

Bega Cheese Limited

**2022
SUSTAINABILITY
REPORT**



greater good

Contents

Introduction	Page
Our Purpose	3
Message from the Executive Chairman and CEO	4
Our vision	6-7
Performance Highlights	8-9
Revenue	10-11
Company Structure	11
The Bega Group Footprint	12
Australian Retail Categories and Consumer Brand	13
Our Value Chain	14
Our Vision, Our Purpose and Our Values	15
Our governance	16-18
Participation and advocacy	18
Our Approach: Greater Good	19-21
Our products	
Food and Nutrition	22
Making better, healthier food	23
Making food that people trust	24
Case Study	26
Our people and communities	
Our supply chain	28
Responsible sourcing	28
Modern slavery	29
Deforestation and palm oil	29
Case Study	32
Supporting Sustainable and Regenerative Farming	33
Dare Iced Coffee	33
Working with our dairy farmers	34
Animal welfare	34
Supporting beekeepers	35
Managing the floods	35
Growing the Australian peanut industry	36
Around the Grounds: Peanuts	37
Around the Grounds: Honey	38
Our Employees	38
Employee wellbeing	39
Employee engagement	39
Diversity and inclusion	39
Gender representation	40
Age representation	41
Workplace by Region	43
Case Study	44
Safety Management	45
Bega Group Safety Management System	45
Bega Cheese Group Safety Performance	46
Food security	47
Our Communities	47
Bega Circular Valley 2030	48-49
Our planet	
Our Planet Pledge	51-52
Case Study	53
National Energy Efficiency Awards 2022	53
Energy consumption by source (Gigajoules)	54
Greenhouse gas emissions (Tonnes of CO ₂ e)	54
Measuring our scope 3 emissions	55-56
Case Study	57
Water Management	57
Bega's Planet Pledge for Greater Good	57
Water withdrawal by source (Megalitres)	58
Packaging – circular economy for a better planet	59
Appendices	
A Data Boundary	62
B Performance Data	63
C Assurance Statement	71
D Figures	72
E Glossary	73
F GRI and SASB Content Index	74

Introduction

About this report

This 2022 Sustainability Report (Report) addresses our performance in relation to the material sustainability impacts of Bega Cheese Limited during the financial year 1 July 2021 to 30 June 2022 (FY2022). Bega Cheese Limited is a publicly listed company on the Australian Securities Exchange (ASX Code: BGA) with 19,938 shareholders.

All references to a year refer to FY2022, unless otherwise stated. Throughout this report we use "Bega Group" when referring to the entity of Bega Cheese Limited and its subsidiaries during the reporting period, "Bega Dairy and Drinks" when referring to Bega Dairy and Drinks Pty Ltd, and "Bega Cheese" when referring to Bega Cheese Limited and its subsidiaries as at 24 January 2021. An outline of the company's current structure and entity ownership is provided in Figure 2, with further details provided on page 91 of the Annual Report. Entities and associated performance data included in the scope of this report are listed in Appendix A. All currency referred to in the Report is in Australian dollars, unless otherwise stated.

This Report references the Global Reporting Initiative (GRI) Standards 2016 and the SASB Standard for Processed Foods (2018). A copy of the GRI Content Index with links to relevant sections of the document is provided in Appendix F. Bega Group produces a suite of public reports. Our Annual Report provides a summary of Bega Group's operations and financial statements for FY2022 and is available at www.begacheese.com.au. We produce a Corporate Governance Statement, Workplace Gender Equality report, an Australian Packaging Covenant Organisation Annual Report and a Modern Slavery Statement. We report our greenhouse gas and substance emissions to the Commonwealth Government. This Report been developed to reflect the impacts of the Bega Group. Due to the relatively recent acquisition of the Lion Dairy and Drinks business in January 2021, now Bega Dairy and Drinks, some policies and data are reported separately. In the interests of completeness and consistency, our 2021 Sustainability Report provided three years of trend data. This was combined where possible but disaggregated where data collection systems and methodologies were not yet reconciled. We are continuing to report trend data and to make progress on bringing policies and data together as One Bega. Previous reports on both Bega Cheese and Bega Dairy and Drinks will remain available on our website or those of the relevant regulator at their discretion.

Data should only be used in full knowledge of Bega Group's acquisition of Lion Dairy and Drinks having taken affect 25 January 2021. A detailed data table is provided in Appendix B. Bega Group has, where appropriate, verified the source and accuracy of the information contained in the Report, and limited independent assurance has been obtained in relation to specific information presented. An assurance statement is provided in Appendix C. Where there are changes to previously reported data, this is explained in notes where the restated information appears. No dedicated external stakeholder engagement has been undertaken by Bega Group in the preparation of this report or in the ongoing development of our approach this year.

The Report should be read in conjunction with Bega Group's 2022 Annual Report, which provides a detailed overview of Bega Group's financial and operating performance for FY2022. The Report contains forward-looking statements. Forward looking statements may be identified by the use of terms including 'forecast', 'estimate', 'expect', 'believe', 'target', 'likely', 'anticipate', 'should', 'could', 'intend', 'aim' or similar expressions. These forward looking statements are not guarantees or predictions of future performance. These forward looking statements are based on Bega Group's good faith assumptions as at the date of this report, however, such statements can be impacted by known and unknown risks, uncertainties and other factors, many of which are beyond the control of Bega Group, and which may cause actual results and performances to differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on forward looking statements. Except as required by applicable laws or regulations, Bega Group does not undertake any obligation to publicly update or revise such forward looking statements or advise of a change in assumptions on which the statement is based. Past performance cannot be relied on as a guide to future performance.

We welcome your feedback. We aim to keep improving our sustainability reporting and welcome your feedback on this report. Please address any questions, comments or suggestions to bega.admin@bega.com.au.

Previous reports are also available at www.begacheese.com.au.

Please consider the environment before printing this report.



Our Purpose

CREATING GREAT FOOD FOR A BETTER FUTURE

Our purpose helps connect our people, customers, consumers, suppliers and the communities in which we operate. It helps guide strategy and decision-making and informs our values and behaviours.

We are proud of our heritage as an iconic Australian business with strong connections to agriculture and a passion for creating great food.

To deliver on our purpose for consumers we must anticipate consumer needs and food trends.





Message from Executive Chairman and CEO



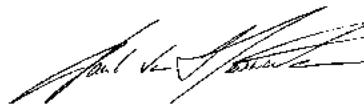
**Barry Irvin
Executive Chairman**

A handwritten signature in black ink, appearing to read "B. A. Irvin".

25 October 2022



**Paul van Heerwaarden
Chief Executive Officer**

A handwritten signature in black ink, appearing to read "Paul van Heerwaarden".

25 October 2022

We are pleased to present our eighth annual Sustainability Report. Through our acquisition of the Bega Dairy and Drinks business, the company has now doubled in size in 18 months. During this period, we have worked hard on bringing together Bega Group while managing multiple challenges. The ongoing COVID-19 pandemic and significant flood events disrupted logistics, while geopolitical tensions added significantly to cost pressures.

Our changing business

In FY2022, we have focused on maintaining the smooth operation of the Bega Dairy and Drinks business. The acquisition of Bega Dairy and Drinks added cafes, impulse, government, aged care and healthcare to our traditional grocery, co-manufacturing and quick service restaurant customers, extending the range of products supplied to those customers and leveraging greater value from our distribution network.

This financial year saw growth across some key categories including yoghurt, chilled juice, spreads and milk-based beverages. We continued to innovate our products and packaging. In FY2022, we released a new Squeezy peanut butter product in packaging with 30% recycled content and received independent certification under the Rainforest Alliance Sustainable Agriculture Standard for Dare Iced Coffee. We have also removed 1,000 tonnes of added sugar from Bega Dairy and Drinks portfolio since 2020, reaching our 2025 target 2 years early.

While we continue to monitor consumer preferences for healthy and convenient foods, we also work with research partners to address specific dietary needs in the community. This year, we launched 180 Nutrition Good Sport to support post-exercise recovery. We also launched Australia's first milk product for toddlers to offer different nutrients for consumption during the day and night.

Global challenges and local impacts

Extreme weather events have contributed to disruptions and increased our costs. Floods in Queensland, New South Wales, South Australia and parts of Victoria occurred between December 2021 and into June 2022. These events disrupted milk supply and caused minor damage to this year's peanut crop. Flooding in South Australia, for example, closed the rail link to Western Australia and product had to be delivered by truck increasing freight costs. Most farms were able to continue milking with production losses of around 20% of most flood-impacted farms. Our Better Farms Program funded field visits to impacted farms to advise on wet weather management and funding was made available to repair infrastructure.

The ongoing nature of the COVID-19 pandemic and the conflict in Ukraine have resulted in significant increases in our input costs this year, ranging from energy and packaging to coffee and sugar. Absenteeism and labour shortages associated with the pandemic impacted our manufacturing sites and distribution networks and also those of our customers.

Such pressures are a serious threat to food security globally. As a food producer, Bega Group has a significant role to play in managing these challenges while feeding more people over the long term. To address acute food insecurity in Australia, we partnered with Foodbank in FY2022 to donate 1,072,267 kilograms of products, equating to more than 1.9 million meals for Australians in need.

Greater Good

Our vision is to become The Great Australian Food Company by creating great food for a better future. We continue to build on and consolidate our approach to sustainable development. While we have made progress in some areas, bringing together policies and data collection systems remains an area of focus for Bega Group. Our strategy – Greater Good – continues to provide direction. It is aligned to the United Nations Sustainable Development Goals (UN SDGs), specifically our contribution to the UN Sustainable Development Goal #2 – to end hunger, achieve food security and improved nutrition and promote sustainable agriculture. The principles of the circular economy inform action and our participation in the Bega Circular Valley project provides a living example in the region.

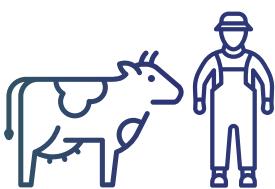
This year, we adopted a Planet Pledge to improve our performance on energy, carbon, water, packaging and waste. This includes the following targets: zero waste to landfill by 2025, a 30% reduction in water use by 2030, net zero carbon by 2050 and packaging to be reusable, recyclable or compostable by 2025. We have also started to measure our scope 3 emissions which are associated with our supply chain, particularly dairy farming. We have started to engage with key suppliers to share information and explore reduction opportunities. In FY2023 we will formally assess our climate-related risks and opportunities consistently with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and report on that work in the Annual Report and Sustainability Report.

Our Ethical Sourcing Policy was updated this year to reflect a single approach for Bega Group. All of our new suppliers in FY2022 were screened using our ethical sourcing self-assessment questionnaire and all new suppliers assessed as medium to high-risk completed an independent compliance audit. We will publish our third modern slavery statement later this year and have identified high risk commodities for their potential impact on the environment and people, including coffee, cocoa, rice powder and fish oil.

We have recently signed on to the 40:40 Vision which is an investor-led initiative to achieve gender balance in executive leadership across all ASX300 companies by 2030. This commitment includes making a pledge to achieve gender balance in executive leadership by 2030, publishing a plan to get there and reporting annually on our progress. We will also commence public reporting on the ratio of female to male salaries next year. While we have more work to do, as a food producer we are optimistic about how we can contribute to a more sustainable future. We thank our staff, customers, farmers, shareholders and the communities where we operate for their support.

OUR TRANSFORMATION TO BECOMING A GREAT AUSTRALIAN FOOD COMPANY.

Our vision is to become The Great Australian Food Company by creating great food for a better future.



2001

Seek new opportunities

Co-operative founded in 1899

Industry deregulation 2001

Bega based co-op with strong regional brand

Main focus: cheddar manufacture, process and pack

Long-term Australian supply and licence agreement with Fonterra

Developing international sales opportunities



2007

Grow and diversify

Acquisition of Tatura

Growth and diversification of milk sourcing

Entry into nutritionals, cream cheese and milk powders

Diversification of customer base



2009

Increase scale

Acquisition of Strathmerton

Cut, pack and processing scale and capability

Further diversification of customer base



2011

Structure for the future

Accessing capital for growth

Successful ASX listing

Value release for farmers

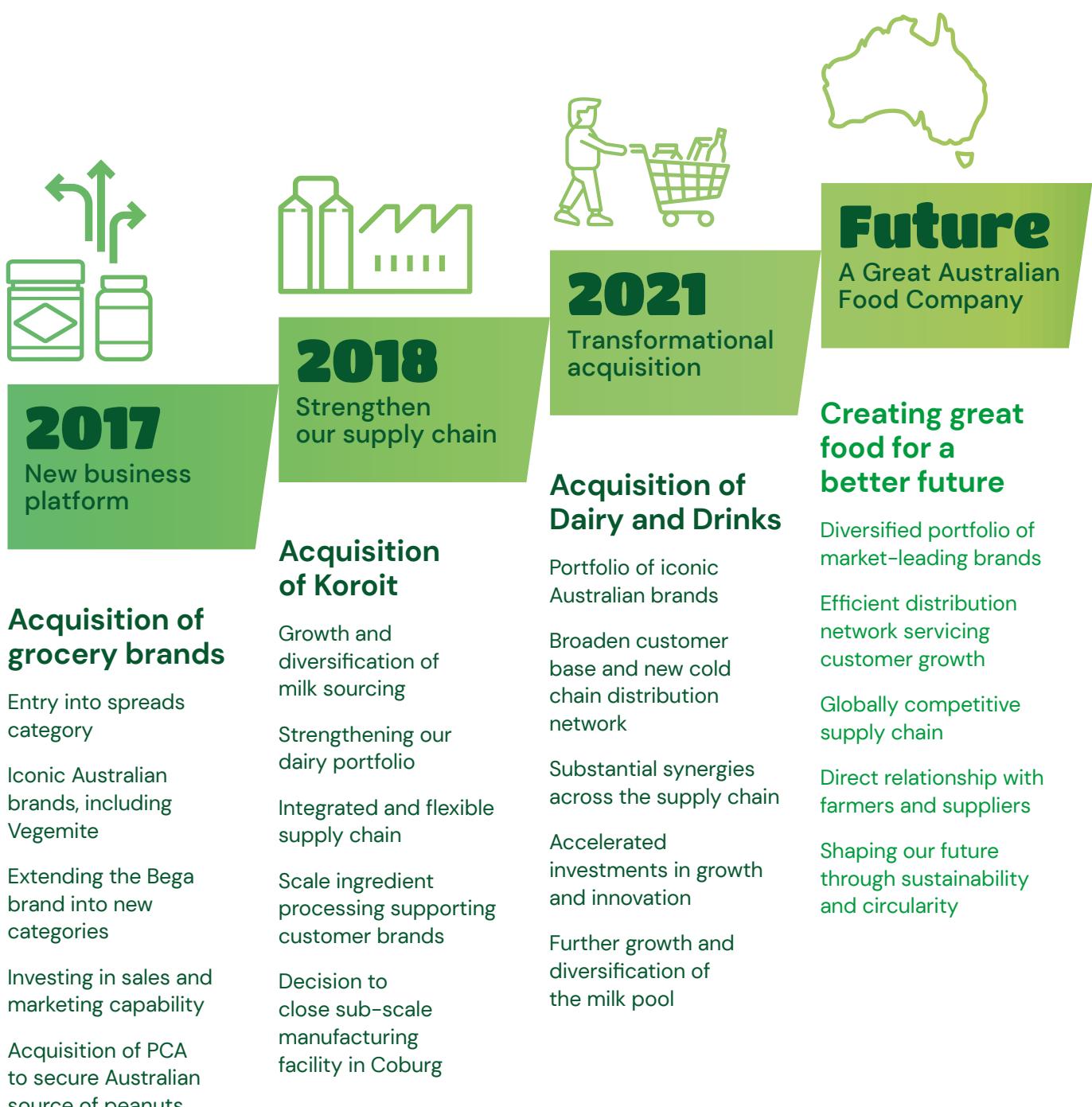
Well structured for corporate activity

Acquisition of the remaining stake in Tatura

Investment in capacity and increased focus on nutritionals and high-value dairy products

Developing foodservice and consumer businesses

In FY2022 the Bega Group generated top line normalised revenue of \$3.01 billion. Employing more than 3,800 people, today we own and operate 20 manufacturing sites across Australia and are supplied by around 4,000 suppliers. The acquisition of Bega Dairy and Drinks brings with it one of the largest cold chain distribution networks in the country enabling us to deliver food products to more than 95% of the Australian population.



