



OUR GOVERNANCE AND LEADERSHIP FOR VALUE CREATION

The Board of Directors (the Board) of Sanford Limited (Sanford, or the Company) and management are committed to building long-term value for shareholders and employees. We are honouring this commitment by maintaining the highest standards of governance, supported by best practice structures, people, practices and policies. This includes maintaining high standards of business integrity and ethics in all our activities.

Sanford has chosen to report against the recommendations of the updated NZX Corporate Governance Code dated 1 April 2023 (NZX Code) in respect of the year ended 30 September 2023. The extent to which Sanford has followed the recommendations of the NZX Code is detailed below.

The Board regularly reviews and assesses Sanford's governance policies, procedures, and practices to ensure they are appropriate and effective. This Corporate Governance Statement provides a snapshot of these practices, processes and policies following the recommendations of the NZX Code.

Sanford's key corporate governance documents referred to in this statement, including charters and policies, can be found here www.sanford.co.nz/investors/governance. This statement was approved by the Board on 13 November 2023 and was accurate as at that date.

Principle 1: Ethical Standards

Sanford's Board is committed to maintaining the highest standards of corporate governance, ensuring transparency, business integrity and ethics, and recognising the interests of its shareholders and other stakeholders.

1.1 Code of Ethics

Sanford has prepared a Code of Ethical Behaviour consistent with our core values of Care, Passion, Integrity and Achieving Together. Sanford also has a Code of Conduct in place, which is made available to all employees, and sets out the standards expected from Sanford's Directors, officers, employees, and anyone acting on their behalf. This is reviewed annually and was last reviewed in 2023. The Code of Ethical Behaviour is available on the Company's website at www.sanford.co.nz/investors/governance/policies/ and both Codes are published on Sanford's internal website and are available to all staff.

Sanford provides training on its Code of Ethical Behaviour and Code of Conduct to staff on joining Sanford and regularly thereafter. In 2023, training was provided to the majority of our staff with training for the remainder intended before year end.

Sanford monitors compliance with both Codes through established performance management processes and adherence to the Protected Disclosures (Whistleblowing) Policy. Disclosure of serious wrongdoing is strongly encouraged by Sanford as a means of managing risk, promoting openness and transparency, and protecting the reputation of the Company. The Protected Disclosures (Whistleblowing) Policy recognises Sanford's commitment to encouraging, supporting and protecting those employees who, in good faith, disclose such wrongdoing, detailing the procedure and protection offered, when this occurs. There were no reported breaches during the period of 1 October 2022 to 30 September 2023.

Copies of Sanford's Code of Conduct, Code of Ethical Behaviour and its Protected Disclosures (Whistleblowing) Policy are available on the Sanford website at www.sanford.co.nz/investors/governance/policies/.

1.2 Securities Trading Policy

Sanford has a Securities Trading Policy that details the Company's position on, and rules that apply to, all Directors, officers and employees of Sanford and its subsidiaries in New Zealand who intend to trade in Sanford's listed securities in New Zealand. The requirements imposed by the Securities Trading Policy are separate from, and in addition to, the legal prohibitions on insider trading that apply. A copy of Sanford's Securities Trading Policy is available on the Sanford website at www.sanford.co.nz/investors/governance/policies/.



Principle 2: Board Composition And Performance

2.1 Board Charter

The Board has adopted a formal Board Charter, which distinguishes and discloses the respective roles and responsibilities of the Board and management, and the sound base the Board has developed for providing strategic guidance and management oversight. The Board Charter was reviewed in 2022 and is available on the Sanford website at www.sanford.co.nz/investors/governance/Board-and-Committees/.

The Board’s primary purpose is to build long-term value for shareholders and employees by improving corporate performance and accountability.

The Board, supported by the Audit, Finance and Risk Committee, People, Health and Safety Committee, and Nominations Committee regularly reviews and benchmarks our structure and processes to ensure they support effective and ethical leadership, good corporate citizenship and sustainability. This oversight also ensures that these principles are applied in the best interests of Sanford and our diverse range of stakeholders.

The Board provides effective leadership in the best interests of Sanford and is responsible for the strategic direction of the Company. The Board exercises this responsibility through a governance framework, which includes detailed reporting to the Board and its Committees, effective delegation, risk management and a system of assurances regarding financial reporting and internal controls.

2.2 Nomination and appointment of Directors

Sanford has developed and adopted a Nomination Committee Charter, which outlines the procedure for the nomination and appointment of Directors to the Board. The Nomination Committee Charter is available on the Sanford website at www.sanford.co.nz/investors/governance/Board-and-Committees/.

The Nomination Committee has delegated responsibility from the Board to make recommendations on Board composition and nominations, subject to the Company’s Constitution.

David Mair was appointed as a Director on 7 November 2022 and elected at the 2022 Annual Meeting on 15 December 2022. Peter Cullinane and Peter Kean did not seek re-election at the 2022 Annual Meeting and accordingly retired as Directors as the conclusion of that meeting. Mark Cairns resigned as a Director on 28 February 2023. Post-period end, on 9 November 2023, Abby Foote resigned as a Director. On 13 November 2023, Sanford announced that Ms Fiona Mackenzie, being eligible for re-election at the upcoming Annual Meeting, has decided not to stand for re-election as an Independent Non-Executive Director. Fiona’s retirement will be effective at the conclusion of Sanford’s Annual Meeting on 18 December 2023.

CORPORATE GOVERNANCE

CREATING VALUE THROUGH SOUND CORPORATE GOVERNANCE





2.3 Written agreement

The Nomination Committee Charter provides that each Director shall be appointed by a letter of appointment. Each Director has entered into a letter of appointment with Sanford which sets out the terms of their appointment.

2.4 Director information

The Board is committed to ensuring a range of experiences and perspectives among its Directors. As at 30 September 2023, the Board comprised five Directors, all of whom had significant and relevant experience, skills and expertise that are of value to Sanford.

