



2019 SUSTAINABILITY *Highlights*



TASSAL GROUP *leading Australian seafood*

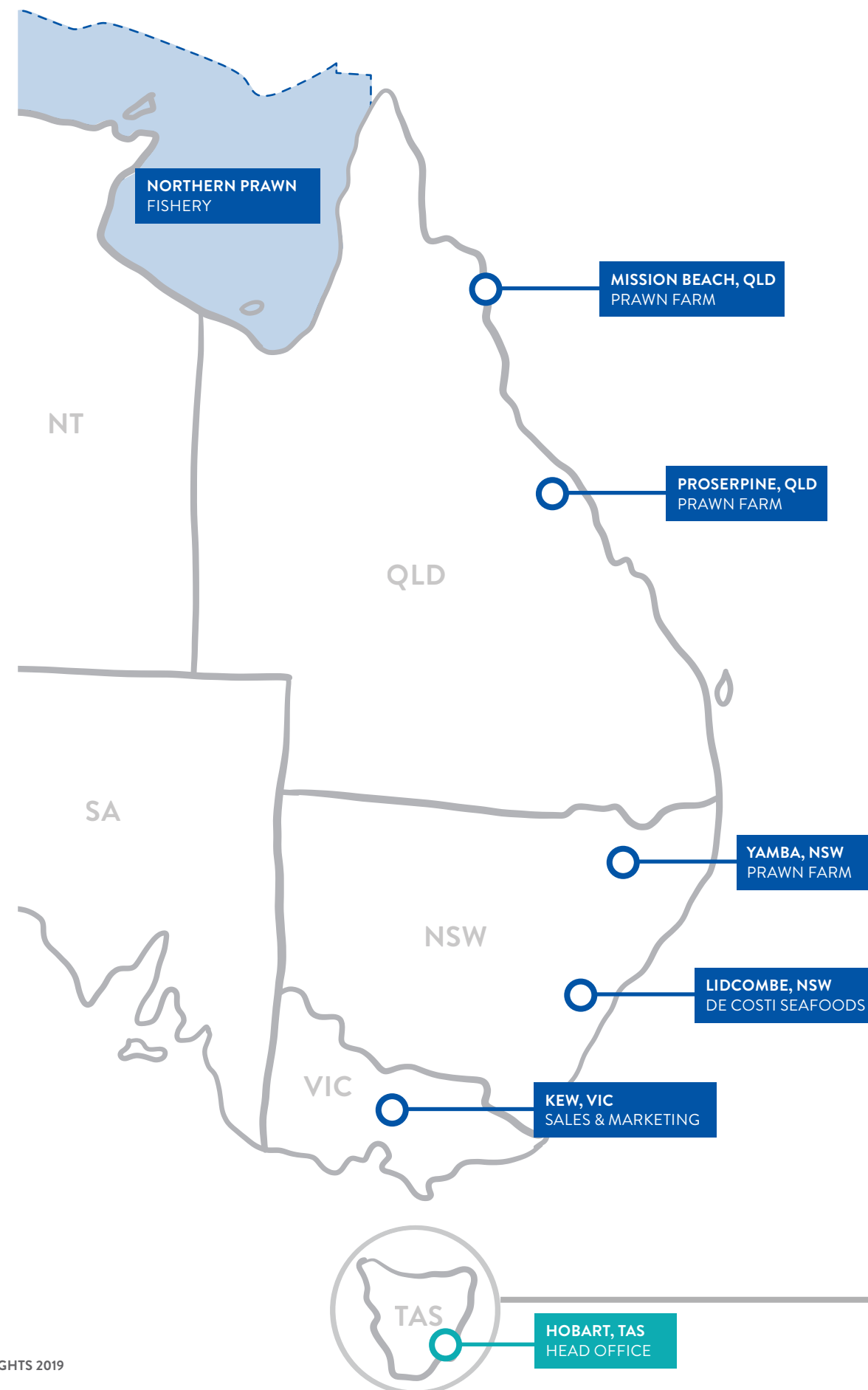
“WE EMBRACE
SUSTAINABILITY
*with integrity,
transparency and
purpose.*”

THIS IS US

Tassal is the largest vertically integrated salmon and prawn grower, and seafood processor in Australia, employing over 1,350 people.

With over 30 years of experience, we proudly produce, process and market premium salmon, prawn and seafood products for both the Australian and global markets.

At Tassal, we lead sustainable aquaculture and seafood sourcing, both in Australia and globally. Tassal Group Limited (TGR) is a publicly listed company on the ASX.



OUR FOOTPRINT **SEAFOOD & PRAWNS**

PROSERPINE, QLD
Prawn farm, hatchery & processing facility

MISSION BEACH, QLD
Prawn farm, hatchery & processing facility

YAMBA, NSW
Prawn farm & processing facility

LIDCOMBE, NSW
Processing facility

'XANADU'
Northern Prawn Fishery

OUR FOOTPRINT **SALMON**

MARINE FARMING ZONES

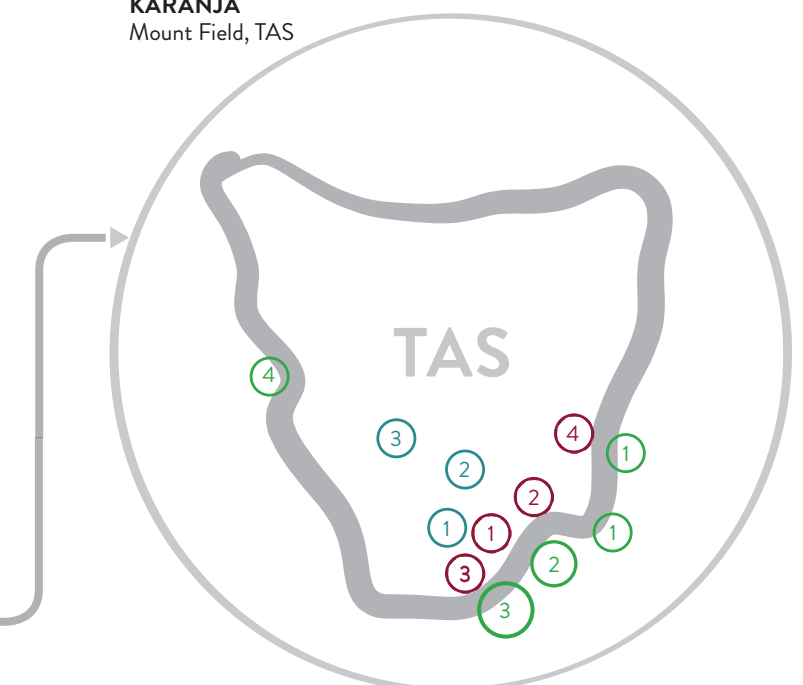
- EASTERN ZONE**
Okehampton Bay
Nubeena & Port Arthur
- CHANNEL ZONE**
D'Entrecasteaux Channel
- SOUTHERN ZONE**
Dover & Huon River
- WESTERN ZONE**
Macquarie Harbour
(joint venture)

PROCESSING FACILITIES

- HUONVILLE**
Smoking & processing
- MARGATE**
Fresh processing
- DOVER**
Primary processing
- TRIABUNNA**
Value add by-products

FRESHWATER HATCHERIES

- ROOKWOOD I & II**
Ranelagh, TAS
- RUSSELL FALLS & KARANJA**
Mount Field, TAS
- SALTAS**
(Industry Hatchery)
Wayatinah, TAS



EXECUTIVE *statement*

Our vision is for a better tomorrow...

