

# SUSTAINABILITY REPORT 2021



# SUSTAINABILITY REPORT

*Sustainability is core to our strategy.*

**At Ingham’s, sustainability means more than doing good for the environment. It is about doing good for our people, community, environment and business.**

For more than 30 years, we have embedded sustainability into our business to become recognised industry leaders in water stewardship, sustainable agriculture and food production.

**Our sustainability decisions are evidence-based and scientific.**

We work closely with our sites, suppliers and customers to identify environmental and social risks. Together, we investigate the options and test our assumptions through pilot projects. Measuring and evaluating these pilot projects enable us to use the learnings gained to implement the most effective and impactful projects across the business.

**We invest in research.** It underpins our ability to identify and develop innovative approaches that result in more sustainable practices, higher quality food safety practices, improved people safety and the highest animal welfare standards. We collaborate with our community, customers, suppliers and industry to help achieve our sustainability goals.

**Our future is bright.** We will continue to lead and challenge the industry to find innovative solutions to today’s sustainability challenges. Together, we will continue to do good for our people, community, environment and business. We will also continue to develop our short and medium term actions and challenge our set targets where we can.

## FY21 SUSTAINABILITY AT A GLANCE

At Ingham’s, we are committed to sustainable business practices. We all contribute to making a positive impact on the environment, creating a safe and rewarding work environment for our people, accepting diversity and inclusion, and making a positive difference in our communities. The below highlights the advances in our sustainability strategy in FY21.

<b>PEOPLE</b> 	<b>PRODUCT</b> 	<b>PLANET</b> 
<ul style="list-style-type: none"> <li> Improved LTIFR by 24% to 2.9 Improved TRIFR by 25% to 6.1</li> <li> 170 people attended ‘GROW’ leadership development program</li> <li> Improved senior leadership female representation by 2%</li> <li> Employed 30 people on unemployment benefits through NZ ‘Te Heke Mai’ program</li> <li> Contributed to 844,950 meals through Giving program to Foodbank, redirecting food destined for waste</li> <li> Enhanced paid pandemic leave policy for our people in FY21 and launched COVID-19 vaccination leave in FY22</li> </ul>	<ul style="list-style-type: none"> <li> BRC accredited food safety – 95% of our sites achieved ‘A’ or ‘AA’ rating at end of FY21</li> <li> Reported Key Animal Welfare Indicators to Ingham’s Animal Welfare Council and select customers</li> <li> Transitioned our primary processing plant at Murarrie to 100% recycled content for our main fresh product transport carton</li> <li> Launched 2025 packaging targets</li> <li> Continuously improved product quality and food safety – reduced complaints per million kg by 26% in FY21</li> <li> Reduced our use of antibiotics in feed – no zinc bacitracin is used in any of our broiler operations</li> </ul>	<ul style="list-style-type: none"> <li> Reduced absolute GHG emissions by 4.4% against previous year</li> <li> Reduced water intensity by 4.5% against previous year</li> <li> Reduced landfill waste intensity by 5.4% against previous year</li> <li> Launched 2030 GHG, water and landfill targets</li> <li> Launched our TCFD report and outlined the phased approach to full disclosure</li> <li> Saved more than 100 million litres of water through Bolivar Blue project</li> </ul>

## INGHAM'S HAS A LONG-STANDING HISTORY OF ADAPTING TO THE MARKET

This was demonstrated in FY21 by the dedicated and passionate teams across Australia and New Zealand, who adapted quickly to manage the impact of COVID-19 on the business by ensuring a continuous supply of our quality products to customers. While this period of uncertainty challenged our people, we focused on keeping our company running, our people employed and supporting our local communities. We also leant in to ensure the health and safety of our people remained our priority. We continue to take an agile approach to how we manage the business today and sustain it for the future.

Despite the challenges throughout the year, our teams have made good progress in several key areas across our sustainability strategy.

- In FY21, we set 2030 Planet Targets, including a commitment to set Science Based Targets (SBT) for Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions based on the 1.5°C Pathway. By 2030, we plan to reduce:
  - Scope 1 and Scope 2 absolute GHG emissions by 43 per cent<sup>1</sup> against a FY19 baseline;
  - Water intensity (kL/T) needed to process our products by 20 per cent against a FY19 baseline; and
  - Waste to landfill intensity (kg/T) by 20 per cent against a FY20 baseline<sup>2</sup>.
- This report outlines our phased approach and our work towards aligning to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Refer to page 17;
- We have adapted our sustainability strategy and approach to align with the goals of the Paris Agreement;
- We have also made continued positive progress towards reducing our environmental footprint across Ingham's operations in FY21. Our measures include GHG emissions, water usage and landfill waste generation, which have all improved year-on-year;
- We have set 2025 targets for Ingham's packaging. These align with the Australian Packaging Covenant, Australian National Packaging Targets and New Zealand Plastic Packaging Declaration;
- We continue to take a leadership role in animal welfare with the launch of Key Animal Welfare Indicators incorporating 15 outcome-based welfare measures. These are reported both internally and shared with customers;
- We released our Modern Slavery Statement in March 2021, which can be located on our website; and
- To protect the wellbeing of our people and communities across Australia and New Zealand, we introduced an industry-first policy at the start of FY22 to provide a three-hour leave payment to our people to cover their absence while receiving each of their COVID-19 vaccinations.

In FY22, we will continue to develop Ingham's sustainability strategy to support and challenge our targets while increasing our transparency with improved reporting of these initiatives.

## PROGRESS ON OUR SUSTAINABILITY AGENDA

In FY21, we worked on several strategic initiatives across the business. Sustainability is core to our strategy both in how we operate and how we grow. As we work towards the future, our strategic initiatives will be underpinned by our commitment to our sustainability focus.

Our sustainability focus addresses our commitment to deliver positive economic, environmental and social outcomes in the following areas:

