

# Argyle Foods Group

2024 Sustainability Report



# Contents



About this Report .....	1
Interpreting this Report	1
Framing and Limitations	1
Scope	1
Foreword .....	2
Executive Summary .....	3
About Argyle Foods Group .....	4
Partnering for Success .....	6
Alignment to the SDGs .....	8
Hillview Park	8
Protecting Biodiversity	9
Energy Opportunities	10
Soil Stewardship	11
Regenerative Beef Production	13
Exporting Our Values	15
Animal Welfare	16
Growing Our Impact .....	17

# About this Report

## Interpreting this Report

Welcome to the first Argyle Foods Group (AFG) Sustainability Report. As part of an ongoing commitment to sustainability, AFG will use these reports as a vehicle to showcase our initiatives on-farm and across our value chains. This Sustainability Report will provide a detailed account of our ongoing projects, including their current status; impact to date; and progression towards individual goals. This report and these projects are congruently guided by two principal frameworks: UN Sustainable Development Goals (SDGs) and the GRI 13: Agriculture, Aquaculture and Fishing Sector Standards 2022. As signatories of the Australian Carbon Industry Code of Conduct, AFG also abides by rules of transparency and accountability, environmental and social integrity, legislative and regulatory compliance, and community trust.

## Framing and Limitations

Throughout this report, the terms 'AFG', 'our business', 'organisation', 'we', 'us', 'our' and 'ourselves' refer to Argyle Foods Group Pty Ltd and all managed entities of AFG. The report contains statements which are forward-looking in nature, expressing our intent and expectations in relation to climatic conditions, market conditions, results of operations and risk management practices. The knowledge we draw from is based on our current understandings of these dimensions and we are not liable for future events or outcomes that do not align with these statements. Readers should exercise caution and not rely solely on prospective statements when making decisions or drawing conclusions.

## Scope

This report has been prepared by Argyle Foods Group's in-house carbon team, Argyle Carbon, in collaboration with the broader business. The report represents the inaugural effort of Argyle Foods Group's sustainability reporting and covers activities conducted prior to and during the financial year 2024.



# Foreword

Welcome to Argyle Foods Group's first Annual Sustainability Report! As a business, Argyle has been on a journey to understand and improve our environmental sustainability since 2019 after experiencing the impacts of the 2017-2020 drought. The experience highlighted not only the business risks of an increasingly volatile and changing environment, but also the animal welfare and human resource impacts environmental events can cause. As fifth-generation farmers, Argyle Co-CEOs passionately led the way for the business to transform its practices.

Today, sustainability is at the forefront of our business strategy; from management decisions on farm, through to brand and marketing development, we aim to capture our whole supply chain in our efforts.

We have seen rapidly growing demand from our customers in the United States, here at home, as well as in south-East Asia. This increase in demand has seen us begin to expand our supply base beyond our Argyles own livestock herd. In late 2023 we began engagement with new livestock suppliers to begin establishing long-term supply partnerships to support the unilateral growth of each business. Key to these partnerships is an alignment and commitment in raising practices on farm, underpinned by the Argyle Pastoral Livestock Program.

Livestock businesses, as with all food production, contribute emissions. However, as a nutrient dense source of protein, we believe regenerative livestock can be a part of the solution to sustainable food supply globally. We believe that everyone has a role to play in the climate challenge and that action must be taken now. As a business we continue to forge ahead in our sustainability efforts to continually improve our practices and the environment upon which we operate.

Argyle is well positioned to evolve our efforts to enhance the health of the land we are responsible for. We are committed to contributing to local regional development and supporting ongoing research in how we and other livestock operators can reduce our environmental footprint. As consumer demand continues to emerge for more sustainable proteins, we continue to push for our customers to focus on sustainable beef consumption over alternative proteins which carry a large environmental footprint.