For our people, our planet, our product, our performance and the communities in which we operate.

We are proudly Australia's largest seafood producer. Our world class farms, processing facilities and support teams now scatter the land and seascapes of regional Tasmania, New South Wales and Queensland. Our products are on dinner plates and in lunch boxes right across Australia. With over 30 years experience, we are industry leaders, innovators, safe and diligent producers and first and foremost, we are responsible farmers who prioritise our people, their safety and the communities in which we operate.

Sustainability continues to be at the core of our operations, underpinning every facet of our organisation to ensure a balanced strategy across our operational pillars, as we continue to deliver on an ever increasing demand for sustainably sourced seafood. We value healthy marine and coastal environments for our farms. We value the people behind our products – from the farmers who maintain the welfare of our livestock, the processors who make it safe for consumption and our support teams in between. We welcome the views of our stakeholders and customers, whose insights help inform our practices and identify opportunities for improvement.

Aquaculture is a globally recognised solution to address increasing demand for a more sustainable, nutritious and efficient source of protein. Demand, domestically and globally for sustainably farmed seafood continues to outpace supply growth, with salmon now sharing a larger portion of the Australian dinner plate than ever before.

Passion and innovation remain at our core, and as a result, in FY19 we proudly announced the acquisition of prawn farming land, assets and inventory as part of our growth and species diversification strategy.

This cements us as one of Australia's largest footprints in tiger prawn operations, now proudly owning and operating three geographically diverse prawn farms with hatchery and processing facilities in Queensland (Mission Beach and Proserpine) and New South Wales (Yamba) and wild harvest capability.

As globally recognised leaders in sustainability, and with world leading technology, product quality, research and development programs intrinsically linked to our salmon business, we are confident successful transfer of these skills and experience will deliver sustainable growth for tiger prawns.

"We are immensely proud of our results achieved this year and significant partnerships across a number of our programs announced in the research and development space."

We thank everyone who contributed to our achievements in FY19. Our commitment to our employees, communities we operate within, shareholders, industry members, contractors and supply chain partners is to continue being a responsible producer, drawing on global best practice to support our efforts to innovate and continuously improve.



ALLAN McCALLUM
Chairman



MARK RYAN
Managing Director & CEO



Allan McCallum
Chairman

Mark Ryan
Managing Director & CEO

OUR *strategy*

Every day, we strive to be a world leading seafood company. As industry leaders in Australia, we are well placed to harness our strengths across our business by sustainably and strategically improving how we farm, process and bring our seafood offer to market.

"Tassal farms the ocean and land to produce a high quality and healthy source of protein, leveraging its industry leading scientific know how, that is both sustainable and efficient in its production, respecting the resources of the earth and the wider society in which it operates."

We continue to deliver our strategy by leveraging our industry leading position across key priority areas:

- Market leader on all operational, financial, environmental and societal value metrics;
- Geographic and species diversification;
- Vertical integration to ensure we are positioned to achieve balanced growth and earnings;
- Sales and marketing focus of driving domestic per capita consumption growth;
- Eastern seaboard supply chain: freshest to market on a national basis with short shelf life products; and
- Best practice aquaculture experience: regarded as global leaders in fish farming and environmental stewardship.

Tassal will continue to drive the transformation of the Australian seafood industry. We are building on our success with salmon and investing in species diversification. Our growing returns will come from innovating, value adding and capitalising on increased consumption of farmed seafood in the restaurants and homes of Australians.

OUR *opportunity*

Net imports now make up 66 per cent of all seafood consumed in Australia (Mobsby and Curtotti, 2018). By 2050, 70 per cent more food will be needed to feed the world (Linehan et al., 2012) and business as usual will not achieve this. Since 2005, wild catch seafood production in Australia has declined, while aquaculture production has increased (Department of Agriculture, 2015). We are focused on growing Australia's seafood supply sustainably.

Our commitment to...

... be innovative and strive for best practice continues to drive change in our operations. We are farmers and we take action to improve production, fish health and welfare while keeping our people safe.

CENTRALISED FEEDING

Delivering better fish growth, reduced feed conversion rates and reduced cost of growing through the implementation of our world-first remote feed centre. This also provides improvements for the environment, the safety of our people, fish welfare and increased integration of our operations.

BLUE ECONOMY CRC

Spearheading the industry in the responsible transition to high energy farming through supporting the establishment of the Blue Economy Cooperative Research Centre (CRC). The CRC advances our efforts and the broader Tasmanian salmon industry in world-leading research and development for farming in high-energy waters.

AQUA SPA

Investing in our new well boat *Aqua Spa*, featuring world-leading technology and innovation, which will strengthen biosecurity and improve efficiencies to bathing operations, which makes for healthier fish and increases safety for our people. Adopting an in-built reverse osmosis system, *Aqua Spa* will also reduce our reliance on using fresh water, a key target for improving our operations.

ECO AQUACULTURE

Cementing our nation-leading eco aquaculture vision through the development of a new partnership between salmon, shellfish and seaweed producers. This was possible with a \$2.3 million commitment from the Federal Government for seaweed culture research and will provide economic, environmental and social benefits for all of us.

OCEAN SANCTUARIES

Accelerating the roll out of our ocean sanctuary enclosures, allowing our fish room to swim and grow healthily whilst ensuring the safety for our people.



MULTI PURPOSE RECIRCULATING AQUACULTURE SYSTEM (RAS)

Facilitating best practice stocking and fallowing strategies to produce Tasmania's largest smolt in our land-based nurseries, reducing the time our fish spend in the marine environment.

100 PER CENT RECYCLING

Aspire to move towards 100 per cent recycling of our marine soft and hard plastics. Tassal is already Tasmania's largest single supplier of redundant plastics for recycling.

SUSTAINABILITY CERTIFICATIONS

Maintaining third-party certifications across harvest leases.

BIOSECURITY

Continuing to work on our joint venture leases in Macquarie Harbour with Petuna to implement improved biosecurity and fallowing strategies which support better environmental and fish health outcomes.

