Climate Risk Summary Report
2025

Contents

Purpose

This document (the "report") reports on climate-related financial risks ("climate-related risks") of certain subsidiaries of the Mark Anthony Group in accordance with the framework and disclosures contained in Task Force on Climate-Related Financial Disclosures (TCFD) 2021 Implementation Guidance. The report covers on a consolidated basis only the subsidiaries, and their respective subsidiaries, of Mark Anthony Group, that qualify as "reporting entities" under the provisions of Section 38533 of the California Health and Safety Code (SB 261), namely Mark Anthony Brewing Inc., Mark Anthony Brands Inc., and Mark Anthony America Inc., with Mark Anthony Brands Inc. operating as a subsidiary of Mark Anthony America Inc. These entities are referenced at times in this report collectively as, "Mark Anthony," "the organization," "our," "us," or "we". The analyses for this report were conducted in 2025 and will be updated and made publicly available biannually in accordance with SB 261.

Introduction

Mark Anthony is a brewing and beverage company that offers a diverse range of alcoholic and non-alcoholic drinks. Climate change and the global shift towards a low carbon economy present both risks and opportunities for Mark Anthony, potentially impacting our future operations. This challenge drives the need to conduct a detailed analysis of these risks and opportunities across various future scenarios. This analysis will identify our risk response strategies and explore how we can leverage the rapidly evolving global landscape to our advantage.

The Task Force on Climate-related Financial Disclosures (TCFD) provides a structured framework for understanding and disclosing the impacts of climate-related risks and opportunities. This climate risk summary report aligns with the TCFD-recommended disclosure framework and is organized according to the four TCFD pillars: Governance, Risk Management, Strategy, and Metrics and Targets. In accordance with TCFD recommendations, Mark Anthony chose to begin with qualitative scenarios since we are new to climate scenario analysis. This approach allows us to develop an initial understanding of the potential impacts of climate change on our business before advancing to more complex quantitative methods as we gain experience.[1] As we continue

[1] The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities - TCFD Knowledge Hub

to refine our processes for assessing climate-related risks and opportunities, the findings in future versions of this report will evolve accordingly.

This report aligns with the Climate Related Financial Risk Disclosures: Draft Checklist, released by the California Air Resources Board (CARB) in September 2025. In line with this guidance, this report compiles our progress in addressing TCFD recommended disclosures to comply with SB-261, and building our capabilities for future disclosures. For example, Mark Anthony is in the process of establishing a greenhouse gas (GHG) emissions accounting process, including calculating 2025 Scope 1 and Scope 2 GHG emissions and preparing to quantify Scope 3 GHG emissions when required by SB-253. The next iteration of our climate risk report will include GHG emissions metrics, in line with TCFD recommendations and the requirements of SB-253. The assessment of future climate impacts in this report focused on testing the extremes, consistent with TCFD Recommendations (CA SB-261 reporting criteria). Our qualitative scenario analysis addressed physical risks in a high carbon economy (HCE) scenario and transition risks and opportunities in a low carbon economy (LCE) scenario. As Mark Anthony's Enterprise Risk Management (ERM) framework is still being implemented, the processes for identifying, managing, and assessing climate-related risks, and how these are integrated into overall risk management, are under development. As our approach matures, we will provide additional depth and detail where it supports the organization and aligns with our evolving climate risk assessment process.

Governance

a) Describe the board's oversight of climate-related risks and opportunities\

Board oversight of climate-related risks and opportunities is conducted as part of wider risk management oversight, in line with the organization's strategic direction. As we incorporate learnings from our initial climate risk assessment, the Board will evaluate how these considerations may be introduced into broader risk oversight activities over time.

b) Describe management's role in assessing and managing climate-related risks and opportunities

The governance framework for sustainability and climate-related risks is led by the Non-Financial Compliance Reporting (NFCR) Functional Group, which includes subject matter experts (SMEs) from various functions across the organization.

