



**TASSAL GROUP**

# SUSTAINABILITY HIGHLIGHTS 2020





# A better tomorrow.

Tassal Group is the largest vertically integrated salmon and prawn grower, and seafood processor in Australia. With more than 30 years' experience in responsible salmon farming, our passion drives our commitment to meet the growing market and consumer demand for healthy and nutritious seafood.

Our transfer of experience and innovation in salmon farming to responsible tiger prawn farming is one of our greatest achievements.

We are more than just our produce though, proudly employing almost 1,500 people across Australia. We bring together a strong, diverse and multi-skilled workforce from our roots in Dover at the bottom of our small island home of Tasmania, to the tropical coastlines of Far North Queensland at Mission Beach.

To us, responsible business is sustainable, inclusive and supported by our four guiding principles – our people, our planet, our product and our performance.

Our values define our business and culture, and underpin our commitment, attitude, how we work and the quality of our products.

*That's the Tassal way*



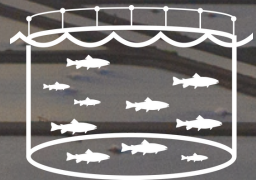


# Sustainability in 2020.

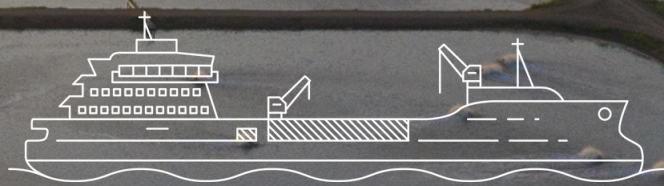
## Key highlights



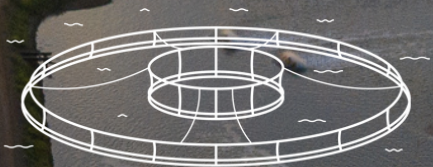
First Australian prawn  
farm to be BAP certified



