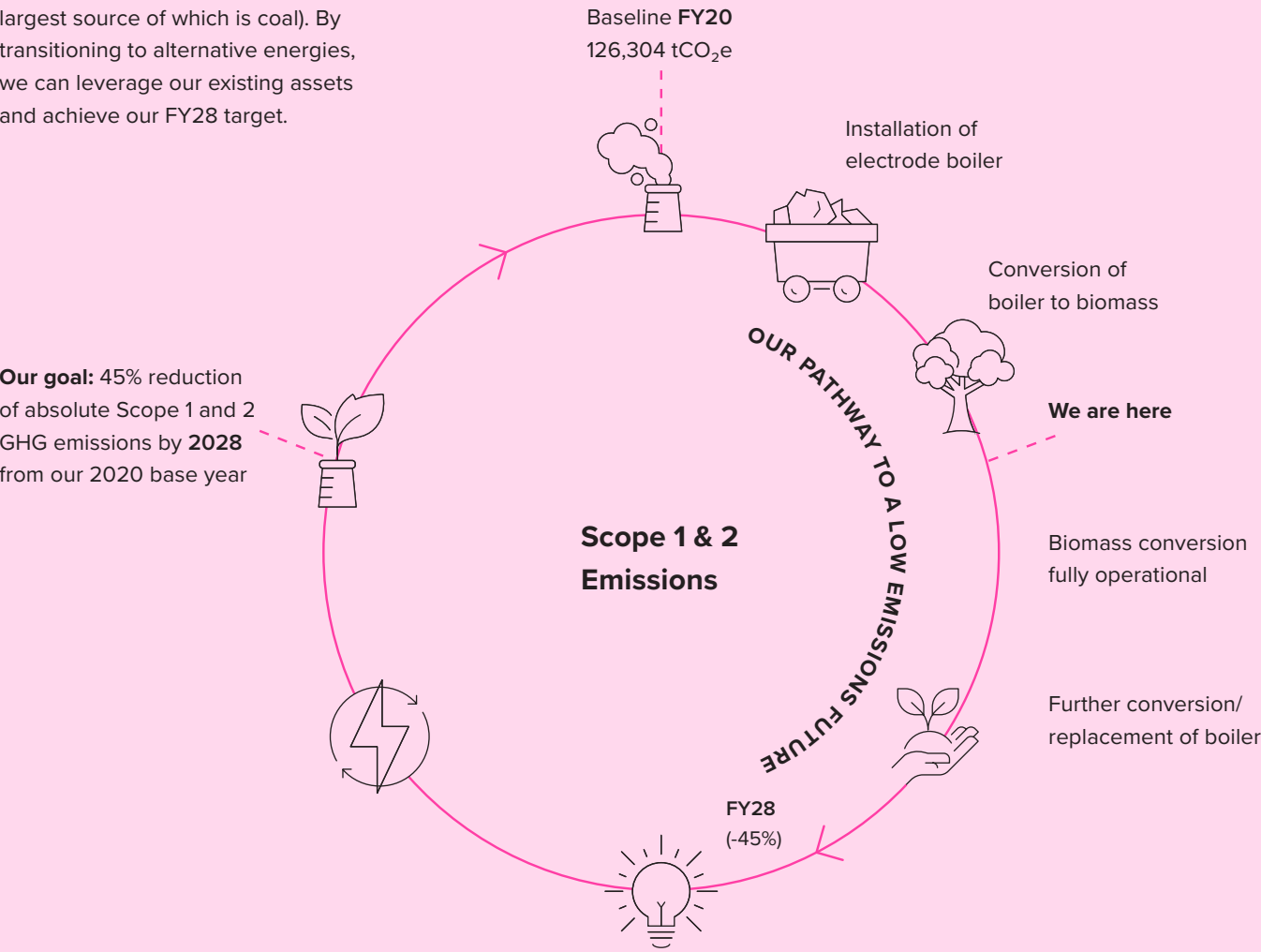
At Risk	Risk Description	Opportunity Type	Sector or Company Specific	Time Horizon	Potential Anticipated Impacts
Markets	Physical climate change impacts globally may make dairying in New Zealand more viable relative to other markets. This may present internationally competitive opportunities to increase the number of customers, revenue and margin and to optimise asset efficiency.	Physical	Relevant to New Zealand Sector	Medium	Access to new markets and customers. Low emissions production offsets long distance logistics challenges for NZ companies.
On-Farm	Extreme weather events and changes in rainfall patterns may necessitate on-farm diversification, resulting in the generation of new revenue streams for farmers.	Physical	Relevant to New Zealand Sector	Medium	Longer milking seasons. Opportunities to use low-carbon energy. New logistics and transportation options emerge which both lower cost and increase margin.
Reputation	Opportunities exist for Synlait to obtain discounted debt from sustainable finance if emissions can be reduced. A strong performance in emissions reduction could result in Synlait attracting and retaining higher calibre employees and customers because of proven performance.	Transition	Relevant to Synlait specifically	Medium	Access to low interest capital. Potential increased margins. Increased regulatory scrutiny and fines for competitors. Gain access to tax incentives.
Products	Changes in consumer demand could result in it becoming more profitable for Synlait to produce lower embodied emission non-dairy products alongside the traditional products enhancing the diversity of the product portfolio.	Transition	Relevant to Synlait specifically	Medium	Access to new markets and customers. Access to low interest capital. Potential Increased margins. New product opportunities.

2.7 Transition Plan

Our transition plan is divided into two key areas: on-farm and off-farm. As these are two integral parts of our business that need to transition to a climate-resilient future but will require radically different approaches. These transition plans work in tandem across time horizons and will be updated as activities and opportunities evolve. Our transition plan has not been updated in this reporting period. This reflects that progress remains aligned with the original plan, with no new information requiring changes to the planned actions, interim (where relevant) and FY28 targets, or time horizons.

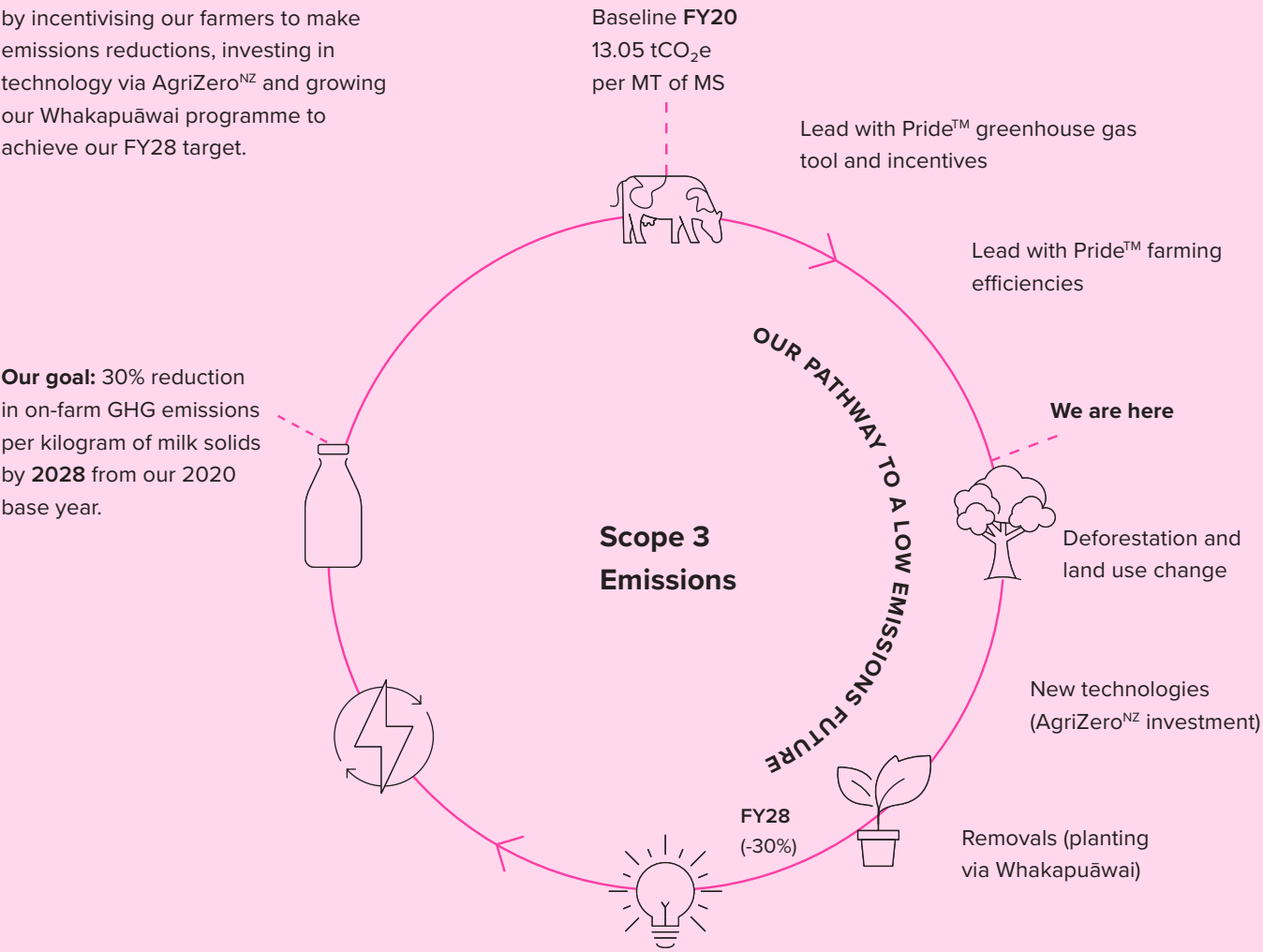
Off-Farm

Our off-farm climate strategy seeks to decarbonise process heat (the largest source of which is coal). By transitioning to alternative energies, we can leverage our existing assets and achieve our FY28 target.



On-Farm

Our on-farm climate strategy seeks to invest in the future of farming solutions by incentivising our farmers to make emissions reductions, investing in technology via AgriZero^{NZ} and growing our Whakapuāwai programme to achieve our FY28 target.

