

A man wearing a green beanie and a dark green jacket is seen from the side, working with a wire fence. He is wearing blue gloves and is pulling on a wire. The background shows a field with trees and a fence.

Livestock Improvement
Corporation Limited (LIC)

Sustainability Report

For the year ended 31 May 2026

Building stronger herds,
smarter tools and a
more resilient future



About this report

This report presents information on LIC's environmental, social and economic performance for the year ended 31 May 2026 and has been reviewed by LIC's Board of Directors. LIC has reported in accordance with the Global Reporting Initiative (GRI) Standards for the period 1 June 2025 to 31 May 2026.

The report meets our commitment to report on LIC's environmental, social and economic performance. It also provides an opportunity to show how we are responding to sustainability challenges facing our farmers and the New Zealand dairy sector. It outlines how we are helping farmers understand and improve their emissions and demonstrates that, with a sharper focus on herd improvement, New Zealand farmers can produce high-quality milk products from sustainable, high-performing cows.

Our external auditors, KPMG, have performed procedures to confirm that the financial data included in this Sustainability Report is consistent with LIC's Annual Report.

We are committed to open and transparent reporting on sustainability and will continue to further develop our reporting over time.

Contents

Who we are	4
Why sustainability matters to LIC	5
Key highlights	6
Letter from the Chair & Chief Executive	7
Our strategy	9
Environmental sustainability	10
Reducing the emissions footprint of our national herd	12
Reducing the environmental footprint of our business	20
- Science-aligned emissions targets	20
- Our emissions	22
- Financial implications, risks and opportunities	25
- Improving business sustainability	28
Social sustainability – caring for our people	32
Governance Structure	33
Caring for our people	36
Employee Data	40
Economic sustainability	42
Our business	47
How we work	49
How we create value	52
Engaging with our stakeholders	54
Materiality assessment	56
GRI content index	57

Who we are

We exist to help farmers breed for the future herd now – using the best tools, insights and genetics.

LIC's head office is at Newstead in the Waikato, with more than 25 sites across New Zealand, Australia, the United Kingdom and Ireland. With origins dating back to 1909, LIC has a long history of delivering world-leading innovations for the dairy sector. That role is even more relevant to farmers today as the sector responds to rapid change and growing climate challenges. What we do has never been more important for Kiwi farmers, our sector and New Zealand.

As a farmer-owned generational co-operative, all of our profit is returned to our farmer shareholders through dividends or reinvested into new solutions and research and development (R&D).

LIC shares are listed on the NZX. To be a shareholder in LIC, you have to farm dairy cows in New Zealand, supply a New Zealand milk processor and buy a minimum amount of qualifying products and services from LIC every season.

A man with a beard and a woman are looking at a purple folder. The man is pointing at something on the folder. The folder has the LIC logo on it. The background is a blurred indoor setting.

LIC is a New Zealand dairy farmer-owned co-operative focused on pasture-based dairy genetics and herd management.

Why sustainability matters to LIC

New Zealand farmers, our sector and the New Zealand Government are focused on a sustainable approach to farming, so we must continue to improve our environmental credentials.

Sustainability matters to us as a business and because of the critical role we play in helping dairy farmers meet their own sustainability goals.

Our strategy focuses on building stronger herds, smarter tools and a more resilient future for our shareholders and the sector. As a generational co-operative, we understand the role we play in driving positive change through collective action on climate change in New Zealand and supporting our farmer shareholders on that journey. We are committed to driving sustainability improvements and helping reduce on-farm emissions, with projects and initiatives underway in both areas.

At LIC, we support farmers and their herds to reduce biogenic methane emissions intensity. Genetic improvement of the national herd is estimated to reduce methane intensity by 0.66%¹ per annum. LIC has been investigating ways to reduce gross methane emissions, which has required a higher number of trial animals in recent years to support R&D in this area, as well as work to improve heat tolerance on behalf of the sector. This R&D has identified that further research will be needed on lactating cows over the coming years, which may lead to lower methane-emitting bulls in our bull team in the future.

We support our 8,500 shareholder farmers through genetics, genomics, milk testing and diagnostics, together with leading research and innovation, to produce the most sustainable and profitable animals.

¹Source: Abacusbio 'Breeding worth and Emissions Intensity' (prepared for Dairy NZ and NZAEL)

Key highlights

Environment

Supporting shareholders to produce the most sustainable and lower emitting animals and reducing LIC's emissions.

If we're milking fewer cows, we need to milk better ones.



405.0kgMS²

Rolling 3 year average milk production

Up 2.4% from 395.6 kgMS prior rolling 3-year average



4.68million²

Cows in national herd

0.51% decrease on previous year



25.6%

Reduction in LIC's Scope 1 & 2 CO₂ emissions

2025/26 change compared to 2018/19 (base year)



4.8%

Reduction in LIC's Scope 1 biogenic CO₂ emissions

2025/26 change compared to 2018/19 (base year)



24.7gBW

Five-year rolling average increase in genetic gain

Five-year rolling average increase in genetic gain (genomically informed Breeding Worth) for long-term users of LIC genetics (across 2021 – 2025 cohorts)

² Source: New Zealand Dairy Statistics 2024-25

Economic

Delivering value to our farmer shareholders by investing in initiatives to help them breed the most profitable and sustainable animal



\$314.8^m

Total revenue

Up 6.7% from \$295.1 million last year



\$17.5^m

Final dividend declared

12.26 cents per share



\$51.3^m

R&D and investment in business

Investment & capital spend \$24.7m down 11.1% from last year.
R&D investment \$26.6m up 17.8% from last year

Social

Caring for our employees and our farmer shareholders



77

'BeHerd' Engagement survey result

Using Microsoft's Viva Glint software in May 2026 - the result puts us in the top quartile of global organisations using the same tool. There was an 86% employee response rate.



4.30

Lost time injury frequency rate

(Per 200,000 hours worked)
Down from 4.33 last year



900⁺

Full time equivalent employees

As well as 1,650+ seasonal workers

Letter from the Chair & Chief Executive

For more than a century, herd improvement has been at the heart of LIC's contribution to New Zealand dairy farming. It remains the single biggest way we, as a generational co-operative, can support the long-term sustainability of our sector.

By supporting farmers to breed cows that are more productive, efficient and better suited to New Zealand's pasture-based farming systems, our Co-operative is improving the genetic gain of our national herd, strengthening on farm profitability and supporting the reduction of emissions-intensity. As farmers respond to changing environmental expectations, market demands and climate challenges, this focus has never been more important.

Our focus remains on investing in the science that underpins this long-term progress. Genomics accelerates the rate of genetic gain, giving farmers greater confidence to identify better animals earlier and make breeding decisions that deliver lasting value. Alongside this, our research programmes continue to explore the opportunities genetics can provide to address the wider challenges facing the dairy sector.

This year, our methane research reached an important milestone. While the latest findings showed the original breeding pathway investigated is unlikely to deliver the outcome we had originally hoped for, the research has provided valuable new knowledge that is shaping the next phase of work. It reinforces the importance of robust science and long-term investment as we seek practical, evidence-based solutions to help farmers reduce emissions over time.



Our commitment to future-proofing the national herd extends beyond emissions. We continue to invest in heat tolerance research, recognising that cows able to better cope with rising temperatures will become increasingly important for maintaining productivity, fertility and animal wellbeing as our climate changes.

Sustainability of our sector is not just evident on farm but also in the work we do to support the people who make our industry strong. Building a resilient dairy sector means investing in the next generation of farmers, leaders and rural communities. We're proud to support initiatives that help develop capability and create opportunities across the sector, including the New Zealand Dairy Industry Awards, Dairy Women's Network and the South Island Dairy Event. Just as importantly, we're helping foster a lifelong connection to farming through our nationwide support of Calf Club, encouraging thousands of young New Zealanders to develop an appreciation for animals, agriculture and the role farming plays in our communities.

This report reflects our commitment to transparency and continuous improvement. Sustainability is not achieved through a single initiative, but through steady progress built over time. By continuing to invest in herd improvement, scientific research and skilled resilient people, our co-operative will help New Zealand dairy farmers build resilient businesses that are productive, sustainable and well positioned for the future.



Corrigan Sowman
Chair



David Chin
Chief Executive

17 September 2026

Our strategy

Creating value for our farmer shareholders is at the heart of everything we do. As a generational co-operative we remain focused on delivering long-term productivity gains for farmers and supporting sustainable genetic progress for the New Zealand dairy herd. The herd of the future will be highly efficient, producing more from less, aligned with the needs of processors and global markets, lower emitting and environmentally fit for purpose. Our people are helping farmers breed for the future herd now using the best tools, insight and genetics.

Our strategy focuses on building a strong sustainable co-operative, leading the world in our field and delivering outstanding value for our customers, shareholders and sector, next year, in five years and for another 100 years. During the prior reporting period the Board completed a check-in on LIC's business strategy and clarified the focus on herd improvement, enabling emissions intensity reduction in the national herd, with five priority areas being focussed on as key enablers of herd improvement: customer experience, genetics, testing, farm software and international markets.

Our Strategy

What's the herd of the future?	 Highly efficient, producing more from less	 Aligned with the needs of processors and global markets	 Lower-emitting and environmentally fit-for-purpose		
How we'll breed it faster	With world leading herd improvement				
The role of our people	Working with farmers to breed for the future herd now - using the best tools, insights and genetics we can offer				
Breeding better cows faster with:	Customer experience that makes LIC easy to deal with	Genetics that continue to deliver value on farm	Testing to predict performance and health issues	Farm software to make herd and breeding decisions easier	International markets to strengthen our breeding scheme
Why this matters	High-performing herds through world-class breeding programmes		Smarter tools that connect data, insights and systems farmers use		A generational co-operative that's easy to work with

Environmental sustainability

The most significant impact we can make is through helping to reduce the environmental footprint of the national dairy herd.

Working with dairy farmers, including via milk processors, to help farmers accelerate their herd improvement to breed better cows faster is important to help the sector to reduce its overall emissions intensity. This can include using LIC services to identify the best cows to breed from (eg herd testing and DNA testing), using sexed semen to produce more replacement cows from the best cows and, in the future, may lead to lower methane-emitting bulls.

Herd improvement is what we do. We provide farmers with the precision genetics and technology tools they need to help improve their herds and become more sustainable, while remaining profitable and productive. We are amplifying this through genomic science to deliver results for farmers faster.

Eighty years ago, at the end of World War II, New Zealand dairy cows produced around 150kg milk solids (MS) a season. Last year, that average was 414kg MS, an increase of 176%. While better feed and herd management have contributed, much of this improvement reflects genetic gain. These gains are cumulative and permanent, delivering long-term benefits into the future.

The rate of genetic progress in the New Zealand dairy sector has accelerated significantly over the past decade. Tools such as our GeneMark® Genomics service, improved data collection, and more sophisticated evaluation systems mean we can identify an animal's genetic merit earlier and with greater accuracy than ever before.

The results some farmers are achieving show that, if we sharpen our focus on herd improvement, we can reduce emissions intensity and continue to have the world's most efficient dairy herd. High-producing, climate-friendly cows are not just a hope for the future; they exist in the national herd today and are within reach for every dairy farmer. We simply need more of them, and our products and services give farmers the opportunity to do just that.

Key Metrics

By assessing genetic data, our models estimate that over the past 30 years the genetic improvement in our Premier Sires® semen delivered on-farm has resulted in an 11.8% reduction in enteric methane and 14.4% less urinary nitrogen emission intensity per kilogram of milk solids produced, noting that the size of the dairy herd increased 71% during that period (1994 to 2025 increase - New Zealand Dairy 2024/25 Statistics

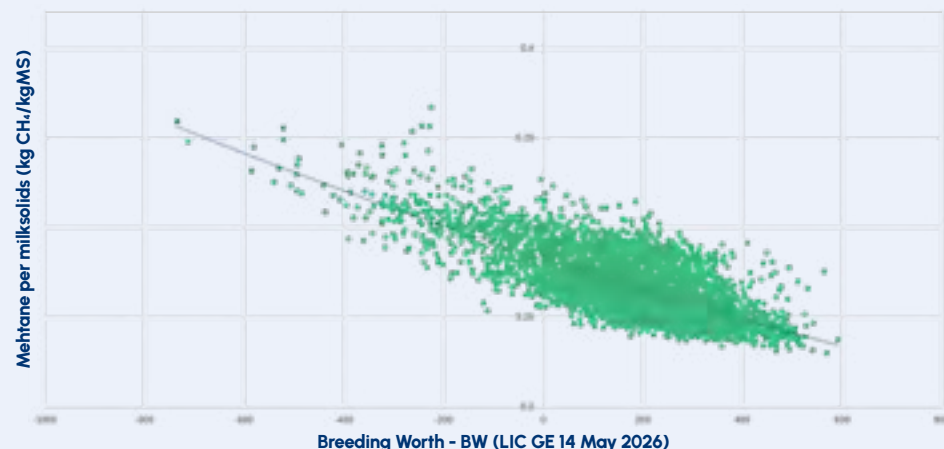
The dairy sector needs to continue evolving, both for climate change and because of it. At LIC, we are committed to reducing the environmental footprint of our business.

report), which increased absolute methane emissions of the national herd.

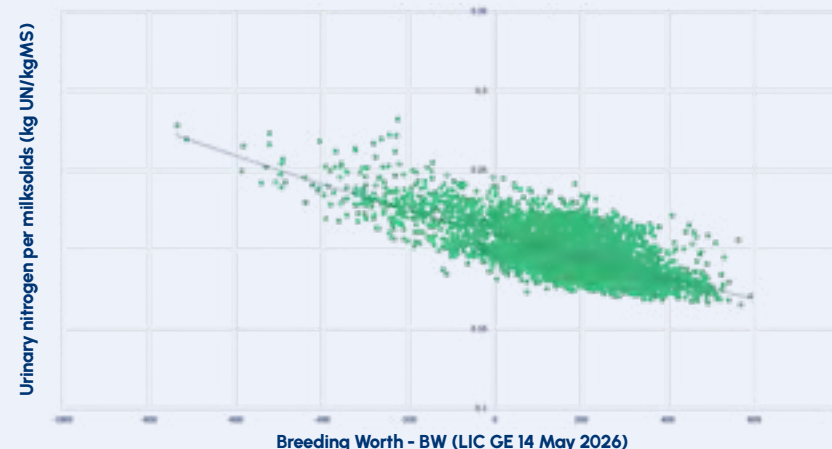
The increased rate of genetic improvement in production and fertility traits without any increase in animal liveweight, and the shorter generation interval that genomic selection enables, has created a consistent trend of New Zealand farmers breeding more emissions efficient cows and, year-on-year, they're doing it faster.

New Zealand dairy farmers continue to embrace a range of tools to improve herd sustainability and productivity. The New Zealand Dairy Statistics report 2024/25, produced by LIC and DairyNZ, shows that over 82% of cows were herd tested and this is one of a number of tools that farmers are using to help improve milk quality and production. The percentage of cows artificially inseminated increased slightly to 81.5% from 81.1% in the previous season. This reflects a continued trend of New Zealand farmers remaining focused on improving the production efficiency of their herds and utilising data and insights to support on-farm decisions.

Cow numbers slightly decreased in 2024/25 by 0.5% and there was a 2.92% increase in kilograms of milk solids processed compared to the previous season.

BW compared to methane per milksolids (kg CH₄/kgMS)

BW compared to urinary Nitrogen per milksolids (kg UN/kgMS)



Enteric methane

Enteric methane from ruminant livestock is the main greenhouse gas emission produced in pastoral dairy farming. Using our genetic data, LIC has modelled predicted enteric methane emissions relative to milksolids production for the lifetime of the female progeny of the Premier Sires teams.

