

Petuna

BY PETER & UNA ROCKLIFF



CREATING A
SUSTAINABLE FUTURE
IN AQUACULTURE

PROUDLY TASMANIAN SINCE 1949



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Message from the CEO

Mark Porter



Petuna was established in Tasmania 50 years ago and has always been a leader in sustainable industry practices.

Aquaculture now provides more than 50% of the world's seafood and is acknowledged around the world as being the fastest growing food sector, with global production expected to double by 2030. Sustainable aquaculture will, therefore, be important in providing sustainable food solutions for the world's growing population.

In our drive to produce a high quality product through sustainable, low impact techniques, we have made several multi-million dollar investments throughout the business. This starts with the new recirculation system at our Cressy Hatchery, resulting in a 95% saving in water use. Our marine farm at Strahan recently commissioned a state-of-the-art feed barge with automated feeding systems and underwater cameras to ensure minimal seabed impact. Meanwhile, the processing plant in Devonport has been redeveloped to capture efficiencies through automated gutting and filleting lines. Our new

harvest system has been recognised by industry leaders as "the most advanced harvest system in operation today" and has resulted in less stress on the fish and improved fish quality and welfare.

The business continues to grow and our production of Salmon and Ocean Trout is expected to increase significantly over the next five years.

We are committed to applying sustainable aquaculture practices and are well down the path to achieve the Best Aquaculture Practice (BAP) certification from Global Aquaculture Alliance, a leading industry organisation dedicated to advancing environmentally and socially responsible aquaculture and a safe supply of seafood to meet growing world food needs.

BAP certification defines the most important elements of responsible aquaculture and provides quantitative guidelines by which to evaluate adherence to those practices. We expect to achieve BAP certification by 2014.

Our Story



Peter and Una - Petuna's humble beginnings

Petuna began in Tasmania in 1949, after young professional fisherman Peter Rockliff met future wife and business partner Una while docked at Bridport in Tasmania's north east selling his catch. It is fitting Petuna is an amalgam of their first names, as from those humble beginnings it's truly been a team effort. Peter possessed a pioneering drive and Una an innate selling and marketing skill, which would combine to create Tasmania's largest multi-species seafood business from their outlet in East Devonport.

In the early days, the couple caught rock lobster, flathead and scallops and later ventured into deep sea fishing. Petuna was the name of their first boat, a 32ft vessel with a tiny cabin, followed by the construction of Tasmania's first deep sea vessel, the Petuna Endeavour. The latter is still operating today.

In the 1990s, the Rockliffs became involved in aquaculture and acquired a salmon and trout hatchery at Cressy and a water lease in Macquarie Harbour on Tasmania's West Coast. They have continued to grow Ocean Trout and Atlantic Salmon ever since and today own 50% of the farmed water space in Macquarie Harbour.

The now global business, with processing factory, smokehouse and value added processing facility, has been developed at the back of Una's original East Devonport retail outlet.

In 2004, Peter and Una were each awarded an Order of Australia medal for their contribution to the fishing industry. Their vision is for Tasmania to be recognised worldwide for quality and unsurpassed environmental excellence.



Sealord

Sealord Group Ltd, is a global seafood enterprise and leading seafood brand in New Zealand. It is one of the largest seafood companies in New Zealand in terms of sales, quota holdings and employees, and also one of the country's top 60 companies in terms of revenue. In 2010, Sealord Group Ltd acquired 50% of Petuna.



Petuna today

Currently the business is jointly owned by the Rockliff family and Sealord Group, which brought with it a worldwide fishing, processing and marketing network.

The combination of a family business with a global enterprise has enabled Petuna to move forward to the next stage of our growth and development. It has also enabled significant multi-million dollar state of the art investments, including a major upgrade at the Devonport processing plant and significant innovation in marine farm and hatchery infrastructure at Macquarie Harbour and Cressy. This is all while still being in touch with the needs and concerns of Tasmanian communities.

Our Products and Brands



“With it’s vibrant and intense colour, distinct marbling and creamy succulent texture, Petuna Ocean Trout has a pure clean taste which is smooth and velvety.”



Petuna Ocean trout

Petuna’s fine Ocean Trout (*Onchorhynchus mykiss*) are selectively bred and expertly nurtured, with only the best fingerlings from the Cressy hatchery transferred to our sea farm sites in the unspoilt expanses of Macquarie Harbour.

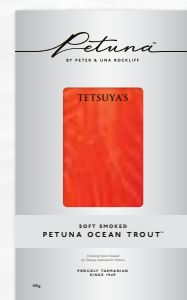
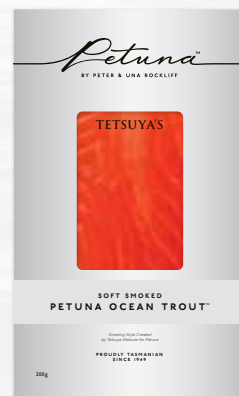
The fish thrive in the natural layered tannin waters of the harbour, which is ideal for growing premium quality Ocean Trout. It’s why Petuna Ocean Trout is often described as the “Wagyu of the Sea”.

Petuna Ocean Trout is well-known for:

- A renowned firmness and marbling of flesh.
- A high fat content, rich in Omega-3 oils and Omega-6.
- One of the highest nutrient fish, providing an excellent source of quality protein, vitamins and minerals.



Whole Ocean Trout



Soft Smoked Ocean Trout



"Petuna Atlantic Salmon has a smooth and mild flavour with a delicate texture. Rich in Omega 3 it is healthy as well as versatile, and can be barbecued, grilled, poached, smoked or baked."

Petuna Atlantic salmon

The smolt of Atlantic Salmon (*Salmo salar*) are reared to an average size of 100g at our Cressy hatchery, before being carefully transferred to sea farms in the wilderness-fed waters of Macquarie Harbour in Tasmania's beautiful West Coast. Petuna Atlantic Salmon flourish in a unique mix of fresh tannin waters from the mountains of the World Heritage listed Wild Rivers National Park over cool seawater from the Southern Ocean.