The NFCR Functional Group plays a crucial role in evaluating non-financial compliance reporting initiatives, approving reporting methodologies, and providing oversight on related matters. In alignment with SB 261, the NFCR Functional Group oversees climate-related risks and opportunities, including climate risk assessments. The NFCR Functional Group receives insights from the CA Climate Working Group, which is responsible for implementing and executing non-financial reporting requirements related to climate change, including climate risk assessments.

The NFCR Functional Group informs the executive leadership team, the NFCR Steering Committee, about climate-related risks and opportunities through regular meetings. This facilitates effective communication with the executive sponsors, who as members of Mark

Anthony's executive leadership team provide further deliberation and strategic consideration, as necessary. This structured oversight enables the organization to proactively address climate risk challenges and seize opportunities, with the CA Climate Working Group driving the corresponding assessments and actions.

Please refer to Strategy subsection C for details on how management's activities help Mark Anthony manage the identified climate-related risks and opportunities.

Strategy

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term

Time Horizons

Different risks can arise over varying time frames, with short-term risks often requiring immediate action and long-term risks requiring strategic planning and investment. We have established time horizons to help us understand when specific risks are likely to materialize and how they may evolve. This understanding is essential for aligning our strategies with our risk profile. In the context of climate risk, short-term risks encompass immediate transition challenges and opportunities, such as operational changes that may arise from evolving regulations or market dynamics. These risks require prompt attention to ensure that the organization can adapt effectively. Medium-term risks reflect ongoing transition challenges and opportunities, influencing our initiatives and investments over the next few years. Meanwhile, long-term risks are key in shaping our strategic direction, capital allocation, and resource management, as they stem from shifts in physical risks associated with potential climate futures. By understanding these time horizons, we can better navigate the complexities of climate change and facilitate informed decision-making. The time horizons we have established are as follows:

- Short term: 1-3 years
- Medium term: 3-10 years
- Long term: 10 years and beyond

The selection of time horizons was based on TCFD framework recommendations, as well as Mark Anthony's strategic planning timelines.

Risk selection process

The risk selection process allows us to identify and prioritize climate-related risks and opportunities that could impact our business. By evaluating these factors, we aim to enhance resilience and align our operations with industry practices. This process includes assessing industry peers, engaging cross-functional stakeholders, and identifying vulnerabilities in our business operations to focus on the most significant risks and opportunities.

To establish our universe of risks and opportunities, we conducted an analysis of industry peers to identify climate-related risks and opportunities relevant to the industry, as well as industry practices. This helped surface topics that are commonly prioritized across the sector and likely to be relevant to Mark Anthony. To further tailor the risk universe to Mark Anthony's specific context, we analyzed internal documentation and conducted interviews with leaders across key functions, including Governance, Risk, Compliance, Marketing, and Finance. These conversations helped validate the relevance of the identified risks and opportunities and surfaced additional considerations unique to the business.

From this input, we identified climate-related risks and opportunities frequently cited across internal and external sources. These reflect both corporate priorities and broader industry concerns, and consider existing and emerging regulatory requirements related to climate change. Among these, we identified two risks and one opportunity as requiring deeper analysis to support near-term decision-making. The remaining risks and opportunities remain part of our broader risk universe and will continue to be monitored and reassessed in connection with our Enterprise Risk Management Framework.

We conducted a qualitative scenario analysis on the climate-related risks and opportunities identified as relevant to the business for FY2025. Table 1 outlines the climate-related risks and opportunities for which the climate scenario analysis was performed. Additionally, we plan to refresh and update our climate risk analysis biennially.

