

A background image of a sunset over a body of water. The sky is filled with orange and yellow clouds, and the sun is low on the horizon. A pier or bridge structure is visible on the left side of the horizon.


Tassal Group Limited

Credit Suisse – Food & Beverage Focus Day

Meeting stakeholder needs while adapting to evolving regulatory and environmental standards

Mark Ryan
CEO & Managing Director


12 April 2018



"Tassal is delivering on its growth ambitions – generating responsible and sustainable biomass growth, while delivering increasing operating, financial and shareholder returns."

**Delivering responsible
& sustainable results**





"The strength of Tassal's operating model can be clearly seen in the record 1H18 result that delivered strong growth in underlying earnings and operating cashflows, while further strengthening the company's balance sheet."

**Record 1H18 results
across all key metrics**





“Effective regulation ensures a balanced approach between environmental, social, operational and economic factors. Sound regulation which supports this leads to better biosecurity and responsible growth outcomes.”

Effective regulation is critical



Salmon Industry: Tasmanian Growth Plan



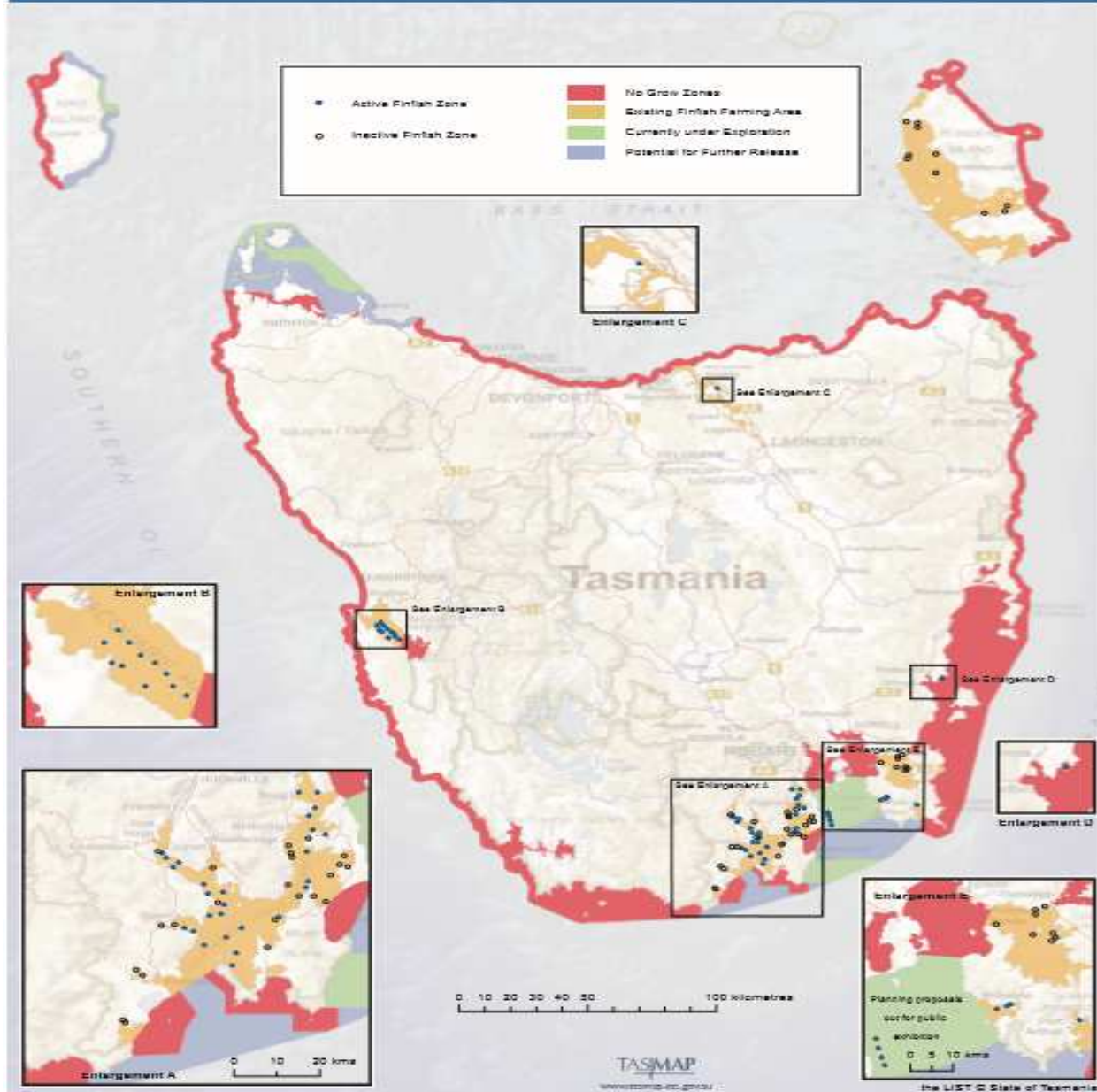
The Tasmanian Government in 2017 released a Growth Plan detailing its vision and priorities for the industry, in order to double current production and economic contribution by 2030