First salmon go into the  
world's most exposed  
salmon farm



Welcomed our  
wellboat Aqua Spa



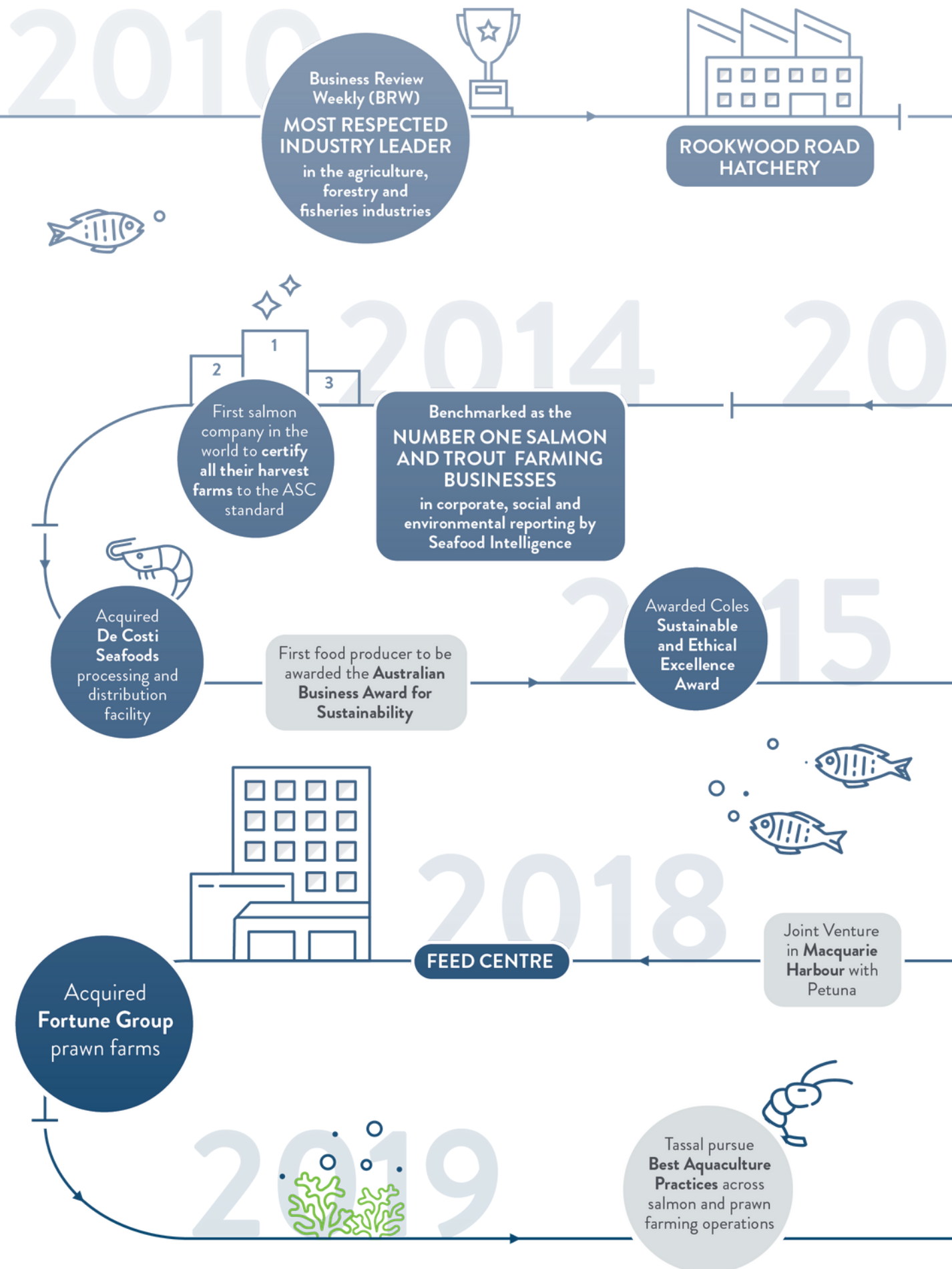
100% coverage of  
ocean sanctuary pens



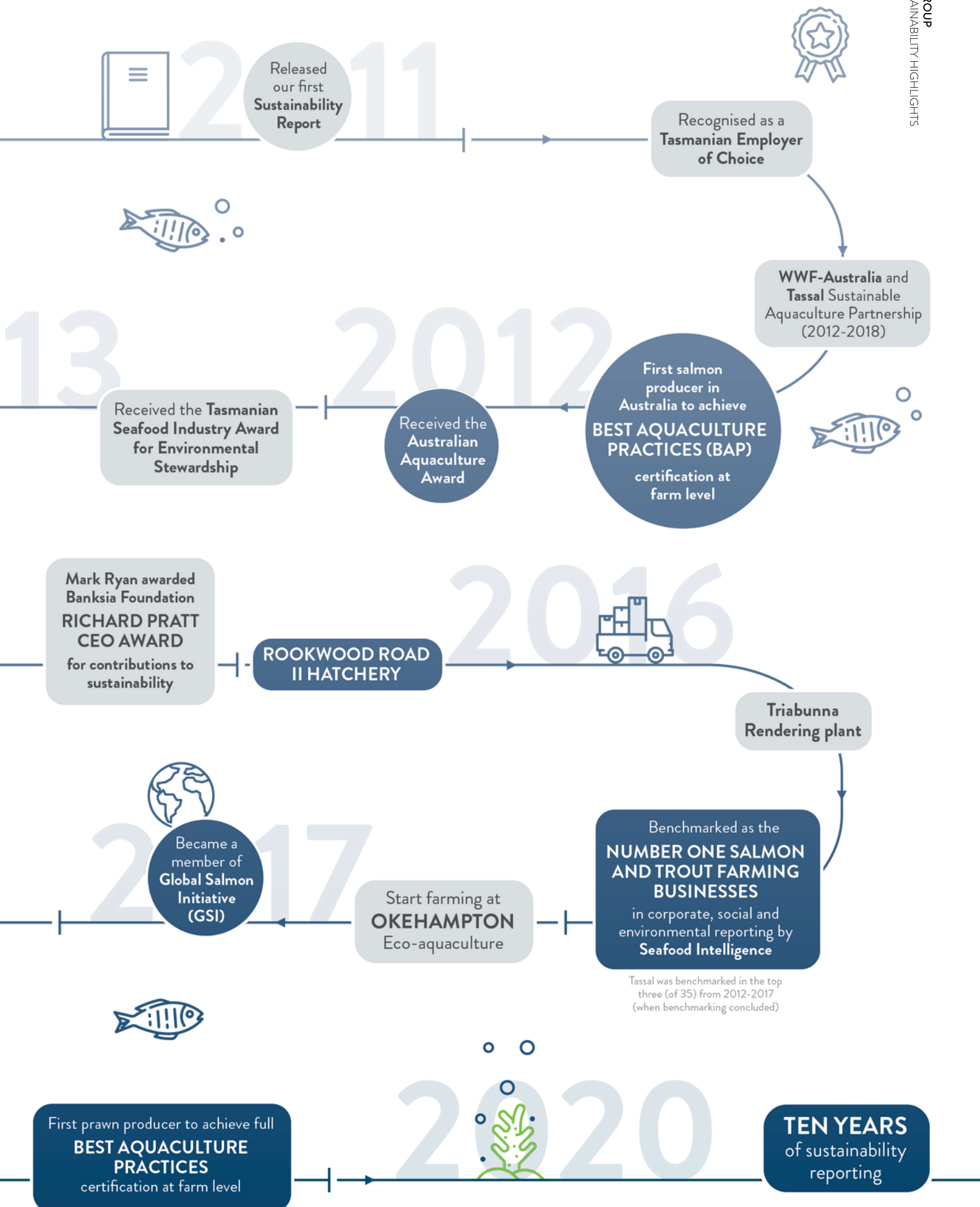
Over 180 million  
meals produced



# Our sustainability track record.









# Chairman and CEO report.

**As farmers, we are often at the forefront of what nature delivers – from storms, drought, bushfires, warmer waters or a global pandemic. During these times we dig deep, stand with our people, support our neighbours, partners and the communities we operate within.**

**While the COVID-19 pandemic has unleashed unprecedented impact throughout the world, it did not disrupt our sustainability progress as we continued to make strategic decisions and take actions aligned with our guiding principles - our people, planet, product and performance. This is our ethos as a responsible business.**

## **Sustainability**

Sustainability guides our production of accessible healthy food for the world; our efforts to build resilient and supported employees and communities; and our delivery of strong and consistent economic results, while respecting our planet and its environment for future generations.

## **Operating during a pandemic**

Our status as an essential service means we can maintain our focus on responsible farming and food production, allowing us to:

- Keep our people informed and safe;
- Deliver a continuous supply of our salmon, prawns and seafood;
- Deliver responsible and sustainable growth for our customers and shareholders; and

- Support the amazing communities we live and operate within.

Despite a new global health and economic challenge, we took bold actions and made significant progress against our sustainability, performance and operational metrics. The past year also saw the completion of longstanding projects and the beginning of new directions.

## **Responsible salmon**

We again delivered strong results in Tassal salmon supported by:

- The introduction of our wellboat Aqua Spa;
- Completing our project to rollout our world-leading ocean sanctuary pens;
- Optimising our internal scientific expertise and scientific partnerships like the Blue Economy Cooperative Research Centre (CRC); and
- Our continued focus on product quality to keep up with changing consumer preferences.

## **Responsible prawns**

This year was also about cementing our prawn footprint and launching Tropic Co tiger prawns. We were kept busy with these portfolio adjustments and additions including:

- Achieving major Queensland State Government approval enabling us to grow our prawn farming footprint by 53 per cent, setting us up for further success next harvest;
- Continuing our innovation focus to ensure a competitive advantage; and

- Creating hundreds of jobs, supporting regional growth and building stronger local economies from our strategic decisions.

## **A decade of open doors**

As we acknowledge our decade of sustainability reporting, global and national accolades and achievements, it's always been about the people. Together, we can celebrate our many achievements, from our diversified seafood product lines, our awesome people, delivering on shareholder expectations, our commitment to our operational footprint across regional communities and our drive to continue our investments in world leading innovation and infrastructure.

## **What sets us apart, today and tomorrow**

We are defined by our actions and our ambition.

Through smart farming, we continue to transform our operations and create a competitive edge through artificial intelligence, automation, data and predictive analytics tools.

Our strategy continues to show we are well positioned to meet consumer and market needs and our voluntary third-party certifications demonstrate our ongoing commitment to going above and beyond our regulatory settings to meet global sustainability benchmarks.





We will continue our work to find solutions to global challenges like waste. As part of our future direction, we are embarking on the concept of Better Use.

This will transform how we further reduce waste, manage our carbon footprint and reduce our freshwater use.

Our contribution to health and nutrition have never been more important and is genuine as we play our part in creating a healthier future.

The next decade of sustainability reporting will follow our journey connecting science with innovation and wellbeing. As a global leader with an eye on long term responsible success, we will continue to provide consumers with healthy, nutritious and sustainable seafood from our oceans and coasts. Our commitment to responsible business will enable us to continue this success.

We thank everyone who contributed to our achievements in FY20. Our ongoing commitment to our employees, communities, shareholders, industry members, contractors and supply chain partners is to continue drawing on global best practice to support our efforts to innovate and continuously improve. We look forward to reporting on the next stage of our sustainability journey. We truly are better together.

#### **Responsible growth for today and future generations**

We are on track to deliver a responsible growth strategy that is underpinned by five pillars:

- Being a market leader on all operational, financial, environmental and societal value metrics;
- Ensuring geographic and species diversification;
- Driving domestic per capita consumption growth;

- Maintaining an eastern seaboard supply chain, while ensuring our products are freshest to market on a national basis with short shelf life products; and
- Maintaining best practice aquaculture and being regarded as global leaders in environmental stewardship.

Our anticipated returns will come from innovating, value adding and capitalising on increased consumption of farmed salmon and prawns in kitchens and restaurants across Australia and overseas.

