SANFORD

Sustainability Report FY25

About this Report

Sanford Limited's (SAN) FY25 Sustainability Report provides our updated perspectives on sustainability and what is material to us.

It includes our climate-related disclosures (CRD) prepared in compliance with the Aotearoa New Zealand (Aotearoa/NZ) Climate Standards (NZCS) but published on a voluntary basis. The CRD introduces our climate-related transition plan, expands on Sanford's climate-related risk and opportunity (CRRO) assessment and discusses our pragmatic approach in response to climate change.

Period and Scope:

This report covers our sustainability performance and activities for the 12-month period from 01 October 2024 to 30 September 2025 (SAN FY25).

Our financial year aligns with the 'Fishing Year' – the regulatory period for Aotearoa/NZ's Quota Management System (QMS), that was initiated in 1986. We operate in a country which, decades ago, introduced a strict legal framework to ensure responsible long-term management of fisheries and partnership with iwi-Māori under te Tiriti o Waitangi. Aotearoa/NZ's industry is world-leading in fisheries sustainability.

Readers are cautioned to review the disclaimer on page 15 of this report which applies to Sanford's CRD and the broader content of this report.

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Report from the Chair of the Sustainability Committee

In FY25 the Sanford Board formed a Sustainability Committee to provide oversight and direction on this important aspect of our business. In part the establishment of the Committee was a response to the new mandatory climate-reporting regime in Aotearoa/NZ. However, this report is now being published voluntarily.

Sanford is a long-time sustainability reporter. The establishment of the Sustainability Committee has provided an opportunity to refocus more closely on the relationship between Sanford as a business and the natural world.

Sanford's sustainable fisheries practices have deep roots in the form of a multi-generational relationship between people and fisheries that is constantly refined over time as our knowledge and technological options evolve. In 2026, it will be 30 years since the purpose of ensuring the sustainability of fisheries resources was enshrined in New Zealand legislation. In the Fisheries Act 1996 the definition is clear:

Ensuring sustainability means –

(a) maintaining the potential of fisheries resources to meet the reasonably foreseeable needs of future generations; and

(b) avoiding, remedying and mitigating any adverse effects of fishing on the aquatic environment.[1]

I have been professionally involved in fisheries management for over three decades and provided advice on fisheries management around the world. I can say confidently that the sustainability purpose and associated environmental principles in New Zealand fisheries legislation are peerless and are fully endorsed by Sanford.

As a harvester of food from nature, it is a commercial imperative for Sanford that the marine ecosystems in which it operates retain their health and diversity. Whether food comes from nature, aquaculture, agriculture or horticulture, all harvesters, growers and consumers have a shared responsibility to consider the impacts of producing that food. The responsibility for our environmental footprint is a shared responsibility, regardless of whether an environmental effect is made for commercial, customary or recreational reasons. Sanford understands that marine resources are shared resources, and the most effective management of these resources is therefore necessarily collective and co-operative.

Harvesting of fish (whether by humans, other fish or marine mammals) has nature effects because when we eat something we insert ourselves into the ecosystem of that food. We intend for the production of healthy, natural seafood to remain Sanford's business. I look forward to continuing informed discussion on sustainability and in the content of this report, we provide information to support such welcome dialogue.

Tom McClurg
Sustainability Committee Chair

1. Fisheries Act 1996 Section 8

Materiality – what matters most

In defining what is important to include in this report, we must consider its primary users – investors and lenders. In undertaking the work that underpins this report, we must also consider the secondary users – ourselves. We have previously engaged consultants and held broad stakeholder workshops to define materiality in the sustainability context. This year, we have turned a corner and returned our focus to what creates or diminishes value in Sanford. For us it is about answering the question:

How do we keep building a better business by producing quality food in a changing world?

Sanford has nearly half a billion dollars of assets on its balance sheet representing rights to harvest food from nature.[2] We have a clear vested interest in the perpetuity of this resource and treat these rights as valued assets. Fishing is one of the few sectors in this country where an entity's financial statements necessarily include natural capital.

Sustainability for Sanford means our relationship with nature must be perpetual. We recognise our actions impact on nature and we monitor these impacts. The key to our continuing relationship with nature is to ensure our impacts allow for timely regeneration. That is, seeking to ensure we do not create adverse effects from which the ocean – our operating environment – cannot recover. This is sound business practice and has been implicitly integrated into our way of operating for decades.

With our rights to harvest from nature come responsibilities. We anticipate our obligations with respect to nature will increase over time, as will expectations of us. We can respond to this by improving the quality of the information we collect. Information has both operational and strategic benefits. Part of our strategic focus relating to sustainability is to improve the quality of our data collection, and therefore decision-making.

In the first part of this report, we will discuss:

- the food that we produce compared to the food the global population demands; and
- Sanford's legal rights to natural resources and our obligations in accordance with those rights.

In the second part of this report, we present our Climate Statements.

2. In our Statement of Financial Position for FY25 fishing quota has a closing book value of $377 million and marine farm licences of $102 million.

What we produce

In FY25 we sold an estimated 300 million adult portions of marine protein.[3]

Global food production

Food production by weight has increased by around 60% since the turn of the millennium, compared to a population increase of around 33% (six billion to eight billion) in the corresponding period.[4] This reflects rising average food consumption and wastage.

3. Assuming 100g, 200g, 300g of seafood equates to one portion depending on product state.
4. Food and Agriculture Organization of the United Nations (FAO)

Protein

Increased global appetites are primarily driven by growing demand for animal protein, especially in Asia, but also in the Americas and Europe.[5]

Omega-3

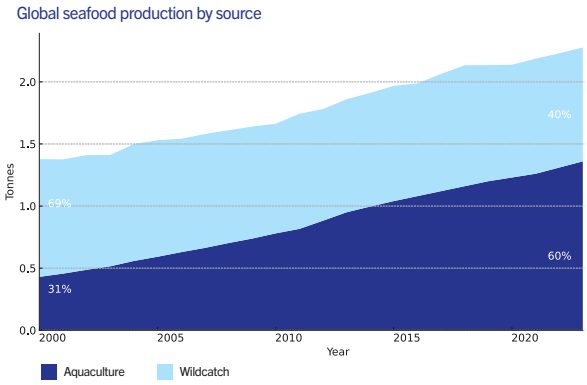
There are two major classes of polyunsaturated fatty acids – omega-3 and omega-6. Both are essential to human health. There are three main types of omega-3: alpha linolenic acid (ALA) eicosapentaenoic acid (EPA) and docosahexaenoic (DHA). ALA is present in plant oils like flaxseed, and EPA and DHA are sourced from fish and microalgae.

ALA is considered an essential fatty acid because humans cannot create it, and it must be sourced from diet. ALA can be converted into EPA and DHA by the human liver, but not particularly efficiently. Direct consumption of EPA and DHA is therefore a more efficient way for humans to acquire omega-3.

Marine food sources are the most efficient omega-3 sources, whether that be animal or plant based, because it is in EPA and DHA form. Fish bioaccumulate EPA and DHA from microalgae, which is what makes them a good dietary source of omega-3. A diet without fish is likely to result in a deficiency of bioavailable omega-3 unless managed with supplements. Western diets tend to be low in omega-3, especially when compared with populations with fish-rich diets, like Japan, where EPA and DHA levels are around twice those of Western populations.[6] There is a growing body of medical literature on the potential health implications of omega-3 deficiency, especially later in life.

Seafood production

The global seafood sector has been slower to grow than land-based food production in the recent past. Growth in seafood production is from aquaculture, and this production has doubled in volume since the year 2000, making it one of the highest growth food sources during that time. It is generally undisputed that wildcatch fisheries have peaked and nature cannot currently increase production of this valuable food source on its own. Aquaculture has now surpassed wildcatch as the main source of seafood production globally. See the graph below.



5. FAO
6. Harris WS. Omega-3 fatty acids. In: Coates PM, Betz JM, Blackman MR, et al., eds. Encyclopedia of Dietary Supplements. 2nd ed. London and New York: Informa Healthcare; 2010:577-86.

Sanford's seafood production

Our business is approximately two-thirds wildcatch and one-third aquaculture by harvest weight.[7] What is happening globally in the seafood sector demonstrates there is opportunity to grow our aquaculture business to be a larger portion of our total business. This is an aspect of our strategy that we are actively considering.

Both operations are highly regulated in Aotearoa/NZ to ensure sustainability: wildcatch by the Fisheries Act 1996 (Fisheries Act), and aquaculture by the Resource Management Act 1991 (RMA).

The respective purpose of each of these pieces of legislation is:

- to provide for the utilisation of fisheries resources while ensuring sustainability[8]
- to promote the sustainable management of natural and physical resources.[9]

Our position is that marine sustainability legislation should accommodate competing needs wherever possible. A key difference in these Acts from a sustainability perspective is that the Fisheries Act enables utilisation of resources while ensuring sustainability. In contrast, the RMA incorporates frameworks intended to deliver the total protection of resources, by prohibiting utilisation. We made a submission in support of the Government's Fast-track Approval Bill on the basis that it would support the National Aquaculture Strategy. We note that Aotearoa/NZ's seafood sector is still dominated by wildcatch at similar proportions as the global sector was at in the year 2000 (see graph on previous page).[10] We have made applications for fast-tracked aquaculture projects, none of which have been initiated to date.

Wildcatch

Our fishing operation is based in Timaru and primarily targets deepwater species. Our fishing experience to date is that deepwater species are less impacted by the current warming of the ocean than in-shore species. Our main target catches are 'commodity' species and by weight our five biggest catches in FY25 were:

- hoki
- jack mackerel
- barracouta
- squid
- silver warehou

By-catch

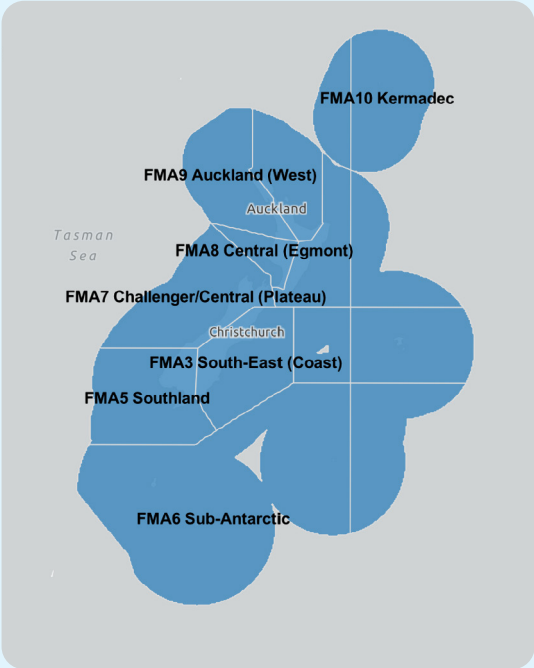
When we catch fish that we are not targeting, we either process them as fillets alongside the target species or process them into fishmeal and fish oil. We may return to the sea any species not covered by the QMS but must report these to the Ministry for Primary Industries (MPI). Many of our vessels have fishmeal factories on board and the biological waste from these vessels is low.[11]

	FY25	FY24
Greenweight (GWT) catch (T)	75,010	68,534
Packaged weight (T)	41,400	37,594
Fishmeal production (T)	4,640	4,419

7. This fluctuates year on year – in FY25 wildcatch represented around 71% of greenweight (GWT) reported.
8. Fisheries Act 1996 Section 8
9. Resource Management Act 1991 Section 5
10. The latest full year of harvest figures (2023) from Aquaculture NZ show 109,000 GWT compared with wildcatch of around 320,000 GWT for the corresponding period.
11. Note that around 80% of the fish is water, which is reduced out during fishmeal processing, and there is also blood loss before the fish are processed.

The QMS – why it supports sustainability and biodiversity

The Territorial Sea and Exclusive Economic Zone (EEZ) of Aotearoa/NZ is divided into 10 Fisheries Management Areas (FMAs.) (See map below.) Species inhabiting each FMA are designated as a specific fish stock. For example, snapper is coded SNA and snapper stock in FMA1 is SNA1. All the main fisheries are allocated this way and carry Individual Transferable Quota (ITQ). There are 642 separate fish stocks covering 98 species in the 10 FMAs.



