

The Australian Agricultural Sustainability Exchange

MCG – 4 Dec 2024



**National
Farmers
Federation**

**Australian
Agricultural
Sustainability
Framework**



Australian Government

**Department of Agriculture,
Fisheries and Forestry**

AASF Update

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The Australian Agricultural Sustainability Framework responds to:

Non-technical Trade and Market Access

The expansion in country-to-country dialogue around sustainability and reflects international initiatives like the SDGs, SAI, SAFA and TNFD.

The AASF DOES NOT engage in individual commodity technical trade and market access.

Increasing ESG Demand within Supply Chains

The increasing ESG obligations passed through the supply chain to farmers, addressing these at a multi-commodity level to ease individual farmer reporting burdens.

Advancing Principles-Based Solutions

Australia's advocacy for principles-based approaches to sustainability by supporting international coalitions that provide alternatives to prescriptive, EU-driven standards.

Finance Sector's Emerging Expectations

The growing influence of ESG and nature-positive criteria on financial decisions by demonstrating agriculture's ability to meet these standards. It further supports the industry's readiness to engage with emerging nature-based markets.

What we are working to achieve:

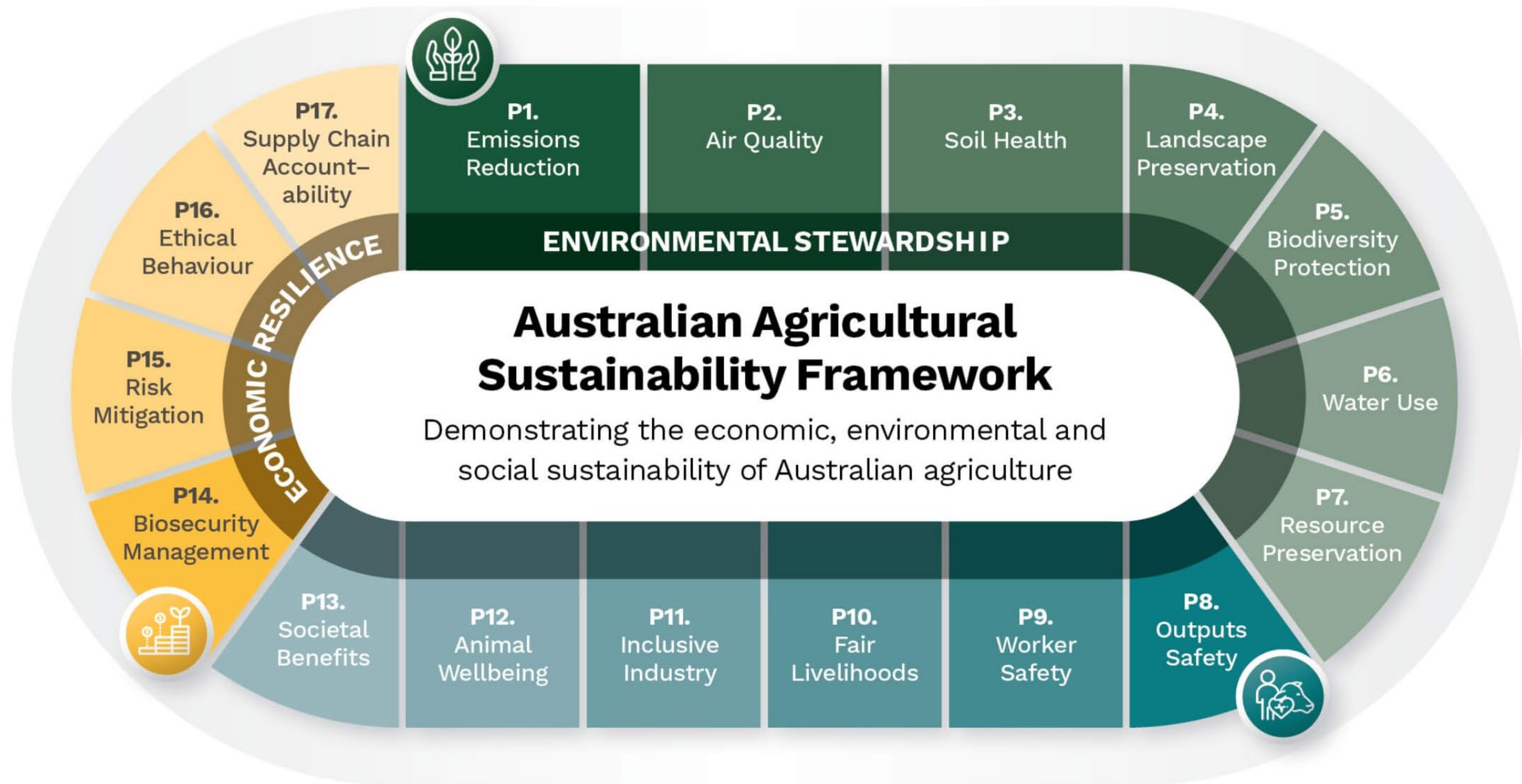
Enhance Australia's reputation as a leader in sustainable agriculture.

Provide clear and credible sustainability measures that support market access and competitiveness.

Enable informed decision-making through robust data and scientific research.

Foster a collaborative approach to sustainability that benefits all stakeholders.

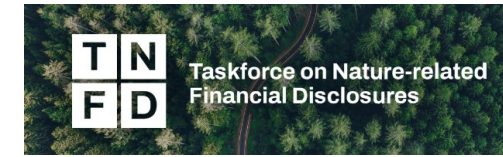
The Framework



How the AASF was designed

The AASF was developed by the Australian Farm Institute in 2020. They consulted industry and experts.

The AASF has been aligned to both domestic – like beef, cotton, dairy frameworks, and international initiatives like the Sustainable Development Goals and the Global Reporting Initiative.



