



SUSTAINABILITY REPORT 2021

Feeding People, Enriching Lives





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‘Our achievements, and collective commitment to sustainability, are only made possible through the passion and dedication of our hardworking people.’

Brad Teys
Executive Chairman
Tey Australia



To Our Stakeholders

Message from the Executive Chairman, Tey Australia

I am pleased to present the Tey Australia 2021 Sustainability Report, which contains a summary of our operations’ material economic, social and environmental performance against the Global Reporting Initiative (GRI) reporting criteria.

The COVID-19 pandemic continued to provide challenges in 2021. The pandemic has had an impact on domestic operations, exports and shipping, as well as supply. We continue to proactively manage a difficult trading environment and increased costs, driven by herd rebuilding and the COVID-19 impacts. Our focus remains on keeping our people and customers safe while growing and maintaining our long-term strategic partnerships and vertically integrated business model. Our forward planning continues to position us well to face the current environment.

We continue to invest heavily in sustainable business practices and are making good progress in our major sustainability focus areas:

- > **Thriving people and communities** with the health, safety and wellbeing of our workforce measured by various global standard safety metrics and innovative safety programs such as Workplace Health and Safety (WHS) LEADership Program and SMETA (Sedex Members Ethical Trade Audit). Additionally, we continue our commitment to giving back to our local communities.
- > **Best practice animal welfare** as measured by internal and external audits against recognised global best practice standards.
- > **Collaborative environmental stewardship**, as measured by water and energy use, greenhouse gas emissions and waste management
- > **Safe, healthy and affordable food**, measured by our strong food safety and quality processes, and management of materials used in production to reduce costs.

Workplace safety remains our highest priority.

We continuously work towards zero workplace-related injuries through a sharp focus on the safety of our people. Regardless of where our people work or what they do, we strive to create an environment where our employees, and their families, should feel confident that they will

return home the way they arrived – SAFELY. Nothing we do is worth getting hurt for.

Our employee engagement programs include targeted learning and development, advancement and growth opportunities, and health and financial well-being programs. These initiatives help to ensure we are closely connected with our greatest resource – **our people.**

As a major employer within rural Australia, we support building strong and resilient regional communities across four states.

Given Tey Australia’s presence in Australian agricultural communities, we know that we have a fundamental responsibility to manage our environmental footprint. We manage this through best practice environmental stewardship and by employing ethical planning and management

practices for the responsible use and protection of natural resources.

We take this responsibility seriously and are committed to our environmental obligations and compliance with local, state and federal regulations.

Our investments in energy efficiency and renewables, such as solar plants, refrigeration performance, biogas facilities, and a combined heat and power plant, have yielded positive results. Despite experiencing reduced throughput due to herd rebuilding, we have remained focused on progressing our 2023 energy and carbon intensity targets.

Our achievements, and collective commitment to sustainability, are only made possible through the passion and dedication of our hardworking people. I would like to acknowledge the entire Tey Australia team for their effort and continued focus as we work towards building a stronger business for stronger communities.

(GRI 102-14)



Company Overview

Who We Are

Teys Australia is an ever evolving global meat processing and food production business, with true family values at our core, built by four generations of the Tey family.

Since 1946, our business has been founded on our relationships with our people, partners, producers, customers and our local communities. We grew our business by staying true to our word and delivering the best Australian products, each and every time. That is why to this day, our customers around the world trust us with their protein needs.

Although beef is a huge part of our DNA, it is not all about the meat. We are part of the meals that families and communities enjoy across the globe. For generations, our people have worked with our producers, suppliers and customers to feed people and enrich lives. Together, we're focused on creating brighter, better and more sustainable futures for our employees, communities and the planet – something we'll keep doing for generations to come.

We are best known for providing our customers with a broad range of quality protein products. We offer a wide range of fresh beef, multi-protein and value add product solutions. We work hard to create and deliver a complete range of value-added, food manufacturing and co-product solutions to our customers around the world.

We operate at 14 locations across Australia, which are well equipped to deliver quality protein products to customers. Our Australian facilities include three feedlots, six beef processing

plants, two food manufacturing facilities, a hide processing site and a centralised distribution facility – all strategically located along the eastern seaboard. Our Group Support Services function is headquartered at Eight Mile Plains in Brisbane, Queensland.

We are proud partners to more than 7000 Aussie beef producers and have more than 4100 people across our locations and four states.

Every year, we produce and distribute the equivalent of approximately 1.7 billion beef meals, exporting to more than 60 countries. This ability to feed people and enrich lives is how we've become the global food brand we are today.

Today, the Tey family remains closely involved with day-to-day operations. This connection with our heritage and strong family values underpins the culture of the organisation and drives our purpose, objectives and how we work. These values were formalised in 2017 with the launch of the Tey Australia Legacy Program, which define our core values.

**Humility Integrity Loyalty Resilience
Trust and Co-operation**

Each value represents a corresponding set of behaviours and expectations for our people. These 'Legacy' values were launched via a training program for all Tey staff during 2017–2018, and remain an integral part of our people programs to this day.

(GRI 102-2; GRI 102-3; GRI 102-4; GRI 102-5; GRI 102-7; GRI 102-9)



Community

We support more than 14,000 jobs in rural and regional Australia and our people volunteer to support the communities in which we live and operate.



Feeding People

Every year we produce approximately 1.7 billion beef meals globally, feeding people and enriching lives around the world.



Global Distribution

We have grown to now export to more than 60 countries, with a network across six continents through our Cargill partnership.



Sustainability

We are working toward reducing water intensity by 10%, carbon intensity by 20%, and source 30% of our energy via renewables by 2023.*

*based on 2017 levels



Integrated Operations

Our business integrates full supply chain operations from supply through to distribution.



Our People

Our people are the heart of our business. We employ more than 4100 people from 64 nationalities and our success is thanks to their hard work





Our Purpose

Feeding People, Enriching Lives

Our Vision

To be the leading provider of innovative animal protein supply chain solutions, linking Australian producers with global customers.

Our Promise

Creating sustainable and brighter futures

Our promise is to create brighter, better and more sustainable futures for our people, our communities and our planet. This commitment drives everything we do, and our people work hard to make sure that every part of the journey from paddock to plate is safe, responsibly sourced and sustainable.

We collaborate with our producers, suppliers and customers to make positive changes across all our operations while supporting change across our whole industry.

Our People

It all starts with our people

At Teys Australia, our people come first. We are a global business working across three continents, and our team of diverse and passionate people bring different skills and experiences to our company. We all work together to feed people and enrich lives while continuing our contribution to the wider community.

Workplace health and safety

To us, safety at work is more than a list of checkboxes. We do everything we can to make sure our people are working in the safest and healthiest environment – every day. We have put in place industry-leading health and safety systems, and practices, while always striving to make our procedures even better.

Our Producers

Working with Australian producers

The best beef begins with the best producers. Over four generations, we have been working with the best producers across Australia. We have built strong, long-term relationships with our producers, proudly working with some of the same families for generations.

Our producers are committed to respecting the cattle they raise. They share the same care and compassion for animals, and respect for the land, that we do. Our Australian producers nurture and raise their cattle to the highest animal welfare standards, while also looking for new ways to improve and evolve their practices. They are focused on creating the best environments possible for cattle to thrive. Together, we're proud to bring the best Australian beef to the world.



Animal Welfare

At Teys Australia, best practice animal welfare is part of our DNA. Across our operations, our animal experts and dedicated livestock teams are leading the way to ensure that the standards of welfare for the cattle we handle are not only met but exceeded. We work together with our producers and partners across the entire supply chain to make sure that our stringent animal welfare standards are upheld.

Food Safety

We know that it is critical to provide safe products to consumers, so we are focused on being a partner our customers can trust. We have always been – and always will be – obsessed with food safety and quality.

Community

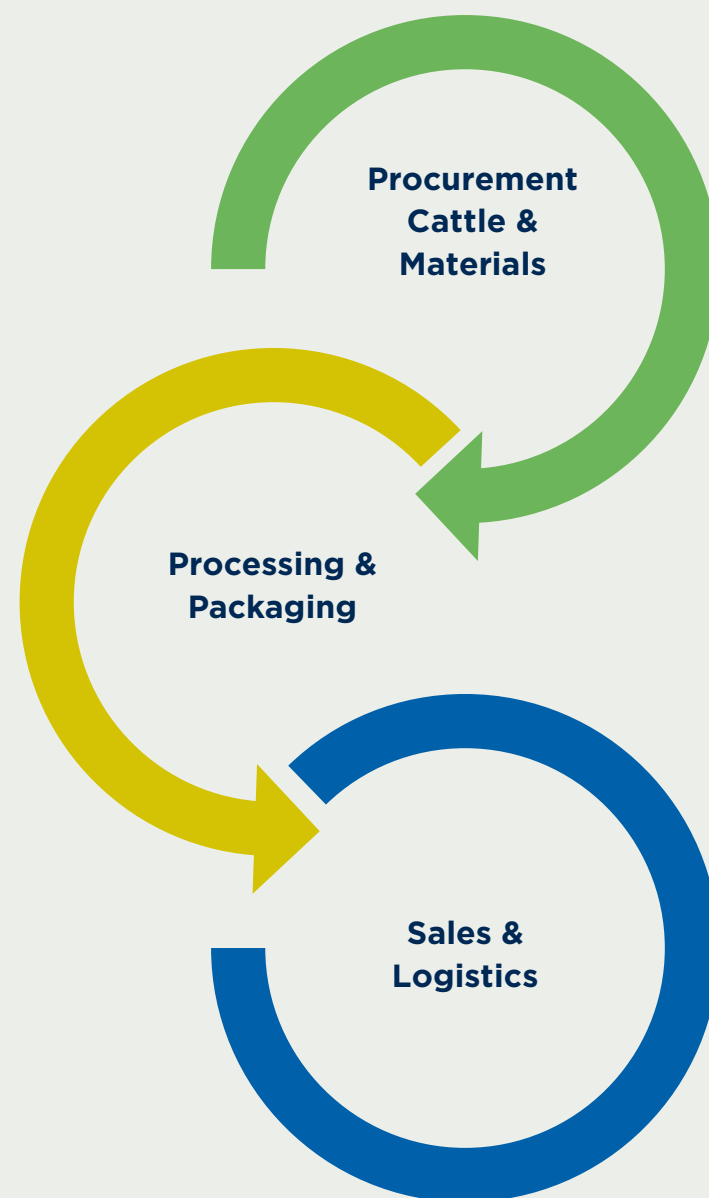
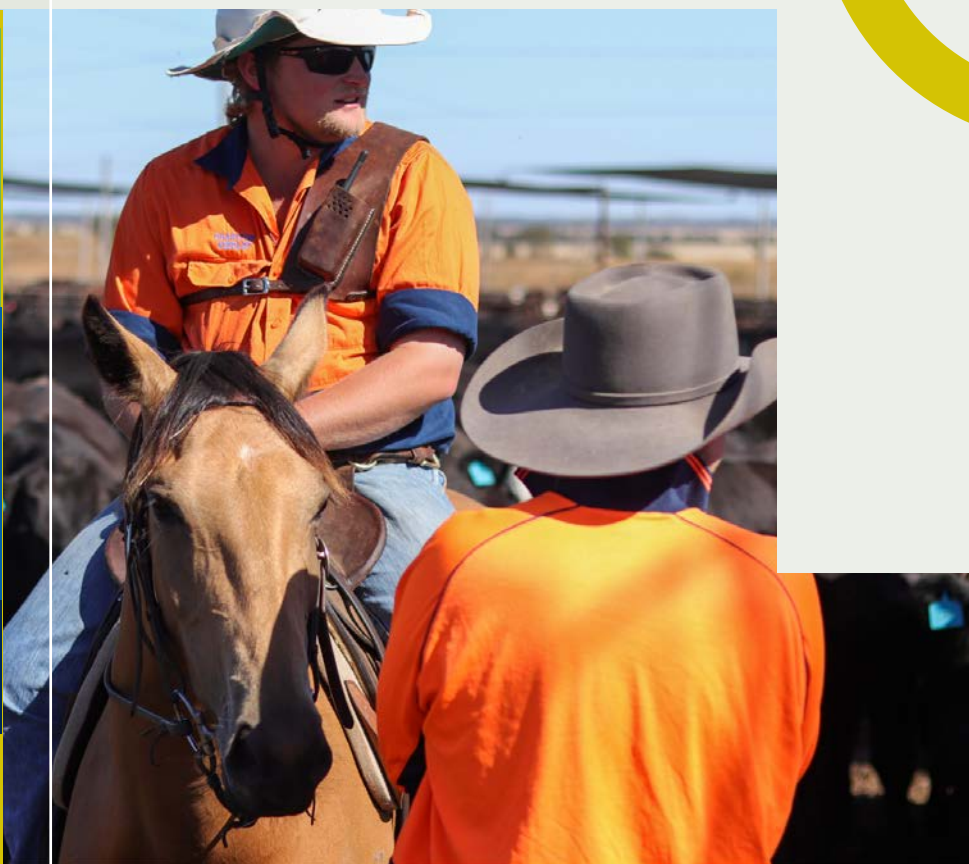
Our local partners, people and communities are integral to what sets us apart. We are always looking for opportunities to give back. We currently support numerous local communities through sponsorships, dollar-matching, food donations and many other initiatives. If it's important to our community, it's important to us. We respect and care for the communities we operate in as well as the journey we're all taking together.





Our Capabilities

Our sustainability commitments, including environmental, social and economic practices, extend across our whole supply chain. Daily, we procure goods and services from a wide range of businesses locally, nationally and internationally. Throughout 2021, we continued to focus on long-term and strategic partnerships that enable us to maintain our stringent environmental, quality and safety standards, and consistently deliver a secure supply of products to our customers.



Supply Chain and Markets Served



Procurement Cattle and Materials

Our Livestock team sources more than 90% of cattle for beef processing and lot feeding directly from cattle producers, with the remainder being purchased through the saleyard system. By closely managing our cattle sourcing process, we can ensure cattle are eligible for our premium brands and markets, enabling us to assure claims relating to production methods, authenticity and transparency.

Processing and Packaging

Our vertically integrated operations include beef processing, feedlots, value added food solutions, wholesale joint ventures and hide processing.

Our teams at each of our processing facilities are trained in industry leading practices and share our strong values and overarching commitment to quality and safety. This commitment is evident at every stage in the journey, as our people strive to deliver the best fresh beef products for our customers.

We have six beef processing facilities along Australia's Eastern Seaboard, with each location chosen specifically for its proximity to prime cattle producing regions. This minimises transportation times and means we can confidently meet quality and animal welfare requirements while delivering the freshest beef to our customers.

The supply of all other packaging and consumables is overseen by our corporate Purchasing and Quality Assurance department, who are responsible for the evaluation, selection and contracting of suppliers, ongoing contract administration and performance management; in line with our quality and safety business guidelines.

Sales and Logistics

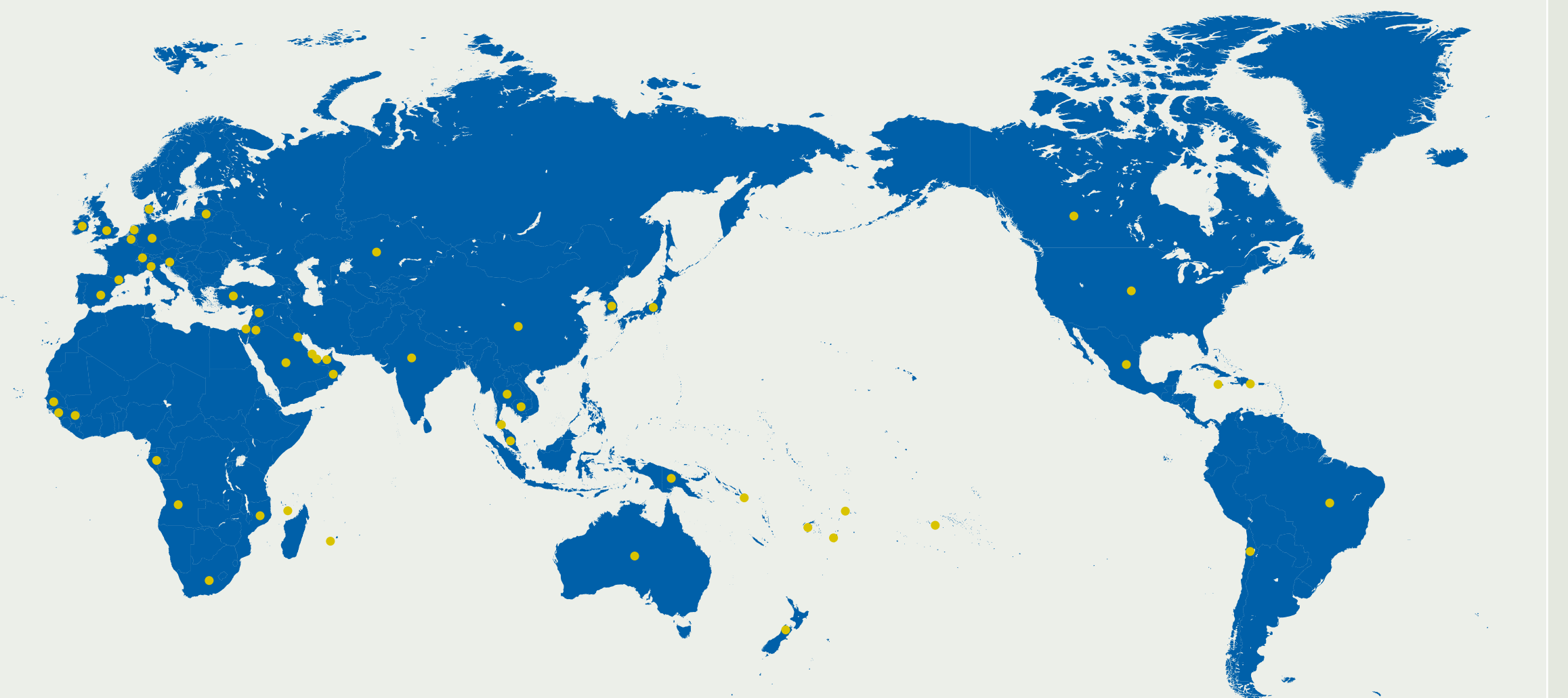
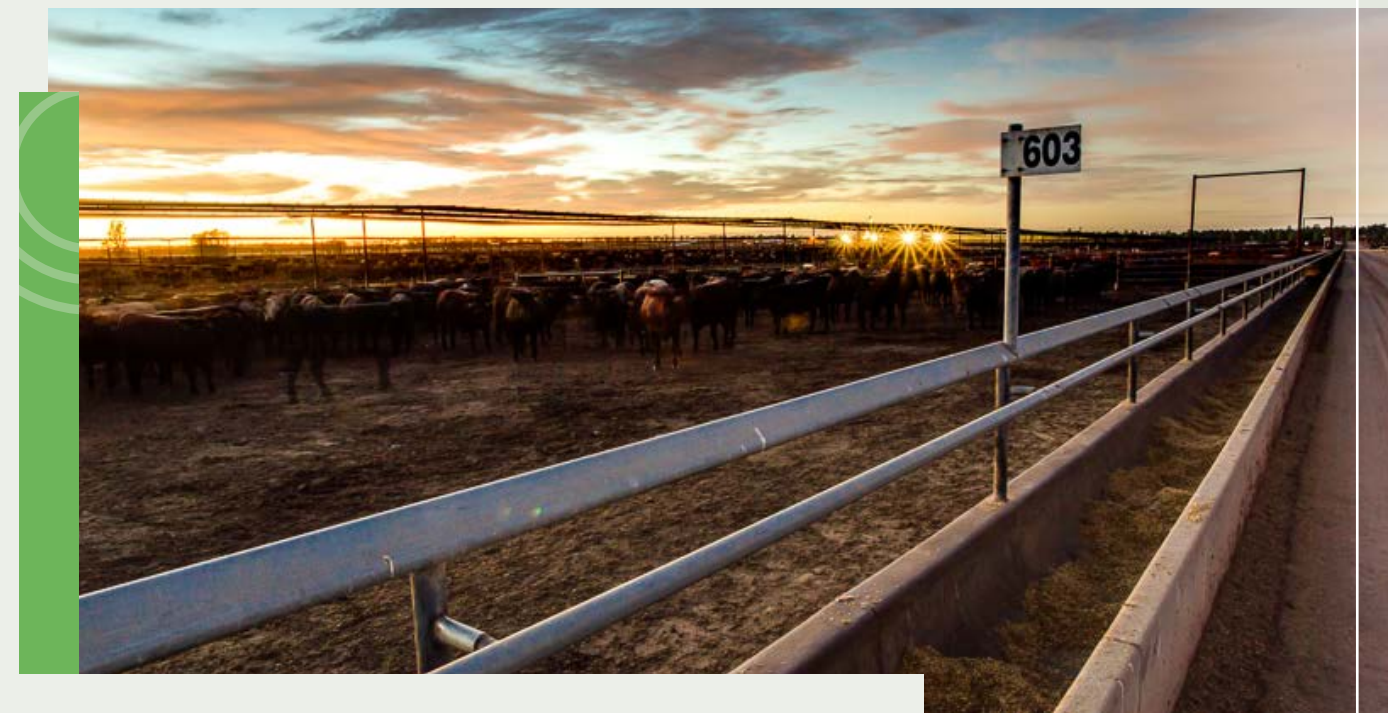
We have a global network that delivers safe, consistent and quality supply to our customers, both locally and around the world.