How our ocean space is allocated for fisheries management areas

The Total Allowable Catch (TAC) for each stock is set each year by Fisheries New Zealand.[12] The Total Allowable Commercial Catch (TACC) is a subset of the TAC. The TAC also allocates shares of fisheries resources to recreational and customary uses, as well other losses (e.g. animal predators). The TAC is calculated to ensure maintenance of the remaining biomass in the water so the population can continue to regenerate. The proportion of TAC which is allocated as TACC is dependent on the other demands of the fishery.

For example, SNA1 TACC is around 56% of TAC while HOK1 (hoki) TACC is approximately 99% of TAC.

Quota conveys the perpetual right to commercially fish the fish stock to which it relates. Each year, Sanford is entitled to catch an amount of the TACC in proportion to its quota for the stock. This amount is known as the Annual Catch Entitlement or ACE, associated with the quota.

Quota (%) x TACC (GWT) = ACE (GWT)

We own quota for over 300 individual fish stocks and in FY25 this allocated us more than 75,000 GWT of ACE.

The penalties for catching more of a stock than the ACE held are high and we record every catch event, monitor this against our remaining ACE and report on this monthly to MPI via the information management system – Fishserve. Of the 98 species covered by the QMS, only a small proportion have high commercial value. Fish may be of low commercial value either because they don't have high market value (due to customer preference) or because the cost of fishing them is high comparative to their sales price.

One of the key differences between commercial fishing in Aotearoa/NZ compared to much of the rest of the world is that we must retain the low-value species we catch. Non-target species are referred to as fish by-catch and we generally do not discard them at sea if they are covered by the QMS.[13] Therefore, our catches are somewhat representative of the localised fish population and not as distortionary to biodiversity as selective catching.

Further, fishing quota is like shareholdings in a company as quota holders own a perpetual financial interest in the fish stock. This aligns the incentives of all quota holders to maintain the value of that fish stock; i.e. to ensure the fish stocks remain abundant in perpetuity by not overfishing.

12. A business unit of MPI.
13. Fisheries (Landing and Discard Exceptions) Notice. See Fisheries Notices - NZ Government.

Aquaculture

We farm mussels (shellfish) and salmon (finfish). There are key differences in these farming types, and each has its place in our operation and product mix, as well as providing a level of strategic risk management through diversification.

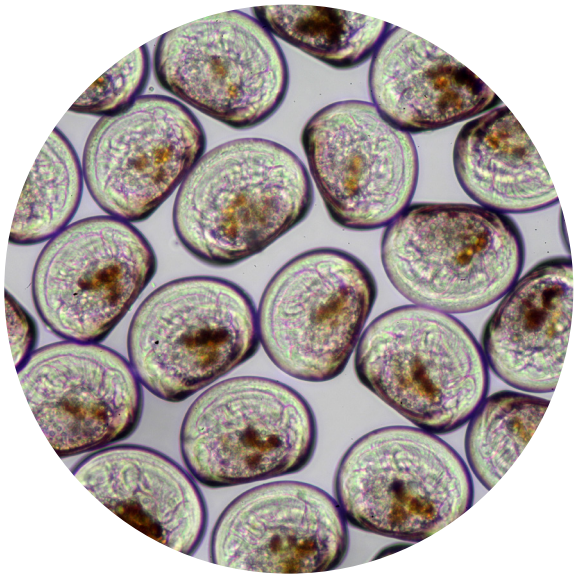
Mussels

Mussels are generally regarded as an environmentally friendly seafood option because they are filter feeders, require a relatively small area to farm and have a low emissions footprint. They also are high in protein, iron and omega-3 and low in fat.

We source spat (juveniles) from our hatchery in Nelson and from the wild.[14] Hatchery spat produce more resilient mussels because they are bred for desirable characteristics. Breeding programmes are key to developing resilient stock for future farming.

Mussels grow in a variety of temperatures, and we have farms throughout the country. Our mussels grow more quickly in the warm waters of the North Island, centred around the Coromandel region, taking fewer than two years to harvest. At the opposite end of the country, in Rakiura/Stewart Island, they grow more slowly but their quality is more consistent. Mussels are less prone to environmental causes of mortality than finfish. However, they are very sensitive to changes in the local environment (such as silt from heavy rain). This introduces significant variability into daily harvests meaning yield from the factory can vary considerably.

We rely on high volumes for mussel profitability and there are opportunities to be more efficient and productive. The frozen half-shell format is our primary and most profitable mussel product. This means that the qualities of both meat and shell must be acceptable to pass quality control. Ocean acidification weakens shell structures causing them to become brittle and easily broken. Consequently, we are expecting a higher level of shell breakages in the future. We can potentially mitigate this through more careful harvest management, but this would cause lower harvest yields per trip. As a result, this would add to fuel, emissions and labour costs.



Mussel processing has a high level of biological waste, and we are exploring ways to utilise this waste effectively. We have a goal to achieve 100% mussel biological waste repurposing. There are two main types of waste – dirty and clean shells. Dirty shells are those with meat and other biological matter still attached, and we have recently been involved in a scientific trial to put these to effective use within the aquaculture sector. There is a market for clean shells in landscaping and for stormwater retention. We have had some success with diverting this waste stream for these purposes.

14. Under the QMS Sanford owns 21.5% of (green-lipped mussel) GLM9 stock and we use this to source spat from Te Oneroa-a-Tohe/90 Mile Beach.

Salmon

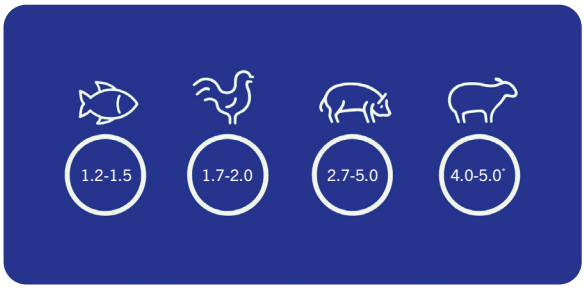
Our salmon farms are located in Big Glory Bay (BGB) in Rakiura/Stewart Island. The operation is split into the 'smolt' farm and the 'grow' farm and each has multiple pens. Brood stock is also kept at BGB and we use these fish to breed for desirable genetic traits at our hatcheries. We have two freshwater salmon hatcheries, in South Otago and South Canterbury, and transfer the smolt (juveniles) to BGB when they are mature enough to inhabit salt water. This replicates the natural life cycle of wild salmon, which spawn in fresh water but live most of their lives in the sea.

Once in the salt water environment the BGB salmon take between 18 and 24 months to grow to harvest size. BGB salmon are usually over 4 kg in weight when we harvest them. If salmon live longer than 24 months they start to die of 'maturation', so this places a constraint on how late they can be harvested.

Salmon are a cold-water breed and begin to die of stress at around 20° Celsius.[15] We have implemented additional mitigation measures, such as oxygenation equipment to assist the fish at times of higher stress. Thermotolerance is one of the key genetic traits we seek to develop in our stock.

There is an optimum harvest weight range for growing salmon which is around 4.5 kg due to the balance between input energy (feed) and growth rates. Animals expend energy as 'maintenance' (i.e. by just living) and growth. Smaller fish use much less maintenance energy than larger fish, because they do less work to swim around, thus grow at a faster rate. After 4.5 kg the growth rate of the salmon tends to decline, and they expend more energy as maintenance.

The feed conversion ratio (FCR) is the amount of food required to grow a kilogram of a farmed animal. Fish have low FCRs compared to land animals. See the diagram below.



Source: Skretting

BGB salmon are at the higher end of FCRs for their species as they expend more maintenance energy in their lifetime. We believe this improves the quality of our product because the flesh is firm. There is a maximum amount of feed we can use in a year due to a nitrogen constraint condition of our environmental consent. Consequently, feed management is a large part of both daily and strategic decision-making at BGB.

There are currently no regulations on stocking density of fish pens. We adopt a maximum stocking density of 15 kg/m3 which is line with international best practice.[16] This allows the fish to move freely and have sufficient oxygen. We do not medicate our salmon (e.g. with antibiotics), as is the common practice in finfish farming in the rest of the world.

Biological waste from our salmon operation is very low. We sell heads, frames and offcuts for human consumption. Most of the remaining biological waste is used in fertiliser, commercial compost or for bait.

Some salmon is lost to sealion and shark predation. These wild animals are protected by law and are safely (for both employees and the animal) removed from the pens.

15. There are a number of factors involved in this stress, in particular the reduction of dissolved oxygen in the water as the temperature rises.
16. www.bapcertification.org

Our Impacts – nature

Compliance

We are required to monitor our environmental impacts regularly under the laws which regulate us to ensure sustainable nature outcomes.

Environmental consents

Under the RMA we require consents for many of our activities. These consents cover:

- use of marine space for our aquaculture farms
- freshwater and saltwater takes for our factories and hatcheries
- wastewater discharged from factories into municipal sewers
- water discharged to the environment
- emissions for our diesel boilers at the Havelock mussel factory
- odour from our mussel powder plant
- noise from our operations
- waste to land (e.g. mussel shells)

We have invested in improving our compliance monitoring and reporting processes this year, and have had some successes from an environmental perspective as well. Technology has been implemented at our Timaru factory to improve the quality of our wastewater.

Marine area use

We have over 200 marine farm sites, but not all are in use. Our salmon farm consents at BGB require us to fallow farm sites on a regular basis to allow for the benthic area beneath to regenerate.

Finfish farming does impact localised water quality, and we monitor this both for the environmental impact and importantly, fish health. We have a full-time Fish Health and Water Quality Technician at BGB. We are engaged in further work to increase our monitoring of water quality at BGB and the wider Stewart Island marine area.

One of the main environmental impacts of shellfish farming is plastic and rope waste which washes up on beaches. Some of our consents require an annual 'survey' of the surrounding beaches where we clean up any debris and report on what we collect. When beach clean-ups aren't part of consent conditions, we engage in these with local industry bodies like the Marine Farming Association (MFA). There are harvest practices which can mitigate rope pollution, but storm events can cause plastic floats to break free.

The benefit of using the marine area compared to using land for food production (and potentially carbon removal) is work that needs further quantification. The productivity of the marine environment for both plant and animal growth is substantially higher than on land primarily because of the difference in gravity. The reason for this is that on land significant energy is expended by organisms in holding themselves up. But in the ocean the water does much of this work, which means more energy is directed into growth. This is evidenced by the difference in FCRs we see in animal farming.

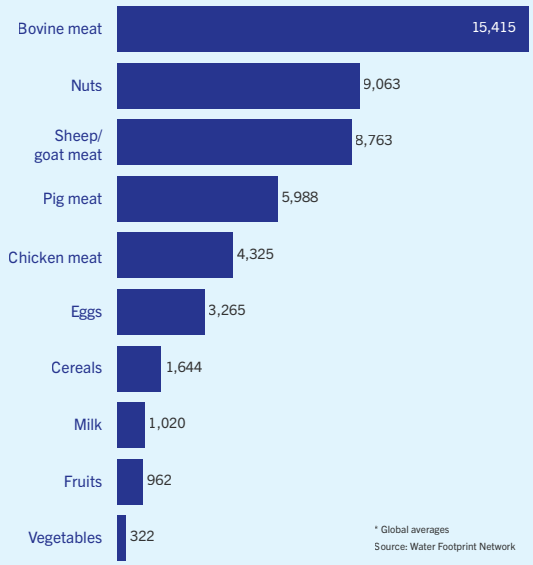
Water use

Water usage in our seafood processing is in a similar range to the requirements of meat processing in general. Where possible we use salt water taken directly from the sea in our processing to reduce our demand on fresh-water supplies. Importantly, in contrast to land-based food production (both animal and plant), there is no irrigation requirement which is extremely water intensive. Due to the absence of the requirement for irrigation, total water use for marine-based seafood production cannot be measured on the same scale as land-based (both meat and plant) food production. (See diagram opposite.)

	FY25	FY24
Water use intensity (processing only L/kg)	7.57	7.82

How Thirsty is Our Food?

Litres of water required to produce one kilogram of the following food products*



Source: World Economic Forum. Which foods need the most water to produce?

