



Evolving together to benefit future generations

Sustainability Report 2022

In FY22 we launched our Sustainability Framework – a blueprint for action.

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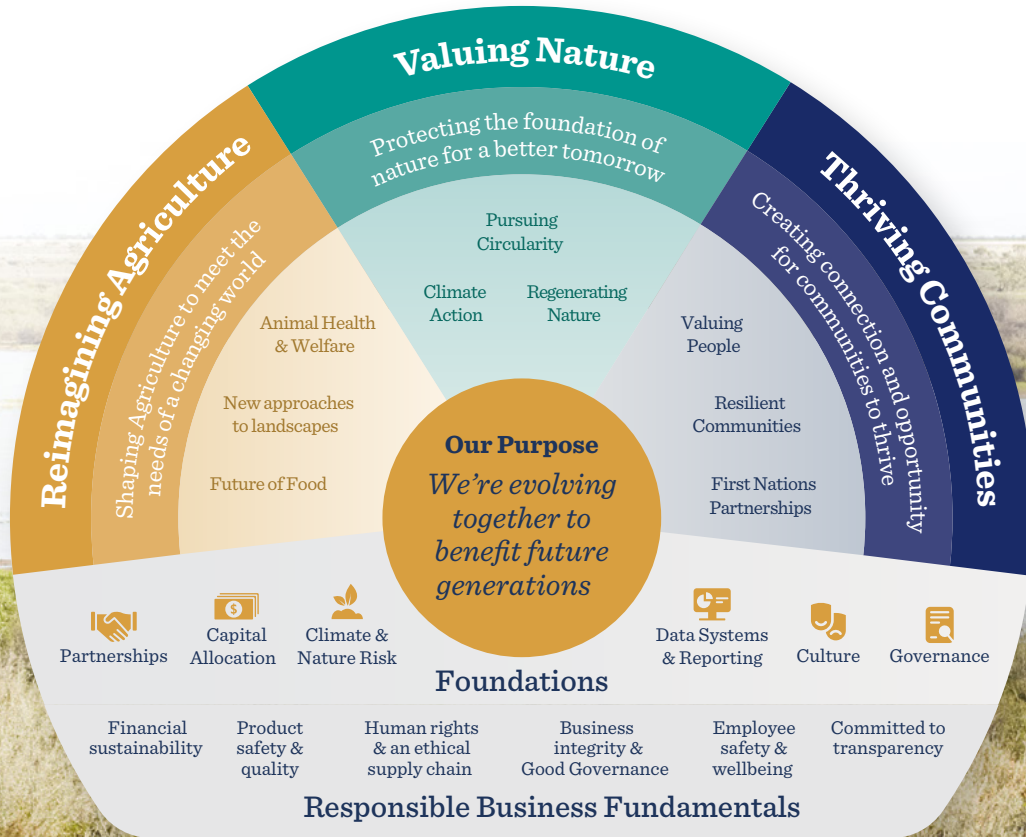
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We are
beginning
to deliver
through 5 key
commitments



LANDSCAPE CARBON

Together with our partners we will work to develop a method for measuring, managing and forecasting by satellite soil and vegetation carbon sequestration that will unlock our capacity to sequester carbon in the landscape.



NATURAL CAPITAL

We will work alongside Accounting for Nature to develop a certifiable scientific framework to measure and report on the condition of natural capital, including biodiversity, soil and water, across our land assets.



METHANE EMISSIONS

Working with our partners to fast track the development of Asparagopsis as a feed additive for commercial application to the reduction of methane emissions from long-fed cattle in feedlots, starting with an in-situ trial of 80 cattle.



FIVE DOMAINS AHW CERTIFICATION

We will work with key industry partners to develop an internationally recognised animal health and welfare certification standard for extensive beef production.



THE WYLARAH INSTITUTE

We will work to establish 'The Wylarah Institute' with the objective of driving the rapid adoption and commercialisation of innovative science and practices in the agricultural industry.

Message from the Chairman.

Sustainability underpins everything we do. We are today's custodians of the land and animals under our care and have a responsibility to our people and the communities where we operate. Our commitment is to leave our world in a better shape; to work hard to mitigate our climate impact and produce food in a way that benefits future generations.

The Australian Agricultural Company Limited's (AACo) sustainability journey accelerated in FY22, highlighted by the launch of our Sustainability Framework. It marked a major milestone for AACO, laying out the central role sustainability plays at the core of our operations and as a pivotal element of our overarching business strategy. Its launch was a true high point during another year of turbulence around the world.

The year began with Australia joining many other countries still very much in the grip of the COVID-19 pandemic and ended with increasing geopolitical uncertainty and further disruptions in global supply chains, all putting upward pressure on costs. Not to mention more recently a federal election and change in government in Australia which will result in new policies, particularly around climate change and sustainability.

With so much flux, certainty in our sustainability program is more important than ever. Our Sustainability Framework gives our customers, partners and other key stakeholders the assurance that we are taking action to mitigate our climate impact and that we take this issue seriously. It has become fundamental to our entire operation and has changed how we view ourselves, as a company that not only produces high quality beef but one that seeks to do so in a manner that enhances and regenerates natural capital.

“Last year we talked about our plans to transition to new metrics, stronger analysis, better science, higher standards, more innovation, improved reporting and closer engagement with industry and government.

This report is delivering on those commitments...”



Indeed, this shift has identified the potential of our land holdings to participate in new opportunities including carbon and environmental markets and potentially new product lines in addition to our core beef business, as we seek to optimise land use for its highest value in sustainable food production.

With that as our True North, we're pleased to share AACo's FY22 Sustainability Report. This is the third account of AACo's sustainability activities. Last year we talked about our plans to transition to new metrics, stronger analysis, better science, higher standards, more innovation, improved reporting and closer engagement with industry and government.

This report is delivering on those commitments, but while it is an important tool for monitoring and assessing ourselves internally and against industry benchmarks, it also maps out the actions we are now taking.

That's the power of our framework. It's a blueprint for action and has been guiding our climate and sustainability activities since its November launch.

We're encouraged by the growing sustainability action that we see in Agriculture. While AACo is one of Australia's largest beef company and the size and scale of our properties and our herd are immense, we are still only one of many companies. Only through consistent effort across the board can we make a lasting difference.

Our framework defines our approach to sustainability around three pillars, each with several themes or focus areas. They include traditional sustainability responsibilities including climate action, nature and animal health and welfare, but also communities and First Nations Partnerships. Together it reflects the material impacts and opportunities that are unique to AACo.

It's not enough to focus on one area, especially for a company like AACo that operates on varied landscapes, amongst multiple communities and with a large and long fully integrated supply chain. We must do better and think bigger.

The framework embeds sustainability at the core of our business and will be used to prioritise our activities, set goals and holds each of us in the organisation accountable.

AACo made five significant commitments at the time of the launch and we're pleased to report that we have begun work on each of them: landscape carbon, natural capital, methane emissions reduction, animal health and welfare certification and the Wylarah Institute.

Each commitment demonstrates the potential to make a fundamental difference to the agriculture sector in Australia. They also include the development of new technology that could have far reaching impacts beyond our shores.

It has been the start of an exciting journey, but the next steps are going to be even better. As we continue to build out our strategy our intent is to set meaningful goals, targets and timeframes and a genuine pathway to achieving success, including the delivery of our five key commitments.

We are in regular contact with the government and our industry partners about our progress and engaging them on any issues we find along the way. Some of the activities we are undertaking have either never been done before, and few others have been endeavoured at our scale and sharing these learnings is an important part of the progress we are making.

We know that our future as a company, as well as the sustainable future of the land, our people and our animals, depend on us getting it right.

Thank you for joining us on this journey and we look forward to sharing more progress with you in the months ahead.

Donald McGauchie AO

AACo Chairman

Our Purpose

We're evolving together to benefit future generations.

Our Vision

To be trusted globally as the producers of the finest quality Australian beef.

Our Values

At AACo, our core values and behaviours unite us and are embedded in every aspect of our organisation.

Our values influence our culture, our brand reputation, reflect the pride we have in our rich heritage and provide clear expectations in how we work with each other, our customers and stakeholders.

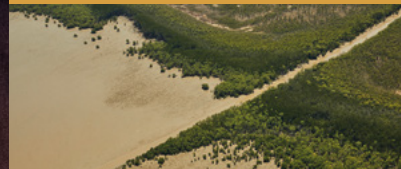
We integrate our values and behaviours into our everyday actions, making AACo a great place to work and acting as a critical enabler in helping us reach our sustainability aspirations.

Aim higher



- Doing our best... and then doing better by continuing to seek out science and data-driven next-generation technology developments and practice transformations that improve our sustainability.

Embrace change



- Stepping boldly into our sustainable future with our partners and stakeholders, embracing both the challenges and opportunities this will bring.



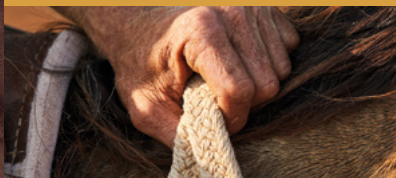
Established in 1824, the Australian Agricultural Company Limited (AACo) is one of the country's largest land owners and beef producers. It is also the oldest continuously operating company in Australia. Today, AACo owns and operates a strategic balance of properties, comprising around 6.4 million hectares of land across Queensland and the Northern Territory.

