

VERIFICATION OPINION DECLARATION: GREENHOUSE GAS EMISSIONS

To: The Intended Users and Stakeholders of Oceana Group Limited

- **Organization:** Oceana Group Limited (hereafter, 'Oceana' or 'OGL')
- **Address:** Oceana House, 9th Floor, 25 Jan Smuts Street, Foreshore, Cape Town, 8001, South Africa
- **Verification Standard:** ISO 14064-3:2019 '*Specification with guidance for the verification and validation of greenhouse gas statements*'
- **Verification Criteria:**
 - WRI/WBCSD Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard*, 2004
 - *National GHG Emission Reporting Regulations (NGERs)*¹ and accompanying *Methodological Guidelines*.²
- **GHG Inventory Period:** 01 October 2022 to 30 September 2023 (FY2023)
- **GHG Consolidation Approach:** Operational Control
- **Level of Assurance:** Limited
- **GHG Statement:** *2023-12-04 Oceana Carbon Footprint FY2023.pdf* and accompanying calculations in *2023-12-01 Oceana Carbon Footprint FY23_VERIFIED.xlsm*

Oceana operates in the fishing sector in Southern Africa with 24 vessels and 7 production facilities which catch and process fish into frozen and canned product, fishmeal and fish oil. Through subsidiary CCS Logistics, Oceana provides storage space in refrigerated warehouses in South Africa and Namibia. Oceana has a controlling stake in Daybrook in the USA where it operates a fishmeal/fish oil production facility.

Oceana engaged Verify CO₂ to conduct an independent greenhouse gas (GHG) verification with the objective of confirming that their FY2023 GHG statement is accurate and conforms with the stated criteria.

This *Verification Opinion* is issued based on the scope of work detailed below which included an in-depth review of the underlying calculations and supporting information used to prepare Oceana's FY2023 *GHG Statement*.

Verification Objectives and Responsible Parties

Oceana nominated a third party³ to prepare the GHG statement set out below but retains sole responsibility for its preparation and fair presentation in accordance with the stated criteria.

Verify CO₂'s responsibility is to express an independent assurance opinion on Oceana's *GHG Statement* and evaluate whether, based on the evidence obtained, the following verification objectives have been met:

1. Conformance with the principles and reporting requirements of the *GHG Protocol Corporate Standard*.
2. Completeness and accuracy of the activity data and GHG emissions quantification.

The ISO 14064-3 Standard requires that ethical standards are upheld in planning and performing a verification engagement to obtain the agreed level of assurance that the *GHG Statement* is free from material misstatement.

¹ "*National Greenhouse Gas Emission Reporting Regulations*", (NGERs), DFFE (03 April 2017, amended 11 September 2020)

² "*Methodological Guidelines for Quantification of Greenhouse Gas Emissions*", MG-2022.1, DFFE (October 2022)

³ Data compilation and GHG quantification were carried out by Promethium Carbon on behalf of Oceana.

Level of Assurance

- The verification activities provided a limited level of assurance on the *GHG Statement* below.
- A materiality threshold of 5% per emission source was applied.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the ISO 14064-3 Standard will always detect a material misstatement when it exists. Misstatements are considered material if, individually or taken together, they could reasonably be expected to influence the intended user's decisions. Verification activities performed to achieve a limited level of assurance are less extensive in nature, timing, and extent than those for reasonable assurance.

GHG quantification is subject to inherent uncertainty as the methods used to estimate GHG emissions rest upon incomplete scientific knowledge.

GHG Verification Activities

Evidence-gathering procedures included but were not limited to:

- Discussion with Oceana's Sustainability & Compliance Executive regarding internal processes and controls for the collection, error checking and reporting of GHG information.
- Liaison with Promethium Carbon and data custodians to clarify deviations and anomalies and to provide supporting evidence as required.
- Risk assessment based on a review of the historical documentation that supported the reported information.
- Testing a sample of the historical data used to calculate GHG emissions to assess reasonableness.
- Analytical procedures to assess completeness and accuracy of the GHG data including year-on-year variance checks, cross-checking against source data, recalculation and tracing of primary data to GHG information.
- Evaluation of the appropriateness of the emission factors, estimation methodologies and assumptions used.
- Accuracy and consistency of the GHG emissions and GHG intensity calculations.
- Evaluation of conformity of the GHG statement with the verification criteria referenced above.
- Liaison with Promethium Carbon and Oceana regarding the verification findings and corrective action.
- Site visits were done by the verifier during previous GHG audits and were deemed unnecessary for FY2023.
- An Independent Review was performed before the Verification Opinion was finalized.