Fisheries Act

The Fisheries Act requires us to provide detailed information on every catch event. For each catch, the event report logs:

- the permit holder (Sanford)
- the vessel
- the date and time
- the location
- the target species
- the fishing method
- the fishing trip ID number
- the estimated catch (GWT)
- any protected species caught
- any fish discarded at sea

The vessel skipper estimates the weight of each species caught based on the volume it holds in the storage compartments of the vessel. The actual weight of the catch to be registered against our ACE is calculated after the fish is processed and weighed. The processed fish is packed and barcoded on board the vessel and the data is sent to the Quota Manager as regularly as daily. Fishing plans change in response to the availability of ACE and commercial fishers must account for this. It is not uncommon to cease targeting a commercially valuable species before the fishing year has ended because we don't hold sufficient ACE for potential by-catch.

Quota utilisation

Quota is a valuable asset, and like our other assets, we need to ensure it works efficiently and provides an acceptable return. In FY25 we utilised over 90% of the available ACE for our target species. Effective utilisation of ACE is a complex management task. We buy ACE in and sell ACE out to balance owning sufficient ACE to enable us to catch our target species and cover the expected by-catch of those species. Other fishers have different target species, operate in other locations or use different methods which result in different by-catch species. ACE trading allows for better allocation of catch entitlement to the fishing operation best equipped to target the species.

The actual percentage and type of by-catch vary substantially from catch to catch. ACE utilisation can change year-on-year based on no other reason than the wild is an uncontrolled, and therefore uncertain, operating environment. Squid in particular is an elusive species, and forecasting squid catch is challenging. ACE for squid is not fully utilised even though it is a commercially desirable species.

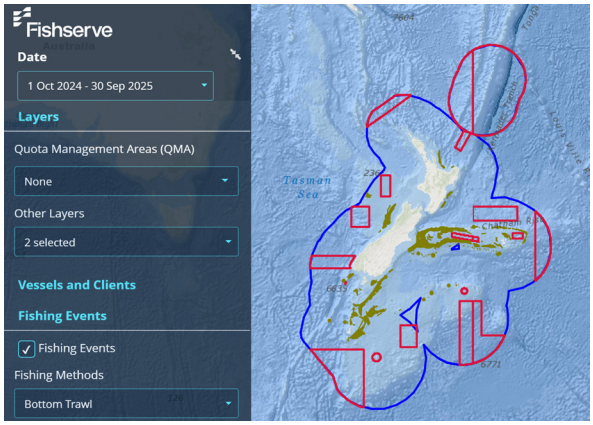
We can carry over a small portion of unused ACE to the next fishing year, which allows for a level of smoothing of this impact from year-to-year.

Commercial Fishing

Fishing methods

We mainly use bottom and midline trawling to catch deepwater fish. Most deepwater species currently can only be fished using these methods. In addition to coastal marine reserves, 32% of the EEZ (outlined in blue in the map below) is designated as Benthic Protection Areas (outlined in red in the map below) and has been closed to bottom-trawling and dredging since 2007. Our vessels are GPS tracked, and each fishing trip is logged with Fishserve
(along with each event as mentioned above). Our bottom-trawling activity is limited to a relatively small area of the seabed (see green area in the map below for our FY25 bottom-trawling footprint). This FY25 footprint is similar to our FY24 footprint, as year-on-year we return to the same fishing grounds, which continue to be abundant. To us, this footprint is comparable with allocating a piece of land area for food production.

We also use long-lining, mainly for toothfish in Antarctic waters.[17] The only dredging we undertake is for oysters in the Foveaux Strait.



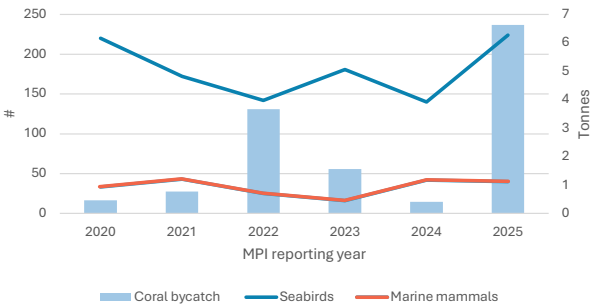
Protected species

We must report any other wild animal caught during the process of fishing. These animals are protected by law under either the Marine Mammals Protection Act 1978 or the Wildlife Act 1953, but the Fisheries Act allows for accidental catching of these animals in the process of commercial fishing. The catching of any protected animal must be recorded and reported to the regulator as part of the catch event. This also allows us to see the circumstances in which these unfortunate incidents occur and put in place mitigation where possible. For some highly endangered species like the Hector's and Maui and dolphins, there are further legislated fishing-related mortality limits (FRML)[18] to help decrease the risk of accidental by-catch of these species.

Together with the wider New Zealand seafood industry, we maintain operational procedures across our vessels that extend beyond the already extensive government regulations to reduce unwanted interactions with other species.

In FY25 we unintentionally caught seabirds, marine mammals, a white pointer shark and coral. The shark was released uninjured back into the ocean. We did not catch either a Hector's or a Maui dolphin. The increase in coral caught this year was due to a single event in December 2024 when around six tonnes of dead coral rubble was caught in a net. In accordance with Deepwater Council (DWC)[19] procedure we had a sample tested to determine if it was alive at the time of catch, which was not the case. From FY26 we will be conducting analysis on a per vessel basis to determine whether there are any further operational improvements which can be made to reduce protected species by-catch.

Non-fish protected species caught dead



17. This fishery is managed by the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)

18. Fisheries (Hector's and Maui Dolphin) Amendment Regulations 2020

19. The DWC is a subset of Seafood NZ – the industry body for commercial fishing and represents quota owners of deepwater fisheries. Sanford has representation on the DWC. www.deepwatergroup.org

Part 2 Climate Statement

Statement of Compliance

Sanford Limited (Sanford) is a climate-reporting entity (CRE) under the Financial Markets Conduct Act 2013. During preparation of this report, the New Zealand Government announced changes to the reporting thresholds for listed issuers by amendment to this Act. Pending legislative change, the Financial Markets Authority (FMA) has recorded that it will take a ''no-action approach'' to monitoring lodgement of CRD by affected CREs. Sanford has prepared this CRD on a voluntary basis and confirms that it is compliant with the Aotearoa/NZ Climate Standards (NZCS) issued by the External Reporting Board (XRB).

Unless otherwise indicated, data, information and commentary relate to the financial year ended 30 September 2025 (FY25), and the reporting currency is the New Zealand Dollar (NZD).

In preparing this climate statement, Sanford has applied the following adoption provisions available under NZCS2:

- Adoption Provision 2: Anticipated financial impacts
- Adoption Provision 6: Comparatives for metrics
- Adoption Provision 7: Analysis of trends
- Adoption Provision 8: Scope 3 Greenhouse Gas (GHG) Emissions Assurance

These Group Climate Statements set out our understanding of Sanford's climate-related risks and opportunities, our approach to scenario analysis, our understanding of the current and anticipated impacts of climate change on our business, and our strategy to respond to these risks and opportunities (including transition plan elements of strategy). This report reflects our current understanding as at 30 January 2026, in respect of FY25.

In reviewing this disclosure, readers are cautioned to consider the nature of changing environmental conditions along with the scale and nature of uncertainties in the science of understanding changes to the climate. Those climatic changes in turn lead to consequential changes within marine environments, and further consequential changes to biological and ecological processes occurring within that environment. The scale of the uncertainty in scientific understanding increases with each of the steps from physical climate forecasts to marine physical responses, and then again to the ensuing biological and ecological responses. Readers of this disclosure should therefore take into account those uncertainties when evaluating representations.

This report contains forward-looking statements including climate-related metrics, climate scenarios, estimated climate projections, targets, assumptions, judgements, forecasts, and statements of our future intentions.

Such statements are inherently uncertain and subject to limitations, particularly as inputs, available data and information are subject to change. We base those statements and opinions on reasonable information we know at the date of publication. We do not:

- represent those statements and opinions will not change or will remain correct after publishing this report, or
- promise to revise or update those statements and opinions if events or circumstances change or unanticipated events happen after publishing this report, except as may be required by applicable law or climate-reporting standards.

The risks and opportunities described in this report, and our strategies to achieve our targets, may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Sanford's actual results, performance or achievement of climate-related metrics (including targets) to differ materially from that described, including economic and technological viability, climatic, government, consumer, and market factors outside of Sanford's control.

We give no representation, guarantee, warranty or assurance about the future business performance of Sanford, or that the outcomes expressed or implied in any forward-looking statement made in this document will eventuate. While we have sought to provide a reasonable basis for any forward-looking statements, we caution reliance on representations that are necessarily subject to material uncertainty, assumptions and data challenges, particularly given the longer-term horizons required for CRD disclosures, and that are necessarily less reliable than other statements Sanford may make in its annual reporting.

Nothing in this report should be inferred to be capital growth, earnings, or any form of financial or legal guidance or advice. To the fullest extent possible, we disclaim liability for any loss suffered as a result of reliance on this report. Readers should make their own assessments, taking into account these limitations and the limitations noted throughout these Statements, and take appropriate professional advice when considering these Statements.

This statement has been approved by the Board on behalf of Sanford Limited on 30 January 2026.

Sir Robert McLeod
Chair

David Mair
Managing Director

Strategy

Our business

Sanford started as a small fishing company based in the Auckland harbour in the 19th century. Over the 20th century, it expanded operations geographically across the country. We are one of the oldest publicly listed companies in Aotearoa/NZ. Our head office is still in Tamaki Makaurau/Auckland, and our operations are now throughout the country, but are concentrated in Te Wai Pounamu/the South Island.

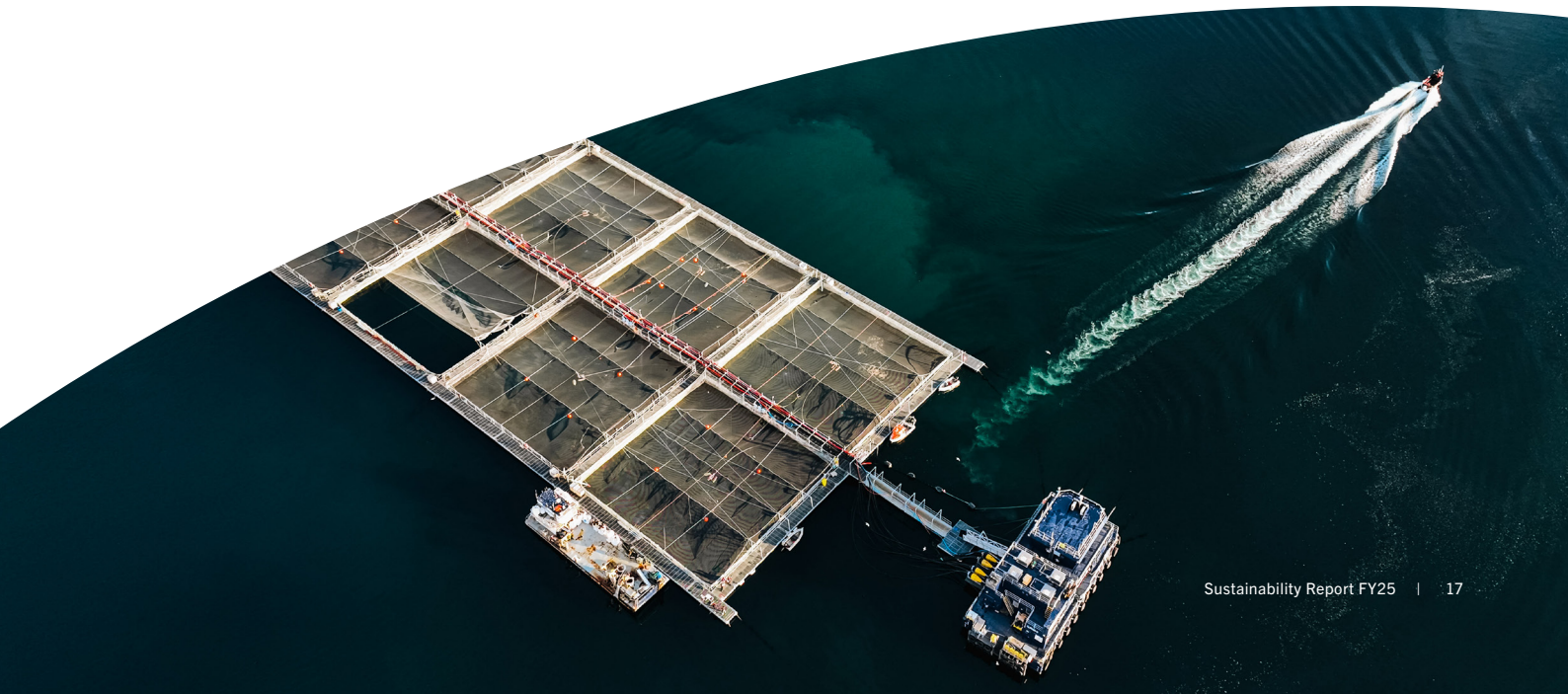
Wildcatch remains the core of the Sanford business, generating around 55% of our revenue and 71% of our harvest weight in FY25. We now primarily target deepwater species and most of our in-shore quota is leased out on a long-term basis. In the latter part of the 20th century, we diversified into aquaculture, and this currently makes up the other 45% of our revenue and 29% of harvest weight. Our farmed species consist of mussels and salmon, and a shareholding in a Bluff oyster business. We lost our main Bluff oyster operation to the Bonamia parasite outbreak in 2017. Biological risks are inherent in marine-farming and diversification is a major mitigant of biological risk. For a primary sector business, we are well diversified geographically, operationally and biologically, and diversification will continue to be part of our focus.