### ANIMAL WELFARE



### CLIMATE CHANGE ADAPTATION AND RESILIENCE



### WATER STEWARDSHIP



### SUSTAINABLE AGRICULTURE



### ENVIRONMENTAL COMPLIANCE AND PERFORMANCE



### LABOUR PRACTICES AND SAFETY

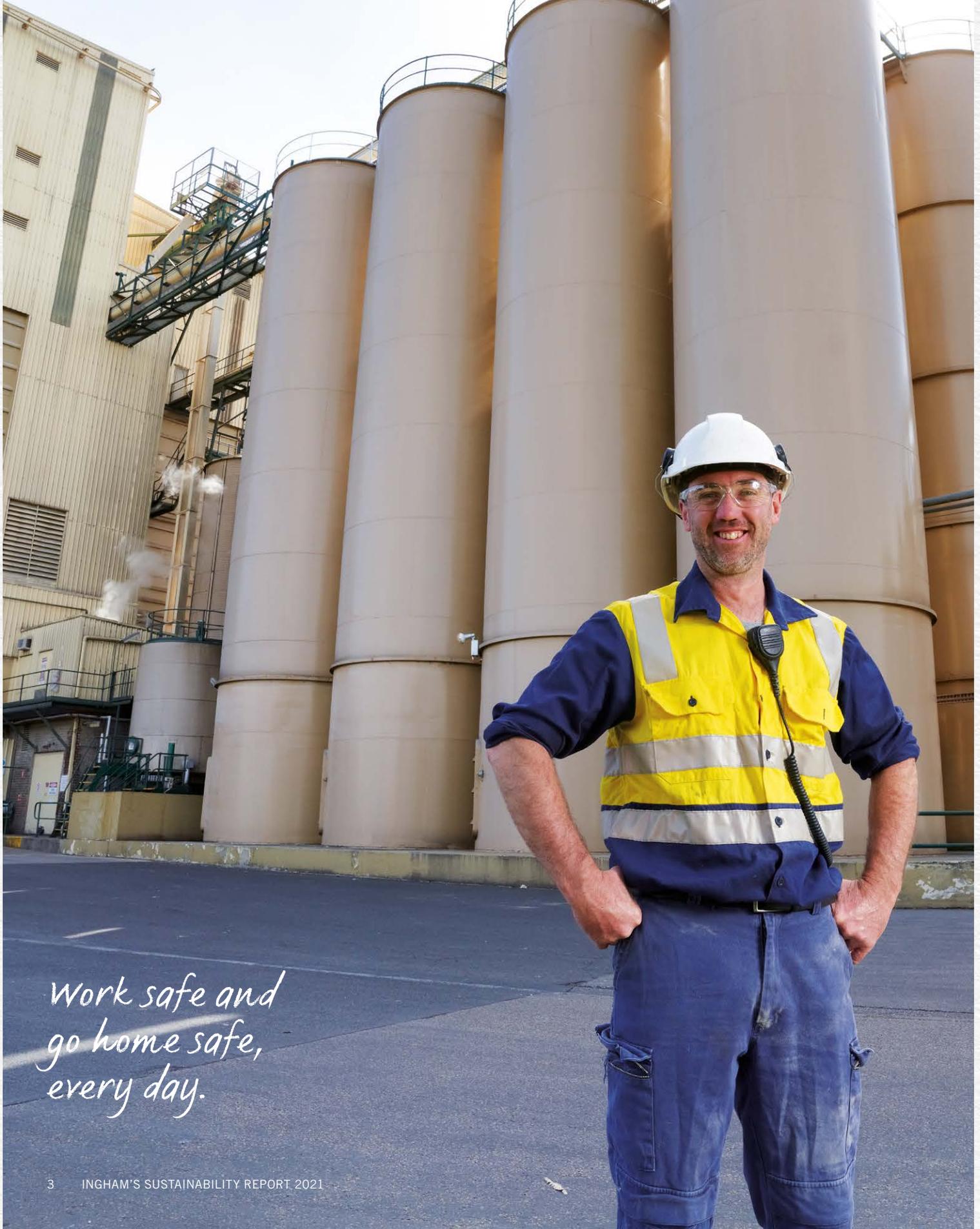


### SUSTAINABLE PROCUREMENT



<sup>1</sup> Scope 1 & Scope 2 SBT subject to change pending Science-Based Targets initiative (SBTi) validation.

<sup>2</sup> Complete dataset for Landfill Waste only available from 2020.



*Work safe and  
go home safe,  
every day.*



# PEOPLE

## LABOUR PRACTICES AND SAFETY



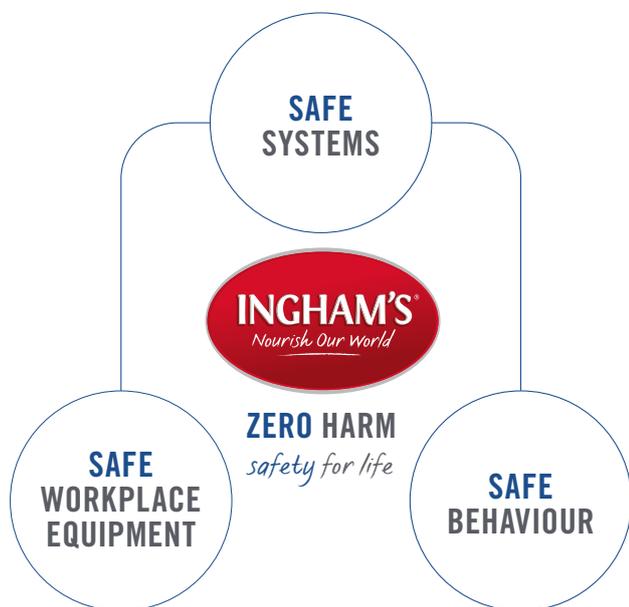
**At Ingham's, our team of 8,000 people are at the forefront of our purpose.**

We aim to provide them with a high-performing, supportive, safe work environment. We do this by ensuring we have the right people with the right capabilities, building a constructive culture that supports higher engagement and performance, and investing in developing our leaders' capabilities. Combined, our aim is for our people to deliver higher performance to sustain our competitive advantage.

## WORK SAFE AND GO HOME SAFE, EVERY DAY

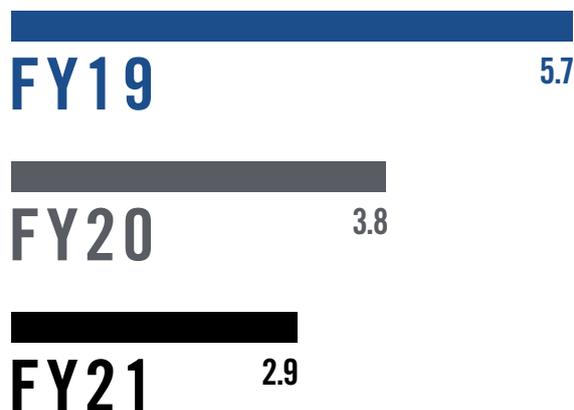
The health, safety and wellbeing of our people will always come first.

Safety is integral to everything we do and we are committed to a vision of zero harm. This includes our team taking responsibility for their actions and understanding, implementing and complying with Ingham's established Work Health and Safety Management System (WHSMS) and procedures covering our operations across Australia and New Zealand, and is subject to rigorous audits.

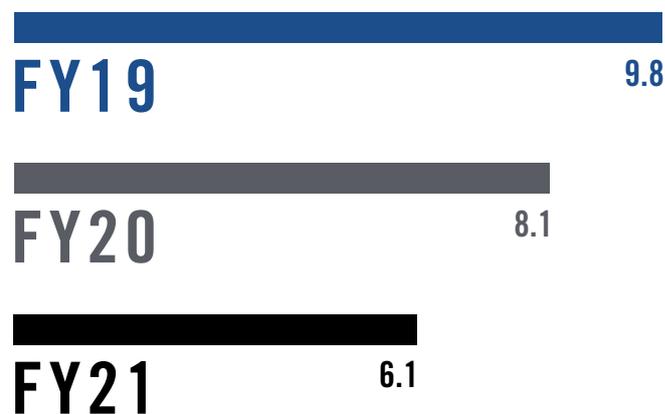


Our Safety for Life program provides the foundation for improving safety performance across our business. It is underpinned by goals supporting risk reduction, safety management systems, safe behaviours and injury management. It is a multi-faceted program that guides our sites when completing Safety Walks, Hazard Inspections, Toolbox Talks and our Procedural Compliance Inspection and Auditing program. To reinforce the importance we place on work health and safety, considerable time was also spent promoting positive behaviours across our worksites and rewarding the 'good' things our teams are doing.