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EXAMPLE

AASF – P1. Net anthropogenic GHG emissions are limited to minimise climate change.

AASF criteria for this principle:

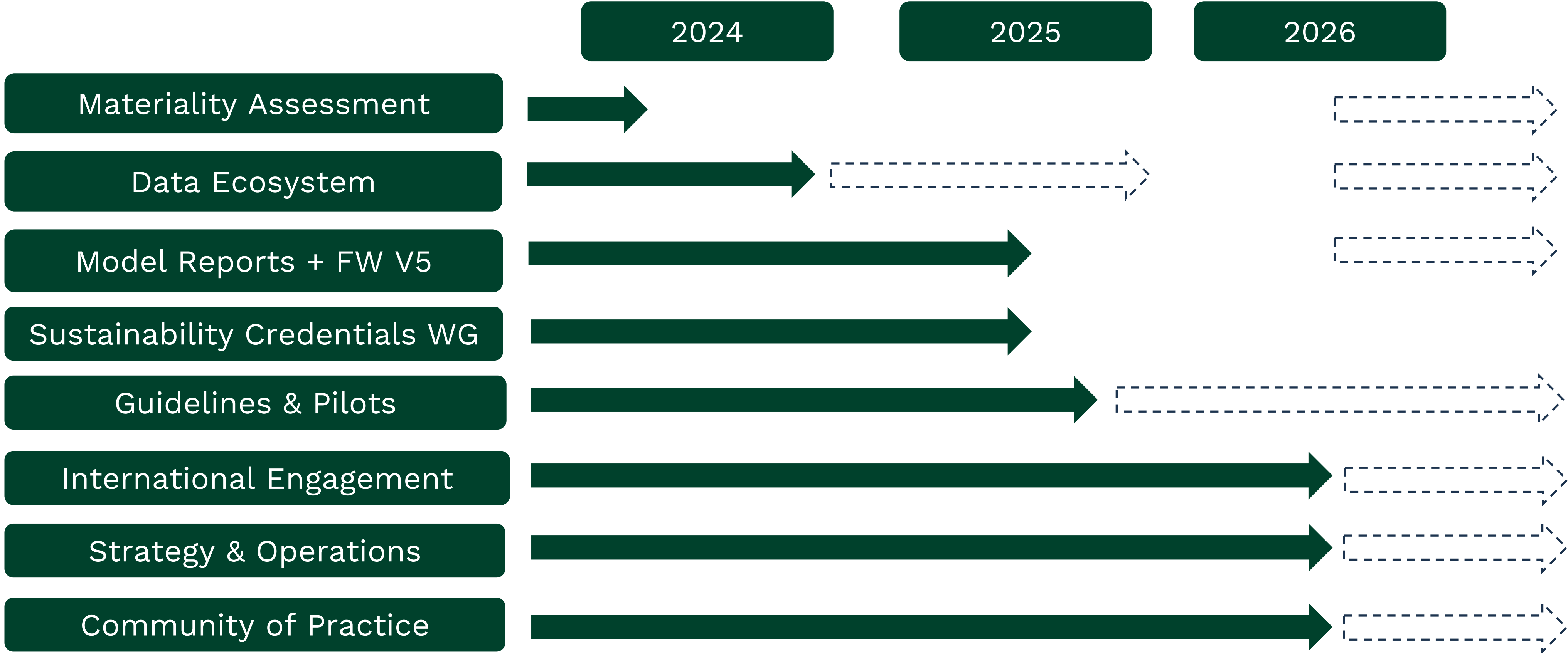
C1. GHG emissions are reduced throughout lifecycle

C2. Carbon emissions are sequestered wherever possible throughout production lifecycle

C3. Where necessary (if C1 & C2 are impractical), GHG emissions are offset throughout lifecycle by purchasing recognised credits or participating in recognised projects

AgCarE	Carbon Results
Australian Beef Sustainability Framework	Priority Area 6.1: Manage climate change risk
Behind Australian Grain	Priority Area: Carbon Footprint – Minimise the industry’s carbon footprint
Cotton BMP	Sustainable Natural Landscape: Carbon sequestration and emissions are considered and managed across the whole of farm
Dairy Sustainability Framework	Commitment 4, Goal 10: Reduce GHG emissions intensity
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	Topic 13.1 Emissions: This topic addresses emissions into air, including greenhouse gas (GHG), ozone-depleting substances (ODS), and nitrogen oxides (NOX) and sulfur oxides (SOX), among other significant air emissions.
Horticulture Sustainability Framework	R.13: Horticultural plants capture carbon; production systems minimise greenhouse gas emissions
ISO13065:2015 Sustainability Criteria for Bioenergy	Principle 5.2.1: GHG - Reduce anthropogenic GHG emissions
ISO26000: Social Responsibility	Climate Change Mitigation & adaptation
Montreal Process	Criterion 5: Maintenance of Forest Contributions to Global Carbon Cycles
Roundtable on Sustainable Biomaterials	Principle 3: Biomaterial shall contribute to climate change mitigation by significantly reducing lifecycle GHG emissions as compared to fossil fuels.
SAFA (FAO)	E1: The enterprise’s actions contain greenhouse gases to the extent possible and do not release quantities of ozone-depleting substances and air pollutants that would be detrimental to the health of ecosystems, plants, animals or humans.
Sheep Sustainability Framework	3.2: Environment - Responsible environmental practices; 4.1:Climate Change - Reduce net greenhouse gas emissions
Sustainable Agriculture Initiative:	Principle: Climate - An agricultural sector that minimises greenhouse gases and air pollution, acts as a significant greenhouse gas sink, enables adaptations to a changing climate and supports the resiliency of farmers and farming communities.
UN SDG 13 – Climate Action	Take urgent action to combat climate change & its impacts.

