COMPANY NAME: Austral Fisheries Pty Ltd

REPORTING PERIOD: Calendar year 2014 (baseline)

CARBON NEUTRAL PERIOD: Calendar Year 2016

Austral Fisheries is certified as carbon neutral under the Carbon Neutral Program for the 2016 calendar year. However, Austral Fisheries have used the 2014 calendar year as a base year for measuring and reporting their emissions. This base year is used solely to determine the size of Austral Fisheries' emissions. It provides Austral Fisheries with the data to determine how many emissions need to be offset upfront in order to be carbon neutral for 2016. This approach is consistent with the National Carbon Offset Standard (version 3.0).

At the end of the 2016 calendar year, Austral Fisheries will again measure and report their emissions based on collected data for the year. Any discrepancies between reported emissions and the amount of emissions they have already offset upfront will be accounted for, and additional offsets will be retired if necessary. The emissions measured and reported for the 2016 calendar year will then be used as a basis for the purchase of offsets for the 2017 calendar year.

Declaration

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the National Carbon Offset Standard Carbon Neutral Program.

	16/02/2016
David Carter	
Chief Executive Officer	

Type of carbon neutral certification: Organisation

Verification

Date of most recent external verification/audit:

Auditor: Ernst & Young

Auditor assurance statement link: http://www.australfisheries.com.au/wp-content/uploads/2016/03/2014.AUS_.NCOS_.REP_.04-Final-Assurance-report.pdf

1. Carbon neutral information

Introduction

The following is an outline of the certification of our Organisation, Austral Fisheries Pty Ltd ("Austral") as Carbon Neutral by the Carbon Neutral Program (version 4.0), using the National Carbon Offset Standard, version 3.0.

Austral is one of Australia's leading commercial fishing companies, specialising in environmental fishing practices that catch and source sustainable seafood. Austral catches and processes Patagonian Toothfish and Mackerel Icefish from the Southern Ocean, as well as wild ocean caught Banana prawns and Tiger prawns from northern Australia. To do this, Austral owns and operates ten refrigerated prawn trawlers in Australia's Northern Prawn Fishery, and three longline vessels (including one dual purpose longline-trawler) in the Southern Ocean.

As part of Austral's commitment to environmental excellence, the company will be carbon neutral in 2016. This firstly involves an extensive footprinting analysis under the National Carbon Offset Standard, baselined in 2014. Following this, the entire footprint of the company has been offset through Gold Standard credits generated through revegetation in Western Australian farmland.

All parts of the Austral business have been accounted for in the preparation of this certification. For example, it includes all the fuel we burn on our vessels at sea to harvest fish and prawns; the emissions associated with production and transport of supplies we provide to vessels, and all supporting activitites such as shore based operations and management, administration, policy development, sales and marketing.

As required under the Carbon Neutral Program, the calculation of the footprint includes extensive emissions generated by other suppliers (i.e. Scope 3 emissions), such as sea, land and air transportation, and cool room facilities.

Essentially, we have accounted for all carbon emissions we can identify from the start of our activities, through to the point where we sell our fish, akin to a cradle-to-gate approach.

Extensive details are provided on separate calculations, and they have been independently audited and verified by Ernst & Young.

For this carbon footprint inventory, a "greenhouse gas inventory" approach is used, since the entity being analysed is an organisation. The intention is to extend this to include a "Life Cycle Analysis" in the immediate future to incorporate products in our certification.

Emission sources within certification boundary

Quantified sources

The emissions boundary is the entire organisation of Austral Fisheries Pty Ltd. The boundary for the emissions sources was defined using the "control approach" described in the National Greenhouse and Energy Reporting Act. This then involves accounting for the following emissions:

- Scope 1 (direct) emissions by the organisation, such as fuel burned in fishing vessels;
- Scope 2 emissions, which are emissions attributed to purchased electricity; and
- Scope 3 emissions, which are emissions arising from third party sources associated with activities of Austral.

The base year for the organisation's footprint is the calendar year 2014. This is the most recent year for which complete records were available at the time of undertaking footprint analysis.

