

Report for Tassal Operations Pty Ltd:

Huon Region cluster

MF 185 Tin Pot Point (GTB1) and MF 203 Partridge Island (GTB2)

First Surveillance Audit
Aquaculture Stewardship Council (ASC)
Salmon Standard V1.0

Tassal Operations Pty Ltd
Level 9, 1 Franklin Wharf, Hobart 7000 Australia

USING: ASC Salmon Standard V1.0 June 2012

AUDITORS: Dr. Christine Crawford, Joseph
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ONSITE DATES: 23-25 November 2015

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Acronyms

| | |
|--------|---|
| ABM | Area Based Management |
| ABN | Australian Business Number |
| ACN | Australian Company Number |
| ADAS | Australian Diver Accreditation Scheme |
| ADD | Acoustic Deterrent Device |
| AHD | Acoustic Harassment Device |
| AGD | Amoebic Gill Disease |
| AMA | Area Management Agreement |
| AMAMG | Area Management Agreement Management Group |
| AMBI | AZTI Marine Biotic Index |
| ANZECC | Australian and New Zealand Environment and Conservation Council |
| APC | Australian Packaging Covenant |
| APVMA | Australian Pesticides and Veterinary Medicines Authority |
| ARV | Aquareovirus |
| ASC | Aquaculture Stewardship Council |
| ASI | Accreditation Services International |
| ASX | Australian Stock Exchange |
| ATO | Australian Taxation Office |
| AWU | Australian Workers' Union |
| AZE | Allowable Zone of Effect |
| BAP | Best Aquaculture Practices |
| BEMP | Broadscale Environmental Monitoring Program |
| BOD | biochemical oxygen demand |
| BQI | Benthic Quality Index |
| CAB | Conformity Assessment Body |
| CoC | Chain of Custody |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation |
| DO | Dissolved Oxygen |
| DPIPWE | Department of Primary Industry, Parks, Water and Environment |
| eFCR | Economic Feed Conversion Ratio |
| EIS | Environmental Impact Statement |
| EMP | Environmental Management Plan |
| EMPCA | Environmental Management and Pollution Control Act 1994 |
| EPA | Environmental Protection Authority |
| EPN | Environment Protection Notice |
| EUL | Estimated Unexplained Loss |
| FCR | Feed Conversion Ratio |
| FFDRo | Fish Oil Forage Fish Dependency Ratio |
| FFDRm | Fishmeal Forage Fish Dependency Ratio |
| FHMP | Fish Health Management Plan |
| FM | Fish Meal |
| FO | Fish Oil |
| FRDC | Fisheries Research & Development Corporation |
| FY | Financial Year |
| GHG | Greenhouse Gas |
| GJ | Gigajoule |
| GMO | Genetically Modified Organism |
| HAC | Huon Aquaculture Company |
| HO | Head Office |

| | |
|---------|--|
| HOG | Head On Gutted |
| HoS | Head of Sustainability and fish health |
| HPLC | High-performance liquid chromatography |
| IHN | Infectious haematopoietic necrosis |
| IMAS | Institute of Marine & Antarctic Studies, University of Tasmania |
| IPN | Infectious pancreatic necrosis |
| ISA | Infectious salmon anaemia |
| ISEAL | International Social and Environmental Accreditation and Labeling Alliance |
| ISO | International Organization for Standardization |
| IUCN | International Union for Conservation of Nature |
| kWh | Kilowatt Hour |
| LCA | Life Cycle Analysis/Assessment |
| MF | Marine Farm |
| MFDP | Marine Farming Development Plan |
| MOPs | Marine Operations |
| MSC | Marine Stewardship Council |
| MSDS | Material Safety Data Sheets |
| MT | Metric Ton |
| mWh | Megawatt Hour |
| NC | Non-conformity |
| NES | National Employment Standards |
| NRM | Natural Resource Management |
| OIE | World Organization for Animal Health |
| OTC | Oxytetracycline |
| PPE | Personal Protective Equipment |
| QA | Quality Assurance |
| RLO | Rickettsia |
| RM | Regional Manager |
| RTRS | Roundtable for Responsible Soy |
| SAD | Salmon Aquaculture Dialogue |
| SAI | Social Accountability International |
| SHWG | Salmonid Health Working Group |
| SOMV | Salmon Orthomyxovirus |
| SOP | Standard Operating Procedure |
| SPC | Soy Protein Concentrate |
| SRAC | Sustainability Report Advisory Committee |
| SROI | Social Return on Investment |
| TARFISH | Tasmanian Association for Recreational Fishing |
| TASI | Tasmanian Aboriginal Site Index |
| TPDNO | Total Permissible Dissolved Nitrogen Output |
| TSGA | Tasmanian Salmonid Growers Association |
| TSIC | Tasmanian Seafood Industry Council |
| WDP | Waste Disposal Plan |
| WHS | Work Health and Safety |
| WHO | World Health Organization |
| WIP | Wildlife Interaction Plan |
| WPA | Workplace Partnerships Agreement |