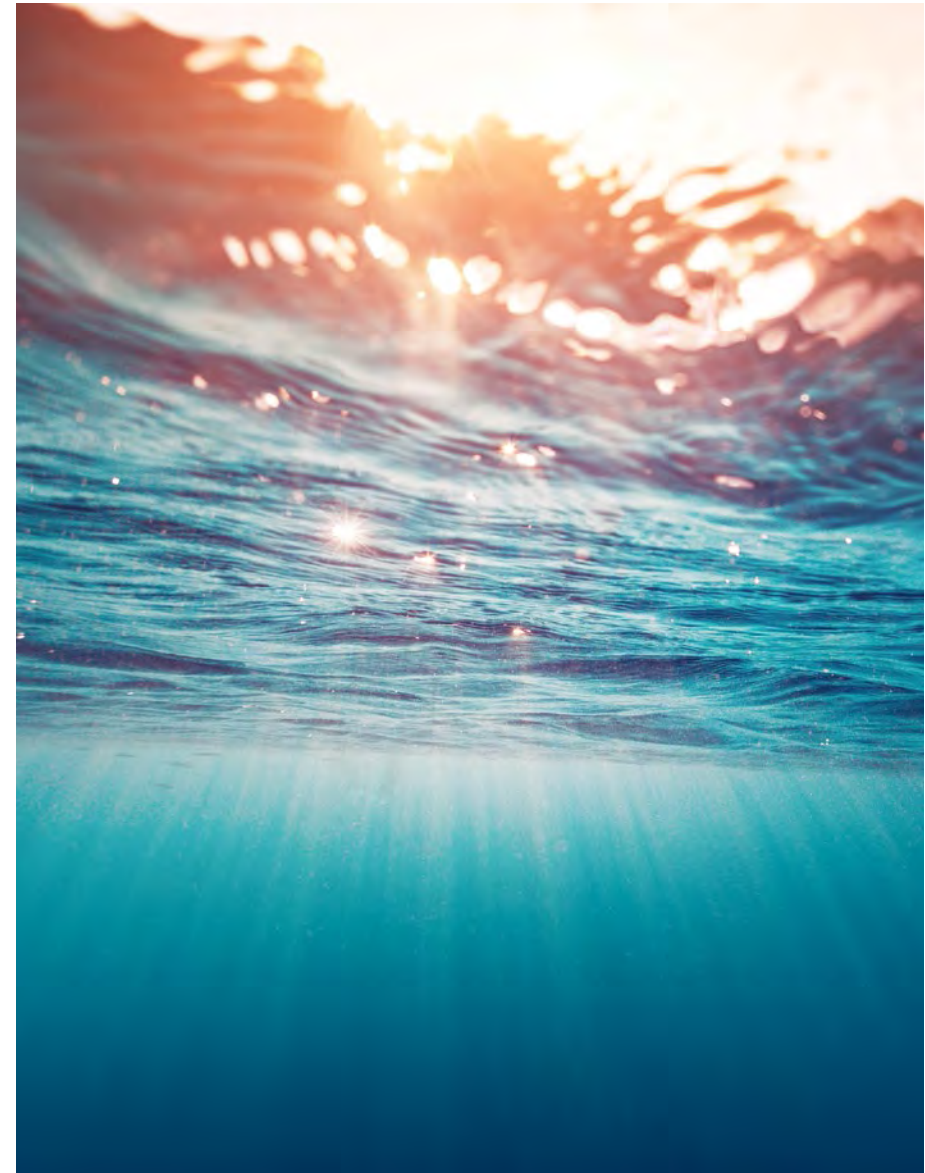
Profiles of Directors are included in the Annual Report and available on the Sanford website at www.sanford.co.nz/investors/governance/Board-of-Directors/.

Director attendance at Board and Board Committee meetings is set out under Principle 3 below. Details of Director independence are set out under 2.8 below.

The Board considers Director succession on a regular basis, considering such things as tenure, experience and Director workload.

The Board has developed a skills matrix and takes into account a number of factors including qualifications, experience and skills when making directorship recommendations to shareholders.

The table below highlights those skills and capabilities that the Board has identified to enable balanced governance. These capabilities are aligned with Sanford's strategy to create long-term value for our shareholders and stakeholders.





Sanford's business fundamentals aligned to Director capability and skill attribute

PILLAR	SKILL ATTRIBUTE	DESCRIPTIVE	RATING
PEOPLE	Go-to-market and consumers	Experience in international export market development and development of sales channels. Understanding of building insight into key customer groups, brand development and marketing programmes.	●●
	Health and Safety	Experience in the design and implementation of leading HSE practices and culture development at governance and/or/senior executive level.	●●●○
	People and Culture	Experience leading cultural transformation. Understanding of C suite performance management and remuneration.	●●●●○
PLACE	Seafood industry	Depth of senior experience in the seafood industry - long-term governance or C-suite large-scale experience across fishing and aquaculture.	●●
	Sustainability	Experience embedding economic, social, and environmental sustainability, inclusive of climate change factors, into business strategy and operations. Experience in monitoring/measuring ecosystems and sustainability performance.	●●○○
	Stakeholder engagement and connection	Stakeholder consultation, advocacy and empathy (especially tangata whenua perspective). Government connection and standing. Managing regulation including legal experience.	●●○○
PERFORMANCE	Supply chain and infrastructure	Depth of experience in shipping and logistics, supply networks, distribution, inventory management - extensive governance background or C suite experience in these fields.	●●○○
	Financial expertise	Deep understanding of financial risk. Prior CFO / Chartered accountant.	●●●●
	Commercial	Depth of governance and / or executive experience with business operations at scale.	●●●●●
	Technology and digital innovation	Experience in data analytics, disruptive technologies, automation, application of digital platforms.	●○
	Governance	NZX / ASX governance experience. Background of multiple governance roles in similar sized organisations.	●●●●○
	Investment, markets and corporate finance	Broad corporate finance and markets expertise, national and international including significant M&A.	●●●○

KEY: ● Strong capability ○ Moderate capability



Interests Register

Sanford maintains an Interests Register in which relevant interests and matters involving the Directors are recorded.

The following are particulars of general interests in the Company's Interests Register as at 30 September 2023 and of those added during that year.

