TASSAL GROUP

a better tomorrow

BEYOND SUSTAINABILITY

SUSTAINABILITY REPORT 2021

21

FARMERS OF THE OCEAN & LAND

TASSAL GROUP

a better tomorrow

This report contains forward looking statements about plans, strategies and management objectives. No representation, warranty or assurance (express or implied) is given, made or implied by Tassal Group that the forward looking statements contained in this report are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, Tassal Group and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in the forward looking statements or any error or omission from them.

ACKNOWLEDGMENT OF COUNTRY

We acknowledge the Traditional Custodians of country and their connections to land, sea and community. We pay our respect to their elders past and present and recognise that Australia is home to the oldest cultural tradition in the world.

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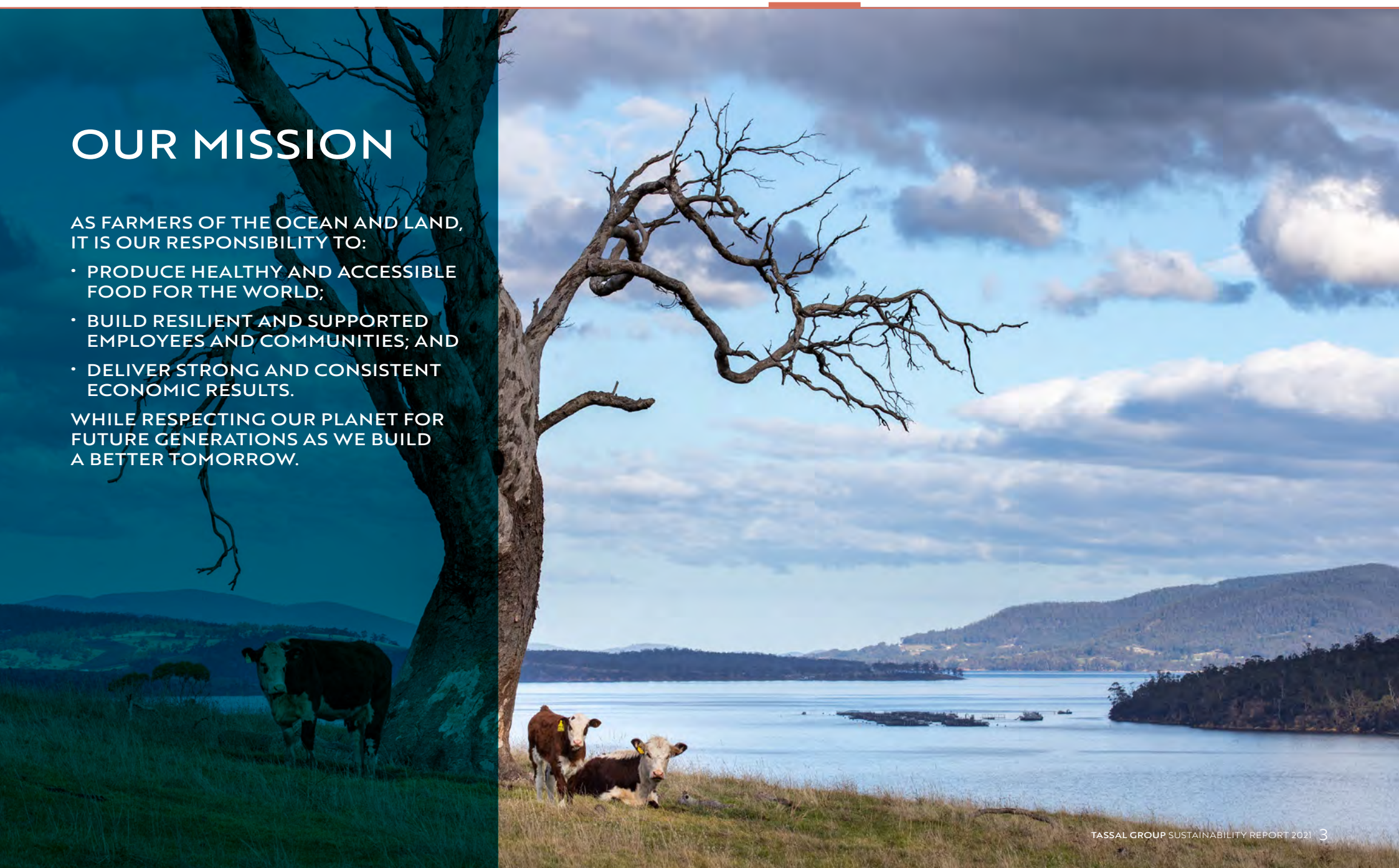
OUR MISSION

AS FARMERS OF THE OCEAN AND LAND, IT IS OUR RESPONSIBILITY TO:

- PRODUCE HEALTHY AND ACCESSIBLE FOOD FOR THE WORLD;
- BUILD RESILIENT AND SUPPORTED EMPLOYEES AND COMMUNITIES; AND
- DELIVER STRONG AND CONSISTENT ECONOMIC RESULTS.

WHILE RESPECTING OUR PLANET FOR FUTURE GENERATIONS AS WE BUILD A BETTER TOMORROW.



About us

Tassal Group is the largest vertically integrated seafood producer and blue agri-tech business in Australia. With more than 35 years experience in responsible aquaculture, our passion drives our commitment to meet the growing market and customer demand for healthy, sustainable and nutritious food.

Our shared values are an essential part of our business and culture – they define us.

They underpin and guide our commitment, attitude, how we work and the quality of our products.

PASSIONATE

We are committed in heart and mind to the work we do, we care and our energy is infectious.

ACHIEVE TOGETHER

We believe together we can achieve more, we motivate, care for and support each other – to be the best in our field.

WE OWN IT

We take responsibility for our decisions, performance and safety. We care and never want to let our team down.

CAN DO - SAFELY

We care and are courageous and loyal in our commitment to achieve.

Responsible growth for today and future generations.

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.

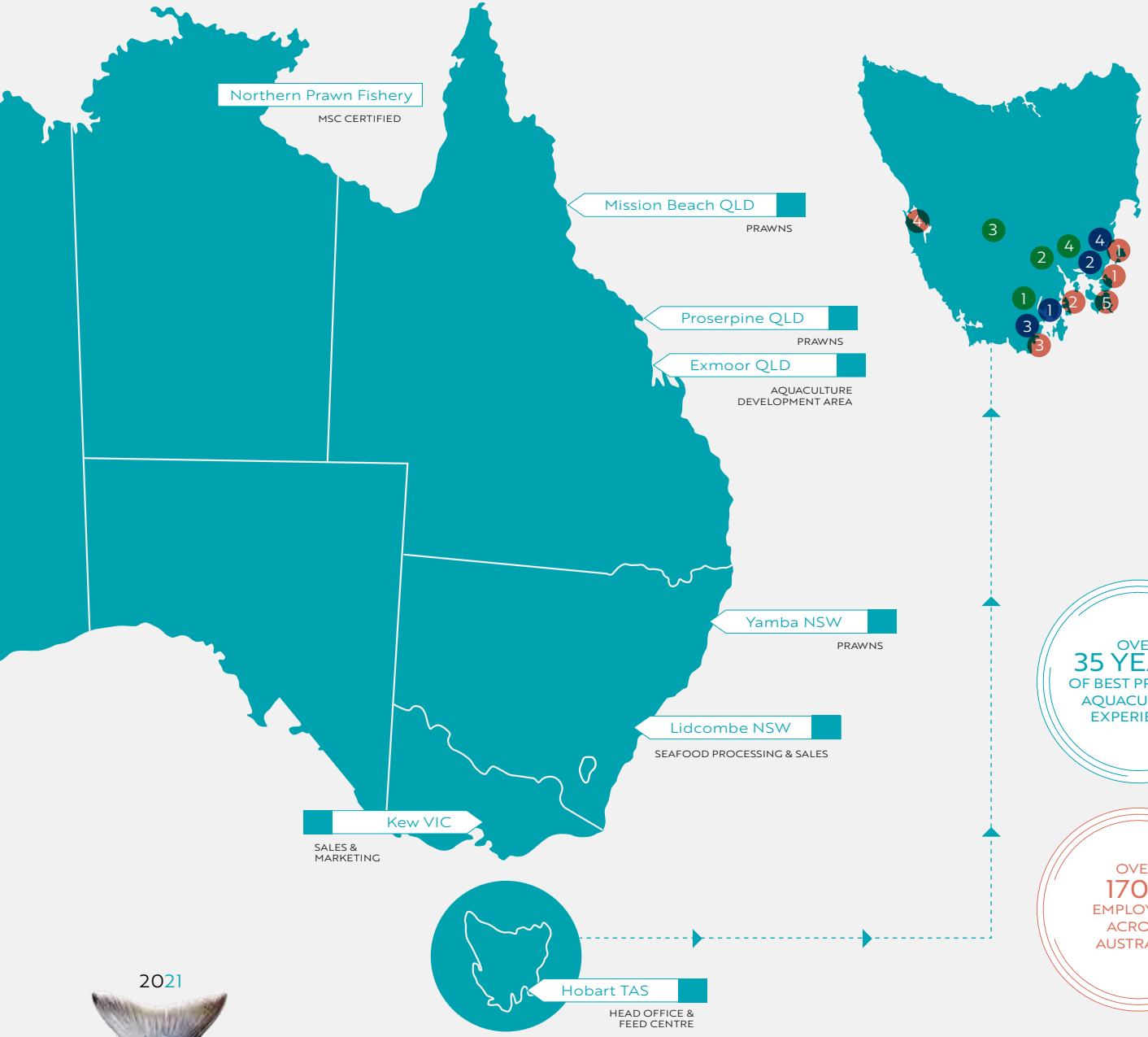
Over the past five years we have solidified our leadership position in the industry. Building on our salmon strengths and platform, through the acquisition of De Costi Seafoods, followed by our more recent prawn diversification.

We have created new supply chain channels, introduced new sectors, and provided new seafood offerings to the Australian economy.

We are driven to keep improving and finding ways of doing what we do better, operating responsibly now and into the future to ensure we maintain relevance in an ever-evolving global context.

Sustainable Development Goals

Our values and Responsible Business accelerators are aligned with the United Nations Sustainable Development Goals (SDGs). The SDGs, set by the United Nations in 2015, define global sustainable development priorities, seeking to mobilise global efforts around a common set of goals and targets.



Our footprint

OUR FOOTPRINT: SEAFOOD & PRAWNS

Northern Prawn Fishery - Xanadu
Mission Beach QLD - Prawn farm, hatchery & processing facility
Prosepine QLD - Prawn farm, hatchery & processing facility
Exmoor Station QLD - Aquaculture Development Area
Yamba NSW - Prawn farm & processing facility
Lidcombe NSW- Seafood processing facility

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

FRESHWATER HATCHERIES

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

PROCESSING FACILITIES

1. Huonville
   Salmon processing
2. Margate
   Salmon processing
3. Dover
   Salmon processing
4. Triabunna
   Rendering facility

OVER **35 YEARS** OF BEST PRACTICE AQUACULTURE EXPERIENCE

IN FY21 WE PRODUCED 40,018t SALMON 3915t PRAWNS

OVER **1700** EMPLOYEES ACROSS AUSTRALIA

AQUACULTURE IS ONE OF THE MOST EFFICIENT FORMS OF PROTEIN PRODUCTION

AUD **$575** MILLION INVESTED IN AUSTRALIAN SUPPLIERS IN FY21

About this report

Our 2021 report is aligned with the Global Reporting Initiative (GRI) Standards: Core option.

This report outlines our sustainability performance and progress for the FY21 reporting period (1 July 2020 - 30 June 2021).

GRI REPORTING PRINCIPLES FOR DEFINING REPORT CONTENT

Stakeholder Inclusiveness: A materiality survey was conducted with stakeholders for the reporting period. Community sentiment and consumer perception research was completed for salmon in the reporting period, in addition to customer and investor engagement. Report content reflects topics raised throughout the reporting year, and the materiality survey conducted with key stakeholders.

Sustainability Context: Information is presented through a local, national and global sustainability focus on aquaculture and fisheries. Our performance on environmental topics show comparisons with expected benchmarks against recognised certifications. Our Responsible Business Roadmap is our sustainability framework which will shape our strategy and performance going forward.

Materiality: In prioritising the issues of most importance to Tassal, we look at our own business goals, activities, and impacts, monitor emerging issues and seek the views of our stakeholders.

Outcomes of our FY21 stakeholder engagement informed the top 20 material topics presented in this report.

Completeness: The report scope includes all of Tassal's business, including companies owned by Tassal and reflects our impacts on all identified material topics during the reporting year, including discussion of forward looking sustainability issues. We have continued to use the Occupational Health and Safety 2016 Standard, and will transition to the 2018 standard in our next report.

ASSURANCE

We aim to ensure that the information we publish is accurate, complete, and material, allowing us to build trust and credibility with stakeholders. To achieve this, we have enhanced our internal processes for verifying information and for reviewing and approving the content of our reporting. Third-party data validation was undertaken for data related to our top five material topics for the period 1 July 2020 to 30 June 2021.

GRI CONTENT INDEX AND DATABOOK

The GRI Content Index for this report, including additional data not contained within the body of this report, can be found here.

Responsible Business

Our new **Responsible Business Roadmap** sets out a tailored program of inclusive action across seven areas of accelerated transformation: waste, people and communities, climate and circularity, freshwater, responsible sourcing, governance and animal welfare.

It takes our transparency to the next level, including visual transparency into our operations and farms.

Responsible Business is a stronger, more stable, and more enduring ESG and sustainability value proposition to our stakeholders.

We are confident our **Responsible Business Roadmap** will not only accelerate our ESG and sustainability journey to 2030, but put us on track to be one of the world's most sustainable protein producers.

A RESPONSIBLE BUSINESS ROADMAP FOR A SUSTAINABLE AND INCLUSIVE FOODPRINT

ACCELERATOR	TARGETS
WASTE **Playing our part for waste free oceans, coasts and households**	• 100% polyethylene marine farming equipment is reused, recycled, or repurposed by 2025 (feed pipe, sea pens, stanchions, bird net stands) • 95% diversion from landfill from processing plants by 2025 • 100% reusable, recyclable, or compostable packaging by 2025
PEOPLE AND COMMUNITIES **Being a responsible global citizen and unlocking our people while embracing our ZerobyChoice safety culture**	• Maintain and improve local community sentiment against baseline by 10% by 2023 • Zero remuneration difference for like-like positions and experience by gender • Achieve 40:40:20 gender representation in senior leader positions* by 2026 • Create a pathway toward zero tolerance to any form of Modern Slavery • Zero Harm for everyone, everywhere (zero serious or significant incidents, zero legislative breaches = zero by choice, not by chance) • Create a diverse, high performing and highly engaged workforce that embraces ongoing growth and development opportunities by 2023
CLIMATE AND CIRCULARITY **Towards climate and carbon neutral**	• We aspire to be net zero by 2050, and are currently assessing our science-based datasets to set a climate roadmap to 2030 • Establish flagship carbon neutral farm program - one salmon farm and one prawn farm • Spend $60 million over three years on initiatives and R&D to reduce the impact of climate change on our operations
FRESHWATER **Every drop counts**	• Maintain low impact footprint of freshwater use in farming operations • Undertake feasibility assessment of freshwater salmon hatcheries utilising flow through technology – move to 100% RAS facilities by 2030 • Optimise water use in land-based hatcheries across salmon and prawn operations
RESPONSIBLE SOURCING **Driving sustainability through traceability, security and responsibility**	• Develop feed strategy that considers the role of feed in biodiversity, climate, and nutritional systems • 100% of category A, B and C suppliers approved under Tassal's Approved Supplier Program by 2022 • 100% seafood certified to a third-party sustainability standard or subject to a formal State or Commonwealth fisheries management plan
GOVERNANCE **A pathway for ongoing value creation + confidence through transparency, strategy and leadership to put us on track to be one of the world's most sustainable protein producers**	• Embed ESG & sustainability into the leadership culture • Achieve low to medium risk status in global ESG benchmarking • Increase participation across ESG corporate platforms
WELFARE **We care about the wildlife in the environment and our stock is thriving and healthy**	• 100% of farming employees complete HAPPYfish animal welfare training • Towards Tier 1 status under Business Benchmark on Farm Animal Welfare (BBFAW) by 2030, with an initial target of Tier 2 by 2025 • Zero use of antimicrobials listed as critically important by the World Health Organisation (WHO) • Continued phase out of seal deterrents

*includes Board of Directors

Responsible Business Platform

OUR VISION

A better tomorrow

OUR VALUES

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

Passionate
We are committed in heart and mind to the work we do, we care and our energy is infectious

Achieve Together
We believe together we can achieve more, we motivate, care for and support each other – to be the best in our field

We Own It
We take responsibility for our decisions, performance and safety. We care and never want to let our team down

Can Do - Safely
We care and are courageous and loyal in our commitment to achieve

OUR MISSION

As farmers of the ocean and land, it is our responsibility to:
- Produce healthy and accessible food for the world;
- Build resilient and supported employees and communities; and
- Deliver strong and consistent economic results.

While respecting our planet for future generations as we build a better tomorrow

OUR GUIDING PRINCIPLES

People | Planet | Product | Prosperity | Principles of Governance

CODE OF CONDUCT

OUR RESPONSIBLE BUSINESS ACCELERATORS

Waste
Playing our part for waste free oceans, coasts and households

People and Communities
Being a responsible global citizen and unlocking our people potential while embracing our ZerobyChoice safety culture

Climate and Circularity
Towards climate and carbon neutral

Freshwater
Every drop counts

Responsible Sourcing
Driving sustainability through traceability, security and responsibility

Governance
A pathway for ongoing value creation + confidence through transparency, strategy and leadership to put us on track to be one of the world's most sustainable protein producers

Animal Welfare
We care about the wildlife in the environment and our stock is thriving and healthy

STAKEHOLDER ENGAGEMENT AND GOVERNANCE

What Matters
In prioritising the issues of most importance to Tassal, we look at our own business goals, activities, and impacts, monitor emerging issues and we seek the views of our stakeholders

COMMUNITY | OUR PEOPLE | INVESTORS | CUSTOMERS | CONSUMERS | SENTIMENT RESEARCH

Company ESG Policies

Operational Policies

Management, data reporting, risk management and assurance

Responsible Business architecture

Tassal Group Board

The Board has oversight and ultimate responsibility of our Responsible Business Roadmap

The Board receive regular updates and has oversight of how our business is performing across all our internally defined, sustainability related material risk areas

Risk and Responsible Business Committee of the Board

Responsible Business Executive Sponsors

Responsible Business Steering Committee

Responsible Business, sustainability and ESG principles, guidance and policies are integrated throughout the business and give guidance on the standards we expect

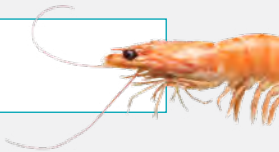
TRANSPARENCY AND ROUTINE DISCLOSURE

We do what we say, and we show you

KEY PARTNERSHIPS

gsi GLOBAL SALMON INITIATIVE | TSGA | Australian Prawn Farmers Association

INNOVATION



PROSPERITY

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

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

For us, our people and our reputation will always be our most valuable assets, and this has been a catalyst to continue our pursuit to respond to what matters to our stakeholders – our people, communities, customers, consumers and investors.

40,018 TONNE OF SALMON (HOG) HARVESTED IN FY21

↑ 16.3%

3915 TONNE OF PRAWNS HARVESTED IN FY21

↑ 59.1%

OUR PERFORMANCE

SUSTAINABLE DEVELOPMENT GOALS

Chairman and CEO report

Every day, we proudly play our role in the global production of responsibly farmed salmon and prawns that enables us to make a valuable contribution to feeding Australians and the world.

ALLAN MCCALLUM AO
CHAIRMAN

MARK RYAN
MANAGING DIRECTOR & CEO

We strive to create a future that ensures our oceans and coasts flourish; our aquaculture stocks thrive; our people are safe; and the communities in which we operate, our partners and our investors prosper.

We are committed to our five Ps – **People, Planet, Product, Prosperity, and Principles of Governance.** We are also driving greater innovation, evolution, collaboration, and transparency as we navigate our responsible business path.

There is much to be proud of in FY21.