We distribute wholesale, retail and foodservice products to six continents. We have dedicated local and international teams managing our complex supply chain, and helping our customers navigate global transport and market requirements.

Our Markets Served:

Every year, we produce and distribute the equivalent of approximately 1.7 billion meals, exporting to more than 60 countries.

(GRI 102-2; GRI 102-4; GRI 102-6; GRI 102-9)



Key Metrics

(Table represents key 2021 metrics)

People

- > Investment in Staff Training of \$1.014m
- > Cultural diversity celebrated with 64 nationalities represented in workforce
- > Employing 4138 people – contributing to economic stability of local communities and supporting more than 14,000 additional jobs in rural and regional Australia
- > Fifth consecutive year of compliance in the Workplace Gender Equality Agency (WGEA) reporting

Performance

- > Revenue per head processed up 8% compared to the prior year
- > Approximately 1.7 billion beef meals produced globally
- > Reinvesting Capital increased by 6% through sustainable initiatives covering the following broad areas:
 - Workplace Health and Safety
 - Food Safety
 - Renewables
 - Reliability
 - New technologies, including packaging initiatives to reduce waste

Planet

- > 2023 carbon intensity target: 15.8% reduction in carbon intensity toward goal of 20%
- > 2023 renewable energy target: 19.9% coming from internal investment in renewable infrastructure behind the meter toward the goal of replacing 30% of energy needs with renewables
- > 2023 water intensity target: reduced throughput in 2021 impacted progress of water intensity goal of 10%. In 2021 it was 3.7% above baseline year

Governance

- > Sedex Members Ethical Trade Audit (SMETA)
- > Brand Reputation Compliance Global Standards (BRCGS) Audit
- > National Feedlot Accreditation Scheme (NFAS)
- > Environmental compliance audits
- > Workplace Health and Safety audits
- > Accredited Australian Trusted Trader
- > 100% Business Code of Conduct sign-off by staff

Recognition and Awards

In 2021, Teys was recognised with the following awards and recognition:

- > **Coles Sustainable Supplier of the Year Finalist** – recognising innovation and sustainability initiatives to reduce environmental impacts.
- > **World Steak Challenge** – Showcasing product quality, breed credentials and processing standards on an international stage, our Riverine Beef brand won a gold medal, and our Teys Certified Angus Beef was awarded a silver medal.





Our Brands



36° South

Sourced from Southern Australia, on the doorstep of the world-famous Coonawarra wine region, 36° South is a premium beef range that offers an unrivalled and indulgent tasting experience.

Our 36° South products are crafted with care, hand-selected and underpinned by the Meat Standards Australia (MSA) grading system. This is award-winning, succulent and full-flavoured beef – perfect for pairing with your favourite red wine.

Features:

- ✓ MSA graded
- ✓ Free from added hormones
- ✓ Exclusively British breeds



Riverine

Our award-winning Riverine beef comes from the lush, temperate Riverine region of Australia. Riverine cattle are raised on natural pastures and then finished on a balanced diet of cereal grains for a minimum of 100 days. The result is beef that's tender, juicy and marbled to perfection. Riverine is underpinned by MSA standards, creating an exceptional eating experience.

Features:

- ✓ MSA Graded
- ✓ Available in MB2+ (Riverine Premium Range)
- ✓ Grain fed



Teys Certified Angus

Teys Certified Angus is the superior choice when it comes to Angus beef. Our award-winning product range combines the renowned eating quality of the Angus breed with the science of the MSA grading system. Enjoy richly-flavoured, tender Angus beef in every mouthful.

Features:

- ✓ Certified Angus
- ✓ MSA Graded



Grasslands

Grasslands beef delivers the great taste of 100% grass-fed beef, but better. Underpinned by the Grasslands Pasturefed Standard and the MSA grading system, our products are free range and free from added hormones and antibiotics. Enjoy clean, full-flavoured beef, raised as nature intended.

Features:

- ✓ 100% grass-fed
- ✓ Free to roam
- ✓ No added hormones
- ✓ Antibiotic free
- ✓ MSA Graded



Teys Classic

Teys Classic beef delivers consistent eating quality to you and your customers. We use the MSA grading system so you can always count on a quality product.

Features:

- ✓ MSA graded
- ✓ Grain-fed and non grain-fed options



The Four Butchers

The Four Butchers provides a wholesome range of protein products that deliver simple, delicious and convenient family choices.

Starting with the humble story of four Teys brothers opening a butcher shop to feed their family and local community, The Four Butchers provides affordable quality and taste you can trust – across a range of fresh beef and value added product ranges.

We know how busy life can be, The Four Butchers is here to make mealtimes easier for everyone.



Urban Menu

Urban Menu is the perfect choice for retail and foodservice operations looking for something different.

Our innovative value added meat solutions can be created to suit any customer need. Our team collaborates with you to get to know your business and create your perfect Urban Menu solution.

Features:

- ✓ Fresh portioned protein
- ✓ Cooked and sous vide options available
- ✓ New product development services



Smokehouse Republic

Smokehouse Republic is a brand that celebrates the great Aussie BBQ.

Our BBQ-ready meat range includes whole muscle and cuts, smoked sausages, specialty blends, pre-smoked meats, cooked meats, marinated meats, sauces and rubs.

Smokehouse Republic is all about bringing people together and connecting over some of Australia's best meat.



Materiality

Material Topics reflect Teys Australia’s significant economic, social and environmental impacts (both positive and negative) on stakeholders, and they substantively influence the assessments and decisions of stakeholders.

A combination of internal and external factors is considered when assessing whether a topic is material and includes our overall mission and strategy and the concerns expressed by stakeholders. Stakeholder engagement is used to inform our materiality assessments when prioritising Material Topics for inclusion in this report and informs our corporate social responsibility and sustainability strategy.

We define a “stakeholder” as an entity or individual:

- > who can reasonably be expected, to be significantly affected by our activities, and/or
- > whose actions can reasonably be expected to affect our ability to implement strategies or achieve objectives, and/or
- > who have an interest, financially or otherwise in the business.

Stakeholder engagement strengthens our ability to balance business needs and interests

with social and environmental impacts and provides opportunities to identify innovative solutions that create value in a sustainable way. Regular stakeholder engagement informs how we continue to progress on sustainability initiatives. It also helps identify shared issues and opportunities where we can collaborate with our stakeholders to achieve long-term progress and have a substantial positive impact. Our stakeholder engagement includes collaboration in various forms including webinars, group discussions and one-on-one meetings. An extensive summary of our stakeholders is provided later in the report.

We have summarised Material Topics identified through stakeholder engagement, risk and materiality assessments. We refer to the Global Reporting Initiative (GRI) standards when providing information about our progress on material topics, topic boundaries, progress on sustainability initiatives and our management approach of these topics.

	SUSTAINABILITY FOCUS	GRI MATERIAL TOPICS	EMERGING TOPICS
Social	Best Practice Animal Welfare	Animal Welfare	
	Thriving People & Communities	Workplace Health and Safety Employment Training and Education Labour/Management Relations	Non-Discrimination Diversity and Equal Opportunities Human Rights Assessment
	Safe, Healthy & Affordable Foods	Customer Health and Safety	Healthy Affordable Food
Environment	Collaborative Environmental Stewardship	Environmental Compliance Energy Waste Water and Effluent Emissions	Climate Adaption and Resilience
Economic	Economically Resilient Business	Economic Performance	Procurement and Sourcing Practices
Governance Risk and Compliance – General Disclosures, Management Approach and Grievance Mechanisms			

(GRI 102-42; GRI 102-43; GRI 102-44; GRI 102-46; GRI 102-47)

Our Sustainability Approach

Doing Well by Doing Good

PILLAR 1
Best Practice
Animal Welfare

PILLAR 2
Collaborative
Environmental
Stewardship

PILLAR 3
Thriving People
& Communities

PILLAR 4
Safe, Healthy & Affordable
Foods

PILLAR 5
Economically
Resilient Business

Our Sustainability Approach

Our management team annually reviews and enhances the Teys Australia's Sustainability Strategy to ensure we address material topics identified through stakeholder engagement and that we are keeping abreast of emerging topics. The topics identified as having significant impacts (both positive and negative) and/or that substantively influences the assessments and decisions of stakeholders are mapped and initiatives identified to best take advantage of opportunities for positive impacts and to address and mitigate negative impacts.

Our Sustainability Portfolio provides a roadmap for delivery. The portfolio documents initiative projects identified, how they aligned to our Sustainability approach, and the prioritisation of sustainability initiative projects.

Doing the right project, at the right time: Using a sustainability portfolio view we drive effective prioritisation to ensure we continue to progress on sustainability initiatives and helps identify shared issues and opportunities where we can collaborate within the business and with our stakeholders to achieve long-term progress and have a substantial positive impact.

Better decision making around initiatives: Our project delivery process further strengthens our ability to effectively balance business needs and interests with social and environmental impacts when making decisions through our gate approval process. This process captures relevant information that allows better decisions on prioritisation of opportunities in the sustainability portfolio that create a sustainable value outcome.

Better Results through effective project management and execution: Within the sustainability portfolio, each opportunity has a program of sustainability initiatives (projects), with a project team who are responsible for managing and delivering the sustainability outcomes assigned to the individual projects.



Sustainability Portfolio Management



Priority Material Issues and Opportunities – Progress

The business environment we operate in and the expectations of stakeholders are constantly evolving. The following priority material issues and opportunities are identified through our consultation processes carried out over the past five years. Goals and targets to better manage impacts have been developed for issues and opportunities and to further develop the sustainable supply chain, with our progress outlined below. (GRI 102-15)

CREATING A SUSTAINABLE SUPPLY CHAIN	OPPORTUNITY	PROGRESS
Sustainable beef – Animal welfare	<ul style="list-style-type: none"> > Improving: <ul style="list-style-type: none"> > Welfare of cattle throughout the supply chain > Animal welfare – responsible use of antibiotics > Animal health – report feedback to producers 	<ul style="list-style-type: none"> ✓ Collaborated with industry bodies, universities, regulators and Australian Beef Sustainability Framework ✓ Provided animal health feedback to producers ✓ Delivered animal welfare training to employees
Materials – packaging and consumables <ul style="list-style-type: none"> - usage and reducing waste - minimising food waste 	<ul style="list-style-type: none"> > Opportunities to reduce packaging waste and increase recycling – circular economy > Opportunities for labelling packaging so end user can make decisions around recycling > Shelf life – maintain shelf life while using recyclable packaging and reducing food waste 	<ul style="list-style-type: none"> ✓ Worked with key suppliers to understand metrics around waste and recycling ✓ All our cartons are made from recycled materials ✓ Preferred supplier program and established criteria to measure performance of suppliers ✓ Ongoing Innovation in production processes –with research and development through trialling recyclable MAP trays with major retailer ✓ Conventional vacuum packaging, thermoform and vacuum skin packaging to optimise shelf life
Sustainable beef – livestock production systems	<ul style="list-style-type: none"> > Improving livestock grazing and beef production food system > Support natural ecosystems and wildlife through biodiversity and habitat management > Improving soil health and storage of carbon in both above and below ground biomass 	<ul style="list-style-type: none"> ✓ Collaborated with industry bodies, universities, regulators and the Australian Beef Sustainability Framework ✓ Grasslands and other brands encouraging improved knowledge of on-farm practices through verification programs ✓ 80% of beef raised on grass, helps manage on-farm environment. Industry is investigating ways to measure benefits
Environmental Compliance	<ul style="list-style-type: none"> > Continuous improvement through environment risk reduction 	<ul style="list-style-type: none"> ✓ Internal audit program ✓ Advanced wastewater treatment systems ✓ Environmental staff at processing plants ✓ Performance KPI implemented for compliance ✓ No critical code or regulatory non-compliance during the reporting period
Water usage and effluent management	<ul style="list-style-type: none"> > 2023 targets set > Water efficiency – minimise spills and releases, and increase on-site reuse and recycling 	<ul style="list-style-type: none"> ✓ Projects underway to continue to reduce water intensity, as per target of a 10% reduction in water intensity by 2023. Recent industry trends impacting throughput has affected progress toward this target but we continue our efforts to reduce water usage ✓ Wastewater treatment systems across 5 of our 6 processing facilities
Environmental waste reduction	<ul style="list-style-type: none"> > Waste management systems – improve waste management, in addition to opportunities around packaging material recycling 	<ul style="list-style-type: none"> ✓ Commenced gathering of metrics around waste generated and how we can convert to products ✓ Meat and Livestock Australia (MLA) Wastes to Profits research project



CREATING A SUSTAINABLE SUPPLY CHAIN	OPPORTUNITY	PROGRESS
Energy and emissions reduction	<ul style="list-style-type: none"> > 2023 targets set > Invest in renewable energy sources > Maximise utilisation of biogas generation for renewable energy purposes > Climate action and resilience planning to reduce negative impacts 	<ul style="list-style-type: none"> ✓ Implement multiple programs to continue to aim to achieve targets and go beyond where possible ✓ Management plan for performance ✓ Supported industry projects and research to reduce methane ✓ MLA - The Australian Red Meat Industry's Carbon Neutral by 2030 Roadmap ✓ National Greenhouse and Energy Reporting Scheme (NGERS)
Workplace Health and Safety	<ul style="list-style-type: none"> > Safety leadership and culture > Reduction of workplace injuries 	<ul style="list-style-type: none"> ✓ Implemented the Safety Leadership Program ✓ Internal Audit program ✓ Adopted improved WHS investigation methodology ✓ Improved measurement of safety performance data ✓ Data-driven safety strategies ✓ Upskilled WHS staff ✓ Invested in safety plant and infrastructure
Employment management	<ul style="list-style-type: none"> > Responsible recruitment, employee engagement and retention > Ensure a specialised outsourced recruitment service > Ensure our people are appropriately trained to carry out their jobs effectively 	<ul style="list-style-type: none"> ✓ Implemented Respectful Workplace program ✓ Implemented diversity management program ✓ Implemented training management plans ✓ Annual statement on managing Modern Slavery risk prepared
Safe, healthy and affordable food	<ul style="list-style-type: none"> > Produce a product our customers trust, and a range of brands and product lines that meet the expectations of consumers > Facilities are audited and certified by independent third parties using recognised global food safety criteria 	<ul style="list-style-type: none"> ✓ International food safety process standards – Hazard Analysis and Critical Control Point (HACCP) ✓ Food Quality Management System to meet food safety standards ✓ Third Party Audits ✓ No critical code or regulatory non-compliance during the reporting period
Managing difficult trading conditions	<ul style="list-style-type: none"> > Revenue optimisation > Shift patterns in the cattle supply chain (supply and demand) > Reduce Total Manufacturing Costs (TMC) through innovation and data analysis 	<ul style="list-style-type: none"> ✓ Brand management to optimise revenue ✓ Balanced customer mix across the organisation resulting in securing supply and consistency to improve job security and reduction of fixed cost/kg ✓ Daily scorecard measuring performance and costs ✓ Inventory Management System ✓ Capital Asset Management System ✓ Plant innovation and efficiency programs – Trim Management System, and major chillers and refrigeration upgrades to improve food safety to drive performance and efficiencies improvements
Governance	<ul style="list-style-type: none"> > Corporate Governance Risk and Compliance Framework > Risk management policies and procedures > Monitoring and continuous improvement 	<ul style="list-style-type: none"> ✓ Third Party Audits ✓ Independent Internal Audits ✓ Anti-slavery statements ✓ Respectful workplace and whistle-blower policies ✓ Anti-competitive training ✓ Business Code of Conduct



Oversight

Our Leadership

Sustainability governance at Teys Australia encompasses all our business segments. The Board Audit Committee (BAC), a sub-committee of the Board of Directors is focused on the management of the risk framework, internal audit, financial risk management and internal controls.

