



About this Report

Reporting scope

This report covers key activities for the 12-month period ending on 31 March 2024. It should be read in conjunction with previous AACo Sustainability Updates and Reports, as well as past Annual Reports, since some statements may refer to content detailed in those documents. Statements made in the introductory sections may be further elaborated on later in this report. For a comprehensive understanding of AACo's financial performance and related climate risk disclosures, please refer to the AACo FY24 Annual Report.

In this report, the terms 'Australian Agricultural Company', 'AACo', 'our business', 'organisation', 'we', and 'our' refer to Australian Agricultural Company Limited and its controlled entities, unless otherwise stated.

The term 'material' is used within this document to describe topics for voluntary sustainability reporting which we consider to be important in terms of stakeholder interest and potential business impact. This differs to the definition of materiality for the purposes of our financial statements, as defined by accounting standards.

The terms 'Sustainability' and 'ESG' are used throughout this report. Sustainability is the term we use to refer to a broad principle influencing our business ethos and practices, whereas we use the term ESG to refer to our measurable performance across environmental, social and governance topics.

'Nature positive' is a term we use to refer to business actions that aim to enhance the health and functionality of species and ecosystems within our operations. This means striving towards a state of nature which is healthier and more resilient compared to the current state.

'Natural Capital' is a collective term to describe the stocks of natural assets which include soil, water, carbon and biodiversity which can generate economic value.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021 and the GRI 13: Agriculture, Aquaculture and Fishing Sector Standards 2022, and the

Taskforce for Climate-Related Financial Disclosures (TCFD) Framework.

KPMG has provided limited assurance in respect to our emissions analysis, climate risk assessment, governance and TCFD disclosures within this report. A copy of KPMG's independent limited assurance report is on pages 46 to 48.

Forward-looking statements

This report contains statements that are, or may be deemed to be 'forward-looking statements' which are prospective in nature including in relation to climatic conditions, market conditions, strategy and business operations, and risk management practices. Such statements may be identified using terminology such as 'outlook', 'plans', 'expects' or 'does not expect', 'is expected', 'continues', 'assumes', 'is subject to', 'scheduled', 'estimates', 'aims', 'intends', 'forecasts', 'risks', 'positioned', 'predicts', 'anticipates' or 'does not anticipate', or 'believes'. These statements are based on AACo's current knowledge and assumptions.

Readers should exercise caution and not place undue reliance on forward-looking statements and scenarios described in this report. By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond AACo's control, and are not guarantees of future performance. AACo does not provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Unless otherwise required by law, AACo is not under any obligation to update or revise any forward-looking statements, and expressly disclaims any intention, obligation or undertaking to do so.

Feedback

We welcome your feedback on this report. Additionally, for anyone seeking to use information from this Sustainability Report, please contact us at ir@aaco.com.au.



Acknowledgement of country

AACo wishes to acknowledge the Traditional Custodians of land throughout Australia on which we work, live and play, and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging, and extend that respect to all First Nations Peoples.



Welcome to AACo’s FY24 Sustainability Report, our fifth annual account of sustainability. This report signifies our continued commitment to providing stakeholders with transparent information about our actions taken in line with the AACo Sustainability Framework. It covers management activities and progress related to environmental, social, economic and governance topics.

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Message from the CEO

We have a desire to leave our company in a better position tomorrow than it is in today across all aspects of our operations.



David Harris

Managing Director and CEO
Australian Agricultural
Company Limited

I'm pleased to share an update with you on Australian Agricultural Company Limited's FY24 sustainability initiatives.

Australian Agricultural Company celebrates its 200th year of continuous operation in 2024. It's a milestone that no other Australian company has achieved, and it gives us a unique opportunity to reflect on where we've come from and all that has happened during that time.

Perhaps more importantly though, it's also a chance to consider where we want to be in the coming years. History's significance largely lies in what it teaches us about today and how it points to where we are going tomorrow and beyond.

That is our focus. In fact, it's the entire sentiment behind our company purpose: *Evolving together to benefit future generations*. We have a desire to leave our company in a better position tomorrow than it is in today across all aspects of our operations.

As we've said before, AACo takes a broad view of sustainability. We seek opportunities in our cattle production system to work with the natural assets we manage and generate positive returns for our production system.

Our cattle operations span over 6.5 million hectares of land and the focus is not just *what* we are doing, but also *how* we are doing it. Through how we operate we can be part of the solution to addressing nature related challenges in ways outlined in this and previous reports, which can lead to a positive impact on climate.

Many of the technologies to address climate concerns and emissions are still in a research and development phase and AACo is taking an active role in this work.

For example, our world-first Asparagopsis trial in longfed cattle was finalised earlier this year, with the results publicised at the time.

While the trial raised a number of important questions, it was a positive first step and gives the science more direction as we look for solutions to the methane challenge.

With that trial completed, AACo also began a range of other trials, with a focus on the greater challenge – how to administer feed additives to grazing cattle. AACo's largest property is more than 12,000 square kilometres in size, about the size of greater Sydney, and cattle graze in an effectively wild and natural environment. Feedlots are controlled, but the aim of a grazing environment is, as much as anything, to remove control and to have cattle raised in conditions as close to nature as possible, with the intention of creating the happiest and healthiest outcome for them. That presents challenges when it comes to administering technology like this at scale and our trial work is aiming to overcome some of these barriers.

Those trials are part of a broad program of work that we have pursued over the past 12 months, as our sustainability program continues to evolve and accelerate.

We have looked across our entire landscape at where we can improve biodiversity and our natural assets and mapped out the most significant opportunities to target first. We are investing in carbon projects and developing technology that will estimate landscape carbon at scale. We're innovating and collaborating with global partners to accelerate certain sustainable technologies and advance the methods available to make these commercially viable. We're investigating alternate uses for our vast landscapes and potential avenues to mitigate our impact on climate.

Other programs of work continue in a business-as-usual fashion, including our Sustainable Stocking Model and another year of the Beef Cattle Herd Management Program, which aims to reduce emissions through improving efficiencies as outlined in previous reports. Our solar bore transition which we began in FY21 is almost complete as well, and through the replacement of diesel bores, will save thousands of tonnes of carbon from entering the atmosphere each year over the lifetime of these bores.

As well as our own growing program of work, AACo has been actively involved in the increased activity at a policy and legislative level in our different jurisdictions. The federal government, in particular, has pursued a number of initiatives, including passing Nature Repair legislation, consulting on mandatory climate disclosure laws and beginning to build a sector-wide plan for agriculture and land that aims to help decarbonise the industry.

AACo's size, scale and role within our industry means we can contribute to shaping the development of legislation in ways we believe are effective for industry.

Market access remains an important consideration and we are also mindful of international instruments that progressed through the year in this regard, including the EU Deforestation Regulations. These regulations will come into effect in FY25, and we are engaged in the conversations around their implementation in Australia.

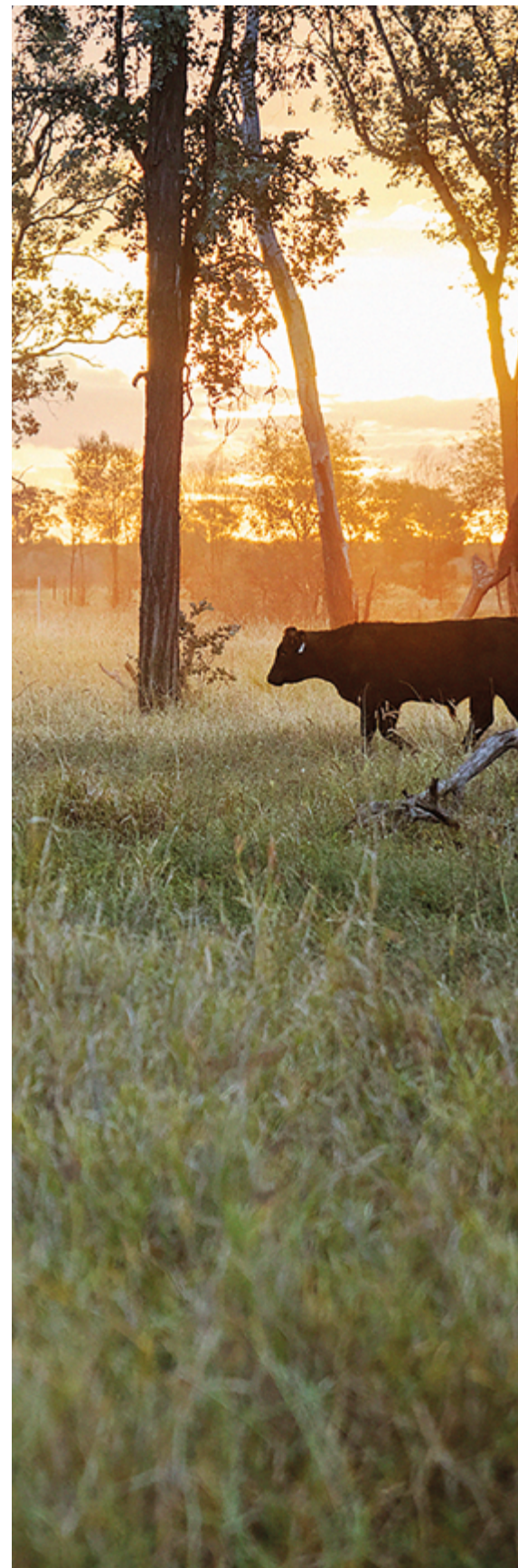
We appreciate your interest in AACo. Some of you have been following our company with interest for many decades, while others are only new to what we are doing. Regardless of when you joined our journey, we are happy to have your support.

Yours sincerely



David Harris

Managing Director & CEO
Australian Agricultural
Company Limited



Welcome to our FY24 Sustainability Report

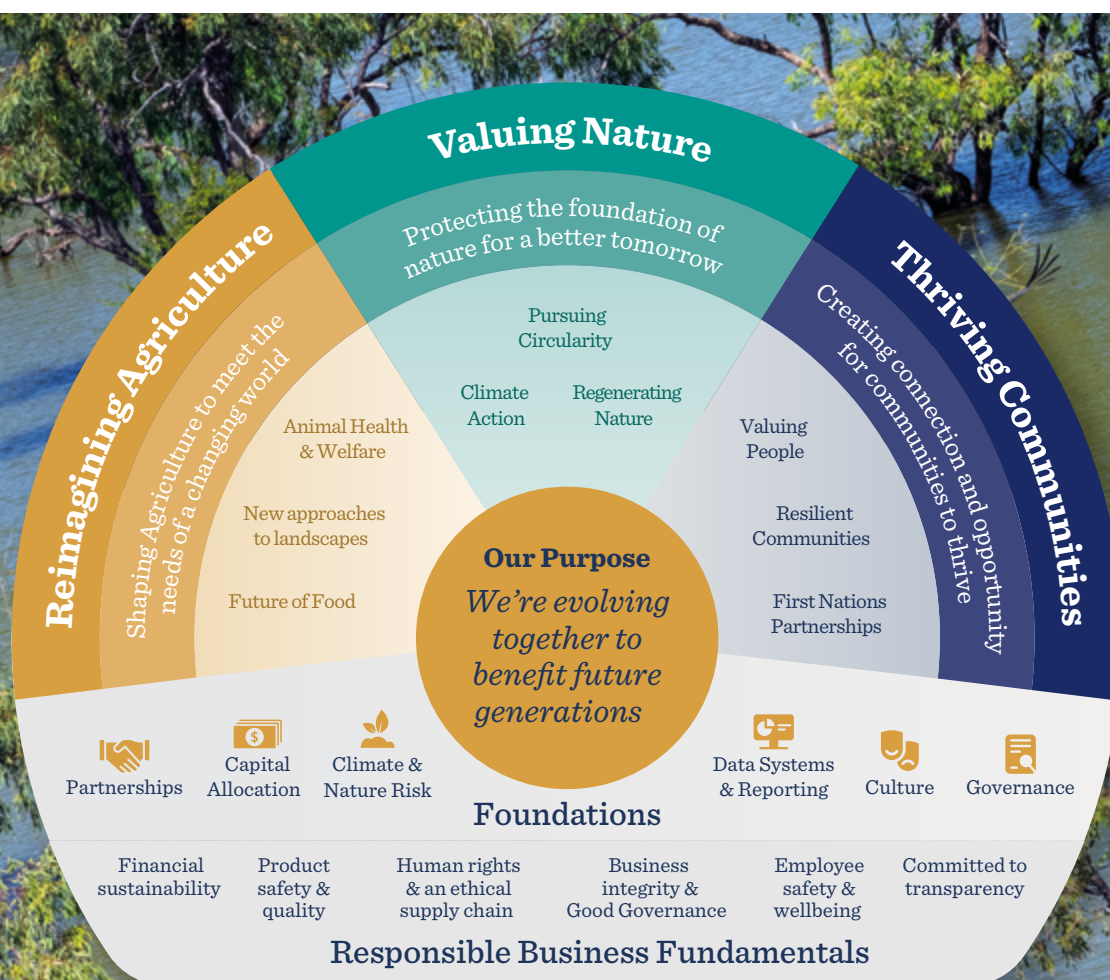
This is our fifth sustainability report, and the third since releasing our Sustainability Framework in 2021 which you can find outlined in our FY22 report.

Our Sustainability Framework is the blueprint for action which guides us as we navigate the challenges and reach for the opportunities ahead of us.

Our Sustainability Framework continues to support us to build on the long-standing practices outlined in previous reports that form the basis of sustainability in our business and is enabling us to redefine the future of agriculture based on a strong foundation of nature. With the support of valued partnerships we have built with some of the brightest minds in the global conversation on sustainable food production, we are seeking to contribute to a nature positive future.

This year we have deepened our focus on the three pillars of our Sustainability Framework: Reimagining Agriculture, Valuing Nature, and Thriving Communities. This report brings you a review of the tangible progress we have made this year, along with some of the challenges we have faced.

We are accelerating our capacity in innovation and research and development to define the Future of Food, a theme within the Reimagining Agriculture pillar of our Sustainability Framework.



We continue to strive for the continuous improvement in animal wellbeing led by our Animal Health and Welfare (AHW) Committee.