The weighted average of the Premier Sires team for the 2024/25 season showed a decrease in both urinary nitrogen and methane per kg of milksolids below the 30-year trend. This is a result of genomic selection and the use of the Forward Pack product by farmers which continues to drive the rate of genetic gain and subsequently methane and nitrogen efficiency.

Urinary nitrogen

Urinary nitrogen from cattle is a major contributor to surplus nitrogen, which can be lost to the environment as nitrate or nitrous oxide. Nitrate can leach from soil into waterways as a pollutant, while nitrous oxide is a potent greenhouse gas with a large warming potential.

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Reducing the emissions footprint of our national herd

We're helping farmers breed better cows and get the best from them.

As part of our commitment to faster genetic gain, our team of scientists has investigated the full spectrum of MINDA® herds in search of the 'best cows' and whether a clear correlation existed between genomic Breeding Worth (gBW) and milk production efficiency.

All cows aren't created equal.

The research reaffirms that the best cows, those with high gBW, are more efficient at turning feed into milk. They produce more, have a fertility advantage and are more emissions efficient. High BW (Breeding Worth) animals are more environmentally efficient than lower genetic merit animals because they partition more of the feed they eat into milksolids production and less into waste. This means more nitrogen is converted into milk protein rather than excreted as urine or faeces.

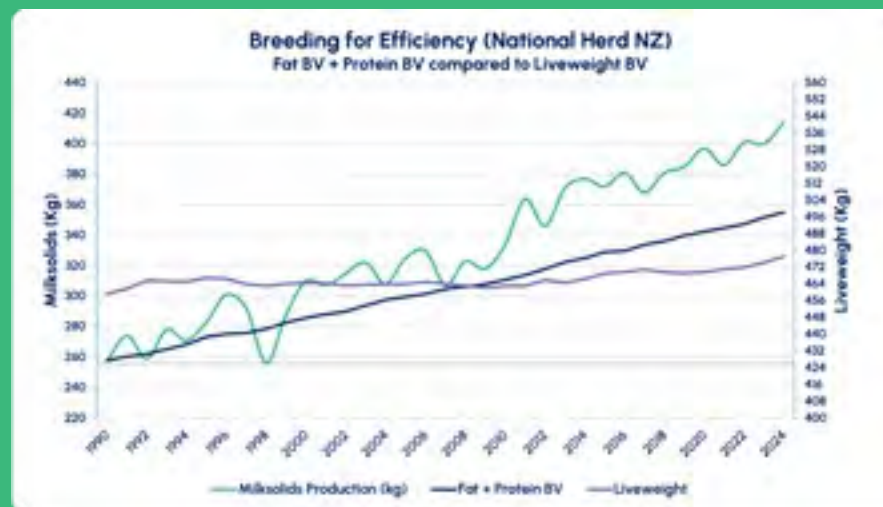
For each additional \$10 BW advantage an animal has, ~2.0g less enteric methane is produced per kilogram of milk solid production. Similarly, for each additional \$10 BW advantage there is also about 1.7g less urinary nitrogen per kilogram of milk solid.

New Zealand farmers must breed more of those highly efficient cows that sit at the top, and fewer of those who sit at the bottom.

We don't need more cows – we need better cows.

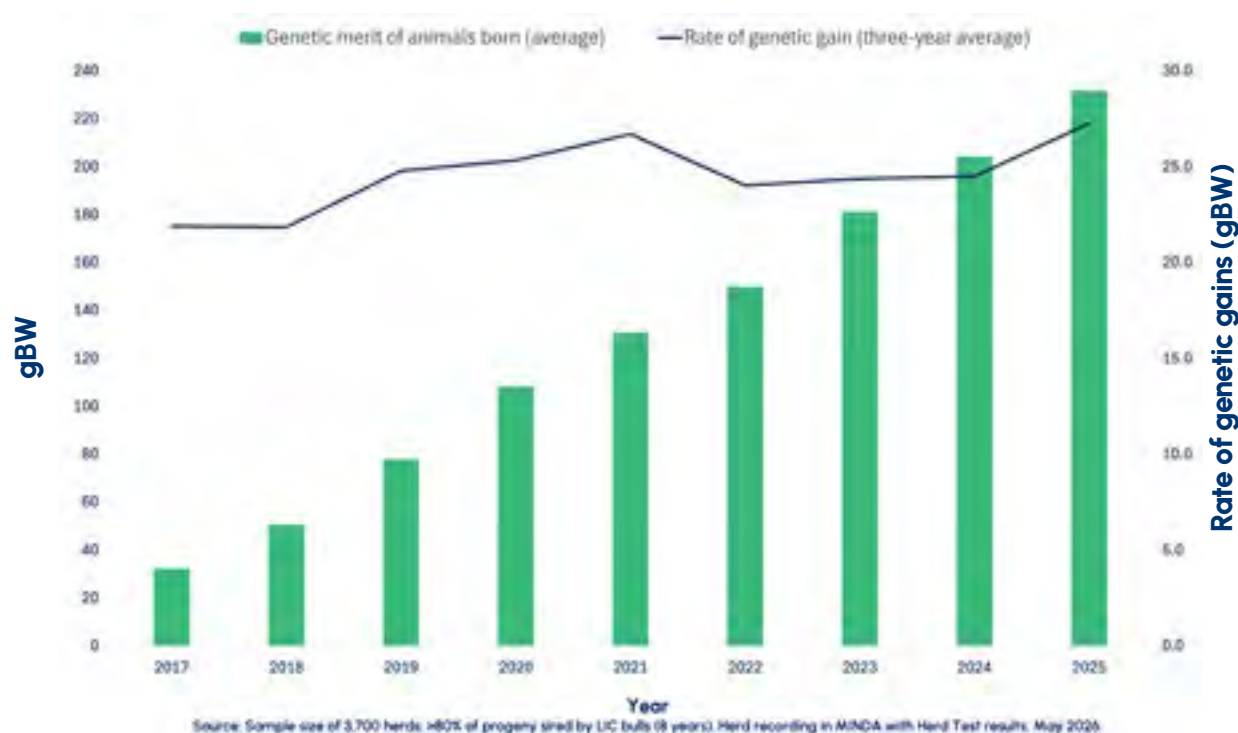
At an individual farm level there can be many variables, but it is conceivable that by 2030 a farmer's whole herd could be performing at the level of their top 25% cows today. The goal is to maintain total milk production from fewer cows, therefore reducing on-farm emissions intensity.

Efficient cows are what the dairy sector needs - genetic gains underpin phenotypic gains



Breeding better cows, faster, is the key to helping farmers solve the challenge of being profitable and sustainable. We've made good progress over the years but, to continue on this trajectory, we need to sharpen our focus.

Genetic Gain in LIC Herds



Long term users of LIC genetics are already doing this – they’ve doubled the speed of improvement in their herds over the last decade. They’re breeding better cows faster, and genomics is the key contributor.

Over more than 30 years we have invested significantly in genomics and, alongside farmers’ herd management decisions, it has played a key role in the faster rates of genetic improvement we’ve seen.

The increased utilisation of genomics in our breeding programme and increased farmer uptake of young genomically selected sires has gone hand-in-hand with higher rates of increased genetic gain in farmers’ herds.

Genomic records, ancestry information and technology allow us to accurately identify elite bulls at a young age so we can start using those animals to breed the next generation of cows sooner. The use of genomics in our breeding programme means we can reduce the generation interval from five years to two.

Farmers are making the switch to high gBW genomic bulls for the value that they deliver on farm. Genomic sires feature in our premium artificial breeding offerings, including the Premier Sires® Forward Pack, A2/A2, Alpha® and liquid sexed semen. During the 2025/26 year, 94.7% of fresh semen straws used for breeding replacements were from our premium bull teams, up from 89.5% the year prior.

Long-term users of LIC genetics are ahead of the pack and moving at pace to increase the speed of improvement in their herds.

Key updates and refinements to our herd improvement toolbox



1. Enhancing our GeneMark® DNA testing service

GeneMark® Genomics

LIC has combined its DNA parentage testing and genomic evaluation services into one integrated service to help farmers identify their highest genetic merit cows to improve their herds. Every eligible sample for female animals sent to LIC's GeneMark® lab receives parent verification as well as a confirmed genomic evaluation (GEV). By offering parentage verification and genomic evaluation in one service, farmers can take the guesswork out of matching calves to their parents for added precision in their breeding programme, while also receiving data to assist in selecting the highest genetic merit animals to join their milking herd.

The significant number of genotypes that will be collected through this product will also enable the selection of the best genomic heifers as bull dams, to drive an estimated 9% improvement in the rate of genetic gain, equivalent to a 1.4-year reduction in the cow-to-bull pathway. In the last reporting period, we reached the significant milestone of genotyping our one millionth dairy animal. This has accelerated rapidly since then, and we have now genotyped more than two million animals.



In May 2026, we marked the start of construction of our new diagnostics laboratory with a blessing by Ngāti Hauā at Newstead. This new facility will support growing demand for GeneMark® Genomics and animal health testing, increase testing capacity over time and support new technologies in the future. The new build provides a practical opportunity to invest in a fit-for-purpose laboratory on land already owned by LIC. The new facility is expected to open by August 2027.

Identify calves with genetic variants

During the course of a five-year research programme, LIC scientists discovered multiple genetic variants that affect animal health and contribute to up to \$10 million in lost production each year across the national dairy herd. Animals tested through GeneMark® are automatically screened, free of charge, for the variants with the greatest impact and farmers are informed of any affected animals in their herd. Our research scientists are continuing with a programme of work focussed on identifying further variants to continue to improve the information available to farmers, so that they are able to rear the healthiest, higher-performing animals.



2. Animal health testing

Johne's Disease

Johne's disease is a contagious infection estimated by DairyNZ to cost New Zealand approximately \$40 - \$88 million in lost production each year. It is caused by a bacterium that infects the gut of dairy cows and other ruminant animals. Common side effects include lower milk production, difficulty reproducing and rapid weight loss.

This disease is common in dairy cows, but it can be difficult to detect – bacteria can remain dormant in the intestines for many years. Johne's disease is contagious and there is no cure.

LIC provides individual animal testing for Johne's disease. In the year ended 31 May 2026, testing increased by a further 20% to a record level of nearly 2 million tests. We are also investigating whether a prediction model can be developed to identify at-risk herds using the mid-infrared spectra data collected through herd testing.



Mastitis

Mastitis is a common disease that affects a cow's udder health and milk quality. According to DairyNZ, the cost of mastitis across the New Zealand dairy sector has been estimated at approximately \$180 million per year.

In August 2025, we introduced a new and improved test to help farmers better detect mastitis in their herds. The Mastitis Multiplex test uses herd test milk samples to detect the three most common mastitis-causing bacteria and provides an indication of potential resistance to penicillin antibiotics. This information is critical in helping farmers make more informed decisions and to improve the productivity of their herd. The new test provides farmers with more information and greater accuracy at a lower cost and has proved popular, with a 51.5% increase in testing.

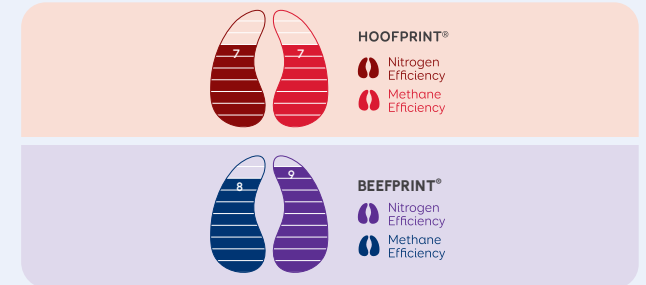


3. Sexed semen

We have a state-of-the-art laboratory dedicated solely to producing sexed semen. It sits alongside our bull farm and semen processing laboratory.

Our fresh sexed semen is accelerating genetic gain in dairy herds by enabling farmers to produce more high-quality replacement heifer calves from top-performing cows. We are the only provider of fresh sexed semen in New Zealand, which delivers a higher conception rate than frozen sexed semen options. A resulting pregnancy has approximately a 90% chance of producing a heifer, providing more high genetic merit heifer calves and enabling the best animals to be selected to be part of the next generation of the national dairy herd.

The expected range of non-return rate performance for sexed semen is less than 5% below conventional fresh semen non-return rate performance. The actual result for this season was only 2.5% below conventional fresh semen.



4. HoofPrint® and BeefPrint®

Our HoofPrint® and BeefPrint® indexes rank our artificial breeding bulls on environmental efficiency. The 10-point ranking systems enable farmers to select bulls based on their predicted ability to generate offspring with a lower environmental impact. The higher the score, the more environmentally efficient the bull.

HoofPrint® ranks and compares enteric methane and urinary nitrogen per kilogram of milksolids produced. BeefPrint® is based on the same methodology principles, although it ranks beef bulls for their lifetime enteric methane and urinary nitrogen per kilogram of meat produced.

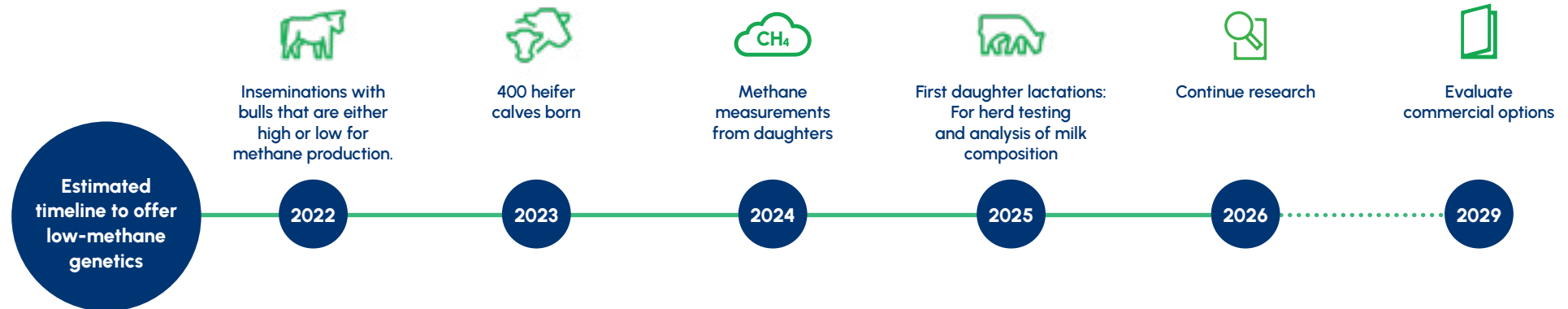


Looking to the future

Our R&D investment and focus on innovation is helping Kiwi dairy farmers retain their position as the most efficient milk producers in the world, playing a critical role in helping the sector meet its climate targets. We are one of the largest investors in R&D in the primary sector. In the reporting period, R&D-related costs were \$26.6 million, equivalent to 8.4% of revenue.

We invest in areas where we have unique capability to maximise the value our farmer shareholders generate from their livestock and products, taking innovation from the lab to the paddock.

Methane research programme



Our methane research programme confirmed that bulls' genetics play a role in how much methane they emit, which highlighted the potential for farmers to breed low methane-emitting cows in the future.

In its first year the programme, backed by the New Zealand Agricultural Greenhouse Gas Research Centre and partnering with CRV, measured feed intake and methane emissions from 281 young bulls set to father the next generation of New Zealand's dairy cows. We found there is genetic variation in the amount of methane emitted after accounting for feed eaten by the bulls, with the lowest-emitting bulls producing around 15-20% less methane than the average. The second year of the research measured methane emissions from approximately 300 young bulls from LIC's 2022 Sire Proving Scheme and CRV's 2022 Progeny Scheme.