## LOST TIME INJURY FREQUENCY RATE (LTIFR)



## TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)



At the end of FY21, we had progressed above our set targets towards achieving our Safety for Life goals. Our company-wide safety performance also materially improved for the second consecutive year. Our Lost Time Injury Frequency Rate (LTIFR), per million hours worked, reduced by 24 per cent to 2.9 and the Total Recordable Injury Frequency Rate (TRIFR), per million hours worked, reduced by 25 per cent to 6.1 compared to the FY20 results.

On 17 May 2021, one of our people tragically died in a truck incident at our South Australian Bolivar site. We are assisting SafeWork SA with their ongoing investigations.

As an essential food production business, during the COVID-19 pandemic, we have taken additional steps to support and protect our people's wellbeing and operational continuity. In FY21, we enhanced the paid pandemic leave introduced earlier in FY20, extending additional paid days off work for our people (including casuals) when they needed to get tested and self-isolate or care for someone affected by COVID-19. In early FY22, we also introduced paid vaccination time to remove barriers to people getting access to COVID-19 vaccinations.



OUR PRINCIPLES OF BEING OPEN, HONEST AND COLLABORATIVE SET THE TONE FOR OUR CULTURE AND WHAT WE CARE ABOUT.

## OUR CULTURE JOURNEY

Ingham's principles of being open, honest and collaborative guide our thinking, ways of working and decision-making. In a nutshell, they set the tone for our culture and what we care about.

In FY21, our Culture Survey benchmarked and identified actions we could take to move to a more constructive culture, one where our people feel valued and empowered to thrive and contribute to achieving our strategic growth plan.

Actions through the year included:

- Recognising and celebrating our people for high performance and living our purpose and principles through quarterly 'Nourish Awards';
- Hosting company-wide Town Halls via our communications application 'Workplace';
- Engaging culture champions throughout the business to ensure our people's voices are heard at all levels and ideas shared;
- Increasing awareness and capability regarding constructive leadership through programs such as the 'GROW' frontline leader program and other bespoke organisational development activities for teams and leaders; and
- Developing company-wide learning programs to help our people behave and communicate constructively, including programs that focus on courageous and 'above-the-line' conversations that respect and encourage each other.

We have a range of policies and procedures in place that are overseen by the Ingham's Board. These include our Equal Employment Opportunity Policy, anti-bullying procedures, and Whistleblower Policy.

Our labour practices ensure our workplace remains fair and equitable. Ingham's directly-employed people in operations are typically covered by the terms of negotiated enterprise agreements in Australia and collective agreements in New Zealand. These agreements allow us to provide modern, transparent, productive and flexible employment arrangements for our people. Our labour practices, including how we manage the standards in our supply chain, are further outlined in Ingham's Modern Slavery Statement, available on our website.

*Ingham's principles of being open, honest and collaborative guide our thinking.*



## CAREER LEADERSHIP AND DEVELOPMENT PROGRAMS

More than 170 leaders across Australia and New Zealand have participated in our bespoke leadership development program, 'GROW'. This program targets our frontline leaders, who lead 90 per cent of our people. GROW has been designed to help our frontline leaders better understand their strengths and development areas and build skills to lead and engage their teams more effectively. The program provides our leaders with exposure to different parts of the business and enables greater knowledge sharing and collaboration across our many functions and sites.

## DEVELOPMENT AND TRAINING PROGRAMS AIMED AT FRONTLINE EMPLOYEES

'Homegrown' is a personal development program in New Zealand aimed at frontline employees. It is designed to help our people set goals and empower them to make decisions. This has resulted in promotion into roles, such as quality assurance and team leadership, and provided the program participants with a clearer career path to thrive in the organisation.

## EQUALITY, INCLUSION AND DIVERSITY ENABLING OUR PURPOSE

We are committed to creating an inclusive and equitable work environment where everyone is respected, and we value and celebrate our differences. Our approach to evolving inclusion and diversity across our business is outlined in our Inclusion and Diversity Strategy. In FY21, we made further progress by developing new initiatives and setting additional targets.

We trialled a partnership with disability employment service providers in Queensland as part of our resourcing plan. This initiative had positive results, and we are working with a number of agencies to provide employment to people with disabilities in our primary processing, distribution centre and farming teams.

We included a module on fostering an inclusive workplace in our GROW program. This helps our frontline leaders to understand the important role they play in creating an environment where their people are valued and respected.

Examples of learnings in this module include being more self-aware regarding unconscious bias, showing different types of bias, whether they are conscious or subconscious, and how this impacts the way we see the world and interact with people. In recognising the diversity of our people, we often translate important messages into other languages. This includes communication of policy updates, training materials, information on work conditions during enterprise agreement negotiations and announcements to teams.

Our people have access to our internal communications application, Workplace. This platform allows them to tailor their profile in 91 different languages. We also provide translated communications in the top eight languages to ensure our people can quickly identify with key company communications.

In New Zealand, we started two initiatives. The Ministry of Social Development helped five people with disabilities begin employment in our farming operations. Plus, through our alignment with the Te Heke Mai program, we employed 30 people on unemployment benefits at our Te Aroha primary processing plant over the past year.

Company-wide, we celebrated diversity and inclusion during Pride month. We also recognised First Nations people during Manaaki month in New Zealand and National Reconciliation and National Aborigines and Islanders Day Observance Committee (NAIDOC) Weeks in Australia.

## DONATIONS

GivING is our corporate program of sponsorships and donations. It aligns with our purpose to 'Nourish our World', reflecting our commitment to making a positive difference.

In FY21, this included:

- Signing a national agreement with Foodbank in Australia to donate food products that would previously go to waste. Over the year, this contributed to 844,950 meals.
- Committing to provide \$150,000 per year over three years to the Ingham Institute for Applied Medical Research in support of research for new medical treatments and therapies in hospitals and health programs for the community.
- In support of Tour de Cure, and with generous donations from our people and their friends and family, raising \$22,408 for the research, prevention and support of families fighting cancer in addition to our \$65,000 contribution as a Platinum Sponsor in the 'Woolies Wheels and Walks'.



OUR 'HOMEGROWN' PROGRAM  
DEVELOPS OUR FRONTLINE PEOPLE TO  
EMPOWER THEM TO MAKE DECISIONS.



*We are proud to provide  
the very best product  
standards, from farm  
to table.*





# PRODUCT

**At Ingham's, quality, sustainability and animal welfare are at the forefront of our priorities. We're proud of our commitment without compromise to the highest possible product standards, a culture of continuous improvement and a passion for always providing the very best, from farm to table.**

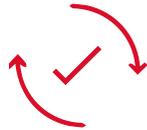
Our Product Pride program provides the framework to deliver a world-class quality culture across our business.