DIRECTOR*	INTEREST
Robert McLeod	Chair, Quayside Holdings Limited. Chair, Quayside Securities Limited. Chair, Quayside Properties Limited. Chair, Ngati Porou Holding Company Limited. Director, Port of Tauranga Limited. Director, Point 76 Limited. Director, Point Seventy Limited. Director, Point Guard Limited. Director, MSJS NZ Limited. Director, AZSTA NZ Limited. Director, VCFA NZ Limited. Director, China Construction Bank (New Zealand) Limited. Director, Real Fresh Limited. Director, Singita Holdings Limited. Director, Singita Investments Limited.
Craig Ellison	Interim CEO, Sanford Limited, Chair, Wellington Zoo. Chair, Fenris Limited. Director, Lesvos Abalone Limited. Director, Raniera Fishing Pty Ltd. Chair, Halo Agtech Limited.
Abby Foote	Director, Christchurch City Holdings Limited and various subsidiary companies. Director, Freightways Group Limited. Director, KMD Brands Limited.
Fiona Mackenzie	Executive, ANZ Bank New Zealand Limited. Director, ANZ New Zealand Investments Limited. Director, Oneanswer Nominees Limited. Director, ANZ New Zealand Investments Holdings Limited. Director, ANZ New Zealand Investments Nominees Limited. Board member, Financial Services Council of New Zealand Inc.
David Mair ¹	Chief Executive and Director, Skellerup Holdings Limited. Director, Forté Funds Management Limited. Director, DJD Management Limited. Chair, ADNZ Management Limited.

1. Appointed 7 November 2022.

* Particulars of general interests added during the year ended 30 September 2023 by persons who ceased being Directors during that year are as follows:

Person	Particulars
P Cullinane	Executive of Oritain Global Limited
P Kean	Director of Southfuels and Northfuels Limited

There were no specific disclosures of interests in transactions entered into by the Company during the year ended 30 September 2023.

Indemnification and insurance

In accordance with section 162 of the Companies Act 1993 and the Constitution of the Company, Sanford has given indemnities to, and has effected insurance for, the Directors and executives of the Company and its related companies. Except for some specific matters that are expressly excluded (such as the incurring of penalties and fines, which may be imposed for breaches of law), the indemnities and insurance indemnify and insure Directors and executives against monetary losses as a result of actions undertaken by them in the course of their duties.

Director share dealing

Sanford's Constitution directs that each Director holds a minimum of 500 shares in the Company. Directors and senior managers are required to seek approval in advance of share trading and to certify to the Board that they are not in possession of inside information, in accordance with the Securities Trading Policy and Guidelines.

No share dealings were declared by Directors in the financial year ending 30 September 2023.

Director interests in shares

As at 30 September 2023, each Director has disclosed the following interest in Sanford shares:

DIRECTOR	NUMBER OF SHARES	NATURE OF RELEVANT INTEREST
C Ellison	1,000	Beneficial interest and registered holder
A Foote	12,000	Beneficial owner and registered holder
F Mackenzie	2,000	Beneficial interest
		Registered holder as trustee of the DM2 Investment Trust, in which David Mair has a beneficial interest
D Mair ¹	31,000	
R McLeod	28,500	Beneficial interest

1. Appointed 7 November 2022.

2.5 Diversity and inclusion

Sanford is committed to attracting, developing and retaining a diverse, talented group of individuals whose collective thoughts and contributions will help Sanford achieve success. We believe diversity and inclusion of background, experiences, thoughts and ways of working lead to greater creative and innovative solutions which ultimately lead to a superior outcome for our stakeholders socially, economically and environmentally.

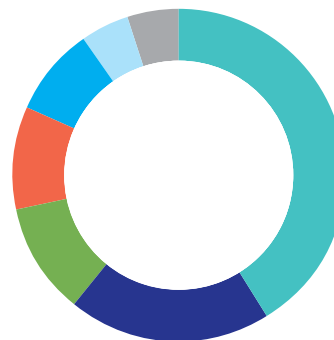
Sanford will not knowingly participate in business situations where Sanford could be complicit in human rights and labour standard abuses.

Our approach to diversity is outlined in our Diversity, Equity and Inclusion Policy, which is available on the Company website. The policy sets out behavioural and process expectations and standards to deliver practices which increase diversity and reduce bias. The Board has recently reviewed and updated the Diversity, Equity and Inclusion policy to include, among other things, an express requirement for the measurable objectives, and Sanford's progress towards achieving them, to be reviewed annually to ensure compliance. Notwithstanding that we already undertake regular reviews, our previous Diversity and Inclusion Policy did not follow Recommendation 2.5 of the NZX Code, because it did not include an express requirement to this effect.

Measurable objectives are set by the Board to track how Sanford is progressing towards its goals under the policy. The Board believes that initiatives undertaken by management during the year upheld the Company's commitment to diversity and inclusion. The Board considers that Sanford has made strong progress towards achieving its measurable objectives under the updated Diversity, Equity and Inclusion policy. Sanford has applied all terms of employment fairly and equitably and in accordance with its frameworks, and has more than 30% female representation on its Board. Work continues on progress toward achieving its other objectives, in particular the Board acknowledges that membership of the Executive Leadership Team did not achieve the objective of having at least 30% of members self-identifying as female.

Ethnic diversity

Sanford is proud to have a diverse workforce comprising many different ethnicities and backgrounds.



OUR NZ WORKFORCE IN ETHNIC GROUPS*	2023 (%)	2022 (%)
New Zealand European	41.4%	42.8%
Māori	19.6%	18.1%
Not stated	11.0%	11.5%
Asian	9.9%	10.0%
Pasifika	8.6%	9.3%
European	4.8%	4.1%
Other	4.8%	4.2%

* monthly averages

Gender diversity

The Officers of the Company (as defined by the NZX Listing Rules for the purposes of diversity reporting) are the CEO and specific direct reports of the CEO having key functional responsibilities.

AS AT 30 SEPTEMBER 2023	FY23 FEMALE	FY23 MALE	FY22 FEMALE	FY22 MALE
Directors	2	3	2	5
Officers	2	7 ¹	4	6

1. Four of these Officers held their roles on an "acting" basis.



2.6 Director training and education

Sanford's Directors are expected to understand the Company's operations and undertake any necessary continued professional development to enable them to discharge their duties.

This includes:

- Attending Director training sessions on specific aspects, such as health and safety governance;
- Attending management presentations and tutorial sessions, as appropriate, to gain a broader understanding and knowledge of Sanford;
- Attending briefings on relevant changes in legislation, regulatory and industry frameworks;
- Attending technical and professional development courses, as appropriate, to keep up to date on relevant issues; and
- Undertaking scheduled visits to key Sanford sites and operations, to familiarise themselves with key operational activities and business practices.

All Directors have access to the executive team to discuss issues or obtain information on specific areas in relation to matters to be discussed at Board meetings, or other areas as they consider appropriate.

2.7 Board performance and review

The Board takes a structured approach toward performance evaluation and reviewing the effectiveness of its processes. On an annual basis, the Board critically evaluates its own performance, processes and procedures, including those of its Board Committees, to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role.

