The a2 Milk Company

2025 Climate Statement

We pioneer the future of Dairy for good

2025 Climate statement

Important information for readers

This disclosure is intended to inform readers about The a2 Milk Company Limited's (the Company or a2MC) climate-related governance, strategy, risk management, and metrics & targets for the financial year ended 30 June 2025.

It should not be interpreted as an offer of financial products or as capital growth, earnings or any other legal, financial, tax or other advice or guidance for investors and other primary users or any other reader.

This disclosure contains forward-looking statements and information, including climate-related scenarios, climate-related risks and opportunities, projections, metrics, targets, estimates, and assumptions about future climate-related conditions.

Forward-looking statements are not facts, but rather estimates and judgements regarding possible future actions, events and results that are based on current estimates and strategies, developed using methodologies, views and assumptions currently considered by a2MC to be most suitable. They are necessarily subject to risks, limitations, uncertainties and/or assumptions and change.

Accordingly, no forward-looking statements, or other information presented in this disclosure that is based on estimates, assumptions or judgements, should be taken as a guarantee of future outcomes or performance on the part of a2MC. In particular, actual results, outcomes, risks and opportunities may materially differ from those which have been described in this disclosure due to various factors such as socioeconomic and macroeconomic trends, climate change, customer behaviour, policy, legislative and regulatory change, geopolitical risks and events, and other events or conditions that are unforeseen as at the date of publishing this disclosure.

a2MC has sought to provide accurate and correct disclosures as at the date of publication (including all relevant material information as at the date of publication that could reasonably be expected to influence decisions that primary users make on the basis of this disclosure), but readers are cautioned not to place undue reliance on the information presented in this disclosure that is forward-looking or that is otherwise based on estimates, assumptions or judgements.

Given the novel and developing nature of the information contained in this disclosure, as well as the inherent uncertainty of the subject matter, "accurate and correct" does not entail certainty of outcome. It means that a2MC has undertaken appropriate measures and implemented adequate controls such that the information presented is believed to be free from material error or misstatement and is otherwise fairly presented.

Net Zero targets

In this Statement, all references to 'net zero' GHG emissions means the achieving of a balance (i.e. netting off) between the greenhouse gas (GHG) emissions released to the atmosphere by the Company's direct activities and activities in the Company's value chain (ie Scope 1, 2 and 3 emissions) and the GHGs captured and fixed by a2MC's activities or investments. The timeframe for the Company's net zero target is 2030 for Scope 1 and 2 emissions and 2040 for Scope 3 emissions. The Company aims to achieve net zero by reducing released GHG emissions as far as practicable within its value chain (i.e. in accordance with the targets explained in the Metrics and Targets section in this document), and balancing out the remaining GHG emissions released by investing in carbon capture and fixation activities. This balance may be through in-setting carbon capture activity within the value chain or through the purchase of credible carbon credits or certificates. The Company's policy for determining the credibility of carbon credit/certificate offsets is yet to be developed, as we are not yet relying on offsets for the net zero targets.

The methods and pathways for endeavouring to meet the Company's net zero targets are set out in the Emissions Reduction Plan information in the Strategy section in this document. Achieving the net zero targets may be difficult and is dependent on a number of assumptions and external factors described in the Emissions Reduction Plan section, including the pace of policy and technology developments, as well as cost and other commercial constraints on the ability to decarbonise. The Company currently considers there are good grounds to believe that those dependencies and assumptions can be relied on, but we continuously monitor this and may change the targets and plans relating to net zero in the future if necessary.

Monetary values

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

Materiality

In line with NZCS 3, the Company has defined information as material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primary users make on the basis of an entity's climate related disclosures. Primary users are defined as existing and future shareholders, lenders and other creditors.

Cross-referencing

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

Climate related disclosures

The directors of The a2 Milk Company Limited are pleased to present the second annual group Climate Statement for The a2 Milk Company Limited and its subsidiaries (together, a2MC or the Company or the Group) for the year ended 30 June 2025, including Mataura Valley Milk Limited (MVM), which owns a purpose-built milk processing facility in Southland, New Zealand.

The a2 Milk Company Limited is a Climate Reporting Entity under the Financial Markets Conduct Act 2013. The directors consider this Climate Statement of the Group to have been prepared in accordance, and to be compliant, with the Aotearoa New Zealand Climate Standards (NZCS) issued by the External Reporting Board (XRB). For more general information relating to the Company's climate-related efforts, sustainability considerations, and ESG reporting, refer to the Company's Annual Report and ESG reporting library on its website.

Since FY22, the Company has aligned its reporting suite with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and it has incorporated elements of the TCFD recommendations within this statement where they cross over with the requirements in the NZCS.

In line with its goal to enhance reporting with a more comprehensive view of its ongoing efforts to create and preserve long-term value, the Company, as a Climate Reporting Entity, is committed to continuously increasing the depth and breadth of its disclosures in this area in future reporting periods.

Disclosure provisions

The Company has applied the following adoption provisions available under the NZCS 2 – Adoption of Aotearoa New Zealand Climate Standard:

- **Adoption Provision 2: Anticipated Financial Impacts** (paragraphs 12-14 of NZCS 2) which provides a second year extension to the exemption in the first NZCS reporting period from the requirements to disclose the anticipated financial impacts of climate-related risks and opportunities, a description of the time horizons over which the anticipated financial impacts could reasonably be expected to occur, and (if relevant) an explanation as to why quantitative information cannot be disclosed.
- **Adoption Provision 6: Comparatives for metrics** The Company has relied on adoption provision 6 to allow it to provide only one year of comparative information for each metric disclosed in the FY24 reporting period and in the FY25 reporting period.
- **Adoption Provision 7: Analysis of trends** In this second year of disclosures, the Company has applied this adoption provision and has not disclosed an analysis of the main trends evident from a comparison of metrics.

Pip Greenwood
Chair

17 August 2025

David Bortolussi
Managing Director and CEO

Introduction

The a2 Milk Company's purpose is to pioneer the future of dairy for good with a vision to create an A1-free world where Dairy nourishes all people and our planet. Embedded into a2MC's growth strategy is a 'Planet' goal to protect our planet and cows, rethink packaging, achieve net zero[1] and contribute to nature positive[2].

Climate change is a material risk for the dairy sector, as climate-related impacts on natural resources can directly impact the operations and production of the sector, and emissions from animals and farm operations can contribute to climate-related impacts. Therefore, the sector must take concerted action to manage the risks and opportunities associated with climate change.

The Company is proactively addressing the challenges posed by climate change through both mitigation and adaptation. Through comprehensive strategies and collaborative efforts with our supply chain partners and wider industry, a2MC aims to build a resilient, sustainable future for the Company, ensuring long term business viability.

The Company's reported GHG emissions profile and targets cover Scope 1, 2, and 3 emissions:

- The Company has set net zero GHG emissions targets for Scope 1 and 2 emissions by 2030.
- For Scope 3 GHG emissions, the Company's target is to achieve net zero[1] by 2040, with an interim target of 30% emissions intensity reduction by 2030 (per kilogram of milk solids, from a FY21 base year).

The Company has made significant progress in reducing Scope 1 and 2 emissions, which represented less than 1% of total value chain emissions in FY25, down from 7% in FY21. It is also progressing well on its interim Scope 3 intensity target. Scope 3 emissions represented approximately 99% of the Company's total value chain emissions in FY25.

On-farm activities represent approximately 81% of total Scope 3 GHG emissions, and off-farm activities (including third-party processing facilities, freight, warehousing, waste and water) represent approximately 18%.

a2MC Value Chain GHG Emissions Profile

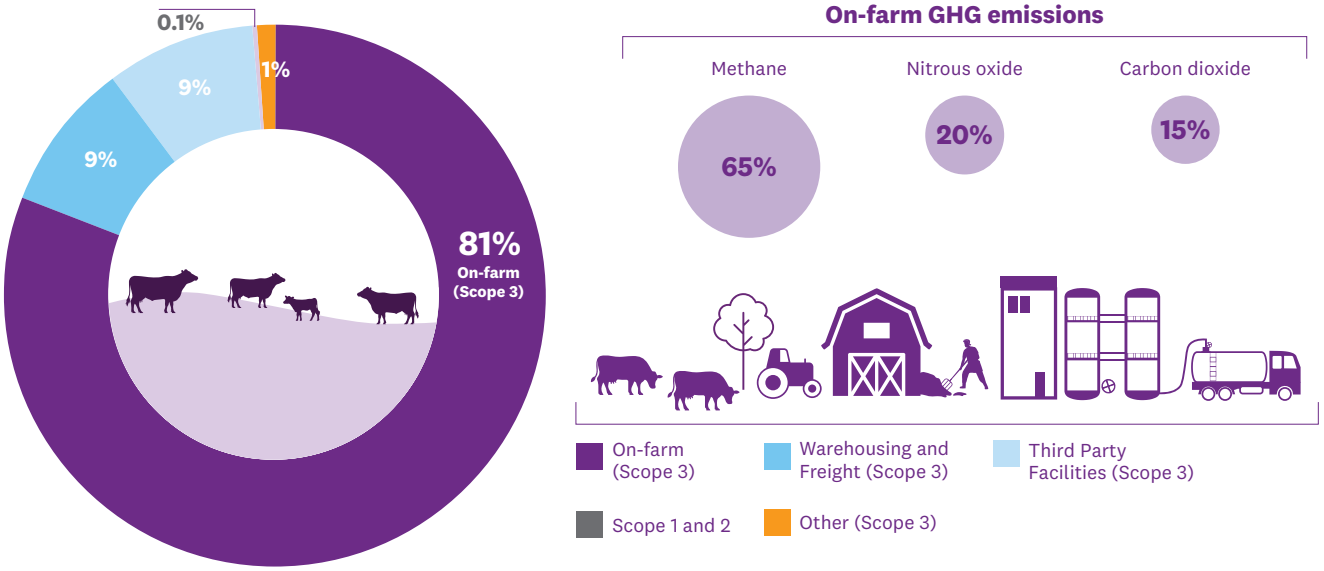
Several key initiatives have been implemented in FY25 in progressing towards the Company's GHG emissions targets.

The key emissions reduction initiative contributing to progress towards the Company's Scope 1 and 2 net zero targets in FY25 was the first full year of operation of the high-pressure electrode boiler at MVM, which replaced the coal boiler during FY24.

Scope 3 emission reduction opportunities have also been progressed, including working closely with suppliers in New Zealand and Australia to provide farmers with funding so that they can implement more sustainable on-farm practices, such as improved manure management (reducing nitrous oxide and methane emissions), optimised feed strategies (reducing emissions in feed production, processing and enteric methane), and water management practices (reducing nitrogen pollution and emissions).

The Company has published an emissions reduction roadmap, and developed a climate transition plan, summaries of which are available on pages 10 and 11.

GHG emissions profile



1 Information on what we mean by "net zero" is set out in the Important Information at the beginning of this document.

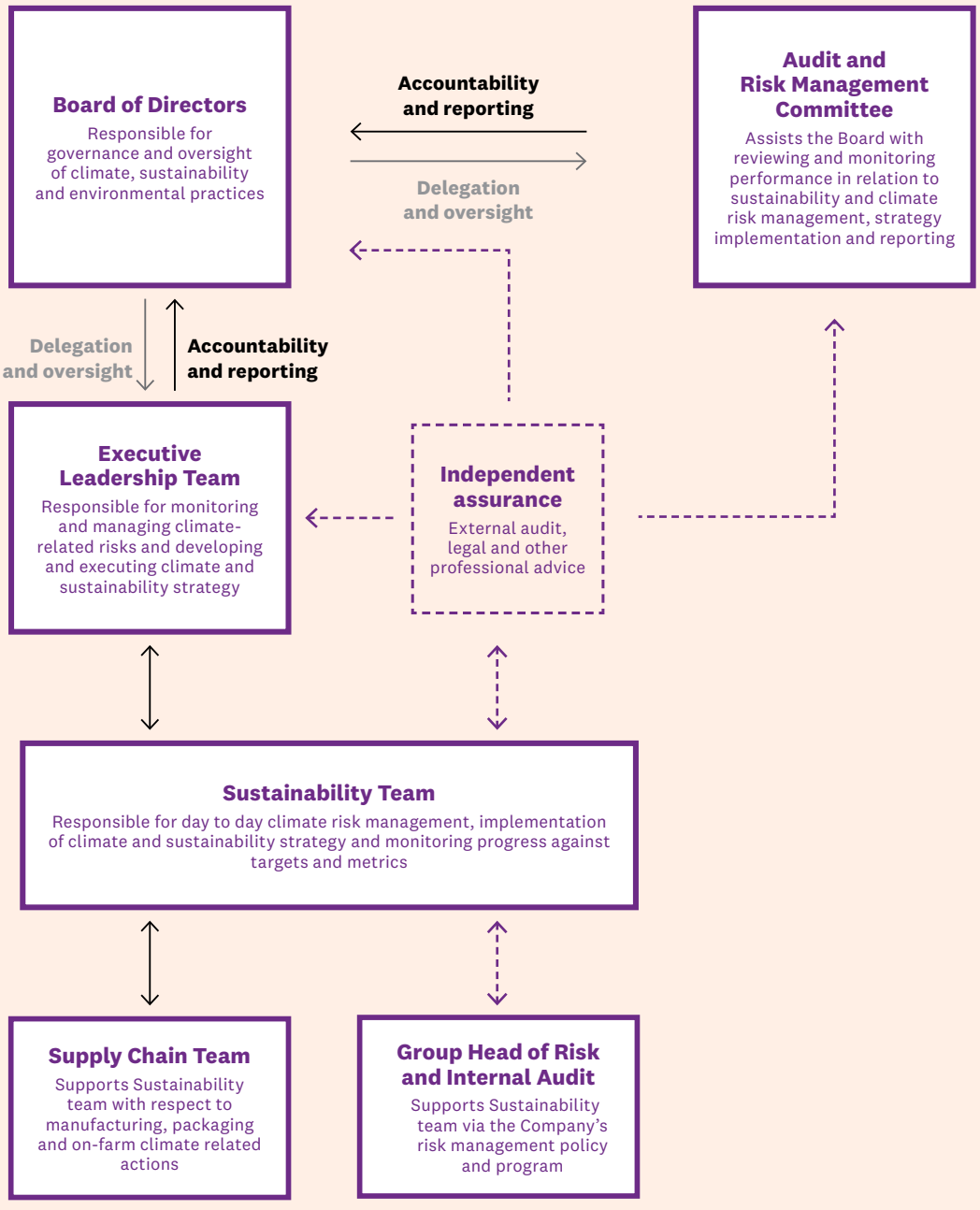
2 Contribution to nature positive in this context means contributing to measurable increases in biodiversity, soil health, water quality improvements and/or climate impact reduction in the Company's value chain.

