

# 2023 Sustainability Report



# Our Report

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## Acknowledgement of Country

AAM acknowledges Traditional Owners of Country throughout its operations in Australia and recognises the continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past, present and emerging.



## Disclaimer

*This report contains general information only and is based on information from reliable sources; though no representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented. The report is provided solely for information purposes and relates to AAM's sustainability initiatives and activities generally and is not specific to any particular AAM business or fund. This report is not a recommendation or offer to invest in any fund managed or operated by AAM, is not provided in connection with any investment offer in any AAM managed or operated fund and is not intended to be utilised or relied upon in making a decision to invest in any AAM managed or operated fund.*

## About this report

### Forward-looking statements

This report may contain forward-looking statements that express our intentions and expectations for the future. These statements are not guarantees of future performance, and actual results may differ materially from what is expressed or implied in these statements. We base our forward-looking statements on current knowledge and information available at the time of reporting, and we are not liable for future events or outcomes that do not align with these statements. We caution against relying solely on these future-oriented statements when making decisions or drawing conclusions.

### Report boundary

Throughout this report, the terms 'AAM,' 'our business,' 'organisation,' 'we,' 'us,' 'our,' and 'ourselves' refer to AAM Investment Group Pty Ltd and all subsidiaries and managed entities of AAM. This report encompasses information pertaining to all assets owned, managed, and operated by the AAM group of companies, and does not relate to any specific fund or asset managed or operated by AAM.

'AAM' in this document refers to AAM Investment Group Pty Ltd ABN 28 612 701 274 or its subsidiaries (as the context requires).

'AAM Board' is the AAM Investment Group Pty Ltd board of directors.

### Report scope

This Sustainability Report has been collaboratively prepared by the AAM Sustainability team, in partnership with various entities within AAM and various entities within our portfolio. This report represents the inaugural effort by AAM and covers activities conducted during the financial year 2023, spanning from July 1, 2022, to June 30, 2023, across AAM-owned, managed, and operated assets unless otherwise specified. The report is tailored to address topics identified as material to AAM and aligned with industry sustainability frameworks.

### Feedback

We welcome feedback on this Sustainability Report. For enquiries or comments, please reach out to us at: [sustainability@aamig.com.au](mailto:sustainability@aamig.com.au)

# Message from our Managing Director

It is my pleasure to present AAM's inaugural Sustainability Report and share with you some of the key initiatives and activities we are undertaking across the business to appropriately manage the environmental, economic and social aspects of our operations, while attempting to minimise our impacts.

Having more than 1.7 million hectares under our management comes with a large responsibility. We understand and respect it is imperative for us to leave landscapes and ecosystems in a better state than we found them, so they can be useful for, and enjoyed by, future generations.

Since we acquired our first asset in our managed investment portfolio, Riverlands Free Range in 2018, we have invested in our people, our communities and for a sustainable future for agriculture.

In 2022, our sustainability journey was formalised with the development of our first Sustainability Framework. This framework has since guided our efforts and priorities under three key pillars – Planet, People and Prosperity – which align to 13 of the United Nation's Sustainable Development Goals and serve as the foundation of this report.

Agriculture is the world's oldest asset class, one that is existential in nature and central to the wellbeing and prosperity of global society. Looking back over past decades, and even centuries, it is clear farming systems that best nurture landscapes, ecosystems, people and communities – and harness the power of the sun and the soil – are those which endure.

We see our sustainability journey as cyclical. There is no finish line. There is always an opportunity to learn and improve, embrace change and adopt technology. Agriculture has a long history of being one of the most innovative and resourceful industries in the world. We can see this in the increasingly dominant role agriculture is playing in solving some of the world's greatest challenges, including getting our energy mix right here in Australia and perhaps then for the rest of the world.

Once again, I am delighted to present AAM's first Sustainability Report and proud to share with you the work we have been investing in to ensure a positive future for agriculture, and rural and regional communities.

Yours sincerely,



**Garry Edwards**  
Managing Director

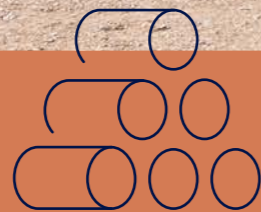
20 November 2023



# Sustainability Highlights



**826 hectares**  
under a conservation  
agreement



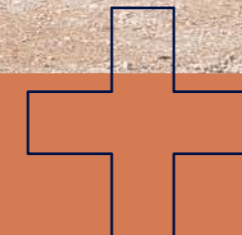
**307,179 tonnes**  
of softwood timber  
residue used in products  
like compost and mulch



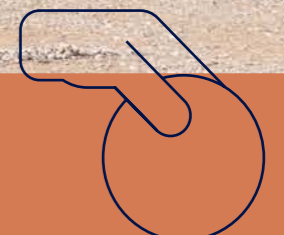
**17,960 m<sup>3</sup>**  
of composted poultry  
manure produced on site



**1st published**  
sustainability report



**29% reduction**  
in lost time injury  
frequency rate



**\$481,000**  
donated to community  
initiatives

# Our business

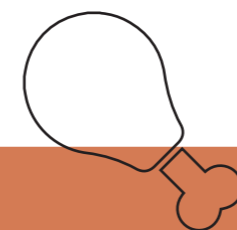
Agriculture is Australia's oldest and most resilient asset class, delivering food and fibre to meet our most basic human needs.

As a large-scale, wholly Australian-owned operator and provider of strategic investment, asset management and operational management services to Australia's agricultural industry, we are focused on investing for a sustainable future for agriculture.

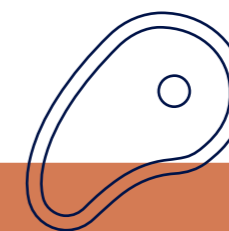
Our vision is supported by our foundational philosophies of diversifying across supply chains and geographical production areas, and applying precision management strategies to our assets, with a focus on developing operational efficiencies and potential for capital growth. This is further strengthened by the adoption of an 'owner-operator' model.

Our national team spans four states and territories and includes more than 500 employees across 32 assets. We manage \$967 million of assets in multiple agricultural sectors including beef, sheep, poultry, grains and sustainably produced softwood timber.

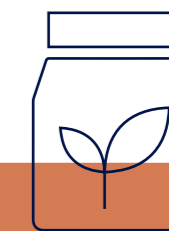
## Our 2022-23 contribution



41,896 tonnes of chicken meat, equivalent to about **420 million serves of chicken<sup>a</sup>**



7,650 tonnes of red meat equivalent to about **38 million serves of red meat<sup>a</sup>**



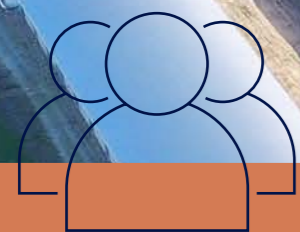
17,960 m<sup>3</sup> of organic poultry composted manure, enough to produce, **408,000 25kg bags of home fertiliser product**



281,000 m<sup>3</sup> of softwood timber produced, equivalent to **6,809km of fencing that could reach from Brisbane to Melbourne 3.8 times<sup>b</sup>**



**\$463 million<sup>c</sup>** in estimated economic impact nationally, as a result of AAM managed and owned business, incorporating actual revenue received and capital investment



**509 employees**  
across Australia, with 82% living in rural and regional areas

**1.7+ million hectares**  
across Australia under management



**32 assets**  
across five states and territories of Australia

<sup>a</sup> Based on Australian Dietary Guidelines recommended standard serves.

<sup>b</sup> If all total finished product went into fencing panels.

<sup>c</sup> Based on REMPLAN, a software tool used in Australia for regional economic analysis and planning.

## Our Vision

To promote investment that leads change in the agricultural industry to create a positive and sustainable legacy.

