



SELECT HARVESTS

SUSTAINABILITY REPORT **2022**

YEAR ENDED SEPTEMBER 2022

**Healthy &
Sustainable**





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Select Harvests supplies wholesale and industrial almond products to the domestic and global markets through our market leading brands Renshaw and Allinga Farms



Allinga Farms supply raw almond kernels and inshell almonds worldwide in bulk and convenient packs. Products are sold to local and overseas food manufacturers, wholesalers, distributors and re-packers.



Renshaw supplies a full range of premium value-added almond products (blanched, roasted, sliced, diced, slivered, meal and paste) in multiple supplier categories, including beverage, bakery, confectionery, cereal, snacking, health, dairy (ice-cream), re-packers and wholesalers, to over 370 customers globally.



Whether sold in India, China or elsewhere in the world, our almond kernels can be traced to the orchard where they were grown.



Performance highlights 2022

| | | | |
|--|---|---|---|
|  Product |  Food security Edible almond kernels made up only 0.72% of our waste hull pile Industry standard <1% |  Food safety and quality Less than 1 complaint per million kg product |  Supply chain traceability 100% supply chain traceability |
| |  Water efficiency 100% of our orchards use drip irrigation, tree and soil monitoring systems |  Soil health 45,000 tonnes of compost produced from our harvest waste (with additional ingredients) and returned to our orchards |  Emissions Carbon footprint baseline established to identify an emission reduction pathway |
| |  Workplace health and safety 39.9 Total recordable work-related injury frequency rate* Down 29% |  Employment practices 11% Gender pay gap in favour of men Industry average 14% |  Local communities \$85,313.49 Community Grant Program and donations |
| |  Economic performance Net profit after tax (continuing operations): \$6.2m Down 75.6% Total assets: \$1.002b Net assets: \$520m |  Direct economic contribution \$47.51m Employee-related expenses including salaries paid to employees: Up 3% |  Direct economic contribution \$235.02m Expenditure with contractors and suppliers: Up 19% |

* Frequency rates are per million hours worked including Select Harvests employees, labour hire and the government Seasonal Worker Scheme.



Foreword from the Chair and Managing Director

Select Harvests is growing almonds in a closed loop

We utilise everything that comes from our orchards

It has been a busy and challenging year for the Select Harvests team. Extraordinary local and global events have continued to impact our business, our people and our customers: the COVID-19 pandemic continued into its third year; the varroa mite entered Australia, threatening our bee populations; extreme rain and flooding struck our regions; and Russia invaded Ukraine, jeopardising global supply chains.

Sustainability relevance

These difficult conditions confirm that sustainable business practices are more relevant to our business than ever before. Our Board, Executive Team and key leaders have been focused on ensuring all employees are safe and well, and continuing to drive the best possible outcomes in a challenging social, environmental and economic landscape. Our industry requires strategy and commitment for the 25-to-30-year life cycle of an almond orchard. Our long-term thinking means that sustainability is key to our business strategy.

Around the world, the demand for healthy food is growing, while food security remains a concern. As a grower and marketer of Australian-grown almonds, Select Harvests is well positioned to help meet this growing demand.

Our business is built on supplying 'plant-based food that's better for you'. Almonds are versatile and highly nutritional. They are one of the most affordable protein sources across all food types, and a great source of Vitamin E, protein, fibre and monounsaturated fats.

The efficient and strategic allocation of water is intrinsically linked to food security. Water is a shared resource, helping to sustain many communities and ecosystems within the Murray-Darling Basin. It is one of our most critical inputs. Our responsibility is to use water efficiently and purposefully for maximum benefit.

This year we welcomed Nikki Jordan to our team in the newly established position of Sustainability and Environment Manager.



ABOVE: Travis Dillon, Chair (left) and Paul Thompson, Managing Director of Select Harvests

Nikki has produced our first in-house sustainability report and is leading our transition from every two years to yearly sustainability reporting. She has aligned our reporting with the revised Global Reporting Initiative (GRI) Standards 2021, alongside the United Nations Sustainable Development Goals (SDGs).

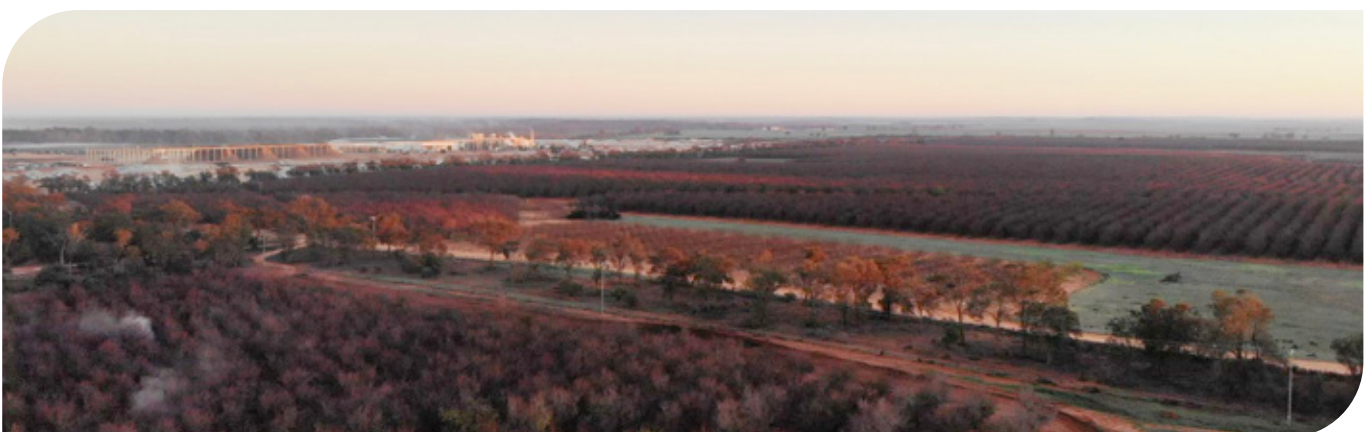
This Sustainability Report lists our key targets and progress against the issues we identified in our materiality assessment, guided by the GRI Standards.

We have also taken steps to align the disclosure of our climate-related risks and opportunities with the Taskforce on Climate-related Financial Disclosures (TCFD) in our Annual Report. We are committed to improving our data and information collection processes to ensure better quality data and insights over time. This year, for the first time, we have sought independent Limited Assurance over water withdrawal and consumption performance indicators – to ensure the integrity of our reporting. We have also sought external review of reporting gaps against the revised GRI Standards 2021. We recognise we need to continuously improve our practices.

Over the coming year, we will develop a sustainability plan extending to 2030 based on our revised materiality assessment. We will review our material topics and targets, and identify actions to improve our performance.

The report highlights our best-practice water technologies to improve efficiency and our innovative projects to maximise the return on our allocated water use. We grow more than just almonds: we apply a circular business model to ensure we use all our harvested material.

Sustainability underpins our business strategy, and, as Australia's second-largest almond producer, we will continue to innovate for our sector. People are our biggest asset, so workplace health and safety remains our priority. We also rely on our communities and have continued to provide financial and in-kind support, particularly during recent floods. On the following page, we share some of our key results.



Product

Food safety and quality

We achieved a customer complaint rate of fewer than one complaint per million kilograms of product sold. We passed our external Safe Quality Food (SQF) audit and there were no reportable incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products.

Biomass, waste and resource recovery

We continued to invest in innovative ways to manage harvested biomass generated from our crop and deliver more value and greater return on our water use. Our trees produced 108,766 tonnes of harvested biomass, which generated 29,633 tonnes of almond product (kernels and low-grade oil stock), 44,083 tonnes of animal feed, 45,000 tonnes of compost and 17.5 GWh of renewable electricity supplied to the grid, equivalent to powering 3,643 average Victorian homes. We return compost to our orchards to improve the nutritional value of the soil and reduce our use of imported chemical fertilisers. We have a further two trials underway investigating the use of biomass waste to recycle nutrients to the orchard as liquid fertiliser.

Planet

Water efficiency

We have invested significant resources into best-practice water technologies to improve water efficiency across our orchards and continue to maintain a leading position in the industry.

All our orchards use drip irrigation, soil moisture monitoring probes, plant-based water stress technology, and high-resolution aerial imagery, which identifies irrigation inefficiencies such as tree canopy water stress, overwatering and irrigation leakage. We will continue to improve the efficiency of our water use as irrigation infrastructure and equipment is updated and technology improves.

Emissions

In January 2022, we made a commitment to become carbon neutral by 2050 or earlier. We then engaged Integrity Ag and Environment to recalculate our emission profile to establish a robust baseline year to identify a reduction pathway to net zero. Our previous emissions profile was calculated based on the 2015 calendar year data and is incomplete by today's standards. Since then, we have expanded our planted orchards by 3,665 hectares and increased kernel volume by 95%, as our trees have matured in profile.

People

Workplace health and safety

Our Zero Harm Safety and Wellbeing strategy aims to improve our safety performance by 10% each year with the aim of operating in a zero-harm environment. We will meet the target through team focus, priority management and improved hazard reporting. Pleasingly, hazard reporting increased by more than 70% this year. This proactive approach helped to reduce the total recordable work-related injury frequency rate by 29%. In our 2022 culture survey, our employees identified safety as our number one priority.

Employment practices

We still need to reduce the gender pay gap and increase female participation. Our overall gender pay gap was 11.4% in favour of men, below the sector average, in which men receive 14% more remuneration than women. We reported a gender gap in favour of women in two employee categories, which was an improvement on our previous year's performance when there was only one category in favour of women. By adopting the [Hesta 40:40 vision](#) – an investor-led initiative to achieve gender balance in executive leadership across all ASX300 companies by 2030, we will pursue gender equitable outcomes for women in leadership roles.

At Select Harvests, sustainability means doing the right thing today and into the future. This year, we continued to explore ways to do the right things better. We appreciate your interest in our Sustainability Report 2022 and we welcome your feedback.

Paul Thompson

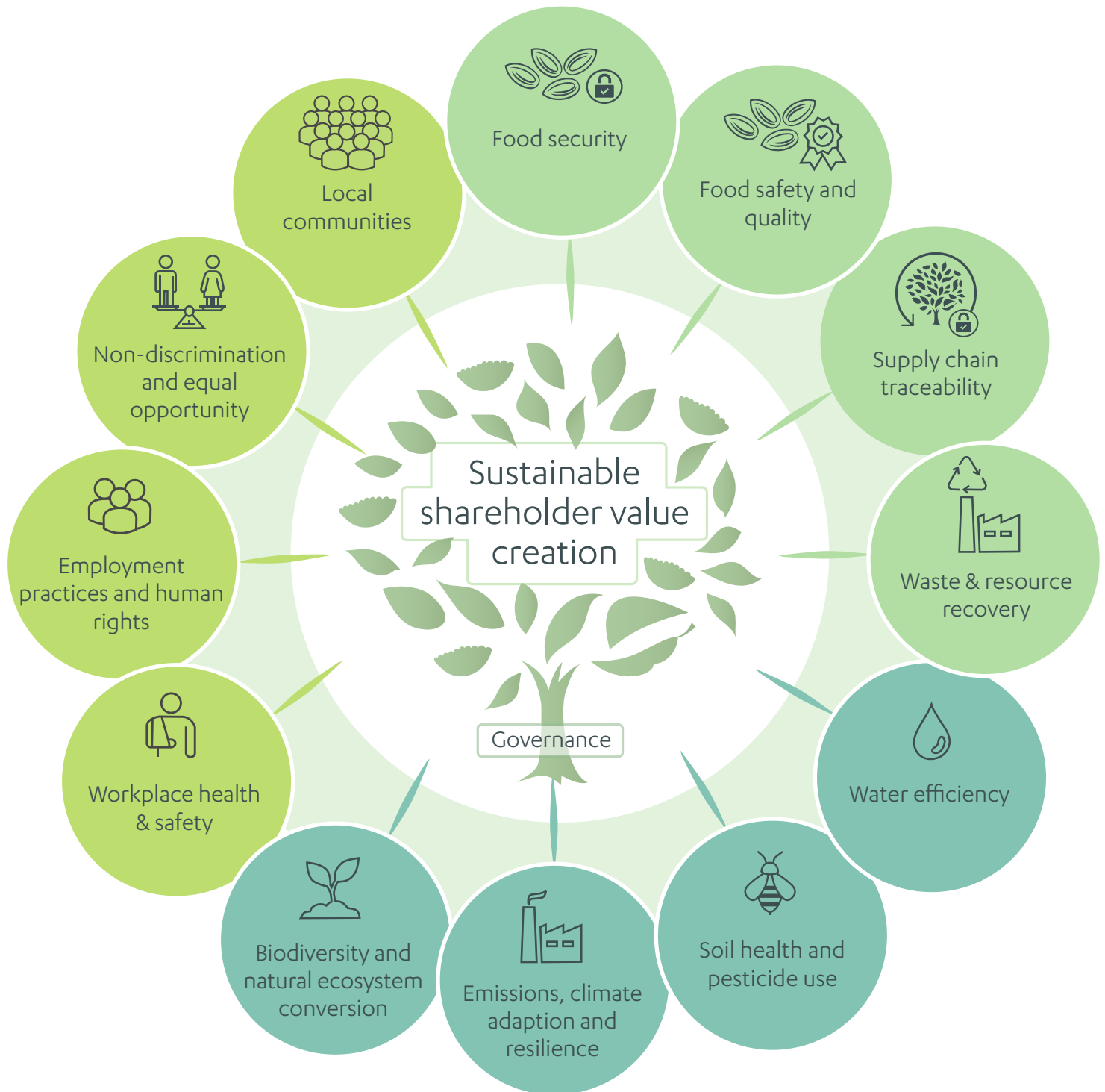
Travis Dillon,
Chair

Paul Thompson,
Managing Director





Our material topics



"We are committed to minimising negative impacts and maximizing positive impacts associated with our material topics, to drive long term shareholder value creation".

- Nikki Jordan
SUSTAINABILITY AND ENVIRONMENT MANAGER

Company profile



Select Harvests Limited (Select Harvests) is Australia's second largest almond grower. We have core capabilities across horticulture, orchard management, resource recovery, almond processing, sales, and marketing. These capabilities enable us to optimise our end-to-end supply chain to maximise value for the business and our stakeholders.

We supply the Australian and global retail food manufacturing and industrial market sectors and export internationally. We continue to build strong relationships in the fast-growing markets of India and China, as well as maintaining established routes to markets in South-east Asia, Europe and the Middle East.

Our shares are publicly listed on the Australian Stock Exchange (ASX). Today, over 3,000 individual and institutional investors are shareholders in Select Harvests (ASX:SHV).

We have a complex global supply chain with long-standing commitments to a large number of domestic and international suppliers. We engage with over 1,200 suppliers across 22 countries, with most based in Australia. They provide raw materials, packaging products and logistics services. These numbers include suppliers to our Thomastown facility, which closed in June 2022.

| Country | Number of Suppliers | |
|-----------|---------------------|---------|
| | 2019-20 | 2021-22 |
| Australia | 1,448 | 1,149 |
| Other | 95 | 70 |

Since the previous reporting period there have been three key changes to our operating footprint:

1. On 1 October 2020, Select Harvests entered into an agreement to acquire the 1,566 ha Piangil Almond Orchard. The acquisition was completed in December 2020, increasing our planted area by 20%. We have since invested in irrigation infrastructure to support the immature portion of the orchard and successfully integrated the additional area into our business.
2. On 30 August 2021, we announced the sale to Profile Foods of the Lucky and Sunsol brands, the consumer branded and non-almond segments of our business.
3. The Thomastown facility closed in June 2022 and we reinvested the released capital in our almond value-adding capability and capacity at Carina West.

The global almond industry

Almond production requires winter chill and hot, dry harvest weather.

Australian almond production accounts for 8% of global supply and occurs from the Riverina region to Sunraysia, Riverland, Northern Adelaide Plains and the Swan region in Western Australia.

Internationally, almonds are produced in the United States of America (76%), Spain (8%), Turkey (1%) and Chile (1%). Other smaller producers collectively make up 6% of production.