Governance framework

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

For general information on the a2MC's Corporate Governance framework, policies and charters please refer to the Company's corporate governance section on the website.

Governance framework



Climate governance – roles and responsibilities

Board of directors

The Board is responsible for the overall governance and operations of the Company, guiding the Company's strategic direction, monitoring risk, and overseeing the activities of management. All issues of substance affecting the Company are considered by the Board, with advice from external advisors as required. The full role and responsibilities of the Board are set out in the Board Charter, available on the Company's website.

Board Climate-related Responsibilities

Board responsibilities specifically related to climate include:

- Approving the Company's climate strategy, and key initiatives;
- Approving the Company's non-financial measures of success, including climate and nature frameworks, metrics, commitments, targets and policies, and the inclusion of any related performance metrics into the Group's performance scorecard (relevant metrics are described in the section on Management remuneration linked to climate-related risks and opportunities below; and
- Overseeing the Company's exposure to climate-related risks and opportunities, the climate resilience of the Company's strategy and business model, and climate-related implications for the Company's financial position, financial performance and cash flows.

The Board oversees implementation of the Company's strategy, with assistance from its Committees as appropriate. Risks and opportunities, including climate-related risks and opportunities, are considered as part of the Board's annual strategy setting session. The Board also considers sustainability and climate risks and opportunities as reported to them by the Audit and Risk Management Committee and ELT when they arise in the course of the Company's business and is ultimately responsible for their oversight.

The Board considers input from the ELT and sustainability team to set sustainability metrics and targets, including climate-related targets. The current climate-related targets were set by the Board in 2021, with the targets released to the market in October 2021, with 2021 set as the baseline year. Since then, the Board has monitored progress against the metrics and targets via Board presentations by the leadership of the business, including discussion and approval of approaches and climate-related investments. In FY25, the Board received 5 such updates. Progress against climate-related targets has been reported to the market in the Company's Annual Reports since 2022.

The Board receives specific updates on sustainability and climate from the ELT and Sustainability team. For example, in FY25, the Board reviewed the FY24 Climate Statement, including the source information for the scenario analysis and risk assessment and key outputs to those analyses, and the climate transition plan.

The Board also receives regular updates (monthly or bimonthly, depending on meeting cadence) from the Managing Director and Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on the Group's performance. This section includes an update on the Company's non-financial measures of success, which includes Planet measures (see page 8 for more details), to assist it to monitor progress on these measures. In FY25, the Board received 9 such updates.

Board Climate-related Skills

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

Annually, directors are assessed as having 'high capability' or 'medium capability' in skills outlined in the Board skills matrix. One defined capability is 'Environment and Social', which assesses directors' understanding and experience in sustainable practices to manage the impact of business operations on the environment and community and assess and manage climate and nature risks and opportunities. Directors provide initial self-assessment ratings, which are then reviewed by the Board each year. If any skills are not directly represented on the Board at 'medium capability' or above, they are supplemented through management and external advisors. The Board internally assesses its performance annually. It typically engages an external party to assist with this process every second year, with an internal review in alternating years. As part of this process, the Board considers whether the directors have an appropriate mix of skills and experience to effectively provide oversight of the Company, including climate-related risks and opportunities.

In FY25, two Board members noted a high level of capability in relation to Environment and Social skills. One Board member noted a medium level of capability. For more details, refer to the skills matrix in a2MC's 2025 Annual Report here.

Audit and Risk Management Committee

The Audit and Risk Committee (ARMC), a sub-committee of the Board, assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Group's risk management and internal control systems, accounting policies and practices, internal and external audit functions, corporate reporting, including climate-related disclosures and sustainability reporting, and sustainability and climate risk management and strategy implementation. ARMC meets regularly throughout the year, holding meetings and workshops (FY25: 5 total).

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

- Reviewing the Company's climate strategy and monitoring the execution and effectiveness of initiatives against the strategy;
- Reviewing and monitoring performance against the Company's climate-related initiatives, metrics and targets for managing climate-related risks and opportunities (including Scope 1, 2 and 3 emissions reduction targets);
- Overseeing management's processes for identifying, assessing, prioritising and managing the Company's climate-related risks and opportunities;
- Reviewing the Company's climate-related scenario analysis, including both physical and transition risks and opportunities across the specified scenarios;
- Evaluating the Company's capital allocation decisions to ensure alignment with the Company's climate targets; and
- Reviewing the Company's non-financial reporting disclosures and considering whether they are complete, consistent with information known to the Committee, comply with applicable laws and regulations, and otherwise provide a true and fair view of the position and performance of the Company.

The Sustainability, Risk and Legal teams present several times per year to the ARMC on climate-related matters, including emissions reduction planning, climate transition planning, climate and emissions reporting and disclosures, scenario analysis and climate-related risks.

In FY25 this included three presentations covering reviewing the FY24 Climate Statement, an FY25 climate statement update, a scenario analysis overview, a briefing on the emissions reduction roadmap, and a climate reporting assurance update. The ARMC also considered climate-related risks and opportunities as part of its bi-annual review of the Company's enterprise risk register. ARMC reports back to the Board after each meeting (including on all relevant climate-related matters). In addition, ARMC papers and minutes are available to all directors, and directors who are not members of the ARMC are able to attend ARMC meetings if they wish to do so.

Executive Leadership Team

The ELT are responsible for monitoring and managing climate-related risks to the Company and for the development and management of sustainability strategy, including targets. Some or all of the ELT attend each of the Company's Board meetings and provide updates on climate-related matters accordingly (FY25: 11 Board meetings / workshops).

The Company's Chief Legal and Sustainability Officer & Company Secretary (CLSO), a member of the ELT reporting directly to the CEO, has responsibility for the Company's sustainability function, which includes strategy development, target setting, management and reporting on GHG emissions, nature (including biodiversity, soil and water), operational environmental management, modern slavery, responsible sourcing, sustainable packaging and community investment. The CFO is responsible for considering the financial implications of climate-related risks and opportunities and overseeing the Company's risk function. The Chief Supply Chain Officer is responsible for managing the farm sourcing and processor partners, including considering climate change impacts and mitigation within the supply chain.

The ELT, including the CEO and CLSO, have bi-monthly meetings with the Sustainability Team to be updated on progress and review milestones and progress in relation to climate and sustainability targets, metrics, risks and performance generally. In FY25, topics discussed at these meetings included an update on XRB reporting and targets, the Company's emissions reduction roadmap and climate transition plan, updates on the Company's climate disclosures and a discussion on the climate transition plan which was subsequently presented to the Board.

Climate governance – roles and responsibilities (continued)

Sustainability Team

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

Group Head of Risk and Internal Audit

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

Supply Chain Team

The Supply Chain team, including Farm Services, work with the Sustainability team on the management of climate-related targets and initiatives on-farm, packaging and manufacturing. The Sustainable Dairy Manager, a member of the Sustainability team, works closely with the Farm Services team to implement on-farm climate initiatives and monitoring. The wider Sustainability team meets regularly with the a2MC team members at owned and operated manufacturing facilities, namely MVM and Smeaton Grange, operational teams, the Procurement team and New Product Development teams to implement the Company's climate-related strategy and monitor progress towards Company climate-related targets

Management remuneration linked to climate-related risks and opportunities

The ELT and selected other team members are eligible to participate in the Company's short-term incentive (STI) plan. Allocation of STI is based on the Group performance scorecard which incorporates an assessment of both financial and non-financial measures. The non-financial measures, which include Planet measures, are linked to the Company strategy. Planet measures include an employee rating of a2MC's sustainability impact, and progress against the Company's sustainable packaging targets (100% recyclable packaging and 50% recycled content by end 2025), and Scope 3 GHG emissions reduction targets. The Planet measures have a weighting of 5% of the total contribution within the Group performance scorecard. Other than the Group performance scorecard, there are no further KPIs used by the Company to measure and manage climate-related risks and opportunities that link to management remuneration.

Strategy

Current business model and strategy

The Company produces a portfolio of products made with milk from specially selected cows that naturally produce milk containing only A2-type beta-casein protein and no A1.

These products include fresh milk, ultra-heat treatment (UHT) milk, extended shelf life (ESL) milk, infant milk formula (IMF), plain milk powders (including instant whole and skim milk powder), fortified milk powders providing nutrition for infants, children, adults, pregnant women and seniors and other dairy nutritional products primarily for the China, Australia, New Zealand and North America markets. Complementing its own fresh milk and nutritionals production capability, the Company works closely with its partner processing suppliers and farming community to maintain a reliable and responsible sourcing and manufacturing supply chain. The Company believes this is critical to long-term success.

The Company's primary business activities are:

- **China and Other Asia:** Sales of China label and English label IMF, liquid milk and other nutritional products in offline stores and domestic and cross-border e-commerce channels.
- **Australia and New Zealand:** Sales of English label IMF, plain and fortified milk powders for children, adults and pregnant women through reseller and retail channels, and sales of liquid milk across Australian and New Zealand retail channels.
- **North America:** Sales of liquid milk and IMF in the United States of America and liquid milk in Canada.
- **Mataura Valley Milk:** Production of nutritional and ingredient products for a2MC and other external customers in overseas markets.

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

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

Purpose	**We pioneer the future of Dairy for good**				
Vision	**An A1-free world where Dairy nourishes all people and our planet**				
Goals	**People** Create a safe, diverse, inclusive and engaging place for our people to thrive, support our farmers and contribute to our communities	**Planet** Protect our planet and cows, rethink packaging, achieve net zero and become nature positive	**Consumers** Bring the unique benefits of pure and natural *a2 Milk*™ to as many consumers as possible	**Shareholders** Create long-term, enduring value for shareholders and maintain a trusted, transparent relationship	
Strategic priorities	**1** **Invest in people and planet leadership** – Invest in our people to enable them to thrive – Take direct action to lead the industry in GHG emissions reduction, farming practices and sustainable packaging	**2** **Capture full potential in China IMF** – Increase share in key accounts, expand in lower tier cities and further accelerate online growth – Invest in brand strength and leverage across two labels and wider portfolio	**3** **Ramp up product innovation** – Expand English label and China label IMF product portfolios – Develop other nutritionals for kids, adults and seniors – Leverage IMF and other products into new markets – Innovate in liquid milk	**4** **Transform our supply chain** – Expand China label market access through MVM and other investment opportunities, primarily in NZ and China over time – Develop supply capability to enable innovation	**5** **Accelerate path to profitability** – Improve USA liquid milk losses and invest in development of IMF opportunity – Increase MVM A1-free milk pool, nutritional capability, utilisation and efficiency
Enablers	**Quality & service**	**Brand strength**	**Science & innovation**	**Strategic relationships**	
Values	**B** Bold passion	**O** Ownership & agility	**L** Leading constructively	**D** Disruptive thinking	

Strategy (continued)