## Our Values

AAM's core values underpin our approach to sustainability and provide direction for the business as it moves towards a better future for consumers, our investors, and our business.

## AAM's values

**Safety**



**Act with integrity**



**Value our people**



**Work together**



**Lead the way**



**Future focused**



**Inter-generational thinking**



# AAM Asset Portfolio<sup>d</sup>

## Cattle

Our beef cattle assets include breeding, backgrounding and finishing operations across northern, eastern and southern production systems, encompassing rangelands beef production in the Northern Territory, organic grassfed beef enterprise at our Blackall Aggregation in Western Queensland and our newly established Wagyu seedstock breeding herd at Bective Station near Tamworth. We supply several markets, including organic grassfed, feedlots, high quality restaurant and premium export beef as well as essential, independently monitored, live export supply chains.

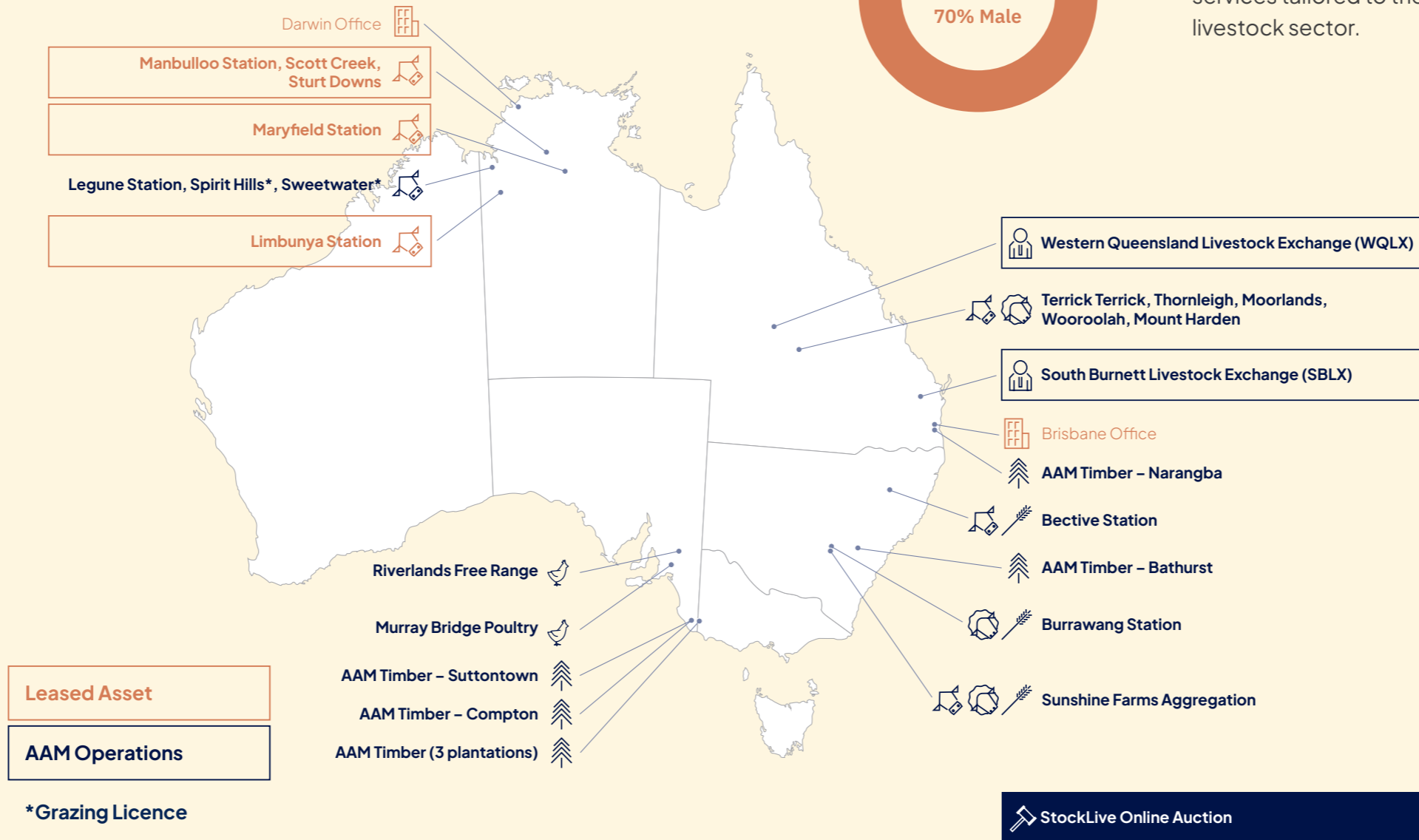
## Sheep

Our sheep operations are focused on Dorpers, a shedding breed, with the main flock situated at our Blackall Aggregation in Western Queensland and a seedstock breeding stud at Burrawang in central west New South Wales.

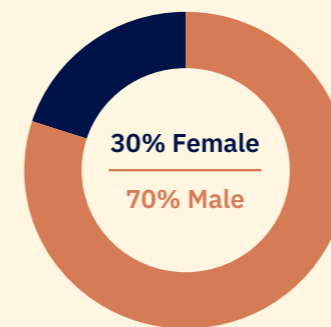
## Poultry

We are one of the largest meat chicken contract farmers in Australia. Our poultry operations produce ~21 million birds a year at two locations, which includes our free-range Riverlands site, making us a key supplier in Australia for Inghams.

**1.7M Hectares** **\$967M Assets Under Management**



## AAM Employees



## AAM Operations

A subsidiary company of AAM dedicated to delivering specialised operational services tailored to the livestock sector.

## Farming

Cropping and hay production is undertaken alongside sheep and cattle grazing at several of our cropping assets to create additional streams of revenue and for drought mitigation. Our cropping production system maximises available water for use in growing summer and winter crops, while working in harmony with sheep and cattle operations. Grains and hay are produced to feed our livestock, while some crops are sold into grains markets.

## Softwood Timber

Our softwood sawmilling facilities are located in Queensland, New South Wales and South Australia, and process more than 550,000m<sup>3</sup> of softwood timber that is supplied into major markets for softwood pallet production, fencing and garden landscaping, house framing and building timber, as well as value-added residue products. Additionally, three small softwood timber plantations are owned in Victoria.

## Technology

Our AAM owned StockLive group is an online auction, live streaming and data service platform. The platform is designed to support livestock auctions by increasing the number of buyers participating in any given auction, without the need to physically attend the site increasing buyer competition and market transparency.

<sup>d</sup> As at 30 June 2023



# Our Sustainability Framework

Since inception, at AAM we have made decisions that support our vision of creating a positive and sustainable legacy. In 2022, we expanded on this vision and developed our Sustainability Framework, designed to articulate how AAM approaches material sustainability priorities within our business. The Sustainability Framework is centred around three pillars – Planet, People and Prosperity.

We know activities that were considered good sustainable practice a decade ago, do not meet contemporary standards and expectations. This is why we are focused on keeping up to date with the expectations of our investors, our team, and the communities in which we operate. As part of our annual review process this year, we refined our Sustainability Framework, which is reflected in this report. As we continue to enhance our approach to sustainable practice, we expect to grow our capacity and capability, with a focus on seeking opportunities to learn and improve outcomes for the future.

## Sustainability vs ESG

At AAM, we have taken a holistic view to how we approach sustainability, as outlined by our Sustainability Framework. While there has been a trend to focus on environmental and social impacts, underpinned by governance, we believe that sustainable economic impacts must also be considered as they are key to the long-term sustainability of our business and the communities in which we operate. We have a multi-generational view at AAM and felt that a broad definition of sustainability encompasses our approach, rather than ESG in isolation.