All parts of our current business are heavily, if not totally, dependent on consents and quota which allow us access to natural resources. These intangible assets are identified on our balance sheet and managed carefully.

Our factories are on our vessels or in ports, so they are located close to where we land the harvest from the sea. This is key to the quality of our product, but it also increases our exposure to the physical risks of climate change such as sea level rise and weather events.

Over 80% of our sales value is from exports, with North America being our biggest market. There are challenges to maintaining food safety and quality when shipping around the globe and this comes with varying packaging, energy and emissions impacts. At present Sanford is not experiencing overwhelming focus from key markets on supply chain emissions, but we are conscious this could change quickly. We have investigated changing our packaging in the past, but polystyrene remains the only material that currently meets the demands of maintaining safety and quality. We cannot compromise on food safety but will continue to explore ways to reduce environmental impacts within the supply chain.

Sanford is in its second year of a turnaround; the focus has been on current viability and process improvements rather than developing a strategy for future growth. We have been presented with the commercial and financial realities of previously trying to respond to a broad range of sustainability issues. We are in the process of tightening the definition of what sustainability really means to Sanford's business. When we are in a position to incorporate this fully into our strategy then we expect to develop a strategic response to our most material sustainability risks. This response must take into account the levels of challenge and uncertainty that we face. We are less focused on the emissions reduction of our existing operation and more focused on what the business of food production in a changing future looks like. These changes are reflected in a set of CRROs for our FY25 CRD which differ significantly from those in our FY24 CRD.



Current climate impacts

As a primary industry, the fishing sector has long had to respond to the unpredictability that nature poses to its operations and livelihoods. Sanford has adapted in the past, and while changes might occur more rapidly in the future, we are confident in our ability to evolve and adapt. Like all risks, we must be pragmatic about what is within our control. We do see the need to begin to consider how we might align our business with the opportunities that the changed operating environment of the future might present.

In recent years we have experienced an increased frequency of weather-related issues and the impact of warming seas in our operations. To date, including FY25, none of this physical change has had a material impact on our business. This lack of materiality is mainly due to our diversification – of location, species and operations.

Examples of (non-material) physical impacts in FY25 are:

- Flooding in Tasman temporarily closed mussel farms in Golden Bay and the Marlborough Sounds.
- Heavy rain in the Marlborough Sounds closed mussel farms temporarily.
- Weather and catch availability created changes to fishing plans.
- Algal blooms have been detected at marine farms.
- High summer temperatures have continued to contribute to the level of mortality events on the salmon farm.

The costs of these physical impacts are included in our operational costs and cannot be quantified individually.

After more than a century in business, we are also experienced in managing transition risks. Our business sustained World Wars, the Great Depression and the implementation of industry regulation in the 1980s. We are anticipating that climate-related transition risks will be volatile if the domestic political environment is not stable in relation to climate, energy and environmental policy. We see transition risks related to climate (and nature) as being more material to Sanford than physical risks.

Examples of current transition impacts we are experiencing are outlined below:

- We are exposed (and potentially vulnerable) to the NZ Emissions Trading Scheme (ETS) due to our high and 'hard to abate'[18] fossil fuel use. We estimate that ETS costs reflected in fuel prices cost Sanford around $3 million in FY25.[19] The withdrawal of the biofuels mandate in 2023[20] means that fuel sector investment in infrastructure that would have supported a slow transition away from liquid fossil fuels has not occurred. This has changed our outlook on the use of alternative fuels to reduce our emissions, and currently we do not see a pathway to transition our wildcatch operation to a low carbon future.
- Increased disclosure on the level of our environmental impacts, both global (climate) and local (nature) is required.
- We are reliant on many consents under the RMA to operate our factories and farms. In addition to our disclosure requirements under the Fisheries Act, our consents require regular monitoring and reporting. The onus is on us to demonstrate that our activity is not harming the environment according to the terms of our consents. We are seeing increased monitoring requirements for reconsenting and that it may also be difficult to determine the cause of nature impacts. For example, changes to localised biodiversity caused by warming water may be attributed to overfishing or marine farming.

18. Hard to abate is a generally accepted term to describe sectors where there is no technical or affordable alternative solution to existing inputs that would reduce emissions. We accept that there are technical solutions to our emissions, but these do not include battery-electric options. This is explained in our Emissions-reduction plan on pg 25
19. We are not a participant in the ETS and incur these costs indirectly through our fuel purchases.
20. The Sustainable Biofuels Obligation Bill was introduced in the House in November 2022 by the government but was discontinued in February 2023. The then Prime Minister cited the cost-of-living crisis as the reason for not pursuing this legislation. The mandate would have likely set a level and incremental national pathway for the reduction of hard to abate emissions.

- Commercial fishing is under scrutiny for a variety of nature impacts. Although climate is not the main issue, the significance of the ocean in regulating the climate means that we have grouped anti-fishing sentiment in the climate impacts that we are currently experiencing. Protests, including physical activism at sea, have been organised domestically by international environmental non-government organisations (eNGOs) and have impacted our operations. In our view this action reflects a global sentiment not fully informed by the fishing practices in Aotearoa/NZ.
- We are experiencing the added cost and uncertainty associated with needing to respond to significant policy change with successive changes in government. This makes planning and resourcing increasingly difficult.

Currently all the costs, except for our ETS costs, of these transition impacts are absorbed as part of operational expenditure, primarily represented in employee time, and are not considered to be material.

Scenario analysis

We continued our active partnership with the Aotearoa Circle (the Circle)[21] during FY25. As part of the Circle's seafood sector implementation group, we have helped to shape the seafood sector scenarios published by the Circle in 2023 which were further expanded and updated in July 2025. This was our only external engagement relating to climate-related strategy in FY25.

For our first CRD in FY24 we adopted the Kahawai and Mako scenarios developed by the Circle. In this year's CRD, we have replaced the ''Net-Zero Divergent'' scenario with one adapted from the latest Circle seafood scenarios – ''Patiki''. The three scenarios have been shaped to reflect some of the key attributes of theoretical futures that we see as being relevant to our business as we move towards 2050. We believe our chosen scenarios are relevant and appropriate to assessing the resilience of our business model to our climate-related risks and opportunities (CRRO). We did not undertake our own specific modelling in the development of those scenarios. In FY25, our scenario analysis was carried out as a standalone process and did not form part of any wider Sanford strategy development.

We have chosen our three scenarios to reflect a world that presents:

- mainly short-term transition risks (Kahawai)
- both physical and transition risks (Patiki)
- mainly long-term chronic physical risks (Mako).

Each of these scenarios has been used to consider what the most material risks to our business may be under the circumstances of that scenario. The materiality of our CRRO is heavily dependent on the specific scenario, due to Sanford being a highly regulated, customer-facing business which already has significant exposure to physical climate risk. Our CRRO are mutually exclusive to one or two of these respective scenarios which means that we don't have a single set of material CRROs on which we can base a comprehensive transition plan.

We undertook a climate scenario analysis exercise of which Sanford's newly established Sustainability Committee (SC) had oversight.[22] This was to assist in forecasting CRROs over the short, medium and long term, as well as to test the resilience of our business model. The exercise was heavily based on the work undertaken for FY24, which had Board oversight. It has also allowed us to consider whether physical or transition risk is more material. In the short to medium term, transition risks are presenting the greatest challenge, and we have yet to assess how to respond to these. Of these transition risks, it is policy which is the most material and volatile risk. The physical risks are manageable in the short to medium term.

A world with both significant transition and physical risks is the most concerning. We can adapt, and have adapted, to physical risks as well as significant conflict and changes to regulation, society and the economy. We have expanded, contracted, merged and acquired. But we cannot be two very different things at the same time and therefore the Patiki scenario presents us with the most challenging decisions in terms of response. We are unlikely to be able to adapt to physical risks in a more constrained policy environment.

The boundary for the scenario analysis was at Sanford Group level, inclusive of all entities and subsidiaries. The time horizons utilised for the scenario analysis and for assessing the CRROs are based on our business planning horizons. See table below.

Timeframes used for assessing risk horizons

Time interval		Years	Business planning horizon
Short term (ST)	1 – 3 years	2025 – 2028	Operational planning timeframes relevant for biological cycles (mussels, salmon) and catch plans based on TACC. Also, the political cycle.
Medium term (MT)	3 – 10 years	2028 – 2035	Sanford's strategic goals and targets typically set over these timeframes. More certainty of policy settings across/during these timeframes.
Long term (LT)	10+ years	2035+	Longer-term strategy planning. Lifespan-relevant timeframe for significant assets such as property and vessels.

21. The Aotearoa Circle convenes public and private sectors together to work on common challenges related to climate and nature.
22. The Sanford Board established the SC in FY25 to provide an additional layer of governance oversight to sustainability (see Governance on pg 27)

Sanford scenario narrative		
Kahawai 2050	**Patiki 2050**	**Mako 2050**
An aspirational scenario where the world meets the Paris Agreement through an orderly, co-ordinated and predictable transition. Global temperature rise is kept to 1.5°C. The physical impacts of climate change are slow and minimised, but the transition risks and costs are high, especially in the short to medium term. Market and policy changes are rapid - creating fundamental change to business and economics, creating pressure on businesses to respond to quickly changing consumer preferences. Impacts to nature become part of the broader focus of mandatory climate response. Equity in social outcomes/human wellbeing becomes a key policy issue globally, as the expectation is for a 'just transition'. Overall, an expensive transition to a new world order.	Disparate global climate policies create economic winners and losers but overall, the physical impacts of climate change are kept to a 2°C temperature rise. A lack of early domestic strategy for developing a 'blue economy'[23] or positioning itself as a global food producer places Aotearoa/NZ in a weak economic position. A two-tier domestic economy (export vs domestic) emerges. Disparities in economic opportunity and cross-generational influence cause social cohesion to degrade and conflict becomes increasingly common. There is escalating competition for resources, including marine space, and energy supply is insecure and expensive. Technology development is likely to create competitive advantages rather than be shared – widening socio-economic gaps.	Lagging, absent and/or ineffective climate policy globally creates prolonged transition costs and risks without meeting climate objectives. Global temperature rises to above 4°C, but Aotearoa/NZ fares better than most. The extreme rise in temperature causes unpredictable changes to weather and nature. Planning and risk management become difficult. There are significant changes to the make-up of species in the EEZ and the natural habitats of endemic species. Food and energy security are major global issues and this amongst other factors creates a resurgence of nationalism. Threats to rule of law/rules-based order create independence, governance or sovereign risk to Aotearoa/NZ.

Assumptions on carbon sequestration from afforestation and nature-based solutions are not included.