Today we operate an integrated branded beef business with three principal activities:

- Ownership, operation and development of pastoral properties;
- Production of beef including breeding, backgrounding and feedlotting; and
- Sales and marketing of high-quality branded beef into global markets.

Our cattle production system operates across 19 owned cattle stations, 3 leased stations, 2 owned feedlots, 2 owned farms and 1 leased farm located throughout Queensland and the Northern Territory. We distribute our branded beef to a range of customers across the world, tailoring its route-to-market model by country to capitalise on regional opportunities. The Company is large enough to obtain scale efficiencies but small enough to ensure the highest of production standards and produce the finest quality beef in the world.

Take the *reins*



- Our scale, heritage, knowledge and commitment to sustainability come with the opportunity and responsibility for industry and community leadership, balanced with humble respect and support for those around us who are forging new and more sustainable pathways.

Respect what makes it *possible*



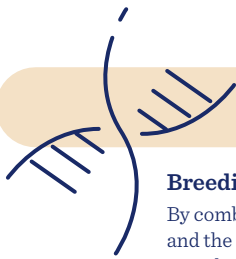
- Investing in sustainable practices and approaches that respect the landscape and the environment, our animals, and our people and communities, while learning with respect from the First Nations People who came before and stand beside us.

Do it for the *diner*



- Bringing the highest quality product experience to the plate supported by openness and transparency with our customers in everything we do.

Our Supply Chain.



1

Breeding & Genetics

By combining the science of genetics and the art of breeding, at AACo we select animals which will thrive under tough conditions and will perform efficiently. This ensures that we maximise the resources and consistently produce quality product.



2

Grazing

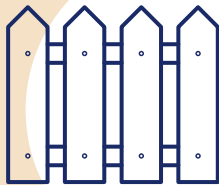
The extensive aspect of our operations – with properties spanning the rangelands of northern Australia, cattle will graze for 2-3 years, roaming wild and eating an incredibly diverse diet of grasses and shrubs.



3

Farming

Our farming operations focus on what grows well locally and what cattle flourish on. At Wylarah, Rewan, Glentana, Gordon Downs and Goonoo we farm a variety of crops for harvesting and foraging.



4

Feedlotting

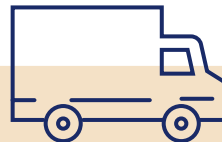
Our cattle are finished on a blend of grains for up to 550 days at Goonoo and Aronui. Our feedlots' focus is on optimising animal comfort, welfare, nutrition and producing a consistently high quality beef product.



5

Processing

AACo partners with state of the art processing facilities in Australia and we are onsite to ensure best-practice standards are maintained – low stress handling, hygiene, efficiency and quality control.



6

Distribution

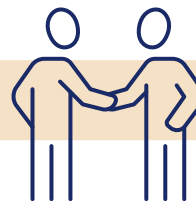
Our supply chain is predominantly focused on delivering premium beef product to global markets. We also partner with the most reputable live exporters, to deliver cattle to a number of Asian markets out of a small group of properties in the Victoria River region of the Northern Territory.



Customers

Our customers are at the centre of everything we do.

7



Sales & Marketing

Our customer-facing team meets with chefs and distributors regularly, sharing the stories of where the product comes from and the best way to prepare it. It's also how we receive feedback from our customers on what's important to them.



Our Properties



A sustainable
supply chain
to drive future
opportunities.

Our Approach to Sustainability.

Welcome to our FY22 Sustainability Report. It has been a significant year for AACo in our sustainability journey with the release of our Sustainability Framework in November 2021 along with our five key commitments. The Sustainability Framework is a blueprint for action, dealing with the here and now while helping us achieve our company purpose, to evolve together to benefit future generations.

As we draw closer to our 200th anniversary in 2024 and look to our future, AACo feels a responsibility to elevate our commitment in this important area. We work across the Australian landscape at a scale that few, if any others do. That's why a framework of this nature, along with these commitments are so important.

While developing our Sustainability Framework, we continued to make tangible progress across our operations and launched major projects under our five key commitments. In the past year, we have built strong partnerships with some of the brightest minds in the global conversation on sustainable beef and agriculture more widely. This report represents our first Task Force on Climate Related Financial Disclosures (TCFD) aligned sustainability report and highlights our plan to continue to increase our sophistication over time to deliver on our commitment to improving our openness and transparency with our stakeholders.

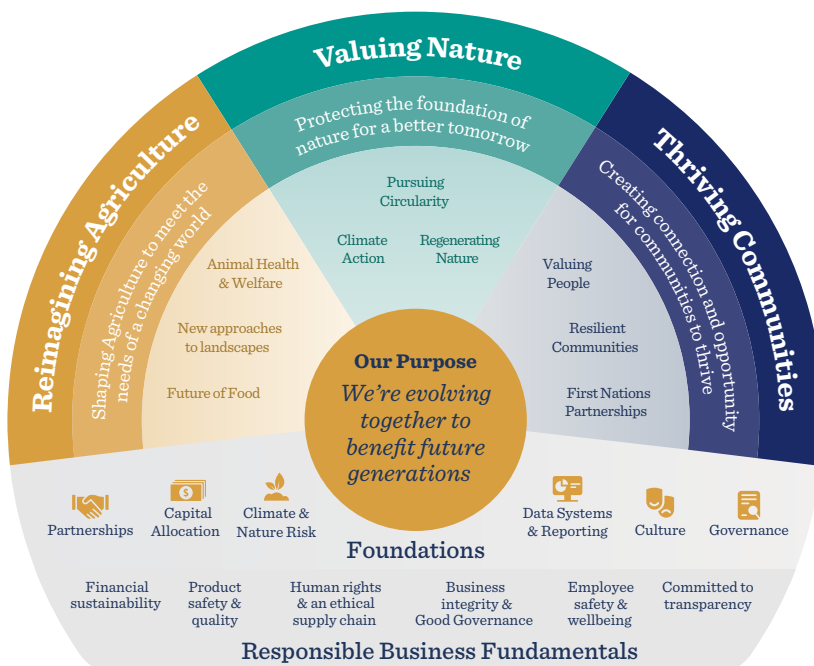
We are excited about our sustainable future and our potential to drive positive change through our business, industry and communities.

Our five commitments:



LANDSCAPE CARBON

Together with our partners Food Agility, Cibo Labs, Mullion Group, Carbon Link, University of Technology Sydney, Charles Stuart University and Federation University. This method will form a strong foundation for making investment decisions in Natural Capital and Carbon that will form an integral element of where we deploy capital in operational and production imperatives while bringing down the cost barrier for participation in soil carbon markets.



Our blueprint for a sustainable future has three Pillars:

Reimagining Agriculture



By virtue of our size and integrated supply chain we are uniquely placed to realise the opportunity to meet increasing consumer demand for sustainably produced food from finite resources.

Valuing Nature



Because nature is fundamental to everything we do, we are taking concerted climate action, pursuing circularity across our operations and, critically, working to regenerate nature to protect and enhance key ecosystem services in our care.

Thriving Communities



Thriving communities are critical for the health, resilience, and fundamental future of our business. This ambition will be realised through the creation of connection and opportunity for our people, the communities we touch and critically, in active, co-developed partnerships with the First Nations communities that we are connected with.



NATURAL CAPITAL

We are working alongside Accounting for Nature, a recognised leader in scientifically credible environmental accounting, to develop a certifiable scientific framework to measure and report on the condition of Natural Capital, including biodiversity, across AACo's land assets by 2023. We will apply that framework and its underlying methods to baseline both the productive and biophysical condition of environmental assets (native vegetation, soils, freshwater, fauna) that together form "natural capital" for our priority assets by 2024.



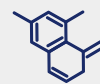
METHANE EMISSIONS

We are working with Meat and Livestock Australia, the University of New England and the University of Queensland and Sea Forest, a company engaged in research and commercialisation of seaweed as a methane inhibitor to fast track the development of the native Australian seaweed *Asparagopsis* as a feed additive to reduce methane emissions from long-fed cattle in feedlots. This is the first step in taking this ground-breaking science from research to real world application at scale. We are working to overcome technical challenges and extend the application of this technology across our entire herd.



FIVE DOMAINS AHW CERTIFICATION

We will pursue our commitment to the Five Domains of Animal Wellbeing by working with key industry partners to develop an internationally recognised Animal Health and Welfare (AHW) certification for extensive beef production by 2024. This certification will provide a structure to drive innovation and improvement in the already high AHW standards and practices of our industry in northern Australia.



THE WYLARAH INSTITUTE

We will establish 'The Wylarah Institute' with the objective of driving the rapid adoption and commercialisation of innovative science and practices in the agricultural industry. The institute will initially focus on two key areas: Reimagining Agriculture to meet the needs of a changing world and Valuing Nature to protect the foundation of nature for a better tomorrow.

Evolving our Sustainability Reporting and Governance.

Our Reporting Approach

While AACo has reported on Environmental, Social and Governance (ESG) issues in previous reports, this is our first sustainability report aligned to our Sustainability Framework. It represents our next steps in improving our transparency to stakeholders and begins a process of making key sustainability disclosures aligned to international reporting standards. It is to be read alongside our FY22 Annual Report, our Sustainability Policy and other key policies referred to within this document which are available at aaco.com.au.

This report provides an overview of our Sustainability Framework and outlines our focus and intention moving into the delivery of a business with sustainability at its core. It also begins to outline our performance in material areas and our intentions to expand our reporting to a more complete set of metrics and disclosures. This report discloses our sustainability performance for financial year 1st April 2021 to 31st March 2022 and largely refers to the activities of our Australian based entities.