Our Rangelands and Nature Team is growing our understanding of the nature in our care through the delivery of our commitment to adopt the Accounting for Nature (AfN) framework, made in our FY22 report, while our investment in the Zero Net Emissions Ag Cooperative Research Centre (CRC) is supporting our commitment regarding Climate Action.

We're continuing to invest in our people through the launch of our *Extraordinary is Calling* employee value proposition. We've continued our close relationship with iconic charities in remote Australia and are exploring carefully how we can support First Nations People with whom we share custodianship to build economic prosperity.

We see so much potential for a nature positive future ahead and see possibilities for us to drive positive change through our business, industry and communities to help deliver better nature outcomes for future generations.

Reimagining Agriculture

We recognise that there are opportunities to meet increasing consumer demand for sustainably produced food from finite resources. Our history and the craft that we have shaped over 200 years remains the foundation of what we do while we look to the future of agriculture, carefully creating and embracing the opportunities this will bring. We are exploring where there might be potential opportunities within our land holdings for products and services beyond food, including possibilities in fibre, energy, natural capital and more.

Valuing Nature

Because nature is fundamental to our business, we are taking climate action through targeted investment in technologies and production efficiencies and working to regenerate nature to protect and enhance key ecosystems in our care. 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 improving the health of the natural assets held within our estate.

Thriving Communities

Thriving communities are critical for the health, resilience and future of our business. This encompasses not just the communities where we operate, but communities we touch along our full supply chain including partners, chefs and consumers. We are continuing to create connection and opportunity for our people and the communities we touch.



Reimagining Agriculture

Shaping Agriculture to *meet the needs of a changing world.*

Our industry is facing some of the most significant challenges of our times: climate change, biodiversity decline, population growth, and changing expectations throughout society. But where there is challenge, we also see opportunity.

The Future of Food

Society globally is growing and changing, driving the dynamics of the Future of Food. At AACo, we continue to develop our innovation capacity and build on our research and development capabilities to contribute to the transition to future food systems at scale, with the aim of meeting consumer demand for sustainably produced food from finite resources. We are working closer than ever with our customers to understand their changing needs and we are exploring new opportunities within our product portfolio to diversify, innovate and capture additional value.

Commitment update – Wylarah Institute

We see an opportunity to improve food and agriculture systems in a way that can positively impact future generations. When we released our Sustainability Framework, we announced a commitment to develop 'The Wylarah Institute' to drive adoption and commercialisation of innovative science and practices in the agricultural industry. As our business and the innovation landscape have evolved, we have determined not to proceed with the establishment of the Wylarah Institute and will instead focus on multiple initiatives as a means of amplifying our potential impact.

During the past year this has included committing to the Zero Net Emissions Agriculture CRC as a Tier 1 Partner as well as hosting thought leadership forums to identify the critical areas to drive long term sustainability in food and agricultural systems. We will continue to develop this program and explore further opportunities to partner and invest in innovation over the next 12 months.

Year in review

Innovation and R&D

We continue to mature our capacity and culture in Innovation and Research and Development (R&D) within the business, with the AACo Innovation Steering Committee (ISC) overseeing the innovation investment decision making process. This year we have established governance infrastructure to support innovation investment decision making, including our Innovation Funnel framework. This is helping us to drive change across multiple facets of our business and ensuring we invest strategically in future-facing food production.

Production efficiency

This year we have completed an in-field trial of an innovative process that allows us to deliver the right balance of males and females through our breeding program.

The technology is able to effectively “sort” the semen from our bulls in a lab into sexed groups of male and female. Being able to deliver the right balance of

animals that are fit for their purpose in our breeding program will increase the efficiency of our production, improve our quality outcomes and as a result, reduce our emissions footprint.

Value-added portfolio

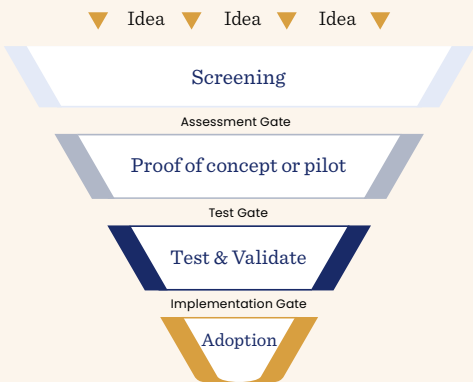
We continued to explore opportunities in our value-added portfolio in FY24, trialling a new product line, grass fed wagyu, as well as two value-added products. These ongoing trials reflect our focus and ambition on core product diversification which enables more flexibility within our business and helps us to meet the demands of new and existing customers.

Food safety

In FY24 we upheld our commitment to product quality and food safety, achieving zero product recalls for food safety reasons and zero market bans for another consecutive year. This remains a primary focus for our business, and we work closely with third parties to ensure compliance with governmental and regulatory requirements.

Innovation funnel

Applying the Innovation Funnel to investment decision making, the Innovation Steering Committee has identified and assessed solutions to help solve for real challenges across key areas of opportunity for our business. It has assessed 83 concepts and guided investment into 12 high priority R&D projects. These investments will help us to deliver innovation in food production.



New Approaches to Landscapes

Our future view of agriculture is opening new opportunities for generating value from the land; climate warming mitigation, biodiversity conservation, and renewable energy generation are just a few. We are thinking beyond traditional agricultural systems and taking New Approaches to Landscapes, by looking through a different lens of possibility. We continue to explore our opportunity to utilise land to its highest potential value, coupling food production with generating additional value from our natural assets.

Year in review

Natural Capital markets

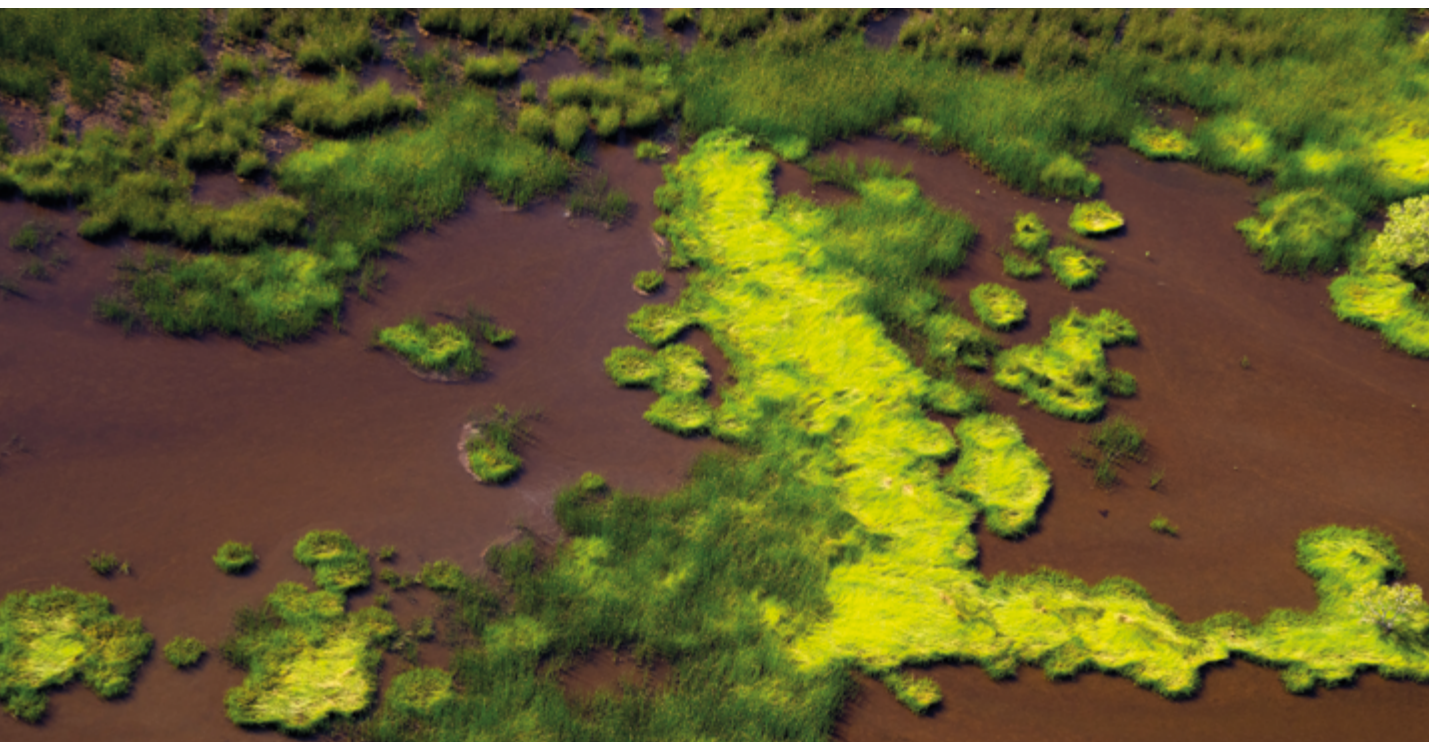
Emerging opportunities in biodiversity markets continued to grow this year with the notable development of the Nature Repair Act passing in the Australian Parliament in December. The Bill paves the way for a regulated biodiversity market in Australia which is anticipated

to be established in alignment with the existing regulated carbon market in the coming years. We have continued to engage in consultation across the sector in this space and continue to scope potential projects within the AACo estate in anticipation of the market being established.

We also continued to actively explore private biodiversity and natural capital markets this year. While these avenues show some promise, it will be some time before they mature with high integrity.

Diversifying land use

Within our land asset base, we have identified some promising opportunities for diversification of land use, focusing on opportunities with the potential to lead to, directly or indirectly, better outcomes for nature. We are undertaking feasibility assessments in areas such as plantings on historically cleared land for agroforestry, alternative sustainable fibres, and regenerative horticulture practices. Each of these approaches couple productivity outcomes with carbon sequestration and biodiversity enhancement.





In Focus

Nature Repair Market fauna surveys

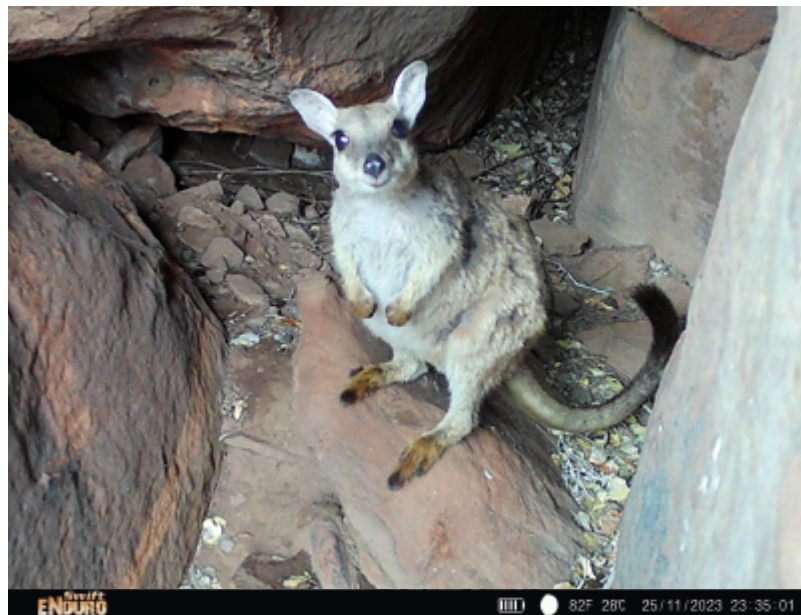
In preparation for the anticipated launch of the Nature Repair Market, our Rangelands and Nature Team has been undertaking studies to identify critical habitats for some of the 12 key fauna species in our estate that may form projects for this emerging biodiversity market. This year we have purchased a fleet of camera traps and undertaken training for the team to effectively deploy the devices and collect data for detecting fauna species in the landscape.

We have begun the work in partnership with ecologists from the Bush Heritage Australia team, by undertaking field surveys using the camera traps in conjunction with several other techniques, to determine the presence of both the Purple-crowned Fairy-wren and the Northern Spotted Quoll in key locations on one of our Victoria River District properties. Over time we plan to expand this work over other areas of potential key fauna habitat.

The work has produced our first set of fauna data and is just the starting point of what we plan to build into a broader knowledge base on fauna in the northern grazing estate by deploying this technology in key

potential habitats. When deployed, the camera traps are able to detect movement and capture time-stamped images of animals in their natural habitat. They produce a significant volume of imagery which is then processed through AI technology which rapidly automates the identification of the species captured and records this in a database.

We expect this data, which previously did not exist, will assist us in identifying key ecosystems for projects under the Nature Repair Market. This will also be used to help assess and define new approaches for protecting fauna on our properties.



Data to support landscape-scale decisions

Our ongoing partnership with Cibo Labs which we have outlined in previous reports has continued this year as we mature our understanding and application of the Landscape Response Units data described in the FY23 report. We are now refining the land condition assessment analysis unlocked by this product and have been validating the data across our estate.

Exploring Nature Frameworks

We have continued to assess options to measure and record natural capital metrics to meet the demand for increased transparency on nature-related impacts, risks, and opportunities. This is being informed by frameworks and tools including insights from the Taskforce for Nature-related Financial Disclosures (TNFD) Framework, Climateworks Centre Natural Capital Measurement Catalogue¹, and Accounting for Nature (AfN), to name a few.

1 More detail on the Climateworks Natural Capital Catalogue can be found at www.climateworkscentre.org/resource/natural-capital-measurement-catalogue/

Animal Health and Welfare

Providing care to our animals is part of who we are and our expertise in Animal Health and Welfare is something our people are immensely proud of. High quality practices for animal care are embedded in our operations. Moving forward, we are looking at new ways to measure and communicate our success. Innovation and emerging technologies will provide new opportunities for us to further elevate our performance.

Year in review

AHW Committee

Our focus on animal health and welfare (AHW) at AACo is led by our AHW Committee which oversees practices in our day-to-day operations and drives the focus on continuous improvement in welfare outcomes for our animals. The Committee is chaired by our Executive General Manager for Pastoral Operations and includes subject matter experts from the key areas of AACo operations, research and development and sustainability. This year the committee has centred its actions on three core workstreams under a new strategy: Innovation, Operational Excellence and Sustainable Imperative.