RESPONSIBLY SOURCED SEAFOOD

The essence of sustainable development is that today's generations meet their needs without prejudicing future generations' ability to meet theirs. We are committed to providing Australians with responsibly produced and sourced seafood.

Our commitment to...

... boost Australia's prawn farming industry, creating jobs, regional growth and stronger local economies.

PROSERPINE

FY19 saw the commencement of major rehabilitation and development works at our Proserpine prawn farm in Queensland, the largest prawn farm base in Australia. Works include the redevelopment of ~190 ha of land-based ponds, a processing facility and hatchery infrastructure with scope for a domestic breeding program.

MISSION BEACH

Situated along the Cassowary Coast of Queensland, our Mission Beach farm has ~32 ha of farming ponds. A redeveloped hatchery and enhanced pond infrastructure will optimise operations and improve prawn performance and yield. Once upgraded, the site will have the capacity to produce up to 450 tonnes of tiger prawns per year.

YAMBA

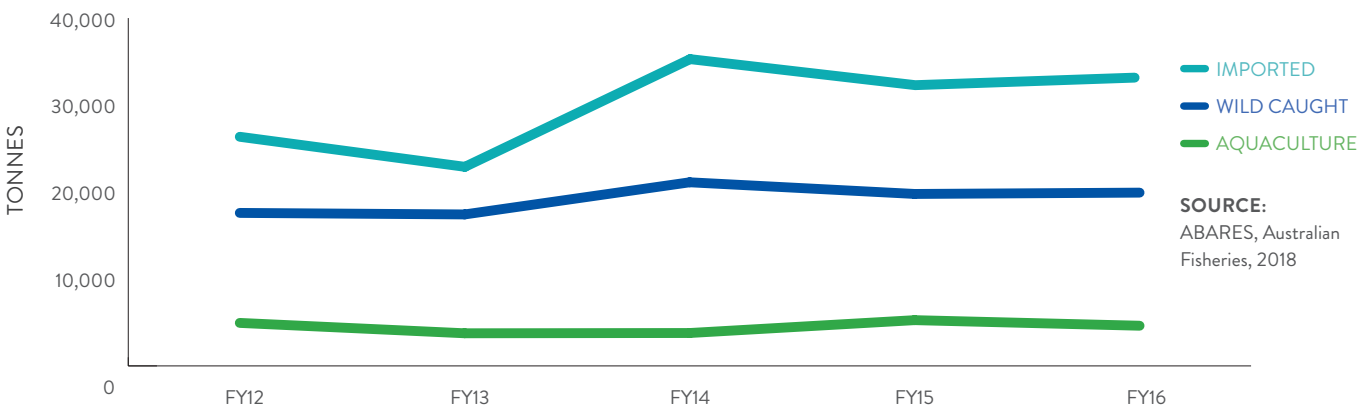
Our Yamba farm sits on Palmer Island in northern New South Wales, boasting clear and pristine water flow through the Clarence River. The Yamba site will undergo significant works to ponds and facilities, giving the site the capacity to produce up to 650 tonnes of tiger prawns per year.

ACQUISITION

In the FY19 reporting period we announced the acquisition of an Australian aquaculture business comprising of three prawn farms. The demand for tiger prawns is increasing as more Australians enjoy them than ever before.

As farmers and processors, we are using our 30-plus years of aquaculture experience to transfer knowledge and technology into our prawn business. Coupled with the skills and experience of our people who are passionate about the prawn industry, we are confident of growing this sustainable, high-demand product through improved land-based farming.

AUSTRALIAN PRAWN PRODUCTION



Tassal is well placed to sustainably increase aquaculture prawn production in Australia, reducing demand on wild stocks and imported prawns.



OUR PEOPLE & COMMUNITIES *highlights*

LEAD INDICATORS

We pioneered our own Driving Safety Culture Scorecard (ROCK Scorecard) which asks specific questions of our people and evaluates management's approach to WHS across our sites.



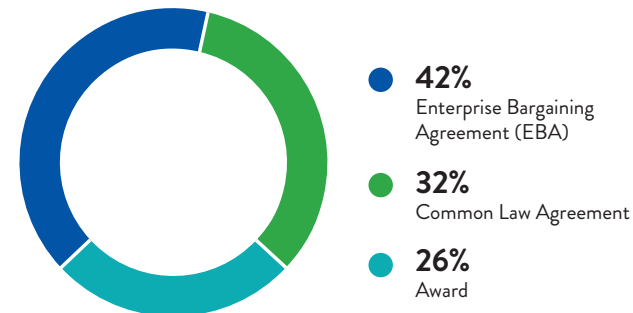
WHS COMPLIANCE SCORECARD



DRIVING SAFETY CULTURE SCORECARD

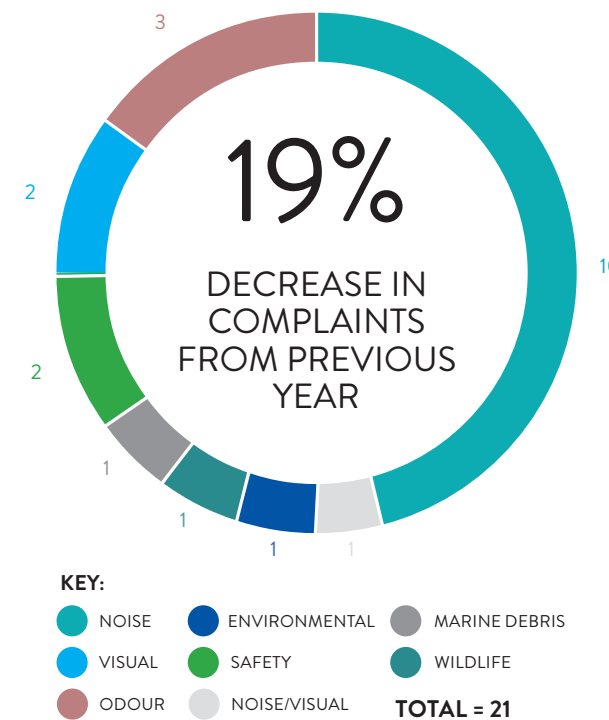
WORKPLACE AGREEMENTS

Tassal employees contribute to and participate in establishing standards, such as union negotiated Enterprise Bargaining Agreements (EBA) and one-on-one negotiations.