AASF Activities



About materiality assessments

What is it?

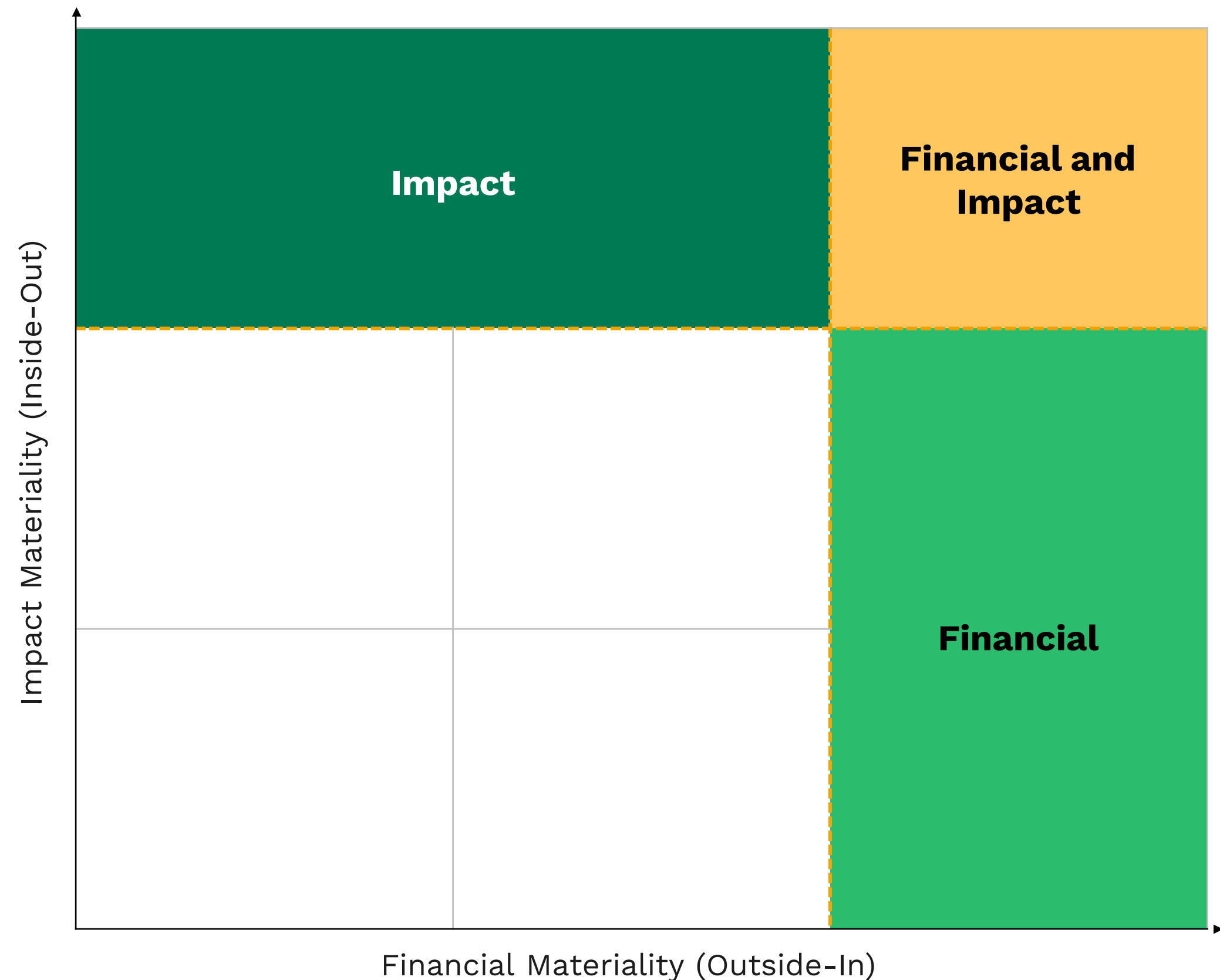
A robust and credible process to determine what topic (impacts, risks and opportunities) are most important to an entity (business, industry or sector) and its stakeholders.

How is it used?