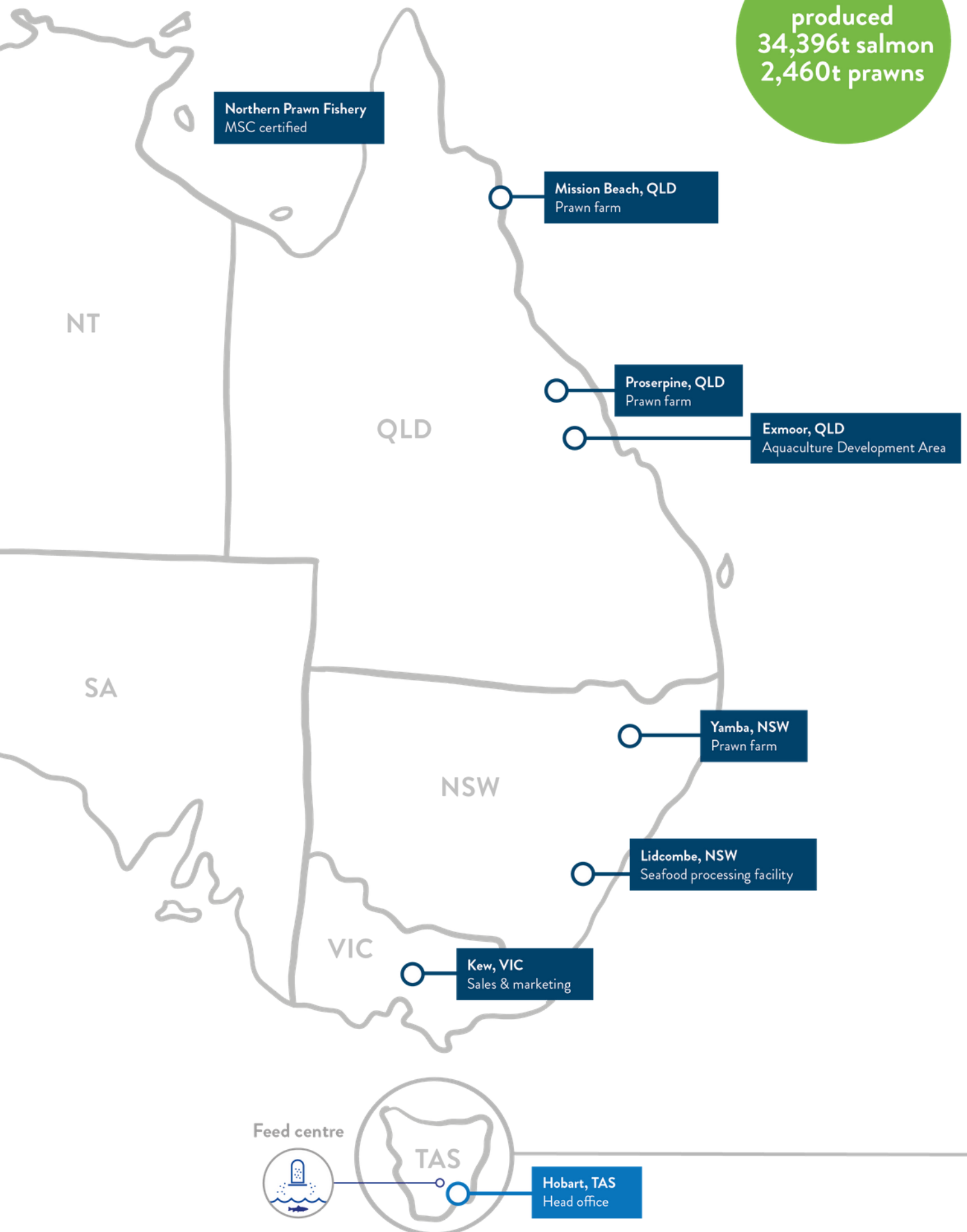
**Allan McCallum AO**  
Chairman

**Mark Ryan**  
Managing Director & CEO



# Our footprint.

In FY20 we  
produced  
34,396t salmon  
2,460t prawns





Aquaculture  
is one of the  
most efficient  
forms of protein  
production

~1,500  
Employees across  
Australia

Over 30  
years' of  
best practice  
aquaculture  
experience

AUD  
\$541.5  
million spent  
on Australian  
suppliers in  
FY20

## Our footprint: seafood & prawns

**Proserpine, QLD**  
Prawn farm, hatchery & processing facility

**Mission Beach, QLD**  
Prawn farm, hatchery & processing facility

**Exmoor Station, QLD**  
(Aquaculture Development Area)

**Yamba, NSW**  
Prawn farm & processing facility

**Lidcombe, NSW**  
Seafood processing facility

**XANADU**  
Northern Prawn Fishery

## Our footprint: salmon

### Marine farming zones

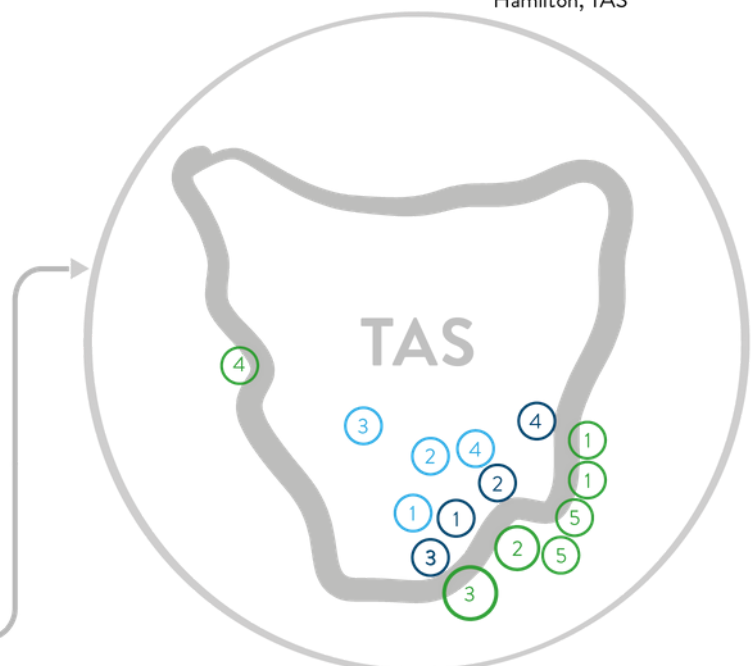
- 1. Eastern Zone**  
Okehampton Bay & Port Arthur
- 2. Channel Zone**  
D'Entrecasteaux Channel
- 3. Southern Zone**  
Dover & Huon River
- 4. Western Zone**  
Macquarie Harbour
- 5. Storm Bay Zone**  
Nubeena & West of Wedge

### Processing facilities

- 1. Huonville**  
Smoking & processing
- 2. Margate**  
Fresh processing
- 3. Dover**  
Primary processing
- 4. Triabunna**  
Value add by-products

### Freshwater hatcheries

- 1. Rookwood I & II**  
Ranelagh, TAS
- 2. Russell Falls & Karanja**  
Mount Field, TAS
- 3. SALTAS**  
(industry hatchery)  
Wayatinah, TAS
- 4. HRAS**  
(future development)  
Hamilton, TAS





# Our planet.

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Responsible farming and food production rely on an ongoing understanding of the local environment we operate within and our contributions and responses to transboundary issues like water security, biodiversity, responsible waste practices and climate change.

