



Petuna Modern Slavery Statement 2023

This statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth) (**the Act**) for Petuna Aquaculture Pty Ltd, which is the relevant reporting entity, and which is referred to in this statement as **Petuna** or the **Company**. This statement covers the financial year ending 30 September 2022.

The Act requires Petuna to lodge a statement for each reporting period which sets out the actions taken by Petuna to assess and address the risks of modern slavery in our business and supply chain functions.

Definition of Modern Slavery

Modern Slavery describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery include:

- Human trafficking
- Slavery
- Servitude
- Forced labour
- Debt bondage
- Forced marriage and
- The worst forms of child labour



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Entities Covered by this Statement

The Petuna group of companies is comprised of three companies: Petuna Aquaculture Pty Ltd (which is the parent company and reporting entity for the purposes of this statement), Petuna Pty Ltd and Van Diemen Aquaculture Pty Ltd. All three companies have the same governance structure; a board of directors and an executive senior management team which compromise the same people for all three companies. This statement applies to all three companies and all references to **Petuna** or the **Company**, are references to the three companies.

Petuna Aquaculture Pty Ltd is a wholly owned subsidiary of Sealord Group Limited, a New Zealand company.

Petuna's Organisational Structure and Operations

Petuna is a leading Australian aquaculture company that grows, harvests, and processes premium salmonids for sale to wholesale and retail markets primarily in the domestic market with some export activity. Petuna currently operates exclusively within Tasmania, with a hatchery in Cressy, two aquaculture marine farm sites (Macquarie Harbour and Rowella) and a production processing plant at Devonport.

Petuna's headquarters are in East Devonport Tasmania, and it operates a further office in Launceston, Tasmania. We take pride in being a large employer in the Tasmanian aquaculture industry with around 180 employees state-wide and a further labour-hire workforce of up to 70 during the year.

We grow two species of premium salmonids, being Atlantic salmon and Ocean trout, and our annual harvest is around 9000 tonnes (live weight). Our hatchery located at Cressy invests significant time, expertise and science developing salmonid families from specially selected brood stock utilising genetic selection principles to produce healthy fish with greater resilience to warming waters that also thrive and grow into quality fish with superior texture, colour, and taste. The growth phase takes place in premium Tasmanian waters at our two aquaculture farms situated at Rowella in the North and Macquarie harbour in the West. The final stage of our operations occurs at our modern processing plant situated at Devonport, ready for distribution to retail and wholesale markets across Australia and selected export markets.

Petuna's Supply Chain

Petuna sources various products for our operations predominately from local suppliers, however also some product internationally. Products can vary from ingredients and packaging for the processing facility to fish feed, farm nets, plant and equipment and operating machinery for our marine farms.

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Categories of services used by Petuna include but are not limited to information technology service providers, distribution logistics, facilities services, and consumables. Most services are sourced locally, primarily Tasmanian with some interstate consultancy services.

Sealord Australia Pty Ltd, a subsidiary of Sealord Group Limited, markets and sells the majority of Petuna's products.

The Risk of Modern Slavery Practices in Petuna's Operations and Supply Chain

Petuna is committed to producing the highest quality, sustainably and ethically sourced salmonids whilst responsibly maintaining the health and welfare of our people, our fish and the environment in which we operate. Although Petuna's values, policies and practices and the expectations of our people regarding ethical conduct eliminate/mitigate the risk of modern slavery practices in our own workforce, the risk of potential modern slavery practices in the supply chain is always present.

Sourcing specialist capital equipment and product associated with our operations from overseas countries with less developed economies, regulations, and practices, together with indirect entities, that Petuna does not have a direct contractual arrangement (our suppliers' supply chains), are assessed as having an increased risk of the potential for modern slavery practices. The number of local suppliers represents 96% of our total supply chain activity.

Actions Taken by Petuna to Assess and Address Risk

Petuna formally assigned responsibility to overseeing Modern Slavery management to a working group consisting of Petuna's GM Human Resources, Finance Manager, IT Manager and Supply, Logistics & Efficiency Manager. During the 2022 financial year, the management group focussed on two main areas of Modern Slavery management. A decision was taken to develop a Modern Slavery Policy and remediation process that will be made available to all relevant employees. The policy and associated grievance process is currently in draft format and will be signed off by the Petuna Board and available on the Petuna website in the 2nd quarter of our 2023 financial year. The second area of focus during 2022 was to undertake a complete review and risk assessment of our suppliers (see Supply Chain Management section).

Petuna has formal policies and documents in place that promote ethical conduct and serve to minimise the risk of modern slavery and broader Human Rights (**HuR**) practice violations both at Petuna and throughout our supply chain, as well as provide avenues for individuals to report any concerns to management and the Board.

