



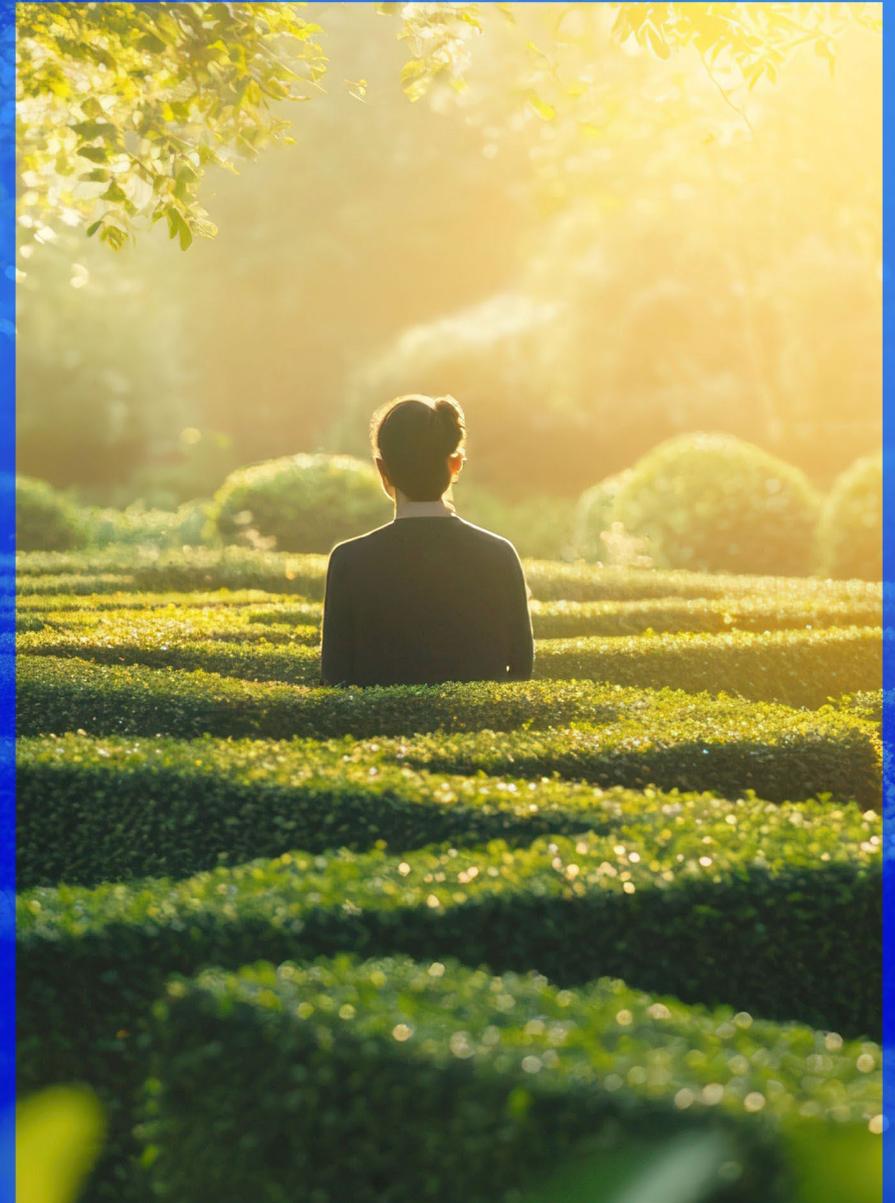
# Illustrative disclosures

**Guide to sustainability reporting**

IFRS<sup>®</sup> Sustainability Disclosure Standards

[kpmg.com/issb](https://kpmg.com/issb)

October 2025



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# Find your way... and tell your story

The implementation of IFRS Sustainability Disclosure Standards has begun in earnest, with companies now thinking about the look and feel of their sustainability reporting.

There are lessons to be learned from the first wave of reporting under European Sustainability Reporting Standards (ESRS). There, companies' efforts to comply with the existing requirements often overwhelmed their ability to communicate their stories and strategies effectively.

IFRS Sustainability Disclosure Standards, on the other hand, while requiring companies to disclose material information about sustainability-related risks and opportunities, allow more flexibility in how to format and present that information.

This flexibility is an opportunity. You can tailor the disclosures to your unique circumstances and to meet jurisdiction-specific requirements – and you can tell your strategic story. There is no one size fits all, and the right presentation approach may depend on your industry, and your company's size and complexity, among other factors.

For that reason, this publication is a collection of examples rather than a single illustrative sustainability report.

Our objective is to guide and inspire – to demonstrate the flexibility, scalability and connectivity embedded in IFRS Sustainability Disclosure Standards.

We invite you to use this guide as a practical resource to help you find your way as you begin reporting under IFRS Sustainability Disclosure Standards.

We welcome feedback and look forward to ongoing dialogue to support high-quality, decision-useful sustainability reporting.

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# How to use this guide

This guide contains over 40 illustrative examples of how companies could present aspects of their sustainability report when applying the requirements of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

## What you will find in this guide

We have grouped the examples in sections reflecting the core content areas required by the standards, as well as a separate section for general requirements and transition plans, namely:

- [General requirements](#) ▶
- [Strategy](#) ▶
- [Metrics and targets](#) ▶
- [Governance](#) ▶
- [Risk management](#) ▶
- [Transition plans](#) ▶

The examples are illustrative and based on fictitious companies. They are designed to demonstrate a range of possible reporting formats permitted by IFRS Sustainability Disclosure Standards. Our purpose is to demonstrate the flexibility allowed rather than to imply that a single format is prescribed.

The illustrative examples are shown as excerpts from a complete sustainability report. Square brackets [ ] are used to indicate where a company might cross-reference to another part of its sustainability report or to a note in its annual report. Commentary to the left of each example explains the content, the style of presentation and the potential benefits for users and/or companies.

References in square brackets identify the location of the disclosure requirement in IFRS S1 and/or IFRS S2. For example, [IFRS S1.20] means the disclosure requirement is in paragraph 20 of IFRS S1.

## Locating examples by core content area

Each section focuses on a different IFRS S1 and IFRS S2 core content area and begins with an index of the illustrative examples it contains. Access the section-specific indices by clicking on the *Illustrative examples* tab at the top of the page, which will reveal further tabs for each area that can be used for quick navigation.

## Locating examples by topic

[Appendix 1](#) ▶ contains a complete index of all of the illustrative examples in this guide. These are listed by topic and cross-referenced to the applicable IFRS S1 or IFRS S2 paragraph(s). Use this index to locate examples by topic.

Note: Illustrative examples on some topics may appear in multiple sections of this guide. This reflects the format of the standards. For example, both the Governance and Metrics and targets core content areas in IFRS S2 require disclosures about remuneration.

## Structuring your report

IFRS Sustainability Disclosure Standards identify the information companies need to report, but do not mandate a specific structure for reports. Companies must therefore decide on the best way to present their information clearly while avoiding duplication. See the [Presentation](#) ▶ section of this guide.

## Notes for readers

This guide has been produced by the KPMG International Standards Group (part of KPMG IFRG Limited).

It is intended to help companies prepare and present sustainability-related financial information in accordance with IFRS Sustainability Disclosure Standards. The guide reflects the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB) on 30 October 2025 to be applied by companies with annual reporting periods beginning on 1 January 2025. This publication does not reflect the narrow-scope amendments to IFRS S2 proposed in April 2025.

This guide does not:

- consider or include any additional requirements introduced through jurisdictional adoption or other local legal and regulatory frameworks; or
- cover all requirements or guidance for reporting under IFRS Sustainability Disclosure Standards.

The standards and their interpretation may change over time. Accordingly, this guide should not be used as a substitute for referring to the standards themselves or to other relevant interpretative guidance.

While this guide is structured by core content area and key topic, real-world disclosures often span multiple areas and may not follow the same sequence as the standards – or this guide.

The examples are designed to include only the level of detail necessary to illustrate how information can be disclosed. In some cases, they may omit information typically found in a real report. For instance, a risk and opportunity table might show selected items to demonstrate disclosure concepts rather than a full list.

Where relevant, examples use different presentation styles to highlight the flexibility permitted in the standards. Some examples also demonstrate how a company may cross-reference to other sections of its report. This reflects common reporting practices and is intended to help users understand how disclosures may be linked across a full report.

References to content not shown in this document are included to illustrate how cross-referencing can be used effectively and should not be interpreted as missing or incomplete content.

## Other resources

Our Resources page in [Appendix 3](#) ▶ identifies other resources that can help you in preparing a sustainability report in accordance with IFRS Sustainability Disclosure Standards, including our in-depth guide, a disclosure checklist, and our latest how-to guide on materiality.

# Presentation

This section outlines key considerations for structuring sustainability-related financial information within a general purpose financial report.

It provides illustrative presentation examples that demonstrate different ways companies can organise and integrate sustainability-related financial information, acknowledging the flexibility offered by the standards.

## Location of disclosures

IFRS S1 provides the key principles for preparing sustainability-related financial information, including the structure and location of information.

IFRS Sustainability Disclosure Standards require companies to include sustainability-related financial information within their general purpose financial reports; however, companies are free to determine the most appropriate reporting structure for their organisation, provided it is coherent and links effectively with broader sustainability reporting to avoid duplicating information. [IFRS S1.60, 61]

The standards also require entities to avoid duplication where common information is needed across different IFRS Sustainability Disclosure Standards. For example, if a company's governance disclosures are the same under IFRS S1 and IFRS S2, they are disclosed only once. Companies can also use cross-referencing to direct users to relevant information elsewhere in their general purpose financial reports. [IFRS S1.B41(b), B42(b), IFRS S2.7]

See Section 4.3 of [First Impressions](#) for further guidance on the location of information.

## Jurisdictional requirements

Companies need to follow jurisdiction-specific requirements when deciding how to present sustainability-related financial information. For example, jurisdictions may specify a required location or structure for disclosures when they adopt or otherwise incorporate IFRS Sustainability Disclosure Standards into the local regulatory framework. Alternatively, companies may be required to report against other local reporting frameworks concurrently with IFRS Sustainability Disclosure Standards that specify a particular location or structure for sustainability reports.

## Other standards/frameworks

Under IFRS Sustainability Disclosure Standards, information may be presented alongside disclosures provided under other standards or frameworks, provided it is clearly identifiable and not obscured. Companies should therefore carefully consider how and where they include information aligned with other frameworks or standards. For example, ESRS require a structured presentation with information to be disclosed in a clearly identified, dedicated section of the management report. It is possible for a company to present the information required by IFRS Sustainability Disclosure Standards within the structure mandated by ESRS. The proposed amendments to ESRS aim to introduce greater flexibility, giving companies more options in how they structure and present their disclosures while still meeting core requirements. [IFRS S1.61–62]

Many companies also apply disclosure requirements of the Global Reporting Initiative (GRI). GRI Standards aim to provide an understanding of the most significant impacts that a company has on the economy, the environment and society, and therefore reflect a wider set of stakeholder needs. It is likely that many of the topics reported on under GRI Standards could also affect a company's future cash flows and could therefore be material to investors. However, differences may arise in the type of information required. Using IFRS Sustainability Disclosure Standards with GRI Standards as complementary standards would facilitate reporting under a two-pillar structure with:

- IFRS Sustainability Disclosure Standards informing investor-focused reporting as part of general purpose financial reports; and
- GRI Standards continuing to be used for broader sustainability reporting (either in a separate report, in online disclosures or as a GRI index).

## Connectivity between sustainability disclosures and other information

A company's financial reports typically include financial statements, sustainability disclosures and management commentary or management's discussion and analysis (MD&A). If these areas are not well connected, users may raise concerns, particularly around climate-related risks and uncertainties.

To achieve connectivity in annual reports, it is important that the front and back parts of the report tell the same story. To tell a connected story, a company:

- joins the dots between the front part of the financial report (e.g. sustainability disclosures and MD&A) and the financial statements; and
- explains the context and connection between related disclosures. [IFRS S1.21, B42(a)]

For information on IFRS Accounting Standards and related developments, see our [IFRS Accounting Today](#) page. For more about connectivity, see our [Connected Reporting](#) page. This guide illustrates disclosures for sustainability reports prepared in accordance with IFRS Sustainability Disclosure Standards and does not include illustrations of financial statement disclosures.

In today's reporting world, preparers are encouraged to make sustainability-related financial information accessible for both humans and artificial intelligence (AI) wherever possible. Human readability benefits from visual aids, clear signposting and concise formatting, while AI compatibility often relies on structured, continuous text for accurate parsing. Until AI can fully navigate different presentation styles, preparers need to keep in mind both types of readers.

## Presentation options for sustainability reporting

Here are three illustrative examples showing how a company might structure and present its sustainability reporting within its general purpose financial reports, demonstrating different ways to organise and integrate sustainability-related financial information. These examples are not exhaustive, and companies need to consider their specific circumstances and any local requirements when deciding how they present their information.

### 01

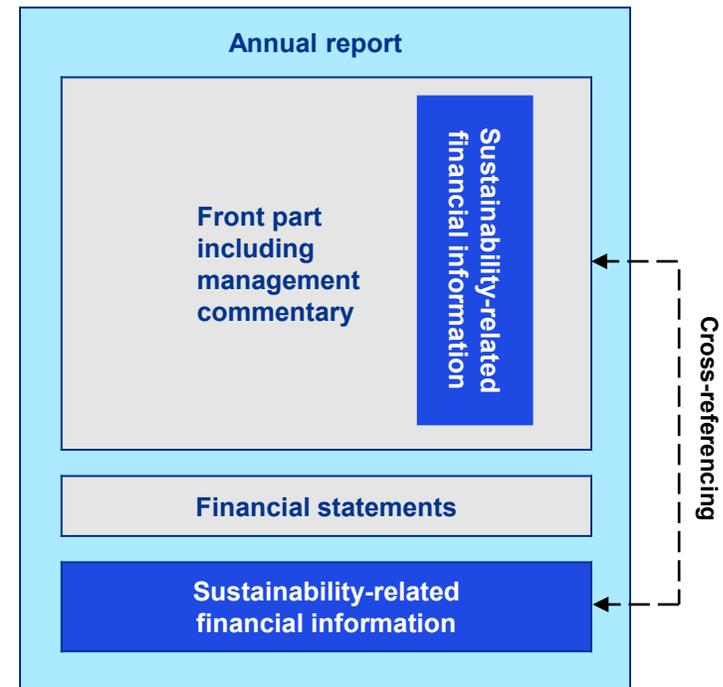
#### Sustainability-related financial information presented throughout the annual report

Companies may choose to present sustainability-related financial information in a dedicated sustainability section of their annual report to enhance clarity and accessibility for users (see [presentation structure 2](#)). However, incorporating sustainability-related financial information into the management commentary or MD&A section as well may help users better understand how sustainability is embedded in the company's overall business model and strategic decision-making. [IFRS S1.61]

To the extent that sustainability-related financial information may be relevant to broader company reporting – such as business strategy, risk management or performance analysis – companies can cross-refer to the relevant parts of the management commentary from the dedicated sustainability section. For example, detailed information on the strategy for managing sustainability-related risks and opportunities (SROs) may be integral to the company's broader business strategy and therefore included in the management commentary, with appropriate cross-referencing from the dedicated sustainability section. [IFRS S1.B40]

This approach supports coherence across disclosures, avoids duplication and helps users understand the financial implications of sustainability-related matters in the context of the company's wider operations. [IFRS S1.B42(b)]

**This approach may suit...** companies with sustainability practices that are well-established as part of their core business activities. It can support clear links between financial and non-financial disclosures, giving stakeholders a holistic view of how the company creates long-term value. However, care is needed to present sustainability-related financial information in a way that avoids it being obscured when included alongside other disclosures. [IFRS S1.B27]



## 02

## Sustainability-related financial information included in a dedicated sustainability section of the annual report

A company could present a dedicated sustainability section within its annual report, tailored to suit its circumstances. In practice, many companies choose to include the core content areas of governance and risk management upfront, followed by topic-specific sections (e.g. climate, nature or human capital) that include disclosures on strategy, metrics and targets.

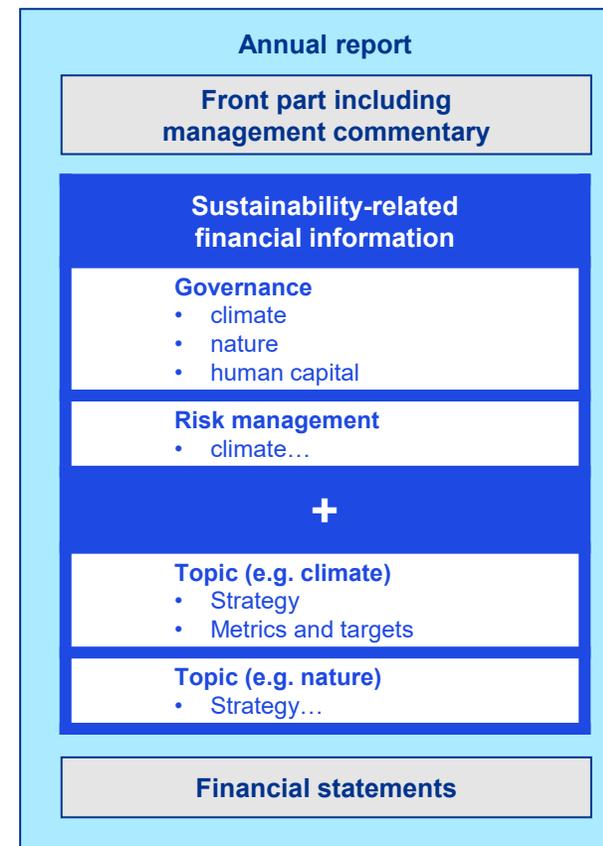
Presenting information in this way may help users understand how sustainability oversight and risk management processes are embedded in the organisation before diving into topic-level disclosures.

**This approach may suit...** companies that use the same or similar governance and risk management processes to manage all sustainability-related topics, but have strategies, metrics and targets that are unique to each topic.

Alternatively, companies may choose to structure their report by:

- **sustainability-related topic** – which may suit companies that manage each topic separately in its entirety and support users in finding all disclosures relevant to each topic in one place; or
- **core content area** – which may suit companies whose disclosures on the four core content areas are consistent across all sustainability-related topics, streamlining reporting and minimising duplication.

Whichever approach a company chooses, care needs to be taken to avoid duplicating information and to present a clear, cohesive narrative that links sustainability disclosures to the company's broader strategic story. [IFRS S1.B42(b)]



## 03

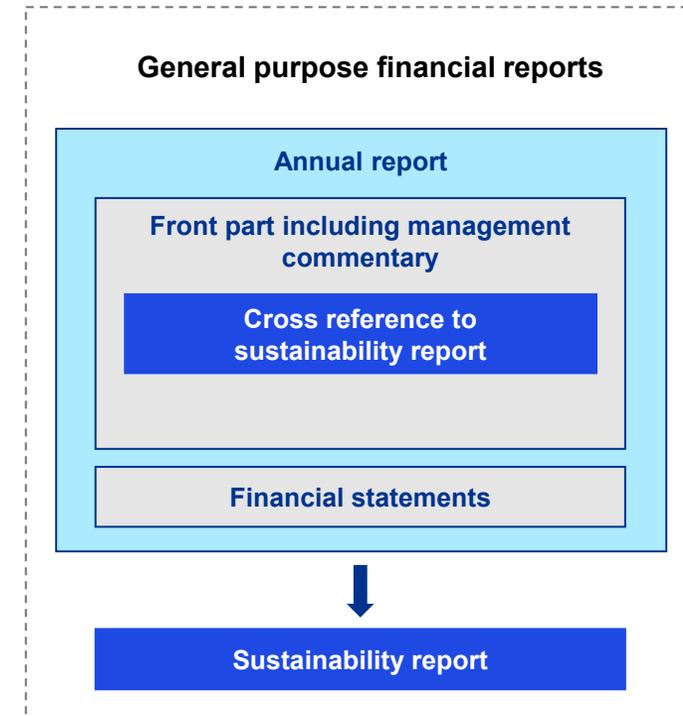
## Sustainability-related financial information included in a separate sustainability report that is cross-referenced within the annual report

Companies can meet IFRS Sustainability Disclosure Standards requirements by cross-referencing to another published report, such as a separate sustainability report within their general purpose financial reports. [IFRS S1.63, B42(a)–(b)]

Cross-referencing to a separate sustainability report is allowed as long as:

- the sustainability report is available to users on the same terms and at the same time as the sustainability-related financial information;
- the information included by cross-reference is subject to the requirements of the standards, including for information to be relevant, faithfully represented, comparable, verifiable, timely and understandable;
- the company clearly identifies where the information can be found – i.e. in which report and section; and
- the same level of responsibility – e.g. review and approval – applies to cross-referenced content as if it were included directly in the annual report. [IFRS S1.63, B45–B47]

**This approach may suit...** companies that already publish separate detailed sustainability reports and have strong reporting systems in place because it can help maintain clarity and accessibility while avoiding duplicating information across documents.



# Illustrative examples

Our examples illustrate how the disclosure requirements in IFRS S1 and IFRS S2 can be applied in practice.

These examples are designed to demonstrate possible approaches to presenting sustainability-related financial information, highlighting the flexibility of the standards and offering practical guidance to support companies in preparing clear, connected and decision-useful disclosures.

## Sections:

[General requirements ▶](#)

[Governance ▶](#)

[Strategy ▶](#)

[Risk management ▶](#)

[Metrics and targets ▶](#)

[Transition plans ▶](#)

# General requirements

The examples in this section illustrate disclosures that may be well-suited to inclusion at the start of a sustainability report.

# General requirements

## Key points to consider

- Companies may choose to disclose certain general principles at the beginning of the sustainability report – like the basis of preparation in the annual financial statements. However, this is not a requirement, and companies can present the information in other sections of the report.
- Another area that may lend itself to presentation at the beginning of the sustainability report is judgements and uncertainties, which may be part of the basis of presentation in the annual financial statements. Alternatively, companies may choose to present key judgements and measurement uncertainties alongside the relevant information throughout the report.

## Index of illustrative examples

Basis of preparation

Example 1

Judgements and uncertainties

Example 2

## Example 1

### Basis of preparation

This example illustrates how a selection of disclosure requirements can be presented together in a 'Basis of preparation' section.

Presenting the information in this way may help users to clearly understand how the following general principles are applied in the report:

- connectivity;
- presentation currency;
- sources of guidance;
- judgements and estimates; and
- transition reliefs.

A 'Basis of preparation' section may offer a practical and coherent way to present this information, even though the standards do not explicitly require one.

Assumptions, judgements and estimates – e.g. assessment of boundary for GHG emissions – may also be disclosed here rather than dispersed throughout the report alongside disclosures such as GHG emissions and/or water metrics.

### Basis of preparation

#### Reporting entity

The Company's 2025 Sustainability Report (this report) has been prepared for the Company and its subsidiaries (together referred to as 'the Group') and should be read in conjunction with the Group's consolidated financial statements. [IFRS S1.20]

#### Statement of compliance

The Group's report has been prepared in accordance with IFRS Sustainability Disclosure Standards as issued by the ISSB. [IFRS S1.72]

#### Connectivity

This report contains the sustainability-related financial information of the Group for the financial year ended 31 December 2025. It aligns with the reporting period of the Group's consolidated financial statements. [IFRS S1.22]

This report makes connections with other reports, including the financial statements, to present a cohesive view of how relevant SROs could impact the Group's financial position, performance and cash flows over the short, medium and long term. Where applicable, quantitative sustainability-related metrics are directly connected and cross-referenced to relevant financial statement line items, such as energy costs, provisions and capital expenditure on decarbonisation initiatives. [IFRS S1.21]

#### Functional and presentation currency

Sustainability-related financial information is presented in Currency Unit (CU). All amounts have been rounded to the nearest thousand, unless otherwise stated. [IFRS S1.24]

#### Sources of guidance

In preparing its sustainability-related financial information, the Group has referred to, and considered, the applicability of disclosure topics and metrics in the SASB Standards. Specific information about which SASB Standards were considered by the Group is contained in the policies section of this report. In some cases, the Group has also prepared disclosures using other sources of guidance such as GRI Standards. The source of metrics used by the Group is detailed in the policies section of this report. [IFRS S1.59]

#### Assumptions, judgement and estimates

Key assumptions, judgements and estimates are disclosed in the policies section for each sustainability-related metric.

#### Transition reliefs

In preparing this report, the Group has applied the following transition reliefs for the first annual reporting period:

- to only disclose information on CROs; [IFRS S1.E5]
- not to disclose comparative information on CROs; and [IFRS S1.E6]
- not to disclose Scope 3 emissions. [IFRS S2.C4(b)]

#### Non-adjusting event after the reporting period

After the reporting period, one of the Group's factories was severely damaged in a wildfire. The factory is not expected to be rebuilt because it is part of an existing decommissioning plan due to start in 2027. The wildfire is a non-adjusting event and the associated GHG emissions and other sustainability-related financial information related to the factory for the reporting period are included in this report. [IFRS S1.67–68]

## Example 2

### Judgements and uncertainties

This example illustrates how a company can present information on the key judgements and significant uncertainties made in preparing its sustainability report.

Presenting this information at the beginning of a sustainability report may help users understand where significant management judgement has been applied and which information disclosed later in the report remains subject to varying degrees of uncertainty.

Note: This example shows selected judgements and measurement uncertainties for illustrative purposes only. You may expect to see a different range and level of detail of judgements and measurement uncertainties in a company's report.

### Judgements and uncertainties

#### Judgements [IFRS S1.74]

The preparation and presentation of the sustainability report involves applying judgement to determine what information is relevant, reliable and useful to disclose. This includes interpreting reporting requirements and making informed decisions in areas where the standards allow flexibility. The table below summarises key judgements applied.

Topic	Description
<b>Materiality assessment</b> (see Note [ ])	To identify relevant risks and opportunities and material information, the company exercised judgement in assessing impacts and dependencies across the value chain that could reasonably influence the Company's strategy, business model or financial position and performance.
<b>GHG emissions</b> (see Note [ ])	The Company exercised judgement when selecting: <ul style="list-style-type: none"> <li>• appropriate emission factors; and</li> <li>• proxy activity data for Scope 3 emissions when actual data was unavailable.</li> </ul> For more detail see Note [ ] on GHG emissions.
<b>Scenario selection</b> (see Note [ ])	Selecting scenarios for climate-related scenario analysis required judgement to reflect a range of temperature outcomes and transition pathways that capture the uncertainties most likely to affect the company's strategy, business model, financial position and performance.

#### Measurement uncertainty [IFRS S1.77–78]

Measurement uncertainty in the sustainability report arises from data gaps, reliance on proxy information, external factors and forward-looking information. The table below summarises the main sources of measurement uncertainty affecting the amounts disclosed in the sustainability report.

Topic	Description
<b>GHG emissions</b> (see Note [ ])	GHG emissions quantification is unavoidably subject to significant inherent limitations, because of incomplete scientific knowledge and inherent limitations in the nature of, and methods used for, determining emissions factors and data. The selection by management of different but acceptable emission factors or measurement techniques could have resulted in materially different GHG emissions reported.  There have been no changes in measurement approach from the previous reporting period.
<b>Water withdrawal</b> (see Note [ ])	Measurement uncertainty arises at sites in emerging markets where water withdrawal is not metered. Proxy estimates based on production volumes are applied, with estimated potential variability of +/- 10%. Data quality is expected to improve over time as meter coverage improves.
<b>Resilience assessment</b> (see Note [ ])	Forward-looking disclosures on transition risks rely on assumptions about future carbon taxes, which are highly uncertain and subject to regulatory changes. Outcomes are highly sensitive to price assumptions, with a potential range of CU20–40/tCO <sub>2</sub> e. Refer to the [jurisdictional projections] used to determine the potential range.