Our long history of action and beyond compliance approach across our business, including environmental management in our farming and processing operations, ensures the health of our stock and maintains a healthy environment for the benefit of future generations.



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Shoreline cleanups

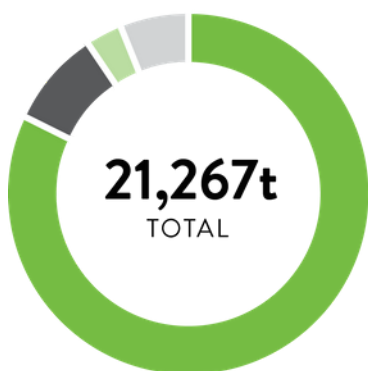


85%

Waste recycled







- 82%** Controlled waste recycled
- 9%** General waste landfilled
- 3%** General waste recycled
- 6%** Controlled waste landfilled



**100%**  
nitrogen cap  
compliance



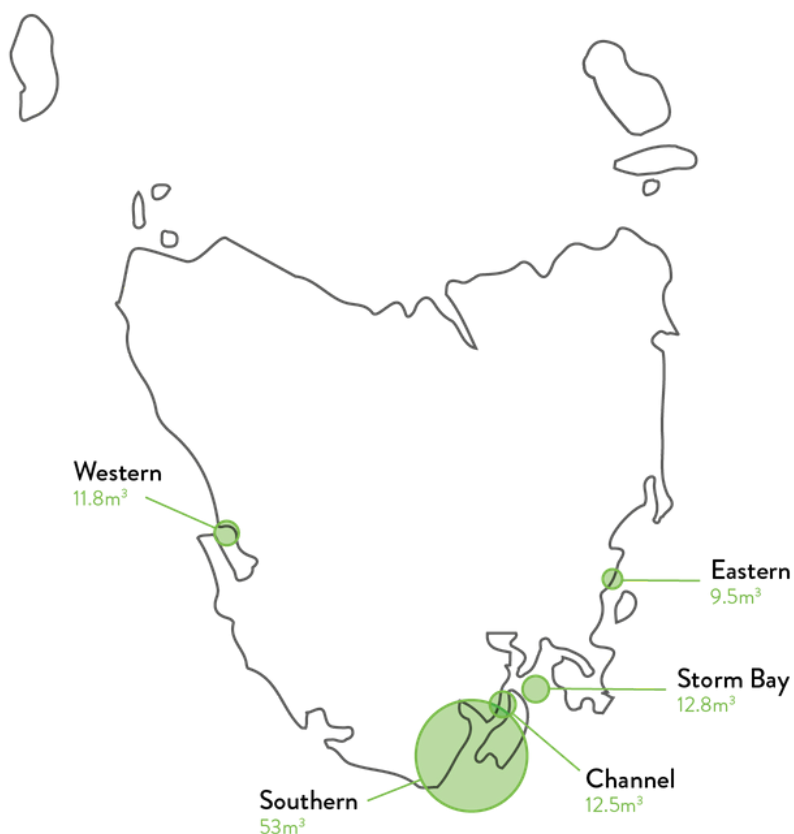
**99%**  
prawn farming  
compliance



**100%**  
salmon & prawn  
processing  
compliance



**100%**  
salmon & prawn  
hatchery  
compliance



	Hours collecting	Rubbish removed (m³)	Attribution to Tassal farms (%)
FY16	250	23.5	30
FY17	386	72	26.9
FY18	1,776	79.5	27
FY19	3,881	218.9	22.5
FY20	2,268	99.6	15.3

## Benthic compliance

	FY16	FY17	FY18	FY19	FY20
Number of ROV dives	380	206	182	373	210*
Number in compliance	367	169	179	350	200
% compliance	96.5	82.0	98.4	93.8	95.2

The number of compliance dives reduced for FY20 as some leases were being followed.



**ONE  
BILLION**  
equivalent water  
bottles saved

**27%** reduction in  
water user  
per kilogram  
of salmon

# Our people & communities.

Our people are our heartbeat and the communities we operate within are our heartland.

We value how we work just as much as what we achieve.

This means doing the right thing, being valued by our best on-ground team, being a responsible neighbour, a good partner and using our resources to build a better tomorrow.



Total recordable injury frequency rate (TRIFR)

8.03

▼ 33.3% FY19



~1,500

Staff employed across Australia

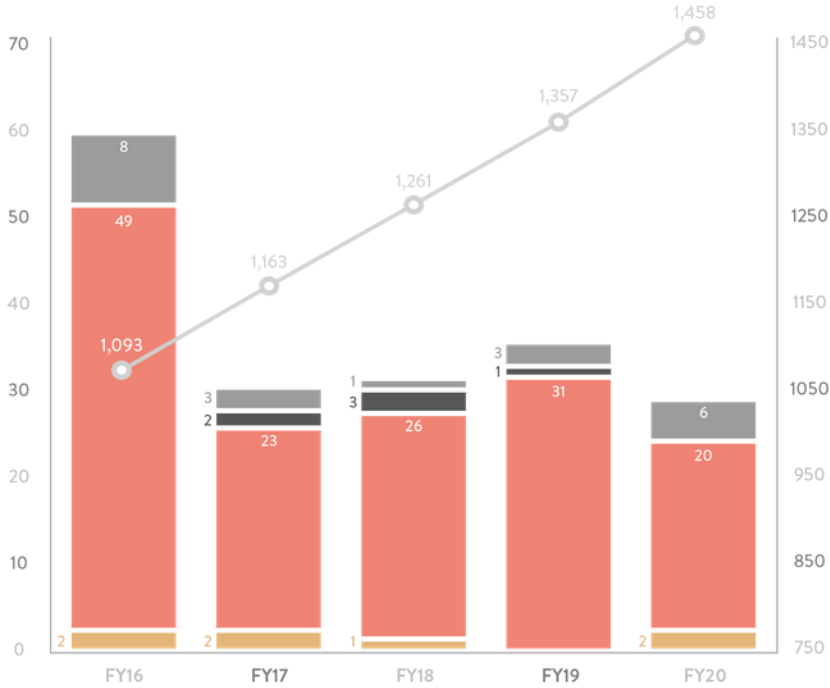




## WHS Lag Indicators

### Key:

- Workers compensation claims
- Medical treatment injuries
- Number of employees
- Restricted working injuries
- Lost time injuries