Performance Highlights

Revenue

FY2022

\$3.01
billion

Revenue

FY2021

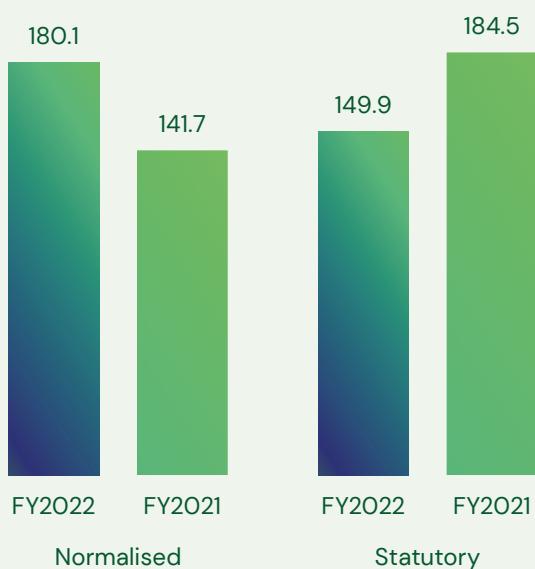
\$2.07
billion

Revenue

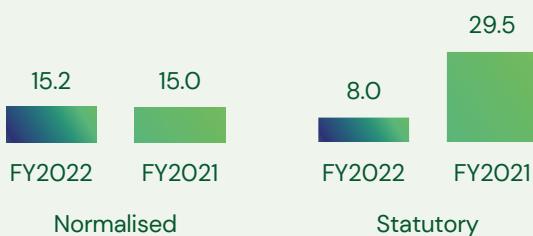
The Bega Cheese Group generated top-line revenue of \$3.01 billion in FY2022, which is 45% higher than FY2021. With a full year of Bega Dairy and Drinks, Bega Cheese achieved its goal of having at least 80% of all revenue through branded products, finishing the year with 82% of sales derived from branded business (73% in FY2021).

The statutory result for each of FY2022 and FY2021 includes a number of non-recurring items. In FY2022 these related primarily to acquisition and integration costs, partially offset by income from the early termination of two material contracts. In FY2021 these primarily related to the bargain purchase on business combination, income from the early termination of two material contracts, partially offset by acquisition and integration costs.

EBITDA (\$ million)



Basic earnings per share (cents)



Profit after tax (\$ million)



Total dividend per share (cents)



Company Structure

as at 30 June 2022

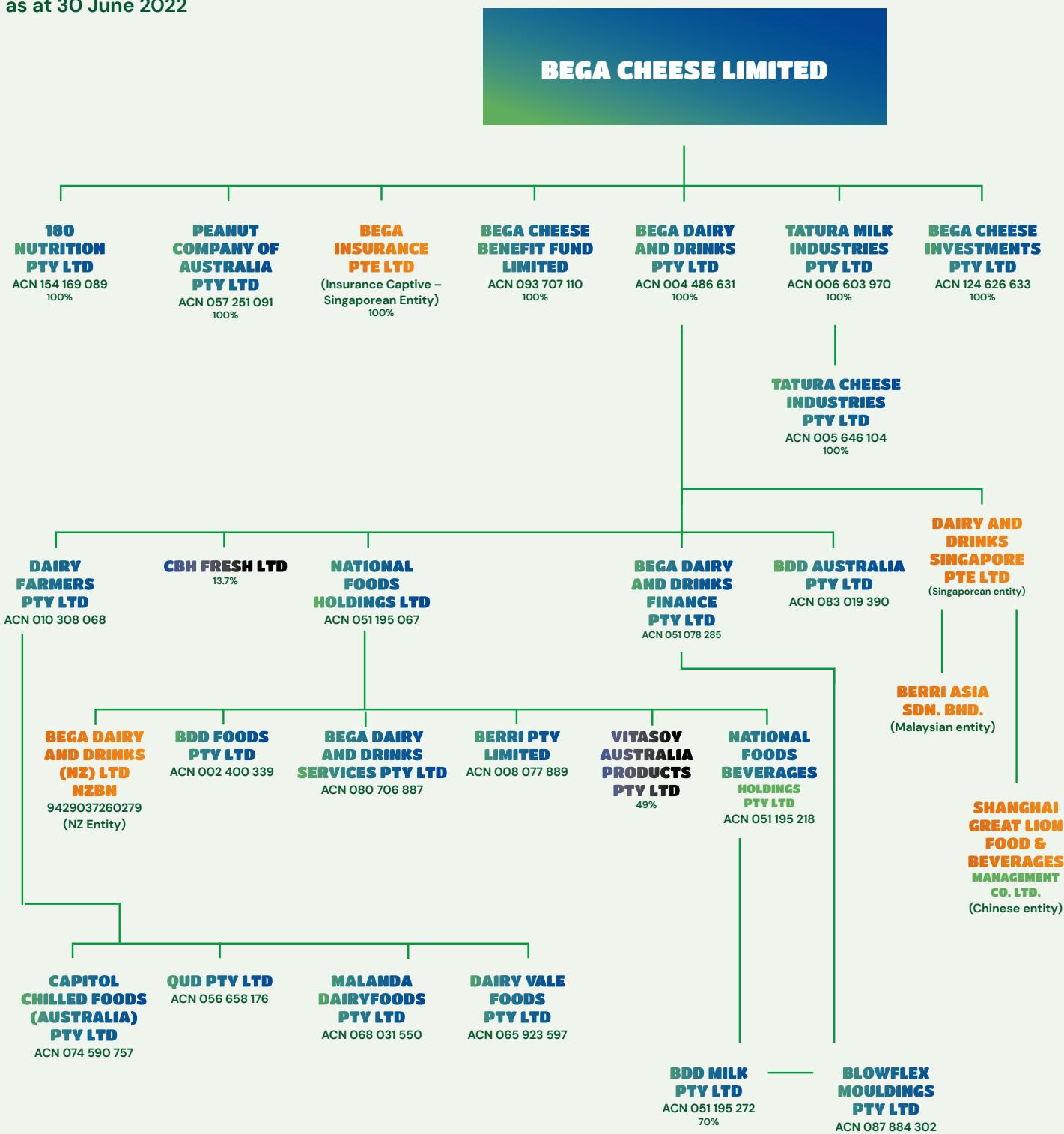


Figure 2: Bega Group entity structure

The Bega Group Footprint



Figure 3: Bega Group Footprint

Australian Retail Categories and Consumer Brands

Bega has a portfolio of leading iconic brands in seven consumer categories. Many of these brands have become trusted household names by generations of consumers. Our brand portfolio strength, priorities and strategies are crucial to long-term sustainable value creation.

The ongoing investment in brand building and innovation ensures we compete in attractive and growing product segments, capitalise on emerging consumer trends, remain relevant, and win consumer preference.

Category	Category size \$m	Category growth	Bega share	Brand portfolio
Fresh white milk ^{1,2}	1,942	1.4%	12%	   
Yoghurt ¹	1,563	6.3%	25%	   
Milk based ^{1,2} beverages	851	2.3%	50%	     
Spreads ³	666	5.2%	32%	   
Chilled juice ¹	620	5.2%	23%	  
Crems and custards ¹	515	1.3%	10%	 
Water ice ¹	54	8.2%	81%	 

Figure 4: Our brands

Our brands and markets

Our brands continue to be some of Australia's favourite household names. Our iconic Vegemite, along with our peanut butter range and honey, holds 32% of the Australian spreads market. We now also hold 50% of the milk based beverage market and 25.1% of the yoghurt market. Through our joint venture with Vita International Holdings Limited, we also hold 29.3% of the plant based milk market in Australia. Increased consumption of grocery items in homes, due to the COVID-19 pandemic, has resulted in continued growth. We continue to innovate across both our core brands such as Dare, Farmers Union, Dairy Farmers, Daily Juice and Yoplait while also introducing new offers like 18ON Good Sport, a science backed nutritional beverage, expanding Mildura into a sparkling fruit drink and extending our range into bulk food service pack formats.

We supply a range of high-quality products to the Australian food service industry from cheese to condiments, dressings, mayonnaise, spreads and portion control staples. Our focus has been on maintaining our customer base during the COVID-19

pandemic by implementing contactless delivery. We have a broad range of domestic customers, including the key grocery outlets of Aldi, Coles, Woolworths and Independent Grocers as well as Petrol and Convenience, Route, Foodservice and Quick Service Restaurants channels across multiple Australian States. Managing the past 12 months has been demanding and our team has been both highly resilient and customer focused to ensure that we have provided the very best service we could on any particular day. This has also allowed us to retain our customers where they have been able to continue to trade and secure new customers across cafes, government institutions and aged and healthcare sectors. Alongside our retail business we also have an extensive business-to-business customer base including Fonterra, Kraft, Mondelēz, Bellamy's and Blackmores.

Our international customer base includes manufacturers, retailers, distributors and agents in markets including South East Asia, China, Japan, Korea, United Kingdom, France and the Middle East.

¹Data extracted from IRI Total Business Scan (AU grocery Unweighted and Structured Convenience) MAT 30 June 2022. Statements in relation to market share value data provided by IRI (and Bega's competitive position) are based on outside data sources, assumptions and weightings in combination with management estimates

²Excludes non dairy

Our Value Chain

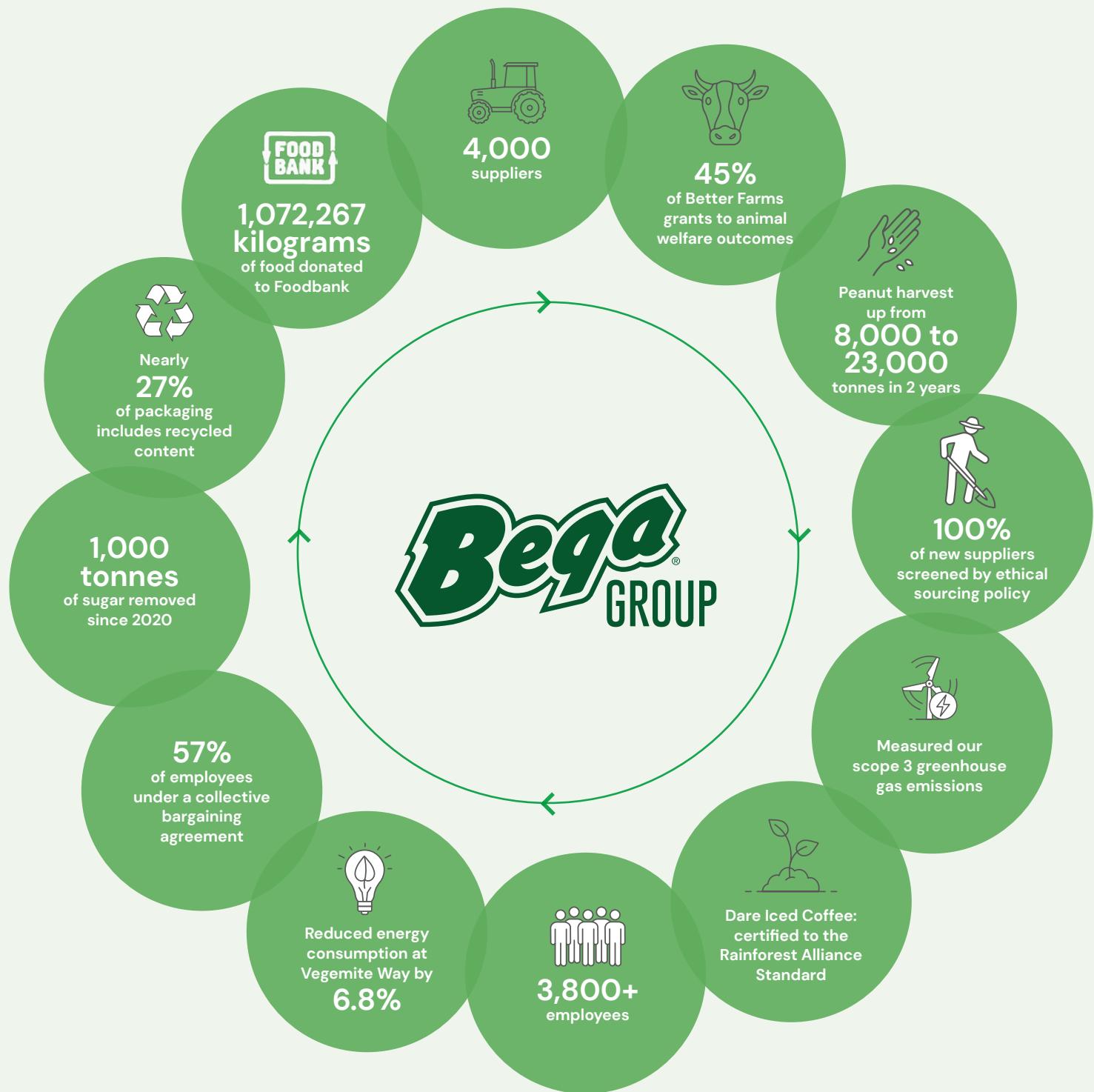


Figure 5: Our value chain

Our Vision, Our Purpose and Our Values

Our vision is to be the Great Australian Food Company by creating great food for a better future. This involves a focus on great food, great people, great aspirations and working for the greater good. We make a difference in everything we do by embracing our values:

Passion for the customer and consumer

We create great food and build brands that our customers and consumers love and trust.

Grow our people

We ensure our people will continue to grow with Bega. We give them the responsibility to work together and achieve great outcomes together.

Invest in our future

We have great aspirations to go beyond our business today. We invest in technology, innovative products and new markets.

Support each other

We strive for a greater good by combining our success with a positive and lasting impact on others.