Table 1. Climate-related risks and opportunities prioritized for climate scenario analysis

Category[2]	Type	Driver	Description[3]	Time horizon
Physical	Chronic	Reduced access to water and key ingredients due to water stress and agricultural instability	Increasing water stress and agricultural instability due to climate change, driven by factors such as, but not limited to, rising temperatures and shifting precipitation patterns, could disrupt supply chains by limiting access to essential natural resources and increasing cost volatility for key ingredients like grains or potatoes used in the production of alcoholic beverages.	10+ years Mark Anthony has implemented mitigation measures to manage climate-related disruptions, such as adjusting production and inventory strategies. While these efforts may limit near-term impacts, climate change could still lead to increased costs related to ingredients, water availability, distribution, and facility resilience over time.
Transition	Policy and Legal	Emerging regulations increasing operating costs	Emerging regulations (e.g., Extended Producer Responsibility –EPR– state legislatures, California climate laws, etc.) and taxation related to carbon emissions, climate change, and sustainability could lead to rising costs and increased operating expenses due to compliance requirements.	1-3 years The impact may be moderate in the next 1-10 years due to Mark Anthony's focus on energy efficiency reducing emissions, though new regulations and internal reporting capabilities may increase upfront costs. After 10 years, impact could be mitigated as Mark Anthony continues to prioritize efficiency and disclosure mechanisms that enhance performance over time.
Opportunity	Markets	Enhanced market position through climate-related leadership in industry	Enhancing transparency in climate-related disclosures can strengthen market positioning as an industry leader and foster greater customer loyalty.	3-10 years Mark Anthony is expected to enhance climate reporting in the near term to meet regulatory requirements. Over time, the company may expand into voluntary disclosures and explore sustainability partnerships and innovations, in line with strategic priorities.

[2] Physical risks are assessed in a high carbon economy (HCE) scenario and transition risks and opportunities are assessed in a low carbon economy (LCE) scenario to test the extremes, in alignment with the TCFD Recommendations (CA SB-261 reporting criteria).
[3] Forward-looking statements in this assessment are subject to a variety of uncertainties that could cause actual events to differ materially from those that have been estimated.

b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning

Business units at Mark Anthony prioritize operational efficiency and business continuity when managing risk, including climate-related risks, which informs how potential impacts are reflected in our business, strategy, and financial planning. As our Enterprise Risk Management (ERM) framework and climate risk assessment processes continue to mature, we expect to strengthen our understanding of how climate-related risks and opportunities may influence strategic decision-making across the organization. The section below describes Mark Anthony's approach to understanding potentially relevant climate-related risks and opportunities, as an initial approximation to assessing their impact on our strategic and financial planning.

Reference Scenarios

Mark Anthony performed a qualitative climate change scenario analysis to enhance understanding of how different climate scenarios in the future might affect our business environment. By examining potential future scenarios, we aim to:

- Identify and evaluate the potential implications of climate-related risks and opportunities.
- Assess the resilience of our business strategy under high-carbon and low-carbon futures by leveraging models from the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). Please find below additional detail on the reference scenarios used.
- Inform our strategic planning and risk management processes to enhance our ability to adapt and thrive in a changing climate.

Our qualitative analysis focused on evaluating physical risks in a high carbon economy (HCE) scenario and transition risks and opportunities in a low carbon economy (LCE) scenario to test the extremes, in alignment with the TCFD Recommendations (CA SB-261 reporting criteria). The data from Representative Concentration Pathways (RCP) models illustrates the physical impacts associated with various levels of GHG concentration and temperature increase, while the NGFS reference scenarios offer a perspective on transition risks and opportunities across different approaches to public policy and regulation. By leveraging both sources, we gain an understanding of the risks and opportunities associated with High-Carbon and Low-Carbon economy pathways. This climate change scenario analysis is a vital component of our medium- and long-term strategic business planning. Looking ahead, climate risk assessments will enable Mark Anthony to make well-informed decisions, bolstered by more in-depth analyses that capitalize on insights derived from climate risk results. This proactive strategy will significantly enhance our capacity to navigate future challenges and seize opportunities in an evolving climate landscape. For further details on Mark Anthony's climate risk measure efforts, please refer to Strategy subsection C.