93.1%

Driving safety culture scorecard



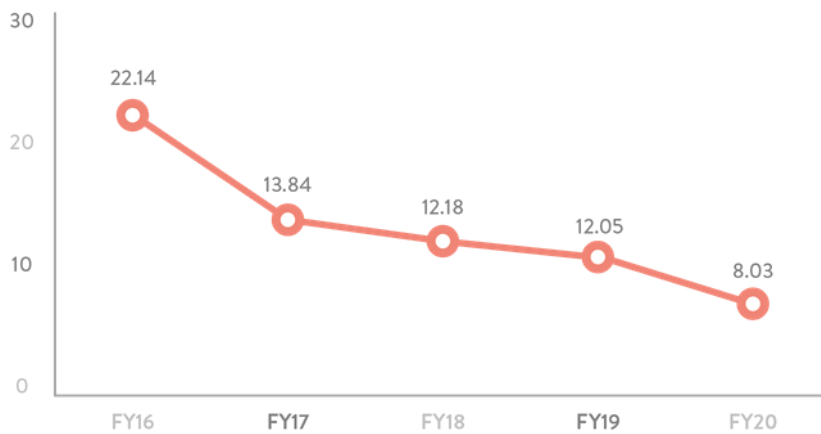
95.6%

WHS Compliance Scorecard

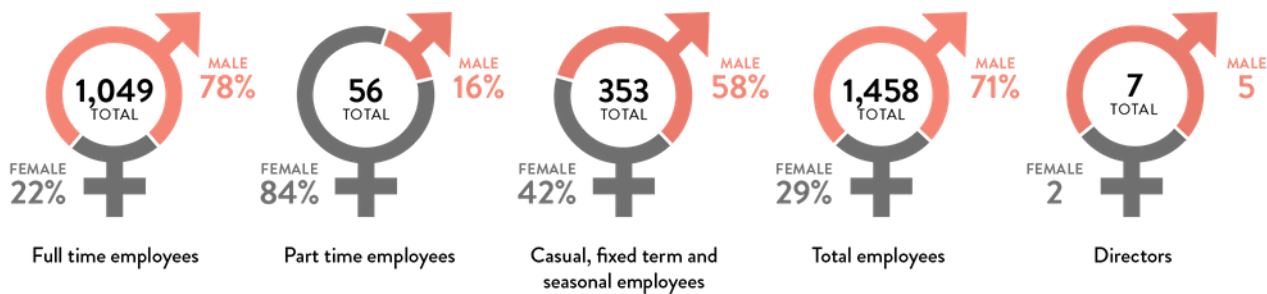
Our people & communities

## Total Recordable Injury Frequency Rate (TRIFR)

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



## Employee Snapshot

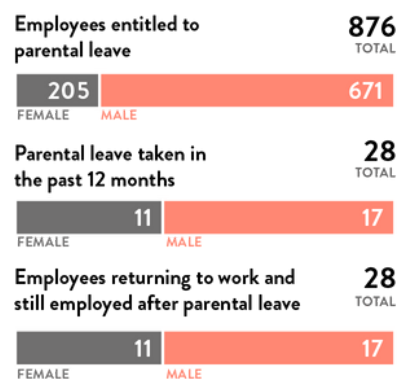


# 80%

Senior managers hired from local communities



Average time spent on training per employee each year



## Community engagement in 2020



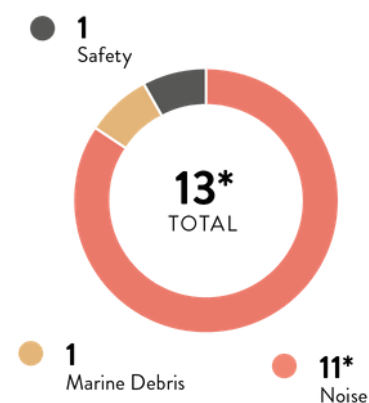
### Topics discussed:

- > Aqua Spa introduction and operations
- > Operations and noise from equipment and activities
- > Education and training
- > COVID-19 impacts and recovery
- > Regulations
- > Marine debris actions
- > Marine environment & health
- > Aquaculture
- > Freshwater use and storage

### Truly inclusive engagement with:

- > Employees
- > Local communities
- > Commercial and recreational waterway users
- > Regulators (state and federal Government)
- > Scientific experts
- > Industry associations
- > Education providers
- > Tourism providers
- > Indigenous communities
- > Environmental organisations
- > Local schools, sports clubs and associations

## Community complaints<sup>#</sup>



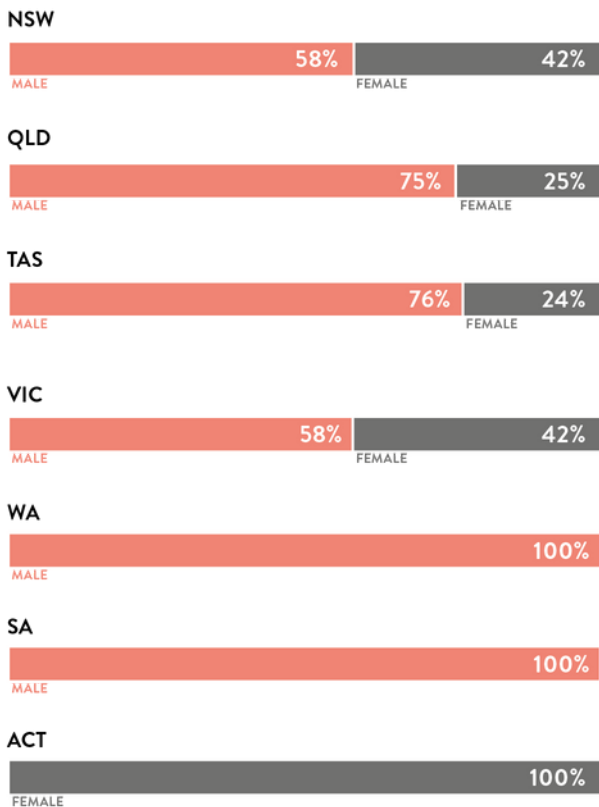
Complaints received through our internal community complaints register.

\* Two noise complaints were on behalf of community groups and were ongoing in nature.

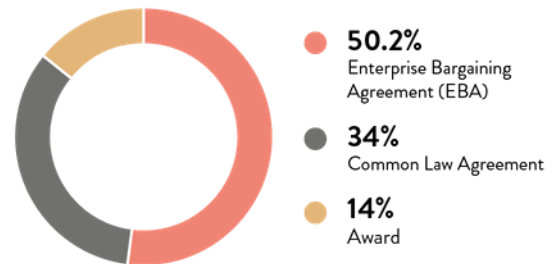




## Employee locations

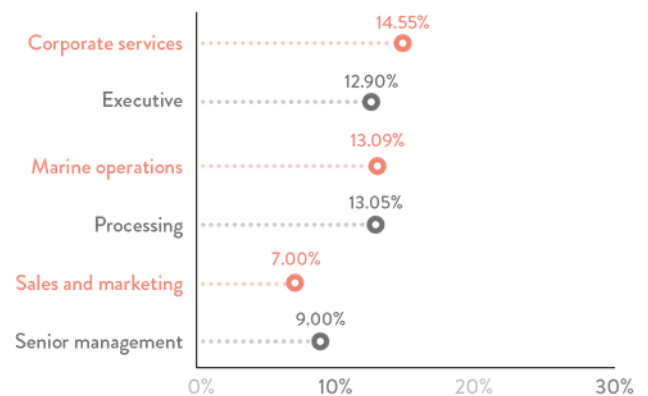


## Workplace Agreements



## Gender Pay Gap

Calculated as the difference between the average of male and female full-time earnings.