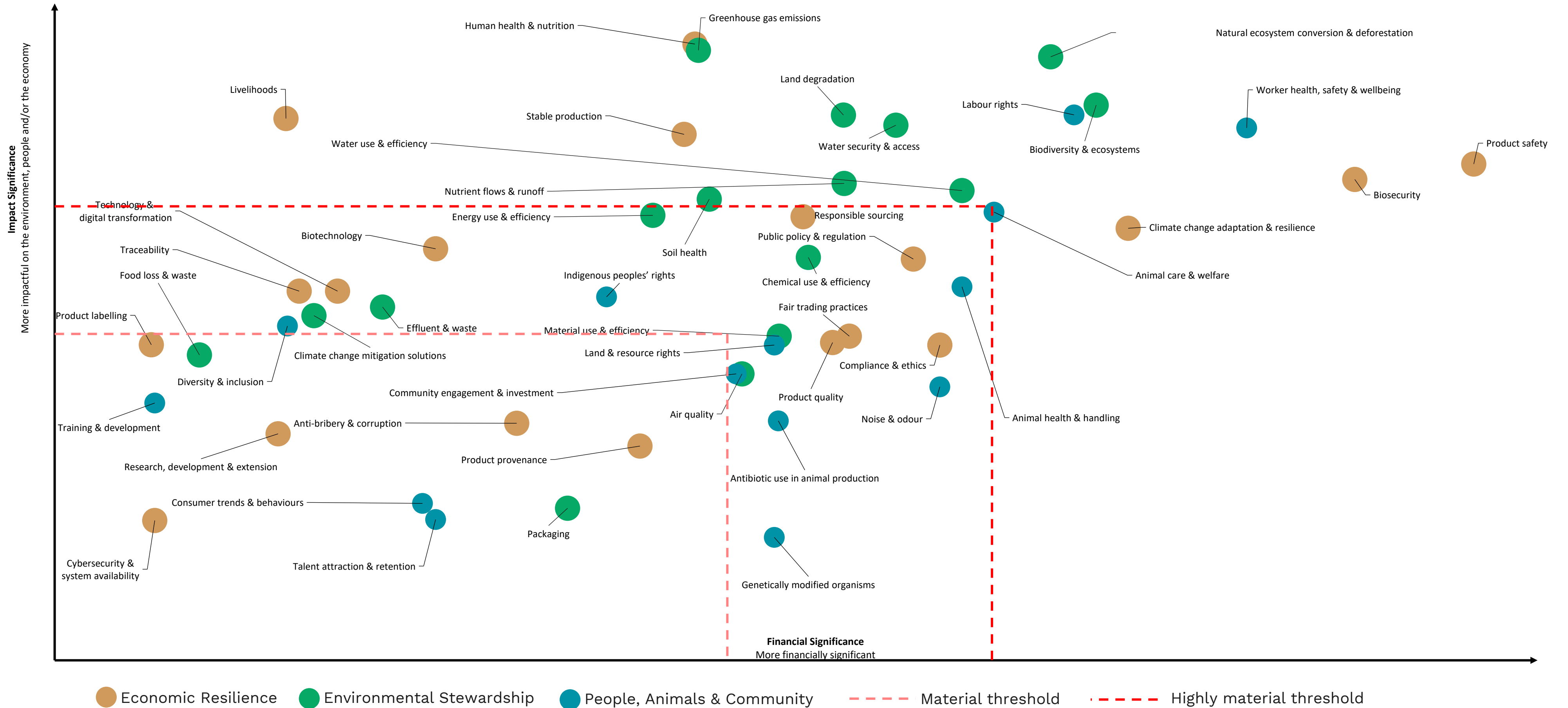
To identify priority areas for action within a sustainability or industry-wide strategy. To inform public facing communication, disclosures and reporting, including investor information.

Why is it important?

Multiple stakeholders, including investors and trading partners, are interested in the sustainability performance of industry and are increasingly seeking reliable information. This includes information on the most material topics, the process by which those topics are determined and prioritised and how they are used to inform strategy.







Materiality matrix



Trade Landscape

A high-level overview of trade partner focus areas mapped against AASF principles.




Maintain a watching brief and feed in updates to AASF and other commodity frameworks and schemes

-  Unknown or not a focus area
-  Commentary/focus area
-  Existing trade requirement
-  Potential future trade requirement

		Trading Partner focus area or requirement					
Principle Number	Principle	EU	China	Japan	Singapore	USA	UAE
1	Emissions reduction						
2	Air quality						
3	Soil health						
4	Landscape preservation						
5	Biodiversity protection						
6	Water use						
7	Resource preservation						
8	Outputs safety						
9	Worker safety						
10	Fair livelihoods						
11	Inclusive industry						
12	Animal welfare						
13	Societal benefits						
14	Biosecurity management						
15	Ethical behaviour						
16	Risk mitigation						
17	Supply chain accountability						

AASF Principles and Criteria Adjustments

ERM recommendations – under review by NFF, AFI and stakeholder feedback via AASF Consultation Paper

		 Environmental Stewardship <i>Agricultural practices reduce GHG emissions, protect, maintain & improve environmental assets and preserve natural capital.</i>	 People, Animals & Community <i>The agricultural industry nurtures the wellbeing of its people, animals and communities</i>	 Economic Resilience <i>The agricultural industry upholds fair and ethical practices, transparent arrangements and compliance with laws</i>
AASF Principles	Alterations	Two alterations to existing Principles are recommended: 1. P1. Emissions reduction 2. P4. Landscape preservation	Three alterations to existing Principles are recommended: 1. P9. Worker Safety 2. P10. Fair Livelihoods and P13. Societal Benefits 3. P11. Inclusive Industry	One alteration to existing Principles is recommended. 1. P15. Risk Mitigation
	Additions	One addition of a new Principle is recommended: 1. Energy management	No addition of new Principles is recommended.	One addition of a new Principle is recommended: 1. Climate adaptation
AASF Criteria	Alterations	Three alterations to existing Criteria are recommended: 1. C5. Particulate matter 2. C9. Flora and fauna 3. C10. ecosystems	Two alterations to existing Criteria are recommended: 1. C18. Antimicrobial stewardship 2. C30. Indigenous culture	No alteration to existing Criteria is recommended.
	Additions	Six additions of new Criteria are recommended: 1. Chemical use 2. Land degradation 3. Natural habitat and ecosystem conversion 4. Food loss and waste 5. Renewable energy 6. Energy efficiency	One addition of new Criteria is recommended: 1. Land and resource rights	Four additions of new Criteria are recommended: 1. Climate change adaptation 2. Climate change resilience 3. Technology transformation 4. Cybersecurity

AASF Preliminary and Prototype Reports

AFI is developing a 'Prototype AASF Report' with three components:

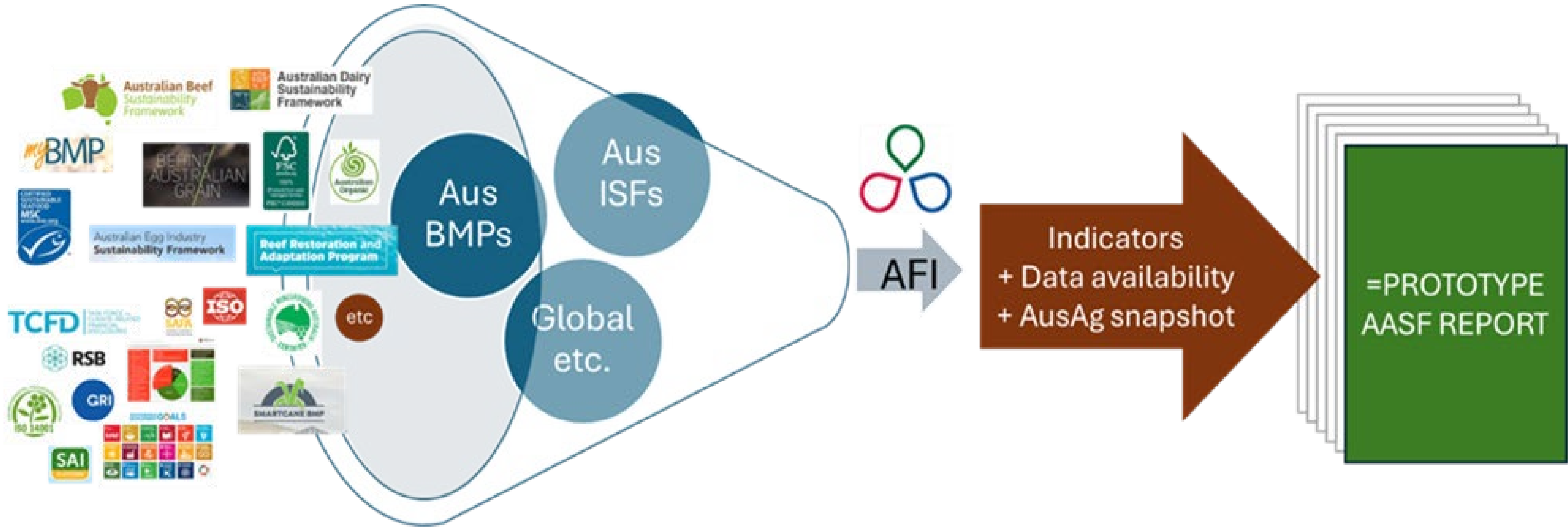
1. Appropriate Indicators (i.e. 'measurable states') that reflect the intent and purpose of AASF Principles and Criteria
2. An assessment of data availability for the Indicators to provide information on what can and cannot currently be measured in Australian agriculture for the suggested 'measurable states'.
3. A snapshot of current sector activities related to each AASF Principle, drawing on the domestic commodity-specific sustainability frameworks

Two Outputs

1. Preliminary Report – based on part 3 early 2025
2. Prototype Report – with Indicators and Metrics mid 2025



Process for Identifying Indicators and Metrics



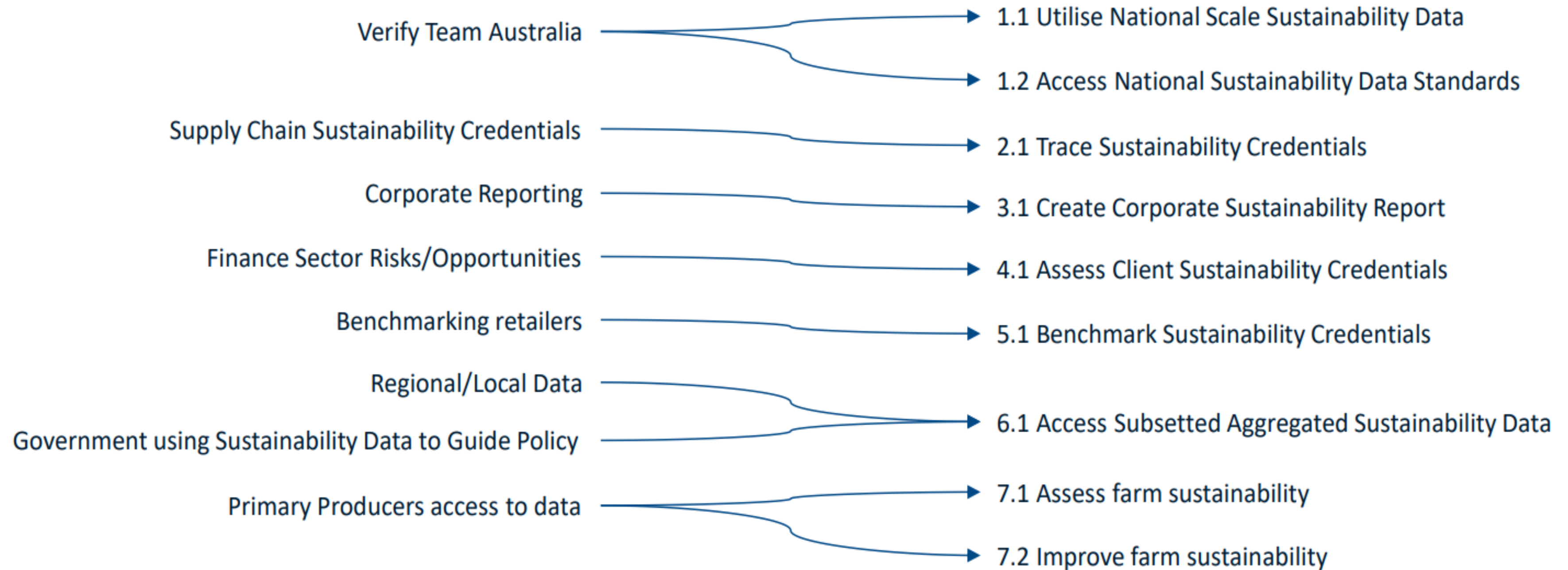
Data Ecosystem

CSIRO is leading the AASF Data Ecosystem Design Project

- The agricultural sustainability data ecosystem exists but is anarchic - poorly connected and has limited interoperability
- Project focus is on governance and institutional arrangements to enable the data ecosystem to operate to meet sustainability reporting needs, and
- Find solutions which mitigate the reporting burden on individual farmers
- From which we will better understand where investment is needed to access existing data, invest in data gaps and improve interoperability
- AASF is not proposing to be a data owner or holder - aim is to *enable* the system

Data Ecosystem

Sustainability data use cases identified by AASF stakeholders

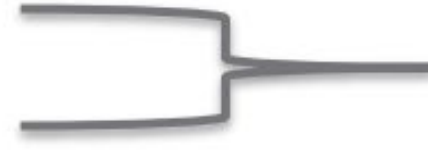


Working Groups - Overview

Working Groups have been convened to solve the key challenges

The Four Working Groups are:

WG1 – Guidelines, Policies & Rules



How might we set guidelines/policies/rules to protect data privacy and ensure social licence?

