

The a2 Milk Company

2026 Climate Statement

We pioneer the future of Dairy for good



Statement of Compliance

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We have organised some disclosures differently to the way the content is organised in the Aotearoa New Zealand Climate Standards.

The a2 Milk Company Limited is a Climate Reporting Entity under Part 7A of the *Financial Markets Conduct Act 2013* (the Act). This report constitutes the Climate Statements for The a2 Milk Company Limited and its subsidiaries (together, a2MC or the Company or the Group) in accordance with the Act and covers the reporting period 1 July 2025 to 30 June 2026. The statements are compliant with the Aotearoa New Zealand Climate Standards (NZ CS1, CS2 and CS3) issued by the External Reporting Board (XRB).

For more general information relating to the Company's climate-related efforts, sustainability considerations, and ESG reporting, refer to the Company's Annual Report and ESG reporting library on its website, noting that such information does not form part of this Climate Statement unless expressly stated in this Climate Statement.

Organisational Boundary Changes in FY26

During the reporting period, the Group's organisational boundary changed following the acquisition of a2 Nutritionals NZ Limited (a2 Pōkeno¹), a purpose-built milk processing facility in the Waikato region of New Zealand, acquired by the Company on 1 September 2025, and the divestment of Mataura Valley Milk Limited (MVM) on 31 October 2025.

Accordingly, this Climate Statement reflects the inclusion of a2 Pōkeno and the revised treatment of MVM under the operational control approach.

In accordance with GHG Protocol requirements, the Company's comparative periods and baseline year have been recalculated on a like-for-like basis (re-baselined) as if the current organisational structure (as at 30 June 2026) had applied across all comparative periods presented. This ensures comparability of emissions data over time.

Unless otherwise stated, FY26 Greenhouse Gas (GHG)² emissions have been calculated on a pro-rata basis to reflect changes in the organisational boundary during the reporting period. Accordingly, emissions include MVM for the period from 1 July 2025 to 31 October 2025 and exclude a2 Pōkeno for the period from 1 July 2025 to 31 August 2025.

Adoption Provisions

The Company has applied the following adoption provision available under NZ CS 2 – Adoption of Aotearoa New Zealand Climate Standards:

Adoption Provision 2: Anticipated Financial Impacts (paragraphs 12–14 of NZCS 2) which provides relief for the first four reporting periods from the requirements to disclose the anticipated financial impacts of climate-related risks and opportunities, a description of the time horizons over which the anticipated financial impacts could reasonably be expected to occur, and (if relevant) an explanation as to why quantitative information cannot be disclosed.



Pip Greenwood
Chair



David Bortolussi
Managing Director and CEO

16 August 2026

1. Formerly known as Yashili New Zealand Dairy Co., Ltd.
2. Refer to the Glossary in Appendix 3 for a definition of GHG.

Important Notice

This Climate Statement contains current and forward-looking statements about climate change and the current and anticipated future impacts of climate change on a2MC, including climate-related scenarios, climate-related risks and opportunities, targets and transition plan actions.

This statement is based on assumptions, estimates and judgements that are uncertain and subject to change. Actual outcomes may differ materially from those described, due to factors including climatic, regulatory, technological, operational, economic and market developments. In particular, the climate-related risks and opportunities described in this statement may not eventuate, or may be more or less significant than anticipated, and there may be climate-related impacts that have not been identified in this statement.

Climate-related disclosures, including GHG emissions data, scenario analysis, targets and transition planning, are subject to measurement uncertainty, evolving methodologies, data limitations and changes in applicable standards, guidance and market practice. a2MC gives no undertaking to update this statement except as required by law or applicable regulatory requirements.

Nothing in this Climate Statement constitutes, or should be relied on as, an offer of financial products, investment advice, financial advice, legal, tax or other professional advice.

Greenhouse Gas (GHG) Emissions Reduction Targets

In this Statement, references to 'net zero'¹ GHG emissions mean achieving a balance between the GHG emissions released to the atmosphere from the Company's Scope 1 and Scope 2 activities, and GHG removals achieved through the Company's activities or investments. If the Company determines that Scope 1 and Scope 2 emissions cannot be eliminated through direct reduction methods alone, the Company may consider the use of carbon offsets² to address the residual emissions. A final decision to use offsets, and the standards applicable to them, has not yet been made.

Near zero³ is defined as the reduction of Scope 3 GHG emissions across the value chain to the lowest level that is technically and commercially feasible within a dairy value chain, recognising the inherent limitations in reducing ruminant animal emissions. The Company has a primary focus on achieving real emissions reductions within the Company's value chain, and limiting the reliance on offsets outside of our value chain. 'Near zero' recognises that with these limitations and with an investment focus on real emissions reductions, some residual emissions would remain in the value chain.

The methods and pathways to achieve the Company's emissions reduction commitments are set out in the Emissions Reduction Roadmap in the Strategy section of this document. Achieving these commitments is likely to be challenging and is dependent on a number of assumptions and external factors described in the Emissions Reduction Roadmap section, including the pace of policy and technological developments, as well as cost and other commercial constraints affecting decarbonisation. The Company currently considers there are reasonable grounds to believe that those dependencies and assumptions can be relied on; however, the Company continuously monitors this and may revise its targets and plans relating to emissions reduction as circumstances evolve.

Monetary Values

All values in this Statement are expressed in New Zealand dollars unless otherwise stated.

Materiality

In line with NZCS 3, the Company has defined information as material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primary users make on the basis of an entity's climate-related statements.

Primary users are defined as existing and future shareholders, lenders and other creditors.

Cross-referencing

Unless otherwise expressly stated, where external documents are referred to in this Statement, these do not form part of the Statement but are simply general and/or contextual information to direct the reader to further information, should they wish to read more.

Glossary

Refer to Appendix 3 for a Glossary of some key terminology used in this Climate Statement.



1. Refer to the Glossary in Appendix 3 for a definition of net zero.
 2. Refer to the Glossary in Appendix 3 for a definition of carbon offset.
 3. Refer to the Glossary in Appendix 3 for a definition of near zero.

Introduction

Our Purpose

The a2 Milk Company's purpose is to pioneer the future of Dairy for good, with a vision to create an A1 free world where Dairy nourishes all people and our planet. Embedded into a2MC's growth strategy is a goal to protect our planet and cows, rethink packaging, achieve our emissions reduction commitments and contribute to nature positive¹.

Who We Are

The Company was founded in 2000 in New Zealand by scientist Dr Corran (Corrie) McLachlan and his business partner, Howard Paterson, who recognised that not all milk is the same. Dr McLachlan joined Sir Robert (Bob) Elliot – who had earlier discovered that proteins in milk affect people differently – to pioneer research to understand these differences better.

a2 Milk™ is sourced from specially selected cows that naturally produce milk containing only A2-type beta-casein protein and no A1. This means that while most ordinary milk contains both A1 and A2-type proteins, a2 Milk™ is naturally A1 protein free. We source milk from farmers in New Zealand, Australia and the USA from herds of these specially selected cows.

The Company's current product portfolio includes fresh milk, ultra-heat treated (UHT) milk, extended shelf life (ESL) milk, infant milk formula (IMF), plain milk powders (including instant whole and skim milk powder), fortified milk powders (with products focused on seniors' needs), paediatric supplements and other dairy nutritional products, providing high quality nutrition for infants, children, adults, pregnant women and seniors.

The Company primarily operates in the China, Australia, New Zealand, Vietnam, South Korea and North America markets.

The Company's primary business activities by region are:

- **China and Other Asia:** Sales of China label and English label IMF, plain and fortified milk powders, liquid milk and Other Nutritional (including pediatric supplements) products in offline stores and domestic and cross-border e-commerce channels in China. We are also present in South Korea and parts of Southeast Asia, such as Vietnam.
- **Australia and New Zealand:** Sales of English label IMF, plain and fortified milk powders for children, adults and pregnant women through reseller and retail channels, and production and sales of liquid milk across retail channels in Australia. In New Zealand, our facility a2 Pōkeno manufactures select English label IMF products (e.g., a2 Gentle Gold®) and there are sales of English label IMF and UHT.
- **North America:** Sales of various liquid milk products in the United States of America, including grass fed, flavoured and 'half and half' milk, and liquid milk in Canada.

The Company owns and operates processing facilities in Pōkeno, New Zealand and Smeaton Grange in Australia, and partners with additional supplier processors in Australia, New Zealand, the USA and China to produce its products.

Climate Context

Climate change is a material risk for the dairy sector, as climate-related impacts on natural resources can directly impact the operations and production of the sector, and emissions from processing operations, animals and farm operations can contribute to climate-related impacts.

The Company is addressing the challenges posed by climate change through mitigation and adaptation, with actions identified in its Emissions Reduction Roadmap (page 20), targeting real emissions reductions, and its Climate Transition Plan, which includes measures directed at building supply chain resilience against physical climate risks and managing the transition to a low-emissions economy. Through collaborative efforts with our value chain partners and wider industry, a2MC aims to build a resilient, sustainable future for the Company, to support long term business viability.

1. Contribution to nature positive in this context means contributing to measurable increases in biodiversity, soil health, water quality improvements and/or climate impact reduction in the Company's value chain. More information about this goal can be found in the Company's Annual Report.



Climate Targets

2030

Net zero GHG emissions for Scope 1 and 2

30% reduction in Scope 3 emissions intensity by 2030¹ (from FY21 baseline)

2040

Near zero GHG emissions for Scope 3

→ More information can be found in the Targets and Metrics section on page 22.



FY26 Progress

- Re-baselining of emissions data to align with manufacturing asset acquisition (a2 Pōkeno) and divestment (MVM).
- Climate Transition Plan reviewed.
- Enteric methane reduction strategy developed.
- Climate scenario analysis and risk assessment updated.
- Work underway to convert the a2 Pōkeno gas-fired boiler to an electrode boiler, with electricity use to be matched through a renewable electricity agreement², to reduce Scope 1 and Scope 2 emissions.
- In Australia, continued to utilise a mixture of hybrid and fully electric vehicles across the Company's fleet, reducing (but not totally eliminating) fleet-related GHG emissions.
- Continued with renewable electricity agreements at a2MC's offices and manufacturing sites, where available.
- Established on-farm emissions data approaches and tools for New Zealand, Australian and USA farms.
- Continued ownership interest and engagement in AgriZero^{NZ}, a partnership between the New Zealand Government and major agribusiness companies to fund and develop potential on-farm biogenic methane and nitrous oxide reduction.

GHG emissions profile

On-farm GHG emissions 78% of total GHG emissions



Methane **65%**



Nitrous oxide **20%**



Carbon dioxide **15%**



● On-farm (Scope 3)
 ● Third Party Facilities (Scope 3)
 ● Warehousing and Freight (Scope 3)

● Other (Scope 3)
 ● Scope 1 and 2



1. Emissions intensity is measured by kg of carbon dioxide equivalent (CO₂e) per kg of fat and protein corrected milk (FPCM).
 2. Refer to the Glossary in Appendix 3 for an explanation of renewable electricity agreements.

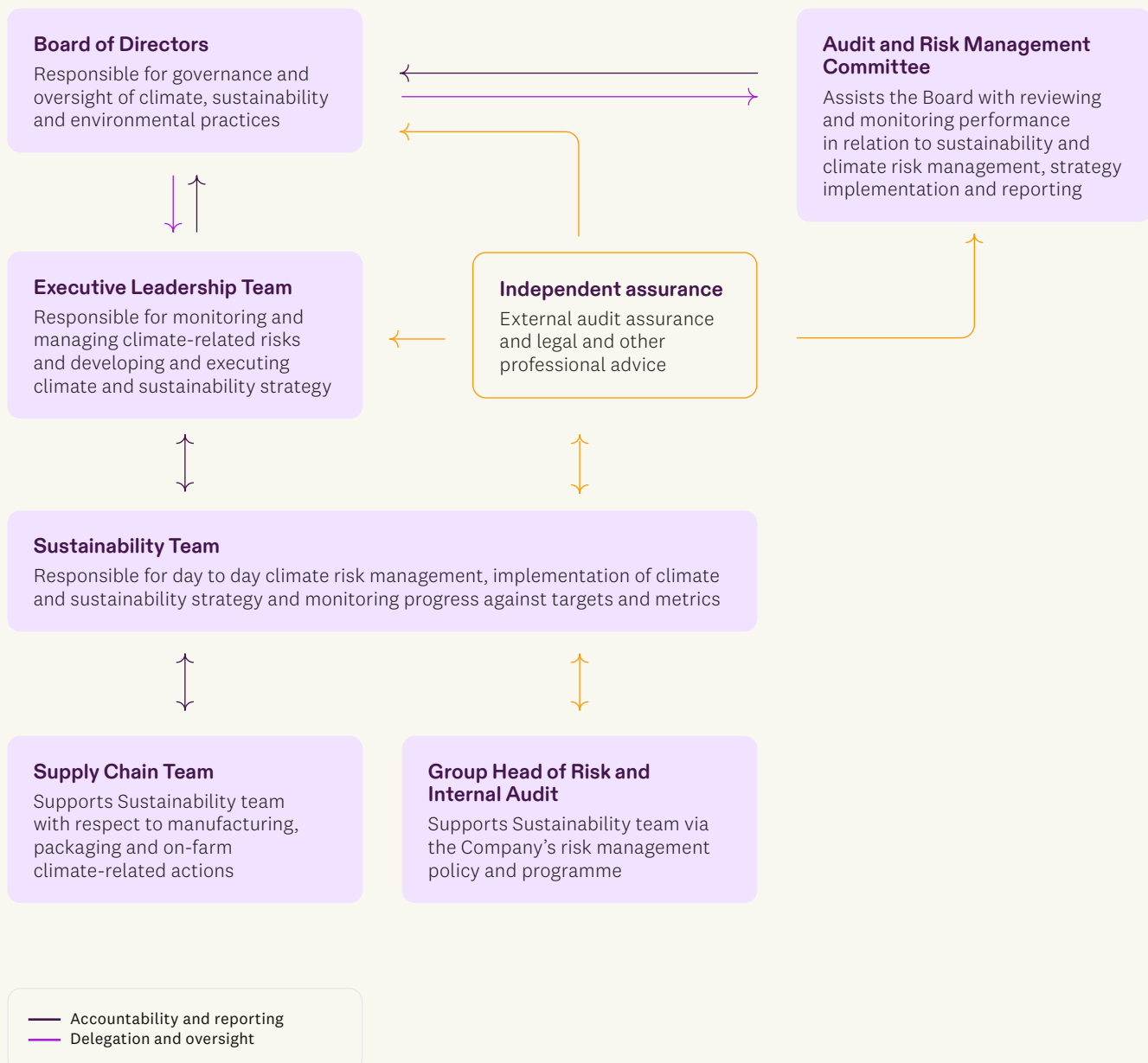
Governance

Governance Framework

The Company is committed to maintaining high standards of corporate governance. The Company's corporate governance framework aims to ensure that directors, officers, and employees fulfil their functions responsibly, whilst protecting and enhancing the interests of shareholders.

→ For general information on the a2MC's broader Corporate Governance framework, policies and charters please refer to the Company's corporate governance section on its website at <https://www.thea2milkcompany.com/corporate-governance>. Information relevant to climate-related disclosures is set out in this document.

At a high level, the governance framework is structured as follows, with reporting lines shown between each level up to and including the Company's board of directors.



Governance Roles and Responsibilities

Board of Directors

The Board is responsible for the overall governance and oversight of the Company, including guiding the Company's strategic direction, monitoring risk, and overseeing the activities of management. All issues of substance affecting the Company are considered by the Board, with advice from external advisors as required. The Board oversees implementation of the Company's strategy, with assistance from its Committees as appropriate.

→ The full role and responsibilities of the Board are set out in the Board Charter, available on the Company's website at <https://www.thea2milkcompany.com/corporate-governance>.