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

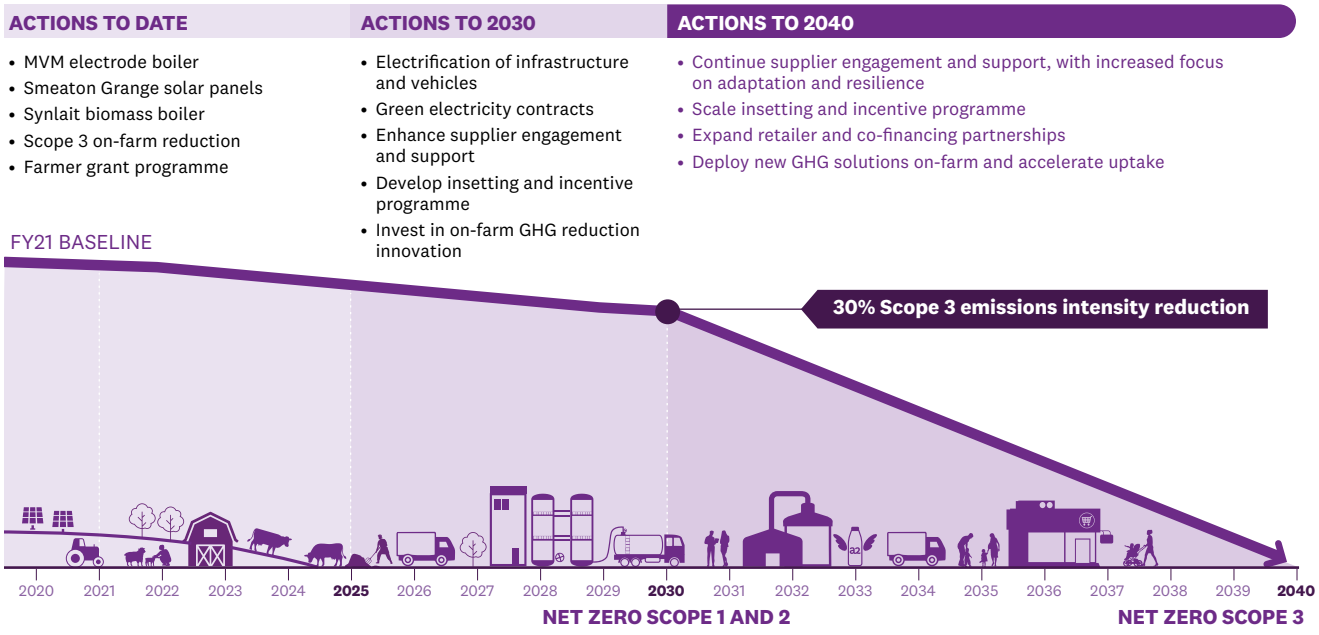
- **Invest in people and planet leadership:** Critical to the Company achieving its commercial objectives is ensuring it has thriving, high performing teams to execute its strategy. The Company has continued to invest in people leadership, including through its constructive leadership programmes. In addition to its people, the Company has elevated investment in planet leadership to sit amongst its top strategic priorities, focusing on taking direct action in GHG emissions reduction, farming practices and sustainable packaging. The Company is also focused on supporting healthy ecosystems through initiatives that contribute to nature positive outcomes.
- **Capture full potential in China IMF:** Growing share in the China IMF market remains the Company's most significant commercial opportunity. The Company is particularly focused on share gain in key accounts, lower tier cities and online channels. Critical to increasing share will be ongoing brand investment, which the Company leverages across its English label (EL) and China label (CL) IMF product portfolios.
- **Ramp-up product innovation:** While the Company has historically been focused on a narrow product range, to continue to drive growth in IMF and beyond, it will be important to expand its portfolio in both China label and English label IMF, as well as leveraging its brand strength to develop into other product categories for kids, adults and seniors. Opportunity also exists for the Company in leveraging existing products into new markets.
- **Transform the supply chain:** Connected to its IMF and innovation ambitions, the Company is working to transform its supply chain. This includes a focus on obtaining additional China label IMF registrations, developing nutritional manufacturing capability, leveraging capacity at Mataura Valley Milk Limited (MVM), as well as pursuing other investment opportunities and commercial partnerships. Over time, the Company will also seek to develop its domestic supply chain capability in China.
- **Accelerate path to profitability:** To maximise investment in China and to improve Group return on sales, the Company needs to ensure it accelerates the path to profitability for both the USA and MVM. The Company is targeting achieving this by FY27.

General information about the Company's strategy and its financial and non-financial measures of success is set out in the 'Our Growth Strategy' section of the Annual Report which can be found on the Company's website.

Developing a climate-resilient business model

To support its emissions reduction targets and support its transition towards a low-emissions, climate-resilient future, the Company has developed a detailed emissions reduction roadmap and climate transition plan. At present, there are no material business model and strategy changes identified as a result of the transition planning aspects of its strategy. The emissions reduction plan is already embedded into the Company's strategy and other elements of the approach support the continuance of the current business model and strategy. The key elements of the emissions reduction roadmap and transition plan are set out below.

Emissions reduction roadmap



Climate transition plan

Our ambition	**Pioneer the future of Dairy for good.**			
Our plan	**Embed climate transition into a2MC's strategy, planning and processes to enhance resilience and deliver net zero.**			
Our approach	**Ambition & foundations**	**Implementation strategy**	**Engagement strategy**	**Metrics and targets**
Key elements to execute our approach	Climate transition embedded into strategic ambition.	Transition incorporated into environment policy & standards.	Collaborate with suppliers and retailers to accelerate transition & resilience.	Net zero GHG emissions scope 1 and 2 by 2030.
	Transition integrated into business model and planning.	Ring-fence essential capital for transition in financial planning.	Identify key stakeholders and establish engagement plans.	30% reduction in scope 3, per kg MS, by 2030 from FY21 base year.
	Regular assessment of external context, scenarios & assumptions to refine approach.	Electrification of infrastructure, transport, and green electricity.	On-going engagement with stakeholders to refine approach over time.	Net zero across scope 1, 2 and 3 by 2040.
		Establish supplier engagement & insetting program.	Continue investment in farm GHG solutions (AgriZero^{NZ}).	Measure and report on progress annually.
		Enhance business continuity and adaptation plans to manage supply chain disruptions.		

Governance			
Climate embedded in Board reporting, oversight, and competencies.	Climate transition plan responsibilities incorporated within responsibilities and accountability of management team.	Climate metrics included within executives and staff KPIs and incentives.	Climate related training implemented for relevant roles

Strategy (continued)

Capital deployment and investment

Climate-related risks and opportunities, and the measures in the Company's transition plan which are specifically geared toward mitigating the effect of or otherwise capitalising on climate-related risks and opportunities, are considered when utilising capital and making funding decisions in relation to capital projects and investment.

a2MC integrates its climate transition plan into capital deployment and funding decisions. New investment proposals will be assessed for alignment with the Company's net-zero targets using climate risk criteria. In the future, the Company may expand this to consider an internal carbon price as well. A portion of capital is generally directed toward emission reduction activities, and the Company may, in the future, utilise green financing instruments where appropriate. Governance oversight ensures funding decisions support the transition goals. This includes decisions relating to capital projects to be implemented as part of the Company's climate transition plan, such as investment in electrification of manufacturing facilities.

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

Current climate-related impacts

In FY25, the Company did not itself experience material physical or transitional climate-related impacts. However, there were climate-related impacts in its value chain, some examples of which are outlined below. These examples are provided on the basis that events that have not had a material impact on the Company can still provide information on how similar events could potentially impact the Company in the future if mitigation strategies are not implemented or sufficient.

Drought, periods of heat or significant rainfall events of similar to those described below could have a material impact on the Company in the future if they were to cause significant supply chain disruption or changes in farming geographies and profitability.

Compliance costs for preparing this Statement and assurance of the Governance section were not material in FY25 and did not present a material transition impact.

New Zealand

Physical Impact (Acute): Prolonged, significant rainfall in Southland (medium-scale adverse event) made September and October 2024 the wettest months on record according to the Earth Sciences New Zealand national climate centre.[1] Increased feed costs to maintain milk production impacted the financial performance of farmer suppliers to MVM. Supplementary feeding allowed herd performance to be maintained, but lower in-calf rates for two-year-old heifers may reduce milk production in the 2025/2026 milk season. This did not have a material impact on the Company in FY25.

Physical Impact (Chronic): A drought in Waikato in 2025 (medium-scale adverse event) led to increased feed costs, impacting the financial performance of farmer suppliers. Early drying off of herds and early return of two-year-old heifers to milking platforms likely reduced 2024/2025 milk production and impacted feed resources for late autumn and winter. This did not have a material impact on the Company in FY25.

Australia

Physical Impact (Chronic): Western Australia experienced drought conditions during FY24, resulting in increased feed costs impacting farmer suppliers in the FY25 period due to having to either buy imported feed or using feed that would otherwise be fed during winter.

In late FY25, areas of Victoria, including Central Victoria where the Company's KyValley supplier farms are located, experienced drought conditions, which had significant impact on grazing, feed prices, water security and milk production. These impacts will likely also continue to be felt into FY26.

In late FY25, farms in Northern New South Wales supplying one of the Company's third party fresh milk processors also experienced increased rainfall events and flooding, damaging fodder cropping and impacting feed costs, damaging infrastructure and fencing, affecting herd health and causing milk-tanker transport access issues. These impacts have affected milk production and increased farming costs in FY25 and will likely also continue to impact FY26.

These factors did not have a material impact on the Company in FY25.

1 Climate Summary for September 2024

Scenario analysis

Climate-related scenario analysis is the process of exploring how a business might perform under a range of hypothetical plausible futures under conditions of uncertainty, enabling the business to better assess how physical and transition risks and opportunities associated with climate change could impact its operations. This understanding can then be incorporated into decision making, risk mitigation and management and business strategy. Climate-related scenarios are not intended to be probabilistic or predictive, or to identify the 'most likely' outcome(s) of climate change and should not be taken as such.

The Company completed its third climate-related scenario analysis in FY25. Initially conducted in FY22 under the TCFD framework, this analysis is updated annually.

Scenario analysis process undertaken

1.	Engaged key internal stakeholders to update the Company's climate scenarios and refine climate-related risks and opportunities.
2.	Defined (and reconfirmed in FY25) scope and boundary including the focal question, time horizons, and value chain.
3.	Identified and prioritised driving forces, including those from the New Zealand Aotearoa Circle Agri Sector scenarios, considering these across political, social and economic perspectives and selected emissions pathways.
4.	Confirmed alignment with sector scenarios (and their use of scenario architecture) and developed (and, in FY25, updated) draft narratives.
5.	Refined scenarios, including review and feedback from the Board
6.	Qualitatively assessed the resilience of the Company's business model and strategy using the Company's climate-related scenarios ahead of the Company's FY25 strategy review and transition planning.

Scenario analysis (continued)

Governance Oversight of Scenario Analysis

The Company has established a structured governance process to oversee and manage the scenario analysis that ensures the integrity, consistency, and relevance of the scenarios used and supports alignment with the Company's overall risk governance and corporate strategy.

The Board provides overall oversight of the scenario analysis process, including:

- Providing strategic direction and ensuring alignment with organisational goals.
- Reviewing and approving the framework, assumptions, and methodologies used in scenario development.
- Ensuring that material risks and opportunities identified through scenario analysis are appropriately considered in enterprise risk management and strategic planning.
- Monitoring the effectiveness and relevance of the scenario analysis process on an annual (or other specified) basis.

The scenario analysis is managed by the Sustainability team, with support from the Finance team on key inputs. The process includes:

- Designing and updating scenario methodologies and selecting key input assumptions.
- Coordinating across other business units to ensure consistent application and understanding of scenarios.
- Conducting the analysis and interpreting outputs to inform planning and disclosures.
- Reporting key findings and recommendations to the Board for review and oversight.
- Review and Continuous Improvement.

The scenario analysis process is reviewed annually to incorporate changes to the business operations and value chain, emerging risks, evolving stakeholder expectations, regulatory requirements, and scientific advancements. Feedback from the Board, management, and external experts (if applicable) is used to continuously refine the process and enhance decision-making. The scenario analysis in FY25 incorporated updated forecast data and refreshed key assumptions.

The FY25 scenario analysis assumptions, inputs and consequent outputs were discussed with the CEO, CFO and CLSO and reviewed by the Board and ultimately approved as part of this Climate Statement.

Climate scenarios

The following three climate-related scenarios were developed to illustrate a wide range of climate-related risks and opportunities which might impact the Company over different time horizons, and are believed to be relevant to the material climate-related risks and opportunities that the Company may face in the case of the three emissions pathways and warming scenarios by 2050:

Low emissions pathway, 1.5°C warming
Medium emissions pathway, 2°C warming
High emissions pathway, >3°C warming.

These scenarios were chosen for their relevance to a2MC's operations, geographic exposure, and sector-specific risks and opportunities. They capture both transition risks (e.g. policy, technology and market shifts) and physical risks (e.g. extreme weather and chronic climate impacts), enabling a comprehensive analysis of potential disruptions and adaptations. The scenarios are aligned with widely accepted models, including those from the Intergovernmental Panel on Climate Change's (IPCC) combined Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs), the International Energy Agency (IEA), Global Energy and Climate Model Scenarios6, and the New Zealand Aotearoa Circle Agri Sector Climate Change Scenarios (Aotearoa Circle). The Aotearoa Circle scenarios are specifically designed for companies operating in the agriculture sector, such as a2MC. The chosen scenarios are therefore considered by the Company to be relevant and useful in assessing the resilience of the Company's business model, inform strategy, and to identify climate-related risks and opportunities.

The quantitative scenario analysis focused on on-farm milk production and product processing facilities (both within and outside of a2MC's operational control) across all material geographies including New Zealand, Australia, and the USA, as the most material of the inputs and impacts to the business.

The analysis did not include a quantitative inclusion of non-milk ingredients, which are blended with milk-based inputs by the Company's third-party manufacturing partners to produce infant milk formula and other fortified powdered products.

This exclusion decision was made due to the level of materiality (by weight) of these ingredients compared to milk inputs, and lack of available and accurate quantitative data from the supply chain.

Methods and assumptions

Methods

1. **Scenario Selection:** As noted above, the scenarios were selected and tailored specifically to the Company after considering guidance from the IPCC combined SSPs and RCPs, the IEA, Global Energy and Climate Model Scenarios, and the Aotearoa Circle.
2. **Data Sources:** The specific data sets from these sources are referred to within each scenario. The external datasets used were sourced from Munich Re Climate Change subscription[1] for physical risk data (described further below) and the IEA scenarios for transition risk data.
3. **Modelling Approach:** The climate-related scenarios were informed by location-based modelling to cover all material geographies. The physical risk modelling is considered appropriate as Munich Re is a worldwide reinsurer with experience in modelling relevant risks in relevant geographies. For information relating to the modelling undertaken for the Company's scenario analysis exercise, refer to the Risk Management section of this disclosure.