The Senior Leadership Team (SLT), led by the Chief Executive Officer (CEO), is responsible for managing the overall performance of the business. Guided by the family values of the four founding Teys brothers, our leadership team takes a hands-on approach to the business, working closely with our people to empower them to deliver on our promise of feeding people and enriching lives around the world.

Sustainability and Corporate Social Responsibility (CSR) fall within the portfolio of the Company Secretary. This includes overall efforts in corporate citizenship, the annual review of progress against the organisation's sustainability goals and the production and review of this report. This role also oversees the legal and risk function within the business and is a member of the SLT, reporting directly to the CEO.

Under the leadership of the SLT, the business places a strong emphasis on ensuring that sustainability principles are embedded in all aspects of our business including:

- > Developing programs to support the long-term sustainability of the Australian beef industry
- > Leveraging customer and consumer insights to understand how we can create better products

- > Aligning ourselves with like-minded partners across the value chain
- > Setting targets for reducing our resource reliance and carbon emissions.

This commitment to building a successful, sustainable business is shared by every one of our employees, from those on the production floor to our sales and corporate teams. Each of their contributions enables us to make steady progress towards our commitment to continual improvement in Teys Australia's sustainability metrics.

(GRI 102-16; GRI 102-18; GRI 102-19; GRI 102-20; GRI 102-26; GRI 102-29; GRI 102-30; GRI 102-31; GRI 102-32)



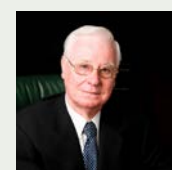
Board of Directors



Brad Teys
Executive Chairman, Teys Australia



Geoff Teys
Non Executive Director, Teys Australia



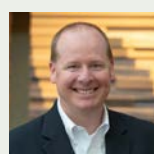
Allan Teys
Non Executive Director, Teys Australia



Graham Cubbin
Non Executive Director, Teys Australia



John Keating
President Business Operations & Supply Chain, Cargill Meat Solutions



Jon Nash
Corporate Senior VP, Cargill Protein & Salt



Mark Chow
VP Corporate Strategy & Development, Cargill Asia Pacific



Randy Carlgren
FP&A Director, Cargill Protein Group



Brad Teys
Executive Chairman



Andrew MacPherson
Chief Executive Officer



Scott Prebble
Chief Financial Officer



Kirsty Jackson
Company Secretary



John Langbridge
General Manager Corporate and Industry Affairs



Phil Hutchinson
General Manager Asset Management



Shaun Crapp
General Manager People & Culture



Charlie Hollingworth
Chief Operating Officer Non Primary Processing



Steve Gant
Group General Manager Operations



People and Workplace Safety

Employment

Talent management underpins the success of our business and is the cornerstone of our succession planning. As the red meat industry transforms, we continue to evolve our global talent management practices to keep pace with the capabilities and competencies required for the future. Our workforce of more than 4100 employees works in a sustainable, inclusive and safe working environment. Our commitment to safety, training and talent development programs enables our people to grow both professionally and personally.

Total employees 4138 (FY2020 4661) comprising white-collar employees representing 13.72% of the workforce (FY2020 13.06%) and our blue-collar employees representing 86.28% (FY2020 86.94%), are dispersed over eastern Australia, with:

Queensland	2272	(FY 2020 - 2576)
New South Wales	1428	(FY 2020 - 1529)
Victoria	29	(FY 2020 - 31)
South Australia	409	(FY 2020 - 525)

Our talent portfolio is managed by our Human Resource (HR) teams located within our facilities. Our HR teams are committed to maintaining our people programs as well as facilitating the well-being and work-life balance of all our employees. We also consider the well-being of our wider community members and strive to give back to our local communities. Our General Manager - People and Culture, alongside our HR Group Support Services team, oversees the talent strategy that supports our ethical business practices.

Our policy frameworks are maintained to be in line with the latest employment legislative requirements.

We use KPIs to monitor, report and evaluate talent portfolio each week, including safety, turnover, absenteeism, recruitment, onboarding, training and community engagement. We strive to use this data to implement continuous improvement initiatives, which aim to enhance the well-being of our employees.

(GRI 102-7; GRI 102-8; GRI 103)

Labour Management - Employee Relations

We currently have 18 Enterprise Bargaining Agreements (EBA) that cover our processing, maintenance and feedlot operations. We undertake several benchmarking assessments to determine remuneration and benefits packages, in line with relevant Awards, the National Employment Standards and market data. (GRI 102-41)

For unforeseen changes in operations, we strive to provide as much notice as possible. At the very minimum, we provide seven days' notice to operational changes on-site, as outlined in the applicable EBA.

(GRI 103; GRI 402-1)

Diversity and Equal Opportunity

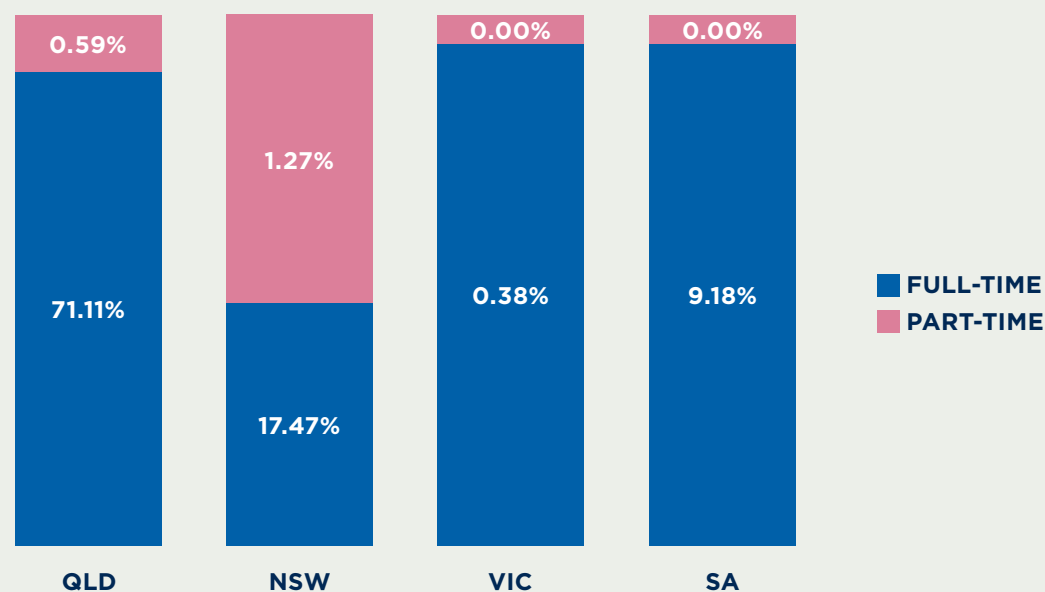
We participate in the Workplace Gender Equality Agency (WGEA) report, as administrated by the Australian Government, to promote and improve industry standards in workplace gender equality. We remain compliant for our fifth consecutive year and continue to operate above industry standards in employment opportunities for women across the business.

The following graphs outline the gender breakdown of our workforce for 2021.

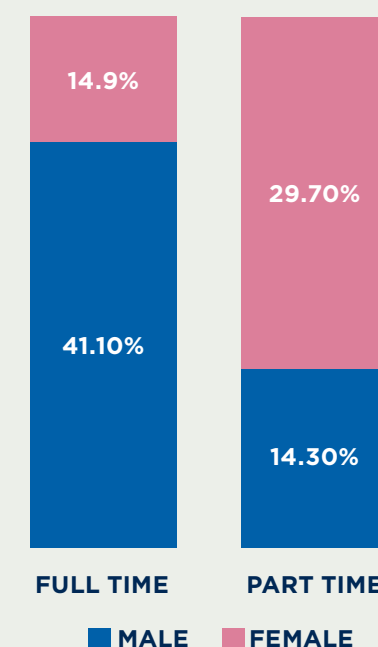
We are committed to encouraging diversity in our business by providing a safe, inclusive and accessible environment where everyone can realise their full potential. Each employee contributes a unique set of experiences, skills and cultural backgrounds that enables us to better serve our customers around the globe. We celebrate this by embracing diversity and valuing differences among our people.

Our sites continue to promote and support cross-cultural events, which encourages our diverse workforce to build connections with the local communities in which we operate.

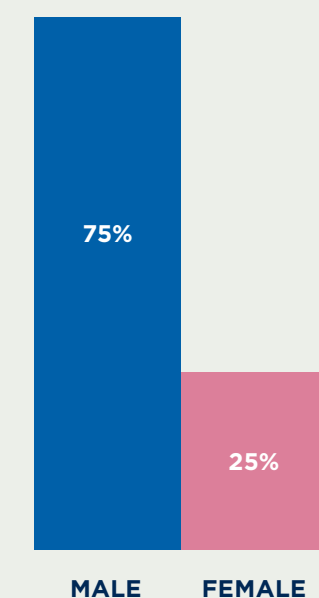
Full-time vs Part-time by State - 2021



Full-time vs Part-time by Gender



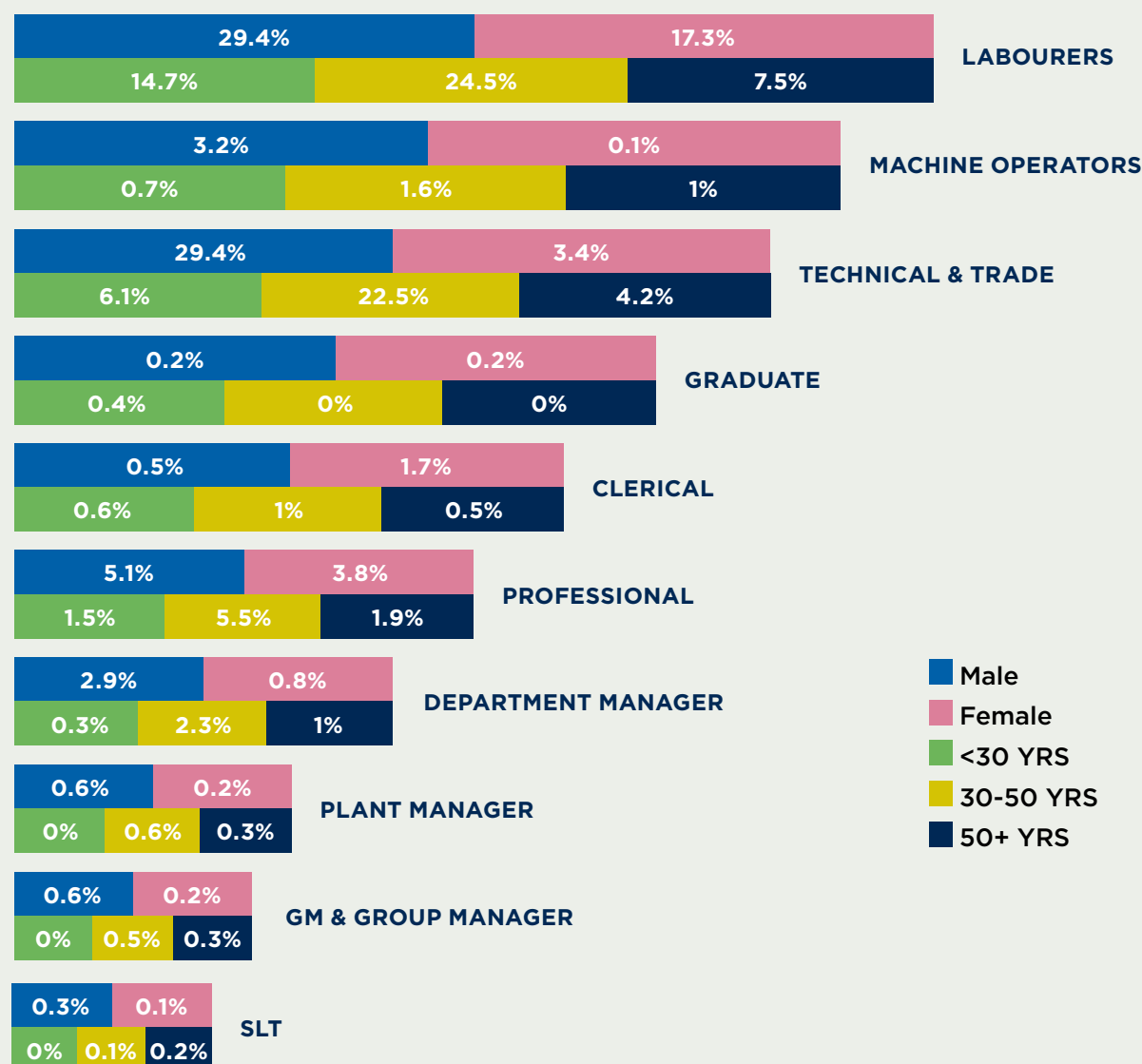
Gender Distribution





Employee Gender and Age Breakdown

The following represents the range of experience and knowledge distributed across management levels during 2021.



(GRI 102-8; GRI 103; GRI 405-1)

Employee Ethnicity (top 10)

We are pleased to report that for FY 2021 our workforce was made up of 64 different nationalities (FY2020 66).

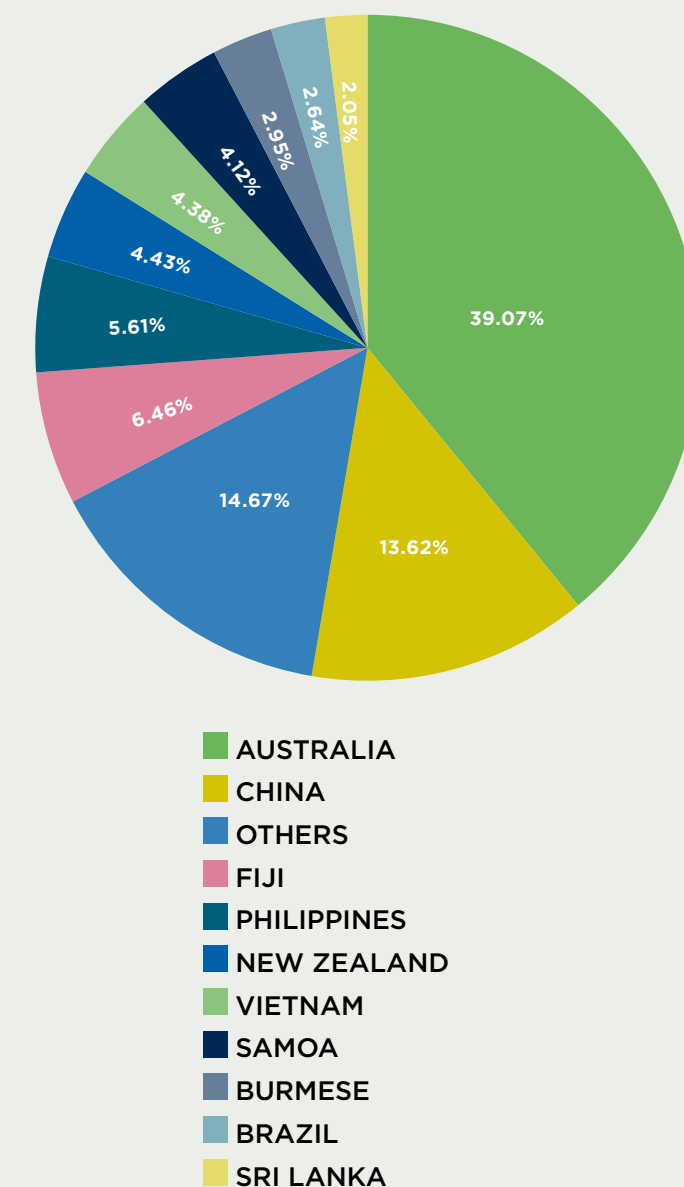
Top 10 nationalities

Our Safety Management System (SMS) incorporates 'Non-English-Speaking Background (NESB)' risk assessments to identify language needs at each of the sites and to implement controls and support measures to assist with day-to-day work life. This includes ensuring the translation of training documents and workplace policies and making sure that translators are readily available to support discussions. Safety assessments, along with support measures, are also implemented for those in our workforce who have recognised disabilities. (GRI 403-5)

Non-Discrimination

We have implemented 'Respectful Workplace' policies and corresponding grievance mechanisms, including a Whistleblower Policy. Any suspected infringements of our Respectful Workplace standards are diligently investigated, with any confirmed infringements escalated to senior leaders to ensure appropriate outcomes and plans are initiated.

We are committed to providing a safe, flexible and respectful working environment for all our workers. There is zero tolerance for discrimination, harassment, bullying or victimisation, and we are committed to creating a culture of inclusion, diversity, honesty and respect. Our corporate values are critical to supporting respectful workplaces.



Talent Acquisition and Workforce Planning

At Teys Australia, everything starts with our people. The growth of our people is as important as the growth of our business, and as we look forward, we continue to invest in the future leaders of our business. In FY2021 we directly hired 605 (FY2020 738) new employees across the business.

Our career paths are supported by traineeships, apprenticeships, school-based learning programs, a graduate program and leadership development. Since 2011 we have had 70 graduates join our business, with 3 new graduates starting this year and working across several departments including Primary Processing, Environment, Asset Management, Quality Assurance/Quality Control, Safety and Feedlots/Livestock. Our graduate program is a structured process, which covers:

- ✓ Personal development
- ✓ Real work employment
- ✓ 'On the job' training
- ✓ Network building, coaching and mentoring
- ✓ External courses
- ✓ AUS-MEAT and Meat Standards Australia (MSA) training
- ✓ Strategic projects
- ✓ Work assignment

We also support the Intercollegiate Meat Judging (ICMJ) industry program and recruit talent from this arena.

We engage with a specialised outsourced recruitment partner, Regional Workforce Management (RWM), to source prospective employees nationwide. In 2021, the RWM workforce of 848 (FY2020 973) contributed 20.23 % (FY 2020 20.87%) of the total workforce. Employees engaged by RWM are able to access a range of career pathways and opportunities to transition into other parts of our business.