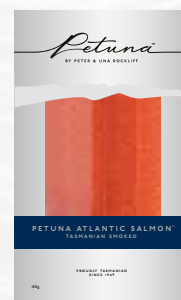
After stress-free harvest, the premium quality fish are transported to our export-accredited operations in Devonport to be prepared for market. Consistent, quality seafood is the hallmark of our business and underpins the Petuna brand.

Petuna Atlantic Salmon is well-known for:

- ♦ A smooth and mild flavour with a delicate texture.
- ♦ Being one of the richest foods in omega 3 fats.

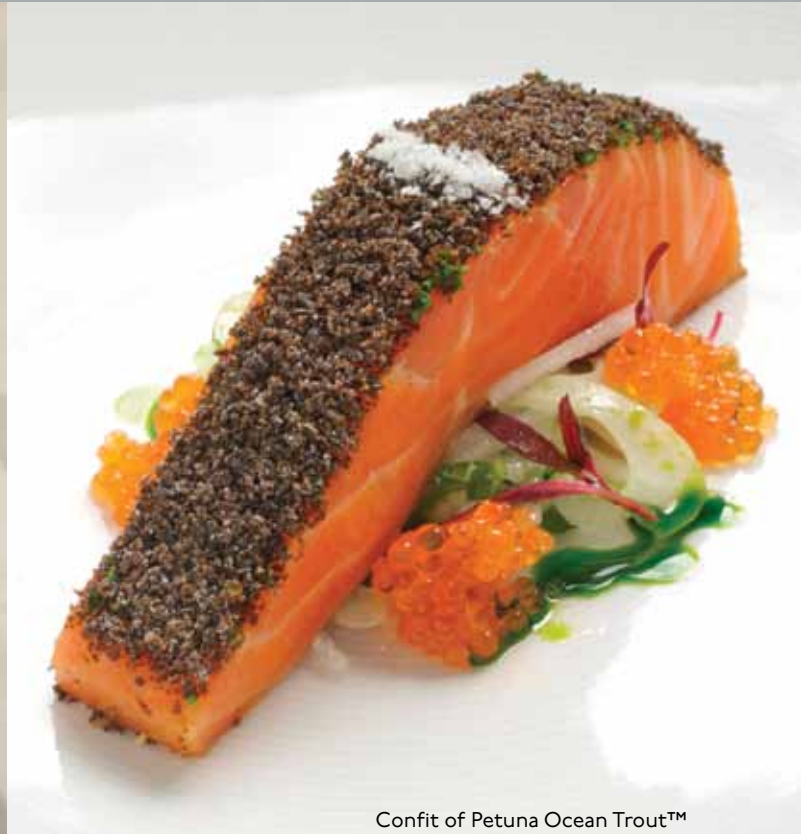


Whole Atlantic Salmon



Smoked Atlantic Salmon

Brand Ambassador



Confit of Petuna Ocean Trout™

Tetsuya Wakuda

Australian icon and world renowned, superchef Tetsuya Wakuda has been a hands-on ambassador for Petuna since arriving in Australia from Japan in 1982.

He first came to Tasmania to meet the Rockliffs, who supplied him with Petuna Atlantic Salmon for his restaurant.

He had no family in Australia and was quickly adopted as a much-loved son to Peter and Una, sharing a love of fishing and quality seafood ingredients, namely the Petuna Ocean Trout.

This pure and fine ingredient has strengthened the long standing relationship with the Rockliffs, and is the main ingredient in Tetsuya's signature dish, the "Confit of Petuna Ocean Trout".

Tetsuya Wakuda is one of the most respected and beloved chefs worldwide, with a unique style in the marrying of classical French technique with

the Japanese philosophy of using only natural and seasonal flavours. When selecting ingredients, Tetsuya has a great appreciation for quality and the relentless pursuit of excellence, making Petuna a natural fit.

Tetsuya's widely acclaimed 'Confit of Petuna Ocean Trout™' is the world's most photographed dish.

Petuna Ocean Trout has been the main ingredient in Tetsuya's signature dish for more than 20 years. Often referred to as the "Wagyu of the Sea™" it has a creamy succulent texture.