# Governance

The objective of disclosures on governance is to enable users of the sustainability report to understand the governance processes, controls and procedures a company uses to monitor, manage and oversee its SROs. [IFRS S1.26, IFRS S2.5]

# Governance

## Key points to consider

- Sustainability governance disclosures are often closely tied to broader business governance disclosures located elsewhere in a company’s general purpose financial reports – e.g. information about the composition of the board of directors and its committees is often required by local laws or corporate governance codes.
- When relevant governance information is disclosed elsewhere in the annual report, a company can use cross-referencing to avoid duplication and to demonstrate how sustainability is embedded in its overall governance structures and processes. [[FRS S1.63, IFRS S2.7]
- Ensuring that sustainability governance disclosures are consistent with governance disclosures elsewhere in the annual report – particularly within MD&A – will avoid introducing potentially conflicting information that may confuse readers.
- Disclosure requirements on remuneration also appear in the Metrics and targets ► core content area. When preparing these disclosures, companies need to consider whether consolidating remuneration information into one section of the report could improve clarity and avoid duplication.

## Index of illustrative examples

Governance bodies	Example 3
Governance roles and responsibilities	Example 4, Example 5
Board skills and competencies	Example 6, Example 7
Targets and remuneration	Example 8
Board oversight of SROs	Example 9

### Example 3

## Governance bodies

This example uses an organisational chart to explain the governance bodies responsible for the oversight of SROs.

Presenting the information in this way may help users to:

- understand the overall governance framework of a company, particularly when it has a complex governance structure involving multiple levels and roles; and
- understand the connections between oversight, management and support roles.

## Sustainability governance

The Company's governance processes play a critical role in supporting a sustainability approach that is well-defined, integrated and consistently applied across operations. The Company's governance and risk management systems enable it to monitor and challenge strategies and plans, while providing oversight on how the Company reports sustainability-related data. The following outlines the governance structure. [IFRS S1.27(a)(i), (b)(i), IFRS S2.6(a)(i), (b)(i)]

Board			
Sustainability oversight committees			
<b>Sustainability Committee</b> Coordinates and oversees the strategy to manage SROs, and is responsible for ensuring that adequate policies and procedures are in place	<b>Risk Management Committee</b> Coordinates the input of sustainability-related risks into the Company's enterprise risk management process	<b>Audit Committee</b> Oversees the integrity and quality of the Company's sustainability reporting, as well as the internal audit and independent assurance processes	
Management roles			
<b>Chief Executive Officer (CEO)</b> Ensures that sustainability-related matters are reflected in the business strategy and budget	<b>Chief Sustainability Officer (CSO)</b> Drives the implementation of the sustainability strategy and execution of sustainability-related activity	<b>Chief Risk Officer (CRO)</b> Responsible for the Enterprise Risk Management Framework (ERMF)	<b>Sustainability General Manager (SGM)</b> Oversees disclosures and reporting, and works closely with the CSO and CRO
Support teams			
<b>Community Relations and Human Rights Team</b> Monitors social-related regulatory activity and proposes actions and training plans on the advice of community liaison officers	<b>Sustainability Risk and Analytics Team</b> Collects, analyses and assesses data on the Company's processes and SROs, and implements the sustainability strategy, as approved by the Risk Management Committee and the Sustainability Committee	<b>Internal Audit Team</b> Conducts internal audits under the approved internal audit plan to assess the Company's management of SROs across the business, reporting findings to the Audit Committee	<b>Sustainability Reporting Team</b> Supports the SGM, reports to the Sustainability Committee and provides oversight of reporting standards, practices and frameworks. Prepares sustainability disclosures and reports and coordinates external assurance processes

## Example 4 (Page 1 of 2)

### Governance roles and responsibilities

This example uses narrative to explain the roles and responsibilities of the governance bodies shown in the graphic in Example 3 ►.

Presenting the information in this way may help users understand:

- the specific mandate and responsibilities of each committee, management role and support team; and
- how these bodies work together in overseeing and managing sustainability-related matters.

Although not required by the standards, companies often include information about individual board and committee members' attendance at meetings. This may be in response to local requirements or user expectations.

### Board Committees

Three committees support the Board in fulfilling its responsibility of overseeing sustainability-related matters, each with a distinct role and mandate. The committees help prepare the Board for decision-making on sustainability-related matters. Although the committees play an important role, the Board retains overall responsibility for their activities. The terms of reference for the committees are available on the corporate website at [URL].

[IFRS S1.27(a)(i), IFRS S2.6(a)(i)]

See pages [ ] of the Company's Annual Report for information on the other responsibilities of the Board and its committees. [IFRS S1.B47]

#### Sustainability Committee

The Sustainability Committee supports the Board in its sustainability mandate and focuses on:

- overseeing the Company's approach to sustainability and integrating it into the business strategy;
- monitoring the consequences of the Company's activities and outputs on the immediate environment and local communities;
- reviewing and evaluating the implementation and performance of the sustainability strategy and related objectives; and
- monitoring external sustainability-related developments relevant to the Company. [IFRS S1.27(a)(i), IFRS S2.6(a)(i)]

The Sustainability Committee reviews and recommends sustainability-related metrics and targets – developed by the Sustainability Risk and Analytics Team – to the Board for approval. Once approved, targets are reviewed by the Sustainability Committee on a quarterly basis against reports produced by the Sustainability Risk and Analytics Team. [IFRS S1.27(a)(v), IFRS S2.6(a)(v)]

Sustainability-related performance monitoring tools track direct operational impacts against approved targets, providing the basis for evaluating progress and performance. The approved targets are integrated into executive remuneration policies, reinforcing accountability and alignment with sustainability-related objectives. [IFRS S1.27(a)(v), IFRS S2.6(a)(v)]

#### Risk Management Committee [IFRS S1.27(a)(i), (iv), IFRS S2.6(a)(i), (iv)]

The Risk Management Committee coordinates the identification and integration of sustainability-related risks into the enterprise risk management system, which defines the degree of risk that the Company is prepared to accept in pursuit of its strategic objectives. This enables the Board to understand how decisions on potential major transactions align with the Company's sustainability-related goals.

Additionally, the sustainability-related matters captured in the enterprise risk management system assist in reporting back to the Board on:

- the implications of sustainability-related risks;
- trade-offs associated with potential major transactions; and
- the development of systems and approaches that advance the Company's sustainability-related goals.

As part of the Committee's responsibilities, risks captured in the system are reviewed to identify and assess potential sustainability-related opportunities. These opportunities are tracked and those assessed as relevant are presented to the Board for consideration.

#### Audit Committee [IFRS S1.27(a)(i), IFRS S2.6(a)(i)]

The Audit Committee is responsible for assessing the effectiveness, objectivity and independence of the Company's statutory auditor and assurance provider. This responsibility is discharged by the Committee throughout the year at formal committee meetings, during private meetings with the lead audit engagement partner and through discussions with key management.

The Committee oversees the accuracy of sustainability-related financial information in the annual report, including internal controls over data used in financial reporting. It reviews the internal audit plan and receives regular updates on its execution, findings and management responses. The Committee also receives reports from other Board committees on the financial statement implications of SROs, including their impact on forecasts and budgets, supporting consistent and informed financial planning and reporting.

Example continues on the following page...

## Example 4 (Page 2 of 2)

### Quarterly committee meetings [IFRS S1.27(a)(iii)–(iv), IFRS S2.6(a)(iii)–(iv)]

The three committees convene quarterly on sustainability-related matters. During these meetings, they review the sustainability strategy, targets, programmes, action plans, policies and internal controls. They are provided with an update on SROs. They also oversee major transactions and monitor progress against sustainability-related goals.

Sustainability Committee meeting attendance				
F Ndhlovu (Chair)	J Cole (SGM)	M Ellwood (CSO)	VB Vincent	P Sanderson
4/4	4/4	3/4	2/4	4/4
Risk Management Committee meeting attendance				
JH Smith (Chair)	L Hartman (CRO)	M Ellwood	N Alvarez	MP Fender
4/4	4/4	3/4	4/4	3/4
Audit Committee meeting attendance				
DC Harrison (Chair)	P Sanderson	KL Embassi	T Bennet	N Alvarez
4/4	4/4	3/4	4/4	4/4

### Management roles [IFRS S1.27(b)(i), IFRS S2.6(b)(i)]

Management – including the CSO, CEO, CRO and SGM – oversees the sustainability strategy, risk management framework, effective execution of internal controls and sustainability reporting. Management liaises with support teams quarterly to understand sustainability-related matters that may impact the Company and its key stakeholders and prepares these matters for submission to the relevant committees for discussion. [IFRS S1.27(a)(iii), IFRS S2.6(a)(iii)]

### Support teams [IFRS S1.27(b)(i)–(ii), IFRS S2.6(b)(i)–(ii)]

Support teams work closely with management to prepare monthly reports for the committees. These are circulated digitally and discussed during the quarterly committee meetings. They cover developments in SROs, reporting updates, progress on transition targets and other relevant topics. [IFRS S1.27(b)(i), IFRS S2.6(b)(i)]

The Community Relations and Human Rights Team monitors developments in social-related regulations. Drawing on insights from community liaison officers, the team develops targeted action plans to help the Company respond to regulatory changes. These insights are communicated to management – primarily the SGM – through monthly reports and briefing sessions, ensuring that social-related risks and opportunities are factored into strategic planning and decision-making. [IFRS S1.27(b)(i), IFRS S2.6(b)(i)]

The Sustainability Risk and Analytics Team collects, analyses and assesses data across the Company's operations to identify SROs. In addition to supporting strategic decision-making, the team is responsible for implementing the sustainability strategy and maintaining alignment with broader risk oversight and performance objectives. [IFRS S1.27(b)(i), IFRS S2.6(b)(i)]

The Internal Audit Team reports directly to the Audit Committee. Their work focuses on the implementation of internal controls over sustainability-related data with the objective of mitigating identified risks and facilitating the formal assessment in line with the enterprise risk management framework. Audit findings are formally reported to the Audit Committee to support effective oversight and continuous improvement. [IFRS S1.27(b)(i)–(ii), IFRS S2.6(b)(i)–(ii)]

The Sustainability Reporting Team supports the SGM and reports to the Sustainability Committee, providing oversight of sustainability reporting standards, practices and frameworks. The team ensures consistency and quality in disclosures and works closely with relevant functions to align reporting with regulatory requirements and strategic objectives. It also prepares sustainability disclosures and reports and coordinates external assurance processes for these disclosures. [IFRS S1.27(b)(i), IFRS S2.6(b)(i)]

## Example 5

### Governance roles and responsibilities

This example combines a table with supporting narrative. This hybrid format may help users understand how:

- the governance bodies incorporate consideration of the SROs into a company’s strategy, major transactions, risk management processes and related policies; and
- trade-offs are evaluated and managed.

### Overseeing sustainability-related risks and opportunities [IFRS S1.27(a)(iv), IFRS S2.6(a)(iv)]

The Board considers SROs as part of its oversight of the Company’s strategy, major transactions and risk management processes. This includes reviewing how sustainability-related issues – such as climate change and human rights – are factored into strategic planning, investment decisions and the design of risk management policies.

Committees at both the Board and management levels support the Board in its oversight (see Note [ ]). [IFRS S1.B47]

In 2025, the focus was on ensuring climate change and human rights considerations were effectively integrated into the Board’s oversight. Looking ahead, the Company plans to expand these processes to fully embed all relevant sustainability-related topics – including nature – into governance and decision-making.

The table below outlines how SROs are considered by the Board and its committees. See Note [ ] of the Company’s Annual Report for further information. [IFRS S1.B47]

<b>Strategy</b> 	<p>The overall business strategy is reviewed and updated annually under the oversight of the Board so that the Company effectively manages sustainability-related risks and capitalises on opportunities. For example, in the current year, it was agreed that sustainability-related performance measures would be incorporated into 20% of the bonus pool for the wider workforce (such as the mid-tier project, facilities and procurement managers), and not just for key management personnel.</p> <p>Additionally, focus groups were held between the Board and civil society organisations following the publication of the 2024 Sustainability Report to reaffirm the strategy for future sustainability reports.</p>
<b>Major transactions and trade-offs</b> 	<p>The Board – with the support of the Risk Management and Sustainability Committees – makes decisions on major transactions after:</p> <ul style="list-style-type: none"> <li>• it has implemented a due diligence process through which senior in-house and/or external specialists assess the impacts of proposed transactions on the Company’s strategy (including alignment with its Transition Plan) and financial performance and position; and</li> <li>• trade-offs are considered in approving or declining the proposed transaction, with a focus on the negative and/or positive impact on the Company’s strategy (including its Transition Plan) and its financial performance and position.</li> </ul> <p>In 2025, four major transactions were approved after the due diligence process showed the transactions supported the Transition Plan and had a positive impact on the overall financial performance and position. Two major transactions were declined after the due diligence demonstrated they would have an overall negative impact on the Transition Plan.</p>
<b>Risk management</b> 	<p>The Risk Management Committee monitors the Company’s risk management policies, ensuring that support teams and business units have the appropriate knowledge and resources to manage SROs effectively.</p> <p>The Audit Committee oversees the internal audit function, ensuring it evaluates the effectiveness of processes for identifying and managing SROs as part of the broader enterprise risk management framework.</p>

## Example 6

### Board skills and competencies

This example uses a table to provide a high-level snapshot of the skills and experience of Board members. The supporting narrative explains how Board members' sustainability knowledge is developed and maintained.

Presenting the information in this way may help users quickly identify the type and breadth of skills represented on the Board.

### Board skills and training [IFRS S1.27(a)(ii), IFRS S2.6(a)(ii)]

Together, the Company's directors contribute a wide-ranging set of skills and experience that enhance decision-making and oversight. The Chair of the Risk Management Committee (Mr HJ Sterling) has 25 years of experience in risk management consulting, previously serving as Global Risk Management Partner at a leading professional services firm. The Chair of the Sustainability Committee (Mrs N Seboka) has 20 years of experience as Head of Sustainable Finance at Environmental Consultancy Group XYZ.

The directors attend annual training on identifying, assessing and reporting sustainability- and climate-related risks and opportunities as part of a partnership programme with University ABC. For further details on the experience and expertise of Board members, see page [ ] of the Company's Annual Report. [IFRS S1.B47]

Board members	HJ Sterling	N Seboka	DC Ford	PM Gibson	EK Embetti	BV Bui	R Labbrok
<b>Committee memberships</b>	Risk Management (Chair)	Sustainability (Chair)	Audit (Chair)	Risk Management	Sustainability	Audit	N/A
<b>Skills and experience</b>							
<b>Audit and accounting</b>	●		●	●		●	
<b>Climate change</b>		●			●		
<b>Human rights</b>					●		
<b>Society, politics and geopolitics</b>							●
<b>Management, strategy and leadership</b>	●	●		●	●		
<b>Digital and information technology</b>							●
<b>Enterprise risk management</b>	●		●	●			
<b>Corporate governance</b>	●	●	●	●		●	

## Example 7

### Board skills and competencies

Like Example 6 ►, this example combines a table with supporting narrative. However, this example includes more detail on the specific experience and competencies of each Board member.

This approach may be helpful for companies that want to emphasise the specialist strengths of the individuals on their Board.

While this example only illustrates board experience and competencies, this approach could also be used for a Board's committees and management-level personnel.

### Skills, competencies and training [IFRS S1.27(a)(ii), IFRS S2.6(a)(ii)]

The Board maintains a strong focus on the skills, competencies and experience required to support effective oversight, particularly in relation to the Company's sustainability strategy.

An annual review is conducted to assess the collective competencies of Board members, with a specific emphasis on sustainability-related expertise. When gaps are identified, tailored training and workshops are developed by the learning and development team to build capability. In addition, sustainability refresher sessions are held quarterly to help Board members remain informed on emerging developments. The table below summarises the experience, competencies and committee memberships of Board members and those who are independent members.

Board member	Membership	Experience	Competencies
<b>LM Okafor (Independent)</b>		27 years	Served as Global Risk Management Partner at a leading professional services firm and has extensive experience integrating sustainability-related risks into enterprise risk frameworks, including climate, nature and human rights.
<b>AK Tanaka (Independent)</b>		25 years	Chaired governance boards across Country E and Country V, led sustainability integration for a Financial Times Stock Exchange (FTSE) 100 company and has geopolitical insights from advisory roles with the United Nations Global Compact and the World Economic Forum.
<b>EC Park (Independent)</b>		22 years	Brings deep expertise in enterprise risk and digital transformation as a former CRO at a multinational logistics firm, advising on cyber resilience and contributing to geopolitical risk panels in Country S and Country M.
<b>ND García (Independent)</b>		15 years	A chartered accountant and sustainability strategist who has led integrated reporting initiatives and sits on the audit and sustainability committees of two Country E listed companies.
<b>RS Patel (Independent)</b>		18 years	Held senior roles in Country L within trade policy and corporate diplomacy. His background includes negotiating cross-border partnerships and fostering inclusive business practices.
<b>KR Haddad (Independent)</b>	N/A	16 years	A technology entrepreneur involved in AI-driven sustainability analytics, consulting on digital governance frameworks, with a focus on ethical technology, data transparency and climate-aligned innovation.
<b>TJ Nguyen</b>	N/A	12 years	Director of a sovereign asset management firm with a focus on emerging market investments and risk modelling and brings a broad global perspective from working across Country V and Country S.

 Risk Management Committee

 Sustainability Committee

 Audit Committee

 Chair of the committee

## Example 8

### Targets and remuneration

This example combines a narrative description of the company's approach to sustainability-related remuneration with a graphic.

Key points covered in this example include:

- the approval process for the remuneration structure;
- details of incentive plans;
- a summary of sustainability-related performance metrics and targets with cross-references to further detail; and
- specific detail on sustainability-related matters included in the CEO's compensation framework.

Note: The standards also require disclosures on remuneration under the Metrics and targets core content area. An illustration of these disclosures can be found in Example 29 ►.

## Remuneration linked to sustainability performance metrics [IFRS S1.27(a)(v), IFRS S2.6(a)(v)]

The annual remuneration of the members of the Board and its committees is approved by shareholders at the Annual General Meeting. The compensation structure is aligned with the Company's climate and broader sustainability-related targets by incorporating sustainability-related considerations into relevant business areas.

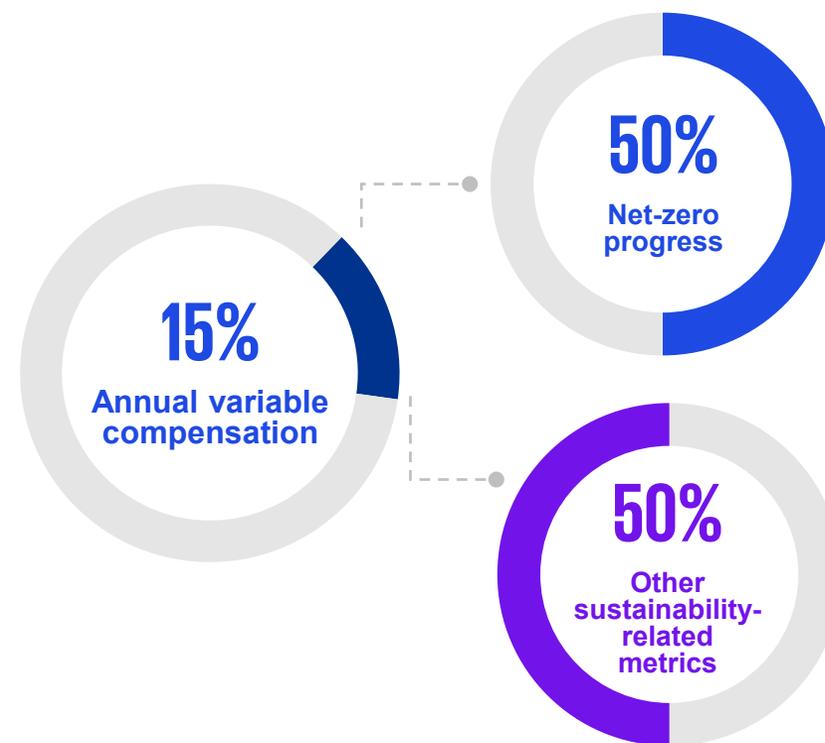
In 2022, the Company established a long-term incentive plan that conditionally entitles members of the Board, its committees and key management personnel to shares in the Company. The vesting of these rights is subject to the Company's financial and non-financial (sustainability-related) performance against metrics and targets established by the Board as well as a three-year service condition from the grant date. See Note [ ] on share-based payments in the annual financial statements for more information on the share option programme. [IFRS S1.B47]

The Company's sustainability-related performance metrics and targets include both annual and multi-year measures for GHG emissions, as well as annual metrics and targets for health and safety, water efficiency and gender pay gap reduction. See Note [ ] of the metrics and targets section. [IFRS S1.B47]

The CEO's scorecard for annual variable compensation includes 15% relating to sustainability-related matters, half of which is related to health and safety performance and other sustainability-related matters and half to progress towards its net-zero GHG emissions targets.

The Company will continue to refine how it embeds sustainability strategies into its remuneration policies. See page [ ] of the Remuneration Report for further information on these policies. [IFRS S1.B47]

### CEO annual variable compensation framework



## Example 9

### Board oversight of SROs

This example combines disclosures on sustainability governance bodies, roles and responsibilities, skills and competencies, and targets and remuneration into a single section.

It provides a snapshot of the key components of governance structure and processes. However, disclosures here are less detailed than in the previous examples. This type of approach may be suitable for companies with less complex governance structures.

Although the standards refer to materiality in terms of material information, many companies refer to the process for identifying SROs as a materiality assessment.

### Board oversight of sustainability-related risks and opportunities

The Board provides strategic oversight of the Company's strategy, which includes management of SROs. It approves the Company's strategy ensuring that it aligns with the Company's purpose, values and long-term goals. The Board secretary keeps a skills matrix up to date, and the Board is externally reviewed every three years to verify it has the appropriate skills to oversee these matters. External specialists are engaged to provide additional guidance or training as required.

[IFRS S1.27(a)(ii), IFRS S2.6(a)(iii)]

The Board delegates oversight of sustainability-related matters to the Corporate Responsibility Committee (CRC), which meet quarterly. The CRC tracks progress on delivering the sustainability strategy, including performance against targets and the management of SROs, with support from the CEO, who also sits on the Committee. When considering SROs in major transactions (through the Company's due diligence process), the Board consults both the CRC and the CEO. [IFRS S1.27(a)(i),(iv), (b)(i), IFRS S2.6(a)(i),(iv), (b)(i)]

The Board is updated on sustainability-related matters by the CRC quarterly. [IFRS S1.27(a)(iii), IFRS S2.6(a)(iii)]

Management reports significant and emerging risks to the Audit and Risk Committee (ARC). In 2025, the ARC met four times (March, June, September and December) to review and provide feedback on management's reports. The following sustainability-focused topics were covered in 2025.

[IFRS S1.27(a)(iii), IFRS S2.6(a)(iii)]

- Initiating the annual sustainability assessment, focusing on key sustainability-related areas for performance improvements.
- GHG emissions projections.
- Integrating the finalised Transition Plan into the Company's strategy.

With input from the CFO, the ARC oversees compliance with sustainability reporting obligations, the internal financial control environment (including in relation to sustainability reporting) and the internal audit function. [IFRS S1.27(b)(ii), IFRS S2.6(b)(ii)]

Sustainability-related performance targets are considered in the Approved Director Bonus Scorecard for the annual bonuses of senior management. It is on the Board's agenda to implement sustainability-related metrics (linked to reductions in GHG emissions and energy use) in the Long-Term Incentive Plan for 2026. [IFRS S1.27(a)(v), IFRS S2.6(a)(v)]

#### Management's role in assessing and managing SROs

[IFRS S1.27(b)(i), IFRS S2.6(b)(i)]

Execution of the management of SROs is delegated to the CRO, with input from the CFO, the CEO and business unit leaders from across the Company. This includes the process of identifying and assessing risks and opportunities, including those related to climate change, human rights, communities and biodiversity. With input from the CEO, the CRO manages the integration of identified risks into the risk management framework.

SROs are identified via a materiality assessment process, led by stakeholder engagement (see Note [ ]). The CEO is responsible for embedding the Company's response to those risks in the overall strategy. With support from the CRC and CFO, the CEO is responsible for executing the sustainability-related activities, planning and budgetary processes. [IFRS S1.27(b)(ii), B47, IFRS S2.6(b)(ii)]

#### Governance structure



# Strategy

The objective of disclosures on strategy is to enable users of the sustainability report to understand a company's strategy for managing SROs. [IFRS S1.28, IFRS S2.8]

## Sections:

Risks and opportunities ►

Resilience ►

# Risks and opportunities

## Key points to consider

- Companies present SROs in various ways. Some consolidate all risks and opportunities in a single report section. Others separate them by sustainability-related topic; for example, a company may present its CROs in one section and its nature-related risks and opportunities in another section.
- Both approaches can be appropriate depending on a company's reporting structure and the nature of its activities. Consolidating SROs in one section supports a holistic view, while separating them by topic can provide clearer insights into specific areas such as climate or nature, especially when those topics are relevant to different parts of the business.
- See the [Transition plans](#) ► section for more detailed examples of transition plan disclosures.

## Index of illustrative examples

Identifying relevant SROs and material information	Example 10
Overview of SROs	Example 11
Overview of CROs and financial effects	Example 12
Overview of climate transition plan	Example 13
Mapping climate-related physical risks	Example 14
Geographical concentration of climate-related physical risks	Example 15

## Example 10

### Identifying relevant SROs and material information

Companies can use a simple table to present the process they use to identify SROs.

This example divides the process into two sequential parts:

- identifying which risks and opportunities are relevant; and
- identifying which information about those risks and opportunities is material and should be disclosed.

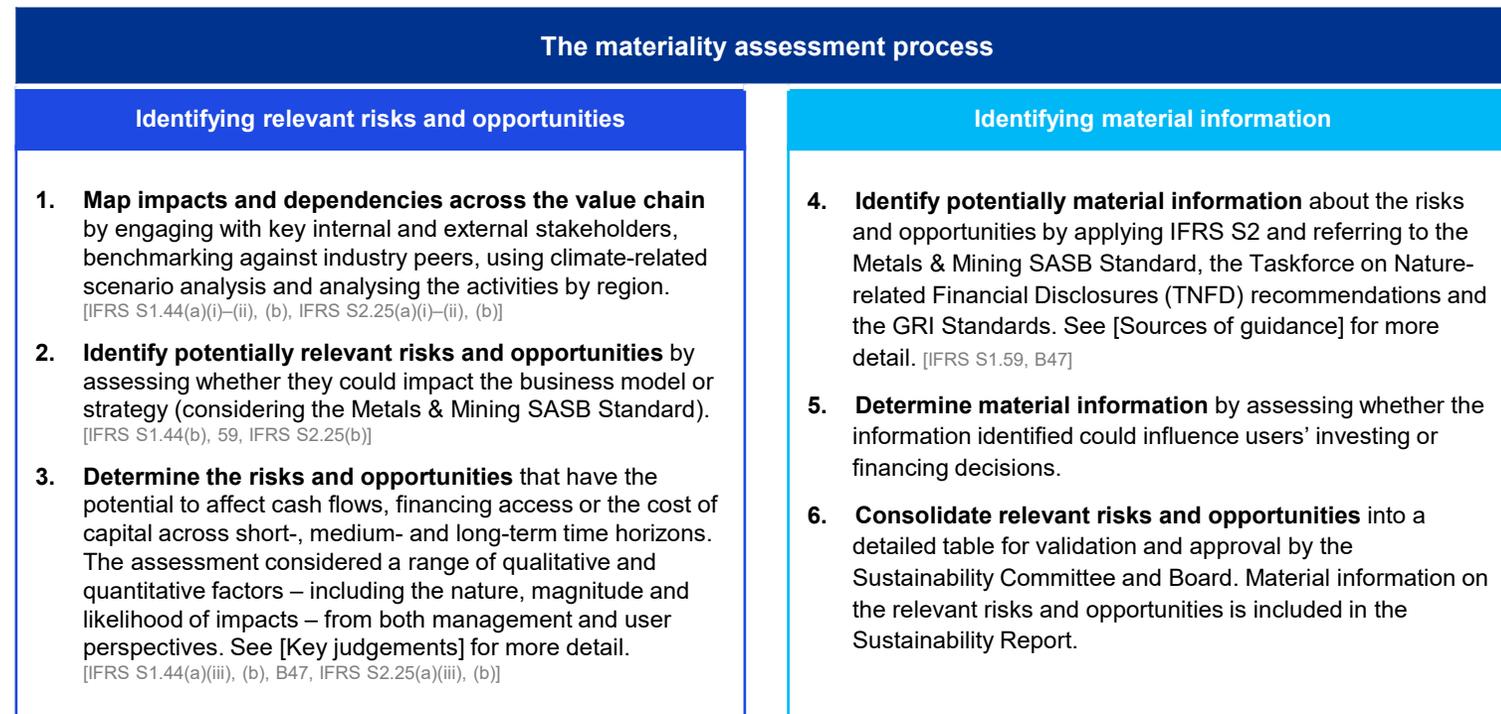
Although a description of the full materiality assessment process is not explicitly required, presenting the information in this way may help users to understand the key steps of the process and the main inputs a company considers.