This year Argyle Foods Group was a finalist in the 2024 Banksia Award. The award recognised the hard work that our team, and our partners, put into the business every day. At Argyle, we believe that we are more successful when we work closely with like-minded partners to achieve synonymous goals. We are proud of our team, who push our business forward. As a business we are proud to be focused on ensuring that we are doing our part for future generations and are committed to building on our efforts year on year.

## Naomi Leahy

General Manager



# Executive Summary

At AFG, we view sustainability holistically, ensuring the health of our land and animals are considered at every step of our supply chain. Led by fifth generation farmers, our goal is to make long-lasting changes through improving agricultural processes and repairing the land for generations to come.

This inaugural sustainability report has been prepared off the back of our 2024 Banksia Foundation submission where we placed as national finalists in the Agriculture and Regional Development category. We are pleased to share the progress we have made since 2019 towards our sustainability and aim to outline how we will evolve our operations throughout 2024 and beyond.

Underpinned by the United Nation's Sustainable Development Goals (SDGs) and guided by leading experts, we undertake our sustainability projects to provide a positive and lasting impact.



# About Argyle Foods Group

AFG is an Australian farmer-owned agricultural enterprise boasting a vertically integrated supply chain. Founded on the principles fostered in brothers Lachlan and Bryce Graham during their upbringing on the family estate in Harden, NSW, the Graham Family has long championed excellence and innovation in agricultural practices. Notably, Lachlan and Andrina Graham were honoured with the NSW Farmer of the Year Award in 2013, underscoring their commitment to advancing farming standards.

Following the break of the drought in early-2020, AFG embarked on a strategic endeavour to reposition itself as a sustainable enterprise dedicated to land stewardship, livestock management, and beef production, with a pronounced focus on affecting positive environmental change. Since then, sustainability has emerged as a guiding principle, influencing operational strategies and business decisions to prioritise the wellbeing of cattle, soil health, and the broader ecosystems we impact. AFG takes pride in its alignment with sustainability benchmarks established by the industry, as well as its adherence to three core values that permeate every facet of our operations:

## Innovation

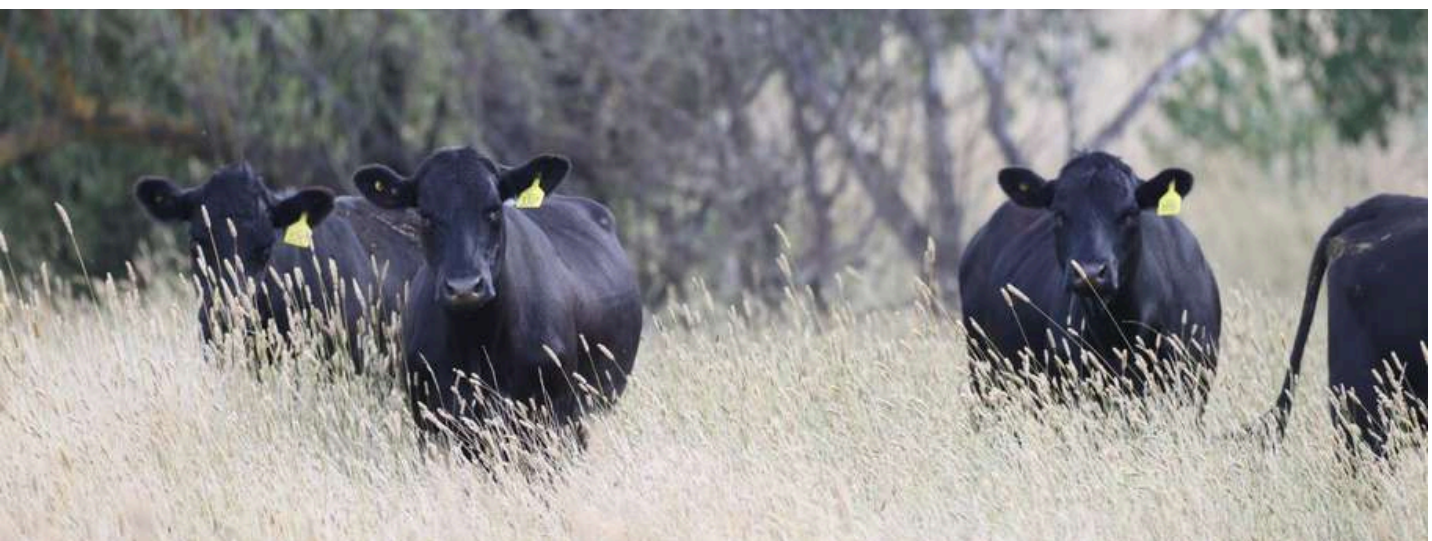
Our commitment to innovation is intrinsic to our unique business model. Through strategic collaborations with industry and commercial partners, we endeavour to pioneer solutions to pervasive industry challenges.