Board Climate-related Responsibilities

At a high level, the Board's responsibilities and processes specifically related to climate, and its oversight of climate-related risks and opportunities, include:

- Approving the Company's climate strategy, and key initiatives.
- Setting climate-related targets. Targets and commitments were initially set by the Board in 2021, with FY21 set as the baseline year. These have been reviewed and updated this year. More information is available in the Targets and Metrics section of this report on page 22.
- Monitoring progress against the metrics and targets via Board presentations from management, including discussion and approval of approaches and climate-related investments.
- Approving the Company's non-financial measures of success, including climate metrics, commitments, targets and policies, and the inclusion of any related performance metrics into the Group's performance scorecard (relevant metrics are described in the section on Management Remuneration Linked to Climate-related Risks and Opportunities on page 7).
- Overseeing the Company's exposure to climate-related risks and opportunities, the climate resilience of the Company's strategy and business model, and climate-related implications for the Company's financial position, financial performance and cash flows.
- Consideration of climate-related risks and opportunities in the Board's strategy and decision-making processes. This occurs at multiple touchpoints, including: (i) periodic Board consideration of climate-related risks and opportunities through reviews of climate scenario analysis, climate-related disclosures and the Company's transition planning, including the Company's strategic priorities over the short, medium and long-term; (ii) Board decisions on capital allocation and investment, where proposals are assessed for alignment with the Company's climate targets and potential climate-related risks and opportunities, including decisions such as the FY26 approval of the a2 Pōkeno electrode boiler conversion; (iii) the setting and periodic review of climate-related targets, including oversight of any revisions (such as the revision to the Company's Scope 3 near zero target in FY26); and (iv) the approval and oversight of key climate-related initiatives, including monitoring of progress against the Company's Emissions Reduction Roadmap and Climate Transition Plan through regular Board reporting from the ELT and Sustainability team. More specifically:
- The Board receives specific updates on sustainability and climate (including climate-related risks and opportunities) from the ELT and Sustainability team. For example, in FY26, the Board reviewed the FY25 Climate Statement, reviewed the balanced scorecard for the Company's short-term incentive plan in FY26 (see information about Management Remuneration Linked to Climate-related Risks and Opportunities on page 7), including the climate and sustainability metrics included in it, approved the programme of capital works (some climate-related) at a2 Pōkeno, including replacement of the gas-fired boiler with an electrode

boiler, reviewed updated scenario analysis and climate-related risks and opportunities and approved the Company's first Environment Policy which covers environmental management of owned and managed facilities and operations.

The Board also receives regular updates (monthly or bimonthly, depending on meeting cadence) from the Managing Director and Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on the Group's performance. This includes an update on the Company's non-financial measures of success, including Planet measures (which include climate-related measures) (see page 7 for more details). In FY26, the Board received nine such updates.

Board Climate-related Skills

The Board is comprised of directors with a diverse range of skills, experience and backgrounds to support the effective governance and robust decision-making of the Company.

Annually, directors are assessed as having 'high capability' or 'medium capability' in skills outlined in the Board skills matrix, with directors limited to four 'high' and four 'medium' skills. One defined capability is 'Environment and Social', which assesses directors' capability and experience in sustainable practices to manage the impact of business operations on the environment and community and assess and manage climate and nature risks and opportunities.

Directors provide initial self-assessment ratings, which are then reviewed by the Board each year. In FY26, two Board members noted a high level of capability in relation to Environment and Social skills, and one Board member noted a medium level of capability. The Board is also provided with training on relevant subjects regularly, either from subject matter experts from within the Company or from external providers.

If any skills are not directly represented on the Board at 'medium capability' or above, they are supplemented through management and external advisors as required.

The Board internally assesses its performance annually. It typically engages an external party to assist with this process every second year, with an internal review in alternating years. As part of this process, the Board

Governance (continued)

considers whether the directors have an appropriate mix of skills and experience to effectively provide oversight of the Company, including climate-related risks and opportunities.

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC), a sub-committee of the Board, assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Group's risk management and internal control systems, accounting policies and practices, internal and external audit functions, corporate reporting, including climate-related disclosures and sustainability reporting, and sustainability and climate risk management and strategy implementation. The ARMC meets regularly throughout the year, holding meetings and workshops (FY26: Four meetings total).

The ARMC does this with respect to climate-related risks and opportunities by:

- Reviewing the Company's climate strategy and monitoring the execution and effectiveness of initiatives against the strategy;
- Reviewing and monitoring performance against the Company's climate-related initiatives, metrics and targets for managing climate-related risks and opportunities (including the Company's Scope 1 and 2 emissions reduction targets and the Company's Scope 3 near zero target);
- Overseeing management's processes for identifying, assessing, prioritising and managing the Company's climate-related risks and opportunities;
- Reviewing the Company's climate-related scenario analysis, including both physical and transition risks and opportunities across the specified scenarios;

- Evaluating the Company's capital allocation decisions including as they relate to climate-related risks and opportunities to ensure alignment with the Company's climate targets and emissions reduction commitments; and
- Reviewing the Company's non-financial reporting disclosures (including the non-financial sections of the Company's Annual Report) and considering whether they are complete, consistent with information known to the Committee, comply with applicable laws and regulations, and otherwise provide a true and fair view of the position and performance of the Company.

The Sustainability team and Group Head of Risk present several times per year to the ARMC on climate-related matters, including Emissions Reduction Roadmap updates, climate transition planning, climate and emissions reporting and disclosures, climate scenario analysis and climate-related risks and opportunities.

In FY26, this included three presentations covering review of the FY25 Climate Statement, a broad update on a range of climate-related topics including the Company's investment in AgriZero^{NZ,1}, proposed changes to the FY26 GHG emissions reporting approach, including re-baselining of emissions, an update on milk pool emissions and the a2TM Farm Sustainability Fund², a climate reporting assurance update and a scenario analysis overview.

The ARMC also considered climate-related risks as part of its bi-annual review of the Company's enterprise risk register. The ARMC reports back to the Board after each meeting (including on all relevant climate-related matters). ARMC papers and minutes are available to all directors, and directors who are not members of the ARMC are able to attend ARMC meetings if they wish to do so.

Executive Leadership Team

The ELT is responsible for monitoring and managing climate-related risks and opportunities and for the development and management of the Company's sustainability strategy, including targets and commitments.

Some or all of the ELT attend each of the Company's Board meetings and provide updates on climate-related matters accordingly to the Board of Directors (FY26: Twelve Board meetings held. Planet measures (which include climate measures) were reported on at seven meetings).

The Company's Managing Director – ANZ and Sustainability (MDANZS), a member of the ELT reporting directly to the CEO, has responsibility for the Company's sustainability function, which includes strategy development, target and commitment setting, and the management and reporting of GHG emissions, nature (including biodiversity, soil and water), operational environmental management, modern slavery, responsible sourcing, sustainable packaging and community investment.

The CFO is responsible for considering the financial implications and integration of climate-related risks and opportunities into the Company's financial planning and risk management framework and overseeing the Company's risk function.

The Chief Supply Chain Officer is responsible for managing the farm sourcing and processor partners, including considering climate change impacts and mitigation options within the supply chain.

The CEO and MDANZS have bi-monthly meetings with the Sustainability Team to be updated on progress and review milestones and progress in relation to climate and sustainability targets, metrics, risks and performance generally. In FY26, topics discussed at these meetings included an update on XRB reporting and targets, the a2TM Farm Sustainability Fund, the Company's internal Enteric Methane Reduction Strategy, and updates on the Company's climate-related scenario analysis, which were subsequently presented to the ARMC and considered by the ARMC accordingly.

1. Refer to the Glossary in Appendix 3 for a definition of AgriZero^{NZ}.

2. Refer to the Glossary in Appendix 3 for a definition of the a2TM Farm Sustainability Fund.

Sustainability Team

The Sustainability team is led by the Group Head of Sustainability, who reports directly to the MDANZS. The Sustainability team is responsible for day-to-day climate risk management, including identification, assessment and management of climate-related risks and opportunities utilising the ESG risk register, and implementation of sustainability strategy, and monitoring of progress against climate-related targets.

The Sustainability team meets regularly with a2MC team members at owned and operated manufacturing facilities, namely a2 Pōkeno and Smeaton Grange, Operational teams, the Procurement team and New Product Development teams to implement the Company's climate-related strategy and monitor progress towards Company climate-related targets.

Group Head of Risk and Internal Audit

The Group Head of Risk and Internal Audit supports the Sustainability team via the Company's risk management programme. Enterprise risks and opportunities, including climate-related risks, are identified and assessed regularly, and at least annually, with the ARMC.

Supply Chain Team

The Supply Chain team, including the Farm Services team, works with the Sustainability team on the management of climate-related targets and initiatives across on-farm operations, packaging, manufacturing and broader supply chain activities. The Sustainable Dairy Manager, a member of the Sustainability team, works closely with the Farm Services team to implement on-farm climate initiatives and monitoring.

Management Remuneration Linked to Climate-related Risks and Opportunities

The ELT and selected other team members are eligible to participate in the Company's short-term incentive (STI) plan. Allocation of STI is based on the Group STI performance scorecard which incorporates an assessment of both financial and non-financial measures, which include Planet measures linked to the Company strategy. Planet measures include an employee rating of a2MC's sustainability impact and progress against emissions reduction targets. The Planet measures have a weighting of 5% of the total contribution within the Group performance scorecard (FY25 and FY24: also 5%).

There are currently no further KPIs used by the Company to measure and manage climate-related risks and opportunities that link to management remuneration.

→ For more information about how the governance body sets, monitors progress against, and oversees achievement of metrics and targets for managing climate-related risks and opportunities, see the Targets and Metrics section on page 22.



Climate Risk Management

Company Risk Management Approach

The Company recognises that effective risk management anticipates risks, develops strategies to manage risk and enables the Company to capitalise on opportunities, which is critical to sustainable, long-term value creation.

The Company's risk management approach follows ISO 31000 principles, ensuring robust processes and allowing the Board to make balanced assessments. Financial and non-financial risks, including climate-related risks, are identified, analysed, assessed, and monitored through the Company's primary tool for monitoring the identified risks, the Enterprise Risk Register. The Enterprise Risk Register is updated throughout the year and fully updated annually to coincide with the Company's annual strategic refresh process with oversight by the ARMC and Board.

→ <https://www.thea2milkcompany.com/corporate-governance>

The Company's risk management process rates risks, including climate-related risks, using a conventional five by five risk matrix assessing the probability of risk events occurring, and the impact should the risk eventuate, allowing for risk prioritisation and the development of mitigating actions to reduce the likelihood of risks occurring, and controls to reduce risk impacts.

Climate-related risks are not specifically prioritised in relation to other risks in the risk register. All risks are considered against the matrix described above and do not take precedence over one another on account solely of their risk type.

Management is responsible for designing and implementing risk management and controls related to climate, sustainability and nature. Management also develops and executes action plans to address material business risks across the Company.

→ For more general information, the Company's Risk Management Policy is available at <https://www.thea2milkcompany.com/corporate-governance>

The Company has identified 'climate and nature' as one of its 8 key risk and opportunity areas. The other risk and opportunity areas can be found in the Company's FY26 Annual Report. A more detailed risk register for ESG risks is managed by the Sustainability team, and feeds into the Enterprise Risk Register. The ESG risk register includes a range of ESG risks, including climate-related risks which have been identified through the following tools and methods:

- Location-based data for current risks: As described further on page 43
 - Scenario analysis for potential future risks: As described further on page 38
 - Ongoing monitoring of regulatory, policy, market and technology developments related to climate change
 - Participation in industry forums, conferences and working groups
- For information in relation to value chain exclusions, as they are applied to the identification, assessment, and management of climate-related risks, see Appendix 2.



Identification and Assessment of Climate-related Risks and Opportunities Using Scenario Analysis

Climate scenario analysis was used to identify potential future climate-related risks to milk supply and the consequential impacts of those risks to the Company's operations.

In conjunction with scenario analysis, actual climate impacts in the Company's value chain were used to identify the Company's current climate-related risks, regardless of whether the actual impact was material to the Company or not, including drought, flood, storm and wildfire impacts.

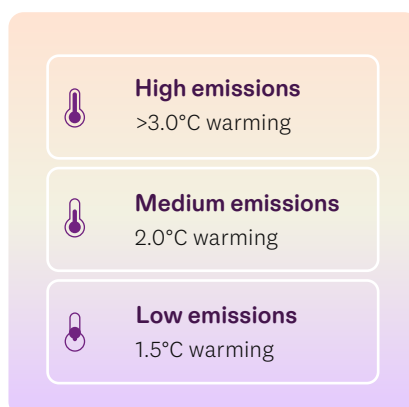
Climate scenario analysis is a planning tool that helps organisations see how different future climate changes could affect their operations and value chains, enabling them to incorporate climate-related risks and opportunities into decision making, risk management and business strategy. Climate-related scenarios are not intended to be probabilistic or predictive, or to identify the 'most likely' outcome(s) of climate change.

The Company completed its fourth climate-related scenario analysis in FY26 covering both climate-related physical and transition risks. Initially conducted in FY22 under the TCFD framework but now done in accordance with the NZ CS, this analysis is updated annually to reflect changes in the Company's operations and value chain, including in FY26 the addition of the a2 Pōkeno site and associated supplying farms. At present, the scenario analysis is undertaken as a standalone process and its findings are used to support the Company's understanding and assessment of climate-related risks and opportunities.

→ Further details of the scenario analysis methodologies and assumptions are provided in Appendix 2.



The following three climate-related scenarios were developed over three different time horizons¹, and are believed to be relevant to the material climate-related risks and opportunities that the Company may face by 2050:



The developed scenarios draw strongly from the Agri Circle Sector Scenarios developed by the Aotearoa Circle, a voluntary initiative which brings together leaders from the public and private sectors, as the most relevant public scenarios in the New Zealand agricultural sector.

Each internal scenario is therefore mapped to the Agri Circle scenario it is consistent with.

The only material differences between the Company scenarios and sector scenarios relate to specific Company value chains and business operations, which are noted in this Climate Statement where relevant.

→ While all material information for our scenario analysis is contained in this Statement, readers who wish to compare our scenario analysis to the sector scenarios can find those at <https://www.theaotearoacircle.nz/focus-areas/climate/climate-adaptation/agri-adaptation-roadmap>.

1. Time horizon definitions used: Short-term (0–5 years), Medium-term (5–15 years), Long-term (15+ Years).

Climate-Related Impacts, Risks and Opportunities

This section summarises the climate-related risks and opportunities that have been identified by the Company. a2MC identifies climate-related risks by considering potential hazards (both acute and chronic) or external market, regulatory, policy, legal, technology and reputation actions and implications that, if left unabated, could have a negative impact on the Company, its products, value chain or operations. The Company identifies climate-related opportunities by considering areas where, with the implementation of effective strategy and risk abatement, the Company could achieve positive impacts to its value, market share, supply chain resilience or increase in sales of its products.

Current Impacts and Opportunities – FY26

In FY26, the Company did not itself experience material physical or transitional climate-related impacts.

However, there were climate-related physical impacts in its value chain, some examples of which are outlined below, albeit that these did not have a material physical impact on the Company. These value chain impacts have been included in this Statement as they are relevant to the Company's assessment of current climate-related risks.

Compliance costs associated with preparing this Statement and obtaining assurance over the Governance section, were significant in FY26 but this and other events in the period did not present a material transition impact on the Company.

Current Climate-related Risks Indicated by Impacts in the Value Chain

New Zealand milk pools

Physical Impact (Acute) – Rainfall and flooding:

During FY26, parts of the South Island, including Southland and Canterbury, experienced periods of intense rainfall and riverine flooding (medium-scale adverse event)¹. These events resulted in waterlogged pasture, delayed grazing rotations and damage to on-farm infrastructure. While short-term milk production impacts were generally managed through existing on-farm resilience practices, these events increased operating costs for farmer suppliers and may have implications for soil condition and pasture recovery into the following season. This did not have a material impact on the Company in FY26 but indicates the existence of a current value chain climate-related risk of similar events occurring.

Physical Impact (Chronic) – Temperature rise and dry-year:

Warmer than average temperatures across parts of the North Island, including Waikato, combined with intermittent dry periods during FY26 (medium-scale adverse event), contributed to reduced pasture growth and feed requirements². While production impacts were partially mitigated through supplementary feeding and farm management practices, these conditions may place ongoing pressure on farm profitability and feed availability into FY27. This did not have a material impact on the Company in FY26 but indicates the existence of a current value chain climate-related risk of similar events occurring.

Australian milk pools

Physical Impact (Acute) – Heavy rainfall and extreme weather:

During FY26, eastern Australia, including coastal and inland regions of New South Wales and parts of Victoria, experienced multiple episodes of heavy rainfall, thunderstorms and localised surface water (pluvial) flooding (medium-scale adverse event)³.

These events resulted in localised flooding of agricultural land, damage to fodder crops and pasture and temporary disruptions to transport networks. While impacts were geographically contained, they contributed to increased operational costs and short-term variability in milk production for some suppliers. This did not have a material impact on the Company in FY26 but indicates the existence of a current value chain climate-related risk of similar events occurring.

Physical Impact (Chronic) – Climate variability including dry-year:

In FY26, several regions across New South Wales, Victoria and Western Australia experienced continued climate variability, including prolonged dry conditions and elevated temperatures (medium-scale adverse event). In southern Australia, including Victoria and parts of Western Australia, extended rainfall deficits contributed to reduced pasture availability, increased reliance on purchased feed and declining on-farm water availability⁴. These factors did not have a material impact on the Company in FY26 but indicates the existence of a current value chain climate-related risk of similar events occurring.

No material weather-related impacts were identified across the Company's United States milk pool during FY26.

1. <https://niwa.co.nz/climate-and-weather/monthly/climate-summary-june-2025>.

2. <https://niwa.co.nz/climate-and-weather/seasonal/autumn-2026>.

3. https://www.agriculture.gov.au/abares/products/weekly_update.