Employee Transitions

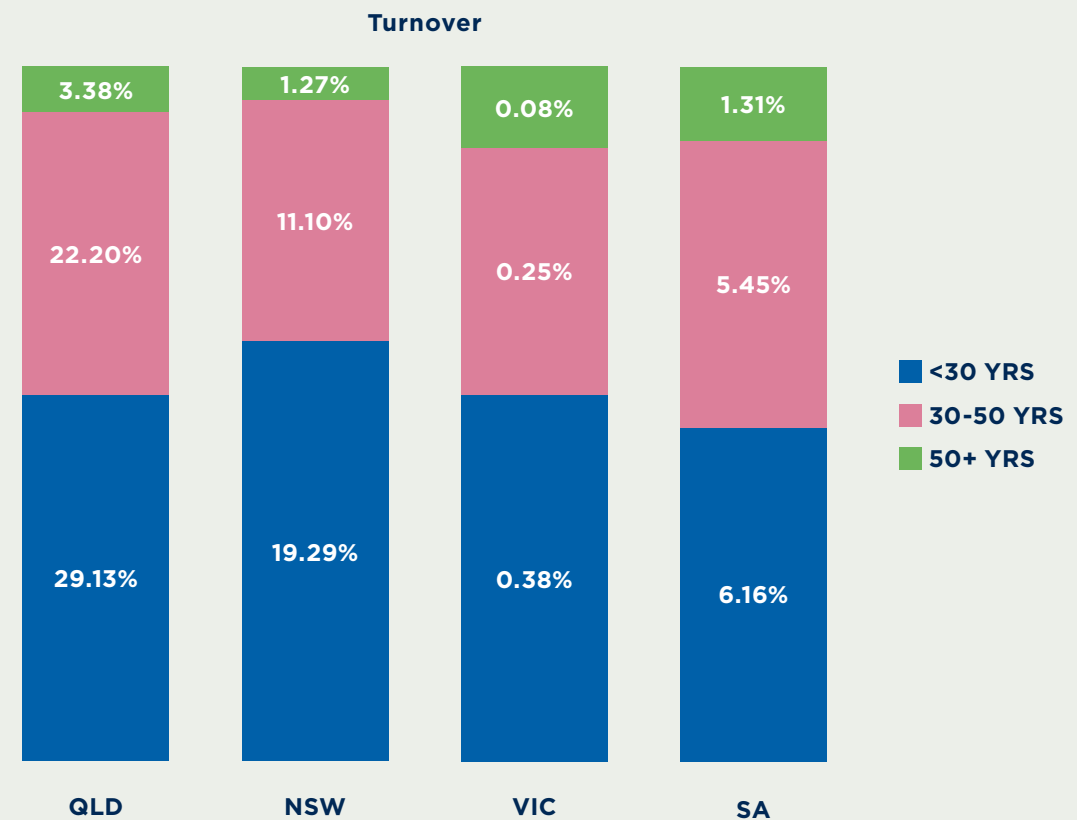
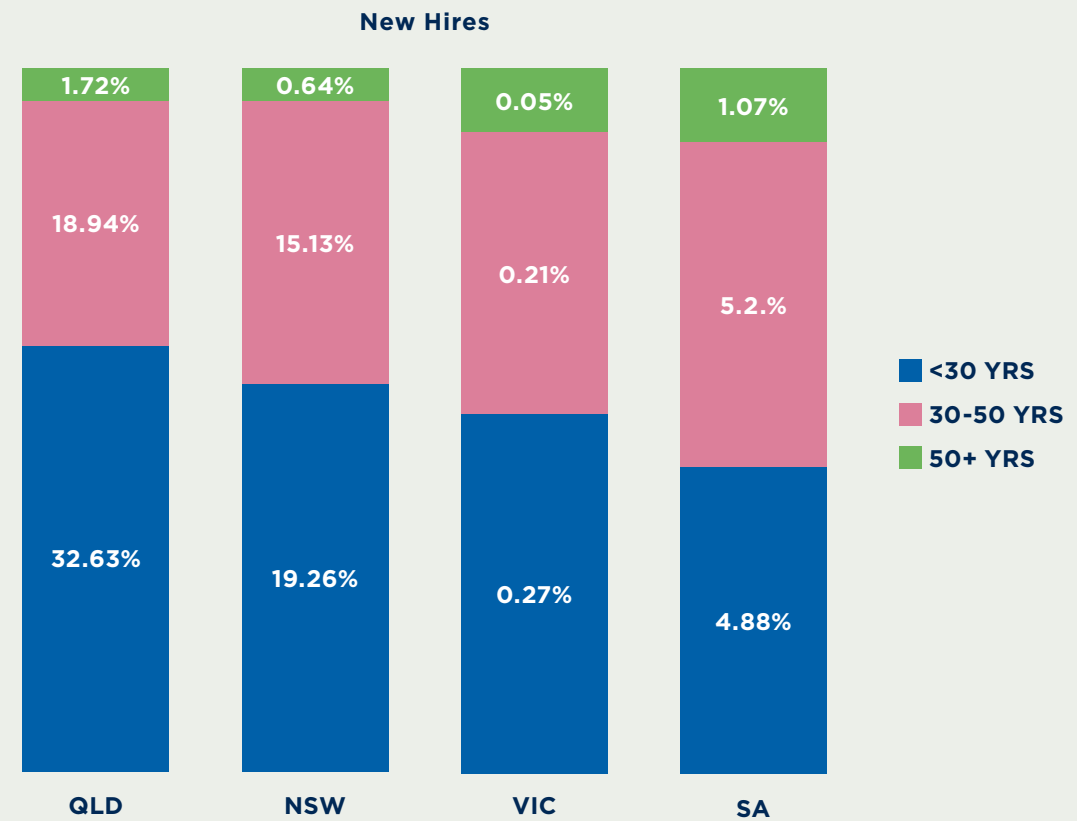
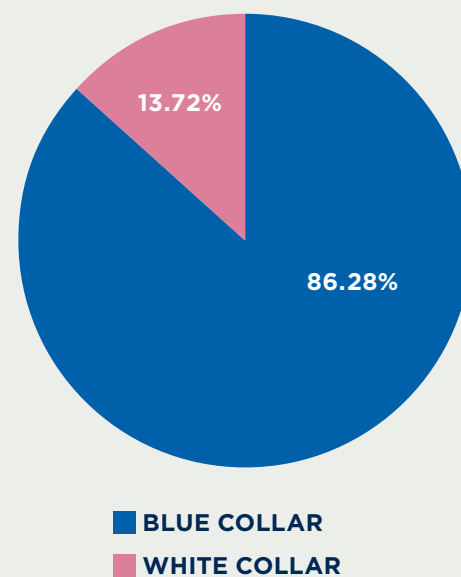
Treating our people with dignity and respect is our priority. We comply with the notice requirements of relevant employment laws and our EBAs. When practical, we provide impacted employees advance notice of staff reductions and significant operational changes. Where possible we go above and beyond regulatory requirements, including the Employee Assistance Program (EAP) and outplacement services.

In instances where we cannot provide any advance notice, employees receive pay in lieu of notice, consistent with our termination policies

In the event of a transitioning employee, we have various processes that can be implemented to facilitate the off-boarding process, and for employees who have flagged their intention of retiring, the training department helps to facilitate a tailored pre-retirement plan.

(GRI 102-8; GRI 401-1)

White & Blue Collar Distribution





Training and Education

Employee training and education is a high priority for us, which is why we continue to promote employee career development paths through appropriate educational pathways and promoting from within.

We have a national agreement with a registered training organisation (RTO) to facilitate learning and development opportunities including nationally accredited programs. This guarantees quality training outcomes for all employees.

Each of our sites has designated training managers who are responsible for enhancing employees' skills, performance, productivity and quality of work. This also includes ensuring each employee receives the appropriate training to be fully equipped to complete their job requirements and do so safely.

Training and safety co-exist within our business. We endeavour to educate our employees on safety practices and working safely. Each of our sites complies with the Australian Quality Training Framework, and all our employees participate in a WHS Induction module during their onboarding.

Each job and task has a corresponding work instruction and Job Safety Analysis (JSA) training document, which captures all safety-related aspects including identified hazards and control measures. For employees who require further training for high-risk jobs, such as machine operators or forklift drivers, there is Standard Operating Procedure (SOP) to ensure an in-depth process and risk assessment training is provided.

Compliance training is provided to all employees who require mandatory, regulated training to perform their roles. It is a requirement for all employees performing a high-risk role to maintain current qualifications or they are not permitted to work in that role until they are

deemed competent. All employees are required to participate in JSA refresher training when changes are made via the Safety Management System.

The Group Training Manager oversees the training portfolio at our sites, while also ensuring clear alignment to the broader business strategy. Training documentation and processes are subject to regular audits and reviews by external parties such as On Plant Vets (OPVs), and internal audits from the WHS team.

We are committed to promoting training opportunities that include on-the-job accredited training, internal and external training, short courses, tertiary studies, conferences, and mentoring. We foster a learning environment that promotes knowledge transfer across functional areas of the business. During FY2021 we invested \$1,013,900 (FY 2020 \$1,117,856) in training, in addition to the employment of our on-site trainers.

All our training programs and standards comply with the Australian Qualifications Framework (AQF) and the Australian Meat Processing (AMP) training programs. These are nationally accredited training programs that are endorsed by the National Meat Industry Training Advisory Council. Our commitment is to establish a positive training culture that leads to career development pathways.

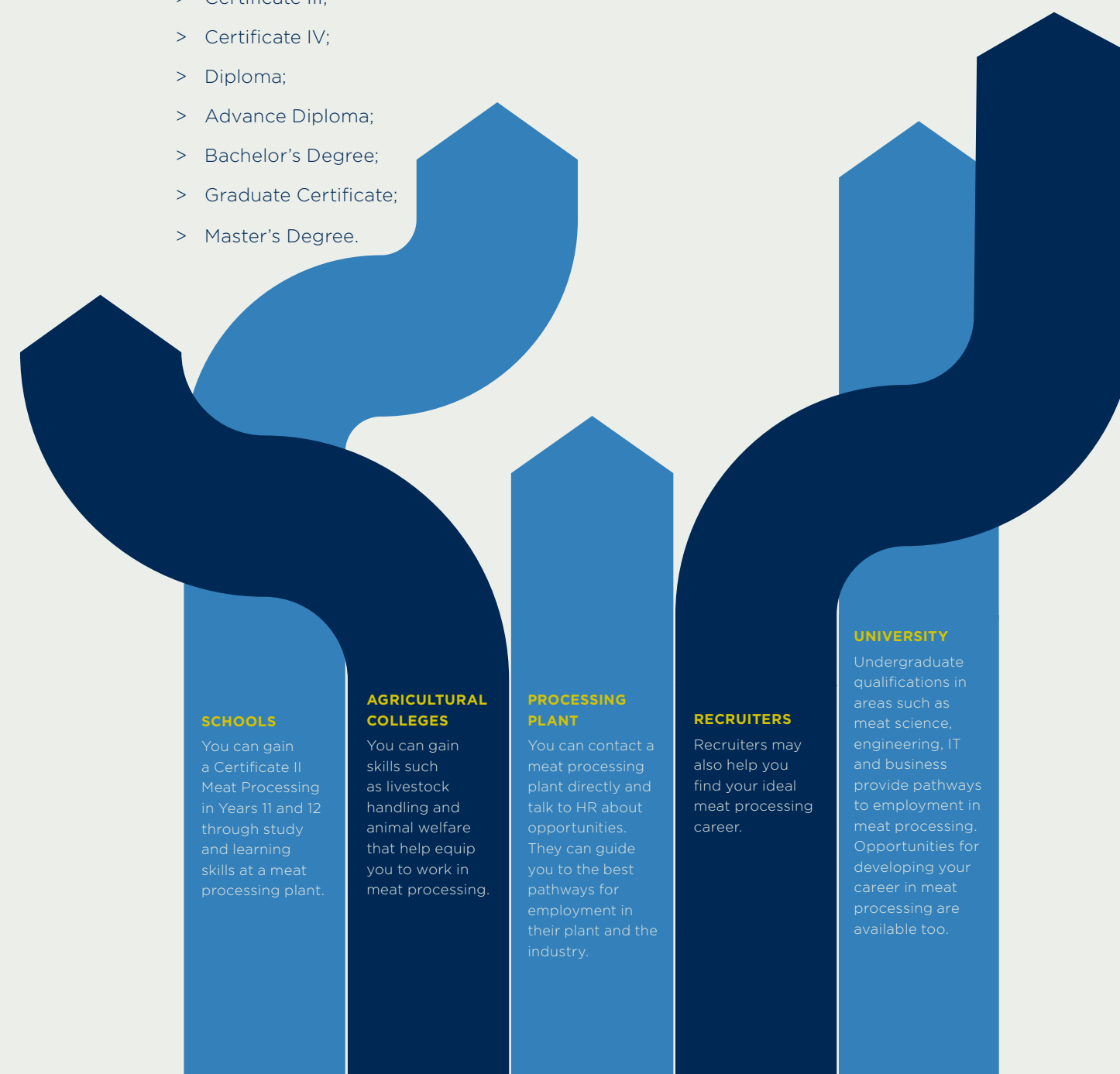
(GRI 102-12; GRI 103; GRI 403-5; GRI 404-2)

Below are some of the training and programs that are on offer at Teys Australia:

- > School Based Traineeships;
- > Certificate II;
- > Certificate III;
- > Certificate IV;
- > Diploma;
- > Advance Diploma;
- > Bachelor's Degree;
- > Graduate Certificate;
- > Master's Degree.

Career Pathways

These programs may form a career pathway from entry level to management and leadership roles, which are detailed here (guide only).





Workplace Health and Safety

Keeping our employees and contractors safe is, and always has been, our most important commitment. We have developed metrics that allow us to look more deeply into complex safety risks and find ways to proactively guard against them. Regardless of where our people work or what they do, we strive to create an environment where our employees, and their families, should feel confident that they will return home the way they arrived – SAFELY, because **‘Nothing We Do Is Worth Getting Hurt For’**.

Since FY2018 we have invested in “myosh”, an online Workplace Health and Safety (WHS) platform, to assist in the management of safety data and metrics. This information, stored and generated within the online system, now provides more accurate and factual data. Along with the systems data and metrics functions, it also records other beneficial data and information that in the past would not have been captured. This now enables us to delve deeper into other aspects of safety data and statistics, allowing us to learn, grow and develop in this key area.

Although our data drives WHS strategies, we have had the additional challenge of the global pandemic. We have managed this challenge through our Business Resilience Team and used our Safety Management System (SMS), implementing policies and procedures to ensure we keep our people and the community safe.

We believe that enforcing safety practices is everybody’s responsibility. Our CEO oversees the safety strategy, which is managed by our Group General Manager Operations and Group WHS Manager. All safety representatives are required by our SMS to complete Health and Safety Representative training to be part of the WHS team. There is a minimum of one representative at each of our sites. Our larger primary processing sites have a safety team made up of the WHS Manager and WHS Officers to ensure the successful implementation of the SMS and risk management through myosh.

All our work-related incidents and near-misses are investigated by our WHS representatives. The myosh system utilised during the investigation will prompt identified risks, hazards and corrective actions to be implemented, and keeps a record of what action has been assigned to which representative.

To ensure the consistency and quality of the implemented practices all safety representatives are required to participate in independent external and internal (annual) auditing processes. Our internal processes help identify any outstanding issues or concerns. If an issue is identified, an assessment is made as to whether it would also affect other sites. If this is the case the information is shared more broadly to implement required controls. During the auditing process, our WHS training procedure and strategy is also evaluated to assess the effectiveness of the training methods, record keeping and training matrix.

Feedback is encouraged as it helps drive improvement in everything we do. Each of the sites is consulted every two years upon the revision of the SMS system to provide their input for changes and improvements to the system. For our employees without computer access, we have created accessible platforms to communicate work-related hazards and hazardous situations.

All employees are strongly encouraged to report all work-related hazards and hazardous situations of any level, as soon as reasonably practicable, with the most direct way being verbal. Our site’s Health and Safety committees promote and foster a ‘speak up for safety’ culture, and at monthly meetings discuss safety concerns and issues. This committee consists of a representative (who has completed WHS training and has been elected using a democratic process) from each department and area; the WHS team; department leads and the site’s

General Manager (committee chair).
The committee’s key objectives are to:

- > Encourage and maintain an active interest in WHS
- > Assist in cooperation between management and employees in developing and implementing measures to ensure work health and safety
- > Advise employees about the formulation, review, and distribution of standards, rules and procedures regarding health and safety
- > Provide updates and facilitate consultation regarding the site WHS plan and critical element programs
- > Review the circumstances surrounding work injuries, work-caused illnesses and dangerous events referred to the committee for review
- > Help in the resolution of issues around WHS
- > Provide feedback to employees on the outcome of health and safety issues discussed at the meetings



Our Approach

Maintaining a positive safety culture starts with our people. We’ve taken the following actions to make sure our practices and programs are keeping our people safe and empowered across our whole business.



Leadership program



Injury and incident prevention



Safety Management System (SMS)



Our 2021 numbers

During the reporting period, we had zero fatalities. Detailed data is provided in the Appendix.

CLASSIFICATION	2019	2020	2021
High Potential Injuries (Frequency Rate per 1,000,000 hours)	2.12	2.09	5.45
Work-Related Injuries Frequency Rate per 1,000,000 hours worked)	47.61	30.92	28.30

The biggest WHS challenge is the management of sprains and strains of the joint and adjacent muscles; a result of labour-intensive tasks that often require both fine and gross motor skills along with repetition. Implementation and review of semi or fully automatic technology/plant and machinery is currently being investigated with the opportunity for this to be introduced as an ongoing focus for the business. Early intervention strategies have been implemented across all plants to ensure that musculoskeletal injuries are managed by on-site physiotherapists. Manual hazardous risk assessment of tasks is helping to identify how these tasks can be done more ergonomically. It also enables us to review resources currently used and implement resources required to assist.

