

# Corporate Responsibility & Sustainability Report 2015



*Feeding People, Enriching Lives*



# Contents

About this Report	02
The CEO's Message	03
Our Story	06
Our Stakeholders	07
Governance & Leadership	09
People Practices & Well-being	11
Workplace Health & Safety	17
Community Enrichment & Economic Development	19
Environmental Protection & Sustainability	23
Food Safety & Quality Practices	29
Animal Welfare Practices	31
Responsible Sourcing & Consumption	34
Appendix	35





# About This Report

This is the first publicly available sustainability report to be released by Teys Australia. Unless otherwise stated, this report focuses on the activities and results achieved from July 1st 2014 to June 30th 2015 or 'FY2015'. It has been developed with reference to the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and uses disclosures from these guidelines. The GRI guidelines are the most widely used sustainability reporting framework to assist organisations to measure and manage their sustainability performance. This is the basis for its selection by Teys Australia.

The report is structured to deliver and communicate upon our highest priority material issues relating to our seven Corporate Social Responsibility (CSR) focus areas:

- › Governance and Leadership
- › People Practices, Work Place Health, Safety and Well-being
- › Community Enrichment and Economic Development
- › Environmental Protection and Sustainability
- › Food Safety and Quality Practices
- › Animal Welfare Practices
- › Responsible Sourcing and Consumption

We have elected to report in accordance with the G4 'core' application option, and will continue to align our internal data collection with the requirements of G4. The content of the report covers all entities over which we exercise control with regard to financial and operation policies and practices in Australia. We have not sought external assurance for our report.

Feel free to send comments and questions to our team at [sustainability@teysaust.com.au](mailto:sustainability@teysaust.com.au).

# The CEO's Message



**Brad Teys**, Chief Executive Officer, Teys Australia

Welcome to our first annual Corporate Sustainability Report, in which we publish the material economic, social and environmental performance of our operations against the Global Reporting Initiative (GRI) G4 reporting criteria.

Teys Australia is one of the leading red meat processors in Australia. Since being established in 2011, as a joint venture between Teys Bros (founded in 1946) and Cargill (founded in 1865), we have seen big changes in the market place during the past 12 months. One reason for our success is our ability to adapt to changing business conditions and capitalise on emerging opportunities. A profound change we are responding to is the growing importance of sustainability.

We have identified several focus areas where we can best leverage our expertise to drive positive change. For us, this means:

- › Managing our business risks and behaving in a transparent manner;
- › Responsibly mitigating or avoiding environmental impacts including Greenhouse gas emissions;
- › Partnering with the local communities in which we operate;
- › Focusing on the highest standard of health and well-being for our people;
- › Producing a safe product that our customers can trust;
- › Working with our supply chain key stakeholders to promote and ensure best practice animal welfare husbandry, transport and processing and;
- › Reliably managing our business as we sustainably deliver stakeholder value.

Given Teys Australia's widespread presence in Australian agricultural communities, we know we have a fundamental responsibility to manage our social, economic, and environmental impact. Guided by these beliefs we have set a number of sustainability goals that are highlighted throughout this report; including (but not limited to):

- › Reducing our environmental impact as measured by water and energy use, and greenhouse gas emissions.
- › The health, safety and wellbeing of our workforce, measured by a number of key injury prevention/reduction strategies
- › Best practice animal welfare processes as measured by and results from audits and conformance to standards.
- › Leveraging CSR as a key driver of employee engagement and performance in our culture.

In this report you will see that we are making significant progress towards achieving these goals.

Importantly, this year we have commissioned two state of the art waste water treatment systems at our Beenleigh and Rockhampton facilities. The completion of these projects represents an opportunity to make a real difference in managing our environmental performance and signifies another important milestone in advancing the sustainable environmental practices of our facilities. Over the last year, Teys Australia has continued to face increased pressure, as we manage the cost of utility inputs including water, natural gas, and electricity. We continually challenge all aspects of our operations to optimise and improve the efficiency of our business.

We continue to work towards zero workplace related injuries and can only achieve this by remaining committed and focused to the safety of our people. I am happy to report that we have exceeded our three year goal and reduced our lost time injuries by 73% since 2012. Our focus moving forward will remain on key risk management strategies, aimed at preventing all workplace related injuries.

We have achieved zero reportable animal welfare incidents and continue working with our supply chain stakeholders to promote and ensure best practice animal welfare husbandry, transport, and processing. Of Twenty-four external food safety audits conducted in FY2015, no audits resulted in any critical incidents.

Attracting people to our business has again continued to be a challenging issue. To ensure we are meeting the demands of our business we raised our engagement with a specialised recruitment company, to assist us in attracting people to Teys operations. We have also continued to invest in programs, with the purpose of attracting international employees. The business currently employees over 40 nationalities nationwide. The success of these programs ensure that we are able to continually attract and retain people who bring unique skills, knowledge, and perspectives to our business.

I would like to thank each of our employees for their dedication. Our talented people are fundamental to our success and the future of our business. We are committed to making a real difference in the area of sustainability. It is one of the cornerstones of our business and I look forward to reporting on our progress in the future.

**Brad Teys**

Chief Executive Officer







# Our Story

Teys Australia Pty Ltd is a leading red meat processor in Australia, established in 2011 and is a 50/50 partnership between the Teys Family and Cargill Australia. Teys Australia is a private company with operations in Queensland, New South Wales, South Australia and Victoria.

Our purpose is to be the leading provider of innovative animal protein supply chain solutions. Our business has been built on a strong foundation of working with integrity, honesty, loyalty, leadership, and humility and commitment to reliably managing our business as we sustainably deliver stakeholder value.

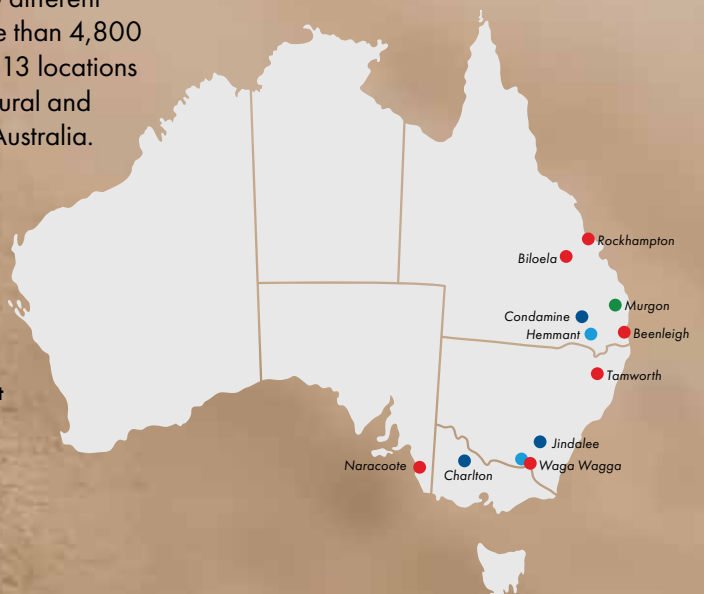
During FY2015, we announced the purchase of the Charlton Feed lot from Elders. Securing the 20,000 head feedlot in north central Victoria has allowed us to improve the consistency and quality of product supplied to our customers year round and is a natural expansion of our supply chain, primarily supplying our Wagga Wagga and Naracoorte beef processing plants. We export beef to over 40 different countries and employ more than 4,800 full time employees across 13 locations that are predominantly in rural and regional areas of eastern Australia.