WG2 – Standards



How might we define, publish & maintain standards?

WG3 – Identifiers



How might we define, implement and maintain identifiers?

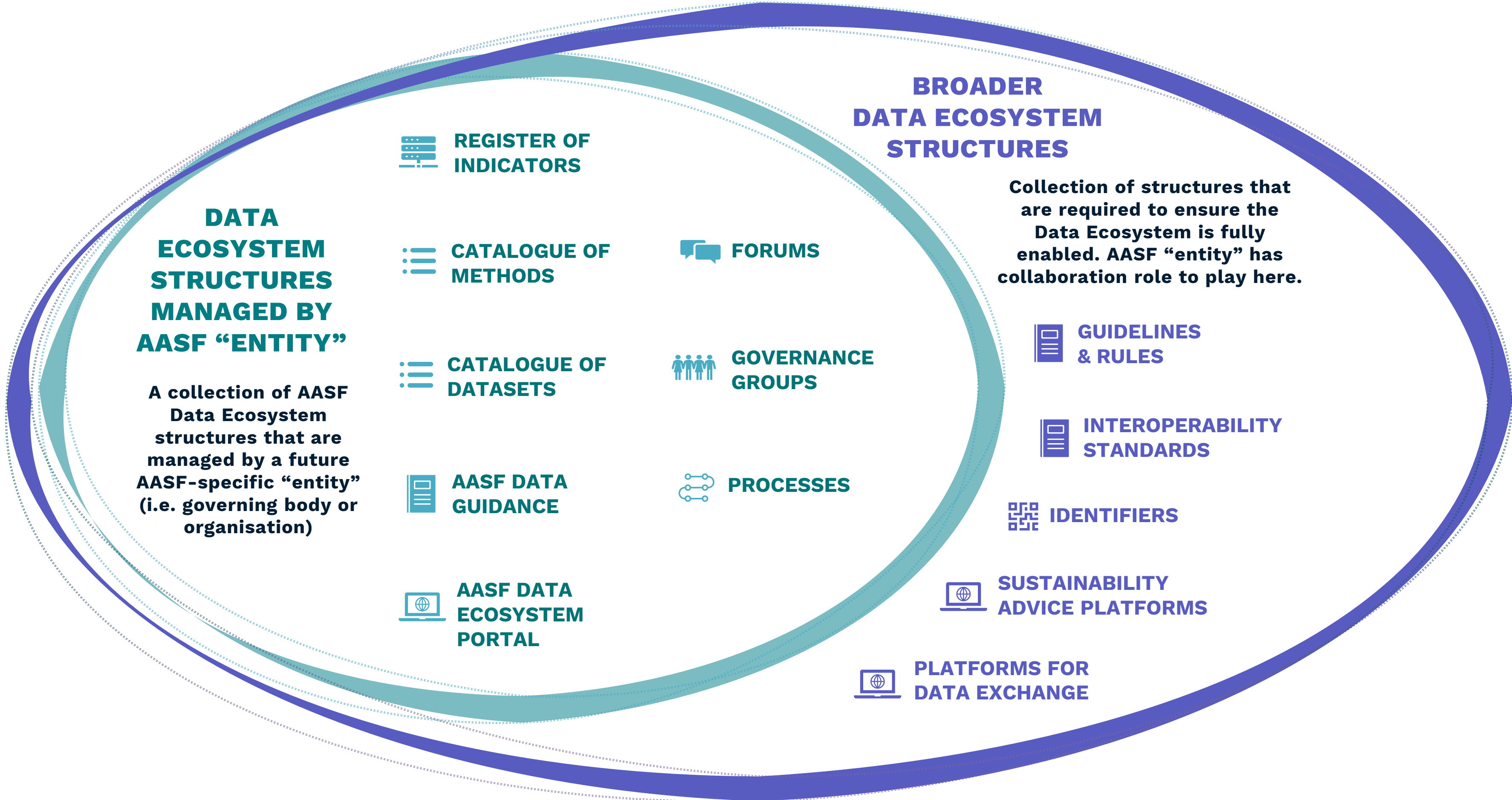
WG4 – Data



How might we facilitate data creation, aggregation, sharing and discovery?

They will be exploring these questions:

AASF Data Ecosystem Potential Structures



AASF Guidance

Developed to support users of the Framework in two ways:

- **Direct users** – to help them understand, measure and report on their sustainability activities and outcomes in a consistent and common way.
- **Indirect users** (those that rely or utilise the sustainability reporting of others) may view this document as a reference for the process by which the Framework is used.



