



FOLEY WINES LIMITED

**CLIMATE-RELATED DISCLOSURES
REPORT**

FOR THE YEAR ENDED 30 JUNE 2024



CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024

CONTENTS

	PAGE/S
INTRODUCTION	2-3
GOVERNANCE	4-5
STRATEGY	5-11
RISK MANAGEMENT	11-12
METRICS AND TARGETS	12-14
GLOSSARY	15



CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024

INTRODUCTION

This is Foley Wines Limited (FWL, the “Company”) and its subsidiaries (together, the “Group”, “we”, “our”) first Climate-Related Disclosures (CRDs) prepared in accordance with the requirements of the Aotearoa New Zealand Climate Standards (NZCS) issued by the External Reporting Board (XRB).

Foley Wines Limited is a climate-reporting entity under the Financial Markets Conduct Act 2013. The reporting period covered by this report is for the 12 months from 1 July 2023 to 30 June 2024.

The Company recognises the significant global impact that climate change poses to economic, environmental and social systems. We acknowledge that where there are climate risks there are financial risks but also practical opportunities. We are committed to playing our part to reduce the impact of our operations and support our customers on their own journey.

These climate-related disclosure were authorised for issue by the Directors on 18 October 2024 and are current as at that date.

For and on behalf of the Directors

PR Brock
Chairman

AM Turnbull
CEO and Director



CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

INTRODUCTION (Continued)

Statement of Compliance

These Climate-Related Disclosures comply with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board. In preparing the Group's climate-related disclosures, the Board and Management have elected to use all first-year adoption provisions provided and detailed in NZCS as outlined below.

Adoption provision 1: Current financial impacts

This adoption provision exempts FWL from disclosing the current financial impacts of its physical and transition impacts identified in NZ CS 1 paragraph 12 (a). The adoption provision also exempts FWL from paragraph 12 (c) of NZ CS 1, where FWL is required to explain why it is unable to disclose quantitative information.

Adoption provision 2: Anticipated financial impacts

This adoption provision exempts FWL from disclosing its anticipated financial impacts of climate-related risks and opportunities in its first reporting period. This adoption provision also includes exemption from:

- a. Paragraph 15 (c) of NZ CS 1, where FWL is required to disclose a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably occur.
- b. Paragraph 15 (d) of NZ CS 1, where FWL is required to explain why it is unable to disclose quantitative information for paragraph 15 (b) of NZ CS 1.

Adoption provision 3: Transition planning

This adoption provision exempts FWL from disclosing the following in its first reporting period:

- a. The transition plan aspects of its strategy, including how its business model and strategy might change to address its climate-related risks and opportunities; and
- b. The extent to which transition plan aspects of its strategy are aligned with its internal capital deployment and funding decision-making processes.

Adoption provision 4: Scope 3 GHG emissions

This adoption provision exempts FWL from disclosing the Scope 3 GHG (greenhouse gas) emissions.

Adoption provision 6: Comparatives for metrics

This adoption provision exempts FWL from disclosing comparative information for metrics disclosed in FWL's first reporting period.

Adoption provision 7: Analysis of trends

This adoption provision exempts FWL from disclosing an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period (NZ CS 3 paragraph 42).

Disclaimer

While there are forward-looking statements made in this report, the climate-related statements and any metrics contained here should not be considered any sort of prediction or forecast of performance outcomes, financial or otherwise. These statements are subject to both known and unknown risks, uncertainties and other factors, many of which lie outside the Group's control. The Group has prepared this information with due care and attention, and this report is based on assumptions about the Group's current business and our future strategies, as well as the environment our business operates in, both now and in the future. The identified climate-related risks and opportunities may not eventuate, and if they do, the actual impacts may differ materially from what is provided in this report. Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial tax or other advice or guidance.