4. <https://www.bom.gov.au/climate/current/annual/aus>.



Current Climate-related Opportunities

The following current climate-related opportunities were identified, however none were realised during the period in a way that materially impacted the Company, as the related current climate impacts were not material:

- **Milk supply:** The current level of milk supply buffer has the opportunity to provide a market advantage over competitors who may experience supply constraints due to current climate impacts.
- **Investments:** Investment in supply chain resilience through farmer grants, strong supplier relationships and emerging methane reduction solutions has the opportunity to deliver immediate negative impact reduction or remediation to support the Company's market position relative to industry peers with lower levels of investment in climate resilience.
- **Reputation:** The ability to leverage responsible business reputation to build brand value with customers and investors.

Potential Physical Risks and Opportunities

The climate scenario analysis undertaken show physical risks increase with higher warming levels. The physical climate-related risks arising from climate-related hazards in the future have been assessed using the following methodology:



Hazard

e.g. high intensity rainfall



How the hazard could result in damage

e.g. flooding



Exposure

e.g. what is or could be exposed to flooding



Vulnerability

e.g. what is or could be vulnerable to flooding

Vulnerability Metrics:

We define vulnerability as the extent to which our milk supply chain may be adversely affected by our three most material climate-related physical hazards: flooding, heat stress and drought stress. Vulnerability is assessed by combining regional milk utilisation, which represents the relative exposure of our value chain, with hazard-specific risk indices from Munich Re's Location Risk Intelligence platform¹. This provides a consistent measure of the relative vulnerability of our milk supply regions to climate-related physical risks. This assessment does not incorporate the adaptive capacity or mitigation capability of our operations, as these factors vary significantly across locations and are influenced by multiple operational, environmental and site-specific variables.

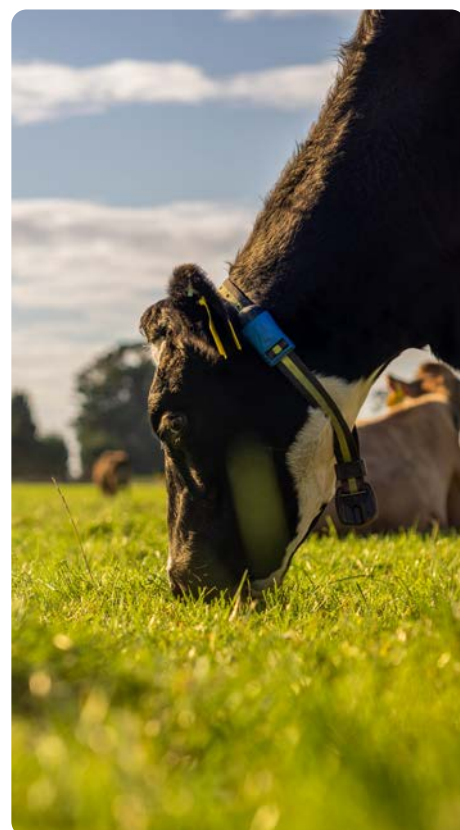
Vulnerability Rating Definitions:

The Company has developed the following qualitative ratings for vulnerability:

Low – Lower relative vulnerability due to lower climate hazard exposure and/or the availability of sufficient milk buffer volumes to absorb potential supply disruptions.

Medium – Moderate relative vulnerability due to a combination of climate hazard exposure and regional milk utilisation, with some ability to absorb disruptions through available milk buffers.

High – Higher relative vulnerability due to heightened exposure to climate hazards and limited available milk buffer volumes relative to regional milk utilisation.



1. Refer to the Glossary in Appendix 3 for a definition of Munich Re Location Risk Intelligence Platform.

Climate-Related Impacts, Risks and Opportunities (continued)

Climate-related hazard giving rise to the risk	Physical risk	Potential value chain impact	Anticipated impact (a2MC)	Mitigation measures (a2MC)	Vulnerability (a2MC)
Flood Risk Increasing intensity and frequency of short-duration high-intensity rainfall events. Timeframe: Medium – Long term	Flooding – riverine and surface water (pluvial) flooding	Riverine and surface water (pluvial) flooding may disrupt farm operations, restrict site access, damage farm, transport and processing infrastructure, affect animal welfare, interrupt transport and logistics networks and reduce milk production from affected farms.	Reduced milk supply and disruption to farming operations may impact product availability, business continuity and financial performance. Potential impacts may include increased sourcing and operating costs, margin pressure, asset damage, logistics disruptions and adverse animal welfare outcomes at supplier farms.	Diversified supply chain and sourcing strategy focused on farms with low flooding risk. Milk pool buffer volume maintained above operational requirements to absorb temporary supply shortfalls from affected farms. Identification of farming regions at risk, so that sourcing strategy and farm-level adaptations can be planned accordingly. a2™ Farm Sustainability Fund grants to support on-farm resilience improvements at supplier farms. Insurance coverage maintained to reduce financial impact should the risk materialise.	Low – due to diversity of farm topography and location and milk pool buffer volume.
		Riverine flooding may interrupt access to farms due to closure of transport links.	Short term supply chain disruptions, resulting in increased logistics and operational costs and disruption to business continuity.	Milk transport route planning and milk buffer availability. Diversification of processing locations and new supplier relationships established in New Zealand to reduce dependence on specific transport corridors. Ongoing access to milk pools that exceed the Company's current usage requirements, providing operational flexibility if transport links are disrupted.	Medium – as farms are separated from processing facilities via a variety of topography, the vulnerability to this impact is higher than for individual farms.
Heat Stress Temperatures rising and the intensity and frequency of heat waves are increased. Timeframe: Medium – Long term	Cows are unable to dissipate their heat, leading to reduced milk production	Heat stress can reduce, per-head milk yields and cow productivity due to increased energy spent on cooling down, reduced feed intake and increased stress levels.	Decrease milk availability and increase supply costs, resulting in margin pressure and potential impacts on revenue, profitability, animal welfare concerns and reputation.	On-farm heat stress mitigation measures supported by the Company, such as shade structures and fans. Milk sourcing strategy to include volume buffer, inclusion of low vulnerability milk pool regions and genetic selection strategies. a2™ Farm Sustainability Fund grants directed to on-farm initiatives, including those improving farm resilience to climate-related conditions.	High – in certain milk pools. See table on page 14

Climate-related hazard giving rise to the risk	Physical risk	Potential value chain impact	Anticipated impact (a2MC)	Mitigation measures (a2MC)	Vulnerability (a2MC)
Drought Stress Increasing temperature in addition to changes in precipitation patterns can cause drier weather conditions and hence more intense and frequent drought events Timeframe: Medium – Long term	Lower yields of feed production	Reduction in water availability can limit pasture growth and increase reliance on supplementary feed resulting in higher feed costs and/or a decrease in milk production.	Reduced milk supply, increased milk input costs and adverse animal welfare outcomes, resulting in margin pressure and potential impacts on revenue and reputation.	Milk sourcing strategy to include volume buffer and inclusion of low vulnerability milk pool regions. Identification of farming regions at risk of drought stress, enabling sourcing strategy adjustments and proactive farm-level planning. a2™ Farm Sustainability Fund grants to support on-farm water management and pasture resilience improvements at supplier farms.	High – in certain milk pools. See table on page 14.

Note: Sea level rise was considered as part of the Company's physical climate risk assessment through storm surge modelling using Munich Re's Location Risk Intelligence Platform. Based on this assessment, storm surge was not identified as a material physical climate risk for the Company's assessed milk sourcing and processing operations.



Climate-Related Impacts, Risks and Opportunities (continued)

The risk assessment shows that 100% of the Company's activities, including impacts to milk supply, are vulnerable to physical climate risks, however, to varying degrees for the different regional operations of the Company. This is consistent with the vulnerability figure¹ disclosed in FY24 and FY25 (both 100%). The below table details these varying impacts by region. The table below presents the current exposure to climate-related physical hazards across key milk pools and operating locations, and regions, within a2MC's value chain. It summarises the proportion of sites (both within and outside of a2MC's operating control) assessed as low, medium or high risk for a2MC's three key climate-related physical hazards, based on Munich Re Location Risk Intelligence hazard indices, applied to supplier farm and facility location data. Low-risk sites are not expected to experience material impacts under current climate conditions, medium-risk sites may experience periodic impacts requiring management responses and high-risk sites are more likely to experience significant impacts on operations, productivity or supply chain resilience. The results were calculated by grouping sites into relevant milk pools, classifying each site against the applicable risk thresholds, and expressing the number of sites in each category as a percentage of total sites in that pool. The key regional hazard indicates the most material physical risk driver for each region.

Potential impact of physical climate-related risk hazards on a2MC operations under current climate conditions²

Region	Heat Stress			Drought Stress			River Flooding			Key Regional Hazard
	Low Risk	Medium Risk	High Risk	Low Risk	Medium Risk	High Risk	Low Risk	Medium Risk	High Risk	
New Zealand – South Island	100%	0%	0%	100%	0%	0%	80%	5%	14%	Riverine Flooding
New Zealand – North Island	100%	0%	0%	100%	0%	0%	79%	11%	11%	Riverine Flooding
Australia – NSW	11%	78%	11%	89%	11%	0%	67%	0%	33%	Riverine Flooding
Australia – VIC	0%	75%	25%	0%	100%	0%	100%	0%	0%	Heat Stress
Australia – WA	0%	75%	25%	0%	100%	0%	100%	0%	0%	Heat Stress
North America	37%	32%	32%	74%	16%	11%	68%	5%	26%	Heat Stress



Physical Climate-related Opportunities

While the Company has identified limited future climate-related opportunities arising directly from the physical impacts of climate change, potential opportunities include:

- **Resilience of milk supply:** The Company's milk pool benefits from a degree of volume resilience, which may mitigate the impact of climate-related disruptions relative to competitors with greater exposure to affected regions or production systems.
- **Strengthened supply chain resilience:** Ongoing investment in farmer support programmes, project grants and long-term supplier relationships may enhance the resilience of the Company's supply chain and support continuity of supply under changing climatic conditions, relative to industry peers with less integrated supplier relationships.
- **Relative geographic advantage:** The Company's major New Zealand milk pools are currently assessed as having low to medium exposure to physical climate risks. As a result, the Company may be comparatively better positioned than industry participants with operations located in areas facing higher levels of physical climate risk.

The anticipated impact of these potential opportunities are increased market advantage, increased profitability and longer term business sustainability.



1. Not reported to this level in FY24 and FY25.

2. Physical Risks represented in the table above include heat stress, drought stress and riverine flooding as these hazards have been identified as the potential to be the most material climate hazards to The a2 Milk Company's operations. Numbers are subject to rounding.

Transition Risks and Opportunities

The scenario analysis undertaken shows that transitional risks are more severe in Scenario 1, where more action is taken to limit warming. Transition risks arising in the future have been identified as follows:

Transition activity/ hazard giving rise to the risk	Transition risk	Value chain impact	Anticipated impact (a2MC)	Mitigation measures (a2MC)	Vulnerability (a2MC)
Carbon price (on agricultural emissions) in all production jurisdictions Timeframe: Medium – Long term	Enteric methane and nitrous oxide emissions price	Increased cost of milk	Increased costs of product inputs	Premium pricing to cover increased value chain costs. Near zero Scope 3 GHG emissions by 2040; 30% Scope 3 emissions intensity reduction by 2030 (interim target). Development of enteric methane reduction strategy (FY26). Ongoing engagement with farmer suppliers to support the identification and adoption of emissions reduction opportunities. Continued investment and engagement in AgriZero ^{NZ} to fund and develop on-farm methane and nitrous oxide reduction solutions. On-farm emissions insetting framework development. a2 TM Farm Sustainability Fund grants to support on-farm emissions reduction initiatives.	High
Carbon price on stationary energy (Australia, USA and China) Timeframe: Short – Medium term	Increased cost of liquid milk production	Increased production costs to farms and processors	Increased costs of product inputs Increased costs of processing operations (AU)	Pricing to cover increased costs. Renewable electricity agreements at a2 Pōkeno and Australian offices. Continued use of hybrid and fully electric vehicles in the Australian fleet.	Medium
Carbon price on transport energy Timeframe: Medium – Long term	Increased transport costs	Increased road, sea and air transport of milk and product	Increased cost of production inputs and distribution of product to markets	Pricing to cover increased costs. Net zero Scope 1 and 2 GHG emissions by 2030; 30% Scope 3 emissions intensity reduction by 2030 (to the extent transport emissions are within Scope 3).	High, due to export of products internationally
Increasing consumer expectations of progress to targets Timeframe: Medium – Long term	Loss of consumer confidence	Loss of sales of product	Loss of market share and sales	Implement Emissions Reduction Roadmap and maintain brand reputation. Climate and sustainability metrics incorporated into the Company's management remuneration scorecard (Planet measures, weighted at 5% of Group performance scorecard).	Low, due to strong brand reputation
Increasing compliance requirements Timeframe: Short – Medium term	Time and cost of compliance	Increased cost of production	Increased costs of product inputs Increased costs of doing business	Ongoing compliance development. Proactive engagement with regulators.	Medium

Climate-Related Impacts, Risks and Opportunities (continued)

As the low emissions scenario includes a carbon price and increased compliance requirements in all the jurisdictions the Company operates in, in this scenario the whole business (100%) is anticipated to be impacted by climate-related transitional risks (FY25 and FY24 also 100%). As elements of the transition play out over time, this impact may be more nuanced if different jurisdictions take different approaches. It is anticipated that all products (100%) would be impacted by consumer preference impacts.



Transitional Climate-related Opportunities

There are some opportunities arising for the Company from climate transitional activity, including:

- Strategic moves to a lower-emissions value chain in the transition leading to market advantage and increased brand reputation.
- Scope 3 emissions reduction as other participants in the value chain implement more climate-responsible operations.
- Investment in AgriZero^{NZ} methane solutions results in a market leadership position in methane reduction innovation, increasing brand reputation and business value.

The anticipated impact of these potential opportunities is increased market advantage, increased profitability and longer-term business sustainability. It is anticipated that 100% of the Company's operations and products could be positively impacted if these transitional opportunities are realised. This is consistent with the vulnerability figure disclosed in FY24 and FY25 (both 100%).



Strategy

Business Model

→ Our business model is as described on page 2 of this Statement in the section on “Who we are”.

Business Strategy

a2MC's strategic priorities and goals remain largely unchanged since it undertook a holistic strategy review of its market, brand, product and distribution opportunities in October 2021.

The Company has clear goals across four stakeholder groups, Consumers, People, Planet, and Shareholders, to ensure that, in addition to achieving its commercial ambitions, it is also actively working to deliver its sustainability priorities and is executing in a way that further develops a trusted and transparent relationship with its stakeholders. These goals are articulated in the strategy diagram below.

Purpose	We pioneer the future of Dairy for good				
Vision	An A1-free world where Dairy nourishes all people and our planet				
Goals	 Consumers Bring the unique benefits of pure and natural <i>a2 Milk™</i> to as many consumers as possible	 Planet Protect our planet and cows, rethink packaging, accelerate our transition to near zero emissions and become nature positive	 People Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities	 Shareholders Create long-term, enduring value for shareholders and maintain a trusted, transparent relationship	
Strategic priorities	 Invest in people and planet leadership Invest in our people to enable them to thrive Take direct action to lead the industry in GHG emissions and sustainable packaging	 Capture full potential in China IMF Leverage expanded portfolio across more price points Expand in lower tier cities Accelerate online growth Invest in brand strength and leverage across two labels and wider portfolio	 Ramp up product innovation Expand EL and CL IMF product portfolio Develop Other Nutritionals for kids, adults and seniors Innovate in liquid milk Explore other adjacencies	 Enter new markets Leverage IMF and other products into new markets Develop Asia region initially (esp. SEA) plus other markets over time Adopt in-market distributor/partner model approach	 Transform supply chain Execute transformation programme at a2 Pōkeno facility in New Zealand Develop supply capability and capacity to support innovation and growth, directly and with 3PMs
Enablers	Quality & safety	Brand strength	Science & innovation	Strategic relationships	
Values	 B Bold passion	 O Ownership & agility	 L Leading constructively	 D Disruptive thinking	

Strategy (continued)

The Company's growth strategy centres on five key priorities:

- **Invest in people and planet leadership**
 - **Capture full potential in China Infant Milk Formula**
 - **Ramp-up product innovation**
 - **Enter new markets**
 - **Transform supply chain**
- Further additional detail on the Company's strategy and its financial and non-financial measures of success is set out in the 'Our Growth Strategy' section of the Company's FY26 Annual Report which can be found at <https://www.thea2milkcompany.com/results>

Developing a Climate-resilient Business Model

To support its emissions reduction targets and the transition towards a low-emissions, climate-resilient future, the Company has developed a detailed Emissions Reduction Roadmap and Climate Transition Plan. At present, there are no material business model and or strategy changes identified as a result of the transition planning aspects of the Company's strategy. The Emissions Reduction Roadmap and Climate Transition Plan are embedded into the Company's strategy and other elements of the approach support the continuance of the current business model and strategy. As the transition progresses however, the Company will continue to evolve and adjust its business model, product portfolio, supply chain arrangements, sourcing strategy and capital allocation priorities accordingly. The key elements of the transition plan are set out on the next page, and the Emissions Reduction Roadmap can be found in the Targets and Metrics section on page 22 of this Statement.