AASF Guidance

Foundational

Intermediate

Advanced

P Prepare

P1 Identify your organisation's key sustainability focus areas

P3 Identify your organisation's material sustainability issues

P4 Align your organisation's sustainability activities with the Framework

P2 Understand your data capabilities and needs

I Implement

I1 Build organisational awareness and capacity in relation to sustainability action

I3 Strengthen organisational capacity in relation to sustainability action

I5 Build organisational capability and preparedness

I2 Implement sustainability into your direct operations

I4 Embed sustainability in your operations, strategy and supply chain

I6 Integrate the Framework into existing programs and policies

A Action

A1 Analyse your performance to inform future activities and initiatives

A2 Review progress and communicate your activities and performance to key stakeholders

A3 Demonstrate alignment to the Framework as part of your continuous improvement and communications

Examples of using the AASF – Self Initiated Users

USERS

AGRIFUTURES – Small levied industry accelerator tool
- confidence on the right track

REGEN FARMERS' MUTUAL – Aligned Principles

BANK – Educate about ESG in agriculture and engage with clients

GULF SAVANNAH NRM – mixed farming stewardship

AAM INVESTMENT GROUP – inform materiality assessment and gives commodity agnostic view

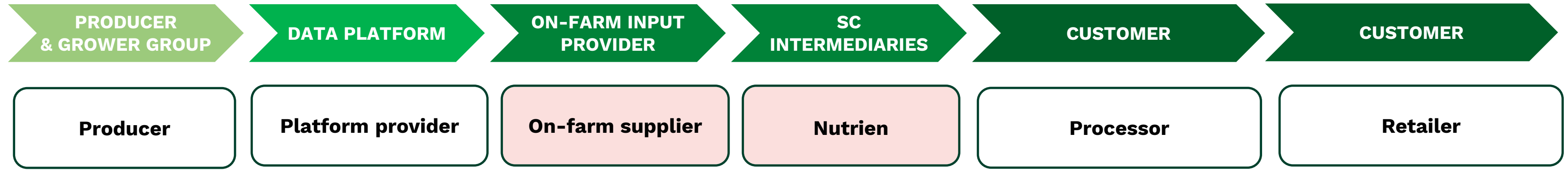
AGCARE and HORT360 – external validation, reference across commodities for consistency

WHY CHOOSE THE AASF

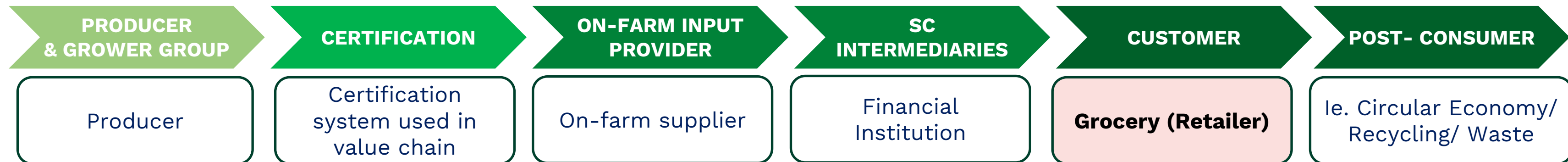
- AASF is being used as a source of truth
- AASF meets the needs of multi-commodity and multi-enterprise
- AASF provides consistency for preparing sustainability/ ESG reports
- ‘Aligning to the AASF’ is a key benefit – assistance with metrics and indicators is also needed

NFF Pilots – Test – and – Learn

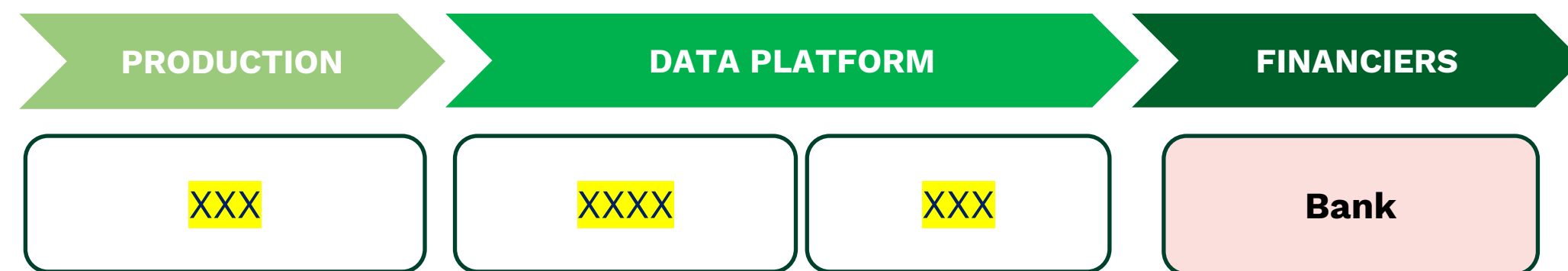
1 Capturing data along a value chain – 3 workshops in October



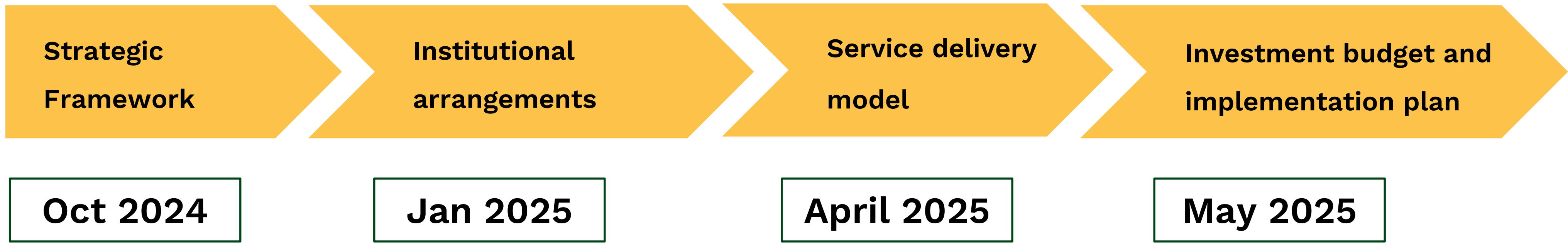
2 Evidencing sustainability through the value chain, i.e. to a retailer