Our governance

Our approach to business is detailed in our Code of Conduct. This was revised and endorsed by our Board in July 2021 as part of Bega Group's corporate governance framework. The Code of Conduct provides a framework of principles that Bega Group as a company and subsidiary companies will abide by in business and dealing with stakeholders. All employees play an important role in ensuring that the high standards of ethics and behaviour that Bega Group is committed to are observed. The Code of Conduct also covers Bega Group's reciprocal commitment to fulfil its responsibilities to all employees.

Employees complete a Code of Conduct Declaration upon employment and participate in refresher training every 12 months to ensure awareness of any changes. Our Board, as at 30 June 2022, consists of 7 directors. Directors, and their other current directorships, are listed on pages 36 and 37 of our FY2022 Annual Report. Profiles of Directors are also detailed on our website.

The Audit and Risk Committee monitors and reviews the risk register at least annually to assess the degree to which material risks are being effectively managed, and to ensure that all material financial and compliance risks are adequately reflected in the financial statements. Our approach to risk is based on AS/NZS ISO 31000:2009. Managers are responsible for compliance with risk management policies and processes and ensuring that key controls are in place and effective. Two Committees address the sourcing of our two key raw materials – peanuts and milk. The Peanut Growing and Breeding Committee and the Milk Services Committee support the Board in developing strategies to ensure peanut and milk supply. They also work with the Board on strategies to foster strong relationships with our valued farmer suppliers. A Dairy and Drinks Integration Committee was initiated following the acquisition of Lion Dairy and Drinks and is tasked with overseeing the integration of the Lion Dairy and Drinks business into the Bega Group.

Our approach to tax at Bega is to be prudent in managing tax risk and adopting a low risk appetite. The Board oversees overall tax risk and delegates specific responsibility to the Audit and Risk Committee as set out within Bega's Tax Risk Management and Governance Policy. We seek to maintain a collaborative and trusted relationship with the Australian Taxation Office and other revenue authorities. Bega is committed to ensuring that it is compliant with applicable legislation, regulations, reporting and disclosure requirements in the countries in which we operate. In FY2022, the Bega Group paid income taxes of \$11.9 million (net of income tax refunds). In addition to income tax, Bega Group is subject to other taxes such as payroll tax, property taxes and fringe benefits tax. Bega Group also collects and remits taxes including PAYG withholding tax, net goods and services tax and customs duty on behalf of the Australian Government. Bega has a strong history of paying fully franked dividends to shareholders and in FY2022 the results of Bega Group continued to support the total payment of fully franked dividends of 11 cents per share for the entire year. For more information on Bega Group's income tax, please refer to Notes to the Financial Statements in the FY2022 Annual Report.

Bega Cheese Governance

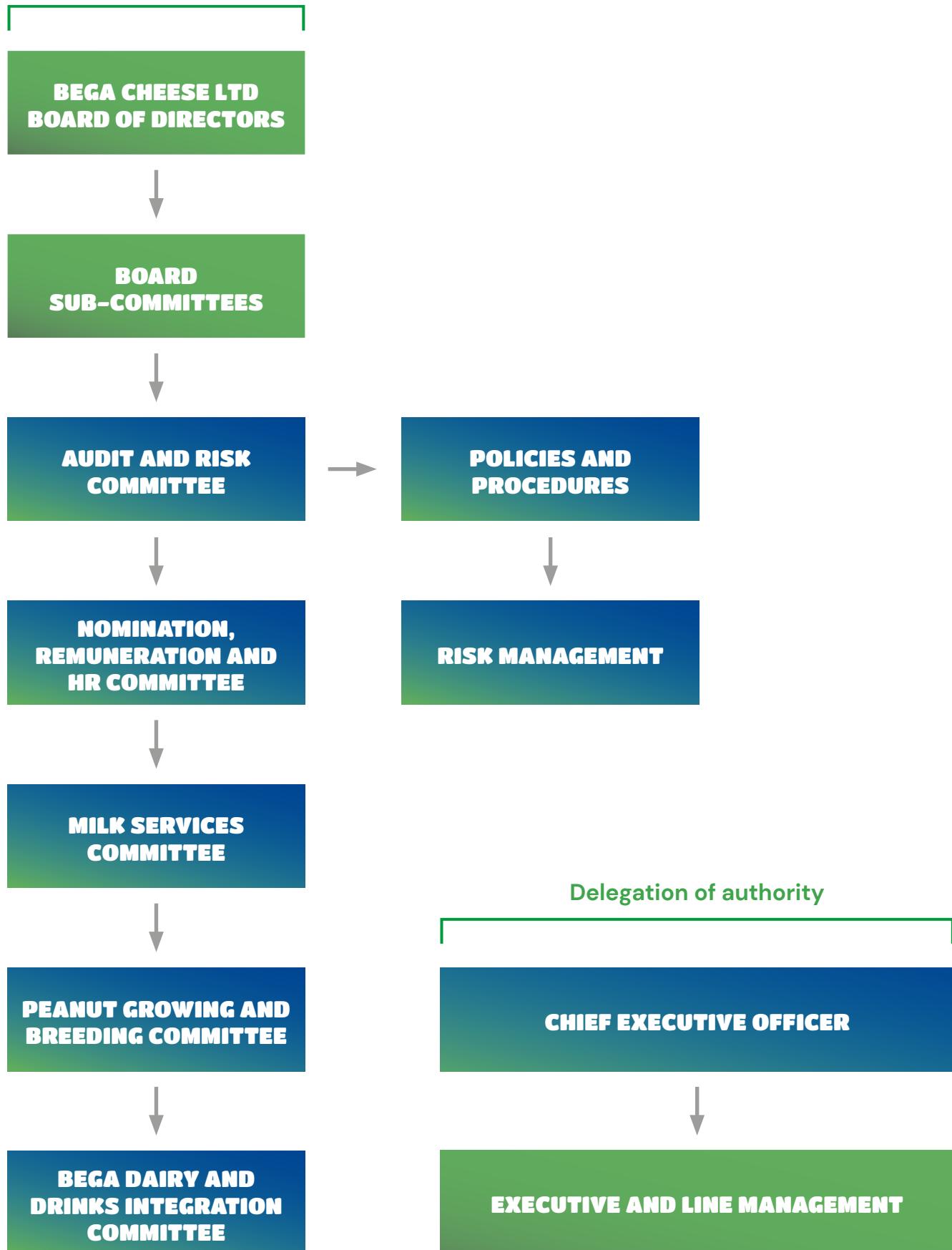


Figure 6: Our governance structure

Participation and advocacy

We are active contributors to various industry bodies, many of which have a dedicated focus on challenges related to sustainability. These include the:

- Australian Dairy Industry Council
- Australian Dairy Products Federation Incorporated
- Australian Packaging Covenant Organisation
- Australian Food and Grocery Council
- Infant Nutrition Council, Australia and New Zealand
- Australian Honey Bee Industry Council
- Dairy Australia

Some Bega Group executive and management members occupy positions on industry associations. During FY2022, Hamish Reid, Executive General Manager Bega Nutritionals and Ingredients, was Chair of the Board of the Infant Nutrition Council of Australia and New Zealand, of which Tatura Milk Industries is an associate member. Mark McDonald, Executive General Manager Ingredients was on the Executive Committee of the Australian Dairy Products Federation and was a Director of the Australian Dairy Industry Council.

Our CEO Paul van Heerwaarden, CFO Peter Findlay and Executive General Manager Beverages Darryn Wallace, are either members or proxy members of the Board of Vitasoy Australia Products Pty Ltd.

[READ MORE](#)

CODE OF CONDUCT

[READ MORE](#)

RISK POLICY

[READ MORE](#)

COMMITTEE INFORMATION



Our Approach: Greater Good

The Bega Group *Greater Good* strategy is aligned to the United Nations Sustainable Development Goals with a focus on addressing the impacts of our business and where we can contribute to sustainable development – our products, our people and communities and our planet.



Figure 7: Greater Good and alignment with the UN Sustainable Development Goals

Our priorities are aligned with the UN Sustainable Development Goals

Within this framework, we have prioritised:

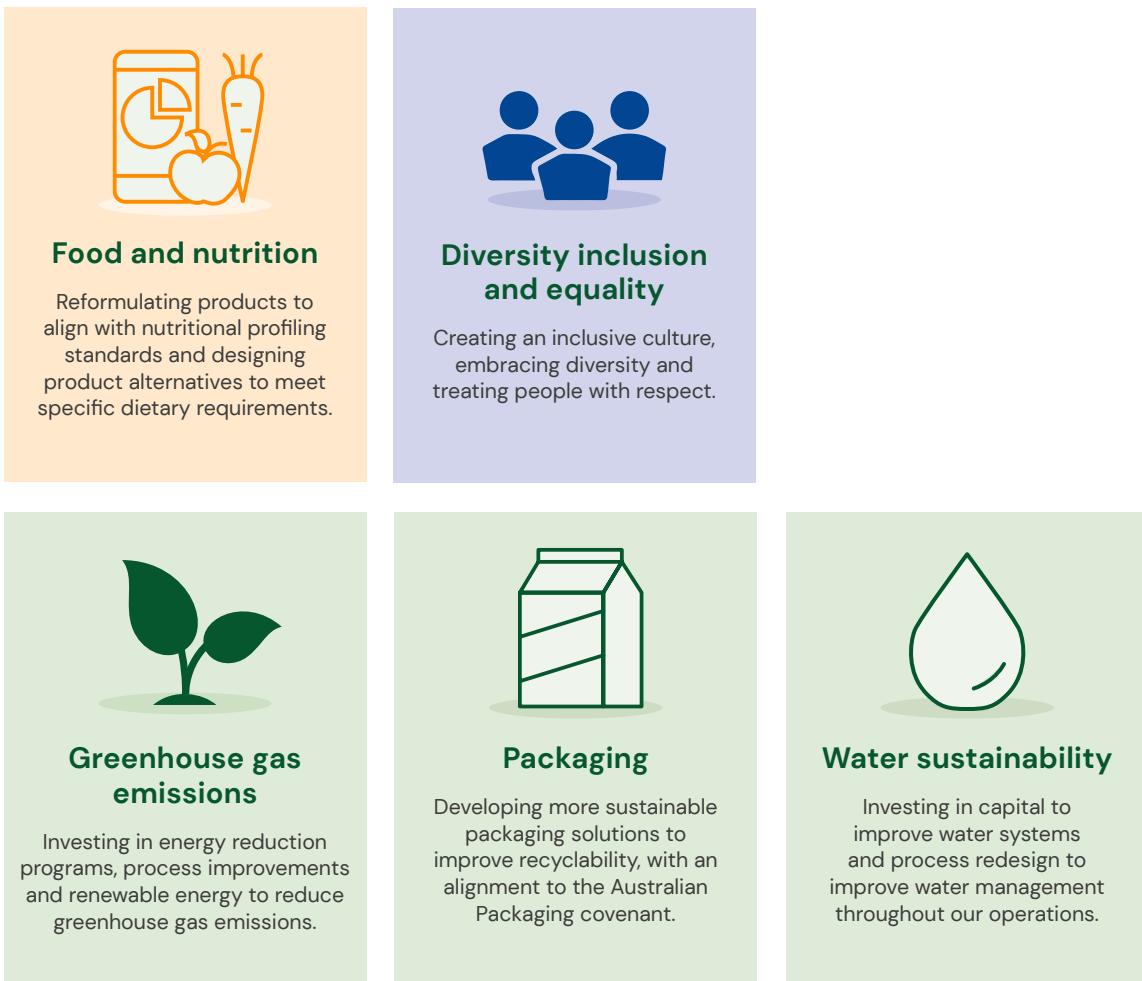


Figure 8: Our priorities

To progress the work of the Greater Good strategy, Bega Group is developing a series of Pledges which will be underpinned by the principle of circularity:

- Bega's Planet Pledge addressing our impacts and targets for waste, water, climate and packaging. This work has been developed and launched and more detail is provided in the Our Planet section of this Report
- Bega's Wellbeing Pledge will address our impacts through products, promotion, education and sustainable diets.
- Bega's Community Pledge will address our impacts through sourcing, farms, people and safety.

Our approach to reporting is informed by the topics prioritised by the Australian Dairy Industry Sustainability Framework and the materiality assessment undertaken in 2019. Specifically: product safety & quality, water availability & efficiency, animal care, physical climate risk, farm biosecurity, antimicrobial stewardship, calves (including bobby calves), animal husbandry, resilience of dairy regions and greenhouse gas emissions.

Although we did not undertake any dedicated stakeholder engagement to inform the report this year, we regularly engage with stakeholders at key milestones including during contract renewals, at negotiation of supply and services agreements, and when advising the community of significant changes to activities at operating sites.

Stakeholders	How we engage
Milk & peanut suppliers	Direct from Supply Team via email and text Monthly newsletter
Other suppliers and business partners	Direct interviews Supplier visits and audits Meetings and regular reviews Use of tools such as SEDEX
Shareholders	Results presentations ASX announcements and press releases Annual General Meeting Roadshows ESG investment surveys
Customers and consumers	Responses to questionnaires Customer visits and audits Meetings and review Monthly reports
Governments and regulators	Input to requests for information Participation in system audits Strategic meetings with regulator Dairy Export Industry Consultative Committee Statutory reporting Site inspection and audits
Industry associations	Formal participation in industry initiatives and frameworks.
Non-government organisations and certification bodies	Formal participation in programs (e.g. The Australian Packaging Covenant)
Workers	Face to face workshops Safety briefings Newsletter (Bega Bites) Employee engagement survey
Communities of operation	Face to face workshops Participation in regional industry initiatives

Figure 9: Our stakeholders and how we engage with them



Our Products

FOOD AND NUTRITION



Making better, healthier food

We own and manufacture some of the most iconic food brands in Australia, including Bega Cheese, Vegemite and Bega Peanut Butter. Through the acquisition of Bega Dairy and Drinks in January 2021, we have added a range of milk and dairy brands, juice and plant-based products to our portfolio. As a food producer, we have a unique opportunity to contribute to the wellbeing of people and to have a positive impact on specific health and nutrition challenges.

Our approach is underpinned by our Bega Sustainable Diet Principles. We are currently developing our Bega Wellbeing Pledge to be launched in FY2023. The Pledge will bring together the Bega Cheese Nutrient Profiling Standard, developed in 2019, and the Bega Dairy and Drinks Our Goodness Promise, developed in 2014 and updated in 2020. The Pledge will outline our strategies, targets and activities to support a sustainable diet through our products, promotions and education for wellbeing.

We continue to support the changing lifestyles and needs of consumers by enhancing and improving our product portfolio. Reducing consumption of added sugar and added salt in the diet can improve health and reduce the risk of significant lifestyle diseases, such as obesity, diabetes and heart disease. We are on track to remove 15 tonnes of salt from Bega Cheese food products and to reduce sugar by 10% in Bega Peanut Butter by 2023, having achieved a 5% reduction in FY2021. Our Bega Dairy and Drinks business has removed 1,000 tonnes of added sugar from our portfolio and is on track to providing 100 million more no added sugar serves by 2025, having provided 26 million more since 2020. Bega Dairy and Drinks has also been able to launch a number of products toward the goal of 85% of the product portfolio meeting either the "best" or "good" categories of products by 2025. This year 80% of the product portfolio meets the criteria, representing a shift from 70% in 2014. We have also voluntarily introduced added sugar labelling in the nutrition information panels of 70% of our drinks, yogurt and milk beverages to help consumers make informed choices.