Climate Transition Plan

A Climate Transition Plan was developed in FY25 and considers the business actions required to transition to a low-carbon economy and climate-impacted environment whilst ensuring ongoing compliance, building resilience, managing risks, and maintaining competitive advantage, through three interrelated goals:

1. Decarbonising the Company and its value chain;
2. Responding to its climate-related risks and opportunities; and
3. Contributing to an economy-wide transition.

a2MC has developed a comprehensive internal plan translating these goals into concrete actions within business operations, policies, products, internal financial planning, and value chain interactions and influence. The diagram on the following page provides a high-level summary of this plan.



Summary of Climate Transition Plan

Our ambition

We pioneer the future of Dairy for good

Our plan

Embed climate transition into a2MC's strategy, planning and processes to enhance resilience and accelerate the transition to near zero.

Our approach

Ambition and foundations	Implementation strategy	Engagement strategy	Metrics and targets
Key elements to execute our approach			
- Climate transition embedded into strategic ambition. - Transition integrated into business model and planning. - Regular assessment of external context, scenarios and assumptions to refine approach.	- Transition incorporated into Environment Policy and standards. - Ring-fence essential capital for transition in financial planning. - Electrification of infrastructure, transport and use of renewable electricity agreements. - Establish supplier engagement and insetting programme. - Enhance business continuity and adaptation plans to manage supply chain disruptions.	- Collaborate with suppliers and retailers to accelerate transition and resilience. - Identify key stakeholders and establish engagement plans. - Ongoing engagement with stakeholders to refine approach over time. - Continue investment in on-farm GHG emissions solutions (a2™ Farm Sustainability Fund and AgriZero^{NZ}).	- Net zero GHG emissions Scope 1 and 2 by 2030. 30% reduction in Scope 3, per kg FPCM, by 2030 from FY21 base year. - Near zero GHG emissions Scope 3 by 2040. - Measure and report on progress annually.

Governance

 Climate embedded in Board reporting, oversight, and competencies.	 Climate Transition Plan responsibilities incorporated within responsibilities and accountability of management team.	 Climate metrics included within executive and team KPIs and incentives.	 Climate-related training implemented for relevant roles.
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Strategy (continued)

Summary of Climate Transition Plan (continued)

Key levers to deliver mitigation and adaptation within a2MC's transition plan focus on both direct operations and value chain, as well as enablers to enable progress, as summarised below:

Scope 1 & 2

Electrification of infrastructure and vehicles	Converting sites to renewable electricity agreements	Adaptation plan for moderate to high-risk assets and farms
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Scope 3

Integrate mitigation and adaptation into sourcing strategy	Establish supply chain incentive & insetting programme	Support industry solution development to accelerate emissions reduction
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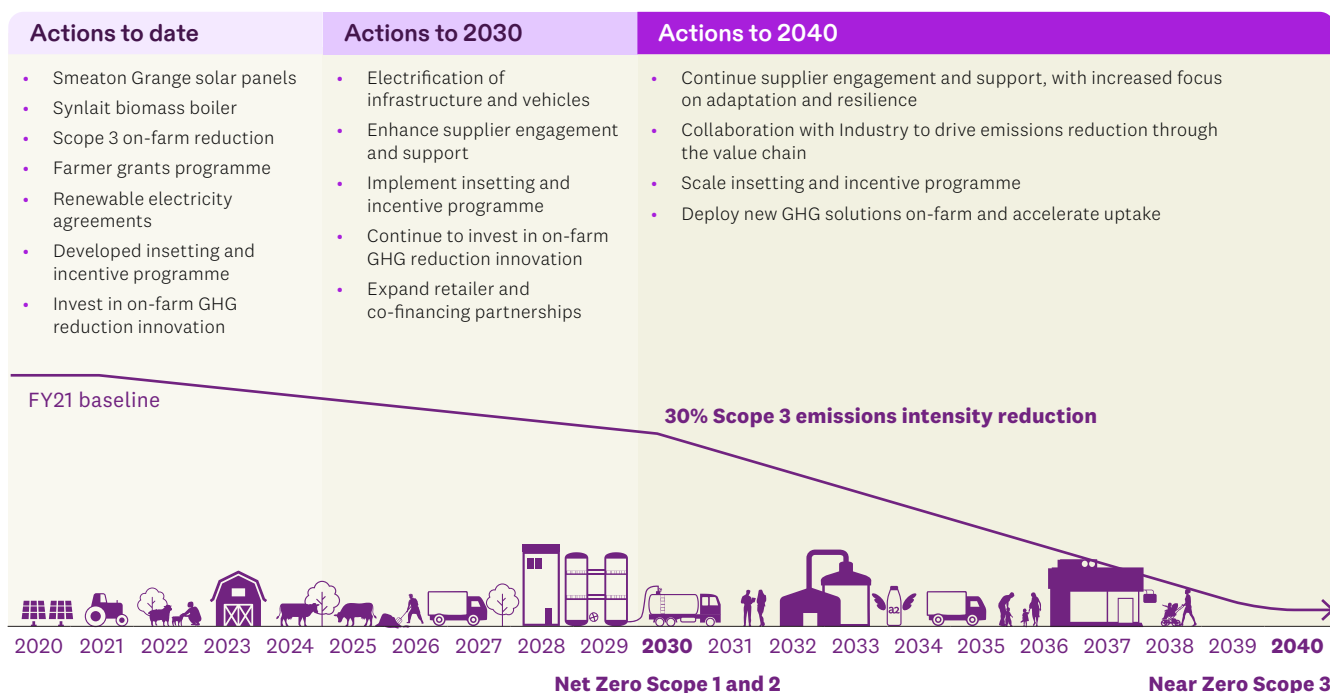
Core Enablers

Internal resources and capability	Data and reporting	Regulatory drivers and industry collaboration
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Progress against the Climate Transition Plan will be tracked through the processes described in the Governance section of this Statement.

Emissions Reduction Roadmap

The Company has also developed a detailed Emissions Reduction Roadmap to support the Implementation Strategy in its transition plan and work towards its climate targets and ambitions. A high-level summary of the roadmap is shown below.



In FY26, the following actions have been taken to drive the roadmap reductions:

- Development of a methane reduction strategy, including consideration of customer and farmer insights into methane reduction initiatives.
- On-farm emissions insetting framework development.
- Work underway to convert the a2 Pōkeno gas-fired boiler to an electrode boiler, to be powered through a market-based renewable electricity agreement¹, to reduce Scope 1 emissions.
- In Australia, continued to utilise a mixture of hybrid and fully electric vehicles across the Company’s fleet, reducing but not eliminating fleet-related GHG emissions given Australia’s partially renewable electricity local distribution network.
- Continued with renewable electricity agreements at a2MC’s Australian and New Zealand offices and Smeaton Grange (NSW) processing facility.
- Established on-farm emissions data approaches and tools for New Zealand, Australian and USA farms, to more accurately measure emissions reductions going forward.

Capital Deployment for Transition

Climate-related risks and opportunities are considered when making capital and funding decisions in relation to capital projects and investment by considering a2MC’s Climate Transition Plan. New investment proposals will be assessed for alignment with the Company’s climate targets and potential future climate-related risks and opportunities. A portion of capital is generally directed toward emission reduction activities, including within the farm supply value chain, including Scope 1 and 2 emissions reductions such as the FY26-27 a2 Pōkeno boiler conversion, and fourteen farm-based climate-related projects funded through the a2™ Farm Sustainability Fund in FY26 to support progress towards our Scope 3 2040 target and 2030 interim target. The Company may, in the future, utilise green financing instruments where appropriate. Governance oversight ensures funding decisions support the transition goals. This includes decisions relating to capital projects to be implemented as part of the Company’s Climate Transition Plan, such as investment in electrification of manufacturing facilities.

At this stage, the Company does not set specific climate-related commitments or budgets in respect to capital allocation and investment in the long term. Future investments in emission reduction interventions will be assessed and allocated as they become available.

Investment in Climate-related Risks and Opportunities

The Company is directing strategic investments to emissions reduction opportunities, both in its operations and its value chain. Investment in the past three years has included investment in a fossil fuel boiler conversion to an electrode boiler at MVM (noting that MVM has since been divested), and two planned electrode boilers at the a2 Pōkeno facility, one in FY27 and a second electrode boiler to produce process heat by FY30. Further supply chain investments have been made through farmer project grants across New Zealand and Australia, and investment in methane reduction solutions through AgriZero^{NZ}.

The investment supports an industry-wide approach to identifying opportunities to reduce emissions, particularly enteric methane, in the New Zealand agricultural sector. An investment was made to AgriZero^{NZ} in FY24, and another significant investment is planned for FY27. This cadence of investment should be taken into account when considering the trend shown below for the amount of capital expenditure, financing or investment deployed to climate-related risks and opportunities² by the Company in the reporting years in which the Company has published a Climate Statement:

FY26	\$1,098,740
FY25	\$687,341
FY24	\$6,723,147

Climate-related expenditure and investment decreased significantly in FY25 compared with FY24. This was primarily due to the completion in FY24 of the transition from a coal-fired boiler to an electrode boiler at a2MC’s previously owned manufacturing facility, MVM. The project required substantial capital investment and was the principal driver of the elevated FY24 expenditure.

FY25 expenditure remained focused on advancing climate-related initiatives across the value chain. The Company had anticipated a further investment into AgriZero^{NZ} during FY25, which would have materially increased climate-related investment for the period. However, this further investment was postponed and is now expected to occur in FY27.

In FY26, climate-related expenditure and investment increased relative to FY25. Key investments during the year included initial capital works to support the conversion of the gas-fired boiler at a2 Pōkeno to an electrode boiler. Additional investment associated with this project is expected in FY27.

Investment through the a2™ Farm Sustainability Fund has increased year-on-year since FY24, reflecting the Company’s continued focus on supporting on-farm emissions reduction, resilience and sustainability initiatives across its farmer network.

Over the three year period, climate-related expenditure has been influenced by the timing of major decarbonisation projects and strategic investments. While annual investment levels have fluctuated, the underlying trend demonstrates continued investment in emissions reduction initiatives and climate-related opportunities across manufacturing and on-farm activities, with further significant expenditure anticipated in FY27.

1. See the glossary in Appendix 3 for an explanation of renewable electricity agreements.
2. Capital expenditure figures include climate-related research and development, farmer grants programmes, investment into AgriZero^{NZ} and boiler conversion expenditure.

Targets and Metrics

Climate targets and ambitions

Net Zero

Scope 1 and 2
GHG emissions

by 2030 (absolute target)

Near Zero

Scope 3
GHG emissions

by 2040 (absolute target)

Interim 30%

reduction in Scope 3
emissions intensity

by 2030 (per kilogram of fat and per kilogram of protein-corrected milk, from a FY21 baseline year¹)

Emissions Profile

The majority of the Company's Scope 1 (direct) emissions arise from natural gas consumption at a2MC's owned manufacturing facilities. Scope 2 (indirect) emissions relate to purchased electricity consumed across the Company's offices and manufacturing facilities. Scope 3 (indirect value chain) emissions arise from activities across a2MC's value chain, including on-farm emissions, transport and distribution and third party processing.

Approach to Target Setting and FY26 Target Review

The Company's climate targets were developed in reference to the Paris Agreement, which acknowledges that to limit global warming to 1.5°C, greenhouse gas emissions must peak before 2025 at the latest and decline 43% by 2030. Considering this global need, the Company assessed its current GHG emissions, undertook peer reviews within the dairy sector and analysed decarbonisation opportunities available at the time, as well as those anticipated through to 2040, in setting its 2030 interim and 2040 targets. In FY26 the Company revised its absolute Scope 3 target to a 'near zero' target by 2040. This reflects developments across the New Zealand agricultural sector, with leading industry and government bodies working collaboratively to 'near zero' rather than 'net zero', and further detail emerging of the challenges associated with entirely eliminating enteric methane from dairy cows. The timelines for the widespread availability of methane reduction solutions from the work supported by AgriZero^{NZ} and others globally is expected to be longer than originally hoped for, and consumer and farmer insights undertaken by the Company in FY26 have shown clear concerns regarding several solutions from an animal welfare and product safety and quality perspective.

The Company's Emissions Reduction Roadmap has been updated to reflect these challenges and the limitations of the solutions that the Company may implement to protect product quality and dairy cow animal welfare.

Climate Target Ambition and Alignment

The Company views these targets as contributing to the global effort to limit warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement. This is achieved by aligning its emissions reduction pathway with widely accepted scientific scenarios that are consistent with greenhouse gas emissions peaking before 2025, declining by 43% by 2030 and achieving net zero greenhouse gas emissions by 2050. The targets are designed to drive absolute emissions reductions across Scope 1, Scope 2 and Scope 3 emissions, with a focus on delivering real emissions reductions within the Company's operations and value chain. The Company considers these targets to be consistent with the objectives of the Paris Agreement and to support an orderly transition to a lower-emissions economy.

In developing these targets, the Company considered its emissions profile, emissions reduction opportunities available across its operations and dairy value chain as well as emerging best practice across the dairy sector. The majority of the Company's reported GHG emissions arise in Scope 3, from dairy production, including on-farm methane emissions. The Company considers these targets to contribute to limiting global warming by driving emissions reductions across the most material sources of its emissions profile and supporting the transition of the dairy sector towards lower emissions production systems through supporting innovation and the adoption of emissions reduction technologies and practices. The commitments prioritise direct emissions reductions wherever practicable. When efficiency opportunities on-farm are optimised, the Company believes that interventions to reduce enteric methane will be required to meet its Scope 3 emissions targets, and these are included in its Emissions Reduction Roadmap.

The Company's net zero targets for Scope 1 and 2 emissions and near zero for Scope 3 emissions by 2040 may rely on a small number of offsets to cover remaining emissions after the implementation of available, practical and commercially viable solutions to decarbonise its operations. It is intended that this reliance on offsets will be small and the approach to offsetting will be developed closer to 2040 when the scale required is known and all practical and commercially viable decarbonisation opportunities have been exhausted.

1. FY21 re-baselined in FY26 to account for supply chain acquisition (a2 Pōkeno) and divestment (MVM).

Emissions Reduction Approach

The current strategy of the Company is to focus on Scope 1 and 2 emissions reduction through decarbonisation, without the use of offsets. Any future potential use of offsets for any residual Scope 1 and 2 emissions and to support the near zero target will be considered closer to the near zero target date, and would relate to residual emissions only, where technologies or economically feasible solutions are not available. After taking account of the Company's planned investments and use of certified renewable electricity agreements, the Company expects there to be minimal net Scope 1 and 2 emissions. In the period leading up to the 2030 target, the Company will identify further measures or make a decision about the use of offsets for the net zero target. The Company has not yet determined its detailed approach to the purchase, sources or credibility standards that will be used for any offsets used to meet its climate targets. Achievement of these targets is dependent on the availability of effective technologies, market developments, regulatory settings, commercial feasibility and the actions of governments, suppliers, customers and other value chain participants.

The Emissions Reduction Roadmap utilises renewable electricity agreements in the form of Power Purchase Agreements (PPAs) or equivalent renewable energy certificates to assist the Company in meeting its 2030 net zero targets. These renewable energy certificates are tradeable, market-based instruments that certify the bearer owns the environmental attributes of 1 megawatt-hour (MWh) of electricity generated from a renewable source, such as wind, hydro, geothermal steam or solar, allowing clean energy to be bought and sold separately from the physical electricity. These contracts do not currently involve the direct physical supply of 100% renewable electricity to the Company's plant and equipment. The reduction in emissions recognised under these arrangements is therefore reflected in the Company's market-based Scope 2 emissions figures, which will typically be lower than its location-based Scope 2 figures. This data can be seen in the GHG inventory in Appendix 1.

Changes to Emissions Intensity Metrics

During the reporting period, the Company reviewed its Scope 3 emissions intensity target and transitioned from reporting emissions intensity per kilogram of milk solids (KgMS) to kilograms of CO₂-e per kilogram of Fat- and Protein-Corrected Milk (KgCO₂-e/KgFPCM)¹. This change affects the reporting metric only, and this has been worked through the historical data back to the FY21 baseline. The underlying emissions calculation methodology remains unchanged.

Fat and protein-corrected Milk (FPCM) is a standardised measure of milk production that adjusts milk volume to a reference composition of 4.0% fat and 3.3% protein. By accounting for variations in milk composition, FPCM provides a consistent basis for measuring production and associated greenhouse gas emissions.

