

Scales Corporation Limited
Climate-Related Disclosures Report – 2023



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1. Introduction

1.1 Scales Corporation Limited

Scales Corporation Limited (Scales) is a global agribusiness, comprising ten businesses across three divisions and four geographies. We have been trading for 112 years, and being able to adapt to future risks and opportunities has been central to our success.

Scales is on a journey to formally integrate climate risk analysis into our wider business strategy, to increase our resilience and deliver long-term stakeholder value. This has been an important process to further understand how climate-related physical and transition risks will impact our business over the short, medium and long-term. We are working towards building our internal capability so we can evolve and grow our understanding and knowledge of climate-related risks and opportunities over time. We refer in this report to our strategic refresh, which will impact our sustainability and climate-related strategy and is intended to take place by 2025.

1.2 This document

This is Scales' first Climate-Related Disclosures (CRD) report, prepared in relation to the Scales Group, as detailed in the Appendix. The climate assessments in this report considered all subsidiaries and joint ventures, and Scales' Emissions Inventory described in section 5.2 includes emissions in respect of all of Scales' operational subsidiaries and joint ventures, calculated on the basis of an equity-share approach.

This document is Scales' CRD report for the 1 January 2023 - 31 December 2023 reporting period (2023) and constitutes Scales' Climate Statements under the Financial Markets Conduct Act 2013 for 2023. This document has been prepared in compliance with the Aotearoa New Zealand Climate Standards (CS) 1, 2 and 3, and covers four key thematic areas: Governance, Strategy, Risk Management and Metrics & Targets. The Greenhouse Gas (GHG) emissions and metrics disclosed in this report should be read with the methodologies, assumptions and uncertainties in

We have used the following adoption provisions available under New Zealand CS 2:

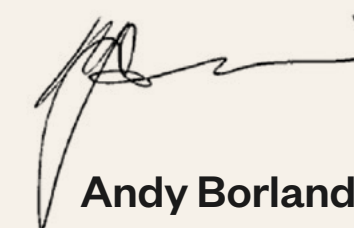
- NZCS2 (12), (13) and (14) anticipated financial impacts, time horizons over which these occur and explanation of why quantitative information is not able to be provided;
- NZCS2 (15) transition plan and how it aligns with internal capital deployment and funding decisions (noting that progress towards Scales' transition planning is disclosed);
- NZCS2 (20) comparative year for metrics;
- NZCS2 (22) analysis of trends from comparison of metrics.

Climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. This report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of Scales' future intentions, estimates and judgements that may not evolve as predicted. Scales has used its best efforts to provide a reasonable basis for forward-looking statements and is committed to progressing our response to climate-related risks and opportunities over time but is constrained by the novel and developing nature of this subject matter. We caution reliance on climate-related, forward-looking statements that are necessarily less reliable than other statements Scales may make in its annual reporting. In particular, these statements involve assumptions, forecasts and projections about Scales' present and future strategies and Scales' future operating environment. Such statements are inherently uncertain and subject to limitations, particularly as inputs, available data and information are likely to change. We have based these statements on our current knowledge as at 23rd April 2024. Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial tax or other advice or guidance.























Mike Petersen
Chair

23rd April 2024



Andy Borland
Managing Director

Operational Locations

Global Proteins			
			
			Petfood ingredient procurers, processors & marketers
			
			
Horticulture			Edible protein exporter
			Vertically integrated apple grower, packer & marketer
			Apple marketer
			Juice manufacturer
Logistics			Air & sea freight



2. Governance

This section includes a summary of Scales' governance and management structures that are in place to manage climate-related risks and opportunities across the Group, including:

- Roles, responsibilities and processes in place to enable the Scales Board and relevant Board Committees to provide oversight of climate-related risks and opportunities;
- Management's role in assessing and managing climate-related risks and opportunities.

The businesses that make up the divisions within the Group are a combination of wholly or partly owned subsidiaries and joint ventures but are collectively referred to as 'Scales business units' in this report.

2. Governance

2.1 Board oversight of climate risks and opportunities

Scales has considered climate risk within its Enterprise Risk Management (ERM) framework for the last five years, and we are in the process of formally embedding climate risk into our strategic framework.

The Scales Board has responsibility for approving strategy and overseeing and responding to climate-related risks and opportunities. The Board approves strategy, sets metrics and targets, approves the annual CRD and delegates the duties below to two Board Committees:

- The Health & Safety and Sustainability Committee (HSSC) has been delegated the responsibility for reviewing climate-related strategy, including associated metrics and targets, monitoring performance against these targets and making recommendations to the Board. The HSSC is also involved in the review of CRD processes, including review of Scales' Emissions Inventory, and Scales' climate-related risks and opportunities. The HSSC meets at least quarterly to discuss sustainability initiatives and will annually review performance against Scales' climate-related targets once these are set.
- The Audit and Risk Management Committee (ARMC) has been delegated the responsibility to provide oversight of the annual CRD process and recommend Scales' CRD for Board approval. The ARMC is responsible for managing and monitoring climate and non-climate risks, and ensuring they are integrated into Scales' ERM framework. The ARMC monitors risks and progress against any key actions at least quarterly. The ARMC formally reviews the risk register which includes climate-related risks periodically.

The Board delegates responsibility for implementing Scales' strategy (which includes climate responses), preparing the annual CRD report and managing Group risks to Scales' Management. Management personnel with key responsibility for climate-related activities are the Chief Operations Officer and the Group Sustainability Manager. Management is given appropriate guidelines and held accountable through:

- Risk Management Policy;
- Emissions Inventory Policy;
- Sustainability Policy.

In 2023, the Board was periodically briefed by the Group Sustainability Manager and Chief Operations Officer in relation to CRD matters. In 2023 the Board reviewed content relevant to this disclosure, and has received advice from external advisers on Scales' risks and opportunities and on the CRD framework. [Figure 1](#) outlines the flow of information and the governance roles for climate-related activities.

The strategic framework in [Figure 2](#) demonstrates how climate risks and opportunities are identified and how Scales intends to embed these into Scales' strategy.

2.2 Board skills and competence

The Board maintains a director skills matrix, which includes a specific category for sustainability expertise. Scales' 2023 Corporate Governance Statement contained within our annual report shows the director skills matrix and the attendance at Committee meetings. This skills matrix is reviewed annually.

The Directors have been upskilling themselves on climate-related issues, including the new Aotearoa New Zealand Climate Standards. This includes attending the INFINZ Climate-Related Disclosures course, and director upskilling presentations. Management has also attended these courses and represented Scales on the leadership group for the Aotearoa Agri-Adaptation Roadmap which established agri-sector wide climate-related scenarios for New Zealand (see Strategy section below). The Board uses external advice and expertise for climate-related issues when required.



2. Governance

2.3 Monitoring targets

To date the Board (via the HSSC) has received reporting on GHG emissions targets relevant to the Mr Apple business unit. Once broader Scales emissions targets are in place, the Board (via the HSSC) will also monitor progress towards these targets.

The HSSC is responsible for reviewing metrics and targets, and will recommend whether these are appropriate based on industry best practice, relevance to Scales' business unit operations, Scales' capital allocation, and alignment to our stakeholder goals. This will be included in the strategic refresh process as outlined in

Remuneration for senior management across the Group is linked to the individual's contribution to the business including continuous improvement towards sustainability initiatives, which include climate-related initiatives. There are currently thirty-eight participants in Scales' Short-term Incentive (STI) scheme, with a STI salary component representing between 10 - 45% of an individual's gross salary.

2.4 Management's role in assessing and managing climate-related risks and opportunities

The Board assigns key climate-related responsibilities to management including:

- Preparing strategy (including sustainability and climate-related elements);
- Conducting scenario analysis and identifying priority climate-related risks and opportunities;
- Preparing the annual CRD report;
- Managing the ERM process;
- Implementing strategy and risk management practices.

Scales' management responsible for these activities includes the Chief Operations Officer and Group Sustainability Manager. Management also leads the annual climate risk assessment (see Risk section below for assessment framework and process), which is conducted across divisional working groups, including Board representatives, business executives, business Subject Matter Experts (SME) and external climate technical experts. The purpose of analysing at a divisional level (rather than at a business unit or group level) is to view the specific drivers of each sector/division in more detail, while also considering the impact on the Scales Group. The outcomes of the climate assessment will be fed into the regular risk management process for our business units and the Group ERM process. The duties of management and the Board are outlined in

For 2023, management used external climate technical experts, Urban Intelligence to co-facilitate the risk assessment workshops