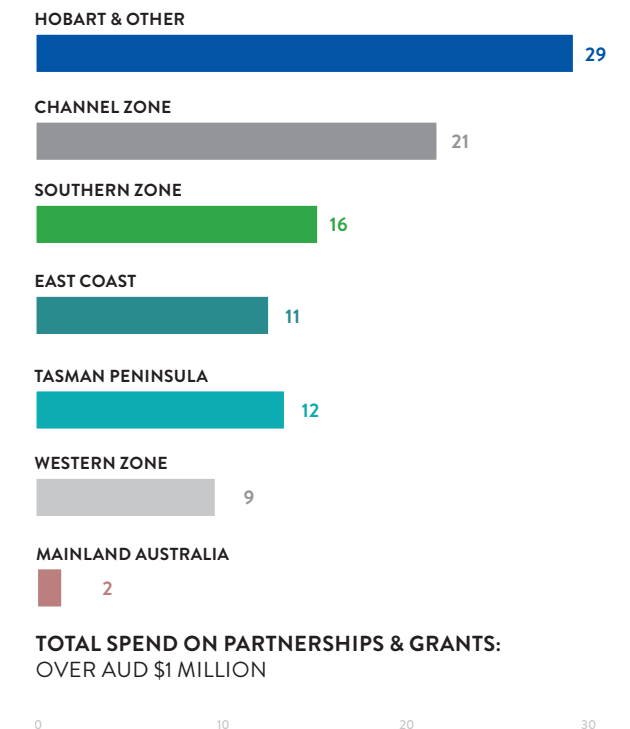
COMMUNITY COMPLAINTS

We actively listen to our communities and are proactive in responding to concerns or complaints relating to our operations. We have a Community Complaint Policy to support our engagement team with managing community feedback.

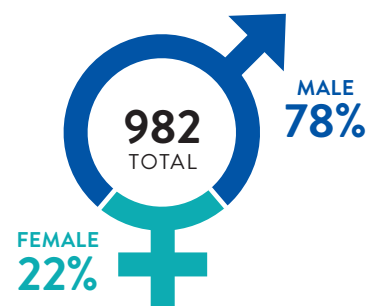


GRANTS RECIPIENTS BY REGION

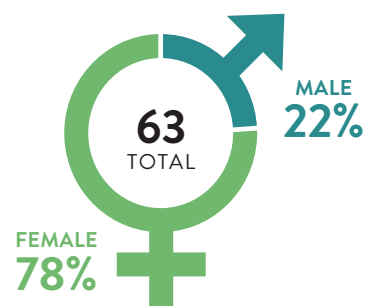
Our Better Together community grants program provides the opportunity for community-based organisations, sporting groups, schools and individuals to apply for funding to support their initiatives. Applications are considered in consultation with each region's established Community Advisory Group (CAG).



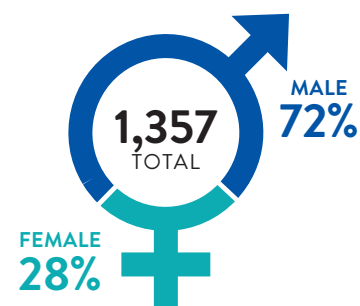
EMPLOYEE SNAPSHOT



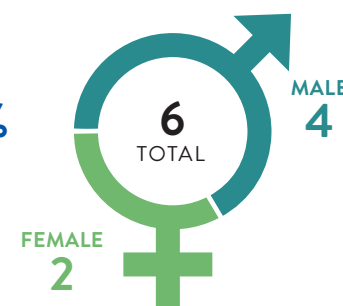
FULL TIME EMPLOYEES



PART TIME EMPLOYEES



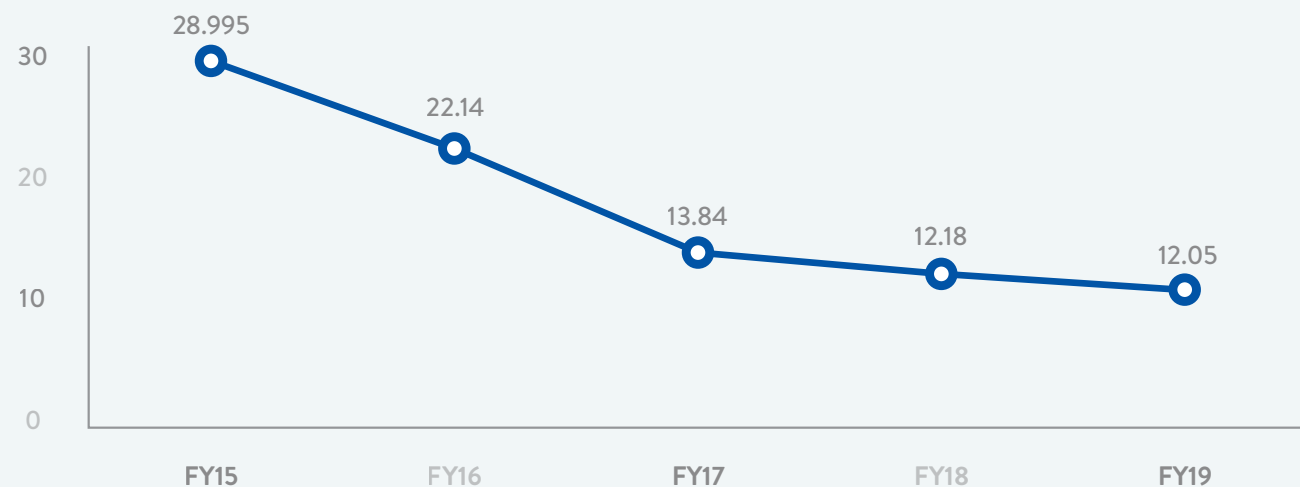
TOTAL EMPLOYEES
(INCLUDING CASUAL, FIXED TERM & SEASONAL EMPLOYEES)



DIRECTORS

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)

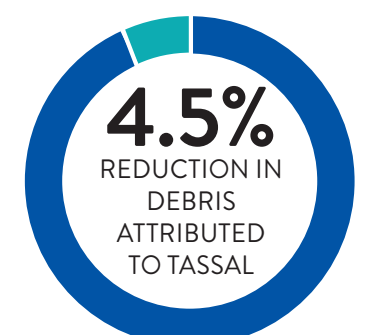
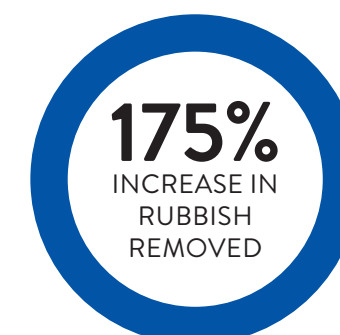
TRIFR is the number of injuries requiring medical treatment per million hours worked.



MARINE DEBRIS

We are working hard to play our part in reducing marine debris. We have a **Towards Zero** approach to this threat and are relentless in our focus, taking accountability for our actions. By 2020, our goal is to reduce marine debris attributed to our operations to below 10 per cent of all rubbish collected or reported.

	FY15	FY16	FY17	FY18	FY19
RUBBISH REMOVED (m ³)	33	23.5	72	79.5	218.9
HOURS COLLECTING	319	250	386	1,776	3,881
ATTRIBUTION TO TASSAL FARMS (%)	13.1	30	26.9	27	22.5



OUR PLANET *highlights*

WILDLIFE INTERACTIONS

Mitigating wildlife interactions continue to be a focus for Tassal, with an aim to eliminate impacts on our fish while reducing negative interactions.