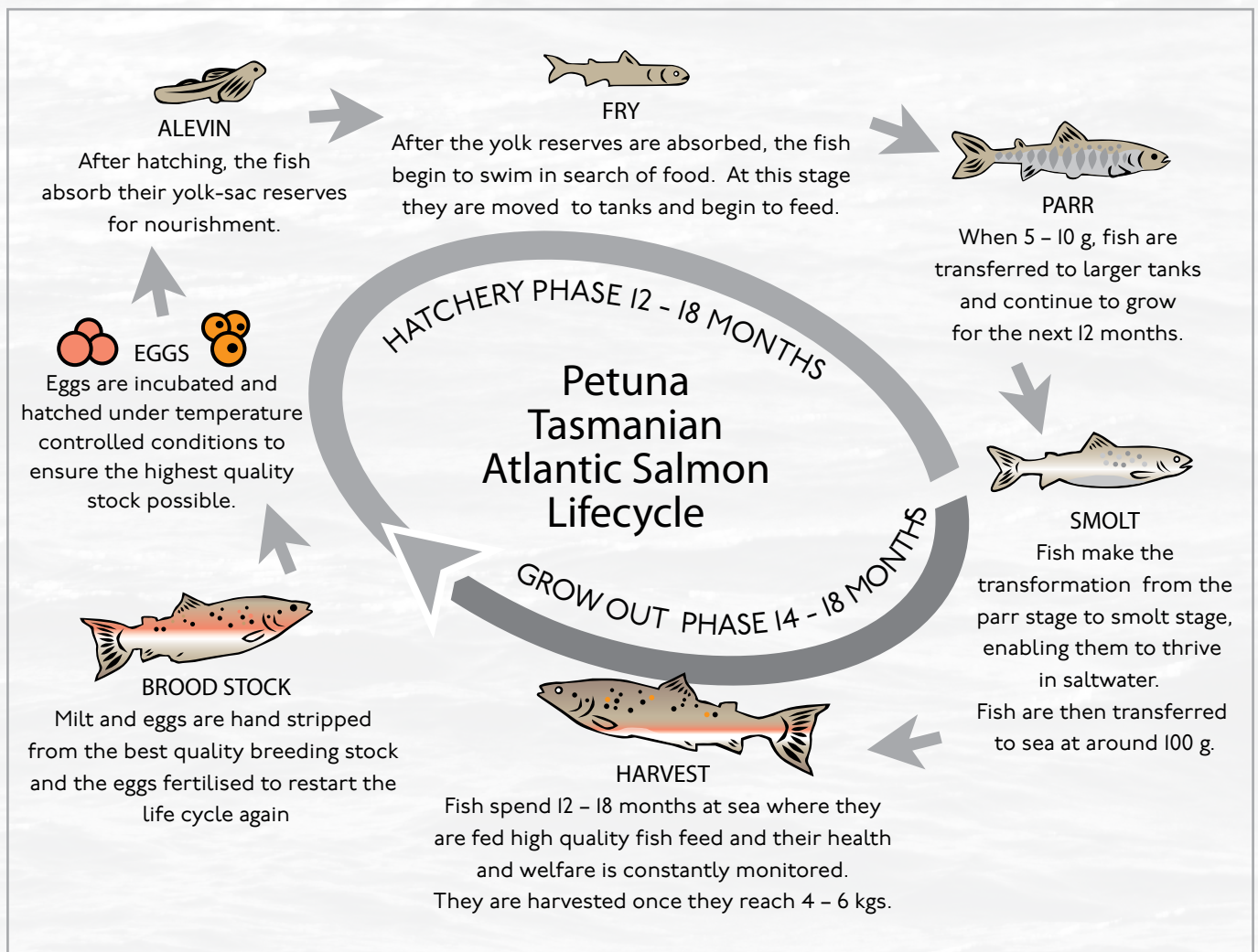
"The Petuna Ocean Trout, by Peter and Una Rockliff, is the key ingredient in my signature dish. It is the dish that everyone wants to try when they come to my restaurant. Its vibrant colour, purity of flavour and luscious marbled texture continues to shine and delight my patrons and guests."

TETSUYA WAKUDA.

Petuna Aquaculture Operations

Our business is 'vertically integrated' throughout Tasmania with the start of the life cycle beginning at Cressy:

- Hatchery located at Cressy in the state's North.
- Marine grow-out area in Macquarie Harbour on the West Coast
- Marine grow-out area at Van Diemen Aquaculture in Rowella, on the Tamar River in the Northern region.
- Head office, processing plant and distribution facility in Devonport.

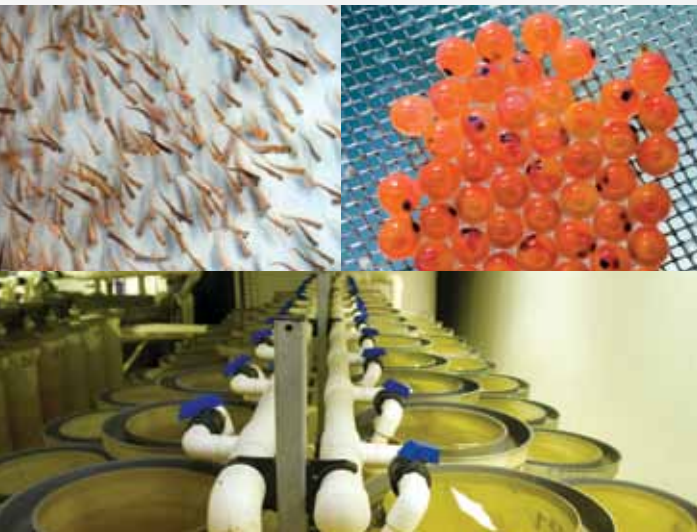


Fish Production Cycle



Broodstock

- Salmon and trout for breeding (broodstock) are maintained in flow-through ponds supplied with high quality water from the Great Lake.
- Every May and June, eggs are taken from selected female broodstock (breeding stock) and mixed with milt (sperm) from selected males.



Egg incubation

- Eggs are maintained in a recirculation hatchery, where hatching times can be predicted and optimal temperatures met to ensure best practice survival rates.
- Eggs are incubated in vertical upwellers with constant flowing clean water for four weeks, before 'eyed' eggs (where eyes become recognisable) are moved to hatching trays. Hatching begins after a further three weeks.
- The salmon, now known as alevin, begin to swim and feed on yolk reserves, which provides their nutritional requirements until first feeding begins about 21-28 days later.



Freshwater on-growing

- On-growing of fry continues in a recirculation facility, where water quality, temperature control, biosecurity protocols and automated feeding systems are monitored.
- When between 5-10g, fish are transferred to outdoor tanks and earthen ponds and grown until ready for the transfer to Macquarie Harbour or Tamar River marine sites when reaching about 100g.
- Artificial lighting helps the fish make the transformation from the parr to smolt stage (a process known as smoltification – a series of physiological and morphological changes which enable the fish to thrive in a saltwater environment).
- Fish are hand graded to ensure only the highest quality is stocked into the marine sites and assessed on their ability to transition into seawater.



Transport to Macquarie Harbour / Rowella

- Fish are transferred to the marine sites in Petuna's custom designed fish transport tankers, where water temperature and dissolved oxygen levels are monitored throughout the journey.
- Tankers reach the marine leases via a barge, with Macquarie Harbour water mixed into the tankers to ensure optimal acclimation to their new environment prior to transfer.