The program consists of five strategic pillars:

1. Risk Reduction Strategies
2. Hazard Analysis Critical Control Point (HACCP)
3. Best Practice Support Programs
4. Standards and Procedures
5. Leadership, Communication and Learning

The ongoing focus by our teams on quality and leveraging the program resulted in reducing 'complaints per million kg' by 26 per cent on the previous year. It also supported the achievement of 95 per cent of our sites achieving 'A' or 'AA' grade BRC Food Safety Standard certification as of end FY21. We continue to work towards achieving the highest levels of accreditation at all of our sites.

## SUSTAINABLE PROCUREMENT



### Sourcing sustainably

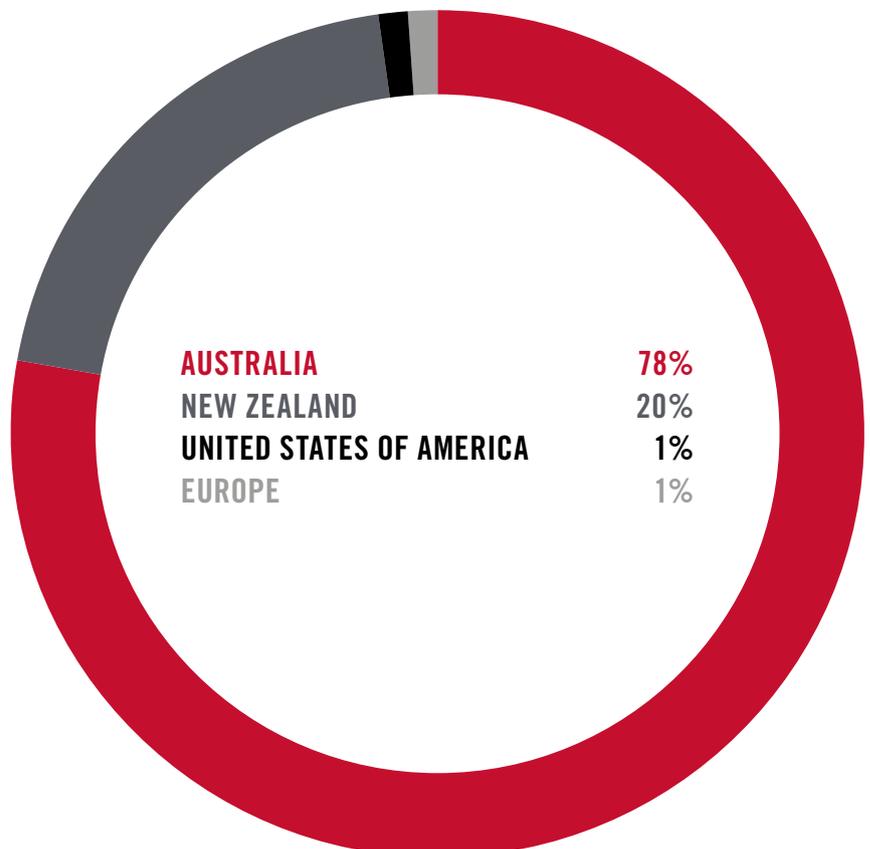
Our sustainable procurement practices, and importantly, the expectations we have for our operations and supply chain, are covered in our Modern Slavery Statement and Supplier Code of Conduct.

Our Modern Slavery Statement for FY20, released in March 2021, included a number of key improvements:

- The introduction of a Whistleblower Policy;
- The inclusion of a Modern Slavery clause in our supply agreement templates; and
- The roll-out of our Supplier Code of Conduct with a solution to assess risks across our entire supply chain.

We have high ethical standards across our operations. The new Supplier Code of Conduct extends these standards to our more than 4,000 direct suppliers (Tier 1) who are a critical aspect of our supply chain. It includes expectations regarding human rights, the environment, ethical practices aligned to legal requirements and other policies, and international good practice. We will also develop and implement a Supplier Assurance Program.

## TIER 1 SUPPLIER BREAKDOWN BY LOCATION (BY NUMBER OF VENDORS)





## SUPPLY CHAIN KEY RISK AREAS AND CURRENT ACTIONS

RISK AREAS	RISK DRIVERS	CURRENT ACTIONS
Service categories (e.g. cleaning, contractors, contingent labour hire)	Labour intensive categories	<ul style="list-style-type: none"> <li>We conducted audits to assess labour practices within our supply chain and to ensure appropriate rates were paid to workers.</li> <li>Modern Slavery clause is included in contracts for new business suppliers.</li> <li>Ongoing spot audits will be completed across these categories.</li> <li>Supplier Code of Conduct to outline the expectations of our Tier 1 suppliers to ensure appropriate measures are in place for the locations from which they are sourced.</li> </ul>
Electronics industry	Possible risk of forced labour in the industry	<ul style="list-style-type: none"> <li>Supplier Code of Conduct will outline the expectations of our Tier 1 suppliers to ensure the appropriate measures are in place for the locations from which they are sourced.</li> <li>We will complete a desktop audit of high-risk suppliers and categories.</li> </ul>
Personal protective equipment (including uniforms)	Possible risk of exploitation of labour in garment manufacturing	



## SUSTAINABLE PACKAGING

Equally important to our sustainable procurement initiatives and reducing our impact on the planet is our packaging sustainability. We are well-advanced in implementing the use of packaging that is 100 per cent reusable or recyclable.

Our target is to increase the average recycled content in our packaging to at least 50 per cent by 2025. We achieved the following sustainable packaging improvements in FY21:

- We transitioned our primary processing plant at Murarrie, Queensland to 100 per cent recycled material for our main fresh product transport cartons. Remaining primary processing sites are planned for transition during FY22;
- 40 per cent of our plastic trays in Australia are now kerbside recyclable with the balance targeted to be recyclable by the end of FY22; and

- The inner plastic bags in our frozen product cartons sold in Australia now contain a minimum of 20 per cent recycled content (post-industrial recycle).

Our packaging targets and progress towards them are shown in the table below. They focus on increasing the recyclability and the recycled content of Ingham's packaging. These targets align with the 2025 targets set by the Australian Packaging Covenant of which Ingham's is a signatory.

2025 Packaging Targets	Ingham's progress in FY21
100% reusable, recyclable or compostable packaging	>90%
50% average recycled content included in packaging	>30%



## ANIMAL WELFARE

We continue to work towards being recognised as a leader in animal welfare.

The health and wellbeing of the animals in our care has always been a fundamental part of our business, and we have a strong ongoing commitment to the continuous improvement of animal welfare. In FY21, we enhanced our welfare performance monitoring and governance processes.

Based on standards published by AssureWel and Bristol University, we developed Key Animal Welfare Indicators. These indicators incorporate 15 outcome-based welfare measures focusing on the comfort of the bird. These KPIs are used across our Australian and New Zealand operations and enable us to closely track, measure and report our performance. Our internal Animal Welfare Council reviews our performance quarterly to monitor compliance and identify any projects to improve animal welfare.