1 Summary

Since the full assessment for Tassal Operations Pty Ltd.'s (Tassal) salmon culturing cluster sites marine farms MF 185 Tin Pot Point and MF 205 Partridge Island in 2014, these farms have increased in size with an extra four pens added to each lease. The allocation of cages on the farms have been reconfigured and the names of the farm sites have changed from Partridge Island to Great Taylors Bay (GTB) 2 and Tin Pot Point to GTB 1. These two farm sites in the D'Entrecasteaux Channel are within the scope of this full surveillance audit and showed good overall compliance to the Aquaculture Stewardship Council (ASC) salmon standard. The assessment team evaluated the operations against the ASC Salmon Standard V. 1.0 June 2012.

Overall progress against the 12 non-conformities (NCs) identified during the full assessment of the farm sites MF 185 Tin Pot Point and MF 203 Partridge Island and improvements following the action plans were assessed during this first surveillance audit.

During the full assessment the following non-conformities were observed: two NCs in Principle 2 (Conserve natural habitat, local biodiversity and ecosystem function), one related to feed testing, and one to an internal system that would make lethal incidents publically available within 30 days. There was one NC in Principle 3 (Protect the health and genetic integrity of wild populations) which was about the development of an area based management plan. One NC in Principle 4 (Use resources in an environmentally efficient and responsible manner) related to the feed ingredients used at the farming sites. There were three NCs in Principle 5 (Manage disease and parasites in an environmentally responsible manner). The first related to the frequency of farm site visits by the company vet, the second to unexplained mortalities more than 40% at the farm sites and the third one deals with the records on chemical and therapeutant use. Two NCs were identified in Principle 7 (Be a good neighbor and conscientious citizen): the first one about informing the community regarding antibiotics treatments and potential health risks is associated with two compliance criteria, the second one is about consultations with aboriginal groups which is also covered under two compliance criteria. In Section 8 (Requirements for suppliers of smolt) three NCs were identified. One NC was about records on chemical and therapeutant use at the hatcheries, the second NC was about consultation with aboriginal communities in relation to the hatcheries and the third was in relation to dissolved oxygen (DO) measurements in effluent of the semi-open hatchery system at Saltas.

The review of corrective actions at the 2015 surveillance audit resulted in the closure of 10 NCs from 2014, whilst 2 NCs were upgraded to Major despite efforts to close them. These two majors were for quarterly testing of feed and unexplained mortalities. Two new Minor NCs were identified at this surveillance audit: one (1) in Principle 7 (Be a good neighbor and conscientious citizen) about biannual meetings with the community, and one (1) against Section 8 (Requirements for suppliers of smolt) related to quantity of total phosphorous released at the hatchery.

2 Background of Farm and updates to Farming operations

Tassal is the largest salmon aquaculture company in Australia, employing over 950 people. A vertically integrated company, Tassal operates two salmon hatcheries, three processing facilities, two retail outlets and marine farms in six regions throughout the state. Tassal is producing salmon predominately for the Australian market, and has a retail presence in over 3,357 outlets around Australia. Tassal Group Pty Ltd is an ASX 200 public company listed on the Australian Securities Exchange. Including Huon, it has six regional farming sites.

The Tassal cluster of sites assessed during this surveillance audit, MF 203 Partridge Island (now GTB 2) and MF 185 Tin Pot Point (now GTB 1), are located within Zone 18A of the D’Entrecasteaux Channel Marine Farming Plan area, at the entrance of Great Taylors Bay, the southernmost bay on the western side of Bruny Island (Figure 1). Zone 18A is located approximately 1.7km north-east of Butlers Point and 2.1km north-west of Tin Pot Point. Boundaries of this zone are defined in the D’Entrecasteaux Channel Marine Farming Development Plan (MFDP) February 2002. The area of the zone is approximately 442.91 hectares with a Maximum Leasable Area (MLA) of 150.00 hectares. Tassal is permitted to farm finfish in this zone as per provisions of marine farming licenses.