(GRI 103; GRI 403-1; GRI 403-2; GRI 403-3; GRI 403-4; GRI 403-5; GRI 403-6; GRI 403-7; GRI 403-8; GRI 403-9)

Moving Forward

Our focus is to learn from past experiences and fundamentally prevent future incidents from happening. That is why every High Potential Incident (HPI) undergoes a thorough investigation. Each investigation is shared among the WHS group to discuss findings, lessons learned and implementation of any required controls. Sharing with our teams across the group creates a forum of open communication to revisit similar incidents on-site and conduct analysis of other methods or implementation of safety controls. Our key WHS components continue to include:

- > Ensuring a fully functioning Safety Management System
- > The utilisation of the myosh system for recording WHS related information and data (i.e. reporting, risk assessing, document control, training, internal auditing and inspections)
- > The reporting and investigation of all incidents and illnesses. Especially those that are HPIs where a Full Cause Analysis (FCA) is completed
- > Relevant WHS training of our supervisors and managers (both external and internal)
- > Injury and illness prevention and management procedures, risk management procedures, and workplace health and safety training procedures

Our COVID-19 Response

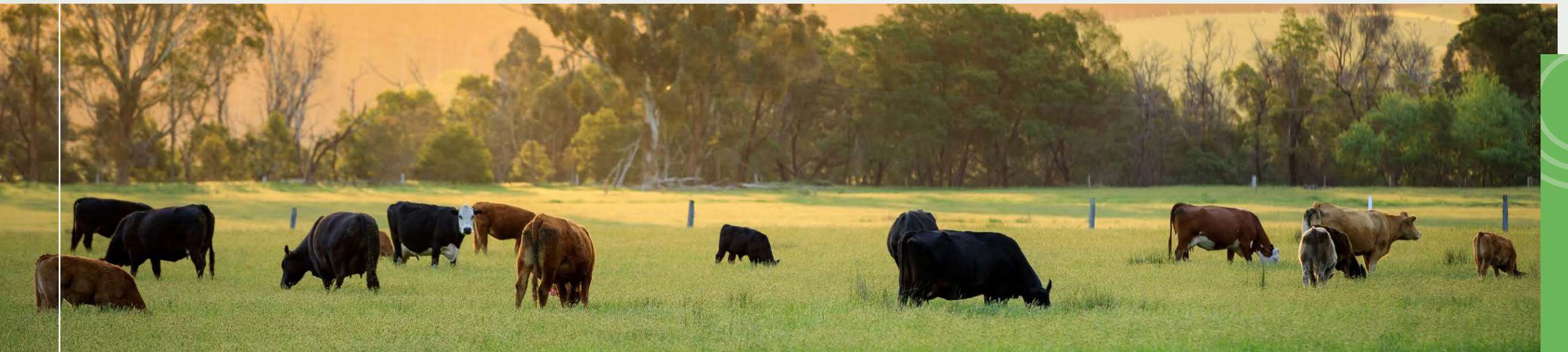
Tey's Australia sets the health, safety and wellbeing of all our employees, contractors and visitors as a priority, which is why we reviewed and as required changed, working arrangements for staff and sites in response to the COVID-19 pandemic.

To protect the health and wellbeing of our people and ensure continuity of the business, we implemented and have continued with the following measures to manage the risks and impacts of COVID-19:

- ✓ **Additional sanitation:** promotion of good hygiene including regular hand washing, and the provision of sanitation stations for high contact points, e.g. our nurses and reception areas.
- ✓ **Hygiene information:** signage around the Group Shared Services (GSS) office and sites providing information and reminders on personal hygiene.
- ✓ **Physical distancing:** requirements established for non-production areas. Our production sites remained fully operational and in line with the COVID-19 safe guidelines provided by health authorities.
- ✓ **Temperature checks:** daily temperature checks to detect any employees at risk of fever (38 degrees or above), regardless of whether they have symptoms, as well as vigilant observation of our teams for potential symptoms. Also, we provide education on symptoms and how to act accordingly to reduce risk if unwell.
- ✓ **Travel restrictions:** international (work-related) travel ban and restrictions on domestic travel (work-related) – limited to business-critical matters only.

- ✓ **Return from Leave:** management of staff returning from high-risk areas or sick leave through our return to work policy.
- ✓ **Restrictions on visitors:** access to the GSS office and sites limited to business-critical visitors who must complete a COVID-19 declaration form.
- ✓ **Work from home arrangements:** In March 2020, we commenced asking groups of employees to work from home, with our HR and IT teams working diligently to ensure that everyone required to work from home is equipped to do so. The remote working arrangements have allowed us to provide more space for those who remain at the office to allow for physical distancing.
 - > **GSS working arrangements:** 56% of GSS employees worked on site with the remainder working from home.
 - > **One-in, one-out policy:** Where there is a business necessity for an employee to return to the office, it is done on a strictly 'one in, one out' basis to maintain the physical distancing requirements.
 - > Regular health and wellbeing check-ins with our employees.
- ✓ **Ongoing:** The one-in, one-out policy, the visitor and office-use measures, and working arrangements all undergo regular review, including notifications during any outbreaks and lockdowns.

We continue to review the safety precautions in line with the updated advice from state and federal authorities, and we provide regular updates to our employees.



Animal Health and Welfare

At Teys Australia, best practice animal welfare is part of our DNA. Our company has always been filled with people who genuinely care about animals, starting with the founding Teys brothers, and to this day, we always act with animal welfare front of mind.

We work hard to ensure every animal in our care is treated with respect, and we have zero tolerance for animal mistreatment of any kind, across our entire supply chain. We also understand how important it is to continue to review and improve our welfare practices. We know that when we raise the bar within our own company, we're helping raise the bar for our industry as a whole.

Through this strong commitment to animal welfare, all our processing establishments are certified and we report significant animal health conditions back to producers.

We provide certified animal welfare training to our people, and they in turn bring our animal welfare standards to life. We have animal experts across our operations. They lead the way for our business from our senior registered veterinarian, who oversees our animal welfare program, to

our teams of consulting and on-site vets, who provide expert care and treatment to animals that need it across our facilities. Our consulting vets provide ongoing training to our feedlot stockmen and women to make sure our hospital teams are always up to date with the latest animal treatment techniques.

Led by our Executive Director Livestock, our livestock team have strong agricultural, animal and vet science backgrounds, all united by their passion for animal welfare. At our sites, animal welfare officers and experienced stock persons are on hand every step of the way to make sure animals are always treated with dignity, respect and care. Whether performing health checks on arrival, monitoring cattle in their yards or moving cattle for transport, we always use low stress stock handling techniques. For our people, it's not just about meeting regulatory requirements and customer expectations, it's about striving for the best care possible, because it's the right thing to do.

Australia's animal welfare standards are some of the most stringent in the world, covering animal needs including feed and water, handling and management, and humane processing. They

also include a strict national standard and Land Transport of Livestock codes to ensure livestock are well looked after during transport and are "Fit to Load".

We pioneered feedlot shading in Australia – being the first business to introduce shade solutions to help with heat-load management, animal comfort and welfare.

Our feedlots all operate under the National Feedlot Accreditation Scheme (NFAS). Our high animal welfare standards are assured by our rigorous and regular auditing, welfare monitoring programs, and industry accreditations through the Australian Livestock Feedlot Association (ALFA). (GRI 102-12)

We are also passionate advocates for 'whole of life' animal welfare. We are a key player within the ABSF steering group, being an active voice for our industry, helping lead improvements, and setting new animal welfare benchmarks across Australia. The Australian beef industry is working towards 100% use of pain relief by 2030; currently, 30% of Australian producers are

regularly using pain relief for routine and invasive procedures. Teys Australia supports this industry initiative through extension back to our suppliers, particularly within our branded programs. We also support the adoption of "poll" genetics (i.e., no horns), with about 70% of Australian cattle now naturally hornless.

Capital investment in animal health and welfare initiatives during the reporting period has included; continued funding for shading, CCTV infrastructure, animal handling equipment upgrades, and the commencement of the development of shedding infrastructure and trialling at Charlton.

Animal Welfare Certification

Our beef processing facilities are accredited under the third-party verified Australian Livestock Processing Industry Animal Welfare Certification System (AAWCS) – an independently certified animal welfare system that ensures livestock under our control, from receipt to humane processing, are managed by best practice animal welfare standards. We proactively work with our suppliers to improve the welfare of animals under our care.

Management of Antimicrobial Resistance and Antibiotics

Australia has developed a strong position and conservative approach to the registration of antimicrobials. As a country, there have only been limited new generation anti-microbials registered for use in food processing animals, which is not the case throughout Europe and America. Antimicrobials that are highly valued in human clinical medicine, such as fluoroquinolones and gentamicin, have never been allowed for use in food-producing animals, and only one third or fourth generation cephalosporin (ceftiofur) has been registered.

No antibiotic in Australia is registered for use as a growth promotant. Teys Australia's feedlots have implemented antimicrobial stewardship programs. Antibiotics can only be administered to animals under the supervision of a registered veterinary surgeon as a treatment for a disease. Veterinarians and producers (through the Livestock Production Assurance (LPA) Scheme) have a legal requirement that records are kept of the diagnosis and any treatment provided by the treating vet and the animal owner (if they provided any treatment). Teys Australia believes that animal welfare is a significant consideration when determining if an animal has a condition where the appropriate use of antibiotics would alleviate or eliminate suffering. We require that cattle are purchased from producers who participate in the LPA Scheme.

Animal Health Surveillance and Reporting

Through our own initiative, we provide detailed animal health reports back to all producers. We also offer backup support for producers to assist with their understanding of this information. The aim is to assist producers in improving their on-farm welfare and productivity through improvements in the overall health of their herds.



Food Safety

Customer Health & Food Safety

With more than 1.7 billion beef meals produced for people across Australia and around the world every year, it is critical we ensure that we meet the highest quality standards. We know how important it is to provide safe products to customers. Playing our part in the value chain to provide trusted safe products has always been and remains one of our top priorities.

We are committed to providing safe and nutritious food for our customers – it is at the centre of our business and is an area in which we are not prepared to compromise. Our customer's health and their confidence in the brands we produce are of paramount importance, and every effort is made to ensure that the food we produce is of the highest standard of food safety and quality. (GRI 416-1)

Our responsibility for producing safe and nutritious food spans our value chain to avoid foodborne illnesses, product recalls and risks to our brand reputation. When processing cattle and converting carcasses into various cuts of beef, our focus is to prevent cross-contamination with bacteria.

Our food safety processes are based on industry best practices and adhere to the most rigorous Australian and global standards. This starts with our Quality Management System (QMS). Our QMS makes sure our Food Safety Plan is being effectively monitored, verified and documented.

The effectiveness of our processes is continually assessed to ensure we are implementing best practices. Tey's Australia uses the international food safety management system Hazard Analysis and Critical Control Point (HACCP), which identifies hazards and assesses the risk of affected products, as well as the precautionary measures needed to eradicate the risk. We continue to work with our partners along our value chain to ensure risk is mitigated outside of our controlled environment.

We have dedicated Quality Assurance (QA) and Quality Control (QC) teams and managers

at each of our processing sites. All teams are responsible for ensuring our meat and offal products are of top quality. During the reporting period, there was no critical non-compliance with regulation or voluntary codes by our teams. Any concerns or questions raised regarding our products are managed by both the Group QA Manager and Group QC Manager. We use Key Performance Indicators (KPIs) to measure food safety management.

Each of our export processing facilities has an independent government-employed veterinarian stationed alongside authorised government inspectors. These plants are subject to independent government and third-party audits to ensure that they remain fully compliant with regulations and customer specifications.

Our Supplier Approval Process manages the procurement of product to meet food safety standards and ensure Tey's Australia is a trusted food partner.

To ensure we meet our commitments we have established quality management systems, which comply with the accreditation standards and certification requirements of:

- > The Australian Government Department of Agriculture
- > State authorities and regulators
- > Codex HACCP
- > AUS-MEAT
- > Brand Reputation Compliance Global Standards (BRCGS)
- > FSANZ Food Standards Code
- > Meat Standards Australia
- > The Australian Renderers Association
- > Customer specific programs

(GRI 102-12; GRI 103; GRI 416-1)



Our Food Safety And Quality Approach

We focus on three key areas to keep our food safety and quality management processes working for you.



Accountability



Quality Management System



Sampling and Testing



Environment

Our Commitment to Our Planet – Enriching Lives for Generations to Come.

For us, sustainability is about creating brighter and better futures for our local communities and our planet – building on the Teys family heritage for generations to come. As we deliver on our promise to feed people and enrich lives, we are continuously improving our sustainability practices. We know minimising our environmental impacts is not only important to our stakeholders, our industry and the future – it is the right thing to do.

We have a strong environmental focus and apply a precautionary principle across our operations (GRI 102-11). Our Environmental Policy commits to protecting both the environment in which we operate and the surrounding areas to prevent pollution and protect the natural ecosystems from harm arising from Teys Australia's operations. We aim to create sustainable value for our stakeholders and wider community through fulfilling our compliance obligations, including legal requirements, and continuously improving our pollution and waste strategies.

We proudly take a proactive approach to environmental stewardship, striving to be 'better than best practice' across environmental performance, as well as energy, water and emissions management. We progress this with regular internal and external audits and drive continuous improvement through our Utility Reduction Program (URP) and Resource Efficiency Targets (RET).

We participate in benchmarking across the industry through performance ratings based on relative industry data with the Australian Meat Processor Corporation (AMPC) and the Australian Beef Sustainability Framework (ABSF). (GRI 102-12)

These activities are supported by the Board of Directors and cascade through the business via the Key Performance Indicators (KPIs) of the CEO, General Manager Asset Management, Group Environmental Manager, Group Manager Resource Efficiency and Sustainability, site functional managers, and environmental leads.

We demonstrate our commitment to the planet by:

- > Communicating and working with our stakeholders across the supply chain regarding environmental impacts, and creating increasingly sustainable outcomes to help advance initiatives in environmental protection and sustainability
- > Maintaining an Environmental Management System and allocating resources to maintain and continuously improve environmental performance at our sites
- > Conducting operations in compliance with all applicable legal requirements
- > Setting environmental objectives and targets
- > Investigating, and where practicable, implementing processes that prevent or minimise pollution and process waste, and reduce energy and resource consumption.

(GRI 103)

Environmental Compliance

We have implemented processes, where each facility's environmental aspects and impacts are assessed against set risk criteria to determine their significance. This risk assessment process includes an internal risk management approach combined with compliance requirements, stakeholder interests and past performance. Significant aspects are then aligned to targets and projects to achieve aspect management improvements. No enforcement actions were recorded during the reporting period. (GRI 307-1)

Applying our Environmental Policy and Environmental Management System across our operations helps us align our efforts and track our performance beyond our legislative obligations, so we're transparent in our environmental monitoring, auditing and sustainability reporting. (GRI 103)

Climate Action - Delivering Sustainable Outcomes

Climate is the biggest individual driver of production variability in agriculture. The beef industry needs to adapt management practices to reflect our changing conditions and ensure long-term industry prosperity. MLA's report on Greenhouse Gas Footprint of the Australian Red Meat Production and Processing Sectors 2017 and 2018 updates (published in 2020), found the red meat sector has reduced CO₂e emissions by 53.22% since the 2005 baseline. This represents a reduction of the industry's proportion of national greenhouse gas (GHG) emissions from 22% in 2005 to 11.8% in 2018.

The CSIRO and MLA are currently reviewing industry data set for release, in a future update of the ABSF annual report.

As a means of addressing GHG emissions, in 2017 the Australian red meat industry committed to achieving Carbon Neutrality by 2030 (CN30). CN30 will be achieved when total emissions are counteracted or balanced by the volume

of carbon stored in trees and soils within the red meat industry or offset through purchased credits. We support this target from the red meat industry, and in 2018 we were the first large red meat processor to make public commitments to reduce GHG emissions and the use of other natural resources. Our commitments are to:

- > Reduce carbon intensity by 20% over five years to 2023, against FY2017 as the baseline year.
- > Ensure that at least 30% of our portfolio energy needs come from renewables by 2023.
- > Focus on our primary processing portfolio by 2023:
 - > Reduce energy intensity by 6% (measured in GJ/t Hot Standard Carcase Weight (HSCW)).
 - > Reduce water intensity (measured in kL/t HSCW) by 10%
- > Reduce energy and water intensity in our feedlots (measured in GJ or kL/Head/Head Day).
- > Manage emissions within our value add (measured in GJ or kL/kg finished product) and hide processing businesses (measured in GJ or kL/hide).

We also recognise the GHG emission accounting practices for agricultural production systems are an evolving area, with more accurate methodologies being developed to help improve accuracy.

Our Group Manager Resource Efficiency and Sustainability represents us on the sustainability steering group for the ABSF to help facilitate the development of this area. We maintain memberships with various industry associations such as MLA and AMPC to actively participate in climate change discussions. Being involved in these industry decisions helps us to better understand and take appropriate action to reduce climate impacts.



Our Goals and Progress

Our data monitoring indicates that we are on track to achieve our energy and carbon intensity targets as a result of our refrigeration efficiency initiatives, LED lighting upgrades, and thermal and biogas utilisation. While we are pleased with our progress in the above areas, we acknowledge the work to come around the challenges we face in achieving our water and renewables target.

In terms of water intensity, we set a stretch target in 2018. Water intensity during our baseline year (FY2017) was 11.2% below industry averages (based on AMPC industry benchmarking data). Reducing our water intensity further remains a key challenge and focus area.

The progress of our goals is regularly communicated to our internal and external key stakeholders.

Our Five Year Goals

We know big goals produce big results. That is why we've introduced our 5-year resource efficiency targets. Set by our CEO, these keep us on track and make sure we are meeting the deliberate and specific goals we have set for ourselves to reduce our overall energy, water and waste outputs.



Source 30% of our energy via renewables

Same as flying from BNE to LAX more than 56,000 times per year



Reduce water intensity by 10%

Equal to the water usage of 825 Australian homes per year



Reduce carbon intensity by 20%

Same as removing more than 15,000 cars off the road per year

GOALS AND TARGETS			
Goal	Progress 2019	Progress 2020	Progress 2021
No critical non-compliance	\$15,000 paid in consequence of waste disposal	No critical code or regulatory non-compliance during the reporting period	No critical code or regulatory non-compliance during the reporting period
6% reduction in energy intensity by 2023	8.6% reduction – three years ahead of target	0.9% reduction compared to the baseline year	1.1% reduction compared to baseline year
10% reduction in water intensity by 2023	No change	No change	3.7% above the baseline year
20% reduction in GHG emissions by 2023	22% reduction achieved – three years ahead of target	15.8% reduction compared to the baseline year	15.8% reduction compared to baseline year (no change from prior reporting period)
At least 30% of our energy needs come from renewables by 2023	13.6%	13.9%	19.9% – some challenges present
Challenges	<ul style="list-style-type: none"> > % Reductions in water efficiency: <ul style="list-style-type: none"> > While plant throughput was below the long-run average, plant cleaning processes required fixed volumes that are not proportional to plant throughput, creating some challenges as well as some project delays > Biogas utilisation is an ongoing challenge as is the execution of large renewable energy projects. > Reduction in energy intensity: <ul style="list-style-type: none"> > While energy efficiency initiatives have continued to be implemented and are providing significant achievements, challenges have driven continued focus on biogas utilisation which has a big impact on our energy intensity performance. We remain confident of achieving our long-term goals. > Reduction in GHG emissions: <ul style="list-style-type: none"> > Linked to above, challenges with biogas utilisation at both Rockhampton and Wagga have contributed to increased emissions. > Benchmarking against industry for environmental compliance and odour performance: <ul style="list-style-type: none"> > We are working with industry in this area through AMPC > Automating measurements, reporting and tracking is a challenging implementation process across multiple locations, particularly for natural gas and bulk delivered fuels. 		

Energy and Emissions

We consume energy that is both self-generated and procured externally from renewable and non-renewable sources. During the reporting period, we used a total of 1,436,919 GJ (FY20 1,691,504, GJ) of non-renewable energy, and 277,635 GJ (FY20 291,677 GJ) of renewable energy (source: 2021 National Greenhouse and Energy Reporting (NGER)).