The performance of individual Directors is evaluated each year by a process which includes:

- Each Director discussing with the Chair that Director's contribution to the proceedings of the Board and the performance of the Board and its Board Committees generally; and
- The Chair's own contribution being discussed by the rest of the Board.

An independent review of the performance of individual Directors and the Board is undertaken biannually. The last full review, supported by external consultants, was completed in August 2022.

2.8 Director independence

The Board is committed to ensuring that a majority of Directors are independent. Director independence is assessed in accordance with the NZX Listing Rules and with regard to the factors described in Table 2.4 of the NZX Code.

As at 30 September 2023, the Board has determined that four of the five Directors are independent, including the Chair, and the Chair of the Audit, Finance and Risk Committee. The independent Directors are Sir Robert McLeod, Abby Foote, Fiona Mackenzie and David Mair. They are non-executive Directors who do not have any interests, positions, associations or relationships which might interfere, or might be seen to interfere, with their ability to bring independent judgement to the issues before the Board.

Craig Ellison is not considered to be independent. Since August 2023, Mr Ellison has been the Acting CEO of Sanford and, until March 2023, he was associated with a substantial shareholder of Sanford.

Directors are required to notify the company of any interests they have that could impact an assessment of their independence or their ability to act in the best interests of the Company. Sanford has processes in place to manage any conflicts of interest with Directors.

2.9 Independent Chair

Sanford's Chair is required to be an independent Director. Sir Robert McLeod was appointed as Chair of the Board in 2019 and is an independent Director.

2.10 Separation of the role of Chair and CEO

The Board supports the separation of the roles of Chair and CEO. These roles are held by different people.



Principle 3: Board Committees

Committees assist, advise and make recommendations to the Board on matters falling within their areas of responsibility.

Each Committee is governed by a formal charter, setting out its objectives, roles and responsibilities, composition, structure, membership requirements and operation. The Board regularly reviews the charters of each Committee, the Committees' performance against those charters and the membership of each Committee. The Board believes that Committee charters, Committee membership and roles of Committee members comply with the recommendations in the NZX Code, other than as explained below in respect of Craig Ellison's brief continued membership of the Audit, Finance and Risk Committee following his appointment as Acting CEO during FY23.

Membership of the Committees as at 30 September 2023 is set out below:

COMMITTEE	ROLE	MEMBERS AS AT 30 SEPT 2023
Audit, Finance and Risk	Assists the Board in its oversight of the integrity of financial reporting, financial management and controls, external audit quality and independence and the risk management framework	Fiona Mackenzie (Chair) Craig Ellison ¹ Abby Foote Sir Rob McLeod
People, Health and Safety	Assists the Board to meet its responsibilities in relation to Sanford's health and safety policies, procedures and legislative compliance, and maintain a strong governance oversight of management of Sanford's team, remuneration and diversity policies	Abby Foote (Chair) Sir Rob McLeod David Mair
Nomination	Assists the Board in ensuring appropriate Board performance and composition and in appointing Directors	Sir Rob McLeod (Chair) Craig Ellison Abby Foote Fiona Mackenzie David Mair

1. Craig Ellison ceased to be an Audit, Finance and Risk Committee member effective 1 October 2023.

Members' attendance at Board and Committee meetings is reported annually, and the table of attendances is included below. Additional ad hoc meetings were also held. Each Committee other than the Nomination Committee, which meets at least annually, meets at least quarterly. Each Committee meets more often throughout the year, as required.

BOARD MEMBER	BOARD COMMITTEES			
	FULL BOARD MEETINGS	AUDIT FINANCE & RISK	PEOPLE, HEALTH & SAFETY	BOARD NOMINATION
M Cairns ¹	4/4	-	1/1	1/1
P Cullinane ²	3/3	-	1/1	1/1
C Ellison	7/8	6/7	-	1/1
A Foote	8/8	7/7	4/4	1/1
P Kean ³	3/3	-	1/1	1/1
F Mackenzie	8/8	7/7	-	1/1
D Mair ⁴	8/8	-	3/4	-
R McLeod	8/8	7/7	4/4	1/1

1. Retired 28 February 2023.

2. Retired 15 December 2022.

3. Retired 15 December 2022.

4. Appointed 7 November 2022.

Copies of the Board and Committee charters are available at: www.sanford.co.nz/investors/governance/Board-and-Committees/.

3.1 Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee assists the Board in fulfilling its responsibilities to protect the interests of shareholders, customers, employees and the communities in which Sanford operates through analysis and monitoring of financial and capital allocation matters, establishing a sound risk management framework and ensuring rigorous processes for internal control across financial management, financial accounting, corporate regulatory compliance, audit and related reporting processes.



The Committee members have a range of qualifications and are all experienced in commercial and operational matters, as detailed in the Director profiles on Sanford's website.

A copy of the Audit, Finance and Risk Committee Charter is available on Sanford's website at www.sanford.co.nz/investors/governance/Board-and-Committees/.

As a consequence of Mr Ellison's appointment as Acting CEO on 1 August 2023, his status changed from non-executive Director to executive Director. Mr Ellison attended a meeting of the Audit, Finance and Risk Committee (of which he was then a member) occurring shortly after that appointment, which means that Recommendation 3.1 of the NZX Code (that membership of an issuer's audit committee should comprise solely of non-executive directors of the issuer) was not followed for that single meeting. However, the Board acknowledges that given Mr Ellison was then a current member of that Committee, and his appointment as Acting CEO had only just occurred, his attendance was important and appropriate to ensure the continued effective operating of the Committee for that meeting. Mr Ellison is no longer a member of the Audit, Finance and Risk Committee, meaning membership of that Committee now consists solely of non-executive Directors in line with Recommendation 3.1.

3.2 Management attendance at Audit, Finance and Risk Committee

Senior management representatives attend Committee meetings by invitation only.

3.3 People, Health and Safety Committee

The Committee assists the Board to provide leadership, governance and policy for people, health and safety (including food safety and quality) performance and standards; and legislative and regulatory compliance, across all operational activities of the business, including Fishing, Processing and Aquaculture. The Committee has oversight for all operational risks that could cause harm to people arising out of Sanford's operations or activities and regularly reviews the Company's risk management and compliance programmes with respect to people practices, employment, health, safety, food safety and quality regulations.