CLIMATE-RELATED DISCLOSURES REPORT

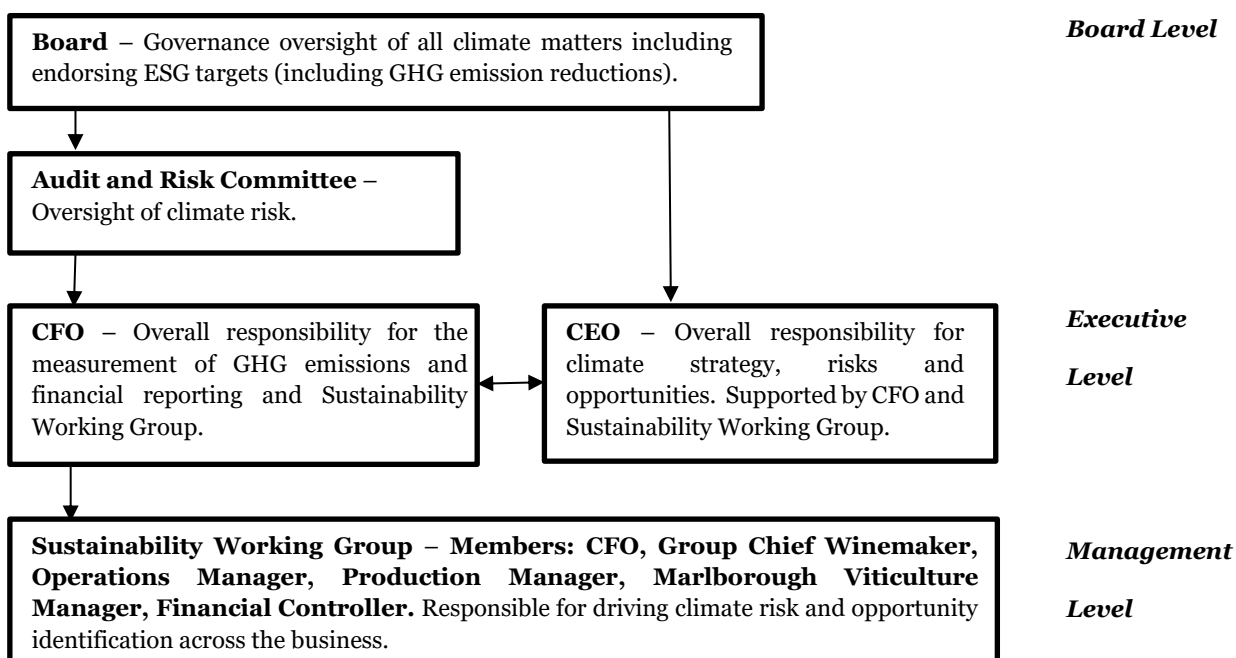
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

GOVERNANCE

These climate-related disclosures should be read in conjunction with the Corporate Governance Statement contained in the Annual Report.

The Board of Directors is the governance body responsible for oversight of FWL’s climate-related risks and opportunities, as set out further below. The Board is supported by the Board’s Audit and Risk Committee (ARC), which provides governance oversight for the monitoring of climate-related risks and related reporting in the annual report as well as overarching risk management.

The following diagram shows FWL’s organisational structure as it relates to the oversight and management of climate-related risks and opportunities:



Board oversight of climate-related risks and opportunities

The Board is responsible for setting the Company’s purpose and overall strategic direction and has oversight over the risk management strategy, framework, policies and risk appetite, including related to climate change. The Board has ultimate responsibility for oversight of climate-related reporting and the identification of climate-related risks and opportunities. The Board meets approximately six times each year and is updated on a regular basis on the management of climate-related issues alongside other business matters. The Board is supported in this function by the Audit and Risk Committee, to perform a review of the Group’s primary business risks and its Risk Management Framework (RMF). Although climate-related risks and opportunities are not considered on a standalone basis within the Group’s strategy, they are taken into account within broader frameworks such as the Group’s RMF, which, in turn, feed into the Group’s strategy setting processes. The Board is also responsible for approving the RMF, which is the Group’s framework to assist with identifying, assessing and managing its risk (including climate-related risk).