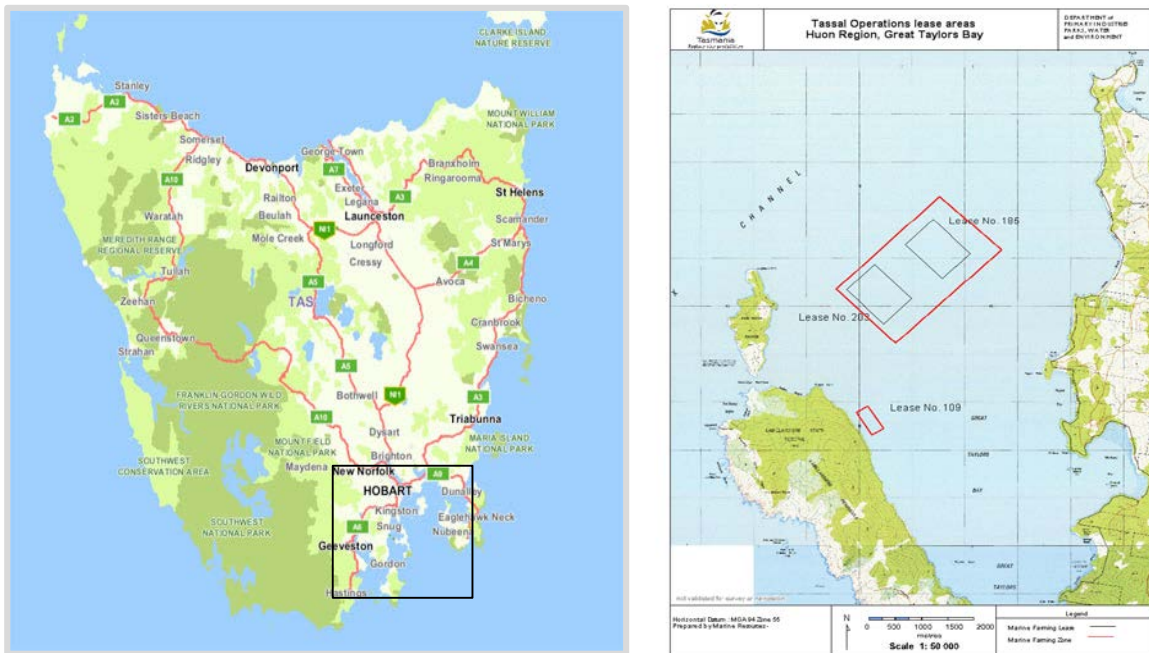


Figure 1. Map A: Area that contains the 2 sites (MF 185 and MF 203) in Huon Region (indicated by black box), Tasmania, Australia. Map B: Close-up location of the lease sites (MF 184 and 203). Other sites are not included in unit of certification and not used for grow-out.

Tassal farms Atlantic salmon (*Salmo salar*) in open net cage farming systems. At the sites, polar circle pens, 120m in circumference, are used with densities of 15 kg/m³ maximum following internal Tassal policies. The following time is based on feed input from the preceding 12 months and benthic survey (see below environmental monitoring for more details. At the time of the surveillance audit, GTB 2 did not have any fish.

Environmental Monitoring

Environmental monitoring requirements for each farm by the Tasmanian Government are specified in the marine farm licence which is renewed annually. In the Huon and Channel growing areas this monitoring is separated into i) on and near the farm and ii) broadscale across the waterway.

On and near the farm: All salmon farms in Tasmania must conduct an annual video survey of the seabed in and near their lease to assess that the farm is not having an unacceptable impact on the local benthic environment. Details of the filming procedure for the video monitoring are specified in Schedule 3 of Marine Farming Licence conditions. Spot dives, generally six in total, are conducted at compliance sites as specified by DPIPWE; these sites are mostly at 35 m from the boundary of the lease area and in the down current direction. Six video surveys are also conducted inside the lease area which must include sites that have been subjected to the heaviest stocking pressure (highest feed input prior to fallowing or in previous 12 months) and are filmed from the edge to the centre of the cage. The license specifies significant visual impacts which must not occur within the lease area—excessive feed, bacterial mats or spontaneous gas bubbling from the sediment; and beyond the boundary of the lease area - presence of feed pellets, bacterial mats, gas bubbling, or numerous opportunistic polychaetes on the sediment surface. If a significant visual impact is detected, then additional environmental monitoring is likely to be triggered.

Broadscale Environmental Monitoring program (BEMP): All license holders in the D'Entrecasteaux Channel and Huon River and Port Esperance MFDP areas must participate in the BEMP, which is investigating the cumulative impact of all salmon farms in the waterway. Fifteen sites spread throughout the region are monitored for water and sediment quality. Sediments are sampled every March (autumn) for redox, sulphide, organic content (LOI) particle size, benthic infauna and stable isotopes, although infauna and stable isotope samples were only fully analysed in the first year, and placed in storage for subsequent years. Full analysis is recommended every 4-5 years unless results indicate more frequent analysis is required. Water column parameters - ammonia, nitrate, nitrite, phosphate, silicate, Total Nitrogen, Total Phosphorous, Dissolved Oxygen, temperature, salinity, and phytoplankton biomass and community composition (chlorophyll *a*, HPLC pigments and cell counts) are sampled 15 times per year; monthly from May-Jan and fortnightly from Feb-April. Schedule 3BEMP of the license provides a detailed description of sampling procedures, processing, analysis and reporting for each environmental variable.