The Committee also performs the functions of a remuneration committee. It assists the Board to discharge its responsibilities in relation to the introduction, recruitment and appointment of the Company's Directors; and in the setting of the remuneration of the Company's Directors and senior executives including establishing appropriate

remuneration policies and practices. The Committee regularly reviews the Company's management structure and key talent and succession planning, and reviews the effectiveness of the Company's hiring practices with respect to Equal Employment Opportunities including gender diversity.

Senior management representatives attend the People, Health and Safety Committee meetings by invitation only.

A copy of the People, Health and Safety Committee Charter is available on Sanford's website at www.sanford.co.nz/investors/governance/Board-and-Committees/.

3.4 Nomination Committee

The Nomination Committee assists the Board by considering nominations to ensure an appropriate mix of expertise, skills, experience and diversity are on the Board. The full Board meets once a year, or as required, to determine the most appropriate makeup of the Board and to nominate any changes. Currently all Board members are members of the Nomination Committee.

A copy of the Nomination Committee Charter is available on Sanford's website at www.sanford.co.nz/investors/governance/Board-and-Committees/.

3.5 Other Board Committees

The Board has determined that the Committees described above provide appropriate governance of Sanford and ensure compliance with the NZX Code.

3.6 Takeover protocols

A takeover response protocol, which has been approved by the Board, is in place for dealing with a takeover offer. In the case of a takeover offer, Sanford would follow its takeover protocols including forming an Independent Takeover Committee to oversee disclosure and response and to engage expert legal and financial advisors on procedure.



Principle 4: Reporting And Disclosure

4.1 Continuous Disclosure Policy

Sanford has a Continuous Disclosure Policy, and is committed to providing accurate, timely and consistent disclosures that comply with the NZX Listing Rules. This includes the establishment of a Disclosure Committee which is primarily responsible for ensuring that Sanford complies with its disclosure obligations.

The Continuous Disclosure Policy is available on the Sanford website at www.sanford.co.nz/investors/governance/policies/.

4.2 Access to governance documents

Key governance documents are available to investors and stakeholders on Sanford's website at www.sanford.co.nz/investors/governance/policies/. They include the Board and Committee Charters, Code of Ethical Behaviour, Continuous Disclosure Policy, Privacy Policy, Securities Trading Policy and Guidelines, Protected Disclosures (Whistleblowing) Policy, Fisheries Compliance Policy, Diversity, Equity and Inclusion Policy, Sustainability Policy, Independence of External Auditors Policy and the Director and Executive Remuneration Policy.

4.3 Financial reporting

The Board is responsible for ensuring that the financial statements give a balanced, clear and objective view of the financial position of the Company and have been prepared using appropriate accounting policies, consistently applied, and supported by reasonable judgements and estimates. The Board is also responsible for ensuring all relevant financial reporting and accounting standards have been followed.

The Audit, Finance and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews Sanford's full and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit. All matters required to be addressed, and for which the Committee has responsibility, were addressed during the reporting period.

For the financial year ended 30 September 2023, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

Sanford publishes its interim and audited full-year financial statements that are prepared in accordance with relevant financial reporting standards. The full-year financial statements for the year ended 30 September 2023 are included in the Sanford 2023 Annual Report, an integrated report which reviews Sanford's financial, economic and environmental performance.

4.4 Non-financial reporting

Each year, non-financial information, including consideration of environmental, social sustainability and governance (ESG) factors and practices, is disclosed by Sanford in the Annual Report. Material topics and risks are discussed (including how those risks are managed and how non-financial targets are measured) and risks are also covered in this Corporate Governance Statement (see section 6).

This year's Annual Report is Sanford's tenth Integrated Annual Report, as defined by the International Integrated Reporting Council (IIRC). This Annual Report has been developed in accordance with both the IIRC Integrated Report <IR> Framework and the Global Reporting Initiative Sustainability Reporting Standards (GRI).

Sanford has also considered its role in contributing to the United Nations Sustainable Development Goals (SDGs). Sanford has focused on six SDGs to which it can contribute the most and has the most impact upon.

Sanford has made a voluntary disclosure, prepared having regard to the Aotearoa New Zealand Climate Standards (NZCS) for FY23. This disclosure can be read on pages 116–129. Sanford's first mandatory climate related disclosures under the NZCS and Part 7A of the Financial Markets Conduct Act 2013 will be made in FY24.



Principle 5: Remuneration

Remuneration of Directors and senior executives is the key responsibility of the People, Health & Safety Committee. Sanford has a Director and Executive Remuneration Policy in place, consistent with the principles of the People, Health, and Safety Committee Charter. The guiding principles of the policy are for the remuneration of Directors and Executives to be transparent and reasonable, and to support the Company in attracting, retaining, and motivating high-calibre people to achieve its business objectives and create shareholder value.

A copy of the Director and Executive Remuneration Policy is available on Sanford's website at www.sanford.co.nz/investors/governance/policies/.

5.1 Directors' remuneration

Shareholders fix the total remuneration available for Directors. Approval is sought for any increase in the pool available to pay Directors' fees, and any recommendations to shareholders regarding Director remuneration are provided for approval in a transparent manner. If independent advice is sought by the Board, it will be disclosed to shareholders as part of the approval process.

The last increase in Director remuneration was approved by shareholders at the Annual Meeting in December 2018, for a total fee pool of \$790,000 per annum, this was subsequently increased in accordance with the NZX Listing Rules to \$894,400 in 2021 when the Board moved from 6 to 7 members.

Directors are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs. Board policy is that no sum is paid to a Director upon retirement or cessation of office. Directors do not participate in the Company's short or long term incentives.

The following table provides a breakdown of remuneration for Board fees and Committee roles in FY23. No other payments were made to Directors.

Directors' remuneration 2023

The following tables provide a breakdown of remuneration for Board fees and committee roles. No other payments were made to Directors.

NAME OF DIRECTOR	BOARD FEES	AUDIT, FINANCE AND RISK COMMITTEE	PEOPLE, HEALTH AND SAFETY COMMITTEE	TOTAL REMUNERATION
Sir Robert McLeod (Chair)	(Chair) 170,000	10,000	8,000	188,000
Mark Cairns ¹	37,500		3,333	40,833
Peter Cullinane ²	22,500		2,000	24,500
Craig Ellison	90,000	10,000		100,000
Abigail (Aby) Foote	90,000	10,000	(Chair) 16,000	116,000
Peter Kean ³	18,740		1,666	20,405
Fiona Mackenzie	90,000	(Chair) 20,000		110,000
David Mair ⁴	80,800		7,200	88,000
Total	599,540	50,000	38,199	687,739

1. Resigned 28 February 2023.
2. Resigned 15 December 2022.
3. Resigned 15 December 2022.
4. Appointed 7 November 2022.



5.2 Executive remuneration

Sanford's executive remuneration policies and practices are designed to attract, retain and motivate high calibre people and create a performance focused culture.