## Opportunity

AFG thrives on the cultivation of opportunities. Facilitating growth opportunities for both our enterprise and our personnel holds equal significance within our ethos.

## Adaptation

Recognising the inherent volatility of agricultural and food production sectors, we follow a culture of adaptability. Our proactive approach to adapting and responding to market dynamics ensures a sustainable operational landscape.



AFG's work began with our involvement with Meat & Livestock Australia's Carbon Neutral 2030 program, which has now evolved beyond carbon alone. We have taken proactive action towards holistically valuing our environmental assets across the medium-to-long-term. These timeframes are essential in supporting sustainable practice changes to business operations. Our ongoing efforts are backed by the understanding of forthcoming climate challenges that we will face as operators. Our activities are aligned to make AFG part of the climate solution and will deliver sustained environmental improvement.

AFG implements regenerative practices across our pastoral operations and undertakes research and development through our in-house Argyle Carbon team, focusing on maximising the effectiveness of activities under carbon and biodiversity project methodologies. Additionally, AFG has recently launched "Argyle Nurture", a sustainable grass-fed beef brand exclusive to Coles, available in NSW and ACT. We continue to strengthen the link between our end-buyer and on-farm practices through our products and channels of communication.



# Partnering for Success



Core to Argyle's sustainability strategy is partnering with others to ensure outcomes can be fast-tracked and knowledge continues to evolve.

Below is an introduction to each partner mentioned in this report.



## Sure Good Foods

Sure Good Foods (SGF) has been operating since 2000, having been renamed from Wilkinson Foods International in 2017. Sure Good Foods core strength is trading food products across the globe. Organisationally, they have over 1,100 customers across the world, managed by 55+ traders.



## Tucker Environmental

Founded in 2015, Tucker Environmental is an advisory group working with Government and private sector clients in helping them understand and manage the benefits and risks relating to their impacts on the natural environment. They work on a variety of projects and partnerships with a focus on soil health, water, biodiversity, and carbon management.



## Hillview Park Holdings

Formed by some of the shareholders of AFG wanting to support the growth of a sustainable land portfolio, Hillview Park Holdings purchased Hillview Park in 2023 and continues to evaluate other properties for acquisition under the same sustainable-led principles.



## Meat & Livestock Australia

Meat and Livestock Australia (MLA) works in partnership with the red meat industry and the Australian Government to deliver marketing, research and development products and services to beef, sheep, and goat producers, with the core purpose of fostering the prosperity of the red meat industry. MLA's CN30 program aims to identify pathways towards carbon neutrality, highlighting opportunities and challenges for farmers along the way. MLA and Argyle have worked together to create a carbon neutral plan, project KPIs, and activities to 2025.



## Better Choices

Better Choices is a membership program developed to improve pain management and mitigation during necessary husbandry procedures. The program outlines standards to meet as well as provides tools and education to improve animal welfare.



## Net Zero CRC

The Zero Net Emissions program from Agriculture Cooperative Research Centre aims to catalyse the industry, community, and government action to achieve Zero Net Emissions from agriculture from 2040, and below net zero by 2050. AFG was a founding member of the CRC which will begin in July 2024, and will be one of the industry demonstration sites, enabling innovation and research to be trialed and demonstrated on a farm and shown to other farmers.