Scenario technical aspects	Kahawai 2050	Patiki 2050	Mako 2050
Scenario definition source	Aotearoa Circle Marine Domain "Kahawai" scenario (seafood sector specific) theaotearoacircle.nz/reports-resources/marine-scenarios-report	Aotearoa Circle Marine Domain "Patiki" scenario (seafood sector specific) theaotearoacircle.nz/focus-areas/climate/climate-scenarios/seafood-climate-nature-te-ao-maori-scenarios	Aotearoa Circle Marine Domain "Mako" scenario (seafood sector specific) theaotearoacircle.nz/reports-resources/marine-scenarios-report
Global temperature rise (2050)	1.5°C	2.0°C	>4.0°C
Aotearoa/NZ temperature rise (2050)	<1.5°C	1.5°C	>3.0°C
SSP – Shared Socioeconomic Pathways[24]	1 – The Green Road	4 – A Road Divided	3 – The Rocky Road
RCP – Representative Concentration Pathway[25]	2.6 – Stringent	4.5 – Intermediate	8.5 – Continuous Rise
Global population (2050)	8.5b	9.9b	11.0b
2050 ETS price (NZD)	300	300	100
2050 Global carbon price (USD)	180	55	55

23. The World Bank defines the blue economy as the "sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystem." As a country with a marine area substantially larger than its land area, the effective use of our EEZ is emerging a key aspect of ensuring Aotearoa/NZ's economic resilience.
24. O'Neill, B.C., Kriegler, E., Ebi, K.L., Kemp-Benedict, E., Riahi, K., et al. (2014). *A new scenario framework for climate change research: The concept of Shared Socioeconomic Pathways (SSPs).* ***Climatic Change, 122****, 387–400.* *https://doi.org/10.1007/s10584-013-0905-2*
25. IPCC (2021). *Climate Change 2021: The Physical Science Basis.* Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press. van Vuuren, D.P., et al. (2011). *The Representative Concentration Pathways: An overview*. Climatic Change, 109, 5–31.

KEY: Risk or Opportunity or NA Materiality: Very high, High, Moderate, Low (refer to the table on page 30) Horizon: ST, MT, LT

CRRO	CRRO description and anticipated impacts	Kahawai 2050	Patiki 2050	Mako 2050
Changes in carbon prices	**Transition** Risk Price of NZU[26] relative to global carbon prices make domestic commercial fishing uneconomic causing Sanford to curtail its wildcatch operation; and/or availability of NZUs to Sanford is constrained restricting the number of fishing trips; and/or exports are curtailed due to additional costs of international freight (e.g. GHG levy on shipping) reducing sales revenue.	Risk Very high ST	Risk High ST - MT	NA
Fuel options and security of supply	**Transition** Risk The inability of Sanford to transition its existing fishing fleet off fossil fuel; and/or The economic infeasibility of replacing fleet with new technology at an appropriate time; and/or Domestic fuel (of any kind) insecurity; makes fishing unacceptable, infeasible or uneconomic - curtailing the wildcatch operation, and the intrinsic coupling of quota value with the ability to fish drives asset impairment.	Risk Very high ST	Risk High ST - MT	Risk High MT
Change to Sanford's rights to use resources	**Transition** Risk Changes to regulatory regimes in response to climate or nature policy may directly or indirectly impact Sanford's rights to use natural resources and therefore Sanford's ability to do business as it does currently; or Sovereign risk or the lack of ability to physically defend domestic natural resources may create involuntary or de-facto rights surrender. This would effectively remove any controls over domestic fisheries management creating sustainability risk for fishing stocks and/or unregulated competition for other natural resources.	Risk High ST	Risk High ST - MT	Risk Moderate LT
Customer Scope 3 sensitivity increasing	**Transition** Risk Key customers or markets become sensitive to their Scope 3 profile and make buying decisions to reduce this, primarily impacting Sanford's exports. This could cause significant revenue impacts depending how concentrated Sanford's exports are and whether other markets could be developed.	Risk High MT	Risk Moderate MT	NA
Global dietary preferences changing	**Transition** Risk and/or Opportunity Customer sensitivity to the sustainability of food production drives significant change to global diets. This may or may not be informed by a holistic assessment of sustainability e.g. may focus on single aspect such as emissions; or Food insecurity creates ambivalence about type or source. This means diets could tend towards being more marine or plant-based which would impact Sanford's sales revenue positively or negatively (respectively).	Risk or Opportunity High ST	Opportunity Moderate MT	Opportunity Moderate LT
Warming ocean	**Physical** Risk and/or Opportunity Warming oceans cause a shift of species (likely towards the poles and/or to deeper water); and change habitats and habitability; and increase acidification (impacting shellfish in particular); and impact species diversity; creating (not necessarily perpetually) unpredictable operational conditions for both fishing and aquaculture.	Risk or Opportunity Low LT	Risk or Opportunity High MT	Risk or Opportunity High MT

26. NZUs are the currency of the ETS. One NZU can be surrendered to meet each tonne of carbon dioxide equivalent emission liability under the ETS. The number of NZUs made available in government auctions is capped (previously in line with the Nationally Determined Contribution).

Anticipated impacts

There are few anticipated climate-related financial impacts that we can quantify to date. CRROs have not been an input into capital decision-making during FY25. This is due in part to the stage we are at as a business, in part due to the high level of uncertainty relating fuel and in part because we cannot identify any major investments that would mitigate our material short-term CRROs, which are mainly climate transition-related. Last year we indicated that from FY25 we would include a review of business processes for capital expenditure to provide a structural response to reduce climate risks and impact. We have not yet formally incorporated climate (and nature) into Sanford's investment decision-making process because we did not make any major new capex decisions in FY25. This remains part of our planned climate response for the future.

The only financial impact we can quantify is our anticipated ETS cost. We do not have an internal emissions price (and did not utilise one in FY24). We do actively monitor ETS settings and the price of NZUs, along with global emissions policy, and this is what is currently informing our view. At NZD300 for an NZU in line the Kahawai and Patiki scenarios, the ETS in 2050 will cost us NZD15 million per annum in FY25 terms. We have yet to determine the price for NZUs at which fishing in New Zealand would cease to be commercially viable and this would depend on various global pricing factors.[27] We would still own quota which may be able to be leased out if we chose not to fish it ourselves. However, the value of the quota is intrinsically coupled with the ability to economically catch fish.

If Sanford participated in the ETS voluntarily, then we would risk being unable to access NZUs at any price should supply became constrained.[28] We expect strong competition from other hard to abate sectors like aviation, and this could mean commercial fishing becomes unviable.[29] The recent announcement from the Government to introduce a framework for assessing new forms of carbon removal, which may be included in the ETS, could present our business with a viable commercial opportunity to offset its own emissions and mitigate ETS risk. This would substantially change the prospects of commercial fishing in Aotearoa/NZ.

We are paying close attention to the International Maritime Organization's (IMO) policy to levy emissions from global shipping and have yet to determine the financial impacts of this on our freight costs. We are pleased by the dialogue on trans-Tasman green shipping channels as we see this as key part of driving the investment in developing a market and the infrastructure to deliver low-carbon marine fuels. Obviously, we welcome any developments in this respect as we stand to benefit.

However, if there is lag between the viable commercial availability of low-carbon marine fuel at our ports for our use and a material rise in ETS cost and risk (especially compared to global emissions price) then we may have already retired our fishing fleet. It will not make economic sense to renew a fleet when the required fuel is either unaffordable or unavailable. Therefore, timing will be paramount for an effective transition of any fishing operation, and we would need a future fuels pathway to be able to plan for this.

Our transition plan – diversification and data

Regardless of the scenario we consider, in the horizon of our planning, the world's population will continue to grow. The demand for quality food, and for protein particularly, will rise and even if there is stronger push for plant-based diets, in a global population of at least 8.5 billion people, we see a place for our marine protein.

Therefore, the focus of our transition planning will be on how Sanford responds to this increased demand for quality food. The most obvious avenue for our business growth is in our aquaculture business. However, the capital and risk involved in establishing new marine farms is high. Additionally, the commercial viability of farming new species in our environment is yet to be proven.

Diversification will remain a key aspect of our physical climate response. We expect physical risks to be material to our business only at the extreme, when there is catastrophic and pervasive impact which renders our diversification redundant. Diversification also offers climate-related opportunities as we can consider different (warm-water) species to harvest or farm.

27. Viability of the wildcatch operation depends on the prices we achieve in global markets in comparison to our costs to fish. This in turn would depend on the relative price of international emissions compared to the domestic ETS.
28. Our main fuel supplier has its own mitigation strategy which may offer us greater protection from NZU supply risk.
29. In this case we expect that customer willingness-to-pay to for the product/service creating the emissions will drive competition for NZUs. Aviation is likely to be one of the winners in this competition due to the lack of viable alternatives to air travel in NZ.

We do not expect to grow our wildcatch harvest volume,[30] but we do expect to grow our business. A change in our business model to one dominated by aquaculture over wildcatch (from the current 70:30 wildcatch to aquaculture production split) would drive down our Scope 1 emissions intensity because wildcatch is the emissions intensive part of our operations. Simply, we could produce more farmed seafood without our total fuel use rising proportionately. But the risk profile of our business would change substantially. We have yet to determine whether our emissions risk from being a fishing company (that also farms) is greater than our business risk of being an aquaculture company.

Our transition plan is not yet formally aligned with our capital deployment and funding decision-making processes. Our material CRROs do not have the same impacts or horizons across all our scenarios and therefore we must take a 'wait and see' approach to addressing these. Below are the considerations required on each CRRO and the initial responses we are making or plan to make in FY26:

1. Changes to carbon price: the impact will depend on how high the price goes, whether the NZU price is in line with global emissions prices, how willing customers are to pay for this impact and whether Sanford can hedge its exposure to the ETS impact of fuel use. Planned FY26 response is to investigate natural and financial hedging options for this risk.

2. Fuel security: this will depend on the energy and infrastructure sectors and energy policy. As a customer, Sanford can only respond and/or attempt to influence. Planned response for FY26 is to take a leadership role in driving policy change for the liquid fuels sector through partnership with other aligned organisations.

3. Changes to Sanford's rights to use natural resources: this will depend on regulators and government. As a regulated party, Sanford can only seek to inform and respond as required. The increased level of transparency in this report signals Sanford's intent to be more engaged with public discourse on this issue.

4. Customer sensitivity to Scope 3 emissions increasing: our current focus on expanding our markets will be a key mitigant to this risk as we anticipate that there will continue to be some markets which are less sensitive to their supply chain emissions than others. Similarly, our current investigation into expanding our aquaculture operation serves, amongst other things, as a mitigant to this risk. As a freight customer, Sanford can only respond and/or attempt to influence marine fuel policy, and this is addressed in point (2).

5. Changes to global dietary preferences: Sanford will continue to present information on the overall impacts of marine protein compared to land animal and plant sources of protein to ensure all nature impacts are being considered.

6. Warming ocean: Sanford will continue to collect and analyse data on each catch and each environment in which it operates to understand how species and habitats are changing. Long-term trends will be monitored to identify any pending need to adapt operations.