## Our approach



To help inform the key areas of materiality for our business and assets, we reviewed existing industry frameworks, including the Australian Beef and Sheep Sustainability Frameworks, Australian Grains Industry Sustainability Framework and Australian Agricultural Sustainability Framework.

The next step in our journey will be to engage our key external stakeholders and potential partners to further refine our materiality assessment, responses and activities, and over time to improve the impact measurement of our efforts.

# Our Sustainability Framework





## Our governance

The AAM boards and committees are responsible for AAM’s overall governance and performance. This responsibility is executed through the establishment of roles and responsibilities delineated within Board-approved charters and formal delegations of authority. These charters and delegations of authority, together with the constituent documents, *Corporations Act 2001* (Cth), and other frameworks, underpin AAM’s strong governance focus.

Our governance framework is reinforced by a set of policies and procedures. These not only serve as the basis for our decision-making processes and operational activities but are designed to ensure legislative and regulatory compliance and best-practice standards. Together with these practices, we maintain an ongoing process of monitoring and enhancement. This approach ensures our governance remains agile, allowing us to promptly adapt to the ever-evolving challenges and opportunities.

## Sustainability governance structure

While our strategic direction and approach to sustainability is approved at Board level, we encourage feedback and ideas from our teams across divisions and operational assets. It is our firm belief that everyone involved in the AAM business can contribute ideas for improvement and make a positive difference to the long-term sustainability of our operations.

Our Sustainability Team is led by the Executive Director - Timber and Sustainability, whose primary role is to deliver on our sustainability strategy through the sustainability framework. In doing so they will

provide oversight, knowledge, experience and support across the business on sustainability related risks and opportunities.

Importantly, they will also be responsible for ensuring integration of the framework throughout the entire business and at all levels. AAM actively discusses sustainability initiatives amongst the senior leadership team, and through communications, regular meetings and Board reporting. We also keep our investors informed through quarterly updates.

# Our priorities

Our review of industry frameworks identified 10 material topics. We have established priorities for each of these.

## Alignment to the Sustainable Development Goals

We have mapped our Sustainability Framework against the 13 of the United Nations' Sustainable Development Goals (SDGs) to ensure we are contributing to identified global sustainability outcomes. AAM aims to report activities and progress towards the SDGs in future reports.



## PLANET



### Water

Improve water use efficiency across our assets

### GHG Emissions

Understand climate impact and develop mitigation strategies

### Waste

Reduce waste through the optimisation and implementation of waste management practices

### Nature

Responsibly manage natural resources

### Animal Welfare

Provide an environment where our livestock can thrive



## PEOPLE



### Stakeholders

Active stakeholder engagement to maximise impact

### Communities

Create a long-term positive legacy in the communities where we operate

### Our People & Workplace

Keep our people safe and continue to make AAM a great place to work



## PROSPERITY



### Economic Resilience & Productivity

Drive economic resilience through active management and innovation

### Product Quality

Produce a quality product with integrity

# PLANET

Responsibly produce more with less

**Responsible management is central to our role of growing high-quality food and fibre products for Australia and the world.**

We take a focused approach to protect our natural capital by delivering improvements to energy and water infrastructure, animal health and welfare, land and waste management.

## Improving water use efficiency across our assets

Reliable access to water is influenced by rainfall and irrigation allocations and presents one of the greatest opportunities and risks affecting agricultural productivity.

Short-term water availability risks for dryland farming operations are heightened by weather events such as El Nino systems while, in the longer term, a changing climate may reduce access to water, intensify evaporation and increase stress on plants and animals.

Water quality is particularly important for healthy livestock, in particular the operation of our livestock and poultry assets. Without strong, coordinated action, this risk is likely to increase over time as pressure on water systems intensifies.

Across our assets, AAM has allocated \$1.6 million in FY23 to water infrastructure projects to improve water quality and to further improve water use efficiency.

### Water availability:

- Farmbot remote sensing technology has been deployed across multiple assets to enable real-time monitoring of water resources and instant access to data, allowing our teams to make informed decisions and allocate water resources appropriately. We plan to extend the rollout of this technology across additional assets
- GoField soil moisture probes have been piloted at Bective Station to create water, energy, and labour efficiencies in crop irrigation systems
- New water infrastructure upgrades, such as strategically placed troughs, have been placed across Blackall Aggregation to improve livestock grazing efficiency
- Greater use of available rainfall to increase productivity, by harnessing water capture through infrastructure during the wet season at Legune Station, which extends pasture development through the dry season period.

### Water quality:

- We are scoping the installation of a new water filtration system within our poultry operation to improve water quality. Set to begin in 2024, this project is expected to result in better poultry weight gain and feed conversion efficiency.

## Provide an environment where our livestock can thrive

Ensuring the wellbeing of the animals in our care is a priority of AAM and an area in which our investment yields welfare and productivity improvement. Providing an environment where our livestock can thrive not only nurtures their health but also optimises their productivity and ultimate value.

AAM is guided by the internationally recognised "Five Freedoms" as the foundation to how AAM approaches animal welfare, outlined in our Animal Welfare Policy. AAM livestock assets adhere to state and federal animal welfare regulations, including the Australian Animal Welfare Standards, National Livestock Identification System and National Standards for the Land Transport of Livestock, to ensure animal care and to reduce market and regulatory risk.

Investment in infrastructure to safeguard the safety of our people and livestock, including stockyards, fencing and water infrastructure is an operational priority of the business. The identification of risks is conducted through our hazard report system, to capture and report animal welfare risks directly to management.

AAM supports the industry's approach to investigating non-invasive alternatives to historically invasive husbandry procedures. Where non-invasive alternatives are not currently available, we aspire to implement 100% pain relief for necessary invasive husbandry procedures across our cattle and sheep operations.

Adherence to third-party animal welfare certification can be found on page 54.

In our poultry operations, in addition to the minimum regulatory requirements, we take pride in achieving 100% certification with a third-party animal welfare assurance program. Our chickens benefit from expertly-designed housing structures, which promote the expression of the animals' natural behaviours.



# Understand climate impact and develop mitigation strategies

By reducing emissions, sequestering carbon and improving production efficiencies, agricultural enterprises can play a key role in providing solutions to a changing climate.

During the year, we commissioned an independent assessment of greenhouse gas emissions (GHG), including estimated scope 1 and scope 2 emissions across our managed assets. The assessment used the Carbon Friendly® Agricultural Standard V1.4, which complies with ISO 14064-2 and the GHG Protocol Corporate Standard. This assessment included estimates of all major sources of GHG emissions associated with the operation of our:

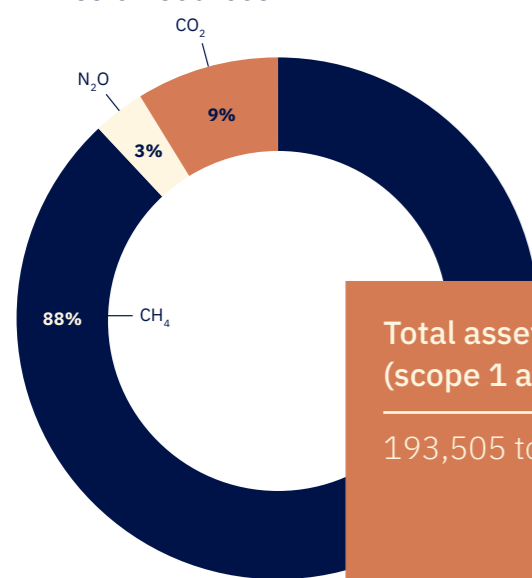
- Farms (including livestock, poultry growing and cropping systems)
- Saleyards
- Timber processing, and
- Brisbane and Darwin offices.