Innovation in AHW

This year our innovation workstream has made significant advances in delivering our polled (animals that are naturally born horn free) program, a significant part of our welfare improvement approach at AACo. This year our first line of Wagyu polled bulls have been introduced into the commercial herd and were joined to 1,000 polled females. This is a significant achievement given the rarity of the polled gene in the Wagyu herd and is a major step in reducing the need for surgical intervention in our animals.

We have been undertaking trials in improving strategies for weaner management including refining nutritional management through

a feeding trial and improving our backgrounding protocols.

We have also delivered a range of other practice improvements across the business including research in health management and disease prevention, improving our biosecurity protocols and upgrading animal health infrastructure within the business.

Operational excellence

Through our Operational Excellence workstream, we have extended our safety reporting and response system from our people to our cattle, enabling incident and near miss reporting on animal welfare in our operations. This helps us to take proactive actions, leveraging knowledge from near miss reporting to act and improve the safety and wellbeing of our animals.

We are continuing to build animal wellbeing capabilities in our operations team through training forums where animal wellbeing is a key topic. At our Frontline Leaders forum, which brings together upwards of 50 key operational staff, we have been able to communicate animal wellbeing values from the bottom up. Through our various manager-based forums, bringing together station managers, feedlot managers and operational managers, we have reinforced communications, improvements, and accountability from the top down.

We are continuing to run dedicated biosecurity training programs with employees. In collaboration with local

government and industry, the training sessions focus on Foot and Mouth Disease (FMD) and Lumpy Skin Disease (LSD). In FY24 we ran sessions at Canobie, Camfield, and La Belle Stations, and will continue to extend this program in the coming year.

Sustainability imperative

Through our Sustainability workstream, we updated our internal Animal Health and Welfare Policy and reviewed the Standard Operating Procedures that support the operational implementation of the Policy. The objective of this Policy is to assist in fostering positive animal outcomes and to minimise where possible negative animal health and welfare impacts. In addition, we implemented an internal review of compliance with AHW standards across all locations to test the integrity of our programs.



In Focus

Low stress stock handling

Low Stress Stock Handling (LSSH) places an emphasis on mutually beneficial outcomes for people and livestock. The foundations are based on basic animal instincts which explain why they behave the way they do, and the basic principles on how to interact with animals using these natural instincts to produce low stress outcomes. LSSH can lead to improved productivity and quality, as well as higher economic returns. In FY24 we held several LSSH schools across our operations, including at South Galway Station, Eva Downs Station, Anthony Lagoon Station and Brunette Downs Station.



External assurance programs

Australia holds itself to a high standard of animal welfare. There are several industry assurance programs which provide accreditation of animal welfare practices on our farms, in our feedlots, and indirectly, in our supply chain.

AACo and our relevant third-party providers were independently assessed and found compliant with these accreditation systems in FY24. Full accreditation and pass rate results are disclosed in the Sustainability Metrics table in the appendix.

Livestock Production Assurance (LPA)

Livestock Production Assurance (LPA) is an independently audited, quality assurance program. To achieve annual LPA accreditation, producers must adhere to specific on-farm management practices, including AHW standards. Qualified auditors from AUS-MEAT conduct the LPA on-farm audits.

National Feedlot Accreditation Scheme (NFAS)

National Feedlot Accreditation Scheme (NFAS) is an independently audited quality assurance scheme for beef cattle feedlots. The NFAS was initiated

by the Australian Lot Feeder's Association (ALFA) and ensures that accredited feedlots are audited annually for compliance to food safety, product integrity, environment and animal welfare, industry, and legislative requirements

Australian Livestock Processing Industry Animal Welfare Certification System

Australian Livestock Processing Industry Animal Welfare Certification System is an independently audited certification program used by Australian livestock processors to demonstrate compliance with the industry best practice animal welfare standards titled the 'Industry Animal Welfare Standards for Livestock Processing Establishments Preparing Meat for Human Consumption'. It covers all animal welfare activities at a participating livestock processing establishment.

Exporter Supply Chain Assurance System (ESCAS)

Exporter Supply Chain Assurance System (ESCAS) places the responsibility on Australian exporters to maintain control and ensure measurable animal welfare outcomes in-market.

Commitment update – AHW certification

In 2021 we announced a commitment to develop an internationally recognised Animal Health & Welfare (AHW) certification framework for extensive beef production in northern rangelands. The premise for this commitment was that there is no evidence based, third-party certification system which has the capabilities to assess and provide certification of animal welfare credentials specific to Northern Australia's beef production systems.

There are several global animal welfare frameworks which serve a similar purpose. However, when applied in the Northern Australian context, those frameworks' criteria do not adequately cover the unique nature of extensive grazing systems. A framework that works for our context is important to ensure the beef industry maintains and enhances market access, is supported in driving higher levels of performance, and to provide a vehicle to elevate best practice stories and achievements to our customers.

While we are yet to solve this challenge, in FY24 we continued to explore our options to develop a solution to address this need. We have broadened our partnership group which includes other pastoral producers in Northern Australia, to include the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Australia's national science agency, which has carried out extensive research in defining and measuring animal wellbeing.

Valuing Nature

Protecting the foundation of nature *for a better tomorrow.*

With a 200-year history connected to the land, at AACo we have an innate understanding of the Value of Nature, not only to our business, but to all of us – now and for future generations. Because nature is fundamental to our success, we are continuing to take climate action, pursuing circularity across our operations and, critically, pursuing opportunities to regenerate nature to protect and enhance key ecosystems in our care.



In Focus

Announcing our Commitment to the ZNE Ag CRC

The ZNE Ag CRC was launched this year with investment coming from the Australian Government, universities, technology companies, private business and producers from across the Australian agricultural industry. The CRC represents a significant step forward in unlocking potential in the agriculture sector to contribute to climate solutions while producing food and fibre for future generations.

With the vision of “Exceeding emissions reduction targets, growing market access and creating industry value”, the ZNE Ag CRC aims to ensure that Australia’s agriculture industry

continues to grow while it contributes to achieving and ultimately exceeding national and global targets for emissions reduction for the sector:

“Emissions reduction is often seen as a cost burden that creates a trade off against economic imperatives that drive productivity, profitability, growth and asset building – perceived as a win-lose situation.

The ZNE-Ag CRC Win-Win approach, however, will harness and coordinate opportunities to create win-win through rapid research, development and adoption of science and technology-led solutions, driven by our industry and government partners.”
Sourced from the ZNE Ag CRC website

The ZNE Ag CRC has identified four key areas of focus for its research programs:

- Low-emissions plant solutions
- Towards methane-free cattle and sheep
- Whole-farm and mixed enterprise systems analysis; and
- Delivering Value from Net Zero

AACo has signed up to the CRC as a Tier-1 Partner, the highest level of investment in the CRC structure. This is a 10-year commitment of \$3 million in funds along with in-kind contributions including access to our supply chain, with the intention that AACo can help deliver research projects and use its supply chain assets to incubate climate smart technologies.

Climate Action

There is potential within our landscape and our operations to contribute to a meaningful, positive change for climate. We are continuing to focus on four core elements: greenhouse gas efficiency in our operations; our transition to renewable energy; carbon sequestration in our landscape; and tackling our methane emissions head on.

Year in review

Investing in research

This year AACo has invested as a Tier 1 partner in the newly established Zero Net Emissions Ag Cooperative Research Centre (ZNE Ag CRC). We will contribute \$300,000 per year in addition to in-kind resources over 10 years to actively contribute to research that aims to support the Australian agricultural industry to transition to net-zero, healthy, resilient, and profitable food systems by 2040.

Tackling methane

We are continuing our commitment to directly tackle methane emissions and addressing the key technical challenges we face: the ability to reliably quantify animal intake of mitigants, quantification of emissions reductions in extensive grazing systems and, significantly, the ability to reliably deliver mitigants in extensive grazing systems. This year we have undertaken an internal grazing field trial with Bovear looking at individual animal intake and we have a number of additional methane trials in the pipeline. In future we will transition these projects into the ZNE Ag CRC.

In addition to the significant technical challenges to reducing methane in cattle, there are economic barriers to adoption of emerging technologies. We are exploring opportunities to work with key partners within our value chain to share the costs and benefits of methane abatement.

Carbon sequestration

Our ability to draw down carbon into our landscape is a key emerging capability for AACo with an extensive grazing estate spanning across 6.5 million hectares. While our scale presents significant opportunities to deliver large-scale nature-based carbon sequestration projects, it also comes with its challenges as outlined in previous reports. This year we have focused on identifying the lowest risk, highest return opportunities in our estate. We are undertaking feasibility assessments on several high potential carbon sequestration projects through soil carbon and vegetation methods, while continuing to explore the next horizon of opportunities.

We have continued work with our partners on the Landscape Carbon by Satellite Project described in previous reports, completing the second year of works which included key achievements of increasing our soil sample set to 1,653 cores, collecting additional drone and site data and refining analysis and model calibration. Importantly, the project has delivered its first view of the potential final product with a plan for completion in calendar year 2025.

Driving emissions efficiency

In 2023 we entered our fourth year of the Beef Cattle Herd Management (BCHM) Project. Part of the Australian Carbon Credit Unit (ACCU) Scheme, the BCHM aims to reduce the emissions intensity of pasture-fed beef cattle. The project generates ACCUs for altering management practices within the livestock herd which lead to emissions reductions. Some of the practices included in the project this year included improved feed quality through fodder crops and more water points as well as improved reproduction management.

Advancing emissions accounting

In FY24 we worked closely with an agricultural and environmental consultancy to deepen our knowledge of scope 1, 2, and 3 GHG emissions in our operations and supply chain, including a better understanding of the scientific drivers behind livestock emissions. This work has assisted in addressing the challenges identified in previous accounting processes and brings a significant improvement to this analysis which is leading to more accurate GHG reporting. This work is supporting the identification of operational levers to manage these emissions and is expected to lay the foundations for target setting and further support emissions reduction strategies.

Having a clear understanding of our product carbon footprint is an essential component to understanding the opportunities for efficiency improvements. In the past we have measured our emissions intensity through a coarse process of assessing the kilograms of scope 1 and 2 emissions we produce annually against the kilograms of beef we produce annually. This year we made significant improvements to this analysis, undertaking a full product lifecycle footprint assessment from breeding and growing to feedlot, through processing and finally, landed in market as a branded beef product, including scope 1, 2 and 3 emission sources. This analysis has provided significant insight into our performance as a business and is assisting us to identify potential areas for improvement. For more, refer to the detailed GHG Emissions Inventory discussion further in this section.

Climate Action

Commitment update – Landscape carbon by satellite

FY24 has seen the successful completion of the second year of our Rangelands Carbon by Satellite Project, with one year remaining ahead of us. We have worked with our project partners, Food Agility CRC, Cibo Labs, FLINTpro, Carbon Link, Charles Sturt University, University of Technology Sydney and Federation University to deliver some significant outcomes this year.

Following a second round of targeted field sampling in 2023, we have now compiled the most comprehensive dataset available on landscape carbon in northern Australian Rangelands, consisting of over 1,650 soil cores from across the AACo estate, coupled with high resolution drone and satellite remote sensing data and on ground vegetation assessments. This is by far, the most extensive study of its kind in northern Australia to date.

With this data, supported by intensive analysis and a sophisticated integrated model, the project team has been able to deliver our first view of how the final product may perform. The tool draws upon process models, empirical models and machine learning models to deliver an understanding of carbon in the landscape and how this changes over time, delivering estimates of carbon in soil down to 1.5 metres, as well as in pasture and woody biomass. We're also employing machine learning to understand the effects of independent soil characteristics on soil carbon. The tool also enables us to forecast changes in carbon as a result of management intervention.

In addition to looking directly at carbon in the landscape, we've been improving our understanding of the material risks

and threats that could reverse carbon stores. We are continuing to build tools that aim to support risk assessments and identify where management intervention is needed to protect carbon stocks in the landscape.

While there are a number of other carbon models in use, the integrated model we are developing has applied a robust scientific methodology and is validated by a rich field dataset that has previously been unavailable. We expect the integrated model to enable us to deliver more reliable carbon estimates complete with a statement of confidence level, which is critical to entering high integrity, high value carbon markets and employing carbon estimates in emissions insetting accounting processes.



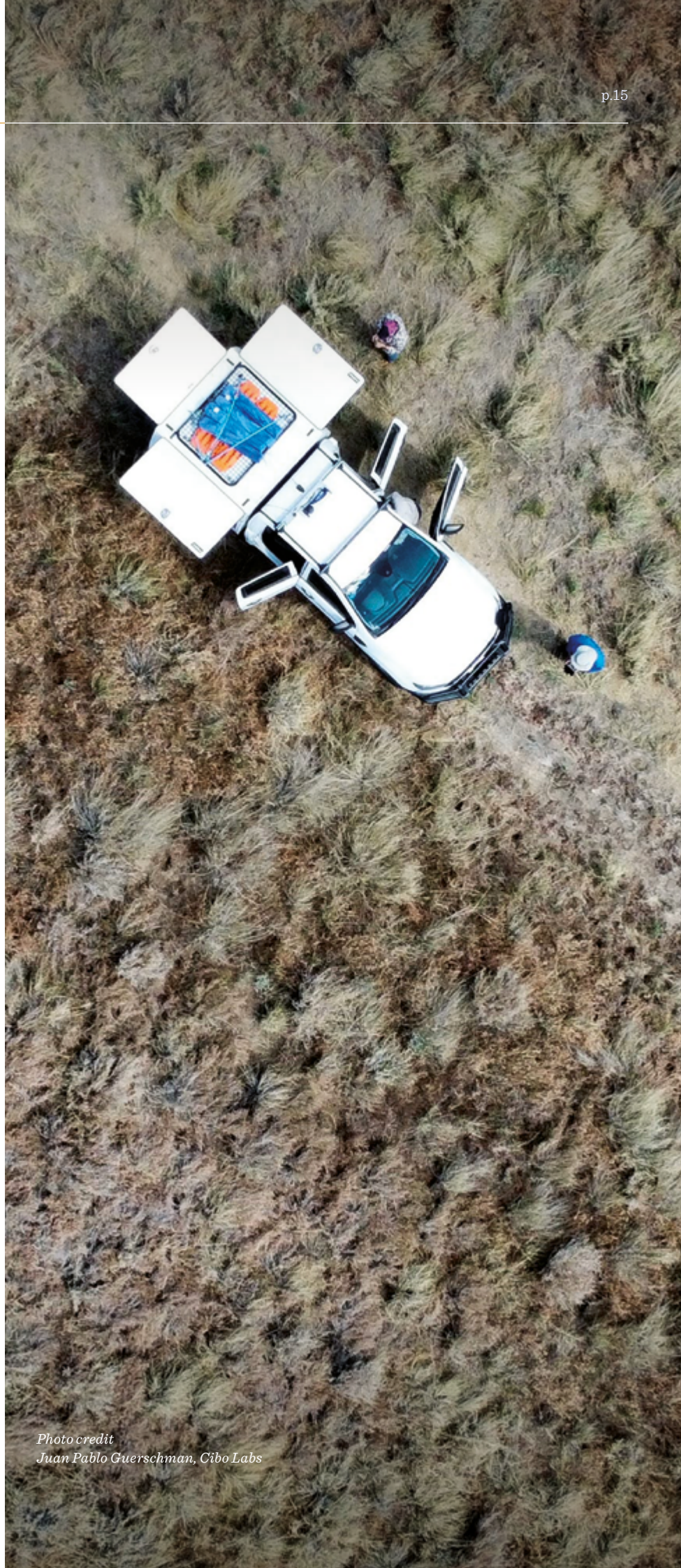
Photo credit
Juan Pablo Guerschman, Cibo Labs

We have had our first look at the outputs being delivered through the integrated model and are seeing some exciting results. Previous science on carbon and in particular soil carbon in northern Rangelands has suggested that soil carbon stocks are driven primarily by climatic conditions and management actions are ineffective in driving long-term carbon sequestration. Our results, while preliminary, suggest that this may not be the case, and that a focus on long-term improvements in land condition, and in particular the health and density of deep-rooted perennial tussocks, in the right land types are likely to deliver a meaningful increase in soil carbon stocks.