Our business operates six modern and efficient beef processing plants at Rockhampton, Biloela, Beenleigh, Naracoorte, Tamworth, and Wagga Wagga. Our beef processing plants produce frozen and chilled beef and by products of beef. We also operate three cattle feedlots located at Condamine, Jindalee, and most recently Charlton, with a combined total capacity of 70,000 head of cattle. In addition, we also process cattle hides at Murgon, have a distribution facility in Brisbane, specialise in value added products at our Teys Australia Food Solutions (TAFS) facilities at Wagga Wagga in New South Wales, and at Hemmant in Queensland.

We offer a strong portfolio of consumer brands that are supported by, global consumer mega trends and Australia's unique position as a clean, green and sustainable producer of superior beef. Teys Australia's branded beef programs: Grasslands; Riverine; and Certified Premium Black Angus, are underpinned by the Meat Standards Australia (MSA) beef grading program.

#### Teys Australia Asset Footprint

- Feedlots
- Processing Plants
- Value Add
- Hide Processing



# Our Stakeholders

We identify our stakeholders as those individuals or groups which have an interest; financially or otherwise, in the activities of Teys Australia.

Stakeholder Group	Interests	Frequency of Engagement	Engagement Methods	Concerns Raised	How we respond to concerns raised
<b>Customers</b>					
Small and large, domestic and international businesses.	Typically focused on product quality, supply reliability. Long term relationships are important to our collaborative customers.	High	<ul style="list-style-type: none"> <li>- Satisfaction Surveys</li> <li>- Study Tours</li> <li>- Market Visits</li> <li>- Educational Workshops</li> <li>- Product Development</li> <li>- Periodic communication (collaborative customers)</li> </ul>	<ul style="list-style-type: none"> <li>- Quality Consistency</li> <li>- Price</li> <li>- DIFOT</li> <li>- Relationship Building</li> <li>- Supply security</li> <li>- Community/public perception of Teys</li> </ul>	<ul style="list-style-type: none"> <li>- Collaborative projects</li> <li>- Customer auditing</li> <li>- Internal Auditing</li> <li>- Sharing updates</li> <li>- Sharing information for shared aspects</li> </ul>
<b>Employees</b>					
Our diverse workforce comprises 4,889 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"> <li>- Teys Australia Intranet</li> <li>- Teys Australia Social media pages</li> <li>- Meetings</li> <li>- Satisfaction Surveys</li> <li>- Workplace Improvement &amp; Innovation Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Career development</li> <li>- Safe working conditions</li> <li>- Equal Opportunity</li> <li>- Pay, conditions and/or profit share</li> <li>- Business sustainability</li> </ul>	<ul style="list-style-type: none"> <li>- Joint Consultative Committee meetings</li> <li>- Noticeboards</li> <li>- Email</li> <li>- Direct engagement</li> <li>- Committees</li> </ul>
<b>Shareholders</b>					
A diverse group with significant representation in Australia and America.	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"> <li>- Board meetings</li> <li>- Board reporting</li> <li>- Site visits</li> <li>- Communication via the chairman and CEO</li> </ul>	<ul style="list-style-type: none"> <li>- Legal compliance</li> <li>- Ethical business performance</li> <li>- Strategic governance and long term issues</li> </ul>	<ul style="list-style-type: none"> <li>- Board audit Committee</li> <li>- Risk management</li> <li>- Internal Audit</li> <li>- Corporate Governance</li> <li>- Compliance</li> </ul>
<b>Industry Associations</b>					
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	We engage with this group through on going representation with specific employees and engagement during specific projects with industry associations such as the Australian Food and Grocery Council and Australian Meat Processors Corporation.	<ul style="list-style-type: none"> <li>- Manufacturing operating conditions in Australia</li> <li>- Regulatory framework</li> <li>- Level playing field against other industry sectors</li> </ul>	<ul style="list-style-type: none"> <li>- Input into submissions</li> <li>- Attendance of events</li> <li>- Provision of industry and company information</li> <li>- Collaborative working arrangement</li> </ul>
<b>Professional Memberships</b>					
Working within multi stakeholder and multi industry groups to share best practice on sustainability topics.	Key issues that impact sustainable food and beverage production in Australia.	Medium	<ul style="list-style-type: none"> <li>- Participation in working groups</li> <li>- General Meetings</li> <li>- Input to joint working streams</li> <li>- Participate in subject matter work streams</li> </ul>	<ul style="list-style-type: none"> <li>- Relevance to stakeholder changing interests</li> </ul>	<ul style="list-style-type: none"> <li>- Attend events</li> <li>- Support with membership dues</li> <li>- Provide information/input</li> </ul>
<b>Cattle Producers</b>					
A diverse group spread across QLD, NSW, SA and VIC.	Cattle genetics, Animal Welfare, feedback on livestock performance, equitable returns for livestock, industry sustainability	High	<ul style="list-style-type: none"> <li>- Teys MLA field days</li> <li>- Saleyards</li> <li>- Direct engagement via Teys cattle buyers</li> </ul>	<ul style="list-style-type: none"> <li>- Grading system meat colour</li> <li>- Price</li> <li>- Bruising and issues associated with livestock transport</li> <li>- Transparency of pricing</li> </ul>	Concerns are raised through livestock managers & then Geoff Teys (as required) if there is any doubt that it could be our fault we amend it to their favour.
<b>Suppliers</b>					
Includes businesses local to our operations and large national and international suppliers.	Provision of goods and services and engagement through commercial contracting arrangements.	High	<ul style="list-style-type: none"> <li>- Local business support and consultation</li> <li>- Competitive procurement</li> <li>- Tendering for individual work items</li> <li>- Contracting</li> <li>- As a partner in charitable exercises/fund raising</li> </ul>	<ul style="list-style-type: none"> <li>- Long term partnerships</li> <li>- Securing business</li> <li>- Understanding Teys' business needs</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and implementation of equitable and transparent procurement procedures</li> <li>- Contract management</li> <li>- Continuous improvement through supplier feedback and internal audit</li> </ul>