Predominant sources of GHG emissions derived from livestock production systems. When characterised by gas type, it was estimated that:

- 88% of the total GHG emissions were attributed to methane (CH<sub>4</sub>) from enteric and animal waste
- Nitrous oxide (N<sub>2</sub>O) emissions primarily from animal waste at poultry sites and beef assets, accounted for 3% of the total emissions, and
- Total carbon dioxide (CO<sub>2</sub>) emissions across all assets accounted for approximately 9%, with the predominant sources related to fossil fuel and electricity used.

Indirect, or third-party emissions (scope 3) derived from third-party operations, purchased livestock and feed, as well as supply chain inputs, were excluded from this initial assessment. This data sets a baseline for activities that are in our direct control, which will be used to monitor progress in future reports.

## Emission sources



### Total asset emissions (scope 1 and 2)

193,505 tonnes CO<sub>2</sub>-eq

### Emissions intensity (scope 1 and 2)

Beef: 13.4kg CO<sub>2</sub>e/kg LW  
 Sheep: 8.7kg CO<sub>2</sub>e/kg LW  
 Timber: 14.6kg CO<sub>2</sub>e/m<sup>3</sup>  
 Poultry<sup>e</sup>: 2.3kg CO<sub>2</sub>e/kg LW

<sup>e</sup> including Scope 1, 2 and 3 at the farm gate, in line with national benchmarks. Scope 1 and 2 is 0.21kg CO<sub>2</sub>e/kg LW

## Priority actions to manage risks and opportunities around our environmental dependencies include:

### Increasing renewable energy usage

Our primary energy sources are electricity, diesel and gas. We continue to seek to reduce our reliance on fossil fuel-based energy and are investing in renewable energy options including solar and battery projects.

Already, AAM has taken a leadership position in our industry by installing battery storage and solar panels at our poultry operations and prioritising solar on our station bores, with 64% of our bores on our Northern Territory stations operating with solar. Renewable energy production of 167,000kWh generated from solar power was sold into the South Australian Electricity Grid this year. In FY23, we generated or purchased 44% of electricity from renewable sources, which will be higher when considering renewable energy in the grid network.

### Trialling organic fertiliser

Plants rely on nitrogen to grow, and any nitrogen contained in plants exported from our cropping operations, such as grains and hay, needs to be replaced in the soil profile. Traditionally, using synthetic nitrogen manufactured with fossil fuel energy is the most common way to do this, however, in our poultry operations, we are using techniques such as composting and vermiculture (using worms to convert organic waste into nutrient-rich organic fertiliser). This process repurposes poultry waste and creates an organic, high nutrient soil conditioner product that can be used either as a stand-alone product or balance the inputs for a farming system.

We are trialling our organic compost on a cultivation paddock at Terrick Terrick, near Blackall in Western Queensland, with the aim of measuring changes in soil health, and plan to expand the trial to other sites if the results are positive.



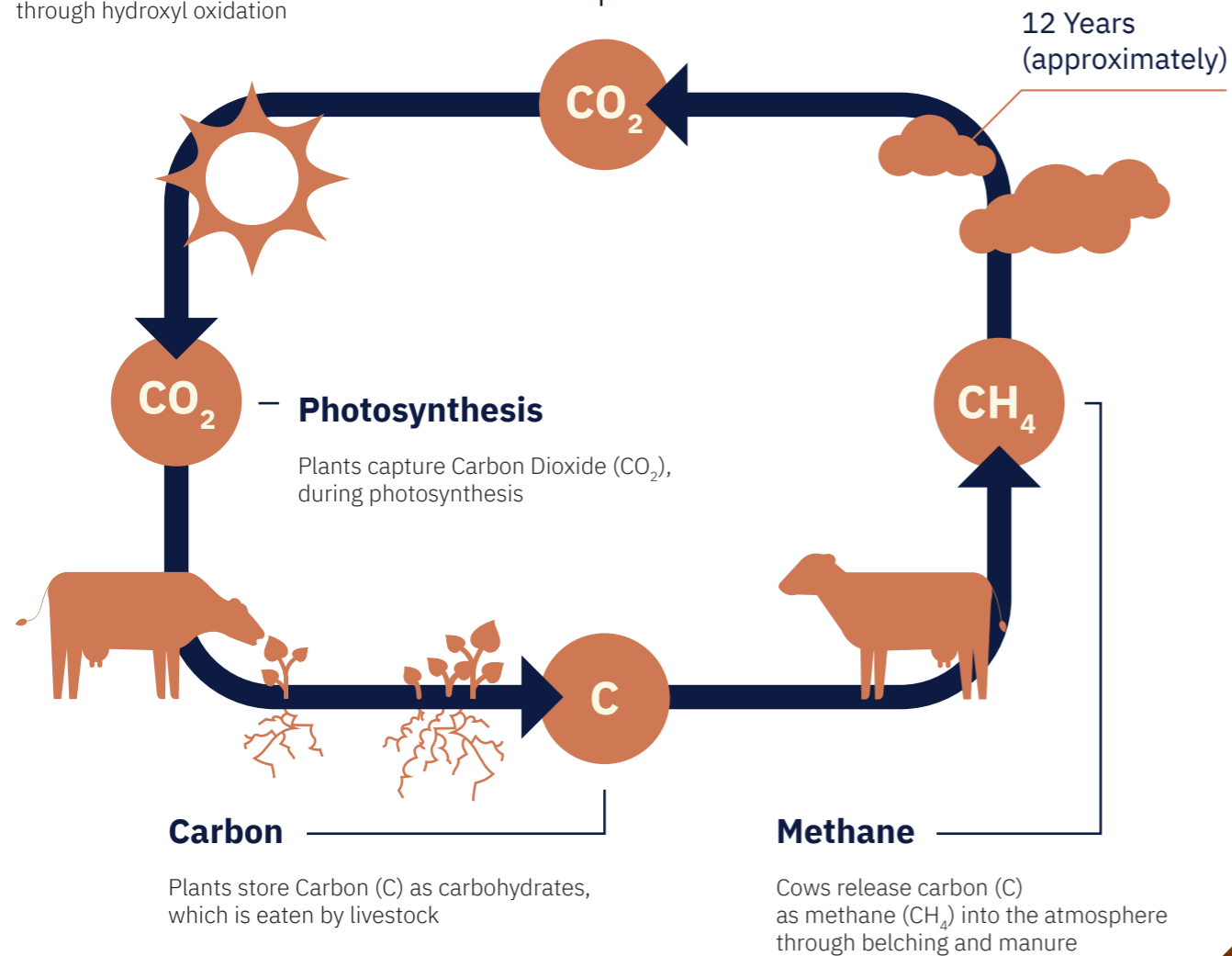
## Grazing livestock

We continue to seek opportunities to develop efficiencies across our beef operations to reduce the methane intensity of production. Our teams are keeping up-to-date with latest research and industry recommendations in managing methane outputs.

## The Methane Cycle

### Hydroxyl Oxidation

After approximately 12 years in the atmosphere Methane ( $\text{CH}_4$ ) is converted into carbon dioxide ( $\text{CO}_2$ ) through hydroxyl oxidation



## Sequestering carbon

Agricultural farming and land-backed systems provide one of the only carbon sequestration platforms available under current methodologies to store carbon.

With significant agricultural land holdings, AAM holds large stocks of carbon in above and below ground biomass.

While we continue to explore opportunities, we are currently trialling CiboLabs and satellite imagery to help actively monitor biomass availability. This essentially is carbon above the ground and gives us confidence that soil health and organic matter is considered as part of our land management strategies.

## Exploring carbon project opportunities

We are actively exploring the carbon market to identify opportunities to engage in emissions reduction projects and maximise the synergies between carbon-related activity and agricultural production systems. These projects will allow us to accurately measure carbon reductions and sequestration while creating potential for future revenue streams for

the business. There are several projects currently in development, with various methods being assessed, including sequestration and emissions avoidance. AAM will monitor and evaluate opportunities as the market progresses and evolves. Project opportunities will be assessed on a case-by-case basis, through the lens of our planet, people and prosperity pillars.