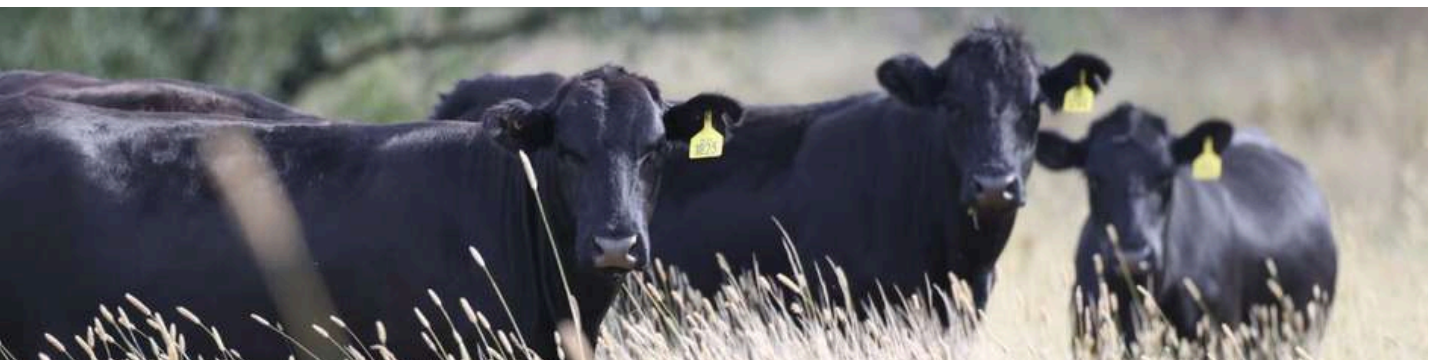
## Naturgy Group - Crookwell 3

Naturgy Energy Group S.A., is a Spanish multinational energy utilities company founded in 1991. Australia is a priority country within their strategic targets as they aim to reach an installed capacity of 2.2 GW by 2025, focused on wind, solar and storage system plants.



## Coles

Coles is an Australian supermarket, retail and consumer services chain founded in 1914. They operate 846 supermarkets throughout Australia, accounting for around 27 per cent of the market.



# Action & Alignment to the SDGs

## Hillview Park



In January 2023, AFG became the operational partner of Hillview Park in Goulburn. Hillview Park was acquired by its shareholders with a shared vision to enhance land stewardship through livestock operations, promote animal welfare and support broader regional development.

Hillview Park's **Primary Function** is **livestock management** with additional projects focused on:

### WINDFARM DEVELOPMENT



### BIODIVERSITY STEWARDSHIP SITES



### SOIL CARBON SEQUESTRATION



By integrating these initiatives into its operations, AFG continues to forge a direct link between on-farm sustainability practices and consumer awareness. In alignment with this pursuit, Argyle has also embarked on the creation of bespoke beef brands tailored to meet evolving consumer preferences. Furthermore, in a recent collaboration with SGF, AFG has expanded its reach into North America, thereby extending its sustainable beef offerings to a global audience.

Hillview Park is one of the primary properties under AFG's livestock management operation.

Due to a historical legacy of extensive land clearing, approximately **30.1% of the woody (forest and woodland) cover of the the property's total area remains.**

According to the Australian Beef Sustainability Framework's Balance of Tree and Grass Cover Dashboard, total woody vegetation levels were 25.48% nationally in 2021. In commitment to preserve remaining biodiversity, AFG and HVP have formally established three conservation sites that will now be managed in perpetuity.

## Protecting Biodiversity



Forests serve as crucial carbon sinks and provide habitats for over 80 percent of terrestrial species, playing a vital role in nutrient cycling within ecosystems. In acknowledgment of these ecological imperatives, the NSW Biodiversity Offsets Scheme has been established to provide a framework for offsetting biodiversity impacts resulting from development activities through stewardship agreements. Given the specialised knowledge required for compliance with this scheme, AFG and HVP have enlisted the expertise of environmental consultants at Tucker Environmental to navigate this initiative effectively.