In addition, the tool is now enhancing our capacity to assess the carbon sequestration potential across our landscape, identifying where the opportunity is greatest and assisting with prioritising investment in potential soil carbon projects. Importantly, the analysis is connecting management interventions to carbon outcomes, providing us with a basis to make practical, on ground management decisions to directly influence and protect carbon stocks in our estate.

With these achievements, we are now looking forward to the final year of the project where, working together with our project partners, we expect to finalise the model and move towards a product that can be delivered to an end user, including our sustainability and operations teams who can begin to apply to tool in our operations.

We would like to extend warm thanks to our partners and their teams for the amazing contributions they have each made to this truly groundbreaking piece of work. We look forward to continuing with you in the coming year.



*Photo credit
Juan Pablo Guerschman, Cibo Labs*

Climate Action

GHG emissions inventory

This year we have enhanced our approach to GHG emissions accounting. For FY21 to FY23 reporting, AACo's livestock-related emissions profiles were calculated using the Primary Industries Climate Challenges Centre (PICCC) and University of Melbourne's Greenhouse Accounting Framework (GAF) for Australian Beef production and Feedlots. As a part of our commitment to continuously improving our emissions accounting processes, we have transitioned to a process more appropriate for our operational context and to align with emerging reporting obligations.

AACo's FY24 emissions profile has been calculated with the support of Integrity Ag. The calculations draw on the following overarching guidelines: GHG Protocol Agricultural Guidance, GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, the Australian Red Meat Minimum Standards for Carbon Accounting, the National GHG Inventory (referenced as the National Inventory Report – NIR) and the National Greenhouse Accounts (NGA). This year's emissions reporting applied improved processes that continue to meet evolving best practices. Therefore, adjustments have been made to previous years profiles to bring them into alignment with this new process. More information is provided in the GHG Inventory in the appendix.

Previously we have reported our Scope 1 and 2 emissions. This year we have completed our first assessment of Scope 3 emissions through our supply chain. This is a significant step in maturing our emissions accounting process and delivers on a commitment to continually develop our capacity in addressing our climate impact. More information on the process and boundaries around this Scope 3 assessment can be found in the GHG Inventory in the appendix.

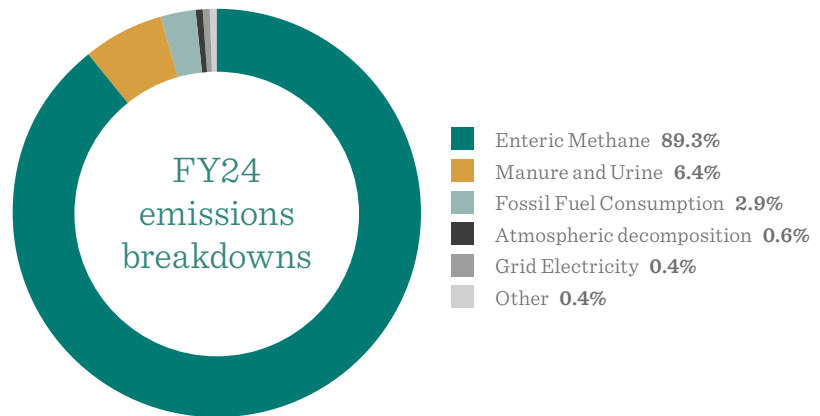
In FY24 we emitted 686,998 tonnes CO₂-e within our Scope 1 and 2 boundaries which is an increase on previous years emissions driven primarily by an increase in the overall herd size and a higher average live weight of our cattle and is reflected by increases in enteric methane emissions which make up the largest part of our footprint. This increase can also, in part, be attributed to a change in the accounting tools applied and while efforts were made to update previous years profiles, some differences between the two approaches remain.

Our Scope 3 emissions were 158,085 tonnes CO₂-e which represents about 18.7% of our overall emissions with the most significant sources being purchased goods and services such as feedlot inputs, supplements and a small number of external livestock cattle purchases which are reducing as we complete our herd rebuild. Downstream transportation is also a significant emissions source and includes air and sea freight of boxed beef product to markets globally.

With support from Integrity Ag, AACo has also completed a lifecycle assessment emissions footprint (carbon footprint) analysis following ISO 14067:2018 and LEAP (2015) guidelines. This was a significant improvement in our previous processes for calculating a coarse annual emissions intensity. This assessment represents the GHG emissions associated with all activities from breeding, growing, and processing, right through to the ports where our products land in market globally and includes the indirect emissions from activities such as feed production. It examines the carbon footprint of our products, measured as kilograms carbon dioxide equivalent (CO₂-e) per kilogram of beef sold and in FY24 this was 12.3kg CO₂-e/kg liveweight turnoff after feedlot and 26.7kg CO₂-e/kg beef produced after processing.

This is a fundamentally different analysis to our previously reported emissions intensity as it included scope 3 emissions sources and assesses the underlying biological performance of the herd against beef sales, without the impact of herd inventory changes and cannot be directly compared. This lifecycle assessment is providing a higher degree of insight into our emissions performance overall. Importantly, it has the potential to inform opportunities for performance improvement through our livestock herd and downstream operations.





FY24 scope ratios



Source	Measure	FY22*	FY23*	FY24**
Herd size				
	Number of Head	382,010	432,926	453,968
GHG Inventory: Scope 1 & 2	Enteric methane	Tonnes CO ₂ -e	398,303	500,197
	Manure and urine (methane and nitrous oxide)	Tonnes CO ₂ -e	69,387	84,131
	Fossil fuel consumption	Tonnes CO ₂ -e	29,875	29,068
	Grid electricity (non-renewable)	Tonnes CO ₂ -e	3,120	3,108
	Atmosphere deposition	Tonnes CO ₂ -e	1,413	1,746
	Other	Tonnes CO ₂ -e	1,403	1,753
	Total	Tonnes CO₂-e	503,501	620,004
				686,998 (81.3%)
GHG Inventory: Scope 3	Purchased goods and services	Tonnes CO ₂ -e	–	–
	Downstream transportation and distribution	Tonnes CO ₂ -e	–	–
	Capital goods	Tonnes CO ₂ -e	–	–
	Processing of sold products	Tonnes CO ₂ -e	–	–
	Other assessed sources	Tonnes CO ₂ -e	–	–
	Total	Tonnes CO₂-e	NPR	NPR
				158,085 (18.7%)
GHG Inventory: Total Scope 1, 2 & 3	Total	Tonnes CO₂-e	NPR	NPR
				845,083
GHG Emissions Intensity: Scope 1 & 2	Cattle turned off (grazing and feedlot)	Kg CO ₂ -e/kg liveweight gain	9.7	10.3
				–
GHG Emissions Footprint: Scope 1, 2 & 3	Cattle turned off (grazing and feedlot)	Kg CO ₂ -e/kg liveweight turnoff	–	–
				12.3
	Processed	Kg CO ₂ -e/kg boxed beef	–	–
				26.7

* Calculated using the Primary Industries Climate Challenges Centre (PICCC) and University of Melbourne's Greenhouse Accounting Framework (GAF) for Australian Beef production and Feedlots.

** Calculated using overarching guidelines: GHG Protocol Agricultural Guidance, GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, the Australian Red Meat Minimum Standards for Carbon Accounting, the National GHG Inventory and the National Greenhouse Accounts.

NPR – Not previously reported.

Climate Action

How we are performing

The improvements we have made this year to our emissions profiling and our emissions footprint analysis enable us to better understand our performance in the context of the food we produce and its emissions efficiency. The results presented this year include the first comprehensive emissions footprint for the business across scopes 1, 2 and 3.

The method applied enables us to more readily compare our performance to other industry analyses.

Our footprint results for feedlot turnoff cattle (prior to processing) for FY24 of 12.3 Kg CO₂-e/kg liveweight was below the industry average (last reported in 2020) of 13.1 kg CO₂-e/kg liveweight as reported in the 2023 Australian Beef Sustainability Framework annual update. Overall, our results, which were delivered in the tougher northern Australian Rangelands environment, were comparable to some of the most efficient beef supply chains in Australia.

There are two key factors contributing to this performance. Firstly, as a result

of many years of intensive focus in our Breeding and Genetics program, our breeding performance is high. That is we deliver high weaning rates compared to regional averages and this production comes from small efficient cows with low system inputs (such as no fertiliser and low feed inputs). This results in efficient calf production and a high total lifetime feed efficiency. Secondly, the lifetime growth performance of our young cattle is reasonably high and is then supported by highly efficient feedlot finishing where our bespoke ration delivers lower enteric emissions than forage diets.

Together with our overall Scope 1, 2 and 3 emissions profile, this data is helping us to identify where the greatest opportunities for improvements in emissions efficiency are within our supply chain. From here we will continue to investigate many of these opportunities both through our operations and logistics, and within our herd itself including continuing our work with methane mitigants and exploring options for long-term genetic improvements within our breeder herd.





TCFD disclosure

This report draws on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). It represents our third consecutive account of disclosure against the Framework. We have provided a summary of our current work on TCFD in the appendix of this report, highlighting the high-level risks and opportunities facing our business.

In FY24 we started transitioning our focus towards the requirements of the International Sustainability Standards Board (ISSB) and Australia's proposed adoption of mandatory climate-risk reporting through the Australian Sustainability Reporting Standards

(ASRS), which are expected to be finalised over the course of 2024.

With these new standards comes a renewed focus. We will leverage our existing work on TCFD as a basis to this transition, utilising our existing knowledge and initiatives related to climate governance, strategy, risk management, and metrics and targets.

Next, we plan to prepare for how we best report against the upcoming mandatory climate disclosure requirements. For us, nature forms part of how we mitigate climate risks, and we aim to look at the two in tandem. Our focus is on quantifying the potential material impacts and

climate risks over our short, medium and long-term horizons (including financial risks), and embedding practices and processes within our operations to continually identify, mitigate, manage, and monitor these risks. Our continued work on quantifying our Scope 1, 2 and 3 emissions will lay the foundations for the increased disclosure requirements related to climate strategy and metrics and targets.

We look forward to bringing you an update on this work in FY25.

Regenerating Nature

We've been intrinsically connected to nature throughout the 200-year history of our company and today we understand better than ever how our impact in the landscape defines the quality of our product and the resilience of our business. We are continuing to build towards a future where Regenerating Nature is integrated in the core parts of what we do by continuing to execute on practices such as our Sustainable Stocking Model outlined in our FY21 report, investing in developing adaptive practices while building new systems from the ground up to demonstrate our performance.

Adaptive grazing trials

We continued to explore adaptive grazing practices with a number of long-term grazing trials aimed at understanding how to adopt the principles of rotational grazing at scale in the Northern rangelands, where the practice is more challenging. The trials are informing on ground management practice as well as infrastructure development planning, with the goal of assisting us to balance grazing with times of rest and rejuvenation.

Measuring nature condition

Work to execute on-ground on our Accounting for Nature Framework began this year with the Rangelands and Nature Team working with Bush Heritage Australia to identify key potential habitats for Purple-crowned Fairy-wren and the Northern Spotted Quoll, beginning on-ground habitat assessments in the Victoria River District and starting to gather a baseline of our highest value natural assets.

Deforestation

With the EU Deforestation Regulation being released this year, we have been preparing for requirements around declaring our deforestation status to maintain access to the EU marketplace. AACo has engaged broadly with key stakeholders including the Australian Government, both here and in the EU, industry bodies and AgTech partners to ensure we can continue to deliver high quality beef products into the EU market. We have also been working with respected environmental non-government organisation (eNGO), WWF Australia to help us understand how to evidence claims of activities that are deforestation-free.

Year in review

Sustainable grazing practice

This year our Rangelands and Nature Team continued to provide support to our station managers and leadership team to make sustainable grazing decisions across our estate, while also beginning to execute the Accounting for Nature Framework on-ground, as described in the commitment update on the next page. Over the course of the year, the team built out its skills and capabilities to promote a more holistic approach to the management of nature in grazing practices such as adaptations to regenerative grazing approaches.

Satellite assisted forage budgets

Our work with long term partners, Cibo Labs, continues as we refine our satellite assisted forage budget process and tools as outlined in our FY21 update. This year our focus has been on beginning to automate data analysis which will reduce processing time, increase efficiency, and convert data into decisions more rapidly. From here we are working to build greater granularity in the process that will enable a higher degree of precision in grazing management.