The Plan includes several actions, organised under three headings:

1. Maintaining public confidence in the salmon industry;
2. Improving the efficiency, effectiveness and transparency of the industry's environmental regulation, and the effectiveness of its biosecurity systems; and
3. Supporting industry growth

The salmon growth plan identified a range of zones on a map where salmon farming currently occurs, where it will not be allowed, or where there may be some potential for farming to occur in "exploratory" areas

Proposed "grow" and "no grow" zones for finfish in Tasmania



Our Assessment: Tasmanian Growth Plan



The Salmon Growth Plan is supportive of the Industry growing in a responsible manner and seeks to allay public concern, by providing conceptual awareness of growth ambitions and processes

Tassal believes there is scope to further support the process via a shared values approach to achieving and informing responsible growth – particularly consultation with all marine users (such as recreational and commercial fishers)

Within our growth planning, we are also taking an Industry leading proactive and coordinated approach to best practice biosecurity and environmental management principles. Working within our own planning framework and having discussions with the broader Industry to inform this. This includes stock separation, and working to identify the best site locations within the growth parameters for sustainable farming (i.e. away from reefs, and where current flow is good)

Responsible Growth



Our aim is to meet Australian consumer demand, increasing by ~8 – 10% annually in line with the broader industry Growth Plan

If we do not meet the demand in a responsible and sustainable way, we risk inferior imported products gaining a strong foothold in the Australian seafood market

We have a world-class industry with stringent regulation and quality control. Tasmanian growers have shown a strong commitment to industry sustainability, both locally and globally

Allowing overseas producers into the Australian market undermines valuable local industry and jobs, subjecting consumers to inferior salmon from areas where there is potentially poorer quality control and little to no thought of sustainability

Enabling a responsible growth pipeline for the Tasmanian salmon industry is an investment in industry sustainability and product quality assurance

Shared Marine Values



Undertaking Shared Marine Values planning, based on Marine Spatial Planning principles, is considered world's best practice and has been successfully applied in other Australian states

Shared Values Planning brings together multiple stakeholders and users of the ocean – including industry, government, conservation and recreation – to make informed decisions about how to use marine resources sustainably. It is a 'deep' consultation process. Maps create a comprehensive picture of marine areas overlaid with usage, environmental and also socio-economic factors. It is similar to land use planning. It also assists in better understanding cumulative effects, minimising conflicts and promotes better biosecurity

Tassal currently has a strategy under development with WWF-Australia and preliminary meetings with IMAS marine social sciences unit.