Directors hold responsibility for their own continuous education to keep themselves up to date on relevant climate-related issues. The Board accesses climate-related expertise from within the Group, and externally where required. During the year the CFO presented a detailed education paper to the Board on the requirements of the new Climate-Related Disclosures.

At this stage no remuneration has been aligned specifically to sustainability or climate-related metrics.



CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

GOVERNANCE (CONTINUED)

Role of Management in assessing and managing risks and opportunities

The Board assigns the day-to-day establishment and implementation of the company strategy including oversight of climate-related risks and opportunities to the CEO and Executive team. This involves ensuring the business is identifying, assessing, monitoring and managing climate-related risks alongside other risks. From the Executive team this is embedded into business strategy and implementation, risk management, financial planning and capital allocation processes. The CEO updates the Board at each Board Meeting on key aspects of the Company's strategy.

The CEO and CFO meet at least annually to identify and assess the major risks including climate risks affecting the business by maintaining a risk matrix which is used to develop strategies to monitor and mitigate these risks. The risk matrix is provided to the Board via the Audit and Risk Committee. Risk mitigation strategies directed by the Board are implemented and monitored by management.

The CFO leads the Company's Sustainability function and is responsible for day-to-day management of the climate-related disclosures (as a climate reporting entity under the NZCS) including the measurement of the greenhouse gas (GHG) emissions, and for the Sustainability Working Group. The CFO updates the Board at each Board Meeting on key aspects of compliance and risk management.

A Sustainability Working Group (SWG) was established during the year to assist in the identification, management and controlling of climate-related risks and opportunities and to formulate and drive the implementation of decarbonisation projects to assist the Group in minimising the risks where possible and in meeting future emissions reduction targets. The SWG comprises of a diverse group of managers from business units across the Group. The SWG will meet at least quarterly.

STRATEGY

Current business model and strategy

Everything that Foley Wines does is guided by its purpose *to make great wine that people love to drink around the world* and ambition *to be New Zealand's most revered wine group satisfying the most discerning retailers and restaurants at home and around the world with brands that are authentic, sustainable and of exceptional quality.*

The Company focuses on high quality products that are authentic and have a sense of place – they are *made by land and hand*. At the core of this is building a strong climate-resilient business that is sustainable and creates value for shareholders.

As noted in the Director and CEO Report it is the view of the Company that acting sustainably is a matter of necessity, not a 'nice to have'. Environmental issues have become even more important in consumers' decision making. The practical, tangible sustainability practices that underpin our operations go beyond the Sustainable Winegrowing New Zealand accreditation held by each of our wineries and vineyards. Our practices carry through from vineyards to packaging and include using bottles with a high percentage of recycled glass that are manufactured locally, using labels made from sugarcane on some products, irrigating vineyards and native plantings with winery wastewater to conserve water, restoring local wetland habitats and solar energy generation at four of our five wineries. Our small wineries are positioned amongst our vineyards, reducing the carbon footprint of incoming grapes during harvest, and integrating into the landscape. The living roof at Mt Difficulty is designed to encourage biodiversity, evaporative cooling, and heat retention.

As an agricultural business the Company considers climate risk within its risk management process and has been assessing mitigations and confirming and implementing controls for priority business units (e.g. geographic spread of vineyards and contract growers, varietal selection in vineyards, frost protection infrastructure). The Company intends to expand this process by embedding the outcomes of our climate assessments into our strategic planning framework. We intend to complete our strategic refresh before setting emissions reduction targets and we will release our updated metrics and targets once we have established our assured base year. Progress against meeting the targets set will then be reported upon annually.



CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

STRATEGY (CONTINUED)

Scenario Analysis

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

The Company has undertaken a qualitative analysis to develop its climate scenarios and help identify climate-related risks and opportunities over the short, medium and long term.