The **passion and pride of our people** has been inspiring, and we thank them for their commitment to an outstanding culture and for their resilience in the face of numerous challenges, including the greatest of modern-day challenges, COVID-19. We kept our people safe, our aquaculture stock healthy, our processing facilities open, supply chains intact and salmon and prawns on dinner tables. We even found time to introduce **Australia's first National Prawn Day.**

Over the past 12 months, we **advocated for solutions** to industry wide challenges and disruptions, including the rising freight costs and reduced flight capacity for exports, while our readiness to meet national and global demand didn't skip a beat.

MEGATRENDS

Looking forward, we are well positioned to capitalise upon the megatrends that continue to emerge for both salmon and prawns globally:

1. **Population growth** – the planet needs to be fed;
2. **Health** – salmon and prawns are healthy– with salmon a scientifically proven superfood;
3. **Declining wild fisheries** – salmon and prawns are sustainable proteins – requiring just 0.7kg of forage fish for 1kg of growth, compared with wild salmon needing 10kg of forage fish for 1kg of growth;
4. **Growing middle class** – increasing household wealth means greater demand for better proteins;
5. **Ageing population** – consumers wanting to eat food that can naturally replace essential vitamins and minerals; and
6. **Climate change** – mitigating impacts through selective breeding and innovative farming practices using technology to underpin innovation.

OUR ACHIEVEMENTS

Our **SmartFarming** technology and ways of working, first established in our salmon farms, were rolled out across our prawn farms in FY21. This initiative represents the biggest leap in innovation to prawn farming in the world and is a testament to our commitment to sustainability and continuous improvement.

A **blueprint** to substitute all marine based compressors on our salmon farms to electric compressors to further reduce GHG emissions and address excess noise in sensitive areas was set in motion.

The commitment by our farmers to our **stop it at the source** program and our partnership with pakana for the **shoreline clean-up** marine debris campaign meant we reached our marine debris target. Building upon that, we have launched our next campaign as we continue to work towards zero marine debris generated by our operations.

Our roll out of **sanctuary pens** has considerably reduced the use of government approved deterrents when our peoples' safety is directly threatened. At a cost of $500,000 per pen, this circa $90 million investment in world leading exclusion driven infrastructure is our commitment to keeping our fish and our people safe while keeping wildlife in its natural habitat.

"We believe sustainability makes our business stronger.

Every step in the growing and processing of our products contributes to the well-being of people and the prosperity of our planet.

We are committed to maintaining community and consumer support and trust through transparency and disclosure to enable people access to accurate information about our industry."

We established new policies and targets for inclusion and diversity. We want to be a workplace where we can be ourselves, build inclusive leadership, bolster our culturally and gender diverse workforce, be bold on our quest towards gender balance in Executive Leadership, and boost inclusion, wellbeing and mental health.

Some of our people faced a heartbreaking situation as they took on leading roles in the Macquarie Harbour rescue and disposal operation for 470 long-finned pilot whales, Australia's largest recorded whale stranding. This tragic natural event, unrelated with our aquaculture operations, had a profound effect on all of us. Our West Coast crew transferred rescued whales to deeper waters and the deceased whales offshore for burial at sea. Whether it's rescuing people, towing boats, removing marine debris, or saving wildlife, our people are truly Tasmania's ocean first responders.

Today, we are as passionate and proud of the role aquaculture offers Australia's and our world's food systems as we were 35 years ago when we started salmon farming in Tasmanian waters.

As population increases, wild harvest stocks decrease, and farming land is restricted, aquaculture provides a source of renewable protein farmed through practices that mimic nature. Our industry also delivers the benefits of high-performance sustainable innovation, research and development (R&D) and change practices.

These practices include selective breeding programs that support climate change adaptation for our salmon and prawns, to artificial intelligence to support behavioural analysis of stock and enhanced feed efficiencies. Tassal salmon and Tropic Co prawns perform well when comparing to other land proteins – including land grown salmon via land-based recirculating aquaculture systems (RAS) salmon grow-out facilities.

Sustainable aquaculture means Tassal Group can offer healthy seafood produced with a low biodiversity footprint, low carbon footprint, and low waste footprint that is driven through waste circularity and contemporary carbon positive investment.

It means we can continue to supply healthy seafood in response to increasing demand, while safeguarding jobs and supporting local suppliers.

OUR OPPORTUNITY

This year we have been reminded that we can always do better.

The release of the book, Toxic, has been challenging for our industry and the communities in which we operate. Many of the criticisms in the book are inaccurate, baseless, or not supported by independent experts or scientific facts. Nevertheless they are unsettling for our people and our communities, and as a Board we take them very seriously.

We acknowledge that we have an opportunity to provide greater visual transparency under the waterways in which we operate to showcase the fact that we farm in a healthy marine environment.

We see an opportunity to work proactively with the industry to highlight integrity, accuracy, and transparency as well as the credibility of the independent science that underpins the collective operations of Tasmanian salmon. For us, our people and our reputation will always be our most valuable assets, so this has been a catalyst to continue our pursuit to respond to what matters to our stakeholders – our people, communities, customers, consumers and investors.

LOOKING AHEAD

We are a purpose driven company, and we know that being a responsible business is more than sustainability and routine disclosure – it's about learning from the past, innovating and evolving into the future.

In FY21 we reframed Tassal Group's Environment, Social and Governance (ESG) and sustainability outlook and operations against our 5Ps of Prosperity, People, Planet, Product & Principals of Governance..

This framework underpins our commitment to creating long-term value and making a positive contribution to society. This considers global challenges, demands and trends, and incorporates what matters to our consumers, customers, investors, people, and the communities in which we operate.

Our new Beyond Sustainability, Responsible Business Roadmap sets out an accelerated program of inclusive action across seven areas of transformation: waste, people and communities, climate and circularity, freshwater, responsible sourcing, governance and animal welfare.

It involves more transparency on our progress, including visual transparency into our operations and farms. In this spirit, we do what we say we do, and we show you.

Responsible Business is our offer of a stronger, more stable, and more enduring ESG and sustainability value proposition to our people and our partners.

The establishment of a new Committee of the Board of Directors for Risk & Responsible Business will further support enduring corporate governance for Tassal Group's ESG and sustainability outlook.

We are confident Tassal Group's new Responsible Business Roadmap will not only accelerate our ESG and sustainability journey to 2030 but put us on track to be one of the world's most sustainable protein producers.

THIS IS OUR DOWN PAYMENT ON A BETTER TOMORROW

As we look ahead to a new agenda Beyond Sustainability for FY22, we thank everyone who contributed to Tassal Group's achievements and sustainability progress in FY21. Without your passion, pride and resilience, we wouldn't be who we are today.

Allan McCallum AO
Chairman

Mark Ryan
Managing Director & CEO

"At the 2021 AGM, the Chair of the Board, Allan McCallum will retire following eighteen years of service.

His passion for farming and people, coupled with his encouraging leadership has underpinned many Tassal Group successes, with every opportunity uncovered, and every challenge faced respectfully. Allan leaves behind a strong leadership track record and the Board is deeply grateful for his dedication and many years of commitment to world leading salmon farming, to our business, to our people, and to regional Australia.

After the AGM, James Fazzino will succeed Allan as Chair of the Board. James has a passion for safety and diversity and inclusion. James brings with him significant leadership experience and learnings from his professional CEO and CFO career. We are delighted that James will step into this role and are confident his leadership and experiences will add great value to Tassal Group's pursuit to create long-term value as one of Australia's most sustainable protein producers."

- Mark Ryan, Managing Director & CEO

Performance overview

We continued to deliver on factors within our control, with the business operationally in its best position ever.

Our focus on operational excellence delivered growth in salmon production three years ahead of strategic plan. Higher production, strong marketing and accelerated growth within new partners supported our salmon retail branded performance, with Tassal retaining brand leadership in the Australian market. We have also seen encouraging results in prawn operations, with yield gains and growth improvement driving a significant uplift in harvest volume to the levels we set out to achieve.

Like others in the seafood industry, we nonetheless felt the impacts of COVID-19 on both salmon and prawn market pricing. Export revenues were heavily impacted by the fall in global salmon pricing, in addition to the elevated cost of airfreight, which saw returns from this channel evaporate. Weak global pricing flowed through to domestic pricing and we saw impacts in both the wholesale and retail channels.

We have a unique platform underpinned by world class aquaculture operations and a great team of people, strong brands and diversified distribution channels. When coupled with improving cash flow and a supportive balance sheet and funding profile, we are confident the work we have done on the factors within our control positions us well for the future.

FISHMEAL & FISH OIL OUTPUT

4402 TONNES

PERFORMANCE HIGHLIGHTS

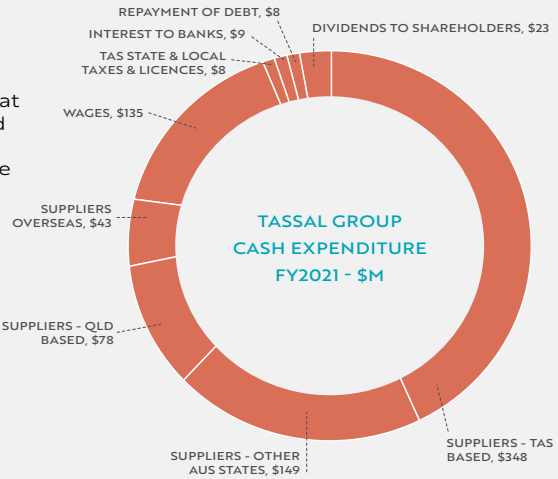
Salmon retail Tassal branded volume growth:
MAP up 27.7% and smoked up 19.5%, reflecting a focused marketing campaign that delivered increased brand strength and trust, and successful levering of the megatrends that underpin salmon.

Salmon production outperformed:
40,018 HOG tonnes achieved in FY21 (up 16.3%), three years ahead of strategic plan, underpinned by improved survival and feed conversion rates.

Prawns harvest volume on target:
FY21 harvest volumes reached target, with 3915 tonnes (up 59.1%), underpinned by significant improvements in farming yield and harvest biomass.

Strong efficiency gains:
Cost of growing and production savings of $0.33/kg and $1.45/kg across both salmon and prawns respectively, through infrastructure upgrades and operation optimisation.

Sustainability:
Responsible Business Roadmap to cement our ESG and sustainability industry leadership.



FINANCIAL PERFORMANCE ($AM)

	FY21	FY20	CHANGE
Revenue	594.0	562.5	5.6%
Operating Results			
Operating EBITDA	139.4	138.6	0.6%
Operating NPAT	48.3	64.2	(24.7%)
Statutory Results			
Statutory EBITDA	119.8	145.6	(17.7%)
Statutory NPAT	34.6	69.1	(49.9%)
Operating Cashflow	61.0	49.9	22.4%
Final Dividend - cps	7.0	9.0	(22.2%)
Total Dividend - cps	14.0	18.0	(22.2%)
Gearing Ratio	40.9%	25.0%	

OPERATING REVENUE - SALMON & SEAFOOD ($AM)

	FY21	FY20	CHANGE
Operating Revenue			
Salmon	470.5	455.6	3.3%
Seafood	113.3	97.1	16.8%
Total Sales Revenue	583.9	552.6	5.7%
Domestic Sales			
Salmon	382.0	380.7	0.3%
Seafood	110.5	66.5	66.2%
Total Sales Revenue	492.5	447.2	10.1%
Export Sales			
Salmon	88.6	74.9	18.3%
Seafood	2.8	30.6	(90.8%)
Total Sales Revenue	91.4	105.5	(13.3%)

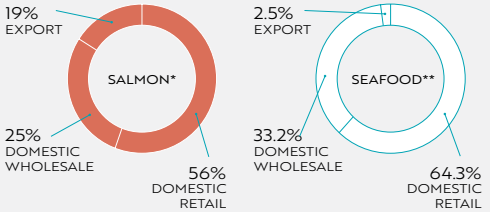
SALMON & SEAFOOD SALES*

	VOLUME	REVENUE
Unbranded	46%	50%
Branded	54%	50%

* Tassal and De Costi Consolidated

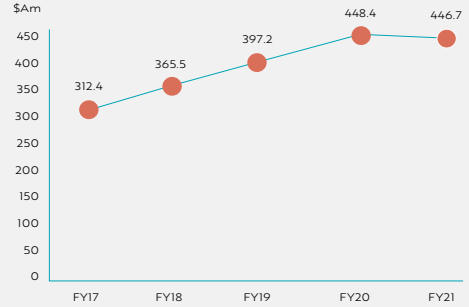
OUR MARKETS

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



*Figures are based on operating revenue
** Seafood includes prawns

BIOLOGICAL ASSETS (SALMON)



HARVEST TONNAGE (SALMON)

FY17	FY18	FY19	FY20	FY21
25,432	30,883	33,036	34,395	40,018

HARVEST TONNAGE (PRAWNS)

FY20	FY21
2460	3915

Our contribution to adaptive food systems

Looking forward, we are well positioned to capitalise upon the megatrends that continue to emerge for both salmon and prawns globally.

MEGATRENDS					
 POPULATION GROWTH	 HEALTH	 DECLINING WILD FISHERIES	 GROWING MIDDLE CLASS	 AGEING POPULATION	 CLIMATE CHANGE
The planet needs to be fed	Salmon and prawns are healthy and nutritious	Tassal salmon and prawns are sustainable proteins – requiring just 0.7kg of forage fish for 1 kg of growth, compared with wild salmon needing 10kg[1] of forage fish for 1kg of growth	Increasing household wealth means greater demand for better proteins	Consumers wanting to eat food that can naturally replace essential vitamins and minerals	Mitigating impacts through selective breeding and innovative farming practices using technology to underpin innovation

1. https://kb.rspca.org.au/knowledge-base/what-are-farmed-atlantic-salmon-fed/

TASSAL SALMON AND TROPIC CO PRAWNS PERFORM WELL WHEN COMPARED TO OTHER LAND BASED PROTEINS

	tassal	SALMON LAND-BASED RAS IF BASED IN NSW	SALMON LAND-BASED RAS IF BASED IN TASMANIA
PROTEIN RETENTION	28%	28%	28%
FEED CONVERSION RATIO (FCR)	1.3	1.1[1]	1.1[1]
EDIBLE MEAT PER 100KG FEED	48kg	48kg	48kg
CARBON FOOTPRINT (KG CO_{2-e}/KG EDIBLE MEAT)	12kg	49kg[2]	18kg[2]

1. FCR of 1.1 based on a 10% improvement of FCR in RAS systems
2. The carbon footprint of land-based grow out RAS has been estimated using publicly available production volumes and energy use values for existing land-based RAS grow-out operations. We have created hypothetical scenarios of land-based RAS facilities, one located close to market in N.S.W. and the other in Tasmania using current feed composition and emission factors for each state

	tassal[1]	Tropic Co[1]			
PROTEIN RETENTION[2]	28%	32%	37%	21%	13%
FEED CONVERSION RATIO (FCR)	1.3	2.1	1.6[3]	3.1[4]	8.0[2]
EDIBLE MEAT PER 100KG FEED[5]	48kg	47kg	39kg	19kg	7kg
CARBON FOOTPRINT (KG CO_{2-e}/KG EDIBLE MEAT)	12kg	11kg	7kg	13kg	66kg

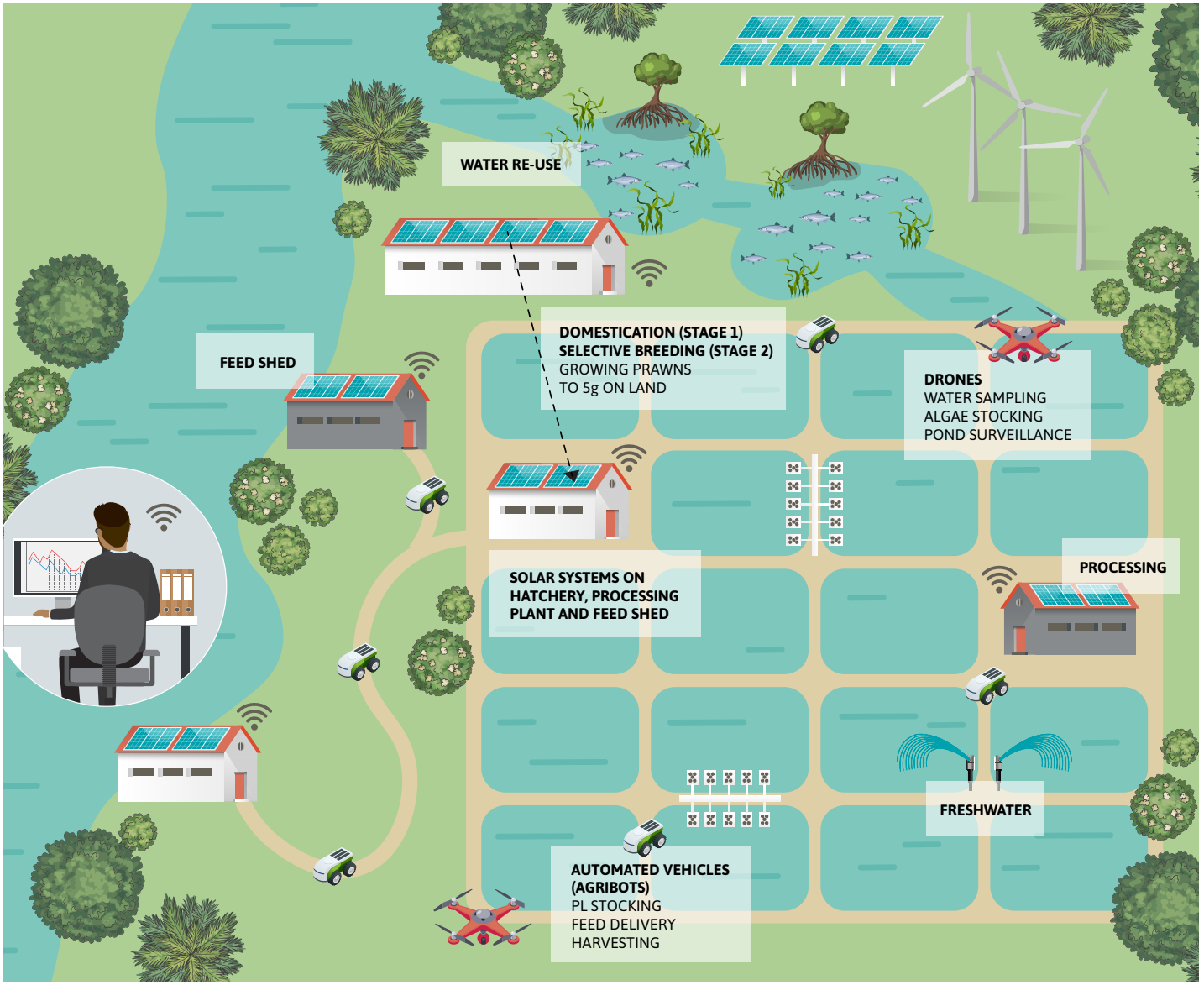
1. All data presented for Tassal and Tropic Co based on raw data provided by Tassal
2. Based on global average taken from Fry et al (2018) Feed conversion efficiency in aquaculture: do we measure it correctly? Environ. Res. Lett. 13 024017
3. Based on average for Australian grown broilers taken from https://www.chicken.org.au/facts-and-figures/
4. Based on average for Australian grown pork taken from http://porkcrc.com.au/wp-content/uploads/2016/06/4C-117-Fianl-report.pdf
5. Based on global average taken from http://www.fao.org/gleam/results/en/#c300947 converted from kg protein to kg edible meat using FSANZ Australian Food Composition Database https://www.foodstandards.gov.au/science/monitoringnutrients/afcd/Pages/default.aspx

Farming for the future

We are farming for the future and take pride in not only what we produce but how we produce it. We aren't afraid to adopt new technologies, and as part of our continuous improvement approach we are always looking at how technologies can benefit our operations.

For us, growth is about farming different species in different states, like our black tiger prawns in Queensland and New South Wales and our investment into seaweed.

Our focus moving forward is to ensure we are recognised as an industry enabler, leveraging our blue agri-tech focus to create a better tomorrow through sustainable farming practices and operational efficiencies that deliver sustainable protein solutions.



2021

Our blue economy

Our blue economy is a collaborative, forward focused approach to our research partnerships and innovation.

We need to grow Tasmania's salmon farming industry responsibly.

We think that means that our current footprint (total lease hectares) in Tasmanian waters is about right.

Our future growth of salmon farming is not about taking up more space in Tasmanian waterways.

For us, it's about being more efficient, innovating, and using technology to further reduce our environmental impact and improve our yield.