5.3 CEO remuneration

The Acting CEO, Craig Ellison began his role on 1 August 2023 and was paid \$146,154 in FY23 in respect of his Acting role to 30 September 2023. The Acting CEO is not eligible for remuneration under Sanford's short term incentive scheme (STI) or long term incentive scheme (LTI). The Acting CEO is also a member of the Board but does not receive a director's fee from 1 October whilst the Acting CEO.

The former CEO, Peter Reidie, left his role with Sanford on 1 August 2023. Mr Reidie received remuneration of \$2.15 million in FY23. The total remuneration paid to Mr Reidie for the period 1 October 2022 through to his resignation is shown in the table below. A STI payment was made to Mr Reidie in December 2022 in relation to the 2022 financial year.

Short Term Incentive (STI)

The aim of the STI is to reward the CEO for achieving strategic objectives, which will result in strong financial returns for our shareholders. Participation in the plan is by annual invitation at the discretion of the Company at which time financial targets and key performance indicators are established. If minimum financial thresholds are not met, no incentive will be paid. The STI value for FY23 was set at 30% of the CEO's total fixed remuneration. The STI has two components, individual performance (30%) and financial performance (70%). Achievement of the financial targets results in a payment of 100% of the financial performance component. Payment outside these parameters is at the sole discretion of the Board.

The STI payment shown in the table below was paid to Mr Reidie in FY23 (in December 2022) but related to FY22.

The Acting CEO is not eligible to participate in the STI plan and as such no CEO STI is currently in effect.

Long Term Incentive (LTI)

In September 2021 the Company announced a new LTI plan as part of its retention and incentive arrangements for the former CEO. The LTI plan also has flexibility to be extended to other employees in the future, to align the interests of employees with the interests of Sanford's shareholders and to encourage share ownership. The Board retains absolute discretion as to whether any future offers will be made and to review the terms.

Income from Share Rights is recorded in the financial year that vesting occurs. No Share Rights were granted in FY23 and no Share Rights vested in FY23.

The former CEO, Peter Reidie, was granted 31,825 Share Rights with a commencement date of 6 April 2021 and a vesting date of 30 September 2023 (FY21 Grant), and 58,320 Share Rights with a commencement date of 1 October 2021 and a vesting date of 30 September 2024 (FY22 Grant).

If the CEO departs the Company's employment for any reason prior to vesting the Board may determine whether any of the CEO's Share Rights will lapse. Following Mr Reidie's resignation as CEO with effect on 1 August 2023, the Board is yet to finalise the entitlement Mr Reidie will receive in relation to his interests in the LTI plan.

The Acting CEO is not eligible to participate in the LTI plan. Accordingly, no grant of Share Rights has been made to the Acting CEO.

Annual total compensation ratio

The annual total compensation ratio represents the number of times greater the highest paid individual's remuneration is to the remuneration of an employee paid at the median of all Sanford employees (excluding the highest-paid individual). For the purposes of determining the median paid to all Sanford employees, all permanent full-time, and fixed-term employees are included, with part-time employees excluded. Employee median remuneration includes basic wage and salary payments, employer superannuation and Kiwisaver payments, short term incentives, overtime and leave buyouts.

Highest paid remuneration includes basic salary payments, employer superannuation and short term incentive payments.

At 30 September 2023, the CEO's remuneration¹ shown above was 13.58 times (FY22: 13.09 times) that of the median employee at \$82,017 per annum.

CEO REMUNERATION (1 OCTOBER 2022 - 31 JULY 2023)

	BASE SALARY \$	OTHER SHORT TERM BENEFITS \$	REMUNERATION \$	EMPLOYER SUPER \$	STI	LTI	TOTAL REMUNERATION \$
CEO	785,321	1,039,277	1,824,598	60,098	268,183	-	2,152,879

1. For the annual compensation ratio for 2023, the CEO's remuneration is for the period from 1 October 2022 to 31 July 2023 and excludes other short term benefits.



Employees' remuneration

The table below shows the number of employees and former employees, who are not also Directors, who receive remuneration and other benefits in excess of \$100,000 during the year ended 30 September 2023. The table does not include amounts paid after 30 September 2023 that relate to the year ended 30 September 2023.

REMUNERATION RANGE \$000	NUMBER OF EMPLOYEES	REMUNERATION RANGE \$000	NUMBER OF EMPLOYEES
100 – 110	61	270 – 280	2
110 – 120	34	280 – 290	2
120 – 130	30	300 – 310	1
130 – 140	31	310 – 320	3
140 – 150	23	320 – 330	1
150 – 160	17	340 – 350	1
160 – 170	15	350 – 360	4
170 – 180	4	360 – 370	1
180 – 190	5	420 – 430	1
190 – 200	8	440 – 450	2
200 – 210	2	490 – 500	1
210 – 220	3	610 – 620	1
220 – 230	3	690 – 700	1
230 – 240	2	780 – 790	1
240 – 250	2	2,150 – 2,160	1
260 – 270	2		

Principle 6: Risk Management

6.1 Risk management framework

The identification and mitigation, where possible, of business risks, along with the integrity of management systems and the quality and relevance of reporting to shareholders are a critical oversight responsibility of the Board. The Board is satisfied that there are sufficient written procedures, policies, guidelines, and organisational structures in place to ensure an appropriate division of responsibility, as well as programmes to identify, assess and manage areas of significant risk.

Sanford follows an Enterprise Risk Management (**ERM**) Framework to cover the end-to-end risks affecting the organisation in the pursuit of its objectives. The ERM Framework is comprised of a number of policies, standards, guides, and control documents. These documents are appropriate to Sanford's business, and relate to strategic and operational risk management, legal and regulatory compliance, information technology and cyber security, environment and climate, health and safety, food quality and safety, and other key risks. The ERM Framework integrates risk management into Sanford's operations, formalises risk management as part of the company's internal control and corporate governance arrangements, and provides a consistent and structured way to manage risk across the organisation.