Since the 2014 full assessment of the Huon Region site against the ASC Salmon standard, where 12 non-conformities were identified, Tassal has implemented several new procedures to address these findings. These include:

- Updating lethal incidents monthly on the Tassal website
- Improved mesh netting design and material on cages reducing seal and bird mortalities
- At least four visits per year from a fish veterinarian
- Improved fish health surveillance with the Zero Harm for Fish Policy
- Writing a regular community newsletter
- Increased consultation with aboriginal groups
- Dissolved Oxygen is measured monthly at the hatcheries
- Community engagement with students at a local school

3 Scope

| | |
|-------------------------------|--|
| Reference Standard & Guidance | ASC Salmon Standard V1.0 June 2010 Audit Manual, ASC Salmon Standard V1.0 |
| Scheme Documents | ASC Certification and Accreditation Requirements V1.0 |
| Species Produced | (Atlantic salmon - <i>Salmo salar</i>) |
| Audit Scope | Marine farm-level production at MF 203 Partridge Island (now GTB 2) and MF 185 Tin Pot Point (now GTB 1) cluster sites |
| Receiving Water Body | D'Entrecasteaux Channel, Tasmania, Australia |

4 Audit Plan

4.1 Previous Audits

Tassal received ASC certification for the Huon Region farm sites MF 203 Partridge Island (now GTB 2) and MF 185 Tin Pot Point (now GTB 1) on November 6, 2014.

All aspects of the assessment process were carried out under the auspices of SCS Global Services (SCS), an Accreditation Services International (ASI) accredited conformity assessment body (CAB), and in direct accordance with ASC requirements.

4.2 Names of the Auditors

The following auditors comprised the assessment team: Dr. Christine Crawford and Joseph Kochanski.

Dr. Christine Crawford, Lead Auditor and Technical Expert

Dr. Christine Crawford has over thirty years' experience in shellfish and finfish aquaculture, including hatchery and intertidal shellfish production, and effects of aquaculture on the environment, both in Australia and overseas. She is currently a Senior Research Fellow at the Institute for Marine and Antarctic Studies, University of Tasmania. Dr. Crawford has also lead research projects investigating the ecology and health and monitoring of estuaries, including environmental flows and links between changing climatic conditions and estuarine water quality. Christine has worked for the Tasmanian government for many years. In recent years she has conducted ecological sustainability assessments for aquaculture operations in Australia and overseas for WWF.

Dr. Crawford has published widely in the international peer-reviewed literature, including 38 papers, 6 book chapters, book co-editor and over a hundred reports to industry and government. Her work has also involved a diverse range of stakeholders, often in remote locations.

Joseph Kochanski, SCS Global Services – Social Auditor

Joseph Kochanski is an Associate at SCS Global Services, specializing in social and Chain of Custody auditing. He is a Fair Trade USA trained auditor, with a focus on audit projects in Australasia.

Joseph has led a wide variety of audits since completing his ISO 9001:2008 Lead Auditor course in 2010 which have ranged from MSC to FSC Chain of Custody projects. Joseph graduated from the University of Wisconsin-Madison in 2007 with a degree in Environmental Sociology. He now helps administer the Sustainable Seafood program for SCS Australia branch office.

Dr. Sabine Daume, SCS Global Services – Regional Director, MSC and ASC Lead Auditor

Dr. Daume is responsible for leading SCS's Sustainable Seafood Certification program in Australia which includes aquaculture and fishery certification under the auspices of both the Aquaculture Stewardship Council (ASC) and the Marine Stewardship Council (MSC). She has been part of the global steering committee for the Abalone Dialogue to develop the Abalone standard for ASC and sits on the Technical Advisory Group for the Aquaculture Stewardship Council. Prior to joining SCS Dr. Daume worked as a Senior Research Scientist at the Research Division of the Department of Fisheries in Western Australia and at Deakin University in Victoria, Australia.

Past research conducted by Dr. Daume has focused on invertebrate aquaculture and fisheries. She has led several nationally FRDC funded, multi-year research grants on abalone broodstock conditioning and improvements to hatchery and nursery production as well as fisheries enhancement. Dr. Daume is a certified lead auditor under the ISO 9001:2008 and SAI's training for SA 8000 (social accountability) and trained to conduct ASC audits against the salmon and abalone standards. She has led numerous pre- and full- MSC assessments of various size and scale, including many fisheries in Australia. She also has experience working with diverse stakeholder groups, often in remote marine environments. Sabine has published in the peer-reviewed scientific literature (e.g. *Aquaculture Research, Journal of Shellfish Research*) as well as produced research reports and produced interactive training materials for the industry and led industry workshops.

4.3 Audit Plan as Implemented

The general steps followed were:

Onsite Audit and Meetings with the company staff (November 23th-25th, 2015)

SCS planned for and conducted meetings at Tassal's central office in Hobart, Tasmania, Australia. Day 1 involved an opening meeting and discussions with HQ staff in Hobart in the morning, followed by a visit to the Dover region operations facility and farm sites in the afternoon. A planned visit to the Huon region grow-out sites on day 2 was cancelled because of rough weather conditions. Instead, the assessment team had a long interview with the Huon Regional Manager and Compliance Coordinator at the Huon Farm Office. On day 3 further discussions, document and records reviews, and assessment of non-conformities were conducted, followed by a closing meeting.