Data collection on the marine environment forms an important cornerstone of our transition plan. This has a three-fold purpose:

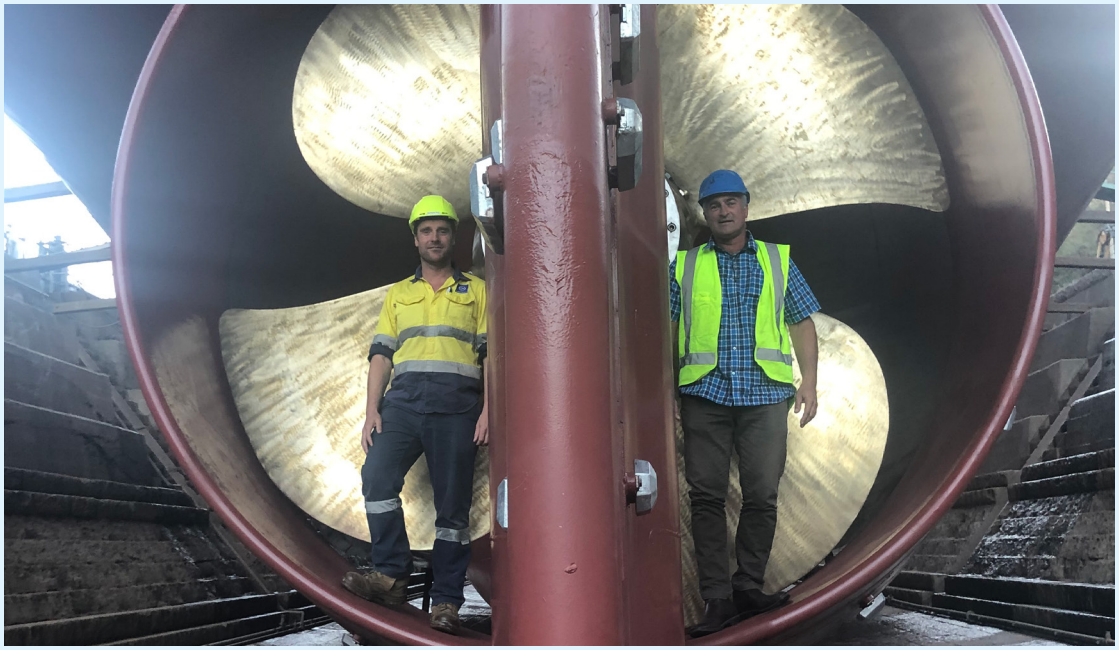
- improve our understanding of the relationships between our products and the environment from which they came, increasing productivity and traceability
- to help inform our decisions relating to physical risks, including the speed of environmental change and the nature impacts of that change
- to demonstrate regulatory compliance, which we anticipate will have increasing requirements.

Our ability to acquire data in, and on, the ocean gives us a strategic competitive advantage when operating in an environment which is increasingly unpredictable.

30. Quota is seldom for sale and the QMS has aggregation limits, constraining the amount of quota an entity can own.

Emissions reduction plan

While we contemplate how we may transition our business strategically to face into the changing world, we will consider what we can do to reduce our carbon footprint. We do not use the term 'hard to abate' to justify inaction - it is our commercial reality.



Why our emissions are hard to abate

Battery-electric or fuel cell technology is not suitable for the propulsion of fishing vessels. Our boats are often at sea for weeks, or even months, at a time. This can be in challenging weather and sea conditions. Onboard our vessels, we accommodate up to 50 crew and run factory operations, complete with refrigeration and freezing. The demand and storage of energy required over this period, far exceeds what battery electricity can deliver and there is nowhere to recharge.

Liquid fuel plays an important role as vessel ballast. As the fuel is used, the vessel is balanced with the storage of catch. There are low emissions liquid bio or renewable fuel 'drop-in'[31] alternatives to fossil diesel and light fuel oil (LFO), but these are not available at scale. These fuels are also currently between two to three times more expensive than fossil fuel. Therefore, there is a technical solution for maritime sector emissions, but it is not affordable and even at high prices for carbon, it will still not be a commercially viable alternative for Sanford. In addition, there is expected competition for the feedstocks[32] used to make alternative fuels which will create the same sort of cross-sector tensions as the ETS.

Our vessels have long lifespans (of several decades) and represent many millions of investment. New 'green' liquid fuels like green ammonia and e-methanol are technically viable fuels but would require investment in new vessels to utilise them. It is our expectation that these fuels will supersede drop-in replacements as new marine vessels are commissioned.
The horizon for a global transition to these fleets reaches significantly beyond 2050.[33] We are likely to have made asset replacement decisions for our existing fleet renewal before such vessels are available for fishing, potentially deferring this avenue as an option for us for several more decades after that.

We would expect the cost of any alternative fuel to decrease as the supply scales up. Fuel suppliers have little incentive to invest in the infrastructure to support this transition until there is demand. This is an issue across the energy sector, and most participants, whether they are on the supply or demand side, see that policy support from the Government is the only way to gain the certainty required to start developing workable markets for alternative fuels.

31. The term drop-in indicates a like-for-like fuel replacement which would not require any modification to the engine/vessel utilising the fuel. One of the challenges of biofuels is that they are not necessarily chemically identical to fossil fuels and can cause engine failure if not blended in small proportions.
32. The renewable biomass source which provides the carbon content for the fuel.
33. Shipping giant Maersk has been one of the first to commission green methanol vessels. These vessels represent less than 2% of Maersk's current shipping fleet. www.maersk.com

Sources of emissions reduction

For FY26 we have separated measurements of our fossil fuel use into three ranked categories to reflect the ease of change in reducing emissions:

1. Land-based use (including our vehicle fleet)
2. Marine use excluding large vessel propulsion (including onboard generators and smaller support vessels)
3. Fishing fleet propulsion

Land-based emissions

Our land-based fossil fuel use is the simplest to transition but contributes less than 5% of our total usage. Even full electrification of our land energy requirements would likely not meet our emissions-reduction target which highlights our need to consider strategic measures. Emissions reduction could be achieved through asset replacement decisions, but we have identified that infrastructure investment such as network connection upgrades will be required. This makes investment decisions more complex than stand alone asset replacements.

- We have already successfully implemented electric forklifts at the San Won coolstore in Timaru but would likely need to upgrade the electricity network connection at the separate Sanford coolstore across the port to be able to do the same for that part of the operation. A business case for this transition is already being planned as the existing LPG forklift leases are coming up for renewal.
- At the Havelock mussel factory, we are initiating a heat recovery investigation project to identify opportunities to utilise wasted energy from heat in our processing. This project was identified through a previous energy audit of the site. The Havelock site is the largest user of electricity in our enterprise and also operates a diesel boiler. The cost of the required connection upgrade to support boiler electrification alone is currently considered to be prohibitive and would need to be assessed as part of a wider electrification project to be feasible. We will consider this after we have completed the heat recovery investigation.
- We have a large vehicle fleet, most of which is leased. The electricity connection upgrades identified above present the opportunity to support transitioning our light vehicle fleet (utes) at Havelock and Timaru to plug-in hybrids.
- Stewart Island (the location of our BGB salmon farm) is not connected to the national electricity grid and remains reliant on diesel generators for its distributed electricity. Therefore, an energy efficiency audit of our BGB operation is planned for FY26. Solar electricity generation is likely to present a good prospect for emissions reductions on Stewart Island.[34] Waste to energy also presents a key opportunity for repurposing biological waste from aquaculture for small-scale energy requirements such as replacing bottled LPG. The economics of these small-scale alternatives are becoming increasingly feasible, particularly when there is no significant infrastructure for grid electricity.

Marine-based emissions

We are actively seeking ways to operate our fishing fleet more fuel efficiently. A previous initiative to replace a vessel propellor has been unsuccessful in practice and we have halted plans to refurbish other vessels. Our vessels have sophisticated technology onboard (MoTeC) to measure where and when energy is being used and we will leverage this data to find better ways of operating the vessels. We have already implemented the IMO's Ship Energy Efficiency Management Plan (SEEMP) process for our large fishing fleet. We plan to use these tools to drive the energy-efficiency improvements to contribute to our emission-reduction target. Each SEEMP for FY26 will introduce an interim 1% energy-intensity saving target measured in litres of fuel used per GWT caught. We will re-evaluate this interim target at the end of FY26 to determine it's contribution to our emissions reduction plan.

The intent behind the SEEMP will also be applied to the small fishing and larger support vessels although the level of data available for these vessels is not as advanced as it is for the large fishing vessels.

34. There is a distribution level project underway to address this, but Sanford will also consider its individual options.

Governance

Board oversight

Sanford's Board of Directors is ultimately responsible for the oversight of risks and opportunities for Sanford, including those related to climate change. The Board maintains responsibility for overseeing the management of climate change impacts and is provided with information on material climate-related matters as they arise. Previously this has been via management reports but from FY26 this will be via SC reports.

The Board reviews its performance, composition and structure on a regular basis and, with the support of the Nominations Committee where appropriate, considers Board composition to ensure skills and experience suitability to achieve the Board's strategic and functional purpose. This includes climate change skills and competencies.

During FY25, the Audit Finance and Risk Committee (AFRC) maintained oversight of Sanford's risks, including those related to climate. The ARFC monitored compliance with the Enterprise Risk Management Framework (ERMF), conducted annual reviews of material risks on the Risk Register and Assessment Criteria, and reported to the Board on material risks of the company.

In November 2024, the directors reviewed the CRD process. In December 2024 the Board:

- changed the emissions reduction target to an intensity metric to reflect the importance of productivity, and
- revised down Sanford's Scope 1 and 2 emissions reduction target to reflect a changed outlook on low emissions fuels.

During its annual risk review in FY25 the AFRC considered climate risk along with other risks on the Risk Register. The updated Risk Register was approved by the Board in December 2025.

This set the tone for Sanford's change in climate response. Climate had been the number one priority risk for the business since 2016. Sanford's current view is that the work invested in understanding and managing this risk has provided a sound foundation for physical climate risk management and that other risks had higher residual risk profiles.

However, the establishment of the Sustainability Committee (SC) and the appointment of a new Sustainability Manager in FY25 were in response to the Board's awareness that the business will need to continue to monitor chronic physical risk and also that less obvious forms of climate risk (such as transition risk) require more detailed assessment and oversight.

There were no further discussions on CRROs by the Board during FY25. Reporting on progress against Sanford's Scope 1 and 2 emissions reduction target was provided to the Board during the Board's review of this CRD.

From FY26 the SC expects to:

- support the Board in its oversight of climate-related risks and opportunities (CRROs)
- maintain oversight of Sanford's progress against its emissions-reduction target and sustainability reporting metrics
- advise the Board on sustainability issues that may be material to Sanford's ability to create long-term value and therefore impact on its strategy.

Responsibilities and reporting lines between Board and Management

Governance

Board

Met eight times in FY25 with climate risk on the agenda for two of those meetings as detailed on the previous page

Sets strategic direction; reviews and approves strategic goals, operational plans and budgets.

Reviews risk assessment policies and controls and establishes the appropriate levels of risk appetite, including those related to climate change.

Sets risk management framework.

From FY26 receives updates in sustainability matters (including CRRO) from the SC after every SC meeting (see below). Reviews remuneration policies and incentive schemes.

Audit, Finance and Risk Committee

Met 4 times in FY25

A committee of the Board established to assist the Board in fulfilling oversight responsibilities in relation to financial management and related reporting, including the review of overall systems for risk management across Sanford, including climate risk as appropriate.

Managing Director (MD)

Manages the business to deliver on strategy. Applies the risk management framework.

Has accountability for including actions and commitments relating to climate change into risk management, business planning, budgeting and business processes.

Sustainability Committee (SC)

Met 2 times in FY25

A committee of the Board established to assist the Board in fulfilling oversight responsibilities in maintaining oversight of CRROs and reporting to the Board on material sustainability issues which could reasonably be expected to impact Sanford's future prospects as an enterprise.

The SC is to meet at least three times per year and must report to the Board at each meeting following. No report was made to the Board in FY25 as the SC Charter, requiring subsequent board updates, was adopted at the beginning of FY26.

Executive

Other Executives

Executive team allocates capital towards climate response within the overall budget set by the Board.

Chief Financial Officer (CFO)

Assesses materiality of CRROs. Reviews monthly sustainability updates which include sections on climate change policy, regulation, trends, and operational impacts.

Engages third-party experts to assist when appropriate for compliance and assurance.

Management

General Managers

Responsible for meeting operational objectives including those related to climate.

Sustainability Manager

Identifies, assesses and manages CRROs and provides management reports on those risks and opportunities to the SC at each SC meeting.

Manages the collection of data to support tracking of metrics and development of insights.

Directs operational initiatives to meet sustainability objectives.

Monitors relevant research, trends and regulation.

Risk Manager

Monitors emerging and developing risks, including those relating to climate.

Manages risk reporting and monitoring of residual risk levels.

Operations

Operations Staff

All Sanford's employees are empowered to be responsible for risk management and are requested to comply with policy and regulations.

Sustainability and Environmental team

Sustainability and Environmental team.

Collects data and conducts analysis.

Contributes to environmental reports to management and executive.