The six-step process highlighted in this example is consistent with our how-to guide, [Materiality for sustainability reporting](#) ►.

### Identifying relevant sustainability-related risks and opportunities and material information

The Company conducts materiality assessments to identify SROs that could reasonably impact the strategy, business model and prospects. Following an initial assessment in 2024, a full refresh was undertaken in 2025 to align with the requirements of IFRS Sustainability Disclosure Standards and to facilitate a thorough evaluation of relevant sustainability-related matters.

The following is a summary of the materiality assessment process.



**Example 11** (Page 1 of 2)

**Overview of SROs**

A tabular format can be used to provide an overview of a company's SROs.

This example lists risks and opportunities by sustainability-related topic. It also shows the time horizons and the areas of the company's value chain that could be impacted.

Presenting the information in this way may help users easily understand how SROs are distributed across different sustainability-related topics.

Note: This example illustrates a limited selection of SROs. In practice, companies may report a broader and more detailed range of SROs depending on their specific circumstances.

**Sustainability-related risks and opportunities**

The table below summarises the relevant SROs that could affect the business over the short, medium and long term.

Sustainability-related risks and opportunities			
Topic	Risk/opportunity [IFRS S1.30, IFRS S2.10(a)–(c)]	Time horizon	Affected area [IFRS S1.32(b), IFRS S2.13(b)]
Environment Climate	<b>Physical risk: Increased frequency and severity of weather events</b> – such as damaging winds and storm surges – may damage critical mine infrastructure and assets leading to operational downtime and supply chain disruption.	● ● ●	<ul style="list-style-type: none"> <li>Owned and operated mine sites</li> <li>Downstream ports and transport corridors</li> <li>Across all jurisdictions in which the Company operates</li> </ul>
	<b>Transition risk: Increased carbon regulation</b> across key operating regions may significantly increase operational costs and capital requirements for decarbonisation, impacting financial position and performance and long-term asset viability.	● ●	<ul style="list-style-type: none"> <li>Upstream energy suppliers</li> <li>Owned and operated mine sites</li> <li>Downstream transport logistics services</li> <li>Across all jurisdictions in which the Company operates</li> </ul>
	<b>Transition risk: Growing demand for low-carbon materials and technologies</b> may reduce the competitiveness of carbon-intensive mining outputs (e.g. thermal coal), leading to declining revenues and potential asset stranding.	● ● ●	<ul style="list-style-type: none"> <li>Upstream suppliers</li> <li>Owned and operated mine sites</li> <li>Across all jurisdictions in which the Company operates</li> </ul>
	<b>Opportunity: Increased demand for Key Transition Materials (KTM)</b> driven by the shift towards low-carbon economies, providing an opportunity to reposition as a critical enabler of the energy transition.	● ●	<ul style="list-style-type: none"> <li>Owned and operated mine sites</li> <li>Downstream customers</li> <li>Concentrated in Country P and Country Q</li> </ul>

**Time horizons:** [IFRS S1.30(c), IFRS S2.10(d)]

● Short term: 0-5 years (5-year strategic planning cycle)

● Medium term: 5-15 years (long-term planning)

● Long term: 15 years + (long-term investment and divestment)

Example continues on the following page...

**Example 11** (Page 2 of 2)

Sustainability-related risks and opportunities			
Topic	Risk/opportunity [IFRS S1.30(a)–(c), IFRS S2.10(a)–(c)]	Time horizon	Impacted area [IFRS S1.32(b), IFRS S2.13(b)]
Environment	Nature	<p><b>Risk: Biodiversity-related legal and regulatory pressures</b> may raise costs and threaten the ability to access land, maintain permits and operate without interruption.</p>	 <ul style="list-style-type: none"> <li>Upstream suppliers</li> <li>Owned and operated mining sites (particularly mine closure and rehabilitation)</li> <li>Across all jurisdictions in which the Company operates</li> </ul>
	<p><b>Risk: Water scarcity</b> may constrain access to freshwater needed for processing, rehabilitation and dust suppression, particularly at sites in arid or drought-prone regions, increasing operational disruption and cost.</p>	 <ul style="list-style-type: none"> <li>Upstream suppliers</li> <li>Owned and operated mining sites</li> <li>Concentrated in Country S</li> </ul>	
Social	Human rights	<p><b>Risk: Human rights breaches in operations or the supply chain</b> may result in financial losses due to legal claims, fines, project delays and reputational damage, potentially affecting investor confidence and access to capital.</p>	 <ul style="list-style-type: none"> <li>Upstream suppliers and contractor activities</li> <li>Owned and operated mine sites</li> <li>Concentrated in Country P</li> </ul>
	<p><b>Risk: Exposure to hazardous working conditions</b> – such as underground operations, heavy machinery and dust inhalation – may lead to increased incidence of injury, occupational illness or fatalities, potentially resulting in regulatory penalties, operational disruptions and reputational damage.</p>	 <ul style="list-style-type: none"> <li>Upstream suppliers</li> <li>Owned and operated mine sites</li> <li>Downstream suppliers</li> <li>Across all jurisdictions in which the Company operates</li> </ul>	

See Notes [ ] and [ ] for further detail on the identified risks and opportunities – including their potential impacts on the Company’s business model, financial position and performance and strategic planning, as well as the current and planned mitigation and adaptation measures. [IFRS S1.B47]

## Example 12 (Page 1 of 3)

### Overview of CROs and financial effects

The example on this page shows how a table can provide a high-level snapshot of a company's CROs.

On the following two pages, based on one risk and one opportunity from the table, we show how more detailed information on each risk and opportunity could be presented, including information on current and anticipated financial effects.

Presenting the information in this way may help users to:

- see the 'big picture' of a company's CROs, including relevant time horizons and value chain impacts; and
- gain a detailed understanding of how each CRO currently impacts, and may impact, a company in the future.

The company has used its scenario analysis (not presented in this example) to inform its disclosures of current and anticipated financial effects.

### Climate-related risks and opportunities

The Company refreshed the scenario analysis in July 2025 due to major operational changes in the business, using three distinct time horizons:

- short term (0 to 3 years) to align with the Company's three-year strategic planning cycle;
- medium term (3 to 15 years) to align with the Company's 2030 interim emissions target timeframe; and
- long term (15+ years) to align with the average asset life cycle. [IFRS S1.30(c), IFRS S2.10(d)]

The table below outlines CROs that may impact the value chain including upstream (U), own operations (O) and downstream (D). [IFRS S1.32(b), IFRS S2.13(b)]

Risk/opportunity title [IFRS S2.10(a)–(b)]		Value chain	Reference	Time horizon [IFRS S1.30(b), IFRS S2.10(c)]		
				Short	Medium	Long
Physical risk	Weather events disrupt electricity transmission	O	Note [ ]	✓	✓	✓
	Sea level rise and coastal flooding damage infrastructure resulting in outages	O	Note [ ]			✓
	Reduced availability or reliability of renewable energy sources due to climate variability	O U	Note [ ]		✓	✓
Transition risk	Market share decline due to lack of low-carbon energy portfolio	D	Note [ ]	✓	✓	
	Loss of demand in industries affected by net-zero transition	D	Note [ ]		✓	✓
	Failure to meet evolving regulations	O	Note [ ]	✓	✓	
Opportunity	Support customer decarbonisation through renewable energy expansion	D	Note [ ]		✓	✓
	New products/services aligned with net-zero economy resulting in revenue diversification	D	Note [ ]	✓	✓	✓

Note [ ] provides further detail on the CROs, along with the current and planned strategies for managing them. In developing these strategies, the Sustainability Committee – supported by the Risk Committee – considered trade-offs between allocating capital to upgrade existing transmission infrastructure for extreme weather resilience and investing in new technologies and infrastructure to support renewable energy expansion. [IFRS S1.33(c), B47]

Example continues on the following page...

## Example 12 (Page 2 of 3)



### Physical Risk: Weather events disrupt electricity transmission

#### Risk description

An increase in the frequency and severity of extreme weather events – such as storms, floods and heatwaves – could damage critical infrastructure, disrupting operations. This may lead to higher repair and maintenance costs, lost revenue and increased insurance premiums; however, the magnitude of such impacts remains uncertain. [IFRS S1.30(a), IFRS S2.10(a)–(b)]

This risk is most likely to affect the Company's operations, where electricity generation and transmission infrastructure are directly exposed to extreme weather conditions, though the nature and extent of disruption may vary significantly. [IFRS S1.32(b), IFRS S2.13(b)]

High-voltage transmission corridors in the following locations are particularly vulnerable:

- Area A (which represents 15% of our operations network) due to bushfire and flood risk;
- Area B (which represents 7% of the operations network) due to risk of cyclones causing pole collapses and conductor damage; and
- Area C (which represents 5% of the operations network) due to heatwaves causing stress to transformer capacity and line sag. [IFRS S1.32(b), IFRS S2.13(b)]

#### Current financial effects

Recent storms and flooding in Country C have caused temporary shutdowns of high-voltage lines triggering emergency repairs, power rerouting and delays to grid upgrades. This has resulted in rising operational costs of approximately CU15m in the reporting year. Insurance deductibles related to weather claims added a further CU3m to costs. [IFRS S1.32, 34(a), IFRS S2.13, 15(a)]

#### Strategy [IFRS S1.33(a), IFRS S2.14(a)(i)–(ii)]

##### 1. Reinforce transmission towers and poles

The Company is strengthening transmission infrastructure by reinforcing towers and poles to better withstand extreme weather conditions such as high winds and fire exposure, as part of a broader network hardening programme expected to require capital investment of CU40–60m over the next five years. [IFRS S1.32, 34(b), IFRS S2.13, 15(b)]

##### 2. Integrate climate-related risk into asset planning and investment decisions

Climate-related risks are now embedded into the asset planning and investment frameworks to facilitate long-term resilience and alignment with future climate-related scenarios, supported by dedicated capital allocation and cross-functional teams responsible for integrating climate-related considerations into project evaluation and decision-making. [IFRS S1.32(a), 34(b), IFRS S2.13(a), 15(b)]

##### 3. Deploy smart grid technologies

Smart grid technologies are being deployed to improve system flexibility, allowing for real-time rerouting and load balancing during climate-related disruptions, with total estimated costs ranging from CU20–50m over all time horizons depending on the scale and complexity of implementation. To date, smart grid technologies have been installed at five out of nine planned sites. [IFRS S1.32, 34(b), IFRS S2.13(a), 15(b)]

#### Anticipated financial effects [IFRS S1.32, 34(b), IFRS S2.13, 15(b)]

The Company uses scenario analysis informed by regional climate projections to assess potential future impacts from extreme weather events. However, actual outcomes may vary due to significant uncertainty in the location, timing, frequency and severity of extreme weather events. See [Scenario Analysis] for details of the Company's scenario analysis, including key assumptions. [IFRS S1.B47]

The frequency and severity of extreme weather events – such as bushfires, cyclones and flooding – are expected to increase. In a severe weather event year, the Company estimates that up to three sites (representing 15% of combined annual turnover) could be closed for up to 3 months due to prolonged outages and disruptions. [IFRS S1.35(d), IFRS S2.16(d)]

Insurance premiums are expected to increase by approximately 12–15% from a baseline of CU3m per annum. Although a portion of these increased costs may be passed on to customers, the extent of cost recovery remains uncertain. [IFRS S1.35(d), IFRS S2.16(d)]

Example continues on the following page...

## Example 12 (Page 3 of 3)

### Opportunity: Support customer decarbonisation through renewable energy expansion

#### Opportunity description

The Company anticipates that electrification across transport, industry and buildings will significantly increase electricity demand, presenting a strategic opportunity to expand the renewable supply – supporting customer decarbonisation and driving long-term revenue growth. [IFRS S1.30(a), IFRS S2.10(a)]

This opportunity is mainly concentrated in the downstream part of the value chain where the Company can support customer decarbonisation by expanding access to renewable energy solutions and low-carbon offerings. [IFRS S1.32(b), IFRS S2.13(b)]

#### Current financial effects

In 2025, the Company redirected CU12m to support the research, development and implementation of low-carbon generation technologies and grid solutions, representing 17% of the investment budget in the reporting year. This allowed the Company to focus efforts on improving service delivery and supporting the energy transition across Country A. [IFRS S1.32, 34(a), IFRS S2.13, 14(a)(i), 15(a)]

#### Strategy [IFRS S1.33(a), IFRS S2.14(a)(i)–(ii)]

To leverage this opportunity, the Company plans to invest CU40–60m over the next five years in new equipment and technology, enabling the future deployment of low-carbon technologies, products and services to customers. [IFRS S1.34(b), IFRS S2.15(b)]

The Company evaluated the benefits of existing infrastructure to manage short-term reliability risks and investing in renewable energy to capture long-term growth opportunities. As a result of this evaluation, it has decided to allocate capital to both areas – strengthening grid resilience while expanding renewable capacity – to balance immediate operational needs with the strategic decarbonisation goals. [IFRS S1.33(c), 34(b)]

This year, the Company developed its first Climate Transition Plan to proactively manage CROs as part of the long-term decarbonisation strategy.

#### Anticipated financial effects [IFRS S1.32, 34(b), 35(d), IFRS S2.13, 15(b), 16(d)]

The development of new technologies, products and services is intended to meet customer demand in their transition to net zero and is expected to result in increased revenue for the retail business unit nationwide.

With carbon prices projected to rise by 30–70% by 2030 under current policy trajectories, alongside expanding regulatory support and growing consumer demand for low-carbon solutions, the Company anticipates revenue growth of 5–10% per annum by 2027 from renewable energy offerings.

See Scenario Analysis [ ] for details of the Company's scenario analysis. [IFRS S1.B47]

Longer-term growth is expected from increased electrification, with a potential retail market share expansion of 5%. Government subsidies and incentives – such as grants for capital expenditure and consumer rebates for renewable energy purchases – are expected to enhance affordability and accelerate adoption, contributing to sustained customer growth and strengthening the Company's competitive position in the retail energy market.

### Example 13

## Overview of climate transition plan

This example illustrates how the company might present a summarised overview of its climate transition plan (CTP).

It uses a tabular format to show:

- strategic objectives;
- key activities planned to achieve the objectives;
- assumptions and dependencies; and
- how the activities are being resourced.

Note: This example is intended as an overview of the CTP and does not illustrate all IFRS S2 disclosure requirements that may be relevant to the Company’s CTP.

Our guide, [Telling your transition story](#) ► introduces transition plan disclosures for those new to the topic.

See the [Transition plans](#) ► section for more detailed examples of transition plan disclosures.

## Overview of the Climate Transition Plan [IFRS S2.14(a)(iv)]

The Company is committed to achieving net-zero GHG emissions by 2050, in line with the 2050 national target for reaching net zero. By capitalising on climate-related opportunities – such as renewable energy expansion and customer energy transition – the Company can drive long-term value and resilience for the business. [IFRS S2.33(d)]

The Company’s new CTP outlines the approach to achieving net zero. As part of this strategy, an interim target has been set to reduce Scope 1 and 2 emissions by 30% and Scope 3 emissions by 15% by 2030 from a 2023 base year, supporting the long-term net-zero goal. To support this, a maximum of 10% of hard-to-abate emissions have been offset using carbon credits. The table below shows an overview of the CTP. See Note [ ] for more detail. [IFRS S1.B47, IFRS S2.14(a)(iv), 33(e)–(f)]

Pillar	Key Activities <small>[IFRS S2.14(a)(ii)–(iii), (v)]</small>	Assumptions <small>[IFRS S2.14(a)(iv)]</small>	Dependencies <small>[IFRS S2.14(a)(iv)]</small>	Resourcing <small>[IFRS S2.14(b)]</small>
<b>Decarbonise the operations</b>	<p><b>Scope 1:</b></p> <ul style="list-style-type: none"> <li>• Upgrade inefficient electricity generation assets to reduce fuel consumption and emissions intensity.</li> <li>• Electrify company-owned vehicle portfolio.</li> </ul> <p><b>Scope 2:</b></p> <ul style="list-style-type: none"> <li>• Procure renewable electricity for offices, depots and operational sites.</li> <li>• Install on-site renewable energy systems.</li> </ul>	<ul style="list-style-type: none"> <li>• National net-zero target for 2050 will remain in place.</li> <li>• There will be sufficient availability of renewable electricity.</li> <li>• Electric vehicle charging infrastructure will be able to support an all-electric vehicle portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>• Market development and availability of low-emission generation technologies, storage systems and skilled labour to meet the transition timeline.</li> <li>• Availability of competitively priced renewable electricity.</li> </ul>	<p>In 2025, the Company trained key personnel and hired new staff to build the capabilities needed to deliver the CTP across five business units.</p> <p>From 2025 to 2030, the Company plans to allocate a total of CU10–20m towards the development of low-carbon technologies and infrastructure.</p>
<b>Support customer transition to net zero</b>	<ul style="list-style-type: none"> <li>• Upgrade transmission and distribution infrastructure.</li> <li>• Expand power purchase agreements with large energy users and offer green tariffs and renewable energy contracts to residential, commercial and industrial customers.</li> <li>• Collaborate with technology providers to co-develop new renewable energy generation and battery storage.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer demand for renewable energy will steadily increase.</li> <li>• Technology and materials to support infrastructure upgrades and new renewable generation projects will be available.</li> </ul>	<ul style="list-style-type: none"> <li>• Timely investment in workforce skills to support development and deployment of new technologies and infrastructure.</li> <li>• Continued clarity and stability in climate and energy policy to unlock investment and maintain stakeholder confidence.</li> </ul>	<p>As part of the capital allocation strategy, the Company has also used an internal carbon shadow price to guide investment decisions. See Note [ ]. <small>[IFRS S1.B47]</small></p>

## Example 14

### Mapping climate-related physical risks

Infographics can be a helpful way for large companies to present their climate-related risks.

In this example, focusing on climate-related physical risks, an infographic combines a map with risk exposure information. It is supported by narrative explaining the risk assessment process.

Presenting information in this way may help users to:

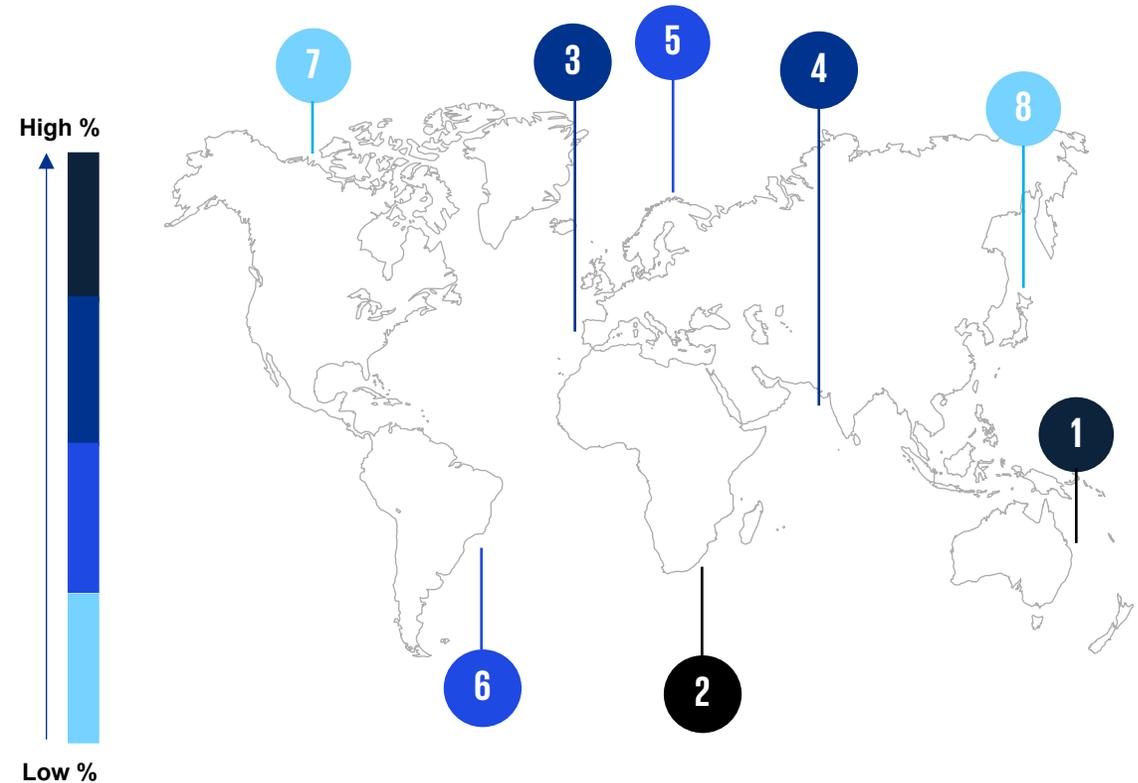
- quickly visualise geographic hotspots;
- assess risk exposure across the business operations; and
- understand where CROs are most likely to affect business operations.

## Regions exposed to climate-related physical risks

**Climate-related physical risk** [IFRS S1.32(b), IFRS S2.13(b)]

The Company assesses operations using climate-related scenario analysis and asset resilience assessments to evaluate risks from increasing natural disasters – such as floods, hurricanes, tornadoes and wildfires – in the regions where the Company operates. These assessments are conducted by a third-party provider, which estimates both the likelihood of such events and the proportion of operations that could be affected. [IFRS S2.25(a)(i)–(iii)]

Region	% of operations at high risk of natural disasters by region
1. Country A	32–45
2. Country B	25–33
3. Country C	18–30
4. Country D	12–22
5. Country E	10–18
6. Country F	8–14
7. Country G	6–10
8. Country H	5–7



## Example 15

# Geographical concentration of climate-related physical risks

This example uses a high-level comparative table to highlight in which regions the company's operations are most exposed to climate-related physical risks under three climate-related scenarios.

Presenting the information in this way may help users to:

- visualise geographic concentrations of different types of physical risks; and
- understand how a company's exposure changes across the various scenarios.

The emissions scenarios used are part of the Intergovernmental Panel on Climate Change (IPCC)'s Shared Socioeconomic Pathways Framework, used to model future climate outcomes based on varying levels of global mitigation and adaptation.

## Exposure to climate-related physical risks by region

The climate-related scenario analysis covered three distinct scenarios:

- 'Low Emissions' (SSP1–2.6): strong global efforts to mitigate climate change. Warming is limited to around 1.8°C by 2100.
- 'Intermediate Emissions' (SSP2–4.5): moderate action with some mitigation efforts. Warming reaches around 2.7°C by 2100; and
- 'Very High Emissions' (SSP5–8.5): fossil fuel-driven growth and limited climate policy. Emissions rise significantly, leading to warming of around 4.4°C by 2100. [IFRS S2.22(b)(i)(1)–(2)]

The table below identifies where operations are most likely to be impacted by the climate-related physical risks identified and highlights the severity of exposure across each region and scenario. [IFRS S1.32(b), IFRS S2.13(b), 25(a)(ii)]

Region	Emissions scenario	Climate-related physical risks [IFRS S2.22(b)(i)(3)]				
		Rising sea levels and storm surge	Water scarcity	Bushfire	Extreme temperatures	Flooding
Area 1	SSP1–2.6	●●	●	●	●●	●●
	SSP2–4.5	●●	●●	●●	●●●	●●●
	SSP5–8.5	●●●	●●●	●●●	●●●	●●●
Area 2	SSP1–2.6	●	●●	●	●●	●
	SSP2–4.5	●	●●●	●●	●●●	●●
	SSP5–8.5	●●	●●●	●●●	●●●	●●●
Area 3	SSP1–2.6	●●	●	●	●	●●
	SSP2–4.5	●●	●●	●	●●	●●●
	SSP5–8.5	●●●	●●●	●●	●●●	●●●

● **Low:** Minimal disruption to operations or financial position and performance; manageable within existing processes and budgets.

●● **Moderate:** Noticeable effect on operations, costs or planning; may require targeted mitigation or investment.

●●● **High:** Significant disruption to operations, financial position and performance or strategic objectives; requires substantial response, investment or adaptation.

# Resilience

## Key points to consider

- IFRS S2 requires climate-related scenario analysis. Other IFRS Sustainability Disclosure Standards may specify whether a scenario analysis is required for other types of SROs. [IFRS S2.22]
- Companies are required to conduct a climate-related scenario analysis that is commensurate with their circumstances and uses all reasonable and supportable information available at the reporting date, without incurring undue cost or effort. As a result, the scope and sophistication of scenario analysis varies widely because it is shaped by a company's skills, capabilities, resources and exposure to CROs. [IFRS S2.22, B1–B18]
- Disclosures on climate-related scenario analysis and resilience are often presented alongside disclosures relating to CROs.
- Disclosure requirements on climate-related scenario analysis also appear in the Risk management ► core content area. When preparing these disclosures, companies should consider whether consolidating information on scenario analysis into one section of the report could improve clarity and avoid duplication. [IFRS S1.B42(b)]
- Disclosures on scenario analysis are related to, but distinct from, disclosures on a company's assessment of resilience.

## Index of illustrative examples

Scenario analysis and resilience assessment	Example 16, Example 17
Scenario analysis	Example 18
(Non-climate) resilience assessment	Example 19

## Example 16 (Page 1 of 2)

# Scenario analysis and resilience assessment

This example explains how the company conducted its climate-related scenario analysis and the risks identified. Information includes:

- the scenarios selected;
- assumptions used;
- key uncertainties;
- risks identified and time horizons;
- mitigation measures and actions taken; and
- an assessment of organisational resilience.

The example shows a mostly qualitative, narrative-based disclosure. This may be appropriate for companies with a lower climate risk profile and resources for complex quantitative scenario analysis.

The objective is to provide sufficient information for users to assess the credibility and transparency of the approach, without over-burdening them.

## Climate-related scenario analysis

The Company assessed its climate-related resilience using scenario analysis in Q3 2025, covering all Country A and Country B operations and digital infrastructure over the short- (2025–2030), medium- (2030–2040) and long-term (2040–2050) time horizons. The Company’s operations located in Country X were excluded from this assessment because several key sites were undergoing a major renovation at the time and did not have staff capacity to provide the necessary data. They will be considered for inclusion in future iterations of the analysis. [IFRS S2.22(b)(i)(6)–(7), (b)(iii)]

Climate-related scenarios	
1.	IEA Net Zero 2050, 1.5°C, transition risks focused
2.	IPCC RCP8.5, 4°C, physical risks focused

The Company selected the International Energy Agency (IEA) Net Zero 2050 (1.5°C) and IPCC RCP8.5 (4°C) scenarios to ensure a balanced assessment of both climate-related transition and physical risks. [IFRS S2.22(b)(i)(1)]

The IEA scenario aligns with the latest international agreement on climate change and reflects a plausible policy-driven pathway towards decarbonisation with higher transition risks, while the IPCC RCP8.5 scenario represents a high-emission future with severe physical impacts. [IFRS S2.22(b)(i)(3)–(4)]

Together, these scenarios provide a diverse and decision-relevant basis for evaluating the resilience of the strategy under a range of plausible climate futures. These scenarios reflect the most material risks to the Company’s digital infrastructure and energy-intensive operations. [IFRS S2.22(b)(i)(2), (5)]

The scenario analysis is based on key assumptions in the following table. These assumptions reflect anticipated policy, infrastructure and technology developments.