Assumptions used in Scenario models and analysis

1. **Carbon Price Pathways:** The climate-related scenarios assume subsequent carbon price pathways[2] and tailored considerations of the pass through of carbon costs from the relevant on-farm and processing facilities as modelled specifically for the Company.
2. **Company Forecast and Business Modelling Data:** The climate-related scenarios assume future sales volumes, unit prices, and cost of goods sold (COGS) derived from business projections based on Company emissions data from FY24, with an assumption of price elasticity for the Company's products based on engagement with internal stakeholders.
3. **Stakeholder Engagement:** Assumptions are based on engagement with internal stakeholders, including the Finance team, Risk and Supply Chain team, key members of the ELT, the CLSO, the CFO, and the CEO and other relevant members of the ELT from time to time.

Uncertainty and limitations

1. **Model Uncertainty:** The choice of models, the data inputs and their inherent limitations can introduce uncertainty. The models use a range of assumptions in regard to climate impacts in different regions, transition costs that may be incurred, the effectiveness of actions taken in each scenario to reduce emissions and limit climate impacts and many other variables, which may not reflect actual future events or conditions, resulting inherent uncertainty in the impacts to the business relating to these aspects. For example, the detailed risk score assessment of raw milk supplier regions relies on the Munich Re climate change database platform, which may have its own limitations and assumptions that may not reflect actual future events or conditions.
2. **Data Uncertainty:** The quality, accuracy, and completeness of the data used can affect the outcomes. Data inaccuracies, incompleteness or estimated data that does not reflect actual future conditions can alter the results of the scenario analysis, resulting inherent uncertainty. For instance, the internal emissions data for FY24 and the projections to 2050 are based on most currently available data, which may change over time. There are many other data variables, such as growth and sales projections, within the models which may not reflect actual future events or conditions, resulting inherent uncertainty in the impacts to the business relating to these aspects.

Relationship to sector scenarios

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

1 Munich Re offers a "Climate Change Edition" subscription as part of its Location Risk Intelligence service, which focuses on providing data and tools for assessing and managing climate-related risks. This subscription helps users understand and quantify the physical risks associated with climate change, including those related to natural hazards, for different future scenarios. It's designed for risk managers, underwriters, investors, and consultants seeking to make informed decisions based on climate risk analysis.

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

Climate scenarios (continued)

Scenario 1: Low emissions pathway

Temperature rise limited to 1.5°C by 2050

The low emissions pathway depicts a world in which strong and immediate action was implemented in the mid-2020s to tackle the critical environmental and socioeconomic issues facing the world. The global ambition, particularly for the larger OECD economies, is to reach net zero emissions by 2050 in order to limit warming to 1.5°C. Government action is planned and swift commencing immediately and continuing through until 2050. A gradual re-prioritisation of economic goals has occurred so that by 2050 the focus has shifted to broader human and planetary wellbeing. Measures of corporate, national, and global success now include social, environmental and cultural indicators that better reflect quality of life. Research and development into innovative technologies that reduce the Company's material footprint, enhance food security, and increase the efficiency of food production are prioritised in the years leading up to 2050. Emphasis on the UN Sustainable Development Goals (SDGs) leads to widespread social 'impact' investment, resulting in reduced inequalities across the world. Initiatives to scale up biodiversity and water protection, plus carbon sequestration, have strengthened rural communities and driven an increase in jobs and overall wellbeing. There has been a widespread shift towards healthy and sustainable diets that include a diverse range of proteins, but proteins from alternative non-dairy sources predominate. Consumers are increasingly seeking local produce with environmental labelling and provenance stories that embed sustainability. The Company meets its climate-related targets.

Scenario description	Key features	
Transition Dataset: International Energy Agency (IEA) Net Zero by 2050 Scenario (NZE) (IEA). **Physical Dataset:** For the Physical Risk modelling, data from SSP1 – RCP2.61 is used via Munich Re physical risk subscription data as described here.	Policy	In this scenario, it is assumed the agricultural sector and Government have designed and implemented inclusive policies that have ensured a just transition. Targets set out in the Climate Change Response Act, the National Adaptation Plan and the new Biodiversity Protection Act 2030 are all met. The Mana Kai initiative turned into a National Food Strategy (2030), and a sustainable land-use policy was implemented to support its delivery. The National Food Strategy pushed the shift towards healthy and sustainable diets.
	Carbon Pricing	It is assumed in this scenario that carbon prices rise rapidly, and this impacts costs for companies through multiple transmission mechanisms. To keep emissions below 1.5°C or even 2°C above pre-industrial levels, Scope 3 emissions are priced either at source or at consumption.
	Socioeconomic Assumptions	Throughout the transition, positive outcomes for biodiversity and the economy are realised and pride in New Zealand's agriculture sector grows. Transparency, sustainability, and global success has made the sector an attractive place to work. The widespread incorporation of planetary boundaries into sustainable land-use planning means rural communities are aligned regarding the direction of the sector. The transition costs are generally high but have varied across sub-sectors. The high cost of replacing old infrastructure assets in 2040 results in some dairy farmers with stranded assets unable to transition. Sustainable dairy farms have consolidated and leveraged various monitoring and automated technologies. Iwi/Māori as significant landowners are positioned as key figures in the transition and products grown using indigenous agriculture methods are in high demand.

Scenario description	Key features	
	Macroeconomic Trends	The strong consumer shift to incorporate a diversity of proteins into diets pushes the sector to transform. There is still a market for premium, sustainable animal products, but the broad shift in demand has driven diversification into high value, low emissions crop and horticulture products. Banks began to, and continue to, address climate risk in their risk management frameworks in the early 2020s, changing the way the agriculture sector accessed capital. Farmers are incentivised to diversify and adopt regenerative and/or indigenous farming practices through sustainability-linked loans and insurance products. Innovative practices are encouraged through private and public funding, and some farmers are identified and supported to transition out of agriculture in areas where growing has become unsustainable. Some farm operations are not able to survive as the transition gains speed.
	Climate and Weather	There are some acute weather events causing physical impacts, such as those already being experienced by farmers who form part of the Company's supply chain (see Current Impacts section), but these impacts are more limited relative to warmer scenarios.
	Energy Pathways	Energy supply is mostly decarbonised, with 98% of electricity from renewable sources, and 89% of total energy from renewable sources, across New Zealand, Australia and the USA by 2050.
	Land Use	By 2050 large areas of land are protected to reverse ecosystem decline. Iwi/Māori have a strong voice in what happens to the land in their local area.
	Relevant Aotearoa Circle Agri Sector Scenario	Relevant Aotearoa Circle Agri Sector Scenario: Orderly: Net Zero 2050 (Tū-ā-pae).
	Agri Circle Sector Description	This scenario represents a world defined by a smooth transition to net zero CO_2 (equivalent) by 2050. Global warming is limited to 1.5°C through stringent climate policies and innovation. Tū-ā-pae assumes climate policies are introduced immediately and become gradually more stringent as 2050 looms. Both physical and transition risks are relatively subdued. Achieving net zero by 2050 reflects an ambitious mitigation scenario[1].

1 RCP1.9 is the most stringent mitigation scenario in which carbon dioxide emissions decline to net zero relatively quickly. It reflects a world in which warming is limited to around 1.5°C by 2050. Unfortunately, there is no downscaled climate data for New Zealand for RCP1.9, so RCP2.6 was used. RCP2.6 is also a stringent mitigation scenario in which warming is limited to around 1.7°C, so the physical impacts of climate change are likely to be similar. The RCP2.6 dataset was therefore selected. This is in line with approach taken by the Aotearoa Circle Agri Sector guidance (refer to page 55 Aotearoa Circle Agricultural Scenarios) and therefore is still appropriate to use for the Low Emissions scenario. Where data from RCP2.6 was missing, data was interpolated between today's scores and RCP4.5 to generate an estimated RCP2.6 result. Both of these approaches generate results which are more conservative for stating physical risk and therefore this approach is considered appropriate for this scenario.

Climate scenarios (continued)

Scenario 2: Medium emissions pathway

Temperature rise limited to 2°C by 2050

In the medium emissions pathway, the world has changed dramatically by 2050. Strong global action led by China and the USA started to occur after 2032 when some countries had to report on the achievement of their first nationally determined contributions. New Zealand was a follower in climate policy and unprepared for the impacts of the transition. A spate of severe weather events pushed governments to develop robust strategies to reduce emissions to net zero as soon as possible. Markets are well connected generally, but some countries have introduced trade barriers to drive emissions reductions at pace. Countries that are not playing their part in the transition face higher trade barriers on global markets. Export markets have shrunk as a result. Nationalist policies emerge with a general desire to source goods and services produced locally to reduce emissions. Progress on technology was slow until 2032 then accelerated, but with regional discrepancies. The rising price of food leading to food insecurity means the focus is on producing cheaper proteins from a more diverse range of sources. Policy and regulatory environments in the USA and China have supported investment in these technologies and enabled scale. Urbanisation has increased as smart cities began to emerge, making them desirable places to live. Strong policy incentivising carbon sequestration has led to significant forest growth in rural areas with displaced agricultural sector workers. This has also caused erosion of rural communities, services, and amenities. Strong mitigation policy means that demand for low-footprint products has increased since the mid-2030s. Consumers are wanting to buy locally grown, or locally sourced products which are either fresh or lab-grown. The Company continues with its progress against Scope 3 targets and new technologies are available to mitigate carbon tax exposure. Consumer preference shifts towards low-carbon products, impacting a2MC's market access. The Company starts to feel chronic weather events within its Australian supply chain.

Scenario description	Key features	
Transition Dataset: International Energy Agency (IEA) Announced Pledges Scenario (APS). **Physical Dataset:** For the Physical Risk modelling, data from SSP2 – RCP4.5 is used via Munich Re physical risk subscription data.	Policy	Businesses all along the agriculture sector supply chain struggle to attract and retain skilled labour. After many years, policy that enables gene editing and selection technology also emerges, encouraging growers and innovators to develop new proteins, plant breeds and cultivars with a lower footprint that respond to changing climatic conditions. Gene editing also helps with pest control. Government policy is generally myopic and uncoordinated. There is an increasing burden on the sector to remain prosperous. The rapidly changing financial and consumer world means farmers feel government action is out of step with reality. There is a lack of funding and support for the sector to be a part of the transition. Policy also creates perverse outcomes in some areas.
	Carbon Pricing	Carbon prices rise significantly, and unprepared organisations face considerable financial and reputational risks.
	Socioeconomic	The reduction in growth of the sector has reduced the number of jobs available, and its tarnished image has made the sector a less desirable place to work. Both impacts have flow on social and economic implications for rural communities, and wellbeing declines in some areas. Parts of the sector that have low environmental footprint or can quickly transition see robust increases in demand and government and private sector support. For example, exotic forestry is further incentivised due to its carbon sequestration and contribution to the bioeconomy, and horticulture receives positive attention due to its low emissions. These subsystems expand and the surrounding regions benefit accordingly. Mauri in rural communities has decreased as iwi/Māori issues have been deprioritised in favour of emissions reductions.
	Macroeconomic	The lack of coordinated land use policy combined with changes in consumer demand and high food prices, creates an uncertain operating environment for farmers and growers. The lack of clarity makes investment in parts of the sector risky, particularly in livestock agriculture. Capital is hard to access for regions highly exposed to physical or transition risk. Export markets for animal protein products have shrunk with a rise in protectionism. Although there is still reasonable demand for animal protein, most countries prefer to source it locally due to the perception of reduced emissions. Many countries have introduced stringent trade rules such as carbon border adjustments. These barriers to New Zealand exports mean only premium, sustainable animal protein products are viable on global markets. Large numbers of dairy, sheep and beef farmers have struggled to stay afloat. The food miles debate once again becomes prominent and market access is restricted. The diversification of proteins opens new opportunities.

Scenario description	Key features	
	Sustainable Technology (including negative emissions technology) and Carbon Sequestration	Given the high warming impact of methane, the Government takes steps to rapidly reduce on-farm livestock emissions including with the implementation of effective methane inhibitors in 2035. Methane inhibitors prove effective but are only applicable in systems where feed can be provided to animals, which makes it hard for the beef and sheep industry to compete. Similarly, low carbon shipping methods are developed, but New Zealand's distance from the market makes these an expensive transport option. Advances in agricultural technology to improve productivity have continued. These include new innovations to increase the efficiency of harvesting and milk processing and drying, but their impact is incremental. New, diversified proteins emerge that are cheaper alternatives to milk and meat proteins. Scaling up of these new proteins is important to feed a growing population. There is a rushed and costly global push for more CCS technology in the lead up to 2050, though this is not really seen in New Zealand.
	Climate and Weather	Physical impacts such as heat stress, drought and flooding which impact feed availability and milk production are still significant under this scenario (compared to the low emissions pathway). However, they are not as extreme as under the high emissions pathway.
	Transport	After a delay, all new light vehicles in New Zealand, Australia and the USA have been electric since 2040, but private car ownership has declined. Buses and trains are decarbonising quickly.
	Energy Pathways	76% of total energy consumed is renewable across New Zealand, Australia and the USA.
	Land Use	There is no national strategy for land use. Since 2030, some areas have been rewilded as unsustainable farms have gone out of business.
	Relevant Aotearoa Circle Agri Sector Scenario	Disorderly: Delayed transition (Tū-ā-hopo).
	Agri Circle Sector Description	The Tū-ā-hopo scenario represents a world with little policy action until after 2030 after which strong, rapid action is implemented to limit warming to 2°C above pre-industrial levels. In Tū-ā-hopo, countries and territories use fossil-fuel heavy policies to recover from COVID-19, so emissions increase, and nationally determined contributions are not met. It is only after 2030 that new climate change policies are introduced, but not all countries take equal action. Consequently, physical and transition risks are higher. This is a costly and disruptive transition.

