

ABOUT THIS REPORT

As a large business in New Zealand's red meat sector, ANZCO Foods' operations have a substantial impact on the country's economic, environmental and social activities. This report, covering ANZCO Foods' New Zealand operations, has been compiled for the 2023 calendar year.

ANZCO Foods' Climate Change and Sustainability Report has been approved by the ANZCO Foods' Board. While this report has not been externally assured, we are committed to continually improving our sustainability reporting. If you have any feedback or questions about our report, please email sustainability@anzcofoods.com

Our actions continue to be guided by our science-aligned targets, reflecting our dedication to mitigating environmental impact and contributing to a more sustainable future for our kaimahi and communities.

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A word from our CEO



ANZCO FOODS' CEO, PETER CONLEY

"We developed our first three-year CC&S strategy in 2020. During 2023 the Executive Leadership and Sustainability Leaders' Groups reviewed the strategy and presented the updated document to the Board for its input and endorsement."

This is ANZCO Foods' fourth climate change and sustainability (CC&S) report. With climate change and sustainability programmes it's easy to focus on everything that still needs to be done, but these reports are a good opportunity to capture and celebrate the progress we continue to make.

We developed our first three-year CC&S strategy in 2020. During 2023 the Executive Leadership and Sustainability Leaders' Groups reviewed the strategy and presented the updated document to the Board for its input and endorsement. During the year we also completed our second maturity assessment, which showed progress across all areas. We continue to learn, mature and develop in this important space. A good example of this increased maturity was our review of the way we had been managing our environmental compliance at sites. We recognised we had gaps in this area - particularly around accurately capturing and reporting some data - so we invested in resources and new processes and have made significant improvements. Another highlight of the year was completing a materiality assessment and identifying that the top 10 material issues aligned well with, and were covered by, our strategic risk

matrix and our climate change and sustainability strategy (see page 22).

During the year, ANZCO Foods invested in systems and software to help us accurately measure our use of resources along with new technology to capture Scope 3 emissions that occur as a direct consequence of ANZCO Foods' activities. We read with interest announcements from some businesses outlining how they were going to deal with Scope 3 emissions from their farmer suppliers. This aspect of Scope 3 emissions is complex and ANZCO Foods' current position includes supplier engagement and support through NZFAP Plus, insetting with AgriZero^{NZ} and complete measurement. We will continue to review our position and develop it as required.

ANZCO Foods is proud to be part of the private/public partnership AgriZero^{NZ} - part of the Centre for Climate Action on Agricultural Emissions, together with Fonterra, Rabobank, Ravensdown, Silver Fern Farms, Synlait and the Ministry for Primary Industries. Currently there are few options available to farmers to help them reduce their on-farm methane emissions beyond reducing stock numbers which obviously impacts on viability and profitability. AgriZero^{NZ} was set up to accelerate getting new tools and resources into farmers' hands. By the end of 2023 the programme had invested in four initiatives with 59 more on the radar.

The word uncertainty seems to sum up 2023 well. In New Zealand, February's Cyclone Gabrielle caused significant destruction and disruption in the North Island. I'm sure we all remember the heartbreaking scenes and I know there are areas still working through their recovery. ANZCO and the wider industry moved quickly to help those affected. In the immediate aftermath our focus was on feeding people and animals in Tairawhiti and Hawke's Bay.



From a global perspective, the Russian-Ukraine war continued and in October conflict broke out in the Middle East. By the end of 2022 most of the world had relaxed Covid restrictions; however, these continued to be in place in China during the year and we saw a huge slow-down in the important China market. As an exporter, these factors have an impact on our supply chain and markets.

A bright spot for ANZCO Foods during the year was the borders opening and our ability to access offshore labour. In 2022 we had significant labour shortages but with this immigration change we were able to fully staff our processing and manufacturing sites. Being fully staffed at our sites means we are better able to capture the value-added products that have environmental, efficiency and financial benefits.

ANZCO Foods acknowledges there is more work to do and more progress to be made across its New Zealand operations and our climate change and sustainability strategy keeps us on track and accountable. We look forward to continuing to share our journey with you.





Our climate change & sustainability manager



ANZCO FOODS' CLIMATE CHANGE & SUSTAINABILITY MANAGER, GRACE MACDONALD

"Our climate change and sustainability commitment extends across our seven processing and two manufacturing sites, where we are implementing science-aligned intensity targets for water use and energy consumption."

As sustainability manager at ANZCO Foods, I am pleased to present a comprehensive overview of our commitment to advancing our climate change and sustainability strategy and practices in our operations. Our actions continue to be guided by our science-aligned targets, reflecting our dedication to mitigating environmental impact and contributing to a more sustainable future for our kaimahi and communities.

ANZCO Foods continues to pursue 25% absolute reduction in Scope 1 and 2 emissions against our 2020 baseline year. This ambitious target aligns with the global imperative to achieve well below a 2-degree warming outcome. To ensure success, we have devised a robust 10-year decarbonisation plan, outlining crucial CAPEX projects integral to achieving our emission reduction goals. This year we completed a huge milestone when we commissioned a high temperature heat pump at our Kōkiri site that will remove more than 5.000MT carbon from the atmosphere a year. This is the second high temperature heat pump we've introduced within the ANZCO Foods group to replace coal boilers.