Global almond supply is dominated by Californian production, which dictates almond pricing around the world.

As one of Australia's largest producers, Select Harvests has the scale to innovate and demonstrate leading horticultural practices.

SOURCE: *Australian Almonds 2020-2021 Almond Insights*



Our Brands

Select Harvests supplies wholesale and industrial almond products to the domestic and global markets. Our market-leading brands are Allinga Farms (inshell and almond kernels) and Renshaw (value add industrial almond products).



Our wholesale almond business supplies raw almonds and almonds in shell.



Our industrial almond business supplies a full range of premium value-added almond products (blanched, roasted, sliced, diced, slithered, meal and paste) in multiple supplier categories – including beverage, bakery, confectionery, cereal, snacking, health, dairy (ice-cream), re-packers and wholesalers – to more than 370 customers globally.



Company profile continued

Our orchards and processing centre

Our geographically diverse almond orchards are at or near maturity. Located in Victoria, South Australia and New South Wales our portfolio includes 9,262 hectares (22,886 acres) of company owned, leased and joint venture almond orchards across sixteen sites.

These orchards, plus other independent orchards, supply our state-of-the-art primary processing facility at Carina West in north-west Victoria. Our Carina West processing facility has the capacity to process 35,000 metric tonnes of almonds in the peak season. We process 30,000 metric tonnes of our own product and 5,000 metric tonnes from independent orchards.

Select Harvests head office is in Richmond, Victoria.

“We have sixteen farms across three states of Australia”

- Ben Brown
SELECT HARVESTS GM HORTICULTURE



GEOGRAPHIC DIVERSITY OF SELECT HARVESTS ORCHARDS

- SELECT HARVESTS PROCESSING
- SELECT HARVESTS ORCHARDS
- SELECT HARVESTS HEAD OFFICE

TOTAL
9,262 HA
(22,886 ACRES) PLANTED AREA

SOUTHERN REGION
2,670 HA
(6,597 ACRES) PLANTED AREA

CENTRAL REGION
4,644 HA
(11,475 ACRES) PLANTED AREA

NORTHERN REGION
1,948 HA
(4,814 ACRES) PLANTED AREA

Our workforce

We employ over 500 people, including executive, permanent, contractor and seasonal (casual) personnel throughout regional and metropolitan Australia. Approximately 40% of our workforce is casual: employed directly or via labour hire agencies and the Australian Government's Seasonal Worker Program. Our casual employee numbers vary according to the needs of our horticultural and processing divisions throughout the horticultural season. Total workforce numbers have decreased since last year due to the closure of our Thomastown facility. Over 90% of our workforce is employed in regional Australia and approximately 44% come from diverse ethnic backgrounds.

The figures contained in the following tables have been extracted from our [Workplace Gender Equality Agency \(WGEA\) Reports](#) and represent the annual workforce as at 31 March 2022, excluding labour hire personnel.

| Region | 2019-20 | | | 2021-22 | | |
|---------------------|------------|------------|------------|------------|------------|------------|
| | Male | Female | Total | Male | Female | Total |
| VIC | 272 | 156 | 428 | 253 | 148 | 401 |
| NSW | 47 | 12 | 59 | 43 | 8 | 51 |
| SA | 73 | 8 | 81 | 54 | 11 | 65 |
| TOTAL | 392 | 176 | 568 | 350 | 167 | 517 |
| Employment Type | 2019-20 | | | 2021-22 | | |
| | Male | Female | Total | Male | Female | Total |
| Permanent Full time | 271 | 88 | 359 | 252 | 85 | 337 |
| Permanent Part time | 7 | 1 | 8 | 1 | 6 | 7 |
| Casual | 120 | 81 | 201 | 97 | 76 | 173 |
| Total | 398 | 170 | 568 | 350 | 167 | 517 |
| Age | 2019-20 | | | 2021-22 | | |
| | Male | Female | Total | Male | Female | Total |
| <30 years | 89 | 51 | 140 | 94 | 53 | 147 |
| 30-50 years | 190 | 88 | 278 | 151 | 79 | 230 |
| >50 years | 113 | 37 | 150 | 105 | 35 | 140 |
| Total | 392 | 176 | 568 | 350 | 167 | 517 |

Our strategy

VISION

To be a Leader in the Supply of Better for You Plant Based Foods

VALUES



TRUST AND RESPECT

DO THE RIGHT THING



INTEGRITY AND DIVERSITY

BE ONE TEAM



SUSTAINABILITY

PROTECT AND GROW



PERFORMANCE

OWN IT



INNOVATION

THINK OUTSIDE THE SQUARE

STRATEGIC PRIORITIES

THE PATHWAY TO ACHIEVING OUR VISION

Optimise the Almond Base

Increase productivity and achieve sustainably high yields from our growing almond orchard base

Grow our Brands

Grow our industrial brands, aligned to the increasing consumption of plant based foods

Expand Strategically

Pursue value accretive acquisitions that align with our core competencies in the plant based agrifoods sector

OPERATIONAL FOCUS

WHAT WE DO EVERYDAY

Customers

Exceed our current customer's expectations and grow our customer base, focused on the Asian marketplace

Supply Chain

Optimise our end-to-end supply chain to achieve maximum value for the business as a whole

People

Focus on a safe working environment, well-being, company culture, leadership development and staff training, attraction and retention

Capital

Target capital discipline, balance sheet strength, superior shareholder returns and long term growth

GOAL

Sustainable Shareholder Value Creation



Company profile continued

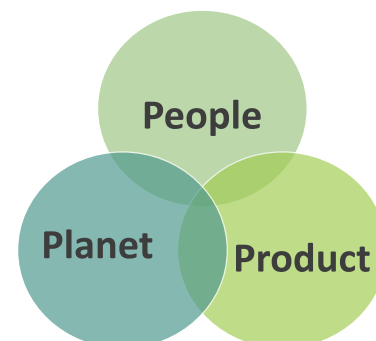
Our commitment to sustainability

Sustainability is a core value underpinning our business strategy and is based on three pillars: people, planet and profit. Our approach is guided by the United Nations Brundtland Commission definition of sustainability as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'.

We seek to ensure a balance between creating value for our shareholders and the interests of our broader stakeholder groups, such as employees, customers, suppliers, government, local communities and our environment.

We balance these three pillars by identifying and understanding our material impacts on the economy, environment and people. With this knowledge, we can identify risks and opportunities to support our value creation strategies and financial reporting.

Our [Environment and Sustainability Policy](#) guides our approach to managing our impacts. We are committed to social, environmental and economic best practices, providing continual improvement by setting objectives, measuring progress and communicating our results.



Reporting what matters

Our approach to determining the content of this report is guided by the [Global Reporting Initiative \(GRI\) Standards 2021](#) and the [United Nations Sustainable Development Goals](#).

In 2021 there were significant revisions to the GRI standards, including new guidance to help organisations determine their material topics and use the applicable standards for different sectors. For Select Harvests, the relevant sector standard is GRI 13: Agriculture, Aquaculture and Fishing Sectors 202, which was released on 28 June 2022.

The new materiality guidance provides direction for organisations to report on significant impacts they have, or could have, on the economy, environment and people, including on their human rights.

To avoid companies reporting mainly on impacts to themselves, the standards no longer mandate factoring in consequences for the organisation.

We followed GRI's four-step process for determining material topics for reporting. The output is a list of material topics and associated positive and negative impacts. Our strategy is to understand these impacts and address them as we undertake day to day activities and plan for the future. We have continued to align our reporting with the United Nations Sustainable Development Goals.

We engage with key external stakeholders and sought to reflect their perspectives throughout this process (see also [Stakeholder engagement](#)).

Our material impacts remain largely unchanged since our last report in 2020, with minor adjustments in priority and topic classification to align with the new GRI 13 Sector Standard.

Soil health, biodiversity and waste have become more prominent.

The Board, Board Sustainability Committee and Executive Team reviewed and approved our materiality assessment prior to commencing the production of this report.

Our four-step materiality assessment process

• Step 1. Understand our context

We reviewed and considered our activities, business relationships and key stakeholders, as outlined in our company profile.

• Step 2. Identify actual and potential impacts

We engaged internally, with input from the Board and team of Executives, to identify our actual and potential impacts on the economy, environment and people, including their human rights. This process included negative and positive, short- and long-term, intended and unintended, and reversible and irreversible impacts.

• Step 3. Assess the significance of the impacts

We considered the significance of our impacts in relation to the controls we currently have in place. The significance of an actual negative impact was determined by the severity of the impact (scale, scope and irremediable character), while the significance of a potential negative impact was determined by the severity and likelihood of the impact.

The significance of an actual positive impact was determined by the scale and scope of the impact, while the significance of a potential positive impact was determined by its scale and scope, as well as its likelihood.

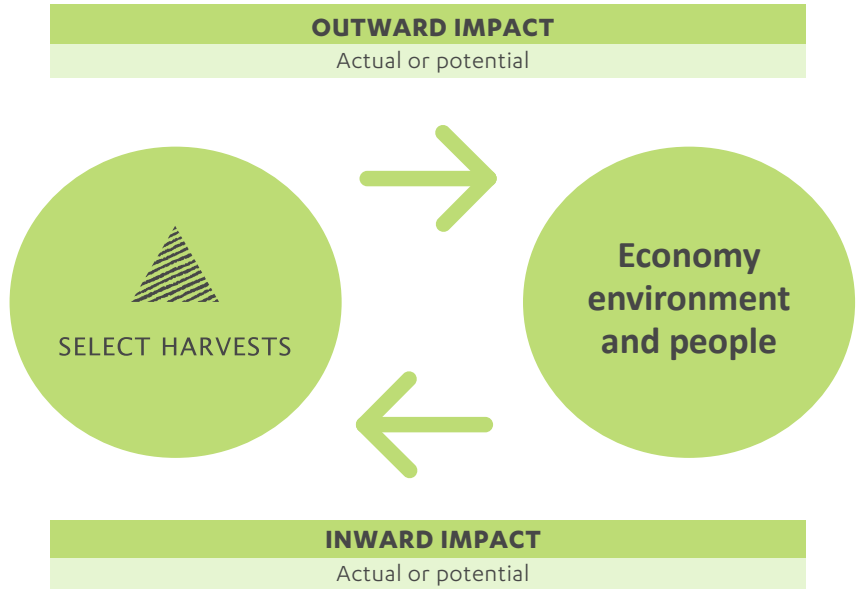
• Step 4. Prioritise the most significant impacts for reporting

We prioritised material topics for reporting based on the significance of impacts relative to each other and placed them in order of importance under people planet, and product.

Double materiality

Something is material when it is a significant consideration for Select Harvests. From a GRI perspective, we have considered Select Harvests significant impacts on the economy, environment and people throughout this Report. Double materiality goes further: it also provides a high-level assessment of their financial implications for our business, consistent with the expectations of the new SASB Standards.

The significant topics and impacts determined through the GRI Standards 2021 materiality process inform our understanding of value creation and integration with financial reporting. They provide crucial input for identifying financial risks and opportunities related to our impacts. By understanding both our outward and inward impacts, we can improve our business strategy and drive the most value for our stakeholders over the long term.


















































Company profile continued

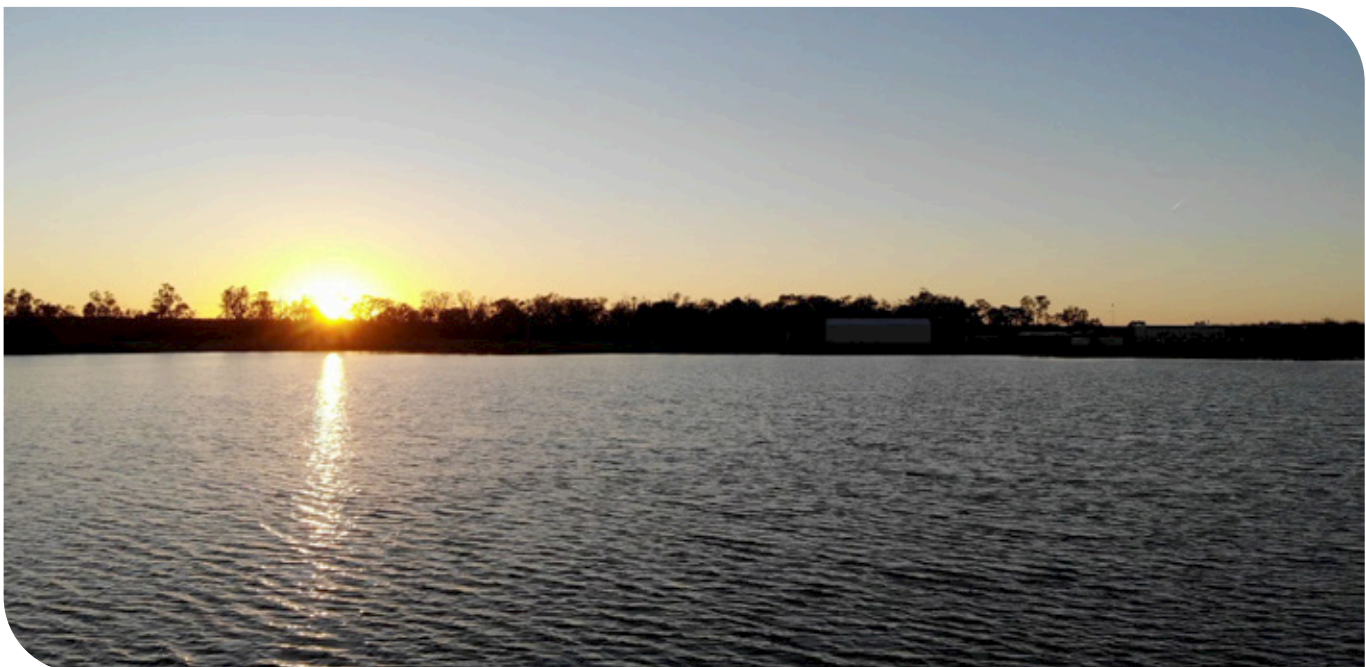
Our material topics and impacts in 2022

The following tables provide an overview of our main potential and actual impacts on the economy, environment and people, and an assessment of the potential and actual financial impact on our business. This is the first time we have applied GRI 2021 and double materiality guidance in determining our material topics and impacts. We will refine this table over time as our understanding of our positive and negative impacts matures.

| PRODUCT | | | | |
|--|--|--|---|---|
| Material topic <small>SUSTAINABLE DEVELOPMENT GOALS</small> | Main impact <small>(Potential / actual)</small> | Impact materiality <small>(Outward impact)</small> | Financial materiality <small>(Inward impact)</small> | Double materiality |
| Food safety and quality   | Food safety, quality and traceability measures to prevent food contamination and foodborne illness. Potential food contamination and foodborne illness due to a failure to implement preventative measures. |      |    |    |
| Supply chain traceability   | High quality supply chain traceability systems are in place from farm to the end customer. Potential failure in our supply chain traceability system during product recall. |      |   |   |
| Biomass, waste and resource recovery  | Inshell, husk and other residual harvest vegetation converted to energy, compost and fertiliser. The use of plastic materials for almond protection and packaging. |      |   |   |
| Food security  | Nutritional value of almonds. Potential food loss across the supply chain. |     |   |   |

























| PLANET | | | | |
|--|--|--|--|--------------------|
| Material topic SUSTAINABLE DEVELOPMENT GOALS | Main impact (Potential / actual) | Impact materiality (Outward impact) | Financial materiality (Inward impact) | Double materiality |
| Water efficiency    | Water efficiency through improved water management practices. | +++ | ●●● | ●●● |
| | Water withdrawal from the Murray Darling Basin. | --- | | |
| Emissions       | Purchased and installed renewable energy. | +++ | | |
| | Production of on-site energy through biomass conversion. | +++ | ●●● | ●●● |
| | Emissions generated. | --- | | |
| Climate adaptation and resilience    | Adapting to climate risks and building resilience to shocks and stresses, providing ongoing employment and economic contribution. | +++ | ●●● | ●●● |
| | Potential failure to adapt to climate related risks or build resilience to withstand shocks and stressors, leading to loss of business and employment. | --- | | |
| Soil health   | Increased health of soils and carbon storage due to our closed loop compost and fertiliser programs, delivering healthier trees. | +++ | ●●● | ●●● |
| | Potential chemical fertiliser run off into the environment. | -- | | |
| Pesticide use      | Safe and efficient management of pesticides, including strict bee protection protocols. | +++ | ●●● | ●●● |
| | Potential harm to neighbouring farms, bee populations, native vegetation, wildlife, waterways and our community. | -- | | |
| Biodiversity      | Biodiversity in natural ecosystem areas across our farms. | +++ | | |
| | Bee stewardship initiatives. | +++ | ●● | ●● |
| | Potential biodiversity loss through natural ecosystem conversion. | -- | | |
| Natural ecosystem conversion    | Natural ecosystem areas across our farms. | +++ | ●● | ●● |
| | Potential natural ecosystems converted to orchard. | -- | | |