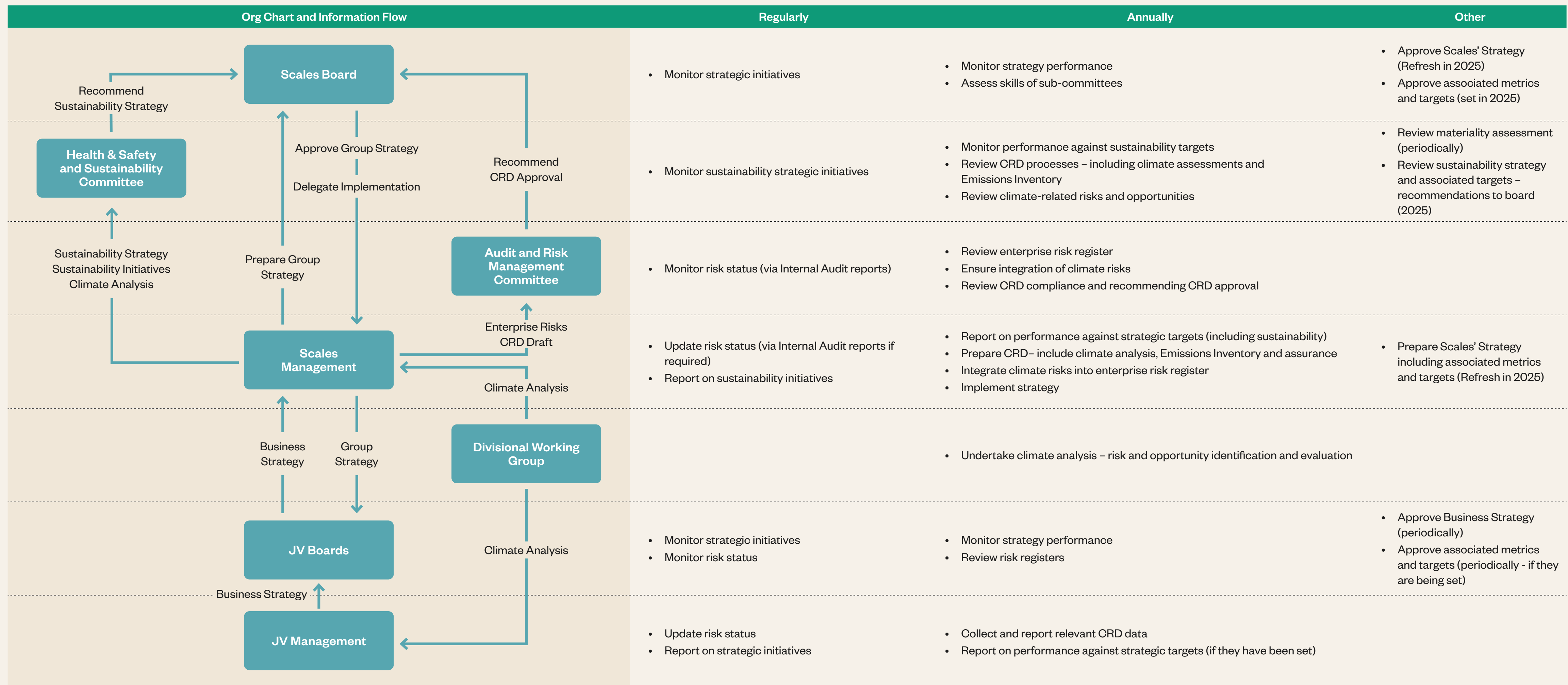
Management is responsible for preparing Scales' strategy and embedding the output of the climate assessments into the ERM process.

Scales' management is also responsible for working with Scales' business units to integrate significant climate-related risks and opportunities identified by the divisional working groups into their business unit strategies and risk management processes. Scales' management is represented on the joint venture boards and has active oversight of these tasks.



2. Governance

Figure 1: Scales' climate governance framework – key roles, responsibilities and information flows



3. Strategy



3. Strategy

3.1 Current business model and strategy

Scales' business model aligns to four key investment pillars:

- Develop strong people and partnerships;
- Deliver sustainable growth;
- Demonstrate operational excellence;
- Offer customer focused innovation.

Our current divisions are:

- Global Proteins;
- Horticulture;
- Logistics.

Details of the business units within our divisions are set out in the Appendix.

As shown in [Figure 1](#), climate risk and opportunities could influence our strategy in two ways:

- a) Scales' strategy, deciding where and how we invest. Embedding climate factors into our strategic process in the future may influence our view of the sustainable growth of a sector or division, and therefore impact our portfolio allocation and capital deployment for initiatives. For example, under our sustainable growth investment pillar, climate factors may influence our view on long-term trends and the businesses/sectors that align to these, which may change our capital allocation between divisions.
- b) Business unit strategy, including business models and the products/markets/channels they choose to serve. A business may change its product or market focus due to a specific climate risk/opportunity or change its operating model and the resources it employs. Business strategies are reviewed against Scales' strategy, which may accelerate, limit or reduce funding required for actions.

The intention of our strategic refresh is for Scales to integrate climate-related factors into Group strategies and for each of our business units to build resilience across our portfolio through a bottom-up and top-down approach.

As an investor in agribusiness, Scales considers climate risk within its risk management process, and has been assessing mitigations and confirming and implementing controls for priority business units (e.g. geographic spread of orchards). Scales intends to expand this process by embedding the outcomes of our climate assessments into our strategic planning framework. We intend to complete our strategic refresh before setting emissions reduction targets in 2025 and we will release our updated metrics and targets once we have established our assured base year. This is outlined in [Figure 2](#).

Figure 2: Strategic process:



■ Complete
 ■ Future undertakings

Scales will initially refresh its climate assessment process each year, which will include a review of our climate scenarios to ensure up to date data is being considered. Climate assessments will be undertaken more frequently than our strategic planning cycle, which allows for changes in our short-term risks to be escalated through our ERM process, while transition initiatives within our strategic plan can be prioritised/deprioritised appropriately.

There are several key actions we intend to initiate in 2024. These are dependencies required for us to establish group-wide metrics and targets (noting we have disclosed Mr Apples' targets which will be updated in 2024), including:

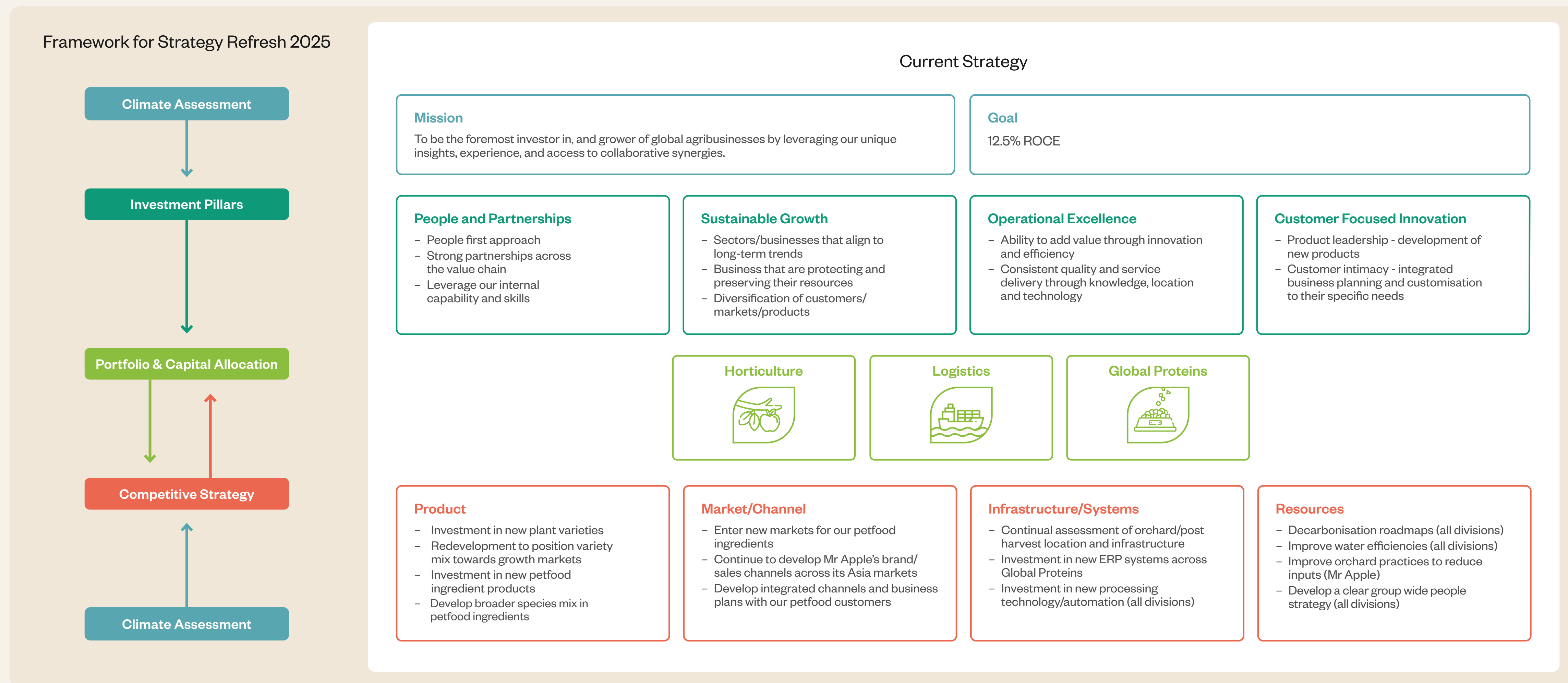
- Financial impact analysis to support our risk assessment process (note that Scales has used adoption provision NZCS2 (12) for this 2023 disclosure);
- Implementation of additional water metering;
- Investigation of Scope 3 emissions estimation methods, where there are exclusions due to lack of data;
- Arranging external assurance of our GHG Emissions Inventory for our target base year 2024.

Once Scales' strategy has been refreshed in 2025 we intend to set and then measure performance against our GHG emissions reduction targets annually.

3. Strategy

Figure 3: Scales’ strategy and business model

Scales’ current strategy is presented below. Also shown is the framework we intend to implement for our strategic refresh in 2025, which summarises how we will embed our climate assessment into our broader strategy.



3. Strategy

3.1.1 Approach to scenario analysis

The purpose of scenario analysis is to identify, from a set of plausible climate futures, a range of possible climate-related risks and opportunities which can then feed into our strategic planning process. This then allows us to test whether our corporate and business strategies are resilient to a much broader set of drivers and risks.

Scales' executives and key management, including the Chief Operations Officer and Group Sustainability Manager, were involved in the selection process of our three climate scenarios, which were selected from the Agri-Adaptation Roadmap. In 2023, the New Zealand agricultural sector collaborated to produce an Agri-Adaptation Roadmap to guide the sector's adaptation to climate change. This roadmap utilised three climate-related scenarios to describe plausible futures for agriculture in New Zealand when impacted by different physical and transition factors.