Marine on-growing

- Fish are stocked in floating cages at some of the lowest commercial stocking densities in the world (12kg per m²).
- Fish are fed from boats or via the new automated feed barge system. Underwater cameras assess feeding behaviour and ensure maximum feed conversion and minimal environmental impact.
- Year class separation exists between our seawater sites in line with industry best practice for biosecurity.
- Fish spend 14 to 18 months on the marine sites prior to harvest.



Harvest

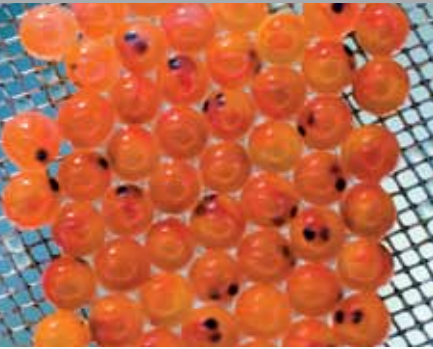
- We recently commissioned a specialised harvest barge to harvest fish with greater efficiency while reducing fish stress and maximising product quality.
- The harvest tankers are taken by barge to the cages to receive the fish. The new harvest system results in fish transferring from sea to being chilled in a tanker in less than 40 seconds.
- Our new harvest system has been recognised by industry leaders as "the most advanced harvest system in operation today".
- This system exceeds world's best practice for fish farm welfare.



Transport

- Specially designed tankers, unique to Petuna, are filled with a mix of seawater and slurry ice made on site to keep the fish fresh and transport them from marine sites to the Devonport processing facility 3 hours away.

Cressy Hatchery and Freshwater Grow Out



Sustainable practices at Petuna start with the commercial breeding program at our hatchery near the rural township of Cressy. The hatchery is located a short distance from the central highlands, an area renowned for lakes of cool, clean water. The pure water flows through the hatchery via the pond and recirculation systems. This water is critical to giving the Ocean Trout and Salmon hatchlings the best possible start in life.

We are committed to balancing the social, environmental and economic management of our seafood business, placing great emphasis on the quality of our breeding stock. Broodstock are nurtured and their offspring carefully reared and hand-graded, before transporting the best fingerlings to the sea farms on Tasmania's West

Coast and Tamar River.

Growth focused investment

Expansion of the Cressy hatchery began with new, larger tanks to enable the business to double its production. The next phase replaced an old 'flow through' hatchery, with a state-of-the-art recirculation system and first feeding unit.

It complements the three egg incubation systems, which allow the business full control of water quality and temperature.

Phase three, recirculation smolt facility which is currently under construction, will allow a further three million juvenile fish to be produced using 95% less water in comparison to traditional flowthrough technology.

Van Diemen Aquaculture – Rowella Marine Farm

The Rowella Marine Farm operation is situated on the Tamar River in Rowella in the state's North, near Launceston. This farm grows Atlantic Salmon exclusively for the Petuna brand, filling a supply window between June and January each year.

It began operation in 1998 at a small trial site about 1km upstream from the existing site. Farming began at the present site in early 2000, with the installation of four steel cages. Since, it has expanded from four to 28 cages using a Norwegian-style system.

Brass-cage technology and walkways linking sea cages in the Tamar River to the shore make Rowella unique among aquaculture sites in the southern hemisphere. No other sites use a steel cage platform with a fixed link to the shoreline to enable vehicular and pedestrian access. This means feeding and harvesting are conducted without any need for boats.

The company does not need a fleet of boats to operate, smolt are delivered by pipe direct from shore to cage on arrival and feed is delivered from a shore-based storage facility by pipeline to each cage and harvest fish are pumped ashore to a purpose-built harvest facility.

Strong river flow and tidal movement lends itself to a continual supply of well oxygenated water. This leads to excellent fish muscle development. The farm itself is renowned for producing good yields and flesh condition.

The benefits of the farm are its isolation from other marine farms. It is a high-energy site, with good environmental outcomes and has no seal losses, no antifoulant chemicals used on nets and no antibiotics in 10 years.

The Rowella site grows 2800 tonne of Salmon per year and employs 25 people. The smolt and Salmon are 100% supplied by Petuna.

The farm is owned by Van Diemen Aquaculture Ltd, of which Petuna is a major shareholder.



Macquarie Harbour marine farm

Macquarie Harbour is a body of water six times the size of Sydney Harbour, located deep in Tasmania's south-west wilderness. It has a rare layering of cool, fresh water from the World Heritage listed Gordon River over seawater from the Southern Ocean, making it perfect for growing premium quality Ocean Trout and Atlantic Salmon.

Petuna Pioneered the production of fish in Macquarie Harbour, where the unpolluted waters provide a competitive advantage in terms of fish growth and welfare.

Maintaining the integrity of such a pristine environment and limiting the impact on the natural ecosystem is vitally important to the Petuna. We use responsibly sourced fish feed, maintain low stocks of fish in pens and use industry best technology to prevent farmed fish escaping into the wild.

Why our fish thrive

The fingerlings are transported into the pristine Macquarie Harbour from their hatchery nursery at Cressy. Fish are stocked in floating cages at some of the lowest commercial stocking densities in the world. Underwater cameras not only assess feeding behaviour, but also minimise environmental impact.

After 14 to 18 months on the marine sites, a specialised harvest barge will harvest the fish. The harvest tankers are taken by barge to the cages to receive the fish and transport them back to the Devonport processing facility.

This system, which is regarded as the most advanced harvest system by industry professionals in operation today, results in fish transferring from sea to tanker in less than 40 seconds.

Growth focused Investment

Petuna, in cooperation with the two other Salmon farming companies in Macquarie Harbour, welcomed an expansion of the marine farming lease areas during 2013.

We took the lead in researching and initiating this expansion. During a four-year period, the industry spent more than \$500,000 on developing world leading environmental modelling and monitoring programs for Macquarie Harbour to understand and manage impacts on the ecology of the area. For us, it's important existing and future development in the harbour is sustainable.