Stakeholder Group	Interests	Frequency of Engagement	Engagement Methods	Concerns Raised	How we respond to concerns raised
<b>Government and Regulators</b>					
Includes governments and regulators at a local, state, national and international levels.	<ul style="list-style-type: none"> <li>- Teys operating in compliance with the law</li> <li>- Teys contribution to various government jurisdictions (taxation, industrial relations, environmental performance etc)</li> </ul>	Medium	<ul style="list-style-type: none"> <li>- Direct meetings</li> <li>- Through department contact</li> <li>- Via state and federal MP's</li> <li>- Routine and ongoing communication for technical and day to day issues</li> </ul>	<ul style="list-style-type: none"> <li>- Regulatory compliance</li> <li>- Economic growth and operating conditions</li> </ul>	<ul style="list-style-type: none"> <li>- On an as required basis</li> <li>- Through periodic mandatory reporting</li> <li>- Via voluntary updates, meetings and information events</li> </ul>
<b>Local Communities</b>					
A diverse group whom are identified as those surrounding our locations of operation.	<ul style="list-style-type: none"> <li>- Living free from impacts associated with Teys' operations</li> <li>- Community support by the business</li> </ul>	Medium	<ul style="list-style-type: none"> <li>- Letterbox drops</li> <li>- Community engagement evenings and events</li> <li>- Community support initiatives</li> </ul>	Impacts to the local environment and the economic impact of our presence in the community.	<ul style="list-style-type: none"> <li>- Direct engagement</li> <li>- Via mail outs</li> <li>- During site visits (as/when held)</li> </ul>
<b>Non-Government Organisations (NGOs)</b>					
Includes environmental, animal welfare and social organisations at a local, state and national level.	Specific to their interest area.	Medium	<ul style="list-style-type: none"> <li>- Via industry bodies or government</li> <li>- Respond to issues as they arise in the media</li> <li>- Supporting/recognising the industry's contribution to society</li> </ul>	<ul style="list-style-type: none"> <li>- Industry performance against NGO views</li> <li>- Issues with food production systems as they relate to various subject matters</li> </ul>	<ul style="list-style-type: none"> <li>- Via industry bodies or government</li> <li>- Respond to queries/ issues as they arise in the media</li> <li>- Supporting/recognising the industry's contribution to society</li> </ul>
<b>Unions</b>					
<p>Labour Unions are represented at many of our operations and represent a significant portion of our workforce. They include:</p> <p>Australasian Meat Industry Workers Union (AMIEU), Australian Manufacturers Workers Union (AMWU) &amp; Australian Workers Union (AWU).</p> <p>While all employees have the right to membership, it is unknown to Teys, who participates in such memberships and it is irrelevant. We estimate that while the unions have members at each of our sites, membership remains low at around 15-20% which is only slightly above Australian norms.</p>	Employment related matters concerning their members at Teys Australia sites.	Low	<p>We engage in direct communication with unions as required. Prospective employees are made aware of employment arrangements prior to joining Teys Australia.</p> <p>At Teys, we fully support all employees' right under freedom of association to hold whatever membership they decide. It is the employee's relationship with their union. Teys respects such membership but is under no obligation to maintain 'relationships' with unions or other membership bodies.</p> <p>Instead Teys chooses to focus its attention on engaging directly with our employees through open dialogue and 2 way communication, building strong relationships and trust.</p> <p>Teys takes a respectful and lawful approach where it must communicate with all third parties.</p>	<ul style="list-style-type: none"> <li>- Enterprise Bargaining Agreement Disputes</li> <li>- Employment related concerns</li> </ul>	<p>Formally when required by law, and/or via a third party representative (for example, Lawyers).</p> <p>Our goal is to always resolve the issues or concerns of our workforce at the lowest possible level. To do this we support numerous committees:</p> <ul style="list-style-type: none"> <li>- Safety</li> <li>- Workplace Improvement and Innovation</li> <li>- Cultural Committees; and</li> <li>- Annual engagement surveys</li> </ul> <p>These practices allow us to understand the pulse of the business, respond quickly to concerns and reduce conflict.</p>
<b>Media</b>					
Includes representatives from print, online and broadcast media.	<ul style="list-style-type: none"> <li>- Newsworthy stories</li> <li>- Publicising local stories and events</li> </ul>	Medium	<ul style="list-style-type: none"> <li>- Media Releases</li> <li>- Media conferences</li> <li>- Briefings</li> </ul>	<ul style="list-style-type: none"> <li>- NGO stories</li> <li>- Controversial or topical issues</li> </ul>	<ul style="list-style-type: none"> <li>- On a case by case basis</li> <li>- Sometime via direct media engagement/media releases</li> </ul>
<b>Registered Training Organisations (RTO)</b>					
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 RTO in each te assists with delivering and assessing the Cert 2 & 3 of Meat Processing	Medium	<ul style="list-style-type: none"> <li>- Employee training</li> </ul>	<ul style="list-style-type: none"> <li>- Ability to access people during on the job reviews</li> <li>- Government legislation</li> </ul>	<ul style="list-style-type: none"> <li>- Frequent meetings</li> </ul>
<b>Employment Agencies (JSA's)</b>					
We regularly seek assistance from employment agencies to employee people in our business.	Indigenous Groups, local recruitment	Low (as required)	Direct engagement, email or telephone.	Sourcing and selection of new recruits	Partnering with JSA's to improve their understanding and labour needs of our business.

# Governance & Leadership

14 Operations  
in FY2015

## Our Approach

At Teys Australia, we believe good corporate governance underpins strong organisational performance. We are focused on maintaining our position as an industry leader and believe to achieve this, we must stay committed to ethical business practices in all of our dealings.

## Governance Structure

The Teys Australia board approves the Teys Australia's business strategy. The Board has established a number of committees to assist it in exercising its authority and to monitor the performance of the company. The board delegates authority for day to day management of the operations to the Chief Executive Officer (CEO). The Board Audit Committee (BAC), which reports on a quarterly basis, oversees the risk management framework, internal audit activity, financial risk management, and internal controls.

To assist the CEO, the Senior Leadership Team (SLT) was established to oversee the performance of the organisation and to regularly review matters that are strategic and long term in nature, or have the potential to significantly affect the Group's performance. You can find out more about the SLT at: <http://www.teysaust.com.au/about/slt-chart/>.

## Corporate Policies and Business Principles

Teys Australia has implemented a corporate governance framework which includes a number of corporate policies.

These corporate policies describe how we conduct our business so that we comply with our legal, ethical, regulatory, and other obligations. We expect our people to understand and comply with these policies and procedures. One example of this is our business conduct principles which are committed to on an annual basis by all of our salaried employees. The business conduct principles are designed to help employees conduct our business in an ethical and moral manner and, additionally, are designed as a refresher to keep it on their minds.

To support our employees' abilities to report, in good faith, instances or allegations of illegal or unacceptable behaviour being conducted at Teys, we have implemented a whistle blower policy to encourage a stronger reporting culture. Additionally, a risk management e-learning module will be rolled out before the end of the 2015 calendar year. This will help employees assess risk against our risk framework and impact table. All salaried staff will be required to complete this task on an annual basis.

## Transparency & Accountability

Part of maintaining and protecting our assets and operations, including our corporate reputation, involves implementing rigorous controls, monitoring their performance, and reporting to ensure we meet our obligations.

This year we rolled out a three year internal audit strategy. This included a

group analysis and assurance mapping plan to inform senior management of the areas of corporate risk. The assurance mapping plan documents the review of our strategic and operational risk frameworks (with the most senior personnel in the business) against internal controls and risk mitigation treatments. This review considered all levels of the business, from the board of directors to our external auditors, customers, and supplier relationships. The auditing of our internal systems is conducted by an independent third party on an annual basis to identify areas of risk and gaps in our system.

Supplier and contractor management is another key part of ensuring that Teys Australia's governance structure is maintained. Teys' suppliers must be prequalified before undertaking business activity with Teys. This allows us to assess and reduce the uncertainty and other risks associated with working with suppliers and contractors.

## Anticompetitive behaviour

On an annual basis, our livestock (including cattle buyers and feedlot operators) and sales and marketing employees participate in training on anti-competitive behaviour. This is to ensure they are operating with Teys' values and behaviours in mind and are following our guiding principles which are always consistent with Australian Competition Legislation.

**CASE STUDY:****Business Leaders Hall of Fame**

In July 2014, Teys Australia was inducted into the Queensland Business Leaders Hall of Fame. Now in its sixth year, the Queensland Business Leaders

Hall of Fame is a joint initiative between QUT Business School, State Library of Queensland, and the Queensland Library Foundation. The Hall of Fame celebrates those organisations and individuals who have played a vital role in enhancing the state's reputation and economy.