Assumptions [IFRS S2.22(b)(ii)]
<b>IEA Net Zero 2050, 1.5°C</b>
Emissions trading schemes drive carbon prices above CU200/tCO <sub>2</sub> e by 2050. This accelerates decarbonisation across the supply chain through strong financial incentives and regulatory pressure.
Technology companies face increasing regulatory pressure to decarbonise upstream and downstream supply chains.
Rapid decarbonisation of electricity grids result in an 85—90% renewable energy mix by 2050 (compared with 15% in 2025) and grid infrastructure is significantly upgraded (high-capacity transmission lines are constructed to connect operations to remote solar and hydro installations), enabling a shift to low-carbon operations while reducing exposure to carbon pricing.
Investors increasingly expect technology companies to demonstrate credible net-zero transition plans aligned with 1.5°C pathways.
<b>IPCC RCP8.5, 4°C</b>
Political focus on economic growth and energy affordability leads to stagnation or rollback of carbon pricing mechanisms in certain jurisdictions. This weakens the effectiveness of emissions regulation and slows the transition to low-carbon operations.
Increase in severe weather events including heatwaves, drought and flooding.
Renewable energy availability stagnates or declines and carbon pricing plateaus, resulting in continued and growing use of fossil fuels.

Example continues on the following page...

### Example 16 (Page 2 of 2)

The table below summarises the climate-related risks identified through the climate-related scenario analysis across the short, medium and long term. [IFRS S2.10(a)–(c)]

Risks	Potential impacts	Time horizons [IFRS S2.22(b)(i)(6)]			Mitigation measures
		Short	Medium	Long	
<b>Transition risks (IEA Net Zero 2050)</b>					
Carbon tax	Carbon taxes may increase the operational costs of digital infrastructure and add financial pressure through compliance with emerging regulations and diverse carbon pricing schemes.		X	X	<ul style="list-style-type: none"> <li>Gradual inclusion of carbon pricing in projects as part of due diligence process.</li> <li>Increase renewable energy mix.</li> </ul>
<b>Physical risks (IPCC RCP8.5)</b>					
Extreme heat/weather	Increased cooling costs and potential outages leading to disruptions.	X	X	X	<ul style="list-style-type: none"> <li>Ensure maintenance of air-cooling systems and that equipment is appropriate for current and changing climate-related conditions.</li> </ul>

#### Key findings and actions

The results of the scenario analysis indicate that the current business strategy remains viable under a 1.5°C transition-focused scenario, provided there is accelerated use of renewable-powered data centres and energy-efficient software solutions. In contrast, a 4°C climate-related scenario highlights operational vulnerabilities, particularly from extreme weather events affecting data centres in Country E. [IFRS S2.22(a)(i)]

The analysis also revealed strategic opportunities in green software innovation and carbon-efficient cloud services. These insights have been used to shape the CTP, which prioritises expanding renewable infrastructure partnerships and advancing carbon-aware computing capabilities. [IFRS S2.22(a)(i)]

These findings have been integrated into the enterprise risk management framework, assessing opportunities across the business and climate-related strategy. The Company maintains CU80m in unrestricted cash reserves and a CU25m sustainability-linked credit facility to support adaptation and innovation. The cloud-native, vendor-agnostic architecture enables flexible workload migration, and the Company plans to invest CU10m over the next three years in green software and resilient infrastructure. [IFRS S2.22(a)(iii)]

There will be continued monitoring of climate-related risks and expansion of scenario analysis in future reporting cycles to include further geographies and quantitative stress testing as internal skills and capabilities further develop. [IFRS S2.B2(b)]

<b>Uncertainties</b> [IFRS S2.22(a)(ii)]
Regulatory shifts in digital emissions reporting as well as timing and extent of carbon tax regimes.
Shift in global demand for digital infrastructure.
Regional climate variability in Country A – such as increased incidence of heatwaves impacting data centre cooling needs.
Evolving international green software standards.

## Example 17 (Page 1 of 4)

# Scenario analysis and resilience assessment

### (Alternative example)

This example shows an alternative approach to disclosing climate-related scenario analysis. It uses a table to summarise key details of the company's climate-related scenario analysis, supported by narrative explaining the outcome of its resilience assessment.

This example contains additional detail and scenarios compared with Example 16 ►, providing users with more insight into the outcomes of the resilience assessment under each scenario. This example uses a limited range of assumptions.

This type of disclosure may be suitable for companies with more specialist resources for climate-related scenario analysis (either in-house or available externally) – or companies with higher exposure to climate-related risk, that are likely to attract greater scrutiny of their climate-related risk assessment.

## Our approach to assessing climate-related resilience

The Company conducted a climate-related scenario analysis in 2025, assessing the resilience of all operations, assets and infrastructure in Country C across short- (2025–2030), medium- (2030–2040) and long-term (2040+) time horizons. [IFRS S2.22(b)(i)(6)–(7), (iii)]

The analysis applied three climate-related scenarios developed by the IPCC, selected to reflect the Company's business context and to align with the latest international agreement on climate change. [IFRS S2.22(b)(i)(2), (4)–(5)]

Scenario [IFRS S2.22(b)(i)(1)]	Low Emissions scenario	Intermediate Emissions scenario	Very High Emissions scenario
Temperature pathway	SSP1–1.9 (warming limited to 1.8°C by 2100)	SSP2–4.5 (warming stabilised at 2.7°C by 2100)	SSP5–8.5 (warming exceeds 4.4°C by 2100)
Assumptions [IFRS S2.22(b)(ii)]	<ul style="list-style-type: none"> <li>• <b>Rapid increase in carbon prices</b> Governments in operating regions enact strict climate policies – including increased carbon taxes – that cause a rapid rise in carbon price over the next 0–5 years by 20%.</li> <li>• <b>Increased supply of renewable energy</b> Rapid growth of renewable energy supply and technology deployment in main operating regions (15–20% per annum), and widespread deployment of energy storage systems increases affordability and availability of renewable energy.</li> <li>• <b>Plateau in the frequency and severity of extreme weather events</b> Little to no increase in the frequency and severity of extreme weather events, not considering anomalies.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Limited increase in carbon prices</b> Governments continue current climate policies with limited progress towards net zero – including modest carbon taxes – resulting in a 5–10% annual rise in carbon price.</li> <li>• <b>Plateau in supply of renewable energy</b> Slow growth in renewable energy supply and technology deployment in operating regions (5–10% per annum), and limited deployment of energy storage systems.</li> <li>• <b>Moderate increase in extreme weather events</b> A moderate increase in the frequency and severity of extreme weather events in response to rising temperatures.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>No change or lowered carbon prices</b> Governments prioritise economic growth over climate action, enabling fossil fuel expansion despite existing emissions regulations. There is fragmented application of carbon taxes and emissions trading schemes and little to no restrictions on the use of high-emission fuels, regardless of the sector.</li> <li>• <b>Low supply of renewable energy</b> Growth in renewable energy supply is averaging less than 4% annual capacity growth in most regions. Policy uncertainty, limited investment and a continued focus on fossil fuels constrain progress.</li> <li>• <b>High increase in extreme weather events</b> Severe and compounding increase in the frequency and severity of extreme weather events.</li> </ul>

Example continues on the following page...

## Example 17 (Page 2 of 4)

### Outcomes of the resilience assessment [IFRS S2.22(a)]

There remains significant uncertainty around how climate change will manifest at the regional level under varying climate-related scenarios, particularly in terms of shifts in temperature, the frequency and severity of extreme weather events and the consequential increase in carbon prices due to climate policies implemented by government. This makes it challenging to predict the specific impacts on assets and operations, especially where local infrastructure, supply chains or environmental conditions may be affected. As a result, there is inherent uncertainty in assessing the timing, scale and nature of climate-related risks across the regions in which the Company operates. [IFRS S2.22(a)(ii)]

Despite these uncertainties, the Company anticipates that its strategy and business model will have the capacity to adapt to climate-related changes, developments and uncertainties based on the outcome of the climate-related scenario analysis and the maturity of the CTP. The Company actively reviews financing arrangements to support climate-related investments and has established a dedicated sustainability-linked funding framework to guide capital deployment. This approach is designed to maintain adequate financial capacity to support the transition goals under a range of future scenarios. [IFRS S2.22(a)(iii)]

### Assessment of resilience [IFRS S2.22(a)(i), (iii)]

The Company is making progress towards achieving net-zero emissions by 2050, guided by the CTP, which outlines this strategic goal. The CTP is supported by short-term targets to reduce Scope 1 and 2 emissions by 60% and Scope 3 emissions by 30% by 2030. To meet these targets, the Company is transitioning to renewable energy across its operations, adopting the use of electric vehicles throughout its portfolio and working to reduce upstream emissions.

The Company has allocated an additional 15–25% of capital expenditure in the current five-year strategic planning cycle to enable delivery of these emission reduction activities and facilitate progress against short-term targets. Looking ahead, medium- to long-term resilience is underpinned by continued investment in low-carbon technologies, supply chain innovation and climate-related risk adaptation. The Company is embedding climate-related considerations into strategic decision-making and scenario analysis so that the business remains agile and competitive in a low-carbon economy. This includes enhancing operational efficiency, diversifying energy sources and building partnerships that support long-term decarbonisation.

### Potential impacts on the business under a Low Emissions scenario [IFRS S2.22(a)(iii)(1)–(2)]

Rising carbon prices increase the cost of high-emission operations, prompting the Company to scale up its use of renewable energy from 15% to 60% over the next five years to avoid additional costs and taxes. The Company estimates that this would require an increase in annual capital expenditure over the five-year period of 10–20% based on current year spend.

A plateau in the frequency and severity of extreme weather events means that the Company will continue to allocate 1.5–2% of capital to maintaining the resilience of infrastructure currently exposed to severe weather events, with no meaningful increase in this portion over the short to long term. Minimal disruption to operations would have a negligible impact on revenue.

#### Physical risks: Low [IFRS S2.22(b)(i)(3)]

Low across all timeframes due to early and aggressive mitigation. Minimal disruption in the short term, with long-term global warming limited.

#### Transition risk: High – Low [IFRS S2.22(b)(i)(3)]

High in the short term due to rapid policy shifts and technology disruption; moderate in the medium term as systems adjust; low in the long term with established low-carbon infrastructure.

Example continues on the following page...

## Example 17 (Page 3 of 4)

### Potential impacts on the business under an Intermediate Emissions scenario

[IFRS S2.22(a)(iii)(1)–(2)]

With a moderate increase in severe weather events, the Company anticipates that four sites (representing 9% of its combined annual turnover) may face heightened vulnerability to damage, potentially resulting in reduced operating capacity for up to four weeks per site. This could also result in a 10–20% increase in annual repair costs.

To safeguard against lost operational time, the Company may need to allocate an additional 10% per annum of current capital expenditure to infrastructure upgrades over the next 10 years.

To manage the slow rise in carbon prices the company will scale up its renewable energy mix from 15% to 25% in the next five years. This slow uptake is expected to be driven by lower availability of affordable renewable energy options, with capital expenditure expected to remain around 10%.

#### Physical risks: Moderate – High

[IFRS S2.22(b)(i)(3)]

Moderate in the short term with increasingly extreme weather events. High in the medium and long term, especially for vulnerable regions and sectors.

#### Transition risks: Moderate

[IFRS S2.22(b)(i)(3)]

Moderate throughout, with gradual policy tightening and uneven adoption of low-carbon technologies across geographies and industries.

### Assessment of resilience [IFRS S2.22(a)(i), (iii)]

If global climate action continues its current trajectory and warming stabilises at approximately 2.6°C by 2100, it is expected that climate-related physical risks – such as extreme weather events, heat stress and water scarcity – will intensify and become more disruptive to operations and supply chains.

To prepare for this possibility, the Company is strengthening climate-related resilience through targeted investments in infrastructure.

Physical risk considerations are embedded into strategic planning and capital allocation, with plans to upgrade facilities in high-risk regions already factored into the current five-year strategic plan. These upgrades aim to improve resilience to extreme weather and water stress, while also supporting operational continuity. In parallel, the Company is assessing opportunities to repurpose or upgrade selected assets – such as adapting logistics hubs or manufacturing sites to operate more effectively under changing climate-related conditions. Emissions reduction remains integral to the long-term strategy, but under this scenario, adaptation and risk management play an increasingly critical role in safeguarding business continuity and competitiveness.

Increased capital expenditure on renewable energy sources in response to climate policy action and limited increases in carbon prices are also embedded in strategic planning and capital allocation, to improve resilience against regulatory transition risk.

Example continues on the following page...

## Example 17 (Page 4 of 4)

### Potential impacts on the business under a Very High Emissions scenario

[IFRS S2.22(a)(iii)(1)–(2)]

With a high and compounding increase in the frequency and severity of extreme weather events, the Company anticipates that six sites (representing 15% of our combined annual turnover) may face heightened vulnerability to damage and could be closed for up to two months in a severe weather event year due to prolonged outages and disruptions.

To safeguard against lost operational time, the Company may need to allocate an additional 20% per annum of current capital expenditure to infrastructure upgrades over the next 10 years.

Low availability and affordability of renewable energy across operating regions creates disparities in energy access and cost, complicating long-term planning and investment decisions. As a result, the Company does not anticipate a significant increase in annual capital expenditure to expand its use of renewables, as conditions do not support a cost-effective transition.

#### Physical risks: High [IFRS S2.22(b)(i)(3)]

High in the short term and escalating dramatically over time, leading to severe impacts – such as heatwaves, sea level rise and biodiversity loss.

#### Transition risks: Low – High [IFRS S2.22(b)(i)(3)]

Low in the short term due to ongoing fossil fuel use; high in the medium to long term if abrupt policy shifts are needed to address worsening climate-related impacts.

### Assessment of resilience [IFRS S2.22(a)(i), (iii)]

In a future where global warming exceeds 4°C by 2100, the physical impacts of climate change are expected to be severe and widespread – posing significant risks to infrastructure, supply chains, resource availability and community wellbeing. The Company recognises that this scenario presents a higher risk of disruption and could materially affect long-term profitability. To prepare for this possibility, the Company is strengthening resilience through targeted adaptation planning and strategic flexibility.

The Company has allocated an increase of 8–15% of capital expenditure towards adaptation measures in regions most exposed to escalating physical risks as part of the five-year strategic plan, while longer-term investment planning is focused on maintaining continuity and protecting value in a more volatile operating environment. In some cases, this includes evaluating the potential to decommission or relocate assets where climate-related disruption is expected to be persistent and unavoidable. These decisions are guided by location-specific climate-related risk assessments and integrated into broader long-term strategic planning so that the Company can respond decisively to emerging risks and remain resilient – even under the most extreme climate outcomes.

Increased capital expenditure for renewable energy sources in response to potential abrupt climate policy action is also embedded in strategic planning and capital allocation, to improve resilience against regulatory transition risk.

**Example 18** (Page 1 of 3)

**Scenario analysis**

**(Alternative example)**

This example illustrates a more quantitative climate-related scenario analysis than Example 16 and Example 17.

This example:

- provides quantitative estimates of the potential financial impact of climate-related risks;
- identifies risks specific to a company's assets and their locations; and
- demonstrates to users that the company has carried out a detailed analysis of its climate-related risk and is taking a systematic approach to risk assessment.

**Climate-related scenario analysis**

The Company conducted a climate-related scenario analysis to assess the resilience of its business model and strategy to climate change. This analysis was completed in Q4 2025 and considers both climate-related physical and transition risks across the four scenarios summarised in the table below.

[IFRS S2.22(b)(i)(1), (3), (iii)]

Scenario	Description	Source	Temperature pathway	Key assumptions [IFRS S2.22(b)(ii)]
Net Zero 2050	Ambitious transition to net-zero emissions	IEA Net Zero Emissions (NZE) by 2050 (2023)	~1.5°C	High carbon pricing (4% annual increase), rapid renewables adoption (5% annual increase), limited fossil fuel demand (2% annual decrease)
Orderly Transition	Moderate but effective global action	Network for Greening the Financial System (NGFS) "Orderly"	~1.8°C	Gradual carbon pricing (2% annual increase), diverse regional policies
Intermediate Emissions	Delayed, slow or uneven policy action	IPCC SSP2–4.5	~2.7°C	Uncoordinated global response, investor pressure after 2035 (~4% renewables adoption and carbon pricing annual increase from 2035)
Very High Emissions	No new climate policy, global efforts are insufficient to halt significant global warming	IPCC SSP5–8.5	>3.5°C	High emissions (2% annual increase), severe climate-related physical risks

The above scenarios were selected to reflect various temperature pathways relevant to the industry and to align with the latest international agreement on climate change. The Company has also considered inputs from internal and external specialists. These scenarios provide a range of potential climate futures, enabling the Company to evaluate how different levels of temperature increase might impact its operations and assets. The analysis covers global mining operations, including logistics and on-site processing of ores.

[IFRS S2.22(b)(i)(2), (4), (5), (7)]

The following time horizons were evaluated:

- short term (2025—2030)
- medium term (2030—2040)
- long term (2040—2050). [IFRS S2.22(b)(i)(6)]

The time horizons are aligned to the business planning cycles. The assessment ensures that the evaluation of identified climate-related risks considers the financial implications, significance and time horizons relevant to the business plan and strategy.

Example continues on the following page...

### Example 18 (Page 2 of 3)

The following table identifies the relevant climate-related physical and transition risks that were identified in the scenario analysis. These risks directly impact operations, assets, supply chain and strategic positioning. [IFRS S2.22(b)(i)(3)]

Risk category [IFRS S2.10(b)]	Identified risk [IFRS S2.10(a)]	Description [IFRS S2.10(a)]	Affected Location	Relevant scenarios	Time horizon [IFRS S2.10(c)]
Physical	Extreme weather events	Increased frequency and severity of cyclones, floods and storms, which will potentially disrupt operations and damage assets on sites.	Country R processing facilities, coastal ports and rail lines	Very high emissions, Intermediate emissions	Short to long
Physical	Water scarcity	Reduced freshwater availability affecting ore processing operations on sites.	Processing facilities across Country R and Country S	Very high emissions	Medium to long
Physical	Infrastructure vulnerability	Key infrastructure and assets on sites at risk of damage from weather events, leading to higher operational costs.	Processing facilities across Country R and Country S, Transportation supply chain	Very high emissions, Intermediate emissions	Medium to long
Transition	Demand shift for minerals	Volatility in demand for carbon-intensive minerals as markets adopt green tech.	Processing facilities across Country R and Country S	Net Zero 2050, Orderly Transition	Medium to long
Transition	Carbon pricing	Increase in operating costs due to carbon pricing schemes and regulations.	All on-site processing facilities	Net Zero 2050, Orderly Transition	Medium to long
Transition	Stranded assets	Assets may face early retirement due to policy developments and market shifts.	All locations	Net Zero 2050	Short to long

In addition to the scenarios and parameters above, the Company has further leveraged a range of internal modelling tools to inform the analysis. These include commodity pricing models, carbon cost stimulations, maintenance forecasts and asset impairment modelling under different transition trajectories.

The Company also assessed weather-related downtime probabilities and water availability stress tests, based on site-specific historical data and forward-looking climate and hydrological information. This integrated approach has enabled the Company to assess not only the exposure of operations and assets to the climate-related risks, but also the financial sensitivities under various assumptions, enhancing the robustness and decision-usefulness of the assessment.

Example continues on the following page...

### Example 18 (Page 3 of 3)

The table below summarises the potential financial effects and significance levels from each identified risk in the analysis (refer to Note [ ] for more information on financial effects). This further highlights the need for the Company to achieve its net-zero 2050 goals. [IFRS S1.B47, IFRS S2.22(a)(i)]

Risk category [IFRS S2.10(b)]	Identified risk [IFRS S2.10(a)]	Adverse impact (in CU million and % of net revenue) [IFRS S2.15(b)]			Planned mitigation (See Note [ ] for further detail on mitigation actions) [IFRS S1.B47, IFRS S2.14(a)(ii)]
		Short	Medium	Long	
Physical	Extreme weather events	4–8 (2.0%–4.0%)	7–10 (3.5%–5.0%)	15–20 (7.5%–10.0%)	<ul style="list-style-type: none"> <li>Green capex investments</li> <li>Infrastructure hardening</li> <li>Closed-loop water systems</li> <li>Phasing out of thermal coal by 2027</li> <li>70% renewable electricity by 2030</li> </ul>
Physical	Water scarcity	1–3 (0.5%–1.5%)	4–6 (2.0%–3.0%)	4–7 (2.0%–3.5%)	
Physical	Infrastructure vulnerability	2–3 (1.0%–1.5%)	5–7 (2.5%–3.5%)	7–9 (3.5%–4.5%)	
Transition	Demand shift for minerals	3–4 (1.5%–2.0%)	6–9 (3.0%–4.5%)	8–11 (4.0%–5.5%)	
Transition	Carbon pricing	2–3 (1.0%–1.5%)	4–5 (2.0%–2.5%)	5–7 (2.5%–3.5%)	
Transition	Stranded assets	5–7 (2.5%–3.5%)	7–10 (~3.5%–5.0%)	12–15 (6.0%–7.5%)	

■ Moderate, <2%     
 ■ Significant, 2% to 6%     
 ■ Very significant, >6%

Estimates in table above are based on 2025 Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA).

The potential financial impacts are subject to uncertainties around policy timing, commodity price volatility, technological uptake rates and regional climate extremes. These uncertainties have been reflected in the analysis using different scenarios and sensitivity modelling, though outcomes may vary based on future market developments. [IFRS S2.22(a)(ii)]

The findings from the climate-related scenario analysis have been incorporated into the Company's business strategy, enterprise risk management, and capital planning cycle. In response to the identified risks, the Company is committed to:

- Enhancing sites to protect assets.
- Phasing out thermal coal operations by 2027.
- Allocating CU200m to invest in low-emission mining technologies and increase the renewable energy mix to 70% by 2030.

The committed amount is flexible, with additional financing options available (such as green loans and sustainability development bonds). This flexibility enables the Company to seize opportunities – e.g. investing further in renewable electricity to exceed the 70% target, delivering cheaper electricity output. [IFRS S2.22(a)(iii)]

The entire assessment process has been overseen by the Sustainability Committee. The analysis will be refreshed every two years or upon major business developments or changes in the operating environment.

## Example 19

### (Non-climate) resilience assessment

This example shows how a company may present the resilience of its business model to non-climate sustainability-related risks.

The disclosure applies scenario-based thinking to a wider set of sustainability-related issues and presents risk impacts and mitigation actions.

This example shows risks related to workforce and supply chain issues. However, a similar approach could be applied to a wide spectrum of sustainability-related issues other than climate, such as water use, biodiversity and pollution.

### Other sustainability-related risks [IFRS S1.41]

In response to identified sustainability-related risks, the Company conducted a targeted resilience assessment in the current year to evaluate its ability to adapt to risks that could impact operations, compliance and reputation – particularly those affecting supply chain continuity and production output between 2030 and 2050. The table below summarises the assessment:

Identified relevant sustainability-related risks <small>[IFRS S1.30(a)]</small>	Assessment approach	Findings	Potential impacts on the business (2027–2030) <small>[IFRS S1.32(a), 34(b)]</small>	Mitigation actions <small>[IFRS S1.33(a)]</small>
Skilled labour shortages in Country E manufacturing facilities.	Internal demographic modelling and workforce dependency analysis, also supported by labour market data and stress testing.	30% of skilled workers are aged 50 and above; 10% projected attrition of the total workforce.	<ul style="list-style-type: none"> <li>Risk of 17% production capacity loss and 22% revenue decline annually if unaddressed.</li> <li>Labour costs projected to rise by 15% per annum.</li> </ul>	<ul style="list-style-type: none"> <li>Partnered with three local technical colleges, launched apprenticeship schemes and invested CU25m in automation to reduce reliance on manual labour.</li> <li>Target: automation rollout and workforce transition over the next two to five years, focused on equipping employees with the skills required to thrive in an increasingly automated environment.</li> </ul>
Traceability gaps in critical mineral sourcing.	Supplier-level sustainability audits, smelter origin verifications.	15% of tin/nickel inputs lacked verified smelter origin.	<ul style="list-style-type: none"> <li>Approximately 20% of total annual material volume potentially affected.</li> <li>Potential revenue loss of up to 7% annually and exclusion from preferred supplier programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Transitioned to three verified smelters, planned expansion.</li> <li>Launched blockchain traceability pilot with Tier 1 suppliers.</li> <li>Target: 100% traceability by 2026.</li> </ul>

The Company will continue to monitor these risks through periodic internal reviews, stakeholder engagement and regulatory horizon scanning. The Company will also revisit the resilience assessments as part of the annual integrated risk and strategy cycle, with updates reflected in forward-looking planning and capital allocation. This will allow the Company to remain adaptive and aligned with emerging stakeholder expectations and regulatory standards.

# Risk management

The objective of disclosures on risk management is to enable users of the sustainability report to understand a company's processes to identify, assess, prioritise and monitor SROs, including whether and how those processes are integrated into and inform the company's overall risk management process. [IFRS S1.43, IFRS S2.24]

# Risk management

## Key points to consider

- Sustainability risk management disclosures can be closely aligned to broader enterprise risk management information presented in a company's general purpose financial reports.
- A company can use cross-referencing to avoid duplicating risk management information and demonstrate how the management of SROs is integrated into its broader enterprise risk management. [IFRS S1.B47, IFRS S2.25]
- Disclosures on SRO management can also be reported alongside the sustainability strategy and transition plan a company has in place to help users understand a company's SROs.
- Disclosure requirements on identifying risks using scenario analysis also appear within the [Strategy](#) ► core content area. When preparing these disclosures, companies need to consider whether consolidating information on scenario analysis into one section of the report could improve clarity and avoid duplication. [IFRS S1.B42(b)]

## Index of illustrative examples

Risk management process	Example 20
Prioritising risks	Example 21
Integrating sustainability risk management	Example 22

## Example 20 (Page 1 of 3)

### Risk management process

This example shows a six-step process that could be used by a company to identify and manage its SROs.

The disclosure clearly describes each step in the process and is supported by visual explanation in the form of a diagram.

It also explains how this process is integrated into the company's broader enterprise risk management framework.

Presenting the information in this way may help users to:

- understand the key steps in the process;
- understand the inputs, systems and activities supporting risk and opportunity identification and management; and
- assess the robustness of a company's approach.

### Risk management process

#### Integrated approach [IFRS S1.44, IFRS S2.25]

Sustainability risk management is embedded in the Company's operations. The ability to identify, manage and monitor SROs directly impacts the Company's capacity to operate effectively. The Enterprise Risk Management Framework (ERMF) – which supports businesses across all eight regions in which the Company operates – aligns with the principles of the *ISO 31000:2018 Risk management – Guidelines*.

[IFRS S1.44(c), IFRS S2.25(c)]

In 2024, the Company fully embedded the management of sustainability-related risks into the ERMF. The Company has amended the Enterprise Risk Management policy to define the structure, roles and responsibilities for managing sustainability-related risks across the business. A key outcome of this process was an adjustment to the time horizon definitions to ensure alignment between sustainability-related and other risks.

[IFRS S1.44(a)(vi), IFRS S2.25(a)(vi)]

The Company updated the Risk Appetite Statement and Risk Management Strategy to include sustainability-related risks. Sustainability-related risks are integrated into the Group Risk Register (including updated time horizons) and are assessed using the same risk assessment criteria and thresholds applied across the broader ERMF. Therefore, the sustainability-related risks are prioritised on the same basis as other material enterprise risks.

[IFRS S1.44(a)(iii)–(iv), IFRS S2.25(a)(iii)–(iv)]

Potential sustainability-related opportunities are identified by leveraging the same framework applied to sustainability-related risks, reflecting the close interconnection between the two. Additionally, potential opportunities are identified by monitoring the market and supply chain and then assessed for viability and commercial potential by the Sustainability Committee, with consideration given to any new risks they may introduce.