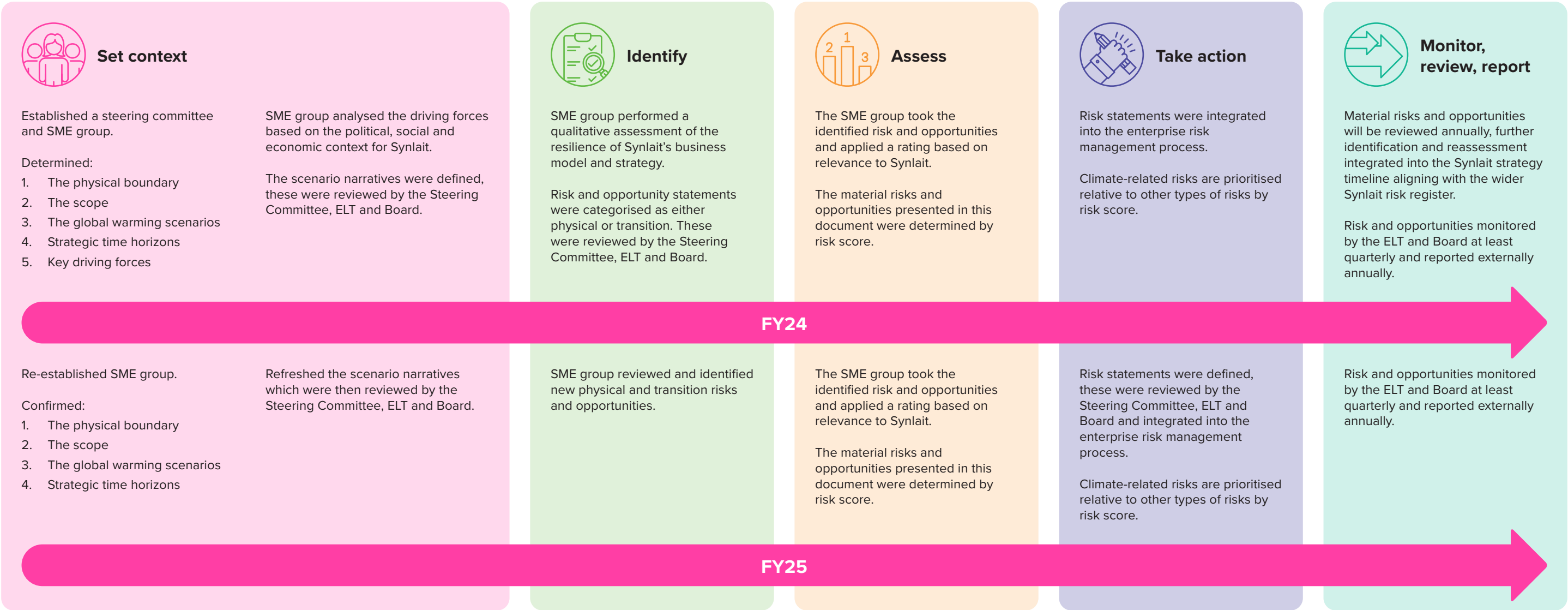


SECTION THREE

Risk Management

3.1 Climate Risk Assessment Process

How climate-related risks and opportunities are identified, assessed, and managed and how those processes are integrated in existing risk management processes.



Note: This process is aligned to NZ’s National Climate Change Risk Assessment (NCCRA) process and framework as well as the methodology prescribed in ISO 14091.

3.2 Climate-related Risks and Opportunities Updates in 2025

During 2025, Synlait undertook further work and research with the help of external service providers (Deloitte) to gain a deeper and updated understanding of our physical and transition risks across its business and including its owned assets, leased operations and farm suppliers in the supply chain (as of July 2025).

Risks and Opportunities Review

To support this process, we:

- Re-established a group of subject matter experts (SME) who were best positioned to provide insight and commentary on climate risks and opportunities. These people were a mix of employees who were new to the process in FY25 and some who had been part of the SME group in FY24.
- Updated our scenarios to capture material macroeconomic and geopolitical changes, and to reflect emerging climate science and any updates to climate data sets.
- Re-established the scope and boundary of the climate risk and opportunities assessment, which did not change. Scope – Operations and Assets, On-Farm, and Products and Markets. Boundary – two tiers upstream and one tier downstream in the Synlait value chain. No exclusions were noted in either the scope or boundary.
- Utilised our refreshed scenario narratives to focus our subject matter experts to review and update

our climate risk assessment for FY25. This entailed a workshop to build on previous analysis by reviewing climate-related risks and opportunities identified in FY24.

- During the physical risks rating review process, SMEs were asked to consider the exposure, sensitivity and adaptive capacity of Synlait’s people, operations, and assets, to the climate hazard. This process was performed against each time horizon, and warming scenario. Transition risks were categorised in alignment with the Taskforce on Climate-Related Financial Disclosures’ (TCFD) transition risk categories. They were rated using a modified urgency criteria based on New Zealand’s National Climate Change Risk Assessment’s (NCCRA) and the UK Climate Change Risk Assessment Technical Report’s rating methodologies. The process entailed applying the TCFD’s four risk categories (market, reputation, policy and legal, and technology) to identify the risks arising as the global and local economies decouple from fossil fuels; and the TCFD’s five categories for identifying the opportunities that present for Synlait as New Zealand transitions to a decarbonised economy. These categories include resource efficiency and cost savings, the adoption and utilisation of low-emission energy sources, the development of new products and operations, and building supply chain resilience. The transition risks were then rated using a modified urgency criteria derived from the NCCRA

and the UK Committee on Climate Change’s rating methodologies. The urgency criteria were modified by introducing a temporal element to further define the level of urgency and provide context for transition risk rating purposes.

- The outputs from the scenario analysis were integrated with Synlait’s wider strategy and risk management processes. The company’s standard risk rating tool was used as part of the process to ensure climate-related risks are comparable with other business risks.
- The scenario analysis process was overseen jointly by the Board and Executive Leadership Team. Management lead the process through workshops and engagement with subject matter experts, while the Board and ELT validated the resulting climate-related risks and opportunities to ensure appropriate governance and integration into strategic decision-making.
- While risks are rated individually, they are tagged in a way that enables them to be viewed within the aggregate. This helps us to identify if the risks are pervasive across our business value chain, and which are therefore more likely to be material.
- The materiality analysis looked at risks by hazard, type and receptor, to ensure Synlait has oversight of all the types of risks that single events can present for its people, operations and assets; or all the climate risks that are

associated with parts of the business, for example, manufacturing.

- The risk assessment process described above is consistent with the Ministry for the Environment’s National Climate Risk Assessment Framework methodology, and with ISO14091:2021 by assessing the identified risks in terms of their exposure, sensitivity and adaptive capacity. We adopted the IPCC Shared Socioeconomic Pathways (SSPs) for our physical risk assessment; and the NGFS scenarios for our Transition risk assessment, as defined on page 21.
- For a description of the Climate Risk Assessment Process taken in FY24 please refer to our 2024 Integrated report which is available on our [website](#).

Quantitative Risk Modelling Using GIS

We undertook a quantitative climate risk assessment using GIS to evaluate the potential physical impacts of climate change on our assets under different scenarios. NIWA climate projection data was mapped against the locations of our assets (both Synlait owned and our farmer supply base), incorporating scenario-specific assumptions and time horizons to estimate exposure to hazards such as drought, heat stress, and wind. This geospatial analysis allowed us to quantify and visualise physical climate risks, identify high-risk assets, and inform our understanding of how these risks could evolve under each scenario and time horizon.

3.3 Risk Management at Synlait

Synlait’s risk management framework is aligned to ISO31000:2018 guidelines and is applied across all sites and operations. Synlait operates under a Board approved Risk Management Policy, with supporting procedures and tools to achieve a consistent approach.

At Synlait, risk is everyone’s responsibility. This principle is supported by an integration of proactive risk management processes within key business functions and activities, and reactive incident management processes where remedial actions are based on root cause analysis and robust improvement processes.

The Audit and Risk Committee review and approve Synlait’s risk management framework and key control framework. The Committee is responsible for monitoring Synlait’s risk management profile, and the effectiveness of key risk control activities.

Annually as part of Strategy development Synlait’s Board and Executive consider the risks that may have a direct impact strategy, emerging risks and interconnectivity of risks. Through these strategic risk workshops Synlait’s strategic risks and appetite settings for each risk are agreed.

Strategic risks are assigned an executive owner responsible for ensuring mitigation strategies are in place and robust, maintaining risks at an acceptable level.

Governance is provided through monthly individual ELT reviews on the progress of risk mitigation action plans, monthly

ELT collective reporting and deep dive sessions on risk mitigation strategies, quarterly Audit and Risk Committee reporting and annual Board refresh where major changes and emerging risks are discussed.

SECTION FOUR

Metrics and Targets

4.1 Approach

Synlait has been measuring greenhouse gas (GHG) emissions since FY18 making this year our eighth year using the operational control consolidation approach. The inventory and this report have been prepared in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard.

As adapted from the GHG Protocol, these emissions were classified under the following categories:

- **Direct GHG emissions (Scope 1):** Emissions from sources that are owned or controlled by the company.

- **Indirect GHG emissions (Scope 2):** Emissions from the generation of purchased electricity, heat and steam consumed by the company.
- **Indirect GHG emissions (Scope 3):** Emissions that occur because of the company’s activities but from sources not owned or controlled by the company. Our Scope 3 emissions have been further categorised using the Scope 3 Standard categories.

Further information is available in our greenhouse gas inventory in the following chapter.

4.2 Boundaries

Organisational boundaries were set in accordance with the methodology described in the GHG Protocol. The figure on the following page shows the context of the overall structure.

A list of the active entities that have been included and excluded in our emissions boundary has been included in our GHG inventory.



One of the planting projects that Synlait's Whakapuāwai project has supported.

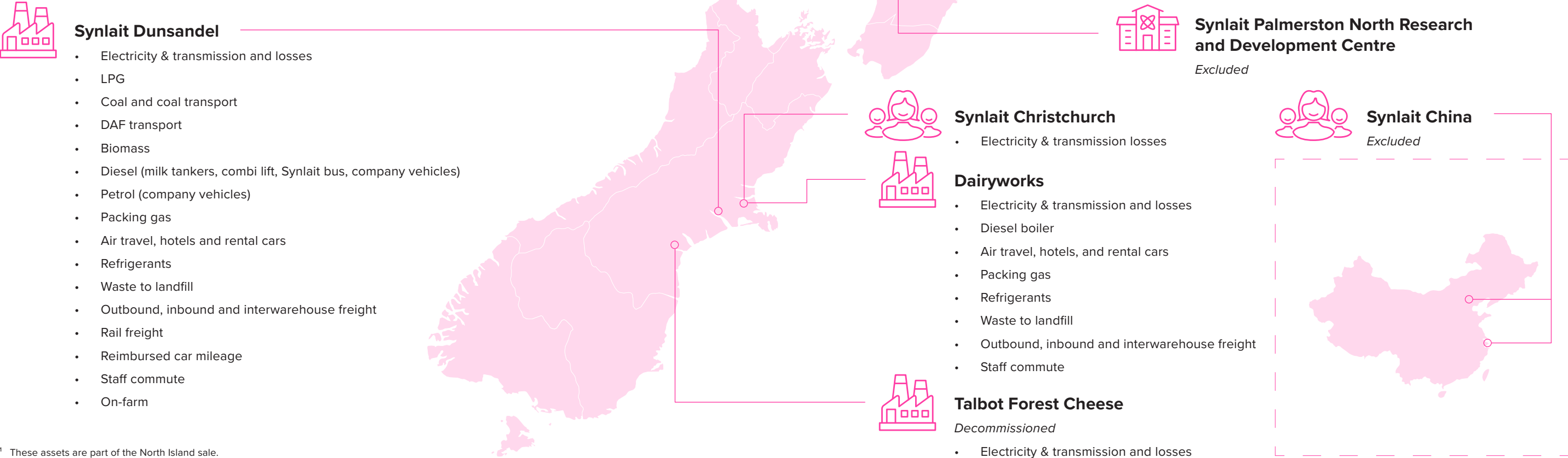
4.3 Inclusion and Exclusions

In FY25 our total GHG emissions profile included our locations as shown to the right.

A detailed list of our included locations is available in our GHG inventory including any emission sources associated with each of these locations.

While Synlait takes care to include all possible emissions sources there are a limited number of exclusions. Table 10 on page 41 details emissions that have been excluded from the inventory in FY25 and the reason for their exclusion.

Note: business units that have been excluded in this figure have been excluded due to data limitations.



¹ These assets are part of the North Island sale.

4.4 Targets

Synlait has set the following public targets to manage our climate-related risks and opportunities with consideration to limiting global warming to 1.5°C in line with the Paris Agreement 2016. This target is verified by the Science Based Target Initiative (SBTi) as aligned with 1.5°C and business ambition for 1.5°C commitment.