Allan Teys, Chairman

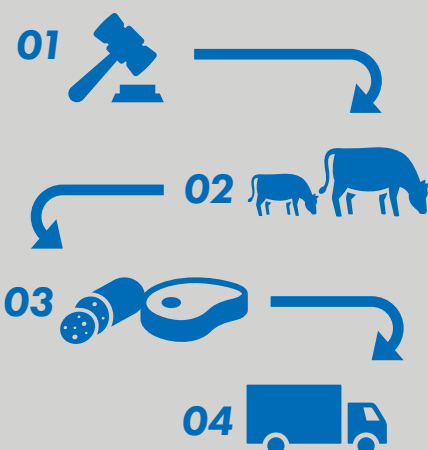
**Multi-stakeholder platforms, partnerships, alliances and memberships**

Tey's Australia contributes to policy development in the red meat industry through direct submissions and dialogue with government departments and industry groups. Our ability to inform and influence policy and decision-makers is facilitated by our membership of a diverse group of peak industry bodies, including:

- › Australian Food and Grocery Council (AFGC)
- › Australian Meat Processors Corporation (AMPC)
- › Meat and Livestock Australia (MLA)

- › National Meat Industry Training Advisory Council (MINTRAC)
- During FY2014, Teys Australia participated in a number of economic, environmental and social charters, principles and initiatives, including:
- › CCIQ Ecobiz Program (Queensland)
  - › Corporate Social Responsibility (CSR) Reporting through SEDEX (not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains)
  - › Global Reporting Initiative (GRI) G4 guidelines
  - › National Greenhouse Energy Reporting Scheme (NGERS)

- › National Pollutant Inventory (NPI)
- › Sustainability Advantage Program (New South Wales)
- › Water Stewardship Australia (WSA)
- › ISO 26000 guidance on sustainable development under our CSR initiatives
- › We maintain an Workplace Health and Safety Management System (WHSMS) in accordance with the performance standards for self-insurers in SA & QLD and AS/NZL4801
- › Agrifood Skills Australia
- › MLA Environmental Performance Review

**Our Supply Chain****1. Procurement of Cattle and materials**

– Teys Australia sources more than 92% of cattle for meat processing directly from cattle producers, with the remainder being purchased through the sale yard auction system.

**2. Lot Feeding** – The majority of cattle are purchased direct from producers for feeding at our Condamine, Jindalee or Charlton Feedlots depending on location. Some cattle are purchased through the sale yards or store sales system for feeding while others are purchased and processed directly.

**3. Processing and Packaging**

– This involves the receipt of cattle; to produce and package beef, and associated by-products, at six of our beef processing facilities. TAFS produces cooked deli meats and centre of plate protein meal solutions for the retail sector. Further processing of hides takes place at Murgon (QLD).

**4. Logistics and Distribution** – Our products are shipped nationally and internationally to over 40 countries.

# People Practices & Well-being

 **4889**  
employees

 **21%**  
female  
workforce

 **40**  
Nationalities

## Approach

Attracting, retaining, and developing talented and motivated people who share our values is critical to our long term people strategy and our sustainable employment goals. Each individual employee brings unique skills, experiences, culture, and perspectives to our business which help to create opportunities throughout our business. Our employees have every opportunity to develop both personally and professionally with Teys Australia through lifelong learning initiatives. Teys Australia proactively participates in internal and external social accountability audits as part of our commitment to our employees and communities.

## Recruiting our People

Throughout FY2015, our workforce comprised 4,889 employees working at 13 locations across Australia. We have a proud history of being an employer of choice, employing staff from across Australia and internationally. Our intention is to always employ locally.

The recruitment of our staff is managed locally at each of our operations and the recruitment of processing staff at our six processing plants is undertaken by Regional Workforce Management (RWM) on our behalf. Every person applying for a job is evaluated according to their skills, qualifications, and alignment to our core values. We currently seek to recruit internally

through promotion, supplemented by external recruitment, where we target the local labour market. Unfortunately, the remoteness of the majority of our operations means we are often unable to employ enough appropriately skilled local people to operate our facilities.

Where local recruitment falls short, we look to recruit regionally and nationally, both through external paths and labour hire companies. We also seek to recruit 457 visa workers for vacant skilled positions where our other options fail.

We continually strive to reduce through our 'attracting the right people for the job' programs, our pre-employment health assessment (PEHA), and other on boarding strategies. Generally, high turnover in the meat industry is due to the repetitive nature of the tasks our employees are required to complete.

At Teys Australia, we are determined to attract and retain new employees and focus on a range of retention strategies. This year we missed our turnover target by 4.69%. We are also focused on reducing absenteeism, and through our range of strategies we are confident that we will achieve this goal. This year we successfully beat our absenteeism target by 23%.

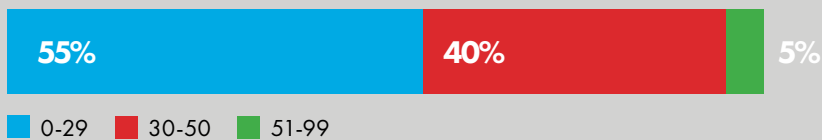
In early 2015, we began a pilot Health and Wellness program to help record, track, monitor and report absenteeism at Beenleigh and Wagga Wagga to improve absenteeism rates. The system is designed to support and engage

employees on non-work related illness. This program provides a robust set of processes, notification procedures, return to work trigger management, health support and increased management capability to manage unplanned absence. The services are delivered through the Direct Health Solutions (DHS) nurse contact centre and staff by qualified nurses (R/N's).

Employee Breakdown by Region



Employee Turnover by Age



Employee Turnover by Gender



## CASE STUDY: Labour Practices in Recruitment

In June of this year, Teys voluntarily engaged AUS-QUAL (an independent certified auditor) to conduct a Sedex Social Accountability Audit on RWM/AWX for Specialised Outsourced Recruitment services to Teys Australia. This was as a result of allegations made in the media of foreign workers being underpaid. Initial results of a preliminary report identified zero non-conformances against Teys.

Results from the full report completed in August 2015 indicated the following observations at our Wagga Wagga plant found:

1. A lack of understanding of the employees EBA and how over time is calculated.
2. Minor payroll errors through the RWM payroll process.
3. A lack of understanding of career progression to Teys.

Overall the auditor was very complimentary towards the morale of the employees on site and the capability of the On Site Accountant Managers (OSAM's), Managers and Supervisors. We are addressing the auditor's observations as part of our continual improvement program and remain committed to annual SEDEX audits of our activities.



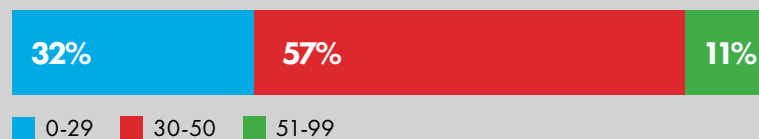
### Diversity and Inclusion

At Teys Australia we embrace the diversity and inclusion of our workforce. We do not tolerate any form of discrimination and recruit, develop, and promote our staff based on their performance against Teys Australia's Leadership model and Key Performance Indicators (KPI). Within Australia we support over 40 different nationalities across our business. To ensure our international workforce is comfortable

within the community in which they live, we supported a number of multicultural events during the year.

This FY, 21% of our workforce was made up of females. Historically the industry has always been dominated by a larger male population thus 21% is not unexpected. In 2014, to support our pool of female talent, we conducted two Women in Leadership (WIL) training courses, designed to develop leadership and people management skills.

#### Employee Breakdown by Age



#### Employee Breakdown by Gender





## CASE STUDY: Bringing together a Diverse Culture

At Teys Australia Rockhampton, we support more than 34 nationalities. To ensure that our international employees can thrive in the local community, in FY2015 we supported a variety of festivals and celebrations in the local community. These have included: The RIDMA Sri Lankan Concert; Rockhampton Cultural Festival; Diwali

Milan Festival of lights; and RIDMA Rhythm Festival.

Additionally, we also participated in the opening of the Filipino Basketball Competition in 2014 and hosted a Filipino welcoming party for a group of new Filipino employees. Over the year, Teys Australia Rockhampton has donated \$9,500 to support these initiatives.



## CASE STUDY: Business Inclusion Award



Teys Australia Biloela was recognised nationally at the Australian Migration Council Migration and Settlement Awards in August 2015, winning the category for Business Inclusion. This National Award recognises those organisations that have successfully delivered a community-orientated program aimed at improving the inclusion of migrants within the Australian workforce.

In 2010, Teys Australia Biloela worked with Access Community Services Inc (ACCESS) to implement the Rural Employment Assistance Program (REAP). The pilot project, aimed at relocating newly arrived migrants and refugees from those areas in south east Queensland experiencing high levels of unemployment, to rural areas of Queensland facing significant labour market shortages.