The Executive team and key management were involved in the selection process of our three climate scenarios, which were selected from The Aotearoa Circle Agriculture Sector Climate Change Scenarios and Adaptation Roadmap (“Agri-Sector Climate Change Adaptation Roadmap”, “Agri-Adaptation Roadmap”). In 2023, the New Zealand agricultural sector collaborated to produce an Agri-Adaptation Roadmap to guide the sector’s adaptation to climate change. This roadmap utilised three climate-related scenarios to describe plausible futures for agriculture in New Zealand when impacted by different physical and transition factors. In developing its sector scenarios, The Aotearoa Circle brought together the diversity of the agriculture sector to collaborate, share knowledge, science and insights, and inform the outcome.

We have used the Agri-Adaptation Roadmap to provide consistency and comparability in disclosures, adopting the most widely accepted set of scenarios for the agriculture sector supported by robust and tested assumptions. Under each scenario we used the same key metrics for both physical and transitional changes as the Agri-Adaptation Roadmap. We also aligned our timeframes (short 2023-2025, medium 2026-2035 and long 2036-2050) and processes, including assessing scenario impacts out to 2050.

The climate scenarios adopted are summarised as follows:

- 1. Orderly:** a smooth and orderly transition to a low-carbon future will be achieved; Net zero by 2050 achieved. Major climate change and subsequent physical impacts have been avoided. This scenario effectively considers RCP** of 2.6 and SSP1, where there were ‘low challenges to mitigation and adaptation’. Warming is limited to a 1.5°C temperature increase. In this scenario both physical and transitions risks are relatively subdued.
- 2. Disorderly:** the world will successfully prevent major climate change and its associated impacts but will fail to do so in an orderly or stable fashion. Transition to a low-carbon future was highly disruptive on society and local economies. As the worst climate physical changes were avoided, this scenario considers RCP 4.5, with an increase in 1-2°C in global temperatures. It uses SSP2, which considers ‘medium challenges to mitigation and adaptation’, with rapid change after 2030.
- 3. Hothouse:** a ‘business as usual’ world on track to increase global warming by 3°C or greater by 2080. Very limited attempts were made to transition to a low carbon economy and climate policies were not implemented since the 2020s. The physical impacts of climate change are severe, with some irreversible changes. The world now must focus on adapting to climate change. This scenario considers RCP of 8.5 and follows SSP5, which has ‘high challenges to mitigation and low challenges to adaptation’.

No further scenarios have been undertaken.

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

CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

STRATEGY (CONTINUED)

Climate risks and opportunities

In defining physical and transitional risks and opportunities, the Group has used the Aotearoa New Zealand Climate Standard 1 Climate-related Disclosures (NZ CS 1) definition, which is:

Physical risks – Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise.

Transitions risks – Risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.

Opportunities - The potentially positive climate-related outcomes for an entity. Efforts to mitigate and adapt to climate change can produce opportunities for entities, such as through resource efficiency and cost savings, the adoption and utilisation of low-emissions energy sources, the development of new products and services, and building resilience along the value chain.

The most significant climate-related risks for the Company, operating in the viticulture and wine industry are outlined below.

Risk/Opportunity	Current and Anticipated Impact Description	Controls/Mitigation	Type/Time Frame
Changes in weather patterns can result in volatility of annual production.	<p>Current impact: The disruptive weather during the 2023/24 growing season resulted in lower harvest yields in Marlborough and Martinborough in the 2024 harvest.</p> <p>Current financial impact: Higher cost of goods for the 2024 wines due to the lower yields in some regions and therefore lower litres processed through the winery/wineries in those regions.</p> <p>Anticipated impact: Potentially lead to volatility in supply and earnings.</p>	Regional geographic diversification of owned and leased vineyards, and contract growers, throughout the Marlborough, Martinborough and Central Otago regions.	<p>Type: Physical</p> <p>Time Horizon: Short-term</p>

CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

STRATEGY (CONTINUED)

Climate risks and opportunities (Continued)

Risk/Opportunity	Current and Anticipated Impact Description	Controls/Mitigation	Type/Time Frame
Increase in winter temperatures could increase pest and disease incursions.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Potentially lead to volatility in supply and earnings.</p>	<p>In viticulture the issues of weather, disease and pest control are an ongoing management activity.</p> <p>Viticultural techniques are in place and in practice which effectively mitigate this risk.</p>	<p>Type: Physical</p> <p>Time Horizon: Medium/Long-term</p>
Increase in frequency and intensity of extreme weather events, specifically storms, extreme wind, extreme or no rainfall, and severe frosts.	<p>Current impact: The disruptive weather during the 2023/24 growing season resulted in lower harvest yields in Marlborough and Martinborough in the 2024 harvest.</p> <p>Current financial impact: Higher cost of goods for the 2024 wines due to the lower yields in some regions and therefore lower litres processed through the winery/wineries in those regions. Increased cost of insurance policies.</p> <p>Anticipated impact: Harsh adverse climatic conditions (such as frosts, rainfall, sunshine and temperature) could affect the quality of grapes and hence marketable quality of and prices received for the Group's finished wines thereby potentially leading to volatility in earnings. Potential damage to infrastructure. Increased cost of insurance policies.</p>	<p>Regional geographic diversification of grape supplies and vineyards throughout various regions across New Zealand. The Group sources grapes from owned or leased vineyards and from contract growers.</p> <p>Investment in frost and water infrastructure.</p> <p>Develop multiple routes to market (to minimise the impact of one route (e.g. road access to port) being disrupted due to storm damage.</p> <p>The Group maintains insurance policies that it considers adequate to meet insurable risks taking into consideration the size and nature of the Company's business and risk profile.</p>	<p>Type: Physical</p> <p>Time Horizon: Short-term</p>

CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

STRATEGY (CONTINUED)

Climate risks and opportunities (Continued)

Risk/Opportunity	Current and Anticipated Impact Description	Controls/Mitigation	Type/Time Frame
Increased regional temperatures resulting in change in wine styles and/or ability to grow certain varieties of grapes and in certain areas and earlier harvest dates.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Potential for the sale of some current wine varieties to be discontinued and the opportunity to grow, make and sell new wine varieties. Increase in land suitable for grape production. Potential labour supply shortages due to competition with other horticulture product harvests.</p>	<p>Regional geographic diversification of our vineyards and growers, spread throughout the Marlborough, Martinborough and Central Otago regions.</p> <p>Investigate, and if viable, grow and market different grape varieties not previously suitable in NZ due to the cool climate.</p>	<p>Type: Physical/Transition Risk/Opportunity</p> <p>Time Horizon: Long-term</p>
Increased water stress and lack of water security.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Increased soil moisture deficits, leading to volatility in supply. Water security is impacted by rainfall and drought changes. Increase in compliance requirements and costs.</p>	<p>Regional geographic diversification of our vineyards and growers, spread throughout the Marlborough, Martinborough and Central Otago regions.</p> <p>Resource and Water Supply consents obtained and maintained for all foreseeable demand for all wineries and owned and leased vineyard sites.</p>	<p>Type: Physical</p> <p>Time Horizon: Medium/Long-term</p>
Reduced ability to get the product to market.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Potential reduction in available markets for the sale of Group products. Increased reliance on local/NZ market.</p>	<p>Further explore expansion of sales in the local/NZ market and alternative transport methods.</p>	<p>Type: Physical</p> <p>Time Horizon: Medium/Long-term</p>

CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

STRATEGY (CONTINUED)

Climate risks and opportunities (Continued)