Our climate change and sustainability commitment extends across our seven processing and two manufacturing sites, where we are implementing sciencealigned intensity targets for water use and energy consumption. By the end of 2024, each site will operate with heightened efficiency, reflecting our commitment to responsible resource management; a task only possible through the success of the TripleM (measure, monitor and manage) project which saw more than 100 meters installed across each site to ensure realtime meaningful data is in the hands of the people who will make the difference.

ANZCO Foods continues to focus on transparent and accountable sustainability reporting. Our value chain undergoes rigorous audits against ISO-14064 by Toitū Envirocare, a practice undertaken for the last four years. Recognising the evolving sustainability landscape, we are actively exploring comprehensive reporting frameworks, conducting maturity assessments and we continue to engage with key stakeholders on their expectations for reporting. ANZCO Foods believes in open communication about our environmental impact and publicly discloses its carbon footprint in this report which displays our 2022 audited carbon footprint.

A significant portion of our Scope 1 emission (37%) stems from biogenic methane, primarily associated with Five Star Beef, New Zealand's largest commercial feedlot. Recognising the unique challenges in our industry, ANZCO Foods has invested in AgriZero^{NZ}, a public/private venture focused on methane technology. Our initiatives to date include feed additive trials and using methanemeasuring technology onsite.

Our sustainability journey at ANZCO Foods is marked by strategic commitments, collaborative efforts, and a relentless pursuit of operational excellence. As we navigate the dynamic landscape of sustainability, we remain committed to the four pillars of our sustainability strategy and continue to ensure we do the best by our people and the environment.





About us and our brands

ANZCO Foods is 100% owned by Japan's Itoham Yonekyu Holdings, a top 10 global meat company based in Japan. To the year ended 31 March 2022, Itoham Yonekyu Holdings had revenue of \$10.3b and an operating profit of \$296m. Itoham has been a partner of ANZCO Foods since 1984 and a shareholder since 1995. It took full ownership in December 2017. Itoham Yonekyu Holdings' ownership provides financial strength and strategic support to ANZCO's current business and future aspirations. ANZCO Foods is Itoham Yonekyu Holdings' largest international investment.



B2B and B2C beef and lamb brand focusing predominantly on ingredient supply to global food manufacturers



Premium part-cooked burger patties and meatballs designed to make every day delicious for NZ and Australian consumers



Our premium grass-fed beef brand, hand selected for New Zealand's top restaurants



New Zealand's finest lamb, servicing top chefs in Europe and other export markets



Pasture-raised, grain-finished beef renowned across Japan, China and Europe for its tenderness and flavour



Stony River is exceptional grassfed New Zealand Black Angus, committed to small-scale production to protect its purity and taste

Key facts

\$1.7b

annual contribution to New Zealand via salary, wages and supplier payments

processing sites

manufacturing sites

offshore marketing offices

3,000

employees across our locations





countries around the world that we export our product to

\$1.85 2

billion annual turnover



biological proteins and sterile serums businesses

joint venture companies

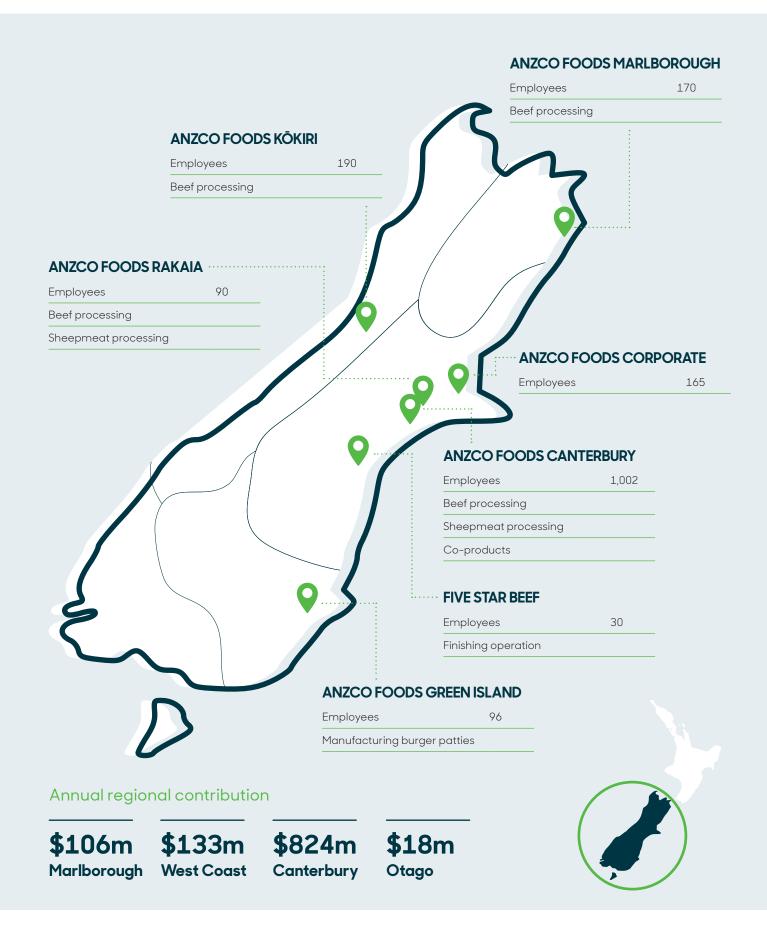


assets

cattle feedlot



ANZCO Foods has 12 locations **Our local footprint** across New Zealand **MOREGATE BIOTECH** 14 Employees Healthcare **ANZCO FOODS WAITARA** Employees 245 Manufacturing burger patties and jerky **ANZCO FOODS RANGITIKEI ANZCO FOODS ELTHAM** Employees 375 Employees 520 Sheepmeat processing Beef processing ANZCO FOODS MANAWATŪ Employees 128 Beef processing Annual regional contribution \$263m \$241m \$15m Rangitikei Waikato Taranaki







Our company values

WHY WE COME TO WORK

Delivering taste, nutrition and wellbeing to the world.