Climate scenarios (continued)

Scenario 3: High emissions pathway

Temperature rise of >3°C by 2050

In the high emissions pathway, exploitation of fossil fuels has continued unabated as countries raced to shore up energy supply. The physical impacts of climate change are wreaking havoc. The most vulnerable countries have become uninhabitable, leading to a refugee crisis across low-lying vulnerable nations. Geopolitical tensions are very high and supply chain disruptions are common, creating food supply shortages and consequently high costs. The battle for water security has sparked new geopolitical tensions. Economic growth is still prioritised by governments and is strong, driven by the exploitation of fossil fuel and other natural resources. Investment in education and healthcare has improved quality of life for some developing countries. Technology advances reasonably fast. The push for economic growth and increased productivity has pushed businesses and governments to innovate in more efficient energy technology and storage. Many rural communities with low adaptive capacity have been devastated by physical climate change. More people are moving to the cities where the focus of transformative adaptation is centred. Food production suffers as rural communities decline, and this exacerbates global food insecurity. Consumption of animal products has continued to increase since the 2020s. There is an increased demand for cheap protein to feed a growing population, while the consumption of plant-based foods is driven by health and wellbeing rather than climate. The Company continues with its progress against Scope 3 targets and new technologies are available to mitigate carbon tax exposure. In this scenario, frequent and intense climate impacts such as temperature rises, resulting in cow heat stress, drought, and flooding, disrupt the Company's supply chains and economically productive assets, leading to stranded assets in exposed regions. Increased temperature-humidity index (THI) and drought affect the Company's supply chain in Australia and the USA, reducing milk production in cows, especially in extreme heat and humidity. Water shortages impact pasture growth and processing capacity, compromising business continuity, reducing production, and increasing operational costs for the Company. Additionally, increased storms and floods in New Zealand damage farms, reduce productivity, and affect milk quality, with potential impacts on processing operations.

Scenario description	Key features	
Transition Dataset: International Energy Agency (IEA) Stated Policies Scenario (STEPS) (IEA STEPS). **Physical Dataset:** For the Physical Risk modelling, data from SSP5 – RCP8.5 is used via Munich Re physical risk subscription data.	Policy	No policy changes to reduce emissions. Only currently implemented policies are maintained. Weakened direction on climate action as governments detract from mitigation. Government focus shifts more towards localised adaptation projects, although the cost of adaptation continues to rise. There is a lack of long-term systems thinking in government. Adaptation-focused policy means that the sector is not empowered to reduce its environmental footprint, but funding and resources are available to implement systems more resilient to climate change. There is support available for the inexorably rising costs of adaptation that farmers and growers face, but in some regions adaptive capacity is simply not high enough. After a series of pest-related crop losses in the mid-2030s, policy was implemented to tighten biosecurity and pest control. Although these policies have improved the sector's resilience to pests, they also increased operating costs for many.
	Carbon Pricing	Carbon pricing costs are not as prominent in this scenario.
	Socioeconomic	The agriculture sector engenders mixed views from the public. In a world rife with food insecurity and water stress, some view the sector as heroes keeping New Zealand fed. In contrast, many more view the sector as key contributors to the planetary crisis we now face, profiting off the rising price of food. A record heatwave in 2038 sees huge numbers of farm workers hospitalised with heat stroke and a small number of deaths. Working in the sector is unappealing and challenges attracting labour are high. Demand for food continues to rise and people just want to be fed and no longer care deeply about the provenance or footprint of their food.

Scenario description	Key features	
	Macroeconomic	Apart from a small number of premium products, the advantage New Zealand had in the market has been lost. Food shortages and supply insecurity have led most consumers to place less importance in sustainability and traceability. Products are still sold on export markets, though the costs of exporting have risen due to weather-related hazards. There is significant tension around ensuring enough food supply is set aside for domestic consumption. Significant government support and subsidies are required for vulnerable communities. In many regions, accessing capital and insurance has become extremely difficult. Banks are no longer willing to lend to areas highly exposed to floods, droughts, and heatwaves. Insurance in many areas is either inaccessible or unaffordable. These areas have seen farms shrink massively or become unviable. Adaptive and innovative growing methods such as vertical or indoor farming, which conserve water, land, and energy, have become essential food sources.
	Sustainable Technology (including negative emissions technology) and Carbon Sequestration	The lack of investment in technologies that support and enable sustainable production means traditional agriculture's high environmental footprint remains. Innovation is focused on increasing productivity or adapting to the impacts of climate change. Climate data and technology that allows the sector to understand its risks is stagnant from the early 2040s when international progress on climate modelling stops with the dissolution of the IPCC process. Artificial intelligence and machine learning techniques enable more efficient harvesting and planting. The focus on adaptation brings some advances in technology that enable some farms to continue to be productive despite the impacts of climate change. Products such as shade systems for livestock and crop storm shelters have protected some areas but these advances are insufficient in many areas to sustain production. There is little use of CCS globally. Pines continue to be planted for timber, but native forestry is not incentivised.
	Climate and Weather	Large impacts on milk production caused by chronic weather events such as drought and heat stress, impacting feed availability and milk production, and acute weather events such as extreme flooding impacting feed availability and milk production.
	Energy Pathways	Renewable sources provide 46% of total consumed energy across NZ, Australia, and the USA.
	Land Use	Land use continues to go to those who can derive the greatest profits from it. Urban sprawl ensues and livestock agriculture remains widespread.
	Relevant Aotearoa Circle Agri Sector Scenario	Hot house: Current policies (Tū-ā-tapape).
	Agri Circle Sector Description	The Tū-ā-tapape scenario describes a world in which emissions continue to rise unabated as no additional climate change policies are introduced. Fossil fuel use continues to increase, and so global CO_2 emissions continue to rise and warming is expected to reach 3°C higher by 2080. The physical impacts of climate change are severe in Tū-ā-tapape.

Climate scenarios (continued)

While these scenarios are hypothetical constructs and are not designed to deliver precise outcomes or forecasts, the analysis will assist the Company with strategic planning, including its plan to further develop a refined emissions reduction roadmap outlining the initiatives required to achieve Scope 1, 2 and 3 targets.

Climate-related risks and opportunities identified over the short, medium and long term

The Company used the scenario analysis, alongside the Company's strategy and current operating model, to consider climate-related risks and opportunities over the short, medium and long-term horizons. For both scenario analysis and the identification of climate-related risks and opportunities, the 'short term' is defined as up to 5 years, 'medium term' is defined as 5 to 15 years, and 'long term' is defined as 15+ years (to 2050 maximum). Refer to page 28 for a description of the specific time horizons used for climate-related risks and opportunities identification and further detail on how those time horizons link to a2MC strategic planning horizons and capital deployment plans).

The Company has identified a range of climate-related risks and opportunities for each scenario which are relevant to a2MC's business, strategy and financial planning, by assessing the material climate-related impacts derived from climate-related scenario analysis.

Set out in the table on the next page, as described in the Scenario Impact Overview column, is an overview of the identified risks and opportunities of moderate to high impact on the basis that these are assessed as the material risks and opportunities, together with a2MC's current or proposed efforts to mitigate these risks and/or leverage these opportunities.

In a low emissions pathway and medium emissions pathway, as well as there being transition risks, there is a potential climate-related transition opportunity to differentiate a2MC as a leader in sustainable dairy. There are no identified material climate related transition opportunities in a high emissions pathway scenario.

Based on the scenario analysis outputs, 100% of the Company's products are vulnerable to transition risks under a 1.5°C scenario and 2°C scenario. However, the impact in the 2°C scenario is reduced. This includes regulatory risk driven by a higher price on carbon or liabilities under existing or future climate legislation. Under the >3°C scenario, no transition risk was identified. This has not changed since FY24.

The scenario analysis also showed that 100% of the Company's products are vulnerable to physical risks under a >3°C scenario. In this scenario, New Zealand is more susceptible to acute wet weather events such as flooding, while Australia and the USA are more susceptible to chronic heat and drought impacts. Under the 1.5°C and 2°C warming scenarios, the vulnerability to physical risks is significantly lower although still impacting 100% of products, just to a lesser degree, with Australia likely to be most impacted by heat and drought. This has not changed since FY24.

The scenario analysis also showed that 100% of the Company's products are potentially aligned to climate-related opportunities, relating to the opportunity to differentiate as a leader in sustainable dairy, in all three scenarios. This has not changed since FY24.

Some specific climate-related opportunities and risk reduction outcomes were shown in the scenario analysis, relating to reduced risk of flooding in some New Zealand milk pools, customer demand for low carbon products and the location and buffer in the Company's supply chain milk pools. This has not changed since FY24.

The Company has not disclosed anticipated financial impacts of risks and opportunities in reliance on Adoption Provision 2: Anticipated Financial Impacts (paragraphs 12-14 of NZ CS 2) in the second year of reporting. This provides an exemption from the requirements to disclose the anticipated financial impacts of climate-related risks and opportunities, a description of the time horizons over which the anticipated financial impacts could reasonably be expected to occur, and (if relevant) an explanation as to why quantitative information cannot be disclosed.

Scenario outputs

Scenario 1: Low emissions pathway to 2050

Impact area	Impact overview	a2MC response
Suppliers, manufacturing and sale Increasing climate regulation and controls **Risk or opportunity** Risk (transition) **Timeframe** Short term, Medium term	High likelihood of an increase in carbon price or liabilities under existing or future climate legislation (e.g. New Zealand Emissions Trading Scheme (ETS), Australia Safeguard Mechanism – which requires Australia's highest GHG emitting facilities to reduce their emissions in line with Australia's national emission reduction targets) which could result in increased operational costs or impacts to supplier operations. This impact is across all relevant covered geographies (New Zealand, Australia and USA). If production-related emissions are priced, it may indirectly affect the business due to costs being passed through to the Company from suppliers.	Investments in reducing Scope 1 and 2 emissions have already lowered short-term risks from current carbon price impacts related to operational emissions. To mitigate exposure to carbon tax on Scope 3 emissions, the Company must continue to make progress against its Emissions Reduction Roadmap and Climate Transition Plan. This detailed plan includes early-stage efforts such as methane reduction studies, environmental research, supporting farmers through the a2™ Farm Sustainability Fund, which funds sustainable agriculture practices and direct emissions reduction projects on farm, and the Company's investment in AgriZero^{NZ}, which is investing in potential emissions reductions initiatives research in Aotearoa New Zealand. Additional initiatives will continue to be assessed and invested in to fully mitigate this risk. However, mitigation is reliant on the successful implementation of novel technology development, which is not certain to be achieved.
Research and development, market access Customer demand for low carbon products **Risk or opportunity** Risk and opportunity (transition) **Timeframe** Short term, Medium term	Consumer preference is likely to shift towards low-carbon products as a result of the real or perceived emissions intensity of natural dairy products. This could impact a2MC's market access, especially with climate-related policies like carbon border adjustments, which may increase operational costs or limit market access. This could result in a segment of the Company's consumers not purchasing its products, impacting on sales and revenue. These impacts could occur across all relevant covered geographies (New Zealand, Australia and USA). Opportunity to differentiate as a leader in sustainable dairy.	The Company is committed to reducing emissions within its value chain and is investing in initiatives to support this. This could improve the consumer perception of the emissions impact of dairy, and thereby lower the impact of consumer choices moving away from the Company's products. Efforts by the Company to date to reduce emissions include methane reduction studies, research partnerships, the a2™ Farm Sustainability Fund to support sustainable agriculture practices and direct emissions reduction projects on farm, and the Company's investment in AgriZero^{NZ}. These initiatives are in their infancy, and the Company depends on external factors such as technological advancements for scalability, viability, as well as the appropriate regulatory approvals, and as such the effectiveness of these mitigations is currently uncertain. Despite these challenges, the Company views this as a potential opportunity to lead the dairy sector in low-emission nutrition when compared to competitors, potentially mitigating risks of market share and revenue decline due to shifting consumer preferences.
Supply chains Increase in chronic weather impacts **Risk or opportunity** Risk (physical) **Timeframe** Long term	An increase in chronic weather events (at lower level than the other scenarios), including drought and heat stress, is likely to impact the Australian supply chain over the long term (15+ years), particularly in regions such as Western Australia and northern Australian milk pools where climate impacts are expected to result in increased heat stress.	The Company regularly assesses milk pool geographical diversification to mitigate supply shock risks and maintain regional buffers. It also collaborates with farms on animal heat stress management, including milk shed upgrades and providing adequate shade.

1 In each table, chronic heat stress risk and drought are combined into a single category due to their similar impacts, including the geographical areas most affected. However, the Company acknowledges that these are distinct risks.