We have used the Agri-Adaptation Roadmap to provide consistency and comparability in disclosures, adopting the most widely accepted set of scenarios for the agriculture sector supported by robust and tested assumptions. Under each scenario we used the same key metrics for both physical and transitional changes as the Agri-Adaptation Roadmap. We also aligned our timeframes (short 2023-2025, medium 2025-2035 and long 2035-2050) and processes, including assessing scenario impacts out to 2050. This is consistent with the useful life of our fixed assets and covers multiple business cycles.

Following the selection of the scenarios, we supplemented the research in the Agri-Adaptation Roadmap scenarios with additional modelling, conducted by Urban Intelligence, on the potential physical changes across our assets and geographies. Given Scales' global reach, a collection of global climate data sources was used, and the modelling was conducted using Urban Intelligence's geographic information systems (GIS) platform, as the Agri-Adaptation physical data was focused on New Zealand. International climate data for Australia, Europe, and USA was derived from multi-model ensembles of CMIP5* data, providing the average change projected in each area of interest. The data available and spatial resolutions varied across the geographies.

New Zealand sites were able to be evaluated for their exposure to mapped natural hazards using the Urban Intelligence Resilience Explorer™.

* The Coupled Model Intercomparison Project Phase 5 (CMIP5) provides community-based infrastructure in support of climate model diagnosis, validation, intercomparison, documentation and data access.

The climate scenarios adopted are summarised as follows:

- 1. Orderly:** an orderly transition to a low-carbon future will be achieved. Major climate change and subsequent physical impacts have been avoided. This scenario effectively considers RCP** of 2.6 and SSP1, where there were 'low challenges to mitigation and adaptation'. Warming is limited to a 1.5°C temperature increase.
- 2. Disorderly:** the world will successfully prevent major climate change and its associated impacts but will fail to do so in an orderly or stable fashion. Transition to a low-carbon future was highly disruptive on society and local economies. As the worst climate physical changes were avoided, this scenario considers RCP 4.5, with an increase in 1-2°C in global temperatures. It uses SSP2, which considers 'medium challenges to mitigation and adaptation', with rapid change after 2030.
- 3. Hothouse:** a 'business as usual' world on track to increase global warming by 3°C or greater by 2100. Very limited attempts were made to transition to a low carbon economy and climate policies were not implemented since the 2020s. The physical impacts of climate change are severe, with some irreversible changes. The world now must focus on adapting to climate change. This scenario considers RCP of 8.5 and follows SSP5, which has 'high challenges to mitigation and low challenges to adaptation'.

Further information on the pathway assumptions for the various scenarios are listed in [Appendix A](#), which sets out the key background assumptions based on the Agri-Adaptation Roadmap, Network for Greening the Financial System (NGFS), International Energy Agency (IEA) and Climate Change Commission (CCC) inputs.

** Representative Concentration Pathways (RCPs) describe emissions of greenhouse gases into the future and associated climate impacts. Shared Socioeconomic Pathways (SSPs) were developed to examine how global society, demographics and economics might change over the next century, and influence the various emissions scenarios.

3. Strategy

Table 1: Pathway assumptions

Assumption	Orderly (Net Zero 2050)	Disorderly (Delayed Transition)	Hothouse (Current Policies)
Energy	Energy supply is mostly decarbonised. 89% of total energy is from renewable sources.	Since 2030, there has been a rapid shift to low emissions energy, but there is still a way to go. 76% of total energy is renewable.	Energy remains reliant on high emitting fuels. Renewable sources provide 46% of total energy consumed.
Transport	Since 2032, all new light vehicles entering New Zealand have been electric and integrated transport systems are common in urban areas.	After a delay, all new light vehicles have been electric since 2040, but private car ownership has declined. Buses and trains are decarbonising quickly.	There are still Internal Combustion Engine (ICE) vehicles entering the country in 2050.
Buildings	Building standards have been implemented that mandate the use of sustainable materials and construction methods.	Sustainable building standards were introduced in the 2030s. The costs of retrofitting existing buildings remains high, so only buildings new since 2035 are fitted out with low emissions in mind.	Building standards prioritise resilience to physical impacts rather than sustainability. Coal and gas boilers remain common and construction waste is high.
Land use	Large areas of land have been protected to reverse ecosystem decline.	There is no national strategy for 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.
Afforestation and carbon sequestration	There is widespread use of carbon capture and storage (CCS) globally, though only a few cases in New Zealand.	Focus on emissions reductions leads to large areas of pine monocultures. Rushed and costly global push for more CCS technology, though not really seen in New Zealand.	Little use of CCS globally. Pine trees continue to be planted for timber, but native forestry is not incentivised.
Technology	Fast changes in technology.	Slow and fast changes in technology.	Slow changes in technology.
Carbon dioxide removal	Medium to high use.	Low to medium use.	Low use.
Policy	Immediate and smooth with medium variation in regional policy.	Delayed policy, with higher variation in regional policy.	Current policies, with low variation in regional policy.

3.2 Climate risks and opportunities

We set out Scales' material climate-related risks and opportunities below. These have been identified in accordance with the guidance set out in the External Reporting Board's (XRB) Climate-Related Disclosures Standard New Zealand CS-3. Information throughout this document is deemed material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primary users make based on an entity's CRD.

The application of materiality in relation to the climate risks/opportunities presented below has been based on Scales' risk assessment process, which is both a qualitative and quantitative assessment of the impact based on a risk matrix (see section 4.1). The material risks and opportunities identified will flow through to our capital deployment processes via the Strategic framework presented in section 4.2, and have also been included in our ERM framework (see risk evaluation in section 4.4). We have not yet included consideration of anticipated financial impacts and have utilised the adoption provisions in NZCS2 (12) as we have not yet completed the financial modelling for this work.

3. Strategy

Table 2: Climate-related risks, current and anticipated impacts, and controls

Risk	Current and Anticipated Impact Description	Controls/Mitigations	Sector/Geography	Type/Time Horizon
Financial stakeholders place more focus on the assessment of climate-related risks to Scales' Group.	<p>Current impact: There was no impact on our ability to recover losses from damaged plant, equipment and buildings in 2023. However, we could not assess our ability to recover losses from the impact on our apple crop and trees as there was no insurance in place during Cyclone Gabrielle for those assets.</p> <p>Current financial impact: There was no financial impact on our insurable losses due to extreme weather events, as we recovered losses from damaged plant, equipment and buildings and no insurance was in place for our apple crop and trees during Cyclone Gabrielle.</p> <p>Anticipated impact: We have initiated the process of renegotiating our insurance policies. We may experience greater difficulty accessing insurance and increases in the cost of insurance premiums. May also result in increases in the cost of capital.</p>	<ul style="list-style-type: none"> Regional geographic diversification of our orchards, spread over the Heretaunga Plains and Central Hawke's Bay. Mr Apple intends to continually assess its locations and orchard infrastructure (windmills, irrigation, hail netting and re-development of structures/drainage) against hazard risk. We will be working with our insurance brokers to better understand the cost, insurability of our crop and the impact climate change may have on this. 	<p>Sector: Horticulture</p> <p>Geography: New Zealand</p>	<p>Type: Transition</p> <p>Time Horizon: Short-term</p>
Customers more focused on sustainability.	<p>Current impacts: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Customers, particularly in Global Proteins, have indicated sustainability will start to factor into their procurement process in the near future. Contracts may be lost if we do not keep pace with competitors. May also increase demand for low emissions products as customers focus on end-to-end footprint.</p>	<ul style="list-style-type: none"> Continued development of our decarbonisation roadmaps for each division, with the intention to demonstrate meaningful progress in emissions reduction initiatives and water efficiencies that align with our customers' ambitions. We intend to review these as at a Group level to set appropriate targets in 2025. Explore lower emissions products (Global Proteins). Aim to develop better systems to assist in supply chain transparency and data collection (all divisions). 	<p>Sector: All</p> <p>Geography: Europe, Australia, New Zealand and United States</p>	<p>Type: Transition</p> <p>Time Horizon: Short-term</p>
Increase in frequency and intensity of extreme climate events, specifically storms, extreme wind, and extreme rainfall events.	<p>Current impacts: The impact of Cyclone Gabrielle resulted in the loss of crop of 24% for 2023 (compared to 2022). Only 5% of Mr Apple-operated (leased and owned) orchards were permanently damaged. Permanently damaged orchards have been left to allow the soil to recover before an assessment will be made on future land use.</p> <p>Current financial impact: This event was the main contributor to the 23% decrease in Underlying EBITDA for Mr Apple between 2022 and 2023. This was mostly due to the loss in volume from crop damage. The other impacts (asset write-off and additional remediation costs) were largely offset by insurance and grant proceeds with the net amount disclosed in our Reconciliation of Underlying to Reported Profit Measures in our financial statements.</p> <p>Anticipated impacts: Potentially leads to volatility in supply in horticulture. Data is limited in other geographies.</p>	<ul style="list-style-type: none"> Regional geographic diversification of our orchards, spread over the Heretaunga Plains and Central Hawke's Bay. Mr Apple intends to continually assess its locations and orchard infrastructure (windmills, irrigation, hail netting and re-development of structures/drainage) against hazard risk. 	<p>Sector: Horticulture/ Logistics</p> <p>Geography: New Zealand (data limited for other regions)</p>	<p>Type: Physical</p> <p>Time Horizon: Short-term</p>

3. Strategy

CONTINUED **Table 2: Climate-related risks, current and anticipated impacts and controls**