WHAT WE DO

Bringing you nutrition and good health from New Zealand's finest beef and lamb.

KA PĒHEA Ā TĀTOU MAHI / HOW WE ACT



Me tautoko tētehi i tētehi

ATAWHAITANGA

Ka mahi tahi tātou ki te mahi i ngā mea tika, ki te tiaki i ō tātou hoa, ki te whakahaumaru i a tātou anō.

Me whakaoti ngā mahi o ia rā

NOHO НАЕРАРА

Ka tae tātou ki te mahi ia rā ki te mahi i te toi o ā tātou mahi.

Me aro ki ngā rā kei tua

KAITIAKITANGA

Ka āta whiriwhiri take tātou kia oti pai ngā whakatau mō ANZCO, me te titiro whakamua kia toitū tō tātou umanaa, mō naā rā kei mua.

Me takahi pārae hou

AUAHATANGA

Ka āta rapu tātou i ngā ara whakapiki i te pai o ā tātou mahi.

Kia pono ki ō kōrero ki te tangata

WHAKAWHIRINAKITANGA

Ka tutukii a tātou ā tātou kōrero ki te tangata, me te whakaoti i ā tātou herenga.

Back each other

ATAWHAITANGA

We work together to do what's right, look after ourselves and keep each other safe.

Make every day count

NOHO НАЕРАРА

We turn up every day to do our best work.

Play the long game

KAITIAKITANGA

We make the best decisions for ANZCO with an eye on the future so we can continue to be a sustainable business.

Be a pioneer

AUAHATANGA

We look at how we can do things better and make improvements.

Keep our promises

WHAKAWHIRINAKITANGA

We do what we say we will and follow through on our commitments.

HOW WE TELL OUR STORY

Created by nature. Crafted with care. Shared with pride.



Our supply chain

ANZCO Foods has an intricate and complicated supply chain that procures livestock and other materials required by the business and then distributes thousands of products to more than 80 countries.

Upstream procurement is managed by our team of internal experts. Suppliers of large quantities of goods are rigorously assessed during the tender process and all suppliers are governed by the Supplier Code of Conduct and Terms and Conditions – as a minimum. Livestock supply is the exception to this; it is managed by the dedicated livestock procurement team and governed by contracts where practical.

ANZCO Foods is an agricultural business, bringing to the world nutrition and good health from New Zealand's finest beef and lamb. Our main markets are China, Japan, USA, Europe and the UK. Through our integrated value chain, we control the procurement, processing and manufacturing of our beef and lamb, as well as distribution and marketing. This enables us to implement extensive animal welfare and food safety standards alongside health and safety and corporate responsibility measures. This ultimately results in the responsible care of animals and our environment and a product that we are proud to put our name on.

We actively seek to work with those people and organisations throughout our value chain to add value and improve societal, environmental and financial outcomes.

The diagram (right) shows the ways we engage.



NZFAP journey AgriZero ^{NZ} Advocacy and submissions	Growing Future Farmers/Otiwhiti Gate-to-plate engagement with chefs	Being Bold for Change women's industry conference Support/promote Farm without Ho
Support and advocacy	KPIs	Freight optimisation
NZFAP journey Active biosecurity processes and signatories to the Biosecurity pledge	Looking after our people Toitū audited	Long-term best practice strategy and eco-health system testing
KPIs to measure domestic freight and transport	Suppliers' code of conduct	Supplier screening tool for Scope 3 emissions
Reducing our impact on the environment Operating responsibly	Looking after our people Carbon audited	
Reducing our impact on the environment Operating responsibly	Looking after our people Carbon audited	Adding value
Scope 3 - Working with Bolster for better me	<u>easurement</u>	
Building and maintaining strong relationship		
From gate to plate engagement with chefs and consumers	Supporting and enhancing NZ's reputation	Steak awards
Creating and supporting better outcomes	Adding value	80

Stakeholder engagement

Delivering taste, nutrition and wellbeing to the world

Our key stakeholders include individuals and groups that have interests that are, or could be, impacted by our activities. They include employees and contractors, farmers, customers and suppliers, communities where we are based, local and central government and industry organisations. Our sustainability

journey is strongly guided by their requirements. Engaging with each audience enables us to identify any concerns and learn what's important to each group. This approach helps us prioritise our activities and resources and confirm material topics.

Stakeholder	Why they're important	Ways we engage	Key issues discussed
Employees	ANZCO Foods' 3,000 employees are at the heart of our business. We have a range of channels and activities to engage with employees. Most of our employees work in processing and don't have easy access to electronic communications, so we continue to identify ways we can engage and communicate with this important group.	Regular updates on: TV screens in break rooms Facebook group Email Intranet Face-to-face/meetings Performance reviews Internal conferences Day-to-day team interactions Annual inductions Suggestion boxes Competitions Fundraising and volunteering Scholarship programme Recruitment Focus groups Friends and family worker referral programme Team meetings and shift meetings Regular meetings with the Meat Workers' Union and union delegates ANZCO Crew app Posters and noticeboards	COVID-19 Health and safety, wellness and mental wellbeing Keeping yourself safe Speaking up and listening Performance, development and training People news Company news, innovations, and performance Community contribution Community disaster relief Retention and recruitment
Contractors	ANZCO Foods uses a range of contractors at its corporate office and processing and manufacturing sites.	Contractor management systems and processes Regular performance and service delivery reviews: Newsletters Individual communication Letters Email Phone calls Face-to-face	 Health and safety COVID-19 Code of Conduct Environmental ANZCO news Performance