WHAT DOES THAT MEAN?

Smart farming.

Visible transparency.

Stronger career pathways.

Diversified jobs.

We are committed to continuous innovation, research and world leading partnerships to improve how we farm.

BLUE ECONOMY COOPERATIVE RESEARCH CENTRE

2021

The Blue Economy Cooperative Research Centre (CRC) is established and supported under the Australian Government's CRC Program, grant number CRC-20180101. The CRC Program supports industry-led collaborations between industry, researchers and the community.

PEOPLE

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.

1712
EMPLOYEES

12
MARINE RESCUES & VESSEL ASSISTS

SUSTAINABLE DEVELOPMENT GOALS

Our people – the Tassal way

As we continue to create an amazing place to work, where staff love what they do, bring their full selves to work, feel appreciated and valued, we acknowledge that it takes the combined energy of our Tassal family to achieve this - and we are better together.

We are proudly Australia's largest employer in the aquaculture sector, and we hold the position of fostering a unique workplace where employees feel engaged and empowered throughout all areas of the business.

We continue to provide conditions of employment that are competitive to attract and retain high performing talent, which is reflected by our Employer of Choice accreditation. The value we place on employees is supported by our systems, policies and procedures and complemented by our Zero Harm focus, diversity, and code of conduct.

BALANCING OUR NEEDS

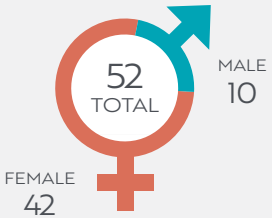
We are committed to and supportive of blended work arrangements, that balance the needs of our people and our business. As part of this commitment, our terms and conditions go beyond a basic salary structure and include flexible roster options and work arrangements where possible. We recognise that flexibility is important in helping employees balance work with caring responsibilities, community involvement and personal development.

EMPLOYEE ENGAGEMENT

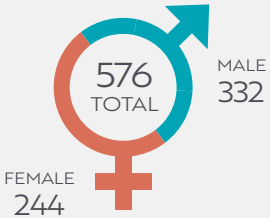
To understand whether we are meeting our employees' expectations in the workplace, we continue to place great emphasis on feedback through our annual employee surveys. In 2020 our overall engagement score was 72% across the business.

We believe that the best outcomes are achieved when people are doing their best work and feel valued. Our leaders are equipped to drive positive culture and engagement, and they understand and mitigate risks to avoid employee turnover, keeping the right people in the right positions.

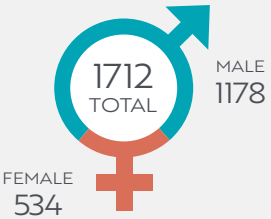
FULL TIME EMPLOYEES



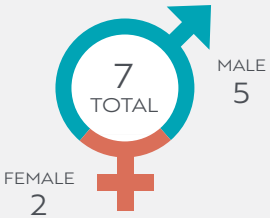
PART TIME EMPLOYEES



CASUAL, FIXED TERM & SEASONAL EMPLOYEES



TOTAL EMPLOYEES



DIRECTORS

2021

Joining the Tassal family

We are fast-paced, with a focus that drives us to constantly be on the lookout for passionate and can-do people.

We take pride in our commitment to be an Equal Opportunity Employer (EEO) and ensure that our selection process encourages equal and diverse opportunities for all.

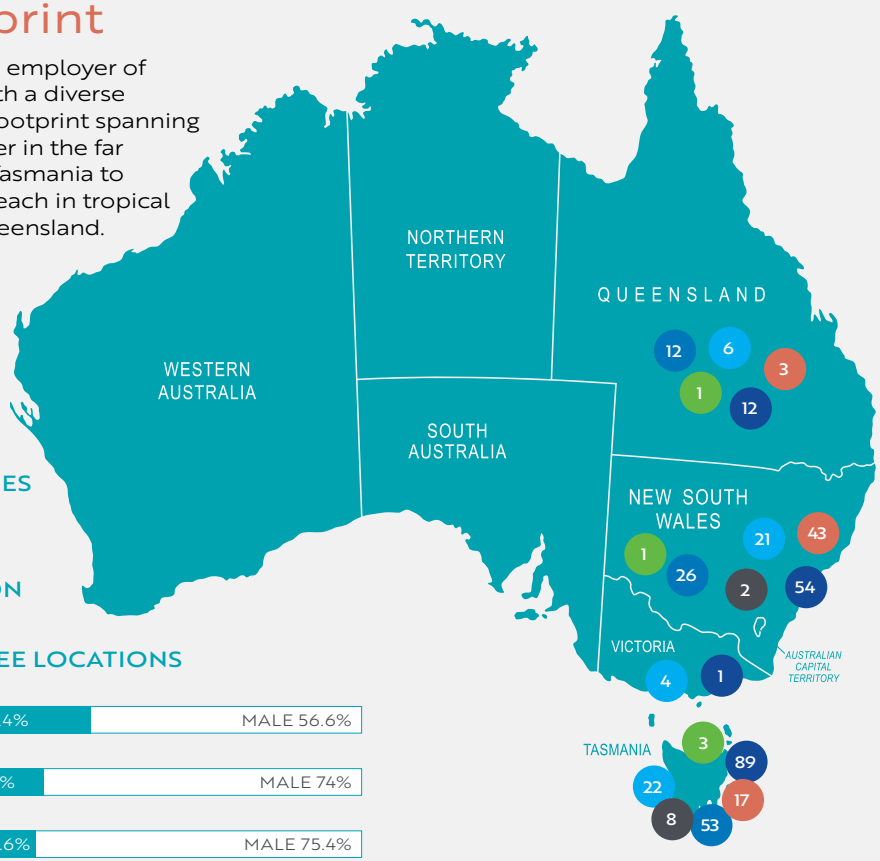
We understand our current and future workforce needs, ensuring our structures and processes deliver the right positions at the right time. Making us tomorrow ready.

Our Recruitment Partners are proactive in building talent pipelines to ensure we are tomorrow ready, paying particular interest to those who live in our local communities.

While applicant satisfaction is high, our Recruitment Partners maintain multiple approaches to understand challenges and opportunities, through listening to feedback, regular pulse checks and data analytics.

Our people footprint

We are an employer of choice with a diverse national footprint spanning from Dover in the far south of Tasmania to Mission Beach in tropical North Queensland.



NEW HIRES BY AGE, GENDER AND LOCATION

- Female <30 **(Total 63)**
- Male <30 **(Total 156)**
- Female 30-50 **(Total 53)**
- Male 30-50 **(Total 91)**
- Female >50 **(Total 5)**
- Male >50 **(Total 10)**

EMPLOYEE LOCATIONS

NSW
FEMALE 43.4% | MALE 56.6%

QLD
FEMALE 26% | MALE 74%

TAS
FEMALE 24.6% | MALE 75.4%

VIC
FEMALE 61.9% | MALE 38.1%

WA
MALE 100%

SA
MALE 100%

ACT
FEMALE 100%

EMPLOYMENT CONTRACT BY GENDER AND LOCATION

LOCATION	GENDER	CASUAL	FIXED TERM	FULL TIME	PART TIME	TEMPORARY SEASONAL	TOTAL
NSW	Female	102	2	75	1	0	180
	Male	128	2	120	0	0	250
QLD	Female	48	2	27	0	0	77
	Male	44	2	86	0	0	132
TAS	Female	68	1	142	39	4	254
	Male	107	8	625	9	12	761
VIC	Female	0	1	12	1	0	14
	Male	0	0	8	1	0	9
WA	Female	0	0	0	0	0	0
	Male	0	0	3	0	0	3
SA	Female	1	0	0	0	0	1
	Male	1	0	1	0	0	2
ACT	Female	1	0	0	1	0	2
	Male	0	0	1	0	0	1
NT	Female	0	0	0	0	0	0
	Male	0	0	1	0	0	1
International	Female	0	0	0	0	0	0
	Male	0	0	1	0	0	1

LEAVERS BY AGE, GENDER AND LOCATION

	NSW	QLD	TAS	VIC	WA	SA	ACT	TOTAL
Female <30	82	50	40	4	0	0	0	176
Male <30	120	81	97	0	0	0	0	298
Female 30-50	33	55	36	1	0	0	0	125
Male 30-50	81	85	79	0	0	0	0	245
Female >50	10	19	6	1	0	0	0	36
Male >50	29	41	24	0	0	0	0	94

TURNOVER RATE BY AGE, GENDER AND LOCATION

	NSW	QLD	TAS	VIC	WA	SA	ACT	TOTAL
Female <30	1.62%	1.27%	0.43%	12.50%	0%	0%	0%	16%
Male <30	5.26%	5.70%	4.44%	0.00%	0%	0%	0%	
Female 30-50	2.83%	0.63%	0.98%	4.17%	0%	0%	0%	
Male 30-50	6.48%	13.29%	4.88%	0.00%	0%	0%	0%	
Female >50	1.62%	1.27%	0.43%	4.17%	0%	0%	0%	
Male >50	1.62%	2.53%	1.95%	0.00%	0%	0%	0%	

Workplace relations

We take great pride in engaging with our workforce and understanding their needs.

We have platforms, processes, and tools in place to lead workplace relations, mitigate risk, analyse and track metrics, and ensure compliance and consistency across our operations, helping to deliver a positive employee experience and commercial outcomes.

We achieve this through:

- Regular communication with the Australian Workers' Union (AWU), with both parties focusing on a healthy working relationship keeping our employees' interests front of mind; and
- Terms and conditions of employment consistent with, and in many cases exceeding, our legal obligations, including but not limited to the Australian Fair Work Act 2009, National Employment Standards (NES) and the Paid Parental Leave Bill 2019.

In the reporting period we had eight enterprise agreements in place, which provide better off overall conditions for our people when assessed against the applicable federal award.

We do not include safety as part of our collective or individual negotiations. We believe safety is a right for each and every employee, each and every day, and as a result set the highest standards as part of employment with Tassal.

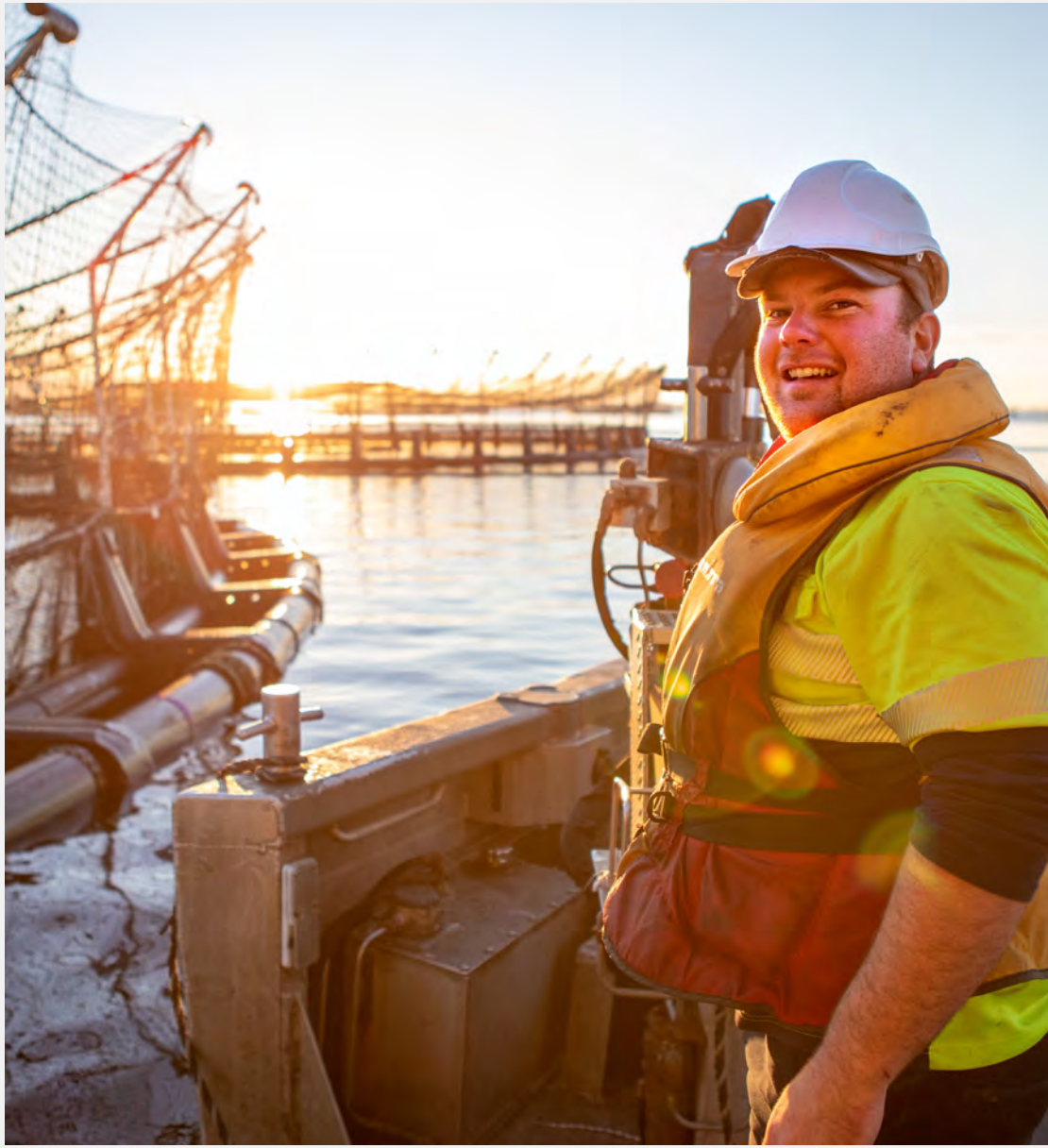
51.33% ENTERPRISE BARGAINING AGREEMENT (EBA)

31.56% COMMON LAW AGREEMENT

17.11% AWARD

De Costi Seafoods

We can confirm that De Costi Seafoods currently has a matter before the Federal Court in regard to award interpretation with the NSW AWU. De Costi Seafoods has at all times acted transparently and in good faith with its staff and we believe all payments comply with the award.



Capability of our people

We unlock the potential of our people by providing support and opportunities for growth, innovation, change and outstanding performance.

We support our people to be successful and contribute to their overall professional development. We meet with our teams regularly through our structured 5 Focused Conversation program, to understand individual strengths, motivators, and aspirations. This enables us to support development at both an individual and team level.

We focus on the needs of the individual, facilitating training that relates to technical, on job skills, or development of our leaders. Technical and job-skills training lies with our technical experts on sites and in our processing facilities, while our People and Culture team leads leadership development. We have strong relationships with external training providers such as Seafood and Maritime Training Tasmania and Pentagram Potential, our Safety Leadership training partner.

The reporting period saw an emphasis on developing the technical and practical leadership skills of our managers. Initially developed and piloted with our marine operations leadership team, the program aims to help our managers to become best in the world in all aspects of leadership. Participants undertook a series of assessments, including skills analysis and 360-degree feedback, before commencing the development series, supported by individual development plans. This initiative will be rolled out across the business and form the foundations of our leadership capability.

ELEVATE

Our Elevate program was launched to further develop our senior managers who work in and support our prawn division. Senior leaders came together from around the country to participate in the program and business challenge. Although delivered remotely, participants were actively engaged in training activities and worked together to find the appropriate resolution for a real business challenge.

ONGOING CAPABILITY

Extensive workforce planning activities across the business measures current capabilities and identifies gaps to ensure the relevancy and currency of programs developed and on offer for our people. It also guides the development of programs to provide our ongoing capability in future years.

Our inclusive and diverse workforce

We believe that a culture of inclusion leads to diversity of experience, perspective and thinking, creating an amazing place to work with better outcomes for our people and our customers.

We are committed to an inclusive workplace that embraces and promotes diversity. We value, respect, and support the unique contributions our people make to delivering exceptional outcomes across our business. We acknowledge that to be truly successful, we must reflect the diversity of our consumers and the communities we operate within. That's why we foster a culture that ensures our people are genuinely included, are given equal opportunities, and encouraged to bring their whole self to work.

To us, inclusion is more than just gender, and our commitment spans across work style, parental status, sexual orientation, race, ethnicity, language, age, mental and physical abilities, religion, education, personality, skills, experience, knowledge, and gender identity. An inclusive culture enables our definition of diversity to expand and mirror societal standards.

See our Inclusion and Diversity Policy here.

It is this inclusion that enables us to engage, innovate and create awesome experiences for our people for a better tomorrow.

To support our commitment, five guiding pillars have been identified:

1. Be a place where we can be ourselves;
2. Building inclusive leadership;
3. Bolstering our culturally and gender diverse workforce;
4. Being bold on the quest towards gender balance in Executive leadership; and
5. Boosting inclusion, wellbeing, and mental health.

Each pillar includes measurable targets, monitoring, and reporting procedures. Targets are reviewed annually to ensure they continue to support our evolution.

PARENTAL LEAVE

	Total	Female	Male
Employees entitled to parental leave	923	210	713
Parental leave taken in the past 12 months	41	10	31
Employees returning to work and still employed after parental leave	37	9	28

*includes Board of Directors

2021

Helping our people

Our people are our heartbeat and when one of them needs us, we work together to help them out. Justin, Pete and Movember are just a few examples of our efforts to support our people and raise awareness as a team.

JUSTIN

One of our long-standing and respected team members from Huonville Processing unfortunately suffered a serious head injury during a game of soccer in October 2020.

Justin was the Hobart United Football Club senior captain and was hospitalised during a match and required emergency surgery on his brain to relieve swelling, spending a number of weeks in an induced coma. This hit Justin and his young family hard. In the true Tassal spirit, we raised over $7000 for Justin through a company-wide fundraising raffle to assist with his ongoing journey.

PETE

We partnered with much loved team member Pete Gysen to shine a light on leukaemia and blood cancer.

There was a series of awesome activities with a dedicated 'Team Gysen World's Greatest Shave' to raise funds for the Leukaemia Foundation for blood cancer research. We raised awareness of the bone marrow registry and hosted a Team Tassal 'Light the Night' event for the Leukaemia Foundation.

Team Gysen's World's Greatest Shave reached over $33,000 which was an outstanding effort by everyone involved.

GROW A MO

Each year around the business, many of our people love to 'grow a Mo' to support Movember. There are many teams formed with a healthy competition to see who can raise the most funds. This year the Margate processing team raised the most funds internally, with over $2000 raised. Amazing effort from the Margate Mo Bros making a difference to men's mental health and suicide prevention.

2021

Our safety

At Tassal, safety is our highest priority. It drives and underpins our **ZerobyChoice safety** culture and enables everything we do.

ZerobyChoice is when zero harm is achieved through the deliberate decisions, behaviours and actions of our leaders, teams and every team member. A choice that demonstrates safety is who we are.

ZerobyChoice is unlocked through an interdependent workforce culture that is committed to looking after both themselves and each other. A hazard will never be walked past and ignored, that is not who we are.

ZerobyChoice is supported by our psychological safe workplace culture. Our objective is to provide systems, processes, leadership and education for our people that results in this autonomy of thought and action aligning to our zero harm journey. In the event that decisions made by our people do not support the zero by choice mindset, then appropriate action is taken to ensure realignment.

SAFETY COMPLIANCE

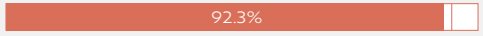
Safety compliance is part of our licence to operate as a business and includes our Work Health and Safety Management System (WHSMS). It captures our legislative obligations and states clearly to each worker through good policy and procedure that we will follow the rules in our society, because it's easy to do and will function to assist in keeping us safe. Compliance is not enough on its own to drive a safe workplace and we understand this.

Zero Harm for us means zero serious or significant incidents and zero legislative breaches. We track all the relevant lead and lag indicators to measure this daily through our incident reporting applications and real-time safety dashboard.

WHS COMPLIANCE SCORECARD

(95% target)

DRIVING SAFETY CULTURE SCORECARD



(95% target)

We understand that lag indicators tell us only part of the story. We have embedded a WHS Compliance and Driving Safety Culture set of Scorecards, conducted by our dedicated safety team, to systematically measure each of the components of our WHSMS and site WHS cultures for the managers and teams that operate those sites. This detailed and independent feedback is critical to check where blind-spots might be or if we really are effectively managing safety at those sites, irrespective of incident results. Further to this, we engage in third-party WHSMS audits to ISO 45001:2018 each year. This keeps us in-check that the WHSMS is healthy and aligned with global best practice.