In collaboration with Pāmu, we are breeding from bulls that we have identified to be high or low methane emitters. In 2024, we measured the emissions of 398

daughters at our methane measurement facilities on our Tauwhare farm. The results confirmed that the daughters' methane emissions were representative of their fathers. The next step was to measure the daughters' emissions again during their first milking season to confirm whether the variation remained during lactation. The methane daughters calved for the first time in July 2025, and we measured their methane emissions and feed intake during lactation to identify whether emissions measured from a growing bull and/or heifer accurately predicted the methane breeding value of a lactating cow. We also captured standard measurements such as growth rates, reproductive performance and milk production. To enable the research to be completed, we invested in a new purpose-built barn at LIC's dairy farm. In addition, we evaluated alternative measurement methods such as the use of a Portable Accumulation Chamber to allow screening of large numbers of heifers and/or cows in future, and whether proxy measurements could be used to identify low methane dairy cattle.

Unfortunately, the results of the latest research found that this trait is not passed through to lactating cows. While this is a disappointing outcome for the programme, the research has taught us some critical things. First, we have learned that methane traits in bulls are heritable, and this knowledge is already being applied within our dairy-beef breeding programmes. Second, it shows genetics can still play a meaningful role in reducing gross methane emissions. Any future research would likely focus on measuring methane production in a much larger number of lactating cows to develop DNA-based selection criteria.

While these results were not what we had hoped for, this type of research is essential to ensure that the solutions we do deliver for farmers have real value. This work will help guide both LIC's future direction and wider sector thinking.



Increasing heat tolerance in cows

LIC is conducting a seven-year breeding programme to assess the impact of the 'slick' gene in cattle, which produces a short hair coat and improves heat tolerance. Heat stress has significant welfare implications for animals. Dairy cows are especially susceptible to heat stress because of the high metabolic heat load associated with the demands of lactation. For dairy cows, heat stress also impacts feed intake, milk production, fertility and calf birthweight.

The pilot trial found cows with the 'slick' gene had lower rumen temperatures (0.5-1.0°C) compared to their non-slick counterparts when the Temperature Humidity Index exceeded 73 (around an ambient temperature of 26°C and humidity of 60%). No significant differences in rumen temperatures have been observed between the two groups during the New Zealand winter months.

The aim of the breeding programme is to give New Zealand farmers the opportunity to breed high genetic merit dairy cows with improved heat tolerance by 2029. Before offering heat tolerant genetics to

farmers, we want to ensure cows with the 'slick' coat also have the high genetic merit and milk production expected of New Zealand dairy cows. We are using genomic technology to accelerate the breeding programme by screening an animal's DNA at birth to determine whether it has the slick gene.

The current step in the breeding programme is to mate slick genetics with elite cows on selected commercial farms in New Zealand. This step will significantly increase the rate of genetic improvement of animals with slick genetics, while increasing the number of slick animals on the ground and the diversity in LIC's breeding programme. The trial work remains ongoing to ensure that, when these genetics are released to New Zealand farmers, LIC has a robust understanding of the performance of the slick gene and its potential to improve the welfare of dairy cows in the future. If progress continues as expected, in 2029 farmers will be able to breed from high genetic merit slick KiwiCross® sires, with resulting offspring having a significant improvement in animal welfare and milk production under heat stress.

Beef on Dairy genetics

In December 2024, LIC announced an innovative collaboration with Pāmu Farms aimed at transforming the Beef on Dairy sector. Both organisations, together with Pāmu subsidiary Focus Genetics, have worked together on a new beef breeding programme that resulted in the Synergiser brand, bringing together the very best of Stabilizer and Charolais genetics.

With a shared commitment to enhancing sustainability and profitability across the dairy sector, the partnership leverages decades of genetics research and practical experience to meet the evolving challenges faced by dairy farmers, calf rearers, beef finishers and processors. The breeding programme focuses on key traits including short gestation, ease of calving and rearing, strong growth and meat quality. The first bull calves from this programme were born last year and have been closely monitored since then. They have grown well and completed a feed efficiency trial, with some very encouraging results.

By combining Pāmu's expertise in farming innovation with LIC's leadership in genetics, the collaboration aims to support a commercially viable and environmentally sustainable Beef on Dairy sector. The first frozen semen inseminations will be available in limited quantities from spring 2026, enabling us to collect data on calving difficulty and non-return rates before liquid insemination becomes available from spring 2027.

LIC has also invested over several years in the KiwiPrime breeding programme to develop an Angus-Hereford cross Beef on Dairy option that is comparable with other sire breeds for growth and carcass quality, while consistently delivering clean, white face markings at the same level as a Hereford. This product is expected to be available from 2027.

Resilient Dairy: Innovative breeding for a sustainable future

We continued to lead the Resilient Dairy research programme, with investment and support from MPI and DairyNZ. The seven-year Sustainable Food and Fibre Futures programme was launched in June 2019 and concluded this year. When the programme began, the sector was facing simultaneous financial, biosecurity and regulatory pressures and needed new tools to do more with less. It was recognised that resilience requires both management tools, such as diagnostics and insights, and genetic solutions, including breeding values and improved genetic prediction, to make progress permanent and cumulative.

The programme involved investing in new disease management technologies and advances in genomic science to produce better cows with improved health, wellbeing and environmental resilience. The research has included developing new tests to detect micro-organisms affecting cow health, developing a range of new health and welfare-related genomic breeding values, and improving the genomic evaluation models for New Zealand's pastoral dairy herds. We continue to use our genomic sequencing technology to identify genetic strands and discover which cows have particular viruses or bacteria.

Milkomics™

The Milkomics™ workstream has identified and quantified a significant number of species in milk, including bacteria, viruses, protozoans and fungi. Our research team has produced a prototype reporting format that allows us to report on twelve mastitis-causing organisms and their presence, absence and quantity (cells/ml) in bulk milk. We also produced graphs and reports showing how individual farms compare at both the individual farm level and at a regional scale. We now have enough baseline data to establish national baselines for the species present.

Knowing which microbes and viruses are present within a herd, and at what level, means pathogens can be managed in a timely and appropriate way. By comparing the qualitative and quantitative profile of targeted pathogens with profiles obtained from a national, regional and/or farm level, it should be possible to identify potentially problematic microbes and viruses and establish an eradication plan where appropriate.

Facial eczema

Facial eczema is a disease caused by the ingestion of toxic spores from a fungus that grows on pastures in New Zealand. The fungus prefers warm, moist conditions and is seen mostly in the North Island, typically over summer and autumn. The disease causes liver damage and, in the worst cases, affected animals die. The challenge in collecting facial eczema phenotypes is that incidence varies from season to season. Herds can be affected one year and not affected again for several years. However, climate change is likely to increase the presence of the fungus.

A milk biomarker test has been a breakthrough in collecting phenotypes. The test has been validated and used to investigate genetic susceptibility to facial eczema, and the biomarker has been used to identify herds with liver damage through blood sampling. More than 10,000 individual cows have been blood sampled over the past 3 years, and testing has confirmed that we can measure genetic variation in facial eczema, with around 23% estimated to be due to genetics. LIC has developed the facial eczema breeding value (FE) to enable farmers to breed cows that are more resistant to the disease.

Reducing the environmental footprint of our business

LIC operates as a farmer-owned co-operative focused on dairy genetics, herd improvement and on-farm services. Our strategy is increasingly aligned with addressing climate change by supporting the development of a more efficient, lower-emissions dairy herd. We recognise risks such as regulatory pressure, reduced herd size and climate impacts on farming, as well as opportunities including breeding lower-emitting and more productive cows. LIC's long-term strategic direction emphasises innovation, particularly through genetics and R&D, to help farmers maintain productivity while reducing emissions intensity across the dairy sector.

LIC publishes GHG emissions reduction targets, embeds sustainability into purchasing and investment decisions, and works with suppliers to reduce their emissions.

In the previous two years, LIC was a Climate Reporting Entity. During the reporting period, the Government announced significant changes to the climate-related disclosures regime. Although LIC is technically still a Climate Reporting Entity, as defined under the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021, this will no longer be the case under changes proposed in the Financial Markets Conduct Amendment Bill. In October 2025, the Financial Markets Authority confirmed "no action" relief for climate reporting entities due to be relieved of mandatory reporting. Accordingly, LIC will not prepare or publish Climate Statements for the year ended 31 May 2026. Climate Statements for previous periods can be accessed on LIC's website at: lic.co.nz/about/environment-and-sustainability/climate-disclosure-reporting/

While recent physical impacts, such as droughts and extreme weather, have not had material financial effects, they are increasing in frequency and influencing planning. LIC has used scenario analysis, including "Sharp Corrections", "Slow Followers" and "Hothouse" scenarios, to assess potential future outcomes, including reductions in dairy herd size and varying levels of physical and transition risk. These scenarios highlight that LIC's resilience depends on adapting to uncertainty, investing in innovation and supporting farmers to improve efficiency as the sector transitions to a lower-emissions future.

GHG emissions reduction targets

LIC previously set GHG emissions reduction targets based on methodologies using SBTi (Science Based Targets initiative) tools and guided by the biogenic methane emissions reduction target in the Climate Change Response Act 2002. The intention was to reduce our greenhouse gas (GHG) emissions and contribute proportionately to efforts to limit the global average temperature increase to 1.5°C above pre-industrial levels.

During the prior reporting period, management reviewed LIC's absolute GHG emissions reduction targets and the Board approved them.

While we have worked hard to reduce emissions, targets set based on methodologies using SBTi tools are not considered to be achievable given challenges with sufficient novel technology not being available within the necessary timeframe, or at an uncertain cost, to achieve the targeted emissions reductions.

LIC also has the unique opportunity to help the New Zealand dairy sector to reduce methane emissions intensity through genetic improvement R&D. This opportunity has led LIC to increase trial animal numbers, and therefore our Scope 1 biogenic emissions, to conduct R&D that can help drive long-term reductions in methane emissions intensity for the New Zealand dairy sector. LIC may also potentially need to hold a higher level of bulls over time if there is a significant reduction in natural mating bulls across the dairy sector. This could result in higher emissions for LIC, but a lower level of methane emissions across the dairy sector through breeding for lower-emitting cows.

The below targets apply for the entire current reporting period and do not include any assumption for offsetting emissions. Although SBTi methodology has been considered, the targets have not been accredited by SBTi.

GHG emissions – absolute reduction targets	Updated target to 2035 (% below 2018/19 base year)	Basis for determination of target contribution to limiting global warming to 1.5°C
Scope 1 – Direct emissions, excluding biogenic emissions and emissions related to animals	36.8%	The target was calculated to 2035 using SBTi methodology* (resulting in 67.2%), then adjusted to exclude reductions that are unlikely to be achievable based on the development of novel technology, because it is too uncertain as to whether such technology will be feasible or cost-effective (e.g. hydrogen fuel in rural areas) to enable LIC to achieve.
Scope 2 – Indirect emissions	46.2%	The target was calculated to 2035 using SBTi methodology* (resulting in 67.2%), then adjusted to exclude reductions that are unlikely to be achievable through installing solar panels on leased properties, because it is too uncertain whether lease-owners will do this. Although not factored into the target, we also note that year-to-year LIC's Scope 2 emissions could be subject to volatility related to the energy emissions factor.
Scope 1 – Direct biogenic emissions	No target	No target has been set as LIC may need to hold additional animals to support reduction of emissions across the NZ dairy herd.
Scope 3 – Indirect emissions	No target	No target has been set as LIC has limited ability to influence or reduce material aspects of these emission sources.

*SBTi methodology has been used as a key input to the basis for our determination of targets contributing to limiting global warming to 1.5°C as it provides a framework for setting emissions reduction targets aligned with climate science and the aim of limiting warming to 1.5°C above industrial levels.

LIC considers that we will contribute proportionately to efforts to limit the global average temperature increase to 1.5°C above pre-industrial levels through:

- LIC's own GHG emissions absolute reduction targets, which have been calculated to the extent currently achievable based on adjustments to SBTi methodology for Scope 1 and 2; and
- LIC's contribution to reducing methane emissions intensity in the national dairy herd through assisting dairy farmers and supporting milk processors to breed for the future herd now, using the best tools, insights and genetics. This includes breeding for lower methane-emitting bulls and cows and reducing demand for natural mating bulls.

LIC has not sought third-party verification or opinion in relation to the above statement and is not relying on carbon offsets to contribute proportionately.

Our emissions

We first measured our emissions in the 2018/19 financial year (1 June 2018 to 31 May 2019). These measurements currently serve as our base year for comparing all future emissions.

From our 2018/19 base year to 2025/26, we have reduced our total Scope 1 & 2 CO₂ emissions, excluding biogenic emissions, by 25.6%, equivalent to 1,074 tCO₂.

Our 2025/26 Scope 1 biogenic emissions decreased by 5.9% from our base year, equivalent to 233 tCO₂.

2025/26 Scope 3 emissions, excluding biogenic emissions, decreased by 27% from our base year, equivalent to 2,243 tCO₂.

The following table shows our emissions profile and how we are tracking against the base year.

	2018/19 Base year	2024/25*	2025/26*	2025/26 Change from base year	2025/26 Change from prior year
Scope 1 – Direct emissions tCO ₂ -e**	3,811.8	3,096.4	2,878.0	-24.5% ↓	-7.1% ↓
Scope 2 – Indirect emissions tCO ₂ -e	377.1	295.0	237.2	-37.1% ↓	-19.6% ↓
Scope 1 – Direct Biogenic emissions CH ₄ (tCO ₂ -e)***	3,921.7	3,691.4	3,688.7	-5.9% ↓	-0.1% ↓
Total Scope 1 & 2 emissions	8,110.5	7,082.7	6,803.9	-16.1% ↓	-3.9% ↓
Scope 3 – Indirect emissions tCO ₂ -e	8,305.6	5,631.7	6,062.7	-27.0% ↓	7.7% ↑
Scope 3 – Indirect Biogenic emissions CH ₄ (tCO ₂ -e)	200.5	208.4	44.9	-77.6% ↓	-78.4% ↓

* Scope 1 & 2 data for 2024/25 was within the scope of limited assurance by KPMG. 2025/26 data has been subject to verification procedures by Toitū

** Excluding biogenic emissions and other agricultural emissions relating to animals, includes emissions relating to crops, fertiliser use, and indirect N₂O emissions

*** Emissions relating to effluent, excreta, enteric fermentation and wastewater treatment

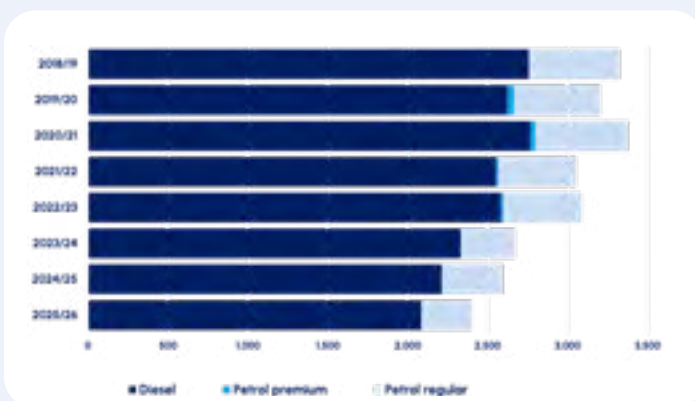
The 2018/19 Scope 3 emissions base year has been restated to include additional emissions data that has become available since it was last disclosed in the 2023 Sustainability Report. This includes emissions relating to LIC's use of liquid nitrogen and improved data on employee commuting and business travel mileage claimed. Otherwise, there are only minor adjustments for improved data quality in the prior period.