Risk	Current and Anticipated Impact Description	Controls/Mitigations	Sector/Geography	Type/Time Horizon
Increased regional temperatures. More 'hot' days/year (>25°C), less summer rainfall, increased drought risk.	<p>Current impacts: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impacts: Increased soil moisture deficits, leading to volatility in supply. Water security is impacted by rainfall and drought changes – see cascading risk below.</p>	<ul style="list-style-type: none"> Global Proteins is aiming to have diversified sources of raw material supply, reducing the concentration risk of a single geography/region being impacted by extreme weather or climate events. 	<p>Sector: All</p> <p>Geography: New Zealand, United States, Europe and Australia</p>	<p>Type: Physical and transition</p> <p>Time Horizon: Mid/Long-term</p>
Water regulation increases in response to water scarcity due to increased regional temperatures.	<p>Current impacts: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impacts: This risk and the risk of increased regional temperatures are interrelated. As water demand increases, it may put pressure on existing resources and trigger more regulation – resulting in risks to water take, or an increase in capital/compliance costs. Could also result in land use change and/or a decrease in productivity of supply.</p>	<ul style="list-style-type: none"> Scales intends to improve its water reporting, to allow us to identify areas of efficiency both on orchard and in our processing/storage sites across all divisions. 	<p>Sector: All</p> <p>Geography: New Zealand, United States, Europe and Australia</p>	<p>Type: Physical and transition</p> <p>Time Horizon: Mid/Long-term</p>
Carbon emission regulation increases as we accelerate towards our targets.	<p>Current impacts: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impacts: Fuel, refrigerant, packaging and fertilisers may all be taxed or regulated in the future. This may increase the cost of compliance including capex requirements. Market access becomes more difficult through carbon border adjustment mechanisms. This may also force land use change.</p>	<ul style="list-style-type: none"> Scales intends to continue developing decarbonisation roadmaps for each sector. We intend to review these as at a Group level to set appropriate targets in 2025. We are supporting and contributing to industry projects and have invested in our own trial to investigate new orchard practices to improve soil characteristics, which may lead to a future reduction in synthetic inputs. 	<p>Sector: All</p> <p>Geography: All</p>	<p>Type: Transition</p> <p>Time Horizon: Mid/Long-term</p>
Increase in winter temperatures could increase pest and disease incursions.	<p>Current impacts: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impacts: Greater risk of a biosecurity breach, resulting in tightening of biosecurity regulations, potentially impacting market access</p>	<ul style="list-style-type: none"> We are supporting and contributing to industry projects and have invested in our own trial to investigate new orchard practices to improve the soil characteristics, which may lead to a future reduction in synthetic inputs. Additionally, we are investigating new equipment in our post-harvest operations to provide further control for pest interception. 	<p>Sector: Horticulture</p> <p>Geography: New Zealand</p>	<p>Type: Physical</p> <p>Time Horizon: Mid/Long-term</p>

3. Strategy

Table 3: Climate-related opportunities, current and anticipated impacts, and controls

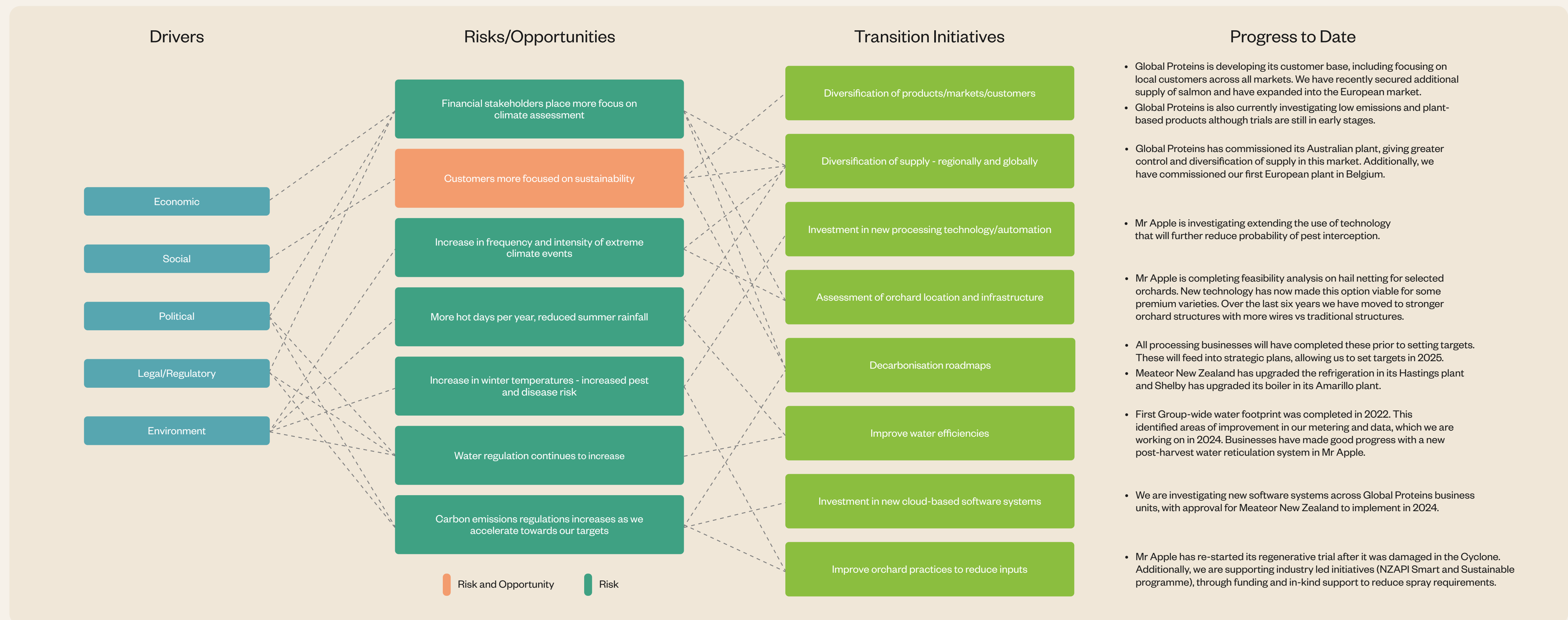
Opportunity	Current and Anticipated Impact Description	Controls	Sector/Geography	Type/Time Horizon
Customers more focused on sustainability	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impacts: We expect that we will be able to capitalise on a change in our customer needs/preferences faster than our competitors, which will help us develop stronger relationships, increasing demand.</p>	<ul style="list-style-type: none"> Continued development of our decarbonisation roadmaps for each division, with the intention to demonstrate meaningful progress in emissions reduction initiatives and water efficiencies that align with our customers ambitions (all divisions). Global Proteins is aiming to have diversified sources of raw material supply, reducing the concentration risk of a single geography being impacted by extreme weather. Explore lower emissions products (Global Proteins) Develop better systems to assist in supply chain transparency and data collection (all divisions). We are supporting and contributing to industry projects and have invested in our own trial to investigate new orchard practices to improve soil characteristics, which may lead to a future reduction in synthetic inputs. 	<p>Sector: All</p> <p>Geography: All</p>	<p>Type: Transition</p> <p>Time Horizon: Short-term</p>

3. Strategy

3.3 Transition plans

The transition initiatives presented below are the actions we are currently taking to mitigate key climate risks, but they have not been prepared as a standalone transition plan. Some of these initiatives, and their prioritisation may change once we have completed our strategic refresh in 2025. In the interim, all projects have been allocated capital and/or resources to progress between now and 2025.