Table A outlines the electricity usage based on billing and metered data, and steam usage based on engineering estimates. Heating and cooling consumption is not directly reported, and no energy is on-sold. All conversion factors are with reference to National Greenhouse Accounts Factors 2021. A breakdown of energy usage by business unit is available in the Appendix. (GRI 302-1)

For the reporting period, the energy intensity of our primary processing business unit, was 3.340 GJ/t HSCW (Tonnes of Hot Standard Carcase Weight), a decrease of 4.02% on the previous reporting period, and 4.90% below our baseline year (FY2017). (GRI 302-3)

Due to ongoing efforts to conserve energy, our overall energy intensity reduced from 3.920 GJ/tHSCW in FY2020 to 3.870 GJ/tHSCW in FY21. There was a decrease in overall energy intensity at our primary processing facilities, shifting from 3.480 in FY2020 to 3.340 GJ/tHSCW in FY21. While this short-term trend is positive, we have challenges to overcome to meet water intensity and renewable energy goals.

Our reporting covers Scope 1 and Scope 2 emissions, which are defined as:

- > Scope 1 – Direct (or point-source) GHG emissions within the organisation's boundary: Natural gas and coal emissions released into the atmosphere as a direct result of onsite combustion
- > Scope 2 – indirect GHG emission: emissions released into the atmosphere from indirect consumption, for example, the use of electricity produced by burning fossil fuel at another facility in the supply chain to generate power

- > GHG emissions intensity Tey's Australia Portfolio: (total Scope 1) + Indirect Emissions (total Scope 2) / total tonnes HSCW

Table C outlines Scope 1 and 2 emissions during the reporting period, compared to the baseline year, using a consolidated approach based on operational control and National Greenhouse and NGER requirements. Reported energy intensity considers all consumption, whether it is from an internal or external generation source. When reporting on the energy intensity, sources such as electricity, natural gas, biogas, LNG, LPG, black coal, gasoline, diesel, petroleum-based oil and ethanol are included.

Increases in absolute emissions are mostly related to challenges with renewable energy utilisation and production throughout the various business units but our long-term position is positive. It should also be noted that NGER accounting, does not fully show the value of projects such as the Naracoorte Covered Anaerobic Lagoon (CAL) and the biogas cogeneration plant. These projects, when analysed against the Energy Reduction Fund (ERF) method, offset 22,833 tCo2-e during the reporting period from October 2020 to October 2021. (GRI 305-1; GRI 305-2; GRI 305-4)

Energy reduction is measured using International Performance Measurement and Verification Protocols (IPMVP) and is tracked against site-specific and project-specific KPIs such as energy intensity. In most instances, the IPMVP are used and checked by our in-house Certified Measurement and Verification Professional (CMVP) or an external provider to validate savings. (GRI 302-4)

We measure reduction in emissions as an intensity factor (tCo2-e/t HSCW). Primary processing business units are measured on Tonnes of Hot Standard Carcase Weight (t HSCW) as the organisation-specific metric. The reason for selecting this metric, instead of the number of animals processed, is to rationalise red meat yield coming from various plants and carcase weights, and to account for differing geographical locations, species and conditions

on the east coast. This approach rationalises changes in production over different years.

Initiatives that are driving reductions in both our asset portfolio (Scope 1) and indirect emissions (Scope 2) include:

- 1) Portfolio refrigeration optimisation – FY2021 46% complete (FY2020 33% complete)
- 2) Portfolio LED lighting roll out – FY2021 75% complete (FY2020 72% complete)

- 3) Thermal system optimisation and asset upgrades – FY2021 32% complete (FY2020 22% complete).

(GRI 305-5)

Table A

	2019	2020	2021
Renewable Energy (GJ)	212,227	291,677	277,635
Non-Renewable Energy (GJ)	1,587,067	1,691,504	1,436,919
Total Consumed Energy (GJ)	1,799,294	1,983,181	1,714,554
Electricity (kWh)	136,079,578	137,303,926	119,811,426

Table B

ENERGY INTENSITY	2017	2018	2019	2020	2021
GJ/t HSCW	3.512	3.460	3.212	3.480	3.340

Table C

SCOPE	EMISSIONS GAS	QUANTITY (FY2017)	QUANTITY (FY2019)	QUANTITY (FY2020)	QUANTITY (FY2021)
Scope 1	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃	139,398 tCO ₂ -e	111,341 tCO ₂ -e	126,680 t CO ₂ -e	107,347 t CO ₂ -e
Scope 2	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃	94,598 tCO ₂ -e	108,419 tCO ₂ -e	106,279 t CO ₂ -e	93,054 t CO ₂ -e
GHG emissions intensity	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃	0.6451 tCO ₂ -e	0.505 tCO ₂ -e	0.535tCo2-e	0.540tCo2-e
Scope 1 + Scope 2 /t HSCW					



SUMMARY OF ACRONYMS

GJ -Gigajoule

kWh - Kilowatt

kL - Kilolitre

tCO2-e/t -tonnes (t) of carbon dioxide (CO2) equivalent (e)

CO2 - Carbon dioxide

CH4 - Methane

N2O - Nitrous oxide

HFCs - Hyrdrofluorocarbons

PFCs - Perfluorocarbons

SF6 - Sulphur hexafluoride

NF3 - Nitrogen trifluoride

Our Renewables Program

Renewable energy is one of our biggest opportunities for reducing greenhouse gas emissions across our operations. That is why we have made renewable energy projects a real focus across our business. We have set ourselves the target of replacing 30% of our energy needs by preferencing behind the meter renewable options by 2023 and we are investing in alternative energy sources on our facilities wherever we can, such as our portfolio of biogas and solar facilities.

Resource Efficiency Targets

Our baseline year, FY2017, was chosen during the development of Teys Australia's RET and was deemed the most practical, due to the alignment of asset management capital planning and the peak of emissions.

Utility Reduction Program (URP)

Teys Australia's URP has been underway since 2013. As part of the URP, we set energy and water targets to reduce our reliance on natural resources and to reduce greenhouse gas emissions. To support this, the URP focuses on four key areas of strategic energy procurement, capacity building, data analytics, and asset performance. The URP is also about finding opportunities in our day-to-day operations to reduce our environmental footprint because, in addition to setting goals, we want to produce clear, positive results for our business and our communities. Our URP was designed to help us do just that.

Driven by our team, the program makes it easier for us to find new ways to reduce water, waste and energy across our everyday operations. From changing our behaviours and improving our power performance, to reducing wastage, the URP makes sure we are investing in the right projects for a positive environmental impact wherever we can.

Electricity

- > We improved the control and optimisation of our refrigeration capability. The roll out of our refrigeration efficiency improvements, coupled new assets with better controls for improved refrigeration efficiency and is due for completion in FY23.
- > We continued with our LED lighting technology roll out.
- > We implemented biogas utilisation improvements

Natural Gas

We improved controls and optimisation of our thermal systems through asset upgrades and boiler replacements.



Water and Effluents

Water is a key natural resource that is essential to our business. It is an integral component of our operations and the safety of our product, so it is a focus of our long-term sustainability strategy. We have set an ambitious target of a 10% reduction in water intensity by 2023. We have teams focusing on water reduction programs and projects, which are designed to facilitate the achievement of this target and continuously improve our water efficiency at each of our facilities.

Water withdrawal for FY2021 was 3,803.061 Megalitres (ML) a decrease from FY2020 of 4,383.4249 ML, based on water consumption and discharge outlined below.

We have invested in industry-leading renewable energy and wastewater treatment systems, and now have biogas systems fitted across five of our six processing plants. Secondary treatment of wastewater occurs through the process of anaerobic digestion of wastewater. Anaerobic digestion removes up to 90% of organic material and produces energy-rich biogas as a by-product of the treatment process. Biogas generated from these facilities can offset on-site thermal energy requirements by 30-40%. This significantly reduces our environmental impact by capturing emissions, offsetting fossil fuel use and improving water quality for the receiving environment.

WATER CONSUMPTION	ALL AREAS -FY2019	ALL AREAS -FY2020	ALL AREAS -FY2021	AREA WITH WATER STRESS - FY2019	AREA WITH WATER STRESS - FY2020	AREA WITH WATER STRESS - FY2021
Total (ML)	2373.76ML	2320.0119ML	1,570.627ML	326ML	322ML	320ML
Change in water storage (where water storage has been identified as having a significant water-related impact)	No significant change	No change	No change	No change	No change	No change

Our primary wastewater treatment technology across the primary processing facilities is relatively consistent. The primary screening of wastewater occurs to remove suspended solids within the waste stream, the suspended solids can then be either rendered into saleable products or transported off-site for composting. After screening, wastewater is treated via a dissolved air floatation process to remove further solids and significant volumes of fats, oils and grease from the wastewater.

Our water discharge standards vary across our operations. However, the minimum company requirements align with environmental licensing and trade waste agreements, which contain periodic monitoring of discharged water quality. For facilities with absent local discharge, environmental assessments are submitted for approval for the land application of treated water.



Did you know?

Odour generation has been identified as a potential area of significant impact for Environmental Stewardship. We have installed advanced odour treatment technology at sensitive processing facilities to treat odour emissions from rendering processes that occur on site. We have also installed Covered Anaerobic Lagoons at five meat processing facilities across the country to capture biogas produced by the anaerobic digestion process. This technology has significantly improved odour impacts at all sites.

Priority discharge contaminants are determined by either the state environmental regulator or local council. The relevant state environmental regulator is responsible for the approval of any concentration and load-based limits for specific substances to be discharged to surface waters or salt water. Substances that are a primary focus for environmental release are nutrients, organic loading and oxygen concentration. All land application of wastewater, groundwater and soil is monitored to ensure ongoing irrigation occurs sustainably.

For wastewater discharge to third parties, the quantity limits are approved by environmental regulators. In conjunction with industry practice, we have outlined internal wastewater treatment standards, which include minimum testing requirements. Our environmental management process ensures we undertake periodic and systematic reviews of all aspects and impacts associated with our site operations, and that we focus on continuous improvement.

(GRI 303-1; GRI 303-2; GRI 303-3; GRI 303-4; GRI 303-5)

WATER DISCHARGE		ALL AREAS - FY2019	ALL AREAS - FY2020	ALL AREAS - FY2020
By destination	Seawater	644.589ML	623.764ML	387.898ML
	Third-party water	1553.07ML	1439.649ML	1549.6ML
	Irrigation	414.8ML	529.98ML	294.974ML
Total	Seawater + third-party water	2197.659ML	2063.413ML	1937.498ML
By freshwater and other water	Freshwater	1553.07ML	1439.649ML	1844.574ML
	Other water	644.589ML	623.764ML	387.898ML

Case Study: Naracoorte Utilities Reduction Initiatives

Our Naracoorte processing site has had a heavy focus on energy efficiencies with several Major Utility Reduction Projects:

1. Boiler Replacement – construction nearly complete for 1 x 10MW Boiler giving the site the capabilities to run Biogas / Dual Fuel in the future and an immediate 20% efficiency improvement.
2. HV Network Upgrades – The upgrading of electricity connections & HV assets will allow the site to run our Co-generation operations 24/7, increasing site renewable energy from 15% to 43%.

Other site initiatives underway at Naracoorte that will further reduce utility usage and support sustainability targets include:

- > Hasher Washer & Screw Replacement – Water & Energy reductions
- > COGEN Air Intake Filtration – to improve renewable energy reliability
- > Chiller Refrigeration Automation – Energy reductions
- > Thermal Efficiency Works – Energy reductions
- > Steam Delivery and Condensate Recovery – Energy reductions

Since the implementation of the Teys Australia Utility Champion Award in FY 2015/16 Naracoorte has won three of the six crowns awarded and is something the site takes great pride in.



Waste

Waste is generated as part of Teys Australia's activities, for example, during the production of our products and delivery of services. It is also generated by entities upstream and downstream in our value chain, for example, when suppliers process materials that are later used or procured, or when consumers use products and discard the materials that Teys Australia sells to them.

Teys Australia is working with key suppliers and customers to better understand waste impacts on the environment, human health and economic performance, and is developing management strategies. Additionally, we are investigating how to measure and track waste, and understand where waste is currently being recycled through circularity measures or where there may be opportunities to increase recycling and reduce waste. This data will be collected and reviewed for future reporting periods. We want to make sure that we are acting sustainably and preventing waste wherever we can.

Our Packaging Approach

We know the difference that great packaging can make for our customers. Quality, considered packaging maintains product integrity, preserves shelf life and delivers greater convenience. While we work closely with our customers to give them tailored packaging solutions, we're also actively looking for ways to reduce packaging and replace conventional materials with sustainable alternatives where possible.

Waste Management Initiatives

WASTE DIVERTED FROM DISPOSAL	FUTURE OPPORTUNITIES
<ul style="list-style-type: none"> ✓ Composting – Paunch, waste from Covered Anaerobic Lagoons and sludge from ponds are diverted to composting where possible ✓ Cardboard – We invest in cardboard recycling ✓ Participating in the Wastes to Profits program – supported by MLA and the Federal Government to capture potential market opportunity for the livestock sector by converting waste into valuable products (GRI 102-12) ✓ Plastic pallets – reuse plastic crates and plastic bulk bins (non single-use packaging) ✓ Co-products – animal waste converted into products for other industries <ul style="list-style-type: none"> > Rendering and hides processing > Animal Feed – some of the co-products we produce across our processing operations are saved and used to create a variety of animal feed, including stock feed, aqua feed and pet food 	<ul style="list-style-type: none"> ✓ Investigate opportunities to increase end user recycling of spoiled plastics ✓ Working with suppliers on opportunities to eliminate single use plastics where possible ✓ Continued support and participation in the Wastes to Profits program

Performance

Our consolidated revenues for 2021 for the business units outlined in the Appendix was \$2,435.5m (FY2020 \$3,025.2m).

During FY2021 ongoing initiatives focused on opportunities to improve efficiencies and reduce total manufacturing costs by enhancing the capabilities of our plants, while managing the difficult trading conditions arising from increased cost of cattle, the pandemic and shipping constraints. These initiatives are outlined below.

> **Consumables and Packaging Inventory Management and Reporting** – enabling us to track inventory levels to optimise usage, with long-term aims of reduction of consumable, packaging and plastic waste. During the reporting year, the business managed the impact of COVID-19 Personal Protective Equipment (PPE) availability to ensure that we continued to be able to supply appropriate PPE to keep our people safe while effectively managing additional costs.

> **Meat Inventory Management and Reporting** – allowing more timely management of inventory levels with the long-term aim to reduce food waste by using data to manage the age of product, by working with suppliers to investigate new meat and packaging technologies, and by management of production to reduce rework.

> **Asset Capabilities** – improvements through capital planning and portfolio management to proactively plan for end-of-life equipment, utilising data analytics from our Capital Asset Management System (CAM). This makes plants more efficient and sustainable, and delivers ongoing safety improvements. CAM data also provides a better understanding of downtime, and management of maintenance spares to reduce costs and waste.

> **Scorecard Reporting** – used to take advantage of opportunities to offset supplier price rises with savings in other areas. We're able to manage price increase impacts through understanding our data, scorecards, usage rates and par levels.

> **Budget process** – maintaining our Total Manufacturing Cost (TMC) through efficiencies rather than cost-cutting.

> **Balance across our customer mix** – improving the security of supply through a period of consistent demand, supporting local supermarkets. As a result, delivered improved job security and reduction of fixed cost/kg.

> **Revenue optimisation** through:

- > Yield improvements to maximise revenue using production planning data to track how we have performed and to identify opportunities for improving yield and new product development initiatives.
- > Red meat yield and maximising the \$/kg for the cut through branding.

Each year independent auditors perform an external audit and prepare annual statutory accounts.

(GRI 102-7; GRI 102-45; GRI 103; GRI 201-1)





Community

Community Involvement

Our commitment to supporting our local and global communities

As a global food business, we feel privileged to be a part of local communities all around the world; something we do not take for granted. From the very beginning, our business has been about helping people and enriching lives wherever we can, and as we have grown, we have held onto those values, dedicating time to creating brighter futures.

During the reporting period, we employed more than 4100 people across Australia and contributed to the economic stability of local communities by supporting more than 14,000 jobs in rural and regional areas.

In 2020-2021 Teys Australia primary processing and head office contributed \$716m to household incomes in regional areas and \$1,974m in value-added contribution to the economy. These figures are based on the AMPC Project 2016 -1031 and its 2020-1067 update. This report evaluates the socio-economics benefits of the red meat industry in regional Australia and reports on the industry's contribution to the Australian economy. The report established, that for every \$1 the industry generates, it is estimated that an additional \$2.60 is supported across the entire economy.

The Regional Feedlot Investment study (2018), conducted by the MLA, found in 2017, the sum of direct and indirect (total) economic contribution of the national feedlot industry to gross domestic product was \$4.4 billion and approximately 31,000 full time equivalent jobs. Teys operates three feedlots across Eastern Australia directly employing 86 in FY2021.

Our local partners, people and communities play a big role in what makes Teys Australia special, and we are always looking for ways to give back and support the people who are supporting us. The agricultural industry is the number one employer in Tamworth, Naracoorte and Biloela, and is the second largest employer

in Rockhampton and Wagga Wagga. We strive to support these communities by sourcing local employees and promoting local school traineeships.

Everything we do in our local communities is driven by the family values passed on by the four founding Teys brothers. We are constantly looking to strengthen our relationships with local communities by:

- ✓ employing people from the local communities where we operate
- ✓ building partnerships with local businesses
- ✓ supporting local organisations and causes with financial and in-kind support
- ✓ creating and supporting opportunities for our employees to give back
- ✓ supporting our producers, customers and industry, as well as future agribusiness and food leaders, to help them achieve their goals, and
- ✓ making sure we are always accountable to our local communities.

Our community involvement does not stop with employment opportunities. The communities we are part of are important to us in so many ways, so we take every opportunity to support organisations that make a positive impact. Some organisations we have supported include R U OK?, Rural Aid, RSPCA, Ronald McDonald Foundation, Cancer Council, Meals on Wheels, Drought Angels, Salvation Army and Share the Dignity. We are proud to play a small part in helping these amazing groups continue to make a real difference.

Throughout FY2021, we contributed more than \$100,000 in further monetary donations to community initiatives and charities, with many of our people volunteering their time in the community.

If it is important to our local communities, it is important to us. We are always looking to assist whenever and wherever we can. We take the time to understand local challenges and opportunities, so we can find the best way to lend a helping hand.

We regularly support local sporting clubs, events, community festivals, health initiatives, emergency services and crisis relief, just to name a few.