[IFRS S1.44(b), IFRS S2.25(b)]

The approach to identifying, assessing, prioritising, managing, monitoring and communicating SROs is consistent with the enterprise risk management process which was expanded to fully incorporate sustainability-related risks. The process is led by the Sustainability Risk and Analytics Team, with oversight from the Risk

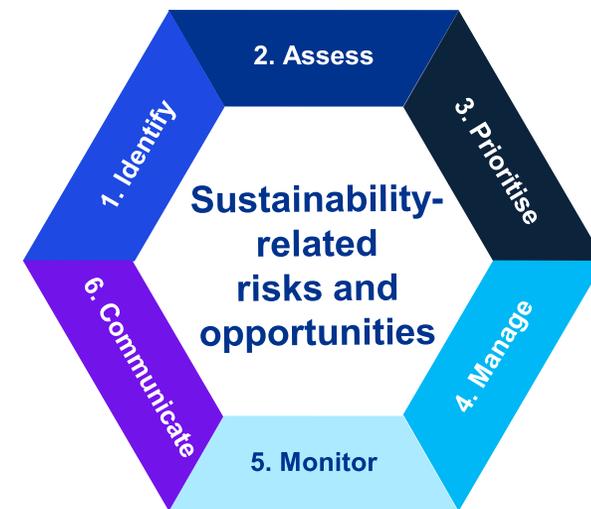
Management Committee and Sustainability Committee and with input from management. [IFRS S1.44(a)(v)–(vi), IFRS S2.25(a)(v)–(vi)]

Relevant risks and opportunities are then incorporated into the Company's sustainability strategy and embedded within the broader five-year business plan. [IFRS S1.44(b)]

SROs may directly or indirectly impact operations, supply chains and downstream activities. Accordingly, the Company assesses SROs across the entire value chain.

[IFRS S1.44(a)(i), IFRS S2.25(a)(i)]

The risk management process includes six key steps:



Example continues on the following page...

## Example 20 (Page 2 of 3)

### 1. Identify

The Company conducts a thorough process to identify the impacts and dependencies across the value chain and to determine which of these give rise to potentially relevant SROs. This includes:

- identifying the users of the sustainability report, who can help to identify material information;
- determining the Company's time horizons for the purposes of assessment;
- engaging with stakeholders through targeted consultation and surveys to understand their priorities, expectations and perceptions with respect to the Company and its strategy;
- a scan of the regulatory horizon to understand changes to relevant legislation, regulations, standards and frameworks;
- scenario analysis to identify climate-, human rights- and nature-related risks and opportunities, drawing on Intergovernmental Panel on Climate Change scenarios, asset-level exposure and projected carbon price trajectories; [IFRS S1.44(a)(ii), (b), IFRS S2.25(a)(ii), (b)]
- asset-level resilience and exposure assessments to help identify climate-related physical risks and opportunities, using inputs such as atmospheric projections, rainfall outlooks and extreme weather forecasts;
- human rights and supplier due diligence assessments to support the identification and assessment of human rights-related risks and opportunities in the value chain using surveys and targeted site visits; and
- SRO workshops bringing together key internal stakeholders to understand strategic priorities and develop a longlist of potentially relevant SROs. [IFRS S1.44(a)(i), (b), IFRS S2.25(a)(i), (b)]

### 2. Assess

Potentially relevant sustainability-related risks are then assessed by:

- evaluating their potential magnitude using a defined impact scale – minor to major – based on both quantitative and qualitative factors across varying time horizons;
- assessing the likelihood of each risk and opportunity – rated from unlikely to almost certain – informed by historical data, scenario analysis and specialist input; and
- understanding information about the nature of each risk analysing how (e.g. disrupted operations, damage to assets, non-compliance with regulations) and where it may affect the business (e.g. suppliers, certain regions or assets), considering whether it is acute or chronic and whether it stems from internal operations or external dependencies. [IFRS S1.44(a)(iii), IFRS S2.25(a)(iii)]

The Company conducts a cost-benefit analysis to assess potentially relevant sustainability-related opportunities. This considers potential costs alongside environmental and social impacts – such as resource efficiency, emissions reduction and community wellbeing – to determine their overall value and feasibility. [IFRS S1.44(b), IFRS S2.25(b)]

As part of this assessment, the Company identifies and assesses material information for each SRO that could reasonably be expected to influence investors' decision-making.

The result is a list of relevant SROs.

Example continues on the following page...

## Example 20 (Page 3 of 3)

### 3. Prioritise

Using information collected in the **Identify** and **Assess** steps, the Company prioritises the SROs through the processes of structured evaluation of time horizons, magnitude and likelihood.

[IFRS S1.44(a)(iv), IFRS S2.25(a)(iv)]

### 4. Manage

The Company undergoes a rigorous process to identify and implement controls based on identified SROs and the resources available using a hierarchy of control types that includes avoid, mitigate, transfer, remediate, accept and leverage (opportunities). These controls are embedded into business processes such as capital investment approvals, supply chain management and health and safety systems. [IFRS S1.44(c), IFRS S2.25(c)]

### 5. Monitor

The Company actively monitors the effectiveness of the controls through risk-based internal audits and controls testing, regularly reporting to the Risk Management Committee and the Sustainability Committee.

In addition, the Company continuously monitors changes in economic, social, financial, regulatory and environmental factors that could affect the risk assessment. When necessary, the Company revisits and updates the assessment to reflect material changes. [IFRS S1.44(a)(v), IFRS S2.25(a)(v)]

### 6. Communicate

The outcomes of the risk and opportunity assessment are communicated to the Sustainability Committee and the Board for discussion, validation and Board sign-off.

## Example 21

### Prioritising risks

A heat map that plots risks according to their potential magnitude and likelihood can be an effective way to explain the prioritisation of SROs.

This form of visual presentation may help users to understand:

- the process the company uses to assess and prioritise SROs;
- the comparative risk level of individual risks; and
- why the company has prioritised certain risks over others.

Cross-references have been made to the general risk management section of the annual report to provide clear linkage and avoid duplicating the information in multiple places.

### Sustainability-related risks

The Company assesses sustainability-related risks by evaluating their potential magnitude, likelihood of occurrence and nature. This process is embedded in the enterprise risk management framework (ERMF) and a quarterly cross-functional workshop is presented by the Sustainability Risk and Analytics Team. It is overseen by the Risk Management Committee and Sustainability Committee, with input from management.

**Potential magnitude** [IFRS S1.44(a)(iii), IFRS S2.25(a)(iii)]

The Company assesses relevant risks using a defined scale – minor, moderate, major or catastrophic – based on both quantitative modelling (e.g. financial loss, asset impairment) and qualitative factors (e.g. reputational damage, stakeholder trust) across short-, medium- and long-term time horizons.

**Likelihood of occurrence** [IFRS S1.44(a)(iii), IFRS S2.25(a)(iii)]

The Company evaluates likelihood using historical data, scenario analysis and external specialist advice. It is rated on a scale of unlikely, possible, probable or almost certain.

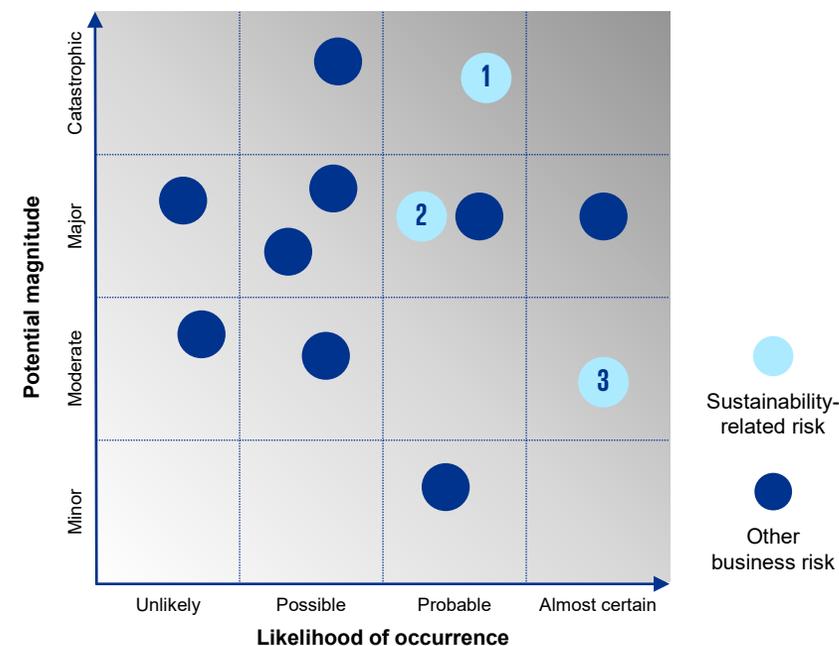
**Nature** [IFRS S1.44(a)(iii), IFRS S2.25(a)(iii)]

The Company assesses the nature of each risk by identifying the relevant topic (e.g. climate, biodiversity, human rights) and evaluating how (e.g. operational disruptions, asset failure) and where it might impact the business (e.g. certain parts of the value chain, particular regions), considering whether it is acute or chronic and whether it arises from internal activities or external dependencies.

The following table lists the highest priority sustainability-related risks. The heat map shows how these are assessed and prioritised against other business risks. [IFRS S1.44(a)(iv), IFRS S2.25(a)(iv)]

For more information on the ERMF and the full list of business risks, see Note [Managing the risks]. [IFRS S1.B47]

Priority	Sustainability-related risks
1	Equipment failure could lead to potential injuries, permanent disablements or fatalities.
2	More frequent extreme weather events due to climate change could cause damage to assets, impede operations and negatively impact revenue.
3	Non-compliance with the Human Rights Policy or Supplier Code could result in financial losses due to legal claims or fines.



## Example 22

### Integrating sustainability risk management

This example may be suitable for companies that are less advanced in the integration of SROs into broader risk management.

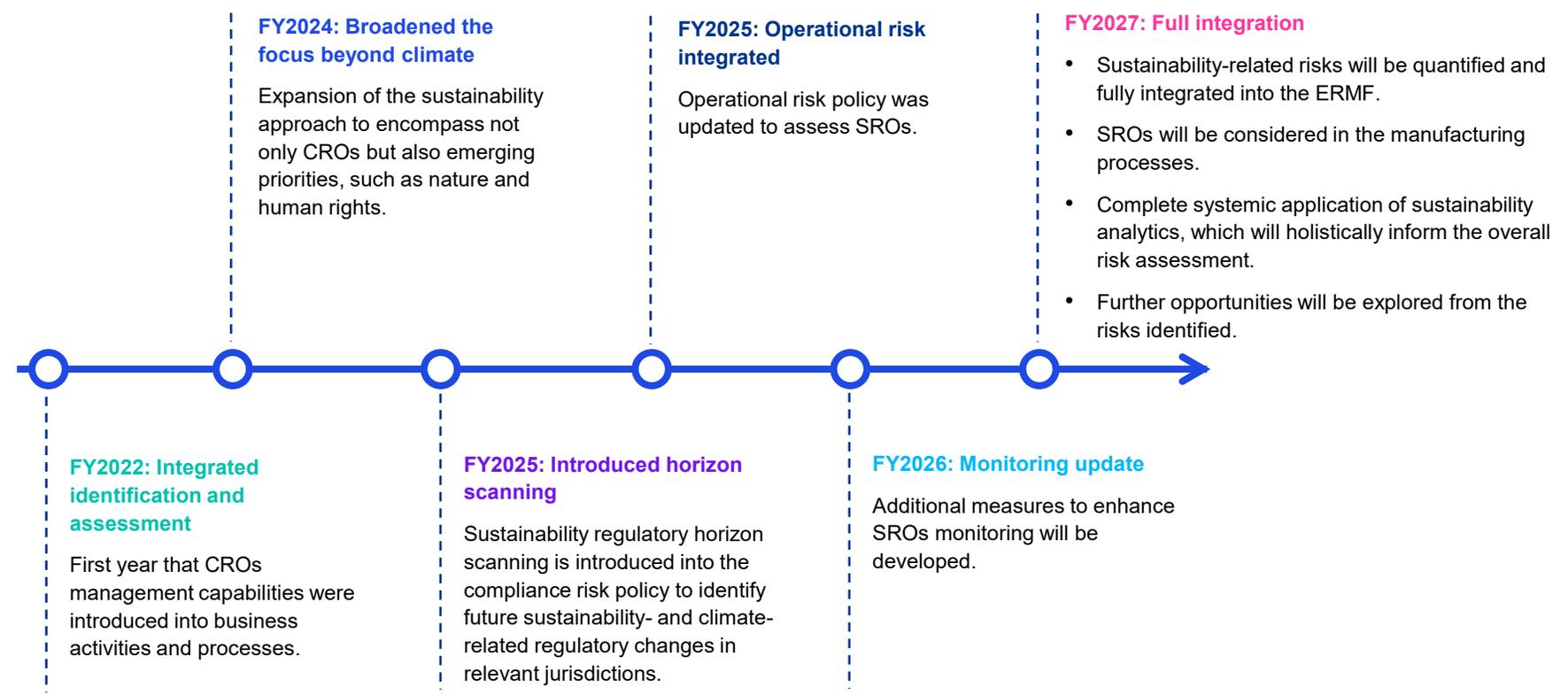
It uses a simple timeline graphic to communicate actions that have already been taken and those planned for future years.

Presenting the information in this way may help users to compare progress with other companies in similar industries.

### Integrating sustainability into risk management [IFRS S1.44(c), IFRS S2.25(c)]

The Company is in the fourth year of its sustainability reporting journey. The Company first implemented the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in FY2022 and started to incorporate the management of other sustainability-related topics into the strategy in FY2024. As the risk management processes mature, the Company will be able to conduct more detailed assessments of relevant SROs.

The Company aims to fully embed SROs into the enterprise risk management framework (ERMF) by FY2027, making it part of 'business as usual'. The steps outlined below mark the journey towards integrating their identification, assessment, prioritisation, management and monitoring into the ERMF.



# Metrics and targets

The objective of disclosures on metrics and targets is to provide users of the sustainability report with consistent, comparable and decision-useful information about the metrics used to measure and monitor SROs as well as the targets set by a company to manage them. [IFRS S1.45, IFRS S2.27]

## Sections:

Sustainability-related metrics ►

Sustainability-related targets ►

# Sustainability-related metrics

## Key points to consider

- Sustainability-related (or climate-related) metrics need to be consistent, comparable and decision-useful for users. This applies to both cross-industry requirements and industry-specific disclosures.
- Companies need to explain methodologies, inputs, assumptions and estimates used in deriving sustainability-related financial information.
- In preparing sustainability-related financial information, companies will refer to the SASB standards and may refer to other useful sources of guidance, such as the GRI Standards. [IFRS S1.55]
- Disclosure requirements on remuneration also appear in the **Governance** ► core content area. When preparing these disclosures, companies need to consider whether consolidating information on remuneration into one section of the report could improve clarity and avoid duplication.
- The term ‘executive remuneration’ is referenced in the standards but not defined. Companies need to be transparent about how they have defined executive remuneration for the purpose of their disclosures.

## Index of illustrative examples

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Climate-related risk and opportunity exposure	Example 27
Internal carbon pricing	Example 28
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**Example 23** (Page 1 of 3)

**GHG emissions**

This example presents an overview of the company's GHG emissions – broken down by Scope 1, 2 and 3 – supported by graphs, tables and calculation methodologies.

Presenting the information in this way may help users to:

- visualise the size of Scope 1, 2 and 3 emissions relative to the company's total emissions; and
- understand how the company measures its emissions.

**Emissions from operations**

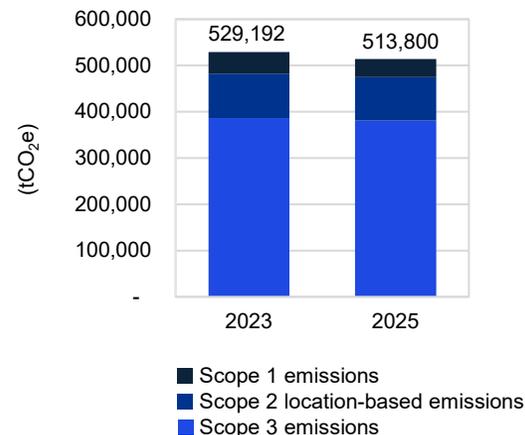
In line with IFRS S2 requirements, the Company measures GHG emissions using the *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004)*, applying the operational control approach. This approach was selected because it enables the Company to distinguish between emissions from activities it controls (through the authority to introduce and implement operating policies) and emissions from activities in the value chain, which it does not directly control, but may be able to influence.

[IFRS S2.29(a)(ii), (iii)(1)–(2), B26(a), B27]

This is the first year of reporting under IFRS S1 and IFRS S2. The Company has applied the transition relief to omit comparative information. [IFRS S2.C3]

Emissions are disclosed on a gross basis, without offsets, in metric tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). [IFRS S2.29(a)(i)]

**Total gross GHG emissions** [IFRS S2.29(a)(i)]



**Scope 1 and 2 emissions (tCO<sub>2</sub>e)** [IFRS S2.29(a)(i)(1)–(2), (iv), (v)]

Scope	2025	2023 <sup>1</sup>
<b>Scope 1</b>	<b>38,932</b>	<b>46,651</b>
Consolidated group	37,374	45,063
Other investees	1,558	1,588
<b>Scope 2 location-based</b>	<b>93,944</b>	<b>95,823</b>
Consolidated group	90,186	91,990
Other investees	3,758	3,833

<sup>1</sup>Base year

**Scope 1 and 2 calculation methodologies**

Scope 1 emissions cover all direct emissions from facilities and owned vehicles. The direct emissions from the facilities, warehouses and vehicles were calculated using activity data, such as refrigerant top-up volumes and consumption of natural gas and fuel, multiplied by a suitable emission factor. For Scope 1 emission factors, the Company has used [appropriate source of emission factors].

[IFRS S2.B26(c), B29]

Scope 2 emissions were calculated using the location-based method covering indirect emissions from purchased electricity and heating. Emissions were calculated using supplier invoices multiplied by the respective emission factor from [appropriate source of emission factors]. No contractual instruments – such as energy attribute certificates or power purchase agreements – were used. Where supplier invoices do not align exactly with reporting year, the usage has been prorated. [IFRS S2.29(a)(v), B26(c), B29]

Where energy activity data was not available for a specific period, the Company calculated emissions using energy data usage per square foot from comparable buildings or operations within the portfolio. [IFRS S2.29(a)(v)]

[Example continues on the following page...](#)

## Example 23 (Page 2 of 3)

### Scope 3 emissions (tCO<sub>2</sub>e) [IFRS S2.29(a)(i)(3), (vi)(1)]

Scope <sup>1</sup>	2025	2023 <sup>2</sup>
<b>Scope 3</b>	<b>380,924</b>	<b>386,718</b>
Category 1: Purchased goods and services	200,105	208,403
Category 2: Capital goods	37,529	30,277
Category 3: Fuel- and energy-related activities	3,124	3,063
Category 4: Upstream transport and distribution	7,427	8,080
Category 5: Waste generated in operations	14,580	16,948
Category 6: Business travel	1,491	1,344
Category 11: Use of sold products	6,327	6,024
Category 13: Downstream leased assets	110,341	112,579

<sup>1</sup> Only material Scope 3 emission categories have been disclosed.

<sup>2</sup> Base year.

### Scope 3 calculation methodology [IFRS S2.29(a)(iii)(1), B26(c), B29, B53–B56]

Scope 3 emissions represent indirect emissions that occur throughout the value chain and form the largest component of the Company's carbon footprint. The emissions are disaggregated by Scope 3 categories, using a combination of primary and secondary data, in accordance with the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*. The inputs are internally verified.

#### Category 1: Purchased goods and services

Emissions associated with purchased goods and services were calculated using the hybrid data method, combining procurement spend, volumes of material consumed and supplier-specific activity data and applying emission factors from [appropriate source of emission factors]. Procurement data was extracted from the Enterprise Resource Planning (ERP) system. Where supplier-specific data was provided, it was prioritised.

#### Category 2: Capital goods

Emissions associated with capital goods were calculated using the average spend-based method, based on capex spend data and applying emission factors from [appropriate source of emission factors]. Capex spend data was extracted from the ERP system.

#### Category 3: Fuel- and energy-related activities

Emissions associated with fuel- and energy-related activities were calculated using average-data method, based on metered electricity and heating consumption data and applying emission factors from [appropriate source of emission factors]. Assumptions included standard grid loss percentages and fuel mix. Where energy activity data was not available for a specific period, the Company calculated emissions using energy data usage per square foot from comparable buildings or operations within the portfolio. Where supplier invoices do not align exactly with the reporting year, the usage has been prorated.

Example continues on the following page...

## Example 23 (Page 3 of 3)

### Scope 3 calculation methodology [IFRS S2.29(a)(iii)(1), B26(c), B29, B53-B56]

#### Category 4: Upstream transport and distribution

Emissions associated with upstream transport and distribution were calculated using the average spend-based method, based on procurement transportation data from the ERP system and applying emission factors from [appropriate source of emission factors].

#### Category 5: Waste generated in operations

Emissions associated with waste were calculated using the waste-type-specific method, based on waste type, volumes and disposal method data from contractors and applying emission factors from [appropriate source of emission factors].

#### Category 6: Business travel

Emissions associated with business travel were calculated using the distance-based method, based on data collected from the corporate booking system categorised by mode (air, rail, car) and applying emission factors from [appropriate source of emission factors].

#### Category 10: Use of sold products

Emissions associated with use of sold products were calculated based on sales data for the relevant financial year and assumed energy consumption per item sold. A lifetime period of 60 years was assumed. Estimated energy consumption was multiplied with emission factors from [appropriate source of emission factors].

#### Category 13: Downstream leased assets

Emissions associated with downstream leased assets were calculated using the asset-specific method, based on metered electricity, heating consumption and refrigerant top-up data, multiplied by emission factors from [appropriate source of emission factors].

## Example 24

### GHG emissions

#### (Alternative example)

This example illustrates an alternative way of presenting GHG emissions in a streamlined, single-table view.

Presenting the information in this way may help users to:

- see a full picture of a company's emissions profile and the disaggregation of GHG emissions; and
- compare the company's GHG emissions performance by year at a glance.

### GHG emissions breakdown

The table below presents GHG emissions across Scope 1, Scope 2 and Scope 3. Emissions are disclosed on a gross basis, without offsets, in tCO<sub>2</sub>e. [IFRS S2.29(a)(i)]

Carbon footprint by Scope and category (tCO <sub>2</sub> e)		
Scope of GHG emissions	2025	2023 <sup>1</sup>
<b>Scope 1</b> [IFRS S2.29(a)(iv)]	<b>38,932</b>	<b>46,651</b>
Consolidated group	37,374	45,063
Other investees	1,558	1,588
<b>Scope 2 (location-based)</b> [IFRS S2.29(a)(iv)–(v)]	<b>93,944</b>	<b>95,823</b>
Consolidated group	90,186	91,990
Other investees	3,758	3,833
<b>Scope 3<sup>(2)</sup></b> [IFRS S2.29(a)(vi)(1)]	<b>380,924</b>	<b>386,718</b>
Category 1: Purchased goods and services	200,105	208,403
Category 2: Capital goods	37,529	30,277
Category 3: Fuel- and energy-related activities	3,124	3,063
Category 4: Upstream transport and distribution	7,427	8,080
Category 5: Waste generated in operations	14,580	16,948
Category 6: Business travel	1,491	1,344
Category 10: Use of sold products	6,327	6,024
Category 13: Downstream leased assets	110,341	112,579
<b>Total GHG emissions</b>	<b>513,800</b>	<b>529,192</b>

Note: The Company does not use any form of contractual instruments in the form of renewable energy certificates or power purchase agreements. [IFRS S2.29(a)(v)]

<sup>1</sup> Base year

<sup>2</sup> Only material categories of Scope 3 emissions have been disclosed

## Example 25

### Scope 2 – Contractual instruments

This example illustrates how a company could disclose its use of contractual instruments to inform users’ understanding of its Scope 2 emissions.

Presenting the information in this way may help users to understand the relationship between contractual instruments and the reduction of Scope 2 emissions.

When disclosing information about contractual instruments, companies may choose to disclose market-based Scope 2 emissions in addition to disclosing location-based Scope 2 emissions. This approach is taken in this example.

### Location-based Scope 2 emissions and information about contractual instruments [IFRS S2.29(a)(i)(2), (iv)–(v)]

To support its decarbonisation objectives, the Company purchases energy attribute certificates (EACs) to cover a portion of electricity consumption. During the year, approximately 70% of electricity use was matched with high-quality EACs, such as Renewable Energy Guarantees of Origin (REGOs), which results in lower reported market-based Scope 2 emissions.

In 2024, the Company achieved 70% renewable electricity sourcing for operations worldwide. The Country F Power Purchase Agreement (PPA), which became live in 2024, contributed to 25% of the renewable energy sourcing. The Company is investigating extending this PPA model to other countries to further increase the percentage of energy that is renewably sourced.

The remaining contractual instruments used for the market-based method were:

- International Renewable Energy Certificate (I-REC) for operations in Country E
- Green-e certified wind RECs for Country U-based operations
- Guarantees of Origin for Country E-based operations.

All contractual instruments comply with recognised certification schemes and are retired in official registries to prevent double counting. Geographic and temporal matching is applied to maintain integrity.

By purchasing reputable energy attribute certificates, renewable energy claims are aligned with the quality criteria set out in the GHG Protocol for Scope 2 emissions.

Scope 2	2025	2023 <sup>1</sup>
<b>Location-based</b>	<b>93,944</b>	<b>95,823</b>
Consolidated group	90,186	91,990
Other investees	3,758	3,833
<b>Scope 2 – market-based<sup>2</sup></b>	<b>28,183</b>	<b>28,747</b>
Consolidated group	27,056	27,597
Other investees	1,127	1,150

<sup>1</sup> Base year

<sup>2</sup> In 2025, the market-based Scope 2 emissions were net of 50,000 MWh (2023: 38,850 MWh) of renewable energy purchased via REGOs, PPAs and other contractual instruments.

## Example 26

### Scope 3 emissions

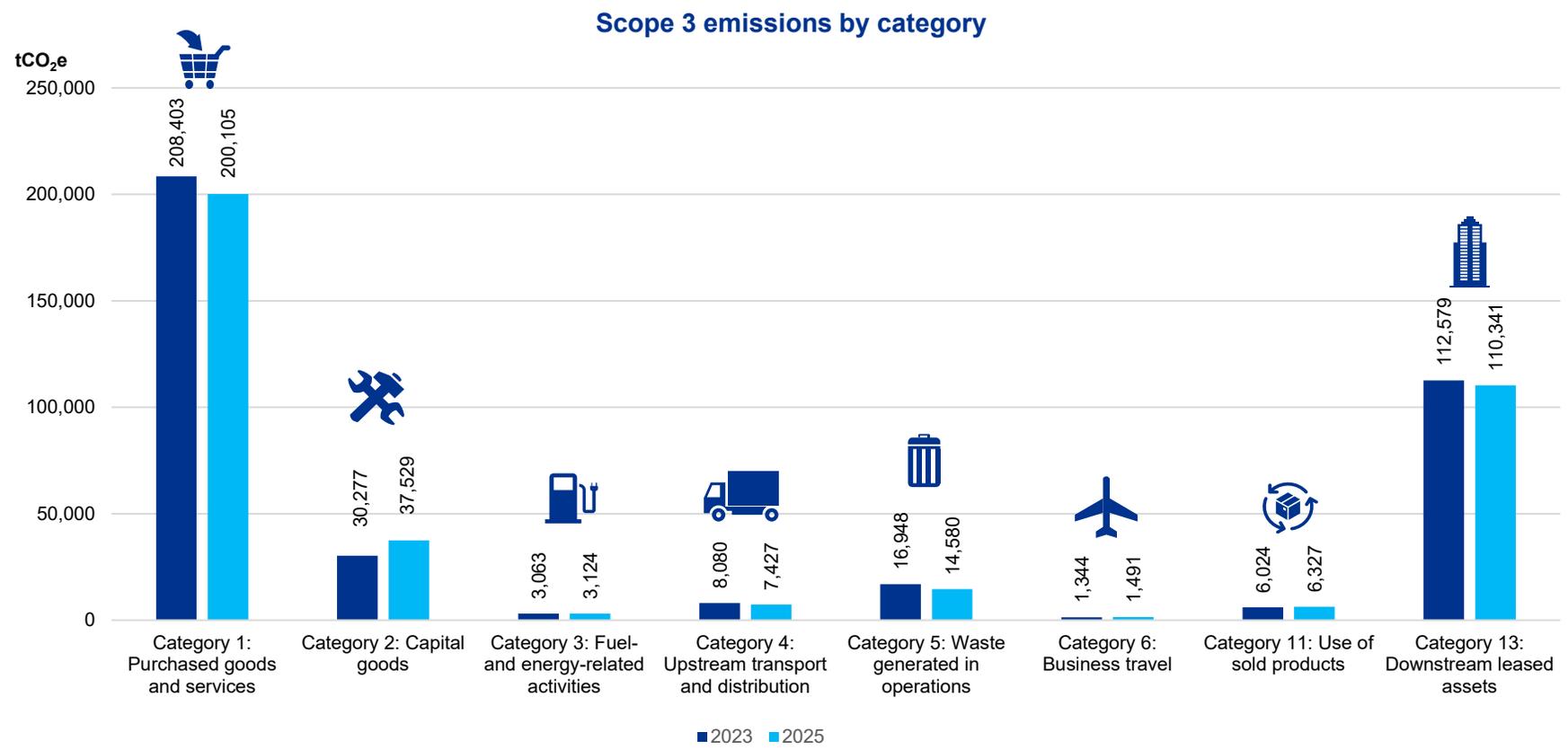
This example illustrates a more visual way to disclose Scope 3 emissions by category.