Figure 4: Driver mapping and transition initiatives



4. Risk Management

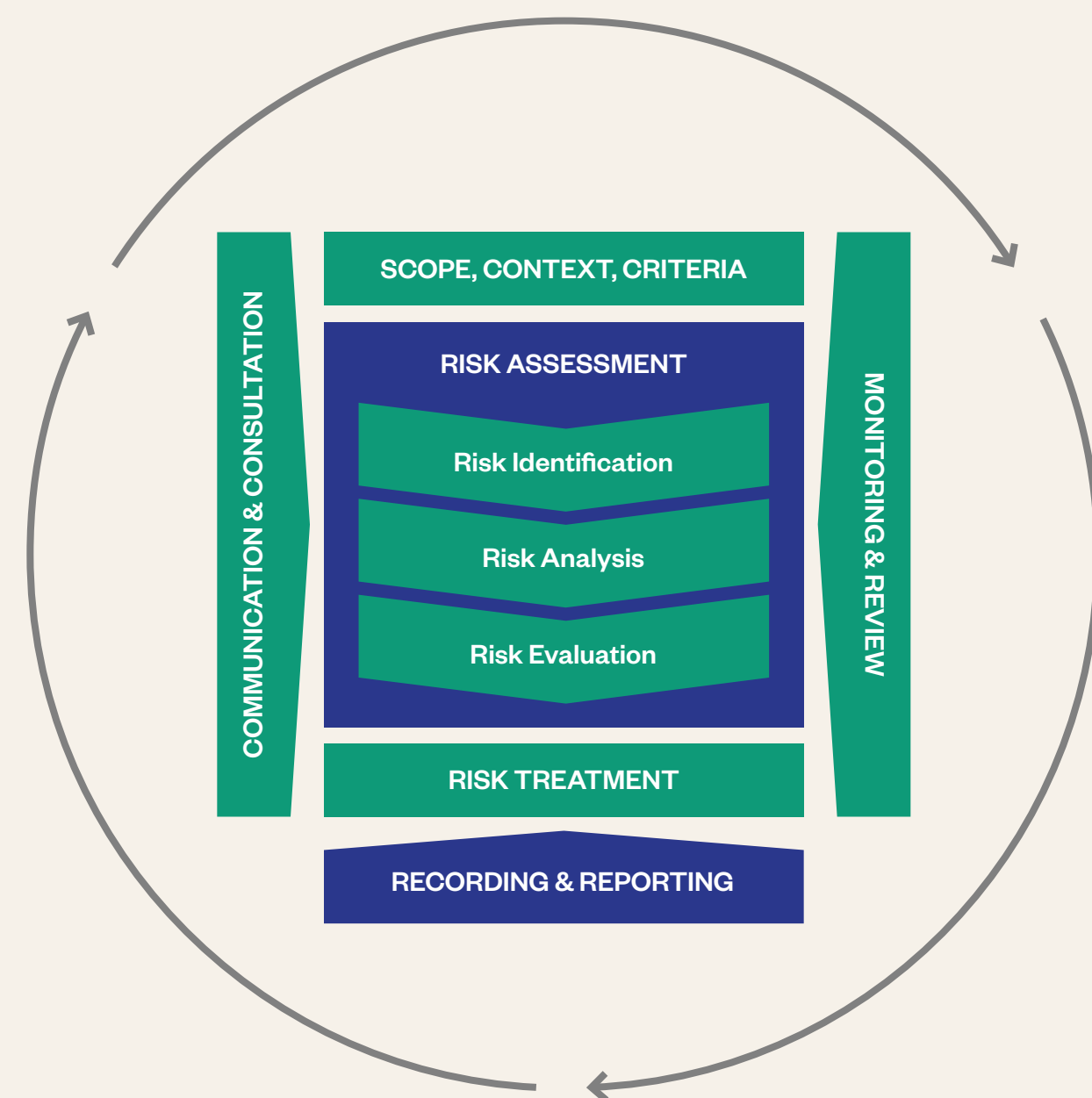


4. Risk Management

Scales' ERM risk framework identifies, analyses, and establishes controls to manage key risks. These are controlled and managed through a risk register, using the ISO 31000:2018 standard as guidance.

Scales conducted a risk identification, analysis and evaluation process for climate-related risk in 2023, as detailed in sections 4.2 – below. Although this is a stand-alone assessment, the process noted in 4.1 through to replicates those used to identify non climate-related risks. This provides consistency in methodology and allows climate-related risks to be integrated into the same register to provide an appropriate comparison for prioritisation against the factors listed in .

The ISO standard follows the framework below:



4.1 Context and scope

Effective risk management requires a thorough understanding of the context in which Scales and its business units operate. Prior to identifying risks, we consider:

- Strategy for the Group and each division;
- Business model for each division;
- The environment in which each division operates, including future drivers of change (financial, operational, competitive, environmental, political, social, legal and technological, etc);
- Relevant stakeholders, including customers, suppliers, employees, shareholders and communities across the value chain.

4.2 Climate risk identification

The objective of this step is to generate a comprehensive list of risks based on identified future drivers.

In 2023 we expanded on the Agri-Adaptation Roadmap future drivers (applying our own strategy and operating environments – see above), which covered the entire value chain. We then formulated an initial risk/opportunity assessment and presented this to the three divisional working groups.

Scales considers climate risk across three time horizons:

- Short-term: present to 2025;
- Medium: 2025 – 2035;
- Long-term: 2035 – 2050.

Short-term risks identified have an immediate or near-term impact on the organisation, including operational disruptions, supply chain issue, or sudden market changes.

Mid and long-term risks identified are those that unfold over an extended period, such as physical and transitional climate change risks, but also include technological shifts and demographic changes.

4. Risk Management

4.3 Climate risk analysis

The divisional working groups were asked to assess climate risks/opportunities across our three chosen scenarios (see strategy section), representing different plausible pathways. The groups were asked to refine or add any additional risks they felt were missing and then to rank each risk/opportunity, by scenario, timeframe and type (physical or transitional).

While the climate risk assessment is standalone, the risks and opportunities identified will flow into our strategic process outlined in [Table 3](#): Strategic process

Our approach to analysing risk is a three-step process as follows:

- Step 1 – Analyse the ‘likelihood’ of an event occurring;
- Step 2 – Analyse the ‘consequences’ of an event if it occurs;
- Step 3 – Prioritise and rank the risk using the risk matrix ([Table 4](#)).

Consequences are determined by a qualitative and quantitative (where applicable) assessment of the impact against defined thresholds for financial, people, environment and reputational impacts.

Analysing the likelihood of climate and strategic risks is different to our other short-term risks and is determined by the likelihood of the event over the time horizon considered. The interdependency/cascading nature of risks was discussed during the divisional working group assessments, and the impact assessment was adjusted as necessary. For example, increases in the number of hot days will increase water demand, putting pressure on the resource and increasing the likelihood of a transition risk around water regulation.

For clarity, we use the term ‘likelihood’ to refer to the probability or chance of the risk event occurring over the time horizon. For short-term risks, this will usually be within 1-2 years, and for long-term risks over an extended period as noted above. Long-term risks will generally require a more strategic perspective, considering trends, systematic changes and the potential evolution of drivers over time.

Table 4: Risk matrix

		Consequences				
Likelihood		1. Insignificant	2. Minor	3. Moderate	4. Major	5. Catastrophic
5	Very Likely	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Neutral	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Very Unlikely	1	2	3	4	5

Where:

>19: Extreme Risk
15-19: High Risk
8-14: Moderate risk
1-7: Low Risk

4. Risk Management

4.4 Risk evaluation

The purpose of risk evaluation is to identify which risks need treatment and the priority for treatment implementation. Based on the risk methodology described above, we identify which risks are acceptable (and therefore to be monitored only) and which are unacceptable (to be treated).

Climate and non-climate risks are prioritised under the same framework outlined above and are ranked based on residual risk in the risk register. Risks are thereby integrated into Scales' ERM process.

Where there are similar risk ratings across time horizons, the prioritisation will consider the following factors:

1. Time sensitivity – immediate or short-term impacts may require more urgent attention and response;
2. Strategic importance – if a risk is aligned to long-term goals it may warrant higher priority;
3. Reversibility – risks that may have lower consequences but have a lasting impact could influence prioritisation;
4. Mitigation and adaptation options;
5. Integrated risk management – may prioritise risks that have interplay between short and long-term horizons, and that may have cascading effects;
6. Stakeholder impact – risks that have broader social or environmental implications may be given priority.

By taking these factors into account, Scales can make informed decisions on prioritising risks, ensuring that they effectively manage both short-term and long-term risks together.

The climate risk assessment outlined above and in the Strategy section will be conducted annually as we develop and improve our processes.

4.5 Risk treatment

Risk treatment options can include the following:

- Avoiding the risk (ceasing the activity giving rise to the risk or deciding not to start a course of action);
- Sharing or transferring the risk to another party or parties (e.g., insurance);
- Mitigating the risk (putting in place additional controls or actions to reduce the likelihood and/or consequences of an event);
- Adapting to the risk – accepting the risk but adapting business practices (usually strategic) to reduce the impact.

While the mid and long-term risks will be included in the same register, the treatment options will be much more strategic (changes to business/operating models or portfolio allocation).

4.6 Monitoring and review

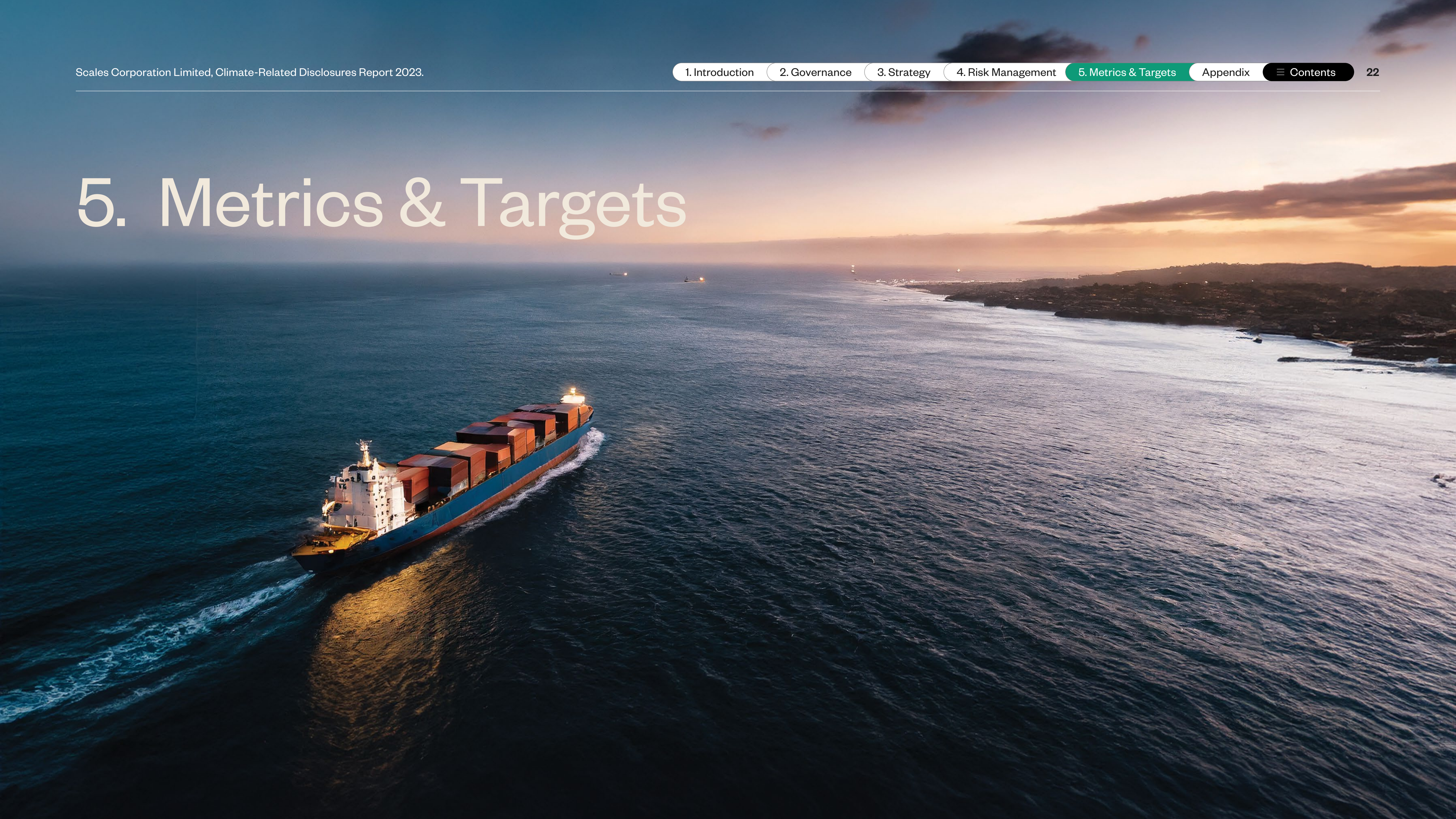
The risk register is monitored regularly (via status reports) and reviewed periodically by the ARMC. The HSSC supports the ARMC by providing specific expertise in relation to the review of climate-related risks.

