Perfection Fresh Australia Climate Transition Plan

Version 2.1 – January 22, 2025



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Our GHG baseline

We selected our fiscal year 2023 (July 1, 2022 to June 30, 2023) as the appropriate base year for our target as this was the most recent year for which we had comprehensive data. Our total FY2023 GHG emissions¹ are 48,993 tonnes of carbon dioxide equivalent (tCO_2e) and include 4,171 tonnes of biogenic CO_2 .

What are biogenic CO₂ emissions?

Biogenic CO_2 emissions are defined as CO_2 emissions related to the natural carbon cycle, as well as those that can result from the harvest, combustion, decomposition, or processing of biologically based materials such as plants, trees and soil. The GHG Protocol recommends that biogenic CO_2 emissions are reported separate from but alongside an organization's Scope 1 and 2 GHG inventory.

Setting our GHG reduction targets

We have defined separate GHG intensity targets for our greenhouse and farm operations, and our manufacturing operations as they are distinct business units with different measures of production. We have included our distribution centres and sales operations as part of our manufacturing target to maximise the coverage of our targets and considering it represents a minimal portion of our overall emissions. Our GHG reduction intensity targets were developed with consideration of our planned business growth to 2030.

- For our greenhouse and farm operations, our target is defined as the amount of CO₂e emitted per tonne of harvested fruits and vegetables (t). We are committed to **reducing our GHG emissions intensity by 47%, by FY2030 from our FY2023 baseline.**
- For our manufacturing, distribution centres and sales operations, our target is defined as the amount of CO₂e emitted per tonne of ready to eat salads and meals produced (t). We are committed to reducing our GHG emissions intensity by 71%, by FY2030 from our FY2023 baseline.



Our Scope 1 and 2 near-term targets:

¹ Total GHG emissions include Scope 1, Scope 2 (location-based) and biogenic CO₂ for all of our operations.

² Scope 1 emissions are direct GHG emissions occurring from sources that are owned or controlled by the reporting entity. This may include fuel consumption in vehicles and machinery, fertilizer application, etc.

³ Scope 2 emissions account for GHG emissions from the generation of purchased energy consumed by the reporting entity.

Target calculation approach for greenhouse and farm operations

GHG reduction intensity target = Where,	Base year GHG emissions + Projected growth in GHG emissions - Estimated GHG reductions from implementation of GHG mitigation actions				
	Base year total production + Projected growth in production				
 Base year GHG emissions represent our greenhouse and farm operations 2023 Scope 1 and 2 GHG emissions baseline. Projected growth in GHG emissions represent the estimated increase in emissions associated with our projected growth in production to 2030. This is based on projected growth plans as defined in our long-range financial planning and assumes that GHG emissions are directly correlated with harvested area. Estimated GHG reductions from implementation of GHG mitigation actions reflects the total mitigation potential across greenhouse and farm GHG mitigation actions identified for the 2030 time horizon. Base year total production is the total quantity of harvested fruits and vegetables (t) in the baseline year (2023). Projected growth in production represents the estimated increase in the quantity of harvested fruits and vegetables (t) associated with our planned projected growth in production to 2030. 					

Target calculation approach for manufacturing, distribution centres and sales operations

GHG reduction intensity target = Where,	Base year GHG emissions + Projected growth in GHG emissions - Estimated GHG reductions from implementation of GHG mitigation actions					
	Base year total production + Projected growth in production					
Base year GHG emissions represent our manufacturing, distribution centres and sales operations 2023 Scope 1 and 2 GHG emissions baseline.						
Projected growth in GHG emissions represent the estimated increase in emissions associated with our projected growth in						
production to 2030. This is based on projected growth plans as defined in our long-range financial planning and assumes that GHG emissions are directly correlated with the production amount.						
Estimated GHG reductions from implementation of GHG mitigation actions reflects the total mitigation potential across						
manufacturing, distribution centres and sales GHG mitigation actions identified for the 2030 time horizon.						
Base year total production is the total quantity of ready-to-eat salads and meals produced (t) in the baseline year (2023).						
Projected growth in production represents the estimated increase in the quantity of ready to eat salads and meals produced (t)						
associated with our planned projected growth in production to 2030.						



Table 3.1 – GHG Mitigation Actions for Our Near-Term Target

			Evaluation Criteria		
Action	Action Detail	Potential Challenges	GHG Mitigation	Implementation Feasibility	Co-Benefits/Co-Harms
Installation of electric boilers - Glasshouse and farms	Installation of electric boilers to replace wood chips and 50% of natural gas consumed for heating at Two Wells with electricity.	Commercial availability and cost of electric boilers. A commercial feasibility study will be required to validate this action. As CO ₂ from boilers is also used for greenhouse enrichment only partial electrification can be undertaken until alternative sources of CO ₂ are determined.	17,659 tCO₂e 36%	Moderate	 Fuel cost savings Reduced air pollution by eliminating use of wood chips
Increase on- site renewable energy - Glasshouse and farms	Increase on-site solar generation capacity at Two Wells Glasshouse to 5 MW and install an additional 3.6 MW of solar at other facilities	Energy storage may be required with increased solar generation to ensure electricity is available when required for PFA's operations.	1,133 tCO ₂ e 2%	Moderate	- Enhanced energy self- sufficiency and resilience by reducing dependency on grid- supplied electricity

Table Guide - The GHG mitigation potential and implementation feasibility for each action are based on order of magnitude assumptions and professional judgement. These are to be taken as an approximate starting point for additional analysis and feasibility studies.

- 1. GHG Mitigation Impact: Projected GHG emissions reduction to 2030 based on our current activities, projected growth and the emissions reduction potential of each lever.
- Implementation Feasibility: The degree of difficulty of implementation is categorized into three categories,
 Easy: Relatively straightforward small-scale projects that can be implemented with modest design and planning requirements;
 Moderate: Intermediate scale projects requiring more engineering design, scientific development, planning and institutional changes;
 Difficult: Major new infrastructure development with significant new design, planning and operational change.
- 3. Co-Benefits/Co-Harms: Co-benefits or co-harm of each mitigation lever, including impact on crop yield, increased self-sufficiency and biodiversity impacts.

Our plan to progress towards our near-term GHG intensity reduction target covers the GHG mitigation actions discussed in the previous pages. The contribution of each of these actions to the achievement of our near-term target, excluding projected growth, is presented in Figure 3.2. The remaining emissions in 2030 represent the absolute GHG emissions remaining after the implementation of the GHG mitigation actions. The remaining emissions in 2030 and the GHG mitigation potential of each action do not include projected growth in GHG emissions associated with projected business growth.



Figure 3.2 – GHG Emissions Reduction Plan in the Near-Term

As part of our GHG emission reductions plan, we have also estimated the potential impact that changes to the Australian electricity grid may have on our GHG emissions. We selected the "Baseline" scenario presented by the Australian government in Australia's emissions projection 2023 report⁵ issued by the Department of Climate Change, Energy, the Environment and Water (DCCEW). This scenario includes federal policy announcements, known generation facility closures and new generation facilities. As presented in Figure 3.2, the projected changes in the electricity grid could reduce our overall GHG emissions by 8%. We will continue to monitor policy changes at the federal level on an annual basis for the implementation of these proposed changes to the electricity grid so as to inform where it may be most beneficial for us to invest in on-site renewable energy generation instead of relying on purchased electricity.

⁵ DCCEW (2023), Australia's emissions projections 2023. Accessed from: <u>https://www.dcceew.gov.au/sites/default/files/documents/australias-emissions-projections-2023.pdf</u>