Description	Unit	Base Year FY20	Interim Targets (year)	Target FY28	Target Type
Reduce absolute Scope 1 and 2 GHG emissions by 45% between FY20 and FY28	tCO ₂ e	126,304	Nil	69,467	Absolute
Reduce Scope 3 GHG emissions from on-farm purchased goods and services by 30% per kg of milk solids (kgMS) between FY20 and FY28	tCO ₂ e/t MS	13.05	Nil	9.14	Intensity

We have a third target that has been committed to through the science-based target initiative (SBTi) that states, “Synlait commits that 6% of its suppliers by emissions covering off-farm purchased goods and services will have science-based targets by FY25.”

While we had hoped to report more detailed information on our Scope 3 off-farm emissions this year, data availability has limited our ability to quantify these emissions. We will be reviewing and resubmitting all our science-based targets during FY26, and plan to include this supplier-related target as part of that review.

4.5 Offsets

Synlait is committed to achieving our targets with a primary focus on emission reduction. We have not used offsets to date, and we do not currently plan to apply offsetting to achieve any of our targets between FY25 and FY28.

4.6 Emission Factors

Emissions factors released by the New Zealand Ministry for the Environment (MfE) (published June 2025) are used where available for all emissions except Christchurch office electricity and inbound freight for Synlait. The Market Economics Limited, 2023, Consumption Emissions Modelling, report prepared for Auckland Council (March 2023),	factor have been used where spend factors have been required to be used.	2022 (2025) which uses GWP values from the IPCC Fifth Assessment Report (AR5). For full details of the GWP values and methodologies, refer to the MfE publication.
	The Global Warming Potential (GWP) values applied to the emission factors are consistent with those used by the Ministry for the Environment (MfE) in New Zealand’s Greenhouse Gas Inventory: 1990-	We assume data that came from supplier reports is accurate and complete, where data from supplier reports has been used.

4.7 Currency

Synlait uses the presentation currency of its financial statements as the unit of measure in its climate-related disclosures which is New Zealand Dollars (NZD).



Nicky Halley, Synlait Farms Operations Manager and Andrew Lindsay, Synlait Area Manager.

4.8 Metrics and Targets

Metric Type	Metric (unit)	Target	FY22	FY23	FY24	FY25	Performance Against Target – Evolution from Base Year (FY20)	Trend	Notes
Absolute	Scope 1 Emissions (tCO ₂ e)	No Target	115,939	111,419	101,205	106,522	-9%		-
	Scope 2 Emissions (tCO ₂ e)	No Target	11,097	7,751	9,444	11,921	35%		The electricity emissions factor increased by 39% or 0.0282272042 kgCO ₂ e/unit. If not for the emissions factor change, total emissions would be 8,475 tCO ₂ e.
	Scope 1 + 2 Emissions (tCO ₂ e)	-45%	127,036	119,170	110,649	118,442	-6%		-
	Scope 3 Emissions (tCO ₂ e)	No Target	1,106,583	1,083,523	1,061,716	995,992	-5%		-
Intensity	Scope 1 and 2 Emissions Per Tonne of Finished Product (tCO ₂ e/t)	No Target	0.62	0.60	0.61	0.52	-20%		-
	Scope 3 On-Farm Emissions Per Tonne of Milk Solids (tCO ₂ e/tMS)	-30%	12.66	12.14	12.03	11.29	-13%		Recalculated from base year in FY25, see GHG inventory on-farm emissions section for more detail.
	Scope 3 On-Farm Emissions Per kg of FPCM (tCO ₂ e/kg FPCM)	No Target	0.98	0.99	0.96	0.92	-8%		The emission intensity for farm suppliers included in this report is an average of the total milk pool. For customers requiring custom emission intensity figures please contact sustainability@synlait.com
Other	Physical risks: Assets determined to have high or extreme potential exposure to physical risks from climate hazards (%)								These percentages were calculated for the first time using a quantitative analysis (more detail page 28). The analysis covers all Synlait owned or operated sites and uses downscaled NIWA data. The results are presented using climate scenario SSP2-4.5 for the 2021–2040 period, which is considered the most relevant due to its alignment with current planning cycles. SSP2-4.5 was chosen because it represents a “middle-of-the-road” global pathway with moderate progress on climate policy and technology.
	Windy days (>10m/s)		-	-	-	20%			Vulnerability was identified where assets received High or Extreme exposure ratings.
	Dry days (<1mm)		-	-	-	90%			All assets show some level of exposure across the six physical climate hazards assessed, ranging from Low to Extreme.
	Potential Evapotranspiration Deficit (PED)	No Target	-	-	-	100%	N/A		None of our assets were rated High or Extreme for very rainy days (more than 25 mm in 24 hours). However, 70% received a Moderate rating, reflecting the potential for almost one additional very rainy day per year at our Auckland and North Waikato sites.
	Very rainy days (>25mm)		-	-	-	0%			Temperature-related risks are the most significant. All assets are rated Extreme for hot days (25°C), and 70% are rated Extreme for very hot days (30°C). This reflects the potential for around two additional days per year over 30°C at our Dunsandel factory and farms, or an increase of almost 10 days per year over 25°C.
	Hot days (>25°C)		-	-	-	100%			
	Very hot days (>30°C)		-	-	-	100%			
	Capital deployment: Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities (\$)	No Target	\$3,672,104	\$3,655,641	\$5,400,614	\$4,811,013	N/A		This amount represents our current spend associated with or already deployed to our decarbonisation plan, AgriZero ^{NZ} investment, Whakapuāwai, CRD consulting, SBTi and LWP GHG incentives during the financial years mentioned.
	Remuneration: Management remuneration linked to climate-related risks and opportunities (%)	No Target	0%	0%	0%	0%	N/A		We do not currently pay management or our board in relation to climate-related risks and opportunities.
	Internal Emissions Price (\$/tCO ₂ e)	No Target	\$25	\$25	\$45	\$70	N/A		-

Note: Assets and business activities vulnerable to transition risks; and, the amount or percentage of assets, or business activities aligned with climate-related opportunities is yet to be quantified.

CHAPTER THREE

GHG Emissions Inventory

SYNLAIT MILK LIMITED

FY25 Greenhouse Gas Inventory Report

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Seedlings being raised in our Whakapuāwai nursery.

1. About This Report

This report is the annual greenhouse gas (GHG) emissions inventory report for Synlait Milk Limited (Synlait). The inventory is a quantification of the amount of GHG emissions that can be attributed to Synlait’s operations within the declared boundary, scope, and reporting period. Synlait is a milk nutrition and dairy processing company operating in New Zealand.

The inventory and this report have been prepared in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard. Throughout this report, where appropriate, figures have been rounded to the nearest whole number.

Targets

In 2021 we set our Science Based Targets for Scope 1 and 2 emissions out to 2028. These targets have the company working toward a reduction in emissions from the 2020 baseline. The targets are approved by the Science Based Targets initiative (SBTi) and align with the commitment to keep warming to below 1.5°C.

Synlait is committed to reduce:

- Absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 45% between FY20 and FY28 (in tCO₂e).
- Scope 3 (in (tCO₂e)) GHG emissions from on-farm purchased goods and services by 30% per kg of milk solids (kgMS) intensity between FY20 and FY28.

GHG Inventory Assurance

KPMG has been appointed as the third-party independent assurance provider. A limited level of assurance has been given over the Scope 1, 2 and 3 assertions and quantifications included in this report.

Statement of Intent and Intended Use

This inventory report forms part of Synlait’s commitment to sustainability and environmental best practice and informs the governance body and senior management’s decision-making relating to the company’s sustainability strategy. We intend to make this report publicly available through our website.

This document also provides detail to support Synlait’s Climate Related Disclosure (CRD) under the Aotearoa New Zealand Climate Standards.

Base Year and Reporting Period

The base year is 1 August 2017 to 31 July 2018. This is the first 12-month period where GHG emissions were calculated. This document has been prepared for the emissions in period 1 August 2024 to 31 July 2025, known as financial year 25 (FY25).



Synlait Farmer Leadership Team members from left Roseanne Megaw, Susie Woodward and Adam Williamson with Head of Strategy, Milk Supply and Corporate Affairs, Hannah Lynch (second from left).

2. GHG Inventory Full Results for FY25

Table 1: GHG Emissions by Scope

	FY18 (first year)	FY19 (SBTi base year)	FY20	FY21	FY22	FY23	FY24	FY25	FY18-FY25 Evolution
Scope 1	101,079	106,512	117,500	116,961	115,939	111,419	101,205	106,522	5%
Scope 1 – Excluding Synlait Farms	101,079	106,512	117,500	116,961	115,939	105,974	93,938	98,762	-2%
Scope 2	6,923	7,035	8,804	8,504	11,097	7,751	9,444	11,921	72%
Scope 2 – Excluding Synlait Farms	6,923	7,035	8,804	8,504	10,923	7,598	9,290	11,730	69%
Scope 1 and 2 Emissions (tCO ₂ e)	108,002	113,547	126,304	125,465	127,036	119,170	110,649	118,442	10%
Scope 1 and 2 Emissions excluding Synlait Farms (tCO ₂ e)	108,002	113,547	126,304	126,465	126,862	113,572	103,228	110,491	2%
Scope 3 Emissions (tCO ₂ e)	797,611	752,484	1,049,362	1,140,913	1,106,583	1,083,523	1,061,716	995,992	25%
Total Emissions (tCO ₂ e)	905,613	866,031	1,175,666	1,266,379	1,233,618	1,202,693	1,172,364	1,114,434	23%

Table 2: GHG Emissions by Source

Emissions Sources	FY18 (first year) tCO ₂ e	FY19 tCO ₂ e	FY20 (SBTi base year) tCO ₂ e	FY21 tCO ₂ e	FY22 tCO ₂ e	FY23 tCO ₂ e	FY24 tCO ₂ e	FY25 tCO ₂ e
Scope 1								
LPG	470	503	586	531	362	427	463	445
Coal	94,791	100,028	97,965	96,402	98,465	87,253	73,865	80,478
Biomass ¹	-	-	8	-	-	28	89	82
Diesel – Milk Tankers	4,302	4,196	6,035	6,791	7,091	7,055	6,965	5,715
Diesel – Boiler	N/A	N/A	906	982	40	26	15	-
Distributed Natural Gas	163	169	10,058	10,748	8,657	9,778	11,338	10,683
Company Vehicles and Combi	73	76	84	243	296	349	310	365
Bus	-	125	105	123	71	79	76	75
Packing Gas	1,266	1,349	1,719	1,103	937	819	711	770
Refrigerants	-	20	-	19	-	118	81	126
Rental Cars	14	46	34	19	22	42	25	22
Synlait Farms On-Farm ²	-	-	-	-	-	5,445	7,267	7,760
Scope 2								
Electricity ³	6,923	7,035	8,804	8,504	10,923	7,598	9,290	11,730
Synlait Farms Electricity	-	-	-	-	174	153	154	191
Scope 3								
Gas Transmission Losses	19	20	1,181	639	515	361	422	340
Electricity Transmission Losses	565	533	667	729	1,003	855	689	894
Synlait Farms Electricity Transmission Losses	-	-	-	-	16	18	11	14
Waste to Landfill ⁴	421	1,108	1,699	2,050	904	1,804	1,206	944
Coal and DAF Transport	212	209	635	1,845	1,822	210	224	197
Outbound Freight	28,413	28,385	30,923	37,986	39,726	38,233	23,849	23,023
Inbound Freight	11,529	14,248	11,758	12,107	8,969	11,528	15,222	19,911
Inter-warehouse Freight	866	1,361	1,950	690	746	494	502	698
Rail Freight	-	-	-	59	237	194	220	238
Car Mileage	4	9	22	15	13	24	12	12
Staff Commute	-	-	-	-	2,919	3,922	2,278	2,691
Taxi	3	4	Excluded	Excluded	Excluded	Excluded	1	2
Air Travel	1,814	1,829	1,223	335	341	1,486	886	829
Hotel Stays	150	241	49	20	34	63	37	48
Farmer Suppliers On-Farm Emissions ²	753,615	704,537	999,255	1,084,438	1,049,338	1,024,331	1,016,154	946,144
Working From Home	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded	3	6
Total GHG Emissions	905,613	866,031	1,175,666	1,266,379	1,233,618	1,202,693	1,172,364	1,114,434

¹ Biomass was combusted in the 2025 financial year for a period of four months.