More than \$24 million has been invested in farm infrastructure, including pens, nets, mooring systems, feed and harvest systems and vessels for Macquarie Harbour. The expansion will assist the entire industry in meeting forecast sales demand of \$500 million by 2015 and \$1 billion by 2030.

We looked at the analysis surrounding the Social Return on Investment for the development, assessing how we could create social value in local communities. The expansion has led to increases in employment opportunities on the West Coast, both directly



Macquarie Harbour marine farm

through aquaculture operators and indirectly through businesses which service the aquaculture industry.

Along with jobs, it has also resulted in building up the West Coast's social infrastructure through our land-based activities being undertaken on the West Coast.

We have worked with the local community for more than two decades to ensure community values and concerns are always considered. As a result, we relocated three existing lease sites away from highly valued community recreational fishing areas and took onboard suggestions by the West Coast tourism community.

Environmental future

This modelling program development, initiated by us, provided the catalyst for us to work with others in the industry to commission the first Joint Environmental Impact Assessment and Development Application in the industry. The three companies put together the most extensive environmental assessment of the expansion ever undertaken in Tasmania for a marine farming development.

As part of this process, we shared our environmental management developments with the other two major industry operators and government with the aim of ensuring any harbour development was managed and conducted in a sustainable fashion.

We have now developed sophisticated environmental modelling and monitoring programs for the Macquarie Harbour marine farming operations to ensure current and future development in the harbour is sustainable.

The foresight in the expansion and long-term sustainability of our salmonoid aquaculture industry through responsible practices showcases our leadership and commitment to the industry.

This is part of our strategy to continually be leaders within our industry when it comes to setting the benchmark for sustainable practice. It also ensures we can continue to tell our clean, green story.



Devonport Processing Plant

Petuna's East Devonport processing plant was redeveloped and upgraded in 2011 and is now a state-of-the-art processing facility and smokehouse, where fish are expertly processed and packaged for Tasmanian, national and international destinations. Export markets include the United States, Japan and South-East Asia.

Value adding takes place here, including hot and cold smoking and the preparation of fillets and other portions. Our smoked Atlantic Salmon and Ocean Trout have a smooth flavour and succulent texture. This natural and traditional smoking technique has remained unchanged over the decades.

Our traditional method involves applying spices by hand to our fillets, which creates a delicious artisan product. Following the application of spices, our experts rest the fillets to ensure there is a depth and richness of flavour. The fillets are then cold smoked using local Tasmanian Oak and then sliced, packaged and ready to enjoy.

We adhere to the highest quality health and safety standards for each Petuna product, with stringent control placed on temperature and hygiene. While the process is automated to a great extent, a more boutique approach with hand grading allows for greater precision in evaluating each fish for its end destination, ranging from being used for the value-add line through to top restaurants around the world.

Each supplier, many of which are Tasmanian-owned businesses, also meet Petuna's high standards and compliance requirements.

By-products from processing are converted into fish meal and oil, mixed with green waste to form compost and used as a protein and flavour concentrate for the pet food industry.

Efficiency focused investment

A \$9 million expansion and upgrade at the processing plant has enabled us to employ further staff and easily double production through this facility. A portion of the funding for the project came from the North West and Northern Tasmanian Innovation and Investment Fund, which was jointly financed by the state and federal governments. This project has enabled our business to meet the changing needs of our customers by enhancing our processing and product development capabilities.

Further investments to upgrade our filleting, packaging and smokehouse capacity are ongoing as we seek to improve productivity and provide capacity for growth.





Our Environmental Management Plan

The Environmental Management Plan (EMP) provides the framework for monitoring within and around the farm lease boundaries to ensure minimal impact on the environment.

The EMP was approved by the State Environmental Protection Authority and we are working towards preparing for third party certification to ISO14001 standard.

We have also started implementing Best Aquaculture Practice standards, an international standard, and incorporating them into our EMP. The main areas that will be covered are; best practice environmental and social responsibility, fish health and welfare, food safety and traceability systems, and employee safety and relations.

Benthic and water quality management

- Petuna is committed to limiting any impact of nutrient inputs (dissolved and particulate) into the marine environment wherever possible and adhering to both the monitoring and reporting required by DPIWE Marine Farming Branch and the 'Area Management Agreement' for Macquarie Harbour.
- Sophisticated feeding systems, including underwater cameras, help to limit wasted feed.
- Under the Macquarie Harbour Area Management Agreement (MHAMA), each month we record and report to Government on:
 - Ambient salinity, dissolved oxygen, temperature.
 - Phytoplankton (species and quantity).
 - Water quality.
 - Benthic surveys – sediment impacts (annual and as-required).
- Petuna is an active participant in Tasmanian Salmon Growers Association (TSGA) and Fisheries Research and Development Corporation (FRDC) funded projects:
 - Macroalgal monitoring in Macquarie Harbour – providing baseline data on the distribution and abundance of macroalgae in the harbour.
 - Benthic monitoring in Macquarie Harbour – project investigating nutrient flux from sediment cores collected in the harbour.

Environment

Wildlife interactions

- ♦ Marine wildlife such as birds and seals abound in an area next to the South West World Heritage area. Wildlife interactions are minimised through a number of key husbandry practices. We maintain heavy, large meshed bird netting over all cages to avoid entanglement and to separate birds from the fish.
- ♦ Continual vigilance in monitoring the condition of cage nets, combined with extremely tight netting and no false bottoms prevents seal ingress. There were zero cage breaches in the past three years.
- ♦ Petuna has a policy of no lethal interaction when it comes to wildlife and we do not routinely practice seal relocation or use of deterrent devices. Petuna has had no seal fatalities in the past 16 years.
- ♦ A 'predator and wildlife interaction plan' has been developed as part of our commitment to BAP standards.
- ♦ Petuna is an active participant in a TSGA and Fisheries Research and Development Corporation (FRDC) funded project to investigate the endangered Maugean skate in Macquarie Harbour. Little is known about its biology and this project will increase our understanding of the potential ecological effects of farming operations on this species.