3 Reporting through to a financial institution



Strategy and Operations



Governance, Strategy and Operations – Advisory Committee

Allison Harker, Prime Super

Ange Hutchinson, AspireAg

Charles McElhone, Dairy Australia

Fiona Simson, VP World Farmers Organisation

Grace Falkiner, George Weston Foods

Kylie Porter, SunRice

Nick Austin, Non-executive Director

Troy Setter, Consolidated Pastoral Group

International Engagement

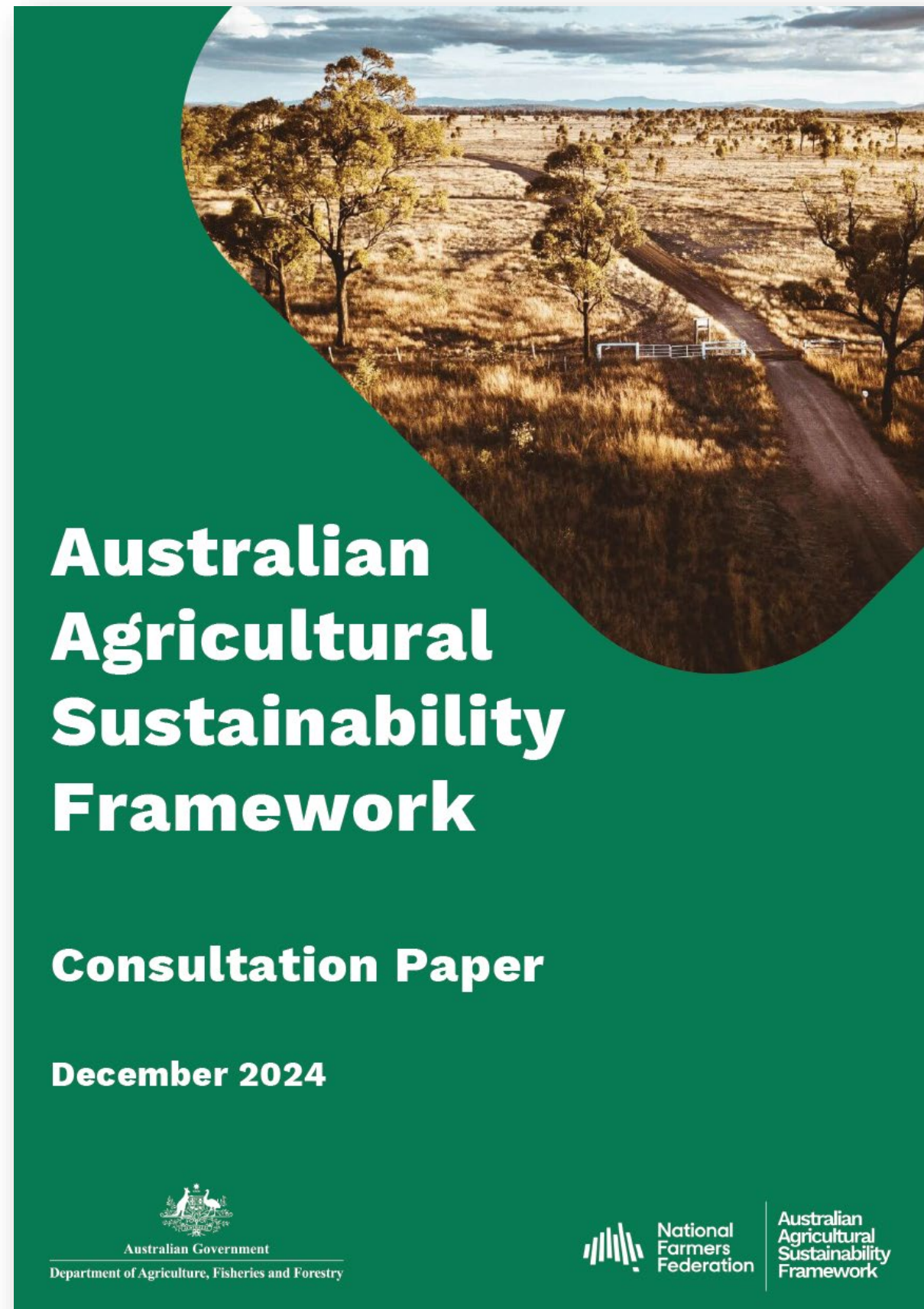
2024 involved international meetings – EU, UK, US, Canada, OECD, FAO and WFO:

- Global Forum for Farm Policy and Innovation Forum – Paris October 2024; Washington - July
- 51st UN Committee on Food Security, Rome
- World Farmers Organisation
- Nature Positive Summit Australia - October
- Climate CoP Baku Azerbaijan – November
- DAFF Agricultural Counsellors and Su McCluskey as Special Representative
- Sustainability in SE Asia expected focus in 2025



GFFPI
GLOBAL FORUM FOR FARM
POLICY AND INNOVATION

MEMBERS: AUSTRALIAN FARM INSTITUTE, CANADIAN AGRIFOOD POLICY INSTITUTE, FORUM FOR THE FUTURE OF AGRICULTURE (EU), FARM FOUNDATION (US).



Australian Agricultural Sustainability Framework Consultation Paper

An opportunity for all stakeholders with an interest in agricultural sustainability to provide feedback on four key areas of the Australian Agricultural Sustainability Framework (AASF)

AASF Consultation Paper

Inform stakeholders about AASF progress and invite stakeholders to provide feedback on key activities.

Consultation Document will invite submissions and/ or simple survey tool on

1. Strategy and operations – principles for governance and operations for AASF
2. Materiality Assessment Recommendations
3. Data Ecosystem – exploring how to implement
4. Indicators and metrics – the processes to be established to select indicators that align with industry and international drivers

December – February 2025