FPCM is the internationally recognised standard for measuring and reporting milk production and emissions intensity across the dairy sector. Adopting FPCM enhances the comparability of emissions performance across dairy suppliers and international markets and aligns the Company's reporting with customer and industry expectations.

Other Targets

The Company currently has no specific adaptation targets for physical climate risks, and it addresses these risks predominantly through the supply chain resilience measures described in the Physical Risks table on page 12.



1. Refer to the Glossary in Appendix 3 for a definition of FPCM.

Targets and Metrics (continued)

Key Climate-related Metrics – Performance Over Time

The Company has included a GHG inventory report (Appendix 1) in this Statement which shows a detailed breakdown of Scope 1, 2 and 3 GHG emissions metrics and other key information, including a description of the Company's organisational boundary, assurance, methodologies and uncertainties underpinning data collection and measurement of GHG emissions. The purpose of the inventory report is to provide transparency on the Company's emissions profile as well as communicate any estimation uncertainties and assumptions.

a2MC has chosen to use the Sustainability Accounting Standards Board Food and Beverage (Alternative Products in Food & Beverage – SASB and Meat, Poultry and Dairy standards (Volume B23 – Meat, Poultry & Dairy) to guide its key environmental impact and performance metrics including GHG emissions (Scope 1, 2 and 3). Under that framework, GHG emissions are measured in tonnes of carbon dioxide equivalent gas emissions (tCO₂e), in the same way as reported below. There are no other industry-based metrics relevant to measuring and managing climate-related risks and opportunities used by the Company. All the Company's broader environmental metrics are disclosed in the Company's Annual Report. The table below details the key climate-related metrics and performance over time.

GHG Emissions ¹	FY26 ⁵ tCO ₂ e	FY25 ⁶ tCO ₂ e	FY24 ⁶ tCO ₂ e	FY21 ⁶ tCO ₂ e	% change FY21-FY26
Total GHG Emissions ²	594,183	432,203	468,488	550,711	7.89%
Scope 1	10,512	7,218	8,212	10,916	-3.70%
Scope 2 (Location-based) ³	4,448	2,640	2,621	3,644	22.09%
Scope 2 (Market-based) ^{3,4}	448	1,232	1,285	–	–
Total Scope 3	583,222	423,753	458,991	536,151	8.78%
On-farm Scope 3	462,008	329,793	355,874	435,141	6.17%
Scope 1, 2 and 3 Emissions Intensity (KgCO ₂ e per Kg of FPCM)	1.20	1.27	1.33	1.43	-16.06%
Scope 3 Emissions Intensity (KgCO ₂ e per Kg of FPCM)	1.18	1.24	1.31	1.39	-15.37%

Greenhouse gas emissions, calculated as tCO₂e, have been measured in accordance with the GHG Protocol guidelines as further described in the GHG inventory report in Appendix 1. Emissions and conversion factors were sourced from the National Greenhouse Accounts Factors for Australia, the New Zealand Ministry for the Environment for New Zealand, the National Greenhouse Accounts Factors for Australia and a range of other country specific sources. Where required, indirect emissions sources have been estimated using default emission factors or extrapolated emissions intensity rates to provide a more complete picture of the Company's Scope 1, 2 and 3 emissions. Total emissions calculations include packaging and non-milk raw ingredients for owned facilities only. Refer to the Company's GHG inventory report for details of exclusions, estimations and assumptions used, which can be found in Appendix 1 of this Statement.

FY26 Analysis of Trends and Progress to Targets

Scope 1 and 2 Emissions Progress

In FY26, the Company's Scope 1 and 2 GHG emissions increased significantly compared to FY25. This increase primarily reflects a change in the Company's operational boundary following the acquisition of the a2 Pōkeno manufacturing facility, which has expanded the Company's operational footprint and energy consumption profile. The a2 Pōkeno facility currently operates a natural gas-fired boiler for process heat, along with other direct emissions sources associated with site operations, resulting in an increase in the Company's Scope 1 emissions. In addition, renewable electricity agreements⁷ were not in place at the time of acquisition, resulting in an increase in Scope 2 emissions on both a location-based and market-based basis compared to prior periods. These agreements are now in place at the close of the FY26 period.

Since the acquisition, the Company has taken steps to align the a2 Pōkeno facility with its Emissions Reduction Roadmap. This includes the procurement of renewable energy certificates to support a transition to market-based renewable electricity consumption, consistent with the approach applied at the Company's other owned and operated facilities, as well as ongoing assessment for the installation of an electrode boiler to replace the current gas-fired boiler used for process heat.

- Numbers are subject to rounding.
- Total GHG emissions have been calculated using the market-based emissions for Scope 2 emissions in years where such emissions were reported. In years without Scope 2 market-based emissions, the location-based method only was used.
- A location-based method reflects the average emissions intensity of local distribution networks on which energy consumption occurs (using mostly local distribution network-average emission factor data). A market-based method reflects emissions from electricity that companies (in this case, the Company) have purposefully chosen. It derives emission factors from contractual instruments, such as renewable electricity agreements, PPAs with renewable attributes, etc.
- Renewable energy certificates (RECs) have been procured from Meridian for the a2 Pōkeno site in New Zealand.
- Data reflects the emissions from sources under the Company's operational control throughout the year. As such, MVM is included within the reporting boundary for the 4 months until October 31, 2025 and a2 Pōkeno is included within the reporting boundary for 10 months from September 1, 2025.
- Comparative years have been recalculated during the year on a like-for-like basis (re-baselined) as if the current organisational structure had applied across all comparative periods presented.
- Refer to the Glossary in Appendix 3 for an explanation of renewable electricity agreements.

While Scope 1 and 2 emissions have increased in FY26, the Company considers this increase to be transitional in nature, reflecting changes to the operational boundary rather than an underlying deterioration in emissions performance. The integration of the a2 Pōkeno site into the Company and implementation of the Company's Emissions Reduction Roadmap at the site is underway, with planned installation of an electrode boiler in FY27 and further opportunities being assessed to reduce emissions over time, including electrification of additional process heat needs and further expansion of market-based renewable energy sourcing.

The Company's Smeaton Grange fresh milk processing plant in New South Wales, Australia purchases the "GreenPower" renewable electricity agreement product from Origin Energy. GreenPower is an accredited renewable electricity certification programme that supports the purchase of electricity generated from eligible renewable energy sources.

Scope 3 Value-chain Emissions Progress

In FY26, the Company's Scope 3 emissions increased 38% compared to FY25, and were 9% higher than the FY21 base year. This increase in absolute emissions reflects an increase in operational activity and changes in the Company's farming supply chain, with the introduction of higher emitting farms (including peat soils and historical land use change) impacting Scope 3 data, primarily due to locational factors. The Company's Scope 3 emissions profile is largely driven by on-farm emissions, which in FY26 made up 78% of the Company's value chain emissions. 65% of these on-farm emissions were enteric methane from cows, which can fluctuate based on external varying factors such as weather, fodder and feed, cow health, cow genetics and sourcing volumes from various farming systems and locations.

Reducing enteric methane emissions are a challenge for the whole dairy industry, and the Company has focused its collaboration efforts and Emissions Reduction Roadmap to address this challenge.

Interim Scope 3 Emissions Intensity Progress

The Company has a Scope 3 emissions intensity reduction target of 30% by 2030, against a 2021 baseline. Previous to the supply chain changes in FY26, the Company's supply chain achieved significant Scope 3 intensity reductions through increased efficiencies in dairy operations, including feed efficiencies, fertiliser optimisation, decarbonisation of energy sources and energy management, and strategic improvements in dairy herd genetics and resulting milk production performance. However, the changes in the supply chain during FY26, including reducing relative utilisation of the lower-emitting MVM milk pool and bringing in a higher emitting milk pool supplying to a2 Pōkeno, has resulted in an intensity reduction of 15%. The new supply chain, which includes impacts from peat soils and historical land use change, presents the Company with a challenge to take action to reduce Scope 3 emissions intensity over the next four years. As efficiency opportunities are optimised, the Company believes that enteric methane interventions will be required to reach its Scope 3 emissions targets. The Company is an investor in AgriZero^{NZ}, a public-private fund in New Zealand that invests in solutions to help farmers cut biogenic methane and nitrous oxide emissions while keeping farms profitable and productive. The Company continues to monitor advances in methane reduction technologies, including those supported by AgriZero^{NZ}, as part of its pathway to achieving its Scope 3 emissions intensity reduction target.

Relative to the Company's interim target of a 30% reduction in Scope 3 emissions intensity by FY30, from a FY21 baseline, the FY26 result represents over 50% of the total reduction required to meet the target. The table below shows both total and Scope 3 emissions intensity from FY21 to FY26.

Emissions Intensity	FY26	FY25	FY24	FY21 (base year)	% change (FY21-FY26)
Scope 1, 2 and 3 Emissions Intensity (KgCO ₂ e per Kg of FPCM)	1.20	1.27	1.33	1.43	-16.06%
Scope 3 Emissions Intensity (KgCO ₂ e per Kg of FPCM)	1.18	1.24	1.31	1.39	-15.37%

Emissions Data and Assurance

The Company acknowledges the increasing expectations of internal and external stakeholders that externally disclosed non-financial metrics are subject to a level of rigour comparable to financial reporting. Over the past several years, the Company has taken steps to increase the robustness of its internal processes for capturing and reporting non-financial data to be included in external materials, in response to the identified material topics. The Company has obtained reasonable assurance over its Scope 1 and 2 emissions, and limited assurance over Scope 3 emissions.

→ For the Company's external assurance statement on GHG emissions metrics, refer to page 26–29 of this Statement.

Emissions data assurance progress

Emissions Data Assurance	FY26	FY25 ¹ (as reported)	FY24 ¹ (as reported)	FY23 ¹ (as reported)	FY22	FY21 (rebaselined)
Scope 1 & 2	Reasonable	Reasonable	Reasonable	Limited	Not assured	Limited
Scope 3	Limited	Limited	Limited	Limited	Not assured	Limited

1. Assurance was provided over the figures originally disclosed in prior reporting periods, prior to recalculation for the acquisition of a2 Pōkeno and divestment of MVM.

Assurance Statement



Independent assurance report to the directors of The a2 Milk Company Limited

Limited assurance conclusion

We have conducted limited assurance procedures on the following information in the Climate Statement of The a2 Milk Company Limited ('a2MC') and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'Limited Assurance Subject Matter'):

Limited Assurance Subject Matter	Criteria	Location in the 2026 Climate Statement
Mandatory assurance		
Gross Scope 3 Greenhouse Gas (“GHG”) emissions: 583,222 tCO ₂ e	Aotearoa New Zealand Climate Standards (“NZ CS”) issued by the External Reporting Board (XRB)	Targets and Metrics: page 24
Related additional requirements for the disclosure of GHG emissions		Appendix 1: pages 34 to 35
Related GHG emissions methods, assumptions and estimation uncertainty		Appendix 1: pages 31, 36 and 37
Voluntary assurance		
Climate Governance disclosures pertaining to a2MC’s climate governance approach and activities	Aotearoa New Zealand Climate Standards (“NZ CS”) issued by the External Reporting Board (XRB)	Governance: pages 4 to 7
Re-baseline of Scope 1,2 and 3 GHG emissions for the year ended 30 June 2021: 550,711 tCO ₂ e		Targets and Metrics: page 24

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Limited Assurance Subject Matter outlined above for the Group is not fairly presented, in all material respects, in accordance with the criteria defined above for the year ended 30 June 2026.

Reasonable assurance opinion

We have conducted reasonable assurance procedures on the following information in the Climate Statement of the a2 Milk Company Limited and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'Reasonable Assurance Subject Matter'):

Reasonable Assurance Subject Matter	Criteria	Location in the 2026 Climate Statement
Mandatory assurance		
Gross Scope 1 GHG emissions: 10,512 tCO ₂ e	Aotearoa New Zealand Climate Standards ("NZ CS") issued by the External Reporting Board (XRB)	Targets and Metrics: page 24
Gross Scope 2 GHG emissions (location-based): 4,448 tCO ₂ e		
Related additional requirements for the disclosure of GHG emissions		Appendix 1: pages 34 to 35
Related GHG emissions methods, assumptions and estimation uncertainty		Appendix 1: pages 31 and 36

In our opinion, the Reasonable Assurance Subject Matter outlined above for the Group is fairly presented, in all material respects, in accordance with the criteria defined above for the year ended 30 June 2026.

The Limited Assurance Subject Matter and Reasonable Assurance Subject Matter are collectively referred to as the 'Subject Matter'.



Basis for conclusion and opinion

Basis for limited assurance conclusion

Our limited assurance engagement has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the Auditing and Assurance Standards Board and International Standard on Sustainability Assurance (New Zealand) 5000, *General Requirements for Sustainability Assurance Engagements* ("ISSA (NZ) 5000"). Our limited assurance engagement includes obtaining limited assurance about whether the Limited Assurance Subject Matter is free from material misstatement. The procedures 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. See the *Summary of the work performed for our limited assurance engagement* section of our report.

Basis for reasonable assurance opinion

Our reasonable assurance engagement has been conducted in accordance with ASSA 5000 and ISSA (NZ) 5000. Our reasonable assurance engagement includes obtaining reasonable assurance that the Reasonable Assurance Subject Matter is free from material misstatement.

Basis for conclusion and opinion

Our responsibilities under ASSA 5000 and ISSA (NZ) 5000 are further described in the *Assurance practitioner's responsibilities* section of our report.

We are independent of the Group in accordance with the ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024), that is relevant to limited assurance and reasonable assurance engagements of the subject matter of public interest entities in Australia and Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, that is relevant to limited assurance and reasonable assurance engagements of the subject matter of public interest entities in New Zealand (the Codes). We have also fulfilled our other ethical responsibilities in accordance with the Codes.

Our firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Ernst & Young has provided financial statement audit and review services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion and opinion.

Other information

The directors of a2MC are responsible for the other information. The other information comprises the Climate Statement, but does not include the Subject Matter and our limited and reasonable assurance report thereon.

Our conclusion and opinion on the Subject Matter does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our limited and reasonable assurance of the Subject Matter, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter, or our knowledge obtained when conducting the limited and reasonable assurance engagements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Assurance Statement (continued)



Responsibilities for the Subject Matter

The directors of a2MC are responsible for:

- The identification and selection of suitable criteria;
- For selection of the methods and assumptions adopted in complying with NZ CS and determining that these are suitable and will be available to the users of our report;
- The preparation and fair presentation of the Subject Matter in accordance with the criteria; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the Subject Matter, in accordance with the criteria that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Our report does not extend to any disclosures or assertions made by a2MC relating to future performance plans and/or strategies disclosed in a2MC's Climate Statement.

Assurance practitioner's responsibilities

Our objectives are to:

- Plan and perform the limited assurance engagement to obtain limited assurance about whether the Limited Assurance Subject Matter, defined in the limited assurance conclusion section of our report, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion.
- Plan and perform the reasonable assurance engagement to obtain reasonable assurance about whether the Reasonable Assurance Subject Matter, defined in the reasonable assurance opinion section of our report, is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Subject Matter.

As part of our limited and reasonable assurance engagement in accordance with ASSA 5000 and ISSA (NZ) 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- For a limited assurance engagement:
 - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
 - Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- For a reasonable assurance engagement:
 - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the assertion level for the disclosures but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
 - Design and perform procedures responsive to assessed risks of material misstatement at the assertion level for the disclosures. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Summary of the work performed for our limited assurance engagement

A limited assurance engagement involves performing procedures to obtain evidence about the Limited Assurance Subject Matter. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our limited assurance engagement, the procedures we performed included, but were not limited to:

Mandatory assurance

- Obtaining, through inquiries, an understanding of a2MC's control environment, processes and information systems relevant to the preparation of the mandatory GHG Limited Assurance Subject Matter. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Evaluating whether a2MC'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 a2MC's;
- Performing 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
- Considering the presentation and disclosure of the GHG disclosures.

Voluntary assurance

- Obtaining, through inquiries, an understanding of a2MC's control environment, processes and information systems relevant to the preparation of the relevant Limited Assurance Subject Matter. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Evaluating whether a2MC'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 a2MC's;
- Obtaining, through inquiries, an understanding of the reason for the revisions in the baseline and considering the changes made to assess whether the revisions are appropriately applied and disclosed;
- Making inquiries of relevant personnel, inspecting governance-related documentation, and considering whether the climate-related governance disclosures were consistent with our understanding obtained during the engagement; and
- Considering the presentation and disclosure of the 2021 GHG re-baseline disclosures and the Governance disclosures.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our assurance procedures, our assurance engagement was not designed to provide assurance on internal controls.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the directors of a2MC, or for any purpose other than that for which it was prepared.

Ernst & Young

Nicky Landsbergen
Partner
Sydney
16 August 2026

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Appendix 1 – GHG Inventory

This Statement is the annual greenhouse gas (GHG) emissions inventory report for The a2 Milk Company (a2MC or Company). The inventory is a complete and accurate quantification of the amount of GHG emissions that can be directly attributed to the Company's operations within the declared boundary and scope for the specified reporting period.