Alignment with Reporting Standards

In our FY21 Sustainability Update we set the goal of alignment with the principles of integrated reporting against internationally accepted standards. This report represents the first stage of that alignment. It has been prepared with reference to the Global Reporting Initiative (GRI) and is aligned with the Task Force on Climate-related Financial Disclosures (TCFD). We will continue to demonstrate our ambition in sustainability and our commitment to openness and transparency by increasing our alignment with these standards and maturing and evolving our disclosures.

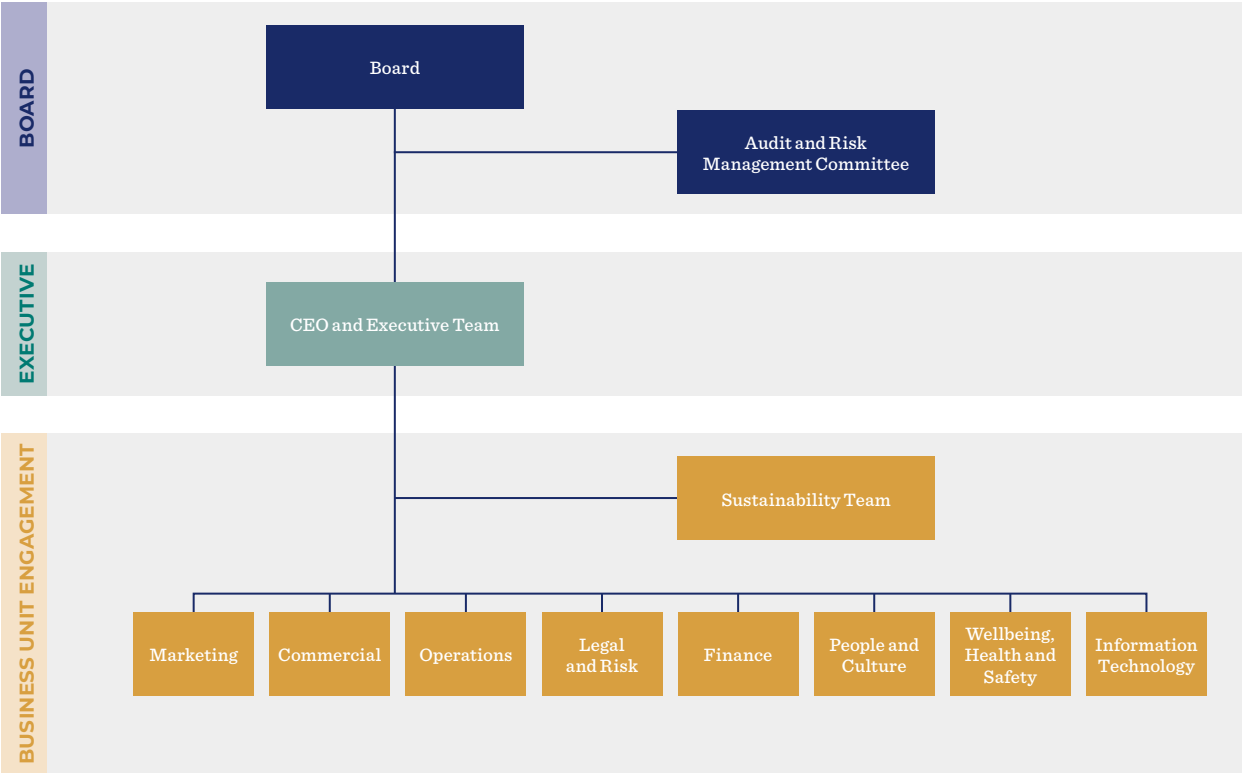
We recognise the importance of the nature crisis and the evolving nature-related reporting frameworks which are being developed to guide nature-related risk and opportunity disclosure. We are staying abreast of the Taskforce for Nature-related Financial Disclosures (TNFD), which released its Beta Framework in March 2022. We are supportive of aligning to the TNFD's final framework (which is scheduled for release in September 2023) in future sustainability reports.

We intend to continue improving our climate and nature-related financial disclosures and to monitor and respond to evolving ESG reporting standards and industry best practice.

Sustainable Development Goals

Developed by the United Nations, the Sustainable Development Goals (SDGs) outline a blueprint for a better and more sustainable future by 2030. Our Sustainability Framework and this report reference twelve of the SDGs as shown below and throughout the report.





Quality Assurance

The disclosures and performance measures contained within this report have been compiled under the guidance of an internal quality assurance process. This process signs off on the data collection, collation and presentation of metrics and disclosures and is overseen by representatives from our legal, finance and risk teams. Review and sign off for the report is carried out at several stages in the reporting process, with the final report being reviewed and approved by the AACo Board. We intend in future to seek independent review and limited assurance for our sustainability report once our reporting frameworks are matured.

Governance

At AACo, responsibility for our ESG approach and performance rests with all of us, but ultimately culminates with our CEO. The Sustainability Team, which has strong oversight from the CEO, oversees the day-to-day execution of AACo’s Sustainability Framework, has the authority to implement the programs, commitments and metrics within it.

This oversight ensures that all functions across the business are represented in the design and delivery of the sustainability program.

The Board holds the responsibility for establishing corporate governance across the company including overseeing AACo’s approach and management of ESG items. This governance structure is outlined in the diagram above.

AACo’s Sustainability Framework and the programs, targets and commitments within it are approved at the Board level. The Board also has oversight of the Sustainability Report and its alignment with relevant reporting standards. Our ESG approach and performance is also governed by our Sustainability Policy which is in the process of being reviewed and updated to reflect our position and approach to climate and nature. We are committed to transparency and continuous improvement and will continue to refine and improve our governance approach as we implement and embed our Sustainability Framework. AACo’s full corporate governance statement can be found at aaco.com.au.

Risk

AACo, like all agricultural businesses is exposed to a range of inter-related risks. AACo operates a comprehensive governance, risk and compliance framework that ensures we can achieve our objectives in this context. The framework outlines the level of change that the Board is willing to undertake to achieve our strategy and objectives. It also details the analysis process and the impact categories applied to the assessment of our risks. This is supported by a Risk Management Policy that outlines the key governance requirements for managing all risks, including climate-related risks.

Over the last 12 months we have reviewed our risk profile, including our climate-related risks and opportunities in accordance with the Task Force for Climate-Related Financial Disclosure (TCFD) guidelines. These risks and opportunities are presented in the “Climate Action” section of this report. We are committed to building our capacity to identify, understand and disclose climate risks and opportunities and, as the Taskforce for Nature-Related Financial Disclosure develops, nature-related risks and opportunities.

Driving ongoing improvement through continuous analysis.

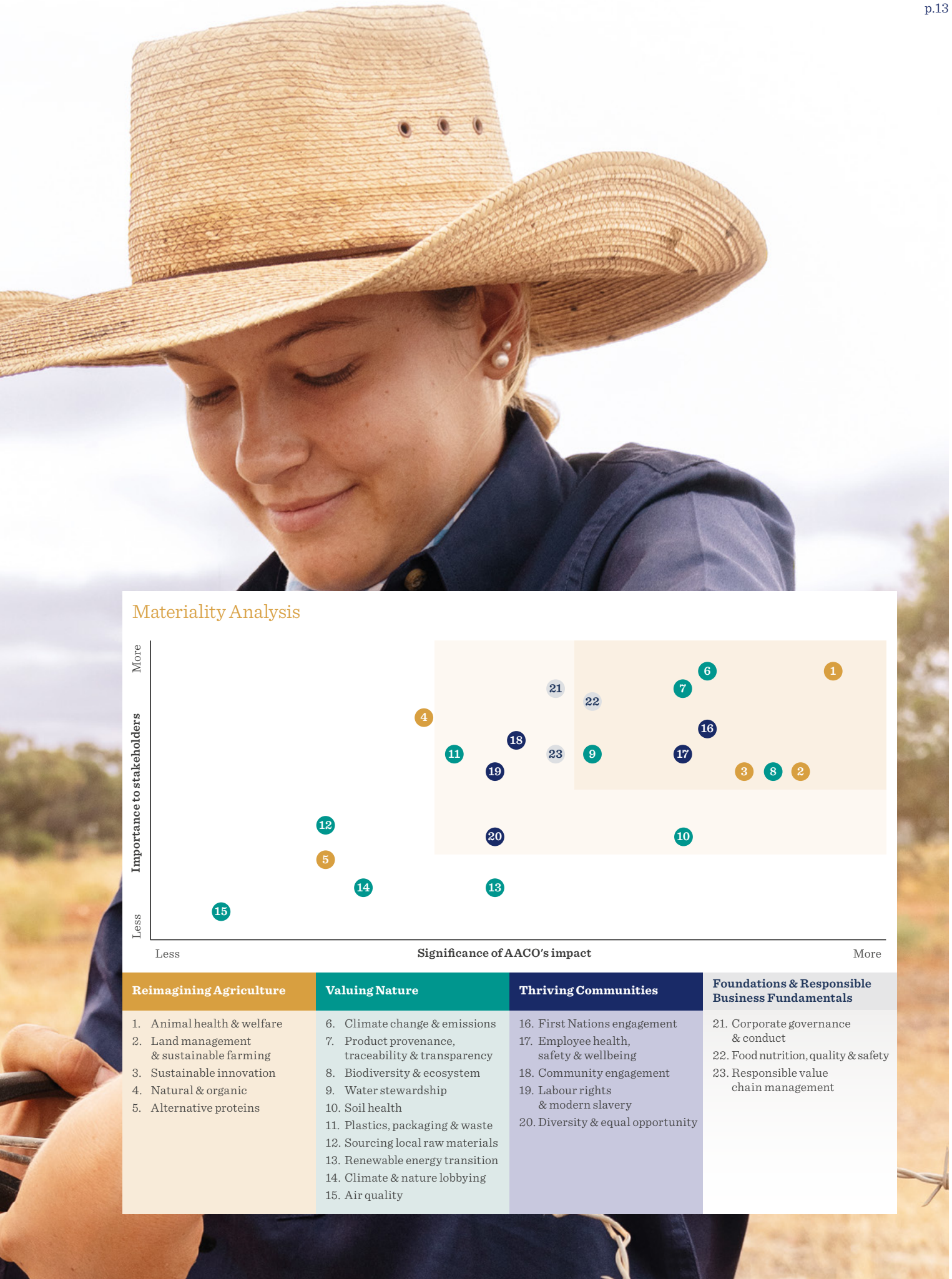
The impact AACo has on our community and the environment in which we operate is important to us. This year we undertook a materiality assessment of the Environmental, Social and Governance (ESG) issues, risks and opportunities of greatest importance to our stakeholders and of greatest impact for our company. Our approach was guided by the Global Reporting Initiative (GRI) Standard and Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Our materiality assessment consisted of:

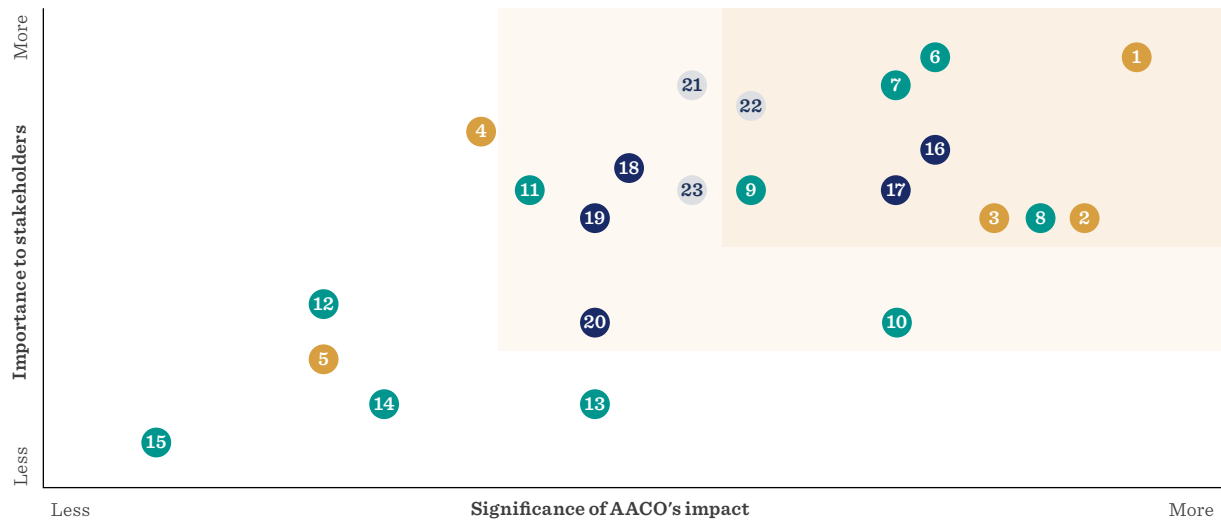
- A desktop review of key documents including direct customer feedback, broader consumer research, investor insights, global ESG trends, industry analysis and sustainability reporting frameworks (including the GRI Standard, Sustainability Accounting Standards Board, Meat & Poultry Standards and Meat & Livestock Association's Materiality Assessment) to identify a long list of material ESG issues;
- A workshop with internal stakeholders, including AACo's Executive Team, to develop an initial materiality matrix with prioritised ESG issues plotted according to their likely importance to AACo's stakeholders and impact on AACo's business;
- Engagement with internal and external stakeholders, including customers, debt providers, investors, industry associations, employees and government, via a survey (and interview) to validate the material ESG issues and their priority; and
- Approval of the final ESG materiality assessment by AACo's Board.

Our materiality assessment has and will continue to feed into AACo's approach to ESG strategy, risk management, performance and reporting. We are committed to reviewing our materiality assessment annually and to continue to evolve our approach by improving the sophistication of our engagement with stakeholders, and broadening the stakeholder representees we engage with.





Materiality Analysis



Reimagining Agriculture	Valuing Nature	Thriving Communities	Foundations & Responsible Business Fundamentals
1. Animal health & welfare	6. Climate change & emissions	16. First Nations engagement	21. Corporate governance & conduct
2. Land management & sustainable farming	7. Product provenance, traceability & transparency	17. Employee health, safety & wellbeing	22. Food nutrition, quality & safety
3. Sustainable innovation	8. Biodiversity & ecosystem	18. Community engagement	23. Responsible value chain management
4. Natural & organic	9. Water stewardship	19. Labour rights & modern slavery	
5. Alternative proteins	10. Soil health	20. Diversity & equal opportunity	
	11. Plastics, packaging & waste		
	12. Sourcing local raw materials		
	13. Renewable energy transition		
	14. Climate & nature lobbying		
	15. Air quality		

Pillar 1:

Reimagining Agriculture



Shaping
Agriculture to
meet the needs
of a changing
world.





By virtue of our size and integrated supply chain we are uniquely placed to realise the opportunity to meet increasing consumer demand for sustainably produced food from finite resources. Our history and the craft that we have shaped over nearly 200 years remains the foundation of what we do

while we look to the future of agriculture, embracing the opportunities this will bring. We are actively exploring where there is potential within our land holdings for products and services beyond food including fibre, energy and natural capital.

Through our *Reimagining Agriculture* pillar, we are exploring the Future of Food and New Approaches to Landscapes and committing to elevating Animal Health and Welfare outcomes.

Reimagining Agriculture

Future of Food.

We are aligning our activities to transition to future food systems at scale, meeting consumer demand for sustainably produced food from finite resources.

Over time this means building out our product lines to grow with these changing needs, diversifying into products naturally suited to our land, accelerating the adoption of new and disruptive technologies, and continuing to optimise production systems for efficient and sustainable use of resources.

Looking to the future, we are expanding our focus:

- **Delivering tomorrow's beef** – building in precision management systems to enhance our supply chain traceability and exploring opportunities to improve the sustainability of our long-fed Wagyu products;
- **New agricultural products and systems** – exploring opportunities to diversify the food we produce and identifying opportunities for land use for its highest value in sustainable food production; and

- **Traditional foods** – exploring exciting opportunities for AACo to collaborate with First Nations communities to develop future business opportunities and incorporate traditional food harvesting with our core beef production systems.

We are at the start of this journey and in the coming year, will begin building the foundational elements including defining our Beef Innovation and Sustainable Cropping Frameworks and developing internal analysis capacity to support landscape and food production transitions.





Commitment Update: Wylarah Institute

Faced with multiple challenges including drought, climate variability, biosecurity, global competition and consumer preferences, the world needs new practices that can be implemented at speed and scale more than ever to feed itself sustainably. This year we committed to establishing ‘The Wylarah Institute’ with the objective of driving the rapid adoption and commercialisation of innovative science and practices in the agricultural industry, initially focusing on two key areas: Reimagining Agriculture and Valuing Nature. Since making this commitment we have begun the work to establish the Institute and will launch in the coming year.

METRIC		MEASURE	2019 BENCHMARK	FY21	FY22
Food Safety	Product recalls	Number	0	0	0
	Preventative/corrective actions	Number	NA	NA	NA
	Food Safety – Market bans	Number	0	0	0

Our Commitment to Food Safety

Food safety is fundamental to our product quality. AACo has a comprehensive critical incident management framework and plan that allows for the effective and efficient identification, escalation, response, and recovery from events such as product recalls. A specific product contamination/product recall plan is in place and is a subset of our overall critical incident management plan. Our critical incident management teams are trained and tested through a series of scenario-based exercises annually.

AACo holds product recall insurance for its domestic and international operations and activities. The insurance coverage provides access to specialists

for support and advice during the response and recovery phases, in addition to qualified loss adjustors and assessors globally.

All processing, shipping, and distribution of AACo food products is carried out by third-party providers and we work closely with these partners to ensure the highest standards of food safety that underpin our product quality and integrity are upheld. Each processor has the required licenses and accreditation which are provided to AACo on a regular basis. Our processing, shipping and logistics and commercial teams ensure that AACo’s resolute focus on quality is always understood and complied with.



Food safety
is fundamental
to our product
quality.

Reimagining Agriculture

New Approaches to Landscapes.

As custodians of the land on which we operate, we are thinking big about pathways to realising the full potential of our assets and capabilities to play our part in a sustainable future.

This means looking at our landscapes through a different lens of possibility, focused on land use for its highest and most ecologically appropriate potential. We are working to build land use strategies that will extend our reach beyond food into other products and services, in response to the needs of a rapidly changing world.