Austral has followed the carbon accounting principals of relevance, completeness, consistency, transparency and accuracy. It has also referenced the following methods and factors:

the Greenhouse Gas (GHG) Protocol standards, including:

- *GHG Protocol – A corporate accounting and reporting standard* (GHG Corporate Standard)
- *GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011);*

the National Greenhouse and Energy Reporting Act 2007 (NGER Act) and supporting legislation and documentation, including:

- *National Greenhouse and Energy Reporting Regulations 2014*
- *National Greenhouse and Energy Reporting (Measurement) Determination 2015*[1]
- *National Greenhouse and Energy Reporting Technical Guidelines*
- *National Greenhouse Accounts Factors 2014;*

[1] The NGER Determination is often used in preference to the NGA Factors. While they report the same methods and factors, we consider NGER is superior since it describes methods in more detail, describes alternative methods and is the source of the data in the NGA Factors.

procedures and factors used by the Environmental Protection Authority Victoria for some Scope 3 emissions;

emissions factors from the Department of Energy and Climate Change in the United Kingdom; and

other online emissions calculators for example for emissions from flights and hotel accommodation, specified in the relevant worksheets which were audited by Ernst Young.

The following greenhouse gases were accounted for:

(a) carbon dioxide;
(b) methane;
(c) nitrous oxide;
(d) sulfur hexafluoride;
(e) hydrofluorocarbons specified in the National Greenhouse and Energy Reporting Determination; and
(f) perfluorocarbons specified in the National Greenhouse and Energy Reporting Determination.

A summary of the outcomes for our calculations is at Table 2 below.

Non-quantified sources

There are two sources of emissions which were exluded from the inventory.

Firstly, Scope 3 emissions associated with downstream processing of fish and prawns sold by Austral were excluded on the basis of immateriality given that there will be no further major transport involved in any downstream processing of fish (prawns not further processed). Also the fact that our customer will be receiving an already processed fish, that only needs to be filleted by hand before it goes into their product cabinet. We will also be strongly encouraging our suppliers and customers to carry out their business with a low carbon footprint. This footprint is akin to a cradle-to-gate scope in this regard.

Secondly, Scope 3 emissions associated with end of life treatment of sold fish were excluded on the basis of immateriality given that that once our customer sells a piece of fish, there will be no further major transport involved, and all their customer will need to do is cook and eat the fish/prawn. We will also be strongly encouraging our suppliers and customers to carry out their business with a low carbon footprint. This footprint is akin to a cradle-to-gate scope in this regard.