Our science and technology team operates a networked model, dedicated to partnerships with research institutions and connecting with our food technology staff. We fund clinical research and post-graduate work on specific health challenges and benefits associated with dietary intake. We focus on what is already good about our natural products, such as dairy, and look for enhancements which are both appropriate and fit for purpose.

Meeting the specific nutritional needs of our consumers requires innovation. Our work in prebiotics continued this year as consumer interest in supporting gut health increases. In FY2022, we launched Daily Juice + Pre and Pro-Biotics to support a healthy gut. This adds to our Dairy Farmers GutActive, with prebiotics to support gut health. Our new Happi Day and Night milk product for toddlers is Australia's first to offer different nutrients for consumption during the day and night. Vital nutrients in both cow's milk and human milk have circadian day and night cycles. Iron, for example, is crucial to brain development and the production of red blood cells, which peaks in human milk at night. Five types of nucleotides and tryptophan are also important to cognition, growth and development and also vary between day and night.

Bega Sustainable Diet Principles

Right portion sizes, eating to needs



Select local



Limit waste throughout the food supply chain



Educate and promote sustainable diet



Removed 1,000 tonnes of added sugar from Bega Dairy and Drinks portfolio since 2020, reaching our 2025 target 2 years early.

Making food that people trust

Our commitment to customers and consumers is that our products are safe when used for their intended purpose and meet or exceed all food regulatory requirements. Our Quality Policy formalises this commitment. It applies to all our manufacturing sites, third party manufacturers producing products on our behalf, and our supply chain. It is informed by international food safety standards recognised by the Global Food Safety Initiative.

We maintain 100% certification to schemes such as the British Retail Consortium (BRC) Global Standards and FSSC 22000 Global Standards, which are recognised by the Global Food Safety Initiative (GFSI). Our quality and food safety management systems are frequently audited internally and extensively by second and third parties. Acting on the recommendations from these audits helps us to improve our performance in both quality and food safety.

Our focus over the past year, and into next financial year, is to ensure the highest food safety standards are in place across the entire business, based on the best from both Bega Dairy and Drinks and Bega Cheese and the latest external references. We have mapped requirements and prioritised gap assessments, bringing together multiple documents into a single approach for Bega Group.

Our commitment to food safety extends through our supply chain, where we hold our suppliers to our same standards.

Suppliers that have certification to a GFSI recognised scheme are preferred. When they do not, additional risk assessments are performed by Bega Group. We provide support and guidance to suppliers to ensure they comply with our quality and food safety requirements. Through our Milk Supply Agreements, our dairy farmers are required to implement our On-Farm Quality Assurance Manual and they are supported in this by our regional field services teams. This enables traceability and helps us to work proactively with farmers.

Bega Group is committed to ensuring its nutrition communications are transparent, legally compliant, truthful and reliable, with claims that have a solid scientific basis. We continue to be transparent and clear in our marketing, advertising and labelling practices, with the aim of helping consumers make better choices. Bega Group is committed to the Australian Association of National Advertisers (AANA) Food and Beverages Advertising Code which regulates food and beverage advertising in Australia. Our marketing team has been trained in the requirements of the Code and our regulatory team monitors and reviews implementation. Bega Cheese did not record any incidents of non-compliance with industry or regulatory labelling or marketing codes in FY2022.



Figure 10: Bega Group food safety performance

³Prior to the acquisition of Lion Dairy and Drinks by the Bega Group, Lion Dairy and Drinks issued a voluntary recall for Dairy Farmers full cream white milk products, due to potential microbial contamination in February 2020.

[READ MORE](#)

OUR QUALITY POLICY

100%

of our products are manufactured in sites independently certified to food safety standards.

85%

of our sites achieved a rating of which we categorise as excellent or good under the Global Food Safety Initiative in FY2022.

93%

of ingredients have been sourced from supplier facilities certified to a program recognised by the Global Food Safety Initiative.

Case Study

180 NUTRITION GOOD SPORT™ SCIENTIFICALLY BACKED FOR EXERCISE RECOVERY

In June, we launched our first-ever flavoured sports milk, GOOD SPORT™. Consuming dairy products in the period following exercise has been widely recognised as a good choice in promoting muscle repair, growth and adaptation. Milk provides protein, essential vitamins and minerals and is also easily produced in different options of fat and sugar content. Bega Dairy and Drinks funded targeted research by Monash University which found that consuming chocolate milk hours after physical activity delivered benefits, including superior hydration, carbohydrate refuelling, and muscle repair. The research guided the development of the flavoured sports milk which has been formulated with a specifically designed ratio of nutrients for post workout refuelling. This includes 14 grams of protein per serve as well as iodine, vitamin B2, B5, B12 and 58% of the recommended dietary daily intake of calcium.

**POST-EXERCISE
RECOVERY**

Associate Professor, Ricardo Costa, led the research and clinical trials which showed that flavoured milk consumed after exercise was more effective as a rehydration beverage than a standard carbohydrate-electrolyte beverage. GOOD SPORT™ also addresses other challenges in traditional sports recovery drinks including taste and believability. Combining great taste and the natural nutrition of milk with scientific evidence helps GOOD SPORT™ meet consumer goals in post-exercise recovery.



Our People and Communities

OUR SUPPLY CHAIN

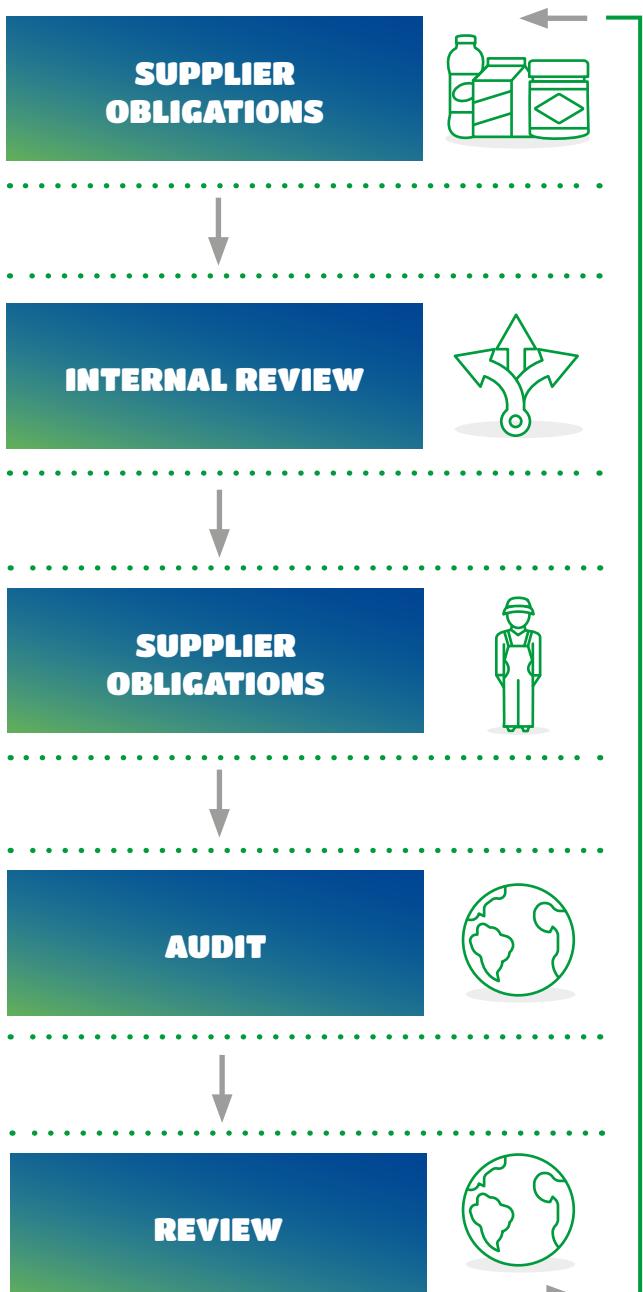


Our People and Communities

Our supply chain

Local sourcing in Australia and long-term arrangements with our suppliers helps us maintain our focus on quality and sustainability. With around 4,000 suppliers, more than 85% of Bega Group's supply chain expenditure is in Australia. The majority of our spending is on raw materials, particularly milk. The Group received 1.40 billion litres of milk during the course of FY2022. Strong global dairy prices and a shrinking milk pool in Australia have increased competition for milk and we have increased our farm gate milk price for the next financial year to secure our supply.

The Bega Group was also impacted this year by disruptions to supply chains experienced globally. The conflict in Ukraine increased the costs of inputs and lockdowns in Shanghai, due to COVID-19, also disrupted the flow of products into major Asian markets.



Responsible sourcing

Our sourcing decisions are guided by our Ethical Sourcing Policy which was updated in May 2022. The updated Policy brings together the responsible and ethical sourcing approaches of Bega Cheese and Bega Dairy and Drinks each of which had their own policies and procedures prior to acquisition in FY2021. Informed by relevant international agreements, the revised Policy has been updated to reflect our use of the Supplier Ethical Data Exchange (SEDEX), our expectations of suppliers regarding their participation in SEDEX and provisions for employees and suppliers to raise potential compliance issues. Our Responsible Sourcing Code then provides greater detail of our supplier sustainability and responsibility aspirations and the minimum standards we expect of suppliers.

Our approach is outlined in Figure 11. As active members of SEDEX we require suppliers to share their data and we review their responses against an internationally recognised audit and compliance program. Our suppliers must also complete an annual ethical sourcing self-assessment questionnaire (SAQ) and Bega Group may require an independent compliance audit of the supplier, particularly those considered to be high risk. This year, 211 of our medium to high risk suppliers completed the SAQ and 100% of high risk suppliers have completed an independent compliance audit using SMETA (Sedex Members Ethical Trade Audit) while others are still in progress. Only one business critical non-conformance was found and resolved. Another 14 critical, 60 major and 60 minor non-conformances were recorded with a resolution rate of 93%, 83% and 93% respectively this year. All of our 22 new suppliers in FY2022 were screened using the SAQ and 8 of the new suppliers deemed to be medium to high-risk completed an audit.

As part of our participation in SEDEX, we also undergo third party SMETA audits of our own manufacturing sites which, in turn, provides assurance to our major customers. This year we have completed audits for our sites at: Malanda, Kingaroy, Koroit, Bentley, Lagoon Street, Ridge Street, Salisbury, Lenah Valley and Strathmerton. An audit of the Vegemite Way and Tatura sites is scheduled for FY2023.

We have identified several commodities as high risk for their potential to impact people and the environment. This includes coffee, cocoa, rice powder and fish oil used as ingredients in our products. These were identified through a risk assessment based on our list of suppliers, our expenditure and country of origin of the ingredients. We have commenced further and specific due diligence work with these suppliers. This year we worked with the Rainforest Alliance to procure coffee for specific manufacturing sites now independently certified to the Rainforest Alliance Sustainable Agriculture Standard.

Figure 11: Bega Group ethical sourcing program

Modern slavery

We will produce our third modern slavery statement at the end of this calendar year in compliance with section 13 of the Modern Slavery Act 2018 (Cth) and section 24 of the Modern Slavery Act 2018 (New South Wales). Our Modern Slavery Action Plan is implemented by an internal Modern Slavery Working Group which reports to the Board and consists of a group of cross functional managers. The Working Group reviews risks and assesses our performance against industry norms and regulations in the jurisdictions in which we operate. While our early work in this area focused on identifying potential sources of modern slavery risk in our operations and supply chain, our focus now is on building awareness and trust.

Deforestation and palm oil

Bega Cheese has been an associate member of the Roundtable on Sustainable Palm Oil (RSPO) since December 2019 and adopted a Sustainable Palm Oil Sourcing Policy in 2020. Our goal was to procure 100% of our palm oil and palm oil products from RSPO certified Segregated or Identity Preserved sources by December 2020. Our manufacturing sites at Ridge Street, Bega and Strathmerton have maintained RSPO Supply Chain Certification (SCC). Bega Dairy and Drinks also adopted a palm oil policy in 2020 limiting palm oil or its derivatives to less than 1.5% of Bega Dairy and Drinks products. The policy commits Bega Dairy and Drinks to 100% RSPO certified sustainable palm oil according to the Mass Balance model as a minimum. A reconciled and whole of Bega Group palm oil policy is to be developed. This year more than 97% of palm oil sourced was RSPO certified Segregated.

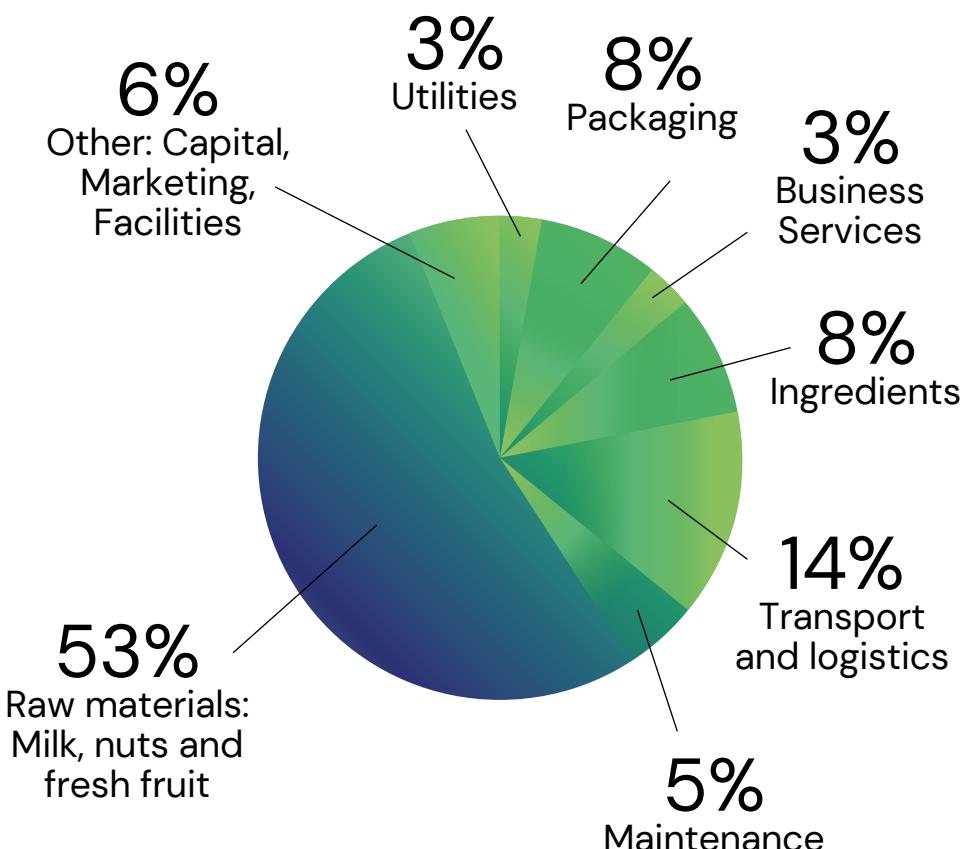


Figure 12: Bega Group supply chain by % of expenditure

[READ MORE](#)

**ETHICAL
SOURCING
POLICY**

[READ MORE](#)

**SUSTAINABLE
PALM OIL
SOURCING
POLICY**

[READ MORE](#)

**MODERN
SLAVERY
STATEMENT**

Dare Iced Coffee uses coffee from Rainforest Alliance Certified Farms

100%

of new suppliers were screened using our ethical sourcing questionnaire

100%

of high-risk suppliers have completed an independent compliance audit

More than

97%

of palm oil sourced by Bega Group in FY2022 was certified as Segregated under RSPO



[READ MORE](#)

**ROUNDTABLE
FOR
RESPONSIBLE
PALM OIL**

Case Study

DARE ICED COFFEE RANGE GREAT FOOD AND GREATER GOOD

Our Dare Double Espresso contains 34% daily intake of protein and 74% of recommended dietary intake of calcium in a 500ml bottle. Our Dare Iced Coffee No Added Sugar has a 4 star Health Star Rating.

