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Australian Government

Department of Agriculture, Fisheries and Forestry

Building grower capability now for future market requirements

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The Australian Agricultural Sustainability Framework gratefully acknowledges the contributions Hort360.

www.aasf.org.au

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	<p>Hort360, developed and delivered by Growcom, is a benchmarking and risk assessment platform designed to give growers a ‘360-degree’ view of their farm business operations. The platform assists growers to identify potential risks, capitalise on business opportunities and highlight unnecessary farm expenses. It is a whole of farm business management tool.</p>
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Background:

Hort360 is a capacity building, risk management and best management practice program for Australian horticulture producers. Hort360 is constantly scanning and aligning to leading practice frameworks and programs, such as the AASF (Framework), UN Sustainable Development Goals (UN SDGs) and the Global Reporting Initiative (GRI), to ensure it delivers impact and is a one stop shop for its users.

There is increasing pressures and challenges impacting the profitability and productivity of the horticulture sector and the Australian food supply chain, including sustainability reporting requirements, workforce challenges, geopolitical uncertainty, extreme climate events and supply chain uncertainty. In order to help producers understand, respond and navigate this changing and complex operating environment Hort360 has launched a Hort360 ‘ESG Program’. The ESG program proactively reviews, evolves and aligns itself with key national and global sustainability frameworks and schemes, such as the AASF and GRI. The program’s alignment to these frameworks provides a portal style ‘one-to-many’ business management tool for growers – making it a one stop shop. With Hort360’s built-in alignment, the program enables growers to input their farm management and monitoring data into the one single program and then use the program to report and communicate their on-farm practices as requested by their different supply chain stakeholders, including customers, financial institutions and investors. This provides growers with the confidence that the tool helps them to accurately baseline current activities, benchmark their progress, and communicate their on-farm sustainability practices and performance to different audiences from the one consistent and familiar platform. The ESG Program, through its intentional alignment to other frameworks’ sustainability topics, helps structure and translate what the on-farm data needs and best management practices (BMP) for the property could be.

Alignment to ensure coverage of sustainability topics within Hort360:

To strengthen and provide a greater level of recognition for users of the Hort360 program and its output reports, it was evident Hort360 had an important capacity building role to play in simplifying the relevant external market drivers, emerging reporting requirements and various sustainability frameworks into the ESG Program in a user friendly, beneficial and marketable way. This approach supports the usability and ongoing relevance of the program in a noisy and complex sustainability reporting landscape, and enables users to better understand, mitigate risks and communicate performance and practice management relevant to market demands.

To continue providing multiple benefits to users, Hort360’s consideration and alignment with the Framework has continued since an original mapping exercise in 2021 as follows:

- **Step 1:** Originally in 2021 the AASF conducted a mapping and alignment exercise between the Framework principles and criteria and existing programs, including Hort360.
 - “Hort360 is one of the most comprehensive sustainability reporting schemes evaluated that is available at the farm level. It covers many of the criteria in the [then] proposed AASF (applicable at the farm level) and several of the specific indicators”.

¹ 2021, Element Update: Proposed Australian Agriculture Sustainability Framework (AASF) Preliminary Industry Framework and Scheme Analysis Prepared by Schuster Consulting Group Pty Ltd.

- **Step 2:** From this mapping, Hort360 set out to address the identified gaps. Hort360 identified the aligned on-farm practices for horticulture growers and added them as new BMPs to Hort360 to close these 'gaps'.

Ongoing: The Hort360 ESG Program continues to consider, map to, and demonstrate alignment with other reporting drivers and frameworks of relevance (See Figure 1), this also includes engagement in various working groups (such as the AASF Community of Practice (CoP)) to regularly monitor and consider AASF updates. Other ongoing considerations and future reporting functionality enhancements for the ESG Program are being considered – including the possible connection to AASF reporting to increase its market recognition.