Diagram of certification boundary

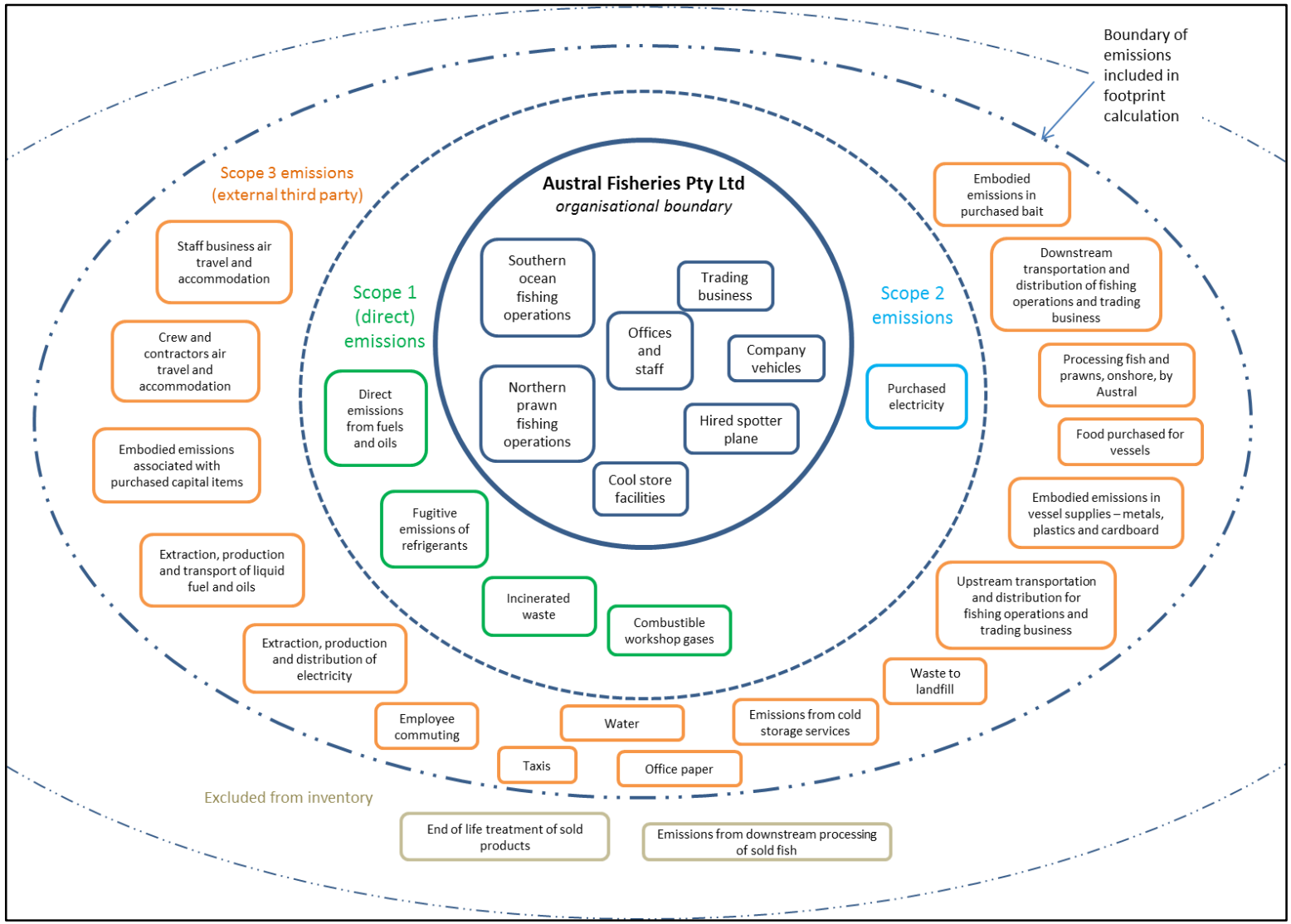

Figure 1. Organisational boundary and carbon inventory boundary of Austral Fisheries 2014 baseline footprint.

2. Emissions reduction measures

Emissions reduction strategy

Emissions Reduction Strategy

Austral Fisheries Pty Ltd

2016 Calendar Year

Our decision to become certified to be Carbon Neutral as an organisation, and extend that to our products, is a direct result of our aim to do our bit to ensure a sustainable, healthy, environment for the seafood and seafood products that we rely upon for our livelihoods.

Our vision is to increase the efficiency of our operations (relative to carbon emissions) as far as possible, reduce our carbon emissions wherever we can, and to fully offset remaining emissions. In 2016, our offsetting activities will be through direct revegetation activities in Western Australia which will generate carbon offsets under the Gold Standard certification program. We will review and investigate alternative carbon offset programs in future years, with a particular focus on the development of eligible new "blue" carbon offset programs.

In the 2014 baseline year:

- our total direct catch was 4,932 t of fish[2] and prawns,
- our total carbon footprint was 27,422 t CO_{2}-e, and
- our emissions intensity was 5.56 t CO_{2}-e per tonne of fish and prawns caught.

Our emissions reduction strategy will be primarily focussed on the rate of carbon emissions per tonne of product caught. This is appropriate because our operations fluctuate as a result of either increasing or decreasing availability of wild fish stocks, changes to expand our operations into other fisheries, or due to government fisheries resources management or conservation changes out of our control.

Any meaningful emissions reduction strategy in a complex business will not happen overnight. For this reason, we see 2016 as the first of many years in this journey. 2016 will involve communication of the ideas, and analysis of options, within the business. As such, we estimate the quantity of emissions expected to be reduced (as opposed to being maintained and offset) in 2016 will be modest, while we investigate alternatives to create more significant reductions in future years. Over 75% of our emissions are fuel use which will require substantive changes to both operational approaches, and technological developments which we will evaluate in 2016, with a view to implementing from 1 January 2017.