Scenario outputs (continued)

Scenario 2: Medium emissions pathway to 2050

Impact area	Impact overview	a2MC response
Suppliers, manufacturing and sale Increasing climate regulation and controls **Risk or opportunity** Risk (transition) **Timeframe** Medium term	Rising carbon prices or liabilities as described in scenario one (but felt at a more moderate level than scenario one). These effects will likely be felt in the medium term, over a period of 5 to 15 years. These impacts are across all relevant covered geographies (New Zealand, Australia and USA).	Since the Company should have achieved its Scope 1 and 2 net zero targets, the primary focus will shift to Scope 3 emissions. To mitigate exposure to carbon tax on Scope 3 emissions, the Company must continue progressing its net zero targets (details in Risks and Opportunities table for Scenario One). To fully address this risk, additional initiatives, including the development and investment in novel technologies, which have been included in the Company's Climate Transition Plan. Although the risk is lower in the 2°C scenario due to the extended timeline, it still depends on external uncertainties. Refer to scenario one for uncertainties.
Research and development, market access Customer demand for low carbon products **Risk or opportunity** Risk and opportunity (transition) **Timeframe** Medium term	Consumer preference is likely to shift towards low-carbon products as a result of the real or perceived emissions intensity of natural dairy products. This could impact a2MC's market access, especially with climate-related policies like carbon border adjustments, which may increase operational costs or limit market access. This could result in a segment of the Company's consumers not purchasing its products, impacting on sales and revenue. These impacts could occur across all relevant covered geographies (New Zealand, Australia and USA). This may impact a2MC's market access in the medium term, over a period of 5 to 15 years. Opportunity to differentiate as a leader in sustainable dairy.	The Company is committed to reducing emissions within its value chain and is investing in initiatives to support this. This could improve the consumer perception of the emissions impact of dairy, and thereby lower the impact of consumer choices moving away from the Company's products. Expand on early emissions reduction efforts (refer to scenario one for detail). These initiatives are currently in their infancy, and the outcomes may still depend on external factors such as advancements for scalability, viability, as well as the appropriate regulatory approvals. Despite these challenges, the Company views this as an opportunity to lead the dairy sector in low-emission nutrition, potentially mitigating risks of market share and revenue decline due to shifting consumer preferences.
Supply chains Increase in chronic weather impacts **Risk or opportunity** Risk (physical) **Timeframe** Medium term	Meaningful increase in chronic weather events related to both temperature-humidity index (THI) and drought, compared to current climate conditions, impacting the Australian supply chain over the medium term in the Scenario.	The Company regularly assesses milk pool geographic and farming system diversification to mitigate supply shock risks and maintain regional buffers. It also collaborates with farms on animal heat stress management, including milk shed upgrades and providing adequate shade.

1 In each table, chronic heat stress risk and drought are combined into a single category due to their similar impacts, including the geographical areas most affected. However, the Company acknowledges that these are distinct risks.

Scenario 3: High emissions pathway to 2050

Impact area	Impact overview	a2MC response
Milk supply Increasing climate regulation and controls **Risk or opportunity** Risk (physical) **Timeframe** Medium term, Long-term	Material increase in chronic weather events related both to temperature-humidity index (THI) and drought, in this scenario, impacting supply chains in Australia, the USA and parts of New Zealand. Higher THI rates lead to reduced milk production in cows, especially in regions experiencing extreme heat and humidity. Lack of shade or shelter exacerbates this impact. Reduced water availability on-farm compromises pasture growth, affecting milk production. Furthermore, water shortages may also affect processing capacity. These on-farm challenges may result in compromised business continuity, reduced production, and increased operational costs or complexity for the Company.	The Company regularly assesses milk pool diversification to mitigate supply shock risks and maintain regional buffers. It also collaborates with farms on animal heat stress management, including milk shed upgrades and providing adequate shade. Additionally, the Company partners with supplying farms on drought management activities, including herd management, feed sourcing and budgeting. In New Zealand and Australia, these mitigation actions can be further supported by the a2™ Farm Sustainability Fund, which helps farmers enhance on-farm resilience.
Supply chains Acute weather impacts **Risk or opportunity** Risk (physical) **Timeframe** Medium term	Increased acute adverse weather events, particularly in New Zealand due to the proportion of the Company's production in this geography in this scenario, including storms and floods which may result in farm damage/disruption, loss of productivity, decreased milk supply, or compromised milk quality. The Company may also face impacts on processing operations from acute weather events including damage to infrastructure compromising milk collection and processing or access to energy, or distribution of products. The scenario analysis indicated that some locations in New Zealand may be less impacted by flood risk, potentially reducing the physical risk. The Company may be less impacted by acute weather events, due to the strategic locations of the Company's suppliers and the supply buffers in its milk pools.	The Company regularly assesses milk pool diversification to mitigate supply shock risks and maintain regional buffers. The Company works with supplying farms on flood management activities such as infrastructure improvements and natural flood management interventions. In New Zealand and Australia, this is supported through the a2™ Farm Sustainability Fund which supports farmers in enhancing on-farm resilience. In addition, the Company provides farmers with ad hoc crisis support following weather-related events. This support is a one-time payment designed to assist farmers in their recovery.

1 In each table, chronic heat stress risk and drought are combined into a single category due to their similar impacts, including the geographical areas most affected. However, the Company acknowledges that these are distinct risks.

Climate Risk management

Identifying, assessing and managing climate-related risks

The Company recognises that effective risk management anticipates risks, develops strategies to manage risk and enables the Company to capitalise on opportunities, which is critical to sustainable, long-term value creation. The Company's risk management approach follows ISO 31000 principles, ensuring robust processes and allowing the Board to make balanced assessments. Financial and non-financial risks, including climate-related risks, are identified, assessed, and monitored through a risk register, which is updated regularly through engagement with the ELT and presented to the ARMC. Mitigating actions and controls are designed to reduce the likelihood and impact of key risks.

For more general information, see the Company's Risk Management Policy is available at www.thea2milkcompany.com/corporate-governance.

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

The primary tool for monitoring the identified risks is the enterprise risk register. The Company's enterprise risk register is updated throughout the year and fully updated annually to coincide with the Company's annual strategic refresh process with oversight by the ARMC and Board. These processes include input from the ESG risk register, which is itself another tool to identify risks and which incorporates outcomes from the Company's scenario analysis.

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

The Company has identified 'climate and nature' as one of its nine key risk and opportunity areas. The key areas of risk and opportunity in the 'climate and nature' risks that are relevant to climate, and have been identified to a higher degree of detail through the scenario analysis in FY24 and FY25, are presented below.

Risk

- Negative impacts to the environment from the Company's operations and value chain, including the Company's contribution to climate and nature change, could damage the Company's reputation and decrease customer demand for the Company's products.
- Risk of natural disasters (e.g. flooding, drought, earthquake), particularly in Dunsandel given the China label product registration can only be made at that specific site.

Opportunity

- Develop operational resilience by incorporating climate and nature scenario modelling into long-term strategic planning.
- Strengthen brand and social positioning via leadership position in GHG emissions reduction, recyclable packaging and sustainable farming practices.
- Realise increased productivity and efficiency via new technologies and practices that lower emissions and environmental impact.
- Enhance climate risk modelling and disclosures.
- Develop a positive nature contribution strategy, and reporting on nature contributions within the Company's value chain.

More detail can be found in the Risks and Opportunities section of the FY25 Annual Report.

Use of scenario analysis to identify and manage risks

Scenario analysis is the tool leveraged by the Company to identify and assess climate-related risks and opportunities, including their scope, size and impact.

These scenarios were chosen for their relevance to a2MC's operations, geographic exposure, and sector-specific risks and opportunities. They capture both transition risks (e.g. policy, technology and market shifts) and physical risks (e.g. extreme weather and chronic climate impacts), enabling a comprehensive analysis of potential disruptions and adaptations. The scenarios are aligned with widely accepted models, including those from the Intergovernmental Panel on Climate Change's (IPCC) combined Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) 3, the International Energy Agency (IEA), Global Energy and Climate Model Scenarios[1], and the New Zealand Aotearoa Circle Agri Sector Climate Change Scenarios (Aotearoa Circle)[2] (scenarios specifically designed for companies operating in the agriculture sector, such as a2MC). The chosen scenarios are therefore considered by the Company to be relevant and useful in assessing the resilience of the Company's business model, inform strategy, and to identify climate-related risks and opportunities.

At present, scenario analysis is largely a standalone process from strategy processes. While we have integrated some aspects of scenario analysis into the Company's risk management processes by presenting the outputs of the scenario analysis to the ARMC, we have not yet fully integrated scenario analysis into strategy development.

The Company's scenario analysis is based on specific Impact, Adaptation and Vulnerability modelling carried out by a2MC developed so as to identify climate-related physical and transition risks and potential opportunities that would be most material to the Company. The models apply the Company's quantitative business data and projections, and other data inputs as described below, to the impacts that play out in each of the climate-related scenarios, in order to build a model indicating how each climate scenario may impact the Company. Key findings were:

- For physical risk, regional milk pools are the largest input and value driver for both liquid milk and powdered products. Physical risk was modelled based on a detailed risk score assessment of the raw milk supplier regions and locations (by coordinates). These risk scores were sourced from the Munich Re climate change database platform. This risk score was then applied to the relative contribution of suppliers to model the potential impact on milk availability and the subsequent impact on business revenues and costs.
- Transition risk is modelled using carbon pricing risk factors for the key product categories (liquid milk and powdered products) which have been based on a detailed breakdown of emissions calculations. Internal emissions data used is for FY24, and therefore sales volumes, unit price and cost of goods sold (COGS) is also FY24 (actuals) projected to 2050, with an assumption of price elasticity based on engagement with internal stakeholders. Carbon price curves are sourced from the relevant IEA dataset identified in the scenario descriptions (www.iea.org/reports/world-energyoutlook-2023). Both financial assessments are then overlaid with qualitative analysis of potential impacts including non-financial risks and opportunities. The relevant size and scope of these opportunities and risks is then discussed internally with appropriate stakeholders including the finance, risk and supply chain, key members of the ELT, the CLSO, CFO and CEO.

1 www.iea.org/reports/global-energy-and-climate-model
2 www.theaotearoacircle.nz/focus-areas/climate/climate-scenarios

Climate Risk management (continued)

Time horizons: Climate-related risks and opportunities have been assessed across three time horizons: 'short term' – defined as up to 5 years, 'medium term' – defined as 5 to 15 years, and 'long term' – defined as 15+ years (to 2050 maximum).

The Company strategy includes medium-term measures of success, where medium-term is defined as FY27+, a period that is described as including GHG emissions reduction targets of net zero Scope 1 and 2 by 2030, with a 30% intensity reduction in Scope 3 by 2030 (from a FY21 base year), with a target of net zero Scope 3 emissions by 2040.

This target period covers the short to long term in the three time horizons used in climate-related risk and opportunity assessment. Capital deployment plans are developed with specificity in the short-term time horizon.

Value chain exclusions: Milk production is the primary value driver of the business and material ingredient of the Company's products and business. The scenario analysis in FY25 has been conducted only on the milk inputs for liquid milk and powdered products. It does not include minor non-milk ingredients from infant formula and fortified milk powder products sourced by the Company's third-party manufacturing partners. a2MC plans to consider inclusion of relevant non-milk inputs at its third-party manufacturing sites as the Company expands its assessment of climate risks and opportunities in future years.

Frequency of assessment: The Company's climate-related risk assessment process has evolved over time. In FY22, the Company completed its initial scenario analysis and climate-related risk assessment against the TCFD framework. In FY24, the Company conducted its second analysis in the context of the NZCS, refining its understanding of climate related risks and opportunities. The Company now conducts scenario analyses and climate-related risk and opportunity assessment on an annual basis, making this assessment its third assessment.

Carbon Pricing: The Company considers carbon prices in the regions where it operates – but it does not currently use a formal internal emissions price. Moving forward, it will develop an internal carbon price based on scenario analysis modelling, so that carbon pricing can be more consistently integrated into decision making.

Key Metrics and Targets

The Company's reported GHG emissions profile and targets covers Scope 1, 2, and 3 emissions, with targets as follows:

- Net zero Scope 1 and 2 (market based) GHG emissions by 2030 (absolute target).
- Net zero Scope 3 GHG emissions by 2040 (absolute target).
- An interim target of 30% intensity reduction of Scope 3 GHG emissions by 2030 (per kilogram of milk solids, from a FY21 base year).

These targets were developed through peer benchmarking exercises, an assessment of the Company's current GHG emissions profile, and analysis of decarbonisation opportunities available now and anticipated by 2030 and 2040.

The Company views these targets as contributing to the global effort to limit warming to 1.5°C by aligning its emissions trajectory with widely accepted scientific pathways for achieving net zero by 2050. The targets are intended to drive absolute emissions reductions across Scope 1, 2, and, where applicable, Scope 3 emissions, consistent with the objectives of the Paris Agreement.

The targets prioritise direct emissions reductions wherever practicable. The use of carbon offsets is limited to addressing residual emissions that are not currently abatable with available technologies or economically feasible solutions, with the intention that only a small percentage of emissions will need to be off-set.

Scope 1 and 2 emissions account for less than 1% of the Company's total GHG emissions profile, with Scope 3 emissions comprising approximately the other 99%. The largest proportion of Scope 3 emissions is from on-farm activities (including methane from the rumination of cows, nitrous oxide that arises from manure and urine, and losses from soils and energy used to run farm operations). This is not materially changed from FY24.

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

a2MC has chosen to use the Sustainability Accounting Standards Board Food and Beverage (Alternative Products in Food & Beverage – SASB and Meat, Poultry and Dairy standards (Volume B23 – Meat, Poultry & Dairy) to guide its key environmental impact and performance metrics including GHG emissions 2 (Scope 1, 2 and 3), energy management, water management, and land management and ecological impacts. These metrics are disclosed in the Company's Annual Report. The table below details the key climate-related metrics and performance over time.

Greenhouse gas emissions, calculated as tonnes of carbon dioxide equivalent (tCO_2e), have been measured in accordance with the GHG Protocol guidelines as further described in the GHG inventory report referred to below. Emissions and conversion factors were sourced from the National Greenhouse Accounts Factors for Australia, the New Zealand Ministry for the Environment for New Zealand and a range of other country specific sources. Where required, indirect emissions sources have been estimated using default and/or extrapolated emissions intensity rates to provide a more complete picture of the Company's Scope 1, 2 and 3 emissions. Total emissions calculations include packaging and non-milk raw ingredients for owned facilities only. Refer to the Company's GHG inventory report for details of exclusions, estimations and assumptions used, which can be found at the end of this Climate Statement.