Our active relevant policies and documents that contribute to preventing violation of Human Rights and modern slavery practices include:

- Sealord Group Employee Code of Conduct
- Employees Working under 18 years of age Policy
- Whistle-Blower Policy

- Business Ethics
- Supplier Ethical Sourcing Code of Conduct
- Recruitment and Appointment Policy
- Freedom of Association Policy
- Discrimination, Bullying and harassment Policy
- Grievance Policy and Procedure
- Managing Underperformance Policy
- Business Ethics Policy
- Industrial Instruments – Enterprise Agreements and Individual Contracts that comply with Australian law and regulations

Petuna is registered as a supplier with the Supplier Ethical Data Exchange (SEDEX) and undertakes Supplier Member Ethical Trade Audit (SMETA) four pillar 3rd party compliance audits encompassing labour standards, business ethics, health and safety, and the environment.

Additional 3rd party compliance audit occurs across all our sites in the form of our Best Aquaculture Practices (BAP) accreditation. BAP is the only 3rd party certification program that encompasses the entire production chain, including the hatchery, processing plant, farm and feed mill. BAP certification is a due diligence/compliance process that amongst other crucial business areas, covers worker safety and employee relations.

To increase awareness across Petuna, Modern Slavery education has now been included in our induction program which also serves as refresher training every twelve months. Additionally, key personnel involved in procurement processes have also undergone specific modern slavery awareness training.

Supply Chain Management

During 2022 Petuna engaged a 3rd party to review and assess all our suppliers for modern slavery activity risk, determined against relevant criteria originating from the *World Benchmarking Alliance* and the *United Nations Human Rights, Office of the High Commissioner*.

Suppliers that represent a spend of \$200,000 per annum or more were reviewed/assessed for potential risk, utilising accepted HuR and Modern Slavery criteria.

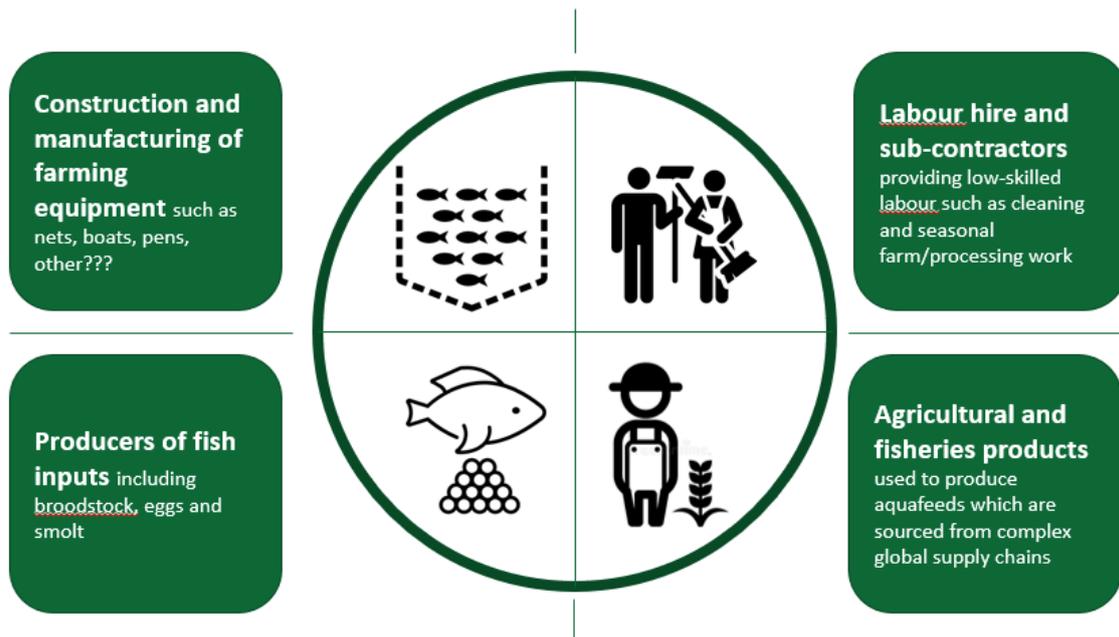
A scoring system was adopted which consisted of assessment based on 3 major risk criteria:

Key risk indicator	Example questions related to key risk indicators
Sector and industry:	<ul style="list-style-type: none"> • Is the industry characterised by long and complex supply chains? • Does the industry rely on overseas production? • Is the industry labour intensive? E.g. Construction, cleaning
Products or services:	<ul style="list-style-type: none"> • Does the product have a short life-cycle due to changing seasons (e.g. fresh produce) or consumer demands (e.g. mobile phones)? • Are the raw materials used high-risk for modern slavery? (e.g. fish, agricultural products, textiles) • Is the service undervalued in our society?
Geographic risks:	<ul style="list-style-type: none"> • Are the products sourced from countries with? • Poor governance structures and a weak rule of law • Inadequate labour protection • Corruption or instability

Individual indicator risk score Low = 1 Medium = 2 High = 3	Overall risk score 1-3: Low risk procurement 4-6: Medium risk procurement 7-9: High risk procurement
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The assessment resulted in 9 suppliers being determined as having potential for high risk of modern slavery activities.