[2] In this document, when referring to tonnes of fish caught, it means the weight of the *product* that comes off the toothfish vessel, which consists of either whole fish, headed, gutted and tailed (HGT) trunks, collars or cheeks.

We will aim to reduce our comparable emissions by a modest 1% in the calendar year 2016, being a reduction of around 270 tonnes of CO_2-e. This will come primarily from operational changes in our administration, and shore based side of the business, along with any operational fuel reduction strategies for our vessels, that we can identify.

Our specific Emissions Reduction Strategy for 2016 will include:

- Aim to maintain or reduce the emissions intensity of the 2014 base line year of 5.56 t CO_2-e per tonne of fish and prawns caught.
- Communication of the policy and approach of our new "Carbon Neutral" stand to all employees, contractors, suppliers, customers and industry peer groups nationally and internationally in an endeavour to gain their support for devising mechanisms to lower the carbon emission footprint of Austral Fisheries, and as a consequence, the industry as a whole;
- Public acknowledgement that this is a starting point in a journey for Austral Fisheries, and seek support to improve our vision and/or approach such that we can reduce both our carbon emissions directly, or our carbon emission 'rate per kilogram of product' where appropriate;
- Implementation of an incentives program for eligible employees and contractors, to seek internal business and operational ideas by which we can reduce our carbon emissions, or improve our catching efficiency, relative to carbon emissions;
- Investigation of the Emission Reduction Fund project opportunities to help finance the implementation of technological or developmental improvements to our way of doing business, such as specific new projects designed to create improvements to our vessels, engines, refrigeration, fuel type, or other;
- Working with non-government organisations such as the World Wide Fund for Nature to adapt or implement suggestions from their programs;
- Encouraging our suppliers to provide lower carbon emission goods and services to our company. This would include fishing gear, mechanical and engineering supplies, stevedore and provedore supplies, fuel, product suppliers, and others;
- Working with our seafood product customers to encourage them to continue our Carbon Neutral standard through the next steps of the marketing chain past our final sales point, to the ultimate goal of providing the end consumer with a Carbon Neutral portion of seafood from our operations; and
- Development of a more aggressive emissions reduction strategy for the period 2017 to 2021 inclusive.

We will review, evaluate, refine and report on our Emissions Reduction Strategy following the end of calendar year 2016.

3. Emissions summary

The total emissions of Austral in 2014 was 27,422 t CO_2-e, as shown in Table 2.

Table 2. Emissions Summary

Scope	Emission source	t CO_2-e
1	Diesel oil - transport (Southern Ocean fleet)	10242
1	Diesel oil - transport (Northern Prawn fleet)	10581
1	Petroleum-based oils (Southern Ocean fleet)	19
1	Petroleum-based oils (Northern Prawn fleet)	18
1	Transport petrol-post 2004 vehicles	28
1	Gasoline for aircraft – spotter plane	65
1	Lubricating grease on ships	0.01
1	Fugitive emissions of refrigerant gas	573
1	Waste incinerated on vessels	5.4
1	Workshop gases	0.49
2	Electricity purchased for Australian offices	95
2	Electricity purchased for international offices	1.0
3	Cold storage services	87
3	Food supplies on vessels	899
3	Water purchased for vessels and offices	0.9
3	Office paper	4.2
3	Bait for Southern Ocean	367
3	Supplies procured for vessels – cardboard	9.0
3	Remaining weight of supplies procured for vessels – assumed to be metals and plastics	245
3	Capital goods	33
3	Diesel oil - transport (Southern Ocean fleet)	770
3	Diesel oil - transport (Northern Prawn fleet)	795
3	Petroleum-based oils (Southern Ocean fleet)	7.3
3	Petroleum-based oils (Northern Prawn fleet)	6.7
3	Transport petrol-post 2004 vehicles	2.2
3	Lubricating grease on ships	0.02
3	Gasoline for aircraft – spotter plane	5.1
3	Electricity purchased for international offices	0.2
3	Electricity purchased for Australian offices	11.6
3	Upstream transportation of supplies for fishing vessels	111
3	Upstream transportation of fish in trading division, by sea	395
3	Waste to landfill	34
3	Business air travel - employees	159
3	Business air travel - crew/contractors	177
3	Business travel accommodation - employees	37
3	Business travel accommodation – crew/contractors	9
3	Employee commuting	44
3	Taxi use	5.1

