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# Assessing materiality using AASF principles

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The Australian Agricultural Sustainability Framework gratefully acknowledges the contributions AAM Investment Group.

[www.aasf.org.au](http://www.aasf.org.au)

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	<p>AAM Investment Group (AAM) is a large-scale operator and provider of strategic investment, asset management and operational management services with assets across Australia’s beef, sheep, cropping, poultry and timber sectors. They have used the Framework as the basis and foundation for their first formal materiality assessment to inform their sustainability strategy and second public Sustainability Report.</p>
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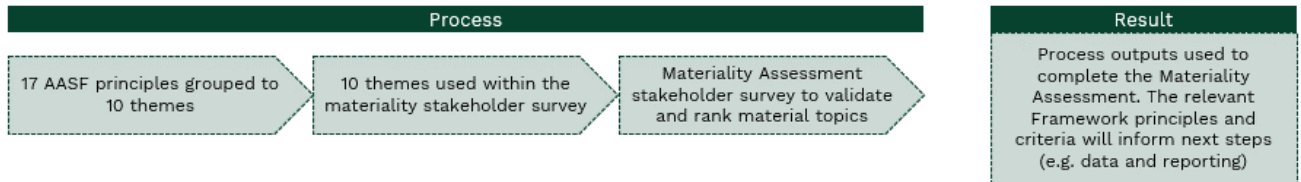
**Background:**

AAM has substantial investments across five States and Territories in Australia, with ~\$1 billion invested across 26 sites. With this significant and diverse portfolio across Australian agriculture, AAM identified a need to underpin their sustainability strategy and communications with consistent language and definitions they could relate to, that are applicable across their portfolio of assets and commodities.

In late 2023, AAM released their [first sustainability report](#), centred around Planet, People and Prosperity. Wanting to demonstrate leadership in agriculture, their sustainability strategy is evolving and, to apply a more rigorous approach to their materiality across the commodities they are invested in, looked to the AASF to inform this process.

**Using the AASF to conduct a materiality assessment:**

AAM is currently completing a survey of key internal stakeholders (employees, board members) and key external stakeholders (customers, investors, banks). Using a stakeholder survey, the Framework principles have been used as the basis of questions to determine the highest-priority material sustainability areas across the stakeholder group.



AAM is using the Framework as the basis of this survey for several reasons:

- From an audience perspective, the Framework is built in the context of Australian agriculture and covers the whole of Australian agriculture. This provides a consistent approach to communicating sustainability for cross-commodity enterprises (such as AAM). Although commodity-specific frameworks are reviewed, using multiple commodity-specific sustainability frameworks/indicators would be more complex when trying to achieve the same consistency.
- The Framework has followed a rigorous development process and is continually updated by a formal materiality process. This gave AAM confidence that their stakeholder survey was built on an independent and objective foundation, not influenced by internal biases or blind spots.

## Engagement with international sustainability frameworks:

International sustainability frameworks, such as TNFD, GRI and the UN Sustainable Development Goals (SDGs) are becoming increasingly important not just globally, but also in Australia. As a result, many companies in Australia, including large banks and retailers, are increasingly aligning to these frameworks. As this happens, these companies are likely to start requesting varying sustainability information from their partners such as AAM.

To prepare themselves, AAM chose to also check and map the Framework principles to the 'risks' and 'opportunities' in the corresponding sections of international frameworks, such as the SASB.

Being proactive in their consideration of these emerging risks and opportunities and mapping them to the Framework ensures AAM can effectively respond to stakeholder and global pressures in a way that is achievable and reflective of the Australian agriculture context.

## Lessons to share:

- **Using the full Framework:** As all 17 Framework principles are relevant to AAM's diverse operations, they all need to be included within their materiality assessment. However, it is unlikely that stakeholders will have the time to respond in detail to questions regarding each principle. Hence, AAM grouped the 17 principles into 10 broader themes, reducing the content and request for stakeholders to respond to the survey.
- **Reporting against the Framework:** Once the survey is complete, reporting against each material sustainability area will present another challenge for AAM.

## Intended use of the Framework in the future:

Once the results of the materiality survey are in, AAM intends to update their sustainability strategy to reflect the most important sustainability focus topics across their operations. They will then use the Framework criteria to support the structure of their approach to reporting in the future.

## What is the AASF doing to address some of the lessons AAM has shared?

In the future, companies looking to use the Framework won't need to be align with frameworks such as SASB, as the AASF has already fully mapped its Principles and Criteria to a range of international frameworks. As it relates to data, measurement, and reporting, the AASF is currently developing indicators for each Framework principle and criteria so that future users can measure and report progress consistently.



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