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Synlait completes phase 1 of off-farm decarbonisation roadmap

Synlait Milk Limited (Synlait) has completed two key projects, which sees the first phase of its decarbonisation roadmap completed.

The two projects will enable a reduction of scope 1 and 2 greenhouse gas (GHG) emissions by 38,000 tCO₂e in FY23, progressively increasing to 58,000 tCO₂e in FY26, when the projects are expected to reach full capacity. Based on Synlait's FY20 scope 1 and 2 GHG emissions, this would represent a 41% reduction in absolute emissions – a major step towards achieving the company's SBTi-approved¹ target of reducing scope 1 and 2 emissions by 45% by FY28.

Synlait CEO Grant Watson commented: "Synlait has a significant environmental footprint. We must therefore have strong sustainability credentials, which form part of our right to play but are also a right to win. We are committed to continuing to take a leadership role and deliver projects that accelerate our unrelenting passion for the planet and its people."

"The increased utilisation of our electrode boiler and the transition to biomass allows Synlait the flexibility to minimise its environmental impact, while providing redundancy and resilience in its process heat generation. Thanks to our internal team and external partners for supporting us to deliver these two projects and complete the first phase of our decarbonisation strategy."

A summary of the two projects is below.

ELECTRODE BOILER

Synlait established its decarbonisation plan in 2018. The programme started with the commissioning of New Zealand's first large-scale electrode boiler at Synlait Dunsandel, which provides renewable process heat for the company's Advanced Dairy Liquid Processing Facility.

The electrode boiler has been upgraded to a maximum 12 MW capacity (from 6 MW) and connected to the entire Dunsandel facility allowing it to increase its typical running rate from 2 MW to 10 MW. The upgrade includes an innovative system that enables Synlait to use electricity when time-of-use rates make it cheaper than coal.

The project was co-funded by Synlait and the Energy Efficiency and Conservation Authority's (EECA) Government Investment in Decarbonising Industry (GIDI) Fund.

BOILER TWO BIOMASS

Boiler 2 at Synlait's Dunsandel site has been converted to biomass (from coal) and will progressively increase its usage of wood pellets made from New Zealand forestry waste and sawmill residues.

¹ Science Based Targets initiative (SBTi)



The project was also co-funded by GIDI and Synlait's strategic customer and shareholder, The a2 Milk Company.

Planning for phase two of the decarbonisation roadmap will start in this financial year and focus on conversion to biomass, renewables, and energy efficiency.

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