Reviewing the risk register (including climate risks) includes:

- Assessment of risk treatment effectiveness;
- New risk identification and review risk register completeness;
- Risk management framework review.



5. Metrics & Targets



5. Metrics and Targets

5.1 GHG emissions targets plan

Scales intends to set emissions reduction targets in 2025, once we have established our assured base year (5.2.2). This will allow us to have a more representative base year for our emissions reduction targets as our investments become fully operational and more emissions sources are included.

5.2 GHG emissions

Scales measures and reports our GHG emissions with guidance from the following standards:

- *ISO 14064-1:2018 – Greenhouse gases Part 1;*
- *Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard;*
- *Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard.*

The following guidance has also been used in the preparation of our GHG Emissions Inventory:

- *Greenhouse Gas Protocol – Scope 2 Guidance;*
- *Greenhouse Gas Protocol – Scope 3 Calculation Guidance;*
- *Ministry for Environment – Measuring emissions: A guide for organisations.*

Activities contributing to all relevant seven Kyoto gases were considered for the Scales' GHG Emissions Inventory: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

Scales applies:

- The most relevant and up-to-date emission factors from various sources, including Ministry for the Environment (MFE) for New Zealand, UK Government GHG Conversion Factors for Company Reporting (2023), Australian National Greenhouse Account Factors and US Emissions Factors for Greenhouse Gas Inventories;
- Where possible, the latest values for Global Warming Potentials (GWP's) of reported GHG, as defined by the Intergovernmental Panel on Climate Change (IPCC);

When we completed our decarbonisation roadmaps for all operational businesses in 2022, we used an internal emissions price of \$85/tCO₂ for our internal abatement calculation. This was based on the New Zealand Emissions Trading Scheme unit price at the time of publishing the decarbonisation roadmaps. This will be updated before completing our strategic refresh and transition plan in 2025.

Scales intends to restate its base year where there has been a change in emissions factors, where we have bought or sold a business or where there has been a change greater than 10% in our Emissions Inventory. Scales applies the equity share consolidation approach to our Emissions Inventory. This consolidation approach aligns with the nature of our portfolio and allows us to maintain consistency across entities where Scales holds partial ownership in a joint venture, and/or may invest/divest in the future.

Scales' total GHG emissions in 2023 were 67,288 tCO₂e, with measured Scope 3 emissions making up 88% of all emissions. [Table 5](#) shows Scales' emissions by scope, emissions category and as a percentage of Group total emissions.

Table 5: 2023 GHG Emissions Inventory

Emissions Activity	2023 Total Emissions (tCO ₂ e)	% of Total Group Emissions
Scope 1	5,471	8%
Stationary combustion	2,503	4%
Mobile combustion	2,809	4%
Fugitive emissions	159	0%
Scope 2 (location-based)	2,920	4%
Electricity	2,920	4%
Scope 3*	58,898	88%
C1: Purchased goods and services	5,380	8%
C3: Fuel and energy related activities	633	1%
C4: Upstream transportation and distribution	3,025	4%
C5: Waste generated in operations	424	1%
C6: Business Travel	1,665	2%
C7: Employee commuting	157	0%
C8: Upstream leased assets	22	0%
C9: Downstream transportation and distribution	47,593	71%
Total	67,288	100%
tCO ₂ e per million dollars revenue**	95	

* Scope 3 emissions categories included are detailed in [Table 6](#) on following page. Exclusions are detailed in [Table 7](#) on following page.

** Scales' intensity measure tCO₂ per million dollars revenue, is calculated using the equity share approach. This is different to the reported revenue in the financial statements which uses consolidated accounting standards. The revenue figure used for this metric is based on equity share, and also excludes financial revenue, and 'other' reported income.

5. Metrics and Targets

Scales has utilised the exemption provisions in NZCS2 (20) and (22). In 2023 Scales added additional emissions sources from its recent investments, meaning our 2023 emissions reporting is not directly comparable to our 2022 Emissions Inventory. Our 2022 Emissions Inventory can be found in our 2022 Annual Report on our website.

5.2.1 Methodologies, assumptions, and uncertainties

For Scope 3 emissions, we have constructed estimates where we hold internal data that we can use to generate wider conclusions. An example is our Scope 3 emissions for third party toll processing and cold storage. We are confident that these activities are relatively similar to Scales owned sites, therefore we expect to generate similar (in relative terms) or conservative estimates where we cannot get direct data from the third-party providers.

In instances where we are not able to use estimates due to the lack of data, and where we expect emissions to be significant, we intend to work with our partners to obtain more precise data to create reliable GHG estimations.

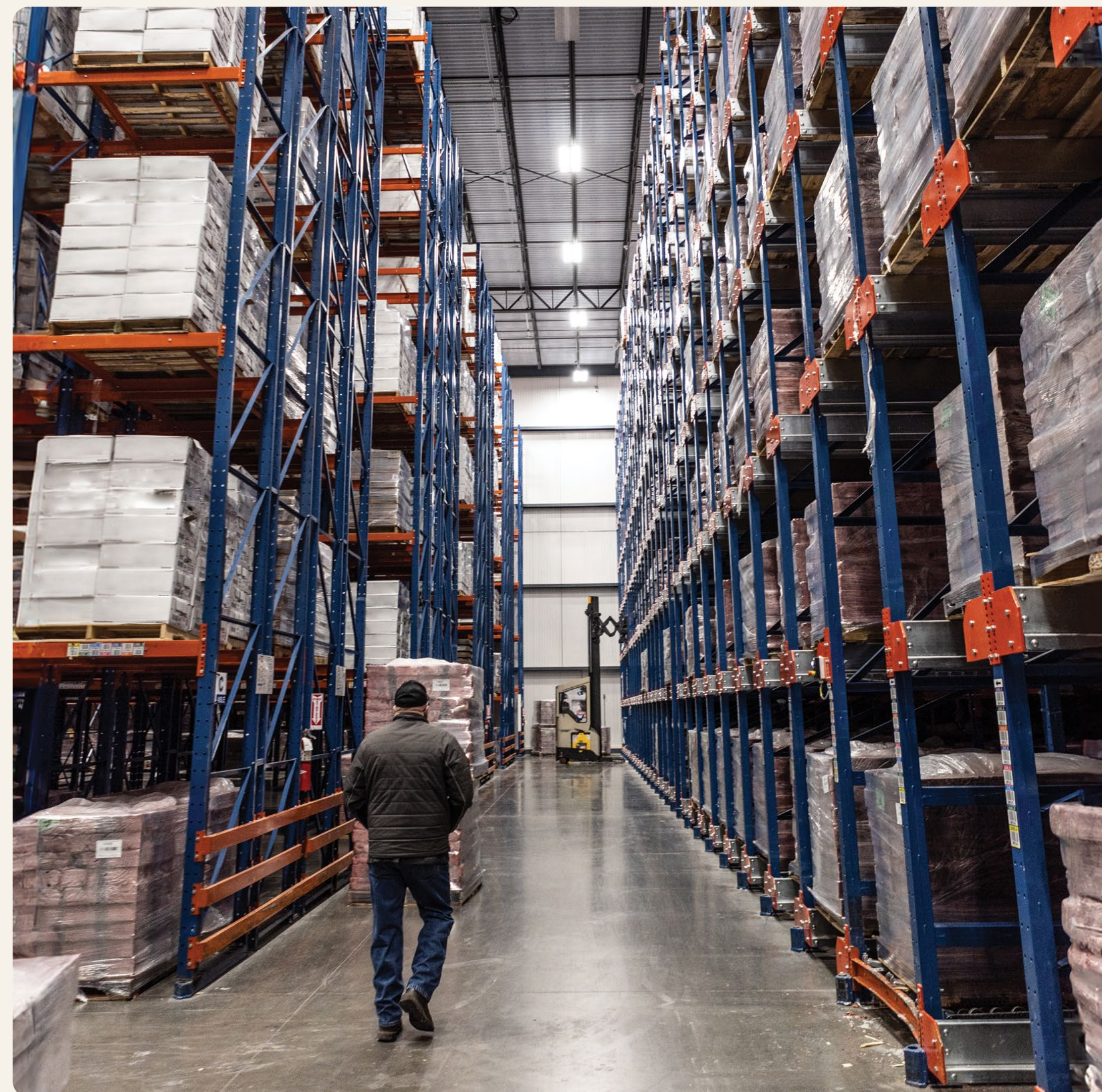
5.2.2 Base year

Our GHG Emissions Inventory covers the calendar year, in this case 1st January – 31st December 2023.

Scales will use our 2024 emissions reporting as the base year for our group GHG emissions reduction targets, which have not yet been set. 2024 will be the first reporting year for which we will arrange external independent assurance of our GHG Emissions Inventory, allowing us to more confidently set GHG reduction targets based on that data.