LIC's top five emissions sources were:

Scope	Emission source	2018/19	2024/25	2025/26	2025/26 change from base year	2025/26 change from prior year
Scope 1 – Direct emissions	Diesel	2,756.0	2,208.6	2081.9	-24.5% ↓	-5.7% ↓
	Petrol regular	568.1	380.4	316.9	-44.2% ↓	-16.7% ↓
Scope 1 – Direct biogenic emissions	Enteric fermentation methane	3,193.5	2,957.8	2,817.0	-11.8% ↓	-4.8% ↓
	Excreta N ₂ O	631.6	647.4	528.4	-16.3% ↓	-18.4% ↓
	Effluent methane	59.3	54.2	276.6	366.4% ↑	410.3% ↑
Scope 2 – Indirect emissions	Electricity	377.1	295.0	237.2	-37.1% ↓	-19.6% ↓
Scope 3 – Indirect emissions	Employee commuting	4,835.2	2,848.8	2,993.7	-38.1% ↓	5.1% ↑
	Business travel mileage claimed	1,310.4	1,467.1	1,578.5	20.5% ↑	7.6% ↑
	Liquid nitrogen	390.9	517.7	571.0	46.1% ↑	10.3% ↑
	Air travel long haul (business)	791.8	170.6	212.7	-73.1% ↓	24.7% ↑

Fuel emissions continue to decline, with petrol emissions reducing by 44.2% from the base year and diesel emissions reducing by 24.5%. LIC diesel emissions decreased by 5.7% from the previous reporting year as LIC transitions to hybrid utes. However, the diesel reduction is likely to plateau until viable vehicle alternatives are available to reduce light truck diesel emissions. Overall, fuel emissions have continued to decrease year on year.

Scope 1 - Transport fuel emissions t-CO₂-e



Total Scope 1 agricultural biogenic emissions decreased by 5.9% from the base year in the 2025/26 reporting year due to lower stock numbers, primarily related to fewer animals in LIC trials across New Zealand that are not on LIC farms. Effluent methane, a component of these emissions, increased significantly during the period due to additional cows temporarily based at LIC's dairy farm during the methane trial.

Employee commuting emissions source data is based on a staff survey that captures travel distance, fuel type, vehicle size and vehicle age. The data is based on 328 individual responses, together with an estimated 25.95 km round trip for all other commuting staff members using an average fuel emission factor. The data excludes employees commuting in LIC fleet vehicles and can fluctuate significantly each year because of the estimated nature of the source data.

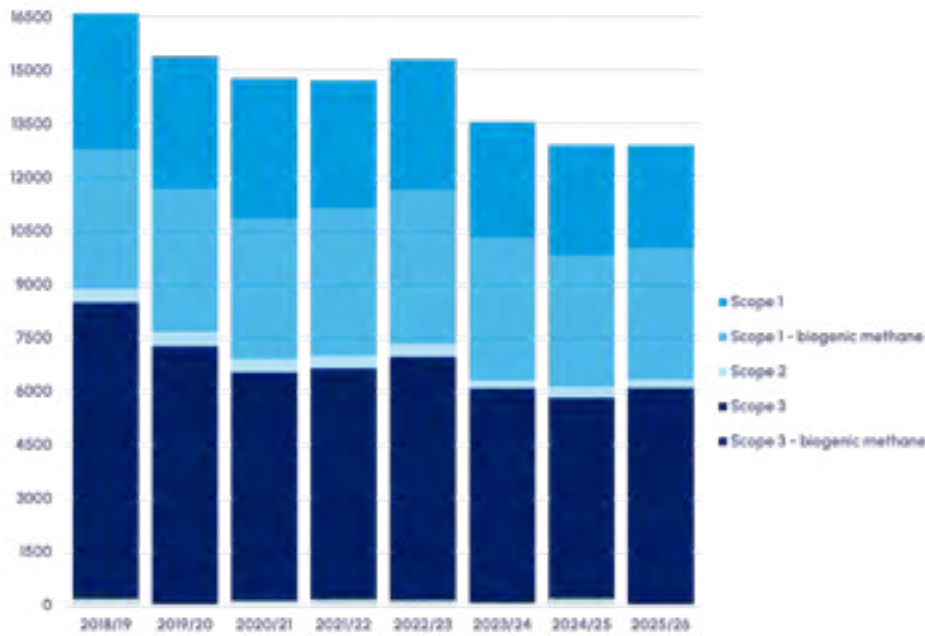
Initiatives underway or planned for 2026/27 to help reduce our emissions are outlined in the table below:

Objective	Actions
Reduce fuel emissions – Scope 1 emissions	- Continue replacing fuel-based vehicles with EVs/Hybrids where practical - Install further EV charging stations at LIC locations and in employee homes for LIC EV vehicles
Reduce use of artificial fertilisers – Scope 1 emissions	Whole farm soil testing every 3 years to enable targeted fertiliser applications on paddock basis
Energy reduction plan – Scope 2 emissions	Implement initiatives from the LIC Energy Strategy 2024–2030: continue to analyse data from IoT system trial, continue data analysis from solar systems, Solar Phase 2 business case, Building Management System investigation and business case
Reduce biogenic methane emissions	- Methane reduction research programme to breed for lower methane emitting bulls in future - Optimising feed growing on farm and conversion to milk, reduce bought-in feed - Reduce stocking rate while keeping production level
Improve Scope 3 data capture	- Continue annual survey of employees on transport information to and from work - Full value chain materiality assessment
Staff engagement	Organise events to engage with staff in reducing their carbon footprint including guest speakers
Waste standardisation – Scope 3	Continue to monitor effectiveness of the new recycling services at all LIC sites in New Zealand with the aim to reduce waste to landfill, increase recycling rates

To assist in compiling GHG data, we use Toitū Envirocare’s external carbon calculator. Our full GHG Inventory Report is reviewed by members of LIC’s Senior Leadership Team, and we engaged Toitū to verify LIC’s 2025/26 GHG emissions data. This is not considered to be independent assurance.

We do not use carbon credit offsetting. LIC’s farms would likely be impacted if an agriculture farm-level emissions pricing scheme is introduced in future.

LIC’s GHG emission scopes



Emission Scopes	LIC GHG inventory inclusions
Scope 1 – Direct GHG emission sources	Diesel, petrol, reticulated natural gas and LPG, and agricultural emissions relating to crops, fertiliser use, and indirect N2O from our farms (excluding biogenic emissions)
Scope 2 – Indirect GHG emission sources	Purchased electricity
Scope 3 Other GHG indirect emission sources	Liquid nitrogen, air travel – international and domestic, freight, electricity and natural gas distribution losses, staff commuting, business travel not in LIC owned vehicles, rental cars, water supply, waste and recycling of paper, card and glass
Scope 1 – Direct biogenic emissions	Emissions relating to effluent, excreta, and enteric fermentation and the impact of waste added to soil from our livestock and the onsite wastewater treatment plant at Newstead
Scope 3 Indirect biogenic methane emission sources	Wastewater treatment, composting, and waste

Financial implications and other risks and opportunities due to climate change

Climate-related risks fall into two main categories: physical risks and transition risks. These risks have the potential to affect LIC's entire business, including through their impact on our dairy farmer customers. Climate-related risks and opportunities are considered as inputs into LIC's internal capital deployment and funding decision-making processes.

Physical risk

Physical risk factors relate to the impacts of a changing climate and environment, and can be categorised as acute or chronic:

- Acute risk factors relate to more frequent and intense extreme climate events such as heatwaves, droughts, bushfires, floods and storms; and
- Chronic risk factors relate to gradual changes in climate conditions such as increasing temperatures, changing rainfall patterns and sea-level rise.

While the effects of climate change are expected to intensify over coming decades, a number of impacts are already being observed. Impacts over and above historical seasonal weather variations are becoming more frequent, although not every climate event or impact experienced results in a material financial impact for LIC.

Impact	Description of impact	Current financial impacts
Drought or dry summer conditions	Early dry-off of cows has been assessed as likely to be partly due to dry conditions in some areas. Early dry-off affects LIC's activity levels, for example through re-booking pressure or cancelled herd testing of milk.	Cannot be quantified / no material financial impact. It is not possible to identify lost revenue in the reporting period that is specifically attributable to drought or summer conditions exacerbated by climate change. Farmers may have had multiple reasons for cancelling a product or service, including the stock of additional feed or the cost of feed outweighing the benefits of additional days in milk. Overall, there has not been a material financial impact, as herd test revenue is higher than budget for the year.
Weather events	Extreme weather events caused minor disruption to LIC production and services due to disrupted farmer operations from flooding at times, which required some reorganisation of LIC services.	No material financial impact. Weather events during the period were sufficiently temporary to not materially impact LIC services provided on farm or result in a material financial impact for LIC. However, they are nevertheless material impacts because they indicate a trend of increasing weather volatility and therefore have an influence on LIC's planning for exposure to this risk on an ongoing basis. LIC has not made any material weather-related insurance claims during the reporting period.

Transition risk

Transition risk factors relate to the process of transitioning towards a climate-resilient, lower-emissions society where transition pathways may vary and can be further categorised as arising from changes in:

- Political changes, including policies and regulations, access to land, geopolitics and food security changes affecting both the wider economy as well as those impacting the dairy sector
- Economic changes, including access to banking and insurance services, customer demand, energy security and carbon pricing
- Social changes, including labour force dynamics and consumer behaviour and preferences
- Technological changes, including developments in farming practices, food production and energy distribution; and
- Legal changes, including sustainability litigation.

Impact	Description of impact	Current financial impacts
Legislation and regulation	• LIC is impacted by regulatory change and uncertainty in NZ relating to climate policy, as well as general emissions reduction policies • Resources allocated to collate data, perform analysis, prepare and review GHG emissions, associated reports and the Sustainability Report	No material financial impact
Efforts to reduce LIC's emissions or reduce environmental impact risk	• Ongoing transition of vehicles to electric vehicles (EVs) and hybrids to further reduce LIC's fuel emissions. • Further additions to LIC EV charging station network. • Ongoing discussions with suppliers to reduce waste, increase recycling, improve efficiency and access to emissions data. • Other asset replacements to reduce climate impacts.	No material financial impact. Not all costs are able to be separately identified, such as electricity supply for EV charging stations, change in costs solely due to increased electrification of vehicle fleet, employee time, which have been partially offset by lower fuel costs and power costs.
Investments in climate-related research	• Continued investment in climate-related opportunity research projects to assist farmers to reduce emissions or adapt to climate change through improved genetics in future, including methane validation trials, a new barn and associated equipment for measuring methane from lactating cows, and a heat tolerance breeding program.	\$1.6 million cost (only includes cost capitalised in the period in relation to the methane barn).

The number of cows in the national herd is a key assumption considered as part of LIC's strategic planning process and underpins our expected five-year activity levels in relation to product sales. In addition, the biggest asset on LIC's balance sheet is our bull team. There is a complex and interrelated mix of factors impacting cow numbers, including climate-related risks and opportunities, such as milk price volatility, farmers seeking to diversify their operations, changing land use, the high cost of capital for new entrants and succession planning challenges on farm. Seasonal milk prices are also a key assumption. A low milk price can generally result in lower levels of activity as farmers seek to reduce costs. The risk of low milk prices could be increased by climate-related factors, such as market or reputation transition risk, but can also have an inverse relationship. Where weather conditions contribute to global supply being lower than demand, milk prices could be stronger.

Climate-related opportunities

Climate-related opportunities arising from the dairy sector's need to reduce emissions intensity have been identified by the Board, SLT and other senior leaders through discussions with farmer shareholders and milk processors, strategic analysis and R&D. Opportunities identified include:

- Increased farmer use of premium genetics, DNA, animal health and milk testing to identify and maximise productive and healthy animals and reduce emissions intensity in the national dairy herd.
- Potential regulatory change relating to gene editing, which could create further R&D opportunities.
- Where dairy farmers increasingly rely solely on artificial breeding, there is an opportunity to reduce the number of natural mating bulls in New Zealand.
- Heat stress has significant welfare implications for animals. For dairy cows, it can also affect feed intake, milk production, fertility and calf birthweight. Introducing the 'slick' heat-tolerant gene into the country's dairy herd could significantly improve dairy cow heat tolerance in hotter temperatures over the long term.
- Where pasture-based systems become more cost effective in other countries, New Zealand genetics may become more attractive.

What we're doing to improve business sustainability

Environmental Management System

We have an Environmental Management System that provides a framework for managing our environmental impacts. This includes an Environmental and Sustainability Management Committee with representatives from each business unit. The committee reviews the environmental aspects, inherent risks and residual risks of our activities, products and services, including those involving suppliers and contractors. It also evaluates current and proposed controls to avoid, mitigate or remedy adverse effects. Committee members maintain LIC's Environmental Aspects Register for their respective areas of the business.

Strategy Documents

LIC has an Environment and Sustainability Strategy in place covering the period 2024-2027. The strategy covers waste reduction, greenhouse gas inventory improvements, transition planning, energy initiatives, integration of Te Ao Māori principles for environmental sustainability, biodiversity work and sustainable transport solutions.

The Energy Strategy for 2024-2030 is a detailed companion to the Environment and Sustainability Strategy. It is based on a 'record, replace, reduce' framework to help LIC transition to cleaner energy sources.

LIC has also put a Transition Plan in place to help us adapt, mitigate and prioritise actions in the short, medium and long term to reduce GHG emissions, respond to risks and opportunities, and contribute to a thriving sector-wide transition.



Energy audit

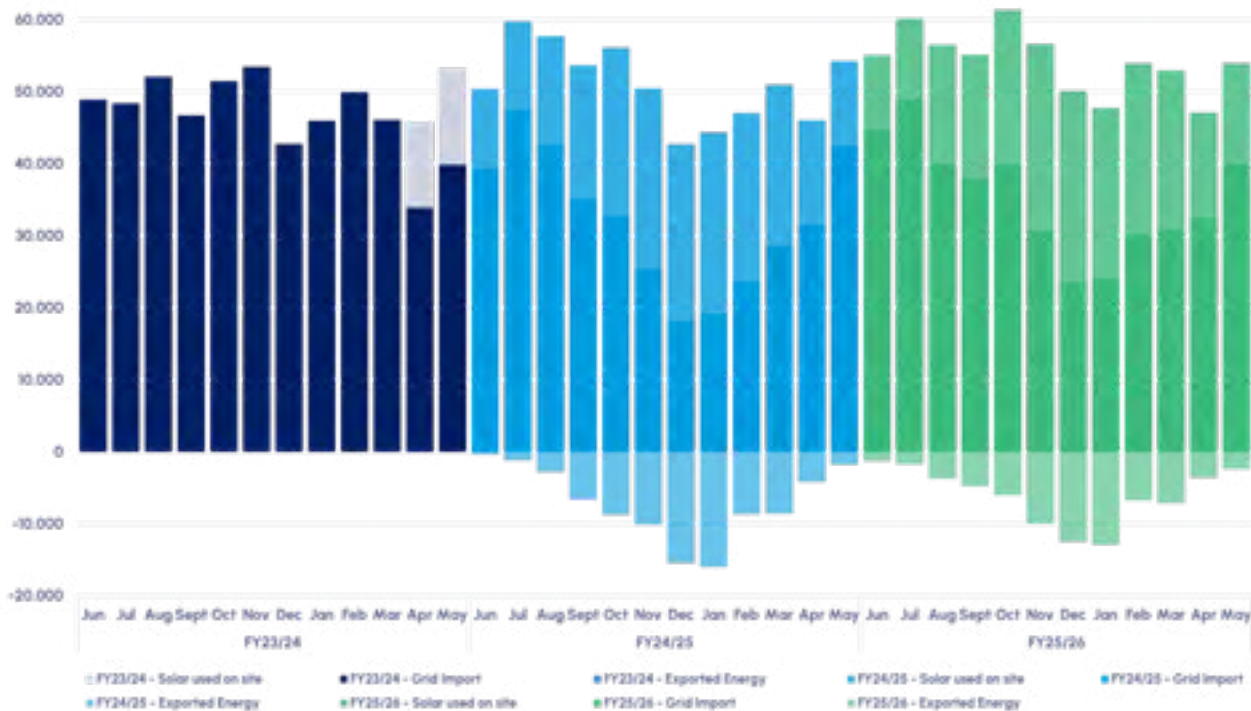
Following an independent energy audit of the Newstead site in 2024, LIC continued to implement priority recommendations aimed at improving energy efficiency and site energy performance. Progress during the reporting period included energy efficiency upgrades and ongoing monitoring of energy use to inform future investment decisions and support reductions in energy-related emissions.