Presenting the information using a graphic may help users to understand the relative size and significance of each category of Scope 3 emissions.

### Scope 3 emissions overview

Scope 3 emissions – the largest source of emissions – reflect indirect emissions across the value chain. The graph below shows the material Scope 3 emissions categorised in accordance with the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*. [IFRS S2.29(a)(i)(3), (vi)(1)]

Emissions are disclosed on a gross basis, without offsets, in tCO<sub>2</sub>e.



**Example 27** (Page 1 of 2)

**Climate-related risk and opportunity exposure**

This example illustrates how a company could disclose the number and percentage of assets exposed to climate-related physical and transition risks.

Presenting the information in this way may help users to:

- identify the size of the risks;
- see where in the value chain vulnerabilities are concentrated;
- understand what actions and investments are planned to mitigate climate-related risks; and
- see how the company's approach to pursuing climate-related opportunities impacts its assets and business activities.

**Climate-related risk and opportunity exposure**

The Company has assessed the vulnerability of developments and properties (assets) to both climate-related physical and transition risks. The map below illustrates the geographic distribution of operations and highlights the proportion and value of assets exposed to these risks. This includes exposure to acute and chronic physical risks, such as flooding and heat stress, as well as transition risks related to policy, market and technology shifts.

**CU24.7m at risk**  
 17% of operating assets as at 31 December 2025, affecting 15% of operating capacity [IFRS S2.29(c)]

**Top 3 high-emitting assets impacted by climate-related physical risks**

Asset	CVaR <sup>1</sup> (CU' m)
Development A	8.5
Property B	3.4
Property C	3.2

<sup>1</sup> Climate Value at Risk



**CU17.6m at risk**  
 12% of operating assets as at 31 December 2025, affecting 10% of operating capacity [IFRS S2.29(b)]

**Top 3 assets impacted by climate-related transition risks**

Asset	CVaR <sup>1</sup> (CU' m)
Development A	5.2
Property B	4.1
Shopping mall F	2.9

<sup>1</sup> Climate Value at Risk

This disclosure contains forward-looking information, assumptions and estimation and may be subject to change in future. For detailed information on assets and revenue, see the Company's **Financial Statements**.

Example continues on the following page...

**Example 27** (Page 2 of 2)

**Approach to climate-related risks and advancing climate-related opportunities** [IFRS S2.22(a)(iii)(1)–(2)]

To strengthen asset resilience and capture climate-related opportunities, the Company has identified three key investment priorities between 2026 and 2030. These priorities aim to mitigate identified climate-related risks while creating opportunities for long-term value creation. The planned spending covers 60% of operational assets. [IFRS S2.29(e)]

**Climate-proofing properties**

The Company is enhancing property resilience through investments in flood defences, storm-resistant materials and efficient cooling technologies. These measures reduce exposure to flooding and extreme heat, lower maintenance costs and support operational continuity. Over the medium to long term, this climate-proofing is expected to deliver significant cost savings through reduced repairs and operational downtime.

**Renewable add-ons**

The Company is expanding use of renewable energy through solar, wind and energy storage at properties to reduce reliance on fossil fuels. This helps to mitigate transition risks, such as high carbon pricing and energy volatility, while offering cost savings, access to incentives and alignment with low-carbon procurement standards. It also supports Scope 2 emissions reduction under the net-zero strategy.

**Energy-efficiency optimisation**

The Company is upgrading properties with smart energy systems, such as automated heating, ventilation and air conditioning controls, and energy management software to manage and optimise the energy load. The Company is also making lighting improvements through LED lighting and smart sensors for occupancy and daylight control. These allow it to reduce energy usage and help to manage physical risks, such as increased cooling demand due to rising temperatures, and transition risks such as stricter energy efficiency regulations. These measures also lower operating costs and enable access to green financing and certifications.

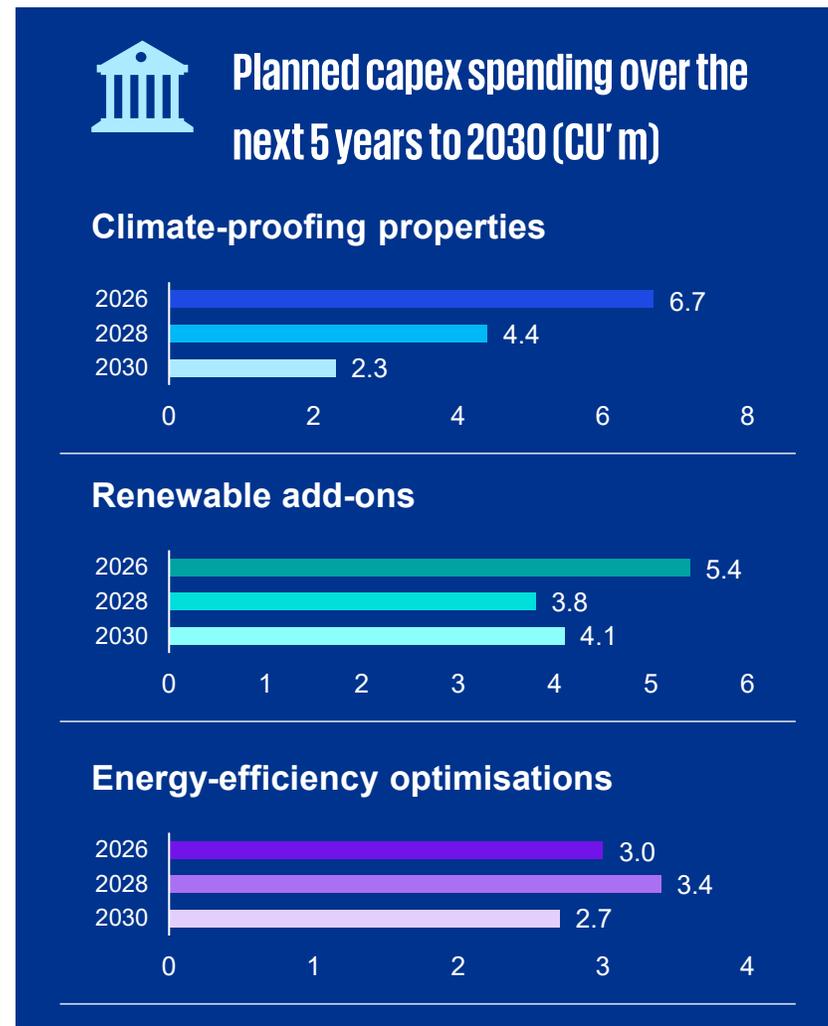
 **CU36.5m**

Total projected cumulative savings to 2030 [IFRS S2.29(d)]

 **CU35.8m**

Total planned capex to 2030 [IFRS S2.29(e)]

This disclosure contains forward-looking information, assumptions and estimation and may be subject to change in future. For detailed information on assets and revenue, see the Company's **Financial Statements**.



## Example 28

### Internal carbon pricing

This example illustrates how a company can disclose its use of internal carbon pricing.

The disclosure explains:

- the form of pricing used (shadow pricing in this example);
- where it is applied; and
- how internal carbon pricing is factored into investment and operational decision-making.

### Internal carbon pricing

The Company uses internal carbon pricing, in the form of shadow pricing, as part of its decision-making process when evaluating the costs of investments and emissions reduction activities. Two key areas where the Company has applied shadow pricing are capital investments and business travel. [IFRS S2.29(f)(i)]

#### Investments

To ensure that carbon costs are considered in decision-making, the Company applies a shadow carbon price to capital investment projects over CU1.5m before approving them. Shadow pricing also strengthens asset resilience to climate-related risks and helps to align investment decisions to the sustainability strategy.

The shadow price for investments applied in the year was CU100/tCO<sub>2</sub>e irrespective of prevailing market prices. [IFRS S2.29(f)(ii)]

#### Business travel

To encourage more environmentally conscious travel decisions, the Company implemented a shadow price for business travel. The aim is to raise employee awareness of the environmental impact of business travel and promote the use of virtual alternatives, when feasible. The shadow price is applied as a cost to departmental budgets, helping to influence travel behaviour without affecting actual financial expenditure.

A shadow price of CU50/tCO<sub>2</sub>e was applied to all business travel during the reporting year. [IFRS S2.29(f)(ii)]

**CU100/tCO<sub>2</sub>e**

Shadow pricing applied on capital expenditure projects as part of decision-making

**CU50/tCO<sub>2</sub>e**

Shadow pricing is applied to business travel and will gradually increase to CU100 per tCO<sub>2</sub>e by 2030

## Example 29

### Sustainability-related remuneration

This example demonstrates how a company could disclose the integration of sustainability-related considerations into executive remuneration.

Presenting the information in this way may help users to understand how sustainability criteria are factored into overall executive remuneration.

Executive remuneration is complex, and companies may cross-reference to a more detailed remuneration report elsewhere in their general purpose financial reports.

In addition, local laws and regulations may often require further information about remuneration.

Note: The standards also require disclosures on remuneration under the [Governance](#) core content area. An illustration of these disclosures can be found in [Example 8](#).

### Executive remuneration

Executive management remuneration comprises both fixed and variable components. The variable component is performance-based, with 70% linked to financial targets, 20% linked to sustainability objectives aligned with the sustainability strategy and 10% linked to organisational management criteria. [\[IFRS S2.29\(g\)\(i\)\]](#)

Weightings are assigned based on the strategic importance of each sustainability objective. Emissions and water reduction targets are weighted higher due to their direct contribution to the environmental goals and health and safety is included to reinforce the commitment to responsible operations.

Each criterion contribution to the scoring is based on whether the target was achieved. If all are met, the total scoring factored into executive remuneration would be 20%. [\[IFRS S2.29\(g\)\(ii\)\]](#)

This approach enables executive remuneration to be directly tied to measurable sustainability criteria linked to the sustainability strategy, while incentivising long-term profitability as a sustainable business.

See Note [ ] of the Annual Report for the full Remuneration Report. [\[IFRS S1.B47\]](#)

The table below shows the sustainability performance criteria for executive management.

Sustainability criteria <a href="#">[IFRS S2.29(g)(i)]</a>	Relative weighting
10% reduction in Scope 1, 2 and 3 absolute emissions from 2023 baseline by 2025	8%
12% reduction in water consumption at development sites and sites managed or leased sites by the Company from 2023 baseline by 2025	8%
15% reduction in total recordable injury frequency rate (TRIFR) at development sites and buildings managed by the Company from 2023 baseline by 2025	4%
<b>Total scoring factored into executive remuneration in 2025 (max 20%)</b>	<b>20%</b>
For more information on the remuneration policies and performance criteria, see Note <a href="#">[Corporate governance and remuneration]</a> . For remuneration paid out in 2025, see Note [ ] of the financial statements. <a href="#">[IFRS S1.B47]</a>	

## Example 30

### Industry-based guidance

This example illustrates how a company could disclose the number and percentage of assets exposed to climate-related physical and transition risks.

Presenting the information in this way helps users to:

- identify the size and where concentrations of vulnerability exist across the value chain;
- understand the planned actions and investments to mitigate climate-related risks; and
- understand how the company's approach to pursuing climate-related opportunities impacts its assets and business activities.

### Industry-based guidance

To identify all relevant SROs, along with the relevant disclosure requirements and metrics for the business model, the Company has considered other sources of guidance in addition to IFRS Sustainability Disclosure Standards. The outcomes of these considerations are detailed here. This analysis was conducted as part of the materiality assessment process, so that all relevant aspects were identified, both from a risk and opportunities and disclosure perspective.

As a result of this analysis, the Company identified the following additional metrics for disclosure:

- Total water withdrawn and total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress.
- Percentage of sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated and (3) under treatment or remediation. [IFRS S2.32, B67]

Guidance [IFRS S1.59(a)]	Industry(s) [IFRS S1.59(b)]	Impact of consideration
IFRS S2 Industry-based Guidance on Implementing Climate-related Disclosures	Volume B10 Metals & Mining	Inclusion of additional information related to water management
SASB Standards	Metals & Mining	Inclusion of additional information related to biodiversity management.
CDSB Framework Application Guidance for Water-related Disclosures and the CDSB Framework Application Guidance for Biodiversity-related Disclosures	n/a – cross-industry	n/a – no additional disclosures identified that would provide material information.

## Example 31

### Industry-based guidance and metrics

This example illustrates how a company can present industry-based sustainability-related metrics identified through the IFRS S2 industry-based guidance and other sources of guidance.

For illustrative purposes, it presents an extract of the company's reporting of water metrics.

Presenting information in this way may help users to understand:

- why particular sustainability-related topics are relevant to the company; and
- how the metrics are identified using sources of guidance.

### Water metrics

Water consumption and scarcity are key risk areas for the Company given its reliance on agricultural raw materials and water-intensive production processes. Water availability, quality and access are critical to maintaining supply chain resilience and long-term operational continuity, particularly in high and extremely high water-stressed regions, as identified using the World Resources Institute Aqueduct Water Risk Atlas.

The operations rely exclusively on freshwater – comprising groundwater, surface water and third-party water sourced from local municipal suppliers. The Company does not use seawater and produced water, which are therefore excluded from the metrics.

The table below details water-related metrics which are based on the IFRS S2 industry-based guidance (IFRS S2 IBG) Volume 20 – Agriculture Products and GRI 303: Water and Effluents 2018. In accordance with the transition relief in IFRS S1, the Company has not presented comparative information for the sustainability-related financial information in this reporting period. [IFRS S1.E3]

#### Target

The Company aims to reduce water withdrawal by 10% by 2030 – to 5,052 megalitres – from the 2025 baseline, particularly in areas identified as experiencing high and extremely high-water stress. [IFRS S1.51(b)–(d), IFRS S2.32]

2025 Water (megalitres/ML) [IFRS S1.51(a), IFRS S2.B67]	Source [IFRS S1.49]	2025				2030 Target [IFRS S1.51(b)]
		Surface water	Groundwater	Third-party water	Total	
<b>Water withdrawal</b>	GRI 303-3a, IFRS S2 IBG FB-AG-140a.1	1,089	203	4,322	5,614	5,052
Water withdrawal from areas with extremely high/high water stress	GRI 303-3b	371	79	2,542	2,992	n/a
% of water withdrawal from areas with extremely high/high water stress	IFRS S2 IBG FB-AG-140a.1	34%	39%	59%	53%	n/a
<b>Water discharge</b>	GRI 303-4a, IFRS S2 IBG FB-AG-140a.1	538	100	1,242	1,880	n/a
Water discharge from areas with extremely high/high water stress	GRI 304-4c, IFRS S2 IBG FB-AG-140a.1	332	22	540	894	n/a
% of water discharge from areas with extremely high/high water stress	IFRS S2 IBG FB-AG-140a.1	62%	22%	43%	48%	n/a
<b>Water consumption</b>	GRI 303-5a	551	103	3,080	3,724	n/a
Water consumption from areas with extremely high/high water stress	GRI 303-5	39	57	2,002	2,098	n/a

## Example 32

### Industry-based guidance and metrics

#### (Alternative example)

This example shows how the company's consideration of industry-specific guidance has led to the tracking and disclosure of industry-specific metrics.

Key elements of this example include:

- risks identified through the materiality assessment;
- sources of industry-specific guidance considered;
- metrics adopted; and
- relevance to the company in terms of potential benefits to its business and employees.

## Social metrics

Through the materiality assessment process, the Company identified three social-related risks that could reasonably be expected to affect the Group's prospects. To monitor these risks effectively, the Company has established a set of metrics by referring to the following guidance:

- SASB Standards (Hotels & Lodging); and
- GRI Standards. [IFRS S1.49]

The Company tracks both operational and social performance indicators to monitor progress. Core metrics are shown in the table below.

See Note [ ] for the performance for the reporting year. [IFRS S1.B47]

Risk	Topic	Metric (source) [IFRS S1.49, 59]	Coverage	Relevance to Group
High employee turnover and challenges in workforce retention may impact service quality, increase operational costs and disrupt continuity across hotel operations.	Employee turnover	Voluntary and involuntary turnover rate for employees (SASB SV-HL-310a.1, GRI 401-1)	Group-wide	Lowering employee turnover reduces costs and the risk of sub-optimal service affecting guest satisfaction.
	Wages	Average hourly wage and percentage of lodging facility employees earning minimum wage, by region (SASB SV-HL-310a.3)	Owned & managed hotels	Fair pay enhances employee retention rates and improves employees' standard of living.
	Health & Safety	Work-related injuries and ill health (GRI 403-9,403-10)	Owned & managed hotels; includes contractors	Lowering employee injuries and illnesses reduces costs over time. Tracking this metric allows the Company to assess the work environment and the success of measures to reduce workplace-related injuries and ill health.
Insufficient investment in employee training and development may limit service quality, hinder career progression and reduce workforce engagement and retention.	Training & development	Average hours of training per year per employee (GRI 404-1)	Group-wide	Training supports employee career development and retention, enhances service quality and reduces employee turnover.
Workplace injuries and illnesses may lead to increased operational disruptions, legal and reputational risks and higher employee turnover, impacting overall service delivery and staff wellbeing.	Employee turnover	Voluntary and involuntary turnover rate for employees (SASB SV-HL-310a.1, GRI 401-1)	Group-wide	Lowering employee turnover reduces costs and the risk of sub-optimal service affecting guest satisfaction.

# Sustainability-related targets

## Key points to consider

- Companies are required to discuss how progress against sustainability-related targets are monitored and reviewed. In most cases, performance is evaluated against a base year. [IFRS S1.51(d), IFRS S2.33(e)]
- Companies need to provide clarity on how targets interact with overall strategy as well as transition plans.

## Index of illustrative examples

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Carbon credits	Example 34

## Example 33

### Climate-related targets

This example shows how a company can use tables to disclose its climate-related targets, helping users understand the scope, timelines and progress of its decarbonisation efforts.

The tables are structured by target type (e.g. emissions, energy use), applicable scopes, base years and interim milestones.

Presenting information this way may enable users to assess ambition levels, track performance and evaluate alignment with broader climate-related goals.

### GHG emissions target-setting

The Group has committed to achieving net-zero GHG emissions by 2050 in alignment with the Science Based Targets initiative (SBTi) Corporate Net Zero Standard, using sectoral pathways for buildings and climate-related scenarios from the latest IPCC assessment reports. The emissions target covers operations globally and is measured on a gross basis against the 2022 base year.

This means that GHG removals, carbon credits and avoided emissions do not count towards GHG emissions reductions. The target covers all seven gases from the Kyoto Protocol. [IFRS S2.33(a)–(e), (g)–(h), 36(a), (d)]

Progress is reviewed quarterly by the Sustainability Committee using metrics including total GHG emissions, renewable energy mix and energy intensity per unit of output. Emissions data undergoes external limited assurance annually. [IFRS S2.34(b)]

The renewable energy projects and supplier engagement programmes are tracked monthly. The target has been validated by SBTi. There were no changes in the target during the reporting year. [IFRS S2.34(a), (d)]

The tables below summarise the scope of the short- and long-term emissions reduction targets and the emissions reduction activities undertaken in 2025.

#### Emissions reduction targets

Target year	Scope 1 and 2 emissions [IFRS S1.46(a), b(i), IFRS S2.34(c), 36(b)–(c)]		Scope 3 emissions [IFRS S1.46(a), (b)(i), IFRS S2.34(c), 36(b)–(c)]	
	Reduction goals	Coverage	Reduction goals	Coverage
2030 [IFRS S2.33(d), (f)]	50% absolute reduction from 2022 base year	<ul style="list-style-type: none"> <li>Scope 1: Direct fuel combustion from diesel generators, vehicles and refrigerant top-ups</li> <li>Scope 2: Purchased electricity, steam, heating and cooling</li> </ul>	30% absolute reduction from 2022 base year	Scope 3 Categories 1–6, Category 10, Category 13.
2050 [IFRS S2.33(d)]	95% absolute reduction from 2022 base year		90% absolute reduction from 2022 base year	

#### Emissions reduction activities

Target	Key activities in 2025	Status [IFRS S1.46(b)(ii), IFRS S2.35]
50% absolute reduction of Scope 1 and 2 emissions by 2030 from 2022 base year	<ul style="list-style-type: none"> <li>Electrification of the delivery vehicle portfolio</li> <li>Increased renewable energy mix to 15%</li> </ul>	Achieved a 6% absolute reduction in Scope 1 and 2 emissions in 2025, resulting in a total 23% reduction in Scope 1 and 2 emissions from the 2022 base year. The Company is on track to achieve its 2030 interim target.
30% absolute reduction of Scope 3 emissions by 2030 from 2022 base year	<ul style="list-style-type: none"> <li>Procurement of sustainable building materials</li> <li>Expanded virtual meeting policies to reduce frequency of business travel</li> <li>Consolidated shipments to reduce third-party transport frequency</li> </ul>	Achieved a 4% absolute reduction in Scope 3 emissions in 2025, resulting in a total 18% reduction in Scope 3 emissions from the 2022 base year. The Company is on track to achieve its 2030 interim target.

## Example 34

### Carbon credits

This example shows how a company can disclose its planned use of carbon credits in line with the requirements of IFRS S2. It uses narrative supported by a table to identify the credibility of the carbon credits it plans to use.

Presenting information in this way may help users to:

- understand the role of carbon credits in a company's overall emissions reduction strategy; and
- assess the credibility and quality of offsets based on recognised standards or registries.

### Carbon credits

The Company has set a gross GHG emissions reduction target of 60% by 2030 from a 2022 baseline of 511,883 tCO<sub>2</sub>e GHG emissions and net zero by 2050. To achieve the net-zero target, the Company plans to increase renewable energy capabilities, adopt sustainable building materials and transition to a 100% electric vehicle portfolio by 2040. To address residual emissions that cannot be eliminated through reduction efforts, the Company plans to use carbon credits to offset approximately 20,000 tCO<sub>2</sub>e residual Scope 1, 2 and 3 emissions annually, capped at 10% of residual emissions from 2030 onwards as the electrification progresses. The offsets are expected to decrease thereafter. [IFRS S2.36(e)(i)]

As of the reporting date, the Company purchased 60,023 tCO<sub>2</sub>e worth of credits, sufficient to cover the planned offsetting needs for the first three years beyond 2030. All carbon credits are nature-based and sourced from projects with permanence of at least 25 years, addressing carbon reduction and removal through improved forest management and reforestation. These credits are held in a third-party registry and earmarked for retirement upon verification of annual emissions. All credits will be verified annually by recognised third-party schemes including Verra and Gold Standard to ensure compliance with internationally accepted quality criteria. [IFRS S2.36(e)(ii)–(iv)]

The permanence of credits is assessed based on project type and location with buffer reserves maintained in line with certifier requirements.

Summary of carbon credits	2025
Total carbon credits planned to be retired from 2030–2033	60,023 tCO <sub>2</sub> e
Share from removal projects (%)	73%
Share from reduction projects (%)	27%
Recognised quality standard 1: Verra (%)	65%
Recognised quality standard 2: Gold Standard (%)	35%

# Transition plans

Transition plans present the company's targets, actions or resources for its transition towards a lower-carbon economy, including actions such as reducing its GHG emissions.

# Transition plans

## Key points to consider

- All examples presented within this section are based on the same fictitious company, with transition plan disclosures organised into separate examples according to topic.
- The examples in this section are intended to illustrate some of the IFRS S2 disclosure requirements relevant to a company's transition plan. The disclosure requirements illustrated here have been informed by the ISSB's guidance document [Disclosing information about an entity's climate-related transition](#) ►.
- These disclosures are presented together here for illustrative purposes. However, in practice, a company may choose to provide a summary of the transition plan in one section and cross-reference the summary to more detailed information throughout its report. Such an approach may be easier for users to navigate and avoids the need for a company to repeat information.
- Our guide [Telling your transition story](#) ► introduces transition plan disclosures for those new to the topic.

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### Example 35 (Page 1 of 2)

## Transition plan – Overview

This example shows how a company might present an overview of its transition plan.

Core elements of the overview include:

- an explanation of the company’s strategic objectives in preparing the transition plan;
- disclosure of reduction targets for Scope 1, 2 and 3 emissions;
- an explanation of the company’s approach to offsetting via carbon credits;
- strategic actions and timeframes; and
- key assumptions and dependencies.

Using a combination of narrative and a simple graphic provides a ‘snapshot’ that may help users to quickly and easily understand the key pillars of the plan.

## Overview of Beverage Company’s Transition Plan [IFRS S2.14(a)(iv)]

Achieving a commitment to net-zero GHG emissions by 2050 is critical to limiting global warming to 1.5°C and avoiding the worst impacts of climate change. This requires coordinated efforts to reduce emissions, manage climate-related risks and capitalise on climate-related opportunities to support the transition to a low-carbon economy. The Company aims to reach net-zero emissions across the value chain by 2050 from a 2022 base year, which is aligned with the 1.5°C global temperature limit in the Paris Agreement. To achieve this, the Company has set both short-term (2030) and long-term (2050) targets, approved by SBTi. [IFRS S2.33(d)–(e)]

In 2022, the Company developed the Transition Plan as a structured roadmap to achieve the strategic net-zero target. The plan has been informed by the outcomes of the Company’s climate-related scenario analysis.

It outlines how the Company plans to adapt the business strategy, operations and governance to meet both short- and long-term targets.

The Transition Plan and net-zero target has been approved and adopted by the Board. Senior management incentives are linked to emissions reductions. For more information, the Remuneration Policy is available at [\[URL\]](#). [IFRS S1.B47, IFRS S2.29(g)]

Although this Transition Plan focuses solely on CROs, the Company intends to broaden its scope in future years to include other relevant sustainability-related issues, such as nature and just transition.

The following diagram summarises the key elements of the Transition Plan. See Note [\[ \]](#) for more details. [IFRS S1.B47]

Beverage Company’s net-zero target		
<b>2050 targets</b> <sup>1,2</sup> <small>[IFRS S2.33(d)]</small>	90% reduction in absolute gross <b>Scope 1, 2 and 3</b> emissions <small>[IFRS S2.33(g), 36(b)]</small>	
<b>2030 targets</b> <sup>1</sup> <small>[IFRS S2.33(d)]</small>	80% reduction in absolute <b>Scope 1 and 2</b> emissions <small>[IFRS S2.33(g), 36(b)]</small>	30% reduction in absolute <b>Scope 3</b> emissions <small>[IFRS S2.33(g), 36(b)]</small>
<b>The strategy</b>	To achieve the Scope 1 and 2 target, there is a plan to: <ul style="list-style-type: none"> <li>• improve the energy efficiency of equipment and assets;</li> <li>• transition to renewable energy across all facilities, including offices;</li> <li>• electrify the vehicle portfolio; and</li> <li>• research and invest in technology innovation opportunities. <small>[IFRS S2.13, 14(a)(i)–(iii)]</small></li> </ul>	The Scope 3 target, includes a plan to reduce emissions from: <ul style="list-style-type: none"> <li>• agricultural processes used to generate raw ingredients;</li> <li>• manufacturing and disposal of product packaging;</li> <li>• distribution of products to customers; and</li> <li>• refrigeration of drinks in stores and bars. <small>[IFRS S2.13, 14(a)(i)–(iii)]</small></li> </ul>
<b>Carbon credits</b>	Meeting the net-zero target will require the use of high-quality <b>carbon credits</b> to offset a maximum of 10% of residual hard-to-abate emissions. The Company plans to start purchasing and retiring carbon credits from 2030. <small>[IFRS S2.36(e)(i)]</small>	

<sup>1</sup> Compared to the 2022 base year.