Commitment update – Natural Capital

This year we have continued to make progress on our commitment to develop a natural capital assessment within our estate. We have been working with Bush Heritage Australia to build on the materiality work we delivered in partnership last year and reported in our FY23 report, into preparation for registering an Accounting for Nature Account and initiating work on-ground to base line our highest priority assets.

Our AfN Materiality Assessment identified about 1.25 million hectares of Tier 1, highest value assets across our estate ranging from Brigalow woodlands in Central Queensland, to the lakes systems on the Barkly Tablelands and the Anson Bay floodplain in the top end. In addition, from the many potentially significant fauna species found within our estate, we identified 12 that are

our highest priority, because of their conservation status, and habitats supporting these species have been added to the Tier 1 asset list.

This is a vast landscape to assess and traditional on-ground methods of field data capture and analysis are impractical and uneconomical at this scale. Through the AfN framework we have begun employing an assessment method, “Method 10” that integrates targeted on-ground assessments at representative sites across a landscape with remote sensing data captured by drone. This localised data is then extrapolated across the broader landscape to determine a vegetation condition score for each ecosystem.

The Rangelands and Nature Team working with Bush Heritage Australia, have undertaken initial trials of Method 10

in the Victoria River District and in early 2024 started on-ground assessment of our Central Queensland properties. We will continue this work throughout 2024 with the intention of completing the baseline dataset for Tier 1 assets by the end of the year.

We have also begun habitat assessments within our estate for some of our 12 key fauna species and have worked with Bush Heritage Australia to develop a new AfN method for the application of camera traps for determining the presence of fauna species and a method for determining the presence of specific bird species within an ecosystem. In late 2023 we deployed both methods in the Victoria River District and we intend to continue to develop and deploy these and other fauna methods across our estate to identify key habitats for protection.

Highest Value (Tier 1) Ecosystems

	Central Queensland	North Queensland	Barkly	VRG and Northern	Total
Brigalow woodlands and open forest	0.3%				0.3%
Seasonal wetlands and lakes	0.01%	16.5%	14.8%	2.6%	33.9%
Alluvial plains, creekline woodlands and herblands	0.2%	8.0%	41.4%	0.2%	49.8%
Palatable tussock grasslands of high significance	0.02%	2.9%			2.9%
River systems and water courses	0.1%	4.1%	0.2%	5.9%	10.3%
Tropical savannah				2.2%	2.2%
Tidal communities				0.5%	0.5%
Total	0.7%	31.5%	56.4%	11.4%	

Our 1.25 million hectares of highest value ecosystems are distributed across our entire estate with the percentage of the total represented by region in the above table.

Key Fauna Species

	Central Queensland	North Queensland	Barkly	VRG and Northern
Birds				
Crested Shrike-tit				*
Gouldian Finch			*	*
Plains Wanderer			*	
Purple-crowned Fairy-wren				*
Mammals				
Greater Bilby			*	
Black-footed Tree-rat				*
Fawn Antechinus				*
Julia Creek Dunnart			*	
Koala		*		
Kowari			*	
Northern Quoll		*		*
Reptiles				
Yakka Skink		*		

The 12 most significant fauna species within our estate according to the regions in which their natural habitat can be found.

Regenerating Nature



In Focus

Deforestation

Deforestation is a key issue both locally and globally, with loss of forests contributing significantly to global biodiversity decline and climate change. The factors driving deforestation globally are complex and regionally nuanced, and solutions that deliver equitable outcomes are as equally complex to navigate. Finding a global definition of deforestation and what it means to be deforestation free, continues to remain a challenge.

Over recent years a number of global organisations including the UN Food and Agriculture Organisation (FAO), the Science-based Targets Initiative (SBTi), and the Accountability Framework Initiative (AFI) have released definitions of deforestation and what is required to achieve a deforestation-free status, and last year the EU released its market access regulation on deforestation for seven key commodities including beef. All of these definitions differ from each other and from others already

in use within country and state jurisdictions, and none of them function practically in the Australian context to reliably achieve their core purpose – to support the prevention globally of the loss of critical ecosystems within our forests.

AACo has been engaging for several years with WWF Australia to better understand each of these frameworks and their respective strengths and investigate potential features of a fit-for-purpose concept of “deforestation free” in the context of beef production in Australia. Through this time together and with other partners, we have developed a clearer understanding, and we have come to a deeper understanding of what is required to effectively achieve a deforestation-free status.

While the EU deforestation regulations are coming into effect towards the end of 2024, they remain unclear in their definition and

interpretation with a number of inconsistencies identified within them. At the time of the writing of this report, guidelines clarifying how to apply the regulations effectively are still to be fully released with key definitions of terms such as “predominantly under agricultural use” to be resolved.

Despite this, AACo has undertaken a high-level assessment of its management activities since 2020 against the EU regulation definitions as well as Australian definitions which differ from the EU. This initial analysis has indicated a low risk for deforestation, and we are comfortable that we can satisfy these changing market requirements as they come into play. We will undertake a final assessment once the remaining guidelines are released, at which time we expect to be in a strong position to make a statement on our status in relation to deforestation as defined by the EU regulations.

Pursuing Circularity

Global imperatives such as climate change and resource scarcity make it clear that food producers need to do more with less, by Pursuing Circularity. It is an area, in many ways, which we are still exploring. We believe that “you can’t manage what you can’t measure”, so our focus is on setting the foundations to be able to measure inputs across our operations to improve our ability to manage them and to find areas of opportunity to reduce, reuse and recycle these inputs.

Solar bores for efficiency

We have continued to deliver our solar bore initiative converting historical diesel bores to solar technology which is telemetry equipped. This will unlock the ability for us to monitor our water use efficiency for watering cattle and identify opportunities for improvement. Alongside this work we have been progressively converting some of our earthen water storage infrastructure associated with these bores to enclosed tanks to reduce water loss from the system. This is a long-term piece of work, targeting water points where infrastructure upgrades are required. We intend to continue it over time to improve water efficiency.

Recycling in remote areas

Given the remote nature of most of our stations, effective recycling of waste can be challenging. This year we have initiated a research project with Charles Darwin University to investigate innovative solutions to on station waste capture and recycling. We are hopeful that the outcomes from the project, which we plan to make publicly available, may be of assistance to other remote agricultural producers, as well as remote communities, looking to adopt more circular practices and overcome the challenges of remoteness.

Year in review

Recycling at feedlots

This year we continued to utilise feedlot by-products at the Goonoo farm in our cropping operations. Through AACo’s feedlot manure management program, we utilise nutrients from livestock manure as a natural fertiliser on our crops, effectively reducing our reliance on synthetic fertilisers, and supporting soil health through increased soil organic matter and micronutrients.

We have been investigating opportunities to extend this work at Goonoo into higher value composted products that will unlock higher nutrient values of the manure currently in use. In addition, this innovative process has the potential to increase the activity of beneficial biological communities in the soil, increasing soil carbon sequestration and growing more productive crops.



In Focus

Interactions with water across our operations

Water is an important natural resource which we use right across our operations. We are exploring ways to better measure, monitor and manage this finite resource.

We interact with water in a variety of ways. It is used to grow pasture and crops, for livestock consumption, and for general on-farm and domestic use. Our activities draw from both natural surface water and groundwater which is naturally stored in aquifers made of permeable rocks, soil, and sand underground. Recycled water, runoff, and wastewater are other source types of relevance to us.

A key step in managing water is understanding our dependencies, impacts and risks. In 2023 we engaged a third-party to support identification of nature risks across our business, with water being identified as both a key dependency and impact for our operations. The report provided a number of recommendations, some of which we are already executing on including the conversion of earthen dams to tanks. Coupled with water recycling at our feedlot and farming sites we plan to continue to execute these and other initiatives to improve water efficiency across our operations.

Thriving Communities

Creating connection and opportunity
for *communities to thrive*.

Today we are continuing to create connection and opportunities through valuing our people, contributing to community resilience and in developing relationships with parts of the First Nations Communities we are connected to through a shared custodianship of land.

Valuing People

At AACo we are continuing to deliver on creating a workplace where our people have the opportunity to develop, grow and be the best versions of themselves. We aim to create a place where they feel safe, no matter who they are, where they are from or what is personally important to them. We are bringing Valuing People to life through our Employee Value Proposition, attracting and retaining the best, drawn by our extraordinary calling.



Year in review

Employee value proposition

In FY24 we launched our Employee Value Proposition (EVP) – Activating Extraordinary at AACo. Our EVP is a significant piece of work that has enabled us to reflect on and describe the extraordinary experience that it is to be part of the AACo community. The EVP is supporting AACo to attract, retain and develop the best.

Leadership charter

The Leadership Charter and Leadership Competencies have been developed this year as a framework to guide leadership behaviour at AACo. The Leadership Charter outlines the company's expectations for its leaders – Communication, Positivity, Value Creation, Care, and Courage. The Leadership Competencies define the specific skills, behaviours, and attributes that effective leaders should possess. This framework will serve as a roadmap for leadership development and performance evaluation.

Leadership development

Supported by the new Leadership Charter, we have invested strongly this year in developing effective leadership at all levels of AACo. Starting with our Executive and Senior Leadership Teams we have deployed a 360-degree process that has allowed these leaders to gain valuable insights into their strengths and development areas for performance and leadership effectiveness through feedback from managers, peers and direct reports. This feedback helps leaders identify development opportunities and create action plans to enhance their leadership skills and drive better results.

Our Frontline Leaders Forum, a series of interactive workshops and training sessions, this year delivered content underpinned by our competency framework. The program is an opportunity for key operational and corporate frontline leaders to enhance their leadership skills, learn best practices, and exchange ideas with their peers. The program also included a structured coaching initiative designed to support frontline leaders in their development, we are helping them overcome specific challenges they may face in their roles.

Internal promotions

We continued our practice of filling job vacancies and advancement opportunities within AACo by promoting existing employees rather than hiring externally, wherever possible. By promoting from within, we are able to recognise and reward the talent, skills, and contributions of our team members, while also providing them with opportunities for career growth and advancement. Internal promotions help to foster employee engagement, loyalty, and retention, while also ensuring that we have a pipeline of qualified and experienced leaders to fill key roles.

Safety

This year we have made progress in various safety areas and recognise the need for ongoing and continuous improvement as we learn and evolve. Our safety focus defines our culture of

care and consistency for wellbeing, health and safety throughout our business.

While we have made significant strides in reducing incidents over recent years, this year we have seen a 13% increase in incident rates, which falls short of our targets. As a result, we have commenced a comprehensive health and safety review which aims to identify areas for improvement and drive future transformation of our wellbeing, health and safety initiatives.

We have made continued investment into our frontline leaders, leading and developing safety culture on our properties and near miss reporting has been a focus with sustained strong positive reporting. We have enhanced our site-specific hazard profile assessments to understand our critical risks and continued delivery of health and wellbeing programs within the business, through our Employee Support Services and onsite visits from Occupational Therapists.



First Nations Partnerships



We recognise and acknowledge the long and continuous connection First Nations Peoples have to the land on which we have connected with over our 200-year history. We are endeavouring to demonstrate our respect by working side by side with the First Nations Peoples who are connected to the lands we steward today. We are expressing our First Nations Partnerships through first listening, learning and increasing our understanding through our first cultural heritage walkovers, exploring land use consent and developing new opportunities for career engagement.

Year in review

Providing employment pathways

Following the removal of external funding earlier this year for the Northern Territory Cattlemen's Association (NTCA) Real Jobs Program, of which AACo was a previous strong supporter and participant, we have been working with the NTCA as it develops a new program. If successfully implemented, the intended Indigenous Pastoral Pathways Program is expected to provide support to First Nations people in the Northern Territory to enter the pastoral industry through structured training and works

programs. We are keen to see this program established and intend to continue to support the NTCA in its development.

Important cultural sites

We consider the location of cultural sites across our operations and how they can be protected. This year we have built our first dataset that defines general areas within our operations that require extra care, working with the organisations responsible for their protection. While this dataset does not identify the location of individual sites, so as not to infringe on cultural sensitivities, it is helping us to ensure we are able to respect these sites in our day-to-day operations by

applying extra care when working near them. This dataset is an important step in ensuring we protect the cultural heritage of the landscapes we work and live within.

Land use

Over the past year, we have continued to engage with First Nations Peoples in North Queensland to better understand their cultural connection to land. By spending time together on the land, we have gained valuable insights into Indigenous places and stories. These interactions have informed our approach to land use in the region, fostering respect for and integration of their cultural values. For instance, as cultural sites were identified and explained to us, they were incorporated in our newly formed cultural site dataset.

As we move forward, we aim to work closely with First Nations Peoples to understand and align with their priorities and to extend these learnings across our property portfolio. We seek to prioritise genuine and thoughtful partnerships that support environmental sustainability, economic development, and cultural preservation. We recognise that these processes may extend over several years, reflecting our intention to engage collaboratively and authentically.

Resilient Communities

Looking back on our history we can appreciate the importance of Resilient Communities within and beyond our footprint. We continue to seek to actively engage in community, be that through facilitating social connections in remote landscapes, resourcing charities that deliver critical services or developing future community leaders.

Year in review

Supporting local charities

While there are many deserving charities in our communities, we have continued to focus on charities that hold a natural connection to AACo and our connected community. Dolly's Dream is one such charity that connects strongly for us, addressing the impact of bullying, anxiety, depression and youth suicide, through education and direct support. We raised more than \$130,000 in FY24 through activities on stations, farms, feedlots and our corporate offices for the Dolly's Dream charity.

Like AACo, the Royal Flying Doctor Service (RFDS) has a proud history of supporting the building of rural communities in outback Australia and they continue to support our communities and people on station today, delivering essential healthcare services in rural and remote Australia. This year we raised more than \$70,000 through several community events, including a community cricket match based on one of our properties and football games between our Queensland and NT employees.

Investing in future leaders

We continued our commitment to fostering a resilient future within our agriculture industry through supporting scholarship programs. This year we have continued to support the Nuffield Northern Pastoral Scholarship, one of the most prestigious programs that has supported some of industry's brightest to extend research across the agricultural industry. In addition, we have continued to contribute to the Zanda McDonald Award to support the future career development of younger generations.