Solar panels

LIC has a target to reduce its Scope 2 GHG emissions from electrical power usage by 46.2% by 2035. Rooftop solar panels are in place at Innovation Farm and the Mystery Creek Warehouse, and Newstead has more than 480 solar panels.

Since installation, the Newstead solar system has continued to perform strongly, generating renewable electricity that reduces reliance on grid-supplied power and lowers operational emissions (refer graph). During periods of high generation, excess electricity has been exported to the grid, contributing renewable energy to the wider electricity network. The system has performed consistently in line with seasonal expectations and continues to support LIC's emissions reduction goals, improve energy resilience and reduce exposure to future electricity cost increases. Following the success of the initial installation, opportunities to further expand on-site solar generation are being assessed.

Energy use (kWh)



Through a renewable energy supply arrangement at Innovation Farm, LIC continues to use electricity generated from an on-site solar system. While the system is not owned by LIC, it provides access to lower-cost renewable electricity, reduces reliance on grid electricity and supports LIC's transition to lower-emissions operations.

Vehicles

To contribute to reaching our Scope 1 target, we are transitioning our fossil fuel company cars within the fleet to EV and hybrid models where practical. The current fleet includes 15% EVs and 35% hybrid vehicles. Vehicle tracking is also in place to support vehicle efficiency.

We have 65 EV chargers installed, including 30 home chargers for employees with company vehicles and one super-fast 60kw/hour charger at Newstead in the Waikato. Staff with personal EVs can charge their vehicles on site at no cost, with the aim of encouraging staff to consider choosing an EV when purchasing a new car. We have upgraded the power infrastructure at Newstead, which will allow additional chargers to be installed as demand increases.

Travel

Employees have flexible working options, with the benefit of reduced emissions from commuting.

Farms

We have an ongoing programme of investment to upgrade waste management infrastructure across our farms, as well as shade planting for animal welfare and riparian planting to reduce the environmental impact of our farming activities. Each LIC farm has its own environmental management plan, and employees are trained to ensure compliance. Farm Environment Plans cover areas such as soil type, stocking rates and policy, riparian planting, waterways, flood risks, effluent, pasture renewal and cropping, fertiliser use and GHG emissions. These comprehensive documents review the whole farm system and identify opportunities to improve environmental performance. We have set timelines for implementing the improvements identified.

We have policies relating to animal welfare, and all animals entrusted to our care are treated with respect in accordance with the Dairy Cattle Code of Welfare 31/10/2019, a Code of Welfare issued under the Animal Welfare Act 1999.

We use fencing to keep our animals away from waterways and sensitive areas on our farms, our effluent pond at Innovation Farm is being monitored as part of a methane reduction trial and on LIC farms we also generate and recycle waste oil from our equipment.

Water management

We have consents to discharge trade waste from operations at Riverlea in the Waikato and in Christchurch, and a consent to discharge to land from the wastewater treatment plant (WWTP) at Newstead. The WWTP uses anaerobic reticulation to treat waste before it is fed through a wetland filtration system and discharged to land. The WWTP field was upgraded this year after plant roots disrupted the pipework, and the discharge field has been relocated in preparation for the new laboratory building project. We also have several bore water wells on farm.

In June 2024, we completed an upgrade of the trade-waste treatment facilities in Christchurch, replacing the single grease trap with two traps in series. The council has recognised that, despite our efforts, we have been unable to meet the existing target and has increased our limit.

The Riverlea trade waste system is not capable of meeting consent requirements and has been non-compliant for some time. As directed, a report will be submitted to CoLabs in June outlining the proposed remediation approach.

Waste management

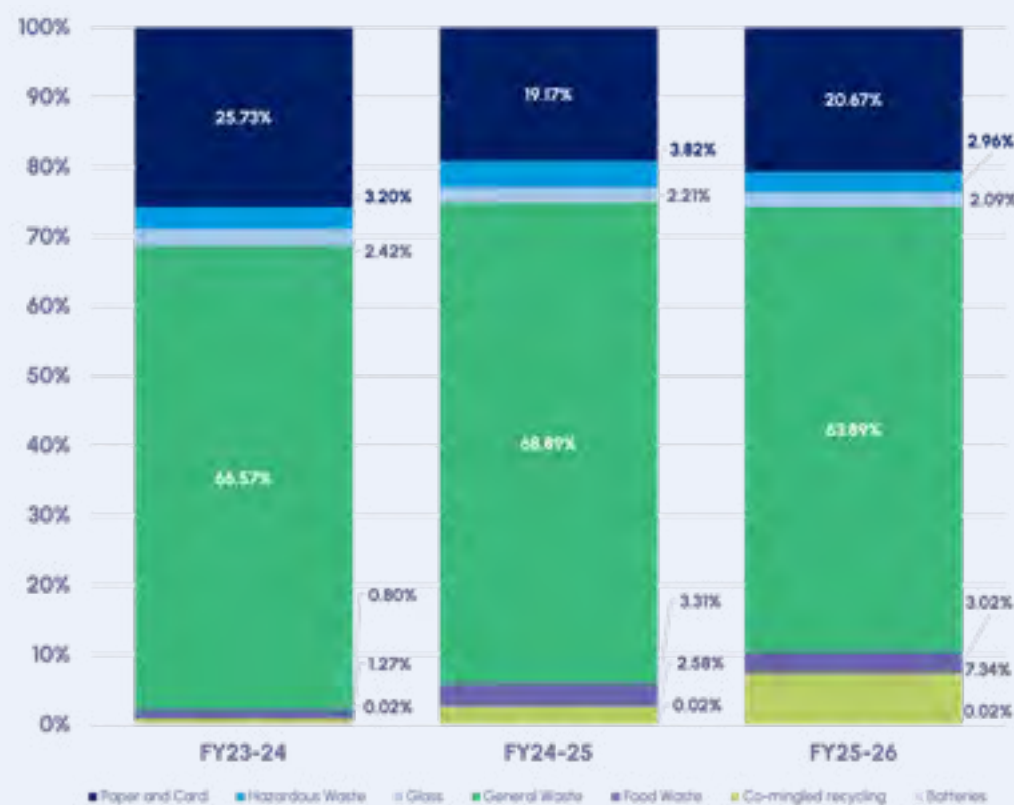
During FY2025/26, LIC completed the rollout of a national waste standardisation programme, transitioning sites to a single waste management provider and implementing a consistent waste and recycling system across the country. The initiative was designed to improve data quality, increase visibility of waste streams and provide staff with consistent recycling and disposal options regardless of location.

Moving to a single provider has improved the completeness and consistency of waste reporting, providing greater confidence in the data and enabling more meaningful analysis of waste generation and disposal trends across LIC. As a result, additional waste streams that were previously less visible are now easier to quantify and track, supporting more informed decision-making and targeted waste reduction efforts.

Early results indicate improved separation of recyclable materials, with increased capture of co-mingled recycling and other diverted waste streams. While general waste remains the largest waste stream across the organisation, the improved reporting framework provides a stronger baseline for identifying reduction opportunities and tracking future performance.

Standardising waste management also supports LIC's broader environmental objectives by encouraging consistent waste behaviours across sites, improving recycling outcomes and strengthening the data available to support ongoing waste minimisation initiatives. LIC will continue to monitor waste performance and work with sites and suppliers to identify opportunities to further reduce waste sent to landfill and increase resource recovery.

Waste stream proportion (% of total weight)



Waste left on farm

When AB services are performed on farm, our technicians generally leave materials used during the process on farm, such as gloves and wipes. Many of these products are difficult to recycle because of factors such as contamination with biological material. However, we can recycle some single-use plastics that are not in direct contact with contaminants. We recycle the single-use soft plastic sheath bags used on farm to carry loaded inseminators to prevent cross-contamination and clearly identify breeds. Since 2024, we have diverted 2.3 tonne of soft plastics that would otherwise have been left on farm to Future Post, where they contribute to the manufacture of fence posts.

Where we perform on-farm services that collect biological material, such as herd testing, strict processes are followed to minimise the risk of disease transfer between farms.

To minimise the risk of disease transferral:

- Our AB technicians clean and disinfect boots when entering a farm, use single-use gloves that cover the shoulder and chest area, use single-use disposable sheaths, and use isopropyl wipes to clean equipment between farms.
- New young bulls are quarantined from existing bulls for a period of time. Bulls used for international markets are quarantined and tested as required under regulations, and double fencing is used to separate individual bulls in the core bull team. Daily monitoring is also undertaken for any health concerns.

Social sustainability – caring for our people

For LIC, social sustainability means caring for our people and ensuring they have the tools and support they need to continue delivering value to our farmer shareholders.

We are focused on fostering a culture that embraces change, builds capability, encourages our people and drives results that deliver greater customer value. We invest in our people to develop their talent and provide a positive, safe working environment.

Alongside our full-time employees, we also employ close to 1,350 seasonal employees in the Artificial Breeding (AB) area during peak season, and around 300 other seasonal or casual workers throughout the year to support other areas of the business, such as herd testing. Each year, our qualified AB technicians visit farms in their local area, artificially inseminating millions of cows, with peak season running from September to December.

Key Metrics

900

More than 900 full-time equivalent employees, of which 587 are women

8,500

Farmer shareholders

4.30

Lost Time Injury Frequency Rate (per 200,000 hours worked) down slightly from 4.33 last year

Governance structure

Our governance structure includes a Board of Directors, Shareholder Reference Group and Senior Leadership Team. Each group contributes to driving value for our farmer shareholders.

Board of Directors

Our Board is responsible for the overall governance of LIC on behalf of our farmer shareholders, with a focus on improving the prosperity and productivity of our customers. LIC Directors set the vision and long-term goals of the co-operative. This includes the strategy to achieve that vision, as well as monitoring its implementation. Information on Board sub-committees is available in the governance section of LIC's annual report.

The Board must comprise at least six elected farmer directors, balanced between the North and South Islands, and up to four independent directors to allow specialist expertise to be added when needed.

In July 2025, LIC announced Blair O'Keeffe as a new Appointed Director. At the annual meeting in September 2025, Elected Director Ben Dickie stepped down and Nicola Shadbolt was elected as Elected Director for the North Island.

From left to right (as at 31 May 2026): Mike O'Connor, Blair O'Keeffe, Nicola Shadbolt, Sophie Haslem, Corrigan Sowman (Chair), Tony Coltman, Victoria Trayner, Hamish Rumbold, Duncan Coull





Shareholder Reference Group

Our Shareholder Reference Group is an independent body of shareholders that works collaboratively with our Board and management. The group promotes the interests of shareholders and helps us deliver on our purpose and vision.

The Shareholder Reference Group is made up solely of farmer shareholders. It has twelve members across four territories. Eight members are elected by shareholders and four are appointed by the existing Shareholder Reference Group members to ensure diversity and a broad range of skills.

From left to right: Back row: Linda Rollinson, Michelle Oldham-Smith (Deputy Chair), Ben Smith (Chair), Phil Lowe, Kirsten Watson, Nikki Cameron
Front row: Hadlee Cade, Clarence Stolte, Frances Beeston, Aleisha Broomfield, Dan Jono

Senior Leadership Team

Our SLT works alongside the Board to develop and implement our short and long-term strategy and establish the key metrics we measure ourselves against, so we know we are delivering on the commitments made to shareholders. In 2025, Roz Urbahn, Chief People Officer, left the business and was replaced by Jacquie Shuker, who commenced the role in January 2026.

From left to right: Brent Mealings (Chief Financial Officer), Mark Julian (GM Operations & Service), Geoff Corbett (GM NZ Markets), Dhaya Sivakumar (Chief Information Officer), David Chin (Chief Executive), Jacquie Shuker (Chief People Officer), Richard Spelman (Chief Scientist), Paul Dunbar (GM International)



Caring for our people

Wellness

Through our Well Aware programme, we continue to prioritise holistic wellbeing by providing meaningful support and resources across the key pillars of well body, well mind and well life. The Well Aware Hub on LIC's intranet continues to serve as a central access point for staff seeking wellbeing tools, information and support.

A Mental Wellbeing at Work workshop continues to run quarterly for new employees and is facilitated internally by the Wellbeing and Recovery Advisor. This is a short introductory session on supporting both personal wellbeing and the mental wellbeing of others at work. It introduces employees to a holistic wellbeing approach and connects them with available support services. The Te Whare Tapa Whā model and the Five Ways to Wellbeing are used as guiding frameworks.

A Supporting Employee Mental Health workshop also runs quarterly and covers a range of employee mental health scenarios and best-practice approaches for responding. All new people leaders are expected to complete this workshop within their first few months at LIC.

The Building Resilience workshop is available to all staff. It introduces the concept of resilience and provides practical tools, strategies and resources to help staff navigate challenges.

Throughout the year, Well Aware has hosted guest speakers to engage, educate and inspire staff. Topics delivered this year include:

- Keeping our kids safe online
- Gut health, delivered as a three-part series

These recorded sessions provided valuable insights and practical takeaways for staff at all stages of life and work.

Well Aware prioritises three key national wellbeing events to provide balanced coverage across mental and physical wellbeing and encourage individuals to take personal responsibility for their wellbeing.

- Mental Health Awareness Week (October) – this year's theme, Top Up Together, was promoted using resources from the Mental Health Foundation to encourage social connection
- Women's Health Week (August) – for the first time, this event provided an opportunity to unite Aotearoa's wāhine, (all women, including gender-diverse individuals), fostering community and sharing knowledge that supports physical, mental and emotional flourishing. Links to local events and webinars were highlighted.
- Men's Health Week (June) – employees were encouraged to assess their health using the online

"What's Your Score?" test. We also encouraged partners, wives, family members and friends to support the men in their lives to take part, helping spark conversations about men's health and highlighting its importance within families, workplaces and the wider community.

We continue to partner with EAP services, who provide free, confidential counselling support to all LIC staff and their immediate families. In addition to counselling, EAP has expanded its services to include coaching and support in key lifestyle areas, including pain management, headache management, menopause support, men's hormonal support, fitness and exercise, nutrition, sleep and fatigue management, smoking and vaping cessation, and cardiovascular and heart health.

Organisational Health

In partnership with Microsoft, our BeHerd platform hosts a range of employee journey surveys, including onboarding, engagement, pulse and exit surveys. BeHerd helps us understand employee experiences, sentiment and needs. Our vision is to provide a meaningful and inclusive way to hear from our people, empower our leaders and drive change. Our aim is to gain deeper insights into employee experiences and further enhance the workplace environment at LIC.

All employees are surveyed at least once, and in some cases twice, each year. Business areas can compare their results against the company benchmark or a global benchmark, including top quartile performance. The main LIC survey includes 47 questions, with responses and accompanying comments providing valuable insights. For each survey across LIC, we acknowledge the results, collaborate and take action.

We have high employee response rates of more than 80%, with over 700 individuals participating in the May 2026 survey of permanent employees. The engagement result was 77 out of 100, up from 75 in May 2025. This result is based on two key questions: "How happy are you working at LIC?" and "I would recommend LIC as a great place to work."