Gathering of evidence (November 2015)

The client submitted evidence for the audit team's review via a shared Dropbox folder. This included documents, reports, internal protocols and procedures, all of which were received prior to the commencement of the site audit.

Drafting the report (December 2015)

The assessment team drafted the report in accordance with ASC required process and layout.

Review of the report (December 2015 - January 2016)

The complete draft report was submitted to the client for review. The draft report included a list of closed non-conformities along with new findings from the surveillance audit. The client was requested to include a root cause analyses as well as action plan to close out any new minor non-conformities.

Release of Surveillance Report (March, 2016)

SCS released the Huon Region cluster first surveillance report for posting on the ASC website.

4.4 Staff Interviews

The Table below summarizes the staff interviews that were conducted at Tassal head office (HO) and at the land based office for the Huon cluster surveillance assessment audit.

Table 1. Summary of Worker and Management Interviews

| Table 1: Summary of Worker and Management Interviews |
|--|
| Environmental Certification and Sustainability Officer |
| Community Engagement Officer |
| Head of Sustainability and Fish Health |
| Senior Manager of Fish Health |
| Senior Manager of Farming |
| Aquaculture Consultant |
| Regional Manager |
| Compliance Coordinator |
| Farm Worker 1 |

5 Findings

This first surveillance audit concentrated on the non-conformities identified during the full assessment for Huon Region cluster, MF 203 Partridge Island (now GTB 2) and MF 185 Tin Pot Point (now GTB 1), against ASC Salmon Standard V1.0 and these are reported below. Compliance with other criteria for ASC certification were also considered during the surveillance audit.

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|------------|------|----------|--|---|--|---|
| 2.3.1.a, c | 2014 | Minor NC | Currently, the feed used at the sites is not tested quarterly. | Feed has been tested annually by feed supplier as per contractual agreement. At the | Equipment has been purchased and procedure implemented. Training | Corrective actions to be assessed at the first surveillance audit |

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | time of the audit Tassal was had implemented internal quarterly testing procedures, but historical evidence was not yet available. | scheduled for August 2014. Testing will be conducted quarterly going forward | |
| Progress against action plan: | | | | | | |
| <p>The Procedure for testing feed, MO-374, and the measurements of % fines in feeds for the previous 12 months were reviewed. In the previous twelve months quarterly testing at GTB1 and GTB 2 was only conducted in February and May 2015, and at GTB1 in November 2014. As testing was not conducted quarterly this is elevated to a major NC.</p> <p>Supporting Documentation Submitted:</p> <ul style="list-style-type: none"> • Huon Region cluster farms percent fines test results • Records of equipment purchased to support testing - scales, sieve lids and pans • MO-374 Quarterly Calculation of Percentage Fines in Feed <p>Status of NC: OPEN, upgraded to MAJOR Christine Crawford, 25 November 2015 (Draft report submitted to client on January 18, 2016)</p> | | | | | | |
| Client Root Cause Analysis: Root cause identified as time constraints and not understanding requirements fully. | | | | | | |
| Client Action Plan: Environmental Certification and Sustainability Officer met with Zone Managers to discuss action and has set up quarterly reminders in outlook for Feed Team leaders to conduct testing on their advice. Officer will follow up before the end of each quarter to ensure all tests are being completed. | | | | | | |
| Deadline: 3 months – April 18, 2016 | | | | | | |
| Audit Team Response: CAP accepted and NC CLOSED by C. Crawford, 11 March 2016 | | | | | | |

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|--|--|--|---|
| 2.5.5 | 2014 | Minor NC | Currently, information about lethal incidents is not made publically available within 30 days. | Historically, Tassal has reported lethal incidents annually in their Sustainability Report. As per ASC requirements, Tassal has made a commitment to report any lethal incidents on their website (www.tassal.com.au) within 30 days. | A new website will include a tab for all ASC reporting requirements. Any lethal incidents will be reported there within 30 days. New website was launched June 2014. | Corrective actions to be assessed at the first surveillance audit |

Progress against action plan:

Lethal incidents are now updated monthly on the Tassal website in the ASC Dashboard.

Supporting Documentation Submitted:

- ASC Dashboard updated monthly - please refer ASC Dashboard on Tassal website (most recent updates for September 2015)

Status of NC:

CLOSED Christine Crawford, 25 November 2015

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|---|-------------------------------------|---|--|
| 3.1.1a | 2014 | Minor NC | There is currently no Area Based Management Plan. The State Biosecurity Plan is in draft only | Dependent on industry participation | Equipment has been purchased and procedure implemented. Training scheduled for August 2014. Testing will be conducted quarterly going forward | Only Tassal and one other operator are located in this region. Working together to develop an industry biosecurity plan that could inform an AMA in the future |

Progress against action plan:

Evidence of progress towards an Area Management Agreement in South Eastern Tasmania was provided, including the documentation listed below

Supporting Documentation Submitted:

- Draft Tasmanian Salmon Health Surveillance project Agreement
- Tasmanian Salmonid Growers Association Biosecurity Program
- Aquatic Animal Health Centre of Excellence Strategic Plan 2014–19
- Minutes of various relevant meetings, including Biosecure Fish Facility Management Committee
- Letter from Dr Adam Main, CEO Tasmanian Salmon Growers Association, confirming progress towards an AMA in South Eastern Tasmania, in particular that the TSGA Biosecurity Program was ratified in December 2014

Status of NC:

CLOSED Christine Crawford, 25 November 2015

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|---|--|--|---|
| 4.3.2.b | 2014 | Minor NC | Not all ingredients of the feeds used at the Dover region achieve individual fish | Feed ingredients purchased prior to ASC commitment | Working with Skretting (Feed company) to achieve full compliance to the criteria | Corrective actions to be assessed at the first surveillance audit |

| | | | | | | |
|--|--|--|---------------------|--|--|--|
| | | | source scores >6 | | | |
|--|--|--|---------------------|--|--|--|

Progress against action plan:

Skretting, which supplies all feed to Tassal has recently been assessed as meeting the requirements of ASC salmon standard Principle 4 for feed. A copy of their certificate from SGS for 2015-16 was provided. Invoices from Skretting to Tassal for ASC certified feeds with dates of invoicing and delivery were observed.

Supporting Documentation Submitted:

- Q2, Q3, Q4 2014 Skretting ASC Feed Certificates
- Q1, Q2 2015 Skretting ASC Feed Certificates

Status of NC:
CLOSED Christine Crawford, 25 November 2015

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|--|---|---|---|
| 5.1.2.a | 2014 | Minor NC | During the last 2 years, visits by the company vet were less than four times a year. | Historically, the Fish Health team (including company vet) have visited Tassal regions as required with no specific schedule in place. This process has been implemented; however, there is no historical evidence to support this. At the time of the audit Tassal had implemented quarterly vet visits at this region, but historical evidence was not yet available. | Before the first surveillance audit in 2015, the fish health team will visit site quarterly, as per site visit planner. | Corrective actions to be assessed at the first surveillance audit |

Progress against action plan:

Tassal has full-time trained technical health reps at each site and each farm has a fish health manager. The Senior Manager of Fish Health (company veterinarian) visits each farm approximately every three months and the site visit schedule for 2014-2015 was observed. The schedule of farm visits for a former company fish veterinarian was also observed.

Supporting Documentation Submitted:

- Site visits 2014-15 (company veterinarian)
- Site visits 2014-15 (former company veterinarian)

Status of NC: CLOSED Christine Crawford, 25 November 2015

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|---|---|--|--|
| 5.1.6b | 2014 | Minor NC | During the most recent production cycle the unexplained mortality was more than 40% of total mortalities. | Following a mortality investigation, Fishtalk was updated with the cause of the mortality | Fish Health department to work with Regional Manager to ensure that Fishtalk is updated with the causation | Corrective actions to be assessed at the next surveillance audit |

Progress against action plan:

Both farms at Huon had a >40% unexplained mortality (unknown + decomposing) and total mortality >6% in the most recent production cycle 13YC.

Status of NC: OPEN, upgraded to MAJOR Christine Crawford, 25 November 2015 (Draft report submitted to client on January 18, 2016)

Client Root Cause Analysis: The root cause was identified as both a classification and operational issue.

Client Action Plan: Simplifying the mortality categories will allow better time efficiencies for divers; and encourages divers to move away from diagnosis of disease. Technical officers are encouraged to spend time on the dive boat to audit the classification process, and the Zero Harm to Fish program standards require that this process is audited at least biannually. New instructions have been communicated to divers, technical officers and zone managers. The Huon 14YC is completed, and is compliant with ASC requirements (Appendix 1).

Deadline: 3 months – April 18, 2016

Audit Team Response: CAP accepted and **NC CLOSED** by C. Crawford, 11 March 2016

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|--|----------------------------|--|--|
| 5.2.1a | 2014 | Minor NC | Records on chemical and therapeutant use are not | Human error | Error was immediately corrected as soon as the error | Corrective actions to be assessed at the |

| | | | | | | |
|--|--|--|----------------------------|--|--|-------------------------|
| | | | always completely correct. | | was noted. The records are reviewed regularly (every 3 months) | next surveillance audit |
|--|--|--|----------------------------|--|--|-------------------------|

Progress against action plan:

Supporting Documentation Submitted:
 Antibiotic usage in the Huon region in recent years
 Fish medication authority for Butlers lease in August 2015