We have also included the caffeine content on the label voluntarily so that consumers are able to understand and monitor their own consumption. We are working with the Rainforest Alliance to procure coffee independently certified to the Rainforest Alliance Sustainable Agriculture Standard. The Rainforest Alliance Standard addresses issues such as biodiversity, deforestation, climate change, living wages and human rights in coffee growing communities. All of our sites making Dare Iced Coffee were independently certified under the Rainforest Alliance Standard this year, sourcing coffee from Rainforest Alliance Certified Farms.

[READ MORE](#)

RAINFOREST ALLIANCE



34% DAILY INTAKE OF PROTEIN



4 STAR HEALTH STAR RATING



Supporting Sustainable and Regenerative Farming

Working with our dairy farmers

Dairy farmers remain central to our business. While we depend on them for quality and reliability of milk supply, they also rely on us to add value to their milk and support dairy communities through our business. Dairy is in strong demand in most parts of the world and dairy commodity prices have increased this year. The competition for milk supply continues in Australia as the milk volume shrinks and the global demand for dairy increases. Our dairy farmers have been impacted this year by rising input costs and a La Niña weather event, resulting in above average rainfall across the eastern states and significant floods.

Our Milk Supply Agreements outline the terms and conditions for our milk suppliers when selling milk to us and our responsibilities to them as a purchaser. The Agreements include details on pricing structure, incentives, quality assurance, legal compliance and dispute mechanisms. Suppliers must be accredited under our On Farm Quality Assurance Program which is based on four components: Hazard Analysis and Standards, On Farm Quality Assurance Plan, On Farm Quality Assurance Monitor Book and Farmer Self-audit or checklist. When on-boarding new suppliers, our Farm Service Field Officers work through the on-boarding checklist that includes key questions on animal health and welfare practices, biosecurity, chemical use and effluent management. The information is used to identify key areas that may require improvement to meet workplace health and safety, quality assurance, animal welfare or environmental requirements. This has not yet been applied to dairy farmers supplying the Bega Dairy and Drinks business. If there are areas identified that need improvement our Farm Service Field Officers encourage improvement through the Better Farms grant program.

We continue to support our dairy farmers through our Better Farms Program which helps farmers develop and improve their business through capital grants, advice and training. The program has been extended to now include all of our dairy farmers since the acquisition of Bega Dairy and Drinks in January 2021. In light of the increasing flood and storm events around the country, the installation of a back up generator to enable milking has been elevated in priority within the program. As part of the Capital Works Grant, our Farm Service Field Officers complete a checklist with the farmer to ensure all compliance areas are met before proceeding with the funding of grants of projects that are not compliance related. Since April 2018, we have invested more than \$1.9 million in grants, leveraging additional funding contributions of over \$6 million from farmers across 620 projects. A summary of the grants approved and completed is presented in Figure 13. A dedicated website tracks the program's achievements, to highlight them to Australian consumers. A third party provides independent assurance every three years to our stakeholders that grants under the program are being spent on agreed projects. This is also publicly available on the website.



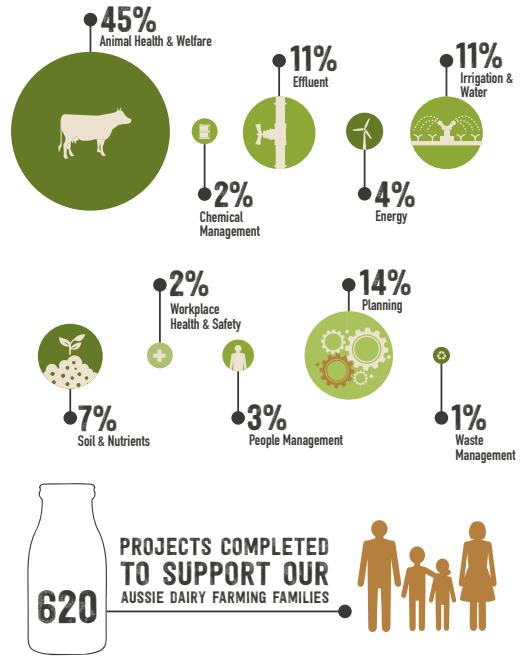
3 TYPES OF GRANTS AVAILABLE



\$1,927,688

INVESTED IN TOTAL
INTO OUR AUSTRALIAN
DAIRY FARMS SINCE 2018

OUR FARMERS HAVE USED THEIR GRANTS TOWARDS:



PROJECTS COMPLETED
TO SUPPORT OUR
AUSSIE DAIRY FARMING FAMILIES



DAIRY FARMERS BUTTER
PROUDLY MADE
IN KOROIT
WESTERN VICTORIA

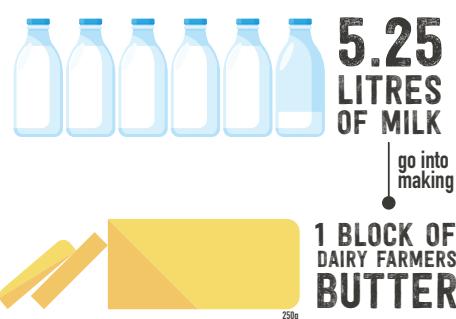


Figure 13: Summary of Better Farms grants expenditure April 2018 to 30 June 2022

Animal welfare

We have a close working relationship with our farmers who understand that prioritising the health and wellbeing of their cows, results in higher productivity. Bega Group has zero tolerance for animal cruelty. We support the Australian Dairy Industry Sustainability Framework, which aims for 100% compliance with legislated Australian Animal Welfare Standards and 100% uptake of relevant recommended practices. This includes the training of workers in regulatory requirements and the handling of dairy animals as well as specific practices such as tail docking, disbudding, lameness and calving induction. Bega Group does not support tail docking without veterinary advice and has a strict no tolerance approach to the use of induction drugs as a routine management practice. Bega Group may suspend the collection of milk if we reasonably suspect that there may be material animal health or welfare issues with respect to the supplier's milking herd or other livestock.

Our Milk Supply Agreements require dairy suppliers to comply with all applicable laws, regulations and mandatory codes regarding animal welfare, which includes the National Dairy Industry Animal Welfare Strategy. Our On Farm Quality Assurance Plan details requirements and expected practices for livestock health and welfare as well as the management of specific conditions such as mastitis and the use of antibiotics. Our Farmer Self-audit checklist for onboarding new suppliers includes questions on these standards and practices, such as the use of pain relief when disbudding calves, managing herd fertility to eliminate routine induction, provision of adequate shelter and eliminating tail docking. Animal welfare is also a major focus of the Better Farms Program, providing funds for capital works projects and service support for better calf management and animal health and welfare. These grants help our farmers to improve their practices and levels of compliance.

Supporting beekeepers

Our honey brand, B honey, is 100% Australian sourced honey featuring Red Gum honey from the Murray River region and Ironbark honey from North Eastern Victoria. B honey continues to be the driving force behind the Purple Hive Project – an innovative technology project aimed at reducing biosecurity risk for the Australian beekeeping industry. The Purple Hive is an artificial intelligence-based monitoring system that has been designed to facilitate early detection of a parasitic mite – the Varroa Destructor – which has decimated bee colonies around the world. Early detection of the mite remains crucial to the health of the bee industry and to agriculture in Australia.

Australia was, until recently, the last inhabited country on earth free of the mite. In June of this year the mite was detected in a sentinel hive at the Port of Newcastle. The New South Wales Department of Primary Industry and other State Government Departments of Agriculture have been working to eradicate and prevent the further spread of the mite. Eradication, surveillance and buffer zones have been established and standstill orders are in force for the movement of hives. Authorities are confident that eradication is achievable.

More than **45%** of grants to dairy farmers under our Better Farms Program have been devoted to capital works projects, training and advice on improving animal welfare and calf management outcomes

[READ MORE](#)

**OUR
STANDARD
FORM
AGREEMENTS
WITH DAIRY
FARMER
SUPPLIERS**

[READ MORE](#)

**BETTER
F FARMS
PROGRAM**

Around the Grounds

MANAGING THE FLOODS

The La Niña weather pattern in Australia resulted in significant rainfall this year. Floods in Queensland, New South Wales, South Australia and parts of Victoria occurred between December 2021 and into June 2022. Major storm events along Australia's East Coast in February and March saw 23 lives tragically lost and estimated financial losses of around \$2.5 billion. These events disrupted milk supply and caused minor damage to this year's peanut crop. Farmers in the Mary Valley in Queensland received more than one metre of rain in five days, resulting in the highest flood level in the Mary River in 100 years. Fortunately, stock losses were relatively low but there was significant damage to fences, laneways, irrigation infrastructure, crops and pastures.

We adopted a "safety first" approach across our supply chain to ensure the wellbeing of employees and business partners. Most farms were able to continue milking with production losses of around 20% of most flood-impacted farms. In some regions affected by storm damage and power outages, we sourced generators to help farmers continue milking. Where we could not collect milk due to infrastructure damage and road closures, we paid farmers for their milk.

The Better Farms Program funded field visits to impacted farms to advise on wet weather management issues and recovery strategies. This included

managing animal welfare challenges such as lameness and mastitis management associated with wet weather and disruptions to farm practices. We made funding available under the Program for capital works grants and to repair infrastructure. To improve preparedness for future events, the installation of back up generators has been elevated on the priority order of Capital Works Projects. Back up generators will enable cows to be milked and minimise adverse animal welfare outcomes resulting from prolonged power outages.

We also donated products to Food Bank and the Red Cross Evacuation Centre and sourced refrigerators for flood affected areas in Queensland.



Growing the Australian peanut industry

Our Simply Nuts Peanut Butter range is made from 100% Australian grown peanuts. While we are proud of this product, we still need to import peanuts to meet demand across our broader product portfolio. Two-thirds of the edible peanuts consumed in Australia are imported. As The Great Australian Food Company, increasing the Australian peanut crop is important to our business, our customers and to the broader Australian agriculture sector. We're now Australia's leading supplier of peanuts from our sites at Kingaroy and Tolga in Queensland. While favourable weather has played a part, we have been able to increase the peanut harvest over the past two years. In FY2020 the harvest was approximately 8,000 metric tonnes, increasing to 22,509 metric tonnes in 2021 and an estimated 23,000 metric tonnes for the 2022 season from growers in Queensland and Northern New South Wales.

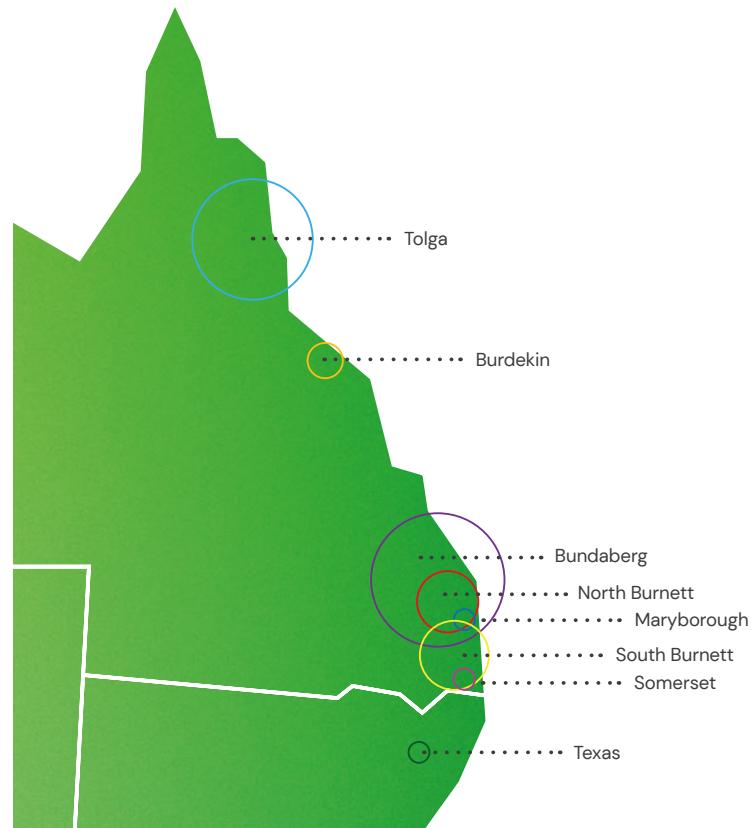


Figure 14: Area of peanut production by growing region

Sourcing Australian grown peanuts

Increased our
Australian peanut
crop from
approximately
8,000 metric
tonnes to an
estimated 23,000
metric tonnes
in two years

Peanut production has generally moved into irrigated regions, such as Bundaberg, in recent years. However, the increased rainfall associated with the La Niña weather pattern in FY2022 has seen an increase in production in dryland areas such as Burnett where the crop tonnage increased by 8% on the previous year.

Our Farming Services Team of eight staff provides peanut growers with agronomic advice in the field, and training on growing conditions and new varieties. Our Grower Advisory Group includes grower representatives from each of our major regions. They meet quarterly and while they help in our communications, they also advocate and raise concerns on behalf of peanut growers.

Our Peanut Breeding Program is a collaboration between Bega Group and the Grains Research Development Corporation (GRDC). The program aims to develop new peanut varieties with a focus on improving yield, pest resistance and decreasing costs of production. Our Peanut Growing and Breeding Committee reports directly to our Board and oversees the ongoing research and development of new peanut varieties to benefit our peanut growers.

We continue to work with peanut growers to ensure that the use of any chemicals and fertilisers can be traced back to the paddock. Growers must provide a Declaration and Chemical Use Record to us prior to payment for peanut crops, which includes the use of any Australian Pesticides and Veterinary Medicines Authority registered chemicals.

Around the grounds

GROWING PEANUTS WITH ANOTHER PURPOSE GRAIN AND GRAZE NORTH

Our Peanut Farming Services team is partnering with the CRC for Developing Northern Australia and CQ University, to test the use of the peanut crop as livestock feed. The project is evaluating different peanut varieties from our peanut breeding program. While these varieties have proven to be good nut producers, they also produce large amounts of biomass which can be used to feed livestock. This may provide two income streams for peanut growers – one from early season fodder and another when the peanuts mature to harvest. This will also provide improved feed security for the beef cattle industry in Northern Australia and greater opportunities to finish cattle for sale into higher value markets.