In addition to applying the ERM Framework, risk management is applied in a number of ways, including business area risk reviews, scenario analysis (climate change), financial risk mitigation and transfer tools (i.e. hedging and insurance) and engaging in industry regulatory and policy development through Seafood New Zealand.

Sanford applies a formal process biannually to review and update its material and key risks. The latest update took place in FY23 and further details about the key risks and key mitigations strategies in place are set out in Appendix B (pages 153 and 154).

The Audit, Finance and Risk Committee is responsible for oversight of risk management and receives a periodic report on key risks affecting the business and formally reviews and approves material changes to the Sanford's Enterprise Risk Management Framework. The ERM report includes the status ERM programme of work, information about emerging risks and any material issues that have occurred in the previous quarter and a deep dive into one key risk. The objective of this approach is to enhance stakeholder value through continuous improvement in the Company's management of risk.



The Directors approve Sanford's annual business plan and operating budget, which is prepared by management and closely monitored by the Board. This document, combined with the preparation and presentation of monthly financial statements, allows the Board to review management performance against the annual plan and previous year and discuss any risk to achieve these goals.

The Board has an ongoing focus on strategic direction, as well as both global and local trends impacting the Company and industry overall.

In addition to internal mechanisms, the Board engages external advisors to carry out internal audit functions on various parts of the business on a rotational basis each year. These audits are aligned with Sanford's key risks.

6.2 Health and safety

Health and safety risks are reported to the Board and to the People, Health and Safety Committee on a monthly basis, so that Directors are able to ensure that Sanford has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety.

Sanford has identified its critical Health and Safety Risks which are individually managed by a Critical Risk Team. By understanding and discussing Sanford's critical and high probability Health and Safety Risks, their risk profile and related controls effectiveness, Directors can ensure that they allocate appropriate resources to the organisation. This considered allocation can eliminate or minimise these risks, so far as reasonably practicable.

Health and safety indicators that comply with GRI standards, such as the lost time injury frequency rate (LTIFR), are disclosed at page 150 in this Annual Report, and Sanford Key Performance Indicators table, Appendix A (pages 149–152).

Principle 7: Auditors

7.1 External audit

The Board ensures the quality and independence of the external audit process, which culminates in the audit report being issued in relation to the annual financial statements. The use of estimates and judgements are disclosed in Note 2 of the financial statements).

KPMG were Sanford's external auditors for the year ending 30 September 2023. KPMG's lead audit partner was rotated effective 30 September 2023 with the next rotation due in the year ending 2028.

The Audit, Finance and Risk Committee provides a formal forum for communication between the Board and the external auditors, ensures the independence of the external auditors, has oversight of audit planning, reviews and recommends audit fees, considers audit opinions and evaluates the performance of the external auditors. No issues relating to the external auditors' independence were identified to the year ending 30 September 2023. KPMG has provided the Board with written confirmation that, in their view, they were able to operate independently during the year.

A copy of the External Auditor Independence Policy is available on Sanford's website at www.sanford.co.nz/investors/governance/policies/.

7.2 Attendance at Annual Meeting

Sanford's external auditors are expected to attend Sanford's Annual Meeting each year, and shareholders can ask questions of them, should they wish. KPMG attended Sanford's FY23 Annual Meeting held on 15 December 2022.

7.3 Internal audit function

Sanford does not have an in-house internal audit function. Ernst and Young (EY) were commissioned for the year ending 30 September 2023, to conduct the internal audit function on behalf of Sanford.



Principle 8: Shareholder Rights And Relations

8.1 Investor website

Easy access to investor information is available through the Investor Centre on the Company's website at www.sanford.co.nz/investors.

8.2 Communicating with shareholders

Sanford is committed to open and regular engagement with shareholders and has a comprehensive investor relations programme to keep shareholders informed about the business and performance.

Sanford provides shareholders with information through our shareholder reports and results announcements, our Annual Meeting and announcements of material or other relevant information. These documents are lodged with the Stock Exchange operated by NZX Limited (NZX) and are publicly available on the Company website at www.sanford.co.nz.

Sanford seeks to enhance its financial accounts through integrated reporting, ensuring greater transparency to stakeholders on our strategic direction, business model, value creation and environmental and social performance. Sanford keeps its shareholders informed of major developments and business events likely to affect the Company's operations, financial standing and share price.

Shareholders are encouraged to communicate with the Company and its share registry electronically.

We endeavour to make it easy for shareholders to participate in Annual Meetings, which are held in a main centre, streamed live online and recorded and posted on the Company website. Shareholders can ask questions of and express their views to the Board, management and the external auditors at Annual Meetings.

In addition to shareholders, Sanford has a wide range of stakeholders and maintains open channels of communication for all audiences, including the investing community, its staff, suppliers and customers.

8.3 Voting on major decisions

Sanford has processes to ensure it follows the mandatory NZX Listing Rule requirements relating to a change in the nature of the Company's business, including major transactions under the Companies Act 1993.

8.4 Equity offers

Sanford has not sought additional equity capital for the year ending 30 September 2023.

8.5 Notice of meeting

Sanford aims to provide at least 20 working days of the notice of the Annual Meeting, which is posted on Sanford's website, announced on the NZX and sent to shareholders prior to the meeting each year. This goal was achieved in 2022.

Sanford's 2023 Annual Meeting will be held at 2.00pm on Monday 18 December 2023 at Eden Park, Reimers Avenue, Mt Eden, Auckland in the World Cup Lounge West, South Stand and virtually.