The National Farmers' Federation's Diversity in Agriculture Leadership Program (DiALP) has continued its partnership with AACo, a founding member of the program, aimed at increasing female representation in the industry while also helping develop future industry leaders. This year we were proud to have participants from AACo as both mentors and mentees within the program.



Photo credit
Juan Pablo Guerschman, Cibo Labs

Appendix



Sustainability Foundations

Governance

The AACo Board of Directors is responsible for the overall direction, performance and governance of AACo. The Executive Leadership Team (ELT) and Board Committees collectively assist the AACo Board in this area.

The Audit and Risk Management Committee (ARMC) assists the Board in its oversight of risk management, compliance processes, and emerging laws and regulations related to sustainability. The ARMC also oversees the preparation and publication of sustainability reporting and disclosures, and is responsible for promoting adequate internal controls and arranging appropriate assurance over data contained within public reports. The ARMC meets at least four times annually and escalates any respective material issues and themes to the AACo Board.

The Sustainability Directors Working Group (SDWG) is a channel for more regular informal discussions on key sustainability matters. The Group was formed in 2022, bringing together select Board members to provide Management with guidance on the development and execution of initiatives aligned to the Sustainability Framework. The Group acts as an advisory forum where members discuss the complex and often unprecedented matters related to sustainability, and report into the Board.

Responsibility for the delivery of our sustainability approach and performance rests with all employees, but ultimately culminates with our CEO. The Environment and Sustainability Team, led by the Executive General Manager for Corporate Service, oversees the day-to-day execution of AACo's Sustainability Framework, and with oversight from the CEO, implements the programs, commitments, and metrics within it.

The Board holds the responsibility for establishing corporate governance across the company including overseeing AACo's approach and management of sustainability and ESG items.

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.

It is important that AACo's Directors and Executives are equipped with sufficient awareness and understanding of the dynamics and impacts of sustainability topics. To support this, AACo hosted several sustainability education sessions with the Board and ELT throughout FY24. Led by the Executive General Manager of Corporate Services and the Head of Environment and Sustainability, the sessions covered topics such as climate risk, natural capital, and carbon markets. These sessions will continue into FY25.

More information on AACo's governance can be found in the relevant Committee Charters available at <https://aaco.com.au/investors-media/corporate-governance>.

Risk Management

As noted in the Board Charter, overall accountability for risk management lies with AACo's Board. The AACo Risk Management Framework and risk appetite are reviewed annually by the ARMC. The Executive Leadership Team monitors our strategic and tactical environment for new and emerging risks, including climate and nature risks.

Capital Allocation

At an operational level, AACo's Capital Expenditure Framework involves a project prioritisation assessment whereby projects are ranked by importance. Once a capital expenditure proposal reaches the business case stage, discussion on whether to proceed takes into consideration elements of sustainability, when relevant. Management is required to provide a rating to project proposals during the budget process, which is then assessed at the appropriate level of the business.

Sustainability Foundations (continued)

Data Systems and Reporting

Data is a key area to solve in the agricultural sustainability landscape, and there are a unique set of challenges which come with the size, scale, remoteness, and the geographical spread of our properties. We are monitoring the evolving reporting landscape and have progressed our alignment to the GRI, SASB and TCFD. We are also monitoring the evolution of the International Sustainability Standards Board (ISSB) and the Australian Sustainability Reporting Standards (ASRS) requirements.

Stakeholder Engagement

We believe that sustainability is important to our stakeholders, and we seek to maintain an open and ongoing dialogue with them as we aim to ensure that we can adapt and evolve in line with their needs and expectations, whilst also encouraging stakeholders to evolve and improve their own approaches. We seek to do this in the following ways:

Customers

Communication with chefs and distributors, collecting their perspectives on sustainability related topics through participation in:

- Customer feedback
- Consumer trends
- Activations and events

Supply chain stakeholders

Engage with supply chain stakeholders including suppliers and third-party processors.

- Weekly performance catch-ups with third-party processors and on-site management from AACo staff to monitor conditions
- Prioritisation, where the required supply is available, of local suppliers of feed inputs into our feedlots

Communities

Close connection to our local communities to support, create and work through a range of initiatives and social opportunities.

- Donating time and resources to local programs
- Fundraising events
- Leveraging local knowledge in management activities
- Participation in community events

Government & regulators

Regular and ongoing conversations about our activities and the policies and regulations that can help us advance our sustainability program.

- Direct engagement and meetings
- Letters and other formal correspondence
- Participation in forums and conferences
- Consultation into legislation, policies and reviews
- Departmental feedback sessions

Media

Initiated and approached opportunities to be involved in and inform the public conversations about our framework and agenda.

- Interviews and story participation
- Formal briefings and informal conversations
- On-station learning opportunities
- Dedicated media resource
- Social media presence

Industry associations

Close collaboration with a range of partners to create opportunities and help inform industry positioning and direction.

- Direct engagement through meetings, emails and phone calls
- Participation and attendance at conferences
- Briefings and roundtable discussions
- Engaging through working groups
- Association memberships

Culture

At an Executive and Board level, sustainability is being considered in some decision-making processes such as inclusion in Board meetings and ARMC meetings, as well as through the Sustainability Directors Working Group. At a management level, proposed projects across the business go through a planning process during which time they are linked to the five pillars of our business strategy. One pillar of the business strategy is 'Executing on our Sustainability Framework'.

Additionally, our skills framework for our operational staff in the pastoral division of the business includes skills related to the Sustainability Framework. We have also included alignment to the Sustainability Framework in our annual performance management process, whereby staff across the organisation have the option to map their annual goals and key performance indicators to the Framework.

Material Topics

We strive to be transparent and purposeful in our communication on sustainability and we are continually working towards aligning with reporting best practices.

In 2021 we engaged a third party to complete an assessment to identify AACo's most important environmental, social and economic focus areas. Last year we mapped these topics to the relevant topics within the GRI Sector Standard for Agriculture, Aquaculture and Fishing, which was released in January 2023. This mapping is shown in the following table.

These focus areas connect to and informed the development of the three pillars of our Sustainability Framework and the themes within them.

GRI Sector Topics	AACo Focus Areas
Emissions	Climate change and emissions
	Renewable energy transition
Biodiversity	Biodiversity and ecosystem
	Air quality
	Land management and sustainable farming
Water and effluents	Water stewardship
Waste	Plastics, packaging and waste
Food safety	Food nutrition, quality and safety
Animal health and welfare	Animal health and welfare
Local communities	Community engagement
Rights of Indigenous Peoples	First Nations engagement
Non-discrimination and equal opportunity	Diversity and equal opportunity
Occupational health and safety	Employee health, safety and wellbeing
Supply chain traceability	Sourcing local raw materials
	Responsible value chain management
	Product provenance, traceability and transparency
Public policy	Climate and nature lobbying
Climate adaptation and resilience	Climate change and emissions
Natural ecosystem conversion	Biodiversity and ecosystem
	Land management and sustainable farming

Sustainability Metrics

Item	FY22 ¹	FY23 ¹	FY24 ¹
GHG Emissions (tonnes CO₂-e)			
Scope 1 – livestock and farming related emissions	470,506	587,827	655,918 ²
Scope 1 – energy emissions	29,875	29,068	28,471 ²
Scope 2 – electricity emissions	3,120	3,108	2,609 ²
Sub-total – Scope 1 and 2	503,501	620,004	686,998
Scope 3	NPR	NPR	158,085 ²
Total – Scope 1, 2 and 3	NPR	NPR	845,083
Energy Management			
Total energy consumption (fuel + electricity)	NPR	NPR	482,457 GJ ²
Fuel consumption	NPR	NPR	469,600 GJ ²
Electricity consumption from the grid	NPR	NPR	12,857 GJ ²
Annual renewable energy generation to the grid	NPR	NPR	16 MWh ²
Carbon Projects			
ACCUs from the Beef Cattle Herd Management Project	74,313	191,036	127,900 ³
Natural Assets			
Hectare of Ecosystem in Tier 1 (Highest value)	NPR	NPR	1,266,870 ha
Hectare of Ecosystem in Tier 2 (Moderate value)	NPR	NPR	4,423,723 ha
Hectare of Ecosystem in Tier 3 (Lowest value)	NPR	NPR	761,044 ha
Other ecosystems	NPR	NPR	70,618 ha
Primary woodland or primary forest cleared for grazing purposes	0 ha	0 ha	0 ha
Animal Welfare			
AACo compliance with LPA	NPR	NPR	Yes
AACo compliance with NFAS	NPR	NPR	Yes
Relevant third parties compliant with ESCAS	NPR	NPR	Yes
Relevant third parties compliant with AAWCS	NPR	NPR	Yes
Corrective actions taken for non-compliance	NPR	NPR	None required
Food Safety			
Number of recalls issued for food safety reasons	0	0	0
Volume of products recalled for food safety reasons	0	0	0
Percentage of third-party processing facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program	NPR	NPR	100%
Number of market bans in the reporting year	0	0	0
Corrective actions taken for non-compliance	N/A	N/A	N/A

1 FY22 and FY23 values calculated using the Primary Industries Climate Challenges Centre (PICCC) and University of Melbourne's Greenhouse Accounting Framework (GAF) for Australian Beef production and Feedlots with adjustments to emissions factors in alignment to FY24 process. FY24 values calculated using overarching guidelines: GHG Protocol Agricultural Guidance, GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, the Australian Red Meat Minimum Standards for Carbon Accounting, the National GHG Inventory and the National Greenhouse Accounts.

2 Assurance provided by KPMG on FY24 values (provided in Appendix).

3 Estimate required for fourth-year Beef Cattle Herd Management program due to the Clean Energy Regulator calculator remaining unavailable from December 2023.

NPR – Not previously reported.

Item	FY22 ¹	FY23 ¹	FY24 ¹
Safety Management			
Fatalities	0	0	0
Near miss reporting ratio ⁴	NPR	NPR	4.2:1
Total recordable injury frequency rate (TRIFR)	NPR	NPR	Increase 13%
Employment			
FTE employees	NPR	NPR	466
Number of employees by female/male	NPR	NPR	F: 202 M: 264
Female representation in leadership – Board	11%	25%	25%
Female representation in leadership – People leaders	32%	32%	34%
Female representation in leadership – Executive Leadership Team	32%	36%	38%
Female representation in leadership – Executive and Senior Leadership Team	NPR	NPR	50%
Number of new appointments	245	273	254
Number of internal promotions/appointments	48	28	45
Turnover rate %	49%	48%	49%

4 The ratio of reportable safety incidents without injury (near miss) compared to the total injuries recorded for the period.

GHG Emissions Profiling Methodology

GHG Accounting Standards

The GHG account is prepared using the following precedent documents:

1. Australian National Greenhouse Gas (GHG) Inventory – referenced here as the National Inventory Report – (Commonwealth of Australia, 2023) for methods to determine agricultural emission sources, and some model input data.
2. Australian National Greenhouse Accounts (NGA) for applicable Scope 1 and 2 emission factors and/or calculation methods.
3. GHG Protocol Agricultural Guidance and GHG Protocol Scope 3 agricultural and Scope 3 carbon account guidance.

These precedent documents are consistent with the recommendations of the draft Australian Accounting Standards Board (AASB) standards where National Greenhouse and Energy Reporting (NGER) methods are not practicable, which is the case for livestock related emissions.

The principles followed, as described by the GHG Protocol, are as follows:

- **Relevance** – Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users – both internal and external to the company.
- **Completeness** – All attributable and accountable emission sources included. Non-attributable and non-reported emissions are described. A 1% materiality threshold was accepted (and not more than 5% in aggregate).

- **Consistency** – Methods have remained consistent to previous accounts unless scientific changes have occurred in the previous reporting period. Calculation method or emission boundary changes have been based on new science and documented. Adjustments have been made to previous accounts where appropriate or differences have been quantified if possible. This has been documented.
- **Transparency** – Clear disclosure and documentation has been maintained. Non attributable and non-reported sources have been documented and justified.
- **Accuracy** – Input data is verifiable. Calculations are verifiable. Uncertainty has been noted where this can be quantified.

Emission Boundary

The emission boundary – temporal, spatial and business boundary, is defined in this section. The temporal boundary was between the period 1 April 2023 and 30 March 2024. Spatial and business boundaries are described by the following list of facilities:

- Anthony Lagoon Station
- Aronui Feedlot
- Austral Downs Station
- Avon Downs Station
- Brunette Downs Station
- Camfield Station
- Carrum Station
- Collie Blue (lease on property ended in July 2023)
- Dalgona Station
- Delamere Station
- Eva Downs Station
- Glentana Station
- Goonoo Feedlot
- Goonoo Station
- Goonoo Farm
- Gordon Downs Station

- Headingly Station
- La Belle Station
- Montejinni Station
- Pell Airstrip Station
- Rewan Station
- South Galway Station
- Wondoola Station
- Wylarah Farm
- Wylarah Station
- Brisbane – Head Office
- Livingstone
- Comanche Station

GHG Sources – Scope 1 and 2

GWP100 values were applied. These were 28 for methane and 265 for Nitrous oxide as per the NGA.

Scope 1 sources include:

- Enteric methane, grazing cattle
- Enteric methane, feedlot cattle
- Nitrous oxide, grazing cattle
- Nitrous oxide, feedlot cattle – feed pad
- Nitrous oxide, feedlot cattle – stockpile
- Manure methane, grazing cattle
- Manure methane, feedlot cattle
- Nitrous oxide – field emissions – fertiliser
- Carbon dioxide – urea fertiliser and lime
- Nitrous oxide – field emissions – crop residues
- Nitrous oxide atmospheric decomposition
- Nitrous oxide, leaching and runoff
- Nitrous oxide, feedlot manure applied to land
- Fuel uses, all types (diesel, unleaded, LPG, natural gas, AvGas, Jet fuel)

Scope 2 sources include:

- Grid, electricity

Methods for calculating livestock emissions were consistent with the NIR across all emission sources with the exception of feedlot enteric methane, which was calculated using a methane yield from IPCC (2019) which was more consistent with Australian measured values.

Further, manure methane associated with farm dams was calculated using specific proportions of farm dams. For AACo stations, this removed the impact because farm dams were not present.