Company profile continued

| PEOPLE | | | | |
|---|---|--|--|--------------------|
| Material topic <small>SUSTAINABLE DEVELOPMENT GOALS</small> | Main impact (Potential / actual) | Impact materiality (Outward impact) | Financial materiality (Inward impact) | Double materiality |
| Workplace health and safety   | Performance improvement due to health and safety preventative measures and systems, including a Zero Harm Workplace Health and Safety Strategy. Potential incidents and accidents due to a failure to implement preventative measures. | + + + - - - | ● ● ● ● ● ● | ● ● ● ● ● ● |
| Employment practices    | Workplace culture. Potential for unethical employment practices in our supply chain. | + + + - - | ● ● ● ● ● ● | ● ● ● ● ● ● |
| Living income and living wage     | Remuneration designed to attract, retain and motivate the people we require to sustainably manage and grow the business. Potential for seasonal workers to be underpaid through labour hire agencies. | + + + - | ● ● ● ● | ● ● ● ● |
| Non-discrimination and equal opportunity    | Increased focus on gender diversity in leadership positions. Potential for discrimination to occur. | + + + - | ● ● ● ● | ● ● ● ● |
| Anti-corruption  | A zero-tolerance culture relating to fraud, anti-bribery, and corruption due to policies and practices. Potential for corruption to occur. | + + - | ● ● ● ● | ● ● ● ● |
| Local communities       | Support for the local communities in which we operate through our Community Investment Program and Volunteer Leave program. Potential for noise pollution or excessive smoke from our biomass power station. | + + - | ● ● ● ● | ● ● ● ● |
| Freedom of association and collective bargaining   | Employees covered by an Enterprise Bargaining Agreement (EBA). Potential for contractors / seasonal workers to lack access to collective bargaining. | + + + - | ● ● | ● ● |

| PROFIT | | | | |
|--|---|--|--|--------------------|
| Material topic <small>SUSTAINABLE DEVELOPMENT GOALS</small> | Main impact (Potential / actual) | Impact materiality (Outward impact) | Financial materiality (Inward impact) | Double materiality |
| Economic performance  | Strong growth and economic return to shareholders. Potential share value loss. | + + + - - - | ● ● ● ● ● ● | ● ● ● ● ● ● |



Product



Food security

Our goal is to produce healthy plant-based food with zero food waste

Targets

- Less than 1% of edible almond kernel going to the hull pile

Our business vision is to supply 'plant-based food that's better for you'. We recognise that food security is already a global issue and as populations grow, food needs will increase. Almonds are a nutritionally dense and versatile food and one of the most affordable protein sources across all food types. They are a great source of Vitamin E, protein, fibre and monounsaturated fats.

We manage our business to maximise yield and ensure food loss is minimised across our long supply chain.

Growing our almonds

We monitor our trees to provide optimal growing conditions and pollination services for maximum yield (see also *Soil health*, *Pesticides use* and *Water efficiency*).

Harvesting our almonds

We ensure efficient shaking for quality and crop recovery. Our equipment is maintained to minimise damage to our product and the environment while it is harvested and transported to our processing facility. Once the initial harvest is complete, we revisit the orchards and re-shake our trees to recover as much crop as possible for our processing facility or for mulch to incorporate into our soils.

Processing our almonds

As almond product is delivered to our processing facility, we undertake crop moisture assessments and closely monitor the quality of our stockpiles. We attend to any potential storage issues as they arise by airing or drying the crop. We reduce the risk of insect damage by fumigating as needed. We conduct yearly assessments of our processing machines to identify wear and tear that could damage our product or reduce processing efficiency. We pack our product into quality grades to ensure none is wasted. The lowest grade product is used for almond oil.

Monitoring our impact

We constantly monitor kernel quality at our processing facility (see also *Food safety and quality*) and conduct regular inspections of the level of edible kernel in the hull pile. We take daily recordings and monitor trends over time.

Our performance

In 2021–22, edible almond kernels comprised 0.72% of the hull pile on average, exceeding our target. The industry average is less than 1% kernel in the hull pile.

Nuts and heart health

In 2021, Nuts for Life commissioned the University of Wollongong to conduct a systematic review and meta-analysis to review the evidence on the relationship between nuts and the risk of cardiovascular disease (CVD). The research concluded that nuts display positive changes to a range of biomarkers, to create an overall CVD risk reduction. These findings support other research, which has found that enjoying a handful of nuts every day can reduce your risk of developing cardiovascular disease by more than 20% and coronary heart disease by nearly 30%. And if you have heart disease, eating nuts can reduce your risk of dying from it.

Regularly eating nuts can also significantly reduce total cholesterol, LDL (bad) cholesterol and improve the ratio of bad to good cholesterol, which are all risk factors for heart disease.

SOURCE: *Nuts for Life - Nuts and Heart Health*, and *Nuts for Life - Nuts and Cardiovascular Disease: What does the science say?*

What makes almonds unique?

Compared to other tree nuts, almonds are particularly high in vitamin E and calcium. Vitamin E is an antioxidant which helps maintain a healthy heart.

Calcium forms the structure of bones and teeth and aids in blood clotting. They contain monounsaturated fats, important for heart health, and are high in the amino acid arginine. Arginine is converted to nitric acid in the body which causes blood vessels to relax and remain elastic, preventing blood clotting. Almonds are also a source of protein, monounsaturated fats and fibre, they are naturally low in sugar and sodium, a source of iron, magnesium, manganese, niacin, and they contain plant sterols.

SOURCE: *Nuts for Life - Almonds*

Nuts for Life is Australia's voice for the role nuts play in good health and nutrition. On behalf of the nut industry, they work closely with health professionals, government, and other bodies to improve the nutritional reputation of nuts.





Food safety and quality

Our goal is to produce high-quality, safe to eat nut products

Relevant United Nations Sustainable Development Goals



Targets

- 5% reduction in customer complaints year-on-year
- Safe Quality Food (SQF) audit score >95% compliance
- 100% Hazard Analysis Critical Control Point (HACCP) certification across all sites

Almonds are a natural product grown in an open-air environment with inherent challenges and risks. Food safety is the cornerstone of our processes at Carina West and in our orchards, to protect our consumers from potential food contamination and foodborne illness. Food safety mismanagement could damage the trust that business customers and consumers have in our products. In extreme cases, this could threaten our business viability. A proactively managed food safety management system is critical for maintaining a safe, consistent product, and protecting our brand and business viability.

While we cannot ensure the security of our products once they leave our control, we can do everything possible to prevent intentional contamination of our products while they are in our care.

We practice food safety, to minimise the risk of accidental contamination, and food defence, to protect against intentional contamination by biological, chemical, physical or radioactive agents. Food fraud relates to the intentional substitution or dilution of raw materials.

In keeping with a food safe culture, all team members have a responsibility for quality and food safety at Select Harvests. We are committed to supplying products that consistently meet our customers' expectations, as well as our regulatory compliance requirements. Our Food Safety Plan has been developed using SQF Edition 9 requirements based on HACCP principles. The plan guides how we manage and control food safety, regulatory and quality risks through all stages of our operations. It includes food defence and food fraud procedures, which follow Threat Assessment, Critical Control Point and Vulnerability Assessment principles. We perform a hazard risk assessment, identifying any food defence threats or vulnerabilities that may impact food safety and quality.

Monitoring our impact

Our production site is certified by Intertek SAI Global to the SQF Edition 9 program with a good rating, which is recognised internationally under the Global Food Safety Initiative and by major food manufacturers and service providers. In addition, all our orchards are certified against HACCP requirements and audited annually for compliance.

Our food safety and quality systems are supported by prerequisite programs, including integrated pest management, environmental monitoring, quality assessments, customer contact tracking and trending, and internal and external auditing programs. We take corrective and preventative actions where necessary.

Last year we started measuring the perceptions of our employees relating to food safety in our annual culture survey.

Our performance

In 2021–22, there were no reportable incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products. We achieved a customer complaint rate of less than one complaint per million kilograms of product sold and our external SQF audit score was 89%.

All our orchards and our processing facility are HACCP certified.

Food safety was rated the second highest quality in our annual culture survey, with a conviction score (agree and strongly agree) of 79% in 2021–22, up 7% compared to the previous year.





Supply chain traceability

Our goal is to produce trusted and traceable nut products

Targets

- 100% product traceability

The traceability of our products is a fundamental step in protecting our consumers, particularly when a product withdrawal is required.

Monitoring our impact

As a vertically integrated business, we can closely monitor almond traceability from the orchard to the end customer. We use the JD Edwards, cloud-based, Enterprise Resource Planning supply chain management system. This system is supported by our agricultural logistics, management and distribution system (Almads) and manual records, which provide the foundation for a robust product tracing system to the originating orchard.

Each year we undertake a mock recall as part of our crisis management compliance, which combines a test of the traceability system and further actions in the event of a food safety failure. It is one element of the SQF audit requirement.

Our performance

Traceability exercises are completed at least twice each year from a work order. This includes forward tracing to the customer and back tracing to the unique identification code and harvest area of origin. Our traceability exercises achieved 100% product traceability (two steps forward and two steps back through the supply chain).



Biomass, waste and resource recovery

Our goal is to be a circular business

Relevant United Nations Sustainable Development Goals



Targets

- Zero biomass to landfill
- 100% recycled and/or recyclable packaging.

Waste and resources are generated across our supply chain from orchard development, farming and harvesting through to consumer consumption (see *Company profile*). Our major waste and resource streams include harvest biomass generated from our orchards, and to a lesser extent packaging materials generated from our procurement, processing and packaging activity.

Our approach to waste and resource management has focussed on these two key areas, guided by our [Environment and Sustainability Policy](#).

Harvest biomass

More than 60% of the almond fruit we harvest is the hull and shell (the outer layers), which are inedible to humans and, when stored, can become a fire risk. We usually sell a percentage of the hull as animal feed, but demand for this product varies considerably. Leaves and sticks are also gathered through the harvest process and collected during our almond harvest. To find a more sustainable alternative to landfill or open burning, we adopted circularity principles and invested significantly to recover biomass for reuse. Our harvest biomass is now diverted to energy production (see *Emissions*) and compost (see *Soil health*) and we continue to sell a portion as animal feed.

Packaging materials

We purchase products and sell our product in packaging. We have limited control over the packaging of products we purchase, or what consumers do with our packaging. However, we can take steps to reduce the negative environmental impacts associated with the packaging of our products. We are currently reviewing our packaging materials to identify opportunities to reduce packaging by procuring in bulk and improving their recycled content and recyclability. We are a member of the Australian Packaging Covenant Organisation (APCO) and signatory to the Australian Packaging Covenant. We recycle the packaging of products we purchase, if they are recyclable.

Monitoring our impact

In 2022, we collected data on waste for our carbon footprint for the 2020–21 year (see also *Emissions*). We are also reporting on waste in this report for the first time.

We now monitor data on major waste streams generated at our processing and packaging facility at Carina West, including paper and cardboard and commercial and industrial waste.

These waste streams are collected by service providers and managed off-site according to their legislative obligations. We rely on service providers' reports to determine quantities of waste produced.

We weigh and record data on harvest biomass transported from our farms to our processing facility. We generate additional biomass throughout the year from pruning. We currently estimate pruning weights on our farms and will set up a more robust process to capture this data in future.

We are working towards reporting the recycled content and recyclability of our packaging materials.

We will continue to review our practices and improve data collection and monitoring to ensure all waste and resource recovery streams are reported annually in our Sustainability Report.

Our performance

Biomass from our annual harvest remained our largest resource stream. In 2021–22 we reduced the amount of paper and cardboard we generated. Commercial and industrial waste increased during the same period. Changes to the previous year are largely due to the closure of our Thomastown facility in June 2022. Most of our waste and resources are recovered or directed to energy recovery. Only one percent of waste is sent to landfill or burned without energy recovery.

| Waste and resources | 2021-22 | | | 2020-21 | | |
|--------------------------------------|-------------------------------------|--|--|-------------------------------------|--|--|
| | Total waste and resources generated | Waste and resources diverted from disposal | Waste and resources directed to disposal | Total waste and resources generated | Waste and resources diverted from disposal | Waste and resources directed to disposal |
| Harvest biomass* | 79,133 | 52,363 | 26,770 | 73,003 | 48,450 | 24,553 |
| Pruned biomass† | - | - | - | 350 | 0 | 350 |
| Paper and cardboard‡ | 183 | 183 | 0 | 215 | 215 | 0 |
| Commercial and industrial waste | 676 | 0 | 676 | 495 | 0 | 495 |
| Alternative waste treatment residues | 184 | 184 | 0 | 350 | 350 | 0 |
| Total waste | 80,176 | 52,730 | 27,446 | 73,713 | 73,568 | 495 |

* Harvest biomass includes some stones picked up by the harvest machinery. Stones are screened out and sent to landfill. We will work towards quantifying the stone component of our harvest biomass waste in future reports.

† Data for 2021–22 not available at time of printing.

‡ Due to the closure of Thomastown in June 2022 and first-time reporting practicality constraints, 2021–22 paper and cardboard figures were estimated for Thomastown based on 2020–21 data included in our baseline emission profile.



Biomass, waste and resource recovery continued

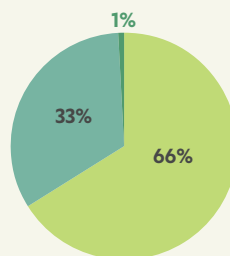
Harvest biomass is our largest resource stream. Approximately 45% of harvested biomass collected from our farms is managed on-site at our processing facility, with only the hull sold as cattle feed consumed off-site. Pruned biomass outside the harvest period is burned on-site, with no energy recovery – it falls under Waste directed to disposal.

In response to a hull biomass fire on-site, we received an improvement notice from the Environment Protection Authority (EPA) in relation to our hull management fire risk. We have worked with the EPA on a comprehensive action plan to reduce the fire risk. The risk assessments and action plan have been accepted by the EPA (see also *Local communities*).

We will continue to develop our composting products where feasible, and work towards increasing the percentage of harvested biomass recovered on-site.

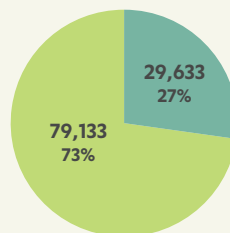
In 2021–22, our APCO score was 70%, significantly higher than the average of all APCO members, at 51%. Our APCO score reflects our overall performance as well as commitments we have made towards our packaging sustainability journey.

We will identify opportunities to improve the recycled content and recyclability of our packaging materials and use our APCO membership as we explore ways to improve our performance.



