



Ministry of Transport
Level 2, Westpac House
318 Lambton Quay
WELLINGTON 6011

Dear [Mr Brian Nijman]

SUBMISSION ON PROPOSED ACCESSION OF MARPOL ANNEX VI

- 1 Sanford welcomes the opportunity to submit on the Ministry of Transport's (*MoT*) proposal to accede Annex VI of the MARPOL treaty (*Annex VI*).

About Sanford

- 2 Sanford is New Zealand's largest seafood company, by both revenue and quota holding, and employs around 1,700 people. Sanford's current revenue base is comprised of wild catch fishing (70%) and aquaculture (30%) and totalled \$515.0 million in FY2018. Sanford's geographical operational spread spans New Zealand, from Stewart Island to Auckland, and comprises 219 aquaculture farms, 7 processing plants and 43 vessels. Sanford also has a 50% interest in North Island Mussels Limited, and 100% ownership of a fish market in Melbourne, Australia. Sanford is one the oldest listed companies on the New Zealand Stock Exchange, and has been in operation for more than 137 years.

- 3 Sustainability and environmental management is at the core of Sanford's business. We are committed to a sustainable future for our business and stakeholders, our people, customers and communities. Sanford's vision is to be the best seafood company in the world through the sustainable growth of our business, and we embrace the contribution we will make towards achieving the United Nations Sustainable Development Goals (UN SDGs).

Sanford's submission

- 4 Sanford is committed to ensuring that its business practices and operations are consistent with its core sustainability values. In light of this commitment, Sanford supports the Government's proposal to accede to Annex VI as an appropriate method for controlling air emissions from ships.
- 5 Sanford recognises the importance in New Zealand committing to sustainable practices agreed to by the international community. Accession to Annex VI is consistent with Sanford's values and vision for sustainable seafood.
- 6 Notwithstanding this, Sanford considers that it is important to recognise that accession to Annex VI will have material operational and financial implications for its business. Many of those implications have already been anticipated by Sanford and Sanford has accordingly already put in place measures to ensure compliance with Annex VI. In particular:

- 6.1 Many of Sanford's deepwater vessels already operate pursuant to Ship Energy Efficiency Management Plans (*SEEMP*);

- 6.2 Sanford already collates and analyses data regarding the fuel efficiency of its vessels, efficiency analysis informs and updates vessel operations and management;
- 6.3 Sanford has already taken action to ensure those of its vessels could operate using fuels with sulphur contents exceeding the Annex VI limit are capable of being operated with alternative fuels (specifically marine diesel).
- 6.4 Recent engine replacements on Sanford's aquaculture vessels already meet Annex VI obligations regarding NO_x emissions.
- 7 In addition to its sustainability drivers, Sanford also supports the Government's proposed accession to Annex VI because Sanford considers that it is crucial for New Zealand to have a strong voice in the international community's negotiations and actions relating to shipping. The New Zealand business community's reliance on international shipping necessitates a strong presence in discussions.
- 8 We would be happy to discuss any elements of our submission or provide further information to you as necessary. Sanford would also be happy to share more specific information with MoT to assist with the consultation programme and would be open to assist MoT regarding the future implementation of Annex VI or other MARPOL obligations as required.

Yours faithfully



Clement Chia
Chief Operating Officer