Packaging

Petuna is a signatory to, and supporter of, the Australian Packaging Covenant. The Covenant is the voluntary component of a co-regulatory arrangement for managing the environmental impacts of consumer packaging in Australia. It is an agreement, based on the principles of shared responsibility through product stewardship, between key stakeholders in the packaging supply chain and all spheres of government. The Covenant is designed to minimise the environmental impacts from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials.



Environment

Energy Use

We will commission our first energy audit during 2014 as an important first step in assessing how much energy we use in producing Atlantic Salmon and Ocean Trout. This study will detail which areas to concentrate our efforts in making energy efficiencies.

The energy audit will cover all aspects of the production life cycle, including the hatchery, seawater sites and processing factory. It will also look at key suppliers, such as contract freight companies, which cover feed into sites and fish transports.

An action plan and targets for energy reduction will be put in place as part of an ongoing process for energy efficiency.

Fish By-product Generation and Recovery

By-products generated as part of the process activities in the Devonport factory are diverted away from the landfill disposal options that were traditionally the depository for by-products from seafood processing. The high quality organic by-products generated are converted into usable proteins like fish meal and oil, mixed with green waste to form compost and used as a protein and flavour concentrate for pet food.

Recycling

In addition to fish by-product, there are packaging wastes made up of cardboard, paper, soft plastics and polystyrene. We segregate these packaging wastes into recyclable and non-recyclable materials. Diverting the recyclable component of this total packaging waste stream has resulted in a reduction of 25 tonnes a year of packaging waste going to landfill.

Ethical Standards Policy

- ♦ We conduct our business in full compliance with relevant laws and are guided by the values of integrity and honesty. This policy covers the way we deal with customers and consumers, our suppliers, our people, our environmental commitments and the community.



Fish Health and Welfare

We actively manage the health and welfare of our fish stocks. This process is supported by a Fish Health Management and Biosecurity Plan (FHMBP) for the Strahan marine farm and Cressy hatchery. These plans are critical to the successful and sustainable operation of the Petuna sites.

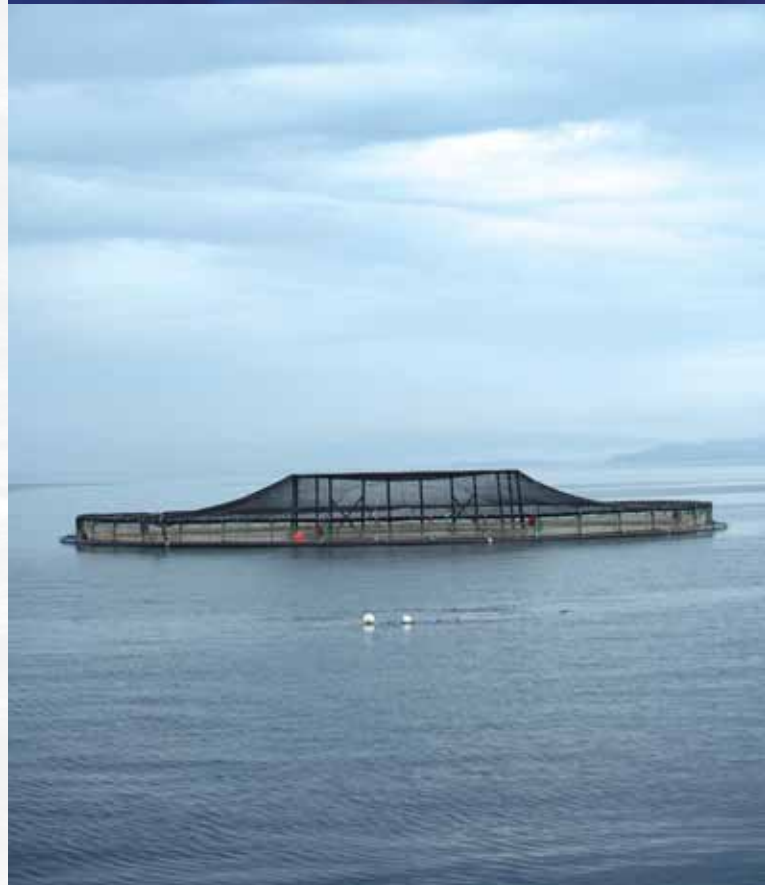
Our objective is to ensure the continued efficient production of healthy, high quality Atlantic Salmon and Ocean Trout for our customers. Fulfilment of these plans is also a requirement for Petuna's commitment to the MHAMA and is aligned with the Macquarie Harbour 'Fish Health Management Plan'.

There are three key aspects to health management:

- ♦ The regulatory environment in which the farm operates,
- ♦ The day-to-day procedures employed at the farm (underpinned by clearly documented standard operating procedures), and
- ♦ The maintenance of accurate records by the staff.

The maintenance of effective biosecurity at Petuna is a shared responsibility. The farm maintains a constant vigilance towards fish health and biosecurity through close monitoring of fish stocks, employment of a dedicated environmental and fish health officer, using the services of a government veterinary diagnostic laboratory and our aquatic veterinarian monitoring fish from egg to harvest. All staff are committed to the FHMBP and this commitment is underpinned through regular training.

Recent investments in smolt transport tankers, net washing machines and harvest equipment help ensure high standards of fish welfare are maintained at all times.



Fish Feed

At Petuna, we pride ourselves on producing the healthiest and best quality fish using high grade aquaculture feed.