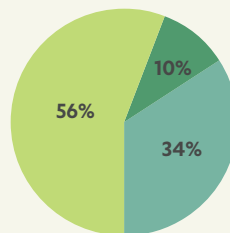
Waste & resource recovery 2021-22

- Waste and resources diverted from disposal
- Waste and resources directed to disposal
- Waste and resources directed to disposal with energy recovery



Harvest biomass (tonnes) 2021-22

- Almond product
- Biomass



Harvest biomass utilisation 2021-22

- Biomass to compost
- Biomass to energy
- Biomass to animal feed (off-site)



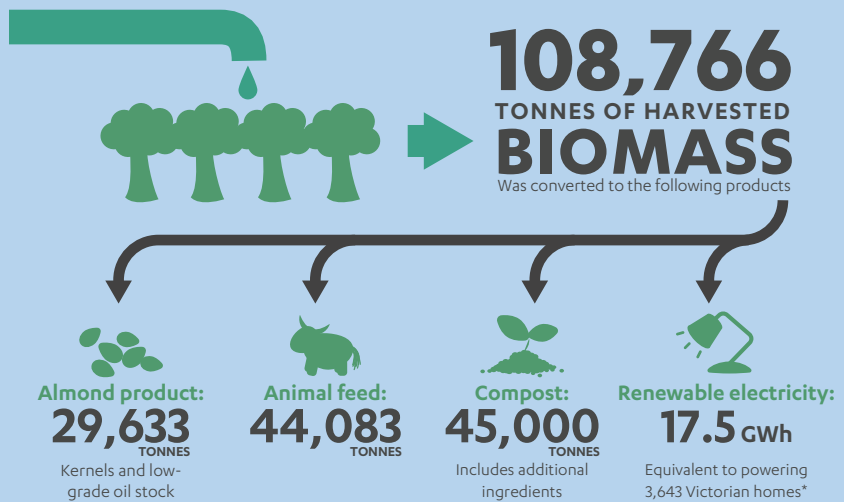
We produce more than just almonds: biomass co-product innovation

In 2018, we embraced the concept of a circular business model and embarked upon our flagship resource recovery initiative. As we harvest and process our almonds, we capture and use the outer shell, hull and residual harvest waste to make additional products for the business and maximise our return on water use (see *Water efficiency*). From this biomass, we produce animal feed, compost (with additional ingredients) and renewable electricity. We sell animal feed to the market and return the potassium-rich compost to our orchards to improve soil health, increase carbon storage and further improve water efficiency. Electricity produced on site through our Hull-to-Energy (H2E) power station is used to power our processing facility and irrigation infrastructure in our neighbouring orchard. Large-scale Generation Certificates (LGCs) and excess generation are sold to the grid.

Our resource recovery initiative has reduced input costs and increased revenue streams, with opportunities for further growth as we explore the expansion of our compost products into the market.

In 2021–22, our trees produced 108,766 tonnes of harvested biomass, which was converted to several products (see below).

Our H2E biomass co-generation renewable power station brings together several sustainability initiatives to improve our water efficiency and maximise return on our water use, and ‘close the loop’ through waste recycling, renewable electricity generation and compost generation. See also *Water efficiency*, *Soil health* and *Emissions*.



* An average Victorian household consumes around 4,800kWh every year. Source: [Climate Council](#)



Planet

Water efficiency

Our goal is to produce more with our allocated water

Relevant United Nations Sustainable Development Goals



Targets

- 100% of our orchards using drip irrigation
- 100% of our orchards using soil moisture monitoring
- 100% of our orchards using water stress sensing technology
- 100% of our orchards using high-resolution remote sensing imagery

Select Harvests exercises efficient water management and stewardship. We have invested in best practice technologies to improve water efficiency across our orchards. Water is not only one of our biggest inputs, but also a shared resource, helping to sustain many communities and ecosystems within the Murray-Darling Basin. We actively engage with relevant water authorities, community groups, industry bodies, environmental organisations and broader government authorities to address impacts and promote sustainable water use.

Our orchards operate in several irrigation regions and have a mix of water rights, from permanent entitlements and medium-term water leases to allocations purchased on the spot market. We use a mix of both groundwater and river water classified as freshwater.

Our 16 orchards and production facility use the water sources listed by state in the following table.

| State | Water source |
|-------|--|
| NSW | <ul style="list-style-type: none"> • Lachlan River • Lower Lachlan deep aquifer system • Murrumbidgee River • Lower Murrumbidgee deep aquifer system • Murray River |
| VIC | <ul style="list-style-type: none"> • Murray River • Goulburn system • Yarra Valley Water |
| SA | <ul style="list-style-type: none"> • Murray River |

We develop a water strategy for our orchards each season, approved by the Executive Team and Board. Each strategy considers crop potential, forecasted climatic conditions, seasonal allocation determinations, risk of spill in the dams, cost of water, purchasing strategy, forecasted farm water demand, temporary allocation water requirements, water leases, policy changes and crop potential. We observe and analyse weather patterns throughout the year, including the impact of rainfall, frost and heatwaves.

On each farm, a full-time irrigation manager is responsible for reviewing and applying irrigation and fertigation and ensuring system optimisation through monitoring and maintenance. Farm staff undertake frequent manual soil digs to check soil moisture levels in the orchard. We provide regular training to ensure our employees remain up to date with best practice.

Our drip irrigation systems apply water at a rate measured in millimetres per hour. We survey soils to determine soil types, textures and potential root zone depths and calculate the moisture holding capacity of various layers, so we can design and manage the irrigation system to closely match soil characteristics. Using a calculated irrigation application rate, which considers forecasted weather, we finalise the total hours and volume of irrigation required to meet plant demand, minimising drainage past the root zone.

Soil capacitance technology

The application of water is closely monitored using soil capacitance probes to measure the moisture content of the soil at various depths and soil infiltration rates within the root zone.

Phytech® plant stress technology

We use plant sensing technology to help determine when to irrigate, by monitoring micro changes in trunk diameter during the day and night.

Remote telemetry

Data is transmitted to a central software system which enables us to schedule irrigation appropriately.

Vegetation mapping

We engage external consultants to undertake aerial imagery of vegetation to identify variability in tree health.

We will continue to improve the efficiency of our water use as irrigation infrastructure and equipment is updated and technology improves.

Native vegetation areas are planted to remove water from poor irrigation drainage areas, provide habitat for local wildlife and mitigate soil erosion through root zone stabilisation. We plant native trees that tolerate moderate levels of water logging and salinity in affected areas (see also *Biodiversity and natural ecosystem conversion*).

At our processing site, we achieve water efficiency by sequencing runs of the same product to minimise machine washes while maintaining food safety standards. Drainage water from our processing site is used in the production of compost, as well as orchard irrigation and dust control.

Monitoring our impact

Every week, we measure and record volumes of water extracted from each water source through pattern-approved water meters. The meter readings are either directly reported to the relevant water authority via telemetry, or manually recorded on online registers via a self-reporting process.

Each farm adheres to licensing conditions administered by the relevant water authority. All extracted water use is monitored by the relevant water authority or government body to ensure our extracted use complies with licensing conditions.

Water withdrawal from the water source is the compliance point for water authorities to record consumption. Select Harvests consumes all water withdrawn – it is either fed via our dams to irrigation or direct to irrigation.

Partnerships for healthy waterways

Select Harvests contributes to the Victorian Murray Floodplain Restoration Project's stakeholder advisory committee. This project is being implemented as part of Victoria's obligations under the Murray-Darling Basin Plan, in partnership with Lower Murray, Goulburn Murray Water, Mallee CMA, North Central CMA, Parks Victoria and the Department of Energy, Environment and Climate Action.

The project aims to return a more natural wetting and drying cycle across approximately 14,000 hectares of high ecological-value Murray River floodplain. This will be achieved through the construction of new infrastructure and use of existing infrastructure, including a Select Harvests main pump station that feeds Narcooyia Creek, linked to the Belsar-Yungera Floodplain Management Project.

The Belsar-Yungera project also intends to restore and enhance the habitat links between the river and Narcooyia Creek, improving the movement of native fish species. It aims to improve the wetland and habitat for species such as the Growling Grass Frog, Lignum shrubland, carpet pythons, bats and water birds.





Water efficiency continued

The dams on our farms are designed and constructed by suitably qualified engineers. Our dam walls do not exceed 5 metres and fall below the hazard threshold set by the Australian National Committee on Large Dams. Water is recycled on-site and not discharged back into any external water sources. All on-site wastewater treatment systems are designed, constructed and managed to EPA standards.

Before establishing an orchard, we undertake a comprehensive soil survey to identify existing waterlogging issues, salinity levels and soil types with impervious layers susceptible to drainage problems. We either exclude these areas from development or install drainage to divert excess water to on-farm storage, so it can be redistributed via the irrigation system.

Monitoring bores are installed to track groundwater movement and field staff conduct regular on-site inspections to identify and monitor any affected areas. At times we may engage external consultants to identify water-impacted areas using aerial photography and on-site verification.

Our performance

All our orchards now use drip irrigation, soil moisture monitoring, water stress sensing technology and high-resolution remote sensing imagery. Water requirements vary depending on climatic variabilities such as air temperature, humidity and wind, and agronomic factors including soil water-holding capacity and crop potential. This makes it challenging to measure water performance and efficiency interventions over time.

Water usage is also proportional to the size of the tree, variety, crop age, and size of the crop. On average, our almonds require approximately 2 megalitres per hectare in the first year of growth, ranging up to 14 megalitres per hectare at maturity.

According to the [Australian Almond Board](#), the industry standard for water use on mature orchards in Australia is between 12 and 14 megalitres per hectare.

| Water type | Classified as freshwater | Water volume (ML) | | | | |
|---|--------------------------|-------------------|----------------|---------------|----------------|---------------|
| | | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
| Surface water | ✓ | 91,499 | 90,898 | 69,201 | 70,630 | 64,259 |
| Groundwater | ✓ | 18,240 | 21,689 | 24,772 | 26,985 | 26,392 |
| Seawater | | 0 | 0 | 0 | 0 | 0 |
| Rainwater | | 0 | 0 | 0 | 0 | 0 |
| Produced water | | 0 | 0 | 0 | 0 | 0 |
| Third-party water | ✓ | 1,801 | 2,462 | 2,482 | 2,723 | 0 |
| Total water withdrawn and consumed | ✓ | 111,540 | 115,048 | 96,455 | 100,338 | 90,651 |
| Water withdrawn and consumed per hectare | ✓ | 12.0 | 12.4 | 12.5 | 13.0 | 11.9 |

Note: Water data from 2017–18 to 2019–20 is for the period 1 July to 30 June.
Water data from 2020–21 to 2021–22 is for the period 1 October to 30 September.

Over the past five years we have seen changing weather patterns, from severe drought to average and now wet conditions. Our water use is efficient by industry standards, considering the average water consumption rates for mature trees and the percentage of our trees at maturity.

| Year | Mature % | Immature % |
|---------|----------|------------|
| 2021–22 | 75% | 25% |
| 2020–21 | 73% | 27% |
| 2019–20 | 69% | 31% |
| 2018–19 | 65% | 35% |
| 2017–18 | 64% | 36% |

The bulk of our water is withdrawn from low water-stressed areas (75,591 megalitres of surface water in 2022) with the remaining water withdrawn from low-medium, medium-high and high water-stressed areas. Water-stressed areas have been determined using the Aqueduct Water Risk Atlas, provided by the World Water Resources Institute (December 2022). For one farm that covers two risk areas, we apportioned the water usage based on the planted area because the property is fully supplied via the Lower Murrumbidgee deep aquifer system.

In 2021–22, we were fully compliant with our licensing conditions and did not sustain any significant water impacts.

| | Low risk | Low-medium risk | Medium-high risk | High risk |
|------------------------|-----------|-----------------|------------------|-----------|
| Surface water (ML) | 72,590.79 | 18,908.26 | - | - |
| Groundwater (ML) | 2,478.74 | 3,443.06 | 1,338.97 | 10,979 |
| Third-party water (ML) | - | 917.85 | - | 883.29 |

Water consumption and biomass grown for use (including almond product)

| | 2021-22 | 2020-21 |
|---|-------------|-------------|
| Harvest biomass (kg) | 108,765,510 | 101,892,500 |
| Harvest biomass (kg) /water consumed (ML) | 975 | 886 |
| Harvest biomass (kg) /hectare | 11,743 | 11,001 |

See also *We produce more than just almonds: biomass co-product innovation*.

Soil health

Our goal is to build thriving soil food webs to support tree health

Relevant United Nations Sustainable Development Goals



Targets

- 45,000 tonnes of compost produced on-site

Healthy soils are essential for almond production. Soil health supports robust almond tree growth and consistent yield and prolongs the commercial viability of tree life. It is affected by the way we manage vegetation cover, irrigation (see *Water efficiency*), organic and inorganic fertilisers and the use of pesticides (see *Pesticides use*).

We apply large amounts of fertiliser to our soils to ensure our trees have the right nutrients to grow. Our Safety Management System details our protocols for chemicals (see *Pesticides use*). We are cognisant of the impact fertiliser run-off may have on surrounding ecosystems. We apply it through our drip irrigation system, which is designed to minimise water and fertiliser drainage past the root zone (see *Water efficiency*). We are also investing in recycling nutrients within our farms through our closed loop compost program, to reduce the need to purchase and apply imported fertiliser.

Closed loop compost program

Our biomass power station produces significant quantities of ash as a byproduct rich in potassium and other essential nutrients (see also *Emissions*). We began trialling the production of our own compost using the ash byproduct in the 2018–19 growing season, taking the opportunity to recycle nutrients back into our orchards. We combined the ash with waste skins from our processing facility, soil-specific amendments and other non-edible organic waste harvest material to produce a high-grade carbon-based compost.

In partnership with a consultant, our technical team developed an innovative and efficient precision compost application method, using specialised machinery to deliver the compost directly to the root zone of our almond trees. Research findings confirmed the application of soil carbon significantly improved soil health. In 2019, we implemented the compost program across all our orchards.

Benefits of our closed loop compost program:

- improved soil structure through retention of nutrients, soil moisture and temperature
- improved soil food web through increased presence of beneficial fungi, bacteria and micro-arthropods
- improved nutrient availability and uptake efficiency
- improved water holding capacity and uptake efficiency, reducing irrigation costs
- increased soil carbon levels
- reduced imported chemical fertiliser
- reduced erosion
- reduced soil acidification, nutrient leaching and de-nitrification
- reduced wetland formation
- reduced insect damage.

Monitoring our impact

We are developing a methodology to monitor orchard soil health over time.

Our performance

In 2021–22, we produced 45,000 tonnes of compost on-site and returned the product to our orchards, improving soil health, root biology and crop health. Using our compost program, we recycle all the ash produced by our biomass power station and replace between 30% and 100% of several imported chemical fertilisers.

We will continue to invest in our compost and waste-derived fertiliser program to maximise the benefits of our closed loop program.

Soil health innovation

Innovation is a core value for Select Harvests, complementing our sustainability objectives. Over the past two years, we have invested in two innovative almond waste management projects.

Tricho Hull Compost

In late 2021 we developed a technique to mass produce beneficial fungi (*Trichoderma viride*) and combine it with our compost to increase soil health and the soil food web. Since then, we have trialled the product, 'Tricho hull compost', as part of our Integrated Pest Management program. We have registered our Intellectual Property (IP) and will commence commercial-scale production in 2022–23.

Liquid Hull Digestion (fertiliser)

With support of funding from Sustainability Victoria for a pilot level project we have started producing liquid fertiliser from almond hulls. In early 2021, we developed a technique to extract nutrients from almond hulls and produce hull-digested liquid fertiliser. We subsequently registered our IP and engaged Thomas Elder to carry out an agronomy trial in partnership with Monash University. This trial will assess the impact of almond hull-derived liquid fertiliser on the growth and yield of wheat and tomatoes. We will see results in 2022–23.





Pesticide use

Our goal is to grow healthy trees without damage to our bees, people, and planet

Relevant United Nations Sustainable Development Goals



Targets

- All chemicals are applied and compliant against label rates, use patterns and withholding periods
- All chemicals applied do not exceed almond Maximum Residue Limits for the respective markets

The use of pesticides is essential in our horticultural operations to ensure we protect our crops from various pests and diseases, maximise the crop and prolong tree life.

Our Safety Management System contains a chemical safety component outlining how chemicals are to be handled, used, transported and stored at all Select Harvests locations.

All employees responsible for mixing and handling chemicals are trained and certified under the AusChem program at the time of induction

Bee and pollinator stewardship

Our use of herbicides and insecticides could have an impact on neighbouring farms, bee populations, native vegetation, wildlife, waterways and communities. We manage spraying based on weather conditions to prevent spray drift onto other crops and ensure we use chemicals efficiently.