Status of NC: CLOSED Christine Crawford, 25 November 2015

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|---------------|------|----------|--|--|--|---|
| 7.1.1 a, c, e | 2015 | Minor | Bi-annual meetings with representatives of the affected community have not taken place. At the meetings that have taken place, there is no evidence to show that the local community was asked to contribute to the agendas of these meetings. | 2014 was a year in which extensive consultation was conducted regarding the amendment to Lippies lease. In March 2015 Senate Inquiry into finfish aquaculture was instigated – this was advertised widely across Tasmania and specifically in the Huon Region where locals were invited to input into the Inquiry via social media channels and local newsletters & online publications. Any attempt by Tassal to engage via community meetings during period March to August 2015 would have been viewed as trying to bias the process. Post the Inquiry, a local group was formed. Approaches were made to this group via the industry body. One farming company was invited to attend a | Tassal will make approaches to the local group to engage with them Tassal will meet with the Huon Valley Council late in 2016 (the Council is currently being investigated by a Board of Inquiry) Tassal will develop a visual manned display to be held in Dover Shopping Centre (as per advice received from local Councilor) Tassal will approach the Southport Community Association and attend a meeting if appropriate. | Corrective actions to be assessed at the first surveillance audit |

| | | | | | | |
|---|--|--|--|---------------------------------|--|--|
| | | | | meeting. Tassal was not invited | | |
| Progress against action plan: | | | | | | |
| Status of NC: | | | | | | |
| OPEN (new). Joseph Kochanski, November 23, 2015. CAP accepted on March 11, 2016. | | | | | | |

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|---------------------|---|----------|---|--|--|---|
| 7.1.1.d and 7.1.3.c | 2015 (originally opened at 2014 certification on audit). | Minor NC | Currently there is no direct communication with the community regarding antibiotic treatments and potential health risks. | Historically, Tassal has reported antibiotic use and supplied relevant information annually in their Sustainability Report. There is also information supplied on Tassal's current website (updated June 2014). Although Emergency Response Plans are in place, there is currently no communication with specific communities. | A series of presentations to community groups regarding Tassal operations to be scheduled for FY2014/FY215. These presentations if relevant to antibiotic use in the region, to include information regarding potential health risks associated with antibiotic treatments | Corrective actions to be assessed at the first surveillance audit |

| | | | | | | |
|---|--|--|--|--|--|--|
| Progress against action plan: | | | | | | |
| Tassal has not used antibiotics or other therapeutic treatments at its Huon site since the 2014 certification audit. As such, there has not yet been a need to execute the client action plan. However, it is noted that an acceptable plan is in place for the future. | | | | | | |
| Status of NC: CLOSED Joseph Kochanski, November 24, 2015 | | | | | | |

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|------------|------|----------|--|---|---|---|
| 7.2.2.a, b | 2014 | Minor NC | Currently there is no consultations with aboriginal groups | While significant engagement is undertaken in the communities in which Tassal operate, no engagement strategies have been implemented to consult with | Before the first surveillance audit in 2015 Tassal is planning to work with Cradle Coast NRM who are prepared to assist Tassal in forming a | Corrective actions to be assessed at the first surveillance audit |

| | | | | | | |
|--|--|--|--|--------------------------------|--|--|
| | | | | aboriginal groups specifically | relationship with one of the indigenous organisations (Aboriginal Land Council of Tasmania). An initial framework for the relationship will be the inclusion of sites of aboriginal cultural significance in Tassal's employee induction package | |
|--|--|--|--|--------------------------------|--|--|

Progress against action plan:

Since the 2014 certification audit, Tassal has been collaborating with local Aboriginal Leaders. Meetings with the Aboriginal Land Council of Tasmania (ALCT) have extended beyond the scope of this Standard, while also covering economic and commercial development opportunities for the indigenous community. Lines of communication between the two parties are fully open and additional face-to-face meetings have been planned for 2016.

Status of NC:

CLOSED Joseph Kochanski, November 24, 2015.

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|--|--|--|---|
| 8.15c | 2014 | Minor NC | Records on chemical and therapeutant use at the Saltas hatchery were not available. Therefore, it is unknown whether any treated smolt were transferred to Huon sites. | Medication authority's numbers relating to that batch of smolt are recorded on the vet smolt certificate but nowhere else in the system. | Medication authority's numbers relating to that batch of smolt are recorded on the vet smolt certificate. Freshwater treatments at the Saltas hatchery will also be tracked on the Freshwater Treatments spreadsheet, noting tank | Corrective actions to be assessed at the first surveillance audit |

| | | | | | | |
|--|--|--|--|--|--------------------------------|--|
| | | | | | treated and fish group number. | |
|--|--|--|--|--|--------------------------------|--|

Progress against action plan:
 Veterinary health certificates for three batches of salmonids from specific tanks destined for the Huon Region, from Rookwood Road hatchery March 2015 and a list of medication authorized by Tassal vets at the Saltas Hatchery from January to October 2015 were provided.