The integration of conservation sites with regenerative agricultural practices serves to mitigate the biodiversity impacts associated with livestock production. Over time, Argyle anticipates a cascading effect whereby the benefits of conservation efforts extend beyond designated sites to enhance soil health and productivity across surrounding paddocks, driven by increased microbial activity.

### CONSERVATION OF A DESIGNATED BIODIVERSITY SITE

	site encompasses 190 hectares	Will generate:	805 ecosystem credits for Paling Yards windfarm development
			24 credits for the conservation of Hoary Sunray ( <i>Leucochrysum albicans</i> subsp. <i>tricolor</i> )

Balance of Tree and Grass Cover dashboard - The Australian Beef Sustainability Framework (no date) Australian Beef Sustainability Framework. Available at: <https://www.sustainableaustralianbeef.com.au/resources/botgc-dashboard/> (Accessed: 17 April 2024).

Protected Areas and Conservation 2021 - Protected Areas and Conservation 2021 | NSW State of the Environment. Available at: <https://www.soe.epa.nsw.gov.au/all-themes/land/protected-areas-and-conservation-2021> (Accessed: 17 April 2024).

## Energy Opportunities



Renewable energy generation provides a unique opportunity to rural and agricultural land holders. The decision to enter into a lease agreement for the installation of wind turbines on Hillview Park as part of the Crookwell 3 Wind Farm project was driven by a strategic imperative to diversify land use, business risks and support development of the property alongside livestock operations.

### CROOKWELL 3 WINDFARM

#### 13 WIND TURBINES

Represent a total **installed capacity** of **46.8 MW** of **renewable energy**

Are anticipated to **mitigate the emission** of at least **145,715 tonnes CO2** annually

- Equivalent to removing up to 48,188 cars from the road or planting as many as 311,425 trees

Will generate energy to **supply ~33,225 local households**

Crookwell 3 Wind Farm. Project Justification | Planning Portal - Department of Planning and Environment. Ch 6.5.1 Environmental Benefits. Pg 17. Available at: <https://www.planningportal.nsw.gov.au/major-projects/projects/crookwell-3-wind-farm> (Accessed: 3 January 2024).

Recognised as an increasingly vital component of New South Wales' energy portfolio, Wind Energy aligns with the objectives outlined in the government's 'Renewable Energy Action Plan'. Sustainability considerations were paramount in this decision-making process, not only from a broader climate perspective but also in terms of securing a reliable, non-rainfall dependent income stream.

Developed by **Naturgy** - Global Power Generation (GPG), the wind farm project is poised to make significant contributions to the local and regional economy through:

- **Generating employment opportunities**
  - Construction Phase → 95 direct jobs
  - Ongoing Operations → 5+ permanent positions
- **Fostering Partnerships with local businesses**

## Soil Stewardship



Studies indicate that approximately **one-third of Australian soil is currently degraded**, posing a **significant threat to fertility levels**. In response to this pressing concern, the National Soil Action Plan 2023 to 2028 outlines strategies aimed at valuing, managing, and enhancing soil health over the next two decades.

In collaboration with the University of Tasmania, AFG embarked on a comprehensive life cycle assessment of our farm operations to pinpoint areas where carbon sequestration could be enhanced through targeted management interventions. Results are expected in the first half of FY2025 from this project.

AFG registered its first carbon project under the ACCU Scheme's Estimation soil organic carbon sequestration using measurement and models method in March this year, (project ID ERF189608). This project has a forward abatement estimate of 100,000 t CO<sub>2</sub>e over 25 years.

This is equivalent to 63,694 flights between Perth and London!



Dadzie, F.A. et al. (2023). Agricultural Soil Degradation in Australia. In: Pereira, P., Muñoz-Rojas, M., Bogunovic, I., Zhao, W. (eds) Impact of Agriculture on Soil Degradation I. The Handbook of Environmental Chemistry, vol 120. Springer, Cham.