### ***Did you know?***

*For each cubic metre of kiln-dried  
sawn softwood a total of 900kg CO<sub>2</sub>-eq  
respectively is stored in the product at  
least for the duration of its service life.*

Forests, Plantations, Wood Products & Australia's Carbon Balance,  
Forest & Wood Products Australia

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# Responsibly manage natural resources



## Terrestrial ecosystems

Soil and the vegetation that grows in it – together with water are the natural resources underpinning the supply of food and timber. Without them, farmed commodities don't grow, or don't grow well.

## Soil

Healthy soil is alive and needs food and shelter to thrive and support healthy crops and fodder and pasture growth for animals. It provides essential functions such as water filtration and holding, nutrient cycling, resilience to climate extremes, and pest and disease suppression.

## Vegetation

Forests, woodlands, shrublands and grasslands provide erosion control, livestock shelter, carbon sequestration, cultural and visual amenity, and habitat for threatened species and for crop pest predators.

Responsibly managing our natural resources is part of our day to day business operations. People and their livelihoods rely on the wellbeing and productivity of our landscapes, and we play a role in maintaining this.

Our operations span a diverse range of environments, meaning we implement customised Environmental Management Plans to suit the range of soil types, water volume and availability, vegetation types and species under our care.

Some of this work includes:

- Undertaking compliance-based environmental audits to ensure that risks are captured early and managed
- Using a hazard reporting system to capture risks to the environment
- Completing soil tests
- Piloting the use of satellite imagery through CiboLabs to help actively manage our biomass availability
- Mitigating bushfire risks and associated impacts on the environment through controlled burning and managing fire breaks
- Undertaking a trial using composted manure on farming land
- Implementing erosion management practices

## World Environment Day at AAM Timber

To celebrate World Environment Day, our Brisbane-based staff visited the AAM Timber – Narangba processing facility to take part in a tree-planting activity where the team planted 100 trees and shrubs around the newly constructed High-Efficiency Sediment Basin (HESB) to support ongoing stormwater management.

The HESB, with a capacity of four million litres per day, transfers water back to the treatment plant facility for reuse in our production process, embodying circular economy principles and reducing site run-off.

## Biodiversity Conservation Trust

Under a Conservation Agreement, 826 hectares of native vegetation along the creek system at Burrawang West is leased to the New South Wales Biodiversity Conservation Trust. This area is still periodically grazed under the agreement to assist in biodiversity management, in particular the control of weeds and reduction of bushfire fuel load.

# Reduce waste through the optimisation and implementation of waste management practices

We are undertaking several initiatives to reuse and recycle outputs with the aim of reducing waste. Improved practices and innovation often enhance both environmental and efficiency outcomes, and a number of these initiatives have created additional revenue streams.

**17,960m<sup>3</sup>  
of composted  
organic fertiliser  
produced onsite**



## Poultry manure

Techniques such as composting, vermiculture (using worms to convert organic waste into nutrient-rich organic fertiliser) and granulating are repurposing our poultry waste and creating a more sustainable alternative to synthetic fertiliser.

## Organic compost trials

Organic compost is being trialled on the cultivation paddock at Terrick Terrick, Blackall, with an aim to measure changes in soil health.

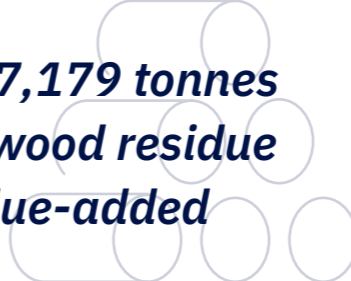
## Feedlot to fertiliser

Manure is collected from feedlot pens at Bective and used as fertiliser on pastures, providing an alternative to synthetic fertilisers. This approach will potentially deliver revenue-generating opportunities in the future.

## Zero waste in timber

Our target of zero waste within our timber production lines means residues are either sold or used on-site for value-adding purposes. At our AAM Timber – Narangba facility, the wood residue is engineered into soft fall material for children’s play facilities, servicing more than 1,000 local playgrounds per year.

**307,179 tonnes  
of wood residue  
value-added**



# AAM's Circular Economy





# PEOPLE

Thriving communities.  
Thriving business

**We invest in our people, engage with the communities where we operate, and build partnerships with industry, supply chain partners and service providers to help contribute to a prosperous rural and regional Australia.**

## Keep our people safe and continue to make AAM a great place to work

We are proud to operate across rural and regional Australia, with 82% of our 509 employees living and working in these areas. These people are at the heart of our business and are fundamental to our success. Our peoples' collective skills, knowledge, experience, and ability to adapt and innovate is what allows us to utilise natural assets for food and fibre production.

We provide a safe, supportive, and inclusive workplace for our people and ensure they have access to opportunities for learning, professional development and career growth. This approach centres around building strong employee engagement and attracting and retaining talented people, and to be recognised as an employer of choice in our industries.

Working in rural and remote locations comes with many benefits, however also presents challenges that come with living in isolated communities. We invest in our people's health and safety, and consciously promote wellbeing and a healthy work-life balance to help mitigate fatigue, workplace injuries and employee attrition.

Through the integration of knowledge and expertise across our diverse assets we can cultivate career growth and opportunities – for better outcomes for our employees and the overall business. Ongoing access to formal training in areas such as safety, animal welfare, compliance, and sector-specific topics plays a further part in ensuring our people are well equipped to advance their careers.



## Career progression

We value the very important role our talented team of people play in the sustainable growth of our business. We invest in their professional development and support career progression through promotions and internal opportunities across our business.

In the past year, employees undertook the following movements:

- Internal appointments: 26
- Traineeships undertaken across AAM assets: 33

## Employer of the Year – AAM Timber

In October 2022, AAM Timber - Suttontown won the National Employment Services Associations' Employer of the Year award, for their commitment and flexibility in providing employment to disadvantaged Australians. Over the past three years, the organisation has hired 107 people who experienced barriers to employment.

## Women in agriculture

Women are critical to Australia's agricultural industry and our business, and we are focused on building and nurturing a diverse and inclusive team. We employ women across the business, with representation of 30% of our total workforce.



## New Brand, Same Commitment



This year, we were proud to launch a refreshed visual identity for AAM with a new brandmark and colour palette to help truly communicate our goals, beliefs, commitments, priorities, and capabilities.

The AAM brandmark combines the foundations of a fingerprint while also evoking the topography of landscapes representing mountains, trees and an upward positive direction to our actions and strategy. At the heart of the brandmark is our people and our strong focus on sustainability.

The new branding has been progressively rolled out across our assets and uniforms and is a strong visual marker of our company's commitment to our people, agricultural production, supporting and growing prosperous communities, aspiring to achieve our goals for investors, and deliver on the positive legacy we intend to leave behind for generations of Australians to come.



## Developing future leaders in agriculture

Established in 2021, the AAM Graduate Program invests in the future of our industry by nurturing the next generation of agricultural leaders through career pathways, professional development, and mentorship opportunities. Over a period of 20 months and five business rotations, graduates gain practical, hands-on experience and insights by working within AAM's various agricultural businesses and geographical locations throughout Australia.

Since inception, five graduates have successfully completed the program and have been encouraged to build networks by attending events such as Beef Australia in Rockhampton, the Young Beef Producers Forum in Roma, the Royal Queensland Show (Ekka) and StockLive sales.

***Throughout the Graduate Program, I've been fortunate to work across many of the AAM assets, offering exposure to multiple operations and the opportunity to work with a range of industry leaders. This experience has presented numerous avenues for personal and professional development and has allowed me to form a diverse network group within the agricultural industry.***

*Hugo Ridge, Graduate Program Participant*



### NTCA Future Leaders Program

AAM sponsored the Georgina Pastoral Future NTCA program, which aims to foster and develop leadership skills within the Northern Territory beef industry's young leaders.

