How, and why, Austral Fisheries has become Carbon Neutral from 1 January 2016

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 was through direct revegetation activities in Western Australia which generated 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.

To our knowledge, we are the first seafood business globally to be Carbon Neutral.

This is the start of a journey for Austral Fisheries, and there are bound to be many questions. So I've taken the liberty of explaining some of the more obvious issues below, and hope to be able to provide more details in the near future, if you're interested.

1. ***Is this genuine, or a "green-wash"?***

   This is our genuine attempt to do our bit to offset and, in future, reduce, our carbon dioxide emissions from our seafood business. We accept that some may query our motives.

   To help demonstrate that we're genuine, we decided to become formally "certified" as Carbon Neutral under the Australian Government Carbon Neutral Program. Our submission involved calculations of our carbon emissions from all aspects of our business, and has been independently audited by Ernst Young and approved by the Australian Government.

   We've undertaken all our calculations and approaches to determining our carbon emission footprint, using the Australian National Carbon Offset Standard (NCOS) as set out by the Australian Government.

Austral Fisheries Pty Ltd ABN: 7100 8989 982, Level 4, 50 Oxford Close, West Leederville, Western Australia 6007
Phone: +61 (8) 9217 0100 **Fax**: +61 (8) 9381 5200 **Correspondence:** PO Box 42, Mt Hawthorn, Western Australia 6915
Email: austral@australfisheries.com.au **Website:** www.australfisheries.com.au

2. ***How many carbon dioxide emissions are created by Austral Fisheries, each year?***

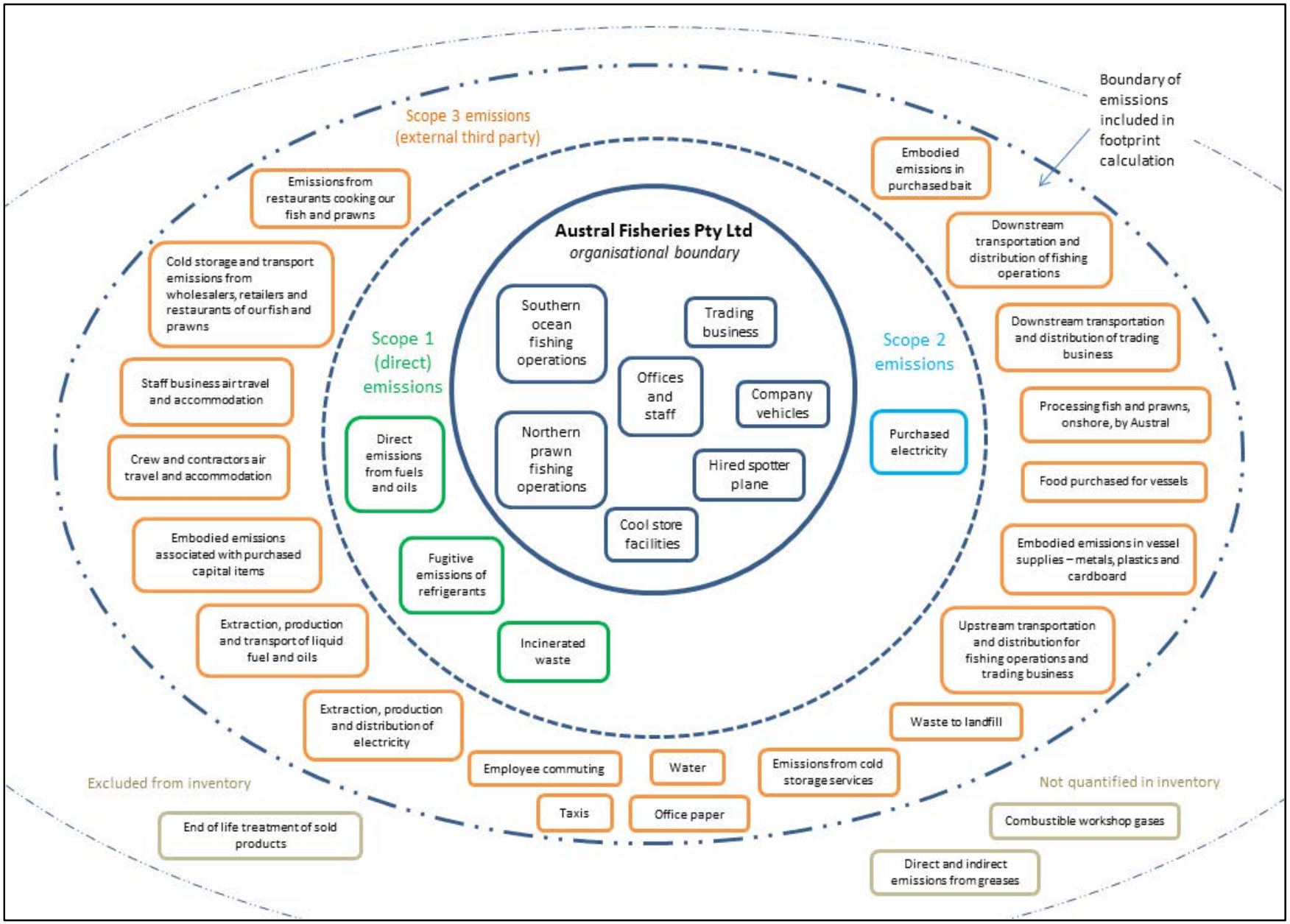
In 2016, we emitted 32,619 tonnes of carbon dioxide equivalents.