Feed is purchased from Ridley Aquafeed and Skretting Australia, which have dedicated Australian feed manufacturing plants. Products are manufactured in accordance with:

- ♦ Full traceability requirements
- ♦ ISO 9001 Quality Management System Standards
- ♦ Audit Standard: AS/NZS ISO 9001:2008
- ♦ HACCP certification (General principles of Food Hygiene)
- ♦ FeedSafe certification (Stockfeed Milling Industry code of Good Manufacturing Practice)

The diets for our Atlantic Salmon and Ocean Trout are carefully formulated by the feed manufacturers to contain protein, carbohydrate, lipid and essential vitamin and minerals for optimal growth and welfare. Although a proportion of the diet uses wild sources of fish meal and fish oil, these are from internationally accepted sustainable resources which are strictly monitored. The inclusion of these ingredients in their diet has reduced by more than 50% for fish meal and more than 80% for fish oil during the past five years.

Alternatives such as terrestrial animal proteins and oil derived from processing bi-products, together with vegetable proteins and oils, form more than 70% of today's diets. We work constantly with our feed providers to optimise diet formulations and reduce our dependence on marine sources.

It is a common misconception the production of 1kg of salmon requires several kilograms of wild fish. At Petuna this value is 1.65kg of marine protein and oil per kilogram of salmon. By 2015, we aim to have a fish-in-fish-out ratio of less than 1.4kg.



Food Safety and Quality

Petuna's food safety and quality management systems are certified and audited by an independent third party.

Sustainable Development

We are committed to the goal of sustainable development and balance social, environmental and economic considerations in managing our business. We believe operating to leading standards of health, safety and environmental management contributes to the development of sustainable communities and is good for business.

Sustainability is key to our business and provides a framework for focusing on and enhancing good business practice. This, in turn, contributes to shareholder value, customer satisfaction and respect and improved social and economic outcomes.

We aim to preserve the long-term health, function and viability of the natural environments affected by our operations. To achieve this we adhere to:-

System	Certification	Certifying Authority
HACCP certified food management system	Compliance with regulations	NCS International Pty Ltd
Woolworths Quality Assurance (WQA)	Certificate of attainment to the Woolworths Quality Assurance Standard	NCS International Pty Ltd
Approved arrangement	Certificate of registration to export	Australian Quarantine Inspection Service
Nestle Australia	Ethical trade standard audit	SGS
Best Aquaculture Practice	BAP certification	Global Aquaculture Alliance



Wild Caught Fish

Deep-sea fishing vessel the *Petuna Endeavour* is owned by Peter and Una Rockliff, who charter the vessel to the other Rockliff and Sealord Group joint venture business - Petuna Sealord Deepwater Fishing. It catches Pink Ling, Blue-eye Trevalla, Coral Perch, Ribaldo and other premium species to distribute nationally. Petuna Endeavour was the first trawler built in Tasmania when Peter had it commissioned in 1979 and today fishes in waters around Tasmania, South Australia, Victoria and Queensland.

The other chartered vessel, Sealord's state-of-the-art trawler *Rehua*, arrives from New Zealand and catches Blue Grenadier on the West Coast of Tasmania. It processes, fillets, packs and freezes the catch on board the vessel and the by-product is made into fish meal. It arrives in Devonport after 30 days, unloading finished product and fish meal to be exported worldwide. Each trip is alternated between the Devonport and New Zealand bases.

For wild fish, sustainability means ensuring fish stocks are at healthy levels and minimising the impact of fishing equipment on the marine environment. Petuna is the largest quota holder of wild caught species in Australia's south east fishing trawl. We've been heavily involved with the Australian government and scientific community in identifying fish stocks and biomasses. We adhere to some of the toughest regulations in the world, with a strong emphasis on the importance of quota systems and marine park zoning for long-term sustainable fishing.

In 1991 when Petuna began fish farming, farming accounted for 20% of the business and wild caught 80%. It is now 85% fish farming and 15% wild caught. However, the wild caught remains an important part of the business. Being a multi-species business is where our roots lie and sets us apart as the largest fully integrated seafood company in Tasmania.



Blue Grenadier (HOKI)



Blue Eyed Trevalla



Pink Ling

Our People

Petuna is one of the largest employers in Tasmania. More than 240 people work in the hatchery, marine farms, processing facility, head office and on fishing boats. At Petuna we have always known our people are our best asset and pivotal to our on-going success.

We are fortunate to have employed self-motivated Tasmanians who are continually looking for new ways to improve product quality and customer satisfaction. Our people take pride in ensuring Petuna continues to produce Australia's finest seafood products, including our iconic Petuna Ocean Trout and Atlantic Salmon products.

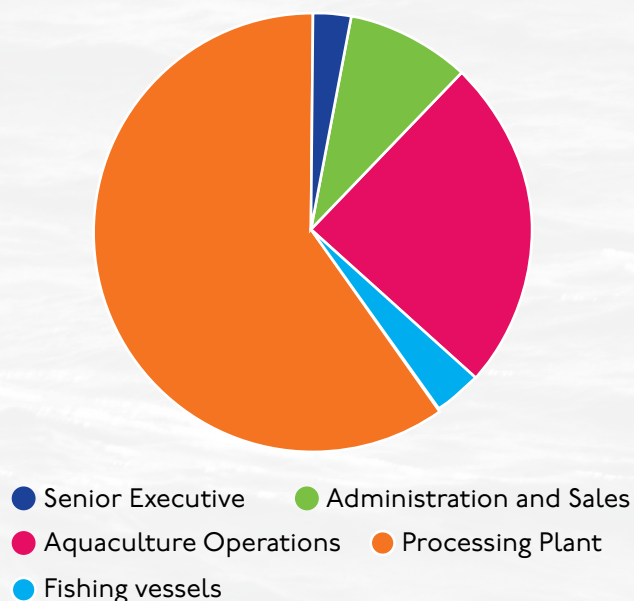
Health and Safety performance

Our goal is 'no injuries'. We continue to work hard on improving our health and safety systems, policies, procedures and strong safety culture across all our sites. We have committed resources to ensure our safety performance meets our high expectations.