For employees working in seasonal, casual or fixed-term roles, the December 2025 survey had a 54% response rate and an engagement score of 84, up from 83 in December 2024. We also surveyed our AB Technicians, with a 50% response rate and an engagement score of 90, down from 91 in December 2024.

Diversity, Equity & Inclusion

Given the size and nature of our business, we have a diverse workforce. To continue recognising diversity in the workplace and creating an inclusive environment, we have a staff-led Diversity, Equity and Inclusion (DEI) Committee to champion these concepts. The DEI Committee is committed to fostering a workplace

culture that embraces and champions diversity, equity and inclusion. A regular DEI newsletter highlights cultural and international events and celebrations, and provides information on topics relating to diversity, equity and inclusion.

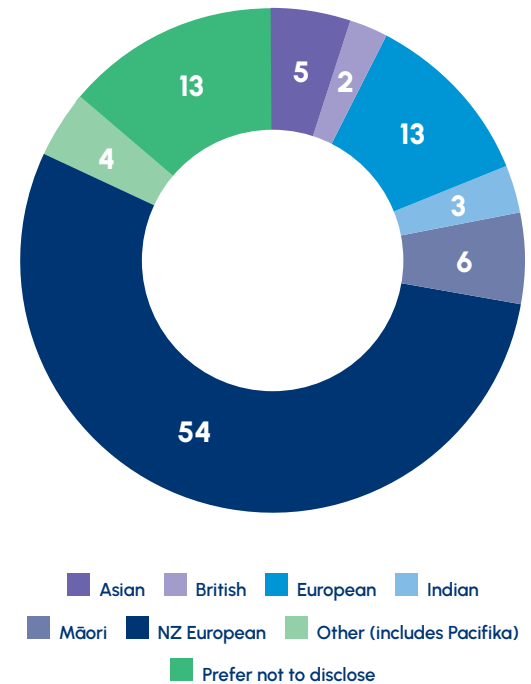
In 2025, the committee progressed several initiatives:

- **Women in Leadership:** The group focuses on networking and connection opportunities, as well as re-communicating existing development opportunities offered by People & Performance, such as mentoring. We also hosted two knowledge-sharing sessions reflecting on the leadership journeys of two prominent women: Sophie Haslem, LIC Appointed Director, and Barbara Kuriger, former Deputy Speaker of the House of Representatives.
- **Intersectionality:** Dr Alida Shanks from the Gender at Work community joined us for a Knowledge Share session, where she shared insights on intersectionality and symbolic equality and introduced Te Poukapa: The Belonging and Equity Matrix, a tool to help organisations foster genuine equity and belonging.

The Committee will continue to investigate further options for how our culture can enable staff to perform at their fullest potential and how People Leaders can help create inclusive team environments.

Engagement with Te Uru Tāngata, previously Diversity Works NZ, is ongoing. Our membership of this organisation allows access to a wide range of resources.

Ethnic Diversity %
Based on responses to the 2026 BeHerd survey



Health & Safety (H&S)

The health and safety of our staff, customers, contractors and anyone else we come into contact with remains our highest priority. Our health and safety system provides the framework to keep workers healthy and safe, regardless of their location.

Our Health, Safety and Wellbeing policy sets out our commitments and reflects our intent to continue developing our health and safety culture. The focus is on becoming more proactive, continuing to take personal ownership, learning from safety events and anticipating future safety risks and needs.

During the reporting period, the Board reviewed and updated the Critical Risk list, and a new method for determining critical risk control effectiveness is being developed. A new two-year Health & Safety strategy was also introduced. The key strategic focus areas included in this policy are:

1. The Work – Managing our Highest Risks

SLT members and Board Directors spend time with workers to understand our critical risk profiles and gain assurance that controls are effective. During the year, sixteen SLT and eight Director site visits were carried out, reviewing all critical risks across a range of locations. Combined with the HSE team's audits, site visits by Directors and SLT members provide a 'fresh pair of safe eyes' and an additional layer of confirmation that critical risk controls are in place and effective. These visits also provide a first-hand view of the work environment, helping close the gap between 'work as imagined' and 'work as done' and supporting better safety management and governance.

Key focus areas for the next period will be bull drafting, LIC farm facilities, fatigue exposure in high-risk roles, driving-related risk and overlapping duties with farmer customers and other businesses.

2. The People – Leadership and Change

The focus is on ensuring health and safety considerations are integrated into business change, particularly where capital investment, operational redesign or multiple business units are involved.

We have formalised the training process for Health and Safety Representatives. This is now a three-year programme that includes an initial course in the first year, hazard and risk management in the second year, and a number of optional courses in the third year. Formal safety-related training is also provided to other staff and includes First Aid, both initial and refresher, Fire Warden and Hazardous Substances training. More than 400 staff members received Health and Safety training during the reporting period.

3. The System – Consistency and Effectiveness

Key focus areas will be critical risk control effectiveness and standardisation of systems and processes.

In addition to the strategy, we have set specific H&S objectives designed to focus attention on improving our systems and practices. Progress against these objectives is reviewed quarterly by the H&S Governance Forum. The objectives for 2026/27 have been refreshed, and H&S reporting to senior leaders and Board members continues to be reviewed and improved.

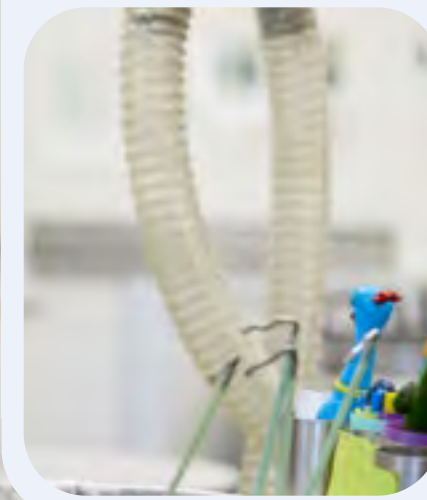
Supporting our injured and ill workers

As a member of the ACC Accredited Employers Programme, we are responsible for the vocational, medical and social rehabilitation of our workers. LIC successfully passed the ACC audit in February 2026 with no nonconformances against the new ACC standards. In the last year, the number of claims increased, but associated rehabilitation costs decreased. For the last three years, we have attained secondary level accreditation against ACC audit standards.

Sharing Duties of Care with Farmers

This initiative is establishing a unified, standardised approach to consulting, coordinating and cooperating with farmers to manage shared health and safety risks effectively. Minimum safe standards for Artificial Breeding, Herd Testing Field Technicians and Field Assist services have been developed and are available. Phase 2 is now underway, with assessors being trained.

LIC is committed to the Farm Without Harm pledge by Safer Farms, reinforcing our dedication to creating safer conditions across our farms and protecting our people from preventable harm.



Employee data

This employee data relates to the total LIC group and is sourced from our Human Resource (HR) system. The data for permanent and fixed-term employees is reported on a full-time equivalent (FTE) basis.

We employed a total of 1,656 seasonal workers throughout the year ended 31 May 2026 (1,701 for prior year), particularly during peak season for a relatively short period of time, primarily as artificial insemination technicians with 1,351 technicians and assists in this area, and 305 other seasonal or casual workers throughout the year to help in other areas of the business, such as herd testing.

The reporting period is for the financial year ended 31 May 2026 (FY26), with final permanent and fixed-term employees reported as at 31 May and comparatives for the prior period (FY25). Our only significant location is New Zealand, with less than 5% of employees employed in any other individual country.

FTEs by employment contract by gender

	Permanent		Fixed term/Casual		Total	
	FY25	FY26	FY25	FY26	FY25	FY26
Female	521.3	530.6	69.3	56.7	590.6	587.3
Male	300.6	292.2	16.0	22.7	316.6	314.9
Total	821.9	822.8	85.3	79.4	907.2	902.2

FTEs by employment contract by region

	Number of FTEs (Permanent and fixed-term/casual)	
	FY25	FY26
New Zealand	880.2	874.2
Australia	20.0	20.0
UK & Ireland	7.0	8.0
Total	907.2	902.2

FTEs by employment type by gender

	Full-time		Part-time		Total	
	FY25	FY26	FY25	FY26	FY25	FY26
Female	559.0	557.0	31.6	30.3	590.6	587.3
Male	305.8	304.3	10.8	10.6	316.6	314.9
Total	869.6	861.3	45.2	40.9	907.2	902.2

New permanent employee headcount hires, by gender and age group for primary region

	<30 yrs age	30-50 yrs age	>50 yrs age	Age not disclosed	NZ region FY26	%
Female	28	34	9	4	75	75.8
Male	3	15	6	0	24	24.2
Total	31	49	15	4	99	100
%	31.3	49.5	15.2	4		

Employee headcount turnover, by gender and age group for primary region

	<30 yrs age	30-50 yrs age	>50 yrs age	Age not disclosed	NZ region FY25	%
Female	24	51	12	0	87	67.4
Male	5	16	20	1	42	32.6
Total	29	67	32	1	129	
%	22.5	52.0	24.8	0.7		100

Our HR system does not currently capture gender options alternative to male/female. Some age data is not available as employees are not obliged to disclose date of birth.

There were 42 permanent employees (5%) covered by a collective bargaining agreement at 31 May 2026. At peak (1 October 2025) we had a further 89 (36%) seasonal workers covered by a collective bargaining agreement. For employees not covered by collective bargaining agreements,

individual contracts are entered into at the time of employment.

During the year, there were 34 females (no males) on parental leave and 18 females returned from parental leave.

If significant operational changes are proposed within the organisation, LIC will consult with potentially impacted employees for a two-week period on the proposed changes, with a minimum

of six weeks in total from notice of proposed change until implementation of any final changes. For any employees covered by collective bargaining agreements, notice period and provisions for consultation and negotiation are specified in those agreements.

LIC engages with suppliers to provide workers, such as IT contractors, recruitment firms and directly with independent contractors. This number is not material compared to the number of LIC employees.

The ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all permanent employees (excluding the highest-paid individual) for the year ended 31 May 2026 was 7.85:1 and 4.08:1 for the annual relative % increase, noting that total compensation includes bonus payments.

Economic sustainability

Delivering value for our farmer shareholders is at the centre of everything we do, and strong financial performance enables us to do just that – through our herd improvement products and services, a solid dividend and the right R&D investment to keep herds profitable and sustainable into the future.

On 16 July 2026 the LIC Board announced a positive year-end financial result for the 2025/26 year with a dividend of 12.26 cents per share for shareholders.

The Board noted that Net Profit After Tax (NPAT) was down this financial year predominately due to an increased investment in upgrading technology and security platforms and that this investment is key to supporting the long-term operations of the co-operative and ensuring farmers have confidence their information remains secure.

Protecting farmer data is fundamental to the trust they place in us as their co-operative. The digital security environment is changing very quickly and investing now is paramount to safeguarding the information farmers rely on every day. This is an investment in the future of their farm businesses and our cooperative's ability to meet their needs

More farmers are choosing to share their farm data with LIC because they see the value it creates for herd improvement. Maintaining trust means continuing to invest in the technology and security that protects information and supports the growing use of connected farming tools. This investment is about giving farmers confidence to keep sharing their data, while ensuring we can continue delivering the insights and services that help improve the long-term performance of both farm businesses and the wider sector.



During the period, LIC embarked on a significant multi-year investment into replacing and improving aged enterprise and customer facing systems. The investment is predominantly into Software as a Service tools, the costs of which are generally expensed as incurred rather than amortised over future financial periods. As a result, Net profit after tax has been negatively impacted by \$6.5 million implementation costs in 2026 (May 2025: nil). This expenditure has been excluded from LIC's Underlying Earnings, which is a supplementary non-GAAP measurement considered useful to investors as it is the basis on which LIC has historically reported and used to determine dividends. Non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

Tax

LIC's Audit, Finance and Risk board sub-committee oversees tax compliance, including LIC's Tax Policy and annual Tax Management Plan, which identifies areas of tax change. LIC seeks to comply with all aspects of the New Zealand and international tax acts for jurisdictions that our subsidiaries reside in. Management has responsibility to ensure that it has a broad understanding of all major tax issues that arise from the ordinary business, major transactions, business structures or strategies undertaken by LIC. LIC uses external tax experts and software tools to ensure appropriate tax compliance governance and controls are in place.

Key Metrics from 2025/26 full year results

Summary of financials*



*For notes to the financial information please reference our [FY26 Annual Report](#).

Financial trends

These charts represent our key financial metrics to provide a historical summary of our performance.

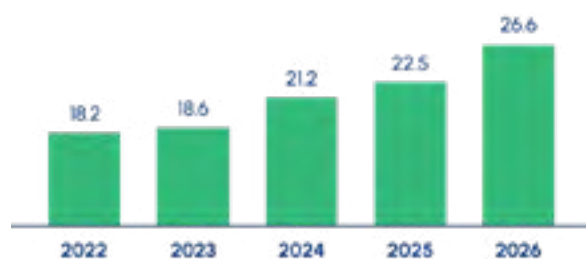


* Excludes discontinued operations - the Automation business was divested in June 2021

** Non-GAAP financial information: excludes bull team and nil paid share revaluations, significant enterprise system implementation costs and discontinued operations

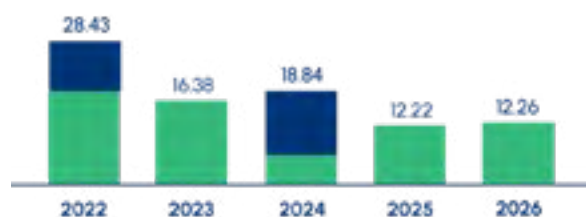
*** The full year dividend declared is paid in the subsequent year, while special dividends are paid within the year

R&D expense (\$m)*



Total Dividends (cents per share)***

■ Full year dividend declared ■ Special dividend paid



* Excludes discontinued operations - the Automation business was divested in June 2021

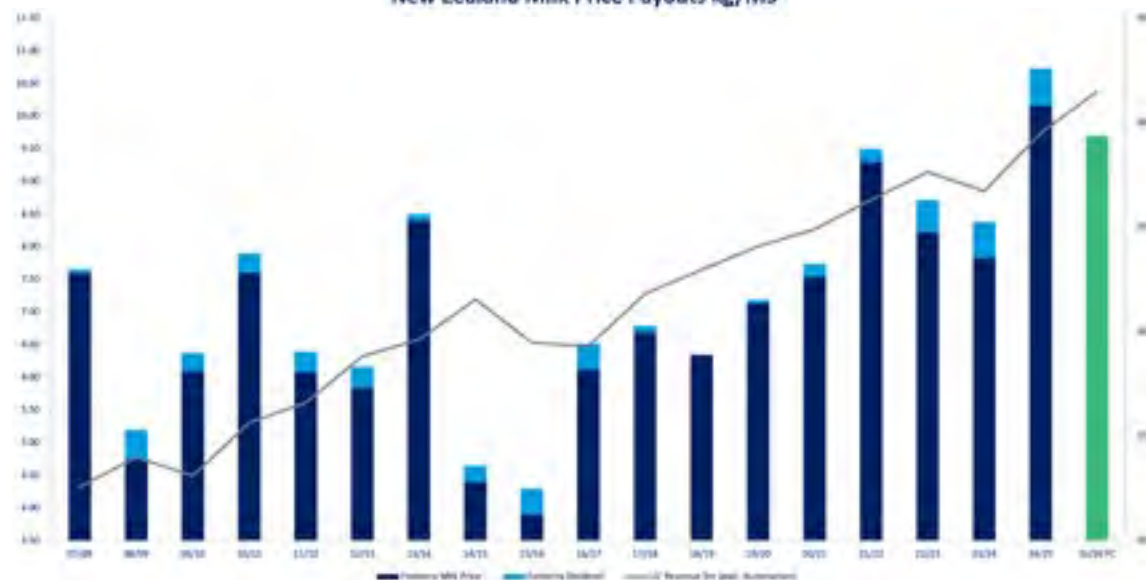
** Non-GAAP financial information: excludes bull team and nil paid share revaluations, significant enterprise system implementation costs and discontinued operations

*** The full year dividend declared is paid in the subsequent year, while special dividends are paid within the year

LIC Share Price



New Zealand Milk Price Payouts kg/M5



Financial trends

		2022	2023	2024	2025	2026
Revenue *	NZ\$000	263,182	276,506	267,288	295,107	314,802
R&D expense	NZ\$000	(18,184)	(18,577)	(21,215)	(22,549)	(26,567)
Net profit after tax	NZ\$000	26,723	27,352	7,734	30,643	21,315
EBIT **	NZ\$000	33,372	30,955	21,712	27,014	19,488
Underlying Earnings	NZ\$000	25,677	23,732	13,856	21,746	21,822
Total dividends***	NZ\$m	40.4	23.3	26.8	17.4	17.5
	Cents per share	28.43	16.38	18.84	12.22	12.26
	Gross yield %	26.4	22.8	23.4	17.0	14.9
Operating cashflow	NZ\$000	57,130	36,791	40,052	56,387	50,116
Net capital & investment spend****	NZ\$000	(17,889)	(20,581)	(27,600)	(27,809)	(24,715)
Total Assets	NZ\$000	385,610	382,291	358,608	392,034	408,477
Total Equity/Net Assets	NZ\$000	293,057	297,494	274,913	298,372	304,377

For our full financial results please refer to our [FY26 Annual Report](#)

* Excludes Discontinued Business operations – the Automation business was divested in June 2021

** Non-GAAP information: excludes bull team & nil paid share revaluations, significant enterprise system implementation and discontinued operations

*** Includes an additional payment to return cash retained from dividends paid in 2022 & 2021 to repay nil paid shares and includes special dividends paid in relation to sale of the Automation business and National Milk Record shares

Our business

LIC exists to deliver superior genetics and technological innovation to help our shareholders sustainably farm profitable animals.