Key Climate-related Metrics – Performance over time

Key Metric[1]	FY25	FY24	FY23	FY22	FY21 (base year)	% change FY21-FY25
Scope 1, 2 and 3 Emissions Intensity (tCO_2e per kg of milk solids)	12.12	15.09	18.65	18.99	19.35	-37.3%
Scope 1 GHG Emissions (tCO_2e)	374	13,412	24,343	22,972	30,144	-98.8%
Scope 2 GHG Emissions (tCO_2e) (Market based)[2]	153	149	153	–	–	–
Scope 2 GHG Emissions tCO_2e) (Location based)[2]	8,486	4,507	3,356	3,221	3,426	147.7%
Scope 3 GHG Emissions (tCO_2e)	436,528	440,392	476,595	490,153	459,749	-5.1%
Total GHG Emissions (tCO_2e) (with Location-based Scope 2 emissions)	445,388	458,311	504,294	516,345	493,319	-9.7%
Total GHG Emissions[3] (tCO_2e) (with market-based Scope 2 emissions)	**437,055**	**453,953**	**501,090**	**516,345**	**493,319**	**-11.4%**

1 Numbers are subject to rounding.

2 A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments, such as green energy contracts.

3 Total GHG emissions have been calculated using both the location-based method and the market-based for Scope 2 emissions in years where such emissions were reported. In years without Scope 2 market-based emissions, the location-based method only was used.

Key Metrics and Targets (continued)

In terms of achieving net zero targets, the Company aims to reduce its carbon footprint through various emission reduction activities as laid out in the Company's emissions reduction roadmap. Additional reductions which will also support meeting these targets will likely be driven through grid decarbonisation (i.e. with respect to the proportion of electricity supplied through the national grid that is generated using carbon-based fuel sources as opposed to renewal energy sources like solar and wind power) and technology advancements over time. The Company plans to prioritise reductions within its operations and value chain, investing in value chain interventions and in-setting (where a company invests in carbon reduction or removal projects within its own value chain or supply chain, rather than purchasing carbon credits from external projects). Where residual emissions cannot be further reduced, the Company may need to offset residual emissions to reach net zero, and will disclose any use of credits for the purpose of offsetting.

The Company does not currently use emissions offsets and has no immediate plans for procurement of emissions offsets in the short term.

FY25 emissions reduction progress

Net Zero Scope 1 and 2 Emissions Target

In FY25 the Company achieved 98.8% overall Scope 1 emissions reduction from FY21 base year, mainly due to the MVM boiler conversion in FY24.

Whilst electricity use increased by 65% since FY24 due to the new electrode boiler at MVM, the sourcing of renewable energy in the Company's electricity supply contracts enabled it to achieve market-based emissions of only 153 tCO_2e for Scope 2 emissions.

Overall, Scope 1 and 2 emissions have been reduced by 98.4% since the FY21 baseline year.

MVM purchases Meridian's Certified Renewable Energy product to enable it to match the amount of electricity it uses on an annual basis with an equivalent amount of electricity put into the national grid from one of Meridian's hydro stations or wind farms (which have been independently verified as producing 100% renewable electricity).

Smeaton Grange purchases the "GreenPower" renewable electricity product from Origin Energy for the main operating factory meter for the Smeaton Grange facility. Under this product, Origin Energy purchases and surrenders renewable energy certificates on the customer's behalf, from certified renewable sources that feed the electricity grid.

Net Zero Scope 3 Emissions Target

In FY25, the Company's Scope 3 emissions increased by 1% compared to FY24 (5.1% decrease from the FY21 base year). This low percentage increase was despite growth in production. The Company's Scope 3 emissions profile is largely influenced by on-farm emissions, which in FY25 made up 81% of the Company's value chain emissions. 85% of these on-farm emissions were enteric methane and nitrous oxide from cows, which can fluctuate based on external varying factors such as weather, fodder and feed, cow health, cow genetics and sourcing volumes from various farming systems and locations.

Reducing enteric methane and nitrous oxide emissions are a challenge for the whole dairy industry, and the Company has focused its collaboration efforts and emissions reduction roadmap to address this challenge.

Interim Scope 3 Emissions intensity Target

The Company has a Scope 3 emissions intensity reduction target of 30% by 2030, against a 2021 baseline. The FY25 data indicates that Scope 3 emissions intensity has reduced by 33%, and total emission intensity has reduced by 37% in the a2MC value chain since the baseline year. This great result reflects efforts in dairy production efficiency and energy transition in the supply chain since the baseline year; however more detailed and targeted methods of data collection and calculation for Scope 3 emissions since 2021 may account for changes in Scope 3 emissions, reflecting more accurate emissions data.

The table below shows both total and Scope 3 emissions intensity from FY21 to FY25.

Emissions Intensity	FY25	FY24	FY23	FY22	FY21 (base year)	% change FY21-FY25
Scope 1, 2 and 3 Emissions Intensity (tCO_2e per kg of milk solids)	12.12	15.09	18.65	18.99	19.35	-37%
Scope 3 Emissions Intensity (tCO_2e per kg of milk solids	12.11	14.64	17.74	18.03	18.03	-33%

Investment in climate-related risks and opportunities

a2MC is directing strategic investments to emissions reduction opportunities, both in its operations and its value chain. Investment in the past three years has included investment in the electrode boiler as a replacement for the coal-fired boiler at MVM, which significantly reduced Scope 1 GHG emissions, investment in farmer project grants across New Zealand and Australia, on-farm research in partnership with a specialist agriculture university in New Zealand, and investment in AgriZero^{NZ}.

The AgriZero^{NZ} investment supports an industry-wide approach to identifying opportunities to reduce emissions, particularly enteric methane, in the New Zealand agricultural sector.

Amount of capital expenditure, financing or investment deployed to climate-related risks and opportunities:

FY25: $687,341

FY24: $6,723,147

In FY24, the coal boiler conversion at Mataura Valley Milk to an electric boiler was completed, requiring significant investment in climate-related expenditure for this period. In FY25, this investment began to be realised, with a 98.8% reduction in Scope 1 emissions for the Company in comparison to FY24.

A capital call by AgriZero^{NZ} was expected by the Company in FY25, which would have significantly increased the FY25 investment in climate-related risks and opportunities, however this was delayed and is expected to occur in FY26.

Emissions data and assurance

The Company acknowledges the increasing expectations of internal and external stakeholders to ensure that non-financial metrics disclosed externally are done so with a similar level of rigour as financial reporting.

Over the past several years, the Company has taken steps to improve the robustness of its internal processes for capturing and reporting non-financial data to be included in external materials, in response to the identified material topics. The Company has obtained reasonable assurance over its Scope 1 and 2 emissions, and limited assurance over Scope 3 emissions, amongst other metrics. For the Company's external assurance statement on climate-related metrics, refer to page 38 of this report. For the external assurance statement on other metrics, see page 26 of the Annual Report.

Emissions data assurance progress

Emissions Data Assurance	FY25	FY24	FY23	FY22	FY21
Scope 1 & 2	Reasonable	Reasonable	Limited	Not assured	Not assured
Scope 3	Limited	Limited	Limited	Not assured	Not assured

GHG Inventory summary for FY25

Introduction

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

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

Statement of intent

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

Organisation description

The a2 Milk Company is a dairy nutritionals company, fuelled by its purpose to pioneer the future of Dairy for good. The Company produces a portfolio of products made with milk from specially selected cows that naturally produce milk containing only A2-type beta-casein protein and no A1. These products include fresh milk, ultra-heat treatment (UHT) milk, extended shelf life (ESL) milk, infant milk formula (IMF), plain milk powders (including instant whole and skim milk powder), fortified milk powders providing nutrition for children, adults, pregnant women and seniors and other dairy nutritional products primarily for the New Zealand, Australia, China and North American markets.

Emission factors

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

The Company's primary business activities are:

- China and Other Asia: Sales of Chinese label and English label IMF, liquid milk and other nutritional products in offline stores and domestic and cross-border e-commerce channels.
- Australia and New Zealand (ANZ): Sales of English label IMF, plain and fortified milk powders for children, adults and pregnant women through reseller and retail channels, and sales of liquid milk across Australian and New Zealand retail channels. Some of the infant milk formula and Milk Powder sales to customers in ANZ are purchased and on-sold by Daigou operators into the Chinese market to be ultimately consumed in China.
- North America: Sales of liquid milk and IMF in the United States of America and liquid milk in Canada.
- Mataura Valley Milk: Production of nutritional and ingredient products for a2MC and other external customers in overseas markets.

Organisational boundaries included for this reporting period

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

- the equity share; and
- control (financial or operational) approaches. a2MC has used an operational control consolidation approach to account for emissions.

External Assurance

The company appointed EY to provide a Reasonable Assurance report over Scope 1 and 2 GHG emissions and a Limited Assurance report over Scope 3 GHG emissions in accordance with the Aotearoa New Zealand Climate Standards (NZCS). In addition, a Limited Assurance report has been provided over the Climate Governance disclosures as a voluntary measure. For further information please see EY's assurance statement on pages 38–41.

GHG emissions by scope (tCO_2e)

Scope Classification	FY25	FY24	FY23	FY22
Scope 1 Direct GHG emissions	374	13,412	24,343	22,972
Scope 2 Indirect emissions from purchased electricity (market based)	153	149	153	–
Scope 2 Indirect emissions from purchased electricity (location based)	8,486	4,507	3,356	3,221
Scope 3 On farm	355,250	360,919	374,168	403,429
Scope 3 Total Scope 3	436,528	440,392	476,595	490,153
Total GHG emissions (with market-based Scope 2)	437,055	453,953	501,090	516,345
Total GHG emissions (with location-based Scope 2)	445,388	458,311	504,294	516,345

GHG emissions by activity (tCO_2e)

Emission sources	FY25	FY24	FY23	FY22
Scope 1	374	13,412	24,343	22,972
Diesel	25	26	33	18
CO_2	60	70	213	104
LPG	4	2	4	2
Natural gas	245	222	233	226
Lignite coal stationary	0	13,062	23,830	22,621
Fuel	27	30	30	–
Biomass combustion	13	–	–	–
Scope 2 Location based	8,486	4,507	3,356	3,221
Scope 2 Market based[1]	153	149	153	–
Scope 3	436,528	440,392	476,595	490,153
Category 1 Purchased goods and services	392,600	378,693	404,119	461,567
Category 2 Capital goods	–	496	1,593	–
Category 3 Fuel and energy-related activities	1,552	1,642	872	254
Category 4 Upstream transportation and distribution	38,350	55,862	62,738	27,746
Category 5 Waste generated in operations	168	80	658	51
Category 6 Business travel	1,939	1,273	4,116	535
Category 7 Employee commuting	398	447	359	–
Category 8 Upstream leased assets – location based	335	327	299	–
Category 8 Upstream leased assets – market based (not included in total)	180	218	179	–
Category 13 Downstream leased assets	1187	1,571	1,662	–

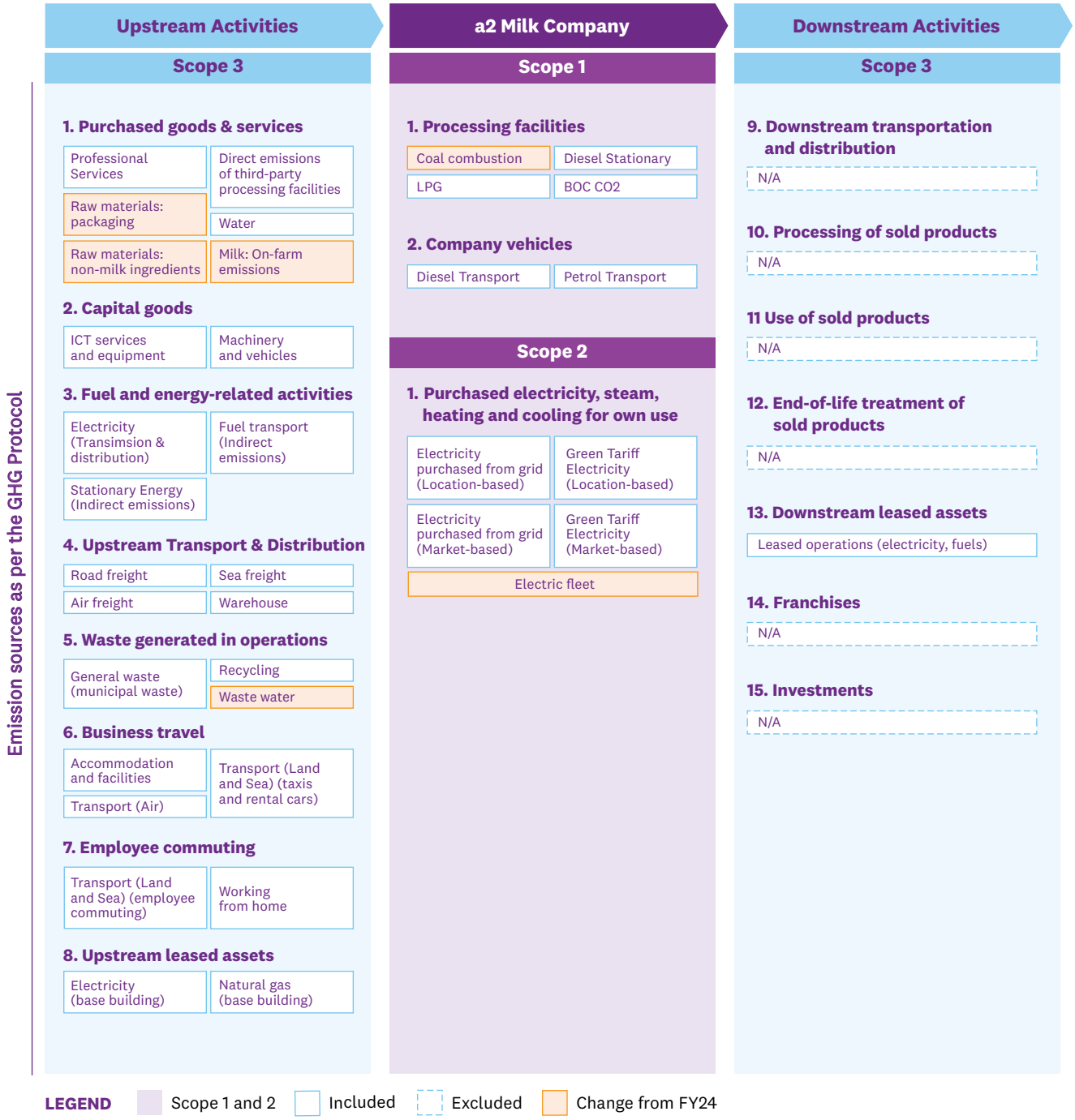
1 Renewable energy certificates (RECs) have been procured from Meridian for the MVM site in New Zealand. These RECS originate from assets ranging from 1 to 7 years old.