<sup>2</sup> The net-zero emissions target allows for up to 10% of residual emissions to be offset using high-quality carbon credits.

Example continues on the following page...

### Example 35 (Page 2 of 2)

The Transition Plan has been developed based on a set of foundational assumptions and dependencies that reflect current market conditions, regulatory landscapes, technological trajectories and stakeholder expectations. These assumptions are critical to the feasibility and effectiveness of the proposed actions and targets. They are as follows.

#### Key assumptions and dependencies in developing the Transition Plan [IFRS S2.14(a)(iv)]

Assumptions	Dependencies
<ul style="list-style-type: none"> <li>The national electricity grid will continue to decarbonise in line with current government targets and industry trends, supported by ongoing investment in renewable energy sources – such as wind and solar. This includes the continued rollout of smart grid technologies and battery storage solutions, which are expected to improve grid reliability and reduce emissions associated with electricity used in production and distribution operations.</li> <li>Electric vehicles will become increasingly cost-effective and widely available across Country Q by 2030, including for commercial use.</li> <li>The Company will continue to have access to sufficient sustainable financing instruments, including green loans, sustainability-linked loans and government-backed funding schemes to support capital investment.</li> <li>There will be sufficient supply of low-carbon raw ingredients and packaging options to enable decarbonisation of the upstream supply chain.</li> <li>Increased global investment in energy-efficient equipment, technology and assets – such as advanced heating, ventilation and air conditioning systems, low-energy manufacturing and bottling technologies – will improve their availability and affordability over time.</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure to scale the recycling of waste packaging.</li> <li>Key suppliers to adopt regenerative agriculture programmes.</li> <li>Continued clarity and successful design in climate and energy policy to unlock investment and maintain stakeholder confidence.</li> <li>Improvements in electrical vehicle charging infrastructure for the increased adoption of electric trucking and logistics technologies.</li> <li>Timely investment in workforce skills to support research and development (R&amp;D) and deployment of new technologies and infrastructure.</li> </ul>

## Example 36

### Transition plan – Governance

This example illustrates the governance disclosure requirements relevant to the company's transition plan.

Key elements include:

- the specific responsibilities and roles of the Board, management and wider workforce in supporting the transition plan; and
- how the Board, management and wider workforce co-ordinate to support the transition plan.

The information is presented here as a single, consolidated section for illustrative purposes.

In practice, it may be more effective to integrate information on transition plan governance into broader sustainability governance disclosures. This could support integrated reporting and help to avoid duplicating information.

### Transition Plan governance

The Board provides strategic oversight of the Company's Transition Plan, ensuring that it aligns with the Company's purpose, values and long-term objectives. The Board possesses the appropriate skills to oversee climate-related matters and engages external experts where targeted guidance or training is required. [IFRS S2.6(a)(ii)]

The Board delegates day-to-day oversight of the Transition Plan to the Corporate Responsibility Committee (CRC), which meets quarterly. The CRC monitors progress against Transition Plan objectives, including:

- achieving net-zero emissions by 2050;
- phasing out high-emission assets and technologies; and
- scaling up renewable energy procurement and on-site generation. [IFRS S2.6(a)(i)]

The CEO, who sits on the CRC, supports its oversight of the Transition Plan. In major transactions involving CROs, the Board consults both the CRC and the CEO. [IFRS S2.6(a)(i),(iv), (b)(i)]

The Board receives quarterly updates from the CRC on progress towards Transition Plan goals. [IFRS S2.6(a)(iii)]

The Audit and Risk Committee (ARC) also plays a role in overseeing the integration of the Transition Plan into the Company's strategy. In 2025, the ARC reviewed management's reports on integrating the finalised Transition Plan into the Company's strategy. The ARC also monitors compliance with sustainability reporting obligations related to the Transition Plan and oversees the internal control environment and audit functions relevant to climate-related disclosures. [IFRS S2.6(a)(iii), (b)(ii)]

Sustainability-related performance targets linked to the Transition Plan are incorporated into the Approved Director Bonus Scorecard, influencing annual bonuses for senior management. The Board is actively considering the inclusion of transition-related metrics – specifically those tied to reductions in GHG emissions and energy use – within the Long-Term Incentive Plan for 2026. [IFRS S2.6(a)(v)]

### Management's role

Responsibility for managing the Company's response to transition-related risks and opportunities lies with the CRO, with input from the CFO and business unit leaders. The CRO oversees the identification and assessment of risks and opportunities linked to the Transition Plan, which are integrated into the Company's risk management framework to inform both strategic and operational decision-making. [IFRS S2.6(b)(i)]

The CEO – with input from the CRC and CFO – oversees planning and budgetary processes so that there is alignment with long-term transition objectives. [IFRS S2.6(b)(ii)]

### Skills, competencies and knowledge [IFRS S2.6(a)(ii)]

To support the transition to renewable energy and low-carbon operations, targeted training and workshops have been delivered to upskill technical teams. Additional expertise is being recruited so that the workforce is equipped to implement and sustain transition-related initiatives. Although the Board oversees the Transition Plan, its success is driven by the collective efforts of the Board, its committees, management and the wider workforce.

**Example 37** (Page 1 of 3)

**Transition plan –  
Targets and strategy**

This example illustrates how a company can present an overview of its transition strategy.

The disclosure breaks the transition strategy down into its key elements:

- overall strategic objectives in terms of emissions reduction;
- related targets the company has adopted; and
- actions the company has selected to achieve those targets.

This example shows the information as a single, consolidated section for illustrative purposes. In practice, companies may choose to integrate this content into broader sustainability-related strategy disclosures to avoid duplication and support a more connected and efficient reporting approach.

This example assumes that the targets and strategy are informed by relevant risks and opportunities.

**Targets and strategy**

**Reduce absolute gross Scope 1 and 2 emissions by 80% by 2030, 90% by 2050<sup>1</sup>** [IFRS S2.13, 14(a)(i)–(iii), (v), 33(d), (g), 36(b)]      <sup>1</sup> Compared to the 2022 base year.

 **Improve the energy efficiency of the equipment and assets**

**Target: 10% reduction in GHG emissions from improved energy efficiency by 2030**

The Company estimates that it can save 10% in GHG emissions by improving energy efficiency at its facilities. By 2030, the Company will complete upgrades to insulation and control systems in refrigeration and cooling equipment and optimise the operation of existing production lines. Energy monitoring systems will be installed to track real-time consumption and identify opportunities for efficiency gains. Operational site managers and technical engineers will be trained to use these systems effectively, ensuring improvements are sustained.

 **Electrify the vehicle fleet**

**Target: Replace 50% of vehicles powered by internal combustion engines (ICE) with electric vehicles by the end of 2030, replace 90% by 2050**

The company has 14 ICE delivery vans and forklifts remaining in its vehicle portfolio (64% of the total 22-vehicle portfolio). All remaining ICE vehicles are expected to reach the end of their operational life cycle between 2026 and 2030. They will be sent to certified dismantlers for responsible recycling of metals, plastics and fluids. When these vehicles are retired, the Company will replace them with electric vehicles. [IFRS S2.14(c)]

To facilitate this transition, charging stations will be deployed at production sites to support the integration and operation of the electrified vehicle portfolio.

 **Transition to renewable energy across all facilities**

**Target: 70% renewable energy mix by 2030, 100% by 2050**

The Company is pursuing PPAs as a key strategy to increase the share of renewable energy in operations – targeting 70% by 2030 and 100% by 2050. By securing long-term contracts with renewable energy providers on the same grid, the Company aims to reduce Scope 2 emissions, stabilise energy costs and support the development of additional clean energy capacity.

In parallel, solar panels are being installed at production sites to directly generate renewable electricity and further accelerate progress toward targets.

 **Research and invest in technology innovation opportunities**

**Target: N/A**

The Company is researching opportunities to reduce GHG emissions through new technology, including biogas recovery systems, energy storage and energy-efficient bottling machinery. There is engagement with research institutions to assess how these technologies could be integrated into operations, and the Company will consider setting metrics and targets as the research matures.

Example continues on the following page...

### Example 37 (Page 2 of 3)

#### Reduce absolute gross Scope 3 emissions 30% by 2030, 90% by 2050<sup>1</sup> [IFRS S2.13, 14(a)(i)–(iii), (v), 33(d), (g), 36(b)]

<sup>1</sup> Compared to the 2022 base year.


**Reduce emissions from the agricultural processes used to generate raw ingredients**

**Target: Engage with 100% of suppliers by 2030.**

The Company is collaborating with all current suppliers of key raw ingredients – such as sugar cane, wheat and barley – to explore regenerative agriculture practices, with the goal of transitioning to sourcing these ingredients from regenerative systems. These practices are expected to reduce GHG emissions through the use of healthier soils that require less tilling, fuel and fertilisers.

**Target: 30% of raw materials (by weight) to be sourced from regenerative agriculture by 2030, 100% by 2050.**

As a result of the supplier collaboration process, one supplier has initiated a test programme for regenerative agriculture practices in 2024. The initial crop produced from the test programme was used as a raw material in products towards the end of 2024 and for the whole of 2025. [IFRS S2.14(c)]


**Reduce emissions from distribution of products to customers**

**Target: 80% of outsourced transport companies to meet the procurement policy emissions criteria by 2050.**

The Company has updated the transport and logistics procurement process to include emissions-related screening criteria, such as the use of low-emission vehicles and fuel efficiency practices by third-party logistics partners. The Company is actively working with existing transport providers to reduce emissions from deliveries and where lower-emission options cannot be incorporated, alternative providers will be considered. [IFRS S2.14(c)]


**Reduce emissions from the manufacturing and disposal of product packaging**

**Target: Engage with existing suppliers to explore co-development of recycled and/or recyclable packaging by 2030.**

The Company is collaborating with existing packaging suppliers to develop more sustainable solutions aimed at improving recyclability, increasing recycled or renewable content and reducing the overall weight of packaging.

**Target: 100% of packaging material to be reusable or recyclable by 2050**

**Target: 100% of all packaging material to be made from recycled or renewable content by 2050**

Where lower-carbon packaging solutions cannot be sourced from existing suppliers, the Company will consider transitioning to new partners that demonstrate strong sustainability credentials including high EcoVadis ratings or ISO 14001 certification.


**Reduce emissions from refrigeration of drinks by customers (stores and bars)**

**Target: 8,000 subsidised energy-efficient replacement fridges to be provided to customer stores/bars by 2050.**

The Company established an initiative in 2022 whereby subsidised energy-efficient replacement fridges are made available for purchase by customers with stores and bars. Standardised subsidised agreements are used for each customer. The customer portal provides data to inform an understanding of fridge efficiency at each store/bar and which ones may benefit from replacement. [IFRS S2.14(c)]

Example continues on the following page...

### Example 37 (Page 3 of 3)

#### Planned use of carbon credits [IFRS S2.36(e)]



#### Use high-quality carbon credits to offset residual hard-to-abate emissions

**Target: Offset a maximum of 10% of residual hard-to-abate emissions.**

Meeting the net zero-target will require the use of high-quality carbon credits. To meet this target as part of its Transition Plan, the Company will limit its use of offsets to a maximum of 10% of residual hard-to-abate emissions. The Company plans to start purchasing and retiring carbon credits from 2030 to offset a portion of its Scope 1 and Scope 3 emissions.

The Company has identified projects that will generate the following two types of carbon credits to achieve its emissions reduction targets.

Type	Scope	Verified by
Technological – Solar Photovoltaic (PV)	Scope 1	Verified Carbon Standard (Verra)
	Scope 3	Gold Standard

### Example 38

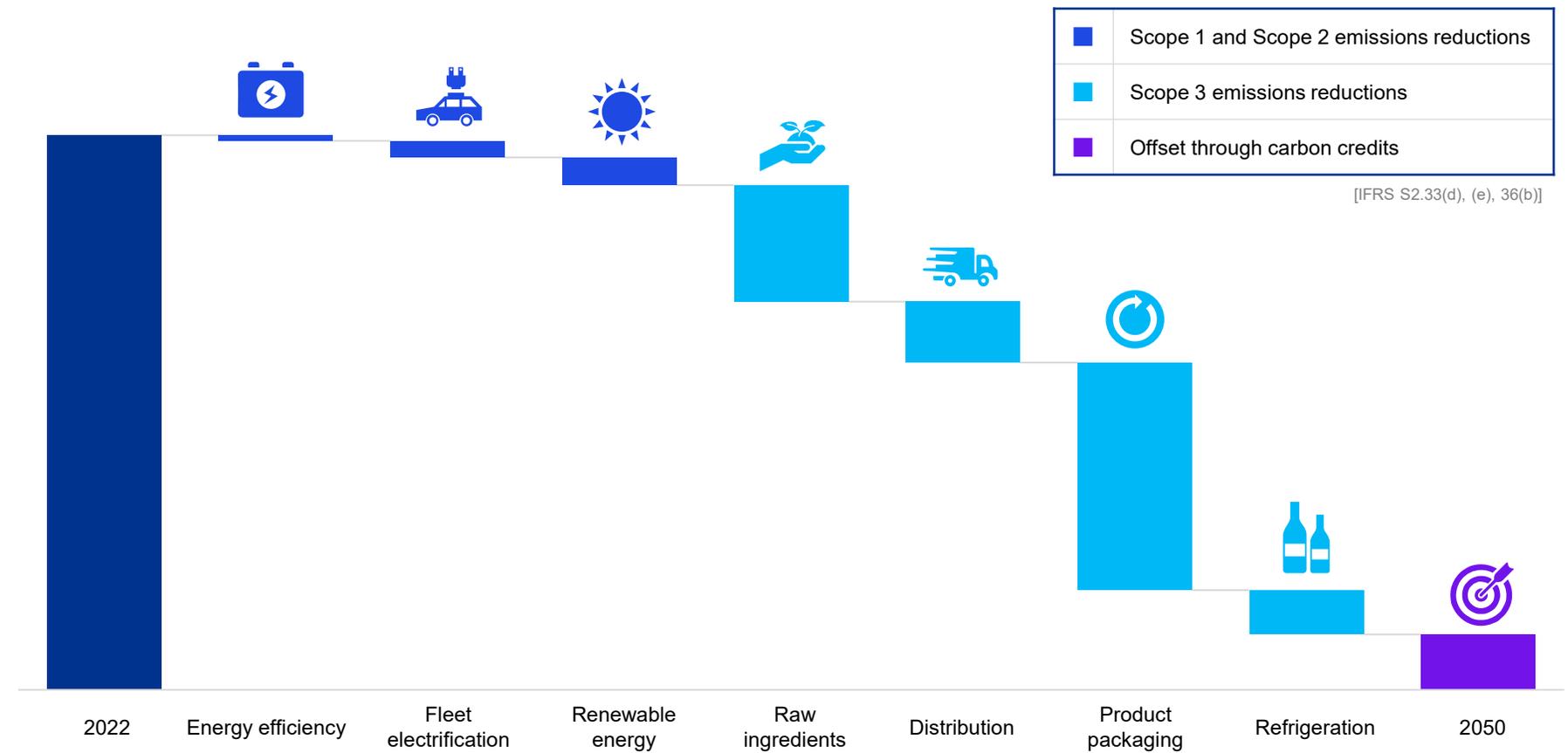
## Transition plan – Waterfall chart

This example shows how a company can use a waterfall chart to illustrate the anticipated contribution of each decarbonisation activity to its Transition Plan.

Presenting the information in this way can help users understand how the company's decarbonisation activities support its progress toward achieving its net-zero target.

### Key decarbonisation activities to achieve net zero by 2050 [IFRS S2.14(a)(v)]

The Company has consolidated its decarbonisation measures into seven key activities, illustrated in the waterfall chart below. The chart shows the contribution each activity is expected to make toward achieving a 90% reduction in emissions between the 2022 base year and the 2050 net-zero target. Although the chart depicts all seven activities occurring sequentially, in practice they will be implemented in parallel.



### Example 39

## Transition plan – Value chain emissions

This example uses a graphic to illustrate where GHG emissions are concentrated in the company's value chain.

The standards do not explicitly require visuals, but presenting information in this way can enhance users' understanding of a company's GHG emissions reduction strategy.

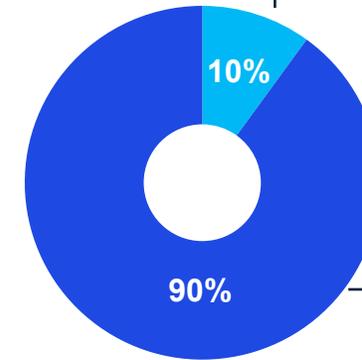
## Emissions across the value chain [IFRS S2.29(a)(i)]

Scope 1 and 2 emissions make up a relatively small share of the Company's total emissions footprint. Scope 1 emissions include direct emissions from energy use – such as oil, natural gas and fuel – at our facilities and from company owned and operated vehicles, as well as refrigerant use within the facilities. Scope 2 emissions include indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed at the Company's facilities.

Scope 3 emissions are the largest contributor to the Company's emissions footprint, mainly driven by the manufacturing and disposal of product packaging, the agricultural processes used for growing and processing of raw ingredients and downstream distribution of the Company's products. Other Scope 3 emissions sources include capital goods – such as buildings, bottling and packaging machinery, refrigeration and cooling systems – upstream transportation of raw materials and packaging to facilities and the treatment and disposal of waste generated during production.

### Scope 1 and 2

100,478 tCO<sub>2</sub>e in 2025



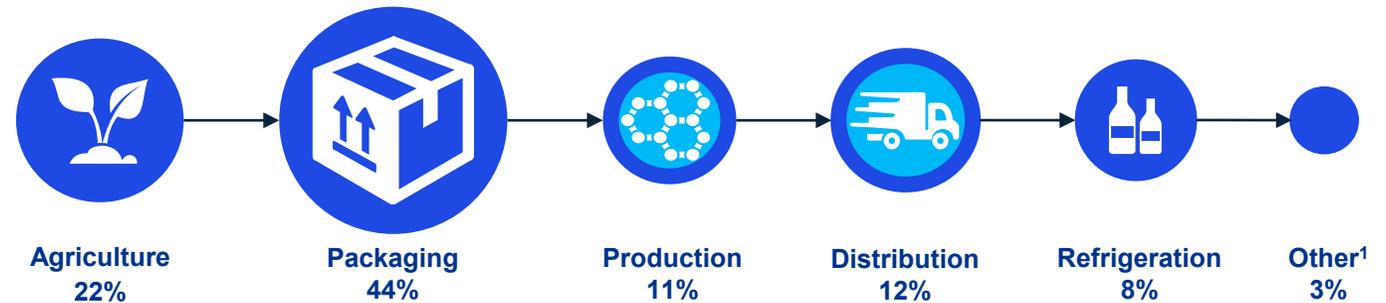
### Scope 3

915,228 tCO<sub>2</sub>e in 2025

### Emissions by activity

The following diagram shows the share of total emissions in 2025 attributable to each key activity.

- Scope 3 emissions
- Combination of Scope 1, 2 and 3 emissions



<sup>1</sup> Other emissions sources include waste generated in operations and use of sold products.

**Example 40** (Page 1 of 4)

## Transition plan – Emissions

This example provides an overview of the company's GHG emissions performance.

It uses a table to summarise GHG emissions performance over time. The details of the measurement methodologies and policies used are disclosed in conjunction with this data. The measurement methodologies and policies could also be included in an appendix, linked by cross-reference from this data table.

Presenting data in this way may help users to understand the company's progress in GHG emissions reduction and how its total emissions breakdown by scope and category.

## Our emissions

The carbon footprint in 2025 was 1,015,706 tCO<sub>2</sub>e, covering Scope 1, 2 and 3 emissions. The table below shows absolute gross Scope 1, 2 and 3 emissions performance against the 2022 base year, without offsets, in metric tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). [IFRS S2.29(a)(i)]

Emissions (tCO <sub>2</sub> e)	2025	2024	2023	2022 <sup>1</sup>	Progress against base year
<b>Absolute Scope 1 and Scope 2 emissions (location-based)</b>	<b>100,478</b>	<b>123,569</b>	<b>146,489</b>	<b>171,418</b>	<b>-41%</b>
Absolute Scope 1 emissions	43,745	55,624	67,375	78,343	-44%
Absolute Scope 2 emissions (location-based) [IFRS S2.29(a)(v)]	56,733	67,945	79,114	93,075	-39%
<b>Absolute Scope 3 emissions (relevant categories) [IFRS S2.29(a)(vi)(1)]</b>	<b>915,228</b>	<b>1,026,738</b>	<b>1,064,754</b>	<b>1,121,828</b>	<b>-18%</b>
Category 1: Purchased goods and services	662,327	735,022	767,330	807,716	-18%
Category 2: Capital goods	14,640	15,481	16,154	16,827	-13%
Category 3: Fuel- and energy-related activities	8,862	10,433	10,770	11,218	-21%
Category 4: Upstream transportation and distribution	49,809	63,271	64,617	67,310	-26%
Category 5: Waste generated in operations	11,499	13,181	13,181	14,023	-18%
Category 9: Downstream transportation	72,694	81,220	83,464	89,746	-19%
Category 11: Use of sold products	88,456	100,179	101,245	106,574	-17%
Category 12: End-of-life treatment of sold products	6,941	7,951	7,993	8,414	-18%
<b>Total GHG emissions</b>	<b>1,015,706</b>	<b>1,150,307</b>	<b>1,211,243</b>	<b>1,293,246</b>	

<sup>1</sup> Base year [IFRS S2.33(e)]

Example continues on the following page...

## Example 40 (Page 2 of 4)

### GHG measurement methodology

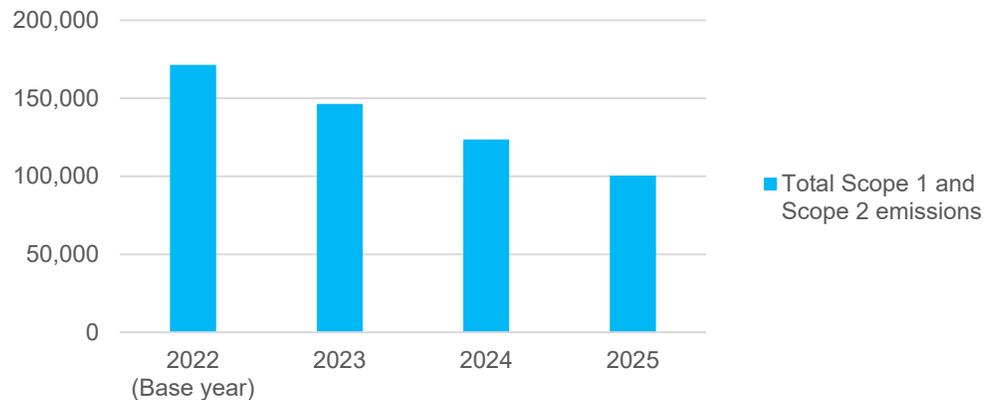
The Company measures GHG emissions using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004), applying the operational control approach. The Company has selected this approach because it enables it to clearly identify and report emissions from activities where the Company has the authority to implement operating policies – such as brewing, packaging and facility management – while distinguishing those emissions-generating activities across the value chain, like agriculture and distribution, where it can influence outcomes but does not have direct control.

[IFRS S2.29(a)(ii), B27]

This approach supports accurate emissions reporting and targeted reduction efforts aligned with operational responsibilities. [IFRS S2.29(a)(ii), (iii)(1)–(2)]

### Scope 1 and Scope 2 location-based emissions [IFRS S2.29(a)(i)-(ii)]

Scope 1 and Scope 2 emissions combined accounted for approximately 10% of the total absolute GHG emissions in 2025. This represents a 41% tCO<sub>2</sub>e reduction compared to the 2022 base year. This reduction was achieved predominantly through replacement of the cooling systems at all sites, which use a less carbon-intensive refrigerant, electrification of site vehicles, increased use of renewable energy in production, operational efficiency improvements (e.g. automatic shutdowns of fuel-powered machinery) and the replacement of gas boilers for heating at all office sites with district heating.



### Sustainability reporting policies [IFRS S2.29(a)(iii)(1)]

#### Scope 1 emissions calculation methodology

Scope 1 emissions are calculated using refrigerant top-up reports and fuel consumption data extracted from the Environmental Management System, multiplied by emission factors from [appropriate source of emission factors], assuming that reported quantities accurately reflect actual usage and that any missing data has been reasonably estimated based on historical averages or comparable equipment.

[IFRS S2.B26(c), B29]

#### Scope 2 emissions calculation methodology

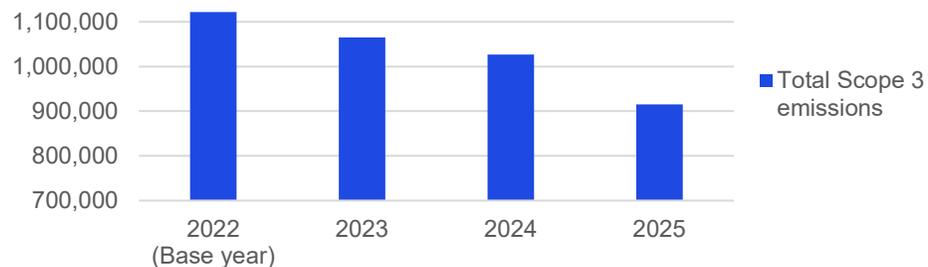
Scope 2 location-based emissions are calculated using metered electricity consumption across offices, facilities and warehouses, extracted from the Energy Management System and multiplied by emission factors from the relevant country, e.g. [appropriate source of emission factors], assuming that all metered data accurately reflects actual energy use and that no significant unmetered consumption occurred during the reporting period. [IFRS S2.B26(c), B29]

Example continues on the following page...

## Example 40 (Page 2 of 4)

### Scope 3 emissions [IFRS S2.29(a)(iii)]

Scope 3 emissions accounted for approximately 90% of total absolute GHG emissions in 2025. This represents a 18% tCO<sub>2</sub>e reduction compared to the 2022 base year. This reduction was achieved predominantly via significant upstream supply chain decarbonisation, including the sourcing of significantly less carbon-intensive raw materials more locally and the discontinuation of certain product lines.



### Sustainability reporting policies [IFRS S2.29(a)(iii)(1)]

#### Scope 3 emissions calculation methodology [IFRS S2.B55]



#### Category 1 – Purchased goods and services

Emissions from the cultivation and processing of raw ingredients, production of packaging materials (including bottles, cans, cartons, labels and boxes), and other upstream inputs not accounted for elsewhere. Emissions were calculated using the hybrid data method, combining procurement spend, volumes or weight of material consumed, and supplier-specific activity data extracted from the Enterprise Resource Planner (ERP) and applying emission factors from [appropriate source of emission factors]. Supplier-specific data was prioritised when available.



#### Category 2 – Capital goods

Emissions from assets – such as bottling and packaging machinery, refrigeration and cooling systems and production line equipment – with 2025 activity limited to the purchase of a new labelling machine. Emissions were calculated using the average spend-based method, based on capex spend data (extracted from the ERP system) and applying emission factors from [appropriate source of emission factors]. Assumptions include that the selected emission factors accurately reflect the materials and transaction types associated with the equipment.



#### Category 3 – Fuel- and energy-related activities

Emissions from the upstream production and delivery of fuels and electricity used in operations not already captured in Scope 1 or 2. Emissions were calculated using average-data method, based on metered electricity and heating consumption data and applying emission factors from [appropriate source of emission factors]. Assumptions include standard grid loss percentages and fuel mix.