DOVER INCIDENT

Regrettably, twenty team members were temporarily affected by carbon monoxide fumes at our Dover processing factory and admitted to hospital as a precautionary measure for further medical examinations and treatment, resulting in 20 lost time injuries. We were determined to learn from this incident to prevent a re-occurrence and following an investigation, undertook immediate corrective action as well as reaffirmed our safety values and culture of responsibility.

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)

FY17	FY18	FY19	FY20	FY21
13.84	12.18	12.05	8.03	14.13

WHS LAG INDICATORS

YEAR	FY17	FY18	FY19	FY20	FY21
Fatality	0	0	0	0	0
LTIs	2	1	0	2	22**
MTIs	23	26	32*	20	22
RWIs	4*	3	3*	0	0
Workforce	1163	1261	1357	1458	1712

*Corrections from previous reporting due to retrospective changes after the FY closure

**20 LTIs were related to one event at an average of five days per person

Relationships with stakeholders

Part of our commitment to operating responsibly is to develop, maintain and strengthen our relationships with stakeholders. We collaborate with a broad range of stakeholders to identify and manage business risks and opportunities, to advocate for positive outcomes and to ultimately create long-term value.

We use a process of ongoing formal and informal engagement methods, which are based on a set of principles that ensure we are proactive, respectful, transparent and uphold the highest ethical standards. Engagement is focused on:

Transparency: responding with facts and lived experience to enquiries.

Flexibility: needing to change course or stay on course.

Trust: goes both ways – we won't engage in false or misleading claims.

Most of our engagement is through dialogue and discussion that takes place as part of normal business practice.

LOCAL COMMUNITIES

While formal commitments, like certification standards and licence conditions, require us to engage with local communities about our business operations, we are committed to being a responsible neighbour and having a positive impact in the communities where we live and work.

We commission third-party research to understand community sentiment towards aquaculture and our operations. Our most recent community survey determined that 78% of respondents supported or had a neutral view of the industry, with positive contributions including regional employment, economic benefits and the production of healthy food.

We have ongoing Community Advisory Groups (CAGs) in our key areas of operation. Our CAGs act as an opportunity for information exchange and allow us to understand what matters to the communities we operate in.

In 2022 we are committed to revising our CAG terms of reference and membership structure to ensure appropriate representation.

CUSTOMERS

We maintain good relationships with our customers, engaging regularly through our dedicated sales team. We actively review and understand our customers responsible sourcing expectations and sustainability principles to ensure our priorities are aligned. We invite our key customers on site for annual Responsible Business briefings and tours.

CONSUMERS

Our marketing team are focused on driving consumer awareness of salmon and prawns to increase consumption through marketing campaigns using television ads, out of home (OOH) advertising, influencers, public relations programs and retailer activations.

Brand sentiment research is conducted by our marketing team to understand consumer expectations of our brands as well as to track and monitor changes in awareness, consumption and purchasing behaviour across seafood categories.

INVESTORS

We actively engage with our investors and financial institutions through regular communication, briefings, roadshows and Q&A sessions.

We aim to be open and transparent in our communications with the market in order to develop and retain investor confidence and actively target disclosure that is aligned to benchmarking platforms where our investors and our key customers see value.

OVER
$140,000
DIRECT COMMUNITY SUPPORT FOR OUR SALMON AND PRAWN TOWNS

2021

Relationships with stakeholders

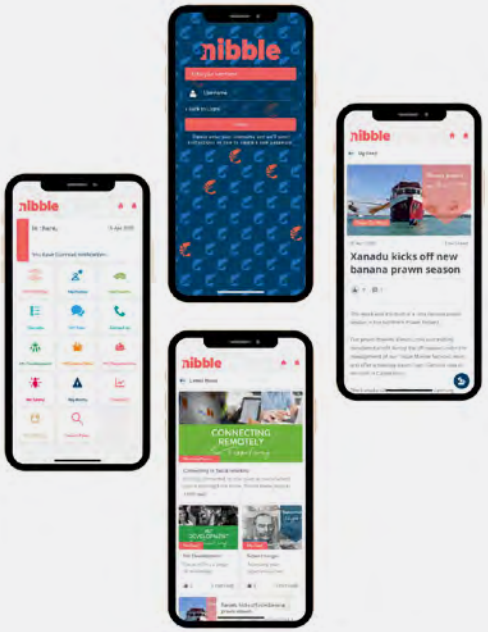
OUR PEOPLE

The importance of employee engagement can't be overstated. Engaged people go above and beyond what is expected of them because they feel part of a purpose larger than themselves.

We know the impact of our employee engagement is felt exponentially – and the results can be seen in the community at large when our employees become our best advocates in the community.

We complete sustainability surveys with internal stakeholders to understand What Matters to our business and our people.

Knowing the importance of communicating effectively with our people, our employee engagement app, Nibble, delivers bite-sized stories and information to our people who want to stay informed and connected, whether they are working from home or on our farms and in our processing plants.



MARINE RESCUES

We spend more time on the water than most, and we're proud of our marine farming crew for ensuring safety is our number one priority each and every day, not just for us, but for everyone at sea. In the reporting period we participated in 12 marine rescues and vessel assists.

CHANNEL BARGE

In the reporting period one of our works barges overturned at our Channel Zone. There were no fish losses or injuries to our people, and any potential impact to the environment and other water users was contained through the deployment of rapid response protocols. Appropriate Federal and State Government agencies were advised. In response, we received an infringement to the value of $13,320.00 from the Australian Maritime Safety Authority (AMSA) for a breach of duty to ensure safety of vessel, marine safety equipment and operation.

TASSAL TEN FUN RUN

Boasting one of the most scenic fun run routes along the Port Esperance foreshore in Dover, the Tassal Ten Fun Run took place in late 2020, attended by runners and families from all over Tasmania, including our very own Salmo. The event raised $7021 for the Royal Hobart Hospital's Paediatric Intensive Care Unit.

Community engagement

We are all better together and we are determined to deliver a vibrant shared future for the communities we live and operate in.

We have a long history of supporting local community organisations and social enterprises, through our commitment to bringing long-term social and economic benefits to the communities where we operate.

Our participation in strategic partnerships and initiatives as well as discretionary community funding streams and in-kind support is aligned to our company values, and understanding What Matters – to our people and our communites.

HEALTHY COMMUNITIES

We support initiatives that foster and enhance the resilience, engagement, health and safety of our local communities.

OCEAN AND COASTAL GUARDIANS

We take our role as a steward of the environment seriously and support initiatives that achieve the same.

CONNECTED COMMUNITIES

As well as employing a growing number of people from regional areas, our industry has a strong record of encouraging training and skills development and creating career pathways to attract and retain staff, especially in regional communities.

We support our Indigenous community and its heritage as part of capacity development, acknowledgement and prosperity building within the regions where we operate.

COMMUNITY FEEDBACK

We work hard to understand any perceived negative community impacts as they become known, and mitigate where possible. We encourage our neighbours and local community members to directly engage with us regarding any concerns they may have.

We have a centralised complaint registration process that includes third-party audited procedures for registering, evaluating and responding appropriately to concerns raised.

During the reporting period we had 17 open complaints directly attributed to our operations on the water and at our land-based sites. 14 of these were related to noise from our operations, two involved noise and environment, and one concerned local traffic management. In the case of open complaints, communication with stakeholders is ongoing.

In some instances, for example in the upper Channel, an open complaint may involve over 12 months of frequent correspondence with multiple stakeholders on the same topic or related to the same area of operation. This system has resulted in changes to our operations, investment in new infrastructure and the development of internal programs to monitor risks and maintain accountability. We understand that noise is an ongoing community concern and we have taken the proactive step of developing our adaptive noise management tool, detailed on page 34, as an example of our commitment and efforts to continuously improve.

PUBLIC ACTION

The release of the book Toxic in the reporting period was challenging for our industry and the communities in which we operate. We received over 100 points of contact related to the Toxic campaign.

PUBLIC FEEDBACK

We received over 50 points of contact related to media coverage of seal deterrent use. Like all farmers that need to protect their stocks and their workforce from aggressive wildlife, the Tasmanian salmon farming industry has access to government approved deterrents for managing seals.

In the reporting period, our use of deterrents dropped considerably due to the successful roll out of our exclusion system, including restricting seal access to haul out areas on our leases and rolling out sanctuary pens with a caged walkway.

At a cost of $500,000 per pen, this $90 million investment in world leading exclusion driven infrastructure is our commitment to keeping our fish and our people safe while keeping wildlife in its natural habitat.

We have designated Wildlife Officers on sites that support the monitoring and mitigation of wildlife interactions. Our deterrent users are trained, abide by our wildlife policies, and adhere to our regulatory and internal reporting systems.

We ceased using scare caps in 2020, and have reduced the use of crackers by over 90% and bean bags by over 80% from FY20 to FY21.

Deterrent use remains a last resource, and is used only when people's safety is directly threatened.

OUR RESPONSE TO NOISE ENQUIRIES AT MISSION BEACH AND YAMBA

Short term: we installed noise curtains on all feed trucks to reduce immediate impact.

Long term: we are reducing the use of traditional feed trucks through the roll out of automated feeding, resulting in quieter operations.

Our partners

Partnerships with organisations including the Global Salmon Initiative (GSI) and Seafood Industry Australia (SIA), are pivotal on our journey to lead sustainable aquaculture production.

GLOBAL SALMON INITIATIVE

We are a member of the Global Salmon Initiative (GSI), a leadership effort established by global farmed salmon CEOs committed to helping feed the world in a healthier, more sustainable way through advancements in responsible salmon farming. Representing the global farmed salmon industry, GSI members recognise their ability – and responsibility – to drive positive change at scale.

SEAFOOD INDUSTRY AUSTRALIA

We are a member of Seafood Industry Australia (SIA), the national peak-body representing the Australian seafood industry as a whole. With members from the wild catch, aquaculture, and post-harvest sectors of the Australian seafood industry, SIA act as the voice of Australian seafood.

ALLIANCE

The Tasmanian Farmed Salmon Alliance vision is to provide accurate, scientific, and supporting information on the salmon aquaculture industry – growers, feed, manufacturing – across the full supply chain with a purpose to unite Tasmanian companies and people to strengthen our collective advocacy, sharing information and adding weight to the industry voice in policy and regulatory decision making while also ensuring mainstream support in Tasmania.

TASMANIAN SALMON GROWERS ASSOCIATION

The Tasmanian Salmon Growers Association (TSGA) is Tasmania's peak body representing salmon growers. TSGA works for its members under a partnership to ensure sustainable operation and regulation of the industry.

AUSTRALIAN PRAWN FARMERS ASSOCIATION

The Australian Prawn Farmers Association (APFA) represents the interests and fosters the development of the Australian prawn farming industry. The association provides the link for communications between growers and related sectors including infrastructure suppliers, the finance sector, retailers and exporters, technologists, researchers and all levels of government.

TASSAL MEMBERSHIP

- Association of Corporate Counsel
- Australian Human Resources Institute
- Australian Institute of Company Directors (AICD)
- Australian Packaging Covenant Organisation (APCO)
- Australian Prawn Farmers Association (APFA)
- Biosecurity Australia – Biosecurity Roundtable
- Colony 47- Backswing program
- CPA Australia
- Global Salmon Initiative (GSI)
- Global Aquaculture Alliance (GAA)
- Governance Institute of Australia
- Institute of Engineers Australia
- Institute of Chartered Accountants
- South East Trade Training Centre Advisory Board
- Tascoss- South East Region Local Action Group
- Tasmanian Salmon Growers Association (TSGA)
- Tasmanian Seafood Industry Council (TSIC)

TASSAL STAFF SIT ON THE FOLLOWING COMMITTEES AND BOARDS:

- Agri Food Advisory Board
- AMSA's Regional Safety Committee – Tasmania
- Better Work Tasmania
- Employer of Choice reaccreditation committee
- Gill Health Initiative Steering Committee
- Institute of Marine and Antarctic Studies (IMAS) Research Advisory Committee
- Safety Institute Australia (SIA)
- Seafood & Maritime Training (SMT)
- Sustainable Agriculture Initiative (SAI) Platform Australia

Our suppliers

As an engaged member of the community, our approach to procurement has a strong focus on sourcing goods and services local to our operations. Utilising such suppliers and service providers delivers notable benefits, such as cost efficiency, risk mitigation, lower carbon footprint and timely delivery of goods and services.

Strong relationships with our local supplier base delivers significant flow on investment and opportunities to the communities surrounding our operations. With our farming and processing sites largely situated in rural and regional locations, these mutually beneficial relationships are integral for us, local suppliers and the broader community.

De Bruyn's Transport

DeBruyn's have provided essential transport services to Tassal for the past ten years, and during that time, have experienced significant growth while adapting to Tassal's changing needs and growth over that period. Some of these services include the transport of smolt, fish feed, whole fish and by-products. DeBruyn's also has a number of vessels assisting Tassal with fish feed delivery, harvesting and marine support.

DeBruyn's are focused on reducing our carbon footprint by the extensive use of onboard telemetry systems that provide us with efficiency scores for all our vehicles. With a reduction of the maximum speed of all trucks from the permitted 100km per hour to 95km per hour, we have been able to achieve improved safety and environmental outcomes.

- John de Bruyn, General Manager
De Bruyn's Transport

pakana

Everybody at pakana services looks forward to working with Tassal every Friday and takes great pride in collecting marine debris for numerous reasons.

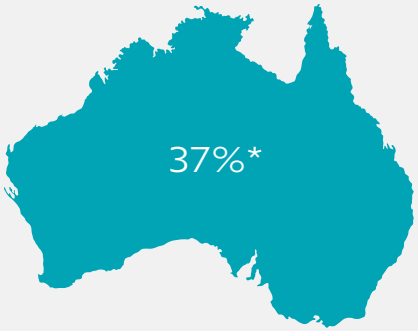
For one, gaining access to remote areas of the coastline means exploring places not usually accessible by the public, and thus for the field workers at pakana it provides an opportunity to connect to the land of their ancestors. There is a great sense of achievement in the progress we have made over the years, as the amount of rubbish generally collected on a weekly basis has dramatically decreased since we began supporting operations in March 2018. Thanks to Tassal we have been able to make a real difference to the environment, waterways and to marine farming culture and practices. It is a job that provides consistent employment for the crew at pakana and each of them has benefited greatly from it.

It has also given employees the opportunity to engage in and learn about record keeping, and organisation, thanks to the task of sorting and recording the debris found on a particular day.

Marine debris collection is a far more sophisticated task than simply picking up rubbish. It has provided opportunities and experiences for those at pakana services that they wouldn't have otherwise had. It is a job they take great pride in and look forward to every week. After all, what better way to end the week than on a sunny day on beautiful coastlines making a real difference.

-John Easton, Manager
pakana services

Direct spend on local suppliers
$227 mainland suppliers



Direct spend on local suppliers
$348m Tasmanian suppliers

*remaining 7% spent on international suppliers

PLANET

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

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

100% NITROGEN CAP COMPLIANCE

0 REPORTABLE SALMON ESCAPES*

*loss of >500 species to the marine environment at any one time

SUSTAINABLE DEVELOPMENT GOALS

Sustainability is at our heart

As farmers, we take pride in not only what we produce but how we produce it, and we are committed to providing Australians with responsibly sourced Australian grown salmon and prawns.

We are dedicated to continuous improvement across our operations through the implementation of third-party sustainability certifications, including the Aquaculture Stewardship Council (ASC) and Best Aquaculture Practice (BAP) certification programs, and effective environmental management within the regulatory framework. We implement certifications at each of our sites based on criteria including alignment with our business values, customer requirements and consumer awareness.

AQUACULTURE STEWARDSHIP COUNCIL

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 standards work to promote best practice aquaculture globally and aims for a world where everyone has access to responsibly sourced seafood.

We first achieved ASC certification for salmon farming operations in 2014 and expanded this in 2020 to achieve ASC certification for our largest prawn farming operation in Proserpine. This extensive assessment included a Biodiversity Environmental Impact Assessment (BEIA) and Participatory Social Impact Assessment (p-SIA), conducted by a third-party and involving community consultation.

The salmon standard is comprised of 154 compliance points addressing issues and impacts to provide consumers with an assurance they are purchasing salmon from farms that manage their environmental and social impact to the highest standards. During the reporting period we were the only Atlantic salmon farmer in Australia to hold ASC certification.

BEST AQUACULTURE PRACTICES

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 to encourage the use of responsible aquaculture practices for a variety of species, including salmon and prawns. With multiple levels of certification, we now have 4-star BAP certification across our operations. This is BAP's highest level of certification. This is achieved by only sourcing BAP certified feed and achieving certification across all of our salmon and prawn hatcheries, farms and primary processing facilities, as well as additional reprocessing facilities in Tasmania, New South Wales and Queensland.

MARINE STEWARDSHIP COUNCIL

Our prawn trawler Xanadu is part of the Marine Stewardship Council (MSC) certified Northern Prawn Fishery. The science-based MSC environmental standard for sustainable fishing offers fisheries a way to confirm sustainability using a credible, independent, third-party assessment process. It means sustainable fisheries can be recognised and rewarded in the marketplace, and gives an assurance to buyers and consumers that their seafood comes from a well managed and sustainable source.

CONTINUING TO ADAPT TO REMOTE AUDITS

The world may have slowed down during the COVID-19 pandemic, however as an essential service we were still required to produce great food for Australian consumers.

While traditional onsite audits were no longer possible, our Quality, Sustainability and WHS teams accepted the challenge and transitioned to remote audits.

Audits have been conducted with auditors across Australia and the world using live streamed inspections, document sharing and staff interviews.

Environmental compliance

We are committed to ensuring environmental compliance is maintained across all business operations. To achieve this, we place a strong emphasis on employing a contemporary approach to environmental management and appreciate the need to be agile and forward thinking when operating in what is a dynamic, ever-changing regulatory landscape. This approach is led by a dedicated Environment team who support the business through developing, implementing and championing a strong compliance culture within the business.

We recognise that effective environmental management is a multidimensional process that is founded upon a comprehensive understanding of the regulatory framework within which the business operates. Our Environment team maintains oversight of all business activities, ensuring our license to operate is strengthened through responsible and contemporary environmental management practices.

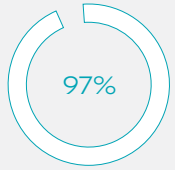
This approach is supported by a number of internal business systems that both drive and evaluate compliance on a daily basis, with complete traceability. These systems include, but are not limited to, the maintenance of compliance registers and regular auditing against regulatory requirements. The continuous internal evaluation and reporting of environmental performance against key performance indicators provides meaningful evaluation of our management. Through this approach, we ensure environmental compliance remains a key focus of all business activities.

MARINE FARMING COMPLIANCE

	FY17	FY18	FY19	FY20	FY21
Remote Operated Vehicle (ROV) dives completed	206	182	373	210	328
Number in compliance	169	179	350	200	306
Compliance (%)	82.0	98.4	93.8	95.2	93.3

SALMON HATCHERY COMPLIANCE

SALMON PROCESSING COMPLIANCE



PRAWN OPERATIONS COMPLIANCE

2021

Adaptive noise management

We are committed to managing operational noise emissions in accordance with all regulatory requirements, and in alignment with reasonable community expectations.

We have invested heavily in the development and implementation of a number of proactive measures to manage operational risks, including the implementation of a specialised noise management and modeling tool.