Seals have traditionally accessed marine pens over the top of the pen collar or by chewing through nets. Our ocean sanctuary pens combat this through their unique design, and are proving to be effective with minimal breaches, reducing the risk to our people, stock and wildlife.

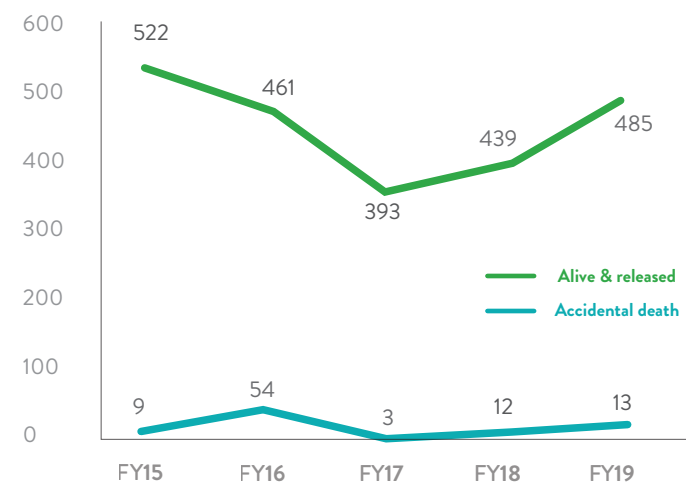
81 **81%**

Sanctuary pens installed across operations in the reporting period
Sanctuary pen coverage across south east operations in the report period

\$70.7m

Our total investment in sanctuary pen infrastructure at the end of the reporting

BIRD INTERACTIONS



SEAL INTERACTIONS

	FY15	FY16	FY17	FY18	FY19
RELOCATION EVENTS	145	151	2,131	1,344	0*
EUTHANISED	0	1	3	1	0
ACCIDENTAL DEATH (RELOCATION)	1	3	1	0	0
ACCIDENTAL DEATH (ENTANGLEMENT)	7	2	1	6	14

*In FY18, the Tasmanian Government announced the decision to end seal relocations.

BEST PRACTICE *salmon aquaculture*

AQUACULTURE STEWARDSHIP COUNCIL (ASC)

The Aquaculture Stewardship Council (ASC) is an independent, not-for-profit organisation founded in 2010 by the World Wide Fund for Nature (WWF) and the Sustainable Trade Initiative (IDH).

The ASC work to promote best practice aquaculture globally and aim for a world where everyone has access to responsibly sourced seafood. The salmon standard is made up of 154 indicators addressing issues and impacts to provide consumers with an assurance they are purchasing salmon from farms which manage their environmental and social impact to the highest standards. Tassal first achieved ASC certification in 2014.



BEST AQUACULTURE PRACTICES (BAP)

Best Aquaculture Practices (BAP) is a comprehensive third-party aquaculture certification program that covers environmental and social responsibility, animal welfare, food safety and traceability in a voluntary certification program for aquaculture facilities.

The BAP program encompasses the entire production chain, from hatcheries and feed mills to farms and processing plants. The BAP program was established in 2002 by the Global Aquaculture Alliance (GAA) to encourage the use of responsible aquaculture practices for a variety of species, including salmon. Tassal gained BAP certification across two salmon farming zones and one freshwater facility in the reporting period.



ENVIRONMENTAL COMPLIANCE

Compliance with regulatory requirements helps us avoid potential environmental harm. All of Tassal's sites operate under regulatory licences, which have been developed to address environmental risks at each of our operations.

PROCESSING & FRESHWATER COMPLIANCE



BENTHIC COMPLIANCE

	FY15	FY16	FY17	FY18	FY19
NUMBER OF ROV DIVES	329	380	206	182	373
NUMBER IN COMPLIANCE	322	367	169	179	350
% COMPLIANCE	97.9	96.5	82.0	98.4	93.8

*The overall decrease in compliance from FY18 to FY19 is attributable to the increased frequency of sampling at the Franklin lease from quarterly to monthly monitoring. Increased monitoring has resulted in the same non-compliance observations being recorded several times over the reporting period.

GLOBAL SALMON INITIATIVE (GSI)

Tassal is a member of the Global Salmon Initiative (GSI), a leadership initiative established by leading farmed salmon CEOs from around the world. The GSI has a shared vision of providing a healthy and sustainable source of protein to feed a growing population, while minimising their environmental footprint and improving social contribution.

The four key focus areas of the GSI that Tassal is contributing to are:

- Achieving the highest level of environmental and social standard through ASC certification;
- Improving biosecurity (disease management);
- Securing sustainable sources of feed ingredients; and
- Improving industry transparency through sustainability reporting.



OUR PRODUCT *highlights*

SUPPLIERS

We actively support local businesses & share our sustainability objectives with key suppliers to build a network of like-minded contractors & suppliers.

Procurement is focused on increasing value & innovation.

AQUACULTURE FEED INPUTS

Understanding the sustainability implications of feed inputs as part of a sustainable supply chain is critical to minimising our environmental & social impact at a global level.

GLOBAL SEAFOOD SUPPLY

AQUACULTURE PRODUCTION

Selective Breeding Program
Hatchery operations
Marine salmon pens
Prawn ponds
Harvest

VALUE ADD PROCESSING

Each of our processing facilities plays a different role in the post harvest, value added production of quality Tassal products. We partner with operational areas of our business to ensure the effective implementation of food safety & quality standards, & invest in our people & new production methods to drive continuous improvement.

DISTRIBUTION & LOGISTICS

We focus on strong strategic relationships that will optimise the supply chain through national coordination of logistics & distribution to facilitate improved availability of our product.

CUSTOMER (DOMESTIC & EXPORT)

Insight led seafood marketing, innovation & category management aims to increase domestic market per capita consumption for responsibly farmed & caught seafood.

PROCUREMENT PRACTICES

Suppliers of goods or services which have the potential to impact food safety or quality, such as suppliers of raw materials, ingredients, processing aids, packaging, warehousing, thawing, date coding and contract processing, are required to participate in our Quality Approved Supplier Program.