\*Executive does not include Managing Director & CEO



# Our product.

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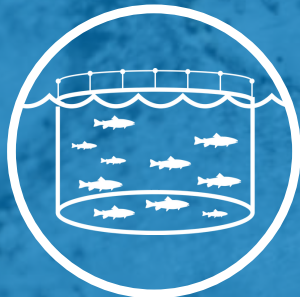
Our salmon, prawns and seafood reach dinner tables and lunch boxes having followed a well-travelled path of responsible farming, processing and distribution.

We continue to invest in initiatives that support ongoing health and wellbeing and improve growth and performance outcomes. We are also continuously adapting and improving existing wildlife mitigation practices and technologies to reduce negative interactions with our stock.

We ensure the principles of responsible business continue to be incorporated along our supply chain.



Transition to  
remote audits  
for all sites



100%  
Ocean sanctuary pen  
coverage across salmon  
operations  
▲ 19% FY19

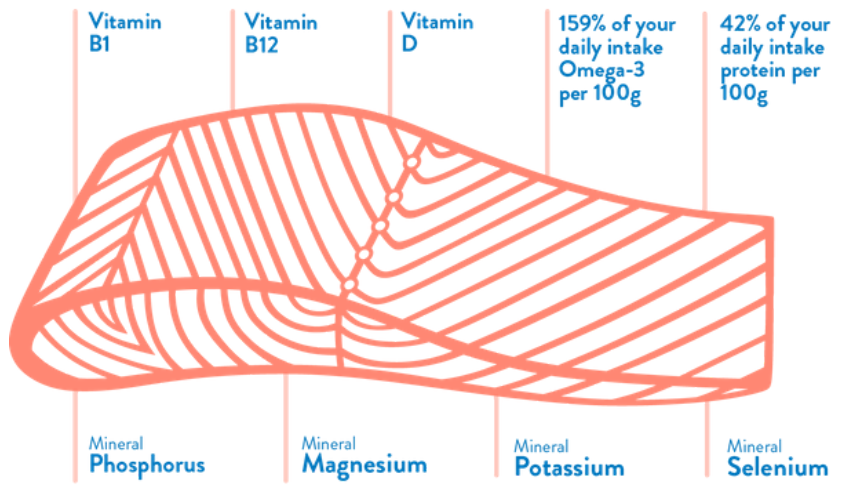




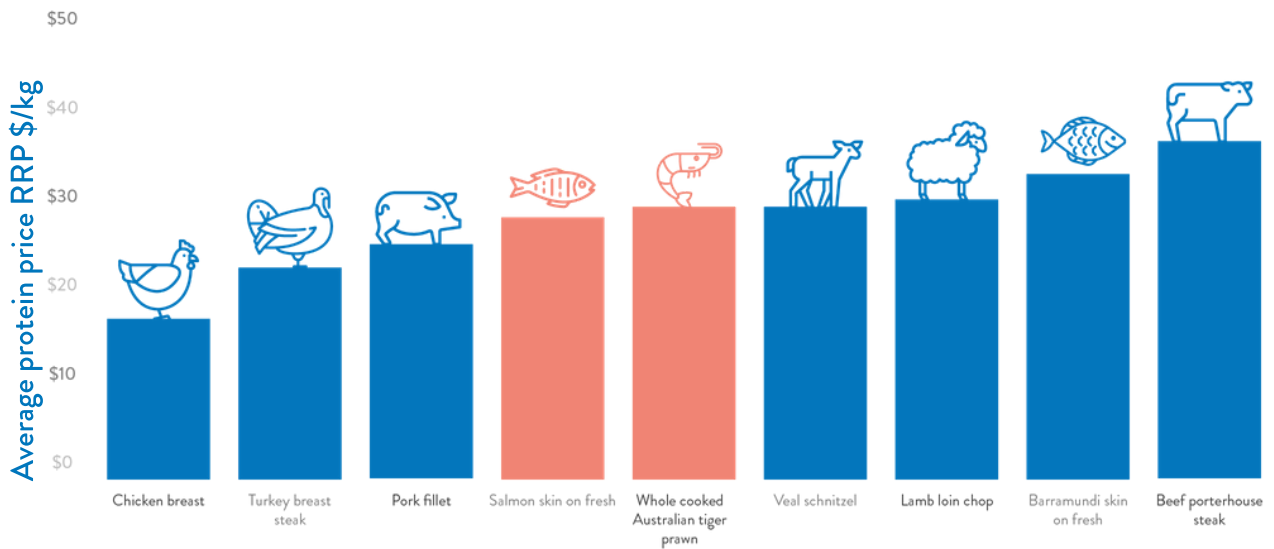


**180**  
**million meals**

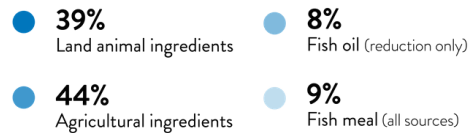
This means we produced more than  
500,000 meals per day.



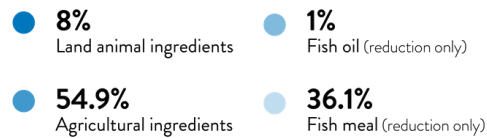
Our product



### What's in our salmon feed



### What's in our prawn feed



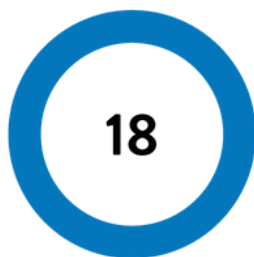
Staff employed across prawn operations



Sized prawn recorded at our Proserpine farm  
Av. tiger prawn 33g

Forage Fish Dependency Ratio (FFDR)	ASC requirement	FY16	FY17	FY18	FY19	FY20
FFDRm	<1.2	0.32	0.37	0.31	0.37	0.40
FFDRo	<2.52	2.02	1.67	1.93	2.15	2.19