The trial commenced in January 2022 to test the timing of cutting biomass and determine its impact, if any, on the growth and yield of the peanut crop. Six trial locations were identified, four in Queensland – Emerald, Ayr, Tully, Georgetown – and two in the Northern Territory – Katherine and Douglas Daly.

The research includes direct participation of peanut growers in three overlapping stages to link growers with scientists, agronomists, economists and marketers and develop farm level decision support tools for both graziers and peanut growers. The overall project budget is just over \$3 million and will be completed by February 2025.



Isaac Cardillo, Research Assistant sampling peanut biomass in the CRCNA Dual Purpose Peanut Trials in Emerald, Queensland

Around the Grounds

B HONEY AND A CHARIOT FIT FOR A QUEEN

This year, B honey created the limited time 'Queen Bee Chariot' with Silver Top Taxis to help distribute queen bees. Primarily, queen bees are distributed to their future hives through the postal system. An overreliance on the postal system, combined with the lack of alternative transport methods has wreaked havoc for the beekeeping industry, with queen bees sometimes dying in transit. A breeding queen bee represents significant genetic investment to the industry and is the result of decades of selective breeding.

[READ MORE](#)

B HONEY'S PURPLE HIVE PROJECT

The Queen Bee Chariot was a special taxi service that picked up the queen bees and transported them in timely and air-conditioned fashion to their destination. The service ran between February and April and transported more than 10 queen bees to their new homes.



David Briggs, Apiarist and Chico Hazik, Silver Top Taxi with the Queen Bee Chariot

Our Employees

Our total workforce is more than 3,800 employees. We are committed to creating a workplace where all our people can thrive. Our values drive our culture and our Code of Conduct details the Bega Group's responsibilities to employees as well as employee responsibilities to colleagues. The Code was updated in July 2021 and outlines our approach to health and safety, fair business practices, discrimination and employee grievance processes. The Code of Conduct is the cornerstone of our commitment to ethical behaviour and responsible business conduct. Each employee is required to read and sign that they understand and will adhere to our Code of Conduct.

Employee wellbeing

Our Employee Wellbeing Indicator survey continues to provide an important baseline for employees' wellbeing measures and informs our employee wellbeing improvement initiatives. Our Wellness Portal on the Bega Group intranet communicates our health and wellbeing programs. Having launched our Calm Healthy Minds program last year, we have since established a mental health committee to support leaders in having conversations around mental health.

Our BegaFlex policy is available to all of our employees across Australia. For those roles where it is possible, the policy allows employees to work from a safe and productive work location outside of their usual workplace, arrange different work schedules, job and role sharing and paid or unpaid leave arrangements to support the balance and wellbeing of employees inside and outside of working life. The policy is supported by a set of principles and focuses on trust, achievement and win win outcomes.

Employee engagement

The Bega Q12 is our tool to measure engagement. The survey, powered by Gallup, is run twice a year and consists of 12 core questions to help us understand the existing level of employee engagement. The results generate conversations and facilitate action. Launched in November 2018 with our salaried employees, we have since experienced growth in participation rates to 86% and the engagement index, seeing it increase steadily from 1.87 to 5.75. Gallup recommends an engagement index of 4 to counteract the effects of actively disengaged team members. Bega Group's strengths are highlighted by Question 5 Someone at work cares about me as a person and Question 10 I have a Best Friend at work are regular strengths which reflect our people living our value of Support Each Other.

Diversity and inclusion

Our commitment to diversity and inclusion is formalised in the Bega Cheese Diversity and Inclusion Policy, updated in July 2021. This policy will be formally reviewed again in July 2023. Our Bega Group value of support each other reflects the behaviours important to becoming more diverse and inclusive. Specifically, we act with humility, respect and empathy towards others and look out for each other. We are inclusive, network and help each other to make a difference.

The Bega Diversity and Inclusion strategy provides an overarching framework and action plan for the development of goals, targets and priorities and against which we can measure our success. Our strategy is based on three pillars: fostering inclusive leadership, supporting working families and developing women leaders. A review of the gender pay gap is undertaken annually and Bega Group introduced site-based diversity and inclusion teams last year. These teams have been able to identify issues of disparity and barriers to advancement opportunities as well as remedies which can be tailored to specific sites. We will commence public reporting on the ratio of female to male salaries in the FY2023 Sustainability Report.

At the end of June this year, we signed on to the 40:40 Vision which is an investor-led initiative to achieve gender balance in executive leadership across all ASX300 companies by 2030. Led by HESTA, 40:40 stands for 40% women, 40% men and 20% any gender. Our next step over the coming year is to set publicly available and time bound composition targets for the representation of women in executive leadership roles for 2024 and 2027. This includes making a pledge to achieve gender balance in executive leadership by 2030, publishing the plan to get there and reporting annually on our progress. The plan will be available on our website in June 2023.

Bringing greater diversity into our organisation is the first step. The next step is creating the right conditions where people feel willing and able to contribute and be their best selves at work. Our leaders are in a strong position to influence the climate in which the business operates and improve the conditions our teams work in to be more inclusive. In October 2021 we started the Bega Group Inclusive Leader Coaching Series, developed to support an understanding of inclusion for leaders at Bega. The series featured ten, fortnightly interactive workshops focusing on the development of key skills and attributes for inclusive leaders. The workshops covered a range of topics including outlining the difference between diversity and inclusion and mindset and bias. The workshops were compulsory for all leaders but were also open to everyone. As a next step, mentor training will be undertaken by the executive team and their direct reports to support developing female talent on business, strategic and financial acumen which are important skills for those in senior leadership roles.

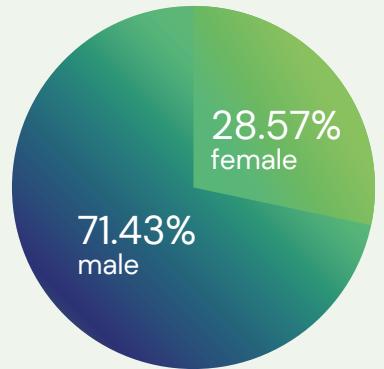
We report to the Workplace Gender Equality Agency (WGEA) against the standardised gender equality indicators, in accordance with the requirements under the Workplace Gender Equality Act 2012 (Cth). We submitted our report for the 12-month period ending 31 March 2022 and have received a notification of compliance from the WGEA.

We have expanded our reporting on diversity this year, including more detailed information on gender to reflect non-binary employees and employee categories by age group.

Gender representation

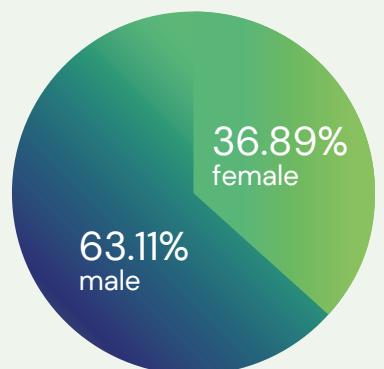
Board members

28.57% female and 71.43% male



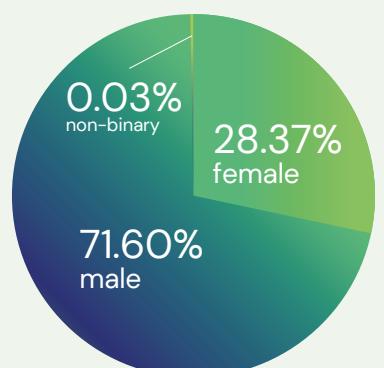
Management

36.89% female and 63.11% male



Non-management roles

28.37% female, 71.60% male
and 0.03% non-binary



Overall workforce

29.51% female, 70.46% male
and 0.03%⁴ non-binary

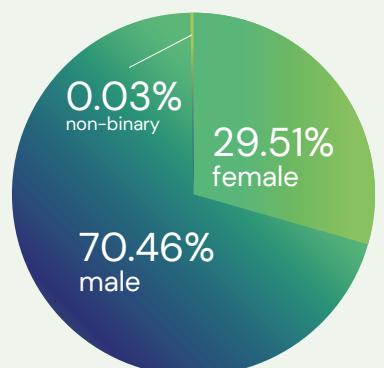


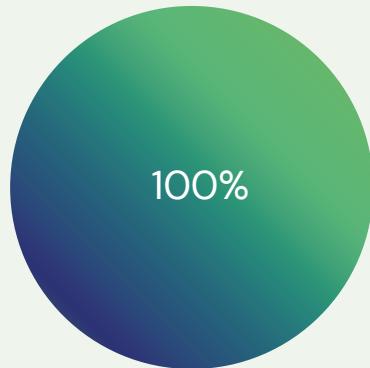
Figure 15: Gender representation in the workforce

⁴Rounded to two decimal places

Age representation

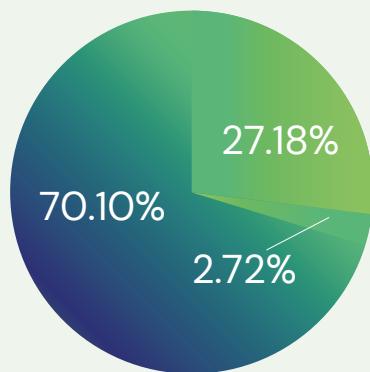
Board members

0.00% < 30 years of age,
0.00% 30–50 years of age,
100.00% 50+ years of age



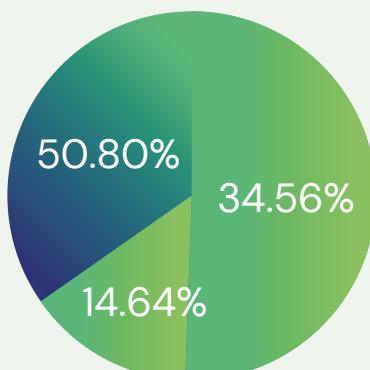
Management

2.72% < 30 years of age,
70.10% 30–50 years of age,
27.18% 50+ years of age



Non-management roles

14.64% < 30 years of age,
50.80% 30–50 years of age,
34.56% 50+ years of age



Overall workforce

13.01% < 30 years of age,
53.28% 30–50 years of age,
33.71% 50+ years of age

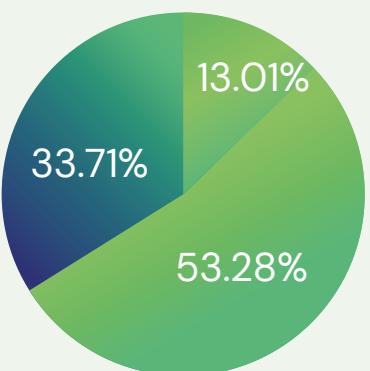


Figure 16: Workforce by age group

Approximately
57%
of our employees'
employment
arrangements
are covered
by a collective
bargaining
agreement



[READ MORE](#)

OUR CODE OF CONDUCT

[READ MORE](#)

OUR DIVERSITY AND INCLUSION POLICY

[READ MORE](#)

WORKPLACE GENDER EQUALITY AGENCY (WGEA)

[READ MORE](#)

CORPORATE GOVERNANCE STATEMENT

[READ MORE](#)

HESTA 40:40 VISION INITIATIVE

Workforce by Region

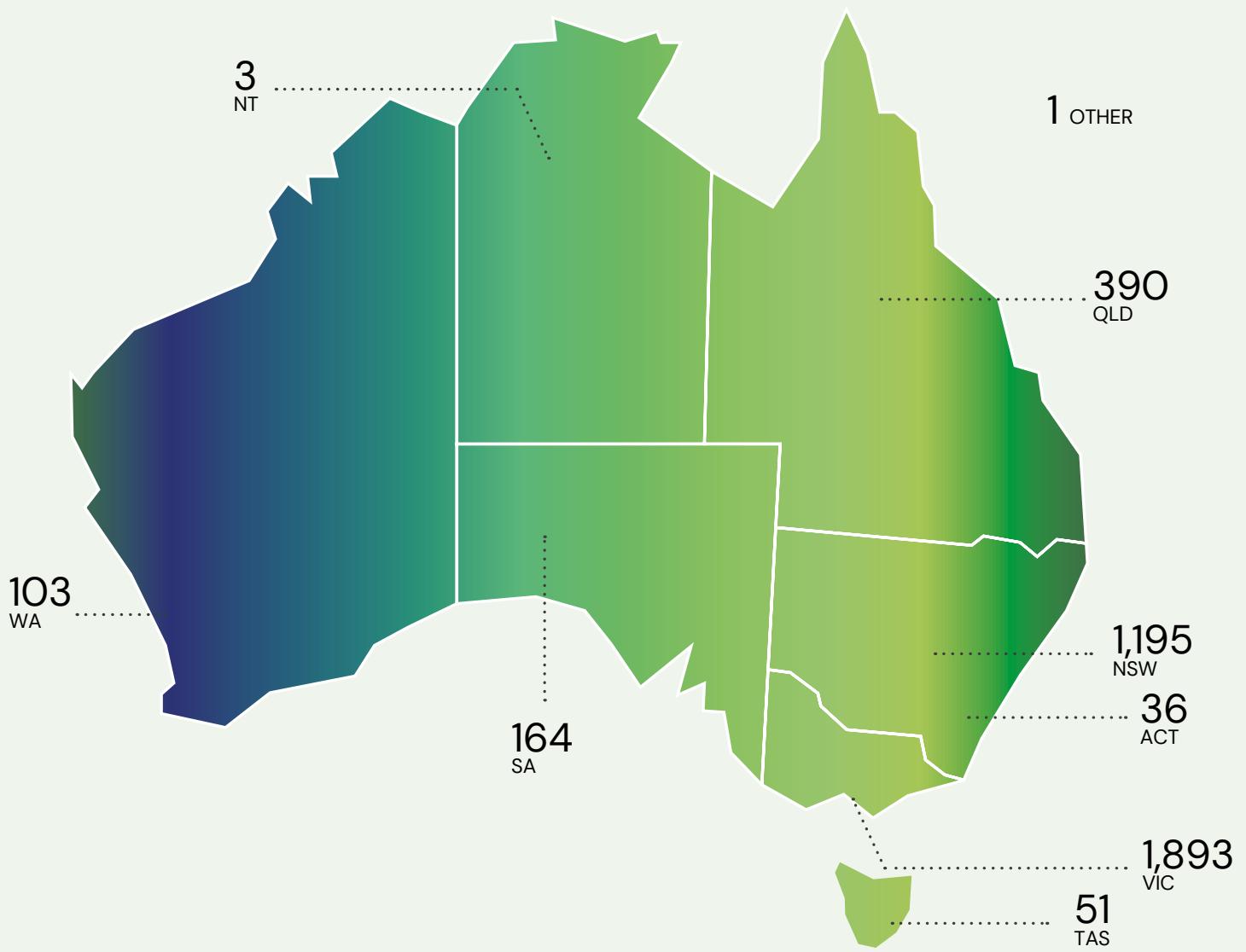


Figure 17: Workforce by Region

Case Study

PARENTS AND CAREGIVERS PLATFORM CIRCLE IN

Last year, Bega Group introduced Circle In, a Parents and Caregivers internet platform to give team members and their families on-demand support and resources they need to navigate their roles both within Bega and at home. The platform also supports our people leaders, providing resources for their teams, no matter what parental or caregiving journey their employees are on.