GHG Sources – Scope 3

The entire value chain has been reviewed and considered, including upstream and downstream to identify the categories included in the Scope 3 greenhouse gas emissions disclosures, according to the AASB draft standards. The AASB draft standard categories were assessed and where relevant, were included.

Scope 3 sources include:

- Purchased goods and services:
 - Stockfeed – feedlot
 - Repairs and Maintenance
 - Stockfeed – Station, supplements
 - Livestock, Cattle purchases
 - Farming
 - Advertising
 - Animal health and treatments
 - Stockfeed – Station, hay
 - Insurance
 - Consulting
 - Contract mustering and in-yard processing
 - Service/Management fees
 - Innovation
 - Computers and Software

- Capital goods:
 - Capital, Infrastructure and Buildings
 - Capital, Plant, Vehicles, Equipment
- Fuel and energy-related activities
 - Freight – road
 - Energy – diesel
 - Energy – LPG
 - Energy – Natural Gas
 - Energy – Grid Electricity
 - Energy – AvGas
 - Energy – Petrol
 - Energy – Jet A1
- Business travel
 - Travel – International
 - Travel – Domestic
- Upstream leased assets
 - Livestock, Agistment
 - Property Leasing – Non-livestock
- Downstream transportation and distribution
 - Freight – air
 - Freight – sea
- Processing of product sold, meat processing

Non attributable and non-reported emissions sources

The emission boundary included potential land sector (land use and land use change) emissions. These were attributable but not reported in the current year, pending data and analysis techniques suited to broad scale assessment, which are under development. We note that for well managed grazing land, 'zero change' is the standard assumption for in standard carbon accounting practices in Australia (Red Meat Min. Standards) and Climate Active draft guidance and has been adopted here, resulting in this being a non-material emission source.

Product carbon footprint

The product carbon footprint followed ISO 14067:2018 and the LEAP large ruminant guidelines, as applied in the published studies of Wiedemann et al. (2015), Wiedemann et al. (2016) and Wiedemann et al. (2017). These methods are the same as applied for the national benchmarks published in the Australian Beef Sustainability Framework (ABSF) which are calculated for industry by Integrity Ag. Scope 1, 2 and 3 emissions were included.

Climate Risk Disclosure

Over the past three years, AACo has worked towards aligning to the Taskforce on Climate-related Financial Disclosures (TCFD) with the intention to provide greater transparency to our stakeholders on climate-related information.

As noted in the Climate Action section of this report, AACo’s renewed focus is on meeting the mandatory climate disclosure requirements set out under the new Australian Sustainability Reporting Standards (ASRS). This existing qualitative assessment will form the basis of this.

TCFD Index

Summary of management approach	Location for more info
Governance	
Disclose the organisation’s governance around climate-related risks and opportunities.	
<ul style="list-style-type: none">The Board is responsible for the overall direction, performance, and governance of AACo. It provides leadership and strategic direction to AACo on the sustainability program, including climate-related matters, and it monitors management’s performance related to this.The Audit and Risk Management Committee (ARMC) assists the board with the identification and management of climate-related risks, monitoring developments in laws and regulations, and overseeing climate disclosures and reporting.AACo has an Environment and Sustainability function which is led by the Executive General Manager for Corporate Services. This team provides an update on sustainability each board meeting. The team works closely with the Risk and Finance teams led by the Chief Financial Officer. Collectively, the teams report to the ARMC on sustainability reporting and compliance requirements. The Board and ARMC meet separately at least four times a year.Updates are also provided to the Sustainability Directors Working Group (DWG) on a regular basis. This Group acts as an advisory forum, reporting into the Board. The Managing Director and CEO is a DWG member.	<ul style="list-style-type: none">Board CharterARMC CharterPage 29
Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.	
<ul style="list-style-type: none">In FY22 AACo engaged a climate change advisory firm to complete an initial climate scenario analysis to test the resilience of the business model under future climate scenarios. The analysis was informed by two scenarios: Transition risk scenario (<2°), and a physical risk scenario (>3°). Refer to the Climate Risk Assessment in this appendix.Since this time, we have continued to integrate internal knowledge in relation to climate risk such as best practice land management, from across our business, building on the scenarios through desktop research, internal knowledge, and identifying and increasing our mitigation and management plans.Whilst the current analysis identifies risks and opportunities, further quantification is required to understand the materiality of these risks and the potential financial implications. We anticipate updating this scenario analysis within the next two years, including the adoption of a 1.5 degree scenario.We are currently laying the groundwork towards setting a climate-transition plan. We have engaged a third-party consultant to support this work.	<ul style="list-style-type: none">Pages 38–40Pages 12–19

Summary of management approach	Location for more info
Risk management	
Disclose how the organisation identifies, assesses, and manages climate-related risks.	
<ul style="list-style-type: none"> In accordance with AACo's Risk Management Framework, climate change has been identified as a business risk and is included in our internal risk register and noted as a business risk in the Operating and Financial Review (OFR). AACo's Board has the responsibility to ensure that the Company's business risks are being appropriately managed. The Executive Leadership Team (ELT) assists the Board as it seeks to ensure that risk is appropriately managed within the business and reported to the Board and ARMC as appropriate. AACo's ELT is responsible for assisting the Board in overseeing AACo's understanding and management of risk, including climate-related risk, and the integration of risk management into decision making and overseeing of operations. Individual business units are responsible for identifying and managing these risks as they relate to the relevant business unit. AACo Management owns risk in the company's day-to-day operations. The Risk Team is responsible for designing and implementing risk management and internal control systems for the Company. In FY24, the Risk Team held workshops with management to identify emerging climate-related risks and review existing business risks. This informs updates to the Risk Register which is the key framework to oversee and monitor financial and non-financial risks across the business. 	<ul style="list-style-type: none"> Board Charter ARMC Charter Risk Management Policy Page 29
Metrics and targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
<ul style="list-style-type: none"> 'Executing on the Sustainability Framework' is one of AACo's five strategic pillars of its overall Company Strategy. Within this, Climate Action and Regenerating Nature are predominant focus areas for AACo's sustainability program. AACo is a Tier 1 Partner of the Zero Net Emissions Agriculture Co-operative Research Centre (CRC) which is a multi-stakeholder approach that aims to transition Australian agriculture to net-zero, healthy, resilient, and profitable food systems by 2040. In FY24 AACo has disclosed its Scope 1&2 GHG emissions profile and first level analysis of Scope 3 GHG emissions. AACo has contributed to the consultation on mandatory-climate related disclosures led by the Australian Federal Government (Treasury) through three submissions during each consultation period. In doing so, AACo has provided its opinion and feedback on the limitations, challenges and opportunities of these disclosures specific to agriculture, including the development of industry-specific metrics. 	<ul style="list-style-type: none"> Page 12–13 Pages 16–18 Page 30 Page 32 Pages 34–35

Climate Risk Disclosure (continued)

Potential Climate Related Scenarios

In FY22, AACo engaged a third-party climate specialist to complete a qualitative scenario analysis to identify the organisation's transition and physical climate-related risks. The analysis was informed by two warming scenarios: $<2^{\circ}$ and $>3^{\circ}$. This first stage analysis combined internal business data and external assumptions to test the resilience of the business to these future scenarios.

We continue to update and build on this assessment through desktop research and direct engagement with internal subject matter experts, including workshops and interviews. The below table is a summary of the detailed disclosures we provided in AACo's FY23 Sustainability Report with updates relevant to FY24.

Below is an outline of physical and transition climate risks which could have an adverse effect on AACo; this outline is not exhaustive and risks are not presented in order of materiality.

Physical Risks

Risks associated with acute event driven weather impacts, for example increasing severity of extreme weather events, and chronic long-term shifts in climate patterns.

Potential Scenario	Potential Impact	Management Practices
Extreme weather events	<p>Floods and wildfires can damage built infrastructure (buildings, fences, roads).</p> <p>These events can cause operational disruption by burning pasture and vegetation as well as the potential loss of livestock.</p> <p>Extreme events, such as periods of high rainfall, can also positively impact operations when correct management plans are in place, as they provide conditions for strong pasture growth.</p> <p>In the supply chain, extreme events can impact procurement, by directly impacting the production of purchased inputs, or disrupting supply routes.</p>	<ul style="list-style-type: none"> Following the 2019 Gulf floods, detailed flood planning was developed for these properties. These flood-exposed properties are equipped with a flood operations plan which documents historical flood risk and rainfall data, geographic locations on the property at higher risk, and actions to take in the event of a flood response. When we consider it necessary, we develop infrastructure to support flood preparedness, such as the flood refuge banks constructed following the 2019 floods which provide temporary holding areas for cattle during high rainfall and flooding events. We monitor areas of high wildfire risk by assessing seasonal conditions and standing dry matter. We employ several management practices to mitigate the risk of potential wildfires, such as early season fuel reduction burning. This creates physical fire breaks in the landscape that can help reduce the risk of wildfires late in the dry season. We grow some of our own feed which provides a level of feed stability to our AACo owned feedlots. We also engage with a flexible and diversified supply base, which mitigates risk of procurement interruptions.
Drought and long-term changes in precipitation	<p>Drought can directly impact livestock productivity, pasture productivity, and land condition.</p> <p>Conversely, long term changes in precipitation can deliver higher rainfall values, providing conditions for strong pasture growth.</p>	<ul style="list-style-type: none"> Managing our stocking model is a key component of how we seek to manage against weather variability. We have several management practices in place such as the satellite assisted forage budget which aim to ensure a balance between stocking rates and carrying capacity. We are increasingly using spatial tools, such as Cibo Labs, the outputs from which inform decision making around pasture management and land condition. We undertake strategic infrastructure development such as additional fencing and additional water points that enables greater control of grazing and pasture management.

Potential Scenario	Potential Impact	Management Practices
Extreme heat	Extreme heat over a prolonged period presents risks to outdoor workers' health and safety.	<ul style="list-style-type: none"> Heat management is included as a safety topic in our toolbox talks with operational employees. We provide shading for team members working in our main yards and provide ice machines within the homestead complex on most properties to help manage body heat during daily work and during heatwave conditions.
	Increased temperatures have the potential to influence livestock growth rates, likelihood of disease, reproductive success, and mortality rates.	<ul style="list-style-type: none"> We monitor heat load in our feedlot operations on a daily basis and plan cattle movements and practices around this. Operational staff utilise the Cattle Heat Load Toolbox platform to monitor the forecast heat load for cattle at a given site. The provision of shade in feedlot pens further helps livestock escape extreme heat events and to regulate their body temperature. We follow the Australian Lot Feeder Association (ALFA) shade best practice guidelines. Our breeding and genetics program includes a focus on selecting for traits in our herd that we consider are more suitable to the environment we operate in and reduce the impact of heat on our animals.

Transition Risks

Risks associated with the transition to a lower carbon economy including policy, regulatory and legal changes, and technological developments.

Potential Scenario	Potential Impact	Management Practices
Domestic and international policy	Emerging regulatory market access requirements such as those related to deforestation, that may restrict access to market.	<ul style="list-style-type: none"> We invest in preparedness for emerging requirements in market access, regulations and consumer requirements through our sustainability program which connects through all relevant business units. For example, we have undertaken consultation internally and externally during the period, to prepare for the EU Deforestation Regulations which come into force in December 2024. We engage with other stakeholders such as government, industry bodies, advisory services and influencers who are connected to market access frameworks to advance our understanding of emerging regulations such as EU Deforestation Regulations and related compliance requirements.
	Domestic and international commitments to emissions reduction targets, including those made by industry or representative bodies, which have a flow-on impact on AACo's operations. This might include, for instance, an increase in production costs resulting from compulsory use of methane mitigants or purchase of offsets.	<ul style="list-style-type: none"> We engage with industry bodies on current and emerging decarbonisation and related policies. Similarly, we engage with state and federal governments to progress our sustainability efforts and seek to ensure that the industry's perspectives are considered in policies which could impact our business. We directly invest in Innovation and R&D to prepare for emerging requirements for Net-Zero transition including the Zero Net Emissions Ag Cooperative Research Centre which we are a Tier-1 partner in.

Climate Risk Disclosure (continued)

Potential Scenario	Potential Impact	Management Practices
Compliance and reporting requirements	Fiduciary duty for organisations to disclose their contribution to and mitigation of climate change.	<ul style="list-style-type: none"> Our sustainability team undertakes an annual emissions accounting process supported by a qualified third party. This account is published in the annual Sustainability Report. Risk assessment by the Risk and Environment and Sustainability teams in accordance with the governance processes outlined above. This risk assessment is primarily recorded in our OFR.
	Challenges to quantify GHG emissions including Scope 3 emissions.	<ul style="list-style-type: none"> We continue to seek external subject matter expertise on GHG emissions calculation and reporting and work on improving our approach to emissions accounting and quantifying our climate impact.
Fluctuations in input prices	Decarbonisation of the transport sector potentially resulting in a period of increased costs for freight.	<ul style="list-style-type: none"> For feedlot commodities, we seek to mitigate price risk where possible through internal production, on-site storage & entering into forward purchase contracts.
	Fluctuations in prices for fertiliser and supplements resulting in increased costs of production.	<ul style="list-style-type: none"> We produce our own lick block supplementation at the Aronui site which allows us to manage supplementation costs, to an extent. This forms a substantial percentage of our total annual lick block usage. We also apply manure as fertiliser on the Goonoo farm which reduces our reliance on external purchases of fertiliser.
Access to finance	Potential impacts to commercial insurance costs due to increasing physical risks which may increase insurance costs.	<ul style="list-style-type: none"> As part of the annual renewal process, our insurance program is reviewed and calibrated to optimally balance risk transfer with cost.
	Financial institutions seeking to limit exposure to sustainability impacts in their portfolio, resulting in increased scrutiny from financial providers.	<ul style="list-style-type: none"> We are continuing to progress on our sustainability initiatives, expanding our ESG data capture and reporting capabilities to seek to provide greater transparency to financial providers and investors on our sustainability progress. The continuous improvement of our sustainability initiatives is highlighted at external reporting periods in our Investor Presentations at half-year and year-end, as well as our annual sustainability reporting.
Shifting consumer perception and preferences	Consumer expectations in relation to product sustainability and climate impacts are growing and are increasingly influencing consumer decision-making which may result in loss of revenue.	<ul style="list-style-type: none"> Cross functional collaboration between the Sustainability Team and the Commercial Team seeks to ensure strong lines of communication about sustainability initiatives and changing customer expectations. We aim to continually develop products and brands such as our Westholme product, that reflect our approach to nature including climate to meet customer values and expectations.
Carbon projects, opportunities, and fluctuations in the carbon price	Potential exposure to increased carbon costs in the future, such as the introduction of carbon border tariffs and emission reduction compliance obligations imposed on the agricultural industry which may limit market access or increase cost of market entry.	<ul style="list-style-type: none"> We are exploring multiple emissions reduction and methane abatement options in our operations. We are continuing to develop an internal carbon program which seeks to limit the impact of carbon market fluctuations on carbon management costs and to take advantage of emerging market opportunities.