We have invested in improving animal welfare at our new hatchery at Pakenham in Victoria by implementing HatchTech incubation technology. This technology gives chicks light, food and water from the moment they hatch. Now fully operational, we have seen positive results, with a 15 per cent improvement in seven-day chick weights over traditional hatchery performance.

*We have invested in improving animal welfare at our new Pakenham Hatchery in Victoria by implementing HatchTech incubation technology. This technology gives chicks light, food and water from the moment they hatch.*



The commissioning of our new hatchery in Western Australia, which will also use HatchTech incubation technology, is scheduled to be operational by the end of 2021.

Our commitment to antibiotic stewardship continues under the direction of our Antibiotic Stewardship Council. No antibiotics used in human medicine are used prophylactically in any of our operations. Therapeutic antibiotics are only used under veterinary supervision and where necessary for animal health and welfare.

To ensure our standards are best practice and customers can trust the products they are buying, we align our business with organisations whose key focus is on animal welfare, such as the RSPCA, Free Range Egg & Poultry Australia and SPCA (NZ).

We also conduct animal welfare training and research through:

- Participation in outcome-based industry-led research welfare projects specific to Australasia using Ingham's Research and Innovation Farm in Queensland and providing services and operations in collaboration with the AgriFutures Chicken Meat Research Program.
- Renewed focus on education and training, including developing an internal Poultry Welfare Officer training program led by our veterinarians and external training for our people in both the Agribusiness and Processing sectors in conjunction with AgriFutures and MINTRAC.



*The Bulimba Creek Catchment Coordinating Committee inspect a barn owl nest box at the grasslands surrounding Murarrie's ponds, just some of the wildlife that has returned following the ponds' rejuvenation.*





# PLANET

Ingham's has announced our 2030 Planet Targets, including Science Based Targets (SBT) for GHG emissions. Our SBTs will be in line with the latest climate science to meet the goals of the Paris Agreement. Our Scope 1 and Scope 2 emissions SBT will be based on the 1.5-degree pathway. These targets reflect our ongoing intent to manage sustainable environmental practices.

## OUR 2030 PLANET TARGETS ARE:

GOALS	INGHAM'S TARGET
GHG Science Based Targets (tCO <sub>2</sub> e)	Reduce Scope 1 and Scope 2 absolute GHG emissions by 43% by 2030 against a FY19 baseline. <sup>1</sup>
Water Usage (Kilolitres per tonne of product)	Reduce the water intensity needed to process our products by 20% by 2030 against a FY19 baseline.
Waste to Landfill (Kilograms per tonne of product)	Reduce waste sent to landfill intensity by 20% by 2030 against a FY20 baseline. <sup>2</sup>

## ENVIRONMENTAL COMPLIANCE AND PERFORMANCE

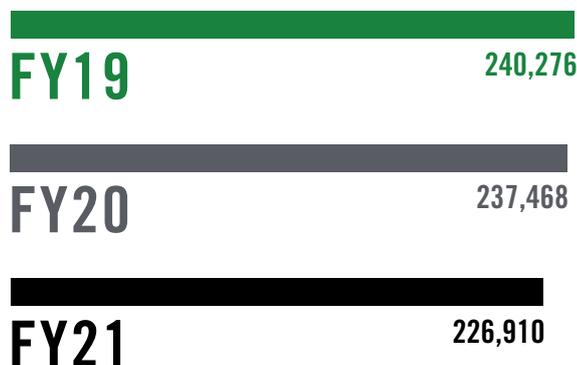


### Our environmental performance and compliance

We are pleased to report that there was continued positive progress towards reducing our environmental footprint across operations in FY21. Our measures include GHG, water usage and landfill waste generation.

The graphs below show year-on-year improvement in all areas.

### ABSOLUTE GHG EMISSIONS KG CO<sub>2</sub>E

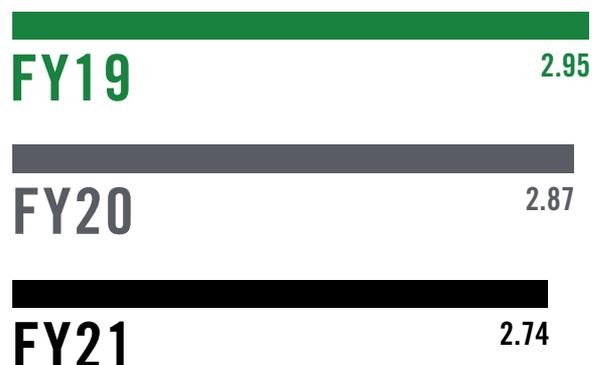


Note: GHG emissions are those from energy use and landfill waste generation at the Ingham's sites.

### LANDFILL WASTE (KG/T)



### WATER KL/T



<sup>1</sup> Scope 1 and Scope 2 SBT subject to change pending Science Based Target initiative (SBTi) validation.  
<sup>2</sup> Complete dataset for landfill waste only available from 2020 (FY20).



*By the end of FY21, a total of 261,631 cups were collected for upcycling from our sites since we introduced the Simply Cups program.*

### **All Ingham's sites maintain a bespoke Environmental Management Plan detailing environmental compliance, risk management and sustainability.**

This has been independently reviewed as being aligned to ISO 14001:2015 standard requirements. Each site continually looks for measures to improve.

Their initiatives during FY21 have contributed to improved environmental performance:

- Our Procurement, Feedmill and Farming teams in Western Australia improved the efficiency of the freight network that delivers feed to the farms when they introduced a larger trailer configuration. The reduced truck movements resulted in greenhouse gas emissions being reduced by 71 tonnes per annum.
- Contributing to our sustainability journey, the Distribution Centre team in Waharoa, New Zealand, completed a refrigeration system upgrade, which replaced refrigeration equipment that was 50 years old and had become inefficient and costly to maintain. The upgrade did not disrupt operations and improved energy efficiency by 30%.
- By challenging an existing process, our team at the further processing plant in Edinburgh Parks, South Australia, saved 5.7 million litres of water, or more than two Olympic-size swimming pools. Using technical information and following an appropriate risk assessment, they eliminated the use of water previously used to cool oven door seals on site.
- Three of our sites – North Ryde and Lisarow in New South Wales and Bolivar in South Australia – have participated in the national program, Simply Cups. The program diverts used disposable coffee cups from landfill and upcycles the waste to produce items of higher value, such as outdoor furniture, road surfacing materials and reusable drink cups. By the end of FY21, a total of 261,631 cups were collected for upcycling from our sites since we introduced the program.

While we undoubtedly made solid progress over the year on our sustainability journey, and there were numerous examples of improved practices across our operations, we acknowledge we can do better.

In FY21, we received a caution or formal warning from the respective environmental regulators in New South Wales and New Zealand following raw wastewater spill incidents at our Tahmoor and Te Aroha sites. As licence holders, we take our regulatory responsibilities seriously and we quickly fixed the issues. Where applicable, we will implement the same improvements at other Ingham's sites.