Bees are a critical element in our growing process; therefore, we consult with beekeepers or their brokers and seek approval prior to spraying. We only spray during non-foraging periods (at night) to allow the chemical solution to dry before bees begin foraging.

Monitoring our impact

We keep chemical usage and spray records for every spray event and store chemicals according to regulatory requirements. We perform Maximum Residue Limit detections under the National Residue Survey and publish the results publicly.

Our performance

We manage our facilities in line with all relevant legislation, as well as the mandate of our local communities. In 2021–22, we did not receive any fines or non-monetary sanctions relating to our interaction with chemicals.

Our facilities and orchards have HACCP accreditation* and are audited annually against this methodology to ensure compliance.

“To protect bees, we have strict protocols of not spraying the orchards while the bees are foraging.”



* HACCP Australia is a leading food science organisation specialising in the HACCP Food Safety Methodology and its applications within the food and related non-food industries

Climate adaptation and resilience

Our goal is to adapt to climate change and be resilient in a changing climate

Relevant United Nations Sustainable Development Goals



Targets

- Climate-related disclosures are aligned with the Task Force on Climate-related Financial Disclosures (TCFD)

We recognise the risks, challenges and opportunities that climate change is likely to present for our business. Operating in the agriculture sector, we are both a contributor to, and affected by, the physical and transitional impacts of climate change. We accept the science of climate change and the Paris Agreement, which commits countries to limit the increase in the global average temperature to well below 2°C, relative to the pre-industrial period.

The impacts of climate change are felt by people in the communities where we live and work, in the form of severe weather (such as flood, frost or drought), rising temperatures, water supply shortages and increases in the demand and cost of water. All these impacts affect our operations and employees, as well as our communities and human health. This past year we have been particularly exposed to flood events and the inundation of infrastructure.

This year, Select Harvests has taken steps towards aligning the disclosure of our climate-related risks and opportunities with the TCFD, which aims to improve the quality of information for financial markets.

Climate-related risks and opportunities for the agricultural sector largely flow from greenhouse gas emissions, water and waste management. They are driven by land use, production practices and changing land-use patterns. We recognise the increasing likelihood Select Harvests may be negatively impacted financially by greenhouse gas emissions and water risks.

Our performance

Our Annual Report outlines our transition, physical risks, mitigation strategies and high-level financial implications. As we are in the early stages of aligning with the TCFD, we have not yet developed a plan or the necessary systems to calculate financial implications or costs. We will continue to build our understanding of our risks and their impact on financial performance as we strengthen our approach to aligning with the TCFD.





Emissions

Our goal is to be carbon neutral by 2050

Relevant United Nations Sustainable Development Goals



Targets

- Carbon neutral by 2050 or earlier
- Establish an emissions profile for our current operations to identify a pathway to net zero

We operate in an emissions-intensive industry. Energy is one of the most significant inputs for growing and processing almonds. Our orchard operations are responsible for most of our carbon footprint.

In January 2022, we made a commitment to become carbon neutral by 2050 or earlier. We then engaged Integrity Ag and Environment to recalculate our emission profile to establish a robust baseline year to identify an emission reduction pathway to net zero.

Our previous emissions profile was calculated based on the 2015 calendar year data and was incomplete by today's standards. Since that time, we have also expanded our planted orchards by 3,665 hectares and increased kernel volume by 95%, as our trees have matured in profile.

This year, we interrogated our emission sources and boundaries to include emissions related to fumigation, pesticides, soil amendments, compost, pruning waste, pre-farm transport, freight to our Australian distribution centres, packaging and emissions related to processing imported nuts.

As a result, we will use our 2020–21 emissions profile as our baseline. To ensure we capture robust and timely data, we will set up internal processes to account for our ongoing emissions, including the recruitment of a carbon accountant. During the coming year, we will develop a plan to meet our commitment to carbon neutrality.

To reduce our emissions to date, we have focused on improving soil and horticultural efficiencies. We have closed the loop on our growing and processing practices and partnered with research bodies to progress innovative soil health initiatives (see also *Soil health*). In addition, we installed solar panels on our orchards to reduce domestic and workshop electricity consumption where feasible.

Closing the loop

Our H2E biomass co-generation renewable power station produced its first electricity in June 2018, with ongoing commissioning and upgrade works continuing until December 2019. Almond orchard biomass waste (including almond hull) is transported to the station and burnt at high temperatures, producing 3.3 MWe of power.

The Carina West processing facility is linked to the local grid, allowing us to export excess electricity and import electricity if the power station is offline. This connection allows Select Harvests to provide renewable electricity to the main grid and generate an income from Large-scale Generation Certificates (LGCs).

Through this initiative we are reducing emissions from our business by diverting waste from landfill (see *Biomass, waste and resource recovery*), reducing imported fertilisers (see *Soil health*) and improving water efficiency (see *Water efficiency*).

The power station has also created further local employment opportunities at Select Harvests, with additional roles dedicated to the operation of this facility.

Solar power

As part of our commitment to reducing our emissions, Select Harvests identified an opportunity to use renewable electricity. We undertook a review of our usage and determined that it would be most effective to install three separate systems totalling 220 kW in high-use locations, such as workshops. We will work towards quantifying emissions savings from our solar installations in our next report.

Monitoring our impact

In 2022, we engaged a consultant to recalculate our carbon footprint. Our 2020–21 carbon footprint was completed using methods consistent with international carbon footprint guidelines and the Australian National Inventory Report (Commonwealth of Australia, 2021). Emissions are reported according to scope 1, 2 and 3 emissions sources following the Greenhouse Gas Protocol, 2014. Emissions are reported as carbon dioxide equivalent (CO₂e).

The carbon footprint included scope 1, 2 and 3 emissions from cradle to the transport delivery of finished material to domestic customers, distribution centres and local export agency warehousing. No scope 3 emissions were estimated beyond this point.

Our performance

Since 2015, our emissions have increased from 76,664 to 178,089 tonnes CO₂e. Contributing factors include an increase in our planted orchards by 65% and an increase in crop volume by 95%, as our trees have matured in profile. Additionally, we have expanded emission sources included in our new, rigorous baseline.

Our almond trees have an estimated sequestration rate of 120,088 tonnes CO₂e per year over a 25-year period, which is significant as a counterbalance to our emissions.

Our almond trees store carbon

Almond trees sequester carbon as they grow. Accounting recognition for carbon sequestration in perennial horticultural crops is not clear and Emission Reduction Fund (ERF) methods are not yet available. However, this sequestration source may be significant for our carbon balance.

This year, as part of calculating our emissions profile, Integrity Ag and Environment undertook a preliminary assessment of carbon storage in our almond trees, drawing on plantation forestry methodology. Two approaches were tested, with the more conservative approach resulting in an annual sequestration estimate of 120,088 tonnes CO₂e per year over a 25-year period. These results are being treated with caution and further work is needed to establish a robust and defensible method.

The Australian Government Climate Active program recently released a draft guideline for consultation 'Accounting for Carbon Sequestration from Tree Plantings'. The guideline is for entities seeking to include carbon sequestration within a Climate Active carbon account to achieve carbon neutrality under the Climate Active Carbon Neutral Standard. It acknowledges tree plantings as a form of emissions sink, dubbed 'insetting', which can counterbalance the emission sources in an entity's emissions boundary. The draft guideline is consistent with existing ERF methodologies and does not currently include horticultural trees.

While a formal pathway for insetting is in its infancy, the theory supports an opportunity for Select Harvests to account for carbon sequestered from our trees. We will use our preliminary assessment of carbon stored in our trees to explore carbon insetting and carbon offsetting opportunities for our future emission profile as we work towards net zero.

Total greenhouse gas emissions in 2020–21 by scope (processing facilities and orchards)

| | 2020-21 | 2015* |
|---------------------------------------|----------------|---------------|
| Scope 1 emissions | 80,879 | - |
| Scope 2 emissions | 49,562 | - |
| Scope 3 emissions | 47,648 | - |
| TOTAL (tonnes CO₂e) | 178,089 | 76,664 |

* Calendar year data consolidated into scope 1, 2 and 3 as reported in our 2017 Sustainability Report

Emissions intensity

| | 2020-21 |
|--|---------|
| Total emissions per tonne of kernel (tonnes CO ₂ -e)* | 5.1 |
| Total emissions per hectare (tonnes CO ₂ -e) | 19.2 |

* This figure relates to almonds processed at the Carina West processing facility round to 1 decimal place

Greenhouse gas emissions in 2020-21 by scope for our processing facilities

| Emission source | Tonnes CO ₂ e |
|---|--------------------------|
| Fuel | 3,643 |
| Refrigerant | 2,076 |
| Fumigation | 48,280 |
| Composting | 887 |
| Scope 1 - total | 54,886 |
| Attributed electricity emissions | 15,561 |
| Scope 2 - total | 15,561 |
| Fuel | 320 |
| Electricity | 1,710 |
| Packaging | 6,172 |
| Solid waste | 643 |
| Fumigation | 151 |
| Upstream transport | 2,781 |
| Downstream transport | 569 |
| Employee commuting | 1,033 |
| Business travel | 27 |
| Production of products other than almonds | 6,347 |
| Scope 3 - total | 19,754 |
| TOTAL | 90,201 |

Our biomass renewable energy power station generated 1,764.2 tonnes CO₂e across scope 1, 2 and 3 sources (included in the above table). It also emits nitrogen oxide, sulfur dioxide, carbon monoxide and particles (PM₁₀ and PM_{2.5}). All emissions were below the license limits set by the Victorian EPA.

Emissions from our orchards at a national level are dominated by irrigation electricity, field emissions from fertilisers, pesticides and fuel use.

Greenhouse gas emissions in 2020–21 by scope for our orchards (tonnes CO₂e)

| Emission source | Orchards VIC | Orchards NSW | Orchards SA | TOTAL |
|------------------------------------|---------------|---------------|---------------|---------------|
| Fuel | 2,034 | 5,987 | 2,267 | 10,288 |
| Field emissions | 4,689 | 4,098 | 6,918 | 15,705 |
| Scope 1 - total | 6,723 | 10,084 | 9,186 | 25,993 |
| Purchased electricity (irrigation) | 21,527 | 6,205 | 4,976 | 32,708 |
| Purchased electricity (other) | 359 | 642 | 289 | 1,290 |
| Scope 2 - total | 21,887 | 6,848 | 5,266 | 34,001 |
| Fuel | 104 | 307 | 116 | 527 |
| Purchased electricity (irrigation) | 2,366 | 610 | 1,161 | 4,137 |
| Purchased electricity (other) | 39 | 59 | 68 | 166 |
| Fertilisers | 807 | 4,705 | 4,638 | 10,150 |
| Soil amendments | 163 | 223 | 225 | 611 |
| Pesticides | 4,044 | 3,705 | 3,613 | 11,362 |
| Pre-farm transport | 76 | 328 | 123 | 527 |
| Employee commuting | 307 | 255 | 187 | 749 |
| Business travel | 1 | 0 | 16 | 17 |
| Scope 3 - total | 7,909 | 10,192 | 10,146 | 28,246 |
| TOTAL | 36,518 | 27,124 | 24,597 | 88,240 |

Our electricity consumption has increased, largely because our trees are maturing and we are using more power for irrigation.

Electricity consumption (GWh)

| | 2021-22 | 2020-21 | 2019-20 |
|---|---------|---------|---------|
| Total power consumed including power generated from H2E (excluding solar panel generation*) | 63.3 | 68.2 | 55.5 |
| Total power generated from H2E | 17.5 | 21.7 | 20.9 |
| Total power exported to the grid from H2E | 3.7 | 5.3 | 5.9 |
| Electricity purchased from the grid | 49.5 | 52.0 | 40.6 |

* Solar power generation is currently unquantified from our three systems totalling 220 kW. Power exported to the grid from these systems was 0.09 GWh in 2020–21 and 0.15 GWh in 2021–22

In 2020, we entered into long-term Power Purchase Agreements (PPAs) with an energy retailer to manage our electricity costs. This long-term financial commitment is an investment that powers new renewable energy: our energy contract creates more demand for renewable energy, meaning more investment in building renewable capacity.

Power purchase agreements (GWh)

| | 2021-22 | 2020-21 | 2019-20 |
|---------------------|---------|---------|---------|
| Solar and wind PPAs | 13.2 | 11.9 | 13.1 |

Our H2E co-generation renewable power station continues to provide energy to the Carina West processing facility and neighbouring Carina West orchard. Excess electricity is supplied to the local grid. It provided 22% of our electricity needs in 2021–22 and 24% in 2020–21. In future, we will consider retaining LGCs generated from our H2E co-generation renewable power station and surrendering them as part of our emission reduction strategy.

Large-scale Generation Certificates (LGCs)

| | 2021-22 | 2020-21 |
|--|---------|---------|
| LGCs created | 18,257 | 14,390 |
| LGCs retained by our energy retailer for their Large-scale Renewable Energy Target liability | 9,686 | 9,844 |
| LGCs sold to the market | 7,000 | 5,200 |
| LGCs retained for future sale [§] | 1,571 | -654 |

[§] LGCs are retained and sold subject to market prices. LGCs were carried over from 2019-20 into 2020-21

We manage our facilities in line with all relevant legislation, as well as the mandate of the local communities where we operate. However, we received an improvement notice from the Environment Protection Agency (EPA) in relation to controls in place for ensuring effective monitoring of emissions to air. Our dust filtration baghouse was operating abnormally, increasing visible dust emissions. We completed remedial action, and the improvement notice was withdrawn.



Biodiversity and natural ecosystem conversion

Our goal is to prevent biodiversity loss and protect native habitat.

Relevant United Nations Sustainable Development Goals



Targets

- To be established

We are custodians of a significant area of land and air, including large tracts of native vegetation and river frontage. We are committed to do no damage and protect native flora and fauna. Our approach is guided by our [Environment and Sustainability Policy](#).

Protecting biological diversity is important to ensure the survival of plant and animal species, particularly as the climate changes.

Collectively, agricultural practices have significantly fragmented our natural ecosystems, reducing connectivity and species mobility and, ultimately, their ability to persist through shocks and stresses. Natural ecosystems provide pollination services and clean water and air and contribute to human health – all of which are essential to our business.

In recognition that nature loss poses a major risk to business, the Taskforce on Nature-related Financial Disclosures (TNFD) is developing a risk management and disclosure framework for organisations to report and act on evolving nature-related risks. We will monitor this emerging framework and endeavour to align our disclosures in the future.

We own several agricultural properties where we have converted existing farmland to almond orchards and we expect to continue to acquire properties as opportunities arise. Our acquisition strategy for new irrigation land in the Murray-Darling Basin is integral for the long-term viability of the business. We are focused on identifying existing farmland development opportunities with secure water access and appropriate soil and climate, located near a stable workforce to enable a profitable enterprise and generate positive cash flow.

Our decision-making process for new irrigation properties in the Murray-Darling Basin considers a range of factors, with risk mitigation forming each criterion. The table below shows the steps in our initial desktop analysis.

| Desktop process | Process description |
|---|---|
| Water security and deliverability risk assessment | A review of water risk for potential almond orchard developments, using both security and deliverability as critical decision-making criteria |
| Project budget and modelling | Budgeting all associated costs to establish the orchard, including land purchase, planning, infrastructure and development |

Once we have confirmed the project's viability, we undertake a comprehensive due diligence process to further understand the social, environmental and economic impact of the investment.

| Due diligence process | Process description |
|--------------------------------------|---|
| Climate assessment and review | A review to determine climate suitability, including the frost and flood risk |
| Planning | A review of relevant planning schemes to determine any applicable planning matters |
| Aboriginal cultural heritage | A review of the property, pump station locations and mainline routes for Aboriginal cultural heritage, which may include detailed Aboriginal Cultural Heritage plans – subject to the outcome of the review |
| Hydrogeological study | A hydrogeological study to confirm the site's suitability for almond production and identify any potential impacts irrigation or orchard development may have on regional water systems |
| Soils assessment and review | A detailed soils analysis, including an electromagnetic soil mapping (EM38) survey and soil pit review and analysis, to determine if the property is suitable to produce almonds and any actions required to maximise its potential |
| Vegetation and ecological assessment | A vegetation and ecological assessment of the property and any mainline routes to determine the significance of on-site vegetation and the ecological value of the property |

These processes deliver environmental results. For example, our vegetation and ecological assessments have identified areas of protected and significant vegetation. Based on this information, we have modified pipeline routes from water sources such as rivers and lakes. These assessments also influence orchard design and buffers from vegetation.