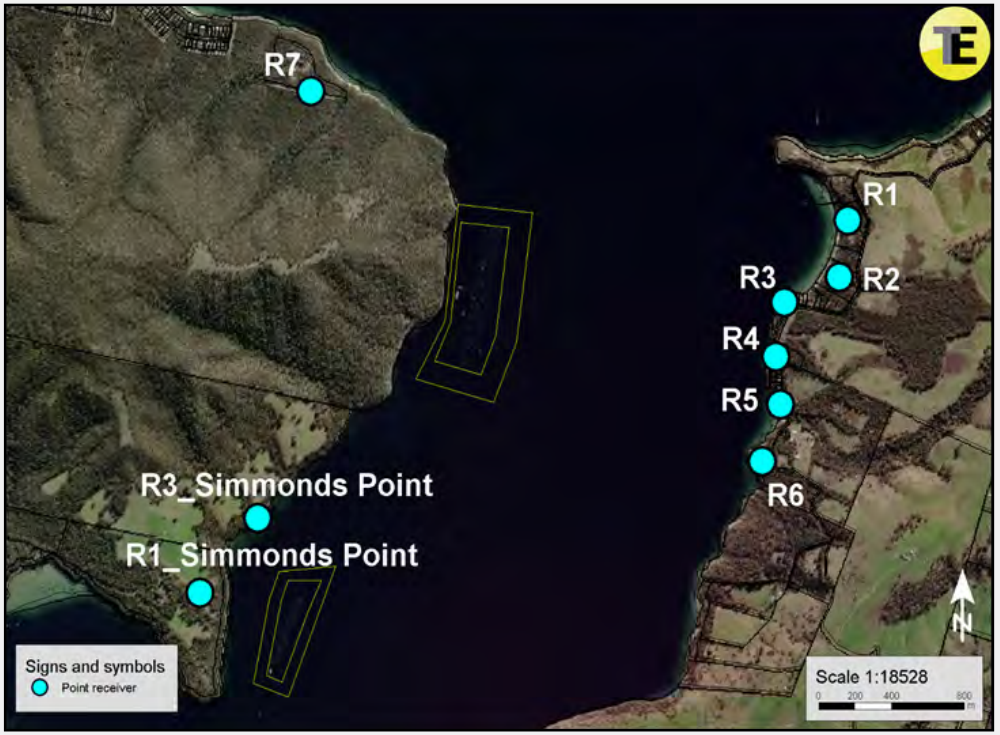
The development of this tool, combined with our efforts to continuously improve operational processes, demonstrates this ongoing commitment.

Our noise management tool offers us a robust internal system for delivering assurance against current and future compliance requirements. The primary purpose of the tool is to support the business through:

- The identification and appraisal of key areas of risk resulting from operational noise emissions, such as compliance and community relations risks;
- Simplifying and streamlining business and operational processes;
- Substantiating our operational position at all sites and providing a strong basis for response to regulatory and community enquiries in this regard;
- Rapid assessment of the validity of complaints;
- Informing an effective process for the management and reporting of legitimate complaints; and
- Providing the EPA with data that demonstrates we are well placed to manage noise emissions from operational sites.

OUR ADAPTIVE NOISE MANAGEMENT TOOL WILL:

- Provide us with the ability to accurately predict, model and retrospectively assess the cumulative emissions of modelled leases under a wide range of operational scenarios and weather conditions;
- Provide critical information to assist in the prompt and accurate assessment of noise complaints;
- Allow for the pre-emptive evaluation of operational plans to inform decision making ahead of time;
- Inform the development of standard operating procedures which will define a set of guidelines to govern operations at the site level;
- Allow for the timely identification of emerging risks; and
- Inform business procurement strategies through the development of refined, lease-specific equipment specifications, to ensure that all equipment procured meets noise criteria and does not compromise our ability to maintain compliance across our operations.



Sensitive noise receptor map - Northern D'Entrecasteaux Channel and Bruny Island

2021

Stop it at the source

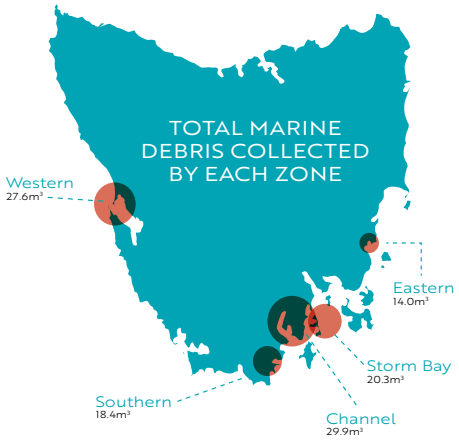
In the reporting period our people, in partnership with our ocean guardian partner pakana, spent over 2500 hours walking 762km of shoreline in Tasmania collecting marine debris. Of the total waste collected, 9.5% was attributed to our operations.

The reporting period saw the successful conclusion of a two-year program to reduce marine debris, and we are proud to have reached our target to reduce Tassal originated debris picked up in shoreline clean-ups to less than 10%. The next phase of our program is being rolled out with a target of 5%, as our farmers continue on the path towards zero marine debris.

Our new program applies a stop it at the source approach to marine debris that includes training of staff, floating equipment registers, twice daily gear checks, GPS trackers on large floating items, marked gear, marine debris pledges from our contractors and suppliers, reporting, routine disclosure, rapid response for lost gear that involves notice to mariners and sea and air-based searches, research projects, an industry code of practice and a cross departmental working group to monitor actual trends and drive R&D and innovation.

Our Ocean and Coastal Guardians Program recognises that we spend more time on the waterways than most, that we have an affinity with the environment, the wildlife, other users and that we are custodians. That's why we are working on areas to ensure our oceans and coasts are healthy, understood and used wisely.

	HOURS COLLECTING	RUBBISH REMOVED (m^3)	ATTRIBUTION TO TASSAL FARMS (%)
FY17	386	72	26.9
FY18	1776	79.5	27
FY19	3881	218.9	22.5
FY20	2268	99.6	15.3
FY21	2635	110.2	9.5



2021

Healthy neighbourhoods

Rocky reef surveys form an important part of our environmental monitoring activities for our Okehampton Bay lease on the east coast of Tasmania. Local environmental consulting companies, Aquenal and Marine Solutions, carry out surveys of shallow reef systems adjacent to the Okehampton Bay lease every six months as part of EPA requirements. To help interpret results, reference sites are also surveyed throughout Mercury Passage, including sites within the Maria Island Marine Reserve.

DIVERSE REEF SYSTEMS

Shallow reefs in Okehampton Bay and Mercury Passage are important habitats for a diverse range of marine life including seaweeds, fish and invertebrates such as sea urchins and seastars. Reefs in the area are typically dominated by kelps and diverse understory assemblages similar to the understory in a forest.

MONITORING POTENTIAL CHANGES

The reef monitoring program was initiated prior to farming in Okehampton Bay in 2017. The results of these surveys provide an indication of the health of reef communities and can tell us of any changes that may happen over time. From the eight surveys conducted to date, the reef communities appear stable. There has been no reduction in cover or diversity of seaweed species and no increase in nuisance algae. Overall, the reef systems in the vicinity of the farm have shown no evidence of impacts attributable to nutrients from the Okehampton Bay farm.

ASSESSING THE REEFS

Divers revisit the same monitoring sites in autumn and spring each year. There are two components to the reef monitoring program:

1. Seaweed surveys using the Rapid Visual Assessment method:
   - Surveys are conducted along 50 metre transects by scuba divers at 10 sites;
   - Divers use quadrats along a transect line and take photos and video footage;
   - Measurements are taken of canopy-forming algae (kelps), understory algae and epiphytes (nuisance plants growing on the outside of other macroalgae); and
   - Over time the abundance of seaweed species can be tracked.
2. Reef biodiversity assessment using the Marine Protected Area method:
   - Divers swim along 200 metre transects and observe and record the abundance and size of:
     - Fish species such as, wrasse and leatherjackets; and
     - Mobile invertebrates such as, crayfish and sea urchins.
   - Divers place quadrats along the transect line to record the percent coverage of:
     - Sessile invertebrates such as, sponges;
     - Seaweed species.

This methodology is widely used in Australia and allows standardised collection of data for the repeated census of two sites within the monitoring area of Mercury Passage.

Better use

Management of waste is critical for compliance, traceability, auditing and reporting. The majority of waste generated from our operations is fish and prawn waste, fish by-products, wastewater and sludges, which are all classified as controlled wastes.

Our Triabunna rendering facility was developed to downstream process the majority of salmon fish waste streams in Tasmania and produce a number of saleable products which in turn generates employment and commercial opportunities.

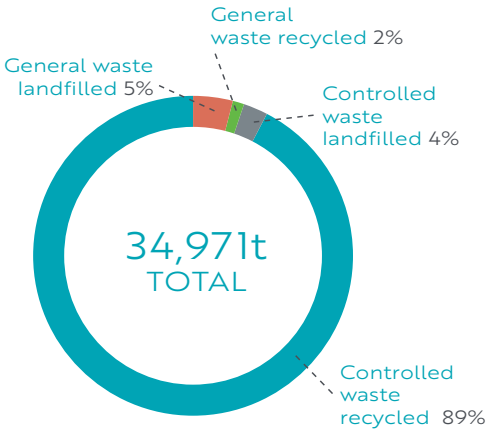
Wastewater is treated on site and either used for land irrigation, sent to trade waste, or discharged, while sludge is managed through approved composting and land spreading sites to value add these resources. Data collection, review and reporting generate the statistics and guide the overall performance of the organisation, and we currently recycle 91% of wastes. Research and investigation of alternative options for improving waste management are undertaken regularly to minimise wastage of resources, waste to landfill and maximise the recovery of resources.

PACKAGING

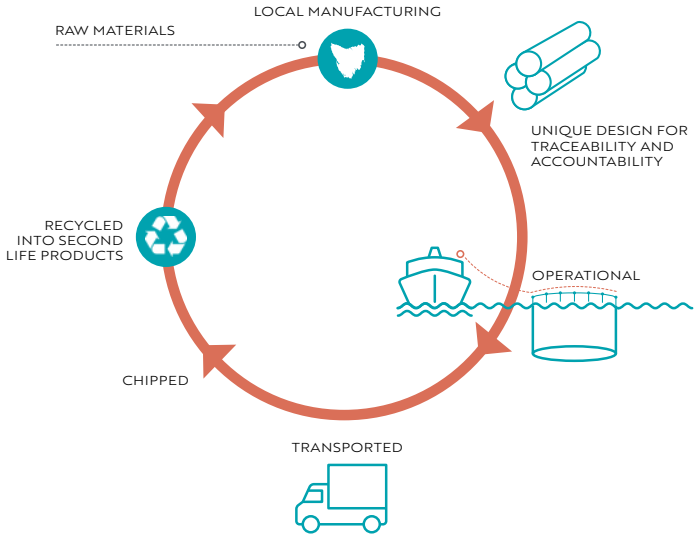
As demand grows for our seafood, so does the need to find more sustainable packaging options.

We are committed to reducing packaging waste and ending plastic pollution by working together with the Australian Packaging Covenant Organisation (APCO), a co-regulatory, not-for-profit organisation. APCO partners with government and industry to reduce the harmful impact of packaging on the environment, to achieve the 2025 National Packaging Targets.

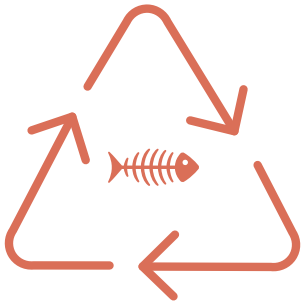
WASTE PROFILE



100% OF OUR FEED PIPE IS RECYCLED INTO SECOND LIFE PRODUCTS



APPROXIMATELY 4000 TONNES OF BY-PRODUCT IS UPCYCLED TO FISHMEAL AND FISH OIL USED IN OTHER STOCKFEED AND PET FOOD



A FURTHER 266 TONNES CO_{2-e} NET AVOIDED EMISSIONS

Towards carbon and climate neutral

We acknowledge and support the scientific consensus on climate change.

We take responsibility for improving the energy efficiency of our operations, transitioning to renewable energy and investing in new technologies.

We explore partnerships and initiatives to unlock blue carbon opportunities and support food systems adaptation.

Climate change impacts the physical environment within which we operate and farm our seafood products. The potential effects of climate change are significant – a warmer, drier and more variable climate is projected, and this will present a range of operational challenges requiring a suite of solutions.

We rely heavily on consistent environmental parameters in managing the growth and performance of our farmed stock. We are addressing variations in environmental conditions through innovative research and breeding programs, and collaborative partnerships with scientific and research organisations, such as the Blue Economy CRC, CSIRO and IMAS to adapt and become more resilient to these changes.

In addition to understanding the risks presented by a changing climate, we are also acutely aware of the need to identify opportunities to create long-term benefits to society and the environment.

We have adopted a range of management approaches to mitigate the impacts of a changing climate. The roll-out of our sanctuary pens is an important step in maintaining safe production in waters where the physical impacts of climate change are realised through more extreme weather events.

Our selective breeding programs for salmon and prawns should allow us to better adapt to climate induced adverse weather events, such as summer heatwaves.

Species and geographic diversification through our prawn farming developments is an additional strategy for adapting to a changing climate.

We supplement the work of our own Environment team with external collaborative scientific partnerships to identify emerging climate trends, system responses and to undertake comprehensive broadscale environmental monitoring across all of our farming operations. Ultimately, we measure the impact of a changing climate through performance targets such as maintaining survival and production, the welfare of our stock, and expanding our resilience and adaptation capacity.

ENERGY AND EMISSIONS

Efficient use of energy is essential in minimising our carbon footprint and ensuring that we are responsible operators within the global community. In Tasmania we are fortunate that the consumption of hydro electricity production has a low emissions profile, where operations in Queensland and New South Wales have a higher emissions profile, currently relying on non-renewable sources including coal, oil and gas. We are actively assessing our energy use resulting from other fuel sources to either reduce the use by being more efficient or replace with a lower emissions source.

We continuously collate energy use data from all our operations to allow for the analysis of data trends.

This data is being used to identify energy efficiency opportunities which will form the basis of key reduction projects and the ability to meet targets and objectives.

We report our energy consumption and greenhouse gas (GHG) emissions to the Commonwealth Government annually under the National Greenhouse and Energy Reporting scheme. By 31 October each year, Australian corporations that meet certain thresholds must report their emissions and energy information under the National Greenhouse and Energy Reporting scheme. The Clean Energy Regulator will then publish reported greenhouse gas emissions and net energy consumption for all registered corporations by 28 February each year. This information is available here.

Our primary feed supplier has an ambition to achieve a reduction of 30% Scope 1 and 2 emissions by 2030 with a 2018 baseline. In addition, under the Science Based Targets initiative, they have committed to a 58% reduction per unit of value-added product by 2030 in GHG emissions across their supply chain with a 2018 baseline.

	TOTAL CARBON FOOTPRINT OF FEED (CO_{2-e}/KG)
CY18	5.79
CY19	5.08
CY20	4.59

The role of feed in biodiversity, climate and nutritional systems

The nutrition of our salmon and prawns plays a crucial role in our sustainability journey. We work closely with our feed suppliers to maintain sourcing and traceability criteria to ensure we meet the requirements of all relevant third-party certifications.

Diet composition varies for each stage of the life cycle to ensure that the nutritional requirements are met. Innovative diets are trialed each year to put novel ingredients to the test, without compromising performance or welfare. Our objective is to grow biomass efficiently with the lowest possible environmental footprint.

We evaluate the effectiveness of our feed strategy through frequent analysis of stock performance metrics including feed conversion ratios (FCR), growth rates, and survival, as well as environmental monitoring of the sea floor using remotely operated vehicles (ROV) to ensure any feed wastage is kept to a minimum.

MARINE INGREDIENTS

Feed conversion ratios

Economic feed conversion ratios (eFCR) represent the quantity of feed used to produce the quantity of fish harvested. Our zero-tolerance approach to feed waste assists us in achieving optimal FCRs.

Fishmeal and fish oil are both finite wild harvested fisheries resources that are shared across a range of users with increasing demands, from direct human consumption to aquaculture to pig and poultry production.

eFCR	FY19	FY20	FY21
Salmon	1.44	1.26	1.28
Prawns	N/A	1.96	2.06

Forage Fish Dependency Ratio (salmon)

The aquaculture industry has significantly reduced the inclusion rates of fishmeal and fish oil from forage fish in feeds during the past two decades. Our third-party certification under the Aquaculture Stewardship Council (ASC) standard includes requirements to comply with Forage Fish Dependency Ratios (FFDR) to support the trend toward lower inclusion rates and increasingly efficient use of marine resources.

The ratios, one for fishmeal (FFDRm) and another for fish oil (FFDRo), 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 or fish oil needed to produce a unit of farmed salmon.

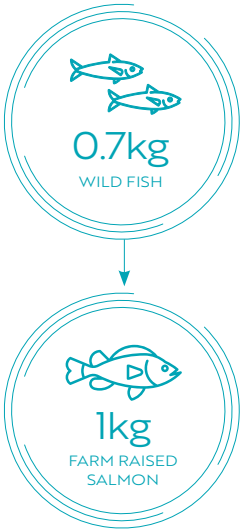
The aquaculture industry is able to improve FFDRs by using fishmeal and fish oil from trimmings. Trimmings are by-products of fish processed for human consumption and may be excluded from the calculation as long as the origin is not from a critically endangered, endangered, or vulnerable species under the IUCN Red List of Threatened Species.

	CERTIFICATION REQUIREMENT	FY17	FY18	FY19	FY20	FY21
FFDRm (salmon)	<1.2	0.37	0.31	0.37	0.40	0.27
FFDRo (salmon)*	<2.52	1.67	1.93	2.15	2.19	2.17

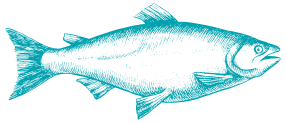
*The slight increase in FFDRo from FY17 to FY20 is attributed to the seasonal change from low energy diets to higher energy diets

Fish in - Fish out (salmon)

Fish in - Fish out (FIFO) provides the amount of wild fish excluding trimmings, it takes to produce 1kg of salmon. To get an accurate view of wild fish required to produce 1kg of salmon, you need to consider the combined use of fishmeal and fish oil. When these two elements are taken into consideration the result is approximately 0.7kg of forage fish for every 1kg produced. Our salmon remains a net protein producer.



What's in our salmon feed



Land animal ingredients 34.4%
Agricultural ingredients 51.1%
Fish oil (reduction only) 8.1%
Fishmeal (all sources) 6.4%

What's in our prawn feed

Land animal ingredients 5.9%
Agricultural ingredients 61%
Fish oil (reduction only) 1%
Fishmeal (all sources) 32.1%

Certification of marine ingredients

Our primary feed supplier commission an independent annual marine assessment report to disclose the FishSource scores of species likely to be purchased for the period. They then use a mass balance approach to ensure sufficient volumes of compliant fishmeal and fish oil are purchased to cover the volume of feed sold to Aquaculture Stewardship Council (ASC) certified customers.

AGRICULTURAL INGREDIENTS

Agricultural ingredients include wheat, soya derivatives, corn gluten and vegetables.

We want to ensure our feed suppliers only purchase vegetable ingredients that have been cultivated by farmers who have not contributed to deforestation, protecting sensitive ecosystems and endangered species.

Soy Protein Concentrate represents a relatively small percentage of our total feed ingredient inclusion (4-5%). 100% of the Soy Protein Concentrate used in our feed has been ProTerra certified since 2016. ProTerra certification is an additional safeguard to the social responsibility and environmental sustainability of our supply chain.

The requirement in the Proterra standard is that soya cannot come from agricultural land that has been cleared for cultivation after 2009.

Soy Bean Meal is also included in our prawn feeds and is certified by the US Soy Sustainability Assurance Protocol, which is an industrywide initiative that demonstrates commitment to responsible growing practices and sustainability through setting clear, verifiable standards of industry practice, including prohibiting illegal deforestation.

BY-PRODUCTS

Like all animals, fish require nutrients to live and grow. The main nutrients required are protein, fat, and carbohydrates. Proteins can be supplied to diets in many forms including land animal by-products.

Rendered by-products capture valuable nutrients that would otherwise be lost in the human food chain and their use acts to reduce waste.

All our land animal raw materials are sourced exclusively from Australian producers who are accredited by the Australian Renderers Association (ARA). Australian renderers have been at the forefront of developing quality assurance to improve the integrity and ever-increasing standards for food safety. The ARA launched its Code of Practice in 1994 and in 2001 provided the basis for the Australian Standard for Hygienic Rendering of Animal Products (AS 5008:2001). It encompasses quality assurance components reflected under quality management system ISO 9002 guidelines and application of Hazard Analysis and Critical Control Point (HACCP) methods.

TRACEABILITY

Our third-party certifications require us to provide evidence of traceability of feed ingredients that make up more than 2% of our feed including source, species, country of origin and harvest method. Marine ingredients, soy and other raw materials can be traced to country of origin for example, when the fish was captured or processed, or where the soya was grown.

FEED INNOVATION

There has been increasing focus over many years on overcoming traditional reliance on formulating feeds from conventional but finite marine ingredients, particularly fishmeal and fish oil. A solution that has emerged in recent years is the application of new raw materials and specialty ingredients, commonly known as novel ingredients. These technologies can be used both through replacement and interchange with conventional ingredients.