### **CASE STUDY**

### **ECOSYSTEM RESTORATION IMPROVES WILDLIFE HABITATS**

This year, United Nations launched its *Decade of Ecosystem Restoration* program on World Environment Day. The program aims to prevent, halt and reverse ecosystem degradation on every continent and in every ocean. Healthy ecosystems are essential to sustaining us with resources that nourish people and our way of life.

Ingham's primary processing team at Murrarrie, Queensland, have demonstrated the value of biodiversity restoration projects. Over the past 18 months, they successfully rejuvenated five disused water treatment ponds on the site by redirecting the flush water from the site's own Advanced Water Treatment Plant (AWTP) to the ponds.

While disused, the ponds had been exposed to the extreme conditions of drought that led to stagnant and mosquito-infested water and invasive weeds. Subsequent significant rainfall events resulted in the ponds deteriorating further, and site surveys showed minimal natural wildlife.

Under this project, the ponds' bases and walls were restored, and the depths increased, improving their overall capacity by 50 per cent. The engineered overflow and fill pipe system allowed water wildlife to move through the pipe system and between the ponds on the site. The overflow water flows off-site to the freshwater swamplands on adjacent Council-owned property. Most notably, through the joint efforts of Ingham's and partners, the rejuvenation program has improved the wildlife habitats on the site and in surrounding areas.





## CASE STUDY

### EDINBURGH PARKS TEAM PLANTS 700 TREES TO IMPROVE BIODIVERSITY

Our team at Edinburgh Parks collaborated with Salisbury Council in a biodiversity project and planted 700 trees in the Burton West Industrial Drain, which forms part of a 100-hectare Edinburgh Biodiversity Corridor.

The corridor is an engineered drainage system that passes through several suburbs before entering the Bolivar Wastewater Treatment Plant. Along the way, the watercourse goes through five constructed wetlands, including Kurna Park Wetland, that removes contaminants and improves the water quality.

The trees have helped to revegetate the area and provide great habitats for a variety of birds, reptiles and insects, including locally threatened fauna species, as well as link habitats along the corridor.

The 700 trees planted are native to the Northern Adelaide Plains and include aquatic species, groundcovers, grasses and shrubs.

We are proud to be participating and contributing towards nourishing our world by improving the biodiversity and ecosystem in our local community.

## CASE STUDY

### INNOVATIVE IDEAS DIVERT WASTE FROM LANDFILL

At Ingham's, we encourage our people to be collaborative by working together to explore new possibilities. Collaboration by our teams at the Hemmant and Wacol Feedmills in Queensland and our Distribution Centre at Dry Creek in South Australia led to two excellent outcomes for waste reduction, reuse and recycling.

Each year, the Hemmant and Wacol Feedmills sent more than 5,000 polypropylene bags to landfill, which take years to break down. They now partner with a local recycling business, PRC Recycling, to convert the plastic bags to small black pellets for use as raw materials to manufacture polypropylene plastic products, such as safety hard hats, which are standard personal protective equipment at Ingham's feedmills. This sustainable closed-loop solution has also delivered annual savings on waste disposal costs.

The Distribution Centre team at Dry Creek has achieved zero waste to landfill, with the further benefit of reducing the overall energy footprint in the local area. Achieved through the support of the SUEZ-ResourceCo Alternative Fuels facility, all general waste from Ingham's Dry Creek site is used to manufacture processed engineering fuel (PEF), a viable alternative to fossil fuel. The PEF is then supplied to a local cement manufacturer for use in cement kilns, displacing a proportion of its fossil fuel use.





## SUSTAINABLE AGRICULTURE



### Sustainable agriculture practices reducing our footprint

Ingham's participates in the local chapter of the global Sustainable Agriculture Initiative (SAI). We support their vision of a sustainable, thriving and resilient agricultural sector that protects the Earth's resources, human rights and animal welfare.

Ensuring our feed ingredients are sustainable is a key focus area for Ingham's. We are working with a range of research groups on an alternative protein meal strategy to reduce our reliance on soy-based products. In addition, we are working with suppliers to ensure that future supplies of soy meal do not contribute to deforestation. This will be a key action with goals set in line with Ingham's SBTs in 2023.

## WATER STEWARDSHIP



As a member of the Alliance for Water Stewardship (AWS) Global Standard, whose aim is to achieve responsible and sustainable water management, we have committed to proactively manage our water catchment, usage and treatment of wastewater. Proudly, we continue to set the industry benchmark for water stewardship, being the only certified poultry processor in the world.

We undertook our annual audits remotely at four sites in FY21. We are delighted that four of our primary processing sites – Bolivar, Murarrie, Somerville and Te Aroha – are part of the worldwide group of 162 certified to AWS standards. The Murarrie and Somerville sites achieved the highest recognition with platinum certification.

At the primary processing plant at Murarrie, several water stewardship projects completed over the past 12 months delivered great benefits and platinum recognition. We rejuvenated six of the site's ponds, so they now hold 60 million litres of water and provide a fantastic habitat for the local wildlife. The volume of on-site wastewater treatment plant's sludge has also been reduced over three years and the site's water consumption by one-third.

## CASE STUDY

### WANNEROO FEEDMILL'S WATER INNOVATION

Every year, the West Australian Water Corporation recognise and celebrate the water efficiency achievements of businesses.

In FY21, we were delighted that Ingham's Wanneroo Feedmill operations were awarded the Platinum Waterwise Business of the Year, the highest recognition, for their innovative water management and industry-leading best practices on site.

Under the site's Environmental Management Plan, the team set actions towards their Planet Key Performance Indicator targets. They then identified and implemented a range of innovative water savings and efficiency measures. These included water-efficient fixtures, checking for leaks and using fit-for-purpose recycled water that contributed to reducing water usage by more than 40 per cent from the previous year.



## CASE STUDY

### BOLIVAR BLUE PROJECT'S WATER SAVINGS

Our primary processing plant at Bolivar, South Australia has set the standard in sustainable water usage for our processing operations, reducing their annual water usage intensity by more than 10 per cent. This site is one of Ingham's largest processing plants and uses almost 20 per cent of all water consumption. It is also one of four Ingham's sites certified to the international Alliance for Water Stewardship (AWS) standard for sustainable and responsible water management.

The Bolivar Blue Project is a great example of water stewardship by the Bolivar team. Through the project, they challenged the status quo, existing norms and behaviours, and investigated opportunities to reduce water usage, including using trigger handles on water hoses and reducing the run-time on high pressure washers.

The result was a saving of 120 million litres of water. The team is working to achieve its target of 200 million litres.



## CLIMATE CHANGE ADAPTATION AND RESILIENCE



Our resilience to climate-related impacts that may affect our business continuity was assessed in 2019. The potential climate risks and the recommended mitigation actions are now on the agenda for meetings of the Board's Risk & Sustainability Committee (R&SC), along with other business risk discussions, and related actions have been developed.