We are committed to expanding our operations sustainably and will continue to apply our decision-making process with rigour and integrity.

Monitoring our progress

We continue to monitor our properties in line with our due diligence process and adjust our practices as necessary. We are collecting data and reporting on the composition of vegetation on our properties for the first time this year.

Our performance

We have not developed any land since the previous reporting period and the extent of our natural ecosystem areas has remained steady over the past year.

| | Total |
|---|-------|
| Orchard (ha) | 9,371 |
| Natural ecosystem (ha) | 1,907 |
| Natural ecosystem restored and protected (ha) | 316 |

The above figures include road reserves adjacent to our properties and joint ventures. Roads and infrastructure in use have been excluded. Natural ecosystem areas include remnant vegetation and some historical farmland that has regenerated with no farming on it. Restored natural ecosystem areas include replanted native vegetation, predominantly as a management tool for irrigation (see *Water efficiency*).

Protected natural ecosystem areas include vegetation protected through:

- a Section 173 agreement under the *Planning and Environment Act 1987*
- Property Management Plan (NSW)
- third-party agreement as a condition of a planning permit to offset vegetation disturbed elsewhere (from projects that have required the removal or impact of native vegetation).

These protected areas are largely fenced, which has proven very effective for protecting vegetation.

Fifteen of our orchards are located adjacent to protected areas or areas of high biodiversity value, including Murrumbidgee Valley National Park, Katarapko Game Reserve, Lakes Powell and Carpul Wildlife Reserve and Belsar Island State Forest, as well as Crown reserves (including the Murray River) and State forests. A pump station servicing our orchards is located on Belsar Island State Forest.



Bee friendly farming

We have a relationship with the bee and pollination industry spanning more than 30 years and remain committed to providing optimum conditions for our pollinators. Our bloom period is the month of August, and for pollination in our mature trees, we stock 5 to 6 hives per hectare. Over the past year, our bee populations faced the threat of the varroa mite entering Australia, restricting bee movement and availability. This threat can be overcome if the mite becomes endemic; however, it heightened our commitment to providing optimum bee health conditions for the pollination services we depend upon.

We are committed to:

- supply alternative forage sources for bee arrivals where possible
- supply water for bees at hive sites
- no weedicide spraying when hives are present (see *Pesticide use*)
- no fungicide spraying during bloom unless disease pressure is severe and crop is at risk
- discussing product choice with beekeepers or brokers if crop protectant spray is required and only applying outside bee foraging periods
- maintaining spray diaries available for viewing
- scheduling hive inspections to minimise endemic diseases and maintain hive strength
- machinery and human exclusion zones around bees

We are exploring increasing the number of pollinator species in areas where we plant native vegetation (see also *Water efficiency*) and obtaining certification through the Bee Friendly Farming Australian program.



People



Workplace health and safety

Our goal is to provide a safe, zero harm working environment and wellbeing culture

Relevant United Nations Sustainable Development Goals



Targets

- Improve safety performance by 10% each year

The agriculture and manufacturing industries have inherent risks and hazards relating to operating equipment, chemicals, noise, dust, climate exposure, wildlife, remote and isolated work, manual handling, slips, trips and falls.

Our Workplace Health and Safety (WHS) policy outlines our objective to prevent injuries before they occur and improve safety performance by 10% each year as part of our Zero Harm and Wellbeing Strategy. We focus on five priority areas: compliance; a safety culture; education; process improvement and performance measurement; and employee wellness.

Workplace health and safety is reported at:

- daily facility toolbox meetings
- weekly Executive meetings
- monthly Executive meetings
- monthly Board meetings
- monthly updates from the Managing Director to the business.

Our Safety Management System (SMS) outlines our standard operating procedures and processes for identifying hazards and assessing and managing risk. It applies across all our operations and people. To complement our SMS, we have a comprehensive safety manual outlining our safety strategy, policy, roles, responsibilities, key risks, reporting mechanisms, legislation and other standards. In addition, we have a Safety Handbook for staff inductions and for all existing operational employees to sign-off on safety compliance.

We encourage active participation in our SMS, running regular toolbox safety meetings where we discuss key incidents and near misses. These meetings provide an opportunity for our people to raise concerns, discuss issues and acknowledge examples of good practice. Our WHS officers have the authority to issue a Penalty Infringement Notice should management not act on a lawful safety request. All sites have an active WHS Committee, which meets monthly for higher risk areas (horticulture and processing) or quarterly (corporate).

Each key area of the business has a Health and Safety Representative (HSR) elected by peers to represent them in WHS Committee meetings.

Our code of conduct and equal opportunity and discrimination policies enable employees to remove themselves from hazardous situations if needed while providing protection from reprisal.

Safety training

We provide training to ensure staff are equipped with the knowledge and skills to carry out their roles safely. Training includes on-site safety inductions, standard operating procedure training and toolbox meetings on topical areas and legislative changes. We run skill accreditation for machine operation in production areas and sighted competency assessments by a trained instructor for farm operations. During peak harvest periods, translators are provided for migrant labour through the Seasonal Worker Program. Where required, we provide dual language learning instructions. We maintain a strong focus on supervision and our safety onboarding program is well-established, particularly for casual and seasonal workers.

The Board, Executive Team and WHS Committee members undergo annual safety training.

Health and wellbeing

We strive to create a workplace culture in which our people can bring their best selves to work. All employees, contractors and their immediate family members have access to our Employee Assistance Program (EAP), a confidential service that supports, guides and counsels people to manage their mental health. This support is a critical part of Select Harvests' overall approach to health and safety. In 2021–22, we reviewed our EAP provider following employee feedback and switched providers to increase the quality and breadth of services to support our employees.

In 2021–22 we implemented an RUOK? Day initiative across the company with HSRs, WHS Officers or General Managers leading a conversation about psychological health at company funded breakfast and morning tea events across all sites.

Workers have access to personal and carer's leave and leave without pay to access non-work-related medical services. We fund flu vaccinations for all employees. In addition to the National Employment Standards provisions, we offer company-funded Parental Leave and Community Service Leave to support the wellbeing of our employee families and their communities.

Supporting our people through the COVID-19 pandemic

As the COVID-19 pandemic continued into its third year we continued to support the health and wellbeing of our employees and regional communities. We introduced a new COVID-19 Policy and COVID-19 Safe Work Plan in line with statutory legislative requirements, including a mandatory vaccination policy to protect our workforce and their families for the time this was legislated. We introduced a flexible working from home model, restructured office, farm and processing workplaces, paid for immunisations, set up immunisation hubs (see also *Local communities*), and provided all employees with masks and hand sanitisers.





Workplace health and safety continued

Monitoring our impact

Identifying and mitigating hazards and risks is a core element of our SMS. We have processes to systematically identify and assess work-related hazards, including safety walks, inspections, audits, reviews of operating procedures and incident investigations. WHS officers conduct all risk assessments using a severity-versus-likelihood matrix. We apply the hierarchy of controls in our approach to hazards and risk mitigation.

We measure the effectiveness of our processes through hazard reports, the severity of hazards, the number of incidents and hazard-closure rates. Any gaps identified are used to drive improvements in workplace processes.

All employees have access to hazard identification forms (automated and manual options) and can submit these to their supervisors, WHS officers or HSRs.

Hazard and incident reporting and analysis are key to our ability to continuously improve our safety practices. By recording and investigating incidents and near misses, we can establish the root causes of incidents, communicate lessons learned, and implement necessary responses across our sites.

In 2020, we implemented ManGo compliance management technology to support real-time reporting of hazards and incidents, as well as ensuring training requirements are met and certifications are current.

We monitor participation in health and safety initiatives via employee activity on ManGo and results from our annual culture survey, both of which consistently indicate strong employee engagement.

Our performance

In 2021–2022, our total recordable injury frequency rate decreased by 29% from 56.4 to 39.9. This improvement was driven by increased hazard reporting and closure of hazards. During the same period, our lost time injuries remained steady at 10.

In 2021–22, we reported 42 recordable injuries and one high-consequence work-related injury. The high-consequence injury occurred when an employee tripped checking a stock pallet wrapped in shrink wrap. They struck the rail of the pedestrian walkway and fell on the concrete floor. Remedial actions to mitigate the risk of a repeat incident included removing the shrink wrap from the pallet, providing a safety procedure for control of pallets and shrink wrap at the site and team briefings on the incident. The injury was reported to WorkSafe, who inspected the site and were satisfied with actions taken.

The most common incidents were muscle and tendon injuries, wounds, bumps, and lacerations. These were mainly caused by slips, trips and falls. Forty seven percent of incidents were caused by human behavioural error. We are working to address this by further promoting a zero harm culture, as well as regular training and education programs focused on identifying and closing potential high and very-high risk hazards before they cause harm.

There were no work-related fatalities or fatalities due to work-related ill health, and no cases of recordable work-related ill health.

Safety culture is consistently the highest rated quality in our culture survey with 2021–22 returning an excellent conviction score (agree and strongly agree) of 85%, up 2% from the previous year.

| Metrics* | | 2021-22 | 2020-21 | Variance 2020-21 v 2021-22 |
|---|----------------|---------|---------|-------------------------------|
| Total recordable work-related injuries† | Number | 42.0 | 51.0 | -17.6% |
| | Frequency rate | 39.9 | 56.4 | -29.3% |
| Lost time injuries | Number | 10.0 | 10.0 | 0.0% |
| | Frequency rate | 9.5 | 11.1 | -14.2% |
| Medical treatment injuries | Number | 9.0 | 9.0 | 0.0% |
| | Frequency rate | 8.6 | 10.0 | -14.2% |
| Lost time injuries severity | Days lost | 400.0 | 381.0 | 5.0% |
| | Severity rate | 8.2 | 10.9 | -25.0% |
| High consequence injury‡ | Number | 1.0 | 1.0 | 0.0% |
| | Frequency rate | 1.0 | 1.1 | -14.2% |
| Hazards | Number | 2,748.0 | 1,582.0 | 73.7% |
| Fatalities | Number | 0.0 | 0.0 | 0.0% |

* Data includes Select Harvests employees and casuals employed directly by Select Harvests, through labour hire agencies or via the government Seasonal Worker Scheme. Total number of hours worked for 2021-22 was 1,052,629. Total hours worked for 2020-21 was 903,678.

* Frequency rates are calculated by the total category number divided by total hours worked (for all direct and labour hire staff) multiplied by one million.

* We identified human error in our 'Lost time injuries', 'Medical treatment injuries' and 'Lost time injuries severity rate' data which has been rectified since the publishing of our Annual Report 2022. We have set up a new process to avoid human error in future.

† Total recordable work-related injuries includes 'first aid injuries', 'treatment injuries' and 'lost time injuries'. The figures in our Annual Report 2022 also include 'near misses', 'no treatment' and 'damage to property'.

‡ Those that result in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

Employment practices and human rights

Our goal is to attract and retain a talented high-performing workforce and be an employer of choice.

Relevant United Nations Sustainable Development Goals



Targets

- Collaboration Score of 70%
- Net Culture Score of 23
- 100% compliance with our ethical sourcing policy

We recruit and treat all our workers in a manner compliant with relevant legislation. We aim to protect and preserve individuals' basic human rights. Our commitment to uphold human rights is reflected in a suite of policies including:

- Code of Conduct
- Recruitment
- Diversity, Equity and Inclusion
- Equal Employment Opportunity
- Anti-Discrimination, Harassment & Bullying
- Whistleblower
- Workplace Health and Safety
- Environment and Sustainability
- Anti-Slavery and Ethical Sourcing.

Our supply chain and distribution networks import and export a significant volume of product to and from developing countries. We acknowledge the associated risks of human rights violations relating to discrimination and equal opportunity, living wage and income, freedom of association and collective bargaining.

As a seasonal agricultural business, we rely heavily on a casual workforce, sourced directly or through local labour hire agencies. We employ casuals from overseas annually, through the Australian Government's Seasonal Workers Program. Over 90% of our workforce is employed in regional Australia and approximately 44% come from diverse ethnic backgrounds.

We require all our labour hire agencies to sign contractor agreement terms and conditions, which warrant compliance with all Select Harvests policies, Australian labour laws and legislative obligations.

We want to be recognised as a leader in the industry for effective management of labour practices and human rights issues. We are a [Sedex](#) member, for which we underwent an ethical trade audit. Sedex provide a technology platform to share sustainability data with buyers and provide access to tools to help improve performance. We continue to encourage our supply chain to become members of Sedex.

To ensure we continue to develop and improve our employees' awareness of the importance of acting ethically and with integrity, we are exploring eLearning platforms to support a suite of programs customised to address key outcomes and objectives for the business.

Modern Slavery Report

In January 2021, we released our first [Modern Slavery Report](#) as required by the Commonwealth Modern Slavery Act 2018. The report has been reviewed and was updated in March 2022.

Our Modern Slavery Report outlines our ongoing commitment to eliminating the risk of modern slavery, potential risks across our value chain and actions taken to assess and address modern slavery risks. We will build on our experience with each iteration of the report.

Monitoring our impact

We survey our employees' perspectives of our culture annually. We use the insights to invest in the continuous improvement of our company culture.

We have the right to undertake random audits of our labour hire agencies to ensure compliance with our policies and contractor agreement terms and conditions. We also adhere to audit requests from our key customers and other external stakeholders.

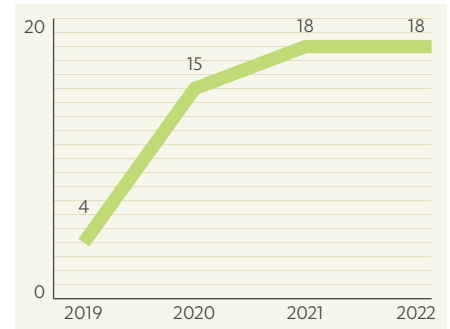
Our performance

Our culture survey measures employee perceptions of culture at Select Harvests across eight qualities: community, customer, commercial, accountability, innovation, collaboration, people and principled. We also include questions relating to perceptions of safety and food safety culture. In 2021–2022, the survey was completed by 74% of our employees, with conviction scores (strongly agree and agree) increasing across all 10 measures.

Our highest performing qualities with conviction scores above 70% included safety, food safety, customer, community, commercial and people (see also *Food safety and quality* and *Workplace health and safety* performance). Collaboration is up 4% compared to last year, with a conviction score of 59%.

Our Net Culture Score (NCS) is a widely used market research metric otherwise known as a net promoter score. It measures respondents' likelihood they would recommend Select Harvests as a workplace to a friend or colleague. It remained steady at 18 during a particularly challenging year with fire, floods, varroa mite, COVID-19 and poor exchange rates all impacting our business and employees in different ways. A net promoter score of 18 is considered a 'good' result.

Net culture score



We identified two potential underpayment issues through labour hire agencies, which were promptly acknowledged and rectified in August 2022. The agencies were dismissed and staff were transitioned to permanent full-time employment with Select Harvests.

Reconciliation Statement

On 30 September, we released a Reconciliation Statement declaring our commitment to reconciliation and acknowledging the traditional custodians of the land on which Select Harvests is situated.

Our vision for reconciliation is that we will continue to move forward together with Aboriginal and Torres Strait Islander peoples, who will be welcomed and encouraged to connect with our company in a culturally secure manner. This will strengthen our solid foundation of respect, relationships and opportunities with Aboriginal and Torres Strait Islander peoples and community organisations.