Kelly-Detwiler, P. (2014) What Does 'The Equivalent of Taking Cars Off The Road' Really Mean?, Forbes. Forbes Magazine. Available at: <https://www.forbes.com/sites/peterdetwiler/2014/02/25/what-does-the-equivalent-of-taking-cars-off-the-road-really-mean/?sh=25c2e9983232> (Accessed: 29 April 2024).





## Hillview Park Soil Carbon Project

through the Clean Energy Regulator

This project will provide a formal structure for reporting and monitoring over the next 25-years on Hillview Park. To date, we have undertaken baseline soil sampling to determine the current health of the soil and we have developed mapping and modelling in-house to maximise the impact of the project.

### 1 PLANNING

Land management activity research conducted tailored to our specific context  
 Consultations undertaken with industry leading experts  
 Internal modelling performed and backed by the relevant information gathered

### 2 PROJECT

25 years (as per the permanence requirements of the Estimation of Soil Carbon Sequestration using Measurement and Models 2021)

Three Main Activities:



### 3 OBJECTIVES

Achieve targeted 1% increase in Soil Organic Carbon (SOC) levels

## Regenerative Beef Production



In tandem with our sustainability initiatives, AFG’s regenerative beef production enterprise plays a vital role in advancing the UN Sustainable Development Goals for Zero Hunger and Good Health and Well Being, among others.

To bolster the **resilience of agricultural ecosystems**, we adopt **regenerative practices** and strive to enhance



Regenerative agriculture is a mindset and set of principles to actively restore and regenerate ecological functions through a holistic approach to land and livestock management. Through conscientious land management and grazing techniques ratified by our carbon projects, we optimise the productivity of our pastures using our animals to create a positive feedback loop which maintains soil cover, promotes biodiversity and keeps living roots in the soil.

Our commitment to producing high-quality beef ensures our systems generate a long-term source of sustainable protein, contributing to food security and vital nutrition accessibility. The Australian Dietary Guidelines recommend adult men and women consume three and two and a half serves respectively of protein daily. Up to seven of these serves a week can come by way of lean meats such as beef as it provides important nutrients such as iron and zinc.

By fostering a symbiotic relationship between land stewardship and food production, AFG endeavours to play its part in realising the vision of a world free from hunger today and for future generations to come.

National Health and Medical Research Council. (2013). Australian Dietary Guidelines. [https://www.eatforhealth.gov.au/sites/default/files/2022-09/n55\\_australian\\_dietary\\_guidelines.pdf](https://www.eatforhealth.gov.au/sites/default/files/2022-09/n55_australian_dietary_guidelines.pdf)



In early 2023, AFG forged a strategic partnership with the University of Sydney to spearhead a project aimed at reshaping consumer perceptions regarding the sustainability of the red meat industry.



This collaboration provided invaluable insights into consumer attitudes, and it afforded AFG the opportunity to directly engage with students, offering firsthand education on Australian beef production practices. Through this initiative, it became apparent that there is a gap between current regenerative agricultural practices and consumer perceptions of the sustainability of the red meat industry. Additionally, contemporary consumers are ever-increasingly seeking substantiated sustainability claims.

Based on the findings of this collaboration, we launched “Argyle Nurture” in Coles Supermarkets in October 2023. We included proof of claims on the packaging, with further information easily accessible via a QR code. “Argyle Nurture” has expanded into the North American, delivering sustainable, attributed grassfed beef to a rapidly growing market segment.



"Argyle Nurture" represents a pivotal step in our sustainability journey, designed to foster consumer awareness and engagement. Anchored by AFG’s overarching sustainability strategy centred on the production of premium-quality beef, the initiative underscores our commitment to transparency and consumer education. By aligning branding efforts with our sustainability objectives, we affirm our dedication to sustainable practices and reinforce the connection between our enterprise and consumers.

For further insights, please visit our dedicated brand page at [www.argylenurture.com.au](http://www.argylenurture.com.au).