To achieve this, we will pursue four key areas of focus:

- **Renewable energy generation** – exploring opportunities to produce renewable energy and engage in renewable energy markets while positioning for long-term emerging technologies; and
 - **Diversifying production** – exploring opportunities for diversifying our agricultural production, developing land for its highest and most sustainable use, with a strong focus on emerging practices and technologies.
- We will work to build out our work around diversifying our approach to our landscapes in this coming year, initiating analysis on landscape use, leveraging emerging data from satellite information systems on historical landscape performance. This will also be supported by our work with partners under our Natural Capital commitment to develop our capacity to measure the environmental and productivity condition of these landscapes.
- **Refocusing our grazing landscapes** – aligning our core herds with our best beef production landscapes and developing more flexible approaches to other grazing landscapes;
 - **Building Natural Capital** – exploring opportunities to engage in emerging biodiversity and natural capital markets by developing natural capital programs around key conservation assets;

Headingly Landscape Transition

We have committed to exploring opportunities for transitioning to natural capital management and enhancement as a significant land use activity integrated with sustainable livestock production. This means expanding our view of these landscapes beyond beef production to build on the natural value intrinsically held within the landscape, opening opportunities for changing how we manage our grazing approach in these landscapes and to generate new revenue streams. We have initiated work exploring these opportunities using Headingly as a case study for building added value in biodiversity and will report progress and outcomes in our FY23 Sustainability Report.



Measuring Our Performance

We are committed to developing appropriate metrics to demonstrate our progress in diversifying our land use and taking new approaches to landscape. We will develop and report on these metrics in future reports.

‘Looking at
our landscapes
through a
different lens
of possibility’.

Reimagining Agriculture

Animal Health and Welfare.



Healthy, happy and well cared for cattle, are integral to the sustainability of our operations and we are committed to a continued pursuit of best-in-class animal health and welfare practices.

Providing care to our animals is part of who we are and our expertise in animal handling is something our people are immensely proud of.

We understand the importance of and are committed to taking a more holistic approach to our animal's wellbeing and have adopted the Five Domains approach to animal wellbeing, focusing on good nutrition, a healthy environment, sound physical health and positive behaviour, all leading to a positive mental state.

To achieve this, we will pursue two key areas of focus:

- **Feedlot Wellbeing** – Develop an animal experience in feedlots that delivers an enriched wellbeing outcome through environmental enrichment;
- **Delivering Lifetime Wellbeing** – Develop a lifetime wellbeing production system that balances the various benefits that come from being both growing in a wild environment with human oversight and management, with particular focus on:
 - Improving yard handling infrastructure and procedures;
 - Reducing the impacts of transport;

- Reducing and where possible eliminating the need for surgical intervention; and
- Improving weaning processes and increasing support for young animals through stressful interventions.

Animal Health and Welfare (AHW) is a foundational part of our culture, and our Animal Health and Welfare Committee is committed to the pursuit of continuous improvement in animal care. In the coming year, the committee will continue to deliver improvements through initiatives such as scaling up near miss reporting through our safety management system, while preparing for the opportunity for future AHW certification of our supply chain through our Sustainability Framework commitment.



Commitment Update: Developing an AHW Certification

Certification opens markets, commands price premiums and provides a framework to drive improvement in performance. There is a gap in certification for Animal Health and Welfare (AHW) in northern Australian rangelands. Since making our commitment to AHW in November, we have initiated work with industry partners to develop an internationally recognised voluntary AHW certification for extensive beef production. This certification will provide a structure to drive innovation and improvement in the already high AHW standards and practices of our industry in northern Australia.

METRIC	MEASURE	2019 BENCHMARK	FY21	FY22
Therapeutic antibiotic treatment of cattle	% of herd	Not previously reported	Not previously reported	0.3%
Live Export fatalities – animals sold to third parties for export	% mortality of herd	0.04%	0.01%	0.0%
Animals with poll gene	% of herd	~25%	~25%	26%

CRITERIA	STATEMENT
Antibiotic Use	AACo has a duty to treat identified sick animals in our care. Antibiotics are utilised responsibly within our production system to treat animals which are of ill health. They are used as per prescribed by Veterinarians to ensure the health and welfare of our animals. Every treatment given to an animal and it's withholding period is recorded in our stock management system which traces individual animals through electronic tags. AACo does not engage in antibiotic prophylaxis usage within our herd.
Nutrition Management	All AACo's operations have industry leading forage budgets, calculated using satellite biomass data allowing AACo to ensure suitable feed is available for our animals. AACo also provides supplementation to animals depending on seasonal conditions, to maintain health and performance in accordance with changes in pasture quality.
Pain Management	Surgical procedures are carried out as deemed necessary for animal health, welfare and safety of the herd, or to keep our staff safe. If a surgical procedure is carried out, animals are provided with effective pain relief as recommended by veterinarians.
Long Distance Transport	All aspects of travel, including livestock handling, loading density, loading/ unloading, and duration of spelling, including time back onto feed and water, are conducted in accordance with the Australian Animal Welfare Standards and Guidelines – Land Transport of Livestock guide.
Animal Confinement	The majority of our herd which make up our breeding animals graze unconfined on open rangelands for their full lifetime. Cattle destined for market will graze for 2-3 years unconfined on open rangelands. These cattle are then finished through cell grazing at 25-38.5m ² /Standard Cattle Unit (SCU) and finally in feedlots at densities of 12.5-13.5m ² /SCU.
End of life	Our processing operators ensure that end of life procedures do not result in pain or distress. Effective stunning of an animal prior to the moment of slaughter is confirmed through approved testing methods.
AHW certifications	<p>Processing – All third-party processing establishments must be accredited through AusMeat for animal welfare compliance. These establishments are monitored daily by Department of Agriculture, Water and the Environment, and animal welfare is a component of the bi-annual audit.</p> <p>Feedlots – 100% Compliance with National Feedlot Accreditation Scheme animal welfare requirements which is audited annually.</p>

Pillar 2:

Valuing Nature



Protecting the
foundation of nature
for a better tomorrow.

Nature is more than a resource to us.
It is the foundation of everything we do.
We are working to build a stronger,
healthier future for generations to
come by focusing on regenerating and
protecting the Natural Capital held within
our estate and the connections beyond.

AACo is committed to becoming a leader in sustainable land use. This means consistently striving for best practice and continuous improvement in the management of the air, land and water of our ecosystems and the plants and animals found within them.

The quality of our product and ongoing health of our business is intrinsically

linked to resilient, healthy natural systems. We recognise our responsibility to mitigate our impact on nature and to produce food in a way that benefits future generations. We believe we have exciting potential within our landscape, our operations and who we are as a company to bring about meaningful and high impact change for a nature positive future.

We recognise our potential to play a part in reversing the impacts of climate change and the global decline in biodiversity, to build soil health and protect ecosystems in our care.

Through our *Valuing Nature* pillar, we are committing to taking Climate Action, Pursuing Circularity and Regenerating Nature.



Valuing
NatureClimate
Action.

We recognise our responsibility to mitigate our climate impact and to produce food in a way that benefits future generations.

The majority of our emissions are methane emissions from our cattle. On an absolute basis these emissions vary with seasonality and herd size. Through our herd management and operational practices we are continuing to identify levers to reduce this emissions intensity. We are simultaneously pursuing promising technologies to deliver a step change in these emissions, as part of a holistic approach to Climate Action which include:

- **Tackling our methane emissions head on** – taking an integrated approach to reducing lifetime methane emissions across our herd through developing and adopting a complementary suite of technologies;
- **Increasing adoption of renewable energy** – reducing our reliance on fossil fuels for our fleet and energy generation, with a view to maximising our renewable energy profile across our operations over time;
- **Driving carbon sequestration in our landscape** – developing technologies to unlock potential in soil and vegetation while exploring novel technologies for carbon sequestration; and

- **Building on greenhouse gas efficiency in our operations** – continually improving our efficiency through our genetics, our operational practices, and our infrastructure.

Much of the science that forms the basis of this approach is new and is not yet at a commercially viable stage. We face significant challenges in maturing this science to an operational reality that we can apply at scale. We are proactively working with our partners to accelerate this process because we know time is of the essence. We are also balancing this haste with care and the due diligence required to ensure the integrity of the actions we take moving forward. We will review setting a science aligned net zero target with a clear pathway for action once this foundation is in place.

This year we have continued our journey towards reducing our reliance on fossil fuels through projects which focus on upgrading our vehicle and machinery fleet to more energy efficient models. Once this fleet upgrade is complete, it will save us an estimated 886,000 litres of diesel which equates to about 2,400 tonnes CO₂-e every year and starts us on our pathway to a renewable energy fleet. In future we will explore potential for hybrid and electric vehicles where feasible in our operations to continue this transition.

We are also continuing our work on converting our bore network from diesel to solar power and this year have made the commitment to complete this conversion in 2024. We've put in place plans for this transition and are looking forward to executing on this commitment in the coming year. We expect the benefits from this conversion to include a reduction in our annual diesel consumption of about 2.4m litres translating to an estimated reduction of 6,400 tonnes CO₂-e.

Looking forward to 2023, we will continue to transition to renewable energies, exploring opportunities for solar power on station and continuing with the fleet transition program.

Finally, this year we continued our work under our carbon project through the Beef Cattle Herd Management methodology, registering another year of carbon abatement delivered through efficiencies across our beef production operations. This year we achieved 87,427 tonnes CO₂-e abatement which generated a net benefit of 74,313 Australian Carbon Credit Units (ACCU).

