

Media statement

San Waitaki Judgement

Now that the judgement in this case has been released, we would like to take the chance to explain in more detail what led to these mistakes, for which the judge has fined Sanford and the two crew members involved and has confirmed the forfeiture of our vessel.

We wish to say up front that we absolutely accept the judge's decision. We are very sorry about what happened and disappointed in ourselves.

Benthic protection areas (BPA) are areas of seabed in New Zealand where some fishing activity is illegal. Sanford supported the introduction of these areas in New Zealand and, despite the mistakes which led to this case, we respect these areas and are advocates for marine protection.

In 1997, Sanford was part of New Zealand's Deepwater Group which voluntarily closed an area of water in the South Island to allow fish stocks to rebuild. Then in 2007, while the wider area was still closed, MPI established a small marine protection area inside it, creating a small BPA. In 2017, the wider area reopened, allowing fishing to occur, but not in the small BPA. The BPA area was not showing on electronic charts that the San Waitaki was using when the infringement occurred.

We have had people ask us, how a vessel using GPS could not know it was in a BPA. At the time, the San Waitaki was using electronic charts that did not outline the small BPA area. It was human error that the charts were not updated as they should have been.

We have since put systems in place to minimise the risk of this happening again. Those systems include electronic geo-fencing software which needed to be built by a third-party provider. The software will sound an alarm in the wheelhouse (bridge) and if the vessel comes within 0.5 nautical miles of a BPA, and an alert will be sent to the vessel manager on shore.

Our commitment to sustainability is real. We do make mistakes sometimes, but our determination to do the right thing runs through our company. The judge himself noted that "there was no intention by any of the parties to commit an offence" and "Sanford has an excellent record in this area".

We will work constructively to expeditiously address the matter of forfeiture. In the meantime, Sanford will work with MPI to ensure the vessel remains operational until the matter is resolved.

Our people work hard to do what's right and look after the places we operate in. We all understand the seriousness of an error like this, and we are all focused on the education, technology and communication needed to prevent future mistakes.

For more information about Sanford or to arrange interviews please contact: Fiona MacMillan GM Corporate Communications +64 (0)21 513 522 fmacmillan@sanford.co.nz

About Sanford

Sanford is New Zealand's oldest and largest seafood company – we farm salmon and mussels and hold 19% of New Zealand commercial fishing quota. Sanford has been listed on the New Zealand stock market since 1924. We are focused on sustainability and on maximising the value of the resources we gather from our oceans, enabling long term value creation from oceans teeming with life. Sanford sites can be found in eleven locations around New Zealand and we are a team of 1500 staff and sharefishers across the country. We are committed to innovation: our scientists are on a mission to find new ways to make the most of the life-enhancing properties of seafood, from anti-inflammatory supplements to skin-nurturing collagen.

For more information please visit <u>www.sanford.co.nz/</u>