Rob Davis, our Safety Advisor at our site in Ridge Street, Bega took on the primary care of his two children 12 months ago. His relationship with his kids had always been strong, despite the distance of the past few years when Rob moved to rural New South Wales. When Rob's children moved to live with him full time, Circle In was a resource he could trust and turn to for support and advice.

Topics ranging from starting a new high school, body image and the stresses of study can be challenging. Rob feels more confident and better able to have these conversations with his children.

"I started getting emails from Circle In and seeing the resources there. It came at just the right time. I've been able to find stories that are similar and help me understand my son and daughter more and what they go through." Rob Davis



Rob Davis with his children

Safety Management

Our Health and Safety Policy was revised in June 2021. It applies to all of our manufacturing and network logistics sites and commercial offices in Australia, including our sales teams and field support staff working domestically or overseas and all other locations where Bega Group has management control.

We are committed to providing healthy and safe work for all employees, contractors and visitors. Our safety management framework, outlined in Figure 18, is designed to be compliant with the relevant legislative occupational, work health and safety acts for the states in which we operate.

The integration of the Bega Dairy and Drinks business remains a focus for our safety program to ensure a fully aligned and consistent approach to safety across the business in the next 12 months. Our safety program is being built to the requirements of the ISO 45001: 2018 standard. We have continued our work with DSS+ on our safety culture and have rolled out training to the Bega Dairy and Drinks business as part of the integration effort.

Key safety performance data for the past three financial years is presented for Bega Group in Figure 19⁵. Refer to Appendix A for the list of entities included in the safety data. The data covers all entities and sites for each of Bega Cheese and Bega Dairy and Drinks for FY2020 and FY2021 with reconciled data presented as Bega Group for FY2022. This represents a significant step in bringing together data collection methodologies, systems and definitions. During FY2022, Bega Group TRIFR per million hours worked was 14.15. Recordable injuries include all lost time injuries, medical treatment injuries and restricted work injuries. There were 10 high consequence work related injuries this year. This includes Lost Time Injuries (LTI), Medical Treatment Injuries (MTI) and Restricted Work Injuries (RWI). Contractor injuries have been included for Bega Cheese since December 2021. There were no workplace fatalities in FY2022. We will continue to work on integrating data on contractors⁶, seasonal employees and visitors into our system by December 2022.

Bega Group Safety Management System

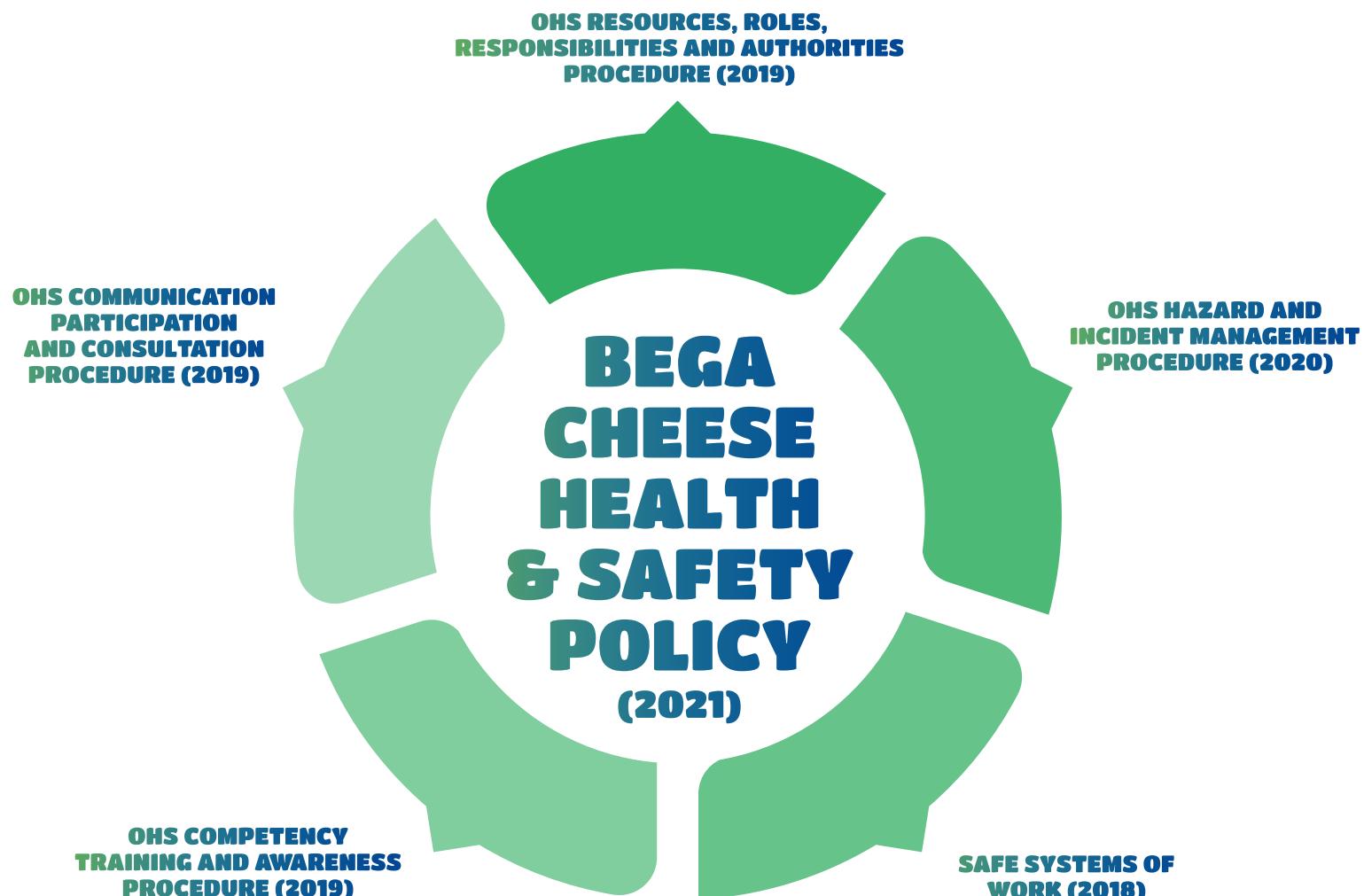


Figure 18: Bega Group Safety Management System

⁵The data includes employees at the Derrimut site from July 2021 to October 2021. Historic safety data is presented separately for Bega Cheese and Bega Dairy and Drinks due to the use of different methodologies and data collection systems in use prior to acquisition.

⁶Employed through labour hire companies.

Bega Cheese Group Safety Performance

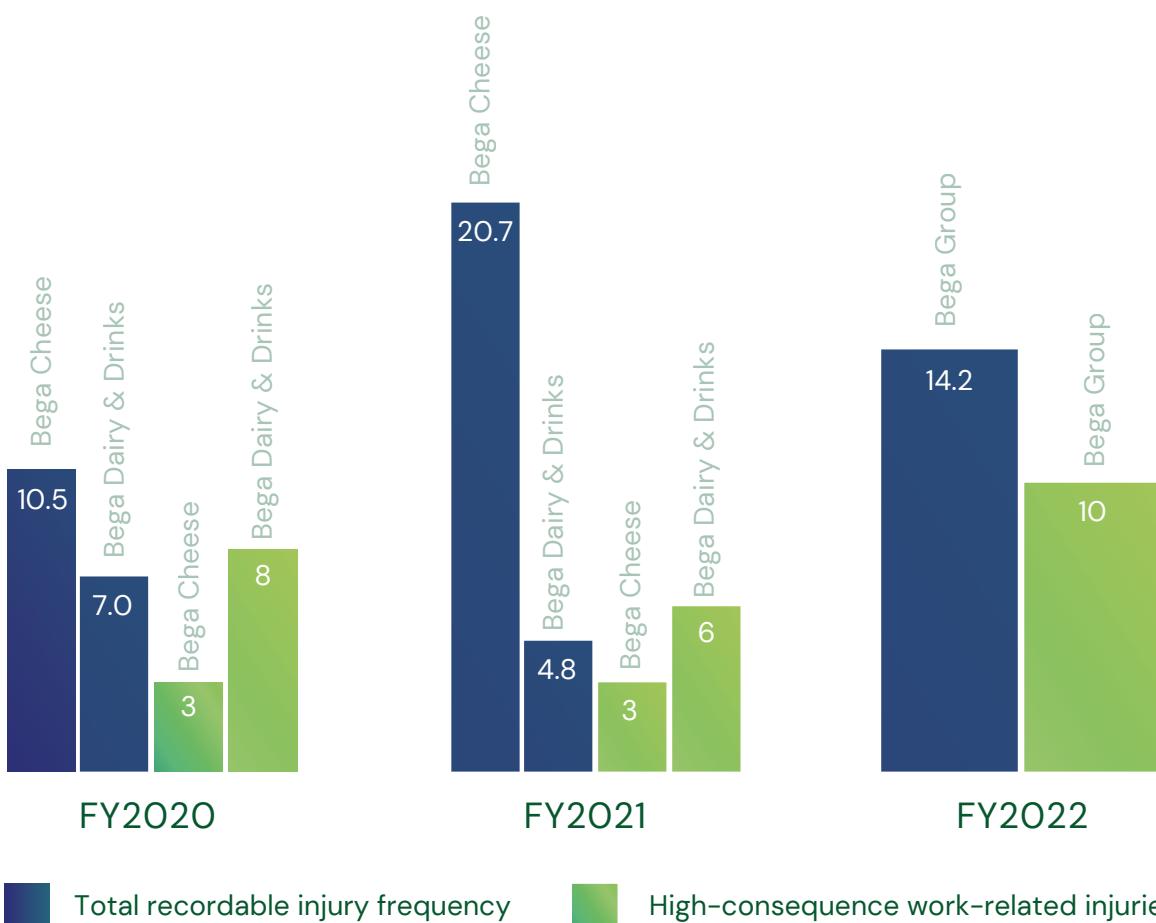


Figure 19: Bega Group Safety Performance

[READ MORE](#)

Our Health and Safety Policy applies to all of our manufacturing and network logistics sites and commercial offices in Australia, including our sales teams and field support staff working domestically or overseas and all other locations where Bega Group has management control.

**OUR HEALTH
AND SAFETY
POLICY**

Our Communities

Food security

Supply chain disruptions caused by the COVID-19 pandemic and the conflict in Ukraine are threats to global food security. Although Australia produces substantially more food than it consumes, the physical availability of food is only one part of the equation. Rising costs mean that gaining reliable access to food is difficult for more people than it was before these events.

Foodbank estimates that while food insecurity is a long-term experience for many, the COVID-19 pandemic has caused others to experience it for the first time. More than one in three Australians who were food insecure during 2021 had never experienced food insecurity prior to the pandemic and 37% of food insecure Australians have full time employment⁷.

Our ongoing partnership with Foodbank allows us to support 2,950 frontline charities and 2,890 school breakfast programs to get over 86.7 million meals out to those who need it every year. In FY2022, we donated over 1,072,267 kilograms of products, equating to more than 1.9 million meals for Australians in need. In addition to this we produced over 230,000 litres of fresh white milk for Foodbank's National Collaborative Supplier Program, which provides more certainty in their supply chain.

[READ MORE](#)

For more information about our partnership to address food security visit the [Foodbank website](#)



**FOODBANK
INITIATIVE**

⁷Foodbank Hunger Report 2021

1,072,267
kilograms of food donated to Foodbank



Jacqui Payne (Foodbank Australia), Mark Eichler (Bega), Ron Iasiello (Foodbank SA), Michael Davidson (Foodbank Australia)

Bega Circular Valley 2030

Bega Circular Valley 2030 Program: Together for a Stronger Bega

The 'Bega Circular Valley 2030' program is a transformational high-impact regional development initiative of national significance with the pioneering vision to establish Bega Valley Shire as the most circular regional economy by 2030. A circular economy is one in which business and the community work together to optimise the use of resources and ensure products are manufactured from renewable sources or are designed for reuse before being repurposed or remade for alternate use. The aim is to optimise the use of all resources so there is minimal waste and natural processes and ecological systems are enhanced, improving the resilience of our regional communities. The program will identify, accelerate and implement 9 enabling projects, supporting the delivery of 15 flagship and 29 circular projects to stimulate a regional circular marketplace and a vibrant community of diverse stakeholders and healthy ecological systems.

The program concept started with our partners, KPMG and Rabobank, working to apply circularity principles to our operating context. The program adopts a multi-stakeholder approach with a community focus which includes direct engagement with government agencies, universities, private sector, farmer groups, non-government organisations and the indigenous community. A Steering Committee was formed in October 2020 and includes representatives from: Bega Cheese, Rabobank, KPMG, Addisons, Department of Regional NSW, Bega Valley Shire Council, AACo, Charles Sturt University, the University of Wollongong and NSW Local Land Services. The Steering Committee meets on a regular basis to review funding and project opportunities and engage with community stakeholders. Other organisations are partnering on specific projects and funding applications including Meat & Livestock Australia, Hort Innovation, Microsoft and the National Broadband Network. This year a dedicated, non-distributing co-operative was formed – Regional Circular Co-operative Ltd – to lead, implement and enable project investment for the benefit of local enterprises and farmers.