² On-farm emissions have been restated for all comparative periods to maintain consistency with updated estimation methodology. Refer to the on-farm emissions disclosures on page 41 for further information. These emissions were first estimated for the FY24 reporting period and previously reported values may be found in the FY24 GHG Inventory Report.

³ The electricity emissions factor increased by 39% or 0.0282272042 kgCO₂e/unit. If not for emissions factor change, total emissions would be 8,475 tCO₂e.

⁴ The waste to landfill emissions factor decreased by 12% or 0.088947417 kgCO₂e/unit. If not for emissions factor change, total emissions would be 1,098 tCO₂e.

Table 3: GHG Emissions by Gas Type

	Total – tCO ₂ e	CO ₂ – tCO ₂ e	CH ₄ – tCO ₂ e	N ₂ O – tCO ₂ e	Other	HFC – tCO ₂ e
Scope 1 and 2 Emissions	118,442	110,155	7,773	503	12	0
On-Farm Scope 3 Emissions	946,144	72,933	870,168	1,636	1,407	0

Table 4: Emissions Intensity – Total and Per Year

Emission Intensity Metrics	FY18 tCO ₂ e	FY19 tCO ₂ e	FY20 tCO ₂ e	FY21 tCO ₂ e	FY22 tCO ₂ e	FY23 tCO ₂ e	FY24 tCO ₂ e	FY25 tCO ₂ e	FY18-FY25 % Change	FY20-FY25 % Change
Scope 1 and 2 Emissions Per Tonne of Finished Product ⁵	0.78	0.73	0.65	0.58	0.62	0.60	0.61	0.52	-33%	-20%
Scope 3 On-Farm Emissions Per Tonne of Milk Solids	11.95	11.11	13.05	12.49	12.66	12.14	12.03	11.29	-6%	-13%

⁵ Finished product(s) is defined as advanced nutrition, ingredients, foodservice, and consumer products in their finished form.

Table 5: Scope 3 On-Farm Emissions Per Tonne of Fat and Protein Corrected Milk (FPCM)

	FY18 tCO ₂ e	FY19 tCO ₂ e	FY20 tCO ₂ e	FY21 tCO ₂ e	FY22 tCO ₂ e	FY23 tCO ₂ e	FY24 tCO ₂ e	FY25 tCO ₂ e	FY18-FY25 % Change
Scope 3 On-Farm Emissions Per Metric Tonne of FPCM	0.92	0.89	1.04	0.98	0.98	0.99	0.96	0.92	0.6%

Table 6: Biomass Combustion

Biomass	Quantity (Tonnes)	tCO ₂ e	Tonnes Biogenic CO ₂
Stationary Combustion	2,858	82	4,854

3. Persons Responsible

The Board of Directors are responsible for the Greenhouse Gas Inventory report. This report has been approved by George Adams – Board Chair.

4. Boundaries

Organisational Boundary

Organisational boundaries were set in accordance with the GHG Protocol. The table below details the legal entities included in scope. Synlait uses an operational control consolidation approach.

Table 7: Legal Entities

Entity Name	Description/Function	Ownership	Inclusions	Comment
Synlait Milk Limited	Parent company.	100%	Included	-
Synlait Milk Finance Limited	Wholly owned subsidiary, holding company for financing purposes.	100%	Included	No activities that produced GHG emissions therefore not separately reported.
Synlait Milk Dunsandel Farms Limited	Wholly owned subsidiary, two dairy farms that supply Synlait from FY22 (part season) to FY25.	100%	Included	Synlait has direct operational control, therefore not separately reported.
The New Zealand Dairy Company Limited	Wholly owned subsidiary, company that previously owned the land at Richard Pearce Drive. The company was acquired at the same time as land purchase.	100%	Included	No activities that produced GHG emissions therefore not separately reported. Richard Pearce Drive site captured as a business unit.
Eighty-Nine Richard Pearce Drive Limited	Wholly owned subsidiary, company that previously owned the land to Richard Pearce Drive. The company was acquired at the same time as land purchase.	100%	Included	No activities that produced GHG emissions therefore not separately reported. Richard Pearce Drive site captured as a business unit.
Synlait Business Consulting (Shanghai) Limited	Wholly owned subsidiary, satellite office for staff based in China.	100%	Included	GHG included from staff commuting only.
Dairyworks Limited and Dairyworks (Australia) Pty Limited	Wholly owned subsidiaries, dairy processing companies in New Zealand and Australia.	100%	Included	Acquisition (April 2020).
Sichuan New Hope Nutritional Foods	Infant formula company registered in China, owns the Akara and E-Akara brands, which are exclusively manufactured by Synlait.	25%	Excluded	Shareholding only, no operational control.
Primary Collaboration New Zealand Limited	Wholly foreign owned entity designed to gain a better understanding of the complex Chinese market and facilitate easier access to China.	17%	Excluded	Shareholding only, no operational control.
Centre for Climate Action	AgriZero ^{NZ} investment.	1.5%	Excluded	Shareholding only, no operational control.

Operational Boundary

There are several sites (also referred to as business units) that Synlait operates. The following table outlines the sites that have been included or excluded in the emissions inventory.

Table 8: Business Units

Business Unit/Sites	Description/Function	Location	Inclusions	Reason/Notes
Synlait Corporate	Corporate emissions across all Synlait sites.	Dunsandel	Included	Includes emissions which are not site specific for Synait.
Dunsandel	Milk processing and manufacturing site.	Dunsandel	Included	Includes manufacturing and site-specific emissions only. This is the main operational and administration site for Synlait.
Dunsandel Farms	Dairy farms.	Dunsandel	Included	Synlait Milk Limited had direct control in FY25. Includes on-farm and electricity emissions.
Richard Pearce Drive (RPD) Auckland	Milk powder canning and blending site.	Auckland	Included	Includes manufacturing and site-specific emissions only.
Westney Road Pōkeno	Warehousing.	Auckland	Included	Leased premise.
	Milk processing and manufacturing site.	Waikato	Included	Includes manufacturing and site-specific emissions only.
Research and Development Centre	Research and development, part of a larger shared campus.	Palmerston North	Excluded	Excluded due to data limitations. Office space leased and emissions estimated to be de minimis
Christchurch	Satellite office.	Christchurch	Included	GHG emissions from electricity use is included only as other data is unable to be obtained. Office space leased.
Shanghai, China	Satellite office.	China	Excluded	Excluded due to data limitations. Office space leased and emissions estimated to be de minimis.
Jerry Green Street	Warehousing.	Auckland	Included	Leased premise which Synlait commissioned in late FY23. Included in scope from FY24.
Dairyworks Corporate	Corporate emissions across all Dairyworks sites (including TFC and leased warehouse).	Christchurch	Included	Includes emissions which are not site specific for Dairyworks.
Talbot Forest Cheese	Cheese production factory, milk supplied by Synlait.	Temuka	Included	Includes manufacturing and site-specific emissions only. Non-operational in FY25.
Dairyworks Hornby Gerald Connolly Place	Dairy processing factory.	Christchurch	Included	Includes manufacturing and site-specific emissions only.

5. Methodologies and Uncertainties

Emissions Source Inclusions, Exclusions Methodologies and Uncertainties

The GHG emissions sources included in this inventory were identified in accordance with the methodology in the GHG Protocol including the use of the GHG Protocol Scope 3 standard in the measurement of emissions.

Emissions factors released by the New Zealand Ministry for the Environment (MfE) (published June 2025) are used where available for all emissions except Christchurch office electricity and inbound freight for Synlait. The Market Economics Limited, 2023, Consumption Emissions Modelling report (prepared for Auckland Council March 2023) factors have been used where data is not available to support activity specific measurement and spend-based factors are used.

The Global Warming Potential (GWP) values applied to the emission factors are consistent with those published by the Ministry for the Environment (MfE) in *New Zealand’s Greenhouse Gas Inventory: 1990-*

2022 (2024). For full details of the GWP values and methodologies, refer to the MfE publication.

We assume data that came from supplier reports is accurate and complete, where data from supplier reports has been used.

Where relevant, the inventory is aligned with industry or sector best practice for emissions measurement and reporting. An operational control consolidation approach is used to account for emissions.

As adapted from the GHG Protocol, these emissions were classified under the following categories:

- Direct GHG emissions (Scope 1): Emissions from sources that are owned or controlled by the company.
- Indirect GHG emissions (Scope 2): Emissions from the generation of purchased electricity, heat and steam consumed by the company.

- Indirect GHG emissions (Scope 3): Emissions that occur because of the company’s activities but from sources not owned or controlled by the company. Our Scope 3 emissions have been further categorised using the Scope 3 Standard categories.

Table 10 provides an overview of how data was collected for each GHG emissions and an explanation of any uncertainties or assumptions made.

Note: Low uncertainty would indicate that a supplier invoice, supplier generated report or other third party generated report has been used as the basis of calculation, medium uncertainty indicates that internal reports are the basis of calculation and high uncertainty indicates a spend based emission factor has been used.