GHG Inventory summary for FY25 (continued)

Operational boundary

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

Reported emissions boundary



The Company has declared the exclusions from its GHG emission profile in the information below.

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

GHG Inventory summary for FY25 (continued)

Scope	GHG Protocol Category	Description (inclusions and exclusions)
3	Category 15 – Investments	a2MC has engaged with its investment partner AgriZero[NZ], which has only office-based operations for a small team. The a2MC portion of these emissions is considered immaterial to the Company's total Scope 3 emissions and has been excluded.

Methodologies and uncertainty

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

Scope	Category Name	Sub-Category	Data Process/Uncertainties
Company Facilities (Scope 1)	Direct emissions	–	Monthly invoices were used to provide Scope 1 data.
Purchased Electricity (Scope 2)	Purchased electricity	–	Monthly invoices were used to provide Scope 2 data.
Purchased Electricity (Scope 2)	Market based emissions factor	–	Market based emission factor was calculated using the emissions and energy usage data provided by the energy suppliers.
Category 1 (Scope 3)	Purchased goods and services	Water	Monthly invoices were used to provide water consumption.
Category 1 (Scope 3)	Purchased goods and services	Waste water	Monthly invoices were used to provide waste water data.
Category 1 (Scope 3)	Purchased goods and services	On farm emissions	In the calculation of on-farm emissions, emissions intensity factors are applied to the volumes of milk product sourced from each milk pool and related facility. For MVM and Synlait New Zealand milk pools, emissions factors were obtained from data captured for supplying farms on the Overseer platform. For MVM farms, Overseer data was obtained for 2 farms representative of the two farming systems in the milk pool, and extrapolated across the milk pool. For the Synlait milk pool, current year data Overseer data was not available, so the emission factor provided for FY24 was applied again for FY25. For the USA, emission factors are derived from life cycle analysis conducted by USA industry associations and academic studies. For Australian production, which accounts for a small proportion of supply, LCA methodology was applied to data from representative farms in order to extrapolate data for like geographies and farming systems. There is a level of uncertainty in the utilised data sources, as data incompleteness, inaccurate estimates and varying methodologies of data collection, data boundaries and emissions calculation methodologies can all impact these data sources and therefore the on-farm emissions data reported.
Category 1 (Scope 3)	Purchased goods and services	Fuel and energy related activities – electricity	For third party processors, the Company obtained fuel and energy related activities from third party processors via a template. If unable to obtain this information, estimations based on best available data were used, increasing the level of uncertainty.
Category 2 (Scope 3)	Capital goods	–	Category 2 relied upon data from the Trial Balances.
Category 3 (Scope 3)	Fuel and energy related activities	–	Calculated using monthly invoices provided for Scope 1 and 2 data.

Scope	Category Name	Sub-Category	Data Process/Uncertainties
Category 4 (Scope 3)	Transport & distribution	Freight and warehouse data	Calculated from supplier emission reports, if supplier emission reports were not available, further detail such as tonne/km was used. In the absence of data, the tCO_2e were estimated using freight data from other providers or an alternate method was used to calculate, such as spend.
Category 5 (Scope 3)	Waste generated in operations	–	Monthly invoices were used to obtain waste data.
Category 6 (Scope 3)	Car hire and ride share	–	Emission reports from ride share providers were used. Emissions reports from the Company's travel agent were used for majority of car hire information. If not available, invoices from car hire providers were used to calculate kms travelled.
Category 6 (Scope 3)	Accommodation	–	Emissions data was provided by the Company's travel agent. If not available, spend data was used.
Category 6 (Scope 3)	Flights	–	Emissions from flights were provided by the Company's travel agent in an emissions report. If not available, flight information was obtained through invoices, using an emission factor based on class of flight.
Category 7 (Scope 3)	Employee commuting & working from home	–	Survey was sent out by a third party provider in June 2025 to measure employee commuting and working from home emissions. 174 responses were received, including responses from all Company locations, and the data was extrapolated across the staff profile (total 511 staff members).
Category 8 (Scope 3)	Upstream leased asset	–	Estimated based on NABERS ratings. NABERS ratings are used to assess and rate the energy efficiency and environmental impact of buildings. They consider factors such as energy and water consumption, waste management, and the quality of the indoor environment, to provide a more accurate understanding of how much energy an office uses in practice.
Category 13 (Scope 3)	Downstream leased asset	Processor emission data	Consumption details obtained from a2MC sites owned and leased out.

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Independent assurance report to The a2 Milk Company Limited

Limited assurance conclusion – Scope 3 GHG emissions and Climate Governance Disclosures

Based on our limited assurance procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that The a2 Milk Company Limited's gross scope 3 Greenhouse Gas ("GHG") emissions, related additional required disclosures of gross GHG emissions and related gross GHG emissions methods, assumptions and estimation uncertainty, and The a2 Milk Company Limited's Climate Governance Disclosures, within the scope of our limited assurance engagement (as outlined below) included in The a2 Milk Company Limited's Climate Statement for the year ended 30 June 2025 ("Climate Statement") are not fairly presented and not prepared, in all material respects, in accordance with the Aotearoa New Zealand Climate Standards ("NZ CS") issued by the External Reporting Board (XRB).

Reasonable assurance opinion – Scope 1 and Scope 2 (location based only) GHG emissions

In our opinion, The a2 Milk Company Limited's gross scope 1 and 2 (location based only) GHG emissions, related additional required disclosures of gross GHG emissions and related gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our reasonable assurance engagement (as outlined below) included in the Climate Statement for the year ended 30 June 2025, are fairly presented and prepared, in all material respects, in accordance with Aotearoa New Zealand Climate Standards ("NZ CS") issued by the External Reporting Board (XRB).

Scope

Ernst & Young ("EY") has undertaken an assurance engagement, to issue a:

Limited assurance report on The a2 Milk Company Limited's (the "Company" or "a2MC"):

- Gross GHG emissions:
  - Scope 3 on pages 29 and 33;
- Related additional requirements for the disclosure of GHG emissions on page 32;
- Related GHG emissions methods, assumptions and estimation uncertainty on pages 36 and 37;
- Climate Governance disclosures pertaining to a2MC's climate governance approach and activities on pages 5 to 8.

Reasonable assurance report on:

- Gross GHG emissions:
  - Scope 1 on pages 29 and 33;
  - Scope 2 (location-based) on pages 29 and 33;
- Related additional requirements for the disclosure of GHG emissions on page 32;
- Related GHG emissions methods, assumptions and estimation uncertainty on pages 36 and 37.

included in the Climate Statement for the year ended 30 June 2025 (the "Subject Matter" or "GHG Disclosures"). The reported amounts and disclosures relate to the Company and its subsidiaries as explained in the Climate Statement.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 1 to 4, and 9 to 31. We have not performed any assurance procedures with respect to the excluded information and, therefore, no opinion or conclusion is expressed on it.

Criteria applied by The a2 Milk Company Limited

In preparing the GHG Disclosures and Climate Governance disclosures, The a2 Milk Company Limited applied NZ CS (the "Criteria"). In applying the Criteria the methods and assumptions used are described on pages 36 to 37 of the GHG Disclosures, as are the estimation uncertainties inherent in the methods and assumptions used.

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Key matters

In this section we present those matters that, in our professional judgement, were most significant in undertaking the assurance engagement over the GHG Disclosures. These matters were addressed in the context of our assurance engagement, and in forming our conclusion. We did not reach a separate assurance conclusion on each individual key matter.

Scope 3 GHG emissions (Category 1 – Purchased goods and services)

Why significant	Procedures to address key matter
Category 1 – Purchased goods and services relating to on-farm emissions are a material source of scope 3 GHG emissions for a2MC. In the current year, a2MC have developed customised emission factors for this sub-category of Scope 3 emissions to align with the Greenhouse Gas Protocol *Land Sector and Removals Guidance, Draft for Pilot Testing and Review, Part 1* (September 2022) and the Greenhouse Gas Protocol *Land Sector and Removals Guidance, Draft for Pilot Testing and Review, Part 2* (September 2022). This was considered a key matter due to the judgements in this methodology, including the assumptions and estimations used to calculate the emission factors and the reliance on third-party providers in the preparation of these emission factors, as well as in the calculation of the GHG inventory.	Our assurance procedures included: ▶ Inquired with a2MC management and the third-party providers to gain an understanding of the reporting process for Scope 3 emissions, and the methods used in the development of a2MC's on-farm emission factors. ▶ Considered the appropriateness of key inputs and assumptions used in the development of the on-farms emission factors applied by a2MC. ▶ Considered movements in key inputs and reported emission amounts from the prior year to current year, to determine if any unusual movements were noted and obtained explanations from management regarding these (including the movements in production of milk). ▶ Selected a sample of farm sites and obtained supporting data for milk production at each site. ▶ Performed recalculations of a sample of the on-farm emissions using milk production data and a2MC's emission factors to recalculate total on-farm emissions and compared this with a2MC's GHG inventory. ▶ Considered the adequacy of disclosures in the Climate Statement, including those regarding the methodology for calculating Scope 3 Category 1 – Purchased goods and services relating to on-farm emissions.

The a2 Milk Company Limited's responsibility

The Directors are responsible, on behalf of the Company for the preparation and fair presentation of the GHG Disclosures in accordance with NZ CS. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG Disclosures, such that they are free from material misstatement, whether due to fraud or error.

EY's responsibility

Our responsibility is to express an assurance conclusion on the GHG Disclosures based on the procedures we have performed and the evidence we have obtained.

Our engagement was conducted in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* ("NZ SAE 1") and in accordance with the International Standard for Assurance Engagements (New Zealand): *Assurance Engagements on Greenhouse Gas Statements* ("ISAE (NZ) 3410") and International Standards on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000"). Those standards require that we plan and perform this engagement to obtain limited or reasonable assurance about whether the GHG Disclosures have been prepared, in all material respects, in accordance with the Criteria. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

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

Ernst & Young provides financial statement audit and review services to The a2 Milk Company Limited. Partners and employees of our firm may deal with a2MC on normal terms within the ordinary course of trading activities of the business of The a2 Milk Company Limited. We have no other relationship with, or interest in, The a2 Milk Company Limited.

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Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures* issued by the External Reporting Board (XRB) and the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board*, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

Description of procedures performed

We have performed an engagement including both limited and reasonable assurance. Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance obtained in a reasonable assurance engagement. Our limited assurance procedures were designed to obtain a lower level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. Our limited assurance procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the report and related information and applying analytical and other relevant procedures. Our limited assurance procedures included:

- Obtaining, through inquiries, an understanding of a2MC's control environment, processes and information systems relevant to the preparation of the GHG Disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- Evaluating whether a2MC's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate a2MC's;
- Performing analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified; and
- Considering the presentation and disclosure of the GHG Disclosures.

A reasonable assurance engagement involves performing procedures to obtain a higher level of evidence about the quantification of emissions and related information in the GHG Disclosures. A reasonable assurance engagement also includes:

- Considering internal controls relevant to a2MC's preparation of the GHG Disclosures.
- Assessing the suitability in the circumstances of a2MC's use of the Criteria;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by a2MC;
- Testing of a sample of data used in calculations and of emission sources to supporting evidence; and
- Evaluating the overall presentation of the GHG Disclosures.

We also performed such other procedures as we considered necessary in the circumstances.

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

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Inherent uncertainties

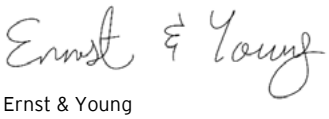
The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Use of our assurance report

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

The subject of our assurance procedures included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

The engagement partner on the engagement resulting in this independent assurance conclusion is Nicky Landsbergen.



Ernst & Young
Sydney
17 August 2025

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Referenced documents throughout this Climate Statement

Document referenced	Link to document
Corporate Governance Statement	Corporate governance (thea2milkcompany.com)
Board Charter	Board Charter (thea2milkcompany.com)
Audit and Risk Management Committee Charter	ARMC Charter (thea2milkcompany.com.au)
Annual Report	Annual reports and financial results (thea2milkcompany.com/results)
Net Zero roadmap	ESG Reporting (thea2milkcompany.com/ESG-reporting)
SASB index	ESG Reporting (thea2milkcompany.com/ESG-reporting)
GRI Index	ESG Reporting (thea2milkcompany.com/ESG-reporting)

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