Stakeholder	Why they're important	Ways we engage	Key issues discussed
Farmers	We work closely with our farmer suppliers to ensure we get access to their animals when we need them to meet our customer needs. We also support various programmes to ensure the animals and the environment are being cared for.	 Farmer meetings Monthly email newsletters Face-to-face with livestock representatives Mailouts Field days Workshops New producer portal and app Advantage magazine and loyalty programme communications Social media channels Company website Customer service channels Contracts 	Farm assurance programmes Loyalty Advantage by ANZCO Animal welfare Compliance and legislation On-farm performance Company performance and news Global market updates
Customers and suppliers	ANZCO Foods exports its products to more than 80 countries, supplying retailers and foodservice with New Zealand's premium beef and lamb. Our customers are our connection with the end consumer. We engage with them so we can share the proud New Zealand story behind the products, and get their feedback on what's important to their end consumers and markets. We use a range of local, national, and international suppliers to maintain our sites, transport animals and our products, and ensure the overall smooth running of our business.	Face-to-face Brand material Electronic communications Industry events and exhibitions Collaboration on product innovation Social media channels Company website Customer service channels	Product provenance Environment Packaging NZ story Product quality Efficiency Issues Food shows and fairs
Communities	ANZCO Foods' processing sites are located throughout New Zealand, often in rural communities and where we are one of the biggest employers. We recognise this comes with responsibilities and aim to make a positive contribution in these locations. Improving our sites and managing resources well are ways we do this along with various local and national sponsorships, support, and seeking to be a good neighbour.	 Community meetings Media Sponsorships/donations Salary/wages and supplier payments 	Community relationships Environmental impacts and enhancements COVID-19 support Company involvement and contribution Recruitment Wellbeing

Stakeholder	Why they're important	Ways we engage	Key issues discussed
lwi	We recognise the importance of manawhenua to our operations and have taken a number of steps to build and enhance relationships with iwi where we are based. We recognise there is more work to do here and will have an increased focus during 2024.	MeetingsElectronic communicationsSponsorship/support	 Biodiversity Recruitment Health programmes COVID-19 support Matariki Sport Areas of significance
Industry, partnerships and memberships	As one of New Zealand's largest exporters, ANZCO Foods has an important role in the wider industry. ANZCO Foods is active in a number of industry groups that seek to support the industry to develop and improve, especially as regulations and expectations around climate change and sustainability evolve. Meat Industry Association New Zealand Roundtable for Sustainable Beef He Waka Eke Noa processor working group Sustainable Business Council Climate Leaders' Coalition Biosecurity Group NZ Farm Assurance Incorporated Centre for Climate Action on Agricultural Emissions AgriZero ^{NZ} Meat Business Women Beef + Lamb New Zealand AgResearch BioTech NZ AgriTech	 Industry councils Leading steering groups Working/experts' groups Meetings Phone calls and emails Industry events Conferences 	Changing practices Legislation Areas for improvement – including environmental performance Areas of collaboration
Local, regional and central government	ANZCO's processing and manufacturing sites and farms operate under a number of resource consents and are bound by legislation and regulations. We work closely with local and regional councils regarding consent compliance and renewals. We also provide feedback on proposed new or changed legislation and regulations that relate to our operations or may have an impact on the wider red meat sector.	 Face-to-face meetings Consent reports Phone calls and emails Submissions/feedback Workshops 	Environmental compliance Consent renewals and new applications New or changing legislation/regulations



Our strategy



Sustainability

Provide environmentally sustainable beef and lamb products

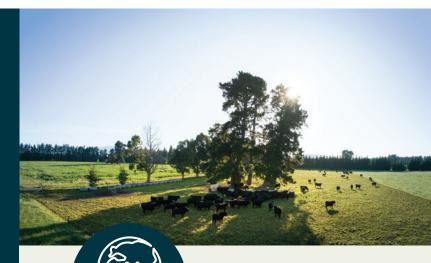
OUR LONG-TERM VISION

- Reduce emissions
- Protect water bodies
- ⊘ Improve soil health
- Minimise waste and convert to value where possible
- ∅ Increase habitat for native species

OUR PRIORITIES

- \odot 25% reduction in Scope 1 and 2 emissions by 2030
- \oslash Removal of all coal by 2030
- © Reset reduction targets for waste, water, soil and improvement targets for natural habitat
- Realise reduction targets for waste, water, soil and natural habitat by 2026
- Add effluent, waterways and wetlands to scope of baselines and targets





Climate change

Prepare to thrive in a low-carbon economy subject to climate change and scarce natural capital inputs

OUR LONG-TERM VISION

- Assess, monitor and address physical risks of climate change
- Assess, monitor and address transition risks of climate change
- Reduce freshwater use, energy, consumption and packaging
- ⊙ Grow brand value through CC&S leadership

OUR PRIORITIES

- Define a pragmatic, fit-for-purpose list of climaterelated risks and scenario modelling that is applicable to ANZCO Foods
- All senior management have access to live dashboard reporting
- Accept and implement alignment to ISO standards