We are the DNA of the New Zealand dairy sector, providing approximately 80%³ of the genetics to inseminate cows in the national dairy herd. We take our role seriously as an important player in the team supporting farmers with the right herd improvement tools to breed more efficient and climate resilient cows.

Our primary sector is the New Zealand dairy sector. Our core customers are New Zealand dairy farmers. Other customers include veterinarians who support farmers, international semen distributors, overseas dairy farmers, users of dairy herd data and beef producers.

Keeping New Zealand farmers profitable and sustainable is critical. We are owned by New Zealand dairy farmers and therefore invest to fund research and technology which will benefit not only this generation of farmer shareholders and their herds, but successive generations and their herds. This long-term improvement and sustained return on investment is the pure essence of what it means to be a co-operative.

³ Report of the Industry Working Group – Dairy NZ

Our products and brands include:



Herd testing of milk samples, including EZ Link® scanning



DNA parentage testing and genomic evaluation service, A2/A2 testing



Tags

Range of NAIT approved electronic (EID) tags and management tags from Allflex, Z Tags and Flexa



MINDA® herd management software



Farm accessories

Electronic plate meters, EID readers and wands



Heat detection products

LIC heat patch, LIC Bulls-i®, Kamar® detectors



Artificial Breeding (AB)

AB dairy and beef genetics and technician services, with products such as Premier Sires®, Sexed Semen, Short Gestation Length, Alpha®, Customate, training of AB and DIY technicians, deep freeze storage



Animal health testing

Bovine Viral Diarrhoea (BVD), Johne's disease, milk pregnancy and Mastitis Multiplex testing



On Farm Support

Increase efficiency of farm operations, including assisting with herd records, herd testing, weighing and DNA sampling

How we work

LIC is structured to best support farmers and our operational teams to effectively supply products and services to customers, as well as to leverage opportunities to deliver genetic improvements to farmers and better returns to shareholders.



NZ Markets

Sales operations, contact centre, customer experience, marketing, communications; genetics, diagnostics and farm software product development



Operations & Service

Artificial breeding collection & insemination, herd milk testing, genetic diagnostics, animal health testing, LIC bull and dairy farms, on-farm support



Research & Development

Genetic, genomic, reproduction and animal health research and development and analytics - both inhouse and in collaboration with university and sector partners; animal evaluation, bull selection



International

International genetics sales, business development, Beacon heat detection manufacturer, international investments and partnerships



Technology

Development and support of customer facing systems such as MINDA® and LIC internal systems and IT infrastructure



Support Services

Payroll, finance & accounting, procurement, legal, intellectual property, governance, shareholder services, risk management, property management, Business Information Unit, NAIT, strategic delivery, new ventures, investments and partnerships



People & Performance

People & performance partners, employee experience, organisational development, health, safety and environment

Our Supply Chain

Key categories of goods and services we procure

- ✓ Labour hire
- ✓ Professional consulting services
- ✓ IT software and hardware
- ✓ Laboratory supplies
- ✓ Building materials and products
- ✓ Farm supplies
- ✓ Recruitment services

The most critical component of LIC's supply chain is our permanent and seasonal employees, as well as our bull team. For our external suppliers our Strategic Procurement team has policies and processes in place to identify and manage critical risks that could impact our supply chain. An example is our New Zealand and international air freight and technology services. Where there is a higher risk to our products and services, particularly during peak season or where components are sourced internationally, at least one year of input components are held in advance of need, such as consumables used for artificial insemination and diagnostics testing.

The Procurement Policy requires that all procurement decisions should also take into consideration the potential impact to the environment, sustainability, Health and Safety and compliance with any other relevant legislative obligations and we continue to work with suppliers in relation to sustainability measures.

Partnerships

Partnerships are critical to our work and are a strategic priority to develop. We work with others to deliver to farmer needs, collaborating or partnering with other organisations to deliver a seamless service to farmers. We already work closely with other sector participants, including:

- DairyNZ and NZ Animal Evaluation Ltd (subsidiary of DairyNZ)
- Government ministries and agencies on joint funding of R&D, such as MPI and MBIE
- Milk processors
- Specialist beef operations
- STgenetics NZ, providing the critical technology for our sexed semen product
- Rural professionals, such as vets
- Connecting organisations to enable farmer data sharing
- Research specialists, such as at Auckland University and Massey University

We are focused on building relationships with other sector companies such as processors, fertiliser companies and agritech device companies. Initiatives with partners of note include:

To the Core – Leadership and Governance Development training

We partner with Farmlands and Silver Fern Farms to offer shareholders of all three companies the opportunity to learn more about governance in co-operatives and develop skills needed to operate at board level through a unique leadership and governance development programme called "To the Core".

Fonterra's Governance Development Programme

We also partner with Fonterra who offer one LIC shareholder a place in its Governance Development Programme to build their governance capabilities and leadership skills. Running for approximately one year, the content is provided by Fonterra and Massey University's College of Business.

Rural Support Trust

We have partnered with Rural Support Trust to provide farmer facing staff with a resource that offers guidance on providing mental health support to farmers.

House of Science Central Waikato

The House of Science Central Waikato (HSCW) is committed to bringing scientific literacy tools to schools across the Waikato region. Their vision is to raise science literacy which will have huge economic and social benefits to New Zealand. We are proud to continue our collaboration that started in 2021 with HSCW and support them in a variety of ways. This includes providing HSCW with a LIC vehicle to deliver science kits to rural schools in the Waikato. Some of our fantastic R&D staff also volunteer their time each week to put together the science kits.

Scholarships

LIC offers three scholarship programmes to students studying agriculture science and have an interest in genetics or machine learning:

- The Brian Aspin Scholarship – LIC matches funding donated by the Aspin family to provide two scholarships per year for post-graduate students to undertake either Honours or Masters for up to two years of study at either Massey or Lincoln Universities.
- The Patrick Shannon Scholarship - this scholarship is named after one of the most innovative bovine geneticists and reproductive biologists in the world. Dr Shannon joined us in the mid-1950s and made many world-breaking discoveries of great value to the New Zealand dairy industry.

- The Livestock Improvement Doctoral Studentship Programme - seeks top PhD (and possibly Masters) students who potentially could fulfil key science roles within our organisation. Successful candidates are offered an internship with us for up to a year then begin postgraduate studies – with our full support (financial, academic, mentoring).

LIC supports the dairy sector, rural communities and our farmers by sponsoring a variety of initiatives, events, programmes and organisations. This provides opportunities and promotes excellence within the sector. Examples include:

- New Zealand Dairy Industry Awards
- Ministry for Primary Industries 'Science for Farmers'
- Lincoln University Dairy Farm
- Southern Dairy Hub
- South Island Dairying Development Centre
- South Island Dairy Event
- Pasture Summit
- Owl Farm at St Peter's School, Waikato
- Dairy Women's Network
- Kellogg Rural Leadership Programme
- Massey University Dairy #1 Farm
- Ayrshire NZ conference
- Jersey NZ conference
- Holstein-Friesian NZ conference

- Smaller Milk and Supply Herds conference
- Safer Farms
- Meet the Need
- Distributing computer equipment no longer needed to schools
- Support of calf club and pet days in schools

Our employees are able to apply for a day off per annum for volunteer activities in the community.

We are also a member of Cooperative New Zealand.

[Refer to our website for further details](#)

How we create value

Value created for our stakeholders



Shareholders / Customers

Delivering quality products and services, advancing genetic improvement of herds, re-investing profits in further R&D or returning to shareholders through dividends



Employees

Providing a safe workplace with development opportunities and strong engagement



Sector Partners

Collaborating on R&D, providing quality data inputs



Government & Regulators

Complying with regulatory and financial reporting requirements, reducing our own environmental footprint and that of the national herd, responsible taxpayer



Community

Providing employment, lowering our environmental footprint, support through sponsorship and scholarships

The resources we rely on



Relationships

Positive relationships with shareholders, farmers, vets, government and regulators, sector and research partners, employees and the farming community



Intellectual capital

Our collective know-how, systems and intellectual property that more than 50 years of R&D has generated



Financial capital

Our farmers and shareholders create a strong financial base to operate and invest for the future, as well as our banking partner debt facilities



Assets & infrastructure

Our property, equipment and animals allow us to run our business and distribute products and provide services



People

We rely on our talented employees, sector partners and suppliers to help deliver our products and services



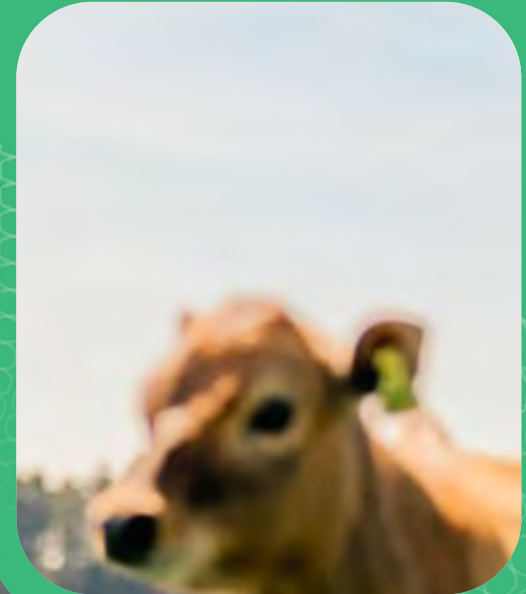
Natural environment

New Zealand's natural environment is a key factor, particularly rain, sun and quality soil supporting grass growth for animals

Engaging with our stakeholders

The Board and Senior Leadership Team regularly consider different stakeholders and mechanisms to engage with them, as well as making decisions on when not to engage. This is commonly discussed at regular management and Board meetings, with recommendations made to Board, or requests from the Board.

Our latest Net Promoter Score (NPS) for the March 2026 quarter was a positive result of 5 based on 226 farmer shareholder responses, consistent with the result from the March 2025 quarter (454 responses). The NPS results have trended upwards over time and the 12 month rolling average has been consistently positive for the last two years. Results vary quarter-by-quarter. NPS is a measure of customer experience that ranges between -100 and +100.



Our farmer shareholders & customers	Our People	Suppliers & Partners	Regulators & other agencies	Communities
Goal				
Deepen our understanding of the current and future needs of all our farmers	Develop talent and foster a culture that embraces change, builds capability and drives better results	Work with others to deliver farmers' needs, including partnering to deliver a seamless service	Ensure long-term sustainability of our co-operative, farmers, environment and the NZ dairy sector	
How we engage				
• In person with tailored advice • Customer call centre • Net Promoter Score and other surveys • Fielddays®, events and training • Feedback groups • Annual meeting, Shareholder Reference Group, Roadshows • Publications (such as The Bulletin) • Digital channels	• BeHerd annual engagement survey • Employee events and in-person/online business updates • Wide range of training and development • Internal communication, including Chief Executive email updates	• Strategic procurement team • Supplier evaluations • Partnership relationships • Collaboration with innovators and researchers • R&D investment	• Direct engagement with government and agencies by CE and relevant employees • Submissions on proposed law and regulation	• Support of sector groups • Scholarships and internships • Social media channels
Needs & expectations				
• Deep customer relationships • Quality products and services, on time consistently • Reliable MINDA® software that is easy to use • Ongoing genetic improvement • Innovation • Prompt issue resolution	• Positive culture • Safe, diverse and inclusive environment, where wellbeing is important • Investment through training and development • Market-comparable remuneration and benefits • Innovative working tools	• Reliable and sustainable supply chain, providing quality inputs • Strong, productive partnership relationships • Robust science-based R&D projects	• Strong governance and management of legal requirements • Insightful input on issues and proposed change • Appropriate and prompt response to incidents • Positive, proactive relationships • High quality external reporting	• Positive employment and growth opportunities • Responsible organisation (e.g. as a taxpayer, purchaser) • Respond appropriately to issues raised • Transparent reporting • Key partner to farming community • Respect for diversity
Response				
Our primary focus is delivering herd improvement value for our farmer shareholders	We live our corporate values: "Integrity, Innovation, Spirit of Co-operation, In tune and Passion"; we work on providing a safe and positive environment where our people can thrive	We work with others to build long-term trusted relationships, including with other organisations in the agri sector	Collaborative interactions with Government and agencies, respect for our licence to operate, strong focus on compliance	We help farmers to meet the current and future challenges, particularly in helping to drive down methane emissions-intensity through research, investment and tools

Materiality assessment

During the previous reporting period the Board and management completed a strategy check-in, which was informed by feedback from farmer shareholders, other stakeholders and local and global trends. The focus on herd improvement was clarified in relation to enabling emissions intensity reduction in the national herd, with five priority areas identified as key enablers of herd improvement.

Management and the Board have worked together to carry out a materiality assessment on topics where the company may have significant economic, environmental and social impacts. We identified potential topics of importance based on our strategy, reports and guidance from the dairy sector, farmer feedback and issues identified by risk assessments. Materiality was determined by considering the significance of our impact, the importance of the issue to stakeholders and our ability to control and/or influence the issue. Farmer-elected directors provided key input in relation to importance of issues for stakeholders and LIC regularly holds farmer engagement meetings in different regions, or brings groups of farmers to the Waikato, to continue to gather feedback that is used in reviewing the material topics. The business has also run a series of workshops with farmers over the past year or so on key drivers for 'breeding the herd for your farming future'.