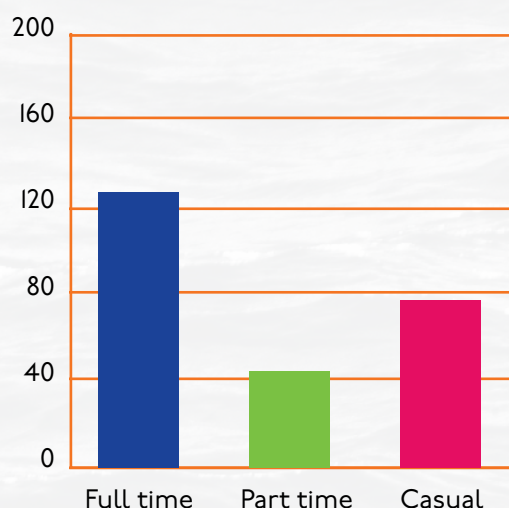
We operate strong corporate governance principles regarding health and safety. A company safety committee is in place, made up of people from all levels and all sites across the business. The committee, chaired by the CEO, meets monthly and all identified hazards, risks and incidents are reviewed and action taken. There is regular and prompt reporting to the Petuna Board of Directors and is the first item on the agenda at board meetings.

12 month rolling	Y/E June 2011	Y/E June 2012	Y/E June 2013
LTIFR (lost time injury frequency rate) Number of LTIs/total hrs worked x 1 million hrs	33.5	33.1	31.9
Number of Lost Time Injuries	12	10	12

Workforce by Department



Workforce by Employment



Our People

Diversity and Equal Opportunity

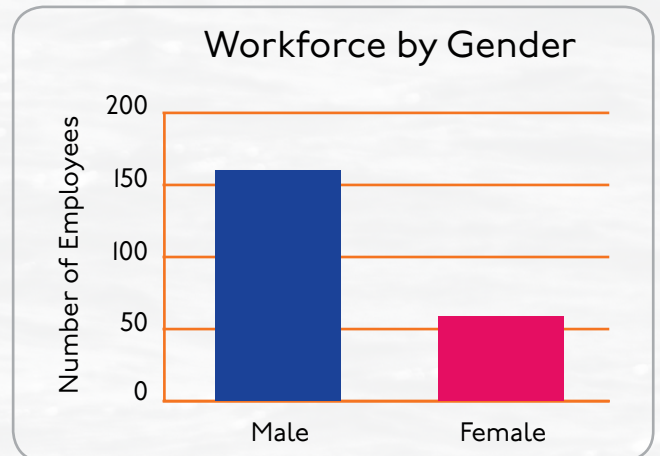
Petuna employs people from a range of backgrounds. We pride ourselves in having a strict no discrimination policy based on race, religion, disability, age or gender. We have a multicultural workforce with a wide range of qualifications and skills across the business.

Employee Benefits

Our people and their welfare come first at Petuna. We provide annual free flu vaccinations, an externally managed confidential employee assistance program and alcohol and drug education, an active social club and free health evaluation checks. In addition, staff can purchase seafood from the Petuna shops at discounted prices.

Training and Development

Helping our people develop and grow through the business is important. Employees are trained on key automated processing equipment and seafood specific programs. A number of people are going through Certificate 3 and 4 in Seafood Processing, along with training being conducted in logistics and frontline management to tertiary and executive levels. Training and development is a priority for the business and the number of training hours is expected to increase significantly going forward.



Community Activities



As a Tasmanian business employing Tasmanian people, Petuna has always been conscious of giving back to our local communities. We have a particular focus on supporting areas where our employees are based – Strahan, Cressy, Rowella and Devonport.

Donations and sponsorship aid organisations with costs for putting on dinners, competitions and raffles that, in turn, help strengthen these communities. Product donations also enable the wider community to experience Petuna's quality seafood firsthand.

We have provided product donations and sponsorship to:

- ♦ **School activities** – school fairs and fundraisers across the North West and West Coasts of Tasmania. We provide product and expertise to the Devonport High School Whirlpool Challenge to foster young talent in the cooking field.
- ♦ **Progress and development associations** – Strahan Progress Association, Regional Development Australia, Department of Economic Development and Chamber of Commerce.
- ♦ **Sporting clubs** – numerous Tasmanian football, golf and cricket clubs.
- ♦ **Recreational fishing** – Broodstock from the Cressy hatchery is provided to Inland Fisheries to stock lakes for recreational fishing. Product is also provided for social events.
- ♦ **Charity and health organisations** – Save The Children Fund, Prostate Cancer Foundation of Australia, Cancer Council of Tasmania and Rotary Health.
- ♦ **Clubs and community groups** – Rotary and Apex clubs and Tasmanian Show societies.
- ♦ **Social events** – Breathe of Life Concert
- ♦ **Food and wine festivals** – Petuna teams with chefs to showcase product at The Taste in Hobart, Festivale in Launceston and the Devonport Food and Wine Festival.

We are a founding member of Brand Tasmania, started by the late Jim Bacon. Now, all products proudly display the Brand Tasmania logo. This is our way of supporting the Tasmanian food industry.

It has always been important to founder Una Rockliff that the community has access to local produce, hence the Devonport and Launceston retail shops. The Devonport shop began when, in the early days, Una wanted to increase returns so began selling to consumers direct from the Devonport wharf after phoning in the catch to the local radio station. With this set up causing the boat to be docked for too long, Peter encouraged her to move into the Devonport retail shop where it remains today. Although the proportion of Petuna sales sold locally is small relative to the total business, Tasmania remains integral to Petuna's heritage.

Petuna Group

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Cressy Hatchery

Strahan Marine Operations

Van Diemen Aquaculture – Rowella





Origin

Petuna Ocean Trout & Atlantic Salmon
come from the remote south-west coast of Tasmania,
where the cool wilderness waters of the Franklin-Gordon Rivers,
collide with the salt water of the Great Southern Ocean.

Petuna

BY PETER & UNA ROCKLIFF