To be a leader in New Zealand's red meat sector by continuing to integrate sustainability into our business and being a thriving provider of socially and environmentally responsible products. **ANZCO Foods refreshed its three-year strategy in 2023 and confirmed its four strategic areas.**



Health and wellbeing

Care for the health and wellbeing of our workers and communities

OUR LONG-TERM VISION

- Protect and improve workers' health, safety and wellbeing
- Embrace and enhance ANZCO Foods' workplace diversity
- Strengthen the wellbeing of our communities through our activities

OUR PRIORITIES

- © Continue to develop and improve our health and safety engagement with our workers
- Look after the health and safety of everyone on our sites including third-party contractors
- Promote and increase use of our health and safety management systems including for thirdparty workers
- O Define and implement an iwi engagement strategy
- Continue to engage our people in diversity and inclusion initiatives





Structures and systems

Establish the right structures and systems to manage accelerating environmental and social change

OUR LONG-TERM VISION

- ⊙ Strengthen CC&S governance
- \odot Incorporate CC&S in core business strategies and financial plans
- \odot Ensure CC&S risk processes are established and maintained
- © Establish CC&S metrics, targets and monitoring processes
- © Verify CC&S risks, opportunities and performance and ensure these are transparently communicated

OUR PRIORITIES

- Define maturity model framework that is fit-forpurpose for tracking ANZCO's development
- © Conduct a baseline maturity assessment in 2023, and a re-measurement annually
- Conduct external materiality assessment
- © Complete pragmatic, fit-for-purpose scenario analysis and incorporate into climate-related risk register

Material topics

During the year ANZCO Foods completed a materiality assessment that identified our material issues. The top 10 material issues, listed below, aligned well with, and were covered by, our strategic risk matrix and our climate change and sustainability strategy.

Top material topics	Alignment with strategy
Health and safety of employees	· Care for our people and communities
Business profitability	· Systems and structures
Food safety	· Care for our people and communities
Animal health and welfare	Reducing our environmental impactReducing our risks and enhancing our resilience
NZ regulations and compliance	· Systems and structures
Supply chain disruption [integrity/robustness]	Reducing our risks and enhancing our resilienceSystems and structures
Recruitment – attraction and retention	· Care for our people and communities
Farm environmental management	Reducing our environmental impactReducing our risks and enhancing our resilience
Access to international trade/customer impact climate-risk	 Reducing our risks and enhancing our resilience Systems and structures
Maintaining social licence to operate and community engagement	Care for our people and communities Reducing our environmental impact





Reducing our environmental impact

Provide environmentally sustainable beef and lamb products.

Focusing on supporting and enhancing New Zealand's reputation and environmental stewardship and seeking to improve the impact we have on the environment.

ANZCO Foods maintains its dedication to aligning with science-based targets, as evidenced by our overarching objective to attain a 25% absolute reduction in Scope 1 and 2 emissions compared to the 2020 baseline year. This strategic target is designed to secure a well-below 2-degree warming outcome and is supported by a comprehensive 10-year decarbonisation plan established in 2020.

Our commitment to reducing our environmental impact extends across our business, including our seven processing sites, two manufacturing facilities and New Zealand's largest commercial feedlot - Five Star Beef, all of which are Toitū carbon-reduced accredited. To ensure the integrity of our sustainability efforts, ANZCO Foods has undergone rigorous audits of its value chain against ISO-14064 by Toitū Envirocare for the last four years.

Transparent reporting is fundamental to our approach, and we will continue to disclose our carbon footprint in this annual Climate Change and Sustainability report. Embracing the national commitment outlined in New Zealand legislation, we aim to achieve Net-Carbon Zero by 2050, establishing it as our long-term target.

A significant portion of ANZCO's Scope 1 emissions – 37% last year – originate from biogenic methane, primarily attributed to our Five Star Beef operation. Recognising the unique challenges inherent in this industry, ANZCO Foods has proactively invested in AgriZero^{NZ}, a collaborative public/private venture focusing on methane technology. Our initiatives include implementing feed additive trials and deploying methane-measuring technology on site.

ANZCO understands the importance of Scope 3 emissions across our value chain and has integrated an automated platform to collect data from all Scope 3 emitters. Suppliers are responsible for setting their emission reduction targets, and ANZCO will remain engaged and continue to support their reduction targets. This considered approach highlights our commitment to pragmatic and effective sustainability measures.

Energy

In 2023, our Kōkiri site transitioned away from coal with the implementation of a 1MW high-temperature heat pump. This innovative system harnesses waste heat from the existing refrigeration system to efficiently generate most of the site's hot water requirements. A 2MW electric boiler has also been installed to support this process, contributing to a 12% reduction in carbon within ANZCO's overall carbon footprint.

Looking ahead to 2024, ANZCO's processing and manufacturing sites are ready to establish intensity targets for their energy consumption. This initiative marks the start of their own journey toward enhancing efficiency and reducing emissions at site level.

Waste

In 2023 the sustainability team and our sites maintained a keen focus on waste management. Following a substantial year of data capture in 2022 to ensure our readiness to establish waste reduction targets, the impact of our initiatives is becoming evident at site level. Notably, the Waitara site has successfully baled more than 160MT of cardboard, redirecting the product away from landfill through resale. We observed a year-on-year reduction in general waste across our sites. Across the group, we diverted an impressive 87%. This progress aligns with ANZCO Foods' overarching goal of achieving a 90% diversion rate by 2030.

