



Australian Agricultural Company Limited

ABN 15 010 892 270

Sustainability Policy

Approved by the Board of Australian Agricultural Company Limited on 31 January 2019.

Vision

AACo is committed to being a leader in sustainable beef production. This means consistently striving for best practice and continuous improvement in the management of the environment and animals under our stewardship, minimising any adverse impact from our operations and contributing positively to the communities where we operate.

Sustainability Guiding Principles

At AACo, we believe that responsible business is good business. Production of high quality beef is dependent on a healthy environment and healthy, happy cattle.

As Australia's oldest continuously-operating company (1824), we have been custodians of the lands under our stewardship for up to and in some cases over 100 years. Environmentally and socially sustainable practices are crucial to our long-term success. Simply put, AACo's performance is aligned to the health of the natural resources on which our production systems rely.

We also understand people care about how the foods they eat are grown and produced. AACo's business runs the full length of the supply chain "from station to plate", allowing us greater visibility and control over practices at all stages.

Building on this foundation, AACo's 'Guiding Principles for Sustainability' underpin the strategic priorities that emerge from our Sustainability Framework. Our approach to business is guided by a commitment to the following core principles:

Openness, Transparency, Authenticity

We are committed to openness and transparency, for our internal team, for our shareholders, for our customers and for the wider market. Independent evaluation and open debate provides the best foundation for long-term progress. This means improving the clarity and consistency of the information we capture about our performance, now and into the future. This will enable our progress to be guided and measured by a set of clear goals and metrics.

Investing in our People & Communities

The geographically-diverse nature of our business means we are a company comprised of many small communities. Key to those communities are our people who, with their pastoral expertise and passion, are one of our most important assets. Their safety is our number one priority, and we also have a role to play in ensuring they are inspired, fulfilled and socially connected. At the same time, our international customer base constitutes the largest possible community. AACo is committed to establishing and strengthening positive and mutually-respected relationships with the stakeholders that matter to and are impacted by its business.

Continuous Data-Driven Improvement & Innovation

As part of our long-standing commitment to sustainability, we recognise the importance of ongoing improvement and continuing to strive for higher standards. Innovation is crucial to enabling us to progress in our most challenging areas. AACo is committed to achieving continuous improvement through investing time and resources in research, the pioneering of new methods and piloting innovation.

Upholding Inclusivity and Cooperation with 360° Stakeholder Engagement

Improving the productivity and sustainability of beef production and the Australian beef industry is not a journey AACo can achieve alone. Collaboration with industry, customers, NGOs, government, regulators and academia will be key to success. We will embrace and foster those partnerships as we continue on our sustainability journey.

Fostering Industry Progress through Leadership

As Australia's oldest continuously-operating company, we have a strong sense of our heritage, the contribution we can make to our industry and the legacy we are leaving for future generations. We are Australia's largest beef producer, and our scale also positions us well to be at the forefront of new developments and initiatives.

Strategic Priorities

The health and safety of our workforce and the communities in which we operate remains our number one priority. Our unique working environments by their nature can expose our employees and contractors to risk. That is why our foremost objective is to identify those risks, implement controls and foster a culture which delivers a safe and healthy working environment.

The integrated nature of our supply chain further poses both challenges and opportunities for our business. An analysis of our potential impacts as a business (and industry) along the length of this supply chain leads to the identification of some 60 Focus Areas, tracked individually for progress in our AACo Sustainability Framework. However, a materiality assessment, conducted in conjunction with external stakeholders to understand concerns about our operations, leads to the following emerging as strategic priority areas:

1. Environmental Stewardship

We take the custodianship of the lands under our care very seriously and are committed to innovative, sustainable environmental management. We believe quality beef production is dependent on a healthy environment and our diverse activities are managed with the aim of minimal impact on air, water, land, flora, fauna, and cultural heritage and values.

AACo acknowledges the scientific consensus on climate change and recognises our responsibilities to reduce our carbon emissions. As a significant beef producer, enteric methane emissions are our greatest challenge and a long-term risk to our business. While we adhere to best practice in known carbon abatement methods within our herd, we must continue to strive for material improvements and support ongoing research, innovation and trials.

2. Animal Health & Welfare

AACo has a strong commitment to animal welfare – healthy, happy cattle are completely integral to our economic sustainability. We have clear policies and training in place to ensure best-practice in terms of animal husbandry and our expertise in animal handling is a source of professional pride for our people. At all times, we commit to meet or exceed all benchmarks set under the Australian Animal Welfare Standards. Our focus is on ensuring consistent application across all of our operations of the latest techniques and innovations as well as ongoing selective breeding to eliminate the need for some animal husbandry procedures.

3. Livestock Transport

Livestock Transport is a priority area for AACo given the geographic spread of our operations. At all times we adhere to the MLA's 'Welfare Standards for the Land Transport of Livestock' and its 'Fit to Load' provisions. Further, we only deal with the most reputable and accredited service providers whose animal welfare standards meet ours. AACo will continue to advocate for and support traceability for animals along the full length of the domestic or international supply chain as well as programs of independent auditing for the entire industry such as LGAP.

Scope and Method

This policy applies to all business activities and assets under the AACo parent entity. In addition, AACo will partner with external service providers whose values, actions and objectives align to those of AACo and the principles set out in this policy.

To realise our sustainability vision, we will ensure that:

- AACo's Sustainability Framework is maintained as a living document, guiding the management of the Company's program of work and initiatives on sustainability;
- Metrics are used to measure current state, working with industry to develop them where necessary;
- Long-term targets or objectives are identified and measured against to determine progress;
- Action items will be identified for each focus area to ensure continuous improvement;
- Roles and responsibilities are defined to take actions in functional areas; and
- The program of work is reviewed semi-annually against performance and direction.

Reporting

AACo recognises the importance of sustainability reporting to demonstrate AACo's understanding of the impacts our operations may have on society and the environment, as well as how they could impact our business performance in the future. Key stakeholders, including regulators, customers, NGOs, investors and employees, want to understand our business response to sustainability issues and risks, as well as our strategy to address any adverse impacts.

AACo commits to develop impact data and increasingly report on the progress of our initiatives in line with stakeholder expectations and evolving international frameworks. Management reviews by the Leadership Team will be conducted semi-annually.

We will report externally on our progress once per year through the release of a Sustainability Report.

Review of this Policy

This policy will be reviewed annually.

Signed on behalf of Australian Agricultural Company Limited by:



Donald McGauchie – Chairman



Hugh Killen – Chief Executive Officer