## Exporting Our Values



In late 2023, AFG unveiled a significant commercial collaboration with SGF. This strategic partnership hopes to facilitate the exportation of a larger volume of sustainably produced beef to markets worldwide, with a particular emphasis on North America. Recognising the growing demand among consumers in this region for beef sourced from regenerative agricultural practices, SGF has been actively assisting AFG's North American Business Manager in forging connections with US customers. Furthermore, AFG's operations in Hong Kong have been diligently focused on ensuring the accessibility and affordability of sustainably produced beef across China and the Southeast Asian markets.

By leveraging our established presence in these regions, Argyle is committed to meeting the evolving preferences of consumers while championing the principles of sustainability and responsible sourcing.

This concerted effort underscores AFG's dedication to expanding the reach of ethical and environmentally conscious beef production on a global scale. As an extension of our values on-farm, we strive to use our global partnerships to contribute to food security and nutrition accessibility beyond our borders. We recognise our responsibility in impacting SDG 2 Zero Hunger and strive to achieve each target of this goal.

Through our products and practices, we aim to serve as catalysts for positive change within the agricultural industry, inspiring and influencing stakeholders across diverse geographies. By showcasing the viability and benefits of regenerative agriculture, we aspire to forward the transition towards holistic farming methods which maximise the ecological services of agricultural systems. Moreover, we actively engage with industry partners, policymakers, and agricultural communities to share our knowledge and experiences, fostering a collaborative approach towards a more regenerative future.

## Animal Welfare



A holistic approach to sustainability requires consideration of the welfare of all livestock throughout each stage of operations. As custodians of the land, it is our responsibility to care for all parts of the ecosystem, including our animals. This is achieved through our own pastoral program, GAP certification, and the Better Choices membership program. Encompassing multiple approaches ensures we are providing the best environment for our cattle and allows for Australia's different raising practices which exist due to the diverse landscape to be accommodated for.



### Argyle Pastoral Program

The program allows Argyle to unlock a unique customer base through ensuring consistent supply of attributed products. All cattle within the program are raised according to the claims under our USDA approval, these are; Hormone Growth Promotants Free, Never Confined, 100% Grassfed, Antibiotic Free and GMO Free.



### G.A.P. Certification

Certification from the Global Animal Partnership (G.A.P.) is a widely recognised animal welfare program that outlines science-backed standards to protect the five-freedoms. These encompass time spent on pasture, weather protection, pasture cover, weaning requirements, and transport time to ensure cattle are produced ethically. Certification requires third-party auditing every 15-months to verify ongoing compliance.