6

NUMBER OF
NEW SUPPLIERS

4

SUPPLIER AUDITS
CONDUCTED

100%

% OF NEW SUPPLIERS
SCREENED THROUGH
APPROVED SUPPLIER
PROGRAM

103

NUMBER OF
APPROVED SUPPLIERS

OUR BRANDS



GLOBAL SEAFOOD SUPPLY*

Argentina	Brazil	China	Indonesia	New Zealand	Thailand	Tunisia	USA	Vietnam	Australia
0.1%	0.1%	1.2%	0.2%	0.3%	3.4%	0.1%	0.1%	6.6%	87.9%

*Percentage of total seafood sourced from each country

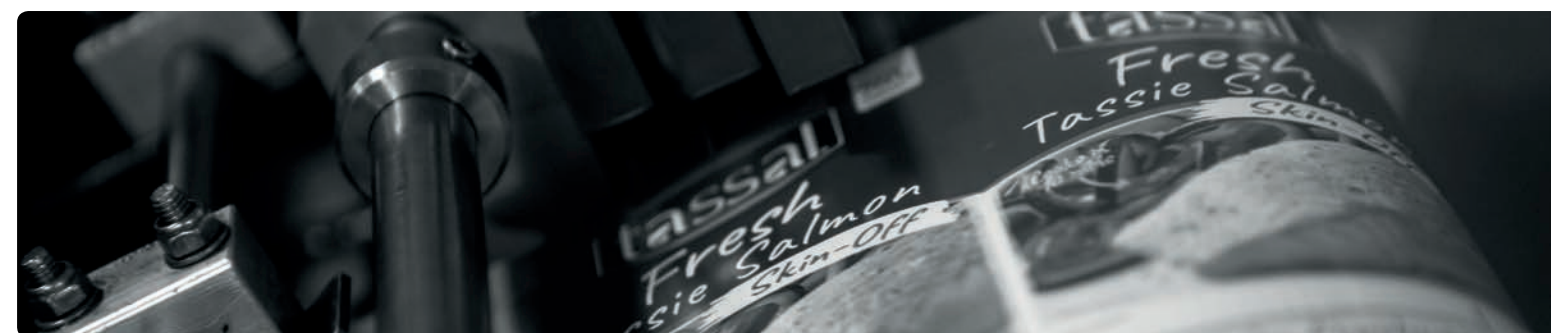
PACKAGING

As demand grows for our seafood, so does the need to find more sustainable packaging options.

We are committed to reducing packaging waste across our business and in the reporting period, we commenced several projects, including:

- Trialling recyclable packaging for our cold smoked and hot smoked salmon products. This new packaging will help us meet the APCO 2025 national packaging targets;
- The implementation of OXO-biodegradable box liners, which has reduced the amount of waste that ends up in landfill;
- Investigating options into the use of cardboard cartons instead of poly boxes for distribution of products;
- Increased use of returnable bulk bins for seafood on processors; and
- Removal of poly boxes for deliveries into retail distribution centres in Far North Queensland.

Tassal is a member of the Australian Packaging Covenant Organisation (APCO), a co-regulatory, not-for-profit organisation which partners with government and industry to reduce the harmful impact of packaging on the environment.



OUR PRODUCT *highlights*



INNOVATION & Infrastructure

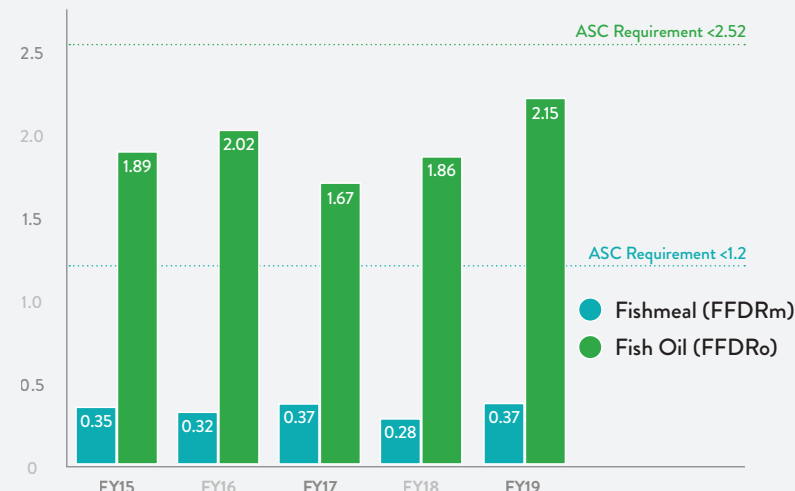
Innovation is at the heart of all our operations and we continue to take steps to improve feeding. Our centralised feeding program is now fully implemented across our marine salmon operations. The combination of technology, infrastructure and investment in people has seen us achieve better growth and lower feed conversion, with results showing a five per cent improvement in bFCR and a six per cent improvement in eFCR for the 17YC when compared with the previous production cycle. Further, through modern diet initiatives, the use of high energy diets is achieving better growth for the same amount of feed as traditional diets.

Our feed centre in Hobart has partnered with our environmental compliance team to further reduce our environmental footprint within our lease areas by dramatically reducing feed wastage, resulting in improved benthic health. In FY19, we commenced pellet detection trials, providing cues to detect feed pellets with an objective to increase the number of pens per feeder and further increase feed efficiency. Feeders are now conducting mortality assessments using feed cameras, resulting in operational efficiencies including reduced dive times. At our farms, feeders are also completing net scores instead of divers, again reducing dive time and preventing unnecessary cleaning of nets.

Both of these activities are driving improved safety and environmental outcomes. We are also implementing remote control of compressors on our barges, with the ability to activate venturation as needed to improve in-pen environments, reduce diesel use and prioritise fish health and welfare.

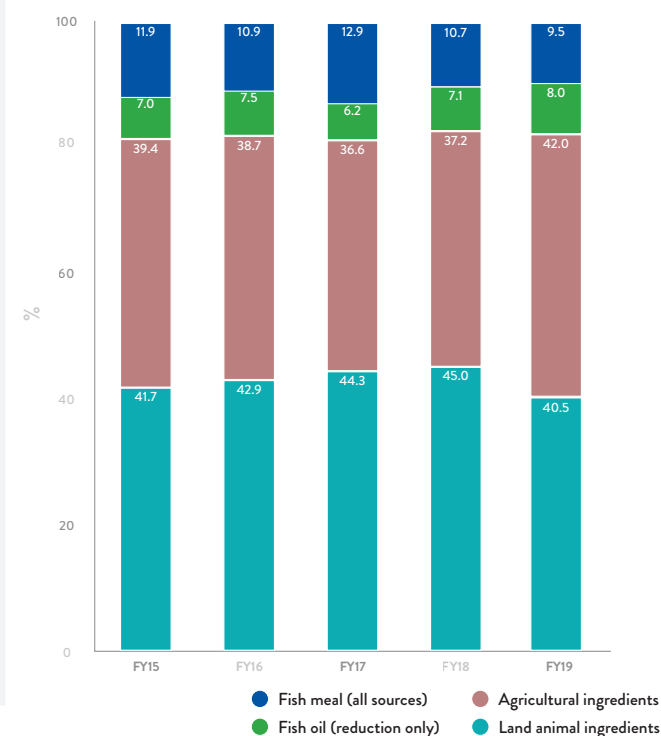
FORAGE FISH DEPENDENCY RATIO (FFDR)

Forage Fish Dependency Ratios (FFDR) calculate the dependency on forage fisheries through an assessment of the quantity of live fish from small pelagic fisheries required to produce the amount of fishmeal and fish oil needed to produce a unit of farmed salmon. While we continue to support the trend toward lower marine resource inclusion rates, our high energy feeds play an important role in optimising fish welfare during warmer water periods.