A number of initiatives within the program included:

- › Coordinating housing and accommodation for employees
- › Employing all workers in full time permanent positions
- › Training employees in key competencies and skill sets
- › Lobbying for additional teachers to support the language needs of influx of students to the local primary schools and TAFE.
- › Health services
- › Personal support
- › Employment networking within the local community for spouses





### Employee Development

Throughout the year our employees partake in compliance training (e.g. the training that is required to keep us in business), continual career and professional development training, management and leadership training and other task specific courses.

We support our employees participating in professional development training to improve their skills such as

- › Certificate II and III across various meat processing functions, HACCAP, Electrical, mechanical and laboratory skills.
- › Diplomas in various food safety, animal welfare and environmental skill sets.
- › Advanced Diplomas and Certificate IV in meat processing and various other skill sets.
- › University studies and internal and external leadership programs.

To ensure employees are positioned to have long term career paths, our salaried staff participate in performance management reviews on a six monthly basis with a career development discussion.

### Support Services

For the last two years we have continued to provide an Employee Assistance Program (EAP) to support the personal and emotional well-being of our employees. Employees can use this service for counselling related to both professional and personal situations. The program is provided by Access EAP and offers personal and family support services, education, critical incidents response and a manager support program.

Additionally, we provide an Employee Added Extras (EAE) program to allow our employees access to a number of discounted products and services across 100 companies. We have also partnered with National Australia Bank (NAB) to deliver the NAB Teys work Life program. The program provides a range of benefits including:

- › Access to financial planning services.
- › Discounted insurances and mortgage rates.

# Workplace Health & Safety



0

Work related fatalities



5.12%

reduction in Lost Time Injury Frequency Rate



73%

Reduction in lost time hours since FY2012

## Our Approach

The safety of our people is always our highest priority. We remain open to change, and focussed on continuous improvement, knowing that everyone that enters a Teys Australia facility, and their families, should feel confident that they will return home the way they arrived – SAFELY. Safety is not something we do, it must be embroidered into our culture, integrated into all our processes, and be at the heart of who we are.

## Workplace Health and Safety Performance

The Teys Australia Safety Management System (SMS) provides our planned, documented, and quantifiable approach for the comprehensive and systematic management of Workplace Health & Safety. It encompasses key areas of risk management, incident and injury prevention and management, communication, consultation and engagement, training, emergency preparedness, leadership and supporting management arrangements.

In 2012 we made a strong commitment to reduce our lost time hours per million hours worked (LTH/M) by 45% over three years (15% each year). We are happy to report that we have achieved our three year goal and reduced our lost

time hours based on our FY12 figures by 73%. Our LTH/M, reduced by 5.12% compared to last year's actual results. This FY we had two sites, Murgon and our Distribution facility, achieve zero lost time injuries.

Based on our strategic three year safety goals, we have achieved a reduction in our Lost Time Injury Frequency Rate (LTIFR) by 44% and Reportable Injury Frequency Rate (RIFR) by 59% from our baseline 2012 figures.

Our continual improvement is due to a number of factors including the significant focus on reducing all workplace related injuries, and the roll out of injury prevention strategies in conjunction with a suite of other zero harm activities.

## Musculo-skeletal Injury

Continuing on our path regarding health and well-being, we have made further improvements at two Teys health centres. With support and guidance from national and local physiotherapists, we have introduced a gym/rehabilitation room at each of these sites. The purpose being to assist injured workers with their rehabilitation needs, designing individual exercise programs to achieve the best physical outcomes and prompt recovery to return to their pre injury condition and work duties.



**Reducing lacerations and cuts**

Following on from the introduction of titanium tunics which minimise the risks of cuts and lacerations to the boners across the business, we have now rolled these out to over half of our slicers across the group (including increased risk slaughtering tasks). The remaining slicers, and any identified person in an area of risk, will receive a tunic throughout FY2016. The tunics are designed to provide extra protection, reducing the potential for cuts and lacerations to occur to arms and torso, protecting vital organs and major arteries, while maintaining a reasonable level of comfort for the workers.



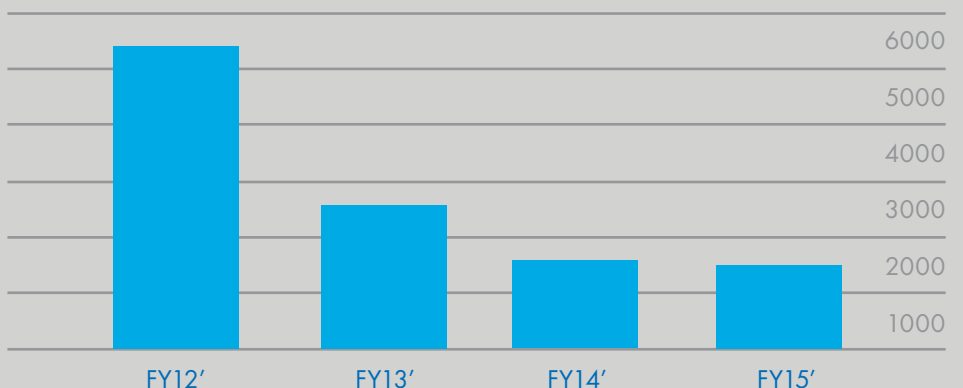
**Safety Team**

Nationally, we have over 30 full time dedicated Workplace Health and Safety Managers, officers, and technical personnel who monitor and review the effectiveness of our safety systems and programs on a regular basis. Further to these primary positions, 75 Workplace Health and Safety Representatives drive communication and consultation, support site management, and lead Workplace Health and Safety throughout our operations. In alliance with these dedicated WHS roles everyone at Teys Australia is encouraged to lead by identifying and assessing any potential hazards to enable us to effectively manage.



'We remain focussed on continual improvement opportunities that drive, and strengthen the overall safety culture of our business. An organisation which understands itself, is safer.'

**Lost Time Hours per million hours worked**



# Community Enrichment & Economic Development



**\$134,356**  
invested in the local communities



**207**  
Community & employee initiatives



**\$2.6B**  
added to the GDP of Australia (FY2011-2012 data)

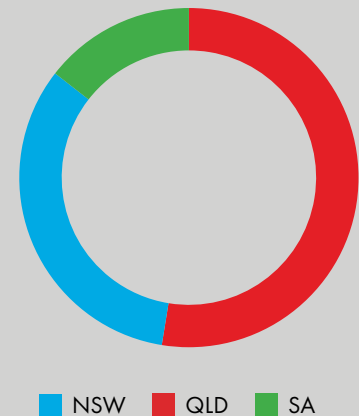
## Our Approach

We provide benefits to the communities in which we operate through our people and business investments. We accept our responsibility to the communities in which we operate, and where possible source business inputs locally, employ people from our immediate communities and partner with people and organisations that share our values.

## Enriching Lives Through Community and Employee Contributions

Community and employee outcomes are delivered primarily through our economic contributions. However, we recognise that through engagement with, and contribution to, the community and our employees, this can be enhanced. In FY2015, Teys Australia voluntarily contributed \$134,356 in community and employee based initiatives. Being a beef processor, a significant portion of our donations were meat trays and donations of meat cuts.

## Community Investment by Location



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**CASE STUDY:**  
Enhancing opportunities  
through healthy eating -  
Tamworth West  
Primary School

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Teys Australia Tamworth played an integral role in developing Tamworth Public Schools Breakfast Club in 2002, when local businesses came together to provide breakfast for disadvantaged children before school. The program continues to operate and provide breakfast for up to 80 children a day. We have contributed \$986 and more

than 80 man hours to the program this FY. The program focuses on providing education and promoting a healthy eating lifestyle from a very young age. Teys Tamworth's support helps to contribute to ensuring the future of the Tamworth community by showing children the importance of starting the day with a healthy breakfast.