### CASE STUDY

#### TE AROHA'S ENERGY-SAVING BORE WATER

Growth at our primary processing plant at Te Aroha, New Zealand, has meant that its water usage has also increased over the years. Following the site's certification to the Alliance for Water Stewardship (AWS) standard in 2017, the site has built a bore water treatment plant to supplement the existing town water supply, which started in February 2020. Having two water sources secures the future growth of our New Zealand business and continued operation through droughts, experienced more frequently in recent decades.

Due to the location of the site, bore water is geothermal at approximately 30 degrees Celsius. This was both a challenge and an opportunity, as the plant requires the water to be chilled for product processing but also uses a large volume of hot water for cleaning each night. The site has installed a heat recovery system to capture the heat from the bore water and transfer it to pre-heat the incoming water (a blend of both town water and bore water) before it enters the boiler system that produces hot water.

This innovation reduced the site's energy required to power the hot water system. It also reduced reliance on the town water supply, safeguarding continued and sustainable operation of our primary processing plant.

*We recognise that climate change is one of the most significant challenges facing the world today.*

## CLIMATE-RELATED FINANCIAL DISCLOSURE

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) develops recommendations for more effective climate-related financial disclosures. This allows investment, credit and insurance stakeholders to make more informed decisions by better understanding carbon-related assets and the financial system's exposure to climate-related risk.

To improve our stakeholder's understanding, we have disclosed our climate-related risks and opportunities in alignment with the TCFD's recommendations for the first time in this report.

We recognise that climate change is one of the most significant challenges facing the world today. It presents serious social, economic and environmental risks to the planet. As a business that relies on healthy ecosystems to bring food to our communities, we are acutely aware of the need to understand and mitigate these risks to continue to ensure the best nutrition and welfare of our animals and to nourish our communities with quality food.

When referring to risks, this includes **physical risks** from climate change following an acute event or longer-term shifts in the climate that may have financial implications because of damage to physical assets. For example, Ingham's hatcheries, farms and processing facilities; the welfare of our animals; or indirect impacts such as supply chain disruption. Financial performance may also be affected by climate change reducing water availability and extreme temperature impacting our physical space, operations, supply chain, transport needs or our people's safety.

**Transition risks** from the move to a low-carbon economy may result from extensive government policy and legal, technological and market changes. Despite this, we support the need for action to limit global temperature rise to 2 degrees Celsius or less from pre-industrial levels.

To assess and mitigate risk, we will undertake scenario analysis to better understand climate change risk to the organisation. This will consider the impact of a low and high emissions future, aligned to the Intergovernmental Panel on Climate Change's RCP2.6 and 8.5 respectively, on physical and transition risks and opportunities.

The following table details a phased approach to our reporting against the TCFD's recommended disclosures.



## PHASED APPROACH – INGHAM’S ROADMAP TO CLIMATE-RELATED FINANCIAL DISCLOSURES

	PHASE 1 (FY21)	PHASE 2 (FY22-24)	PHASE 3 (FY25+)
GOVERNANCE	<p>Describe the Board’s oversight of climate-related risks and opportunities.</p> <p>Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>Describe who is responsible for climate-related risk mitigating actions as it relates to the plans outlined on page 18 regarding TCFD recommendations.</p>	
STRATEGY	<p>Describe risks and opportunities from climate change (physical and transition).</p>	<p>Describe the company’s material transition climate-related risks and opportunities.</p> <p>Describe scenario analysis, including a 2-degree or lower scenario.</p>	<p>Describe climate-related risks and opportunities on the organisation’s business, strategy and financial planning.</p> <p>Include climate-related risks in a resilience strategy.</p>
RISK MANAGEMENT	<p>Describe the approach taken to identify and manage climate risk.</p>	<p>Describe the organisation’s processes for managing climate-related risks.</p>	<p>Describe how processes for identifying and managing climate risk are integrated into broader risk management procedures.</p>
METRICS AND TARGETS	<p>Describe metrics used to assess climate-related risks.</p> <p>Describe Scope 1 and 2 emissions.</p>	<p>Describe Scope 1, 2 and 3 emissions.</p> <p>Describe the associated risks with each scope.</p> <p>Describe mitigation and emission reduction strategy.</p>	<p>Describe how remuneration is tied to emissions.</p>

*We rely on healthy ecosystems to bring food to our communities, and we are acutely aware of the need to understand and mitigate climate-related risks.*



The table below summarises how we are working towards disclosure aligned to TCFD recommendations.

	TCFD RECOMMENDATIONS	OUR APPROACH
GOVERNANCE	The Board's oversight of climate-related risks and opportunities	<p>Ingham's Board and our Risk and Sustainability Committee (R&amp;SC) are responsible for overseeing climate-related risk management. The Board authorises the R&amp;SC to assist it to fulfil its statutory and regulatory responsibilities.</p> <p>Page 40 of Ingham's Annual Report details the Committee's responsibility for economic, environmental, (including climate risk), social sustainability and governance risks.</p> <p>The Committee meets quarterly to fulfil its role and take the following actions:</p> <ul style="list-style-type: none"> <li>• Address climate change risk including physical and transitional risks.</li> <li>• Assess progress against targets and commitments made in Ingham's Sustainability Strategy from 2019 to 2030.</li> </ul> <p>See the R&amp;SC Charter on our website for more information on our governance structure.</p>
	Management's role in assessing and managing climate-related risks and opportunities	<p>Assessing and managing climate-related risk is included in our sustainability strategy and available at Our Purpose – Planet at <a href="https://ingham.com.au/our-purpose/planet/">https://ingham.com.au/our-purpose/planet/</a>. This is overseen by Ingham's R&amp;SC, which works with management to address climate risk with actions.</p> <p>Climate risk (both physical and transition) and associated adaptation plans are included as a standard agenda item and, moving forward, will be reviewed at the quarterly R&amp;SC meetings.</p> <p>Existing tools being used or planned to be implemented to manage and monitor progress against climate risk actions include:</p> <ul style="list-style-type: none"> <li>• Envizi – to measure emissions monthly for Scope 1 and 2.</li> <li>• Sustainability Action Plan – includes progress on site-specific targets for areas such as GHG, water, energy and waste.</li> <li>• Business Continuity Plans.</li> <li>• Environmental incident reporting – used by site teams and systems to respond to emergency issues, including climate-related impacts/events.</li> </ul> <p>Key areas of underperformance are escalated to the R&amp;SC.</p>
STRATEGY	Impacts of climate-related risks (opportunities and threats) on organisation's businesses, strategy and financial planning	<p>Our purpose and principles are aligned to our objective to deliver consistent and reliable returns to our stakeholders. This is only possible in a future where climate change risk has been identified and mitigated. This includes our role to protect the planet by understanding climate change risk and mitigation.</p> <p>An initial list of potential transition and physical risks and opportunities identified through high-level analysis are summarised in the table on 'climate-related risks and opportunities'.</p> <p>We recognise the difference between physical and transition risks facing Australian and New Zealand operations. Particularly with the different regulatory requirements in each country influencing action on transition risks.</p> <p>We will undertake a review, including scenario analysis of transition risks, to identify those most relevant to the organisation in Phases 2 and 3.</p> <p>In 2019, we undertook a detailed, site-level climate change risk assessment across a representative sample of sites. Further review of potential physical risks will be part of Phase 2.</p> <p>We will consider potential risk in our business planning through a deeper understanding of investor/stakeholder concerns and feedback.</p>
	Resilience of organisation's strategy, taking into account different climate scenarios, including 2-degree scenario or lower	<p>Our plans to undertake quantitative scenario analysis in Phase 2 of the roadmap, based on a low-emissions and high-emissions scenario, including considering a 2-degree or lower scenario. This is a crucial step to fully understand the impact of climate change on the business and our ability to continue to protect animal welfare and nourish our communities. Phase 3 will aim to demonstrate the financial exposure of the organisation under these two scenarios.</p> <p>This work will go beyond disclosure to influence future decisions and enhance our education on sustainability risk mitigation.</p>