RAW MATERIALS IN SALMON FEED

Raw materials in salmon feed by percentage



Tassal salmon feed is made up of the following raw materials:

Marine ingredients

Marine ingredients consist of fishmeal and fish oil. We are focused on reducing our reliance on forage fish species and our marine ingredients do not originate from species classified as endangered or critically endangered.

Agricultural ingredients

Agricultural ingredients include wheat, soya derivatives, corn gluten and vegetable oils. All soya included in our feeds is obtained from sustainable sources.

Vitamins, minerals & antioxidants

Vitamins and minerals are added to the salmon feed to ensure our fish obtain all the nutrients they require. The antioxidant astaxanthin is added to salmon feed to boost their immune

system and to protect their tissue. Astaxanthin is also responsible for producing salmon's pink colouring and is nature identical to wild salmon feed.

Land animal ingredients

Land animal ingredients include meat meal, blood meal and poultry oil. These ingredients are sourced from Australian producers who are Australian Renderers Association (ARA) accredited and approved for use in aquaculture feeds in Australia and New Zealand. Land animal ingredients are a sustainable co-product of animals reared for human consumption and have a high nutritional value for fish.

OUR PERFORMANCE

highlights

FINANCIAL PERFORMANCE (\$Am)

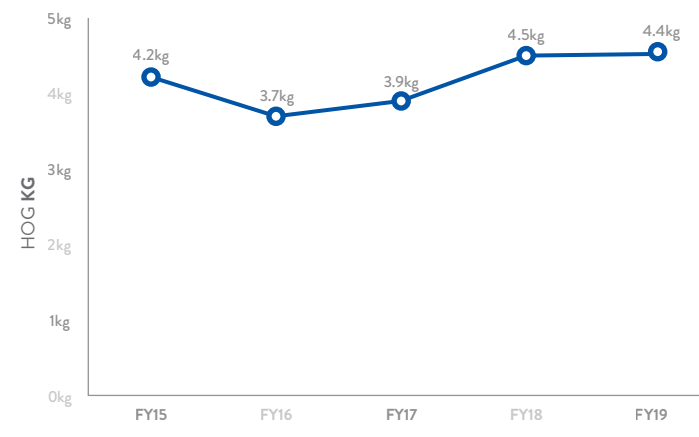
	2019	2018	Change
Revenue	560.79	484.54	↑ 15.7%
Operating Results			
Operating EBITDA	112.31	99.78	↑ 12.6%
Operating NPAT	56.62	50.31	↑ 12.5%
Statutory Results			
Statutory EBITDA	114.91	110.00	↑ 4.5%
Statutory NPAT	58.44	57.29	↑ 2.0%

Operating Cashflow	89.90	43.88	↑ 104.9%
Final Dividend - cps	9.00	8.00	↑ 12.5%
Total Dividend - cps	18.00	16.00	↑ 12.5%
Gearing Ratio	28.2%	18.7%	
Funding Ratio	38.8%	28.5%	

OPERATING REVENUE SALMON AND SEAFOOD (\$Am)

Operating Revenue	2019	2018	Change
Salmon	474.03	395.47	↑ 19.9%
Seafood	77.31	78.47	↓ (1.5%)
Total Revenue	551.34	473.93	↑ 16.3%
Domestic Sales			
Salmon	388.95	322.91	↑ 20.5%
Seafood	73.90	75.51	↓ (2.1%)
Total Revenue	462.84	398.42	↑ 16.2%
Export Sales			
Salmon	85.09	72.56	↑ 17.3%
Seafood	3.42	2.96	↑ 15.4%
Total Revenue	88.50	75.52	↑ 17.2%

AVERAGE HARVEST WEIGHT (SALMON)

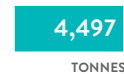


SALMON OUTPUT & PRODUCTION

COMBINED PROCESSING OUTPUT



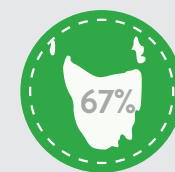
FISHMEAL AND FISH OIL OUTPUT



FISH IN SEA WATER



DIRECT SPEND ON LOCAL SUPPLIERS



\$327.7 m
TASMANIAN
SUPPLIERS



\$159.5 m
MAINLAND
SUPPLIERS

Remaining 1% spent on overseas suppliers

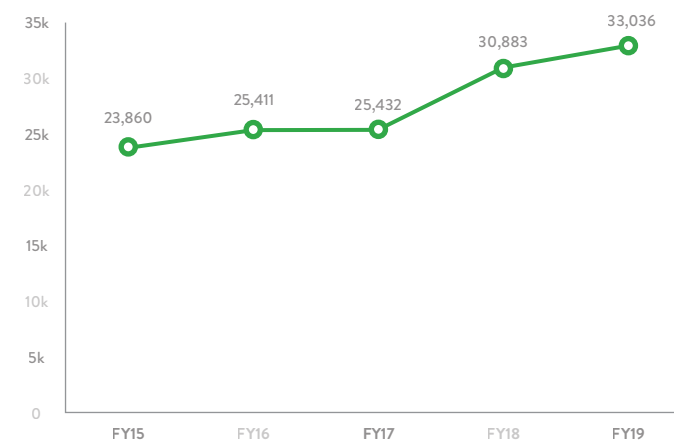
SALMON & SEAFOOD SALES

	VOLUME	REVENUE
Unbranded	47%	47%
Branded	53%	53%

*Tassal and De Costi consolidated

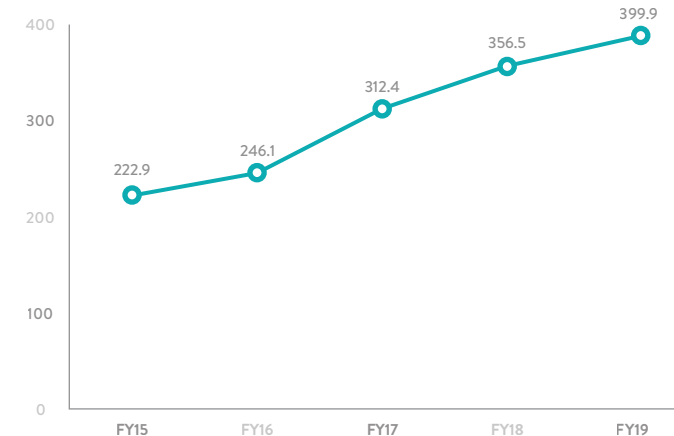
HARVEST TONNAGE (SALMON)