A key initiative to keep our communities safe has been our COVID-19 risk management practices. We have developed policies and procedures to manage the risk of a case of COVID-19 occurring in any of our facilities. This includes the ongoing monitoring of all employees' health and the restriction of visitors at sites to only those who are business critical.

We have also developed contingency plans to ensure that if a plant closure is unavoidable due to COVID-19, the site's workforce can be protected, and any potential spread of the virus minimised. These plans would also enable us to divert all cattle to alternative sites and continue processing and supplying beef to all customers.

As part of our COVID-19 risk management, we have worked closely with regulators on key issues such as managing cross border challenges at the South Australian border and increased Safe Food Queensland requirements. We have also shared with key regulatory bodies, our policies and procedures for managing the risk of a positive case on plant, including how we protect our staff and their jobs and encourage testing and vaccination.

Additionally, we have a flu and Q fever vaccination program to help ensure the safety of our people.

Our Group Manager Workplace Health and Safety, continues to work with industry groups and universities to improve safety across our supply chain and in the local community.

We also work with our suppliers and customers around Chain of Responsibility (COR) in order to take all reasonably practical steps to keep transport movement safe on our roads. (GRI 102-12; GRI 403-6)





Partnerships with universities and industry

The partnerships we’ve built with universities and leading industry bodies in Australia and around the world enable us to shape the future of our industry and to give back to the people within it.

We are active members of our industry and do our part to help move our industry forward through opportunities to develop and promote responsible practices and innovation across the entire supply chain.



A strong safety culture has always been important to us, which is why we want to play our part in developing the future leaders in health and safety. Our long-standing partnership with the University of Queensland gives health and rehabilitation students the opportunity for placements across our operations. This provides them with access to our health and safety teams and invaluable hands-on experience.



At Teys Australia, we’re working hard to create future meat industry leaders. Our partnership with Charles Sturt University involves students gaining practical experience in a number of livestock-based programs, including hosting students at our Wagga Wagga site.



Our Naracoorte team works closely with a PhD student from Adelaide University to help her complete the research component of her studies. This access helps the student to apply her knowledge and understanding at the frontline of the industry in a practical way. It means the student can see the impact of her education and insights first-hand. This will hopefully be the first of many.



The partnership between Teys USA and The University of Nebraska-Lincoln Food Processing Center began in 2020 to support our focus on best-in-class food innovation in the protein space.

With the expertise at the University’s Food Processing Center, our team can leverage the latest in food research and creativity to bring to life new product concepts. The outcomes will enable our customers to meet the changing needs of consumers with on-trend value added protein products that leverage the very latest food production techniques.

Intercollegiate Meat Judging Association

Fostering the careers of those entering our industry

Our long term partnership with the Australian Intercollegiate Meat Judging Association allows us to promote the many career opportunities within the meat industry to Charles Sturt University and CQ University students.

As part of this partnership, we also have the opportunity to host the Association’s annual tertiary judging competition in Wagga Wagga, as well as fund the Northern ICMJ program in Rockhampton as principal sponsor with Meat & Livestock Australia. These events attract university students from around Australia and the world.

Initiatives and other projects we are working on with industry and universities

PRIMARY RESEARCHER	TOPIC
Murdoch University/MLA (ALMTech)	Validation of Dual Energy X-Ray Absorptiometry (DEXA) as a yield prediction tool
Tey Australia	Development of predictive carcass yield tool using an E+V Hot carcass camera (integrating with DEXA work)
MLA/CSIRO	Identification of Biomarkers in saliva to determine dark cutters
MLA	Benchmarking livestock disease prevalence
Charles Sturt University	Use of CCTV and AI to provide lung scores to producers
Charles Sturt University	Use of hyperspectral camera to conduct post-mortem inspection on offal
NSW DPI	Use of Raman probe to detect fatty acid composition of muscles indicating grass or grain-fed animals
Central Qld University	Identification of the lifetime stress of an animal and methods to measure/verify it
Deakin University	Red meat supply chain traceability, identification of Critical Tracking Events and Key Data Elements
Tey Australia	Validation of E+V cold carcass grading cameras measured against the Australian grading standards and in line with Australian approvals
Tey Australia/MLA/AMPC	Development of robotic technology to improve the safety and consistency of beef boning

Industry Partnerships

We are active members of our industry, and are always looking to do our part to help move our industry forward. Our memberships, partnerships and industry involvement, give us the opportunity to help develop and promote responsible practices and innovation across the entire supply chain.



Meat and Livestock Australia (MLA)



Australian Beef Sustainability Framework



Australian Intercollegiate Meat Judging Association



Australian Food and Grocery Council (AFGC)



Australian Meat Processors Corporation (AMPC)



National Meat Industry Training Advisory Council (MINTRAC)



Australian Lot Feeders' Association (ALFA)

Governance & Business Compliance

Corporate Governance Framework

We are firmly committed to conducting business with the highest integrity and in compliance with all laws. We are operating in a world where rules that govern business conduct are more complex and demanding than ever.

The Teys Australia Corporate Governance Framework, is a set of business principles and procedures that guide the decisions we make, and its broad umbrella of policies and principles extend to all relationships between Teys Australia and our stakeholders, customers, suppliers and employees.

We continue to improve our Corporate Governance Policy Framework with the ongoing review of policies and procedures, as well as the introduction of new policy controls when required. As an example, our policies and procedures include the following:

- ✓ Workplace Health & Safety
- ✓ Human Resources
- ✓ Whistleblower
- ✓ Food Safety
- ✓ Privacy
- ✓ Fraud
- ✓ Environmental Management
- ✓ Asset & Investment Management
- ✓ Capital Expenditure
- ✓ Financial Management & Controls
- ✓ Procurement
- ✓ Tendering
- ✓ Treasury & Foreign Exchange Management
- ✓ Animal Health & Welfare
- ✓ Livestock
- ✓ Competition & Consumer Law
- ✓ Logistics & Chain of Responsibility
- ✓ IT & Cyber Security
- ✓ Data Breach Response Plan Procedure
- ✓ Business Resilience Planning
- ✓ Risk Management
- ✓ Contract Management
- ✓ Internal Audit
- ✓ Sanctions
- ✓ Anti-Slavery Statement
- ✓ Political Donations

Our business ethics and compliance maintain and support a consistent culture of values, which acts as the cornerstone of our business philosophy and ensures that our success is achieved in the right way.

Regular training is conducted with our staff to ensure our obligations as a business, and as individuals, are clearly understood.

Our Business Conduct Principles outline expectations of employee conduct relating to each other, our business partners, clients, competitors, our corporate resources, and our communities. It is the focal point of our culture of ethics and compliance and is approved by our Senior Leadership Team. All employees are required to read, understand and certify annually, as well as adhere to, our Business Conduct Principles.

Employees are encouraged to report any suspected material wrongdoing of which they might be aware. In 2021, 100% (2020, 100%) of employees completed the Business Principles Compliance Certificate.

In 2021 we were not subjected to fines or sanctions for non-compliance with the law or regulations in any country.

(GRI 102-16; GRI 102-17)

Anti-slavery and Human Trafficking Statement

Our Modern Slavery Statement addresses how we identify and manage risks of modern slavery. It is in accordance with the Modern Slavery Act 2018 (Cth), which aligns with United Nations (UN) Guiding Principles on Business and Human Rights. This statement is updated annually and posted on our website and the Australian Home Affairs register annually.



Anti-corruption

Anti-corruption is material to us because our business is built on trust and integrity with our suppliers and customers, and our reputation for fair and ethical business dealings. While this reputation has been built over 75 years of business by thousands of employees, it can be harmed by just one unethical act.

We are committed to building proactive policies, controls, audit systems and training programs to prevent anti-corruption violations. We are improving our monitoring processes to better identify and review our transactions and behaviours to ensure the integrity of our business transactions. In 2021, we did not receive any fines or penalties in relation to corruption.

All parts of our business are assessed for risk, including corruption risk on a yearly basis. The risk assessment reviews the risk of a violation against the mitigation of the anti-corruption program and determines what further improvements can be made.

(GRI 103; GRI 205-1; GRI 205-3)

Anti-competitive behaviour

Similar to our stance on anti-corruption, our view on compliance with competition and consumer laws, in Australia and internationally, is a priority. No legal actions for anti-competitive or anti-trust behaviour were filed against the company in 2021.

(GRI 103; GRI 206-1)

Accreditations and Audits

Quality and Food Safety Standards

- ✓ The Australian Department of Agriculture, Water and Environment
- ✓ AUS-MEAT
- ✓ Brand Reputation Compliance Global Standards (BRCGS)

- ✓ Australian Trusted Trader

- ✓ Known Consignor

Animal Welfare Accreditations

- ✓ Australian Livestock Processing Industry Animal Welfare Certification System
- ✓ National Feedlot Accreditation Scheme

WHS

- ✓ WHS Leadership Program
- ✓ Safety Management System
- ✓ Injury and Incident Management

During FY2021 the following third-party audits were performed:

- > Sedex Members Ethical Trade Audit (SMETA)
- > National Feedlot Accreditation Scheme
- > Brand Reputation Compliance Global Standards (BRCGS)
- > Woolworths Quality Assurance Standard (WQA)
- > Halal

During FY2021 the following independent internal audit and external financial audits were undertaken:

- > Annual Statutory External Audit
- > Cyber Security

Our Representation and Memberships

At Teys Australia we engage in public policy issues that are important to the business and our stakeholders, and we conduct these activities in an accountable and transparent manner. Some examples of this include:

- > Our animal health and welfare initiatives, including MLA's Livestock Data Link project.
- > Employment, including meeting with local representatives around promotion of the business and employment networks in the local area and district, and the Department of Foreign Affairs and Trade over the Pacific Labour Scheme (now called Pacific Australia Labour Mobility (PALM)).
- > WHS, including attending state department meat industry workplace safety committees and attending state health department COVID-19 preparedness workshops.

Additionally, throughout the COVID-19 pandemic we have worked closely with government agencies to ensure the safety of our employees and mitigate risk to the business.

We are members of the following organisations:

- > Chartered Secretaries Australia
- > Australian Institute of Company Directors (AICD)
- > Australian Human Resources Institute (AHRI)
- > Industrial Relations Society of Queensland
- > Self-Insurance Associations – Queensland and South Australia
- > Chartered Accountants Australia and New Zealand (CA ANZ)
- > Certified Practising Accountants (CPA) Australia
- > Chamber of Commerce & Industry Queensland (CCIQ)
- > Australian Meat Processor Corporation (AMPC)
- > Australian Lot Feeders' Association (ALFA)
- > Australian Renderers Association
- > Australian Hide Skin and Leather Exporters Association
- > Strategic Industry Research Foundation (SIRF) Roundtables – Queensland and NSW
- > Australian Sustainable Business Group
- > Meat and Livestock Australia.

(GRI 102-13)



Stakeholder Engagement

As a diverse, global business we regularly engage with numerous stakeholder groups at a local, national and international level, including cattle producers, suppliers, customers, consumers, our employees and shareholders. We also routinely engage with federal, state and local governments, and community organisations to advance our vision. Such engagement is essential to building successful business strategies and delivering the best products and services.

The long-term relationships we cultivate with our stakeholders are a vital part of our business and our sustainability approach. Each engagement presents an opportunity for us to learn about the issues of top concern and priority for the many individuals, communities and organisations we serve, and those with which we interact, in the course of conducting our business. Stakeholder engagement occurs at all levels of our organisation, from our employees to the Senior Leadership Team and Board of Directors. Information gained through these interactions is communicated through line management and, as appropriate, to senior management. For stakeholder engagement related to key business segments and functions, we leverage a customer relationship management system to ensure follow-up as appropriate.

In determining with whom to engage and how we respond to expectations and interests, we take into consideration a variety of factors including:

- > the possible alignment of our goals and values with those of the stakeholder group
- > our ability to improve because of this engagement
- > the opportunity for mutual learning.

Our engagement with stakeholders takes various forms including webinars, group discussion and collaboration. During the COVID-19 pandemic, we have, where feasible and needed, managed engagement remotely to keep in contact with our stakeholders.

Our Stakeholders

We identify our stakeholders as those individuals or groups that have an interest, financially or otherwise, in the activities of Teys Australia. An extensive summary of our stakeholders is provided below. (GRI 102-15; GRI 102-21; GRI 102-26; GRI 102-29; GRI 102-33; GRI 102-40; GRI 102-42; GRI 102-43; GRI 102-44)

STAKEHOLDER GROUP	INTERESTS	FREQ. OF ENGAGEMENT	ENGAGEMENT METHODS	CONCERNS RAISED	TEYS ACTIONS
Customers Small and large, domestic and international businesses	Typically focused on product quality and supply reliability Long-term relationships are important to our collaborative customers	High	<ul style="list-style-type: none">> Satisfaction surveys> Study tours> Market visits> Educational workshops> Product development> Periodic communication (collaborative customers)	<ul style="list-style-type: none">> Quality consistency> Price> Delivered In Full, On Time (DIFOT)> Relationship building> Supply security> Community/public perception of Teys Australia	<ul style="list-style-type: none">> Collaborative projects> Customer auditing> Internal auditing> Sharing updates> Sharing information for common understanding
Employees Our diverse workforce comprises of more than 4100 employees and contractors located in four states of Australia	Matters concerning workplace health and safety, career development, and culture	High	<ul style="list-style-type: none">> Teys Australia Intranet> Teys Australia social media pages> Meetings> Satisfaction surveys> Workplace Improvement and Innovation Committee	<ul style="list-style-type: none">> Career development> Safe working conditions> Equal opportunity> Pay, conditions and/or profit share> Business sustainability	<ul style="list-style-type: none">> Joint Consultative Committee meetings> Noticeboards> Email> Direct engagement> Committees
Shareholders A diverse group with significant representation in Australia and the US	The creation of long-term shareholder value through a combination of consistent financial return and high-quality governance	High	<ul style="list-style-type: none">> Board meetings> Shareholder meetings> Annual reporting	<ul style="list-style-type: none">> Legal compliance> Ethical business performance> Strategic governance and long-term issues	<ul style="list-style-type: none">> Board Audit Committee> Risk management> Internal audit> Corporate governance> Compliance



STAKEHOLDER GROUP	INTERESTS	FREQ. OF ENGAGEMENT	ENGAGEMENT METHODS	CONCERNS RAISED	TEYS ACTIONS
Board of Directors A diverse group with significant representation in Australia and the US	Directors' duties	High	<ul style="list-style-type: none"> > Strategy meetings > Strategic and Operational Risk Register > Board meetings > Board reporting > Site visits > Communication via the CEO 	<ul style="list-style-type: none"> > Legal compliance > Ethical business performance > Strategic governance and long-term issues 	<ul style="list-style-type: none"> > Board Audit Committee > Risk management > Internal audit > Corporate governance > Compliance
Industry Association Includes political/lobbying associations as well as levy associations at the state and national level	Look at services that improve the sustainability and efficiency of the sector Representing the sector to government	High	<ul style="list-style-type: none"> > We engage with the industry association (Australian Meat Industry Council) by engaging with their various policy consultation groups, their subject matter experts and engagement during specific projects. We also engage during specific projects with industry associations, such as the Australian Food and Grocery Council, and Australian Meat Processor Corporation 	<ul style="list-style-type: none"> > Manufacturing operating conditions in Australia > Regulatory framework > Level playing field against other industry sectors 	<ul style="list-style-type: none"> > Input into submissions > Attendance at events > Provision of industry and company information > Collaborative working arrangement
Professional Membership Working within multi-stakeholder and multi-industry groups to share best practice on sustainability topics	Key issues that impact food and beverage production in Australia	Medium	<ul style="list-style-type: none"> > Participation in working groups > General meetings > Input to joint working streams > Participate in subject matter work streams 	<ul style="list-style-type: none"> > Relevance to stakeholder changing interests 	<ul style="list-style-type: none"> > Attend events > Support with membership dues > Provide information/input
Cattle Producers A diverse group spread across Qld, NSW, SA, NT and Vic	Cattle genetics, animal welfare, feedback on livestock performance, equitable returns for livestock and industry sustainability	High	<ul style="list-style-type: none"> > Saleyards > Direct engagement via our Cattle Buyers > Supply chain capability workshops > Producer portal 	<ul style="list-style-type: none"> > Grading system output > Price > Bruising and issues associated with livestock transport > Transparency of pricing 	Concerns are raised through livestock managers and then Geoff Teys (as required). If there is any doubt that it could be our fault, we amend contracts to their favour, in addition to implementing an independent complaint panel.
Suppliers Includes businesses local to our operations, and large multinational and international suppliers	Provision of goods and services and engagement through commercial contracting arrangements	High	<ul style="list-style-type: none"> > Local business support and consultation > Competitive procurement > Tendering for individual work items > Contracting > As a partner in charitable exercises/fundraising 	<ul style="list-style-type: none"> > Long-term partnerships > Securing business > Understanding our business needs 	<ul style="list-style-type: none"> > Development and implementation of equitable and transparent procurement procedures > Contract management > Continuous improvement through supplier feedback and internal audit



STAKEHOLDER GROUP	INTERESTS	FREQ. OF ENGAGEMENT	ENGAGEMENT METHODS	CONCERNS RAISED	TEYS ACTIONS
Government and Regulators Includes governments and regulators at a local, state, national and international level	Operating in compliance with the law Contributing to various government jurisdictions (taxation, industrial relations, environmental performance etc)	Medium	> Direct meetings > Through department contact > Via state and federal MPs > Routine and ongoing communication for technical and day-to-day issues	> Regulatory compliance > Economic growth and operating conditions	> On an as required basis > Through periodic mandatory reporting > Via voluntary updates, meetings and information events
Local Communities A diverse group who are identified as those surrounding our locations of operation	Living free from impacts associated with our operations Community support by the business	Medium	> Letterbox drops > Community engagement evenings and events > Community support initiatives	> Impacts to the local environment and the economic impact of our presence in the community	> Direct engagement > Via mail-outs > During site visits as/when held
Non-Government Organisations (NGOs) Includes environmental, animal welfare and social Organisations – at a local, state and national level	Specific to their interest area	Medium	> Via industry bodies or government > Respond to issues as they arise in the media > Supporting/recognising the industry's contribution to society	> Industry performance against NGO views > Issues with food production systems as they relate to various subject matters	> On an as required basis > Via voluntary updates, meetings and information events
Unions Labour unions are represented at many of our operations, and while all employees have the right to membership, it is unknown to Teys Australia who participates in such memberships as it is not monitored. And while unions have members at each of our sites, membership is estimated as low	Employment-related matters concerning their members at Teys Australia sites	Low	> We engage in direct communication with unions as required. Prospective employees are made aware of employment arrangements prior to joining Teys Australia > We focus our attention on engaging directly with our employees through open dialogue and two-way communication, as well as building strong relationships and trust > We take a respectful and lawful approach when communicating with all third parties	> Enterprise Bargaining Agreement disputes > Employment-related concerns	When required by law and/or via a third-party representative. Our goal is to always resolve the issues or concerns of our workforce at a grassroots level. To do this we support numerous committees, such as Safety, Workplace Improvement and Innovation, Cultural Committees (WIIC), and annual engagement surveys. These practices allow us to understand the pulse of the business, respond quickly to concerns and reduce conflict.