Status of NC:
CLOSED Christine Crawford, 21 December 2015

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|--|--|--|---|
| 8.23a | 2014 | Minor NC | Currently there is no consultations with aboriginal groups | While significant engagement is undertaken in the communities in which Tassal operate, no engagement strategies have been implemented to consult with aboriginal groups specifically | Before the first surveillance audit in 2015 Tassal is planning to work with Cradle Coast NRM who are prepared to assist Tassal in forming a relationship with one of the indigenous organisations (Aboriginal Land Council of Tasmania. An initial framework for the relationship will be the inclusion of sites of aboriginal cultural significance in Tassal’s employee induction package. | Corrective actions to be assessed at the first surveillance audit |

Progress against action plan:
 Since the 2014 certification audit, Tassal has been collaborating with local Aboriginal Leaders. Meetings with the Aboriginal Land Council of Tasmania (ALCT) have extended beyond the scope of this Standard, while also covering economic and commercial development opportunities for the indigenous community. Lines of communication between the two parties are fully open and additional face-to-face meetings have been planned for 2016.

Status of NC:

CLOSED Joseph Kochanski, November 24, 2015.

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|-----------|------|----------|--|--|---|---|
| 8.33.b | 2014 | Minor NC | DO saturation is not currently measured at Russell Falls and SALTAS, semi-closed hatchery systems that supplied some smolt to the farm site. | Alternate process currently being followed. Task specific equipment not yet received | Before the first annual surveillance audit, the DO saturation will be measured as per ASC requirements. | Corrective actions to be assessed at the first surveillance audit |

Progress against action plan:

Records of DO in the outfall at the Russel Falls and SALTAS hatcheries were reviewed. Diagrams of hatcheries showing the location of DO sampling sites were provided; however, the location of sampling is not provided on the form with DO recordings. This should be included in future. Saltas DO outflow results at Wayatinah and Florentine available from January 2015, now measured weekly.

Supporting Documentation Submitted:

- Russell Falls results (Russell Falls & Karanja), Saltas Results (Wayatinah & Florentine)

Status of NC:

CLOSED Christine Crawford, 20 December 2015

| Criterion | Year | Category | Summary of Finding | Client Root Cause Analysis | Client Action Plan | Deadline |
|---|------|----------|---|--|---|--|
| 8.4 Using the formula in Appendix VIII-1 and results from 8.4a-f (above), calculate total phosphorus released per ton of smolt produced and verify that the smolt supplier is in compliance with requirements | 2015 | Minor NC | The spread sheet Phosphorus release - RF - Calendar years 2013 & 2014 records the Total phosphorus discharged per ton of smolt produced for 1/1/14 to 31/12/14. The | Total phosphorus release per ton of smolt was higher in calendar year 2014 then the previous calendar year 2013 because no sludge was removed in this time. Tassal experience administrative delays in getting | Tassal is currently developing a proposal and have council approval to install a drum screen on the effluent at Russell Falls. Tassal has gained permission from Saltas to have access to lab | To be reviewed at the first surveillance audit |

| | | | | | | |
|--|--|--|---|--|---|--|
| | | | result is greater than the ASC Requirement of 5kg/mt (until 2015) and 4kg/mt thereafter | accurate results from lab to calculate total phosphorus release for Saltas as the service provider who removed the sludge was the owner of the lab results | results from service providers removing sludge at their sites. Tassal is working with the EPA on a 10 year water quality plan | |
|--|--|--|---|--|---|--|

Calculations of total phosphorus released per ton of smolt produced show that for 1/1/14 to 31/12/14 for Russell Falls it was greater than the ASC Requirement 5kg/mt (until 2015) and 4kg/mt, thereafter. No calculations have been provided for Saltas for the 2014 calendar year.

Status of NC: OPEN (new) Christine Crawford, 25 November 2015

6. Results and Conclusions

It is SCS’s view that Tassal Operations Pty Ltd.’s (Tassal) Huon Region salmon cluster, MF 203 Partridge Island (now GTB 2) and MF 185 Tin Pot Point (now GTB 1), continue to meet the salmon standard of the ASC (V. 1.0) and complies with the ‘Requirements for Continued Certification,’ with the exception of two (2) new minor NCs and two (2) Major NCs (upgraded Minor NCs from 2014 full assessment audit). A mutually agreed upon action plan shall be submitted to SCS. Corrective actions must be submitted within 3 months of the submission of the audit report for the two Major NCs, while corrective actions for the new Minor NCs will be evaluated at the 2016 2nd surveillance audit.

7. References

DPIPWE (2002) D’Entrecasteaux Channel Marine Farming Development Plan February 2002. Available at <http://dpiipwe.tas.gov.au/Documents/D%27Entrecasteaux -MFDP -Feb02.pdf>

SCS global services (2014). Report for Tassal Operations Pty. Ltd: Huon Region, MF 185 Tin Pot Point and MF 203 Partridge Island. Full assessment against Aquaculture Stewardship Council (ASC) Salmon Standard V1.0. Available at: [http://www.asc-aqua.org/upload/3_20141107_Tassal%20Operations_Huon%20Region%20\(Tin%20Pot%20Point%20Farm%20&%20Patridge%20Island%20Farm\)_FINAL.pdf](http://www.asc-aqua.org/upload/3_20141107_Tassal%20Operations_Huon%20Region%20(Tin%20Pot%20Point%20Farm%20&%20Patridge%20Island%20Farm)_FINAL.pdf)