Management's role in assessing and managing CRROs

The Board delegates to the Managing Director (MD) responsibility to manage the business to deliver on strategy. The MD (along with the executive team) thereby holds accountability for the inclusion and delivery of actions relating to climate change into risk management, business planning, business processes and capital allocation within the overall budgets and financial delegations set by the Board. The MD is responsible for ensuring CRROs are considered in developing Sanford's strategy. The strategy development process is in train and the revised CRRO assessment conducted during FY25 will provide input into Sanford's updated strategy. As outlined in our transition plan, the MD will be evaluating information gathered in relation to material CRROs to determine how Sanford will position itself to deal effectively with what is currently a very uncertain future.

The CFO has responsibility for producing the CRD and ensures reporting aligns with the NZCS, assesses the financial materiality of CRROs and considers the implications in financial planning and capital allocation. The CFO (along with the Sustainability Manager) attends SC meetings, and (along with the Risk Manager) the AFRC meetings.

The Sustainability Manager has responsibility for identifying, assessing and managing CRROs. The Sustainability Manager ensures the SC is fully informed of any emerging issues relating to CRROs and meets monthly with the Risk Manager to determine if CRROs are appropriately represented on the Risk Register. The Risk Manager is responsible for maintaining the Sanford Risk Register but responsibility for managing risks lies with the risk owner.

The Sustainability and Environment Team performs analyses and manages all data associated with CRD metrics and targets. Data is uploaded to the BraveGen system monthly. Bravegen is an inventory and reporting tool for sustainability data.

Climate performance metrics are not currently explicitly incorporated into Sanford's remuneration policies or incentives and were not included in FY24.

Risk management

Sanford enterprise risk management is directed and governed via the company's Enterprise Risk Management Policy and Enterprise Risk Management Framework (ERMF), which are aligned with the ISO 31000:2018 Risk Management - Guidelines. The Policy covers all value chain activities and requires that our risk management processes consider all internal and external stakeholders that have an impact on our operations. Sanford's enterprise risk management processes utilise the Sanford Risk Register and criteria guide. Criteria are defined using a likelihood by impact matrix approach.

Our risk management processes utilise the Risk Register and criteria guide to assess the scope, size and impact of risks for our business. The criteria utilised is a 'Risk = Likelihood x Impact' approach. For FY25 standard definitions were identified for impact across five impact categories from negligible to extreme, and also for likelihood (across five categories ranging from 'rare' to 'almost certain').

Sanford undertook the first stage of identifying CRROs in early FY23. The assessment was completed through two workshops facilitated by Beca which included Sanford's senior leaders and subject matter experts. The CRROs were reviewed by management against Sanford's risk criteria guide in FY24 and no further review of these was undertaken until August 2025. Climate risks are aggregated as a single representative risk and then prioritised alongside the other (non-climate-related) enterprise risks. Climate risk remains one of Sanford's top 10 material risks.

Integration of climate-risk management

In late FY25, the newly appointed Sustainability Manager reviewed the identified constituent climate risks alongside the Risk Register. Several other items on the Risk Register[35] are expected to be impacted by climate but this is only one contributing factor to those risks. These risks are therefore managed as separate risk items. Part of the climate risk assessment process going forward will include the Sustainability Manager reviewing whether the climate factors of material enterprise risks are adequately captured on the Risk Register. This is an agenda item on the regular (usually monthly) risk management meetings held between the Sustainability Manager and the Risk Manager. This will integrate climate risk management into the management of risks with an inherent climate component. This level of integration was not a part of Sanford's climate risk processes in FY25.

35. For example: market risk and natural disaster risk.

The Risk Manager is responsible for maintaining the Risk Register but responsibility for managing risks lies with the risk owner. Acute physical climate risks are managed as part of operational risk management by the appropriate risk owner. These activities include the monitoring of water quality and temperature at the marine farms and monitoring weather forecasts and ocean conditions for fishing, which are daily activities. The Sustainability Manager has management oversight of the environmental function in the business and therefore has oversight of environmental risks. This oversight will inform the assessment of the broader climate risk to the business.

With the establishment of the SC in the last quarter of FY25, it was agreed by the Board that the climate risk management process is to focus on transition and chronic physical climate risks. That is, Sanford is focusing on the strategic risks related to climate change. The Sustainability Manager has responsibility for managing the single aggregated representative climate risk item on the Risk Register, and the constituent risks it represents.

From FY26 the Sustainability Manager will maintain a separate CRRO register which is to be used to assess and manage CRROs. It is anticipated that the CRRO register and processes for assessing climate risks will be formally reviewed on an annual basis by the SC. As the owner of CRROs, the Sustainability Manager will maintain and update the register as required, including identifying new CRROs. The Sustainability Manager will review any emerging or changing CRROs with the Risk Manager as part of their regular risk management meetings. Any perceived change in the materiality of a CRRO will be presented to the SC for consideration at its next meeting. Any perceived change in the materiality of the aggregated climate risk will be presented to the Board for consideration alongside other enterprise risks.

The CRRO register measures the risk in terms timing and the strength of the impact.

	Soft impact	Moderate impact	Hard impact
ST (1-3 years)	Moderate	High	Very high
MT (3-10 years)	Low	Moderate	High
LT (10+ years)	Low	Low	Moderate

Focus on responding to CRROs will be where the impact can be expected to be high or very high and therefore will materially impact Sanford's future prospects. A CRRO is considered to be material for if, in the context of at least one scenario, it can be reasonably expected to impact the prospects of Sanford. The anticipated timeframe of the impact is any horizon up to 2050. Our scenario analysis has demonstrated that within this timeframe Sanford will have already responded decisively to either transition or chronic physical risks and, one way or the other, will have a substantially different outlook beyond 2050.

Metrics and Target

We consider that 100% of our assets and operations are vulnerable to physical climate risks but this vulnerability is not highly correlated due to the level of diversification in our operation. (FY24: 100%). Accordingly, we do not consider that our whole enterprise is currently vulnerable to physical climate change risk. We will continue to monitor this closely of course. In the eventuality of chronic climate change (in particular, the warming ocean) then this will likely change, and we expect we will need to adapt.

We also consider that up to 100% of our current business activities and assets are vulnerable to transition risks, particularly due to the level of regulation we are subject to. (FY24: 100%).

The warming ocean is expected to cause the movement of species. The emergence of new populations will be a process of pluses and minuses with an uncertain net outcome. We are experienced in fishing and farming the species which are present today and change to these species will entail a learning curve and development of new methods. However, this sort of adaptation is part of the fundamental nature of fishing and farming. Consequently, we see that 100% of our current business activities is also aligned to climate-related opportunities (FY24: 100%). We are in the position to monitor this well due to the level of data we can collect on our operating environments.

$3.1 million of capital was deployed towards mitigating CRRO in FY25 (FY24: $3.3 million).

Emissions-reduction target

In our first mandatory CRD last year we published a FY30 emissions-reduction target to reduce emissions-intensity for Scope 1 and 2 emissions by 5% from our FY20 base year. Our intensity metric measures the tCO_2e per GWT tonne of fish harvested. This remains unchanged and we expect this reduction will come from efficiency and productivity improvements. This may appear to be a modest target and is substantially lower than targets we have previously published. The reality is that without the recognised national pathway to 'green' liquid fuels that we previously expected, lowering the absolute emissions without also reducing production, will be extremely challenging.

In the absence of an applicable SBTi[36] sector pathway that appropriately covers the fisheries and aquaculture sector, Sanford does not see that our target can be referenced with a pathway which limits global warming to 1.5°C. The lack of an applicable sector pathway is due to:

- the nature of Sanford's Scope 1 emissions being hard to abate
- the existing lack of policy support, logistics and infrastructure for low-emissions marine fuel deployment in New Zealand at scale prior to 2030.

Sanford's emissions-reduction target does not currently assume the use of offsets. The proposed opening of the ETS to issuing NZUs to new carbon-removal activities poses a potential opportunity for Sanford to offset its hard to abate emissions and mitigate its exposure to ETS cost and/or availability. We are watching this development closely alongside any signals for the development of a domestic alternative fuels market.

36. Science Based Targets initiative – a corporate climate action organisation About us - Science Based Targets Initiative.

Performance

Our absolute Scope 1 and 2 emissions increased from FY24 but remain lower than our base year. Our emissions intensity in tCO_2e/GWT as an enterprise is lower than FY24 and our base year. This is an indication that we were more productive than last year but there is still room for improvement to meet our target (see table below).

Sanford emissions intensity metric (tCO_2e/GWT)			
FY30	FY25	FY24	FY20
0.82	0.83	0.92	0.87

Fossil fuel use for our fishing fleet is the primary contributor to our Scope 1 emissions. Salmon feed and fuel use by contracted fishers and freight providers are the largest contributors to our Scope 3 emissions.

Scope 3 emissions boundary

In 2022, Sanford completed a Scope 3 materiality assessment to identify significant indirect emissions across its value chain, consistent with the principles of NZCS. A quantitative threshold of 1% of total Scope 3 emissions was initially applied to determine material categories. Based on this assessment, Sanford reported on categories 1, 2, 3, 4, 5, 9, 11, and 12 of the GHG Protocol.

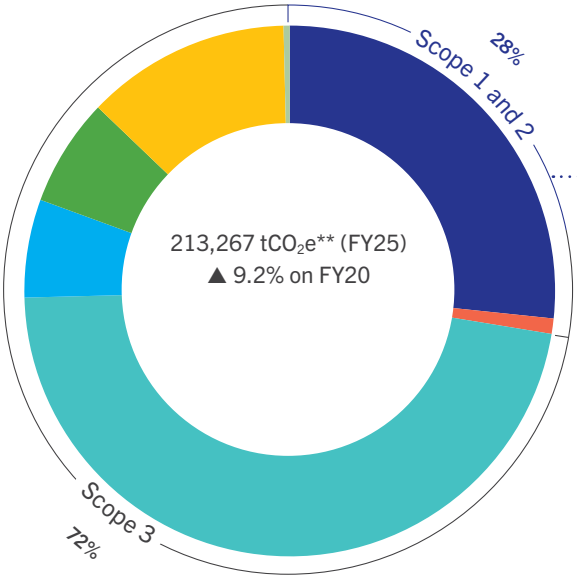
In FY25, after consulting with external advisors, Sanford reviewed and refined its Scope 3 boundary, placing greater emphasis on the principles of control, influence, and relevance. Under this revised approach, Sanford will focus reporting on categories where the organisation has operational influence and where estimation methods are sufficiently robust to support reliable disclosure. As a result, categories 9 (Downstream transportation and distribution), 11 (Use of sold products), and 12 (End-of-life treatment of sold products) have been excluded from the Scope 3 boundary. These activities occur beyond Sanford's operational control and the current calculation methods involve a high level of estimation and are therefore less reliable.

This change reflects an evolution in Sanford's emissions management approach and ensures that its CRD remain relevant. The change in approach resulted in a reduction of Scope 3 emissions of 34,259 tCO_2e in FY24 and 61,863 tCO_2e in FY20.

Scope[37]	Category	FY25	FY24[38]	Base year FY20[38]
1	Direct emissions (fuel, refrigerants) (tCO_2e)	56,850	53,346	59,999
2	Indirect emissions from electricity, location based (tCO_2e)	1,992	1,354	2,423
3	Indirect emissions from value chain, upstream and downstream (tCO_2e) (measured Scope 3 categories described below)[24]	154,425	162,422	132,911
Sanford's Group intensity metrics				
	Scope 1, 2, and 3 emissions per GWT harvest (tCO_2e/tonnes GWT)	2.05	2.20	1.78
	Scope 1 and 2 emissions per GWT harvest (tCO_2e/tonnes GWT)[39]	0.83	0.92	0.87
Wildcatch intensity metrics				
	Scope 1 and 2 emissions per GWT harvest (tCO_2e/tonnes GWT)[40]	1.21	1.61	1.49
Mussels intensity metrics				
	Scope 1 and 2 emissions per GWT harvest (tCO_2e/tonnes GWT)[41]	0.20	0.20	0.19
Salmon intensity metrics				
	Scope 1 and 2 emissions per GWT harvest (tCO_2e/tonnes GWT)	0.57	0.50	0.46

37. Only FY25 Scope 1 and 2 emissions are subject external assurance according to Adoption Provision 8 of NZCS2.
38. FY24 and FY20 have been restated to reflect the change in Scope 3 boundary applied in FY25.
39. Sanford harvest only.
40. Sanford vessels only.
41. Excludes NIML - See exclusions.