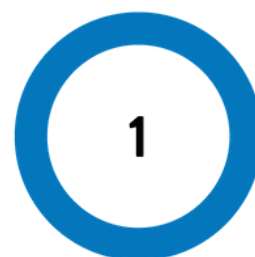
### Approved supplier program



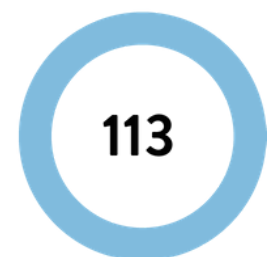
Number of new suppliers in FY20



New suppliers screened through our approved supplier program in FY20



Physical supplier audits conducted in FY20



Number of approved suppliers

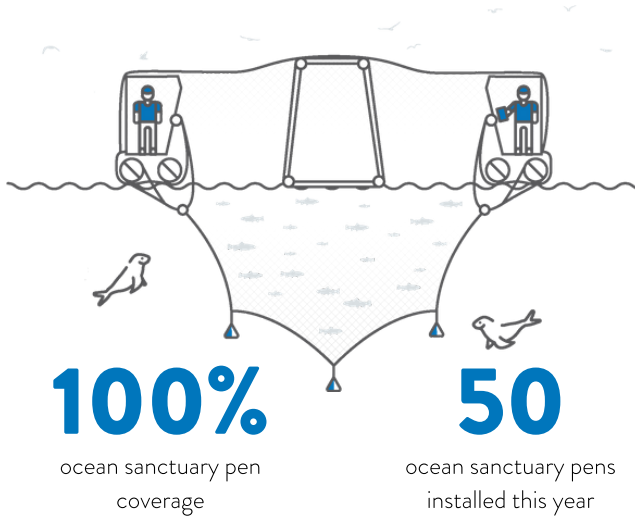
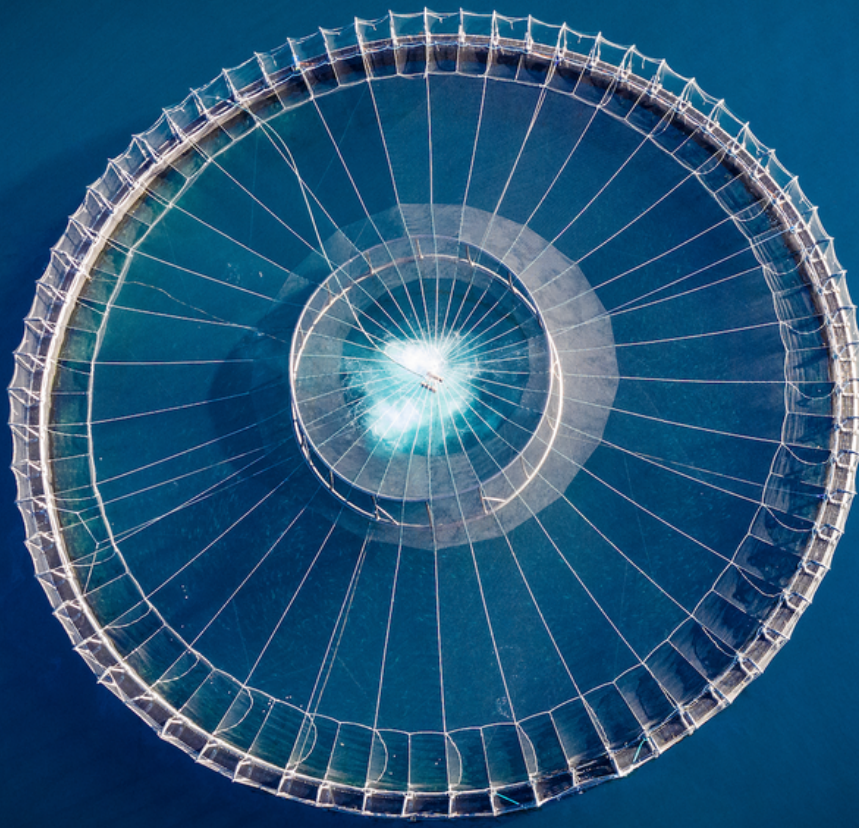
### Global seafood supply



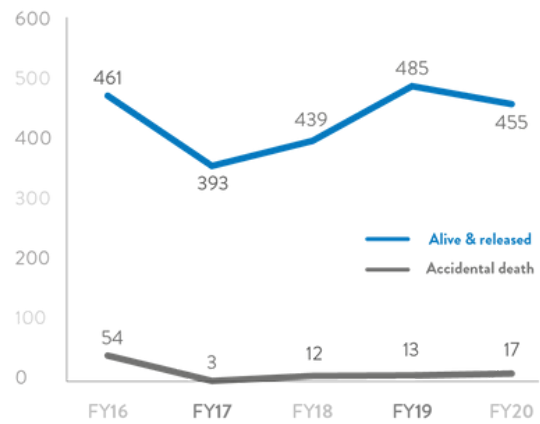
Purchased seafood accredited to a third-party sustainability standard

Argentina	Brazil	China	Indonesia	New Zealand	Thailand	Tunisia	USA	Vietnam	Australia
0.04%	0.06%	0.01%	0.06%	0.11%	0.89%	0.01%	0.01%	8.72%	90.09%





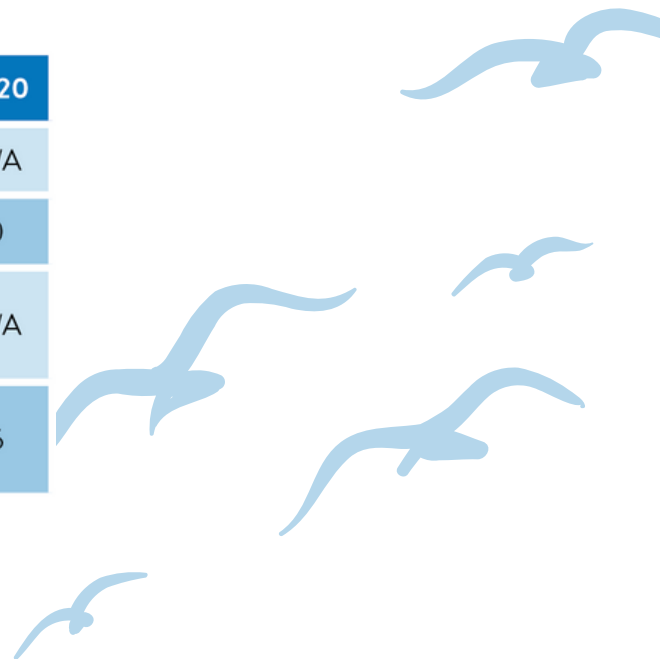
#### Bird interactions (salmon)



Our product

#### Seal interactions (salmon)

	FY16	FY17	FY18	FY19	FY20
Relocation events	151	2131	1344	N/A	N/A
Euthanised	1	3	1	0	0
Accidental death (relocation)	3	1	0	N/A	N/A
Accidental death (entanglement)	2	1	6	14	6





# Our performance.

Innovation and best practice drive change in our operations to further improve production, fish health and welfare while keeping our people safe.

Our drive to deliver a responsible and inclusive business is matched by our delivery of continued and sustainable growth for our shareholders.

Without the support of our people and our shareholders, we would not be able to achieve such outcomes.