The inventory has been prepared in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and leveraged emission factors from New Zealand Ministry for Environment emission factors, The National Greenhouse Energy Regulator (NGER) Determination factors and US Environmental Protection Agency (EPA).

Statement of Intent

This inventory forms part of a2MC's commitment to measure and manage emissions.

Organisational Boundaries Included for This Reporting Period

Organisational boundaries were set with reference to the methodology described in the GHG Protocol which allows two distinct approaches to consolidate GHG emissions:

- The equity share; and
- Control (financial or operational) approaches.

a2MC has used an operational control consolidation approach to account for emissions.

Consistent with the GHG Protocol, structural changes to the business (including acquisitions and divestments) are reflected by recalculating the base year and comparative information to ensure consistency and comparability across reporting periods. This includes treating the a2 Pōkeno facility as part of the Company's operations across all comparative periods presented and excluding MVM from all comparative periods presented.

Emission Factors

The Company has adopted the AR5 Global Warming Potentials (GWPs) from the Intergovernmental Panel on Climate Change (IPCC). For some emission factors, the Company has utilised specific alternative sources, including the UK Government's Department for Environment, Food & Rural Affairs (Defra) and New Zealand's Ministry for the Environment (MfE), applying the appropriate GWPs from these sources.

External Assurance

The company appointed EY to provide a Reasonable Assurance report over Scope 1 and 2 (Location-based) GHG emissions and a Limited Assurance report over Scope 3 GHG emissions in accordance with the Aotearoa New Zealand Climate Standards (NZCS). In addition, a Limited Assurance report has been provided over the Climate Governance Statement and FY21 re-baselined figures as a voluntary measure. For further information please see EY's assurance statement on pages 26–29.

Base Year

The Company has established FY21 as its base year for GHG emissions reporting. The base year provides the reference point against which emissions performance is measured and tracked over time.

Ongoing Recalculation Policy and Restatements

The Company assesses the need for base year recalculation on an annual basis. Recalculation is undertaken where structural or methodological changes are assessed to have a material impact on reported emissions.

Where recalculations are undertaken, the Company:

- Restates historical emissions data;
- Discloses the nature and impact of the change; and
- Applies consistent methodologies across reporting periods.

This approach ensures alignment with NZCS 3 requirements for comparability and fair presentation.



Application to FY21 and Comparative Periods

During FY26, the Company experienced the following structural changes:

- Acquisition of a2 Pōkeno on 1 September 2025; and
- Divestment of MVM on 31 October 2025.

Accordingly, the Company has recalculated and restated:

- The FY21 base year inventory; and
- All subsequent comparative periods presented in this Climate Statement,

Such that:

- Emissions from a2 Pōkeno are included for the full reporting period in FY21 and all comparative years; and
- Emissions from MVM are excluded from FY21 and all comparative years presented.

The resulting emissions data represent a normalised and consistently defined time series, aligned with the Company's current organisational boundary.

Re-baselining and Comparatives Approach

In accordance with GHG Protocol Corporate Standard, Chapter 5 (Tracking Emissions Over Time), the Company recalculates its base year emissions inventory where structural changes, including acquisitions, divestments, mergers, or other changes in ownership or control, materially impact the organisational boundary.

Consistent with this guidance:

- Emissions associated with acquired entities are included retrospectively in the base year and all relevant comparative periods as though they had been owned or controlled for the full reporting period; and,

- Emissions associated with divested entities are excluded retrospectively from the base year and all relevant comparative periods.

Where such recalculations are undertaken, the Company restates all comparative year statements, to reflect a consistent organisational boundary across all reporting periods. This ensures that emissions trends are comparable over time and reflect underlying operational performance rather than changes in portfolio composition.

Previously reported and recalculated GHG emissions

GHG emissions (tCO ₂ e) ¹	FY25 Reported ²	FY25 Restated	Variance %	FY24 Reported ²	FY24 Restated	Variance %	FY21 Reported ²	FY21 Restated	Variance %
Scope 1	374	7,218	1,830%	13,412	8,212	-39%	30,144	10,916	-64%
Scope 2 (Location-based) ³	8,486	2,640	-69%	4,507	2,621	-42%	3,426	3,644	6%
Scope 2 (Market-based) ³	153	1,232	705%	149	1,285	762%	-	-	-
Scope 3	436,528	423,753	-3%	440,393	458,989	4%	459,749	536,151	17%
Total (with Location-based Scope 2) ³	445,388	433,611	-3%	458,312	469,822	3%	493,319	550,711	12%
Total (with Market-based Scope 2) ³	437,055	432,203	-1%	453,954	468,486	3%	493,319	550,711	12%

In accordance with GHG Protocol requirements, prior year emissions data has been recalculated to reflect the Company's current organisational structure and supply chain (as at 30 June 2026). This ensures emissions performance to targets can be compared across reporting periods. The table above illustrates the resulting adjustments and provides a bridge between the emissions previously reported in FY25 to the restated comparative figures disclosed in FY26.

1. Greenhouse gas emissions, calculated as tonnes of carbon dioxide equivalent (tCO₂e), have been estimated using considerations from the GHG Protocol guidelines. Emissions and conversion factors were sourced from the National Greenhouse Accounts Factors for Australia, the New Zealand Ministry for the Environment for New Zealand and a range of other country-specific sources. Where required, indirect emissions sources have been measured in accordance with the GHG Protocol and/or extrapolated emissions intensity rates to provide a more complete picture of the Company's Scope 1, 2 and 3 emissions. Total emissions calculations include packaging and non-milk raw ingredients for owned facilities only.
2. These reported emissions reflect the figures originally disclosed in prior reporting periods, prior to recalculation for the acquisition of a2 Pōkeno and divestment of MVM.
3. A location-based method reflects the average emissions intensity of local distribution networks on which energy consumption occurs (using mostly local distribution network-average emission factor data). A market-based method reflects emissions from electricity that companies (in this case, the Company) have purposefully chosen. It derives emission factors from contractual instruments, such as renewable electricity agreements, PPAs with renewable attributes, etc.

Appendix 1 – GHG Inventory (continued)

FY26 Emission Sources

‘Pro-rata’ emissions reported in FY26 reflect the emissions from sources under a2MC’s operational control throughout the year. As such, MVM is included within the reporting boundary for the 4 months until 31 October 2025 and a2 Pōkeno is excluded for until 31 August 2025. In line with the comparative periods ‘full-year’ emissions are presented based on the Company’s organisational structure and supply chain as at 30 June 2026 and have been calculated as though this structure and supply chain existed throughout the entire reporting year.

Total gross emissions increased significantly in FY26, reflecting the continued growth of the Company’s operations and changes to the Company’s supply chain with the acquisition of a2 Pōkeno. This increase was primarily driven by Scope 3 emissions, which remain the largest contributor to the Company’s overall emissions profile. On a full-year basis, Scope 3 emissions increased by 38% to 583,222 tCO₂e from 423,753 tCO₂e in FY25.

With the acquisition of a2 Pōkeno, Scope 1 emissions increased to 10,512 tCO₂e in FY26 (FY25: 7,218 tCO₂e), driven by the consumption of natural gas for the process heat boiler and other site processes at the site, which accounts for almost all Scope 1 emissions in FY26.

Location-based Scope 2 emissions increased to 4,448 tCO₂e (FY25: 2,640 tCO₂e), reflecting changes in electricity consumption and asset portfolio composition. In contrast, market-based Scope 2 emissions decreased significantly to 448 tCO₂e (FY25: 1,232 tCO₂e). This reduction was primarily driven by the Company purchasing renewable electricity certificates for all electricity consumption at a2 Pōkeno after the site acquisition. As a result, the gap between location-based and market-based emissions widened in FY26, demonstrating the positive impact of a2MC’s procurement of certified renewable electricity on reported Scope 2 emissions.

Within Scope 3, on-farm emissions remained the largest source of the Company’s emission source, with a 40% increase compared to the prior period. This reflects an increase in the Company’s supplier milk pool and associated emissions. In particular, the newly acquired supplier milk pool in the North Island of New Zealand includes higher emissions compared to its other milk pool regions, due to peat soils and land use change. The inclusion of these sources, alongside increased milk volumes, contributed significantly to the increase in on-farm emissions in FY26.

Capital goods emissions also increased significantly to 6,869 tCO₂e (FY25: 0 tCO₂e), reflecting the capital investment programme at a2 Pōkeno.

Overall, the FY26 inventory indicates that emissions growth has been driven predominantly by supply-chain-related activities and changes, and the Company considers this increase to be transitional in nature, reflecting changes to the operational boundary rather than an underlying deterioration in emissions performance, and plans are in place to address emissions sources in the new value chain.



GHG emissions reflecting changes in operational boundary

Emission sources	FY26		FY25	FY24
	Pro-rata ¹	Full-year basis ²		
Scope 1	10,512	11,452	7,218	8,212
Diesel	–	–	–	222
CO ₂	266	264	69	97
LPG	3	2	12	12
Natural gas	10,203	11,150	7,104	7,844
Lignite coal stationary	–	–	–	–
Fuel	40	34	26	30
Refrigerants	–	1	7	7
Scope 2 Location-based³	4,448	2,775	2,640	2,621
Scope 2 Market-based^{3,4}	448	620	1,232	1,285
Scope 3	583,222	562,918	423,753	458,990
Category 1 Purchased goods and services	525,812	505,848	380,974	398,173
Category 2 Capital goods	6,869	6,869	–	496
Category 3 Fuel and energy-related activities	1,114	761	483	781
Category 4 Upstream transportation and distribution	45,079	45,079	38,350	55,862
Category 5 Waste generated in operations	253	265	180	150
Category 6 Business travel	2,114	2,114	1,846	1,183
Category 7 Employee commuting	369	369	398	447
Category 8 Upstream leased assets – location-based	303	303	335	327
Category 8 Upstream leased assets – market-based (not included in total)	154	154	180	218
Category 13 Downstream leased assets	1,310	1,310	1,187	1,571

Operational Boundary

The GHG emissions sources included in this inventory were identified with reference to the methodology in the GHG Protocol. a2MC also recognises the importance of measuring and reporting on Scope 3 emissions. The reported emissions boundaries are summarised in the diagram on page 34.

1. FY26 pro-rata data reflects the emissions from sources under the Company's operational control throughout the year. As such, MVM is included within the reporting boundary for the 4 months until 31 October 2025.
2. FY26 full-year basis reflects the emissions from sources under the Company's operational control as at 30 June 2026, applied across the full reporting year. This includes a2 Pōkeno and reflects the revised treatment of MVM under the operational control approach.
3. A location-based method reflects the average emissions intensity of local distribution networks on which energy consumption occurs (using mostly local distribution network-average emission factor data). A market-based method reflects emissions from electricity that companies (in this case, the Company) have purposefully chosen. It derives emission factors from contractual instruments, such as renewable electricity agreements, PPAs with renewable attributes, etc.
4. Renewable energy certificates (RECs) have been procured from Meridian for the a2 Pōkeno site in New Zealand.

Appendix 1 – GHG Inventory (continued)

Reported emissions boundary

Upstream Activities	The a2 Milk Company	Downstream Activities
Scope 3 1. Purchased goods & services Professional Services Water Raw materials: Lactose, Vitamins, GOS Direct emissions of third-party processing facilities Milk: On-farm emissions Raw materials: packaging 2. Capital goods ICT services and equipment Machinery and vehicles 3. Fuel and energy-related activities Electricity (Transmission & distribution) Stationary Energy (indirect emissions) Fuel transport (indirect emissions) 4. Upstream Transport & Distribution Road freight Air freight Sea freight Warehouse 5. Waste generated in operations General waste (municipal waste) Recycling Wastewater 6. Business travel Accommodation and facilities Transport (Air) Transport (Land and Sea) (taxis and rental cars) 7. Employee commuting Transport (Land and Sea) (employee commuting) Working from home 8. Upstream leased assets Electricity (base building) Natural gas (base building)	Scope 1 1. Processing facilities Biomass combustion (from MVM) LPG Diesel Stationary BOC CO₂ Natural Gas Refrigerants 2. Company vehicles Diesel Transport Petrol Transport Scope 2 1. Purchased electricity, steam, heating and cooling for own use Electricity purchased from grid (Location-based) Electricity purchased from grid (Market-based) Green Tariff Electricity (Location-based) Green Tariff Electricity (Market-based) Electric fleet	Scope 3 9. Downstream transportation and distribution Postage, courier and freight 10. Processing of sold products Not material 11. Use of sold products Not material 12. End-of-life treatment of sold products EOL 13. Downstream leased assets Kyabram, Victoria operations (electricity, fuels) 14. Franchises N/A 15. Investments Not material

Scope	GHG Protocol Category	Description (inclusions and exclusions)
1	Direct emissions from operations	Includes GHG emissions from stationary combustion of LPG, packaging gas, refrigerants and natural gas from both offices and manufacturing facilities as well as, emissions from the mobile combustion of petrol and diesel consumed by fleet vehicles.
2	Indirect emissions from purchased electricity	Includes indirect GHG emissions linked to purchased electricity for all sites under a2MC's operational control. a2 Pōkeno, Smeaton Grange, Sydney office, Melbourne office, Auckland office, Boulder office and Shanghai office have been included in the inventory.
3	Category 1 – Purchased	The inventory includes GHG emissions from: - Emissions from on-farm activities, including emissions from cows, from farms supplying the Company. - Stationary combustion and purchased electricity of milk processes in processing facilities outside a2MC's operational control. - Ingredients and packaging emissions for a2MC owned facilities. - Emissions associated with water and wastewater from Smeaton Grange, Melbourne office, Sydney office, Auckland office, MVM, Shanghai office and Boulder office. - Purchased services such as marketing, professional service fees and education have been excluded due to the level of assumption involved when calculating these emissions. Other minor non-milk ingredients and emissions from packaging used by partner suppliers have been excluded, due to lack of accurate data and low materiality when compared to on-farm, processing and logistics emissions.
3	Category 2 – Capital goods	Emissions from capital assets such as the electric boiler investment for a2 Pōkeno are included in the inventory.
3	Category 3 – Fuel and energy-related activities	This includes indirect emissions from stationary combustion, transport combustion and network distributions.
3	Category 4 – Upstream transportation and distribution	All inbound, outbound and inter-warehouse freight by road, air and sea have been included.
3	Category 5 – Waste generated in operations	Emissions linked to landfill and recycling waste generation for all sites in a2MC's operational control have been included.
3	Category 6 – Business travel	- GHG emissions from car hire and rideshare for all sites within a2MC's operational control have been included in the inventory. - Hotel stays, including domestic and international accommodation for all sites within a2MC's operational control have been included in the inventory. - Air travel including domestic and international flights for all sites within a2MC's operational control have been included in the inventory.
3	Category 7 – Employee commuting	Staff commuting to and from work for all sites within a2MC's operational control have been included in the inventory. Emissions associated with working from home have also been included in the inventory.
3	Category 8 – Upstream leased assets	GHG emissions for base building electricity for leased spaces (as a lessee) have been included in the inventory.
3	Category 9 – Downstream transportation and distribution	Emissions from transportation and distribution services that are not paid for by the Company are excluded from the inventory as no reliable information is available at the time to estimate these emissions.
3	Category 10 – Processing of sold products	Processing of sold products by downstream companies was excluded as the vast majority of Company's products are distributed by the Company and its partners, and sold to Consumers for consumption (see Category 11). The emissions from any such processing would likely be immaterial in comparison to upstream impacts.
3	Category 11 – Use of sold products	End use of goods sold was excluded as products are assumed to be consumed, and the location and systems for waste management are not sufficiently known to make meaningful estimates on the impact of the consumed products as part of these systems. These impacts are considered to likely be immaterial in comparison to upstream emissions.
3	Category 12 – End-of life treatment of sold products	Waste disposal and treatment of products sold by the Company were excluded since the Company does not have full oversight or control on how its products are used.
3	Category 13 – Downstream leased assets	Emissions from stationary combustion and purchased electricity for leased buildings (as a lessor) have been included in the inventory.
3	Category 14 – Franchises	Not applicable for a2MC.

Appendix 1 – GHG Inventory (continued)

Methodologies and Uncertainty

The below table gives an overview of how data was collected for each GHG emissions source, the source of the data and an explanation of any uncertainties or assumptions.