Two of our team members have been selected for participation in the program, with Chloe McCrabb (Manbulloo Station) participating in 2023 and Jake Hicks (Maryfield Station) graduating in 2022.

### AAM Managers' Conference 2023

In February, 44 managers from across the business travelled to South Australia to attend AAM's Annual Managers' Conference. South Australia is the home to many of our timber and poultry assets, where we grow more than 21 million broiler chickens each year.

Hailing from diverse backgrounds, expertise and AAM assets, the conference provided a unique opportunity for our managers to gather in one location and learn more about each other and their respective area of the business. Productive sessions were held to reflect on the previous year and to discuss opportunities for strategic focus in the future.

Managers also undertook site visits to several AAM Timber assets in Mount Gambier to gain a first-hand look at how large quantities of renewable plantation softwood timber are processed at our facilities.

## Mental health & wellbeing

Supporting the mental health and wellbeing of our employees is a priority for AAM and we ensure our staff have access to a range of support services.

- A targeted **Employee Assistance Program** offers confidential counselling and support from experienced health professionals to our employees and their families. The program provides access to an online ‘Wellbeing Gateway’ filled with resources to help employees proactively manage their health and wellbeing.
- As a Diamond Alliance Partner of **This is A Conversation Starter** (TIACS), our employees are encouraged to access a free phone and text counselling service offering mental health support.
- Teams across our business participate in mental health initiatives such as **RU OK? Day** to enhance their ability to identify and assist individuals who may need support.

### TIACs & Northern Induction Week

During the 2023 Induction Week for AAM's managed and operated properties in the Northern Territory, TradeMutt and TIACS co-founder Edward Ross and a counsellor gave advice on life in a remote station environment and the importance of mental health and life wellness skills.

### AAM Timber - Bathurst Lifeline Program

Staff from AAM Timber - Bathurst Timber Mill completed a Lifeline Accidental Counsellor course in November 2022. Participants learned effective communication skills and how to ask directly about thoughts of harm and respond safely, whatever the answer.





## Safety first mindset

The safety of our people is our number one priority, which is why AAM adopts a ‘safety first in everything we do’ mindset throughout the business. Ongoing investment in safety is a key strategic decision to support several programs.

Led by our Executive General Manager – Safety and WH&S Compliance, our dedicated Safety Team focuses on a series of initiatives, including:

- Sensors:** Wearable sensors measure worker movements and identify and reduce muscle-stressing injury risks. The data collected is displayed on a management data dashboard, allowing assessment of injury risk, while a mobile app provides feedback to workers, enabling them to prevent overload and injury. The program has been successfully implemented in our timber businesses, expanded to our poultry business, and there are plans to extend across the wider AAM group in the future.
- Safety software:** A program designed to streamline safety systems and reporting, providing a live overview of key safety indicators. This ensures consistency in tasks such as training delivery, contractor management, site inspections, and hazard and incident reporting.
- Chemical software:** Improves chemical inventory management, ensures compliance, enhances worker safety, streamlines risk assessment, and aids in emergency response planning and waste management.
- Maintenance software:** This technology has been implemented across all assets to ensure plant and equipment are maintained, and to prevent the risk of injuries.
- Site inductions:** Ensure new employees are trained and equipped to undertake safe work at AAM worksites.

These initiatives highlight AAM’s commitment to our team’s safety and have contributed to a 29% reduction in Lost Time Injury Frequency Rates (LTIFR) and 14% increase in hazard reporting across the business.

### Safety Excellence Award – AAM Timber

In June 2022, AAM Timber – Suttontown was awarded the ‘Safety Excellence Award – More than 30 Staff’ at the Green Triangle Industry Awards – a program showcasing achievements within the timber industry. The award was an excellent result for the team and demonstrated their collective commitment to improved safety outcomes.





# Create a long-term positive legacy in the communities in which we operate

We have 82% of our team living in regional communities across four states and territories. As well as the economic benefits to these communities from wages, local procurement, and taxes, AAM has invested \$481,000 in community initiatives.

For AAM, maintaining the trust of neighbouring residents and communities is important and translates into stronger access to potential employees, deeper knowledge of the local operating environment, and greater awareness of local concerns and opportunities.

We also value and respect the legacy of farmers and families and work closely with vendors to ensure we are respectfully enhancing on the vision they held for their property or asset.

Some of our community initiatives include supporting local sports clubs, events, and agricultural shows which are at the heart of regional communities. We also make a significant social and financial contribution by bringing young people, families, and experienced employees to the regions, bolstering the local economy, schools and other services, and diversity.

What we are most proud of is being able to offer in-kind support of our people, our skills, and our resources to help raise funds for important and worthy causes, contributing to industry events and to participate in our communities.

## \$229,000 for local communities

Building community spirit and prosperity across rural and regional communities where we operate is important to us. Throughout the year we have supported local shows, various community and school sporting events and clubs, and food-based charities.

## \$74,000 for agricultural-related initiatives

Contributing to agricultural-related initiatives helps strengthen and build the nation's agricultural industry. This year we proudly supported the NTCA conference, invested in bringing the country to the city at the Ekka, and the industry leading professional development program, the Zanda McDonald Award.

## \$177,000 for health & wellbeing

Donating to major charity groups and local and national causes is key to supporting people and communities in regional Australia. Some of the charities we supported this year included Royal Flying Doctor Service, Dolly's Dream, RideWest, TIACS & Trademutt, Foodbank, Outback Futures, Australian Red Cross Lifeblood, Ronald McDonald House and Men's Shed.

### Dolly's Dream

AAM is proud to support Dolly's Dream – a charity committed to changing the culture of youth bullying. We do this through StockLive being the online selling platform for the annual Charity Lunch in support of Dolly's Dream and donation of an experience at Legune Station for the charity auction.



### Ekka

The Ekka is one of Queensland's largest events, which champions agriculture and brings the city and country together each year in Brisbane. AAM is deeply involved with the Ekka, with the StockLive team broadcasting all beef cattle judging right around Australia to the regions and the supply of softwood timber animal bedding for the livestock pavilion. In 2023, this also included sponsorship of the Wood Chop and Sawing event.



### Career events and sponsorships

Over the year, AAM team members attended six career events across Australia to promote a range of employment opportunities within our diverse business. Attending and sponsoring these events allows us to engage with future potential leaders and people in our communities who may be seeking career opportunities close to home.

They also facilitate the opportunity to foster new, and maintain existing, relationships with universities, industry and employment providers.

### Strengthening our communities in Northern Australia

We are invested in establishing strong bonds with local communities in the remote regions of Australia in which we operate. In particular, we respect traditional landholders and understand managing and operating agricultural assets comes with the responsibility of acknowledging land is central to many indigenous peoples' identity and purpose.

We actively participate in the Pastoral Real Jobs Program (RJP), an employment program designed to engage, train, and support young First Nations People in accessing employment opportunities within the Northern Territory pastoral industry. In 2022, AAM supported the RJP by hosting a participant at Legune Station, Northern Territory.

As part of our northern team induction training, cultural awareness was covered by AAM's Manager of Cultural Heritage.

## Active stakeholder and investor engagement to maximise impact

AAM understands the value of including our stakeholders' views and expectations in our decision-making. At AAM, stakeholders include investors, employees, financial institutions, customers, governments, broader industry, and traditional owners of the lands where our assets are located.

We are proud of the partnerships we forge with our investors who are contributing to the Australian agricultural industry while also investing in the regional communities where our assets are located.

By investing in AAM managed funds, investors make a contribution to the families of our more than 500 staff, and regional and rural communities throughout the nation.