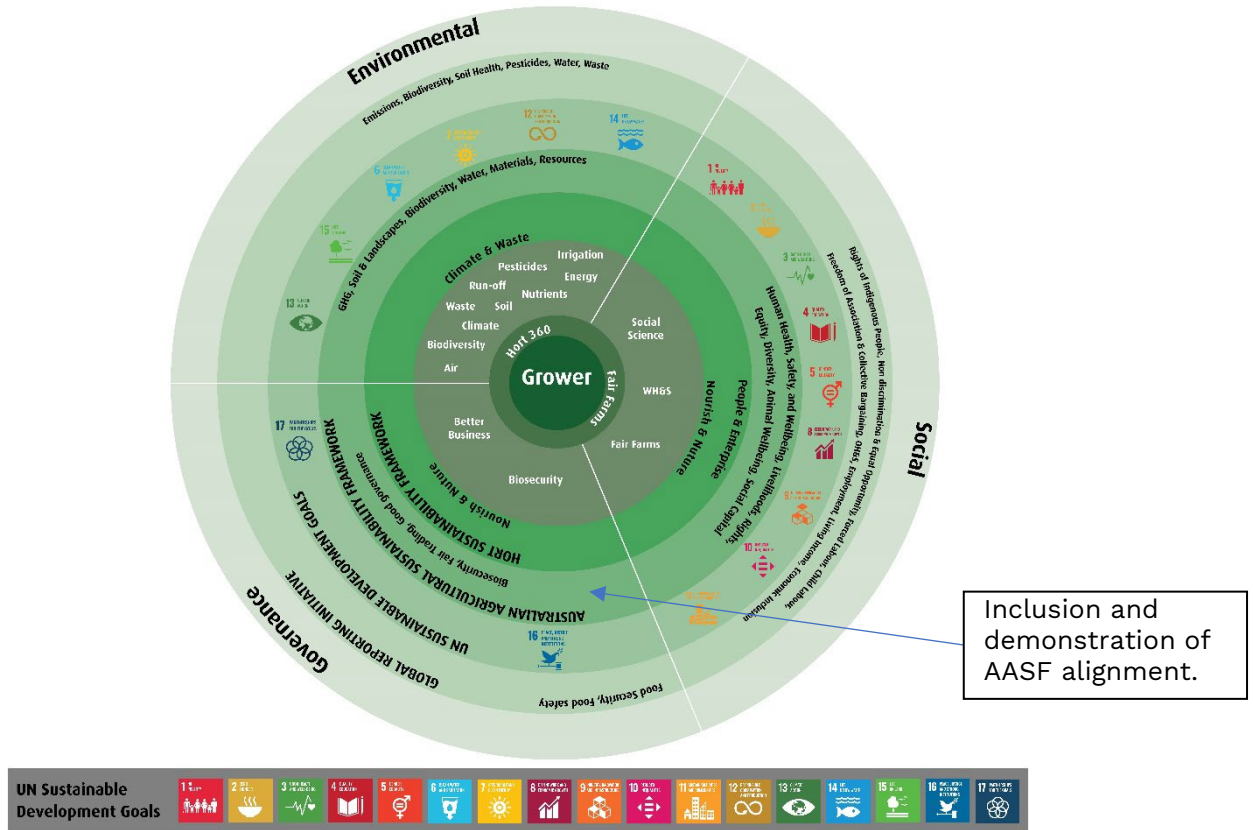


Figure 1 - Hort360’s alignment with AASF, UN SDG’s and GRI.

Helping bring recognition and marketability to Hort360 users:

Hort360 is intentionally taking a forward-looking approach to building future grower capability through aligning the Hort360 ESG Program to emerging requirements and existing trusted frameworks, such as the AASF. Building that alignment into the program now and working with users to understand the data requirements to evidence these Frameworks will position growers to be able to adapt to future reporting requirements.

This is providing growers with a trusted starting point to build their risk mitigation, sustainable practice baselining, performance benchmarking and reporting capability ahead of any future market access requirements that may be made by future customers. Aligning to trusted external framework’s such as AASF enables consistency in the identification and reporting of material topics.

- **To illustrate with an example,** a multi-commodity food manufacturer or horticulture customer may use an overarching sustainability framework, such as AASF, as a consistent means of structuring request to their suppliers to demonstrate their practices or performance against the defined framework principles and criteria. A big driver for Hort360 is trying to understand these market requirements and data requests of growers and to respond by building in the alignment now. This forward-looking focus in turn supports the grower to collect and input data into one system that provides output reporting that suits many requestors, including supply chain or customer stakeholders who may also use the AASF or be seeking this information.

As the AASF continues to build its recognition here in Australia and globally, Hort360 continues to remain aligned to AASF and other sustainability frameworks and schemes of most relevance to horticulture growers. This will provide Hort360 users with further recognition and validation of their consistently communicated on-farm performance and practice management data captured through Hort360. It is then hoped that future opportunities will exist for Hort360 as a program to be endorsed or recognised as a AASF aligned program for horticulture growers and supply chain stakeholders.

Lessons to share:

- There is a growing number of frameworks, standards and market requirements for growers to keep across, especially when customers have different although similar supplier reporting requirements.
- The AASF and industry sustainability frameworks are complimentary. As a sector, horticulture would struggle to respond effectively and consistently to the growing number of sustainability reporting requirements without established frameworks to help guide or set a whole sector focus or support mixed farming enterprises.

Intended use of the Framework in the future:

Hort360 has this year released an ESG reporting function that provides a simple and consistent ESG performance report for users to generate and use when communicating their ESG practices and progress. In the future, Hort360 can ensure this functionality is in line with any Framework developments, such as the release of indicators for specific criteria.

- **Continued alignment:** especially when the AASF updates the Framework following the 2024 whole-of-sector materiality assessment.
- **Building stronger market opportunities for program users:** Hort360 is looking to enhance its ESG Program, e.g. generating reports on specific Framework principles and criteria to further strengthen the marketability and recognition for producers.
- **Articulating the end-to-end benefit and impact:** within the Program to clearly explain how on-farm practices align to the principles and can contribute to benefits for a grower's bottom line.
- **Support efforts to communicate that the AASF is the fit-for-purpose, whole of industry sustainability framework:** there is benefit to be gained for producers' profitability, resilience and productivity if the supply chain and government all support and use the one common framework (complimented with industry frameworks and schemes), which AASF is well position to be. There is a role and opportunity for the supply chain to be proactive in establishing and using the AASF to increase its recognition in market (domestic and globally).



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