Risk/Opportunity	Current and Anticipated Impact Description	Controls/Mitigation	Type/Time Frame
Supply chain risk.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Potential volatility in supply of key manufacturing inputs. Potential to need to change suppliers.</p>	The Group has identified a range of suppliers operating in different jurisdictions to mitigate the risk of the loss of a single supplier. Relationships with key suppliers to be maintained and developed to ensure cost efficiencies and supply certainty.	<p>Type: Transition</p> <p>Time Horizon: Short-term</p>
Failure to understand and meet changing consumer preferences in the market.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Contracts may be lost if we do not keep pace with consumer preferences in the market. May also increase demand for low emissions products as customers focus on end-to-end footprint. We expect that we will be able to capitalise on a change in our customer needs/preferences faster than our competitors, which will help us develop stronger relationships, increasing demand.</p>	Develop transition plans and decarbonisation roadmaps including targets with the intention to demonstrate meaningful progress in emissions reduction initiatives that align with our customers' ambitions.	<p>Type: Transition</p> <p>Time Horizon: Short-term</p>
Inability to maintain public acceptance to access and/or operate in key markets.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Potential reduction in available markets for the sale of Group products.</p>	<p>Build strong wine brands and high-quality markets.</p> <p>Develop transition plans and decarbonisation roadmaps including targets with the intention to demonstrate meaningful progress in emissions reduction initiatives that align with our customers' ambitions.</p>	<p>Type: Transition</p> <p>Time Horizon: Medium/Long-term</p>

CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

STRATEGY (CONTINUED)

Climate risks and opportunities (Continued)

Risk/Opportunity	Current and Anticipated Impact Description	Controls/Mitigation	Type/Time Frame
Inability for the sector to keep up with the rate of global technological change.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Increased cost of replacement equipment.</p>	Investigate new technologies and assess the risks and opportunities of adopting emerging technology as part of future capital investment decisions over time.	<p>Type: Transition</p> <p>Time Horizon: Medium/Long-term</p>
Carbon emissions regulation increases as we accelerate towards our targets.	<p>Current impact: Nil</p> <p>Current financial impact: Nil</p> <p>Anticipated impact: Fuel, refrigerant, packaging and fertilisers may all be taxed or regulated in the future. This may increase the cost of compliance including capital expenditure requirements. Market access becomes more difficult through carbon border adjustment mechanisms. This may also force land use change which may present an opportunity.</p>	Develop transition plans and decarbonisation roadmaps including targets to reduce carbon emissions and reliance on carbon offsets to achieve targets.	<p>Type: Transition</p> <p>Time Horizon: Medium/Long-term</p>

RISK MANAGEMENT

As outlined in the Governance section of this CRDs report, the Group has a Risk Management Framework (RMF), which sets out policies and procedures for the effective identification, assessment, management and reporting of the Group's risks. The Group's processes for identifying, assessing and managing climate-related risks are integrated within the RMF via the risk hierarchy which allows the mapping of all business unit level risks including those related to climate to one of the enterprise level risks categories, with all those identified to date including those identified via scenario analysis as outlined in the Strategy section of this CRDs report mapping to one of the existing enterprise level risk categories. The Group maintains insurance policies that it considers adequate to meet insurable risks taking into consideration the size and nature of the Company's business and risk profile.

CLIMATE-RELATED DISCLOSURES REORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

RISK MANAGEMENT (Continued)

Risk Identification

The Group utilises a range of resources and approaches to identify and consider the impact of risks across our business including those related to climate, on an ongoing basis. Our risk assessments engage the executive and senior management and consider the risks that may impact the Group while in pursuit of strategic objectives. Risk assessments are refreshed annually with regular risk reporting provided by the CEO and CFO to the Board and the Audit and Risk Committee. The Group's climate risk identification has included scenario analysis incorporating short, medium and long term time horizons as outlined in the Strategy section of this CRDs report.