Our newly integrated Responsible Business Roadmap involves targets and progressive KPIs related to feed composition and innovation.

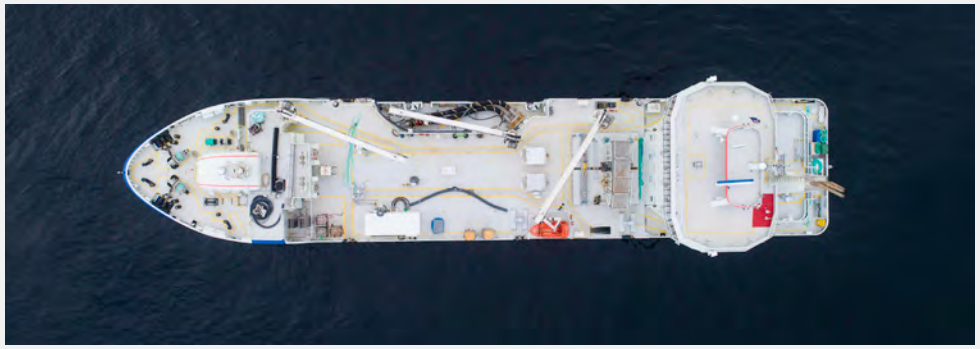
2021

Water security

The welfare of our stock is highly dependent on sustainable access to clean marine and freshwater sources. As users of shared waterways, we understand the importance of minimising our impact on local communities. We aim to ensure the environmental, recreational and economic values of the waters in which we operate are preserved and maintained. All use of water is managed under the appropriate regulatory mechanisms.

We implement a multitiered process for ensuring good water management. All potential risks and regulatory requirements relating to water use are systematically identified and management practices are implemented to avoid and minimise any impacts. The effectiveness of the management practices is continuously monitored as is the surrounding marine and freshwater environment. All water monitoring is undertaken, analysed and reported in strict accordance with applicable regulatory requirements.

We complete extensive broadscale monitoring programs of the marine and freshwater environments surrounding our operations. These programs are ongoing and have been designed to detect change in the environment from baseline conditions. In addition to monitoring, our third-party sustainability certifications provide additional assurance that management practices align with global standards.



2021

FRESHWATER USE

SECTOR	SITE	SOURCE	VOLUME (ML)
SALMON HATCHERIES	ROOKWOOD ROAD	Bore	224
		Reticulated	1
	RUSSELL FALLS	River (flow thru)	10,516
		Reticulated	3
SALMON FARMS	CHANNEL	Dam	518
		Reticulated	1
	SOUTHERN	Dam/River	540
	STORM BAY	Dam	230
	EASTERN	Dam/River	69
		Reverse osmosis barge	177
	WESTERN	Rainwater capture	1
		Reticulated	2
SALMON PROCESSING	MARGATE	Reticulated	28
	HUONVILLE	Reticulated	71
	DOVER	Dam/River	70
	TRIABUNNA	Dam	26
SEAFOOD PROCESSING	LIDCOMBE	Reticulated	47
PRAWN HATCHERIES	MISSION BEACH	River	45
	PROSERPINE	River	14
PRAWN FARMS	MISSION BEACH	River	2435
	PROSERPINE	River	23,821
	YAMBA	River	2298
PRAWN PROCESSING	MISSION BEACH	Reticulated	Not measured*
	PROSERPINE	Reticulated	40
	YAMBA	Reticulated	Not measured*

*Not recorded in the reporting period, with systems in place for FY22

Animal health and welfare

We are farmers first and foremost. It is our job and our passion to care for our animals and the environment in which we grow them. This ethos is inherent in those that farm. Our team are consummate professionals at making sure our salmon and prawns are properly housed, fed, and protected from predators. When we do that properly, our salmon and prawns are healthier, and they feed and grow better.

We have a range of tools and processes to manage animal health and welfare, including animal health management plans for all our salmon and prawn farms, which outline our expectations around animal health and welfare and detail our procedures for maximising outcomes on a farm-by-farm basis. Our animals are checked and monitored every single day for behaviour, appetite and any abnormal signs, and a specialised animal health department carries out diagnostic and routine visits. We carry out animal health and welfare risk assessments before major husbandry events, such as smolt transport to sea sites or post-larval movement to our growout farms.

We continually assess our animal health program via a range of monitoring systems and dashboards that clearly and quickly highlight anything out of the ordinary in any pen or pond, virtually in real-time. We proactively conduct animal health and welfare audits and reviews of our processes.

DISEASE OUTBREAKS (SALMON)

We have seen a decrease in disease outbreaks across our salmon farms over the past three years.

DISEASE OUTBREAKS	
FY19	4 (POMV* Channel, POMV Storm Bay, POMV Southern)
FY20	0
FY21	0

* Pilchard Orthomyxovirus (POMV) is the most important infectious disease in the Tasmanian salmon industry. This disease causes sporadic outbreaks in naïve stock and is considered endemic

BIOSECURITY

Implementing, maintaining, and monitoring biosecurity controls is essential to safeguard the health and welfare of our animals, and also to reduce potential for environmental impact from our farms in the event of pathogens existing in the farming area. Biosecurity is an investment we make in our animals and our environment. We take seriously our responsibility to our animals, our environment, our State, and our industry in minimising, mitigating, and where possible eliminating biosecurity risks.

Biosecurity measures are incorporated into our animal health management plans, in addition to specific standard operating procedures and policies. Biosecurity forms part of every level of decision making across our entire operations, from planning stocking, to how and when equipment and vessels are cleaned and disinfected. We use internal audits, education of our team members, positive release forms and information technology systems to facilitate and monitor appropriate biosecurity measures.

We use full traceability to trace forwards and backwards from any disease event to review the health status of potential at-risk groups of fish. Information from these sources inform us of the efficacy of our biosecurity measures and highlights opportunities for continuous improvement.

VACCINATIONS (SALMON)

We now vaccinate all our salmon before they go to sea, and we customise the vaccination package to suit the farms they are going to so each fish is immunised against those pathogens we know may cause disease in the specific area of the farm in question. We monitor vaccine efficacy and work with the government animal health laboratory to monitor vaccinated pathogens for any changing presentation. We directly fund and collaborate in research to improve animal health and welfare outcomes.

In 2021 all fish transferred to sea were vaccinated against POMV and zone-specific endemic pathogens. We continue to support financially and in-kind the ongoing development of new multivalent vaccines.

SURVIVAL (SALMON)

As farmers, we aspire for 100 % survival and continue to focus on working to this end. However, this is not even replicated in a natural environment across any species. Our third-party certifications require us to classify all mortalities and investigate any unexplained mortality.

	SURVIVAL
Freshwater	79.5%
Marine	93.6%

Like all farmers, we need to look after the health and welfare of our stock. We maintain a strong focus on animal health and welfare, and antibiotics are only used as required for welfare.

STOCKING DENSITY (SALMON)

Our maximum stocking density on any day has not exceeded 17kg/m^3, ensuring our fish have ample space to swim. We manage density by season to optimise animal welfare. In the winter when temperatures are lowest and oxygen levels highest, we can reach 15kg/m^3. We adjust to conditions in the summer with densities less than 10kg/m^3. Overall we average 8kg/m^3, or less than 1% fish and more than 99% water in our pens.

	tassal	SALMON LAND-BASED RAS	RSPCA APPROVED FARMING SCHEME	BEST AQUACULTURE PRACTICES
FARMING DENSITY (KG/M^3)	8 kg[1]	50-100 kg[2]	15 kg[3]	25 kg[4]

ANTIBIOTIC USE (SALMON)

Antibiotic use is audited annually at each of our sites through our third-party sustainability certification audits and is only administered under the authorisation of a registered veterinarian.

The Aquaculture Stewardship Council (ASC) salmon standard includes strict requirements surrounding the use of therapeutants, including prevention of the use of antibiotics listed as critically important for human medicine by the World Health Organisation (WHO).

GRAMS OF ANTIBIOTIC PER TONNE OF FISH PRODUCED (SALMON)

YEAR	MARINE	HATCHERIES	TOTAL
FY17	17.13	0.03	17.16
FY18	0	0	0
FY19	54.20	0.53	54.73
FY20	35.36	0.16	35.52
FY21	0	0	0

	FY17	FY18	FY19	FY20	FY21
Number of antibiotic treatments over entire production cycle	0.04	0.00	0.07	0.03	0.00

1. Tassal average farming density across all salmon marine sites in FY21
2. Land-based grow out RAS stocking density range estimated based on publicly available figures for existing land-based RAS systems
3. RSPCA Approved Farming Scheme Standard Farmed Atlantic Salmon Standard from https://rspcaapproved.org.au/wp-content/uploads/2020/05/2020-05_FARMEDATLANTICSALMON_Standard.pdf
4. Best Aquaculture Practices (BAP) Salmon Farms Standard from https://www.bapcertification.org/Downloadables/pdf/standards/PI%20-%20Standard%20-%20Salmon%20Farms%20-%20Issue%202.3%20-%2013-October-2016.pdf

0 ANTIBIOTIC USE

Wildlife management

We care about the wildlife in the environment

The foundation of our wildlife management is exclusion of wildlife from our stock through the adoption and continued improvement of the sanctuary pen concept and design. Our ongoing focus has been the inspection and maintenance of infrastructure to further reduce risk of entanglements. We are continually improving existing mitigation technology and regularly assessing new strategies to improve on our current infrastructure and management practices. Ongoing assessment of wildlife management is done in consultation with government and related industry groups.

Wildlife interactions on our salmon farms are managed by specialised Wildlife Officers. These employees implement specific strategies for each area, that take into account internal policy, State legislation and compliance requirements of third-parties. Infrastructure assessment and wildlife interactions have also significantly improved with the roll out of 24-hour remote monitoring from our state-of-the-art feed centre.

The roll out of a custom-built software solution for recording and analysis of all wildlife interactions has allowed for rapid risk assessment and adjustment to the changing nature of wildlife interactions that has resulted from the successful implementation of the sanctuary pen system.

OCEAN GUARDIANS

In the reporting period we experienced Australia's largest recorded whale stranding in Macquarie Harbour on Tasmania's West Coast that saw the rescue and disposal of 470 short finned pilot whales.

As frontline responders on Tasmania's waterways, our people played an integral role in the operation, from providing vessels to transfer the rescued whales to deeper waters, transferring the deceased whales for burial at sea, and contributing to the strategy and actions at the incident controller led meetings.

2021

BIRD INTERACTIONS (SALMON)

YEAR	ACCIDENTAL DEATH	ALIVE AND RELEASED
FY17	3	393
FY18	12	439
FY19	13	485
FY20	17	455
FY21	26	105

BIRD INTERACTIONS (PRAWNS)

YEAR	MORTALITIES
FY20	23
FY21	58*

*expanded operations increased bird interactions

SEAL INTERACTIONS (SALMON)

YEAR	RELOCATION EVENTS	EUTHANISED	ACCIDENTAL DEATH (RELOCATION)	ACCIDENTAL DEATH (ENTANGLEMENT)
FY17	2131	3	1	1
FY18	1344	1	0	6
FY19	0	0	0	14
FY20	0	0	0	5
FY21	0	2	0	5

100% OCEAN SANCTUARY PENS COVERAGE

88% REDUCTION IN SEAL BREACHES FROM FY19 TO FY21

PRODUCT

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 of consumers, and improve growth and performance outcomes for our customers.

100%
OF NEW SUPPLIERS SCREENED THROUGH QUALITY APPROVED SUPPLIER PROGRAM IN FY21

95%
PURCHASED SEAFOOD ACCREDITED TO A THIRD-PARTY SUSTAINABILITY STANDARD

Your dinner plate

Globally, with demand for protein increasing, sustainable aquaculture and responsible sourcing will bring seafood to more dinner tables across Australia, while also reducing pressure on wild capture fisheries.

"Atlantic salmon regularly tops superfood lists for a number of reasons. Not only does a single serve of Atlantic salmon contain more than the entire recommended daily intake of Omega-3 fats, the type of fat closely association with health and longevity but as a rich source of protein, Vitamin's B, E and D, selenium, zinc and magnesium, there are few whole foods that offer such a wide range of key nutrients that Atlantic salmon does. Eating more locally grown, Atlantic salmon is an easy, yet powerful way Australians can improve their nutrient intake, and ultimately their health as a result."*

SUSIE BURRELL, NUTRITIONIST AND DIETITIAN

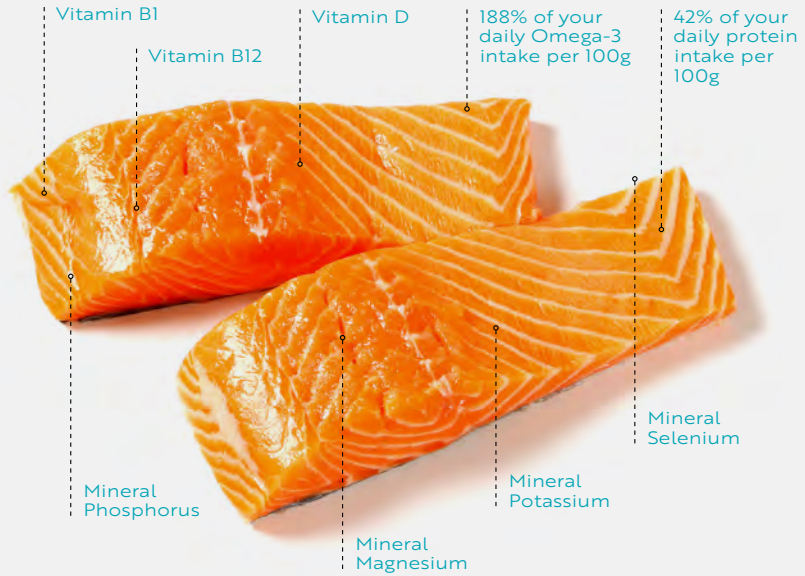
*Based on the National Heart Foundation of Australia's recommended adult consumption

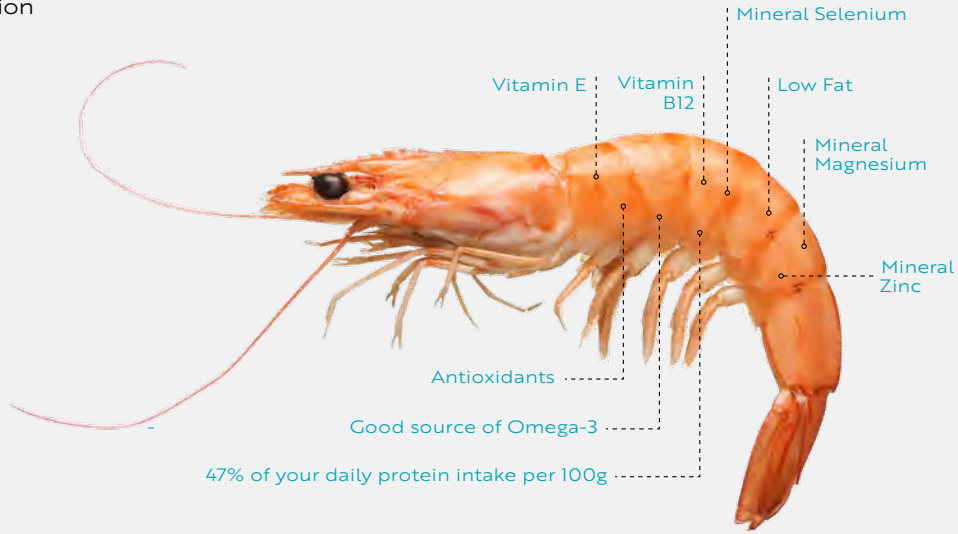
Aquaculture is one of the most efficient forms of protein production with a low carbon footprint. We know that Tasmanian grown Atlantic salmon is one of the best sources of Omega-3 while our tiger prawns are an excellent source of protein and packed with beneficial minerals and nutrients.

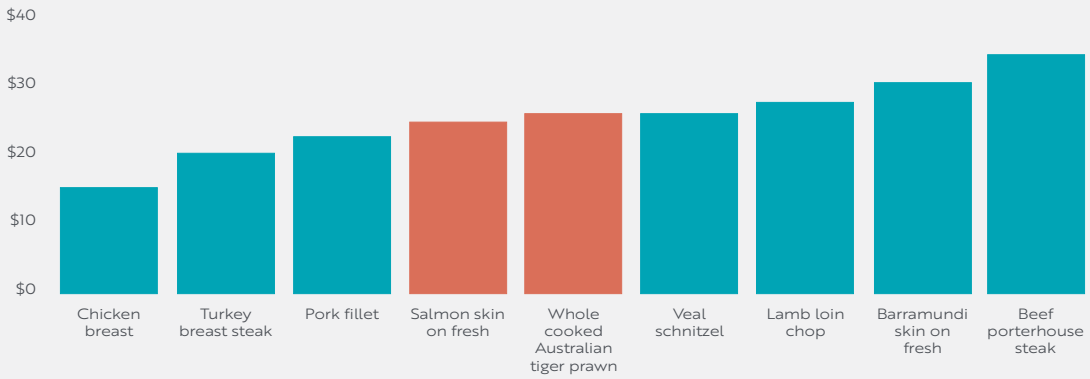
We are dedicated to a responsible business and industry, a path that will continue as the sector further evolves to meet the growing need for healthy and sustainable protein sources.

HEALTHY AND AFFORDABLE

Atlantic salmon is a great source of Omega-3, which our body can't produce by itself. A 100g portion of Atlantic salmon provides more than the Heart Foundation of Australia's recommended daily intake of Omega-3.







2021

AVERAGE PROTEIN PRICE RRP $/KG

Source: Average RRP/kg lean proteins AU Major Retailers August 2020

Your dinner plate

We know Australians love prawns.

TROPIC CO PRAWNS

Our Tropic Co brand brings black tiger prawns to homes in multiple formats including fresh and frozen bulk, individual format and value added.

GRAB LIFE BY THE PRAWNS

In January 2021 Tropic Co launched a brand refresh including a new campaign **Grab Life by the Prawns.** The campaign highlights more occasions to make special with prawns to educate and inspire consumers to drive increased consumption.

NATIONAL PRAWN DAY

The reporting period saw the creation of Australia's first ever national day for prawns. The campaign included the **Great Australian Peel Off** world record attempt event with radio, TV, print media, influencer marketing, sampling and digital marketing reaching around 18 million consumers. **National Prawn Day** has now been recognised by the wider industry and will continue on the third Saturday of March each year.

2021

Your dinner plate

TASSAL SALMON

Our Tassal brand offers innovative products focused on addressing an increasing demand for easy-to-prepare healthy meal solutions.

SWITCH IT FOR SALMON

Asking Australians to change their habits is not easy, but our Switch it for Salmon campaign encourages shoppers to consider swapping the proteins in their everyday favourites with Tassal salmon.

2021

Better delivery

Providing affordable access to sustainably produced, high quality proteins is critical to feed the world's population.

Our quality management system is centred around a risk-based food safety approach known as HACCP (Hazard Analysis Critical Control Point). This system provides for a structured risk management system in which potential hazards are identified for each step of the processing operation, assessed for likelihood of occurrence and severity of potential negative outcomes, and appropriate monitoring and risk mitigation strategies are implemented. One hundred percent of our products are produced in accordance with a defined HACCP plan.

Responsible sourcing

For over 35 years we have developed a supply chain that underpins our ability to deliver seafood of the best quality with the lowest environmental and social impact.

MODERN SLAVERY

Our aim is to reduce exposure to modern slavery risks, and work with suppliers and contractors to provide appropriate remediation of modern slavery risks in our supply chain. Our Modern Slavery Statements are available here.

PROCUREMENT

Procurement is a key strategic function for us. Effective delivery of a procurement framework is essential in achieving cost efficient, fit for purpose and reliable supply of goods and services.

In line with a dynamic and fast paced nature, our approach to procurement balances commercial oversight and flexibility, depending on the nature of the spend. To achieve this, a mix of centralised and de-centralised decision making and a range of techniques such as tendering, direct negotiation, and market tests are used to identify the most appropriate sourcing options.

Our procurement program is reviewed regularly giving consideration to analysis of spend, tracking cost savings, supplier reviews and contract compliance. Outcomes of such valuations assist in assessing performance by supplier or spend category and in turn feeds into our continuous improvement approach to procurement.