5.2.3 Inclusions

outlines all emissions included in the Inventory, including the source, methodology and the level of uncertainty. All businesses with relevant activity related to the emissions source are included. If data is not available for a business this has been disclosed in . The selection of emissions factors is based on operating location. Where location-specific information is unavailable, New Zealand-based emissions factors have been used.



5. Metrics and Targets

Table 6: Inclusions, methodologies and uncertainties

Scope	Emission Category	Activity	Data Source	Gwp Source	Methodology, Data Quality, Uncertainty (Qualitative)	
Scope 1	Stationary combustion	Fossil fuels used by plant equipment	Invoices	MFE guidelines 2023	Fuel based method. Low uncertainty	
	Mobile combustion	Fossil fuels used by fleet/pool vehicles and forklifts	Fuel purchase transaction history	MFE guidelines 2023	Fuel based method. Low uncertainty	
	Fugitive emissions	Refrigerant used by refrigeration equipment	Maintenance reports and invoices	MFE guidelines 2023	Top up method. Applicable to Scales' owned refrigeration equipment. Low uncertainty	
Scope 2	Purchased energy	Electricity consumption	Invoices	Selection of electricity grid factors by operating location	Location based method. High data quality and low uncertainty due to complete invoice sets	
Scope 3	Business travel	Air travel	Travel itineraries, reimbursements, credit card purchase history	MFE guidelines 2023, Consumption emissions modelling report	Hybrid method. Distance based where data is available, otherwise dollars spent. Variable data quality, medium uncertainty overall	
		Rental car/taxis	Travel itineraries, reimbursements, credit card purchase history	MFE guidelines 2023, Consumption emissions modelling report	Hybrid method. Distance/fuel based for rental cars where data is available, otherwise dollars spent. Dollars spent for taxis. Variable data quality, medium uncertainty overall	
		Hotels and accommodation	Travel itineraries, reimbursements, credit card purchase history	MFE guidelines 2023, Consumption emissions modelling report	Nights stayed method. Country selected based on itineraries, and conservatively approximated where unspecified. High uncertainty overall	
	Employee commuting	Employee commuting and working from home	Internal reports/ staff survey	MFE guidelines 2023	Distance based method to determine commuting, days working from home approximated. Data quality is low due to difficulty in validating survey results. High uncertainty	
	Upstream transportation and distribution	Movement of product from suppliers	Logistics shipping and freight reports	UK GHG conversion factors 2023	Tonnes km (tkm) based method. Distances and weight determined between supplier and plant. Only includes emissions from upstream freight we are responsible for. Variable data quality, medium uncertainty	
	Downstream transportation and distribution	Movement of product to customers	Logistics shipping and freight reports	MFE guidelines 2023, UK GHG conversion factors 2023	tkm based method. Distances and weight determined between plant and customer. Only includes emissions from downstream freight we are responsible for. Variable data quality, medium uncertainty	
	Purchased goods and services	Coldstores/toll processing provided by a third party (toll processing relates specifically to Shelby)	Third-party supplier warehouse volume reports/invoices	Selection of electricity grid factors by operating location	Hybrid method. Used data from owned facilities to extrapolate out to third-party coldstorage and toll processing sites. For coldstorage we used m3 to kWh conversion factor. High uncertainty	
	Fuel and energy related activities	Transmission and distribution (T&D) losses			Selection of electricity T&D loss factors by operating location	Electricity consumption approach. Methodology as per MFE guidelines. Grid-average transmission losses-estimation based on national generator and consumption totals. High data quality, low level of uncertainty.
		Well-to-tank emissions			UK GHG conversion factors 2023	Fuel consumption approach, methodology based on UK GHG conversion factors. High data quality, medium uncertainty.
	Waste generated in operations	Waste		Supplier invoices and waste reports	MFE guidelines 2023	Hybrid method. Weight based where data is available, otherwise weight is estimated by bin volumes and number of collections. Landfills use gas capture technology. Variable data quality, medium uncertainty
Water supply and wastewater			Council invoices and meter data	MFE guidelines 2023	Hybrid method. Volume based where council data is available for processing sites. Per capita basis for office spaces. Domestic wastewater treatment factors used as industrial factors are unavailable. Variable data quality, medium uncertainty	
Upstream leased assets	Short-term leased space		Property measurements and invoices	MFE guidelines 2023	Estimate based on energy intensity (square meter energy consumption) of existing sites for offices. Used site footprints and m3 to kWh conversion factor for coldstore consumption. High uncertainty	

5. Metrics and Targets

5.2.4 Exclusions

The emissions sources in [Table 7](#) have been identified and excluded from this GHG Emissions Inventory. These emissions sources are considered relevant to our operations, however, are either not material to stakeholders, not material in the context of the inventory, and/or not technically feasible or cost effective to be quantified at present. We will be actively working on improving our data collection and assessing our estimation options for emissions in these categories.

Table 7: Exclusions

Scope	Emissions Category	Activity	Applicability**	Reason for Exclusion
Scope 1	Mobile Combustion	Fossil fuels used by fleet/pool vehicles and forklifts	MFI, MAP, Scales Corporate, Fayman, Esro	Data unavailable, expected impact is immaterial
	Fugitive emissions	Refrigerant used by refrigeration equipment	MAP	Partial processing for reporting year, minimal coldstore usage therefore expected very low impact
		Refrigerant used by office HVAC*/kitchen equipment	All offices	Data unavailable, expected impact is immaterial
Scope 2	Purchased energy	Electricity consumption	MFI	Included in MFLP inventory (shared office space)
Scope 3	Business travel	Air travel, rental cars/taxis, hotels and accommodation	MAP	No data available, immaterial
	Employee commuting	Employee commuting	MFI, MAP, Profruit, Scales Corporate, Fayman, ANZ, Esro	Difficult to obtain/minimal/not reported
		Working from home	MFI, MAP, Scales Corporate, Fayman, ANZ, Esro	No data available, immaterial
	Downstream transportation and distribution	Movement of product to customers	Scales Logistics	Accounted for by other business units. Scales Logistics is also a service provider not a direct cargo owner, so not applicable.
	Waste generated in operations	Water supply and wastewater	MFI, MAP, Scales Corporate, Scales Logistics, ANZ, Esro	No data. Expected to be immaterial for offices and Esro during the reporting year due to partial processing
		Waste	MFI, MAP, Scales Corporate, Scales Logistics, ANZ, Esro	No data. Expected to be immaterial for offices, and Esro during the reporting year due to partial processing. Note: all rendering waste was excluded from Global Proteins businesses, this will be investigated as part our Scope 3 assessment in 2024
	Purchased goods and services	IT services, maintenance, office equipment	All	Difficult to obtain/minimal/not reported
		Coldstorage	MAP	No data, immaterial for reporting year due to partial processing
	Capital goods	Extraction, production and transportation of capital goods purchased or acquired by companies in the reporting year	All	No data available
	Processing of sold products	Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)	All production-based businesses	No data available
	Use of sold products	End use of goods and services sold by companies in the reporting year	All production-based businesses	No data available
	End of life treatment of sold products	Rendering waste	All production-based businesses	Not currently included in footprint calculation as currently have no emission factor for this waste. Will be included in Scope 3 assessment in 2024

* Heating, ventilation and air conditioning (HVAC).

** See appendix for company details.

5. Metrics and Targets

5.3 Exposure to physical and transitional risks/opportunities

Our assessment to date of the exposure of Scales to climate-related risks is that there is variance across geographies and business divisions.

5.3.1 Vulnerability to physical risks

Due to the vertically-integrated nature of our Horticulture division, this division is more exposed to both chronic and acute climate events. Logistics is also exposed to this risk, due to its integrated value chain with Horticulture.

Global Proteins, while less exposed, still may be impacted by changes in weather patterns and extreme weather effects on raw material supply. However, the available climate data and spatial resolutions vary considerably across the geographies in which we operate, with limited hazard data available beyond New Zealand.

As a conservative estimate, based on our internal assessment to date, all of Scales' business activities are exposed to some degree of physical climate risks.

5.3.2 Vulnerability to transition risks

The Horticulture division is currently most exposed to climate-related regulation for orchard/farming practices (e.g water and fertiliser).

Global Proteins also has some exposure to climate-related regulation changes as it is reliant on upstream raw material supply. However, it is also more aligned with consumer preference changes due to the sector/market/customer mix.

As a conservative estimate, all of Scales' business activities are exposed to climate-related transitional risks to some degree.

5.3.3 Climate-related opportunities

As mentioned above, Global Proteins is more aligned to customer sustainability changes in its sector/market and customer mix. This presents a risk, but also an opportunity if we align our strategy correctly. An example, presented in [Figure 8](#), is being able to align our sustainability programme with our Global Proteins customers, creating stronger relationships and increasing demand.

Due to this reason, we believe the Global Proteins division is the only business activity currently aligned to significant climate-related opportunities.

5.3.4 Capital deployment 2023

Note this represents capital expenditure figures that have been adjusted for equity ownership.

Table 8: Capital deployment in relation to climate-related initiatives in 2023

Division	Description	Amount	Transition Initiative
GP	Investment in new joint ventures (MAP and Esro)	\$11.9 million	Diversification of supply, and decarbonisation roadmap (new plants, more efficient equipment)
GP	Upgrading refrigeration plant at Meateor New Zealand's Hastings site and an upgrade of the boiler at Shelby's Amarillo site	\$1.14 million	Decarbonisation roadmap

5.4 Industry based metrics

We have disclosed tCO₂ and tCO₂/million dollars revenue, which are widely adopted metrics across all our related industries. Other relevant industry-based metrics (if any) will be assessed when we set targets and metrics in 2025.

6. Targets

6.1 Scales' Targets

As explained above, Scales intends to set Group targets in 2025, once we have completed assurance over our Emissions Inventory and set our GHG emissions baseline. We also intend to further develop our reporting and measuring of key sustainability aspects affecting Scales' businesses as represented in our annual report.