Table 9: Emissions Source Data Inclusions, Processes and Uncertainties

Emissions Source	Scope	Scope 3 Category	Purpose	Data Process	Uncertainty
LPG	1	-	Forklifts	Usage provided by supplier reporting in tonnes and converted to litres.	Low
Coal	1	-	Process heat	Usage from invoices combined with the Gross Calorific Value (GCV) of the coal as assessed from a monthly sample taken by a third party which serves as a custom emission factor (as received). As the GCV derived emission factor doesn’t break down other gases (only total CO ₂ e) it has been assumed that the percentage of other gases (N ₂ O, CH ₄ , CO ₂) is the same as the MfE emission factor.	Low
Biomass	1	-	Process heat	Usage provided by invoices.	Low
Diesel – Milk Tankers	1	-	Road transport of milk from farm to manufacturing sites, and transfer of milk between factories	Usage provided by supplier reporting which tracks diesel use in litres.	Low
Diesel – Boiler	1	-	Process heat	Usage provided by invoices and supplier usage report.	Low
Distributed Natural Gas	1	-	Process heat	Monthly invoices provide consumption data in kWh and GJ.	Low
Company Vehicles and Combi	1	-	Business travel and warehouse operations	Usage of petrol and diesel provided by either invoices or supplier reports.	Low
Bus	1	-	Employee transportation	Usage provided by supplier reporting which tracks diesel use in litres.	Low
Packing Gas	1	-	Packing	Usage provided by supplier reporting.	Low
Refrigerants	1	-	All units and systems that use refrigerants such as air conditioning, chillers, fridges	Suppliers confirm whether any top ups have occurred and if so, provide amount and type of gas.	Low
Rental Cars	1	-	Business travel	Usage provided by supplier reporting which includes travel distances. Travel distances are entered by the rental car company and are captured in the report from the travel agent. If distances are coded incorrectly or not entered a standard measurement of 50km per day of hire is applied to the booking. The estimation methodology utilised by the supplier has been approved by Toitū Envirocare.	Low
Synlait Farms On-Farm	1	-	Raw milk supply from farms that Synlait own and manage	On-farm emissions are GHG emissions from the dairy farms that Synlait has a direct supply agreement with, and in this case own and manage. The process for collecting and reporting this data is the same as for other farmer suppliers. For more details, please see the on-farm section below.	Low
Electricity	2	-	Office and manufacturing use	Usage provided by supplier reporting for all sites except Christchurch Satellite office which uses spend data from invoice obtained by building manager and applies an emission intensity from the Auckland Council Consumption Emission Modelling report.	Low

Table 9: Emissions Source Data Inclusions, Processes and Uncertainties (continued)

Emissions Source	Scope	Scope 3 Category	Purpose	Data Process	Uncertainty
Gas and Electricity Transmission Losses	3	3	Losses during transmission	Default transmission loss amount is used which is incorporated into the emissions factor provided by MfE and applied to total electricity and natural gas KWH use as based on supplier reporting.	Low
Waste to Landfill	3	5	Manufacturing and office waste	Usage provided by supplier reporting. The mixed waste non methane recovery emissions factor is applied to all sites.	Low
Coal Transport	3	4	Transportation of coal	Road freight for transporting coal to Dunsandel is estimated based on weight of coal purchased and distance from supplier to Dunsandel multiplied by road freight emissions factor. Assuming 26km from supplier to factory.	Medium
DAF Transport	3	4	Transportation of DAF sludge	Usage provided by supplier reporting. Diesel usage in litres based on average fuel efficiency for each vehicle type.	Low
Outbound Freight (Sea, Road, Air)	3	9	Delivery of finished goods to national and international customers	Distances in kilometres are calculated from origin to destination countries and multiplied by the weight of goods delivered to obtain tonnes per kilometre (TKM) using data extracted from Synlait’s internal sales and shipping report to track all orders. Including the following assumptions: - Consignments travel directly to destination. - The road components for sea and air freight (from original location to port and from port to destination) are 50km at each end unless the carrier is the rail transport provider from Synlait Dunsandel to Lyttleton Port (the emissions from this carrier are included in rail freight), making it an estimated 100km of road freight, - Air consignments are >3700km therefore the long-haul emissions factor is to be used. - Where data is unavailable, assumptions are applied based on available data and knowledge of the customer and/or product.	Medium
Inbound Freight (Sea, Road, Air)	3	4	Procurement of ingredients and packaging materials	Synlait – A spend-based approach has been used to estimate emissions for Synlait inbound freight, applying appropriate emission factors to financial expenditure data sourced from our ERP system. This method was used only for inbound freight movements due to activity-based data being unavailable and/or incomplete. Emission factors were primarily sourced from Market Economics Limited (2023), “Consumption Emissions Modelling,” a report prepared for Auckland Council (March 2023), and reflect average industry emission intensities. This approach introduces some uncertainty due to variations in supplier-specific emission profiles; however, it provides a reasonable estimate consistent with the GHG Protocol’s guidance for spend-based calculations. Note: This represents a change in method from FY24. For further detail on the FY24 approach and assumptions, refer to the FY24 Integrated Climate Report (GHG Inventory section). An action is in place to assess whether this emission source can be restated using activity-based data from a lower-uncertainty source in the FY26 reporting cycle. Dairyworks – Data is based on actuals. Sales reports have been used to calculate the outbound sea and road freight.	High (Synlait) Medium (Dairyworks)

Emissions Source	Scope	Scope 3 Category	Purpose	Data Process	Uncertainty
Inter-Warehouse Freight (Road and Sea)	3	4	Movement of goods between sites and warehousing facilities	Data obtained from Synlait’s ERP system. The total weights moved between each site are multiplied by the known distance between the sites to calculate TKM.	Medium
Rail Freight (Inbound, Outbound, and Inter-Warehouse)	3	4	Movement of goods between Lyttleton port and Dunsandel	Load weight, in tonnes, is obtained from internal recording via an excel query and a standard distance in kilometres is applied.	Medium
Reimbursed Car Mileage	3	6	Staff use of own car for business travel	Kilometres travelled is calculated from staff mileage claims. Using emission factor for private car default petrol.	Medium
Staff Commute	3	7	Staff travel from home to work and back home	Current financial year FTE head count for each site used to extrapolate on results from a company-wide survey that collected data on type of vehicle used, distance travelled to most frequent site, and number of days worked on-site per week. Exclusions include: - Staff who indicated they travelled by the Synlait provided bus are excluded from the staff commute totals as diesel is accounted for already. - Staff who travelled by air transport were excluded as this is captured in the air travel emission data as it is booked by our travel agent. Staff who travelled by company car as these are included in Scope 1.	Medium
Working From Home	3	7	Employees working away from a Synlait or Dairyworks location	Current financial year FTE head count for Synlait and Dairyworks used to extrapolate on results from a company-wide survey that asked how employees got to work or if they worked from home during the ‘survey week’. The ‘survey week’ refers to a specific week during the financial year that people were asked to track their commute patterns. The number of work from home or work remotely days from the survey week were extrapolated out to a 48 week working year then default emission factor applied.	Medium
Taxi	3	6	Business travel	Taxi emissions are associated to Synlait Corporate and Dairyworks Corporate using ERP extracted data.	Medium
Air Travel and Hotels	3	6	Business travel	The supplier provides a monthly usage report. The report includes travel distances and class of travel. Hotel information includes location and number of nights. The estimation methodology utilised by the supplier has been approved by Toitū Envirocare.	Low
On-Farm Emissions	3	1	Supply of raw milk	On-farm emissions are GHG emissions from the dairy farms that Synlait has a direct supply agreement with, for the purchase of raw milk. For more details, please see the dedicated section below.	Low

Table 10: Emission Exclusions

Emissions Sources	Scope	Scope 3 Category	Business unit Excluded	Exclusion Details
Refrigerants	1	-	Christchurch	Refrigerants have been excluded due to data access issues. Scope 1.
Purchased Goods and Services	3	1	All	GHG emissions from non-milk suppliers (for example, packaging, raw materials, equipment, services) are excluded from the inventory due to data availability apart from the shipping of these items which is included.
Capital Goods	3	2	All	Emissions from capital assets are excluded due to a lack of data availability, however emissions from energy consumption for any construction work or testing of new equipment is included.
Downstream Transportation and Distribution	3	9	All	Freight activities not paid for by Synlait have been included in Category 4, as all inbound and outbound freight activities are captured under this category. It is not feasible to differentiate the contractual agreements for each consignment to separate freight paid or not paid for by Synlait. Freight movement beyond destination warehouse (i.e., distribution centre, retailer and/or end customer) is not included due to lack of data and likely to be de minimis. To-date we have been unable to collect outbound courier data from suppliers. Most courier items are estimated to be less than 2kg, therefore are considered de minimis.
Processing of Sold Products	3	10	All	Our ingredients are used by customers to manufacture a wide range of end products. Estimating our proportional share of customers’ processing-related GHG emissions would be technically complex and highly uncertain due to the diversity of products and processes involved. This includes raw milk supplied from the North Island, which is currently contracted to Synlait. The milk is collected by a third party and sold at the time of collection for processing by that party, after which it is marketed as their own product.
Use of Sold Products	3	11	All	We have carried Life Cycle Analyses for four of our key products and in all cases GHG emissions from consumer use represented less than 2.4% of total emissions.
End-of-Life Treatment of Sold Products	3	12	All	We have carried Life Cycle Analyses for four of our key products and in all cases GHG emissions from consumer disposal represented less than 0.3% of total emissions.
Downstream Leased Assets	3	13	N/A	Synlait does not operate this type of lease therefore it has been excluded.
Franchises	3	14	N/A	Synlait does not operate franchises therefore it has been excluded.
Waste to Landfill	3	5	Christchurch	Synlait leases one level of a seven-level building where all the waste is collected and disposed of collectively by the building manager. It is therefore difficult to obtain accurate data for Synlait’s portion.
Investments	3	15	N/A	Unable to quantify due to data availability.

On-Farm Emissions

On-Farm Emission factor: On-farm emissions calculated using the New Zealand Bioeconomy Science Institute (NZBSI) (formerly AgResearch) LCA method follow the methodology of the New Zealand’s Greenhouse Gas Inventory and emission factors sourced from the international ecoinvent database that have been adapted as much as possible to the NZ situation. The GWP100 values used is AR6 (2021).

Quantification of GHG type: Each source of GHG data, broken down by type of GHG, is also provided by NZBSI. This enables Synlait to calculate the average proportion of CO2, CH4 and N2O gases within total GHG emissions across all dairy farms.

Custom Emission Factor(s): Unless otherwise stated the emission intensity for farm suppliers included in this report are an average of the total milk pool. For customers needing an emissions factor for reporting that is representative of your purchasing please contact sustainability@synlait.com

Farms Reported: On-farm emissions are GHG emissions from the dairy farms that have an existing supplier contract with Synlait during the reporting period, for the supply of raw milk.

Data Process/Uncertainties: On-farm emissions are gathered from every farm that Synlait had a supply agreement with during the season. The resulting document is called a nutrient budget. The process for turning a farms nutrient budget into our on-farm data is as follows:

1. Synlait staff and contractors check the data is complete and accurate.

2. Farm data (nutrient budget) is entered into OVERSEER® by the farm manager with the help of Synlait Sustainability Advisors and/or contracted consultants. For more information on what is included in the nutrient budget and feeds into OVERSEER®, refer to the on-farm Boundary section below. OVERSEER® data output will be used for resource consent compliance purpose in FY25.

3. In FY24 for the first time we have engaged AgResearch (as they were known at the time), New Zealand’s Leading agri-based science innovation crown research institute, to take the input data that has previously been modelled in OVERSEER® and model using their LCA method. This change was to ensure the data aligns with the International Dairy Federation’s 2022 Carbon Footprint Standard for the dairy sector. In FY25 we engaged them again to complete this work. Note: AgResearch is now a group of the New Zealand Bioeconomy Science Institute.

4. Where data is not available for a farm (for example, it has ceased to supply Synlait or data not available by our internal cut-off date), data may be manually entered, or previous years data used. All care is taken to ensure that all farms with a current supply agreement are represented in our on-farm emissions.
5. Exclusions are removed, if relevant, (see list of exclusions below).

6. Emissions from farms that supply Synlait, and other processors are adjusted in accordance with the percentage of supply they give us. For example, if a farm supplies 20% of its milk to Synlait and 80% of its milk to another processor, Synlait will take 20% of the total emissions for this farm.

7. Farms are weighted by milk supplied, then emissions, and emissions intensities calculated.
- On-Farm Data Boundary:** The LCA method calculates emissions based on inputs.

The following inputs are included to determine overall tonnes of carbon equivalent.