Employment practices and human rights continued

Living income and living wage

Relevant United Nations Sustainable Development Goals



The objective of Select Harvests' remuneration strategy is to attract, retain and motivate the people we require to sustainably manage and grow the business.

In 2021, we introduced a new company-funded Parental Leave Policy to support the health and wellbeing of our employees and their families who are having children.

Each year we review salaries in accordance with the relevant employment instrument, including our Enterprise Agreement and Modern Awards Employment Contracts. Salary increases consider external market factors such as the Consumer Price Index and the National Wage Case. All policies are regularly reviewed and updated to reflect relevant State and Australian Government regulations and updates to the National Employment Standards.

Freedom of association and collective bargaining

Relevant United Nations Sustainable Development Goals



Approximately 40% of our permanent employee workforce are covered by an Enterprise Agreement. We also employ many casuals, most of whom are covered by an Enterprise Agreement. The number of casual employees varies according to the season, the time of year and business requirements.

Our Ethical Sourcing Policy specifies labour standards we promote, including that workers have the right to freedom of association and may enter collective bargaining.



Non-discrimination and equal opportunity

Our goal is to have a diverse and inclusive workforce

Relevant United Nations Sustainable Development Goals



Targets

- 50% female candidates on the shortlist for any given position, where possible
- Hesta 40:40 vision – minimum 40% female participation at the Executive level by 2030

Select Harvests is committed to an inclusive culture where differences are respected and leveraged, which includes providing a work environment free from discrimination. We recognise racism, ageism, sexism, and other forms of discrimination exist across society and that certain demographic groups may be disadvantaged. We believe that actively promoting diversity in our workforce will result in innovation and ongoing business success.

Our policies (see *Employment practices and human rights*) outline our complaints, investigation, and dispute resolution procedures. Select Harvests will take appropriate disciplinary action where a complaint has been substantiated.

Our Recruitment Policy targets 50% female candidates on the shortlist for any given position, where possible. At the Executive level (Managing Director and direct reports), we are committed to supporting gender diversity targets of the [Hesta 40:40 vision](#) – an investor-led initiative to achieve gender balance in executive leadership across all ASX300 companies by 2030. By adopting this target, we will pursue gender equitable outcomes for women in leadership roles with a target representation of 40% men, 40% women and 20% any gender at these levels.

Monitoring our impact

Select Harvests has clear reporting, investigation, and management procedures for any type of discrimination or harassment within the workplace. Select Harvests reports annually to the Workplace Gender Equality Agency (WGEA) on the achievement of gender diversity targets.

Our performance

There were no incidents of discrimination reported through our third-party whistle blower mechanism during the reporting period.

Based on our WGEA 2022 submission in March 2022, the ratio of women to men in the organisation was 32.3% women to 67.7% men.

The overall gender pay gap – the difference between women's and men's average earnings – for Select Harvests was 11.4% in favour of men. Compared to the 'Agriculture, Forestry and Fishing' sector, reported in the 2021 [WGEA Competitor Analysis Benchmark Report](#), Select Harvests performed better than the median result for this group, with results in the top 40%. The sector average reported males receiving 14% greater remuneration than females.

The WGEA Competitor Analysis Benchmark report provides key gender pay gap benchmark data on various employee categories within an organisation. Pleasingly, Select Harvests reported gender gap payments in favour of women in two employee categories: 'Other managers' with a result of 8.4% in favour of women, and 'Professionals' with a result of 7.2% in favour of women – an improvement on our previous year's performance where Select Harvests reported only one category in favour of women.

Based on our WGEA 2022 submission in March 2022, female participation in the Executive Team was 29%. During the WGEA reporting period we appointed six females into leadership roles across the company.

The composition of our Board and Executive Team is available in our Annual Report 2022 and on [our website](#).



Local communities

Our goal is to contribute to thriving local communities

Relevant United Nations Sustainable Development Goals



Targets

- \$40,000 in community grants to support our local communities

Most of our workforce live in regional areas across Victoria, South Australia and New South Wales, where our orchards are located (see also *Our workforce* and *Our orchards and processing centre*). We positively impact local and regional economies in these areas and contribute to economic development in a variety of ways. These include taxes and other payments to governments at local, state and federal levels, local procurement, employment, and investment in programs and projects that benefit local communities through our community grants program (see also *Economic performance*). We introduced a new company-sponsored Community Service Policy to encourage our employees to undertake two days of community service activity.

COVID-19 vaccination hubs were set up at our Carina West processing facility to support vaccination for employees, families and other nearby community members.

We are cognisant of the negative impact we may have on our neighbouring properties and local communities due to noise pollution and emissions from our biomass power station. We actively engage with our neighbours and endeavour to pre-empt any emerging grievances. If we become aware of an issue, such as excessive smoke from our biomass power station, we letter drop our neighbours, providing information on what is happening and a contact point for issues. We follow up with in-person visits. When we receive complaints, we visit the complainant to discuss their concerns and explain the action we are taking to rectify any issues.

Monitoring our impact

Our values - to 'protect and grow' - encourage regular stakeholder engagement. Through this engagement, we assess and modify our approach to supporting regional economic development (see *Stakeholder engagement*).

Our performance

This year the company donated \$35,313.49 to 25 charitable organisations across Victoria, New South Wales and South Australia. We also donated \$50,000 to the Country Fire Authority in Victoria following a fire at our processing facility.

We had two official complaints to the EPA and two unofficial complaints to our employees relating to the use of scare guns and smoke from our biomass power station.

We recorded a noise breach against our EPA licence, relating to scare gun usage out of hours on one occasion. The breach occurred while dealing with a fire at our processing facility and no fine was imposed.

We were found not to be in breach of any EPA rules or regulations relating to our biomass power station (see *Emissions*).

Flood support

During the recent flood events we provided heavy machinery, dirt and labour to help build levee banks around houses in Wemen, near our processing facility at Carina West. We also transported sandbags and supplied pumping equipment to reduce water damage in Robinvale.



The background of the image is a blurred photograph of a stock market display. On the left, a large circular logo with a stylized 'X' made of vertical bars is visible. Below it, the letters 'ASX' are partially shown in a large, white, 3D font. On the right, a digital screen displays a list of stock tickers in green and red text. A green rectangular box with rounded corners is positioned in the upper right area, containing the word 'Profit' in white.

Profit



Economic performance

Our goal is sustainable shareholder value creation

Select Harvests delivered a net profit after tax of \$4.8 million in 2021–22. A complete overview of our economic performance is outlined in our Annual Report, released on 22 November 2022.

Our success as a business is determined not only by our financial performance, but also by the number of staff we employ, the suppliers whose businesses we support and the environmental, social, and economic outcomes in our local communities (see also *Local communities*).

Tax payments have decreased in line with a lower profit in the 2021–22 financial year.

Our direct economic contribution consisted of:

| | 2021-22 | 2020-21 | 2019-20 |
|--|-----------|-----------|-----------|
| Employee-related expenses including salaries paid to employees | \$47.51m | \$46.31m | \$45.79m |
| Expenditure with contractors and suppliers | \$235.02m | \$197.16m | \$290.38m |
| Tax payments to State and Australian Governments | (\$2.51m) | \$8.63m | \$11.26m |
| Payments to providers of capital | \$39.94m | \$52.57m* | \$29.88m |

* Excludes Piangil purchase







Governance

The Board of Select Harvests is responsible for our corporate governance, including embedding policy commitments. The Board guides and monitors the business and affairs of Select Harvests on behalf of the shareholders, by whom they are elected and to whom they are accountable. The General Manager Performance, Improvement and Sustainability reports on sustainability progress every month to the Board.

The Board Sustainability Committee, comprising members of the Board of Directors, oversees our sustainability strategy, considers climate-related risks and opportunities, and ensures accountability to targets and timelines, including reporting. The Board Sustainability Committee meets quarterly.

The Executive Sustainability Committee is responsible for strategic sustainability decision-making, considering climate-related risks and opportunities, encouraging long-term sustainability planning, and facilitating sustainability initiatives and reporting. It is overseen by the General Manager Performance, Improvement and Sustainability and chaired by the Sustainability and Environment Manager. The Committee includes managers and senior representatives from Horticulture, Operations, Engineering, Trading, Strategy Development, Finance and People, Safety and Culture.

The Sustainability and Environment Manager is responsible for day-to-day delivery of our sustainability strategy, guided by our Environment and Sustainability Policy.

Our corporate governance arrangements are consistent with ASX principles of corporate governance. Details of the Board's Charter, policy commitments and other governance-related matters are located on the [corporate governance section](#) of our website.

Information on our governance can also be found in our [Annual Report 2022](#) and accompanying [Corporate Governance Statement](#).

There were no significant instances of non-compliance with laws and regulations during the reporting period.

We are a member of the following industry associations and other membership associations:

- Australian Almond Board
- Australian Industry Group
- International Nut and Dried Fruit Council
- WorkSafe
- Australian Human Resources Institute
- Chief Procurement Officer Roundtable
- Australian Packaging Covenant Organisation
- Sedex

Anti-corruption

We reviewed our Fraud, Anti-Bribery and Corruption Policy in 2022. Bribery and corruption incidences are required to be reported to the Board. The [Fraud, Anti-Bribery and Corruption Policy](#) is located on the governance section of our website.

Our Code of Conduct, which is distributed to employees when they receive their letter of offer, refers to our Conflict of Interest and Fraud, Anti-Bribery and Corruption policies. New employees are required to read and agree to comply with the Code of Conduct and company policies as part of their induction.

There were no incidents of corruption during the reporting period.

Stakeholder engagement

Our business activities and decisions impact a wide variety of stakeholders, both directly and indirectly. It is important for us to understand their areas of interest, how we impact them – both positively and negatively – and respond accordingly. We proactively engage our stakeholders using strategies and communication channels that have been developed and refined with feedback over many years, amidst changing regulatory environments and the development of our business. These methods are outlined in the following table.

Stakeholders include shareholders, industry and other financial stakeholders, employees, suppliers and business partners, customers and consumers, government, media and employee associations, local communities and special interest groups.

When assessing which stakeholders to engage, we consider:

- proximity – people who live close to our growing and operating sites
- dependency – people who depend on us and on whom we depend for our business success
- responsibility – people and organisations we are linked to through laws or contracts.

Critical concerns identified through engagement with our stakeholders are communicated to the Board via our monthly reporting process. We work with our stakeholders to remedy any issues that arise (see *Local communities*).





| Stakeholder group | Engagement strategies (frequency) |
|---|--|
| Shareholders | <ul style="list-style-type: none"> • ASX announcements (needs basis) • Annual General Meeting • Annual Report and interim and quarterly financial reports (annual and biannual) • Regular investor meeting and updates (needs basis) • Investor relations, roadshows and site visits (needs basis) • Shareholder written communications (needs basis) • External audit (six monthly) and regular internal audit |
| Employees | <ul style="list-style-type: none"> • Executive Team presentations (monthly) • Team briefing updates (weekly) • One-on-one manager and employee discussions (needs basis) • Safety committee meetings (monthly) • Emails and written updates (weekly) • Training programs (annual and needs basis) |
| Suppliers and business partners | <ul style="list-style-type: none"> • Regular meetings and updates (needs basis) • Audits (needs basis) • Supply contracts (needs basis) |
| Customers and consumers | <ul style="list-style-type: none"> • Communication from Executive Team (needs basis) • Customer relations and business development (weekly) • Brand communications (needs basis) • Customer audits throughout the year • Supply contracts (needs basis) |
| Other financial stakeholders | <ul style="list-style-type: none"> • ASX announcements (needs basis) • Annual General Meeting (annually) • Annual Report and interim and quarterly financial reports (annual and biannual) • Regular meeting and updates (needs basis) • Investor roadshows and site visits (needs basis) • Select Harvests website (needs basis) • Contracts (needs basis) |
| Government and regulatory bodies | <ul style="list-style-type: none"> • Written communication (needs basis) • Meetings and briefings (needs basis) • Statutory reporting (monthly, quarterly and annually) |
| Industry | <ul style="list-style-type: none"> • Representation on executive and working group committees (needs basis) • Membership of international, national and regional industry groups |
| Media and employee associations | <ul style="list-style-type: none"> • Media releases (needs basis) • Select Harvests' website (needs basis) • Briefings and interviews (as requested or needs basis) • Podcasts (as requested) • Face-to-face interactions (needs basis) |
| Communities and special interest groups | <ul style="list-style-type: none"> • Local media (ad hoc) • Community meetings and briefings (needs basis) • Face-to-face interactions with neighbouring properties (needs basis) • Written communications with neighbouring properties (needs basis) • Partnerships and sponsorships (annual and needs basis) • Dialogue with grant recipients (needs basis) • Donations (needs basis) |



Looking ahead

Over the past year we have taken significant steps to improve our sustainability performance, transparency and reporting, including the creation of a new Sustainability and Environment Manager role within the business. This year is the first time we have produced a sustainability report inhouse and we will transition to an annual sustainability report next year.

We recognise we need to continuously improve our practices. Over the coming year, we will develop a sustainability plan extending to 2030 based on our revised materiality assessment. We will review our material topics and targets and identify actions to improve our performance.

We will continue to provide a quality product with minimal food loss and supply chain traceability; and improve the recycled content and recyclability of products we purchase and sell.

We will practice responsible stewardship of natural resources and our environment.

We will continue to improve the efficiency of our water use as irrigation infrastructure and equipment is updated and technology improves; and maximise the return on our water allocation by using everything we grow.

We will continue to expand our compost production and liquid fertiliser trials, closing the loop within our operations.

To ensure we capture robust and timely data relating to our carbon footprint, we will set up internal processes to account for our ongoing greenhouse gas emissions, including the recruitment of a carbon accountant. As part of our sustainability plan, we will develop a pathway to meet our commitment to carbon neutrality.

We will continue to invest in our employees, provide a safe working environment, promote diversity and inclusion, support female participation in leadership roles and invest in our local communities.





About this report

This report covers the period 1 October 2021 to 30 September 2022 and was published in February 2023. Where there are practicality constraints and data is reported for a different time period, we have noted the reporting period adjacent to the data. This applies to data relating to WGEA and emissions.

Unless otherwise stated, references to Select Harvests refer to all our subsidiaries and the information in this report covers all sites wholly owned and operated by Select Harvests as well as leased and joint venture farms. The report does not cover investment entities for which we do not have operational control. There are no differences between the list of entities included in this report and the Select Harvests Annual Report 2022.

This is our third biennial Sustainability Report, with the previous reporting period being the financial year 1 October 2019 to 30 September 2020. The reporting period aligns with the almond crop cycle and is consistent with the reporting period for our Annual Report 2022.

Our Sustainability Report 2020 contained errors relating to our total emissions and emission reductions related to our biomass power station and Power Purchase Agreements. We have rectified these errors in the body of this report under *Emissions*.

We are committed to improving our data and information collection processes to ensure better quality data and insights over time. This year, for the first time, we have sought external assurance over key data sets to ensure the integrity of our reporting, as well as a gap analysis against the revised GRI 2021 Standards. The GRI Gap Analysis and Assurance Reports have been provided to the Executive Team, Board Sustainability Committee and Board.

Next year we will transition to producing an annual sustainability report and continue to increase external assurance over our reporting.

This report has been prepared in reference to the revised [GRI Standards 2021](#) and has been approved by the Board of Select Harvests. For ease of reference, a GRI content index is provided.

The currency used throughout this report is Australian dollars, unless otherwise stated.

For more information about our company activities and operational performance, please see our [Annual Report](#).

Contact info@selectharvests.com.au for questions about the report or reported information.