We hold regular tours to provide our investors with an on-the-ground view of our operations, while connecting with our teams. Our investor engagement also includes management briefings and webinars, to ensure two-way communication regularly throughout the year.

### Farm to Fork

A pilot project was created in late 2022 to give our investors the opportunity to be closer to the farm to fork journey through access to prime, sustainably produced Dorper lamb direct to door, sourced from the Australian Livestock Company (ALC) assets near Blackall in Central Western Queensland.



### Industry collaboration

AAM contributes to agriculture by being involved with industry associations, committees and working groups. This includes our Managing Director's role on the Cattle Australia Board and AAM representation on the Australian Beef Sustainability Steering Committee and Free Range Egg and Poultry Australia Board.



# PROSPERITY

Business Profitability.  
Smart Investments.  
Stronger Assets.

Our operational expertise and approach to improvement has enabled us to expand our portfolio, drive productivity growth and increase our positive impacts, while building a strong and economically resilient business.

## Produce a quality product with integrity

The quality and safety of Australia's food production is backed by industry-wide regulatory systems and, increasingly, traceability.

The quality of agricultural products is typically measured by customer preferences and perceptions. While seasonal conditions and changing climate conditions can impact product quality, we manage the quality drivers within our control, knowing the value of our produce increases the more it meets customer quality specifications.

As we do not process food, or sell food directly to consumers, our risk of food safety breaches is low. However, as part of the food supply chain, we follow regulatory obligations to support a safe end product for consumers.

As a primary producer, we adhere to Australian standards and regulations for safe food and fibre production. Many of our supply chains require third-party certification to meet market-specific requirements. Within our production systems, our third-party assurances include:

### Poultry

100% of poultry assets certified to a third-party animal welfare assurance program.

### Beef and Sheep

Beef and sheep properties hold LPA accreditation.

25% of our beef and sheep production properties are Australian Certified Organic and hold Global Animal Partnership Animal Welfare certification.

### Timber Processing

69% of AAM's finished timber product is eligible to be certified to Forest Stewardship Council® Chain of Custody.



Currently no third-party assurance covers AAM asset grain production.



# Drive economic resilience through active management and innovation

Australian agriculture has made a significant contribution to the national economy for more than 200 years. We seek to capitalise on the sector's investment appeal compared to other major asset classes by promoting change-making investments in the industry.

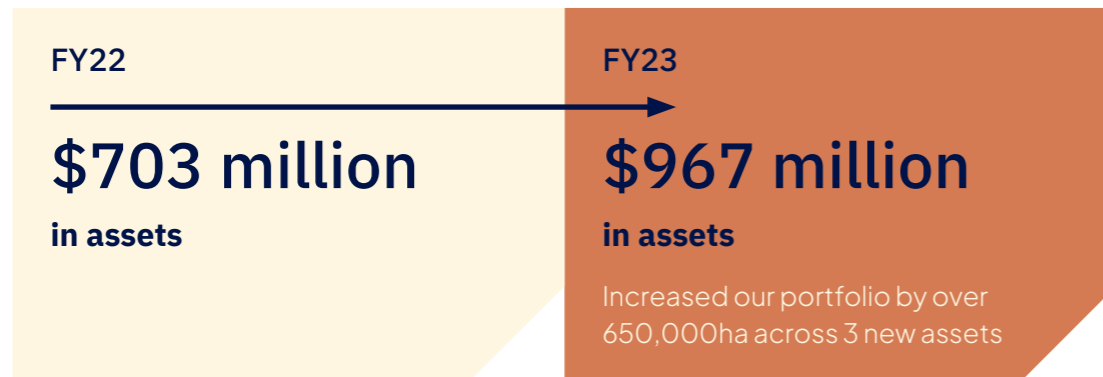
Our business model is to diversify our assets across supply chains and geographical production areas, and actively manage them with a focus on developing operational efficiencies, resilience, and potential for capital growth.

Changing climatic conditions, the agtech revolution and evolving consumer expectations are driving significant change across agriculture. We aim to leverage our scale and resources to maximise opportunities and minimise risks from these trends impacting the industry.

**Investor returns have met or exceeded performance targets through the lifetime of funds<sup>f</sup>**



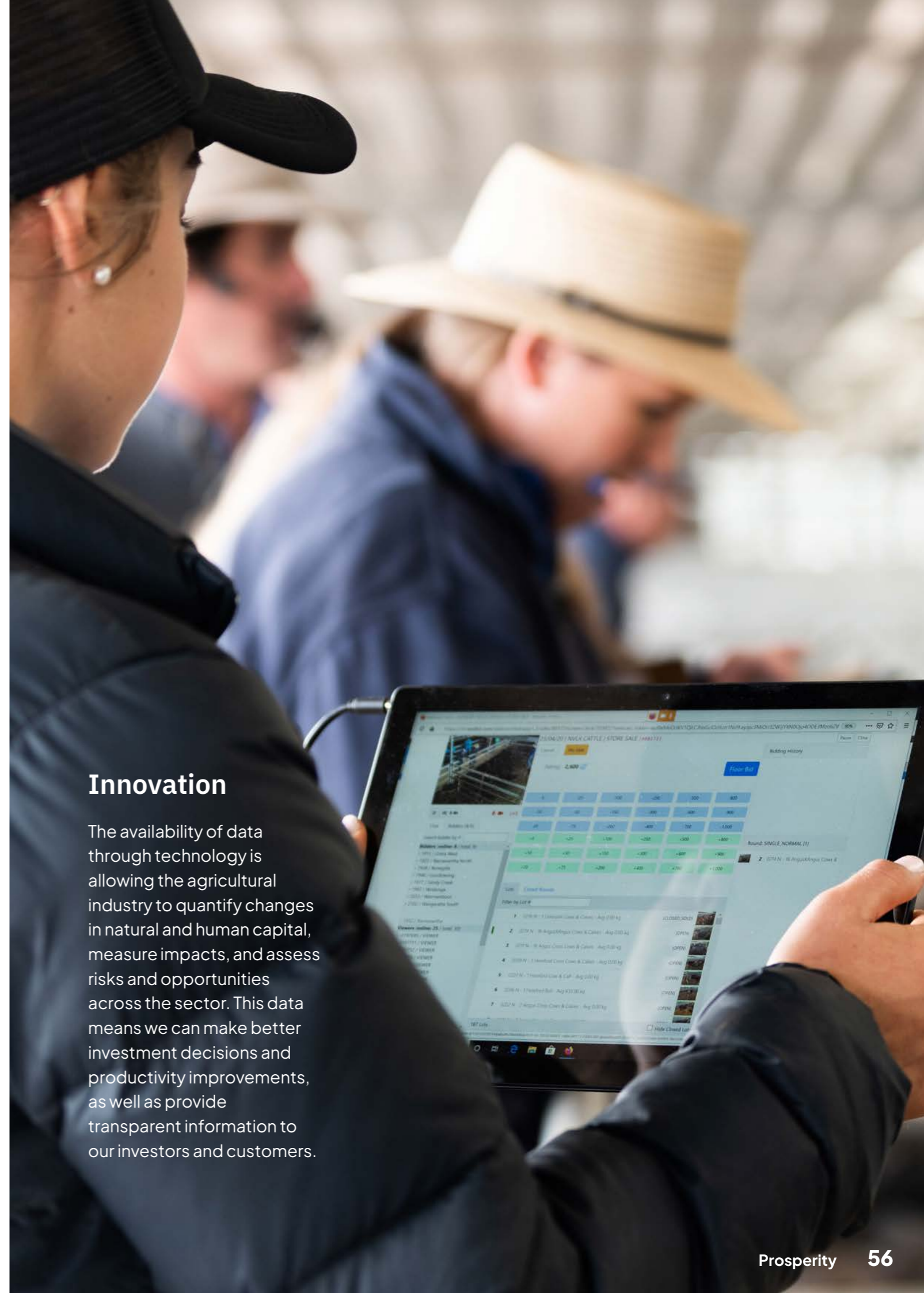
FY22 to FY23 growth



**\$463 million<sup>g</sup>**  
**in estimated economic impact nationally,**  
 as a result of AAM managed and owned business, incorporating actual revenue received and capital investment

<sup>f</sup> As at 30 June 2023.