Low carbon economy (LCE) pathway

The *NGFS below 2°C* reference scenario represents pathways that limit global warming to below 2°C above pre-industrial levels, aligning with the goals of the Paris Agreement.[4] It assumes significant reductions in GHG emissions and an orderly transition to a low-carbon economy. The scenario was chosen to assess potential impacts and associated transition risks and opportunities for Mark Anthony in a world that pushed forward aggressive climate action. The greatest impacts

[4] NGFS *below 2°C* data was obtained from NGFS Scenarios Portal.

in an LCE pathway are those associated with market and regulatory changes such as carbon prices, product regulations and greater availability of renewable energy, which makes the *NGFS below 2°C* scenario helpful to assess transition risks.

High carbon economy (HCE) pathway

The *RCP 8.5*[5] scenario represents a high GHG emissions pathway, projecting a temperature increase of approximately 4°C or more by the end of the century. It illustrates a future with minimal climate action, serving as a framework to assess the potential physical impacts of climate change under a business-as-usual scenario. This scenario highlights the physical consequences of climate change, including the increased frequency and severity of extreme weather events and rising global temperatures.

Scenario Analysis

To assess the potential impact of climate-related risks and opportunities on Mark Anthony, we conducted a qualitative evaluation of the identified risks and opportunities concerning our assets and operations. This evaluation led to the prioritization of two risks and one opportunity that require deeper analysis to support near-term decision-making. This analysis explored the potential effects on our operations, workforce, and supply chain for each prioritized risk and opportunity across the scenarios and time horizons outlined in the sections “Scenario Analysis” and “Time Horizon.” Table 2 details the results of the qualitative assessment of the prioritized climate-related risks and opportunity identified by Mark Anthony stakeholders for deeper analysis.

Shortlisted risks and opportunities were identified from an extensive list of potential climate-related risks and opportunities and presented to Mark Anthony stakeholders for validation. This prioritization reflects topics that are highly relevant to Mark Anthony's strategic objectives, encompassing both corporate priorities and broader industry concerns. Further analysis of the other shortlisted risks and opportunities will be considered in future iterations of climate risk assessments.

The scope of this climate risk assessment report includes Mark Anthony Brewing Inc., Mark Anthony Brands Inc., and Mark Anthony America Inc., with Mark Anthony Brands Inc. functioning as a subsidiary of Mark Anthony America Inc. This assessment encompasses all sites associated with the entities and incorporates insights from stakeholders across Mark Anthony functions to gain an understanding of climate risks and reflect organizational considerations throughout the analysis.

This section refers to the results of the climate risk assessment. Mark Anthony’s risk management measures can be found in subsection C of the Strategy section and in the Risk Management section of this document.

[5] The results described in this report reference insights from the **Climate Analytics climate impact explorer** due to its comparability and alignment with existing regulatory and peer frameworks. Future iterations may consider different or additional data sources.

Table 2. Climate scenario analysis results [6]

High Carbon Economy: Main reference model is RCP 8.5[7], which projected an increase in temperature by approximately 4.0°C to 5.0°C by the year 2100				
Type	**Definition**	**Time horizon**	**Risk Drivers**	**Impact on Mark Anthony**
Physical: Chronic	Reduced access to water and key ingredients due to water stress and agricultural instability [8]	Long - The impacts of climate change on the cost of ingredients, the quality and availability of acceptable water for production, and the disruption of product distribution channels, in addition to increasingly higher risk of damage to facilities, could potentially increase Mark Anthony's production and distribution costs.	Barley and corn[9] producing regions, such as the Northern Plains and the Pacific Northwest in the US, are exposed to rising temperatures and decreasing precipitation.	Barley and corn, and similar grains, are crucial ingredients for Mark Anthony's product manufacturing, and climate change poses significant risks to their yields. Barley relies on specific temperature and rainfall conditions, which are increasingly compromised by rising temperatures and altered precipitation patterns, potentially leading to reduced yields. Similarly, corn is at risk due to temperature deviations that can cause high-temperature stress, adversely affecting growth rates and grain yields, particularly during the reproductive stage. Furthermore, climate-driven variations in food prices may increase raw material costs, impacting production expenses and profitability.