 - Enteric fermentation
 - Dung deposited
 - Imported effluent
 - Animal dry matter
 - Crop residue
 - Burning of crop residues
 - Nitrogen in excreta deposited

On-Farm Emissions
(continued)

Base Year
Recalculation Policy

GHG Information
Management and
Monitoring Procedures

- Nitrogen added
- Nitrogen leached and volatilised from urine and fertiliser
- Electricity
- Fuel
- Animal transport
- Young stock
- Animals wintered off farm
- Deforestation
- Peat soils

Exclusions:

- New farmer suppliers who come on after 31 May of the reporting year are excluded as they would have only supplied milk to Synlait for one month or less prior to the end of financial year.
- Emissions from agricultural products or dairy products purchased from other suppliers for processing (with whom there is no direct supply agreement) are also excluded.
- Rearing beef animals

- Base year data may need to be revised when material changes occur and have an impact on calculated emissions. Our policy is to recalculate base year data and indicate in a footnote any recalculation or re-statement of previously disclosed data, in any of the following situations:
- Changes are estimated to represent more than 5% of Scope 1, 2 or 3 emissions: or
 - There are significant changes to our reporting or organisational boundaries, including the outsourcing or insourcing of emitting activities, mergers, acquisitions, or divestures: or
 - There are significant changes in our calculation: or
 - We discover significant errors, or cumulative errors that are collectively significant, in our previous disclosures: or
 - Annually for our on-farm GHG data. Past disclosures can be found in our previous GHG Inventory reports at synlait.com/sustainability.
 - Continuous improvements to model information and methodologies in this emerging scientific area and enabling valid period comparisons.

GHG emissions are measured annually and compared against the base year. Each source of GHG emissions is managed by a spreadsheet which includes raw data and calculated GHG emissions. A master spreadsheet performs the consolidation of all GHG emissions at group level. This document also provides an overview of boundaries and scopes, data collection processes and GHG measurement methodologies for each emission source and is updated each year. Synlait’s GHG Emissions Inventory Report, associated documents and spreadsheets are prepared by the sustainability team. They are then reviewed internally and by external third parties as required.

Other Emissions –
HFC, PFC, NF₃ and SF₆

Air conditioning units and chillers contain HFCs. The Dunsandel site has reported top-ups of gas for this reporting period, HFC for the top up has been included in the inventory. Air conditioning is excluded from the inventory for the Christchurch office only, due to data availability. There are no operations that use PFC, NF₃ or SF₆.

Other Emissions –
Biomass

3078 tonnes of wood pellets were combusted during FY25. The CH₄ (39tCO₂e) and N₂O (50tCO₂e) emissions have been included in the inventory. The biogenic carbon (not included in the inventory) associated with the combustion of biomass is 5230 tCO₂.

Restatements

- The following emission sources have been restated since our last GHG inventory (FY24):
- **On-Farm Emissions:** Base year emissions have been restated this year which is an annual occurrence due to a change in calculation methodology which impacts the calculation of our on-farm Scope 3 emissions only. See our On-Farm Emissions data process and Base Year Recalculation Policy for more details. For more information on emission data that were previously reported please refer to copies of previous GHG inventories.



6. Glossary

While all care has been taken to remove acronyms and abbreviations some have been included in this report for length. Any acronyms and abbreviations used or other concepts which may need explanation have been included in table 11.

Table 11: Glossary of Terms

Term	Definition	Additional Information (if required)
API	Application Programming Interface	An API establishes an online connection between a data provider and an end-user.
Biogenic CO ₂	The carbon dioxide (CO ₂) resulting from the decomposition, digestion or combustion of biomass	Produced because of biomass (wood pellet) energy to power boilers at Synlait.
CH ₄	Methane	-
CO ₂	Carbon Dioxide	-
DAF	Dissolved Air Flotation	DAF refers to the treatment of dairy wastewater using Dissolved Air Flotation. The solids that remain after the wastewater has been treated are then transported to their disposal location.
DW	Dairyworks	-
Emissions	-	Any reference to 'emissions' in this report means greenhouse gas emissions.
FPCM	Fat and Protein Corrected Milk	Can also be known as Energy Corrected Milk (ECM), is the calculation of standardising milk production for comparison between cows.
FY	Financial Year	This inventory is prepared for financial year 2025 also known as FY25 (1 August 2024 - 31 July 2025).
GHG	Greenhouse Gas Emissions	-
IDF	International Dairy Federation	International Dairy Federation's 2022 Carbon Footprint Standard for the dairy sector A standard that connects and aligns the whole dairy value chain around sustainability criteria.
LCA	Life Cycle Assessment	The systematic analysis of the potential environmental impacts of products or services during their entire life cycle.
LPG	Liquid Petroleum Gas	Fuel for forklifts in Dunsandel.
MfE	New Zealand Ministry for the Environment	Current government organisation responsible for emission factors in New Zealand.
N ₂ O	Nitrous Oxide	-
NZBSI	New Zealand Bioeconomy Science Institute	The Bioeconomy Science Institute is an amalgamation of AgResearch, Manaaki Whenua – Landcare Research, Plant & Food Research and Scion, previously separate crown entities. This change occurred during the 2025 financial year.
RPD	Richard Pearse Drive	Synlait site at 89 Richard Pearse Drive.
SML/SYN	Synlait Milk Limited	Reporting Entity.
TFC	Talbot Forest Cheese	Dairyworks site that is not currently in operation.
TKM	Tonnes per Kilometre	-

7. Sign Off

Person Responsible:	George Adams, Board Chair	Frequency of Report:	Annual
			
Dated:	28 November 2025	Base Year:	2017-2018



Independent Limited Assurance Report to Synlait Milk Limited

Conclusion

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

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the scope 1, 2 and 3 gross greenhouse gas emissions, additional required disclosures of scope 1, 2 and 3 gross greenhouse gas emissions and scope 1, 2 and 3 gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the Integrated Climate Report (**GHG disclosures**) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (**the criteria**) for the period 1 August 2024 to 31 July 2025.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Synlait Milk Limited's GHG disclosures for the period 1 August 2024 to 31 July 2025.

Below are the locations of the GHG disclosures subject to assurance:

NZ CS 1-3 requirement	GHG Disclosures reference
NZ CS 1 22(a)	Page 32: Absolute scope 1, 2, 1 + 2, and 3 emissions Page 36: Table 1 and Table 2
NZ CS 1 24 (a)	Page 29
NZ CS 1 24 (b)	Pages 29 and 38
NZ CS 1 24 (c)	Page 31: Section 4.6 Page 41: On-farm emission factor
NZ CS 1 24 (d)	Page 41: Table 10 Page 42
NZ CS 3 52	Pages 39 & 40: Table 9 Pages 41 & 42: On-Farm Emissions
NZ CS 3 53	Pages 39 & 40: Table 9 Pages 41 & 42: On-Farm Emissions
NZ CS 3 54	Page 42: Restatements

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

Criteria

The criteria used as the basis of reporting include the NZ CSs. As disclosed on pages 29 and 35 of the Integrated Climate Report the greenhouse gas emissions have been measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. As a result, this report may not be suitable for another purpose.

Standards we followed

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

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

Key Matters

Key matters are those matters that, in our professional judgment, were of most significance in undertaking our assurance engagement over the GHG disclosures for the period 1 August 2024 to 31 July 2025.

Our procedures were undertaken in the context of and solely for the purpose of our assurance conclusion on the GHG disclosures and we did not reach a separate assurance conclusion on each individual key matter.

Key Matter	Procedures to address the Key Matter
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On-farm emissions (scope 1 and 3)

Refer to pages 41 and 42 of the integrated climate report. On-farm emissions represent the largest single source of Synlait's greenhouse gas (GHG) emissions. These emissions arise from Synlait owned farms and dairy farms supplying raw milk to Synlait under direct supply agreements and include complex sources such as enteric fermentation, nitrogen leaching, fertiliser use, deforestation, and peat soils. The significance of this matter stems from: Materiality: The sheer volume and proportion of emissions make this a critical area for assurance.	Our assurance procedures included: - We assessed the appropriateness of the AgResearch LCA model used for quantifying on-farm emissions, including its alignment with the GHG Protocol. We considered the model's scope, assumptions, and emission factors. - We examined the consistency of calculations across farms and the application of proportional allocation for farms supplying multiple processors. - We considered the rationale for changes in the AgResearch LCA methodology year on year and. - We assessed Synlait's internal controls over GHG data management, including the role of sustainability advisors and consultants in data collection and validation. - We assessed Synlait's current year on farm emissions based on the movement in fat and protein corrected milk volumes from prior year. Findings: We have completed our procedures and have no matters to report.
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Key Matter

Procedures to address the Key Matter

- Complexity and Estimation Uncertainty: Emissions are calculated using a Life Cycle Assessment (LCA) model developed by AgResearch, which incorporates multiple assumptions, emission factors, and farm-level data inputs.
- Data Collection Challenges: Emissions are derived from nutrient budgets submitted by farms, with some data manually entered or estimated.

Other Matter – Prior year comparatives assured by another practitioner

The Scope 1 and 2 emission GHG Disclosures (excluding Synlait on-farm emissions) for the year ended 31 July 2024, were subject to a reasonable assurance engagement by another practitioner whose report dated 25 November 2024 expressed an unmodified opinion on such information.

The Scope 3 emission GHG Disclosures (excluding on-farm emissions) for the year ended 31 July 2024 were subject to a limited assurance engagement by another practitioner whose report dated 25 November 2024 expressed an unmodified conclusion on such information.

Neither we, nor the predecessor practitioner, were engaged to express a conclusion over, or apply any procedures, on the revision of the on-farm emissions for the year ended 31 July 2024, that are described in Table 2 on page 36 and, accordingly, we do not express a conclusion or any other form of assurance about whether such revisions are appropriate and have been properly applied.

Our conclusion is not modified with respect to this matter.

How to interpret limited assurance and material misstatement

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

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

Inherent limitations

As noted in the GHG disclosures on page 39, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

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

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

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

Our conclusion is not modified in respect of this matter.

Synlait Milk Limited’s responsibility for the GHG disclosures

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

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

Our responsibility

We have responsibility for:

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

Our work was carried out by a multidisciplinary team, including specialists in environmental science, who assisted with the scope 1 and 3 on farm emissions. We remain solely responsible for assurance conclusion.

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

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of Synlait Milk Limited’s use of the criteria as the basis for the preparation of the GHG disclosures, assessing the risks of material misstatement of the GHG disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG disclosures.

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

Our procedures selected depended on the understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In undertaking limited assurance on the GHG disclosures the procedures we primarily performed were:

- obtained, through inquiries, an understanding of the Company’s control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- evaluated whether the Company’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 Company’s estimates;
- undertook site visits at the Company’s manufacturing site to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites;
- tested, at each site visited, a limited number of relevant emissions sources to 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; and
- considered the presentation and disclosure of the GHG disclosures against the NZ CS disclosure requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

This assurance engagement was undertaken in accordance with NZ SAE 1. NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

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

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

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

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

The engagement partner on the assurance engagement resulting in this independent assurance report is Ian Proudfoot.