Water

Part of our strategic framework is the emphasis on thriving while subject to limited natural capital inputs, with water emerging as a top priority for ANZCO in 2024. Actions during 2023 involved comprehensive data collection efforts on water usage across our sites through our TripleM project (measure, monitor, manage). This initiative, combining manual and automated data collection, laid the groundwork for data analysis and establishing intensity targets stated for 2024.

In the coming year, all our sites will leverage production metrics and water usage data to gain insights into the efficient use of their natural resources. This commitment underscores our dedication to responsibly manage resources and aligns with our broader sustainability strategy.



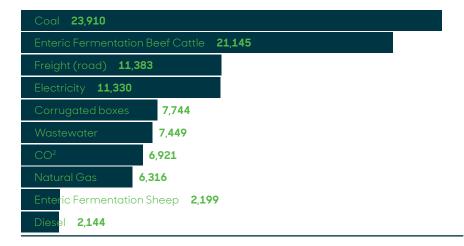
ANZCO Foods Chairman Sam Misonou and CEO Peter Conley viewing solar panels at our ANZCO Foods' Marlborough site.

Site	Water source	Consumed	Discharged in line with consents
Canterbury	Bore	Yards, slaughter, processing and cleaning	Land
Kōkiri	Bore and river	Yards, slaughter, processing and cleaning	Water
Rakaia	Bore	Yards, slaughter, processing and cleaning	Land
Manawatū	Bore and town supply	Yards, slaughter, processing and cleaning	Water
Marlborough	Bore	Yards, slaughter, processing and cleaning	Trade waste
Eltham	River and town supply	Yards, slaughter, processing and cleaning	Land and water
Rangitikei	Bore	Yards, slaughter, processing and cleaning	Land
Waitara	Town supply	Manufacturing and cleaning	Trade waste
Green Island	Town supply	Manufacturing and cleaning	Trade waste
Five Star Beef	Bore	Livestock supply	Land

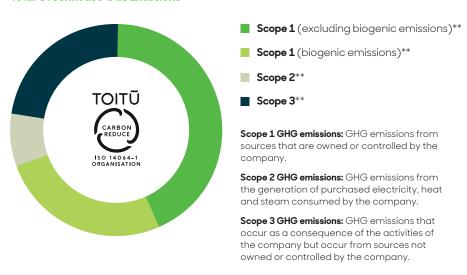
We observed a year-on-year reduction in general waste across our sites. Across the group, we diverted an impressive 87%. This progress aligns with ANZCO Foods' overarching goal of achieving a 90% diversion rate by 2030.

Recognising the unique challenges inherent in this industry, ANZCO Foods has proactively invested in AgriZero^{NZ}, a collaborative public/private venture focusing on methane technology.

Greenhouse Gas Emissions (tonnes CO²e) - Top 10*



Total Greenhouse Gas Emissions*





Native seedlings being planted at ANZCO Foods Five Star Beef

47%

of our fleet of 130 vehicles are hybrid.

160MT

of cardboard diverted away from landfill and into a value-added purpose in Taranaki.

6,200

native seedlings planted around Canterbury.



Activities we initiated, undertook and/or completed in 2023

Reduce emissions

- We introduced a new high temperature heat pump at ANZCO Foods Kōkiri to replace the coal boiler, which will remove 5,000MT carbon from the atmosphere annually.
- The solar panels at our ANZCO
 Foods Marlborough site have performed well and will have saved 8T of carbon in the first year of operation. Further solar options are being investigated.
- 47% of our fleet of 130 vehicles are hybrid.
- 95% of our domestic freight and transport spend is linked to sustainability KPI measurements.

Protect water bodies

- Canterbury pond desludging technology was installed to remediate and retain biological activity for pond treatment.
- Additional fencing along waterways.
- Hand-held water quality tests were purchased and will be used during the winter months to assess impact to water quality on farms.

Improve soil health

 Wet-weather management plans and winter grazing plans were created for ANZCO farms, as well as a decision tree for bestpractice land management for on-farm staff.

Minimise waste and convert to value

- 87% of our waste is now diverted from landfill.
- ANZCO Foods is supporting a pilot programme involving the use of a biodigester to convert various waste streams to positive energy sources.

- We are part of a programme where our laptops and computers leased through Quadrent are securely wiped at the end of their lease term and are distributed to schools, benefitting children and the environment.
- Cardboard recycling initiatives at our Waitara site have seen the site divert 160MT of cardboard away from landfill and into a value-added purpose in Taranaki.
- Dumpster dives across our Rangitikei, Kökiri and Canterbury sites resulted in all chemical containers now being recycled back to the supplier, along with a solution to use 200 previously unusable labels each week.
 ANZCO Foods Canterbury found value from scrap metal, and fellmongery salt bags are now being recycled. Splash jacket use at ANZCO Foods Kökiri has greatly reduced, with specific personnel only now having access to them.

Increase habitat for native species

We've been working with the community on a biodiversity project at Five Star Beef and have planted 6,200 plants ecosourced as seeds from the site, including tī kōuka, Poa cita, shore ribbonwood, harakeke and kānuka. The seeds were grown at Te Kete Tipuranga o Huirapa Arowhenua nursery in Temuka. We created fenced-off planting areas using recycled plastic fence posts from Future Post NZ.

Reducing our risks and enhancing our resilience

Prepare to thrive in a lowcarbon economy that is subject to climate change and scarce natural capital inputs.

Focused on understanding the risk of climate change on our business and across our supply chain and continuing to adapt and embrace the required change.