In HOG tonnes



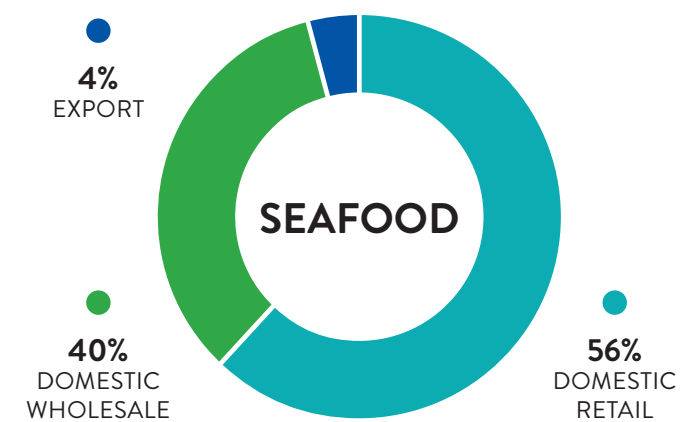
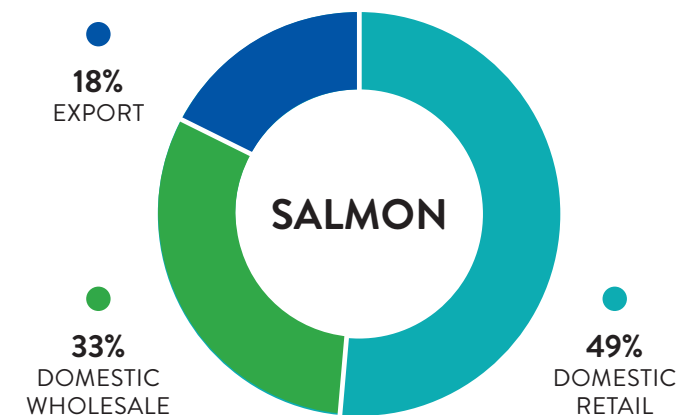
BIOLOGICAL ASSETS (SALMON)

\$Am

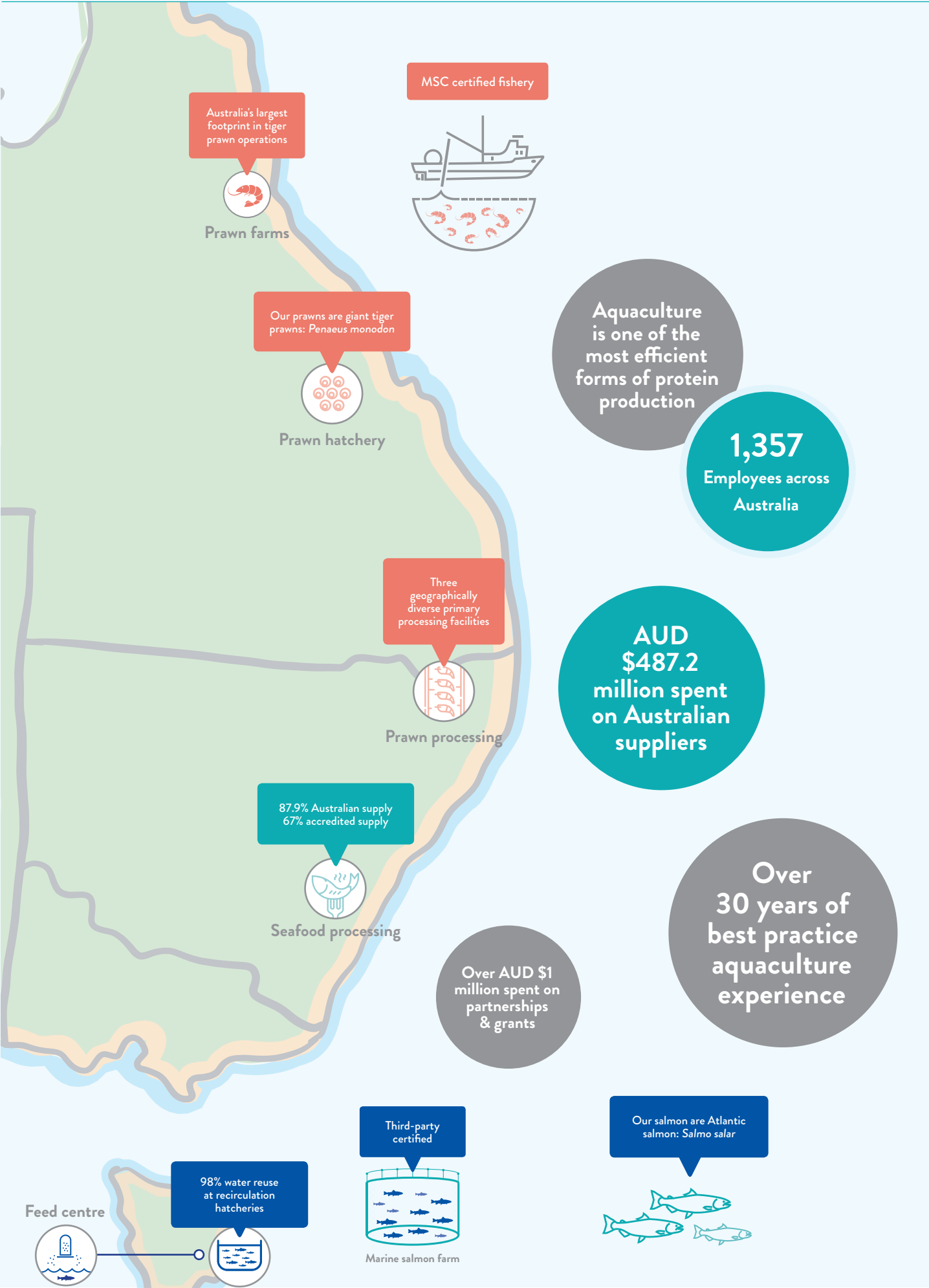


OUR MARKETS

We export to China, Indonesia, Japan, Malaysia, Singapore, Taiwan, Korea, Thailand, Vietnam, Bangladesh, New Zealand and the United States



*Figures are based on revenue



WE ARE
IMMENSELY
PROUD OF OUR
ACHIEVEMENTS
IN FY19...

*thank you
to everyone who
contributed*

Get in touch

Sustainability
sustainability@tassal.com.au

Community
community@tassal.com.au

Consumer Feedback
1800 620 685
consumerfeedback@tassal.com.au

Customer Service
1800 652 027
CSC@tassal.com.au

www.tassal.com.au
www.tassalgroup.com.au





tassalgroup.com.au

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