KPMG

Auckland

28 November 2025

Appendices

Appendix 1: Key Sustainability Metrics

Description of Metric	Unit	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Total Energy Consumption	MWh	347,145	377,086	446,541	436,365	428,104	420,391	297,858	417,542
Energy per Tonne of Product	kWh/MT Prod	2,495	2,425	2,313	2,031	2,076	2,077	1,611	1,652
Total Coal Consumption	MT	54,137	56,807	56,889	56,467	56,686	41,949	35,315	39,948
Coal Consumption per Tonne of Product	MT	0.39	0.37	0.29	0.26	0.26	0.21	0.19	0.17
Total Waste (Landfilled + Recycled) Produced	MT	4,296	5,249	8,242	6,744	7,099	7,343	7,827	9,795
Water Recovered and Reused in Manufacturing Operations (Pokeno Only)	%	-	-	17%	27%	19%	14%	15%	11%
Total Off-Farm Water Consumption (Excluding Synlait Farms)	m ³	1,927,484	2,232,869	2,823,454	2,636,247	2,678,309	2,925,593	3,107,185	3,007,350
Total Waste (Landfilled + Recycled) Per Tonne of Product	Kg/MT Prod	31	34	43	31	34	36	42	39
B Corp™ Points – Group	#	-	-	-	-	-	89.5	89.5	89.5
B Corp™ Points – Dairyworks ¹	#	-	-	-	-	-	56.6	56.6	56.6
B Corp™ Points – Synlait	#	-	-	80.4	80.4	80.4	97.7	97.7	97.7
Engagement Ratio – Synlait ²	#	3.75:1	3.58:1	5.20:1	5.30:1	4.90:1	5.70:1	4.02:1	5.10:1
Engagement Ratio – Dairyworks ³	#	-	-	-	-	-	-	3.42:1	8.00:1
Total Employees – All	#	-	-	-	-	-	1,417	1,423	1,395
Total Employees – Synlait	#	-	-	-	-	-	1,149	1,133	1,106
Total Employees – Dairyworks (as at 31 July)	#	-	-	-	-	-	268	290	289
Supplier Expenditure with New Zealand Registered Companies ⁴	%	86.30%	88.40%	86.80%	-	-	86.80%	85.50%	83.20%
Employee Turnover Rate – Synlait	%	18%	10%	13%	14%	23%	18%	16%	15%
Employee Turnover Rate – Dairyworks (as at 31 July)	%	-	-	-	48%	34%	28%	15%	16%
Employee Fatalities	#	0	0	0	0	0	0	0	0

¹ Dairyworks were first certified in FY23.

² Engagement Ratio – Engagement Ratio is engaged staff:actively disengaged staff (excluding Synlait China and Dairyworks) this figure is from our February 2025 survey.

³ Survey conducted August 2025.

⁴ Excluding Milk Suppliers.

Appendix 2: Climate-Related Disclosure Index

Section	Location in Report	Reference	Disclosure Requirements
Governance	Pages 16-19	NZ CS 1.7(a)	Identity of governance body
		NZ CS 1.7(b)	Governance body's oversight
		NZ CS 1.7(c)	Management's roles
		NZ CS 1.8(a)	Informing the governance body
		NZ CS 1.8(b)	Governance body's skills and competence
		NZ CS 1.8(c)	Implementation of the entity's strategy
		NZ CS 1.8(d)	Setting, monitoring and overseeing metrics and targets and remuneration policies
		NZ CS 1.9(a)	Management-level responsibility and how they engage with the governance body
		NZ CS 1.9(b)	Management-level organisational structure
		NZ CS 1.9(c)	Management-level information, decisions and monitoring
Strategy	Pages 20-26	NZ CS 1.11(a)	Current climate-related impacts
		NZ CS 1.11(b)	Description of scenario analysis
		NZ CS 1.11(c)	Climate-related risks and opportunities over the short, medium, and long term
		NZ CS 1.11(d)	Anticipated impacts of climate-related risks and opportunities
		NZ CS 1.11(e)	How Synlait will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state
		NZ CS 1.12(a)	Current physical and transition impacts
		NZ CS 1.12(b) (c)	Current financial impacts of physical and transition impacts
		NZ CS 1.13	Scenario analysis
		NZ CS 1.14(a)	Definition of short, medium and long term and how the definitions are linked to its strategic planning horizons and capital deployment plans
		NZ CS 1.14(b)	Classification of climate-related risks and opportunities
		NZ CS 1.14 (c)	How climate-related risks and opportunities serve as an input to its internal capital deployment and funding decision-making processes
		NZ CS 1.15 (a)	Anticipated impacts
		NZ CS 1.15 (b)	Anticipated financial impacts
		NZ CS 1.15 (c) 9d)	Time horizons
		NZ CS 1.16(a)	Business model and strategy
		NZ CS 1.16(b)	Transition plan
		NZ CS 1.16(c)	Transition plan alignment with internal capital deployment and funding decision-making processes
Risk Management	Pages 27-29	NZ CS 1.18(a)	Identifying, assessing and managing climate-related risks
		NZ CS 1.18(b)	Integrating climate-related risks into risk management processes
		NZ CS 1.19(a)	Tools and methods
		NZ CS 1.19(b)	Short, medium and long term time horizons
		NZ CS 1.19(c)	Value chain exclusions
		NZ CS 1.19(d)	Frequency of assessment
		NZ CS 1.19(e)	Prioritising climate-related risks
Metrics and Targets	Pages 29-32	NZ CS 1.21(a)	Metrics
		NZ CS 1.21(b)	Industry-based metrics
		NZ CS 1.21(c)	Other KPI
		NZ CS 1.21(d)	Targets
		NZ CS 1.22 (a)(i)-(iii)	GHG emissions (Gross)
		NZ CS 1.22 (b)	GHG emissions (Intensity)
		NZ CS 1.22 (c)	Transition risks
		NZ CS 1.22 (d)	Physical risks

Appendix 3: Climate-Related Disclosure Adoption Provisions

NZ CS 2 Reference	Adoption Provision	Adoption Provision Applied	Additional Disclosure Information
Adoption provision 1: Current financial impacts			
10	Paragraph 12(b) of NZ CS 1 requires disclosure of the current financial impacts of an entity's physical and transition impacts identified in paragraph 12(a).	No	Information disclosed
11	If an entity elects to use the adoption provision in paragraph 10, then there is also an exemption from paragraph 12(c) of NZ CS 1 (requirement to disclose an exemption of why an entity is unable to disclose quantitative information for paragraph 12(b) if that is the case).	No	-
Adoption provision 2: Anticipated financial impacts			
12	Paragraph 15(b) of NZ CS 1 requires disclosure of the anticipated financial impacts of climate-related risks and opportunities reasonably expected by the entity.	Yes	The financial cost anticipated from these impacts is currently being calculated and understood – we plan to provide an update in our FY25 disclosure
13	If an entity elects to use the adoption provision in paragraph 12, then there is also an exemption from paragraph 15(c) of NZ CS 1 (requirement to provide a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur).	Yes	The financial cost anticipated from these impacts is currently being calculated and understood – we plan to provide an update in our FY25 disclosure
14	If an entity elects to use the adoption provision in paragraph 12, then there is also an exemption from paragraph 15(d) of NZ CS 1 (requirement to provide an explanation of why an entity is unable to disclose quantitative information for paragraph 15(b), if that is the case).	Yes	-
Adoption provision 3: Transition planning			
15	Paragraphs 16(b) and 16(c) of NZ CS 1 require disclosure of the transition plan aspects of the strategy and the extent to which they are aligned with internal capital deployment and funding decision-making processes.	No	Transition plan published on page 26
Adoption provision 4: Scope 3 GHG emissions			
17	Paragraph 22(a)(ii) of NZ CS 1 requires disclosure of greenhouse gas (GHG) emissions (gross emissions in metric tonnes of carbon dioxide equivalent (CO ₂ e) classified as Scope 3. This may be applied to all its Scope 3 GHG emissions sources, or a selected subset of its Scope 3 GHG emissions sources.	No	All in boundary Scope 3 emissions provided exclusions noted in the GHG Inventory Report
Adoption provision 5: Comparatives for Scope 3 GHG emissions			
18	Paragraph 40 of NZ CS 3 requires disclosure of comparative information for the immediately preceding two reporting periods for each metric disclosed in the current reporting period.	No	Comparative information provided
Adoption provision 6: Comparatives for metrics			
20	Paragraph 40 of NZ CS 3 requires disclosure of comparative information for the immediately preceding two reporting periods for each metric disclosed in the current reporting period.	No	Comparative information provided
Adoption provision 7: Analysis of trends			
22	Paragraph 42 of NZ CS 3 requires an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period to be disclosed.	No	Evolution and trend provided

Appendix 4: Full Scenario Narratives

Orderly

- Network for Greening the Financial System (NGFS) – Net Zero and Highway to Paris
- IPCC AR5, AR6 – SSP1-RCP1.9
- Climate Change Commision – Tailwinds
- Agriculture Sector Climate Change Scenarios – Tū-ā-pae, Stance in order, step in succession



Policy ambition
1.4°C



Policy reaction
Immediate and smooth



Technology change
Fast change



CDR (CO₂ removal)
Medium-high use



Regional policy variation
Medium variation

The Orderly scenario describes a future where global warming is contained within 1.5°C. Through decisive, multilateral, implementation of effective and ambitious decarbonisation targets and policies, emissions steadily decrease and achieve net zero by 2050. This scenario assumes a moderate level of transition risk and lower exposure to physical risks compared to the Disorderly and Hothouse scenarios.

Political stability and strong policy frameworks reward investment into low and zero carbon technology, providing a stable investment environment. The government introduces methane pricing to address agricultural emissions and lays out a clear, fixed path for reducing NZU allocations. This results in a carbon price trajectory of \$284 (US\$2010/GJ) by 2030 and \$709 (US\$2010/GJ) by 2050.

Financial market regulation, and the introduction of New Zealand’s green investment taxonomy, makes it difficult for capital to be allocated to high-emission, low-resilience practices and enterprises. Globally, the private sector develops and adopts zero emission technologies faster than expected, inducing a rapid shift on the supply side. Technological advancements drive efficiency and scale output through improved climate resilient farming tools, technologies and practices. Revenue from the methane levy is recycled in the form of investments to support farmers in their efforts to reduce emissions. Economic growth is steadily decoupling from fossil fuels and installed renewable energy generating capacity is scaled up to meet increasing demand.

Artificial intelligence provides further opportunities to enhance efficiency and reduce emissions. Strong government leadership and a robust policy framework ensures optimal allocation of land use and water consents, balancing competing demand for housing, food security, energy security and carbon sequestration.

Carbon border adjustment mechanisms have been introduced and the IMO Net-zero Framework implements emission limits and GHG pricing levy on shipping which embeds carbon miles into transport costs. This further incentivises decarbonisation of the agricultural sector, and international trade agreements carry market exclusion for high emissions goods and services.

There is widespread social consensus on the need for climate action. Consumer demand for sustainable dairy produce is high, and tolerance for unsustainable farming and business practice is low. Sustainable agriculture trends are driven by innovations in precision agriculture, the rise of AI and data-driven farming and breakthroughs in ag biotechnology. Litigation results in compensation payouts, and obligations on farmers and corporate entities to remediate environmental damage to land and waterways. Consumers in export markets demand green credentials and farmers benefit from price premiums. There is deep understanding and education among the public about the role of agriculture in New Zealand’s economy, and there is widespread acknowledgement and support of the progress farmers are making.