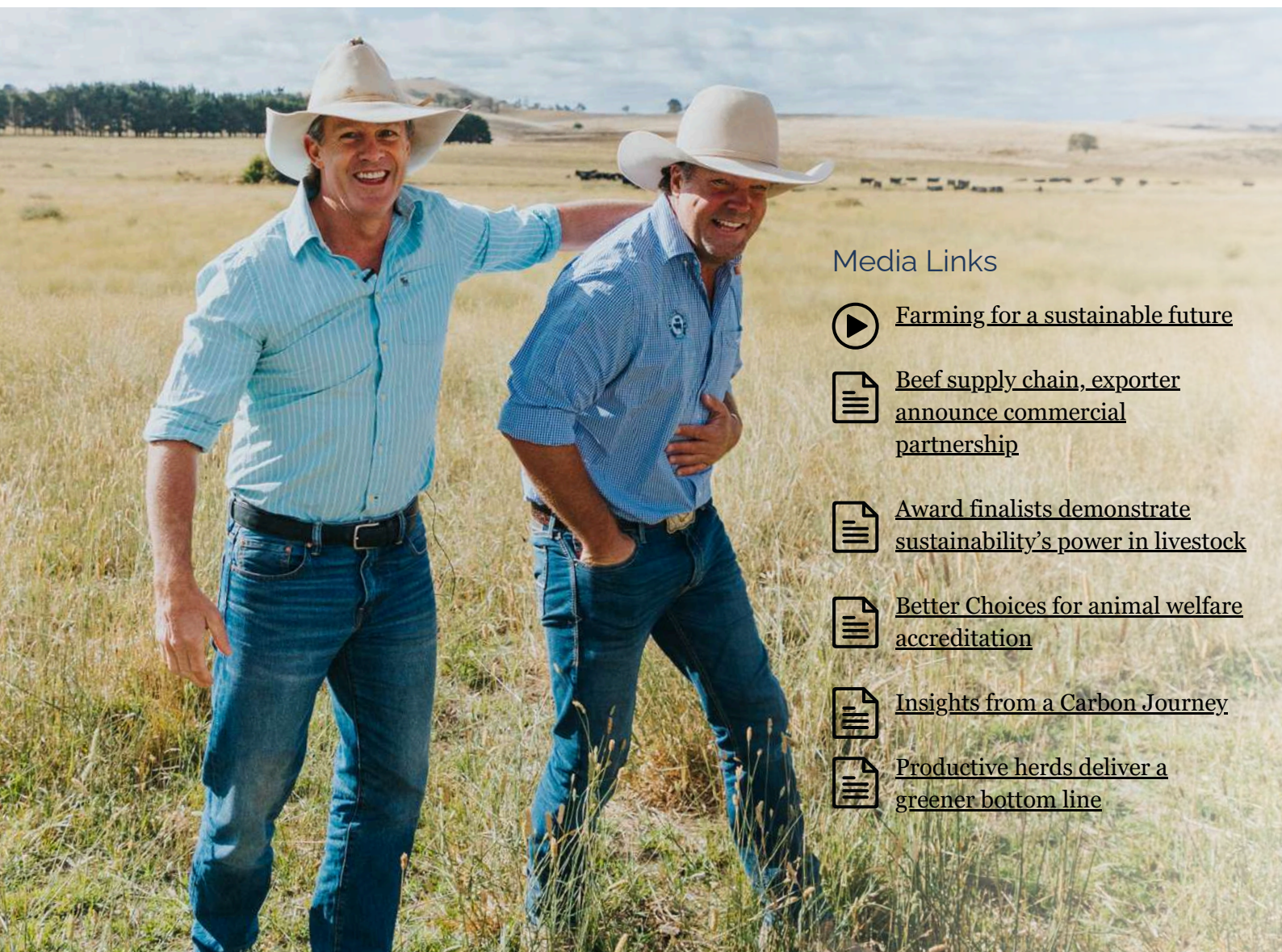
### Better Choices

AFG has joined the Better Choices program as a foundational member to endorse the beef cattle standards program. Better Choices exists to improve pain management and mitigation during necessary husbandry procedures. Membership provides suppliers with tools and education to improve practices for higher animal welfare standards in a proactive way.







# Growing our Impact

Ensuring the creation of genuine and enduring environmental improvements for future generations lies at the core of our strategic vision for sustainability. In 2024-25, AFG will concentrate our efforts on engaging new livestock suppliers who share our commitment to sustainability, thereby expanding our impact. Through collaborative partnerships with these farmers, we aim to bolster our network of landholders interested in implementing sustainability initiatives on their own properties, enabling Argyle Carbon to extend its support to a broader expanse of land under decarbonisation practices while simultaneously increasing the production of sustainably sourced beef.

This initiative, established in late 2023, has already seen the establishment of connections with 10 new properties. Moreover, we remain steadfast in our pursuit of opportunities to enhance the sustainability of our fully integrated supply chain. This includes exploring avenues such as the utilisation of organic fertilisers derived from food waste by-products in collaboration with our research partners.



## Media Links

-  [Farming for a sustainable future](#)
-  [Beef supply chain, exporter announce commercial partnership](#)
-  [Award finalists demonstrate sustainability's power in livestock](#)
-  [Better Choices for animal welfare accreditation](#)
-  [Insights from a Carbon Journey](#)
-  [Productive herds deliver a greener bottom line](#)