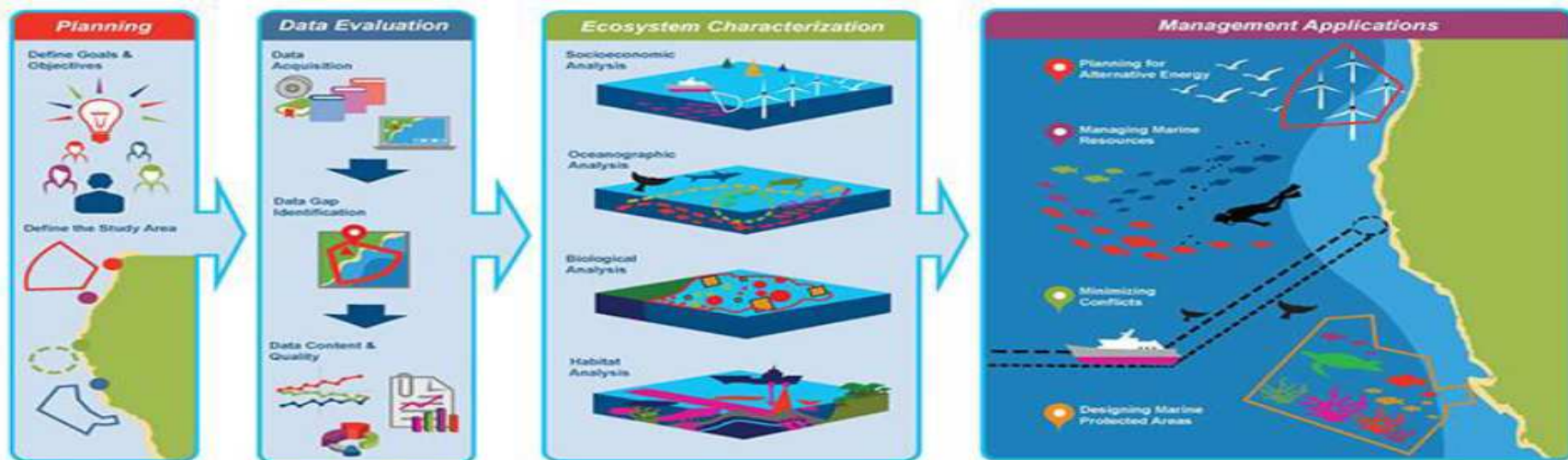
We seek support and participation in this important body of work as part of achieving a sustainable industry through responsible and inclusive consultation

Shared Marine Values



2018 will see a strengthening of our partnership with World Wildlife Fund - Australia (WWF) while we endeavour to introduce concepts of marine spatial planning to stakeholder engagement to underpin future responsible growth

The principles include multi-layered engagement and assessment of environmental, operational, shared user and social overlays in fish farming. This assists stakeholders to work together to fully understand the cumulative effects and shared values within the waterways, minimising conflicts, and promoting better biosecurity and outcomes for everyone



Finfish Farming Regulations

Changes in Practice – Marine Farming



To undertake marine farming activities, operators require:

1. A Marine Farming Licence (issued through the Department of Primary Industries, Water and Environment (DPIPWE)) as well as
2. A new Environmental Licence (issued through the EPA) to conduct a marine finfish farming activity

Existing marine farms which hold an existing Marine Farm Licence do not need to reapply for a new one, and generally all existing operations will be provided with an Environmental Licence

New marine farm operations will require applications for both a Marine Farming Licence through DPIPWE and a new Environmental Licence through the EPA

An application for a new Environmental Licence is made to the Director of the EPA. In some instances, the Director must refer the application to the Board of the EPA. When an application is referred to the Board, this triggers an environmental assessment, including a process of public consultation, and a decision of the Board can be appealed by a third party

Finfish Farming Regulations

Changes in Practice – Inland Finfish Farming



To undertake inland finfish farming activities (i.e. hatcheries), operators require

1. A Fish Farm Licence (issued through the Inland Fisheries Services (IFS)) as well as
2. A new Environmental Licence (issued through the EPA) to conduct an inland finfish farming activity

Existing inland finfish farms which hold an existing Fish Farm Licence do not need to reapply for a new one, and generally an Environmental Licence will be granted to existing operations

New inland finfish farming operations will require an application for a Fish Farm Licence through the IFS and a new Environmental Licence granted by the Board of the EPA

When an application is made to the Board, this triggers an environmental assessment, including a process of public consultation, and a decision of the Board can be appealed by a third party

Any questions?



Disclaimer

This presentation has been prepared by Tassal Group Limited for professional investors. The information contained in this presentation is for information purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular need of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in the presentation. To the maximum extent permitted by law, none of Tassal Group Limited, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

The distribution of this document in jurisdictions outside Australia may be restricted by law. Any recipient of this document outside Australia must seek advice on and observe such restrictions.