Low Carbon Economy: Main reference model is NGFS Below 2.0°C[10], which projects market and regulatory changes leading to an increase in temperature by <2°C by the year 2100				
Type	**Definition**	**Time Horizon**	**Risk Drivers**	**Impact on Mark Anthony**
Transition risk: Policy and legal	New and emerging regulations related to disclosures and GHG emissions	Short, medium, and long term - Mark Anthony's focus on energy efficiency reducing emissions may mitigate short- and medium-term impacts, though new	Regulatory pressure is expected to intensify over the long-term horizon, potentially escalating from major to extreme impacts in	• Investing in abatement technologies and renewable energy can reduce emissions and lower reliance on offsets, managing

[6] The information presented in the climate risk assessment is not intended to be predictive, but to provide visibility into potential future scenarios with the intent to inform measures to mitigate and adapt to climate change impacts.
[7] The RCP 8.5 scenario aligns with the *NGFS current policies scenario*, which is used as the HCE reference scenario.
[8] For the purpose of assessing climate change impacts on the availability and use of water, energy and ingredients, Mark Anthony's manufacturing process was assumed to be similar to beer production.
[9] Corn and barley are used as reference ingredients to assess the impact of climate change on the availability and price of key ingredients. Proxies such as soy, corn and wheat were used to estimate the impact of the carbon price on barley.
[10] The RCP 2.6 scenario aligns with the *Below 2°C NGFS reference scenario,* which is used as the LCE reference scenario.

	reductions could lead to increased compliance costs and penalties	regulations and internal reporting capabilities may increase upfront costs and continue to increase in the long term.	a LCE scenario. Additionally, the effects of carbon pricing are projected to increase from significant to major as we move from the short to the long-term.	long-term costs, though short-term implementation may incur higher costs. • Regulatory mechanisms may raise operating costs and reduce profit margins due to expenses from compliance mechanisms such as purchasing offsets.
Transition opportunity: Market	Enhanced market position through climate-related leadership in industry	Short, medium, and long term - Enhanced reporting mechanisms to support compliance may create opportunities to gain competitive advantages over the short, medium, and long term. In the short term, strengthening climate-related reporting can help meet regulatory requirements and respond to market expectations. Over the medium and long term, improved transparency and voluntary disclosures may support brand reputation, stakeholder trust, and the ability to adapt to evolving sustainability standards and consumer preferences. These opportunities depend on future strategy and market conditions.	In a low carbon scenario, retailers demand additional transparency and sustainability from their suppliers, and consumers increasingly prioritize environmentally friendly and responsibly sourced products, while the transition to a low carbon economy presents new market opportunities.	• Retail outlets that Mark Anthony serves, such as Walmart, may continue to work with suppliers to decarbonize their supply chains, offering an opportunity for Mark Anthony to take advantage of documenting our sustainability efforts to align with emerging requests, and potentially expand our market reach by aligning with eco-conscious consumers and enhancing brand loyalty. • Environmental responsibility is increasingly influencing brand loyalty, prompting consumers to favor brands that actively seek ways to reduce their carbon footprint. The willingness of consumers to pay a premium for sustainable products presents a market opportunity for Mark Anthony as we continue to enhance our operational efficiency and explore opportunities to incorporate eco-friendly options into our offerings. • The potential for sustainably produced alcohols to be utilized as biofuels in a low carbon scenario creates new market opportunities in the renewable energy sector.

c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Beginning in 2025, we began streamlining our risk management approach across the organization, including assessing our exposure to climate-related risks and opportunities like the ones described below. We consider this a key step towards enhancing the resilience of the organization.