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**CASE STUDY:**  
Providing Support to  
the disadvantaged  
Beenleigh PCYC

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Teys Australia Beenleigh held its annual charity Touch football competition in May this year. \$10,400 was raised on the day which was donated to the Beenleigh PCYC. In addition to the charity touch football day, throughout

FY2015, Teys Australia Beenleigh has supported the PCYC in a number of other initiatives to the value of \$7,278.

**CASE STUDY:**

**Supporting Non for Profits – The Prostate Cancer Foundation**

Teys Australia Wagga Wagga held its second annual golf day on Sunday 9th November 2014. The aim of the event was to support Not for Profit organisations who support the local community in health and wellbeing. The Wagga Wagga team committed

\$5000 in donations to the event. With the help of other major sponsors of the event a total of \$40,000 was donated to the Prostate Cancer Foundation.



**CASE STUDY:**

**Encouraging active lifestyles through sports donations**

On 28 occasions throughout the year our six processing plants have donated a combined total of \$13,400 to local sports teams within their communities. Donations included beef, the purchase of jerseys for teams, and cheque donations.



### **Our Contribution to the Australia Economy (Indirect Economic Impacts)**

We are the second largest meat processor in Australia. We export to over 40 countries and employ more than 4,500 full time employees across 10 predominantly rural and regional locations along the eastern seaboard. We provide a significant contribution to the Australian economy, adding approximately \$2.6 billion to the national GDP, \$1.1 billion to household incomes each year and generating over 17,000 jobs, when flow on effects are taken into consideration.

### **Red Meat Processing Supply Chain**

In the past two years, widespread drought in northern NSW and QLD, along with surging live cattle exports, resulted in the turnoff of cattle for slaughter and live export being 37 per cent of the national herd in 2014. Similar rates of turnoff have not been seen since 1978-79 when it peaked at 35 per cent (MLA 2015). This represents among the largest numbers of cattle slaughtered in Australia's history.<sup>1</sup>

The surging oversupply exceeded Australia's nominal processing capacity and, combined with poorer condition of animals on offer and an increased proportion of lower value stock (cows), placed strong downward pressure on prices for cattle.<sup>2</sup> It had a very significant, adverse impact on cattle producer incomes during 2013/14. For example, farm cash incomes for broad acre farms in Queensland declined to the lowest on record in 37 years.<sup>3</sup>

The continuation of drought into 2015 in some major cattle producing regions has maintained slaughter volumes at decade highs. It is further depressing the national herd size and leading to a contraction in the number of livestock available for processing. At the same time, global demand for beef is strong

and improving, amid tight global supplies. Together, these supply and demand forces have led to record breaking prices, as have been recently published in rural media.

<sup>1</sup> Rabobank Food and Agribusiness Research and Advisory Animal protein Global Sector team Analysts (March 2015) Beef Quarterly Q1 2015:- Australian Supply Contraction will compound tight global supplies. Rabobank.

<sup>2</sup> Thompson, T. Martin P. (August 2014) Australian Beef – Financial Performance of Beef Cattle Producing Farms. Research by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), Australian Government, Department of Agriculture

<sup>3</sup> Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) (March 2014) Australian Farm Survey results 2011 – 12 to 2013 – 14. Australian Government, Department of Agriculture.

### **Effects of market consolidation on the red meat processing sector**

During FY2015, we voluntarily lodged a submission into a Senate inquiry into the 'Effects of market consolidation on the red meat processing sector'. Our submission into the senate inquiry is on the public record, and highlighted a number of key points, drawn from industry sources and reports about the variability in the beef supply chain. (The submission can be found at the link below) The committee is due to report its findings to the Senate in March 2016.

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Rural\\_and\\_Regional\\_Affairs\\_and\\_Transport/Red\\_meat\\_processing/Submissions](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Red_meat_processing/Submissions).



# Environmental Protection & Sustainability



**268,680**  
Scope 1 & 2  
Emissions



**4,336**  
mega litres of water  
used across our six  
processing plants

## Our Approach

At Teys Australia, we believe that the key to ensuring long term business performance is through measuring and managing our environmental performance. As a producer of beef, for a global community we understand our responsibility is significant. We are committed to championing the responsible and efficient use of utilities to create environmental opportunities and share best practices, while continually focusing on improving each year. We are committed to full environmental compliance with all local, state and federal obligations.

## Managing Environmental Sustainability

We manage our environmental impacts through our site level environmental management systems (EMS) which are based on the requirements of the international standard for best practice environmental management, ISO14001:2004. Within the framework of our EMS, we evaluate and prioritise those environmental risks which exist at our operations. This allows us to plan and allocate resources and capital funds for improvement. Under this approach we have executed a number of environmental improvement projects during the financial year, and continue to implement a strong set of processes to optimise environmental management at each of our locations.

We support the precautionary approach to dealing with the management of our water, energy and climate change by incorporating environmental considerations into decision making related to resource efficiency projects, risk management, steering committees, industry collaboration and KPIs.

## Climate Change

We recognise that there are a broad range of impacts as a result of climate change; both physically and financially, that can affect our business and the supply chain. They include:

- › Risk from physical change associated with climate change (e.g. seasonal variations in Australian weather conditions).
- › Risk from Business Uncertainty associated with allocating future capital for projects.
- › Regulatory risks and Policy Direction (e.g. Costs associated with complying with tighter performance standards and reporting costs).
- › Risk to animal welfare associated with climate change (e.g. seasonal variations in Australia weather conditions).
- › Risk to water sources and availability of feed associated with climate change.
- › Risk of scrutiny associated with the integrity of our production practices, and impact on the environment.

- › Innovation Opportunities (e.g. Development and provision of new technology and products to address challenges related to climate change).
- › Competitive Advantage Opportunities (e.g. by meeting consumer appetite for green accredited beef and beef by-products and ensuring our portfolio exceeds customer and consumer expectations for sustainable beef).

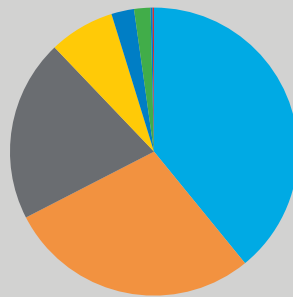
To mitigate the pressure that climate change has on our business, we take a number of actions on an annual basis, which include:

- › Holding various memberships with industry associations in Australia which actively participate in climate change discussion; for example the AMPC. Being involved in industry discussion helps us to better understand and take action to help reduce climate change impacts.
- › Investing in projects that directly relate to reducing GHG emissions and reducing reliance on GHG intensive energy; for example the multimillion dollar investment in biogas generation.

**Emissions Reduction as a Direct Result of Energy Initiatives**

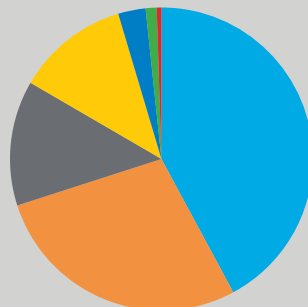
Site	tCO2-e
Tamworth	184
Naracoorte	327
Murgon	147
Beenleigh	3435
Total	4092

**Energy Produced by Energy Type**



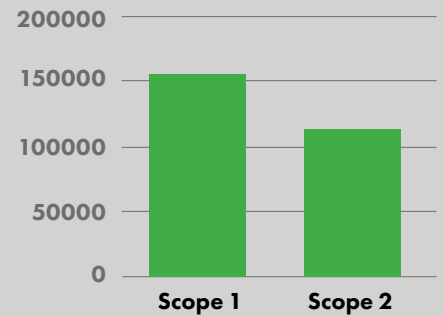
- Natural Gas
- Electricity
- Coal
- LPG
- Diesel Oil
- Sludge Biogas (Fuel combustion)
- Petroleum
- Ethanol, Gaseous Fossil Fuels

**Green House Gas Emissions by Source**



- Electricity
- Methane released from waste water handling
- Natural Gas
- Coal
- LPG
- Diesel Oil
- Sludge Biogas, Gasoline, Petroleum Base Oils & greases, Ethanol, Gaseous Fossil Fuels

**Green House Gas Emissions**



**Energy Productivity & Plant Efficiency**

In FY2015, a combination of increased production and the continued expansion and investment in our business, has resulted in our scope 1 and 2 emissions increasing. Our Scope 1 emissions increased to 155,478 tonnes of CO<sub>2</sub>-e compared to the previous reporting period, while scope 2 emissions increased to 113,202 tonnes of CO<sub>2</sub>-e. The increase in emissions is comparable to our increase in production of 5.26%.

