

OCEANA GROUP LTD CARBON FOOTPRINT ANALYSIS AND FINDINGS

FY2018



This report was developed by:



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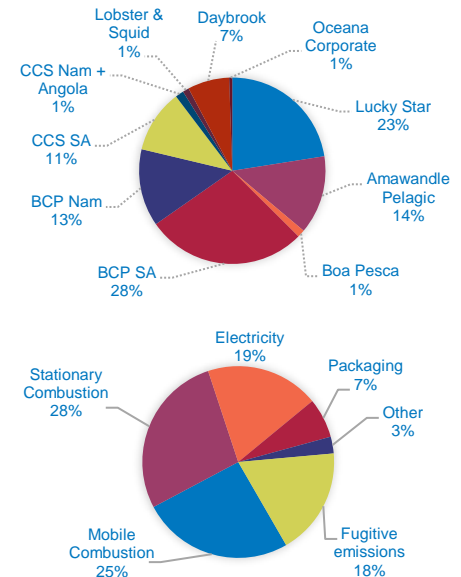
This report summarises the Greenhouse Gas (GHG) emission inventory for the Oceana Group Ltd for the 2018 financial year (October 2017 to September 2018).

Emissions were measured in accordance with the GHG Protocol Corporate Standard (WRI & WBCSD, 2004) using the Operational Control approach.

All Scope 1 emissions (direct sources) as well as Scope 2 emissions (emissions from electricity consumption) were measured. Limited Scope 3 emissions were included in the assessment.

While the past two reporting years have seen many changes within the Group, the most recent reporting period saw no structural changes.

Emissions were measured in accordance with the South African National Greenhouse Gas Emission Reporting Regulations 2017, and prepared for the National Greenhouse Gas Inventories Programme.



Scope	Source Category	Lucky Star	BCP	CCS	OLS	Daybrook	Corporate	Total
Scope 1	Mobile Combustion	9 878	75 481	32	1 818	219	21	87 449
	Stationary Combustion	76 095	0	128	0	18 487	0	94 710
Scope 2	Purchased Electricity - Location Based	16 264	3 077	37 910	1 683	5 627	870	65 431
	Purchased Electricity - Market Based	16 264	3 077	37 910	1 683	6 930	870	66 734
Total Scope 1 & 2		102 237	78 558	38 070	3 501	24 333	891	247 590
Scope 3	Purchased Goods and Services: Packaging	20 392	2 266	233	47	0	0	22 938
	Purchased Goods and Services: Paper consumption	24	9	45	2	0	39	119
	Purchased Goods and Services: Water consumption	302	15	120	1	108	2	548
	Fuel and energy related sources: T&D losses from electricity	1 566	297	3 739	162	480	84	6 328
	Business Travel: Flights	237	1 032	276	31	0	797	2 375
	Business travel: Rental vehicles	2	7	4	0	0	4	17
	Business travel: Subsidised travel	160	39	30	0	0	49	278
	Waste generated in operations	1 027	1 450	23	6	0	2	2 508
Total Scope 3		23 711	5 116	4 470	249	588	977	35 111
Total Scope 1, 2 & 3		125 948	83 674	42 540	3 750	24 920	1 868	282 701
Outside of Scopes	Product Use: Refrigerants non-Kyoto gases (HCFC-R22)	3 111	58 537	253	0	0	0	61 902
Total Out of Scopes		3 111	58 537	253	0	0	0	61 902
Total Measured Emissions		129 060	142 211	42 794	3 750	24 920	1 868	344 603

VESSELS & OPERATIONS



48% of the total Scope 1, 2 and refrigerant gas emissions arise from fishing vessels

- **BCP accounts for 90%** of these
- **Lucky Star accounts for 7%** of these

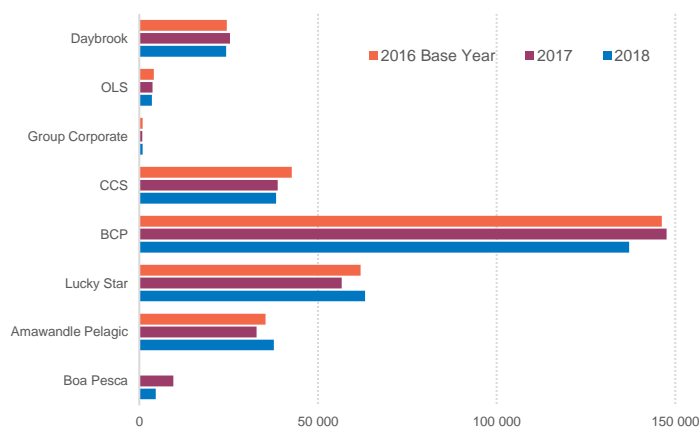


52% of Scope 1, 2 and refrigerant emissions are from land-based operations

- **Lucky Star accounts for 58%** of these
- **CCS accounts for 24%** of these

ANNUAL TRENDS & PERFORMANCE

Despite an increase of 6 528 tCO₂e at Lucky Star, overall Group Scope 1, 2 and Other direct emissions decreased by 2% (5 686 tCO₂e) from 2017. The largest absolute decrease compared to the previous year came from BCP which decreased by 10 461 tCO₂e, or 7%.



Oceana has set the following annual intensity emission reduction targets:

- Year-on-year 2.5% reduction in tonnes CO₂e per tonne of land-based product handled
- Year-on-year 2.5% reduction in tonnes CO₂e per tonne of sea-based product handled

SEA BASED

33% Increase in product

29% Intensity Reduction



LAND BASED

15% Increase in product

3% Intensity Reduction



CARBON TAX IMPLICATIONS

- Carbon tax legislation on South African-located entities is due to be promulgated from January 2019.
- Oceana exceeds the regulation reporting threshold for annual fuel consumption and is, therefore, required to report emissions for the most recent calendar year.
- Considering various carbon tax allowances, emissions are likely to be taxed at between R6 and R48 per tonne of CO₂e.



RECOMMENDATIONS

DATA MANAGEMENT SYSTEM

Oceana has been collecting and analyzing environmental and sustainability data monthly for many years. However, current manual data systems are limited. Oceana could enhance the way the company performs this function by migrating to a current, live and digitized reporting system that will provide:

- The ability to benchmark current vs. past environmental performance
- Complete, accurate and reliable repository of non-financial data
- An understanding of the relationship between financial and environment performance
- Granular data to inform decisions and drive resource efficiency at a site/brand level
- The ability to disseminate relevant and accurate communication and disclosure to all stakeholders at any time
- Switched from a compliance based, annual reporting framework to a performance based monthly one.