<sup>g</sup> Based on REMPLAN, a software tool used in Australia for regional economic analysis and planning.



## Innovation

The availability of data through technology is allowing the agricultural industry to quantify changes in natural and human capital, measure impacts, and assess risks and opportunities across the sector. This data means we can make better investment decisions and productivity improvements, as well as provide transparent information to our investors and customers.

# In 2022-23 AAM allocated \$11.2 million towards capital development projects across our assets, including innovation projects:

## Creating Connection

As part of our investment in connectivity, we have deployed more than 70 Starlink satellite internet services, which is one of the largest deployments in the Australian agricultural sector.

The benefits include increased download and upload speeds, reduced latency, unlimited download limits, lower operating costs, and quicker establishment of internet connections at new sites. These improvements have led to operational benefits such as real-time document access, enhanced video conference meetings, remote support access, quicker sharing

of updates, high-resolution drone video uploads, and cloud-based data storage.

Additionally, our employees living on-site at remote assets now enjoy a better quality of life with improved communication with their families and friends and unrestricted access to streaming services for entertainment.

Financially, by strategically waiting for low earth orbit satellite technology, we have saved more than \$1 million by not investing in traditional earth-based internet infrastructure.

## Automation of Timber

Operational efficiency, improved safety outcomes and productivity enhancements have driven a new \$12 million upgrade to manufacturing and processing facilities at AAM Timber – Bathurst, which will begin in the 2023–24 financial year.

The first stage of the project will include the installation of log sorting and automation equipment. The project will feature state-of-the-art log sorting equipment, incorporating a three-dimensional scanner and 16 log sorting bins. This technology will enable delivered logs to be separated automatically by length, orientation and grade without the need for a designated operator.

This investment in log sorting automation aligns with our focus on actively managing our assets, driving innovation and optimising processes.



## Elevating livestock performance through genetic advancements

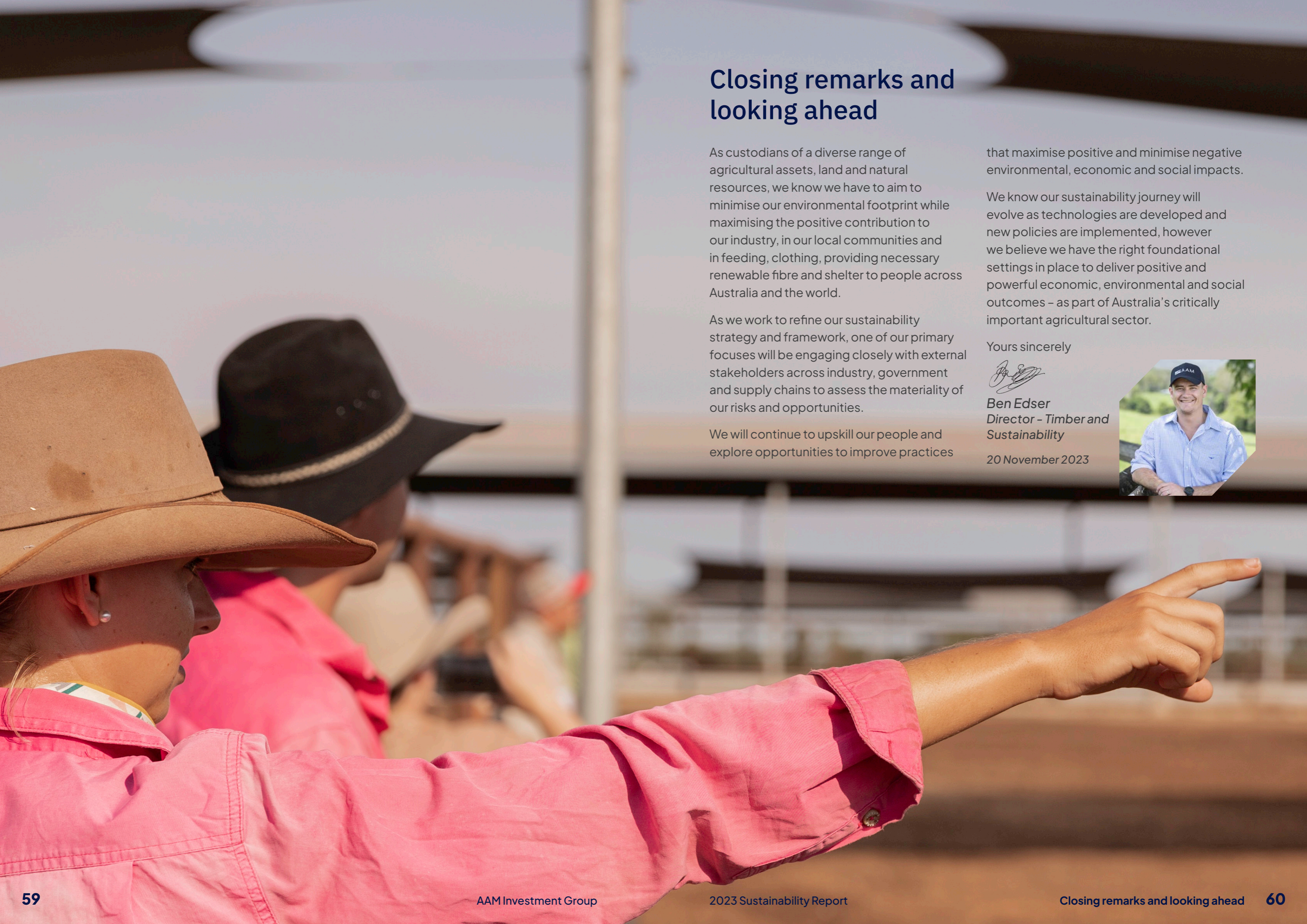
Using high-quality livestock genetics within our sheep flocks and cattle herds has the ability to grow production and efficiency. This key strategic investment in genetic uplift is being undertaken at scale, and across multiple geographic areas and production zones, and provides an opportunity for our business to create value and improve efficiencies of production across our livestock operations.

## Enhancing farm diversity at Terrick Terrick through Dorper sheep integration

Introducing Dorper sheep at Terrick Terrick, Central Queensland marks a significant step towards expanding our agricultural diversity and productivity.

The incorporation of both sheep and cattle is a well-considered strategy to optimise pasture use and plant growth on the same expanse of land. Their distinct grazing styles are complementary, leading to more efficient and effective use of our pastures and plant species for the long-term.





## Closing remarks and looking ahead

As custodians of a diverse range of agricultural assets, land and natural resources, we know we have to aim to minimise our environmental footprint while maximising the positive contribution to our industry, in our local communities and in feeding, clothing, providing necessary renewable fibre and shelter to people across Australia and the world.

As we work to refine our sustainability strategy and framework, one of our primary focuses will be engaging closely with external stakeholders across industry, government and supply chains to assess the materiality of our risks and opportunities.

We will continue to upskill our people and explore opportunities to improve practices

that maximise positive and minimise negative environmental, economic and social impacts.

We know our sustainability journey will evolve as technologies are developed and new policies are implemented, however we believe we have the right foundational settings in place to deliver positive and powerful economic, environmental and social outcomes – as part of Australia’s critically important agricultural sector.

Yours sincerely

**Ben Edser**  
Director – Timber and Sustainability

20 November 2023









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