To ensure we remain globally competitive, a critical challenge for us has been to manage our total manufacturing costs (TMC). Our major energy demands are for electricity, natural gas, coal and liquid petroleum gas (LPG) to supply our six processing plants. This includes our large electricity requirement for freezing and chilling and the natural gas and coal used to power our boilers. Our business also uses energy utilities for the running of our feed lots and value add operations, equipment within our beef processing plants and for general administration operations.

We consumed 1,786,410 gigajoules (GJ) of energy, which has increasing slightly from the previous year. We also achieved an 83% increase in the energy we produced, totalling 180,036 GJ as a result of the combined biogas reuse and flaring opportunities at our processing plants. We expect that this will significantly increase again in the FY2016.



We continue to focus on improving energy efficiency and reducing our consumption of natural resources across a diverse range of business activities.

As a consequence, significant progress has been made in the identification of energy efficiency opportunities across the group. We have been committed to the Utilities Reduction Program (URP) since its inception in FY2012. Since then, we have ramped up the effort towards reducing TMC through additional expert resources, a formalised program structure, focus on cultural change, leadership and reduction goals. This year we rolled out a targeted two year program that will look to improve utility supply, utility end use, and management systems. This year the URP contributed to 20,464 GJ in energy savings throughout the business.

Our corporate URP team monitors performance of our six processing plants against a variety of indicators. Each plant has clear improvements targets, which are supported by KPIs, designed to ensure accountability for improvement.

A variety of factors influence our ability to access energy including global demand, local generation, transmission of power, and political and regulatory uncertainties. This year we negotiated long term contracts with an energy

provider to address these risks and secure energy supply for the future.

### Water

Water is a critical input to our business, from the water used in supplementing cattle, to the water used for hygiene and food safety (which are non-negotiable imperatives of our business) in our processing plants. Our aggregate water consumption for FY2015 was 9,921,910 kilolitres. Note: This result does not include water usage at the Charlton feedlot in VIC or head office in QLD.

Water is primarily sourced from municipal water supplies and bores. Where our facilities draw direct from ground water, this is done under approved licence/permits for extraction limits. For those facilities that purchase water from a municipal water utility, formal agreements outlining terms of supply are in place. In all cases we ensure compliance to the relevant regulation or legislation to ensure that we don't knowingly cause impact to water sources from our activities.

To improve our stewardship of local water resources, we are using the International Water Stewardship Standard as a tool to benchmark and improve our current processes. More information regarding this will be provided in our FY15-16 report.

### Reusing and Recycling Water

To reduce our water consumption, we are identifying and implementing recycling and reuse opportunities in our facilities. By recycling and reusing water in our facilities, it helps us reduce our fresh water requirement, reducing demands on Australia's shared water resources. Uses for recycled water include:

- › Recycling on site for minor use around the operation which include
  - preliminary cattle wash, lawns and garden maintenance, drain flushing, in cooling applications and for dust suppression
- › Recycled for Irrigation purposes to support cropping operations, on Teyes or neighbouring land

### Transport and its impacts

We acknowledge that there are environmental aspects in the supply chain relating to the transport of cattle between producers, sale yards and feedlots to our processing plants. We also acknowledge there are environmental impacts associated with the trucking and shipping of our product nationally and internationally. However, we currently do not measure or have supporting data to disclose.

## CASE STUDY: Renewable Energy and Waste Water Management in our processing plants

As part of our strategy to reduce our environmental footprint in our processing plants, we commissioned two industry leading Waste Water Treatment Plants (WWTP) in FY2015 at Beenleigh and Rockhampton. The completion of the two projects signifies a huge milestone for us as it increases our investment across Australia in waste water technology to over \$55 million, and improves our overall environmental performance from the mitigation of GHG emissions.

Both plants implemented a Covered Anaerobic Lagoon (CAL) which passes all liquid waste from the plants both

treating it and capturing methane rich biogas, which is then used in site boilers replacing natural gas and coal. Each plant also applied an innovative Biological Nutrient Removal (BNR) System designed to significantly improve waste water quality, allowing for a greater number of potential reuse opportunities.

The following results have been achieved at our Beenleigh and Rockhampton plants since the commissioning of the WWTP:

- › Beenleigh is achieving an average 36% reduction in natural gas since commissioning, as a result of replacing the natural gas with biogas in the site boilers.
- › Rockhampton has successfully offset 20% of coal consumption required to meet steam demand at the site through the use of biogas.

- › The BNR at Beenleigh is achieving discharge efficiencies of over 97% in Biochemical oxygen demand (BOD), Total Kjeldahl Nitrogen (TKN), Ammonia and oil and grease.
- › Both WWTPs are odour neutral, as a result of the anaerobic lagoons being covered.
- › The projects at Beenleigh and Rockhampton combined, were modelled to have a reduction of 72,000 tonnes of CO<sub>2</sub>-e per annum.

Recognising that our greatest potential for impacts on the environment are generated by our processing plants, we constantly seek innovative solutions to use our resources in a more responsible and efficient way, generating beneficial outcomes for our business, the local community, and the environment at large



Teys Australia Beenleigh Biological Nutrient Removal (BNR) System



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**CASE STUDY:**  
**Teys Australia  
recognised for  
Renewable Energy  
and Waste Water  
Upgrades**

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We focus on a leadership-driven approach to environmental management to achieve our performance goals, and in doing so, we have been recognised over the past 12 months for the construction of our WWTP's at Rockhampton and Beenleigh, winning awards in the following award programs. These include:

- › Premiers Award (Queensland Premiers Sustainability Awards 2015)
- › Business Eco efficiency Award (Queensland Premiers Sustainability Awards 2015) – The eco efficiency award is given to a business for outstanding performance in improving its operational efficiency by applying environmentally beneficial processes, systems or practices.
- › Sustainable Business Award (Logan Eco Awards) - This award recognises Logan businesses that have taken steps to reduce their environmental impact or are helping to protect the environment in some way.



- › Energy and Sustainability Award (Regional Achievement and Community Awards) – This award recognises mining companies, businesses, community groups or organisations that are a leader and a forward thinker on good energy practices and sustainability.

Teys Australia Tamworth was also recognised at the Tamworth Business Chamber Quality awards, for a second year, winning the excellence in

sustainability award. This award can be attributed to the facilities efforts to minimise its environmental footprint and the proactive culture of its employees.

# Food Safety & Quality Practices



0

Product Recalls



0

Critical Non-conformances

## Our Approach

Producing safe food is a critical function, which we are not prepared to compromise. Our customers' health and their confidence in the brands we produce is 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.

## Producing a safe product our customers can trust

We are committed to producing a product that our customers can trust. To ensure our products meet customers' specific requirements we monitor processing procedures to ensure quality principles are adhered to. We have continued to use processing principles that comply with accreditation standards and certification requirements which include the Australian Standard 4696:2007, Aus-meat and Meat Standards Australia (MSA). Additionally, we also communicate with industry experts and others in regard to quality management principles and processing practices. We continue to invest in new technology to support and continuously improve our food safety and ensure food safety remains at the forefront of our business.