STAKEHOLDER GROUP	INTERESTS	FREQ. OF ENGAGEMENT	ENGAGEMENT METHODS	CONCERNS RAISED	TEYS ACTIONS
Registered Training Organisations (RTO) An RTO is an organisation accredited by the Australian Skills Quality Authority (ASQA), which is the national regulator for Australia's vocational education and training sector	The RTOs in each state assist with delivering and assessing the Certificate II and III of Meat Processing	Medium	> Employee training	> Ability to access people during on-the-job reviews > Government legislation	> Frequent meetings
Employment Agencies and Employment Services Providers We regularly seek assistance from employment agencies to employ people in our business	Indigenous groups, local recruitment Pacific Labour Hire Scheme (PLS) (now called Pacific Australia Labour Mobility (PALM))	Low (as required)	> Direct engagement, email or telephone.	> Sourcing and selection of new recruits	> Partnering with agencies and providers to improve their understanding of the labour needs of our business
Media Includes representatives from print, online and broadcast media	Newsworthy stories and publicising local stories and events	Medium	> Media releases > Media conferences > Media interviews > Briefings	> NGO stories > Controversial or topical issues	> Issues on a case-by-case basis > Via direct media engagement/media releases



About the Report

Teys Australia Pty Ltd is a global meat processing and food production business, headquartered at Eight Miles Plains Brisbane, Queensland, Australia. The enterprise is 50/50 partnership between the Teys family and Cargill Inc and is the second largest meat processor and exporter in Australia. (GRI 102-1; GRI 102-3; GRI 102-5)

This is the seventh consecutive annual sustainability report of Teys Australia, outlining the core initiatives, challenges, and performance during the reporting period 1 June 2020–31 May 2021. This document, published annually in PDF for download and on www.teysaust.com.au, seeks to reflect the transformation process that Teys Australia is currently experiencing. In addition to reporting concisely and objectively, we seek to balance the positive aspects and the points for improvement of the economic, social, and environmental aspects addressed. (GRI 102-50; GRI 102-51; GRI 102-52)

This report has been prepared in accordance with the GRI Standards: Core option; benchmarking global and multisector practices for reporting economic, social, and environmental information. (GRI 102-54)

There have been no significant changes to the organisation and its supply chain, and there are no significant changes to the information published in previous reports (GRI 102-10; GRI 102-48; GRI 102-49).

If there are any questions regarding the report, please contact Kirsty Jackson at sustainability@teysaust.com.au. (GRI 102-53)

This report has not been externally assured, however, independent third-party audits occur annually on all financial, operational, safety and food quality departments. (GRI 102-56)

Defining report content

Stakeholder Inclusiveness: The report's content reflects topics raised by key stakeholders throughout the reporting year, and the materiality assessment was conducted with internal and external stakeholder input.

Sustainability Context: We have presented sustainability information through an agricultural supply chain context on a local, national and international scale.

Materiality: Comprehensive materiality assessments have been undertaken across our stakeholder groups, including desktop reviews of industry information, and an annual survey of shortlisted topics.

Completeness: All information relates to Teys Australia's operations and supply chain, and the material topics identified in the materiality assessment.

Materiality

This report provides an overview on the progress and approach to all material topics. In identifying Teys Australia's top 12 material topics and emerging topics the approach taken to analyse material impacts aligns to the GRI standards requirements and included the following steps:

- ✓ Desktop review of a range of relevant information in the public space, which included several sustainability and meat industry standards, and the Australian Beef Sustainability Framework
- ✓ Engaging with our SLT and managers, reviewing our sustainability issues and prioritising these with our stakeholders in mind
- ✓ Annual Materiality Assessment Survey (MAS) completed online from shortlisted GRI topics to gauge importance of topics
- ✓ Reviews and update of materially assessments
- ✓ Internal validation by SLT.

The MAS was categorised into economic, social, and environmental topics for stakeholders to indicate the level of importance. Following on from our surveys in prior years we reached out to 296 stakeholders. The 2020 MAS was completed by 111 stakeholders, out of a possible 296 stakeholders, representing a 37.5% completion

rate. Respondents represented the following stakeholder categories: SLT, customers, suppliers, partners, and employees. The responding employees came from the following departments: Operations, HR, Asset Management, QA and QC, Purchasing, Finance, Livestock, IT, Sales and Marketing, Strategy, Logistics, Legal, and Administration.

When developing this document, we welcomed the opinion of our Leadership Team and department leads. These stakeholders were

selected according to three criteria: extensive knowledge of our business, extensive industry knowledge, and relationship with the organisation. In a consultation process, we discussed the aspects that they consider most important for Teys Australia's sustainability. This gave rise to a materiality matrix, which consolidated the different points of view, and from which the material aspects for our business were extracted.

(GRI 102-42; GRI 102- 43; GRI 102-46; GRI 102-47; GRI 103)

Influence on stakeholder assessments and decisions versus significance of economic, environmental, & social impacts





Appendix

Teys Australia Business Units covered in this report

Teys Australia Distribution Pty Ltd	Consolidated Meat Holdings Unit Trust
Teys Australia Beenleigh Pty Ltd	Consolidated Meat Processors Unit Trust
Teys Australia Biloela Pty Ltd	Teys Australia Property Pty Ltd
Teys Bros. (Japan) Pty Ltd	Teys Financial Services Pty Ltd
Teys Australia Naracoorte Pty Ltd	Teys Australia Murgon Pty Ltd
Teys Australia Condamine Pty Ltd	Teys Australia Southern Property Pty Ltd
Teys Australia Management Pty Ltd	Teys Australia Southern Pty Ltd
Teys Australia Central Queensland Pty Ltd	Teys Australia Trading Pty Ltd
Teys Australia Food Solutions Pty Ltd	Consolidated Provincial Meat Group Pty Ltd
Teys Australia Holdings Pty Ltd	Adams Food Group Pty Ltd
Teys Australia Meat Group Pty Ltd	

Energy Usage by operational units

BUSINESS UNIT	ELECTRICITY (KWH) 2019	ELECTRICITY (KWH) 2020	ELECTRICITY (KWH) 2021
Primary Processing	125,351,636	123,326,453	109,067,823
Hide Processing	1,923,587	1,948,124	1,918,872
Feedlot	2,009,943	2,512,293	1,369,661
Teys Australia Food Solutions	5,328,436	6,298,563	4,170,476
Logistics	1,201,103	2,939,847	3,025,125
Office	264,873	278,646	259,469
Total	136,079,578	137,303,926	119,811,426



GRI Content Index

GRI STANDARD	DISCLOSURE	INTERNAL/ EXTERNAL (I/E) BOUNDARY	MORE INFORMATION
GRI 101: Foundation 2016			
Organisational Profile			
GRI 102: General Disclosures 2016	102-1: Name of the organisation	N/A	About the Report
	102-2: Activities, brands, products and services	N/A	Company Overview: Who We Are, Our Brands and Our Capabilities
	102-3: Location of headquarters	N/A	Company Overview: Who We Are About the Report
	102-4: Location of operations	N/A	Company Overview: Who We Are and Our Capabilities
	102-5: Ownership and legal form	N/A	Company Overview: Who We Are About the Report
	102-6: Markets served	N/A	Company Overview: Our Capabilities
	102-7: Scale of the organisation	N/A	Company Overview: Who We Are, Our People Our Performance
	102-8: Information on employees and other workers	N/A	Our People
	102-9: Supply chain	N/A	Company Overview: Our Capabilities
	102-10: Significant changes to the organisation and its supply chain	N/A	About the Report
	102-11: Precautionary principle or approach	N/A	Our Planet
	102-12: External initiatives	N/A	Our Planet Our People Our Promise
	102-13: Membership of associations	N/A	Our Promise
Strategy			
GRI 102: General Disclosures 2016	1102-14: Statement from senior decision-maker	N/A	Message from the Executive Chairman, Teys Australia
	102-15: Key impacts, risks, and opportunities	N/A	Company Overview: Priority Material Issues and Opportunities – Goals and Performance

GRI STANDARD	DISCLOSURE	INTERNAL/ EXTERNAL (I/E) BOUNDARY	MORE INFORMATION
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16: Values, principles, standards and norms of behaviour	N/A	Oversight: Our Leadership Governance and Business Compliance
	102-17: Mechanisms for advice and concerns about ethics	N/A	Governance and Business Compliance
Governance			
GRI 102: General Disclosures 2016	102-18: Governance structure	N/A	Oversight: Our Leadership
	102-19: Delegating authority	N/A	Oversight: Our Leadership
	102-20: Executive-level responsibility for economic, environmental, and social issues	N/A	Oversight: Our Leadership
	102-21: Consulting stakeholders on economic, environmental, and social topics	N/A	Stakeholder Engagement
	102-26: Role of highest governance body in setting purpose, values and strategy	N/A	Oversight: Our Leadership
	102-29: Identifying and managing economic, environmental, and social impacts	N/A	Oversight: Our Leadership Stakeholder Engagement
	102-30: Effectiveness of risk management processes	N/A	Governance and Business Compliance Stakeholder Engagement
	102-31: Review of economic, environmental, and social topics	N/A	Oversight: Our Leadership
	102-32: Highest governance body in sustainability reporting	N/A	Oversight: Our Leadership
	102-33: Communicating critical concerns	N/A	Stakeholder Engagement



GRI STANDARD	DISCLOSURE	INTERNAL/ EXTERNAL (I/E) BOUNDARY	MORE INFORMATION
Stakeholder Engagement			
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups	N/A	Our Stakeholders
	102-41: Collective bargaining agreements	N/A	Our People: Labour Management - Employee Relations
	102-42: Identifying and selecting stakeholders	N/A	Materiality Our Stakeholders About the Report
	102-43: Approach to stakeholder engagement	N/A	Materiality Our Stakeholders About the Report
	102-44: Key topics and concerns raised	N/A	Materiality Our Stakeholders
Reporting Practice			
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	N/A	Our Performance Appendix
	102-46: Defining report content and topic boundaries	N/A	Throughout the Report About the Report
	102-47: List of material topics	N/A	Materiality
	102-48: Restatements of information	N/A	About the report
	102-49: Changes in reporting	N/A	About the report
	102-50: Reporting period		About the report
	102-51: Date of most recent report	N/A	May 2020
	102-52: Reporting cycle	N/A	Annual
	102-53: Contact point for questions regarding the report	N/A	About the report
	102-54: Claims of reporting in accordance with the GRI Standards	N/A	About the report
	102-55: GRI content index	N/A	GRI Content Index
	102-56: External assurance	N/A	About the report

GRI STANDARD	DISCLOSURE	INTERNAL/ EXTERNAL (I/E) BOUNDARY	MORE INFORMATION
Specific Disclosures: Material Topics			
GRI 200: Economic			
ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Throughout the Report Governance and Business Compliance
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	I	Our Performance
ANTI-CORRUPTION			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Governance and Business Compliance
GRI 205: Anti-Corruption 2016	205-1: Operations assessed for risk related to corruption	E	Governance and Business Compliance
	205-3: Confirmed incidents of corruption and actions taken	E	Governance and Business Compliance
ANTI-COMPETITIVE BEHAVIOUR			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Governance and Business Compliance
GRI 206: Anti-Competitive Behaviour 2016	206-1: Legal action for anti-competitive behaviour, anti-trust and monopoly practice	E	Governance and Business Compliance
GRI 300: Environment			
ENERGY			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our Planet Governance and Business Compliance
GRI 302: Energy 2016	302-1: Energy consumption within the organisation	E	Energy and Emissions
	302-3: Energy intensity	E	Energy and Emissions
	302-4: Energy reduction	E	Energy and Emissions



GRI STANDARD	DISCLOSURE	INTERNAL/ EXTERNAL (I/E) BOUNDARY	MORE INFORMATION
WATER AND EFFLUENTS			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our Planet Governance and Business Compliance
GRI 303: Water and Effluents 2018	303-1: Integrations with water as a shared resource	E	Water and Effluents
	302-2: Management of water discharge-related impacts	E	Water and Effluents
	302-4: Water withdrawal	E	Water and Effluents
	302-4: Water discharge	E	Water and Effluents
	302-5: Water consumption	E	Water and Effluents
EMISSIONS			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our Planet Governance and Business Compliance
GRI 305: Emissions	305-1: Direct (Scope 1) GHG emissions	E	Energy and Emissions
	305-2: Energy indirect (Scope 2) GHG emissions	E	Energy and Emissions
	305-4: GHG emissions intensity	E	Energy and Emissions
	305-5: Reduction of GHG emissions	E	Energy and Emissions
WASTE			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our Planet: Waste, Water and Effluents
GRI 306: Waste 2020	306-1: Waste generation and significant waste-related impacts	E	Our Planet: Waste, Water and Effluents
	306-2: Management of significant waste-related impacts	E	Our Planet: Waste, Water and Effluents
	306-3: Waste generated	E	Our Planet: Waste, Water and Effluents (Information unavailable - Tey's Australia is working with key suppliers and customers to gather data on waste for inclusion in 2022 report)

GRI STANDARD	DISCLOSURE	INTERNAL/ EXTERNAL (I/E) BOUNDARY	MORE INFORMATION
ENVIRONMENTAL COMPLIANCE			
GRI 103: Management Approach 2016	307-1: Non-compliance with environmental laws and regulations		Our People Governance and Business Compliance
GRI 307: Environmental Compliance	307-1: Non-compliance with environmental laws and regulations	E	Environmental Compliance - No critical code or regulatory non-compliance during the reporting period
GRI 400: Social			
EMPLOYMENT			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our People Governance and Business Compliance
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	I	Our People: Talent Acquisition and Workforce Planning
LABOUR/MANAGEMENT RELATIONS			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our People Governance and Business Compliance
GRI 402: Labour/Management Relations 2016	402-1: Minimum notice period regarding operational changes	I	Our People: Labour Management - Employee Relations
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our People: Workplace Health and Safety Governance and Business Compliance
GRI 403: Occupational Health and Safety 2016	403-1: Occupational health and safety management system	I	Our People: Workplace Health and Safety
	403-2: Hazard identification, risk assessment and incident investigation	I	Our People: Workplace Health and Safety
	403-3: Occupational health services	I	Our People: Workplace Health and Safety



References

MLA – State of Industry Report 2020 (published September 2020)

<https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/soti-report/mla-state-of-industry-report-2020.pdf>

MLA – The Australian Red Meat Industry’s Carbon Neutral by 2030 Roadmap (published November 2020)

https://www.mla.com.au/contentassets/e501cd2919064183b57372897a0e1954/2689-mla-cn30-roadmap_d7.pdf

MLA – Greenhouse gas footprint of the Australian red meat production and processing sectors 2017 & 2018 updates (published March 2020)

https://www.mla.com.au/globalassets/mla-corporate/research-and-development/final-reports/2021/e.cem.1932_final-report.pdf

MLA – Wastes to Profits Project

<https://research.qut.edu.au/biorefining/projects/wastes-to-profits/>

MLA – Red Meat Green Facts -online resource (published May 2021)

<https://www.redmeatgreenfacts.com.au/about/>

MLA – Regional feedlot investment study (published October 2018)

<https://www.mla.com.au/research-and-development/reports/2018/regional-feedlot-investment-study-update/>

Red Meat Advisory Council – RedMeat2030 (published October 2019)

<https://rmac.com.au/>

AMPC Annual Report 2019-2020 (published September 2020)

<https://www.ampc.com.au/getmedia/c6cf0aad-b2b8-4ab9-bc72-76cacd7b92b3/AMPC-Annual-Report-2019-2020.pdf>

AMPC Project 2020-1067 – Evaluating the Socio-economics benefits of the Red Meat Industry in regional Australia (published September 2020)

<https://www.ampc.com.au/2021/06/Evaluating-the-socio-economic-benefit-of-the-red-meat-processing-industry-in-regional-Australia>

https://www.ampc.com.au/getmedia/84a40ca5-f7b5-4007-b76b-13179adec19a/AMPC_EvaluatingTheSocioEconomicBenefitOfTheRedMeatProcessingIndustryInRegionalAustralia_FinalReport.pdf?ext=.pdf

AMPC Project 2016 -1031 – Evaluating the Socio-economics benefits of the Red Meat Industry in regional Australia (published December 2016)

https://www.ampc.com.au/getmedia/ccf61e59-bbec-4257-a3b4-f1ba6d190803/AMPC_EvaluatingTheSocioEconomicBenefitOfTheRedMeatProcessingIndustryInRegionalAustralia_2016__FinalReport.pdf

The Australian Beef Sustainability Framework

<https://www.sustainableaustralianbeef.com.au/>

Australian Government Department of the Environment and Energy, National Greenhouse Accounts Factors, Australian National Greenhouse Accounts (from 1 July 2022 – Department of Climate Change, Energy, the Environment and Water)

<https://www.dcceew.gov.au/climate-change/emissions-reporting/national-greenhouse-energy-reporting-scheme>

GRI STANDARD	DISCLOSURE	INTERNAL/ EXTERNAL (I/E) BOUNDARY	MORE INFORMATION
OCCUPATIONAL HEALTH AND SAFETY			
GRI 403: Occupational Health and Safety 2016	403-4: Worker participation, consultation and communication on occupational health and safety	I	Our People: Workplace Health and Safety
	403-5: Worker training on occupational health and safety	I	Our People: Training and Education, Diversity and Equal Opportunity, Workplace Health and Safety
	403-6: Promotion of worker health	I	Our People: Workplace Health and Safety Our Promise: Community Involvement
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	I	Our People: Workplace Health and Safety
	403-8: Workers covered by an occupational health and safety management system	I	Our People: Workplace Health and Safety
	403-9: Work-related injuries	I	Our People: Workplace Health and Safety
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our People: Training and Education
GRI 404: Training and Education 2016	404-2: Programs for upgrading employee skills and transitions assistance	I	Our People: Employee Transitions, Training and Education
CUSTOMER HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1, 103-2, 103-3: Management Approach		Our Capabilities
GRI 416: Customer Health and Safety 2016	416-1: Assessment of the health and safety impacts of product and service categories	E	Our Promise
ANIMAL WELFARE			
Management Approach	Management Approach	I	Our Capabilities