Scope	Category Name	Sub-Category	Methods/Assumptions/Data Process/Uncertainties
Company Facilities (Scope 1)	Direct emissions	–	Monthly invoices and energy usage data provided by the energy suppliers were used to provide Scope 1 data.
Purchased Electricity (Scope 2)	Purchased electricity	–	Monthly invoices and energy usage data provided by the energy suppliers were used to provide Scope 2 data.
Purchased Electricity (Scope 2)	Market based emissions factor	–	Market based emission factor was calculated using the emissions and energy usage data provided by the energy suppliers.
Category 1 (Scope 3)	Purchased goods and services	Water	Monthly invoices were used to provide water consumption.
Category 1 (Scope 3)	Purchased goods and services	Waste water	Monthly invoices were used to provide waste water data.
Category 1 (Scope 3)	Purchased goods and services	On farm emissions	Emissions are calculated using an activity-based methodology whereby annual milk purchase volumes are multiplied by supplier-specific or regionally representative milk carbon footprint intensity factors. Where available, supplier-specific on-farm emission factors are used. Where supplier-specific factors are not available, regionally representative milk carbon footprint factors developed using recognised dairy life-cycle assessment methodologies are applied. Where possible, the on-farm emissions calculation methodology is largely aligned to the approach used by the New Zealand and Australia dairy industries and governments in their GHG inventory reporting. Scientific uncertainty arises from the on-farm emissions calculation models used to estimate methane, nitrous oxide and land-based emissions, including emissions from peat soils and land use change. Scientific understanding of these emissions sources continues to evolve, and peatland emissions are considered to have a higher degree of uncertainty than other components of the emissions intensity factor. Estimation uncertainty arises from the use of supplier-specific and industry-average datasets to develop milk carbon footprint intensity factors. These datasets are considered representative of the relevant dairy production systems; however, actual emissions may vary between individual farms. Additional estimation uncertainty exists where regional assumptions are used for land use change, peatland extent, or where certain upstream emissions sources are not included within the underlying emissions factor methodology. Management considers the emissions intensity factors and underlying datasets to represent the best available information and provide a reasonable estimate of emissions associated with purchased milk.
Category 1 (Scope 3)	Purchased goods and services	Fuel and energy related activities – electricity	For third party processors, the Company obtained fuel and energy related activities from third party processors via a template. If unable to obtain this information, estimations based on best available data were used, increasing the level of uncertainty.
Category 2 (Scope 3)	Capital goods	–	Category 2 relied upon data from the Trial Balances.
Category 3 (Scope 3)	Fuel and energy	–	Calculated using monthly invoices provided for Scope 1 and 2.
Category 4 (Scope 3)	Transport & distribution	Freight and warehouse data	Calculated from supplier emission reports, if supplier emission reports were not available, further detail such as tonne/km was used. In the absence of data, the tCO ₂ e were estimated using freight data from other providers or an alternate method was used to calculate, such as spend.
Category 5 (Scope 3)	Waste generated in operations	–	Monthly invoices were used to obtain waste data.

Scope	Category Name	Sub-Category	Methods/Assumptions/Data Process/Uncertainties
Category 6 (Scope 3)	Car hire and ride share	–	Emission reports from ride share providers were used. Emissions reports from the Company's travel agent were used for majority of car hire information. If not available, invoices from car hire providers were used to calculate kms travelled.
Category 6 (Scope 3)	Accommodation	–	Emissions data was provided by the Company's travel agent. If not available, spend data was used.
Category 6 (Scope 3)	Flights	–	Emissions from flights were provided by the Company's travel agent in an emissions report. If not available, flight information was obtained through invoices, using an emission factor based on class of flight.
Category 7 (Scope 3)	Employee commuting & working from home	–	Survey was sent out by a third party provider in June 2025 to measure employee commuting and working from home emissions. 174 responses were received, including responses from all Company locations, and the data was extrapolated across the staff profile (total 694 staff members).
Category 8 (Scope 3)	Upstream leased asset	–	Estimated based on NABERS ratings. NABERS ratings are used to assess and rate the energy efficiency and environmental impact of buildings. They consider factors such as energy and water consumption, waste management, and the quality of the indoor environment, to provide a more accurate understanding of how much energy an office uses in practice.
Category 13 (Scope 3)	Downstream leased asset	Processor emission data	Consumption details obtained from a2MC sites owned and leased out.



Appendix 2 – Scenario analysis overview, methods and assumptions

Summary of Scenario Analysis

Low Emissions Pathway – Temperature rise limited to 1.5°C

Medium Emissions Pathway – Temperature rise limited to 2°C

High Emissions Pathway – Temperature rise >3°C

Scope of Operations Covered

All operations within a2MC's value chain inclusive of operations outside of a2MC's operational control.

Overview (short-form narrative of each scenario)

Lower physical risks but higher transition risks.

The low emissions pathway depicts a world in which strong and immediate action was implemented in the mid-2020s to tackle the critical environmental and socioeconomic issues facing the world. The global ambition, particularly for the larger OECD economies, is to reach net zero emissions by 2050 in order to limit warming to 1.5°C above pre-industrial levels by 2050. The Company meets its climate-related targets.

Moderate physical and transition risks.

In the medium emissions pathway, the world has changed dramatically by 2050. Consumers are wanting to buy locally grown, or locally sourced products which are either fresh or lab-grown. The Company continues with its progress against Scope 3 targets and new technologies are available to mitigate carbon tax exposure. Consumer preference shifts towards low-carbon products (lower carbon milk or milk alternatives), impacting a2MC's market access. The Company starts to feel material chronic weather events within its Australian supply chain.

Higher physical risks and lower transition risks.

In the high emissions pathway, exploitation of fossil fuels has continued unabated as countries raced to shore up energy supply.

The physical impacts of climate change are extreme. The Company continues with its progress against Scope 3 targets and new technologies are available to mitigate carbon tax exposure. In this scenario, frequent and intense climate impacts such as temperature rises, resulting in cow heat stress, drought, and riverine flooding, disrupt the Company's supply chains and economically productive assets, leading to stranded assets in exposed regions. Increased temperature-humidity index (THI) and drought affect the Company's supply chain in Australia and the USA, reducing milk production in cows experiencing heat stress. Water shortages impact pasture growth and processing capacity, compromising business continuity, reducing production, and increasing operational costs for the Company. Additionally, increased storms and floods in New Zealand damage farms, reduce productivity, and affect milk quality, with potential impacts on processing operations.



**Low Emissions Pathway –
Temperature rise limited to 1.5°C**
**Medium Emissions Pathway –
Temperature rise limited to 2°C**
**High Emissions Pathway –
Temperature rise >3°C**
Macroeconomic Context

The strong consumer shift to incorporate a diversity of proteins into diets pushes the sector to transform. There is still a market for premium, sustainable animal products, but the broad shift in demand has driven diversification into high value, low emissions crop and horticulture products. Banks began to, and continue to, address climate risk in their risk management frameworks in the mid-2020s, changing the way the agriculture sector accessed capital. Farmers are incentivised to diversify and adopt regenerative and/or indigenous farming practices through sustainability-linked loans and insurance products. Innovative practices are encouraged through private and public funding, and some farmers are identified and supported to transition out of agriculture in areas where growing has become unsustainable. Some farm operations are not able to survive as the transition gains speed.

The lack of coordinated land use policy combined with changes in consumer demand and high food prices, creates an uncertain operating environment for farmers and growers. The lack of clarity makes investment in parts of the sector risky, particularly in livestock agriculture. Capital is hard to access for regions highly exposed to physical or transition risk. Export markets for animal protein products have shrunk with a rise in protectionism. Although there is still reasonable demand for animal protein, most countries prefer to source it locally due to the perception of reduced emissions. Many countries have introduced stringent trade rules such as carbon border adjustments. These barriers to New Zealand exports mean only premium, sustainable animal protein products are viable on global markets. Large numbers of dairy, sheep and beef farmers have struggled to stay afloat. The food miles debate once again becomes prominent and market access is restricted. The diversification of proteins opens new opportunities.

Apart from a small number of premium products, the advantage New Zealand had in the market has been lost. Food shortages and supply insecurity have led most consumers to place less importance on sustainability and traceability. Products are still sold on export markets, though the costs of exporting have risen due to weather related hazards. There is significant tension around ensuring enough food supply is set aside for domestic consumption. Significant government support and subsidies are required for vulnerable communities. In many regions, accessing capital and insurance has become extremely difficult. Banks are no longer willing to lend to areas highly exposed to floods, droughts, and heatwaves. Insurance in many areas is either inaccessible or unaffordable. These areas have seen farms shrink massively or become unviable. Adaptive and innovative growing methods such as vertical or indoor farming, which conserve water, land, and energy, have become essential food sources.

Socioeconomic Context

Throughout the transition, positive outcomes for biodiversity and the economy are realised and pride in New Zealand's agriculture sector grows. Transparency, sustainability, and global success has made the sector an attractive place to work. The widespread incorporation of planetary boundaries into sustainable land-use planning means rural communities are aligned regarding the direction of the sector. The transition costs are generally high but have varied across sub-sectors. The high cost of replacing old infrastructure assets in 2040 results in some dairy farmers with stranded assets unable to transition. Sustainable dairy farms have consolidated and leveraged various monitoring and automated technologies. Iwi/Māori as significant landowners are positioned as key figures in the transition and products grown using indigenous agriculture methods are in high demand.

The reduction in growth of the sector has reduced the number of jobs available, and its tarnished image has made the sector a less desirable place to work. Both impacts have flow on social and economic implications for rural communities, and wellbeing declines in some areas. Parts of the sector that have a low environmental footprint or can quickly transition see robust increases in demand and government and private sector support. For example, exotic forestry is further incentivised due to its carbon sequestration and contribution to the bioeconomy, and horticulture receives positive attention due to its low emissions. These subsystems expand and the surrounding regions benefit accordingly. Mauri in rural communities has decreased as iwi/Māori issues have been deprioritised in favour of emissions reductions.

The agriculture sector engenders mixed views from the public. In a world rife with food insecurity and water stress, some view the sector as heroes keeping New Zealand fed. In contrast, many more view the sector as key contributors to the planetary crisis we now face, profiting off the rising price of food. A record heatwave in 2038 sees huge numbers of farm workers hospitalised with heat stroke and a small number of deaths. Working in the sector is unappealing and challenges attracting labour are high. Demand for food continues to rise and people just want to be fed and no longer care deeply about the provenance or footprint of their food.

Appendix 2 – Scenario analysis overview, methods and assumptions (continued)

Low Emissions Pathway – Temperature rise limited to 1.5°C	Medium Emissions Pathway – Temperature rise limited to 2°C	High Emissions Pathway – Temperature rise >3°C
Reference Scenarios Refer to page 43 for further detail on the data sources used.		
Physical Risk Dataset: SSP1 ¹ – RCP2.6 ¹² using data from the Munich Re Location Risk Intelligence Platform. Transition Dataset: International Energy Agency (IEA) Net Zero by 2050 Scenario (NZE) (IEA) ³ . Aligned to Aotearoa Circle Agri Sector Scenario: Orderly – Net Zero 2050 (Tū-ā-pae).	Physical Risk Dataset: SSP2 ¹ – RCP4.5 using data from the Munich Re Location Risk Intelligence Platform. Transition Dataset: International Energy Agency (IEA) Announced Pledges Scenario (APS) ³ . Aligned to Aotearoa Circle Agri Sector Scenario: Disorderly – Delayed transition (Tū-ā-hopō).	Physical Risk Dataset: SSP5 ¹ – RCP8.5 using data from the Munich Re Location Risk Intelligence Platform. Transition Dataset: International Energy Agency (IEA) Stated Policies Scenario (STEPS) (IEA STEPS) ³ . Aligned to Aotearoa Circle Agri Sector Scenario: Hot house – Current policies (Tū-ā-tapape).
Policy Ambition		
The agricultural sector and Government have designed and implemented inclusive policies that have ensured a just transition. Targets set out in the Climate Change Response Act, the National Adaptation Plan and the new Biodiversity Protection Act 2030 are all met. The Mana Kai initiative turned into a National Food Strategy (2030), and a sustainable land-use policy was implemented to support its delivery. The National Food Strategy pushed the shift towards healthy and sustainable diets.	Businesses all along the agriculture sector supply chain struggle to attract and retain skilled labour. After many years, policy that enables gene editing and selection technology also emerges, encouraging growers and innovators to develop new proteins, plant breeds and cultivars with a lower footprint that respond to changing climatic conditions. Gene editing also helps with pest control. Government policy is generally myopic and uncoordinated. There is an increasing burden on the sector to remain prosperous. The rapidly changing financial and consumer world means farmers feel government action is out of step with reality. There is a lack of funding and support for the sector to be a part of the transition. Policy also creates perverse outcomes in some areas.	No policy changes to reduce emissions. Only currently implemented policies are maintained. Weakened direction on climate action as governments detract from mitigation. Government focus shifts more towards localised adaptation projects, although the cost of adaptation continues to rise. There is a lack of long-term systems thinking in government. Adaptation-focused policy means that the sector is not empowered to reduce its environmental footprint, but funding and resources are available to implement systems more resilient to climate change. There is support available for the inexorably rising costs of adaptation that farmers and growers face, but in some regions adaptive capacity is simply not high enough. After a series of pest-related crop losses in the mid-2030s, policy is implemented to tighten biosecurity and pest control. Although these policies improve the sector's resilience to pests, they also increased operating costs for many.
Temperature Outcomes		
Global average temperature exceeds 1.5°C of warming around 2030 and peaks at roughly 1.4–1.7°C in the mid-century (around 2040–2050). The long-term forecasts sees global warming then falling back down to around 1.4°C.	Global average temperature exceeds 1.5°C of warming around 2030 and continues to rise to around 1.7–2°C by 2050 before reaching above 2°C by 2100.	Global average temperature exceeds 1.5°C of warming around 2030 and continues to rise to around 2°C by 2050 before reaching above 3.3°C by 2100.

- SSP1, SSP2 and SSP5 are Shared Socioeconomic Pathways used by the Intergovernmental Panel on Climate Change (IPCC) to describe alternative future socioeconomic developments. In this analysis, SSP1 underpins the Low Emissions scenario, SSP2 the Moderate Emissions scenario, and SSP5 the High Emissions scenario.
- RCP1.9 is the most stringent mitigation scenario in which carbon dioxide emissions decline to net zero relatively quickly. It reflects a world in which warming is limited to around 1.5°C by 2050. Unfortunately, there is no downscaled climate data for New Zealand for RCP1.9, so RCP2.6 was used. RCP2.6 is also a stringent mitigation scenario in which warming is limited to around 1.7°C, so the physical impacts of climate change are likely to be similar. The RCP2.6 dataset was therefore selected. This is in line with approach taken by the Aotearoa Circle Agri Sector guidance (refer to page 55 Aotearoa Circle Agricultural Scenarios) and therefore is still appropriate to use for the Low Emissions scenario. Where data from RCP2.6 was missing, data was interpolated between today's scores and RCP4.5 to generate an estimated RCP2.6 result. Both of these approaches generate results which are more conservative for stating physical risk and therefore this approach is considered appropriate for this scenario.
- The Company has used the IEA APS pathway as part of its climate scenario analysis in line with prior reporting years. a2MC notes the IEA recently updated its World Energy Outlook scenario suite and reintroduced the Current Policies Scenario (CPS) as a core scenario. The Company considers the APS scenario appropriate for the reporting period and will review future scenario selection as part of its ongoing climate reporting process.

Low Emissions Pathway – Temperature rise limited to 1.5°C			Medium Emissions Pathway – Temperature rise limited to 2°C			High Emissions Pathway – Temperature rise >3°C		
Land Use Including Carbon Sequestration from Afforestation and Nature-based Solutions								
By 2050 large areas of land are protected to reverse ecosystem decline. Iwi/Māori have a strong voice in what happens to the land in their local area.			There is no national strategy for land use. Since 2030, some areas have been rewilded as unsustainable farms have gone out of business.			Land use continues to go to those who can derive the greatest profits from it. Urban sprawl ensues and livestock agriculture remains widespread.		
Sustainable Technology (including negative emissions technology) and Carbon Sequestration								
Technology change is fast. Research and development into innovative technologies that reduce the material carbon footprint, enhance food security, and increase the efficiency of food production is prioritised. There is widespread use of carbon capture and storage (CCS) globally, though only a few cases in New Zealand. Pine and native forestry grows strongly, with biodiversity protection a key criteria for approval of new forests.			The Government takes steps to rapidly reduce on-farm livestock emissions including with the implementation of effective methane inhibitors in 2035. Methane inhibitors prove effective but are only applicable in systems where feed can be provided to animals, which makes it hard for the beef and sheep industry to compete. Similarly, low carbon shipping methods are developed, but New Zealand’s distance from the market makes these an expensive transport option. Advances in agricultural technology to improve productivity have continued. These include new innovations to increase the efficiency of harvesting and milk processing and drying, but their impact is incremental. New, diversified proteins emerge that are cheaper alternatives to milk and meat proteins. Scaling up of these new proteins is important to feed a growing population. There is a rushed and costly global push for more CCS technology in the lead up to 2050, though this is not really seen in New Zealand.			The lack of investment in technologies that support and enable sustainable production means traditional agriculture’s high environmental footprint remains. Innovation is focused on increasing productivity or adapting to the impacts of climate change. Climate data and technology that allows the sector to understand its risks is stagnant from the early 2040s when international progress on climate modelling stops with the dissolution of the IPCC process. Artificial intelligence and machine learning techniques enable more efficient harvesting and planting. The focus on adaptation brings some advances in technology that enable some farms to continue to be productive despite the impacts of climate change. Products such as shade systems for livestock and crop storm shelters have protected some areas but these advances are insufficient in many areas to sustain production. There is little use of CCS globally. Pines continue to be planted for timber, but native forestry is not incentivised.		
Energy Pathways								
Energy supply is mostly decarbonised, with 98% of electricity from renewable sources, and 89% of total energy from renewable sources, across New Zealand, Australia and the USA by 2050.			76% of total energy consumed is renewable across New Zealand, Australia and the USA.			Renewable sources provide 46% of total consumed energy across NZ, Australia, and the USA.		
Physical Impacts Severity								
Short-term:	Medium-term:	Long-term:	Short-term:	Medium-term:	Long-term:	Short-term:	Medium-term:	Long-term:
Low	Low	Moderate	Low	Moderate	Moderate	Low	High	Extreme
Transition Impacts Severity								
Short-term:	Medium-term:	Long-term:	Short-term:	Medium-term:	Long-term:	Short-term:	Medium-term:	Long-term:
Extreme	High	Moderate	Low	High	High	Low	Low	Moderate

Time horizon definitions used: Short-term (0–5 years) | Medium-term (5–15 years) | Long-term (15+ Years).