As part of our process to improve food safety practices, in FY2014 we adopted hot water carcass pasteurisation technology at our Biloela plant. By applying this technology, results have shown the potential for the shelf life of

products to increase by 30 days. This FY, similar systems were also installed at Beenleigh, Rockhampton, Naracoorte and Wagga. Over a two year period, microbiological performance has improved by 40%.

In the year ahead, we will continue to ensure customers receive consistent products and maintain a best practice process and product standardisation food safety system.

## Food Safety Audits

To maintain our strict food safety standards, we annually conduct 50 internal audits across our six processing plants and value add facilities. To support the level of transparency within the business, and to meet customer requirements, 24 external audits are conducted annually by domestic and international customers. On each occasion we have outperformed competitors and are seen as a preferred supplier.

## Product Specification

With the introduction of MSA Optimisation the business has developed and implemented a fully integrated system allowing the business to optimise MSA product capture. This has allowed us to build capability in matching opportunity with demand.





# Animal Welfare Practices



0

Critical Incidents



0

Animal Welfare Incidents

## Our Approach

Teys Australia has a strong commitment to animal welfare. As part of our commitment, all of our processing establishments are certified under the 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 in accordance with best practice animal welfare standards.



## Continual Improvement

Throughout FY2015, our six processing plants underwent significant upgrades to their surveillance systems with the installation of CCTV capture to monitor the receipt of cattle to our business. This system ensures we can hold transporters and producers accountable, where cattle have been sent to us with injuries or sickness. This approach is supportive of values that endorse the freedom from pain, injury and disease of animals. Further installation of shading occurred at our feedlots ensuring animals are free from discomfort and have adequate shelter.

We are happy to report that we have achieved zero reportable animal welfare incidents this year. Our animal welfare handlers and officers receive intensive animal handling training to ensure that standards and best practices can be replicated within our business. Last FY, four employees completed the Animal Welfare Officer Training through the National Meat Industry Training Advisory Council (MINTRAC).

### **Extensive Auditing to Ensure Best Practice**

Internal and third party accredited audits ensure that we are performing well against a number of animal welfare criteria. On a monthly basis, our processing plants conduct audits to ensure compliance to the AMIC Industry Animal Welfare Standards. A total of 12 external audits, conducted by third party accredited auditing bodies; Ausqual and SAI Global, cover the AMIC – Industry Animal Welfare Standards, A&W – US customer Animal Welfare Standards and North American Program Animal Welfare Standards. A combined total of 84 audits (12 external and 72 internal) resulted in zero incidents of concern.





# Responsible Sourcing & Consumption

## Our Approach

Teys Australia is committed to delivering a variety of products that meet the needs of customers and consumers that prove claims relating to production methods and claims guaranteeing authenticity and transparency. Our commitments also extend to our responsibility in managing how we engage with suppliers and encourage best practice.

## Products

Teys Australia has created a range of branded beef programs built on strong global consumer trends. Our branded beef programs (Grasslands, Riverine and Teys Certified Premium Black Angus) are underpinned by the Meat Standards Australia (MSA) beef grading program.



Our Grasslands brand is a perfect example of an offering that aligns with the conscious consumer who is wanting natural, free range, antibiotic and artificial hormone free produce. It is therefore critical that our labelling and marketing messaging can be substantiated through programs such as the Pasture fed Cattle Assurance

System (PCAS) underpinned by our livestock contracts. This system allows us to prove claims relating to the grassfed production methods of cattle, in particular guaranteeing;

- › Identification and lifetime traceability
- › Never been confined for the purpose of intensive feeding
- › Never fed grain, or grain by-products
- › Minimum eating quality standard
- › A lifetime free from Hormonal growth promotants (HGP)
- › A lifetime free from antibiotics

## Supply chain & supplier impacts

We understand that being a responsible business means extending our commitments on CSR and sustainability, including environmental performance, human rights and labour practices to other organisations in our supply chain. On a daily basis we procure a diverse range of products and services from a wide variety of businesses both locally and nationally and on occasion, internationally.

In FY2015, we implemented a procurement policy and other internal instruments, which aim to obtain the best value for the materials, goods and services we purchase, and to maintain the highest ethical standards in dealing with our corporate suppliers.



# Appendix

## Identifying our Material Issues

To determine 'what matters most' to our business and to our stakeholders, we undertook a three step materiality process. We first identified any relevant sustainability issues, which might be considered to be reported on under our seven CSR focus areas (which are listed previously in the 'About Teys Australia' section). We then prioritised these issues from our stakeholders' perspectives. In doing so, we sought feedback from 20 customers and a sample of our employees.

Secondly, we engaged with Australia's leading consultancy firm in CSR, to conduct a materiality review and, as a result, an internal desktop audit of our policies and procedures was executed. A search of relevant information in the public space and a review of the Global Round Table for Sustainable Beef (GRSB), Principles and Criteria for Global Sustainable Beef,

The Sustainability Accounting Standards Board Meat, Poultry and Dairy Sustainability Accounting Standard, Australian Meat Processors Corporation (AMPC), Environmental Future Scan, and Meat and Livestock Australia (MLA) Target 100 was completed.

Finally, the issues were presented before a sub group of the Senior Leadership Team (SLT) and CSR committee, where the issues were agreed upon and prioritised according to their level of risk (from high to low).

Throughout the report the high risk issues that are common to a number of GRI aspects have been grouped into our seven CSR focus areas (as outlined below) and will be discussed throughout the report. A full list of performance data, disclosures, and indicators we report against are included as separate downloadable content at [www.teysaust.com.au](http://www.teysaust.com.au).

Issue	Definition/Rationale	Aspect Boundary	Report Section
Business Model Innovation	Incorporating environmental and social factors into decision making.	Inside the organisation	Governance and Leadership
Anti-Competitive Behaviour	Inquiry into the effect of market consolidation on the red meat processing Sector.	Inside the organisation	Governance and Leadership
Transparency and Accountability	Business policy and risk management.	Inside the organisation	Governance and Leadership
Labour Practices	Engaging a specialised outsourced recruitment service.	Inside the organisation	People Practices and Wellbeing
Workplace Health and Safety	Reduction in workplace injuries	Inside the organisation	People Practices and Wellbeing
Training	Ensuring our people are appropriately trained to carry out their jobs effectively.	Inside the organisation	People Practices and Wellbeing
Diversity	Employee engagement and retention.	Inside the organisation	People Practices and Wellbeing
Shifting patterns in the red meat supply chain	The supply and demand in the red meat processing industry.	Outside the organisation	Community Enrichment and Economic Development
Emissions and Climate Change	Greenhouse gas emissions and efforts to reduce.	Outside the organisation	Environmental Protection and Sustainability
Energy	Energy efficiency and industry leading approach to investment in Renewable Energy.	Inside and outside the organisation	Environmental Protection and Sustainability
Water	Water efficiency, minimising spills and releases and onsite reuse and recycling.	Inside and outside the organisation	Environmental Protection and Sustainability
Customer Health and Safety	Producing a product our customers can trust.	Inside and outside the organisation	Food Safety and Quality Practices
Animal Welfare	The humane processing of cattle in our processing facilities.	Inside and outside the organisation	Animal Welfare
Transportation, Handling and Slaughter	The welfare of cattle throughout the supply chain from farms through to processing facilities.	Inside and outside the organisation	Animal Welfare
Changing societal and community values in purchasing decisions and consumption behaviour	Creating a variety of brands and product lines that meet the expectations and trends of consumers.	Inside and outside the organisation	Responsible Sourcing and Consumption



603