Verification Scope & Exclusions

GHG Boundaries:

- **Organisational Boundary:** Oceana-controlled vessels, land-based production, storage and support facilities in South Africa, Namibia and the USA.

Structural changes:

- Lobster was restructured and all vessels were sold effective 30 September 2022.
- CCS Logistics was sold (transferred on 04 April 2023).

- **Reporting Boundary:** All scope 1 and scope 2 GHG emissions sources; 5 scope 3 GHG categories currently measured by Oceana.⁴ Applicable GHGs: CO₂; CH₄; N₂O and HFCs.

Specific Exclusions:

- **Reporting Exclusions:** Since Oceana does not claim to conform to the GHG Protocol's *Scope 3 Standard*, there were no relevant exclusions from Oceana's FY2023 GHG reporting.
- **Verification Exclusions:** Production values used to calculate intensity ratios were not verified to source.

⁴ 8 of the 15 scope 3 categories are relevant to Oceana: **Reported:** Categories 1; 3; 5; 6; 7 **Omitted:** Categories 4; 9; 15.

100% of Oceana’s reported scope 1, scope 2 and measured scope 3 GHG emissions were verified.

GHG Statement

After correction of misstatements, Oceana’s FY2023 *GHG Statement* is set out below:

OGL FY2023: GHG Emissions Statement (metric tonnes CO₂e)	FY2023
Scope 1	151,784
Scope 2 (location- & market-based) ⁵	39,006
Total Scopes 1 & 2 (location- based)	190,790
Scope 3	71,049
Cat.1: Purchased Goods & Services: Water & Packaging Materials	21,699
Cat.3: Fuel & Energy-related Activities ⁶	36,476
Cat.5: Waste Generated in Operations	6,156
Cat.6: Business Travel	1,907
Cat.7: Employee Commute	4,811
Total Scopes 1, 2 & 3 (location-based)	261,839
Outside of Scopes (Fugitive refrigerant emissions: HCFC-22) ⁷	60,484
Total measured GHG emissions (location-based)	322,323

The following additional data points were verified for the purposes of Oceana’s CDP 2024 Climate Change and Water Security submissions.

OGL FY2023: Additional Verified Information	
Consumption of fuel for heat generation:	533,902 MWh
Consumption of fuel for self-generation of electricity:	14,456 MWh
Consumption of purchased/acquired electricity:	46,494 MWh
Consumption of renewable self-generated electricity:	350 MWh
Consumption of non-renewable self-generated electricity:	14,456 MWh
Municipal water consumption:	600,873 kl
Year-on-year change in emissions:	Scope 1; Scope 2; Scopes 1,2; Scope 3; Scopes 1,2,3; Out of Scopes
Year-on-year emissions intensity ratios:	OGL (excl. Corporate); Divisional

⁵ Consistent with FY2022, there’s a 1-year lag in the Eskom generation emission factor applied to calculate scope 2.

⁶ Includes upstream fuel well-to-tank (WTT) and downstream electricity T&D Losses. Electricity WTT not reported.

⁷ Fugitive GHG emissions from refrigerant gases not listed under the Kyoto Protocol are reported outside of the scopes. These emissions are included in Oceana’s GHG intensity ratios and targets.

GHG Verification Findings and Qualifications

Findings:

GHG Boundaries:

- In accordance with the operational control approach for consolidating emissions, the GHG boundary must include scope 1 and 2 GHG emissions for all operationally controlled activities and facilities. The initially excluded CCS emissions for 7 months up to date of disposal were added back into the GHG inventory.

GHG Reporting:

- **Criteria:** Aside from drawing on more than one IPCC assessment report, Oceana's reporting complied with all GHG Protocol reporting requirements and as such satisfied the relevant reporting criteria.
- **GWPs:** IPCC AR3 100-year GWPs were used for fuel GHG conversions in accordance with the NGERs. AR5 100-year GWPs were used for all other conversions.
- **Emissions Factors:** There is a 1-year lag in the Eskom electricity generation emission factor applied. A more up-to-date municipal water supply emission factor was used for South Africa and Namibia.
- **Scope 2:** Lucky Star electricity was more than 50% under-reported due to incorrect data capture. After rectifying the above, the remaining 23% decrease in scope 2 emissions compared to FY2022 was attributed to the disposal of CCS (Oceana's most electricity-intensive operation).
- **Scope 3.1 - Municipal Water:** Lucky Star consumption increased substantially in FY2023 as a significant volume of its desalinated water production was donated.
- **Scope 3.5 - Waste:** The significant increase in waste emissions is attributed to more responsible reporting of landfilled sludge (now recovered from effluent prior to discharge), and more complete reporting by OGL's operations in the USA. Once again, reporting errors included incorrect assignment of units of measure and final disposal destination.
- **Scope 3.6 - Business Travel:** Foreign crew flights were materially overestimated due to a calculation error. This masked the under-reporting by all other divisions (air travel data only provided for 9 months).

Qualifications:

The following qualifications were raised in relation to the unmodified verification opinion:

- GHG emissions associated with purchased packaging materials and non-SA municipal water are indicative, as country-specific emission factors were not used.
- Broad assumptions were used to calculate emissions from waste disposal and employee commuting.

Future Recommendations

- **GHG Boundary:** Emissions associated with operations in which OGL has a non-controlling stake (e.g. Etosha Fisheries and Westbank LLC) can be reported in Scope 3 category 15.
- For completeness, Scope 3 category 3 can be extended to include upstream emissions associated with the generation of purchased electricity.
- **Scope 1 Fuels:** These can be updated to the NGERs country-specific Tier 2 emissions factors.
- **Scope 3 Waste:** The unit of measure in the data collection sheet should be revised to a drop-down menu of options, thereby allowing the data provider to select the correct unit.
- Expired food/organic waste was treated as landfilled. For future reporting the final disposal destination should be clarified.
- **Scope 3 Business Travel:** Ensure that flight reports include all 12 months of the reporting period.
- Emissions associated with hotel stays can be added as this information is included in the flight report.

Conclusion and Final Verifier Opinion - Unmodified

Misstatements identified during the verification were duly corrected. Based on the evidence obtained whilst conducting the limited assurance procedures according to ISO 14064-3:2019 and with reference to the stated criteria, there is no evidence that the Oceana *GHG Statement* set out above:

1. has not been prepared in accordance with the principles and requirements of the WRI/WBCSD *GHG Protocol Corporate Accounting and Reporting Standard* and South Africa's *NGERs* (where applicable).
2. does not provide a true and fair representation of Oceana's GHG emissions data and information for the stated inventory period and boundaries.

Notwithstanding the above qualifications, it is our opinion that Oceana has established appropriate systems for the collection, aggregation and analysis of data for quantifying the GHG emissions for the stated period and boundaries.

Verify CO₂ did not conduct any work outside of the agreed scope, and our opinion is therefore restricted to the agreed subject matter.

Statement of Competence, Independence and Impartiality

With 13 years' experience in corporate GHG verification, Verify CO₂ has the competence and proficiency required to lead GHG verification engagements. We conducted this verification independently and, to our knowledge, there was no conflict of interest. No member of the verification team has a business relationship with Oceana beyond that required of this assignment.

Attestation:



Kerry Evans
Lead GHG Verifier, Verify CO₂
Cape Town, South Africa
Date: 04.12.2023

INDEPENDENT REVIEWER DECLARATION


Oceana Group Limited (OGL) engaged Verify CO₂ to verify the Group’s FY2023 GHG inventory. As part of the verification process, GCX was appointed to perform an independent review of the overall quality of the verification work conducted prior to the issuance of the final verification opinion.

An independent review involves assessing the verification team competency, a high-level review of the verification planning and execution processes, and an evaluation of the conclusions reached to support the final verification opinion.

After completing this review, I can confirm the following:

- Verify CO₂ has the required competencies to conduct and lead a GHG verification project.
- All stages of the verification process were sufficiently documented.
- Appropriate procedures were followed for assessing risk, verification planning, data sampling/evidence gathering, and due professional care and judgement were applied.
- Sufficient evidence was available to achieve the stated level of assurance.
- Material misstatements and non-conformities were duly rectified.
- I agree with the verification findings, conclusions and the final opinion expressed in the Verification Opinion Declaration.

I hereby declare that I was not a member of the GHG verification team and was not in any way involved in drawing up the verification plan or verification activities.

Signature			
Name of Independent Reviewer	Ohad Shachar		
Position	Sustainability Director		
Company	GCX		
Date	2023	December	07
	Year	Month	Day