Sanford's Whole Value Chain Emissions Profile – FY25 (Scopes 1, 2 and 3)*

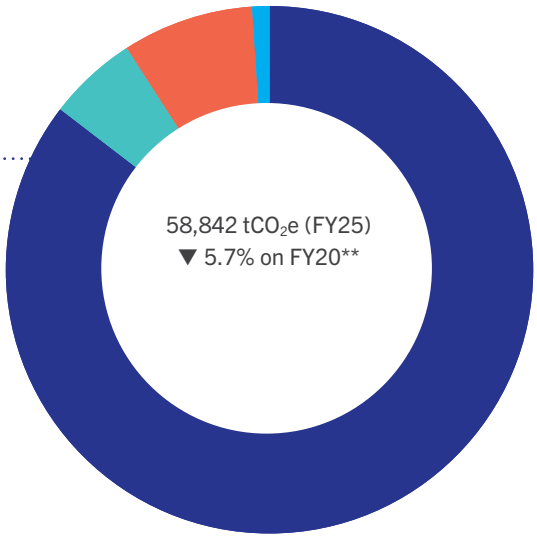


	Sanford's Whole Value Chain Emissions Profile	Emissions (tCO_2e)	% of Whole Value Chain Emissions
Scope 1	Direct emissions *(includes fuel, refrigerants from owned assets)*	56,850	26.6
Scope 2	Indirect emissions from electricity	1,992	0.9
Scope 3	Purchased goods and services	100,260	47.0
	Capital goods	12,743	6.0
	Fuel- and energy-related activities	14,025	6.6
	Upstream transportation and distribution *(freight paid for by Sanford)*	26,602	12.5
	Waste generated from operations	795	0.4

* Operational Scope 1 and 2 emissions, as defined by the GHG Protocol

** Tonnes of carbon dioxide equivalent

Sanford's Operational Emissions Profile (FY25)*



	Emissions (tCO_2e)	%
Wildcatch	50,261	85.4
Mussels	4,730	8.0
Salmon	3,230	5.5
Other *(head office, etc.)*	621	1.1

* Operational Scope 1 and 2 emissions, as defined by the GHG Protocol

** Reduction on recalculated baseline emissions excluding inshore contributions for like-for-like comparison, referenced on page 34

Details and assumptions in GHG inventory table

Greenhouse gas emissions are measured in accordance with the following standards:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition),
- The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard and
- The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Annual measurement period: 01 October to 30 September, following our financial year cycle

Base emissions measurement year: FY20: 01 October 2019 to 30 September 2020

Base-year assurance: FY20 emissions assurance provided by Toitū Envirocare following ISO 14064-1 assurance standard for the original FY20 emissions. No assurance has been sought for the subsequent recalculations.

Base-year recalculation approach

The following events shall trigger a recalculation of the FY20 base year to ensure like-for-like comparisons: structural changes to our business, substantial changes by third parties to emissions factors, or discovery of significant errors or several cumulative errors that exceed a 5% materiality threshold. Organic growth or decline does not trigger recalculation.

Base-year recalculation:

At the conclusion of FY23, Sanford's direct North Island inshore operations ceased with two vessels being sold along with the rights to fish for a period of 10 years. That constituted a material change to the business as defined by Sanford's base-year recalculation approach. The emissions associated with these operations moved off Sanford's inventory.

In FY25 Sanford has redefined its Scope 3 boundary to exclude its downstream emissions and the base year has been recalculated to reflect this change.

Base year Scope 3 recalculation FY25	Base year Scope 3 reported in FY24	Difference in base year Scope 3 due to boundary change
132,911	194,774	61,863

Consolidation approach:

Operational control basis, as defined by ISO 14064-1.

Organisational boundaries: All of Sanford's New Zealand and Australian operations, wholly-owned subsidiaries and joint ventures covered by our ISO14001 Environmental Management System (San Won Ltd – 50% ownership). Sanford's GHG inventory covers all direct (Scope 1 and 2) and material indirect (Scope 3) emissions categories – see definition below for the Scope 3 emissions boundary.

Exclusions: The following entities, which Sanford had an interest in during the period, are excluded from our GHG emissions inventory: Sugarloaf Port Company Limited (12.19% ownership), Barnes Oysters Limited (14.29% ownership) , Bluff Oyster Management Company Limited (15.79% ownership), Area B Compliance Limited (26.9% ownership), New Zealand Japan Tuna Company Limited (46.74% ownership).

We have excluded North Island Mussels Ltd (NIML – 50% ownership) from our GHG reporting due to the immateriality of NIML's emissions in relation to Sanford's total GHG inventory.

Data quality and uncertainties

Sanford utilises the BraveGen tool for emissions inventory collation and reporting.

All activity data is reliant on supplier invoice accuracy and other data input. Ultimate emissions data is the result of both those input data and the source uncertainty of, and system input of, external emissions factors and spend-based factors.

Sanford self-assesses the data sources for quality as follows:

High – actual usage data from supplier or internal systems;

Medium – a mixture of actual data activity and data estimations; and

Low – high use of estimates and assumptions.

Sanford's emissions data is assessed as follows:

Emission type	Emission subcategory	Emission source and calculation methodology	Emissions factor source(s)	Data quality and certainty rating
Scope 1	Combustion (mobile and stationary)	Fuel - by invoiced volume	NZ Ministry for Environment (AR5)	High
	Refrigeration	Refrigerant - by invoiced weight	NZ Ministry for Environment (AR5) and California Air Resource Board (AR5)	High
Scope 2	Electricity use	Electricity - by invoiced usage	NZ Ministry for Environment (AR5)	High
Scope 3	Purchased goods	Salmon feed - by invoiced weight	Provided directly from suppliers	Medium
	Purchased goods	Partner fuel - by invoiced volume	NZ Ministry for Environment (AR5)	High
	Purchased goods	Other opex (e.g. office expenses, water, wastewater, personal protective equipment) - by invoiced quantities or by $ value	NZ Ministry for Environment (AR5) Auckland Council spend-based factors (consumption emissions modelling)	Medium
	Capital goods	Buildings, computers, and fishing gear - by $ value	Auckland Council spend-based factors (consumption emissions modelling)	Medium
	Energy-related	Electricity and fuel T&D and WTT based on actual usage volumes	NZ Ministry for Environment (AR5)	Medium
	Upstream supply chain	Freight (measured in tonne-kilometres)	NZ Ministry for Environment (AR5)	Medium
	Waste generated in operations	Landfill, recycling and composting - by invoiced weight.	NZ Ministry for Environment (AR5)	Medium

Emissions factors use the Global Warming Potential (GWP100) basis unless otherwise listed.

Materiality

There are no material exclusions for Scope 1 and 2 emissions.

Scope 3 emissions GHG Protocol categories are screened and subject to a 1% materiality threshold measured across all Scope 3 categories.

This resulted in Scope 3 categories C1, C2, C3, C4, and C5 being deemed material categories. A cumulative exclusion threshold for Scope 3 is set at 5% (the cumulative exclusions do not exceed this value).

Gases included in inventory:

All Kyoto Protocol GHG:

CO2, CH4, N2O, HFCs, PFCs, SF6

Aotearoa New Zealand Climate Standards (NZ CS1, CS2 and CS3) Disclosure Reference Table

Objective	Category	Page Reference in Report
Governance	6-7. Disclosures	27-29
	8. Governance body oversight	27-28
	9. Management's role	29
Strategy	10. Disclosure objective	17
	11. Disclosures	17-26
	12. Current impacts and financial impacts	18-19
	13. Scenario analysis undertaken	20-21
	14. Climate-related risks and opportunities	22
	15. Anticipated impacts and financial impacts	23
	16. Transition plan aspects of its strategy	23-26
Risk management	17. Disclosure objective	29-30
	18. Disclosures	29-30
	19. Disclosures	29-30
Metrics and targets	20. Disclosure objective	31-33
	21. Disclosures	31
	22. Metric categories	31
	23. Targets	31
	24. GHG emissions	32-33
Assurance of GHG emissions	25 and 26. Assurance of GHG emissions	38
NZ CS 3 Requirements	40-42. Comparative metrics	31
	44-46. Consistency	32
	47-50. Restatement of comparatives	32,34
	49. Methods and assumptions and data and estimation uncertainty	34
	51. Scenario analysis methods and assumptions	20
	52-54. GHG emissions methods, assumptions, and estimation uncertainty	34
	55-56. Statement of compliance	15

Independent Limited Assurance Report to Sanford Limited

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the Scope 1 and 2 gross greenhouse gas emissions, additional required disclosures and associated methods, assumptions and estimation uncertainty disclosures included in the climate statement on pages 32 to 36 (**GHG disclosures**) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (**NZ CS**s) issued by the External Reporting Board (**the criteria**) for the period 1 October 2024 to 30 September 2025.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Sanford Limited's GHG disclosures for the period 1 October 2024 to 30 September 2025.

Below are the locations of the GHG disclosures subject to assurance:

NZ CS 1-3 requirement:	**2025 Climate Related Disclosures reference:**
NZ CS 1 22 (a)	FY25 Scope 1 & 2 emissions included within the Table of emissions (page 32)
NZ CS 1 24 (a)	Details and assumptions in GHG inventory table (Page 34)
NZ CS 1 24 (b to d)	Consolidation approach and data quality and uncertainties (Page 35-36)
NZ CS 3 52	Data quality and uncertainties (Page 35)
NZ CS 3 53	Data quality and uncertainties (Page 35)
NZ CS 3 54	Base-year recalculation approach (Page 34)

Our conclusion on the GHG disclosures does not extend to any other information included, or referred to, in the Sustainability Report, or other information that accompanies or contains the climate statement and our assurance report (**other information**). We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting include the NZ CSs. As disclosed on page 34 of the Sustainability Report, the greenhouse gas emissions have been measured in accordance with the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol):

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition); and
- Scope 2 emissions have been measured in accordance with The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.

As a result, this report may not be suitable for another purpose.

Standards we followed

We conducted our limited assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

Other Matter – Prior year comparatives not assured

The GHG disclosures for the prior period, 1 October 2023 to 30 September 2024, and base year, 1 October 2019 to 30 September 2020 was not subject to our limited assurance engagement and, accordingly, we do not express a conclusion, or provide any assurance on such information.

Our conclusion is not modified in respect of this matter.

How to interpret limited assurance and material misstatement

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for Sanford Limited. Our assurance work has been undertaken so that we might state to Sanford Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report is released to Sanford Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. No other third party is intended to receive our report.

Our report should not be regarded as suitable to be used or relied on by anyone other than the Company for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than Sanford Limited for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Sanford Limited's responsibility for the GHG disclosures

The Management of Sanford Limited are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as Management determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Management of Sanford Limited are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG disclosures are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to Sanford Limited.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of Sanford Limited's use of the criteria as the basis for the preparation of the GHG disclosures, assessing the risks of material misstatement of the GHG disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG disclosures.

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on the understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In undertaking limited assurance on the GHG disclosures the procedures we primarily performed were:

- obtained, through inquiries, an understanding of the Company's control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;

- performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified
- recalculated the emissions for a limited number of items; and
- considered the presentation and disclosure of the GHG disclosures against the NZ CS disclosure requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

This assurance engagement was undertaken in accordance with NZ SAE 1. NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards*) (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have also complied with Professional and Ethical Standard 4 *Engagement Quality Reviews* (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Our firm has also provided financial audit services to Sanford Limited. Subject to certain restrictions, partners and employees of our firm may also deal with Sanford Limited on normal terms within the ordinary course of trading activities of the business of Sanford Limited. These matters have not impaired our independence as assurance providers of Sanford Limited for this engagement. The firm has no other relationship with, or interest in, Sanford Limited.

As we are engaged to form an independent conclusion on the GHG disclosures prepared by Sanford Limited, we are not permitted to be involved in the preparation of the GHG disclosures as doing so may compromise our independence.

The engagement partner on the assurance engagement resulting in this independent assurance report is Laura Youdan.

KPMG

KPMG

Auckland

30/01/2026