Example continues on the following page...

## Example 40 (Page 3 of 4)

### Sustainability reporting policies [IFRS S2.29(a)(iii)(1)]

#### Scope 3 emissions calculation methodology [IFRS S2.B55]

##### **Category 4 – Upstream transport and distribution**

Emissions from third-party road transport and warehousing of raw materials, ingredients and packaging before they reach the facilities. Emissions were calculated using the average spend-based method, based on procurement transportation data from the ERP system and applying emission factors from [appropriate source of emission factors], assuming that spend data is a reasonable proxy for transport activity in the absence of detailed distance or weight data.

##### **Category 5 – Waste generated in operations**

Emissions from the treatment and disposal of brewing-related waste, such as spent grain, packaging offcuts and wastewater. Emissions were calculated using the waste-type-specific method, based on production logs, water utility bills, treatment plant records and contractor invoices detailing waste types, volumes and disposal methods, applying emission factors from [appropriate source of emission factors] and assuming recorded volumes and disposal routes accurately reflect actual waste treatment outcomes.

##### **Category 9 – Downstream transportation**

Emissions from third-party transport and storage of finished products delivered to retailers, distributors and customers. Emissions were calculated using the distance-based method, based on reports from third-party distributors detailing distance travelled per delivery multiplied by emission factors from [appropriate source of emission factors], assuming reported distances were accurate.

##### **Category 11 – Use of sold products**

Emissions from the energy used by customers to refrigerate products after sale, particularly in retail, hospitality and home settings, as well as emissions released during consumption. Emissions were calculated using the average-data method, based on sales data from the ERP and assuming typical refrigeration duration and energy use, multiplied by emission factors from [appropriate source of emission factors].

##### **Category 12 – End-of-life treatment of sold products**

Emissions from the disposal of packaging materials, such as bottles, cans and cartons after consumption. Emissions were calculated using internal sales data to determine packaging volumes and material specifications, combined with waste treatment assumptions from [appropriate source of assumptions for country] and emission factors from [appropriate source of emission factors].

Example continues on the following page...

## Example 41 (Page 1 of 2)

### Transition plan – Financial effects

This example explains how the company is funding its transition plan.

It also sets out the expected effects of investment in transition on the company's financial position and performance, including:

- the amount invested to date;
- the impact on capital expenditure and cost of sales from transition investments; and
- expected areas of cost savings from transition investment.

Providing this information may help users to assess the credibility, feasibility and financial resilience of a company's transition plan.

Note: This example illustrates the anticipated financial effects of a selection of activities identified in the company's transition plan.

### Funding the Transition Plan

Implementing the strategies outlined in the Transition Plan requires targeted capital investment to support the shift towards lower-carbon operations. The Company plans to fund this investment through a mix of internally allocated capital, green financing instruments and partnerships that enable access to climate-aligned funding. This includes:

- power purchasing agreements (PPAs);
- obtaining sustainability-linked loans; and
- engaging with the government to obtain grants and subsidies, when possible. [IFRS S2.14(b), 16(c)(ii)]

The Company has introduced a funding policy to support its Transition Plan, which includes reprioritising resources, evaluating new sustainability project proposals, adjusting budgets and assessing impacts on assets, financial position and performance and share price. Long-term savings are expected from lower maintenance costs, reduced exposure to carbon taxes and decreasing reliance on fossil fuel-based energy. [IFRS S2.16(c)(ii)]

The quantitative information presented in the following section will be reviewed and refined in future reporting periods as plans progress and more reliable data becomes available.

#### Current financial effects [IFRS S2.14(a)(i)–(ii), 15(a)]

#### Energy efficiency upgrades

In 2025, the Company invested CU250,000 in energy efficiency upgrades and photovoltaic solar infrastructure to support emissions reduction efforts across operations. See Note [ ] of the Annual Report for a breakdown of the total capital expenditure and the proportion aligned with energy efficiency upgrades. [IFRS S1.B47, IFRS S2.16(a), 29(e)]

#### Electrifying the vehicle portfolio

In 2025, the Company received CU20,000 in government grants to support the replacement of four diesel vans with electric alternatives. The vans were due for replacement under the Company's routine capital allocation programme and, excluding the grant, CU148,000 was invested in the upgrade (an additional total cost of CU36,000 compared to replacing the vehicles with diesel models).

[IFRS S2.16(a), 29(e)]

## Example 41 (Page 2 of 2)

### Anticipated financial effects [IFRS S2.14(a)(i)–(ii), 15(b)]

#### Energy efficiency upgrades

To improve operational efficiency and reduce emissions, the Company plans to allocate an additional 5% in capital expenditure annually over the next five years to support energy efficiency upgrades. This includes investments in equipment, machinery and infrastructure improvements designed to lower energy consumption and enhance long-term cost savings. [IFRS S2.16(c)(i), (d), 29(e)]

#### Electrifying the vehicle portfolio

The Company estimates that CU670,000 of capital will be required to replace the remaining 64% of diesel-fuelled vans with electric alternatives between 2026 and 2030 as part of the **Company's routine capital allocation programme**. This estimate is based on current electric van prices and will be updated as needed, recognising that future prices may vary. It also assumes no change in the availability or value of government grants currently offered. [IFRS S2.16(c)(i), (d), 29(e)]

To support the transition to electric vehicles, more charging stations are planned for installation at the Company's three operational sites. This initiative is expected to require a capital allocation of approximately CU120,000 over the next five years, covering equipment, installation and site upgrades. The investment will enable reliable on-site charging for the Company's growing electric vehicle portfolio. [IFRS S2.16(c)(i), (d), 29(e)]

The Company expects long-term operating cost savings from the transition to electric vans, driven by estimated fuel and maintenance cost reductions of 30–60% and 20–40%, respectively, over each vehicle's lifetime. See Note [ ] of the Annual Report for a breakdown of total capital expenditure and the proportion allocated to vehicle purchase. [IFRS S1.B47, IFRS S2.16(d)]

#### Transition to renewable energy

The Company estimates that it will need to allocate approximately CU500,000–750,000 of capital expenditure across the next five years to install solar panels and related infrastructure across all three operational sites to support the reduction of Scope 2 emissions. This range is based on the current average price of solar panels and related infrastructure and installation costs; however, actual costs will depend on the availability and cost of solar panels in the year of purchase, the total number of solar panels required per site and the Company's ability to obtain government subsidies or grants. [IFRS S2.16(c)(i), (d), 29(e)]

### Sourcing raw ingredients from regenerative agriculture [IFRS S2.14(a)(iii)]

Purchasing raw ingredients – such as barley, hops, maize and yeast – represents 15% of the Company's total annual cost of sales. See Note [ ] of the Annual Report for a breakdown of the total cost of sales and the proportion aligned with current spend on raw ingredients. [IFRS S1.B47]

The total cost of transitioning to ingredients sourced from regenerative agriculture remains uncertain, as it will depend on the outcome of engagement with existing suppliers, the success of pilot projects and product testing. These activities will inform future sourcing decisions and contribute to variability in the final costs. However, based on the current average price of barley from regenerative agriculture in Country A, the Company estimates an annual cost increase of 5–15%. This increase is expected to be higher in the short term due to limited supply and to decline over time as the availability of regenerative raw ingredients improves. [IFRS S2.16(d)]

### Sourcing sustainable packaging [IFRS S2.14(a)(iii)]

Currently, product packaging represents 30% of the Company's annual cost of sales. See Note [ ] of the Annual Report for a breakdown of the total cost of sales and the proportion aligned with current spend on product packaging. [IFRS S1.B47]

56% of existing product packaging is reusable or recyclable and 21% is made from recycled or renewable content. Initial estimates suggest that upgrading packaging may result in a 5–15% increase in packaging-related costs annually, subject to future material availability and supplier pricing. There is significant uncertainty over total expected costs, as this transition will require product research and development, supplier engagement and testing. [IFRS S2.16(d)]

## Example 42 (Page 1 of 4)

### Transition plan – Metrics, targets and performance

This example illustrates how a company can disclose key metrics and targets related to its transition plan.

A simple tabular format can be used to show:

- actions in the transition plan;
- metrics linked to each action;
- targets linked to each action, including target dates and base year;
- performance in previous years; and
- commentary on progress.

### Metrics, targets and performance

To support the transition to net zero, the Company has established a set of targets aligned with specific actions in the Transition Plan. The table below outlines the actions, the metrics used to track progress, the associated targets and performance.

#### Scope 1 & 2 target performance

Transition Plan actions <sup>1</sup> [IFRS S2.33(b)–(c)]	Metrics linked to actions [IFRS S2.33(a), 34(c), B67]	Target <sup>2, 3, 4</sup>	Target year [IFRS S2.33(d)]	Performance			Base year amount (2022) [IFRS S2.33(e)]	Monitoring progress <sup>5</sup> [IFRS S2.34(b), 35]
				2025	2024	2023		
<b>Improve the energy efficiency of the equipment and assets</b>	<b>10% reduction in Scope 1 and Scope 2 emissions</b>	10% reduction	2030		N/A			An energy monitoring system was installed at one facility at the end of 2025 which is expected to be operational in 2026. Installation of the remaining energy monitoring systems will be completed in 2026. As a result, efficiency performance will be monitored from 2026 onwards and has not been tracked for 2023 to 2025.
<b>Transition to renewable energy across operational facilities and reducing overall GHG emissions from facilities</b>	<b>% of renewable energy in the energy mix</b>	70%	2030	41%	32%	25%	22%	Better than expected progress has been made in developing solar PV infrastructure, mainly due to new manufacturers entering the market since 2022. It is expected that the energy mix target will be met by 2030 and there will be continued reduction of Scope 1 and 2 emissions from grid usage.

For footnotes, see Example 42 (Page 4 ► of 4)

Example continues on the following page...

## Example 42 (Page 2 of 4)

### Scope 1 & 2 target performance

Transition Plan actions <sup>1</sup> [IFRS S2.33(b), (c)]	Metrics linked to actions [IFRS S2.33(a), 34(c), B67]	Target <sup>2, 3, 4</sup>	Target year [IFRS S2.33(d)]	Performance			Base year amount (2022) [IFRS S2.33(e)]	Monitoring progress <sup>5</sup> [IFRS S2.34(b), 35]
				2025	2024	2023		
<b>Transition to renewable energy across operational facilities and reducing overall GHG emissions</b>	<b>Scope 1 and 2 emissions from electricity usage</b>	Reduce absolute Scope 1 and 2 emissions (related to electricity usage) by 65% by 2030 [IFRS S2.33(g), 36(b)]	2030	82,889 tCO <sub>2</sub> e (41% reduction)	105,365 tCO <sub>2</sub> e (25% reduction)	120,372 tCO <sub>2</sub> e (8% reduction)	140,486 tCO <sub>2</sub> e	The Scope 1 and 2 target is an absolute target, aligned with a 1.5°C pathway, approved by SBTi. [IFRS S2.33(g), 34(a)]
<b>Transition to electric vehicles and lower GHG emissions in logistics management</b>	<b>% of electric vehicles in the vehicle portfolio mix</b>	More than 80% [IFRS S2.33(f)]	2028	18%	9%	5%	0%	Electric vehicles were procured in 2023 (one vehicle), 2024 (two vehicles) and 2025 (four vehicles), which replaced ICE vehicles that reached their end of operational life cycle. Procurement of electric vehicles will be completed between 2026 and 2030 when the current diesel fuelled vehicle portfolio reaches the end of its operational life.
		100%	2030					
	<b>Charging stations installed at manufacturing facilities</b>	More than 80% of facilities [IFRS S2.33(f)]	2028	58%	42%	34%	28%	
		100% of facilities	2030					
	<b>Scope 1 and 2 emissions from diesel vehicle usage</b>	Reduce absolute Scope 1 and 2 emissions (related to diesel vehicle usage) by 100% by 2030 [IFRS S2.33(g), 36(b)]	2030	17,589 tCO <sub>2</sub> e (43% reduction)	18,204 tCO <sub>2</sub> e (41% reduction)	26,117 tCO <sub>2</sub> e (16% reduction)	30,932 tCO <sub>2</sub> e	This is an absolute target, aligned with a 1.5°C pathway, approved by SBTi. Greater GHG emissions reduction is expected from 2027 onwards as more electric vehicles are procured. [IFRS S2.33(g), 34(a)]

For footnotes, see Example 42 (Page 4 ► of 4)

Example continues on the following page...

**Example 42** (Page 3 of 4)

**Scope 3 target performance**

Transition Plan actions <sup>1</sup> [IFRS S2.33(b), (c)]	Metrics linked to actions [IFRS S2.33(a), 34(c), B67]	Target <sup>2, 3, 4</sup>	Target year [IFRS S2.33(d)]	Performance			Base year amount (2022) [IFRS S2.33(e)]	Monitoring progress <sup>5</sup> [IFRS S2.34(b), 35]
				2025	2024	2023		
<b>Reduce emissions from the agricultural processes used to generate raw ingredients</b>	<b>Engagement with existing suppliers to explore sourcing and/or co-developing regenerative agriculture programmes.</b>	100%	2030	26%	13%	5%	0%	This is a promising area for key suppliers. The Company expects that co-development engagement with suppliers and procurement of raw materials from regenerative agricultural practices will increase as it continues to build partnerships across agriculture sourcing hubs.
	<b>% of raw materials by weight from regenerative agricultural practices.</b>	30% [IFRS S2.33(f)]	2030	14%	7%	3%	0%	
		100%	2050					
<b>Reduce emissions from the manufacturing and disposal of product packaging</b>	<b>Engagement with suppliers to explore co-developing recycled and/or recyclable packaging.</b>	100% of suppliers engaged	2030	29%	15%	2%	0%	The Company continues to engage with suppliers in the co-development of higher recyclable content in packaging. New suppliers may be engaged if current suppliers do not offer appropriate solutions. As the Company is at the beginning stages of these engagements, it is expected that recyclable content will be integrated into the manufacturing process at a faster rate from 2026–2030.
	<b>% of packaging material that can be reused and/or recycled, by weight.</b>	100%	2050	56%	53%	52%	50%	
		<b>% of all packaging material is made from recycled or renewable content, by weight.</b>	100%	2050	21%	14%	10%	

For footnotes, see Example 42 (Page 4 ► of 4)

Example continues on the following page...

**Example 42** (Page 4 of 4)

**Scope 3 target performance**

Transition Plan actions <sup>1</sup> [IFRS S2.33(b), (c)]	Metrics linked to actions [IFRS S2.33(a), 34(c), B67]	Target <sup>2, 3, 4</sup>	Target year [IFRS S2.33(d)]	Performance			Base year amount (2022) [IFRS S2.33(e)]	Monitoring progress <sup>5</sup> [IFRS S2.34(b), 35]
				2025	2024	2023		
<b>Reduce emissions from distribution of products to customers</b>	<b>% of outsourced transport companies that meet the procurement policy criteria</b>	80%	2030	46%	38%	30%	23%	Good progress has been made in adhering to the new procurement policy criteria. Contracts for new outsourced transport companies are being negotiated for 2026 onwards that meet the policy criteria to accelerate progress towards the target.
	<b>Scope 3 emissions from distribution of products to customers</b>	Reduce absolute Scope 3 emissions related to distribution of products by 55% by 2030 [IFRS S2.33(g), 36(b)]	2030	48,809 tCO <sub>2e</sub> (27% reduction)	63,271 tCO <sub>2e</sub> (6% reduction)	64,617 tCO <sub>2e</sub> (4% reduction)	67,310 tCO <sub>2e</sub>	This target is directly correlated to the reduction of Scope 3 emissions related to the distribution of products, whereby these new contracts will also accelerate the reduction of these emissions.
<b>Reduce emissions from refrigeration of drinks in customer stores and bars</b>	<b>Number of energy-efficient replacement fridges subsidised to customer stores and bars (units)</b>	8,000	2030	3,726	1,892	1,012	626	Data from the central customer portal has been key in assisting the understanding of fridge performance for the customer stores and bars and which ones would benefit from replacements or upgrades. The standardised subsidised agreements used for each customer has streamlined the replacement process and resulted in a large uptake of replacement fridges for 2024 and 2025.

<sup>1</sup> The Company operates within a jurisdiction that has committed to the 1.5°C pathway. There has been a focus on GHG emissions reduction through the strategic goals developed. [IFRS S2.33(h)]

<sup>2</sup> No revisions to the targets were required in the current year. [IFRS S2.34(d)]

<sup>3</sup> All targets with a GHG emission target are disclosed as gross amounts. [IFRS S2.36(c)]

<sup>4</sup> No targets have been derived using a sectoral approach. [IFRS S2.36(d)]

<sup>5</sup> All performance analysis is reviewed by relevant technical specialists and approved by the Sustainability Committee and Board. Any setbacks on performance are brought to attention of the Sustainability Committee for feedback to the Board. [IFRS S2.34(b)]

# Appendices

## 01 IFRS S1 and IFRS 2 disclosure requirements:

- IFRS S1 and IFRS S2 disclosure requirements illustrated in this guide ▶
- IFRS S1 and IFRS S2 disclosure requirements *not* illustrated in this guide ▶

## 02 Abbreviations ▶

## 03 Resources and acknowledgements ▶

# Appendix 1

## IFRS S1 and IFRS S2 disclosure requirements illustrated in this guide (Page 1 of 4)

Topic	Example No.	Reference
<b>General requirements</b>		
Basis of preparation	<a href="#">Example 1</a> ▶	IFRS S1.20–22, 24, 59, 67–68, 72, E5–E6, IFRS S2.C4(b)
Judgement and uncertainties	<a href="#">Example 2</a> ▶	IFRS S1.74, 77–78
<b>Governance</b>		
Governance bodies	<a href="#">Example 3</a> ▶	IFRS S1.27(a)(i), (b)(i), IFRS S2.6(a)(i), (b)(i)
Governance roles and responsibilities	<a href="#">Example 4</a> ▶	IFRS S1.27(a)(i), (iii)–(v), (b)(i)–(ii), B47, IFRS S2.6(a)(i), (iii)–(v), (b)(i)–(ii)
	<a href="#">Example 5</a> ▶	IFRS S1.27(a)(iv), B47, IFRS S2.6(a)(iv)
Board skills and competencies	<a href="#">Example 6</a> ▶	IFRS S1.27(a)(ii), B47, IFRS S2.6(a)(ii)
	<a href="#">Example 7</a> ▶	IFRS S1.27(a)(ii), IFRS S2.6(a)(ii)
Targets and remuneration	<a href="#">Example 8</a> ▶	IFRS S1.27(a)(v), B47, IFRS S2.6(a)(v)
Board oversight of SROs	<a href="#">Example 9</a> ▶	IFRS S1.27, B47, IFRS S2.6
<b>Strategy – Risks and opportunities</b>		
Identifying relevant SROs and material information	<a href="#">Example 10</a> ▶	IFRS S1.44(a)(i)–(iii), (b), 59, B47, IFRS S2.25(a)(i)–(iii), (b)
Overview of SROs	<a href="#">Example 11</a> ▶	IFRS S1.30, 32(b), B47, IFRS S2.10, 13(b)
Overview of CROs and financial effects	<a href="#">Example 12</a> ▶	IFRS S1.30(a)–(c), 32, 33(a), (c), 34, 35(d), B47, IFRS S2.10, 13–14(a)(i)–(ii), 15–16(d)
Overview of climate transition plan	<a href="#">Example 13</a> ▶	IFRS S1.B47, IFRS S2.14(a)(ii)–(iv), (b), 33(d)–(f)
Mapping climate-related physical risks	<a href="#">Example 14</a> ▶	IFRS S1.32(b), IFRS S2.13(b), 25(a)(ii)–(iii)

# Appendix 1

## IFRS S1 and IFRS S2 disclosure requirements illustrated in this guide (Page 2 of 4)

Topic	Example No.	Reference
<b>Strategy – Risks and opportunities (cont.)</b>		
Geographical concentration of climate-related physical risks	<a href="#">Example 15</a> ▶	IFRS S1.32(b), IFRS S2.13(b), 22(b)(i)(1)–(3), 25(a)(ii)
<b>Strategy – Resilience</b>		
Scenario analysis and resilience assessment	<a href="#">Example 16</a> ▶	IFRS S2.10(a)–(c), 22, B2(b)
	<a href="#">Example 17</a> ▶	IFRS S2.22
	<a href="#">Example 18</a> ▶	IFRS S1.B47, IFRS S2.10(a)–(c), 14(a)(ii), 15(b), 22
(Non-climate) resilience assessment	<a href="#">Example 19</a> ▶	IFRS S1.30(a), 32(a), 33(a), 34(b), 41
<b>Risk management</b>		
Risk management process	<a href="#">Example 20</a> ▶	IFRS S1.44, IFRS S2.25
Prioritising risks	<a href="#">Example 21</a> ▶	IFRS S1.44(a)(iii)–(iv), B47, IFRS S2.25(a)(iii)–(iv)
Integrating sustainability risk management	<a href="#">Example 22</a> ▶	IFRS S1.44(c), IFRS S2.25(c)
<b>Metrics and targets – Sustainability-related metrics</b>		
GHG emissions	<a href="#">Example 23</a> ▶	IFRS S2.29(a)(i)–(iii)(2), (iv)–(vi)(1), B26(a), (c), B27, B29, B53–B56, C3
	<a href="#">Example 24</a> ▶	IFRS S2.29(a)(i), (iv)–(vi)(1)
Scope 2 – Contractual instruments	<a href="#">Example 25</a> ▶	IFRS S2.29(a)(i)(2), (iv)–(v)
Scope 3 emissions	<a href="#">Example 26</a> ▶	IFRS S2.29(a)(i)(3), (vi)(1)
Climate-related risk and opportunity exposure	<a href="#">Example 27</a> ▶	IFRS S2.22(a)(iii)(1)–(2), 29(b)–(e)

# Appendix 1

## IFRS S1 and IFRS S2 disclosure requirements illustrated in this guide (Page 3 of 4)

Topic	Example No.	Reference
<b>Metrics and targets – Sustainability-related metrics (cont.)</b>		
Internal carbon pricing	<a href="#">Example 28</a> ▶	IFRS S2.29(f)
Sustainability-related remuneration	<a href="#">Example 29</a> ▶	IFRS S1.B47, IFRS S2.29(g)
Industry-based guidance	<a href="#">Example 30</a> ▶	IFRS S1.59, IFRS S2.32, B67
Industry-based guidance and metrics	<a href="#">Example 31</a> ▶	IFRS S1.49, 51(a)–(d), E3, IFRS S2.32, B67
	<a href="#">Example 32</a> ▶	IFRS S1.49, 59, B47
<b>Metrics and targets – Sustainability-related targets</b>		
Climate-related targets	<a href="#">Example 33</a> ▶	IFRS 1.46, IFRS S2.33–35, 36(a)–(d)
Carbon credits	<a href="#">Example 34</a> ▶	IFRS S2.36(e)
<b>Transition plan</b>		
Transition plan – Overview	<a href="#">Example 35</a> ▶	IFRS S1.B47, IFRS S2.13, 14(a)(i)–(iii),(iv), 29(g), 33(d)–(e), (g), 36(a)–(b), (e)(i)
Transition plan – Governance	<a href="#">Example 36</a> ▶	IFRS S2.6
Transition plan – Targets and strategy	<a href="#">Example 37</a> ▶	IFRS S2.13, 14(a)(i)–(iii), (v), (c), 33(d),(g), 36(b), (e)
Transition plan – Waterfall chart	<a href="#">Example 38</a> ▶	IFRS S2.14(a)(v), 33(d), (e), 36(b)
Transition plan – Value chain emissions	<a href="#">Example 39</a> ▶	IFRS S2.29(a)(i)
Transition plan – Emissions	<a href="#">Example 40</a> ▶	IFRS S2.29(a)(i)–(iii)(2), (v)–(vi)(1), B26(a), (c), B27, B29, B55
Transition plan – Financial effects	<a href="#">Example 41</a> ▶	IFRS S1.B47, IFRS S2.14(a)(i)–(iii), (b), 15, 16(a), (c)–(d), 29(e)

# Appendix 1

## IFRS S1 and IFRS S2 disclosure requirements illustrated in this guide (Page 4 of 4)

Topic	Example No.	Reference
Transition plan (cont.)		
Transition plan – Metrics, targets and performance	<a href="#">Example 42</a> ▶	IFRS S1.46(b)(i)–(ii), IFRS S2.33(a)–(h), 34(a)–(c), 35–36(d), B67

# Appendix 1

## IFRS S1 and IFRS S2 disclosure requirements *not* illustrated in this guide

Topic	Reference
<b>General requirements</b>	
Changes to end of reporting period	IFRS S1.66
Comparative information	IFRS S1.70, B50–B54
Commercially sensitive information	IFRS S1.73, B34–B36
Errors	IFRS S1.83–86, B55–B59
Transition reliefs	IFRS S1.E1–E2, E4, IFRS S2.C1–C3, C5
<b>Strategy</b>	
Strategy and decision-making	IFRS S1.33(b)
Financial position, financial performance and cash flows	IFRS S1.35(a)–(c), 36, 38–40, IFRS S2.16(b), 17, 19–21
<b>Metrics and targets</b>	
Sustainability-related metrics	IFRS S1.48, 50, 51(e)–(g)
Climate-related metrics	IFRS S2.29(a)(iii)(3)
Financed emissions	IFRS S2.29(a)(vi)(2), B58–B63
Different reporting period to entities in the value chain	IFRS S2.B19(c)
Other methods and measurement approaches	IFRS S2.B28
Disclosure when impracticable to measure Scope 3 emissions	IFRS S2.B57

# Appendix 2

## Abbreviations used in this guide

<b>ARC</b>	Audit and Risk Committee	<b>ERMF</b>	Enterprise risk management framework	<b>NGFS</b>	Network for Greening the Financial System
<b>Capex</b>	Capital expenditure	<b>ERP</b>	Enterprise Resource Planner	<b>PPA</b>	Power purchase agreement
<b>CEO</b>	Chief Executive Officer	<b>ERP system</b>	Enterprise Resource Planning system	<b>RCP</b>	Representative Concentration Pathway
<b>CFO</b>	Chief Financial Officer	<b>ESRS</b>	European Sustainability Reporting Standards	<b>R&amp;D</b>	Research and development
<b>CRC</b>	Corporate Responsibility Committee	<b>GHG</b>	Greenhouse gas	<b>REGOs</b>	Renewable Energy Guarantees of Origin
<b>CRO</b>	Chief Risk Officer	<b>GRI</b>	Global Reporting Initiative	<b>SASB</b>	Sustainability Accounting Standards Board (Standards)
<b>CROs</b>	Climate-related risks and opportunities	<b>IGB</b>	Industry-based guidance	<b>SBTi</b>	Science Based Targets initiative
<b>CSO</b>	Chief Sustainability Officer	<b>ICE</b>	Internal combustion engine	<b>SGM</b>	Sustainability General Manager
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent	<b>IEA</b>	International Energy Agency	<b>SROs</b>	Sustainability-related risks and and opportunities
<b>CTP</b>	Climate Transition Plan	<b>IPCC</b>	Intergovernmental Panel on Climate Change	<b>SSP</b>	Shared Socioeconomic Pathways
<b>CU</b>	Currency Unit	<b>I-REC</b>	International Renewable Energy Certificate	<b>tCO<sub>2</sub>e</b>	Metric tonnes of carbon dioxide equivalent
<b>CVaR</b>	Climate Value at Risk	<b>ISO</b>	International Organization for Standardization	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>EACs</b>	Energy attribute certificates	<b>ISSB</b>	International Sustainability Standards Board	<b>TRIFR</b>	Total recordable injury frequency rate
<b>ERM</b>	Enterprise risk management	<b>MD&amp;A</b>	Management's discussion and analysis	<b>TNFD</b>	Taskforce on Nature-related Financial Disclosures

# Appendix 3: Resources and acknowledgements

## IFRS Sustainability toolkit ▶

Our essential resources for preparing a sustainability report in accordance with IFRS Sustainability Disclosure Standards.



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Aligning strategic, sustainability and financial information

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