Activities we initiated, undertook and/or completed in 2023

Assess, monitor and address physical risks of climate change

- Climate change scenario reports were completed by each of the regional councils in 2023 to show the impact of climate at a 4.5 and 8.5 levels. ANZCO Foods will look to understand these physical risks on our sites in 2024.
- ANZCO Foods' farms have increased their monitoring ability through soil moisture probes, weather stations and automated data analysis to support the five-year eco-health system tests conducted to evaluate the impact of climate on our farming systems.

Assess, monitor and address transition risks of climate change

- The public-private partnership, AgriZero^{NZ}, to accelerate getting tools into farmers' hands has invested in four new initiatives with a further 59 on the radar.
- As well as a feed hood to measure methane emissions, ANZCO Foods' Five Star Beef operation introduced the GrowSafe feed measurement tool that analyses what every cow eats and drinks alongside their methane emissions. This will help us analyse feed intake, and introduce additives that can be used to reduce methane.

Reduce freshwater use, energy, consumption and packaging

- ANZCO Foods Waitara's cardboard recycling initiative is producing a total of 160MT of recycled cardboard that previously would have gone to landfill.
- ANZCO Foods Canterbury improved total waste diversion from 61% in 2021 to 90% in 2023.
- In 2023 ANZCO Foods Rangitikei improved its water efficiency (average litres per carcass) by 7.19%.

Grow brand value through CC&S leadership

- The company held producer events around the country to discuss the requirements for, and the benefits of, being accredited to the higher New Zealand Farm Assurance Programme Plus standard. These were well attended with good feedback. We have set targets for 2024.
- ANZCO is part of the AgriZero^{NZ} public/private partnership that's showing leadership in developing new tools and technologies to help farmers reduce emissions.

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Caring for our people and communities

Care for the health and wellbeing of our workers and community.

Focused on providing a positive workplace culture where our 3,000 employees are valued and where health, safety and wellbeing are integrated into our operations, and we support the communities in which we are based.

Activities we initiated, undertook and/or completed in 2023

Protect and improve workers' health, safety and wellbeing

- See our health and safety statistics on page 35
- As part of our annual survey we asked employees if ANZCO Foods was committed to Health and Safety and had controls in place to manage risks appropriately. Overall, 88% of respondents agreed (58%) or strongly agreed (30%).

Embrace and enhance ANZCO Foods' workplace diversity

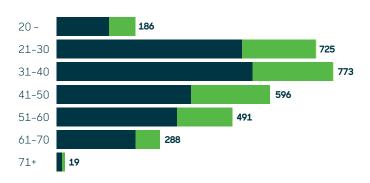
- · 'Understanding our people' statistics on pages 33 to 34
- Implementing our annual diversity and inclusion plan that supports embracing and enhancing our diversity.
- We were a finalist in the MPI Good Employer Awards for our diversity and inclusion programme.
- We have a range of support and initiatives to help our offshore workers adjust to life in New Zealand.
- To support our values, respectful behaviour workshops have been run at some sites and will be further rolled out in 2024.
- We continued to run and support regular cultural and wellness events that are relevant to our people, including Mental Health Awareness Week, Matariki, Ramadan and Diwali.

Strengthen the wellbeing of our communities through our activities

- We embarked on a strategy to formalise our existing engagement with iwi and develop relationships across all areas where we have sites
- We continued our strong community programme supporting organisations that are making a difference in their communities, with a strong focus on health and wellbeing including:
 - Maia Health Foundation
 - Canterbury West Coast Air Rescue Trust
 - ANZCO Foods' Helping Make Ends Meat and the industry's Meat the Need food donation programmes
 - Surfing for Farmers
 - Sponsor a school programme where we make a donation to nominated rural schools based on supply
 - Donating a \$1 per pack from our limited time offer special Angel Bay burger patties to a charity each year. In 2023 we donated \$25,000 to KidsCan.
 - Supporting site activities and events that are relevant to regions, including the Eltham Fire Brigade, Ashburton Community Kai, Hospices, Waitara House of Science, local sport clubs and many more.

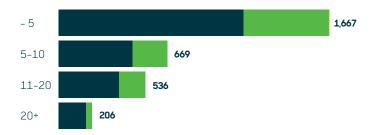
Understanding and celebrating ANZCO Foods' diverse workforce

Age of our employees



Key The data on the following pages is represented using these colours to indicate gender Male Female Gender diverse

Employees years of service



52%

Internal Appointments

% of Internal Appointments (salaried employees): the same as last year

Employees by contract type



10.9%

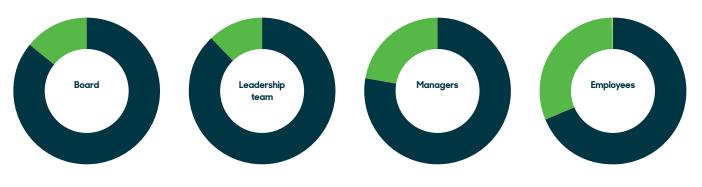
Turnover (salaried employees)

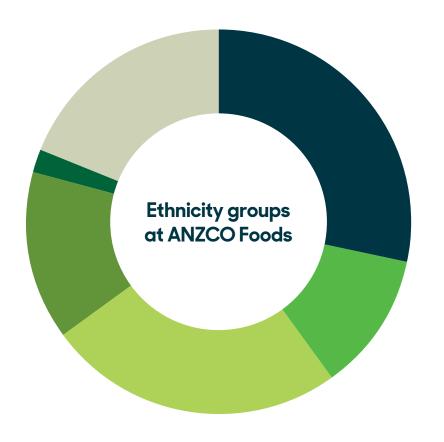
This is slightly higher than 2022's 10.3% turnover and is still low compared to the general market and our wider industry, and is in keeping with global labour markets.