Risk Assessment

In accordance with the RMF, upon a risk being identified the Group maintains a risk matrix which is used to monitor and mitigate these risks. A risk matrix measures the impact of the risk and likelihood (probability) of occurrence and outlines the practices and processes in place to address the identified risk. This is provided to the Audit and Risk Committee and Board annually.

Risk Management

The Risk Management Framework (RMF) objectives are to:

- Ensure that significant risks are identified and properly understood.
- Assess vulnerability to significant risk threats and their potential severity of loss.
- Develop management strategies and plans to manage risks and reduce the severity of loss.
- Prioritise risk reduction measures to prevent significant risk events being triggered.
- Establish if any day-to-day risks will be accepted as an operational cost of doing business.
- Manage risk exposure to minimise the impact and create added value for Shareholders.

As outlined climate-related risks are identified, assessed and managed alongside other enterprise level business risks.

METRICS AND TARGETS

Greenhouse gas (GHG) Inventory and emissions reduction progress

GHG Emissions Targets Plan

The Group intends to set emissions reduction targets in 2025, once we have established our assured base year (year ended 30 June 2025). This will allow us to have a more representative base year for our emissions reduction targets as our investments become fully operational and more emissions sources are included.

GHG Emissions

The table on the following page summarises the Group's GHG emissions data for Direct GHG emissions (Scope 1 – emissions from sources that are owned or controlled by the company) and Indirect GHG emissions (Scope 2 – emissions from the consumption of purchased electricity) emissions for the year ended 30 June 2024, measured in tonnes of CO₂ equivalent (tCO₂e).

In measuring GHG emissions the Group employs an operational control consolidation approach. The emissions of the Group includes FWL and all wholly owned subsidiaries.

The Emissions factors used in the GHG Inventory calculations for JYE2024 were sourced from New Zealand Government's Ministry for the Environment (MfE) emission factors data released in July 2023 (MfE 2023).

The Group intends to restate its base year where there has been a change in emissions factors, where we have gained operational control (purchased a business) or lost operational control (sold a business) or where there has been a change greater than 10% in our Emissions Inventory.

CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

METRICS AND TARGETS (CONTINUED)

Greenhouse gas (GHG) Inventory and emissions reduction progress (Continued)

Table of JYE2024 GHG Emissions Inventory for Scope 1 and Scope 2 Emissions

Emissions Activity	JYE2024 Total Emissions (tCO ₂ e)	Date source and methodology	Uncertainty
Scope 1			
Stationary combustion	58	Diesel and LPG – supplier invoices; fuel consumption x emissions factor (MfE 2023)	Low uncertainty
Mobile combustion (company-owned vehicles)	480	Supplier invoices/reports; fuel consumption x emissions factor (MfE 2023)	Low uncertainty. It is assumed that the data represents a complete and accurate account of all fuel purchases. It is assumed that staff used required processes for acquiring fuel for fleet vehicles.
Fugitive emissions (refrigerants)	38	Supplier invoices/reports; refrigerant top-ups x emissions factor (MfE 2023)	Low uncertainty
CO ₂ used in winemaking	16	Supplier invoices/reports; purchased CO ₂ x emissions factor (MfE 2023)	Medium uncertainty. Assumes that all gas purchased during the year is fully used up during the year
On-site waste	37	Winemaking wastewater treated on-site – based on tonnes of grapes crushed x emissions factor (MfE 2023)	Low uncertainty
Fertiliser application	19	Vineyard spray diaries and fertigation data incl supplier invoices – kg fertiliser applied x emissions factor (MfE 2023)	Variable data quality – medium uncertainty
Total Scope 1	648		
Scope 2 (location-based)			
Purchased Electricity	194	Supplier invoices/reports - Energy consumption x emissions factor (location-based) (MfE 2023)	High quality data and low uncertainty due to complete invoice sets. It is assumed meterage data is complete.
Total Scope 2	194		
Total Scope 1 and 2	842		

Note that the calculation of the GHG Inventory is subject to both scientific and estimation uncertainty.