Fuel use for our vessels is clearly the largest proportion of our carbon dioxide emissions, with our northern and southern fleets creating over 26,000 tonnes last year. This comes from a fuel use of around 4 million and 5 million litres of diesel for each operation, respectively.
To compare, the average car in Australia uses about 2,000 litres per year (for 20,000 km travel, at 10 litres per 100 km). So we are using the equivalent amount of diesel as nearly 4,500 cars per year. All of this will be offset, and we will be looking at ways to become more fuel efficient, from now forwards.

3. ***What parts of your business were included to calculate your carbon emissions?***

All parts of the Austral business were taken into account, when calculating our emissions.
The diagram below sets out the boundary around how we've calculated our carbon dioxide emissions.

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 activities such as shore based operations and management, administration, policy development, sales and marketing. In addition, as required under the Carbon Neutral Program, the calculation of our footprint includes extensive emissions generated by other suppliers (i.e. Scope 3 emissions), such as sea, land and air transportation, and cool room facilities.
We have accounted for all carbon emissions we can identify from the start of our activities, through to the point of sale to the end consumer at the restaurant or retailer (for our caught fish and prawns), or to the point of sale to our direct customer in the case of our seafood trading division which largely deals with seafood that we do not catch ourselves. We have NOT included emissions that relate to the end of life treatment of our product, and we have not quantified emissions from gases or greases used on our vessels, due to insignificant levels being calculated in our baseline year.


Boundary of emissions included in footprint calculation
Scope 3 emissions (external third party)
Emissions from restaurants cooking our fish and prawns
Cold storage and transport emissions from wholesalers, retailers and restaurants of our fish and prawns
Staff business air travel and accommodation
Crew and contractors air travel and accommodation
Embodied emissions associated with purchased capital items
Extraction, production and transport of liquid fuel and oils
Extraction, production and distribution of electricity
Austral Fisheries Pty Ltd
organisational boundary
Southern ocean fishing operations
Trading business
Offices and staff
Company vehicles
Northern prawn fishing operations
Hired spotter plane
Cool store facilities
Scope 1 (direct) emissions
Direct emissions from fuels and oils
Fugitive emissions of refrigerants
Incinerated waste
Scope 2 emissions
Purchased electricity
Embodied emissions in purchased bait
Downstream transportation and distribution of fishing operations
Downstream transportation and distribution of trading business
Processing fish and prawns, onshore, by Austral
Food purchased for vessels
Embodied emissions in vessel supplies – metals, plastics and cardboard
Upstream transportation and distribution for fishing operations and trading business
Waste to landfill
Emissions from cold storage services
Water
Employee commuting
Taxis
Office paper
Excluded from inventory
End of life treatment of sold products
Not quantified in inventory
Combustible workshop gases
Direct and indirect emissions from greases

4. ***How many trees have to be planted to offset 32,619 tonnes of carbon dioxide emissions?***

   To offset those emissions fully, required the planting of around 220,000 trees of various species. That represents the revegetation of around 165 Hectares (400 acres) of native Australian bush per year, to offset our carbon dioxide emissions.

5. ***Why did you choose trees, and not something in the marine environment, to offset?***

   There are no current Gold Standard programs involving marine ("blue carbon") offsets in Australia, or globally. We are keen to investigate, and pursue opportunities to purchase blue carbon offsets in future, should they become available as a Gold Standard program – for example, through the rehabilitation of wetlands, estuaries, or mangroves.

6. **What is Gold Standard?**

   Established in 2003 by WWF and other international NGOs as a best practice benchmark for energy projects developed under the UN's Clean Development Mechanism (CDM), Gold Standard was set up as a standard and certification body to ensure that carbon offset projects deliver genuine emission reductions and long-term sustainable development, with benefits to society and biodiversity at the same time.

7. ***What is the Gold Standard project you have chosen?***

   The Yarra Yarra Biodiversity Corridor Gold Standard project is being undertaken by Carbon Neutral Pty Ltd, and is part of nearly 14,000 hectares that has been revegetated and will capture an estimated 1.925 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 Mallee fowl, 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.

   A quick video clip outlining the project can be seen here: https://vimeo.com/151209701

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

8. What does the new CN fish logo mean?

CN fish, or Carbon Neutral fish, is purely an Austral initiative. We will be using this logo on our packaging and in the media, to further distinguish our products in the marketplace, both domestically and internationally.

For more information, see www.australfisheries.com.au or contact us directly.

Regards

David Carter
CEO