Table 2. Emissions Summary		
Scope	Emission source	t CO_2-e
3	Onshore processing of catch	65
3	Downstream transportation of Austral fish and prawn catch	1290
3	Downstream transportation of fish in trading division, by road	225
Total Gross Emissions		27422
GreenPower or retired LGCs		0
Total Net Emissions		**27422**

4. Carbon offsets

Part A. Offsets summary

Australian Native Reforestation within the Yarra Yarra Biodiversity Corridor

Austral Fisheries have offset all of our projected 2016 operational emissions through the purchase of 27,422 Gold Standard Voluntary Emissions Reductions (VERs) in the Yarra Yarra Australian Biodiversity Project. The VERs purchased consists of four vintages (as per the table below), all of which have been assigned on the Gold Standard Registry and can be viewed publically on the Markit Environmental Registry.

Serial Number	Vintage	Credits
GS1-1-AU-GS3039-22-2010-4638-4426 to 6769	2010	2344
GS1-1-AU-GS3039-22-2011-4637-2399 to 11987	2011	9589
GS1-1-AU-GS3039-22-2012-4636-3544 to 17712	2012	14169
GS1-1-AU-GS3039-22-2013-4635-4138 to 5457	2013	1320
	Total	**27422**

The Yarra Yarra Biodiversity Corridor Gold Standard project is part of 10,000 hectares that has been revegetated and will capture an estimated 1.25 million tonnes of carbon over the next 50 years.

The project involves the planting of mixed native tree and shrub species on degraded agricultural land that no longer supports viable farming practices. It's located in a globally significant biodiversity hotspot and in a region where over 90% of the land has already been cleared. This reforestation project is encouraging native animals and plants that have vanished or been pushed to the brink of extinction in the region to return and breed. This includes iconic threatened species such as Malleefowl, Bush Stone-curlew, Carnaby's Black-Cockatoo, Western Spiny-tailed Skink and the Woylie (Brush-tailed Bettong), as well as over 30 species of conservation-significant native plants.

Project impacts and benefits:

As well as removing carbon dioxide from the atmosphere, the *Yarra Yarra Biodiversity Corridor* project also delivers substantial positive social outcomes in the region.

- Reducing soil erosion and salinity

- Employment, including local indigenous people, and liaison with Traditional Owners
- Aboriginal heritage sites recognised and registered
- Creating new industry and supporting local businesses
- Provision of opportunities for scientific research, eco-tourism and community education

Part B. Offsets purchasing and retirement strategy

All of our offsets purchased for the 2016 year will be from the Western Australia Gold Standard program, which will be retired to cover in advance our forward estimate of carbon emissions for the 2016 calendar year. We will review and refine our quantum of offsets required, following audit of our first year in the program, and continue to purchase and retire verified carbon credits in advance of the respective reporting periods.

Part C. Offset projects (Co-benefits)

The offset project involves planting shrubs and trees which directly remove carbon dioxide from the atmosphere.

In addition, the revegetation (offsets project) will have a co-benefit of restoring biodiversity to the landscape. The plantings involve a mix of local plant species native to the area, and is carried out on land that was formerly cleared for low-productivity agriculture. Once planted, native insects, birds and animals also re-colonise, and a strong and resilient ecosystem is returned.

5. Have you done more?

We are in the process of finalising our application for certification of various products caught by Austral in our wild capture fish and prawn operations. To achieve this, we have extended this Organisational accounting for our Scope 3 emissions sources using the Greenhouse Gas Inventory, and are completing a “Life Cycle Analysis” separately, using these data as the fundamental base. We are hoping to complete the Life Cycle Analysis in the next few weeks, and will then update and amend this Public Disclosure Summary as appropriate.