Petuna’s evaluated potential modern slavery risk areas include:



As part of our supply chain process all new suppliers and renewing suppliers are subjected to our due diligence process before Petuna will enter a contract with them.

Supplementary assessment may be conducted at Petuna's discretion and any reservations around business conduct, compliance, and human rights is reviewed and mitigated in partnership with the relevant supplier representative.

Suppliers that are considered by Petuna to present a modern slavery risk following due diligence will be either rejected or subjected to continuous monitoring. Where appropriate,

Petuna will take necessary actions to terminate supplier arrangements or contracts with any suppliers that do not comply with the supplier code of contract.

Petuna has implemented a two-tier initial supplier assessment process.

Tier 1. Supplier Ethical Code of Conduct as part of our commitment to integrate ethical and socially responsible business practices into all aspects of our business.

As part of that code, Suppliers commit that they currently do, and will continue to, comply with Petuna's ethical sourcing principles and practices. Suppliers acknowledge that Petuna may verify compliance through internal or external assessment mechanisms including but not limited to questionnaires, declarations, request for policies and other documentation validating practice as well as 3rd party audits. The code includes the following areas of ethical conduct:

Wages, working hours, harsh and inhumane treatment, discrimination, bullying and harassment, freely chosen employment, child labour, safe working conditions, freedom of association, entitlement to work and recognised immigration.

Tier 2. High risk suppliers using the criteria of \$200,000 + spend and assessment against geographic location, products/services supplied, and industry/sector, will complete the self-assessment questionnaire (Australian Government Supplier Questionnaire) and provide supporting documentation, policy and process. Additional evidence of compliance will be pursued by either provision of documented 3rd Party Social Licensed audit (SMETA or similar recognised standard) or via Petuna audit where 3rd party activity is not occurring.

Measuring Effectiveness

After receiving our Supplier Compliance Code of Conduct Form and Supplier Questionnaire where applicable, Petuna may undertake quality assurance checks from time to time as considered necessary dependant on assessed risk.

Additionally, we continue to complete our own annual internal review process on Modern Slavery risk of current business processes. We also engage with any required compliance reporting requested by our customers and third parties such as participating in:

- Sedex (Supplier Ethical Data Exchange) and related SMETA audits
- Reporting for sustaining BAP (Best Aquaculture practice) accreditation.

We will continue to explore further mechanisms to assess the effectiveness of actions we undertake to address modern slavery in our operations and supply chain.



Consultation with Entities

As all Petuna entities share the same board and executive/senior management, consultation occurs automatically, however there is also ongoing consultation with key site managers and other company personnel that have procurement involvement. Petuna is wholly owned by and engages with Sealord Group Ltd of New Zealand on broader human rights issues and international standards that impact our Business.

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Future Commitments

Over the next few years our key focus areas to improve our approach to Modern Slavery will consider the following:

- Complete development of an HuR policy incorporating Modern Slavery mitigation and publish in the public domain via Petuna website.
- Pursue evidence/validation of our key suppliers' commitment to Modern Slavery prevention, including insistence on 3rd party ethical auditing.
- Develop process for assessing suppliers' products and services through their supply chains, including investigating the practicality of utilising a 3rd party specialist service such as *Slavecheck for Business*.
- Develop external grievance mechanism for public access to raise concerns/complaints in regard to HuR including modern slavery issues.
- Create an expectation on suppliers to convey the same grievance expectations and flow through to their respective suppliers.
- Implement and describe a system for tracking and/or monitoring actions taken in response to modern slavery rights risks/impacts inside the company.
- Describe how Petuna communicates with affected stakeholders regarding specific modern slavery impacts raised.
- Publicly commit to a process of engagement with any existing or potential future stakeholders who have suffered modern slavery abuses related to Petuna's operations.
- Consider joining the UN Global Compact either as an individual company or through the parent company Sealord.
- Determine a HuR due diligence Framework.

Example Framework diagram:



Source: Corporate Human Rights Benchmark, 2021

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Petuna is committed to ensuring modern slavery practices are not present in our direct and indirect operations and supply chains.

Approval and Authorisation

This statement was approved by the Board of Directors of Petuna Aquaculture Pty Ltd on 28 March 2023.



Gary Neill
Director
Petuna Aquaculture Pty Ltd