Disorderly

- NGFS – Delayed Transition and Sudden Wake-up Call
- IPCC AR5, AR6 – SSP1-RCP2.6
- Climate Change Commission – Headwinds
- Agriculture Sector Climate Change Scenarios – Tū-ā-hopo, Misstep



Policy ambition
1.8°C



Policy reaction
Delayed



Technology change
Slow/fast change



CDR (CO₂ removal)
Low-medium use



Regional policy variation
High variation

Following a period of early and decisive climate policy commitments, international governments successively unwind climate legislation. Resulting investor uncertainty leads to delayed emissions reduction, hindering the international transition to a low-carbon economy. The introduction of carbon border adjustment mechanisms is stalled until 2030, and key high emitting markets continue to be exempted from regulated carbon emissions trading schemes. Inconsistent policy frameworks delay an effective climate change response until 2027, when a sudden, reactive, and costly intervention on climate change results in a spike in the shadow carbon price. This scenario presents the highest level of transition risks exposure, and moderate- to- high physical climate risks exposure.

In New Zealand, lobbying by farmers and other advocacy groups drives division among political parties, resulting in policy uncertainty and a weakened legislative framework. A pervasive, low level of climate literacy and on-going political division over climate action leads to a disconnect between regional government agencies and advocacy groups, hampering efforts to adopt a cohesive approach to climate-resilient infrastructure upgrades, land use planning, and natural resource management. Domestic climate legislation is softened by the introduction of higher thresholds for compliance eligibility, and delays on key disclosure requirements including Scope 3 emissions. This serves to reduce the number of mandated reporting entities, and delays supply chain decarbonization. This reduces the quality of climate-related and other on-financial disclosures, and New Zealand exporters struggle to retain access to key export markets and to retain contracts with major overseas buyers.

Fragmented research and development incentives, and lack of incentives through fiscal policies, result in low adoption of regenerative farming practices. Intermittent government intervention

and failure to include methane in the Emissions Trading Scheme, results in depressed carbon prices. Additionally, the farm-level reporting and pricing system intended to address agriculture emissions has been postponed. This erodes incentive for the agricultural sector to rapidly decarbonise. Financial market regulation is in place to encourage capital flows to low emissions activities; however, low monitoring and compliance enables farmers to access discounted finance for nominal sustainable farming improvements.

A series of extreme weather events in 2027, triggered by accelerated global warming, leads to a sudden shift in local and international governments’ response to climate. A slew of legislation and punitive fiscal policies aimed at heavy emitters, sees a reallocation of capital into clean tech and zero carbon infrastructure. The high-cost carbon liability of New Zealand’s Nationally Determined Contribution prompts the government to implement a stringent mitigation pathway and adopts a penalties-based approach to decarbonisation of the agricultural sector, leveraging the Resource Management Act.

Competing land use demand for housing, agriculture and energy, coupled with delays in addressing agricultural sector emissions, results in escalating tensions between urban and rural communities. Litigation escalates, forcing farmers and developers to remediate environmental damage to land and waterways. By 2030, a rapid shift in climate policies sees a sharp surge in carbon prices which triggers a sudden rise in capital costs for high emitting sectors. There is a wave of financial instability as asset values adjust abruptly, resulting in a disorderly adoption of low emissions farming technologies and practices. For farmers, this drives up prices and, results in a flattening of the milk curve, impacting farmers’ bottom line.

Appendix 4: Full Scenario Narratives (continued)

Hot House World

- NGFS – Current Policies and Disasters and Policy Stagnation
- IPCC AR5, AR6 – SSP5-RCP8.5
- Climate Change Commision – Current Policies
- Agriculture Sector Climate Change Scenarios – Tū-ā-tapape, Faltered step, to fall



Policy ambition
3°C+



Policy reaction
Delayed



Technology change
Slow change



CDR (CO₂ removal)
Low use



Regional policy variation
Low variation

The Hot House scenario describes a future where policies designed to curb emissions are largely absent. The result is that the rapid accumulation of greenhouse gases in the earth’s atmosphere leads to global surface temperatures in exceedance of 3°Celsius. This scenario presents low exposure to transition risks, and extreme exposure physical climate risks.

Policies to address emissions and climate change have remained largely unchanged since the mid-2020s, resulting in missed emissions reduction targets. The rapid increase in marine surface temperatures has a significant impact on weather systems, with extreme storms and droughts becoming increasingly commonplace. Global average temperatures breach the 1.5 degrees Celsius goal by 2027 and continues to rise. Compound extreme weather events (drought, heatwave, wildfire, flood and storm events) constrain supply, leading to inflationary pressures stemming from higher production costs and resource scarcity. Frequent supply shocks render the milk pool vulnerable to price volatility.

By 2040, unregulated and uncontrolled competition for land begins to escalate, favouring the best economic return for the land with little regard for sustainability. Large tranches of land are being purchased by large corporates for economic gain resulting in industrialised farming. Food safety quality standards are relaxed due to frequent climate-related supply shocks. The regulatory framework is oriented to support trade for nutrient-dense foods such as dairy. Carbon border

adjustment mechanisms have been dismantled to allow free flow of goods across borders, with the most powerful economies and the highest bidders securing access to scarce food resources.

Atlantic Meridional Overturning Circulation (AMOC) collapse is imminent, threatening significant changes in weather patterns, extreme temperature shifts, rising sea level, disruption to marine ecosystems and reduced oceanic carbon dioxide uptake. At 2040, New Zealand farmers are experiencing an average of 86% increase in hot days above 30 degrees Celsius and the physical impacts of the changing climate reduce dairy production levels significantly.

By 2040, the ETS scheme has completely collapsed. No government regulation exists to manage capital allocation, and therefore capital flows with little to no oversight of environmental, social, governance or emissions reduction performance. Consumers are forced to make decisions based solely on price without consideration for wider ESG impacts. Open borders and a constant flow of climate refugees provides abundant cheap labour. This provides little incentive for farm owners to improve labour rights, work conditions, nor to improve land stewardship and animal husbandry. High prices, poor product quality, worsening environmental degradation, land scarcity and water scarcity, generate a public backlash against the agricultural sector; industrial farm owners are painted as environmental criminals.

Appendix 5: Glossary of Terms

Term	Definition
A and R	Board subcommittee – Audit and Risk Committee.
Adaptive capacity	Adjustment to actual or expected climate change and its effects. In human systems, adaptation seeks to moderate or avoid harm, or to take opportunities. Intervention may facilitate adjustment (IPCC, 2014).
API	Application Programming Interface.
Climate risk	The interplay between hazards, exposure and vulnerability (IPCC, 2014).
DAF	Dissolved Air Flotation.
DESNZ	United Kingdom Department for Energy Security and Net Zero.
DUN	Synlait Dunsandel.
DW	Dairyworks.
Exposure	Lack of protection, where people, livelihoods, species or ecosystems, environmental functions, operations and resources, infrastructure or economic, social or cultural assets in places and settings could be adversely affected by a change in external stresses that a system is exposed to. In the context of climate change, these are normally specific climate and biophysical variables (IPCC, 2007).
FPCM	Fat and Protein Corrected Milk.
GCM annual timeseries	Time horizons are estimated as annual time series from 2020 to 2100 for monthly average and maximum wind speed and as annual timeseries from 2020 to 2099 for maximum 1-day and maximum 5-day precipitation amounts.
GCM single years	For storm surge there are two future periods, namely ‘2050’ that represents the 2046 to 2055 period and ‘2100’ that represents the 2090 to 2100 period. Time horizons for cyclones are estimated for when each scenario reaches a 2-degree warming state, which is around 2050 for RCP4.5 and around 2040 for RCP8.5.
GHG	Greenhouse Gas Emissions.
Hazard	The potential occurrence of a natural or human-induced physical event or trend or physical impact that may cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, ecosystems and environmental resources (IPCC, 2014).
IPCC	Intergovernmental Panel on Climate Change – A scientific and intergovernmental body under the auspices of the United Nations.
LPG	Liquid Petroleum Gas.
MfE	New Zealand Ministry for the Environment.
NZ CS	Aotearoa New Zealand Climate Standards.
Paris Agreement 2016	An agreement within the United Nations Framework Convention on Climate Change, dealing with greenhouse-gas-emissions mitigation, adaptation, and finance, signed in 2016.
PEG	Board subcommittee – People, Environment and Governance Committee.
POK	Synlait Pōkeno.
Potential Evapotranspiration Deficit (PED)	The difference between how much moisture the atmosphere could absorb and how much it can currently absorb.
RCM annual timeseries	Time horizons for all metrics are estimated as annual timeseries from 2020 to 2100.
RCP	Representative Concentration Pathway for Emissions – Modelled trajectories of global anthropogenic emissions over the 21 st century are termed emission pathways. Scenarios that include time series of emissions and concentrations of the full suite of greenhouse gases (GHGs) and aerosols and chemically active gases, as well as land use/land cover. The word representative signifies that each RCP provides only one of many possible scenarios that would lead to the specific radiative forcing characteristics. The term pathway emphasizes the fact that not only the long-term concentration levels but also the trajectory taken over time to reach that outcome are of interest. RCPs were used to develop climate projections in CMIP5. RCP2.6: One pathway where radiative forcing peaks at approximately 3 W m-2 and then declines to be limited at 2.6 W m-2 in 2100 (the corresponding Extended Concentration Pathway, or ECP, has constant emissions after 2100). RCP4.5 and RCP6.0: Two intermediate stabilization pathways in which radiative forcing is limited at approximately 4.5 W m-2 and 6.0 W m-2 in 2100 (the corresponding ECPs have constant concentrations after 2150). RCP8.5: One high pathway which leads to >8.5 W m-2 in 2100 (the corresponding ECP has constant emissions after 2100 until 2150 and constant concentrations after 2250).

Term	Definition
Risk Area	Significant operational focus areas under which risks are categorised.
Risk Receptor	The person, asset or service impacted by the presenting climate hazard.
Risk Statement	Describes the consequence of the presenting climate hazard on the receptor.
Risk Type	High level risk impact categories.
RPD	Richard Pearse Drive.
Sea level rise decadal timeseries	Time horizons are estimated as median 10-year periods relative to the (1995-2014) baseline. The 10-year projections are provided around a central year, such that the projection for ‘2030’ represents the 2025 to 2034 period. The historical baseline period is the final ten years of the historical period (1995-2014) simulated by all climate models before the SSPs are applied from 2015 onwards. For example, the baseline period ‘2010’ represents the 2005 to 2014 period.
Sensitivity	The degree to which a system is affected, either adversely or beneficially, by climate-related stimuli (IPCC, 2014).
SSP	Shared socio-economic pathway – Shared Socio-economic Pathways were developed to complement the RCPs with varying socio-economic challenges to adaptation and mitigation. Based on five narratives, the SSPs describe alternative socio-economic futures in the absence of climate policy intervention, comprising sustainable development (SSP1), regional rivalry (SSP3), in equality (SSP4), fossil–fuelled development (SSP5) and middle-of-the-road development (SSP2). The combination of SSP-based socio-economic scenarios and Representative Concentration Pathway (RCP)-based climate projections provides an integrative frame for climate impactand policy analysis.
SYN	Synlait.
TFC	Talbot Forest Cheese.
Value chain	The full range of activities, resources and relationships related to an entity’s business model and the external environment in which it operates. A value chain encompasses the activities, resources and relationships an entity uses and relies on to create its products or operations from conception to delivery, consumption and end of life. Relevant activities, resources and relationships include those in an entity’s operations, such as human resource; those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and the financing, geographical, geopolitical and regulatory environments in which an entity operates. (XRB NZCS1).
Vulnerability	The propensity or predisposition to be adversely affected. Encompasses a variety of concepts including sensitivity/susceptibility to harm, and lack of capacity to cope and adapt (IPCC, 2014).
XRB	External Reporting Board.