GRI and SASB Standard Index

Australian Agricultural Company Limited has reported information cited in this GRI content index for the 12-month period to 31 March 2024 with reference to GRI and SASB Standards.

Global Reporting Initiative Standards

GRI Topic	Disclosure	Location
General		
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report, pages 01–07
	2-2 Entities included in the organization's sustainability reporting	Australian Agricultural Company Limited and its wholly owned Australian subsidiary entities, as noted in Note F9 Controlled Entities in the Notes to the Financial Statements of the FY24 Financial Report.
	2-3 Reporting period, frequency and contact point	12-month period to 31 March 2024. AACo reports annually in accordance with the financial year ending 31 March. Contact: ir@aaco.com.au
	2-4 Restatements of information	Pages 16–17 Pages 32–33
	2-5 External assurance	External Assurance, pages 46–48
	2-6 Activities, value chain and other business relationships	Annual Report, pages 04–07 and 27–31
	2-7 Employees	Sustainability Metrics – Employment, page 33
	2-8 Workers who are not employees	Not Disclosed in FY24 Reporting Period
	2-9 Governance structure and composition	Corporate Governance Statement, pages 01–02
	2-10 Nomination and selection of the highest governance body	Corporate Governance Statement, pages 01–02
	2-11 Chair of the highest governance body	Corporate Governance Statement, pages 01–02
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Foundations – Governance, page 29
	2-13 Delegation of responsibility for managing impacts	Not Disclosed in FY24 Reporting Period
	2-14 Role of the highest governance body in sustainability reporting	Audit and Risk Management Committee Charter, page 4
	2-15 Conflicts of interest	Code of Conduct, page 8
	2-16 Communication of critical concerns	Not Disclosed in FY24 Reporting Period
	2-17 Collective knowledge of the highest governance body	Not Disclosed in FY24 Reporting Period
	2-18 Evaluation of the performance of the highest governance body	Not Disclosed in FY24 Reporting Period
	2-19 Remuneration policies	Annual Report, pages 55–68
	2-20 Process to determine remuneration	Annual Report, pages 55–68
	2-21 Annual total compensation ratio	Not Disclosed in FY24 Reporting Period
	2-22 Statement on sustainable development strategy	Welcome to our FY24 Sustainability Report, pages 04–05
	2-23 Policy commitments	Sustainability Policy
	2-24 Embedding policy commitments	Not Disclosed in FY24 Reporting Period

GRI and SASB Standard Index (continued)

GRI Topic	Disclosure	Location
	2-25 Processes to remediate negative impacts	Not Disclosed in FY24 Reporting Period
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblower Policy, page 2–4
	2-27 Compliance with laws and regulations	Not Disclosed in FY24 Reporting Period
	2-28 Membership associations	Not Disclosed in FY24 Reporting Period
	2-29 Approach to stakeholder engagement	Sustainability Foundations – Stakeholder Engagement, page 30
	2-30 Collective bargaining agreements	Not Disclosed in FY24 Reporting Period
Agriculture, Aquaculture and Fishing Sectors		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics, page 31
	3-2 List of material topics	Material Topics, page 31
GRI 13.1 Emissions	3-3 Management of material topics	Climate Action, pages 12–19
	305-1 Direct (Scope 1) GHG emissions	Sustainability Metrics – GHG Emissions, page 32
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Metrics – GHG Emissions, page 32
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Metrics – GHG Emissions, page 32
	305-4 GHG emissions intensity	Climate Action, page 17
GRI 13.2 Climate adaptation and resilience	3-3 Management of material topics	Climate Action, pages 12–19 Climate Risk Disclosure, pages 36–40
GRI 13.3 Biodiversity	3-3 Management of material topics	Regenerating Nature, pages 20–22
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Regenerating Nature, pages 20–22 Sustainability Metrics – Natural Assets, page 32
GRI 13.4 Natural ecosystem conversion	3-3 Management of material topics	Regenerating Nature, pages 20–22 Sustainability Metrics – Natural Assets, page 32
GRI 13.7 Water and effluents	3-3 Management of material topics	Pursuing Circularity, page 23
GRI 13.8 Waste	3-3 Management of material topics	Pursuing Circularity, page 23
GRI 13.10 Food safety	3-3 Management of material topics	The Future of Food, pages 06–07
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Metrics – Food Safety, page 32
GRI 13.11 Animal health and welfare	3-3 Management of material topics	Animal Health and Welfare, pages 10–11 Sustainability Metrics – Animal Welfare, page 32
GRI 13.12 Local communities	3-3 Management of material topics	Resilient Communities, page 27
	413-1 Operations with local community engagement, impact assessments, and development programs	Resilient Communities, page 27
GRI 13.14 Rights of indigenous peoples	3-3 Management of material topics	First Nations Partnerships, page 26
GRI 13.15 Non-discrimination and equal opportunity	3-3 Management of material topics	Valuing People, pages 24–25 Sustainability Metrics – Employment, page 33

GRI Topic	Disclosure	Location
GRI 13.19 Occupational health and safety	3-3 Management of material topics	Valuing People, pages 24–25 Sustainability Metrics – Safety Management, page 32
GRI 13.23 Supply chain traceability	3-3 Management of material topics	Not Disclosed in FY24 Reporting Period
GRI 13.24 Public policy	3-3 Management of material topics	Sustainability Foundations – Stakeholder Engagement, page 30






Sustainability Accounting Standards Board – Meat, Poultry and Dairy

SASB Topic	Disclosure	Location
Greenhouse Gas Emissions	FB-MP-110a.1. Gross global Scope 1 emissions	Sustainability Metrics – GHG Emissions, page 32
	FB-MP-110a.2. Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate Action, page 12–19
Energy Management	FB-MP-130a.1. (1) Total energy consumed; (2) percentage grid electricity; and (3) percentage renewable.	Sustainability Metrics – Energy Management, page 32
Food Safety	FB-MP-250a.2. Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification programme	Sustainability Metrics – Food Safety, page 32
	FB-MP-250a.3. (1) Number of recalls issued; and (2) total weight of products recalled.	Sustainability Metrics – Food Safety, page 32
	FB-MP-250a.4. Discussion of markets that ban imports of the entity's products	Sustainability Metrics – Food Safety, page 32
Workforce Health and Safety	FB-MP-320a.1. (1) Total recordable incident rate (TRIR); and (2) fatality rate for (a) direct employees; and (b) contract employees.	Sustainability Metrics – Safety Management, page 33
Environmental & Social Impacts of Animal Supply Chain	FB-MP-430a.2. Percentage of supplier and contract production facilities verified to meet animal welfare standards	Sustainability Metrics – Animal Welfare, page 32
Animal & Feed Sourcing	FB-MP-440a.3. Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	Climate Risk Disclosure, pages 36–40

Sustainable Development Goals

We have identified eight Sustainable Development Goals (SDGs) which we have demonstrated progress against in FY24. There are other SDGs which we contribute to, however the following eight SDGs represent the areas of greatest importance to our operations and best align with our purpose, vision and company objectives in the FY24 period.

Icon	SDG	Target	AACo's contribution	
	Life on land	15.3	Combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods.	<p>Several business practices seek to maintain and improve land condition (in terms of biodiversity, soil condition and pasture health), including AACo's bespoke stocking model, satellite assisted forage budgeting and the utilisation of a land condition framework through which we monitor groundcover, vegetation balance and soil erosion.</p> <p>We undertake targeted land rehabilitation activities at certain properties which aim to restore areas of lost land condition and employ pasture rest strategies to provide opportunities for land condition maintenance and recovery.</p>
		15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.	<p>We have begun to implement the Accounting for Nature Framework, which enables the assessment of ecological condition of landscapes including vegetation, fauna, soil and water quality. This framework provides data for prioritisation of habitat and biodiversity protection project development.</p> <p>We have a number of sites established under the Territory Conservation Agreements program, which assists in providing biodiversity and environmental protection within productive landscapes.</p>
	Climate action	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.	<p>Our Climate Risk Assessment framework outlines our current view of the key climate-related hazards posed to our operations and our approach to responding and mitigating these hazards.</p>
		13.2	Integrate climate change measures into policies, strategies and planning.	<p>"Climate Action" is a key focus area under our Sustainability Framework. We are taking action in four key areas including: tackling methane, carbon sequestration, greenhouse gas efficiency in our operations and our renewable energy transition. More detail on these activities can be found in the "Valuing Nature" section of this report.</p>
	Responsible consumption and production	12.2	Achieve the sustainable management and efficient use of natural resources.	<p>Our production system enables the conversion of resources through our cattle, such as native pastures which are not suitable for human consumption, in remote landscapes of low agricultural potential into high value nutrients for human consumption.</p> <p>We have invested in innovation and operational improvements to deliver greater productivity across our herd, such as those described within this report.</p>
		12.5	Reduce waste generation through prevention, reduction, recycling and reuse.	<p>Where feasible, we recycle organic waste such as manure and effluents at feedlots into cropping activities.</p> <p>We are investigating viable options for technical solutions to recycling on-station in remote contexts where infrastructure is limited, and recycling options are limited.</p>

Icon	SDG	Target	AACo's contribution	
	Zero hunger	2.4	Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.	We are working to identify opportunities where we can implement sustainable and resilient food production practices across our supply chain (as outlined in this and previous reports) to deliver high quality protein for global consumption. We are seeking to better understand how our systems can be responsive to changing climate and nature requirements.
	Gender equality	5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.	Our People and Culture team delivers a number of programs aimed at advancing gender equality in our workforce including the "Women of AACo" program which provides mentoring and other support to emerging female leaders in the business. In FY24, AACo achieved a 50/50 representation of women in senior leadership roles and improved its representation of women in leadership overall by 6%.
	Decent work and economic growth	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.	Our Innovation and Research and Development programs are delivering advancements in technology and agricultural production that led to higher levels of economic productivity such as our breeding and genetics program.
		8.6	Substantially reduce the proportion of youth not in employment, education or training.	AACo has a proportion of its workforce in the youth age category, including many of our station staff and in particular stock management teams. In addition, we run a Graduate Program which recruits three to four young graduates into the business each year and provides them immediate employment with rapid development pathways following university.
	Affordable and clean energy	7.3	Improve the global rate of improvement in energy efficiency.	We continue to upgrade our vehicle fleet to newer, more fuel efficient vehicles, as detailed in previous reports. In addition, we produce solar energy which is returned to the grid at our Dalgonally and Canobie sites. We are investigating opportunities to transition to renewable energy usage on our remote stations. We have progressed transitioning our diesel bores to solar power across our estate, with 93% of bores now converted to solar.
	Clean water and sanitation	6.4	Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity.	Through our solar bores program, we are upgrading our water infrastructure with telemetry, which aims to improve our ability to monitor water use and to reduce water losses as a result of evaporation and seepage. Wastewater in feedlot is recycled for use in cropping to reduce reliance on water for irrigation.

External Assurance



Independent Limited Assurance Report to the Directors of Australian Agricultural Company

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Information Subject to Assurance, which has been prepared by Australian Agricultural Company in accordance with the Criteria for the year ending 31 March 2024.

Information Subject to Assurance

The Information Subject to Assurance is the Selected Sustainability Data and Selected Qualitative statements presented in the Australian Agricultural Company's 2024 Sustainability Report and as described in Appendix 1 of this report.

Criteria Used as the Basis of Reporting

The Information Subject to Assurance was prepared in accordance with Australian Agricultural Company's ESG Reporting Manual and related internal policies and procedures, and as described in the Australian Agricultural Company Sustainability Report ("the Criteria").

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Australian Agricultural Company 2024 Sustainability Report, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant personnel to understand the internal controls, governance structure and reporting process of the Information Subject to Assurance;
- reviews of relevant documentation;
- analytical procedures over the Information Subject to Assurance;

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- walkthroughs of the Information Subject to Assurance to source documentation on a sample basis;
- evaluating the appropriateness of the criteria with respect to the Information Subject to Assurance; and
- reviewed the Australian Agricultural Company's 2024 Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Australian Agricultural Company.

Use of this Assurance Report

This report has been prepared for the Directors of Australian Agricultural Company for the purpose of providing an assurance conclusion on the Information Subject to Assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Australian Agricultural Company, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet the needs of the Directors and;
- preparing and presenting the Information Subject to Assurance in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Information Subject to Assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the year ended 31 March 2024, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

A handwritten signature in black ink, appearing to read 'KPMG', with a stylized flourish extending from the end.

KPMG
Sydney, NSW
23 July 2024

External Assurance (continued)



Appendix 1

Selected Sustainability Data and qualitative statements	Value Assured for the year ended 31 March 2024
Scope 1 - land and livestock emissions (tCO2-e)	655,918
Scope 1 - energy emissions (tCO2-e)	28,471
Scope 2 - electricity emissions (tCO2-e)	2,609
Total energy consumption (fuel + electricity) (GJ)	482,457
Fuel consumption (GJ)	469,600
Electricity consumption from the grid (GJ)	12,857
Annual renewable energy generation to the grid (MWh)	16
Scope 3 emissions (tCO2-e)	158,085
GRI index in the appendix of the report on pages 41 to 43	
TCFD Index Table in the Appendix on pages 36 to 37	
Material qualitative claims made in the Climate Risk Tables on pages 38 to 40	
Material qualitative claims made in relation to Climate Governance on page 29	