**34,395**

tonne of salmon harvest  
in FY20

▲ 4.11% FY19



**2,460**

tonne of prawns harvest  
in FY20

▲ 443% FY19





## Our brands



## Direct spend on local suppliers



**\$303.5 m**  
Tasmanian suppliers

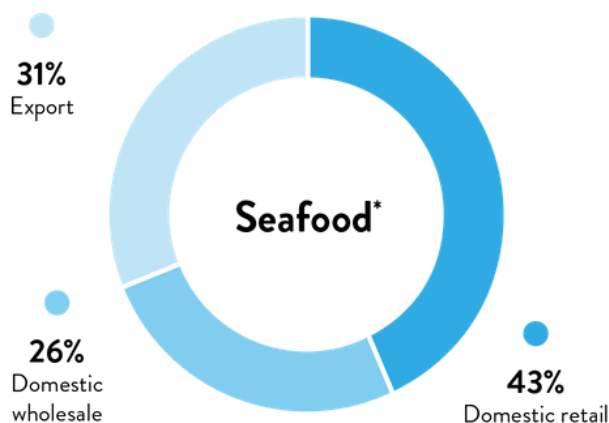
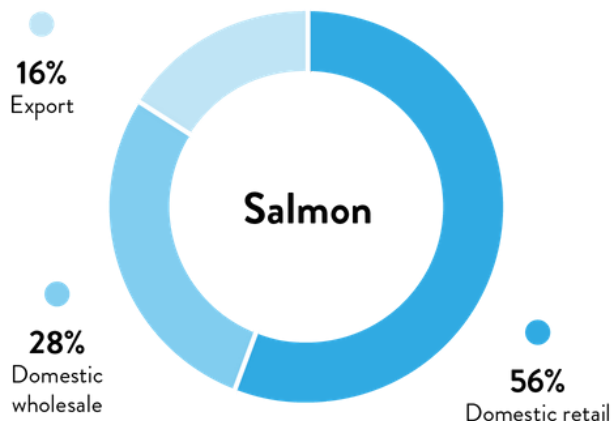


**\$238.0 m**  
Mainland suppliers

Remaining 5% spent on overseas suppliers

## Our markets

We export to China, Indonesia, Japan, Malaysia, Singapore, Taiwan, South Korea, Thailand, Vietnam, Bangladesh, Hong Kong, Pacific Islands and Brunei.



\*Figures are based on revenue.

\*\*Seafood includes prawns

## Combined processing output



## Fishmeal & fish oil output



## Financial performance (\$Am)

	FY20	FY19	Change
Revenue	562.54	560.79	↑ 0.3%
Operating EBITDA	138.55	112.31	↑ 23.4%
Operating NPAT	64.17	56.62	↑ 13.3%
Statutory EBITDA	145.61	114.91	↑ 26.7%
Statutory NPAT	69.11	58.44	↑ 18.3%
Operating cashflow	49.85	89.90	↓ 44.5%
Final dividend - cps	9.00	9.00	0%
Total dividend - cps	18.00	18.00	0%
Gearing ratio	52.6%	28.2%	-
Funding ratio	62.2%	38.8%	-

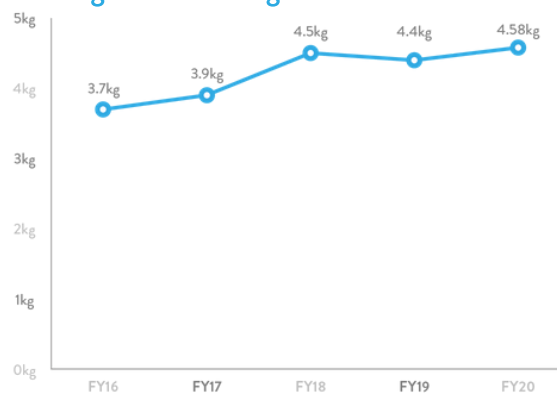
## Operating revenue - salmon & seafood (\$Am)

Operating revenue	FY20	FY19	Change
Salmon	455.55	474.03	↓ 3.9%
Seafood	97.06	77.31	↑ 25.5%
Total revenue	552.61	551.34	↑ 0.2%
Domestic sales	FY20	FY19	Change
Salmon	380.65	388.95	↓ 2.1%
Seafood	66.50	73.90	↓ 10.0%
Total revenue	447.15	462.84	↓ 3.4%
Export sales	FY20	FY19	Change
Salmon	74.90	85.09	↓ 12.0%
Seafood	30.56	3.42	↑ 795.0%
Total revenue	105.47	88.50	↑ 19.2%

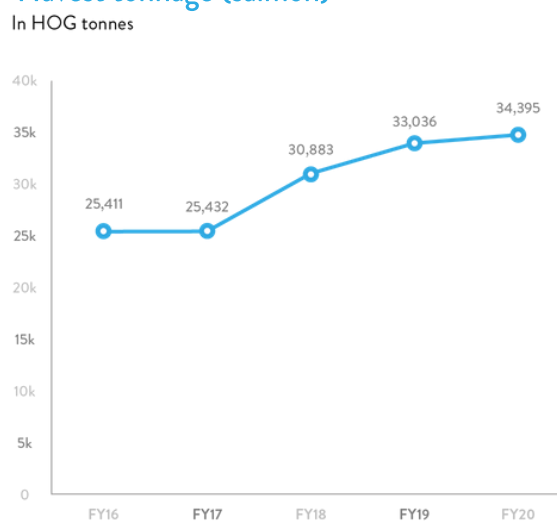
## Salmon & seafood sales

	Volume	Revenue
Unbranded	56.1%	52.5%
Branded	43.9%	47.5%

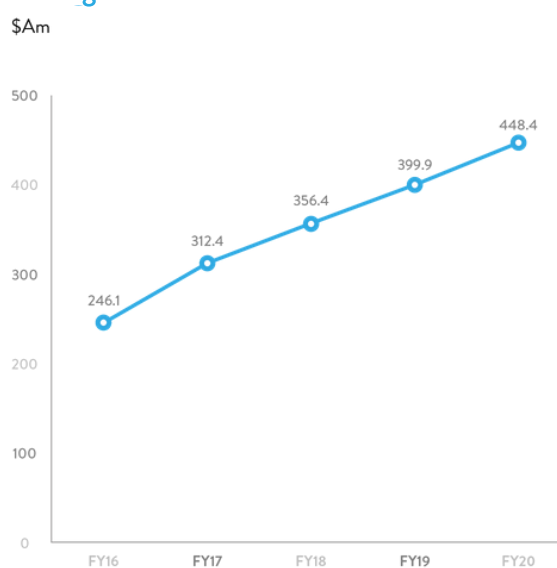
## Average harvest weight



## Havest tonnage (salmon)



## Biological assets (salmon)



\*Tassal and De Costi consolidated



# Get in touch.

## **Sustainability**

[sustainability@tassal.com.au](mailto:sustainability@tassal.com.au)

## **Community**

[community@tassal.com.au](mailto:community@tassal.com.au)

## **Consumer feedback**

1800 620 685

[consumerfeedback@tassal.com.au](mailto:consumerfeedback@tassal.com.au)

## **Customer service**

1800 652 027

[csc@tassal.com.au](mailto:csc@tassal.com.au)





**TASSAL GROUP**

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