For a more detailed description of the assumptions and data underlying the scenarios and analysis, refer to Appendix 2.

Appendix 2 – Scenario analysis overview, methods and assumptions (continued)

Methods

Scenario Selection: The scenarios were selected and tailored specifically to the Company after considering guidance from the IPCC combined SSPs and RCPs, the IEA, Global Energy and Climate Model Scenarios¹, and the Aotearoa Circle² applicable to the Company's operations and geographic exposure, and dairy sector-specific risks and opportunities. The chosen scenarios are therefore considered to be relevant and useful in the identification of climate-related risks and opportunities and in assessing the resilience of the Company's business model and strategy to climate-related risks and opportunities.

Data Approach: a2MC uses a quantitative physical climate risk model to assess the potential impact of climate-related hazards on its milk sourcing and product processing operations under each climate scenario. The model applies a hazard-exposure-vulnerability framework to estimate the potential operational and financial impacts of climate-related risks across the value chain.

The model is informed by location-based climate risk data covering all material geographies for processing sites and farms within specific milk pools. Individual farm and processing locations are mapped using longitude and latitude coordinates and assessed using Munich Re's Location Risk Intelligence Platform³, which provides hazard-specific risk indices for acute and chronic physical climate hazards.

The physical risk assessment focuses on supplying farms and processing sites as the locations most materially exposed to climate-related hazards. Potential impacts on logistics and distribution activities are considered through business impact assumptions, although third-party logistics networks are not directly modelled.

These risk indices are incorporated into the model to assess the exposure of individual locations and milk pools to climate-related hazards. Vulnerability assumptions are then applied to estimate the potential effects on milk supply, operations and broader value chain activities.

The model then combines these outputs with forecast operational and financial data to estimate the potential business impacts under each of the three climate scenarios. This enables a2MC to assess

how different climate futures could affect its operations and financial performance over the short, medium and long-term.

The Company considers its modelling to be appropriate because it applies a recognised hazard-exposure-vulnerability framework, informed by location-specific physical climate hazard data sourced from Munich Re's Location Risk Intelligence Platform, covering all material geographies in which the Company operates. The model maps individual farm and processing locations using precise geospatial coordinates to enable granular site-level assessment, and integrates these climate risk outputs with the Company's forecast operational and financial data to produce scenario-specific estimates of potential business impacts across the short, medium and long-term.

The model is not intended to be predictive or to forecast specific outcomes. It serves as a tool for assessing the relative exposure and vulnerability of the Company's operations to physical climate risks under a range of plausible climate futures, and for informing strategic planning and risk management decisions accordingly.



1. <https://www.iea.org/reports/global-energy-and-climate-model>
2. <https://www.theaotearoacircle.nz/focus-areas/climate/climate-scenarios>
3. Refer to the Glossary for a description of the MunichRe Intelligence Platform.

Data Sources

Internal datasets used in the scenario analysis include forecast product volumes and prices, and the geographic locations of supplying farms and processing sites. The external datasets used were sourced from Munich Re's Location Risk Intelligence Platform for physical risk data and the IEA scenarios for transition risk data. Munich Re's Location Risk Intelligence Platform provides location-specific climate hazard and physical climate risk data for current and future climate scenarios. The platform is used by the Company to assess exposure to acute and chronic physical climate hazards. The Company considers the platform appropriate because it provides geographically consistent coverage across all material operating regions and enables site-level assessment of farms and processing facilities using geospatial coordinates.

The Aotearoa Circle scenarios for Agriculture were also used as a sector reference point.

Munich Re Location Risk Intelligence Platform Data Sources

		Utilised Climate Change Variables	Description
Heat Stress			
Description of Risk Analysis		Annual Maximum Temperature	Annual maximum of daily maximum temperature (°C).
Heat parameters are modelled on the basis of ECMWF ERA5 and ERA5-Land atmospheric reanalysis data for the reference period and combined with data from the latest high-resolution global climate models (CMIP6) for the future projections. The Heat Stress Index combines relevant information from these parameters and classifies the climatological Heat Stress situation on a scale ranging from 0 (very low) to 10 (very high). The parameters were chosen in accordance with scientific studies with the aim of depicting heat stress consistently, locally and globally. The Heat Stress Score is the categorised average of the following parameters normalised onto a 0–10 scale: Annual Days In Heat Wave, Annual Maximum Temperature, Annual Mean Daily Maximum Temperature, Annual Days Above 40°C and Annual Tropical Nights.		Mean Daily Maximum Temperature	Annual mean of daily maximum temperature (°C).
		Days In Heatwave	Annual number of days in a heatwave (days).
		Tropical Nights	Annual number of days when the night temperature (daily minimum temperature) does not fall below 20°C (days).
		Days Above 30, 35, and 40°C	Annual number of days with daily maximum temperature exceeding 30, 35, and 40°C respectively (days).
		Annual Number Of Days In Hot Period	Annual number of days that are part of a period, of a minimum of 3 days, in which the daily maximum temperature is at least 35°C (days).
		Annual Warm Spell Duration Index Days	The annual Warm Spell Duration Index (WSDI) days represent the annual number of days that are part of a series of at least 6 days in which the daily maximum temperature surpasses the 90th percentile of daily maximum temperature observed during the reference period (days).
Resolution	Reference Period		
~10 km horizontal resolution	1995 to 2014		

Appendix 2 – Scenario analysis overview, methods and assumptions (continued)

		Utilised Climate Change Variables	Description
Drought Stress			
Description of Risk Analysis The Drought Stress Index describes dryness conditions and changes in the water balance, characterised by the change in precipitation and potential evapotranspiration. It is derived from multiple dryness indices and the Standardized Precipitation-Evapotranspiration Index (SPEI). As a multi-scalar drought index, the SPEI is based on climatic data, used to determine the duration, intensity and severity of drought conditions with respect to historical conditions (calibrated over a 40-year period from 1950). The SPEI is modelled on the basis of daily information about temperature, precipitation and humidity, using data from the latest high-resolution global climate models (CMIP6) to assess drought conditions. Relevant dryness parameters are modelled on the basis of ECMWF ERA5 and ERA5-Land atmospheric reanalysis data for the reference period, together with data from the latest high-resolution global climate models (CMIP6) for the future.	Drought Duration Per Year	Annual number of months with drought conditions (months)	
	Drought Severity Per Event	Annual average of accumulated sum of negated monthly SPEI values (i.e. SPEI values with reversed signs) in identified drought events, where drought events are episodes with SPEIs below -13	
	Annual SPEI Sum	Annual sum of negated monthly SPEI values (i.e. SPEI values with reversed signs)	
	Meteorological Dry Days	Annual number of days with precipitation less than 1mm (days)	
	Maximum Dry Spell Duration	Annual maximum length of dry spells (consecutive days with precipitation less than 1mm) (days)	
	10-Day Dry Spell Duration	Annual number of days in dry spells that last a minimum of 10 days (days)	
Resolution	Reference Period		
~10 km horizontal resolution	1995 to 2014		
		Flood Zone	Description of flood zones
Riverine Flooding			
Description of Risk Analysis NATHAN current River Flood Hazard data offers state-of-the-art flood hazard information, available on a global scale. The global flood maps are constantly improved and are a market standard. They are based on bare-earth digital terrain data and a consistent worldwide digital surface model. The River Flood Hazard is represented by four return period zones, ranging from Zone 0 (areas of minimal flood risk) to Zone 50 (50-year return period of river flood). The Undefined River Flood Hazard Score was used. In the undefended version the standards of protection provided by local flood defences is not considered in the hazard calculation. Globally, the quality of the information on flood defences and on the specific structures differs considerably. Hence, there is value in considering the undefended River Flood Hazard in order to maintain global consistency. The flood projections follow a hybrid method using the output from the latest high-resolution CMIP5 global climate model runs and global land surface models to estimate changes in peak water run-off at hydrological basin resolution. These changes in peak run-off are then used to scale current River Flood maps, using flood depth data from JBA Risk Management.	Zone 0	Areas outside the 0.2% annual chance floodplain	
	Zone 500	0.2% annual chance flood event (500-year return period)	
	Zone 100	1% annual chance flood event (100-year return period)	
	Zone 50	2% annual chance flood event (50-year return period)	
Resolution	Reference Period		
30 metre horizontal	Current		

Time horizons: Climate-related risks and opportunities have been assessed across three time horizons: ‘short term’ – defined as up to 5 years, ‘medium term’ – defined as 5 to 15 years, and ‘long term’ – defined as 15+ years (to 2050 maximum). The risks and opportunities for these timelines are used to inform business strategy and vision, with the ‘short-term’ aligning with the detailed business strategy and capital deployment plans (see page 21) and medium and long terms informing the business vision (with no specific capital deployment plan yet). As the detailed business strategy is updated going forward, the scenarios will also be updated to identify appropriately aligned risks and opportunities.

Scope and Value Chain Exclusions:

The quantitative scenario analysis focused on on-farm milk production and product processing facilities (both within and outside of a2MC’s operational control) across all material geographies including New Zealand, Australia, and the USA, as the most material of the inputs and impacts to the business. The analysis did not include a quantitative inclusion of non-milk ingredients, which are blended with milk-based inputs by the Company and by the Company’s third-party manufacturing partners to produce infant milk formula and other fortified powdered products, due to the level of materiality (by weight) of these ingredients compared to milk inputs, and lack of available and accurate quantitative data from the supply chain.

Assumptions

Carbon Price Pathways:

The climate-related scenarios assume subsequent carbon price pathways¹ and tailored considerations of the pass through of carbon costs from the relevant on-farm and processing facilities as modelled specifically for the Company. The Company considers carbon prices in the regions where it operates – but it does not currently use a formal internal emissions price (FY25 and FY24: also no formal internal emissions price used).

Transition Risks for Scenarios:

Transition risks and opportunities capture the impacts of global achievement of the warming scenarios, with more action required to meet the low emissions pathway, and the higher emissions pathway assuming a lack of proactive interventions, including policy and regulation (e.g. carbon pricing, emissions targets), market and customer preferences shift, technology changes, reputation and stakeholder expectations. The Company has assumed that carbon costs increase costs, with no pass-through to consumers.

Company Forecast and Business Data

Sources: The climate-related scenarios assume future sales volumes, unit prices, and cost of goods sold (COGS) derived from business projections based on Company emissions data from FY26, with an assumption of price elasticity for the Company’s products based on engagement with internal stakeholders.

Stakeholder Engagement:

Assumptions are based on engagement with internal stakeholders, including the Finance team, Risk and Supply Chain team, key members of the ELT, the MDANZS, the CFO, and the CEO and other relevant members of the ELT from time to time. External consultants from Pollination were used to support the design of the scenario analysis modelling and source the latest physical climate risk data from Munich Re’s Location Risk Intelligence Platform.

Uncertainty and Limitations

Model Uncertainty: The choice of models, the data inputs and their inherent limitations can introduce uncertainty. The models use a range of assumptions in regard to climate impacts in different regions, transition costs that may be incurred, the effectiveness of actions taken in each scenario to reduce emissions and limit climate impacts and many other variables, which may not reflect actual future events or conditions, resulting in inherent uncertainty in the impacts to the business relating to these aspects. For example, the detailed risk score assessment of raw milk supplier regions relies on Munich Re’s Location Risk Intelligence Platform, which may have its own limitations and assumptions that may not reflect actual future events or conditions.

Data Uncertainty: The quality, accuracy, and completeness of the data used can affect the outcomes. Data inaccuracies, incompleteness or estimated data that does not reflect actual future conditions can alter the results of the scenario analysis, resulting in inherent uncertainty. For instance, the internal emissions data for FY26 and the projections to 2050 are based on most currently available data, which may change over time. There are many other data variables, such as growth and sales projections, within the models which may not reflect actual future events or conditions, resulting in inherent uncertainty in the impacts to the business relating to these aspects.

Relationship with Sector Scenarios

The developed scenarios draw strongly from the Agri Circle Sector Scenarios developed by the Aotearoa Circle, a voluntary initiative which brings together leaders from the public and private sectors, as the most relevant public scenarios in the New Zealand agricultural sector. Each internal scenario is therefore mapped to the relevant Agri Circle scenario it is consistent with. The only material differences between the Company’s scenarios and the sector scenarios relate to specific Company value chains and business operations, which are noted in this Climate Statement where relevant.

1. Carbon price curves are assumed to be those in the relevant IEA dataset identified in the scenario descriptions.

Appendix 3 – Glossary

This Glossary provides definitions of key climate, sustainability and Company-specific terms used throughout this Climate Statement. These definitions are intended to assist readers in understanding the terminology, commitments and programmes referenced in this report.

Term	Definition
a2™ Farm Sustainability Fund	The a2™ Farm Sustainability Fund is a farmer grants programme in Australia and New Zealand that supports projects within the Company's farming supply chain against one or more of its key priority areas.
AgriZero ^{NZ}	AgriZero ^{NZ} is a public-private partnership between the New Zealand Government and other industry stakeholders, including a2MC, focused on providing farmers with tools to reduce methane and nitrous oxide emissions.
Carbon offset	A carbon offset is a measurable, verified reduction or removal of greenhouse gas emissions from the atmosphere, achieved through a project or activity external to the entity's own value chain, that is used to compensate for residual emissions that cannot be eliminated through direct reduction methods. Carbon offsets are typically represented by tradeable units (e.g. carbon credits), each equivalent to one tonne of carbon dioxide equivalent (tCO ₂ e) avoided or removed.
Fat and protein corrected milk (FPCM)	A standardised measure of milk production that accounts for variations in milk fat and protein content. FPCM is used to compare dairy production performance and calculate emissions intensity on a consistent basis across farms and regions.
Greenhouse Gas (GHG)	Greenhouse gas (or greenhouse gases). Gases that trap heat in the Earth's atmosphere, contributing to global warming. The principal GHGs relevant to this Climate Statement are carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O). GHG emissions are measured in tonnes of carbon dioxide equivalent (tCO ₂ e).
Munich Re Location Risk Intelligence Platform	A climate risk platform that provides location-specific climate hazard and physical climate risk data for current and future climate scenarios. The platform is used by the Company to assess exposure to acute and chronic physical climate hazards. The Company considers the platform appropriate because it provides geographically consistent coverage across all material operating regions and enables site-level assessment of farms and processing facilities using geospatial coordinates.
Near zero	Near zero is defined as the reduction of Scope 3 GHG emissions across the value chain to the lowest level that is technically and commercially feasible within a dairy value chain, recognising the inherent limitations in reducing ruminant animal emissions. The Company has a primary focus on achieving real emissions reductions within the Company's value chain, and limiting reliance on offsets outside of our value chain. 'Near zero' recognises that with these limitations and with an investment focus on real emissions reductions, some residual emissions would remain in the value chain.
Net zero	Net zero refers to the state where the amount of greenhouse gases released into the atmosphere from the Company's Scope 1 and Scope 2 activities is balanced by an equivalent amount removed through the Company's activities or investments. Achieving this requires significantly reducing emissions first, then permanently neutralising any residual greenhouse gases through carbon removal methods (which may include the use of carbon offsets – see the Targets section of this Climate Statement for more information about the Company's position on carbon offsets).
Renewable electricity agreement	Renewable electricity agreements, in the form of Power Purchase Agreements (PPAs) or equivalent renewable energy certificates, are entered into or purchased to assist the Company in meeting its 2030 net zero targets. Renewable energy certificates are tradeable, market-based instruments that certify the bearer owns the renewable attributes of 1 megawatt-hour (MWh) of electricity from the local distribution network, without the necessity of a direct physical connection to a renewable generation site.





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