6.2 Mr Apple Targets

Mr Apple is the only business unit within Scales that currently has emissions targets in place ([Table 9](#)). These were set in late 2018 with a target date of 2024. Once they have been reset (scheduled for 2025), they will feed into the Group targets.

Mr Apple's Emissions Target: Carbon intensity goal of 1 per cent reduction in GHG emissions for Scope 1, 2 and mandatory Scope 3 emissions per million dollars gross turnover between 2018 – 2024. The emissions goal is intensity based, and aligns with Toitū's carbonreduce programme in 2018. However, it is not a verified science-based target and therefore we cannot confirm it aligns with limiting global temperature rise to 1.5°C.

The base year for Mr Apple's emissions reduction target and initiatives is 2018. These targets and initiatives do not rely on any offsets.

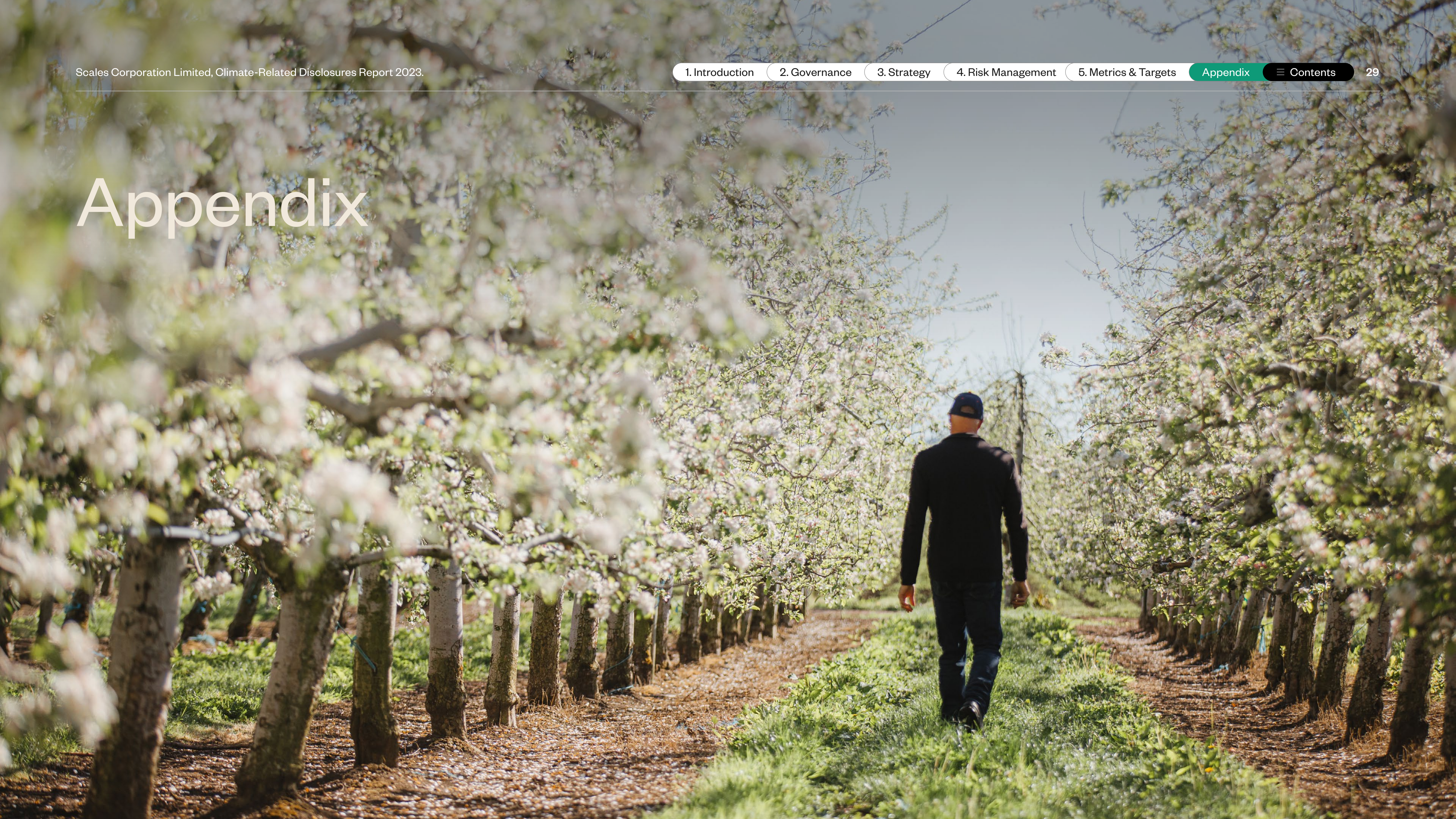
Table 9: Mr Apple Targets 2018–2024

Target	Progress 2018–2023	Initiatives to Date
Reduce Scope 1, 2 and measured Scope 3 GHG emissions intensity by 1% per million dollars revenue between 2018–2024	6% reduction from 2018	As per below
Reduce paper use by 10% per annum between 2018–2024	18% average annual decrease since 2018	Further conversion from paper to digital processes/education and communication across teams, moving to light weight paper
Reduce waste to landfill by 30% between 2018–2024	44% reduction from 2018	Hand dryers instead of paper towels implemented at Whakatu Packhouse, implementation of liner-less labellers, a move to compostable cups in the packhouse and education and engagement with sites
Reduce electricity consumption by 3% between 2018–2024	12% reduction from 2018	LED replacements across accommodation facilities, using Demand Flex* where possible
Reduce fuel usage by 5% between 2018–2024	1% reduction from 2018	Continued monitoring using eRoad**, continued proactive maintenance, replacing petrol orchard equipment with electric where applicable, continued focus on replacing old machinery with more efficient, new machinery, reduced trucking movements

* Demand Flex is a programme from Simple Energy that enables users to be rewarded for 'flexible' electricity usage.

** eRoad provides driver-facing telematics that improves safety, streamlines business operations and improves profitability.

Appendix



Appendix

Scales Group

Scales Group comprises the following divisions:

Global Proteins: processing and marketing of proteins such as pet food ingredients, edible meat and offal products. Meateor Foods Limited, Meateor Foods Australia Pty Limited, Meateor Group Limited, Meateor US LLC, Shelby JV LLC Group (Shelby Cold Storage LLC, Shelby Exports Inc, Shelby Foods LLC, Shelby JV LLC, Shelby Properties LLC, Shelby Trucking LLC), Meateor GP Limited, Meateor Pet Foods Limited Partnership, Scales FI Group Holdings Pty Limited, Meateor Australia Pty Limited, FI Group Holdings Pty Limited Group (FI Group Holdings Pty Limited, Fayman International Group Pty Limited and Fayman New Zealand Limited), ANZ Exports Pty Limited and Esro Petfood B.V.

Horticulture: orchards, fruit packing, juice concentrate processing and marketing. Mr Apple New Zealand Limited, New Zealand Apple Limited, Fern Ridge Produce Limited, Longview Group Holdings Limited and Profruit (2006) Limited.

Logistics: logistics services. Scales Logistics Limited and Scales Logistics Australia Pty Ltd.

Other: Scales Corporation Limited, Geo. H. Scales Limited, Scales Employees Limited, Scales Holdings Limited and Selacs Insurance Limited.

Operating entities

Division	Entity	Description
Group	Scales Corporation Limited	Diversified agribusiness investor, listed on the New Zealand Stock Exchange
Horticulture	Mr Apple New Zealand Limited (Mr Apple)	Mr Apple New Zealand Limited is a wholly owned subsidiary company of Scales Corporation Limited. New Zealand's largest fully vertically integrated apple business, based in Hawke's Bay
	Profruit (2006) Limited (Profruit)	50 per cent ownership of a manufacturer of high-quality apple, kiwifruit and pear juice concentrates, located in Hawke's Bay
	Fern Ridge Produce Limited (Fern Ridge)	A wholly owned subsidiary of Mr Apple - a fresh produce exporter in Hawke's Bay
Global Proteins	Meateor Pet Foods Limited Partnership (MFLP)	50 per cent ownership of a New Zealand joint venture that procures, processes and sells petfood ingredients both domestically and internationally. Has processing plants in Hastings and Dunedin
	Fayman International Group Pty Limited (FIG)	50 per cent ownership of an Australian joint venture, edible protein exporter
	ANZ Exports Pty Limited (ANZ)	42.5 per cent ownership of an Australian joint venture, edible protein exporter and importer
	Shelby JV LLC (Shelby)	60 per cent ownership of a US joint venture that procures, processes and sells petfood ingredients domestically. Shelby has a processing plant in Amarillo Texas, with other toll processing sites across the US
	Meateor Food Limited (MFL) and Meateor Australia Pty Limited (together, MFI)	100 per cent ownership of a global exporter of petfood ingredients from Australia and other markets
	Meateor Australia Pty Limited (MAP)	33.33 per cent ownership of a new Australian joint venture, that procures, processes and exports petfood ingredients with a processing facility in Melbourne
	Esro Petfood B.V (Esro)	50 per cent ownership of newly established European petfood joint venture (2023), that will procure, process, and sell petfood ingredients predominantly to the Europe market (some export opportunities). Currently has one processing facility in Hoeselt, Belgium
Logistics	Scales Logistics Limited (Scales Logistics)	Scales Logistics is a wholly owned subsidiary company of Scales Corporation Limited The services of Scales Logistics include: Ocean freight services to exporters and importers of perishable products, with offices in Auckland, Christchurch, Tauranga, Hawke's Bay and Melbourne Air freight services, including chiller facilities in Christchurch and Auckland together with warehousing facilities in Christchurch



Scales Corporation Limited

52 Cashel Street, Christchurch 8013, New Zealand

www.scalescorporation.co.nz