Commitment Update – Asparagopsis pilot

Methane emissions represent a significant component of our operational footprint – addressing this is a key component of taking effective Climate Action. This year we committed to working with Sea Forest, Meat and Livestock Australia, the University of New England and the University of Queensland to fast track the development of Asparagopsis as a feed additive for commercial application to the reduction of methane emissions from long-fed cattle in feedlots. We have launched the project and are preparing for cattle to enter the trial which will start providing results within the first half of next year.

Commitment Update – Landscape Carbon by Satellite

Carbon sequestration in the landscape presents one of our most significant opportunities to contribute to the solution for global warming, participate in carbon markets as an alternate revenue stream, increase our productivity, and improve our financial resilience to drought and climate change. Together with our partners Food Agility, Cibo Labs, Mullion Group, Carbon Link, University of Technology Sydney, Charles Sturt University and Federation University, we have begun work to develop an industry leading method for measuring, managing and forecasting soil carbon sequestration by satellite that will bring down the cost barrier for participation in soil carbon markets. On ground sampling to inform the tool is ready to roll out and we are anticipating a first pass of results on vegetation carbon in mid-2022.



Photo: Juan Guerschman (Cibo Labs)



Valuing Nature

Climate Risks and Opportunities.

Methodology and Approach

In FY22, as part of AACo's Task Force on Climate-related Financial Disclosures (TCFD) implementation we undertook an initial climate scenario analysis to test the resilience of our business model under future climate scenarios. We undertook this climate risk analysis using two distinct scenarios:

- **Transition risk scenario (<2°):** aligned to the IEA 1.5-degree NZE scenario and RCP 2.6 under which climate goals are met through policy, technology and market responses which adapt rapidly and disrupt business-as-usual business models which have failed to anticipate the transition; and
- **Physical risk scenario (>3°):** aligned to the IEA Stated Policies Scenario and RCP 8.5, under which climate goals are not met due to a failure of policy, market and technology responses to drive emissions reductions, resulting in significant disruption to businesses exposed to physical risks.

These scenarios were selected and applied consistently with best practice principles outlined by the TCFD guidance, including that the analysis was materiality driven and based on unmitigated impacts to the business. In undertaking the analysis we used a combination of internal business data and external assumptions from the sources noted above. This analysis was undertaken with the support of an external third party who provided specific climate expertise and knowledge to make the process meaningful for the business.

Risks, Opportunities and Next Steps

The nature of AACo's business and footprint in Australia means that we are exposed to both physical and transition impacts related to climate change, along with the broader livestock industry. Our analysis identified both physical and transition risks including potential impacts to productivity due to heat and drought stress, supply chain disruption due to potential for extreme weather events and market and pricing implications associated with scenario-based carbon pricing. Our analysis also identified potential upsides for the business in nature-based carbon revenue streams, which could support in mitigating other transition impacts to our business.

We are continuing to evolve this analysis to examine in more detail areas of potential resilience and vulnerability to inform our strategic priorities to mitigate or leverage these risks and opportunities. We intend to continue this work throughout FY23, including evolving from qualitative impacts to estimating some of the potential quantitative impacts to our business under these scenarios as part of maturing our disclosure and strategic response over time.

This analysis has already been used to inform updates to our governance, risk management and metrics & target setting processes. It is also being used to inform the development of strategic programs across the business in relation to emissions reduction and nature-based solutions opportunities.

Valuing Nature

Climate Risk Analysis Results

		UNMITIGATED RISK/OPPORTUNITY	RESPONSE/MITIGATION STRATEGY
Transition	Policy	 <p>Risk – Medium term: Enteric emissions account for ~82% of AACo's Scope 1 and 2 greenhouse gas emissions. Regulatory impacts, such as carbon pricing, associated with AACo's livestock emissions exposure could result in significant additional input costs without further decarbonisation of AACo's value chain.</p>	<p>AACo is prioritising emissions reduction opportunities across our operations. With respect to livestock emissions intensity AACo is continuously improving its performance through genetic improvement, operational efficiency, and precision sustainable grazing programs. In addition, we are investing in accelerating the commercialisation of methane inhibitors to directly reduce enteric emissions with pilots underway. We are also decarbonising our operational energy requirements through transitioning to renewable energy. Finally, we will continue to explore and invest in emerging technologies with resource efficiency and low carbon potential.</p>
	Products / Services	 <p>Opportunity – Short term: AACo has the potential, across its landscapes and operations, to generate carbon offsets that could be delivered via voluntary carbon market mechanisms to support growing corporate demand, delivering a new source of revenue for AACo.</p>	<p>AACo is actively scoping opportunities for carbon sequestration across our operations, including soil, vegetation and savannah burning methods. Of particular note is our Landscape Carbon by Satellite program in partnership with the Food Agility CRC and leading carbon market proponents which seeks to overcome significant barriers in carbon sequestration in northern Australian landscapes. On property carbon sequestration can provide material revenue upside opportunity for AACo.</p>
	Market	 <p>Risk & Opportunity – Short-Medium term: We recognise that consumer expectations in relation to product sustainability & climate impacts are growing and are increasingly influencing consumer decision-making. Potential changes to consumer decision making may include reduced meat consumption and substitution for plant-based alternatives in some markets. AACo could be impacted by these transition risks, particularly where carbon pricing impacts, and associated product costs may impact the cost-competitiveness of AACo's products without emission reduction. These trends also create opportunity for AACo as our landscapes could support additional products lines, presenting additional revenue opportunities.</p>	<p>AACo recognises the need to continually develop the sophistication of our sustainability & climate management practices. Alongside our efforts to decarbonise our production system we also recognise the emerging opportunities for new products and services to complement our quality beef products as outlined in our approach to 'reimagining agriculture'.</p>

UNMITIGATED RISK/OPPORTUNITY		RESPONSE/MITIGATION STRATEGY
Physical	Supply Chain 	Risk – Short term: Extreme weather events are likely to increase over time and may result in impacts along our supply chains, particularly in the transport of products across Australia and internationally. We are undertaking further review of mechanisms to build greater resilience along our supply chain which is likely to include greater data management and tracing and engagement with our third-party providers. We intend to further review the impacts to our freight and logistics in future analysis.
	Productivity 	Risk – Medium term: As an agricultural producer, along with the Australian agricultural industry, AACo is exposed to high physical risk impacts in Australia that result from climate change, including increased temperatures, increased drought and water shortages. Without management these outcomes are likely to impact the productivity and wellbeing of livestock and have the potential to disrupt commodity availability for feed inputs in our beef production system. This could impact business continuity and/or the cost competitiveness of AACo's products where it is not appropriately managed. While AACo's diverse land assets results in the diversification of climate risk, most of AACo's sites are exposed in some way. AACo is increasingly leveraging new technologies to improve data availability and utilisation across its operations to proactively manage for changing climatic conditions. We are also looking at a range of measures to ensure that our livestock and farms are managed sustainably to ensure sufficient resources. For example, our rangelands program leverages regular satellite data analysis to proactively manage stocking rates and cattle movement within and between seasons. We are also deploying fit-for-purpose telemetry on our bores to identify opportunities for greater efficiencies in water use.
	Operations 	Risk – Short term: Extreme weather events also have the capacity to impact AACo's operational sites, logistics and business continuity. This could increase our outlays for rebuild and climate resilience where sites are destroyed, severely impacted by or need to be protected from extreme weather events, such as flooding or fire events. AACo is using site specific physical risk exposures analysis to build mitigation plans for our operations to ensure that potential risks are factored into building design & management. AACo is continuing to learn and improve, using extreme weather events such as the 2018/19 flooding, to build and refine our climate resilience systems.

Valuing Nature

Our Emissions Profile

AACo is continuing its commitment to regularly profiling and disclosing our emissions profile.

In FY22 we engaged a third-party provider to carry out an independent assessment of our direct emissions using the Primary Industries Climate Challenges Centre (PICCC) and University of Melbourne's Greenhouse Accounting Framework for Australian Beef production and Feedlots, coupled with the National Greenhouse and Energy Reporting (NGER) Determination.

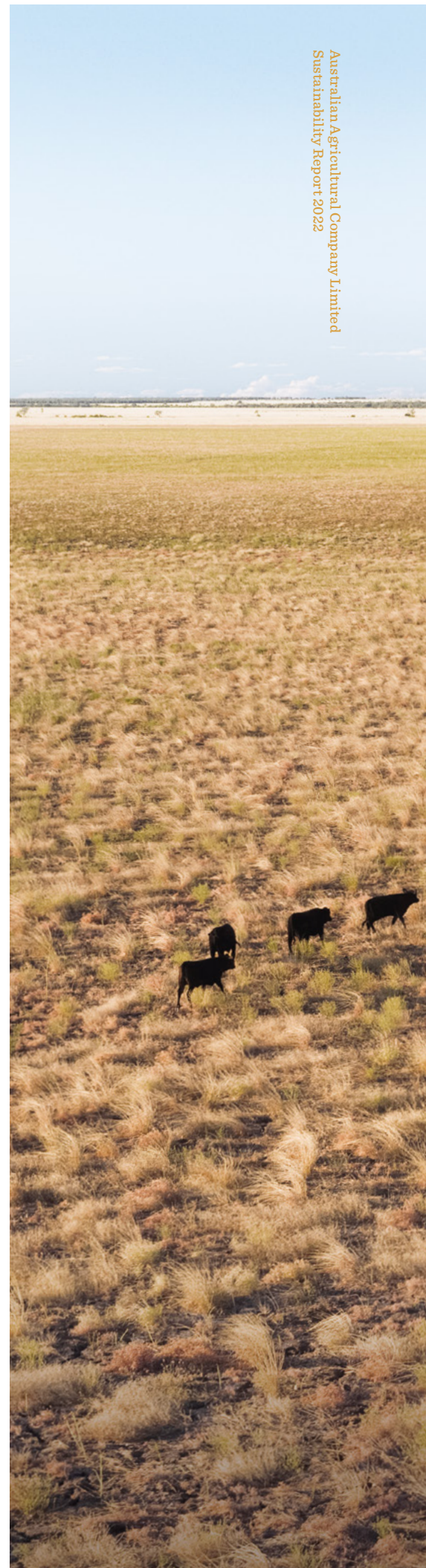
This assessment considered all scope 1 and 2 emissions produced by AACo in breeding, rearing, and feedlotting our cattle, farming activities and fossil fuels and electricity used across our operations including our Brisbane head office. It does not include third-party transport emissions or emissions produced by external grain production.