GRI content index

| | |
|--|--|
| Statement of use | Select Harvests has reported in reference to the GRI Standards for the period 1 September 2021 to 30 October 2022. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 |

| GRI Standard/ other source | Disclosure | Location | Omission | | | GRI Sector Standard Ref. No. |
|------------------------------------|--|--|-------------------------|--------|-------------|---------------------------------------|
| | | | Requirements omitted | Reason | Explanation | |
| General disclosures | | | | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organisational details | Company profile | | | | |
| | 2-2 Entities included in the organisation’s sustainability reporting | About this report | | | | |
| | 2-3 Reporting period, frequency and contact point | About this report | | | | |
| | 2-4 Restatements of information | About this report/throughout this report where relevant/this table | | | | |
| | 2-5 External assurance | About this report | | | | |
| | 2-6 Activities, value chain and other business relationships | Company profile | | | | |
| | 2-7 Employees | Our workforce | | | | |
| | 2-8 Workers who are not employees | Our workforce | | | | |
| | 2-9 Governance structure and composition | Governance Annual Report 2022, page 13 | | | | |
| | 2-10 Nomination and selection of the highest governance body | Board Charter | | | | |
| | 2-11 Chair of the highest governance body | Annual Report 2022, page 13 | | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Governance Stakeholder engagement Annual Report 2022, page 18, 16 | | | | |
| | 2-13 Delegation of responsibility for managing impacts | Governance Annual Report 2022, page 18, 16 | | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | Governance Reporting what matters | | | | |
| | 2-15 Conflicts of interest | Governance Annual Report 2022, 5.3 Related Party Disclosures, page 71 Board Charter Conflicts of Interest Policy Corporate Governance Statement | | | | |
| | 2-16 Communication of critical concerns | Stakeholder engagement | | | | |



| GRI Standard/ other source | Disclosure | Location | Omission | | | GRI Sector Standard Ref. No. |
|------------------------------------|---|---|---|--------|-------------|---------------------------------------|
| | | | Requirements omitted | Reason | Explanation | |
| General disclosures | | | | | | |
| GRI 2: General Disclosures 2021 | 2-17 Collective knowledge of the highest governance body | SHV Board Skills Matrix Annual Report 2022, page 18 | | | | |
| | 2-18 Evaluation of the performance of the highest governance body | Annual Report 2022, Remuneration Report, page 28 Corporate Governance Statement | | | | |
| | 2-19 Remuneration policies | Annual Report 2022, Remuneration Report, page 28 Remuneration and Nomination Committee Charter | | | | |
| | 2-20 Process to determine remuneration | Annual Report 2022, Remuneration Report, page 28 Remuneration and Nomination Committee Charter | | | | |
| | 2-21 Annual total compensation ratio | Information unavailable | We do not currently calculate this ratio. We will work towards including this disclosure in next year’s report. | | | |
| | 2-22 Statement on sustainable development strategy | Foreword from the Chair and Managing Director | | | | |
| | 2-23 Policy commitments | Governance Corporate Governance Statement Corporate Governance policies | | | | |
| | 2-24 Embedding policy commitments | Governance Corporate Governance Statement Board Charter Code of Conduct | | | | |
| | 2-25 Processes to remediate negative impacts | Stakeholder engagement Local communities | | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Stakeholder engagement | | | | |
| | 2-27 Compliance with laws and regulations | Governance | | | | |
| | 2-28 Membership associations | Governance | | | | |
| | 2-29 Approach to stakeholder engagement | Stakeholder engagement | | | | |
| | 2-30 Collective bargaining agreements | Freedom of association and collective bargaining | | | | |



GRI content index

| GRI Standard/ other source | Disclosure | Location | Omission | | | GRI Sector Standard Ref. No. |
|---------------------------------------|---|--|---|--------|-------------|---------------------------------------|
| | | | Requirements omitted | Reason | Explanation | |
| Material topics | | | | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Our four-step materiality assessment process | | | | |
| | 3-2 List of material topics | Our priority topics in 2022 | | | | |
| Economic performance | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Economic performance | | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Economic performance | | | | |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Climate adaptation and resilience | | | | 13.2 |
| | 201-3 Defined benefit plan obligations and other retirement plans | Not applicable | We don't have defined benefit obligations or other retirement plans. | | | |
| | 201-4 Financial assistance received from government | Annual Report, note 2.2 Revenue from continuing operations revenue | | | | |
| Anti-corruption | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Anti-corruption | | | | 13.26 |
| GRI 205: Anti- corruption 2016 | 205-1 Operations assessed for risks related to corruption | Anti-corruption | | | | 13.26 |
| | 205-2 Communication and training about anti- corruption policies and procedures | Anti-corruption | | | | 13.26 |
| | 205-3 Confirmed incidents of corruption and actions taken | Anti-corruption | | | | 13.26 |
| Water and effluents | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Water efficiency | | | | 13.7 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Water efficiency | | | | 13.7 |
| | 303-2 Management of water discharge- related impacts | Water efficiency | | | | 13.7 |
| | 303-3 Water withdrawal | Water efficiency | | | | 13.7 |
| | 303-4 Water discharge | Water efficiency | | | | 13.7 |
| | 303-5 Water consumption | Water efficiency | Not applicable – change in water storage in megalitres. The dams on our farms have been designed and constructed by a suitably qualified engineer. Our dam walls don't exceed 5 meters and fall below the hazard threshold set by the Australian National Committee on Large Dams Incorporated | | | 13.7 |



| GRI Standard/ other source | Disclosure | Location | Omission | | GRI Sector Standard Ref. No. |
|--|---|---|--|-----------------------|---------------------------------------|
| | | | Requirements omitted | Reason Explanation | |
| Biodiversity and natural ecosystem conversion | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Biodiversity and natural ecosystem conversion | | | 13.3 |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Biodiversity and natural ecosystem conversion | | | 13.3 |
| | 304-2 Significant impacts of activities, products and services on biodiversity | Biodiversity and natural ecosystem conversion | | | 13.3 |
| | 304-3 Habitats protected or restored | Biodiversity and natural ecosystem conversion | | | 13.3 |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | Information unavailable | We do not currently have a centralised list of IUCN Red List species or national conservation list species. We will investigate existing information held by Select Harvests over the coming year and work towards reporting this disclosure in the future | | 13.3 |
| | | | | | |
| Natural ecosystem conversion | | | | | |
| GRI 13 Topic 13.4 Natural ecosystem conversion | 3-3 Management of material topics | Biodiversity and natural ecosystem conversion | | | 13.4 |
| Emissions | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Climate adaptation and resilience Emissions | | | 13.1 |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Emissions | | | 13.1 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Emissions | | | 13.1 |
| | 305-3 Other indirect (Scope 3) GHG emissions | Emissions | | | 13.1 |
| | 305-4 GHG emissions intensity | Emissions | | | 13.1 |
| | 305-5 Reduction of GHG emissions | Emissions | | | 13.1 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | Emissions | | | 13.1 |
| | 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions | Emissions | | | 13.1 |



GRI content index

| GRI Standard/ other source | Disclosure | Location | Omission | | | GRI Sector Standard Ref. No. |
|--|---|--------------------------------------|-------------------------|--------|-------------|---------------------------------------|
| | | | Requirements omitted | Reason | Explanation | |
| Waste | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Biomass, waste and resource recovery | | | | 13.8 |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Biomass, waste and resource recovery | | | | 13.8 |
| | 306-2 Management of significant waste-related impacts | Biomass, waste and resource recovery | | | | 13.8 |
| | 306-3 Waste generated | Biomass, waste and resource recovery | | | | 13.8 |
| | 306-4 Waste diverted from disposal | Biomass, waste and resource recovery | | | | 13.8 |
| | 306-5 Waste directed to disposal | Biomass, waste and resource recovery | | | | 13.8 |
| Soil health | | | | | | |
| GRI 13 Topic 13.5 Soil health | 3-3 Management of material topics | Soil health | | | | |
| Pesticides use | | | | | | |
| GRI 13 Topic 13.6 Pesticides use | 3-3 Management of material topics | Pesticide use | | | | |
| Occupational health and safety | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Workplace health and safety | | | | 13.19 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Workplace health and safety | | | | 13.19 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Workplace health and safety | | | | 13.19 |
| | 403-3 Occupational health services | Workplace health and safety | | | | 13.19 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Workplace health and safety | | | | 13.19 |
| | 403-5 Worker training on occupational health and safety | Workplace health and safety | | | | 13.19 |
| | 403-6 Promotion of worker health | Workplace health and safety | | | | 13.19 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Workplace health and safety | | | | 13.19 |
| | 403-8 Workers covered by an occupational health and safety management system | Workplace health and safety | | | | 13.19 |
| | 403-9 Work-related injuries | Workplace health and safety | | | | 13.19 |
| | 403-10 Work-related ill health | Workplace health and safety | | | | 13.19 |



| GRI Standard/ other source | Disclosure | Location | Omission | | GRI Sector Standard Ref. No. |
|---|---|---|-------------------------|-----------------------|---------------------------------------|
| | | | Requirements omitted | Reason Explanation | |
| Employment practices | | | | | |
| GRI 13: Topic 13.2 Employment practices | 3-3 Management of material topics | Employment practices and human rights | | | 13.20 |
| Non-discrimination and equal opportunity | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Employment practices and human rights | | | 13.15 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Employment practices and human rights Non-discrimination and equal opportunity | | | 13.15 |
| | 405-2 Ratio of basic salary and remuneration of women to men | Employment practices and human rights Non-discrimination and equal opportunity | | | 13.15 |
| GRI 406: Non- discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Employment practices and human rights Non-discrimination and equal opportunity | | | 13.15 |
| Living income and living wage | | | | | |
| GRI 13 Topic 13.21 Living income and living wage | 3-3 Management of material topics | Employment practices and human rights Living income and living wage | | | |
| Freedom of association and collective bargaining | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Employment practices and human rights Freedom of association and collective bargaining | | | 13.18 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Employment practices and human rights Freedom of association and collective bargaining | | | 13.18 |
| Local communities | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Local communities | | | 13.12 |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Local communities | | | 13.12 |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | Local communities | | | 13.12 |



GRI content index

| GRI Standard/ other source | Disclosure | Location | Omission | | | GRI Sector Standard Ref. No. |
|--|---|---------------------------|-------------------------|--------|-------------|---------------------------------------|
| | | | Requirements omitted | Reason | Explanation | |
| Customer health and safety (food safety) | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Food safety | | | | 13.10 |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Food safety | | | | 13.10 |
| | 416-2 Incidents of non- compliance concerning the health and safety impacts of products and services | Food safety | | | | 13.10 |
| Supply chain traceability | | | | | | |
| GRI 13 Topic 13.23 Supply chain traceability | 3-3 Management of material topics | Supply chain traceability | | | | 13.23 |
| Food security | | | | | | |
| GRI 13 Topic 13.9 Food security | 3-3 Management of material topics | Food security | | | | 13.9 |

Topics in the applicable GRI Sector Standards determined as not material

| Topic | Explanation |
|---|--|
| GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 | |
| Topic 13.11 Animal health and welfare | Not applicable - Select Harvests does not rear or trade in animals. |
| Topic 13.13 Land and resource rights | Not applicable - Select Harvests utilises owned or leased land with clear rights to land and resources, including water entitlements. This topic is more relevant in developing countries where informal tenure exist, local communities are displaced or rights are in contest. |
| Topic 13.14 Rights of Indigenous peoples | Not applicable - Select Harvests operations occur in Australia, subject to Australian law governing the rights of Indigenous peoples. This topic relates more to Indigenous peoples in developing countries. |
| Topic 13.16 Forced or compulsory labour | Not applicable - Select Harvests operations occur in Australia, subject to Australian law governing employment. We employ casuals from overseas annually through the government sponsored Seasonable Works Program. |
| Topic 13.17 Child labour | Not applicable - As per above rationale. |
| Topic 13.22 Economic inclusion | Not applicable - This relates to the inclusion of small-scale producers in product development or selecting suppliers prioritising those owned by women or vulnerable groups. Also relates to infrastructure that extends beyond an organisation's operations to facilitate inclusion. |
| Topic 13.24 Public policy | Not applicable - Select Harvests doesn't engage in lobbying political parties. |
| Topic 13.25 Anti-competitive behaviour | Not applicable - Select Harvests doesn't engage in collusion with potential competitors, the market is dictated by California. |



Assurance Statement



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Select Harvests Limited
Level 3, Building 7,
Botanica Corporate Park,
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21 February 2023

Re: Independent Limited Assurance Report to the Management of Select Harvests Limited ('Select Harvests')

We have undertaken a limited assurance engagement on Select Harvests' Subject Matter Information disclosed in the 2022 Select Harvests Sustainability Report detailed below for the year ended 30 September 2022.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that, the Subject Matter is not prepared, in all material respects, in accordance with the Reporting Criteria for the year ended 30 September 2022.

Subject Matter Information and Reporting Criteria

The 'Subject Matter Information' and 'Reporting Criteria' for our limited assurance engagement for the year ended 30 September 2022 is as follows:

| Sustainability Performance Indicator ('Subject Matter Information') | Reporting Criteria: Global Reporting Initiative's Standard ('GRI Standard') |
|---|--|
| <ul style="list-style-type: none"> Water withdrawal Water consumption | <ul style="list-style-type: none"> GRI Standard 303-3 2021 GRI Standard 303-5 2021 |

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ASAE 3000"), issued by the Australian Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities

Management is responsible for:

- Ensuring that the Subject Matter is properly prepared in accordance with the Reporting Criteria;
- confirming the measurement or evaluation of the underlying Subject Matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information
- designing, establishing and maintaining an effective system of internal control over its operations and financial reporting, including, without limitation, systems designed to assure achievement of its control objectives and its compliance with applicable laws and regulations; and
- the electronic presentation of the Subject Matter Information and our limited assurance report on their website



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Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* in undertaking this assurance engagement.

Assurance Practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on the Select Harvests Limited's Subject Matter Information as evaluated against the Reporting Criteria based on the procedures we have performed and the evidence we have obtained. ASAE 3000 requires that we plan and perform our procedures to obtain limited assurance about whether, anything has come to our attention that causes us to believe that the Subject Matter Information is not properly prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the subject matter information is likely to arise, addressing the areas identified and considering the process used to prepare the subject matter information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the subject matter information has been properly prepared, in all material respects, in accordance the Reporting Criteria.

Our procedures included:

- Inquiries with Subject Matter data owners and sustainability report responsible management to obtain an understanding of the approach for collating, calculating and reporting the respective Subject Matter Information across the reporting period ended 30 September 2022;
- Inspection of documents as part of the walk throughs of key systems and process for collating, calculating and reporting the respective Subject Matter Information for the 2022 Select Harvests Sustainability Report;
- Selection on a sample basis items to test from the selected sustainability performance indicators and agree to relevant supporting documentation;
- Analytical reviews over material data streams to identify any material anomalies for the Subject Matter Information and investigate further where required; and
- Agreeing overall data sets for the Subject Matter Information to the final data contained in the 2022 Select Harvests Sustainability Report.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and



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other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

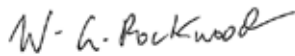
Restricted Use

The applicable criteria used for this engagement was designed for a specific purpose of assisting management of Select Harvests on the Subject Matter Information presented in the 2022 Select Harvests Sustainability Report, as a result, the subject matter information may not be suitable for another purpose.

This report has been prepared for use by management for the purpose of reporting on the Subject Matter Information presented in the 2022 Select Harvests Sustainability Report.

We disclaim any assumption of responsibility for any reliance on this report to any person other than the management of Select Harvests Limited or for any purpose other than that for which it was prepared.

DELOITTE TOUCHE TOHMATSU



Wibishana Rockwood
Partner
Sustainability and Climate
Deloitte Touch Tohmatsu
Melbourne, 21 February 2023



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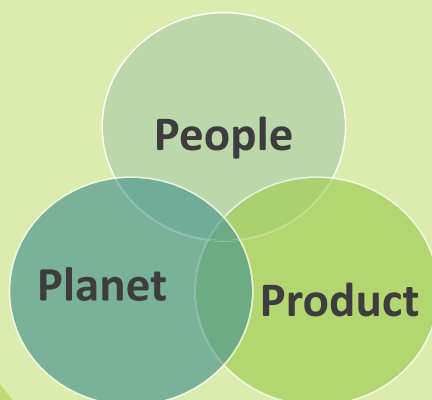
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WEBSITE

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Our triple bottom line focus



SELECT HARVESTS

SUSTAINABILITY REPORT **2022**
YEAR ENDED SEPTEMBER 2022

www.selectharvests.com.au