Chronic Physical Risk: Reduced access to key ingredients and natural resources due to water stress and agricultural instability

We recognize that climate-related physical risks, such as water stress and extreme weather, may affect our access to key inputs, including water and ingredients, and disrupt product distribution channels. These risks are considered part of our ongoing business strategy. For example, Mark Anthony considered factors such as the risk of natural disasters and water availability when selecting the location for the construction of two purpose-built breweries and introduced weather resilience measures into their design and construction. In addition, we have implemented a range of operational measures that help mitigate potential impacts to business continuity and supply chain resilience arising from climate risks. These measures include introducing redundancy on critical commodities, establishing protocols to increase production at one facility in case of disruptions at others, and pre-emptively boosting inventory at locations likely to be affected by distribution challenges arising from adverse weather and climate events. Our production facilities closely monitor energy, water use and intensity to ensure efficiency and minimize losses, and we prioritize the procurement of high-efficiency equipment where feasible. We assess facility resilience and implement weatherization initiatives to prepare for extreme weather events. We acknowledge the importance of these risks and are committed to continuing to mature our approach, integrating climate considerations more deeply into our operations and decision-making over time.

Policy and Legal Transition Risk: New and emerging regulations related to disclosures and GHG emissions reductions could lead to increased compliance costs and penalties

As new regulations and enhanced internal reporting capabilities result in increased upfront costs, we are formalizing our GHG emissions data management and reporting mechanisms. By mapping relevant regulations, we are creating processes to support accurate reporting and compliance, to minimize our risk of incurring penalties. Our initiatives to improve energy efficiency and explore alternative energy sources further mitigate our exposure to fluctuations in fossil fuel prices and grid disruptions.

Market Transition opportunity: Enhanced market position through climate-related leadership in industry

While this opportunity has not been a significant business driver in previous years, we anticipate further engagement with retailers that have introduced sustainability and climate change initiatives in their respective supply chains. In a low-carbon economy, we expect to further engage with industry organizations and leverage our regulatory and voluntary reporting processes, currently under development, to stay abreast of the transparency and sustainability expectations of our buyers, as well as potentially capitalize on new market opportunities.

Risk Management

Describe the organization's process for identifying and assessing climate-related risks

Our Enterprise Risk Management Framework focuses on conducting strategic risk reviews by business unit to identify and assess risks to the achievement of Mark Anthony's growth and long-term value. Our assessment considers both strategic and operational risks. We analyze the risks' impacts, likelihood, speed of onset and exposure to inform mitigation efforts.

In 2025, we qualitatively identified and assessed three climate-related risks and opportunities deemed as of higher priority for assessment, out of a universe of potentially relevant risks and opportunities identified for future assessment. To develop the risk universe, we identified industry-relevant climate-related risks and opportunities, leveraged existing Mark Anthony documentation, and gathered information on risk considerations through interviews with leadership across functions including Governance, Risk, Compliance, Marketing, Corporate Relations, Government Affairs, and Finance.

To comply with the SB-261 biennial requirements, we will reassess our climate-related risks and opportunities biannually, or as needed, in conjunction with our Enterprise Risk Management Framework which assesses risks by business function.

a) Describe the organization's process for managing climate-related risks

Management of climate-related risks is integral to our manufacturing operations and distribution of products to customers. Based on the organization's identified risks, leadership establishes strategies and business units establish operational processes to manage these risks.

Business units consider operational efficiency and business continuity to prioritize measures that help manage climate-related risks. Measures include:

i. Since water is a critical resource to our operations, advanced water treatment systems are implemented during the construction and retrofitting of brewing facilities to mitigate risks arising from water shortages. Our water management strategies focus on minimizing water withdrawal, enhancing the operations' resilience to climate-related challenges associated with water scarcity.
ii. The Environment, Health, Safety, and Security (EHSS) program, active in our Mark Anthony Brewing facilities, provides a framework for EHSS risk identification and management by executing EHS risk assessments and physical security assessments at each of our plants and continues tracking identified risks in plant risk registers.
iii. Production facilities are equipped with emergency playbooks that outline detailed procedures to follow during disruptions, including extreme weather events.
iv. Facilities have established protocols to shift production between our three company-owned facilities or to a third party in case of disruptions at our facilities to maintain production capacity in the event of extreme weather conditions or unprecedented incidents at our facilities.
v. To improve energy efficiency and reduce GHG emissions, production facilities implement state-of-the-art machinery and real-time energy monitoring tools. This has resulted in a 19% reduction in energy intensity (MJ/HL) over the past two fiscal years, from our 2023 baseline. Additionally, we continue to invest in CO_2 recovery technologies to capture process CO_2 emissions, as well as in nitrogen generation.
vi. Mark Anthony Brewing's facilities in Columbia, SC and Glendale, AZ implemented a $20M investment in rail infrastructure for the transportation of raw materials, reducing GHG emissions and improving supply chain resilience. With one inbound railcar transporting the equivalent of four tanker trucks of raw material, we estimate our use of railcars to have prevented the GHG emissions of 3,600+ tanker trucks.

vii. In 2024, we achieved 24% recycled content in our glass containers and 87% in our aluminum cans, proactively managing potential regulatory and market trends towards circularity in single-use packaging.
viii. Our supply chain team works to maintain redundancy for critical inputs across our supply chain. This approach helps mitigate the risk of production delays or shutdowns due to extreme weather events, transportation interruptions, or supplier constraints.

b) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Climate-related risks are one of several categories included in our Enterprise Risk Management Framework used across all business units.

Metrics and Targets

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

In 2025, we began performing climate risk assessments to evaluate the impact of identified climate-related risks and opportunities in alignment with our strategy and risk management processes. This assessment will continue to allow us to monitor new and emerging regulations, as well as market dynamics and demand, which could affect our operations and product demand.

We currently monitor a limited number of climate-related metrics, including energy and water intensity, to assess our compliance with existing environmental regulations and opportunities for improvements to operational efficiency. As our Enterprise Risk Management (ERM) process and related climate risk assessment process evolves, we expect to identify and monitor additional climate risk-related metrics to align with our evolving strategy and risk management processes.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

We are preparing the calculation of our 2025 Scope 1 and Scope 2 greenhouse gas (GHG) emissions for disclosure in 2026 and are aiming to assess Scope 3 emissions by 2027. We consider the resource implications and potential physical risks from a high carbon economy that may impact our operations and supply chain. In future assessments, we will incorporate emissions considerations from our calculations.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

Climate-related risks for Mark Anthony refer to the potential negative and positive impacts of climate change on business operations. This includes physical risks, including extreme heat, drought, flooding, and storms that disrupt crop supply, water availability, and facilities, as well as transition risks and opportunities, such as changing regulation on greenhouse gas (GHG) emissions, shifts in consumer preferences, supply chain pressures, and the need to adapt through circular economy and sustainable resource practices.

As this is our first approach to climate risk assessment, we have not set targets related to climate risk management. As our approach matures, we will continue to monitor the applicability of climate risk-related targets in line with Mark Anthony's strategy and risk management process.

Looking Ahead

Managing climate-related risks and opportunities will remain a fundamental consideration in our business resilience and strategy as we prioritize operational efficiency, cost-effectiveness, and the reliability of our supply chain. We will enhance our climate risk management program by regularly conducting climate risk assessments in line with the biennial expectations of SB 261, as well as performing additional assessments when necessary. Our plan includes monitoring the impacts of both identified and emerging risks and implementing mitigation strategies for those deemed relevant to our business. We will also continue to explore the applicability of quantitative climate scenario analysis while enhancing climate-related metrics, such as calculating our GHG emissions as part of our GHG inventory management plan.

As we assess potential risk mitigation strategies and evolve our climate risk management processes, we will actively engage with internal stakeholders across various functions through our NFRC Working Group, which is overseen by the NFRC Committee to support regulatory alignment with climate risk regulations, including SB 261. This collaborative approach will strengthen our disclosure, management, and operational integrity, to equip us to address the changing landscape of climate-related challenges.