Part-time vs full-time employment



Gender diversity





	Female	Male
European	264	611
Pacific people	159	607
Asian	196	238
Māori	133	227
MELAA*	20	45
Not declared	171	405

 $^{^{*}}$ Middle Eastern / Latin American / African

3,084

Total global Employees /





Male employees at ANZCO Foods

944

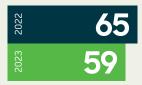
Female employees at ANZCO Foods

Health and safety at ANZCO Foods

Our health and safety engagement programme has focused on building trust with our diverse workforce and encouraging our workers to speak up. This has resulted in an increase in reporting throughout 2023, which allows us to focus on high impact areas in 2024.

Knife safety

Total injuries







14.4%

Total Recordable Injury Frequency Rate (TRIFR)

This TRIFR percentage is the increase from 2022 to 2023

Forklifts

Total injuries







82.21%

Group Positive Safety Reports

This Positive Safety Report percentage is the increase from 2022 to 2023

Slips, trips and falls

Total injuries



Lost-time injuries



Traffic management

Total injuries

Lost-time injuries







NB. There were no traffic management injuries recorded in 2022



Systems and structures

Establish the right structures and systems to manage accelerating environmental and social change.

Focused on the role and value of structures, policies and processes that provide organisations with resilience in uncertain times and benchmark to test ourselves.

Activities we initiated, undertook and/or completed in 2023

Governance structure

Our Governance structure on page 37

Strengthen CC&S governance

- The Climate Change and Sustainability team reports to the Board quarterly on its progress and strategy implementation.
- We completed our second maturity assessment and had made progress in each of the categories measured.
- By the end of 2023 all ANZCO Foods' processing and manufacturing sites will have access to realtime meaningful data of their water, waste, energy and effluent, supported by ANZCO's TripleM project (measure, monitor and manage) which saw more than 100 meters installed on sites in 2023.
- In 2023 the Climate Change and Sustainability and Procurement teams developed a screening tool for all contracted suppliers of ANZCO to ensure they were aligned with the business on our sustainability journey. The screening tool also allows ANZCO to evaluate future suppliers' sustainability engagement and ensure security for the business to ensure ANZCO's entire value-chain is aligned with our targets and goals.
- Our internal Code of Conduct is designed to help employees make informed choices about their behaviour and decision-making at work. The Code supports our

corporate policy framework. Our policies address key risks and set expected standards of behaviour for our people. Policies are in place to ensure we comply with all employee legislation. We support this with robust documentation that is updated annually and also provide training and development. Policies are available on the company intranet. Each ANZCO Foods' processing and manufacturing site has its own collective agreement and handbook featuring a range of polices and expectations. Information on embedding our commitment to our policies and processes remediation are featured in our employment agreements and the internal and external codes of conduct. In addition, people can raise a concern through the Meat Workers Union.

- The relevant policies are listed here and are updated at least annually:
 - Equal Opportunities
 - Health and Safety
 - Bullying and Harassment
 - Employee Relations
 - Human Rights
 - Protected Disclosure (whistleblowing)
 - Child Labour

Incorporate CC&S in core business strategies and financial plans

- We reviewed and refreshed our first three-year climate change and sustainability strategy to ensure it continued to be relevant.
- The company has a 10-year decarbonisation plan detailing essential CAPEX projects crucial for successful emission reduction.

Ensure CC&S risk processes are established and maintained

- Following the outcomes of the materiality assessment the company ensured the top 10 material issues aligned with the business' risk matrix to ensure the material topics were captured and were being monitored and managed.
- Our Strategic Risk Matrix is reviewed and updated quarterly and deep dives are performed quarterly on one to two risks by the Audit and Risk Committee.

Establish CC&S metrics, targets and monitoring processes

By the end of the first quarter 2024 all ANZCO Foods sites will have science-aligned intensity targets for water and energy usage. This will ensure sites are running as efficiently as possible. The TripleM project has made it possible to now have real-time data in the hands of employees who manage utilities on site and will also empower the sites to achieve their sustainability targets.

Verify CC&S risks, opportunities and performance ensuring these are transparently communicated

- ANZCO Foods has been on Toitū's
 Carbonreduce programme for
 more than four years, continuing to
 support our dedication to accurate
 measure and transparently
 reporting our emissions.
- Completing the annual CC&S report with reference to the Global Reporting Initiative.
- Sharing with customers what we're doing in the climate change and sustainability space and supporting customer requirements for sustainability evidence.

ANZCO Sustainability Governance Structure

Board

- · Setting and approving strategic direction
- · Approving major investments
- · Monitoring performance
- · Bringing diverse thinking
- · Reviewing compliance systems
- Overseeing commitment to sustainable development, community, environment and the health and safety of our people

2 Audit and Risk Committee

Ensuring appropriate systems to manage risk

3 Executive team

CC&S management and leadership

Sustainability Climate change Health and Environmental
 Leaders' Group and sustainabiliy safety Governance Group

5 Diversity and Inclusion Group and Ambassadors

Contribute to strategy and delivery

Devise, lead and deliver strategy

4 All of ANZCO Foods

Support

"Do the best you can until you know better. Then when you know better, do better."

Maya Angelou