This year our scope 1 and 2 emissions were 514,875 tonnes CO₂-e with an emissions intensity of 9.7 kg CO₂-e/kg liveweight produced. Our emissions are directly influenced by a number of factors including changes in cattle numbers, fluctuations in seasonal conditions and changes in production approaches. Our overall emissions have increased on the previous year due primarily to an increased herd size as we rebuild emerging from drought. Our emissions intensity has improved on FY21 as a result of a combination

of an improved season and an improvement in practice across our operations including the adoption of our sustainable stocking model.

We are committed to increasing our sophistication in reporting our impact on climate, including expanding our emissions profiling to include our scope 3, upstream and downstream indirect emissions. This year we have initiated work with a third-party provider to map scope 3 emissions in our value chain, to enable estimation with an appropriate quantification methodology. This work will continue through the coming year, and we will report on our scope 3 emissions in future.

We have been measuring our emissions for several years, providing us with a baseline that takes in a range of seasonal conditions and operational approaches. As we gain a stronger understanding of the dynamics of our emissions profile and the factors that influence it, we will be better placed to begin to take effective action to reduce them. In the coming year we will deepen our analysis of our emissions profile by looking at the various sources of scope 1 and 2 emissions from our operations and connecting them more directly to the factors that influence them. This work will inform future strategies to better address our impact on climate.





YEM22 emissions breakdown

Enteric Fermentation 82.4%	Atmospheric Deposition 0.3%
Manure 13.5%	N2O - Crop Residues 0.3%
Diesel 2.5%	Other Fuels 0.5%
Grid Electricity 0.6%	

METRIC		MEASURE	2019 BENCHMARK	FY20	FY21	FY22 ¹
Herd size		Average Number of Head	427,905	346,085	339,846	382,010
GHG Inventory: Scope 1 and 2	Total	Tonnes CO ₂ -e	625,006	489,553	465,728	514,875
	Enteric fermentation (methane)	Tonnes CO ₂ -e	539,819	417,091	395,926	424,151
	Manure	Tonnes CO ₂ -e	57,462	51,757	51,300	69,387
	Fossil fuel consumption	Tonnes CO ₂ -e	21,917	15,471	13,354	15,401
	Grid power (non-renewable)	Tonnes CO ₂ -e	1,811	3,198	2,877	3,120
	Other source	Tonnes CO ₂ -e	3,997	2,036	2,271	2,816
GHG emissions intensity		Kg CO ₂ -e/kg liveweight gain	9.1	9.1	11.2	9.7

1. This year the Intergovernmental Panel on Climate Change (IPCC) has applied a 12% increase to methane conversion factors that should be considered when comparing values for enteric emissions and manure across years.

Valuing Nature

Pursuing Circularity.

We are fundamentally shifting from what has been historically a take, make and dispose mindset to an organisation that seeks avoid, reduce, reuse, and recycle while regenerating to reduce our environmental impact. We see significant potential in this space for us and our industry, to reduce waste and improve resource use efficiency, and to transform our view of the finite resources in our care.

To deliver on this we will focus on:

- **Reducing waste to landfill** – exploring opportunities to establish resource capture and reuse systems across our operations and in particular at remote sites, coupled with improving our efficiencies with product inputs and their packaging;
- **Low impact product packaging** – investigating opportunities to transition from single use plastics in our product packaging to biodegradable and recyclable alternatives that protect our product quality and integrity;
- **Improving water use efficiency** – Developing infrastructure and production practices in our stock

water and cropping systems that prevent water loss and release maximum value from water; and

- **Local and responsible procurement** – Improve our ability to source sustainably produced inputs from suppliers who share our values. Where possible source inputs locally, including producing more inputs internally.

A first step in pursuing a culture of circularity is defining what circularity means to us and gaining a good baseline understanding of our current performance against this definition. From this foundation we will identify those emerging opportunities for our business to take effective action.





Goonoo Circularity

Pursuing circularity is nothing new to the team at our Goonoo feedlot in Central Queensland. They have been building circularity into their practices for a number of years with initiatives such as harvesting and treating wastewater so that it can then be used in our farming operations onsite, making more from this precious resource.

At Goonoo we have been capturing organic streams on site such as manure, incorporating what was once a waste back into our soils along with a mix of healthy soil microbes, to build soil health and productivity. This has reduced our reliance on fertilisers and today, Goonoo farm produces fodder for our herd with minimal synthetic inputs like urea.

These and other circularity initiatives such as giving priority to local sourced grain are continuing to build the resilience of our Goonoo facility and we are extending these into a pilot to reach our full circularity potential at Goonoo feedlot. Looking to the future, we will draw on this pilot for tangible pathways to integrate circularity across our full supply chain.



Measuring Our Performance

AACo does not currently collect reporting data relevant to this theme, however we are committed to developing appropriate metrics to demonstrate our progress in reducing our waste, improving our water efficiency, reducing plastics in packaging, and improving our efforts towards capturing and reusing resources. We will develop and report on these metrics in future reports.

Valuing Nature

Regenerating Nature.

The quality of our product and ongoing health of our business is intrinsically linked to healthy and functioning ecosystems. We recognise our potential to play our part in regenerating biodiversity, building soil health and protecting key ecosystems in our care. This theme extends on the core initiatives and practices already embedded in our business including our sustainable stocking strategy and our long-standing best practice Rangelands Management program, to a more a holistic approach to our landscape with an aspiration of delivering products that contribute to a “Nature Positive” future.

We see regenerating nature through both a production and a conservation lens and this is reflected in our core focus for this theme:

- **Regenerative Agriculture Practice** – developing a dry tropics approach to regenerative grazing practices and incorporating regenerative practices into our farming practices to build on already strong biodiversity, soil and water assets within our production systems.
- **Nature Conservation** – protecting our high conservation value assets and building ecosystem resilience across our vast landscapes.

This year we have established a rotational grazing trial to better understand how regenerative

grazing practices can be adapted for application in dry tropics landscapes. We have also initiated trials on appropriately incorporating improved pastures to build landscape health, drive carbon sequestration and to deliver better production outcomes. We are also developing a program to build skills and capacity within our management team to incorporate new grazing practices within our long-standing sustainable grazing program.

Looking to the future, we will build a strong foundation of condition assessment which will be fundamental to mapping out a successful pathway to improving the health of the landscape and to drive growth in the value of our natural capital.



Commitment Update – Baselining and Accounting for Nature Partnership

We are custodians of vast tracts of land in the Northern Australian landscape. Enhancing natural capital makes sense commercially as well as being a key opportunity to play our part in addressing the global biodiversity decline. We are working alongside Accounting for Nature to develop a certifiable scientific framework to measure and report on the condition of natural capital, including biodiversity, across AACo's land assets by 2023. We will apply that framework to baseline priority assets by 2024. This year we have begun the work to identify our key priorities for this work and to identify high conservation value and production assets across our landscape from priority assessment. This will inform the work to develop the framework in the coming year.



TNFD and Nature Risk

AACo is supportive of the work of the Taskforce on Nature-related Financial Disclosures (TNFD) to develop and deliver a risk management and disclosure framework for reporting and action to address evolving nature-related risks, with the aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes. We see this framework as fundamental to achieving our aspirations of having a positive impact on nature.

In anticipation of the future release of the TNFD framework, we have begun work to position AACo for future alignment. Our commitment in November to partnering with Accounting for Nature to develop a framework to measure change in environmental and productivity condition is key to this. We have also initiated work on a preliminary nature risk analysis for our operations which will be completed in the coming year.

We are committed to staying abreast of the TNFD and other significant market developments and to continuing the work to mature our sophistication of analysis and reporting over time.



Measuring Our Performance

While AACo collects and uses significant datasets in relation to nature, these datasets do not support effective reporting on our management of nature. We are committed to developing appropriate metrics to demonstrate our progress and will develop and report on these metrics in future reports:

- **Nature Impact – Working with Accounting for Nature,** AACo is developing a framework for assessing environmental and productive condition scores for the key asset classes of soil, water vegetation and fauna. We will begin to report on the condition of these classes in future reports as the framework reaches maturity.
- **Herbicides, pesticides and fertilisers –** We recognise the importance to stakeholders of minimising the application of synthetic chemicals in the landscape. AACo complies with all legislative requirements in the application of chemicals to prevent environmental damage but seeks to reduce our reliance on these chemicals whenever possible. We record the use of these chemicals and are now developing a framework for appropriate reporting in future.
- **Groundwater withdrawals –** We are building our capacity to report on the use of groundwater in our operations. The upgrade of our bore network to solar with telemetry built in is key to this and once this work is complete, we will report against this metric.