STATUTORY INFORMATION

SHAREHOLDING ANALYSIS

AS AT 9 OCTOBER 2023

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 to 999	674	24.94	296,836	0.32
1,000 to 4,999	1,294	47.87	2,763,944	2.95
5,000 to 9,999	336	12.43	2,159,021	2.31
10,000 to 49,999	309	11.43	5,802,458	6.2
50,000 to 99,999	36	1.33	2,557,413	2.73
100,000 and above	54	2	80,047,063	85.5
	2,703	100	93,626,735	100

TWENTY LARGEST SHAREHOLDERS

AS AT 9 OCTOBER 2023

REGISTERED NAME	NUMBER OF SHARES	%
Ngai Tahu Investments Limited	18,607,721	19.87
ASB Nominees Limited	9,000,000	9.61
Masfen Securities Limited	7,066,730	7.55
Maruha Nichiro Corporation	4,534,231	4.84
Forsyth Barr Custodians Limited	3,756,905	4.01
Tasman Equity Holdings Limited	3,593,574	3.84
BNP Paribas Nominees (NZ) Limited - NZCSD	2,887,318	3.08
Citibank Nominees (New Zealand) Limited - NZCSD	2,845,679	3.04
Sterling Nominees Limited	2,179,041	2.33
Rural Equities Limited	2,000,000	2.14
ANZ Wholesale Australasian Share Fund - NZCSD	1,959,901	2.09
Accident Compensation Corporation - NZCSD	1,786,220	1.91
New Zealand Depository Nominee Limited	1,697,274	1.81
HSBC Nominees (New Zealand) Limited - NZCSD	1,565,571	1.67
JBWere (NZ) Nominees Limited	1,555,239	1.66
Seajay Securities Limited	1,450,000	1.55
Custodial Services Limited	1,438,980	1.54
Arden Capital Limited	1,197,856	1.28
MMZ Trustee Company Limited	967,449	1.03
Tea Custodians Limited Client Property Trust Account - NZCSD	956,846	1.02



SUBSTANTIAL PRODUCT HOLDERS

According to the Company's records and substantial product holder notices given to the Company under the Financial Markets Conduct Act 2013, as at 30 September 2023 the following were substantial product holders in the Company through having a relevant interest in the Company's ordinary shares:

SUBSTANTIAL PRODUCT HOLDER	NUMBER OF VOTING SECURITIES	% OF ORDINARY SHARES HELD	DATE OF LAST SUBSTANTIAL PRODUCT HOLDER NOTICE
Ngai Tahu Holdings Corporation Limited and Ngai Tahu Investments Limited*	18,607,721	19.87	1-Sep-21
Tasman Equity Holdings Limited, Arden Capital Limited and Past Limited Partnership	13,791,430	14.73	16-Dec-22
Masfen Securities Limited	7,066,730	7.55	14-Mar-22

*Ngai Tahu Holdings Corporation Limited has disclosed that it has a relevant interest in the shares held by Ngai Tahu Investments Limited.

The total number of quoted voting products of Sanford (being its ordinary shares) on issue as at 30 September 2023 was 93,626,735 (which includes treasury stock of 120,598 shares).

WAIVERS AND EXEMPTIONS FROM THE NZ STOCK EXCHANGE AND THE OVERSEAS INVESTMENT OFFICE

NZX Waiver – Overseas ownership provisions in the Company's Constitution

To enable the Board to better manage the risk of the Company becoming an 'overseas person' in the future (which would, among other things, impact the Company's ability to acquire an interest in fishing quota (including ACE) in the ordinary course of its business), the Company's Constitution was amended in 2016 to include provisions which enable the Board to:

- Require certain documentation and/or information in relation to a proposed transferor or transferee of the Company's shares and to restrict the transfer of the Company's shares to 'overseas persons' (Transfer Powers).
- Suspend the voting rights of any of the Company's shares the Board determines are 'affected shares' (being, in summary, shares which the Board determines are held by 'overseas persons' and which have caused the Company to be in breach of the 'overseas ownership threshold' – a threshold which is currently set at 90% of the maximum aggregate percentage of the Company's shares that can be owned or controlled by 'overseas persons' without the Company itself being an 'overseas person') (Suspension Powers).
- Require (or effect) a sale of any 'affected shares' to a 'non-overseas person'.

A more detailed outline and explanation of the effects of the above powers can be found on the Company's website at www.sanford.co.nz/investors/governance/companyconstitution, and the provisions which enable the Board to exercise those powers are set out in the Company's Constitution.

NZX Regulation (a body now referred to as NZ RegCo) granted the Company a waiver from NZX Listing Rule 8.1.5 to enable the Company to have the Suspension Powers in its Constitution (Waiver). As a condition of the Waiver, Sanford is listed on the NZX Main Board with a Non-Standard designation. The full text of the Waiver can be found here www.nzx.com/companies/SAN/documents.

In addition, NZX Regulation granted the Company approval in 2016 in order for the Company to include the Transfer Powers in its Constitution. The full text of that approval can be found here www.nzx.com/announcements/293474.



OIO Exemption – overseas ownership

In 2018, the Company obtained an exemption from the requirement under the Overseas Investment Act 2005 (OIA) to obtain consent prior to acquiring ‘fishing quota’ in certain limited circumstances, which expired in August 2023 (Original Exemption).

At the time the Original Exemption was obtained, the OIA provided that a body corporate such as the Company would be an ‘overseas person’ where (in summary) it has a level of overseas ownership or control of 25% or more. However, the test in the OIA for when the Company (being a New Zealand company that is listed on the NZX Main Board) will be an ‘overseas person’ has subsequently been amended. The changes to that test effectively increase the extent of overseas ownership required for the Company to be considered an ‘overseas person’, making it less likely that the Company could become an ‘overseas person’ within a short period of time without its prior knowledge.

Given the Company’s current level of overseas ownership detailed below and the amendments to the OIA described above, the Company considers that the risk of it becoming an ‘overseas person’ in circumstances where the Company is not aware that such a change has occurred (or may be about to occur) to be very low. Accordingly, the Company is currently engaging with the Overseas Investment Office (OIO) as to whether it is appropriate for the Company to be granted a new exemption from the OIA on similar terms to the Existing Exemption to address any residual risk associated with the Company becoming an ‘overseas person’ without its knowledge and subsequently obtaining ‘fishing quota’. If a new exemption is not ultimately pursued, the Company intends to continue to monitor its level of overseas ownership to minimise the prospect of it becoming an ‘overseas person’ within a short period of time without its prior knowledge. Such monitoring would complement the provisions in its constitution which enable the Board to require (or effect) a sale of the ‘affected shares’ to a ‘non-overseas person’ (as discussed above).

For the avoidance of doubt, any exemption from the OIA would not exempt any ‘overseas person’ from any requirement to obtain consent under the OIA before giving effect to an acquisition of rights or interests in the Company’s securities.

Current level of overseas ownership

The Company estimates overseas person ownership to be 12.7% based on NASDAQ’s most recent reporting, as at 31 August 2023 (12.5% as at 31 August 2022). Sanford’s level of overseas ownership may have changed since this estimate was prepared. Overseas persons intending to trade in Sanford shares should seek legal advice regarding their obligations under the OIA.