	TCFD RECOMMENDATIONS	OUR APPROACH
<b>RISK MANAGEMENT</b>	Processes for identifying and assessing climate-related risks	<p>Our Board and R&amp;SC have ultimate responsibility for the organisation's climate-related risk management identification and strategy and liaise on relevant matters with the Finance &amp; Audit Committee (F&amp;AC) and People &amp; Remuneration Committee (P&amp;RC).</p> <p>To inform climate change resilience, we undertook a Climate Change Risk Assessment across representative sites. The key recommendations from this assessment have been applied company wide to improve our business resilience against the effects of climate change. We have also completed Life Cycle Assessments to assess feed sustainability.</p> <p><b>Transition risk</b></p> <p>Our Sustainability Strategy addresses several aspects of climate transition risk, including:</p> <ul style="list-style-type: none"> <li>• GHG Emissions Reduction. SBTs will be incorporated into our 2030 Sustainability Strategy:               <ul style="list-style-type: none"> <li>– Reducing energy intensity through efficiencies.</li> <li>– Monthly monitoring of Scope 1 and 2 emissions.</li> <li>– Reviewing renewable energy options.</li> </ul> </li> <li>• Sustainable Procurement Strategy. Supplier Code of Conduct to establish expectations around environmental practices.</li> <li>• Sustainability Action Plan (SAP) Framework. As part of our Environmental Management Plan, SAPs are used to set annual site-specific targets for sustainability focus areas (water, energy and waste) and record and monitor actions.</li> <li>• Waste reduction. Data collection on landfill waste has been improved to capture 99% of data, creating a credible starting point against which to benchmark and measure future performance.</li> </ul> <p><b>Physical risk</b></p> <ul style="list-style-type: none"> <li>• Climate resilience. Site facilities and operations, which have been identified as at or above 'high risk' to physical impacts of climate change are monitored through our risk registers.</li> <li>• Optimised water consumption to build drought resilience. We have pioneered a sustainable water management strategy through an international Alliance for Water Stewardship (AWS) framework.</li> <li>• Undertaking education and training of management and key teams related to climate risk mitigation.</li> </ul> <p>We will update any additional actions related to transition risks in line with a detailed review in Phase 2 of our TCFD disclosure roadmap.</p>
	Processes for managing climate-related risks	Responding to climate-related risks is a focus within the 'Climate Change' section of our Sustainability Strategy and includes both physical and transition risks and opportunities.
	How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	<p>The Board's role is to set the risk appetite for the organisation (that is, the nature and extent of the risks it is prepared to take to meet its objectives), oversee the risk management framework, and satisfy itself that the framework is sound.</p> <p>The Board and the R&amp;SC assess the influence of climate change on our operations and categorise risk to determine the acceptable threshold of risk tolerance for each identified risk. We can then set the business strategy within these risk parameters.</p>



	TCFD RECOMMENDATIONS	OUR APPROACH
METRICS AND TARGETS	Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>Our Sustainability Strategy details targets in climate resilience, energy, carbon, water and waste.</p> <p>We measure metrics of water usage (kL), fuel consumption (kms), greenhouse gas emissions (CO<sub>2</sub>), energy usage (MWh) and waste production (tonnes). Normalisation to metrics per tonne of production is used as an industry standard and for uniform comparison across metrics.</p> <p>Our operational vulnerability to physical climate-related changes are measured using the following metrics:</p> <ul style="list-style-type: none"> <li>• Animal welfare incident reporting.</li> <li>• Drought-related supply chain risk (feed supply) and financial impact considerations.</li> </ul>
	Scope 1, 2 and 3 greenhouse gas (GHG) emissions and related risks	<p>From FY21, Ingham's will be disclosing GHG emissions in absolute terms.</p> <ul style="list-style-type: none"> <li>• Reduced FY21 absolute Scope 1 and Scope 2 GHG emissions (tCO<sub>2</sub>e) by 5.6% against FY19.</li> <li>• Scope 3 GHG emission results to be disclosed by FY24.</li> <li>• Under the Alliance for Water Stewardship (AWS) framework, we have reduced water use intensity from 2.95 kL/T in FY19 to 2.74 kL/T in FY21 (7.1% reduction).</li> <li>• Reduced landfill waste intensity from 5.7 kg/T in FY20 to 5.40 kg/T in FY21 (5.4% reduction).</li> </ul>
	Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<p>SBTs for GHG emissions will be incorporated in Ingham's 2030 Sustainability Strategy.</p> <p>We commit to the following reduction targets by 2030:</p> <ul style="list-style-type: none"> <li>• Reduce Scope 1 &amp; Scope 2 absolute GHG emissions by 43% against a FY19 baseline.</li> <li>• Reduce operational water usage intensity (kL/T) by 20% against an FY19 baseline.</li> <li>• Reduce Landfill Waste intensity (kg/T) by 20% against a FY20 baseline.</li> </ul> <p>We will assess performance against these targets by measuring progress against a baseline<sup>b</sup>.</p>

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

	RISKS	OPPORTUNITIES
TRANSITION	 <p>Transition risk categories of concern for Ingham's include policy (regulatory), legal, market, technology and reputation.</p> <p>As energy is a significant input for operations, it leaves us exposed to energy pricing fluctuations.</p> <p>The cost of changing to low emissions technologies presents a current barrier for action.</p> <p>As New Zealand has introduced the Zero Carbon Act, transition risks for New Zealand operations will occur sooner than in Australia.</p>	 <p>In addition to transition risks, there are opportunities to move towards a low-carbon economy.</p> <p>Onsite renewables to stabilise against energy pricing volatility.</p> <p>Early adoption of the electrification of fleet vehicles.</p> <p>Earlier adoption of low-carbon initiatives in New Zealand may inform how Australian operations can transition effectively.</p>
PHYSICAL	 <p>Animal transport risks due to extreme heat.</p> <p>Danger to animal welfare following power outages from extreme weather.</p> <p>Impact on feed supply chains due to heatwaves and extreme weather events (e.g. drought).</p> <p>Facilities and site impact due to flooding/extreme rainfall events or bushfires.</p>	 <p>Consideration of alternative animal transport technologies.</p>

a Scope 1 & Scope 2 SBT subject to change pending Science Based Targets initiative (SBTi) validation.

b Complete landfill waste data set only available from 2020.