METRIC	MEASURE	2019 BENCHMARK	FY21	FY22
Primary woodland or primary forest cleared for grazing purposes	Ha	0	0	0

Pillar 3:

Thriving Communities



Creating connection and opportunity for communities to thrive.

Thriving communities are critical for the health, resilience and fundamental future of our business. This encompasses not just the communities in which we operate, but communities we touch along our supply chain including partners, chefs and consumers.

This pillar will be realised through the creation of connection and opportunity for our people, the communities we touch and, critically, through active, co-developed partnerships with the First Nations communities we are connected to through a shared custodianship of land.

Through our *Thriving Communities* pillar, we are committing to taking Valuing People, contributing to Resilient Communities and forging First Nation partnerships.



Thriving Communities

Valuing People.

At the heart of our organisation is our most important asset, our people, and we believe in their profound potential. At AACo we are committed to creating a workplace where our people can develop, grow and be the best versions of themselves – a place where they feel safe and that no matter who they are, where they come from or what is personally important to them, they belong.

Our Sustainability Framework is building on the strong work we already do in valuing people, focusing on:

- **Supporting our people to be their best** – providing access to training, skills development and advanced education programs while providing diverse and dynamic opportunities that enable our people to build great and rewarding careers;
- **Creating an inclusive culture** – embedding a culture, practices and systems that provide for equal opportunity across all areas of our business, while supporting specific minority groups through the implementation of our Diversity and Inclusion Charter and Strategic Framework; and
- **Promoting a culture of care** – through everything we do, caring for our people, our animals and our environment, extending beyond safety into wellbeing.

This year our team has continued to build on its performance in valuing our people, focusing on development programs such as the Frontline Leaders Program and creating career pathways through succession planning, focusing on providing internal promotion opportunities for our people. We continue to improve our remuneration and benefit structures to address gender pay parity and we are now in a position to measure and then act on gender pay gaps in our company.

We are continuing to improve our safety records with reductions in lost time injury frequencies and an increase in near miss reporting, a critical component to prevent incidents in our workplace that demonstrates increased safety awareness across our team and a willingness to call out safety issues. We've introduced a new employee support program which has increased utilisation from our previous service, providing much needed support through difficult times such as the ongoing COVID-19 challenge.

In the coming year, we will develop an Employee Experience Strategy aimed at ensuring we provide the best environment for our people to thrive. A key focus will be establishing a Diversity and Inclusion committee, tasked with creating a diversity and inclusion roadmap and strategy with particular focus on gender and First Nations Peoples. We will also develop a Psychosocial Safety Framework to accelerate our care and wellbeing programs.



Measuring Our Performance

METRIC		MEASURE	2019 BENCHMARK	FY21	FY22
Lost Time Injury Frequency		Increase/ Decrease %	Not previously reported (NPR)	Decrease 25%	Decrease 10%
Near miss reporting rate		Increase/ Decrease %	NPR	Increase 40%	Increase 170%
Fatalities			0	0	0
Female representation in the workforce	On farms/stations	%	38%	38%	37%
	Feedlots	%	35%	32%	31%
	Corporate	%	40%	50%	53%
Female representation in leadership roles	People leaders	%	33%	25%	35%
	Leadership Team	%	33%	38%	32%
	Board Members	%	11%	11%	11%
Female appointments	New appointments	%	NPR	43%	45%
	Internal promotions/appointments	%	NPR	NPR	52%
Hire and turnover rates	New appointments	Number	NPR	NPR	245
	Internal promotions/appointments	Number	NPR	NPR	48
	Turnover rate	%	NPR	NPR	49% ¹
Learning and Development	Active traineeships	Number	14	75	84
	Completed traineeships	Number	20	34	82

1. The pastoral industry is one which relies heavily on a transient workforce. AACo employs a significant number of young people who come to our team for short term employment periods as “gap years” and the like. This results in a higher turnover rate as these people return to education after a short period of time with AACo.

Thriving Communities

First Nations Partnerships.

We acknowledge the intergenerational custodianship First Nations Peoples hold to the lands and waters which we rely upon for our business. In our responsibility as the current land holders and managers, we are committed to deepening our relationships with First Nations communities connected to the lands we steward and are moving towards genuine partnership.

Trust, commitment, and equity are key to strong foundations and authentic partnerships with First Nations Peoples. This is an important area we want to get right and in 2022 we started a process to strengthen our internal capability to align, build and set strong foundations. To date we have:

- Developed a baseline understanding of the First Nations communities connected to AACo properties, including legal interests such as Native Title and cultural heritage and reflecting on historical events and past relationships;
- Explored the interests, capabilities and relational strengths within AACo to support meaningful partnership opportunities; and

- Facilitated dialogue across all levels of the company to ensure there is internal alignment on what we want to achieve in First Nations partnerships within our sustainability strategy.

These internal building blocks will be integrated into a First Nations Partnership Strategy which will articulate opportunities for AACo to:

- Develop cultural capability to partner authentically with First Nations communities on shared aspirations;
- Partner with Traditional Owners and integrate traditional management practices and ecological knowledge into land and water stewardship;
- Explore partnership opportunities for on country enterprise with First Nations communities;
- Understand the capability building needs for First Nations Peoples to partner with us on the sustainability transition; and
- Create an implementation plan to operationalise the strategy.

This work will continue into the coming year, and we look forward to bringing you the results in our next Sustainability Report.





Real Jobs Program

The Real Jobs Program (RJP) places First Nations Peoples in employment in the land management, tourism and agribusiness sectors with the objective to provide practical training and build individual capacity in their chosen careers.

The program provides a three-week training regime for the participants prior to heading to station, teaching them basic station skills such as horse riding, motor bike riding, cattle handling skills and fencing. The training also works through personal development, assisting participants to transition into work, life and culture on a cattle station.

AACo is a proud support of the Real Jobs Program, currently hosting four participants on Brunette Downs Station in the Northern Territory, where they are gaining hands-on experience within our stock camps and are valued members of our station team.



Thriving Communities

Resilient Communities.

Actively engaging in community capacity is critical to our success. It means supporting our communities, building partnerships and working hand in hand with our suppliers and our customers to make sure that everyone in our value chain can thrive.

When we think of community, we naturally look to our peers in the pastoral industry. Living and working in some of the most remote parts of Australia brings unique challenges around creating community connection. Social connection is a core element of community resilience and we recognise its value in keeping our pastoral community strong and healthy. AACo is a significant and long-standing supporter of many local community Campdraft Associations that run events throughout the year that provide the opportunity for members of our industry to come together, socially connect and share our passion of stockmanship.

We also recognise the significant work of a number of key charities and not-for-profit organisations that play an essential role in supporting our remote communities through the unique challenges they face. AACo is a proud supporter of the Royal Flying Doctor Service, Dolly's Dream and Sober in the Country, to name just a few.

Looking to the future, we are working to define our role in the broader community beyond the pastoral industry and exploring what it means to be part of the fabric of community. As we grow and prosper, it's our intention to support the communities around us to grow and prosper too. We will explore opportunities for shared value, local sourcing and building community resilience networks. Our first focus is on those communities where we live and operate, and in the long-term extending into the communities we connect to throughout our global supply chain.



Supporting our Communities

DIVERSITY IN AGRICULTURE LEADERSHIP PROGRAM (DIALP)

DiALP is an annual program run by the National Farmers Federation that aims to foster and encourage females in the agriculture industry to develop their skills and progress to be future industry leaders. AACo is one of the founding partners of the program and a proud ongoing supporter.

NUFFIELD SCHOLARSHIP AND ZANDER McDONALD AWARD

Both the Nuffield Scholarship and the Zander McDonald Award are leading mentorship programs that tutor and develop future industry leaders. AACo was one of the first sponsors of the Nuffield Scholarship, and this year proudly supported the Zander McDonald award.

ISOLATED CHILDREN PARENT'S ASSOCIATION

AACo sponsors both the federal and state-based conferences for the Isolated Children Parent's Association. This is an especially important association for AACo, with many of our families living in remote areas on our stations.

ROYAL FLYING DOCTOR SERVICE (RFDS)

The RFDS is one of the largest aeromedical organisations in the world, providing extensive primary health care and 24-hour emergency service to people that live, work and travel across remote areas of Australia. The RFDS is a preferred AACo charity and we support their vital services through a number of station-based fund raising events and other fundraising activities throughout the year.



DOLLY'S DREAM/ DO IT FOR DOLLY DAY

Dolly's Dream is charity committed to addressing the impact of bullying, anxiety, depression and youth suicide, through education and direct support to young people and families. Dolly's Dream is another AACo preferred charity and each year our staff raise many thousands of dollars to go to this foundation.

this important program and charity, regularly contributing time, money and raising awareness for the cause.

INDUSTRY EVENTS

Each year AACo supports various industry events, all of which help promote the industry and keep it growing. This includes a major sponsorship of the Northern Territory Cattleman's Association conference. We also support the fundraising events of other organisations, where they align with our values and our work, including the Morgans Big Dry Friday lunch, raising money for drought relief in agriculture.

SOBER IN THE COUNTRY (SiTC)

SiTC is a grassroots rural charity, changing the conversation around alcohol and leading radical social impact and change across rural and remote communities through its #OK2SAYNO campaign. AACo has built a strong and personal connection with SiTC and is a consistent supporter of

Thank you for joining us for
another significant step in our
sustainability journey...

Please, walk with us.





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