Topic	Impact	Report reference	GRI Standard
Climate change Supporting shareholders to produce the most sustainable and efficient animals. Reducing our emissions at LIC.	Reduce negative impacts from direct and indirect GHG emissions	Reducing the environmental impact of our national herd Reducing the environmental footprint of our business	302-1, 302-3, 302-4, 305-1 to 6
Animal health & biosecurity Providing animal health products and information services to identify diseases and health conditions. Working with farmers to minimise risk on farm of disease spread.	Increase/continue positive impact on animal welfare	Reducing the environmental impact of our national herd	13-11
Employment and sustainable income creation Caring for our staff and our farmer shareholders through meaningful employment and sustainable income creation.	Increase/continue positive impact on staff and farmer shareholders	Social sustainability – caring for our people Delivering a strong result for our farmers	201-1
Health, safety & wellbeing Protecting the health and safety of people at work, including their wellbeing.	Increase/continue positive impact on staff	Social sustainability – caring for our people	403-2
Human rights Protecting the employment rights and working conditions of our people, including diversity and inclusion.	Increase/continue positive impact on staff	Social sustainability – caring for our people	406-1
Water Using water responsibly, including water quality, availability and disposal.	Reduce negative impacts on environment	Reducing the environmental footprint of our business	303-2
Waste Improvement of waste management and disposal practices.	Reduce negative impacts on environment	Reducing the environmental footprint of our business	306-3
Responsible procurement Influence our key suppliers in relation to sustainable business practices.	Reduce negative impacts on environment and increase/continue positive social impacts	Our business – our supply chain	204

GRI content index

GRI		Disclosure title
GRII	GRI 1: Foundation 2021	
General Disclosures		
The organisation and its reporting practices		
2-1	Organisational details	Who we are - pg.4
2-2	Entities included in the organisation's sustainability reporting	The report includes the full LIC consolidated group of entities. A list is available in the Annual report, corporate governance report
2-3	Reporting period, frequency and contact point	About this report – pg.2 , for enquiries contact Communications@lic.co.nz
2-4	Restatements of information	Scope 1 direct GHG emissions for the prior period and base line data was restated to re-categorise effluent and excreta N2O to Scope 1 direct biogenic emissions
2-5	External assurance	Our external auditors KPMG have performed procedures to ensure that financial emissions data included in this report is consistent with LIC's Annual Report. Toitū has performed verification of GHG emissions data for the year ended 31 May 2026.
Activities and workers		
2-6	Activities, value chain and other business relationships	Our Business – pg.47
2-7	Employees	Employee data – pg.40
2-8	Workers who are not employees	Information unavailable/incomplete: description included in Employee data – pg.40 . Data currently gathered has insufficient detail to correctly identify workers

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards.

GRI	Disclosure title	
Governance		
2-9	Governance structure and composition	Governance structure – pg.33 . There is limited disclosure on under-represented social groups (due to the nature of our business farmer representation is the most critical representation) and only general information provided on competencies.
2-10	Nomination and selection of the highest governance body	Annual report, corporate governance report
2-11	Chair of the highest governance body	Annual report, corporate governance report
2-12	Role of the highest governance body in overseeing the management of impacts	Annual report, corporate governance report, Governance structure - pg.33
2-13	Delegation of responsibility for managing impacts	Annual report, corporate governance report
2-14	Role of the highest governance body in sustainability reporting	Governance structure – pg.33 . Annual report, corporate governance report
2-15	Conflicts of interest	Annual report, corporate governance report
2-16	Communication of critical concerns	Annual report, corporate governance report, there is no specific disclosure on the number and nature of critical concerns communicated due to confidentiality constraints – material matters related to this report are disclosed
2-17	Collective knowledge of the highest governance body	Annual report, corporate governance report

GRI	Disclosure title	
2-18	Evaluation of the performance of the highest governance body	Annual report, corporate governance report
2-19	Remuneration policies	Annual report, corporate governance report
2-20	Process to determine remuneration	Annual report, corporate governance report, Annual Meeting
2-21	Annual total compensation ratio	Employee data – pg 41
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Letter from the Chair and Chief Executive – pg 7
2-23	Policy commitments	Annual report, corporate governance report; Code of conduct & ethics
2-24	Embedding policy commitments	
2-25	Processes to remediate negative impacts	
2-26	Mechanisms for seeking advice and raising concerns	
2-27	Compliance with laws and regulations	Not applicable: there have been no significant instances of non-compliance, fines or non-monetary sanctions
2-28	Membership associations	Partnerships – pg 50
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Materiality assessment – pg 56
2-30	Collective bargaining agreements	Employee data – pg 40
Sector Standard		
13	Agriculture Aquaculture and Fishing Sectors 2022	
13.1	Emissions	References included under topic disclosures below as appropriate
13.2	Climate adaption and resilience	References included under topic disclosures below as appropriate

GRI	Disclosure title	
13.3	Biodiversity	References included under topic disclosures below as appropriate
13.4	Natural ecosystem conversion	Not considered applicable to LIC as we do not undertake ecosystem conversion
13.5	Soil health	Not considered material – soil management included as part of Farm Environment Plans which are referenced in the report
13.6	Pesticides	Not considered material as we do not use significant amounts of pesticide
13.7	Water and effluents	References included under topic disclosures below as appropriate
13.8	Waste	References included under topic disclosures below as appropriate
13.9	Food security	Not considered applicable to LIC as no food loss incurred by our operations
13.10	Food safety	References included under topic disclosures below as appropriate
13.11	Animal health and welfare	Not considered a material issue. Some information included in Reducing the environmental footprint of our business
13.12	Local communities	References included under topic disclosures below as appropriate
13.13	Land and resource rights	Not applicable – no locations of operations where land and natural resource rights (including customary, collective, and informal tenure rights) are impacted by operations
13.14	Rights of indigenous peoples	References included under topic disclosures below as appropriate. Te Ao Māori strategy referenced in the report
13.15	Non-discrimination and equal opportunity	References included under topic disclosures below as appropriate
13.16	Forced or compulsory labour	References included under topic disclosures below as appropriate
13.17	Child labour	References included under topic disclosures below as appropriate

GRI	Disclosure title	
13.18	Freedom of association and collective bargaining	References included under topic disclosures below as appropriate
13.19	Occupational health and safety	References included under topic disclosures below as appropriate
13.20	Employment practices	Not considered a material issue
13.21	Living income and living wage	Not considered a material issue
13.22	Economic inclusion	References included under topic disclosures below as appropriate
13.23	Supply chain traceability	Not considered a material issue
13.24	Public policy	References included under topic disclosures below as appropriate
13.25	Anti-competitive behaviour	References included under topic disclosures below as appropriate
13.26	Anti-corruption	References included under topic disclosures below as appropriate
Material topics		
Economic topic disclosures		
201-1/ 13.22.2	Direct economic value generated and distributed	Trend data, pgs 44 , Annual Report, Financial statements
201-2/ 13.2.2	Financial implications and other risks and opportunities due to climate change	Reducing the environmental footprint of our business – pg 25
201-4	Financial assistance received from government	Annual Report discloses R&D grants and tax incentives received from NZ Government in Note 1 to the financial statements, no government ownership of LIC
207-1	Approach to tax	Economic Sustainability – Tax pg 43
207-2	Tax governance, control; and risk management	Economic Sustainability – Tax pg 43 , Annual Report external audit report includes audit of tax disclosures

GRI	Disclosure title	
Environmental topic disclosures		
302-1	Energy consumption within the organisation	(All 302) Reducing the environmental footprint of our business – pg 20 Additional sector recommendation not included as we do not have land use change emissions
302-2	Energy consumption outside of the organisation	
302-3	Energy intensity	
302-4	Reduction of energy consumption	
305-1 13.1.2	Direct (Scope 1) GHG emissions	
305-2/ 13.1.3	Energy indirect (Scope 2) GHG emissions	
305-3/ 13.1.4	Other indirect (Scope 3) GHG emissions	
305-4/ 13.1.5	GHG emissions intensity	
305-5/ 13.1.6	Reduction of GHG emissions	
305-6/ 13.1.7	Emissions of ozone-depleting substances (ODS)	
306-3/ 13.8.4	Waste generated	
Social topic disclosures		Explanation
401-1	New employee hires and employee turnover	Employee data – pg 40
401-3	Parental leave	Information unavailable/incomplete: not all data tracked currently
402-1	Minimum notice periods regarding operational changes	Employee data – pg 40
403-2/ 13.19.3	Hazard identification, risk assessment, and incident investigation	Critical Risks management- pg 38
415-1/ 13.24.2	Political contributions	Annual Report, corporate governance report – donations

GRI Disclosure title		
Topics determined to be not material		
Biodiversity topic disclosure		Explanation
101-1	Policies to halt and reverse biodiversity loss	Not applicable – LIC does not cause biodiversity loss so no policies needed
101-2	Management of biodiversity impacts	Not applicable – no significant impacts
101-3	Access and benefit sharing	Not applicable – no access or benefit sharing regulations or measures in NZ
101-4	Identification of biodiversity impacts	Not applicable – no significant impacts
101-5	Locations with biodiversity impacts	Not applicable – no locations with significant impacts
101-6	Direct drivers of biodiversity loss	Not applicable – no locations with significant impacts
101-7	Changes to the state of biodiversity	Not applicable – no locations with significant impacts
101-8	Ecosystem services	Not applicable – no locations with significant impacts
Economic topic disclosures		Explanation
201-3	Defined benefit plan obligations and other retirement plans	Not applicable: LIC does not operate a defined benefit or retirement plan
Market Presence		Explanation
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Information unavailable/incomplete: NZ is only material market – not considered a material issue
202-2	Proportion of senior management hired from the local community	Not applicable: all senior management employed in NZ (most significant market) are local
Indirect Economic Impacts		Explanation
203-1/ 13.22.3	Infrastructure investments and services supported	Not applicable: no significant infrastructure investments, no impact on communities and local economies

GRI Disclosure title		
203-2/ 13.22.4	Significant indirect economic impacts	Not applicable: no significant indirect economic impacts identified
Procurement practices		Explanation
204-1	Proportion of spending on local suppliers	Not applicable: majority of spending is with local suppliers
Anti-corruption		Explanation
205-1/ 13.26.2	Operations assessed for risks related to corruption	Not applicable: corruption not considered an issue in NZ, which is only material market
205-2/ 13.26.3	Communication and training about anti-corruption policies and procedures	Not applicable: corruption not considered an issue in NZ
205-3/ 13.26.4	Confirmed incidents of corruption and actions taken	Not applicable: no incidents
Anti-competitive behaviour		Explanation
206-1/ 13.25.2	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Not applicable: no legal actions
Tax		Explanation
207-3	Stakeholder engagement and management of concerns related to tax	Not applicable – NZ is only material market
207-4	Country-by-country reporting	Not applicable: NZ is only material market
Materials		Explanation
301-1	Materials used by weight or volume	(All 301) Not applicable: as mostly services provided (i.e. not manufacturing goods)
301-2	Recycled input materials used	
301-3	Reclaimed products and their packaging materials	
Energy		Explanation
302-5	Reductions in energy requirements of products and services	Not applicable: GHG reporting is not considered material by product/service

GRI	Disclosure title	
Water and effluents		Explanation
303-1/ 13.7.2	Interactions with water as a shared resource	Information unavailable/incomplete: not considered to have material water-related impact. This report does not note consents to discharge tradewaste
303-2/ 13.7.3	Management of water discharge-related impacts	Information unavailable/incomplete: not considered to have material water-related impact. This report does not note any breaches
303-3/ 13.7.4	Water withdrawal	Information unavailable/incomplete: not considered to have material water-related impact
303-4/ 13.3.5	Water discharge	Information unavailable/incomplete: not considered to have significant water-related impact
303-5/ 13.3.56	Water consumption	Information unavailable/incomplete: not considered to have significant water-related impact
Emissions		Explanation
305-7/ 13.1.8	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Not applicable: LIC does not have material air emissions
Waste		Explanation
306-1/ 13.8.2	Waste generation and significant waste-related impacts	(All 306) Information unavailable/incomplete: data is included in GHG emission calculations to the extent available and the report notes action being taken to reduce waste
306-2/ 13.8.3	Management of significant waste-related impacts	
306-4/ 13.8.5	Waste diverted from disposal	
306-5/ 13.8.6	Waste directed to disposal	
Supplier Environmental Assessment		Explanation
308-1	New suppliers that were screened using environmental criteria	Information unavailable/incomplete: the report notes that consideration of sustainability factors is part of the Procurement policy and practices for strategic procurement processes

GRI	Disclosure title	
308-2	Negative environmental impacts in the supply chain and action taken	Information unavailable/incomplete: no material impacts identified
Employment		Explanation
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not applicable: not considered to be material differences
Occupational Health and Safety		Explanation
403-1/ 13.19.2	Occupational health and safety management system	(All 403) Information unavailable/incomplete: key information considered material is provided in Health and Safety section of the report, but not to the detail specified by these disclosures
403-3/ 13.19.4	Occupational health services	
403-4/ 13.19.5	Worker participation, consultation and communication on occupational health and safety	
403-5/ 13.19.6	Worker training on occupational health and safety	
403-6/ 13.19.7	Promotion of worker health	
403-7/ 13.19.8	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
403-8/ 13.19.9	Workers covered by an occupational health and safety management system	
403-9/ 13.19.10	Work-related injuries	
403-10/ 13.19.11	Work-related ill health	
Training and Education		Explanation
404-1	Average hours of training per year per employee	Information unavailable/incomplete: not considered a material issue
404-2	Programmes for upgrading employee skills and transition assistance programmes	
404-3	Percentage of employees receiving regular performance and career development reviews	Information unavailable/incomplete: not considered a material issue – LIC has a specific tool for completing and overseeing reviews and development plans

GRI	Disclosure title	
Diversity and Equal Opportunity		Explanation
405-1/ 13.15.2	Diversity of governance bodies and employees	Information unavailable/incomplete: gender information is provided in report (annual report for governance body) but other diversity factors are not considered a material disclosure
405-2/ 13.15.3	Ratio of basic salary and remuneration of women to men	Information unavailable/incomplete: not considered a material issue
Non-discrimination		
406-1/ 13.15.4	Incidents of discrimination and corrective actions taken	Not applicable: none identified
Freedom of Association and Collective Bargaining		Explanation
407-1/ 13.18.2	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable: none identified
Child Labour		Explanation
408-1/ 13.17.2	Operations and suppliers at significant risk for incidents of child labour	Not applicable: primary market in NZ, none identified
Forced or Compulsory Labour		Explanation
409-1/ 13.16.2	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not applicable: primary market in NZ, none identified
Security Practices		Explanation
410-1	Security personnel trained in human rights policies or procedures	Not applicable: LIC does not employ security personnel.
Rights of Indigenous Peoples		Explanation
411-1/ 13.16.2	Incidents of violations involving rights of indigenous peoples	Not applicable: No incidents reported

GRI	Disclosure title	
Local Communities		Explanation
413-1/ 13.12.2	Operations with local community engagement, impact assessments and development programmes	(All 413) Not applicable: no such operations
413-2/ 13.12.3	Operations with significant actual and potential negative impacts on local communities	
Supplier Social Assessment		Explanation
414-1	New suppliers that were screened using social criteria	(All 414) Information unavailable/incomplete: due to the sources of supplies, not considered a material issue. This report includes general content on suppliers
414-2	Negative social impacts in the supply chain and actions taken	
Customer Health and Safety		Explanation
416-1/ 13.10.2	Assessment of the health and safety impacts of product and service categories	Not applicable: not considered material issue.
416-2/ 13.10.3	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable: no incidents reported
Marketing and Labelling		Explanation
417-1	Requirements for product and service information and labelling	Not applicable: products and services relate to animals so not considered material issue
417-2	Incidents of non-compliance concerning product and service information and labelling	Not applicable: no incidents reported
417-3	Incidents of non-compliance concerning marketing communications	
Customer Privacy		Explanation
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable: no complaints received



605 Ruakura Road
Newstead 3286
Hamilton
New Zealand

07 856 0700 | lic.co.nz