ENSURING SUSTAINABLE SUPPLIERS

A robust supplier management program is an integral part of the food safety management system, providing confidence that raw materials meet expected standards and ensuring a safe, quality product for the consumer. Additionally, the supply chain itself must be examined to ensure people are not exploited in the production of purchased goods.

Suppliers of goods or services that have the potential to impact food safety or quality, such as suppliers of raw materials, ingredients, processing aids, packaging, warehousing, thawing and date coding and contract processing, are required to participate in our Quality Approved Supplier Program. The initial assessment of a new supplier is conducted against the potential suppliers responses to an approved supplier questionnaire, which may include the provision of supporting documentation such as environmental and sustainability policies, product specifications, and evidence of relevant food safety, ethical and sustainability certifications.

Based on the outcome of this assessment, the supplier may be asked to supply additional information for further assessment, be approved to supply, or be approved to supply with conditions, for example production only to occur under the on-site supervision of a Tassal representative or the implementation of additional verification activities, or it may be rejected.

Ongoing approved supplier status is based on supplier performance and maintenance of all relevant licencing and certifications, as well as a re-submission of the approved supplier questionnaire on a three-yearly basis. Routine supplier audits are also conducted on a risk-based frequency considering factors such as volume of supply, geographical origin, inherent risk of the product, and supplier performance.

APPROVED SUPPLIERS THROUGH QUALITY APPROVED SUPPLIER PROGRAM

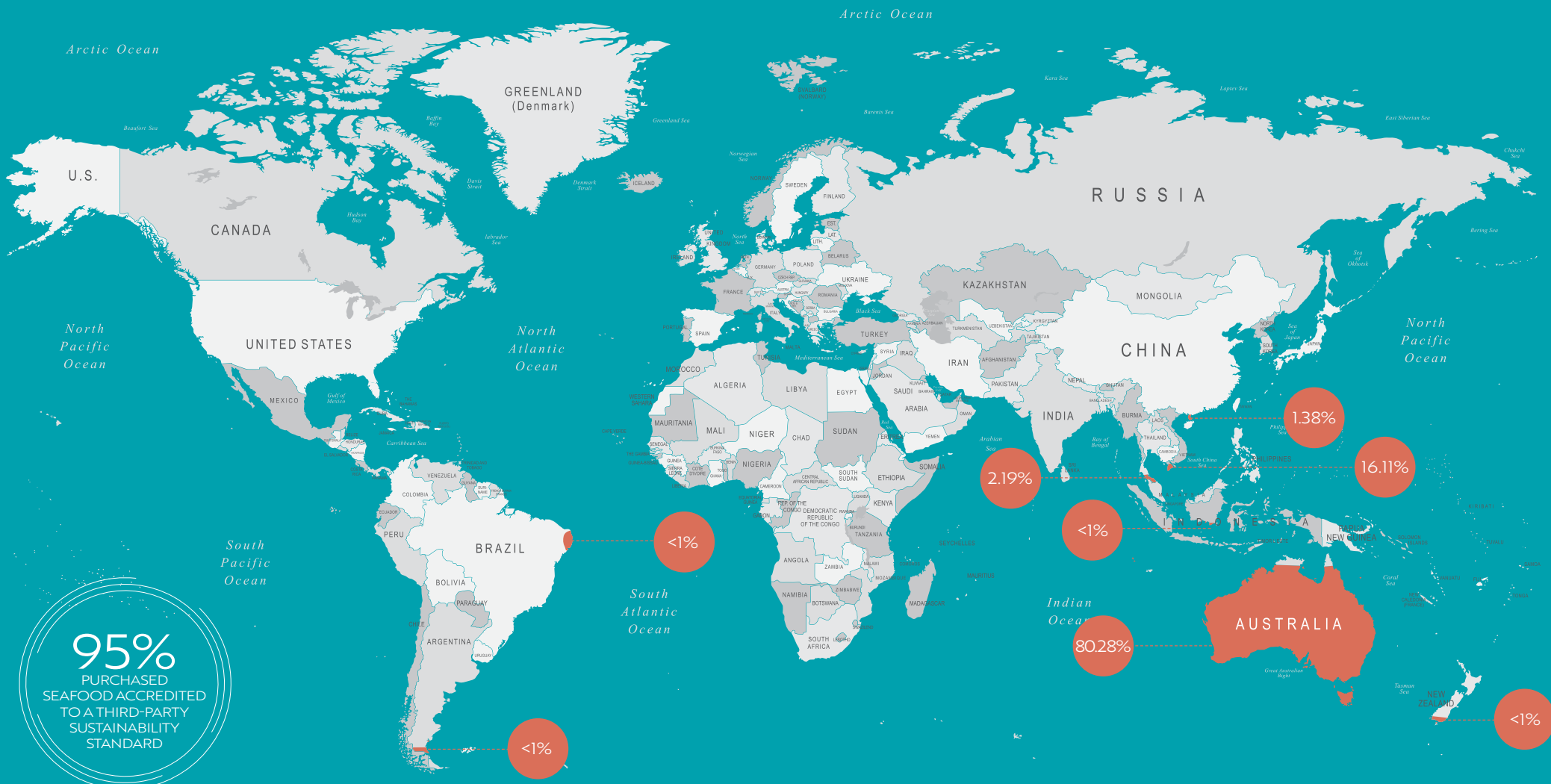
Number of new suppliers in FY21

% of new suppliers screened through approved supplier program in FY21

Total number of approved suppliers

Global seafood supply

We continue to provide consumers with healthy, nutritious and sustainable seafood from our oceans and coasts. In the reporting period, 80.28% of the seafood purchased by our Lidcombe seafood processing facility was from Australia, with 95% accredited to a third-party sustainability standard.



95%
PURCHASED SEAFOOD ACCREDITED TO A THIRD-PARTY SUSTAINABILITY STANDARD

Certifications

We know that to maintain community confidence in our industry, we need to go above and beyond our regulatory requirements. For more than 10 years we have pursued additional third-party sustainability certifications to build upon our many years of quality and safety certifications.

Over the reporting period we were involved in more than 80 audits to maintain our third-party certifications. Pursuing this high level of certification requires a dedicated commitment and we have a team of staff across the business involved in this process.

✓ CERTIFIED ● NOT APPLICABLE

QUALITY												
Operation	Standard	Primary Produce Safety Act 2011	Export Control (Fish and Fish Products) Rules 2021	Food Production Safety Act 2000	DPI Food Authority Licence	HACCP	SQF Food Safety Code for Manufacturing & SQF Quality Code	Halal	Kosher	Australian Rendering Association	ASC and MSC Chain of Custody	BAP Processing
	Auditing Body	DPIPWE Authorised Officer	DA Authorised Officer	Safe Food Queensland	NSWFA	SAI Global SGS	SAI Global SGS	Halal Certification Authority Australia	Kosher Australia P/L	AUS-MEAT Ltd	SCS Global Services	SAI Global
	Main Purpose	Primary processing accreditation	Export registration	Primary production accreditation	Food processing accreditation	International standard	International standard Customer requirement	To be able to sell product with Halal approval	To be able to sell product with Kosher approval	Certification to Australian Rendering Standards	Chain of Custody	International standard Customer requirement
	Frequency	Aligned with Export Control Act audits	Dependent on site rating and previous audit results. Between six - 12 months	As required	Annual audit	Annual audit	Annual audit	Annual audit	Annual audit	Annual audit	Annual audit	Annual audit
Processing	Dover	✓	✓	●	●	✓	●	✓	✓	●	✓	✓
	Huonville	✓	✓	●	●	●	✓	✓	✓	●	✓	●
	Margate	✓	✓	●	●	●	✓	✓	✓	●	✓	✓
	Triabunna	●	●	●	●	●	●	●	●	✓	●	●
	Lidcombe	●	✓	●	✓	✓	✓	●	●	●	✓	✓
	Salmon harvest boat (catcher boat)	●	✓	●	●	●	●	●	●	●	●	●
	Xanadu (prawn trawler)	●	✓	●	●	●	●	●	●	●	●	●
	Mission Beach	●	✓	✓	●	✓	✓	●	●	●	●	✓
	Proserpine	●	✓	✓	●	✓	✓	●	●	●	✓	✓
	Yamba	●	✓	●	✓	✓	✓	●	●	●	●	✓

2021

SUSTAINABILITY			
Operation	Standard	Aquaculture Stewardship Council (ASC)	Best Aquaculture Practices (BAP)
	Auditing Body	SCS Global Services SAI Global	SAI Global
	Main Purpose	International standard	International standard
	Frequency	Certification for three years with annual surveillance	Annual audit
Salmon hatcheries	Rookwood Road	○	✓
	Russell Falls	○	✓
Salmon farms (grow out)	Southern Zone	✓	✓
	Channel Zone	✓	✓
	Eastern Zone	✓	✓
	Storm Bay Zone	✓	✓
	Western Zone	○	✓
Prawn hatcheries	Mission Beach	○	✓
	Proserpine	○	✓
Prawn farms	Mission Beach	○	✓
	Proserpine	✓	✓
	Yamba	○	✓

✓ CERTIFIED ○ NOT APPLICABLE

WORKPLACE HEALTH & SAFETY			
Operation	Standard	AS/NZ 4801:2001	ISO 45001: 2018
	Auditing Body	TQCSI	TQCSI
	Main Purpose	Australian standard	International standard
	Frequency	Annual audit rotation basis Three-yearly recertification	Annual audit rotation basis Three-yearly recertification
Salmon hatcheries	Rookwood Road	✓	✓
	Russell Falls	✓	✓
Salmon farms	Southern Zone	✓	✓
	Channel Zone	✓	✓
	Eastern Zone	✓	✓
	Storm Bay Zone	✓	✓
	Western Zone	✓	✓
Prawn hatcheries	Mission Beach	✓	✓
	Proserpine	✓	✓
Prawn farms	Mission Beach	✓	✓
	Proserpine	✓	✓
	Yamba	✓	✓
	Dover	✓	✓
	Huonville	✓	✓
	Margate	✓	✓
	Triabunna	✓	✓
	Lidcombe	✓	✓
	Salmon harvest boat (catcher boat)	✓	✓
	Xanadu (prawn trawler)	○	○
	Mission Beach	✓	✓
	Proserpine	✓	✓
	Yamba	✓	✓

2021

PRINCIPLES OF GOVERNANCE

A framework for transparency, strategy, leadership and stewardship to keep us on track to be one of the world's most sustainable protein producers.

SUSTAINABLE DEVELOPMENT GOALS

Corporate governance

Our corporate governance framework has a focus on transparency, accountability, stewardship and integrity.

OUR GUIDING PRINCIPLES

Our five guiding principles form the foundation of our framework and behaviour. Our Board of Directors is comprised of independent non-executive Directors who balance their skills, knowledge, experience, independence and diversity to effectively implement and achieve our corporate governance targets and responsibilities. The Board has three committees:

- Audit and Risk Committee;
- Remuneration Committee; and
- Nominations Committee.

Each Committee has its own Charter which establishes the Committee's terms of reference and operating procedures. With the help of these committees and our external auditors, the Board of Directors monitors the operational and financial position and performance of Tassal's group of companies. The Board is committed to maximising performance, generating shareholder prosperity and sustaining our growth and success through good corporate governance.

ANTI-CORRUPTION

Corruption has a corrosive impact on business and society. Our commitment to anti-corruption is embodied in our Code of Conduct and other internal policies, standards, systems, and processes. Combating corruption through the rule of law and internal policy is important for the sustainability and longevity of our business.

Anti-corruption forms part of our risk management framework and is a critical component of our delivery on good corporate governance. Our commitment to internal and external stakeholders means we take a zero-tolerance approach to any unethical, corrupt, fraudulent or illegal activities across every aspect of our operations. We have internal policies, standards, systems and processes for governance and compliance. Our policies align with the ASX Corporate Governance Principles and include a Whistle Blower Policy, a Fraud Policy, a Code of Conduct, a Supplier Code of Conduct and Ethical Standards (Supplier Guidelines) and an Ethical Behaviour Policy and Procedure. Our Whistle Blower Policy provides an effective reporting and investigation framework. It supports and promotes a culture of compliance, honesty and ethical behaviour. It encourages employees to report concerns relating to illegal, unethical or improper conduct in circumstances where they may be apprehensive about raising their concern and gives them the ability to raise those concerns confidentially and anonymously.

ANTI-COMPETITIVE BEHAVIOUR

Combating anti-competitive behaviour in our business is important to promote growth, innovation and maintain quality of products and services in our business. Anti-competitive behaviour lessens competition in a market therefore limits growth, making that market unsustainable.

Compliance with the Competition and Consumer Act 2010 (Cth) (CCA) forms part of our risk management framework and is a critical component of our delivery on good corporate governance and legal compliance. We have developed a CCA compliance manual which is utilised in the training of relevant personnel with respect to key competition law matters and polices in order to prevent anti-competitive behaviour.

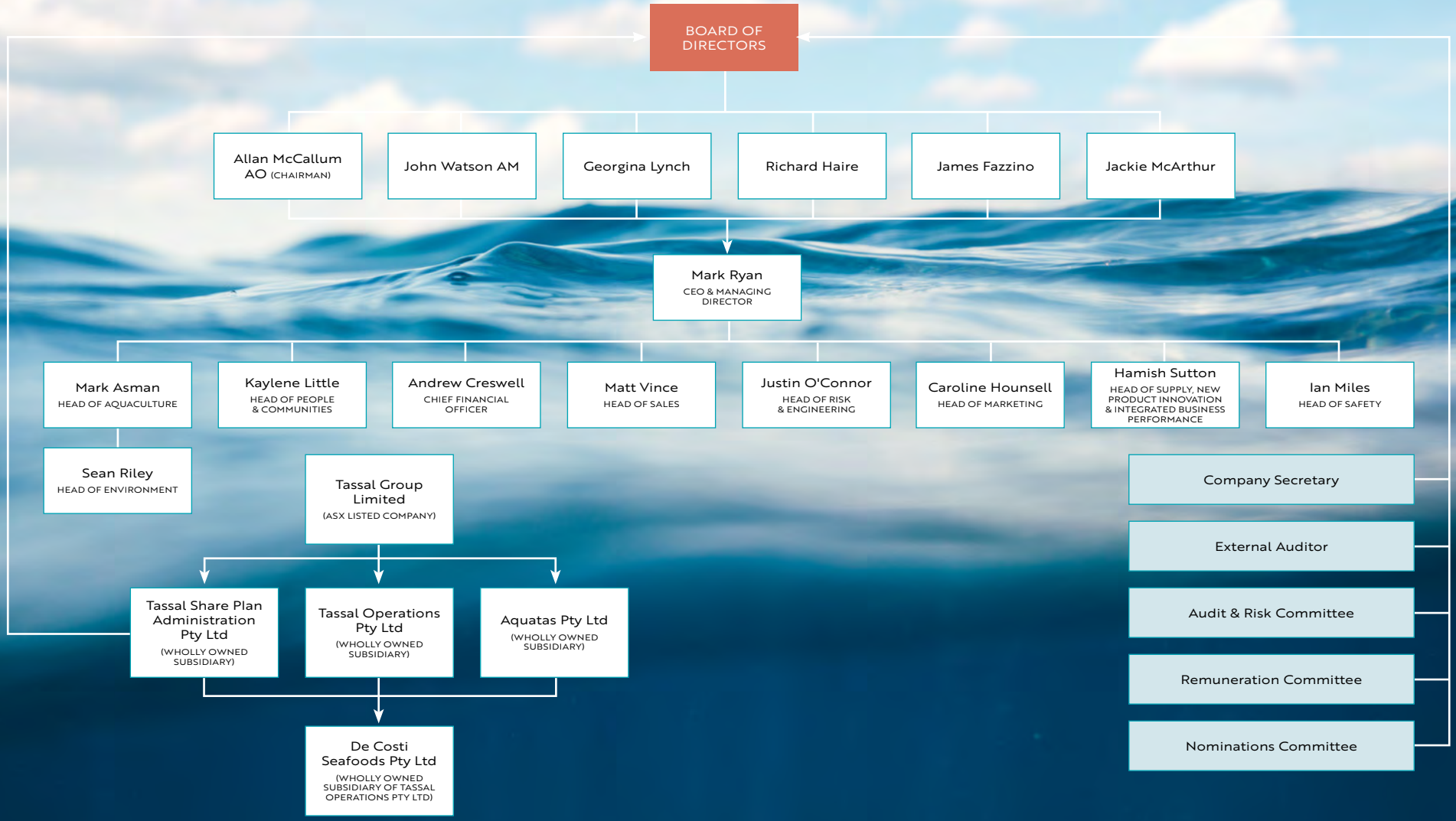
RISK MANAGEMENT

We recognise risk is an integral and unavoidable component of growing, farming and processing salmon, prawns and seafood. Effective risk management is critical to achieving our strategic objectives. Our enterprise Risk Management Framework is based on the AS/NZS ISO 31000:2018 Risk Management –Guidelines and provides a comprehensive approach to identifying, assessing, treating and reporting risk based on our risk appetite and within the context of our risk environment.

The Board of Directors has overall responsibility for the governance of risk and oversight is maintained through the Audit and Risk Committee (ARC). The Head of Risk is accountable to the ARC and Board for implementation and delivery of our Risk Management Framework. All our staff are responsible for complying with risk management processes and practices, policies and procedures and reporting and managing risks in their areas. We strive to drive a risk-aware culture where risk management is acknowledged as everyone's responsibility.

MODERN SLAVERY

In the reporting period we released our first Modern Slavery Statement. We scrutinised the steps we have put in place to mitigate the risks of modern slavery to our business, and will continue to enhance our approach accordingly. We will develop appropriate metrics to assess our performance, focusing on further mapping and understanding our risk profile and our performance to manage modern slavery risks. As we look ahead, we will continue to develop our actions and strengthen and refine our reporting practices with a focus on further developing and enhancing our ethical sourcing practices. Our aim is to reduce exposure to modern slavery risks, and work with suppliers and contractors to provide appropriate remediation of modern slavery risks in our supply chain.



BUSINESS DIVISIONS AND STAFF FUNCTIONS

Task force on climate-related financial disclosures

The climate change predictions outlined in the latest Intergovernmental Panel on Climate Change (IPCC) report are something we take seriously. The predictions pose a series of potential financial, safety and physical risks to our business and the communities in which we operate. We are committed to identifying and disclosing the implications of these climate-related risks and opportunities in line with the recommendations made by the Taskforce on Climate-related Financial Disclosures (TCFD).

STRATEGY

One of the five pillars of our growth strategy is to maintain best aquaculture practices and be regarded as global leaders in aquaculture production and environmental stewardship. As part of this, we are committed to playing an active role in the responsible transition to a net zero economy by 2050. To do this we will focus on opportunities to reduce our own footprint whilst encouraging our suppliers to do the same. As producers of food, we are heavily reliant on the natural environment as a source of capital and as such must be prepared to adapt to changing climatic conditions. In FY22 we will commence a detailed scenario analysis to better understand the implications of different climate projections on our business operations and supply chain with the aim to integrate this into our strategic and financial decision-making processes.

RISK

We manage our climate-related risks as part of our wider risk management process through our structured risk management framework. As part of this process, we have mapped and rated the physical risks posed by climate change (such as drought, water shortages, bushfires, extreme heat) on the various stages of our operations and supply chain and outlined the actions required to mitigate these. In FY22 we aim to build on this by exploring the impacts of transition risks such as changes in regulation and carbon pricing on our business and how we can minimise the impacts of these. We also strive to capitalise on the opportunities that climate change presents to our business through ongoing engagement with the scientific community.

METRICS

We calculate and disclose our Scope 1 and Scope 2 emissions annually as a requirement under the National Greenhouse and Energy Reporting (NGER) Act 2007. In FY22 we will extend this to include Scope 3 emissions by conducting a detailed Life Cycle Assessment (LCA) of our salmon and prawn operations and supply chain with the aim to identify carbon and water hotspots. This information will be used to set targets and prioritise future actions to decarbonise our operations and supply chain.