The above JYE2024 GHG Emissions Inventory does not include the Indirect GHG emissions (Scope 3 - emissions that occur as a consequence of the company's activities but from sources not owned), as the Group are relying on the Adoption Relief (Adoption provision 4) in this area for this reporting period. JYE2024 is the first year of emissions calculations by the Group. Accordingly, there is no comparative data available.

CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

METRICS AND TARGETS (CONTINUED)

Greenhouse gas (GHG) Inventory and emissions reduction progress (Continued)

GHG Emissions (Continued)

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

- ISO 14064-1:2018 – Greenhouse gases Part 1;
- Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard;

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

- Greenhouse Gas Protocol – Scope 2 Guidance;
- Ministry for Environment – Measuring emissions: A guide for organisations (2023 detailed guide).

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

Emissions Intensity

The Group's Total Scope 1 and 2 GHG emissions intensity per \$1M of revenue (tCO₂e/revenue) JYE2024 was 12.76.

Exposure to Climate-Related Risks and Opportunities

As the Group is adopting the first-time provisions it has not established metrics for climate-related risks and opportunities nor determined the financial impact. Therefore, the amount or percentage of assets or business activities vulnerable to climate-related risks and opportunities cannot be quantified. The methodology and metrics for quantifying the Group's exposure to climate-related risks and opportunities is currently under development. This disclosure will be made in our 2025 Climate-related Disclosure.

Capital Deployment

The Group currently does not have an internal carbon emission price. As FWL matures in this space this is something that may be considered in the future.

Capital expenditure invested in relation to climate-related initiatives in JYE2024 was \$1.7M upgrading the refrigeration equipment plant at the Vavasour Winery.

Industry Based Metrics

The Group does not use any industry-based metrics in addition to the emissions intensity metrics outlined above.

Targets

The Group does not currently have any emissions targets in place. As noted above the Group intends to set emissions reduction targets in 2025, once we have established our assured base year (year ended 30 June 2025). Progress against meeting the targets set will then be reported upon annually.

As outlined in the Governance section, the Group is not yet in the position to link remuneration through to sustainability or climate-related metrics and targets.



CLIMATE-RELATED DISCLOSURES REPORT

FOR THE YEAR ENDED 30 JUNE 2024

GLOSSARY

Agri-Adaptation Roadmap:	The Aotearoa Circle Agriculture Sector Climate Change Scenarios and Adaptation Roadmap (also known as “Agri-Sector Climate Change Adaptation Roadmap”)
ARC:	Audit and Risk Committee
CRD:	Climate-Related Disclosures
ESG:	Environmental, Social and Governance
FWL; Company:	Foley Wines Limited
GHG:	Greenhouse gas
Group:	Foley Wines Limited and its subsidiaries
IPCC:	The Intergovernmental Panel on Climate Change (IPCC) - the United Nations body responsible for advancing scientific knowledge about climate change.
JYE:	June Year End (Year ended 30 June)
MfE:	Ministry for the Environment
NZCS:	Aotearoa New Zealand Climate Standards
NZ CS 1:	Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures
NZ CS 2:	Aotearoa New Zealand Climate Standard 2: Adoption of Aotearoa New Zealand Climate Standards
NZ CS 3:	Aotearoa New Zealand Climate Standard 3: General Requirements for Climate-related Disclosures
RCP:	Adopted by the IPCC, Representation Concentration Pathways (RCP) are models which illustrate future possible greenhouse gas emission scenarios/trajectories.
RMF:	Risk Management Framework
SSP:	Adopted by the IPCC, Shared Socio-economic Pathways (SSPs) are projections which describe alternative futures of socio-economic development in the absence of climate policy intervention. They include a wide range of drivers, including gross domestic product, population size, urbanisation and human and technological development. There are five SSPs.
SWG:	Sustainability Working Group
tCO₂e:	Tonnes of CO ₂ equivalents
XRB:	External Reporting Board