Goals and targets

Progress on our 2021 goals and targets

GOAL	TARGET	STATUS	COMMENTARY
OUR PLANET			
Maintain independently certified compliance for marine farms to world leading standard	Continue to pursue third-party sustainability certifications for harvest stock across all operations.	Achieved	All harvest fish and prawns third-party certified.
Operate at all times within regulatory requirements (local, state and national guidelines)	Achieve high level regulatory compliance for all licences and permits across the company - maintain our licence to grow responsibly, enhance community trust and instil a culture of environmental leadership across our operations.	Ongoing	High level of regulatory compliance achieved in salmon operations. Robust compliance management systems being implemented for the prawn farming operations.
Develop a waste management strategy across all sectors of the business – marine, freshwater, processing and corporate	Undertake waste audit across all sectors of the business – marine, freshwater, processing and corporate. Development of improved culture on waste management and reduction, marine debris prevention and identification of recycling opportunities. Develop business and site KPIs for: 1. Waste reduction; 2. Recycling performance; and 3. Reducing farm-derived marine debris.	Ongoing	A baseline dataset is being established with the objective of identifying waste avoidance, reduction, and recycling opportunities. Several projects have been initiated. Waste is an area for accelerated transformation under our Responsible Business program.
Establish sophisticated data collection, analytical and modelling tools to deliver improved fish performance and sustainable environmental outcomes for all our farms	Develop improved capabilities for analysing, interpreting and reporting on complex environmental data sets. Establish a carrying capacity framework for integrating farm performance with environmental and fish health performance. Identify and apply more advanced data and analytic techniques to allow us to respond more effectively to changes in environmental conditions.	Ongoing	Carrying capacity analytical tool for salmon has been developed and is used to integrate farm performance with environmental and fish health performance. Development of Business Intelligence tool for lease optimisation assessments. Collaborative research projects are being undertaken with CSIRO for development of a Storm Bay biogeochemical model.
Continue to develop a corporate standard to ensure future measurement and management of climate change and its impacts	Undertake an assessment of our greenhouse gas (GHG) emissions and energy use between 2018-2020 (as reported to Clean Energy Regulator) and identify a strategy to deliver improved efficiency/sustainability outcomes for 2021 reporting year. Consolidate management of a changing climate and the risks associated with environmental impacts on our business in a manner consistent with the Task Force on Climate Related Financial Disclosures (TCFD) Recommendations (i.e. governance, risk management, strategy, metrics, and targets). Utilise GHG emissions and energy use data to establish meaningful metrics and targets across the business.	Ongoing	Baseline performance has been established for the business and for salmon and prawn operations separately. Data captured for NGERS reporting is being used to identify energy reduction projects which will form the basis of corporate targets. Climate change management and energy reduction projects are an area for accelerated transformation under our Responsible Business program.

Goals and targets

Progress on our 2021 goals and targets

GOAL	TARGET	STATUS	COMMENTARY
OUR PRODUCT			
Vaccine use and availability	100% of fish going to sea to be vaccinated against POMV and zone-specific endemic pathogens. Support (financially and in-kind) development of at least one new multivalent vaccine.	Achieved	All fish put to sea were vaccinated against POMV and zone-specific endemic pathogens. We supported financially and in-kind the development of two new multivalent vaccines.
Improving health and welfare of salmon	Predominant health risks are identified and monitored; programmes to reduce their incidence and impact are instituted. Develop and implement fish health incident management informatics systems to assist continuous improvement, promulgation of best practice and achieve the aims of Zero Harm for Fish.	Achieved and ongoing	We continually assess health risks to our stock, and we have initiated a number of projects to address principle risk factors and further our understanding of causation, prevention, and treatment. We have developed and implemented electronic online fish health incident management informatics and pertinent learnings are circulated throughout the company.
Improved biosecurity and animal health through selective breeding	Salmon selective breeding increases focus on summer performance to increase resilience to warmer water without adverse effects on AGD resistance.	Ongoing	Selective breeding is an iterative process with year-on-year improvements. We have added measures related to improved resilience to warming waters to the weighted attributes that it uses to determine best breeding design.
Prawn health and biosecurity	Work with the broader prawn farming industry to develop policy and procedures to manage risk from white spot syndrome in Australia. Maintain biosecurity of each farm. Review biosecurity management plans and mitigate to the greatest extent possible risks associated with water intake and animal movement pathways.	Ongoing	We are involved in both upgrading our own risk management systems with respect to white spot syndrome, but also work with the industry association to advance biosecurity changes, domestically and at the Australian border, to reduce the risk of white spot syndrome to not only the prawn farming sector, but also prawn fisheries and the wider environment.
Maintain licence to operate	Maintain or attain, regulatory and third-party quality audits which are relevant to be able to supply our chosen markets.	Achieved	During the reporting period all sites maintained their regulatory and third-party certified programs, with new certification against the SQF standard attained at both Mission Beach and Yamba.
Build on our integrated systems	Develop plan and commence integration project.	Achieved	Work to develop an integrated Quality and Food Safety, Environment and Sustainability system is underway, with key projects focussing on documentation and electronic management systems progressing into FY22.
Transfer established salmon quality monitoring processes to prawns	Develop data collection and analysis tools for prawn quality monitoring.	Achieved	Ongoing improvements to the data collection and analysis tools are progressing into FY22.

Goals and targets

Progress on our 2021 goals and targets

GOAL	TARGET	STATUS	COMMENTARY
OUR PEOPLE			
Achieve Zero Harm for Everyone, Everywhere **Zero serious or significant incidents** **Zero legislative breaches (compliance, licence to operate across all of business)**	>95% overall score for WHS Compliance Scorecard	Achieved	95.3%
	>95% overall score for WHS ROCK Driving Safety Culture Scorecard	Not achieved	92.3%
	>70% controls to be level 1 or 2	Achieved	On track
	0% overdue safety actions	Not achieved	13 overdue actions as of end June 2021
	TRIFR <10	Not achieved	14.13
	Fatalities 0	Achieved	On track
	LTIFR 0	Not achieved	1.3
	MTIFR <10	Not achieved	14.25
	Average Time Lost 0	Achieved	On track
Onboarding	Develop a positive onboarding experience for every new team member which embraces a technology platform but doesn't lose its personal touch.	Ongoing	Our onboarding experience has been delivered to new starters through our digital Talent Centre. The systems scalability enables a consistent experience across multiple sites and has also assisted with the transition to COVID-19 friendly onboarding experiences when required. The experience starts with a welcome video along with new starter forms, compliance documentation as well as essential information, all of which is conveniently completed within the Talent Centre, prior to start date.

Goals and targets

Progress on our 2021 goals and targets

GOAL	TARGET	STATUS	COMMENTARY
OUR PEOPLE			
Implement communication and engagement app - connecting our people	Design and implement a comprehensive communication app that supports increased team engagement and boosts productivity.	Achieved	We launched our bespoke internal communications application, Nibble, in the reporting period. This unique engagement tool allows us to connect with staff via a dedicated mobile, desktop and web-based platform. Its features include a suite of tools that provide internal communications, human resources, and analytics functionality. Throughout the COVID-19 pandemic, Nibble has ensured we have a home for regular health updates, employee support information and communications content to ensure our disparate workforce remain involved and informed in an organisation constantly pivoting to maintain operations. As we continue to embark on a program of user uptake, we have seen engagement increase throughout various business units. Our application has delivered us a modern platform that will form the basis of our communications channels for the foreseeable future.
Scorecard for cultural engagement measure	Ensure action plans are developed and implemented supporting improvement on baseline FY20 cultural engagement results.	Achieved	Benchmark >72% employee engagement.
Highly engaged and aligned communities	Develop and implement metrics for salmon and prawn operations.	Achieved	We launched our community sentiment research and What Matters program to ensure we have a new benchmark for measuring community support.

Glossary

Amoebic gill disease (AGD)

Caused by Neoparamoeba perurans, the most important amoeba in cultured fish.

AGM

Annual general meeting is a yearly gathering between the shareholders of a company and its Board of Directors.

Australian Packaging Covenant Organisation (APCO)

A co-regulatory, not-for-profit organisation that partners with Government and Industry to reduce the harmful impact of packaging on the Australian environment.

Australian Renderers Association (ARA)

The national body within Australia which represents the interests of producers and traders of rendered products.

Aquaculture

The farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants with intervention such as regular stocking, feeding and protection from predators in the rearing process to enhance production.

Aquaculture Stewardship Council (ASC)

A third party audited, world recognised environmental standard evolving from the Salmon Aquaculture Dialogues.

AS/NZS ISO 31000:2018

Australian and New Zealand Risk Management Standard.

ASX Corporate Governance Principles and Recommendations

The benchmark for good corporate governance in Australia.

Best Aquaculture Practices (BAP)

A third party audited, world recognised environmental standard.

Benthic

Ecological region at the lowest level of a body of water.

bFCR

Biological Feed Conversion Ratio. Feed Conversion Ratio refers to a ratio or rate measuring the efficiency with which the bodies of livestock convert animal feed into the desired output.

Biodiversity

The variety of all life forms on earth - the different plants, animals and micro-organisms and the ecosystems of which they are a part.

Biomass

A measure of weight.

Biosecurity

Procedures or measures designed to protect a population against harmful biological or biochemical substances.

Blue agri-tech

To grow the value of aquaculture through the adoption of technology and innovation, for example our smart farming approach to improve yield and efficiency through the use of AI and communications.

Blue carbon

Blue carbon provides an opportunity to manage carbon stored in wild and farmed kelp and marine fauna, as well as coastal and marine ecosystems through carbon offsets or through carbon sequestration and storage. It also offers a potential runway into the carbon credit market.

Blue Economy CRC

A Cooperative Research Centre (CRC) program that brings together expertise in the seafood, marine renewable energy and offshore marine engineering sectors to deliver innovative solutions that will transform the way we use our oceans.

Chief Financial Officer (CFO)

The officer of the company that has primary responsibility for managing the company's finances.

Clean Energy Regulator

The Clean Energy Regulator is the Government body responsible for administering legislation that will reduce carbon emissions and increase the use of clean energy.

Climate change

Changes in the earth's weather, including changes in temperature, wind patterns and rainfall, especially the increase in the temperature of the earth's atmosphere that is caused by the increase of particular gases, especially carbon dioxide.

CSIRO

Commonwealth Scientific and Industrial Research Organisation, an independent federal government agency responsible for scientific research.

Diversification

The process of a business enlarging or varying its range of products or field of operation.

EBITDA

Earnings before interest, taxes, depreciation, and amortization is a measure of a company's overall financial performance.

Ecosystem

A biological community of interacting organisms and their physical environment.

eFCR

Economic Feed Conversion Ratio. Feed Conversion Ratio refers to a ratio or rate measuring the efficiency with which the bodies of livestock convert animal feed into the desired output.

ESG

Environmental, Social, and Governance is an evaluation of a firm's collective conscientiousness for social and environmental factors.

Glossary

Forage Fish Dependency Ratio (FFDR)

A measure of the quantity of wild (forage) fish used to grow a defined quantity of farmed fish. FFDR is the quantity of wild fish used per quantity of cultured fish produced. This measure can be calculated based on fish meal (FM) or fish oil (FO).

FFDRm

Fishmeal Forage Fish Dependency Ratio (FFDRm): formula available in ASC Salmon Standard Version 1.2 (available at: https://www.asc-aqua.org/wp-content/uploads/2019/04/ASC-Salmon-Standard_v1.2.pdf).

FFDRo

Fish oil Forage Fish Dependency Ratio (FFDRo): formula available in ASC Salmon Standard Version 1.2 (available at: https://www.asc-aqua.org/wp-content/uploads/2019/04/ASC-Salmon-Standard_v1.2.pdf).

Finfish

Free swimming fish with fins as opposed to less motile crustaceans or molluscs.

Fishmeal

A commercial product made from both whole fish and the bones and offal from processed fish. It is a brown powder or cake obtained by rendering and pressing the cooked whole fish or fish trimmings to remove most of the fish oil and water.

Fish oil

Fish oil is oil derived from the tissues of oily fish.

FishSource Scores

FishSource scores provide users with simplified indicators of how fisheries are performing according to globally accepted measures of sustainability.

Forage fish

Often called bait fish, forage fish are usually smaller fish which sustain larger predators.

Freshwater operation

Aquaculture that occurs in a freshwater system.

Greenhouse gas (GHG)

A gas in an atmosphere that absorbs and emits radiation within the thermal infrared range.

Grow out

A marine farming lease where fish at an average of 1.5kg are grown to harvest size.

Hatchery

A facility where fish eggs are hatched under artificial conditions.

HOG tonnes

Head on gutted weight.

Husbandry

The care, cultivation and breeding of crops and animals.

IMAS

Institute for Marine and Antarctic Studies, University of Tasmania.

Intergovernmental Panel on Climate Change (IPCC)

An intergovernmental body of the United Nations mandated to provide objective scientific information relevant to understanding human-induced climate change, its natural, political, and economic impacts and risks, and possible response options.

ISO 45001:2018

An Occupational Health and Safety standard.

Lag indicator

An indicator that follows an event (e.g. rate of incidents/injuries).

LTIFR

Lost Time Injury Frequency Rate.

MAP

Modified Atmosphere Packaging (MAP) is the practice of modifying the composition of the internal atmosphere of a package in order to improve the shelf life.

Marine Conservation Area

A marine protected area is an area of sea especially dedicated to the protection and maintenance of biodiversity, and of natural and associated cultural resources, and managed through legal or other effective means.

Marine farm

Areas of water registered to grow finfish, shellfish or other marine organisms.

Marine Reserve

Is a type of marine protected area that has legal protection against fishing or development.

Megatrend

Trends that have an effect on a global scale.

ML

Megalitre. 1 ML = one million litres.

MTI

Medical treatment injury,

MTIFR

Medically Treated Injury Frequency Rate.

Multivalent vaccine

A vaccine with more than one pathogen antigen contained within it. The advantage of multivalent vaccines is that we can protect fish against a number of diseases with a single injection. Multivalent vaccines are commonly used in human and veterinary medicine.

Nitrogen

A fundamental chemical element with the symbol N.

Nitrogen cap

Nutrient output from salmon farming operations in the D'Entrecasteaux Channel and Huon Estuary are managed by the regulation of the Total Permissible Dissolved Nitrogen Output (TPDNO), or nitrogen cap from marine farming operations.

Glossary

NPAT

Net profit after tax.

Omega-3

Any of several polyunsaturated fatty acids found in leafy green vegetables, vegetable oils, and cold-water fish such as salmon and mackerel. These acids are capable of reducing serum cholesterol levels and have anticoagulant properties.

Pathogen

A bacterium, virus or other microorganism that can cause disease.

Pelagic

Ecological region that includes the entire ocean water column.

Pilchard orthomyxovirus (POMV)

An endemic disease of pilchards belonging to the family Orthomyxoviridae.

Processing facility

A facility where raw materials are processed into finished products.

Recirculating Aquaculture System (RAS)

A fish growing environment which biologically filters system water for re-use, removes ammonia, CO2 & solids and oxygenates the water.

Reduction fisheries

Are fisheries that reduce or process their catch into fishmeal and fish oil.

Rendering

The process of converting by-products into usable materials.

Reticulated

Water reticulation systems are water distribution networks which have to be collected and then treated before distributed to the consumer

Reverse osmosis (RO)

A water purification technology that uses a semipermeable membrane to remove ions, molecules and larger particles from drinking water. A process that makes desalination (or removing salt from seawater) possible.

ROV

Remotely operated underwater vehicle

RWI

Restricted Work Injury

Sanctuary pens

Marine enclosures designed to protect fish from seal predation, whilst being benign to seals and keeping our people safe.

Salmonid

Any fish of the family Salmonidae, which includes Atlantic salmon.

Salmo salar

The scientific name for Atlantic salmon.

Selective breeding

The intentional breeding of organisms with desirable traits to produce offspring with similar desirable characteristics or with improved traits.

Smart farming

The management of farms using modern information and communication technologies to optimise operations.

Smolt

A stage in the life cycle of salmonids at which the salmon is ready to move from the freshwater to saltwater environment.

Tiger prawn

Penaeus monodon, commonly known as the giant tiger prawn.

Total Permissible Dissolved Nitrogen Output (TPDNO)

(See Nitrogen Cap).

TRIFR

Total Recordable Injury Frequency Rate. The number of fatalities, lost time injuries, cases and other injuries requiring medical treatment per million hours worked.

Traceability

The ability to track any food through all stages of production, processing and distribution. All movements can be traced one step backwards and one step forward at any point in the supply chain.

United Nations Sustainable Development Goals (UN SDG)

A set of 17 goals and 169 targets agreed to by member countries in 2015 that address a broad range of sustainable development issues.

Value-add

The enhancement of a product.

Vertically integrated

The structure employed by a company when it controls more than one stage of the supply chain e.g. turning raw material into a product.

Year class (YC)

YC in saltwater: a group of fish that enter the marine environment in a calendar year; YC in freshwater: a group of fish hatched in the same calendar year.

TASSAL GROUP
a better tomorrow

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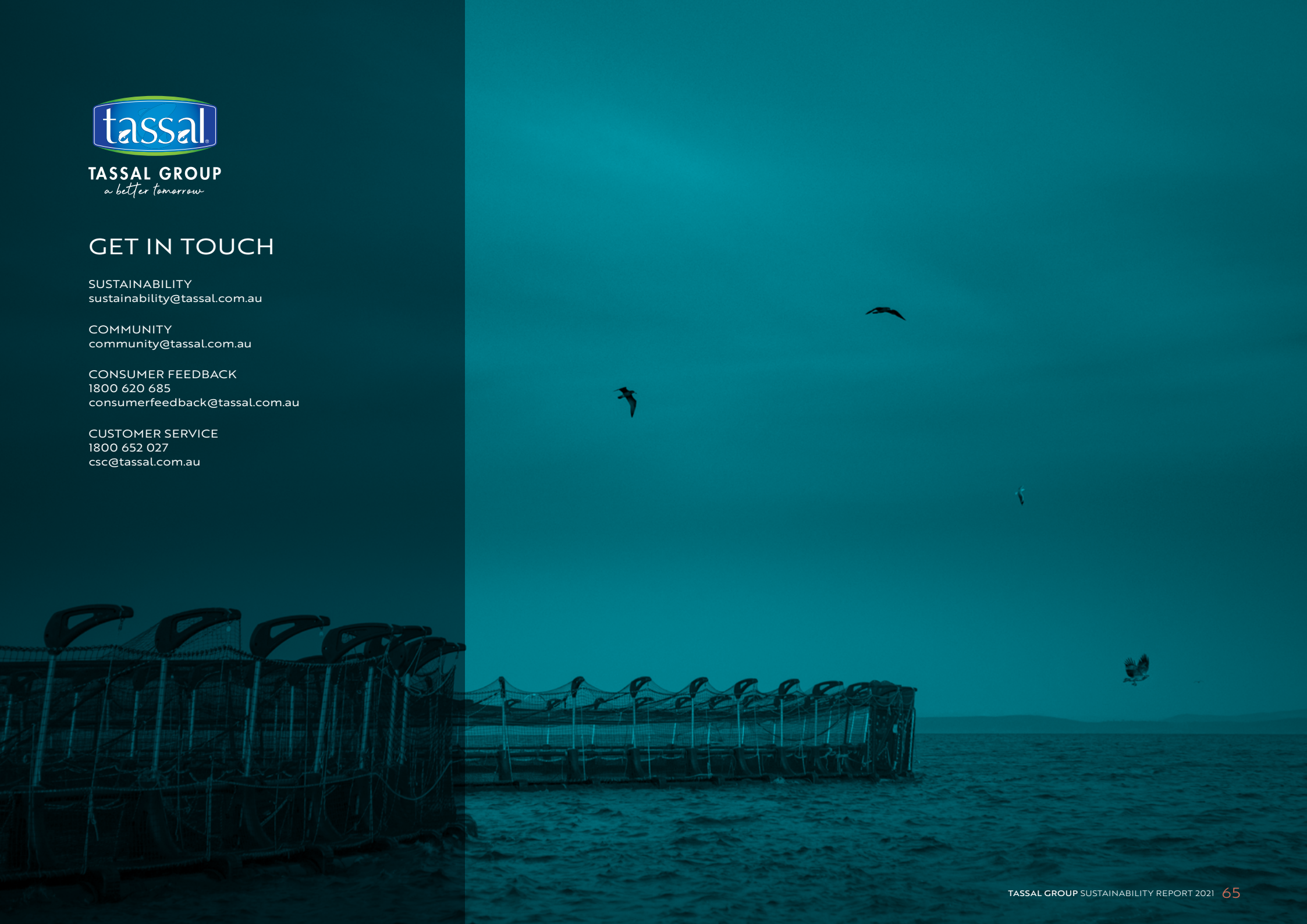

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