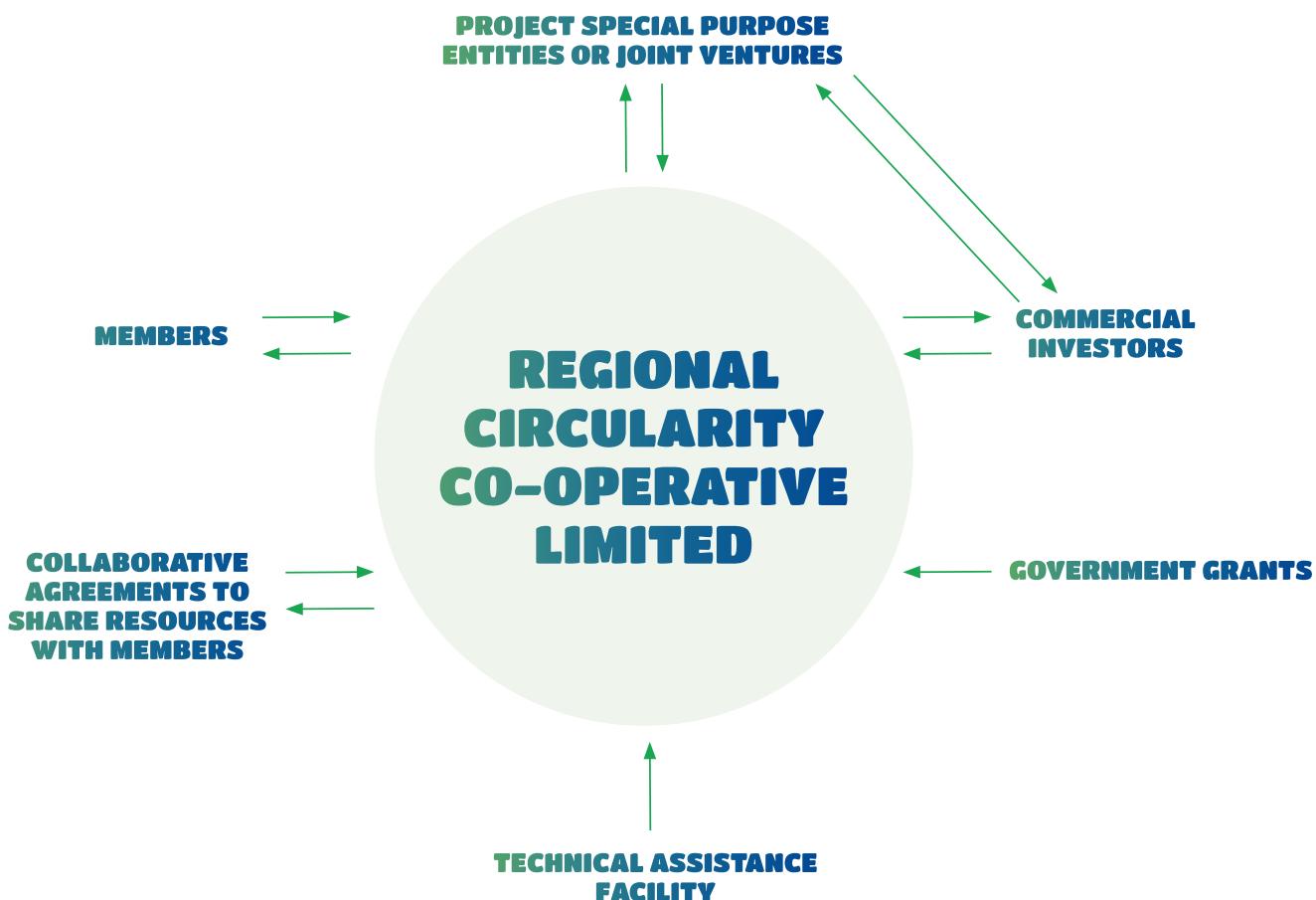


Figure 20: Regional Circular Co-operative Ltd structure

One aim of the program is to share intellectual property, develop evidence and test concepts which can be applied by other regions and other companies. Water is a key area of focus for the program. Understanding water availability, water use, water reuse, riparian and water ecology and water quality is vital to many stakeholders across the Bega Valley, including our farmers. On farm water storage is one way we can capture water during high stream flows for utilisation during dry periods, minimising pressure on low stream flows and improving water availability for farmers. Increasing water storages on private land offers benefits and opportunities for multiple stakeholders including farmers/industry, community fire-fighting preparedness, eco-tourism opportunities, riparian revegetation and indigenous plant harvesting opportunities and improved management of low stream flows and aquatic/riparian biodiversity.

This year, we undertook a “proof of concept” project to demonstrate the value of connecting the Bega Valley region through visualising and sharing water data. Providing an ‘all of environment’ view of the Bega Valley region to view water availability, quantity and quality will help to improve resource stewardship. Users are provided with valuable information and insights to enable better decision-making, planning, and asset management through a real-time view of their land, assets, and community.

Landholders and other key users can view water availability across the land area, as well as view flow and volume of water, supporting them in planning for productive crop growth, livestock management, and infrastructure planning. The aim of this work in future is to create a digitally connected region, helping farmers collect, store, visualise and share important water data and enable improved decision-making among many stakeholders.

Bega circular valley



Our Planet

OUR PLANET PLEDGE



Our Planet

Processing raw materials such as milk, nuts and fruit into food products uses energy, generates greenhouse gas emissions, consumes water and generates waste as well as local noise and odour. Our approach to managing and mitigating these impacts is informed by our Environment and Sustainability Policies for Bega Cheese (2019) and Bega Dairy and Drinks (2021). These outline our commitment to reducing our environmental impacts, protecting the environment and reducing pollution. These policies will be reconciled into a single policy in FY2023.

Bega Group operates in accordance with significant Commonwealth legislation relevant to our organisation. These include the Environment Protection and Biodiversity Conservation Act 1999, the National Greenhouse and Energy Reporting Act 2007, the Clean Energy Act 2011, the Recycling and Waste Reduction Act 2020 and National Environment Protection Measures. A number of our sites report to the Commonwealth government's National Pollutant Inventory (NPI) on emissions to air, ranging from sulphur dioxide to volatile organic compounds. We also operate in accordance with various environmental protection regulations associated with State legislation which regulates, controls and manages impacts on the environment. These include the Environment Protection Act 1997 (ACT), the Environmental Management and Pollution Control Act 1994 (Tasmania), Environment Protection Act 1993 (South Australia), Environment Protection Act 2017 (Victoria), the Protection of the Environment Operations Act 1997 (New South Wales), Environmental Protection Act 1986 (Western Australia) and the Environmental Protection Act 1994 (Queensland). Bega Group did not receive any fines for non-compliance with environmental laws or regulations in FY2022.

- In FY2022, Bega Group reported compliance activities to environmental regulators and water authorities. Most notifications have been successfully resolved with the appropriate regulator during the year and no fines have been issued. Specifically, Bega Group:
- Received one minor notice from South East Water in Chelsea, Victoria which was resolved without further action.
 - Received one Direction Notice from the Tablelands Regional Council to the Peanut Company of Australia regarding dust complaints at the Tolga Factory in Queensland, which is in progress.
 - Reported five wastewater breaches against waste trade agreements – two at Penrith, New South Wales and three at the Vegemite Way site in Victoria. All breaches were resolved and no further action was required of the Group by the regulator.

Our approach to improve our environmental performance is based on the International Standard ISO 14001:2015. Bega Dairy and Drinks currently has Corporate ISO 14001:2015 certification, which includes head office functions as well as 11 manufacturing sites. We are continuously working towards expanding the certification to all Bega Group sites.

Unless otherwise noted, the environmental data presented includes performance data for Bega Group entities as listed in Appendix A.

[READ MORE](#)

For more detailed information on our reporting and compliance with the

NATIONAL POLLUTANT INVENTORY

[READ MORE](#)

For more information on our reporting under the

NATIONAL GREENHOUSE AND ENERGY REPORTING SCHEME

[READ MORE](#)

OUR CURRENT ENVIRONMENT POLICIES

Energy and Greenhouse Gas Emissions

In FY2021 we adopted a series of defined carbon reduction targets for Bega Group, including 2030 absolute emissions reduction target:

- Reduce absolute scope 1 and 2 GHG emissions by 40% by 2030 (from a 2021 base year).
- Emissions intensity targets (Scope 1 and Scope 2):
 - 50% reduction by 2030 (compared to 2021)
 - per litre produced (Bega Dairy and Drinks).
 - 50% reduction by 2030 (compared to 2021)
 - per tonne produced (Bega Cheese).
- Net Zero by 2050: Commit to developing a clearly defined path, aligned to the Science-Based Targets Initiative (SBTi), to achieve net Zero by 2050.
- Scope 3 Emissions: By 2022 we will have completed engagement with our material customers and suppliers to understand our scope 3 supply chain emissions and where reduction opportunities exist.

It is important to set both intensity and absolute targets for our scope 1 and 2 emissions. Scope 1 emissions are a direct result of activities at facilities such as gas fired boilers and dryers. Scope 2 emissions result from the generation of purchased electricity. Intensity targets help inform our investment pipeline and process improvements in our supply chain. We have adopted a Carbon Reduction Program 2030 and we will also explore formal engagement with the SBTi.

For some time now, Bega has been investing in our manufacturing facilities to improve energy efficiency and reduce our carbon footprint. Following the announcement of our greenhouse gas emission targets in 2021, we have established a carbon steering group and a series of new programs to help understand our baseline activity and where opportunities exist to enable reductions off our 2021 baseline. This will help inform priorities for investment and provide a framework for how we engage the market to support our 2030 goals. In the 2021 Sustainability Report, we provided an overview of the analysis that was performed across Bega Cheese production facilities to identify initiatives that could save energy and reduce emissions through efficiency and electrification. During FY2022 we engaged a third party to commence a review into improved metering data at three of the Bega Dairy and Drinks sites, with a further investment expected in future years. Improving the baseline data will allow us to identify the highest impact efficiency opportunities and pipeline for future investment. We recognise the importance of moving to renewable energy as part of our greenhouse gas reduction program. During FY2021, we engaged a third party to conduct a study on electricity consumption across the network to help inform our renewable energy program. Following this review, we issued a request for information to a number of potential future service providers in relation to "behind-the-meter" solar. This will help Bega Group understand the potential for an investment in solar infrastructure on a number of our manufacturing facilities and warehouses and will be assessed in FY2023. We will explore further opportunities to convert to renewable energy through Power Purchase Agreements or other arrangements.

To support our carbon reduction efforts, we continued to implement our Energy Management Capability (EMC) program which started with a Bega Cheese Energy reduction Roadmap in FY2018. This was followed by a program of sub-metering and monitoring to identify energy efficiency opportunities and plan and implement projects. We invested \$1.12 million on the implementation of energy efficiency projects and \$800,000 in new metering installations to monitor electricity, gas and steam and to provide greater visibility and accountability of our energy use and carbon emissions. Our Port Melbourne site at Vegemite Way achieved a reduction in energy use of 6.8% as a result implementing a project with a simple pay back period of less than two years. Our team's hard work was rewarded this year at the National Energy Efficiency Awards.

Reduction targets adopted for carbon, water, waste to landfill and sustainable packaging

Reduction of energy consumption of 6.8% at our iconic site at Vegemite Way, Port Melbourne

Bega Group Highly Commended in the Leading Energy User Category at the National Energy Efficiency Awards 2022

Case Study

NATIONAL ENERGY EFFICIENCY AWARDS 2022 LEADING ENERGY USER – HIGHLY COMMENDED

Bega Group was highly commended this year for our work in developing and implementing our Energy Management Capability program. The award from the Energy Efficiency Council and the Energy Users Association of Australia recognises excellence in energy management. The program was developed to drive energy intensity and greenhouse gas emissions reduction across the Bega Cheese manufacturing sites. In 2018, we started working with Shell Energy to develop an energy reduction roadmap which identified a pathway for reducing energy intensity. The program initially implemented submetering and connected existing and new metering to Energy Management Software to measure and monitor energy consumption and patterns. We then established targets to reduce energy intensity and began monthly site energy reports. This helped to identify energy efficiency opportunities and set a plan to implement improvements. We have continued the work with Shell Energy

to roll out energy efficiency projects providing significant savings in energy, cost and greenhouse gas emissions.

The program has also improved our procedures in alignment with the ISO50001 Energy Management System standard. The program covers six main manufacturing sites across Bega Cheese with a total energy usage of 1,920 terajoules per year (calendar year 2021). The standout site has been the iconic Port Melbourne site at Vegemite Way which achieved a reduction in energy use of 6.8%, equating to 11,274 gigajoules of energy.



Energy Efficiency Awards 2022 Allan Stevenson, Rob Grima and Antonietta Timms from Bega Group with Dale Allsop from Shell Energy with the award.
Image supplied by the Energy Efficiency Council



Over the past three financial years, greenhouse gas emissions have fluctuated. Some of this is due to the acquisition of Bega Dairy and Drinks' emissions profile in FY2021. In FY2022 Bega Group's absolute scope 1 and 2 greenhouse gas emissions were 288,818 tonnes of carbon dioxide equivalent, representing a reduction of 3.4% on our baseline year of FY2021 and towards our target of 40% by 2030. Our emissions intensity for scope 1 and 2 greenhouse gas emissions was:

- 0.13 tCO₂e/kL representing a reduction of 2.1% on our baseline year of FY2021 and towards our target of 50% by 2030 – per litre produced (Bega Dairy and Drinks).

- 0.64 tCO₂e/t representing a reduction of 1.5% on our baseline year of FY2021 and towards our target of 50% by 2030 – per tonne produced (Bega Cheese).

Detailed information on our scope 1 and 2 emissions, total emissions and a breakdown of energy consumption by source is provided in the performance data table in Appendix B. We will continue to expand our reporting in alignment with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) in future reporting cycles.

Energy consumption by source (Gigajoules)

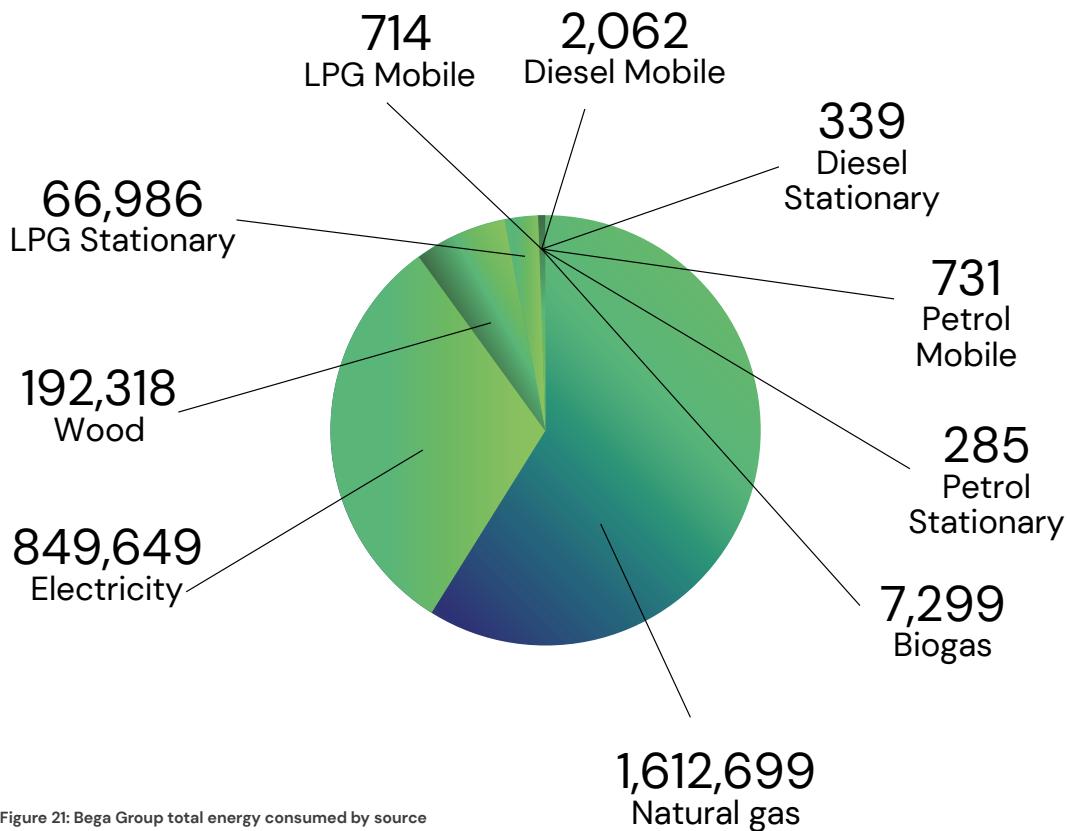


Figure 21: Bega Group total energy consumed by source

Greenhouse gas emissions (Tonnes of CO₂e)

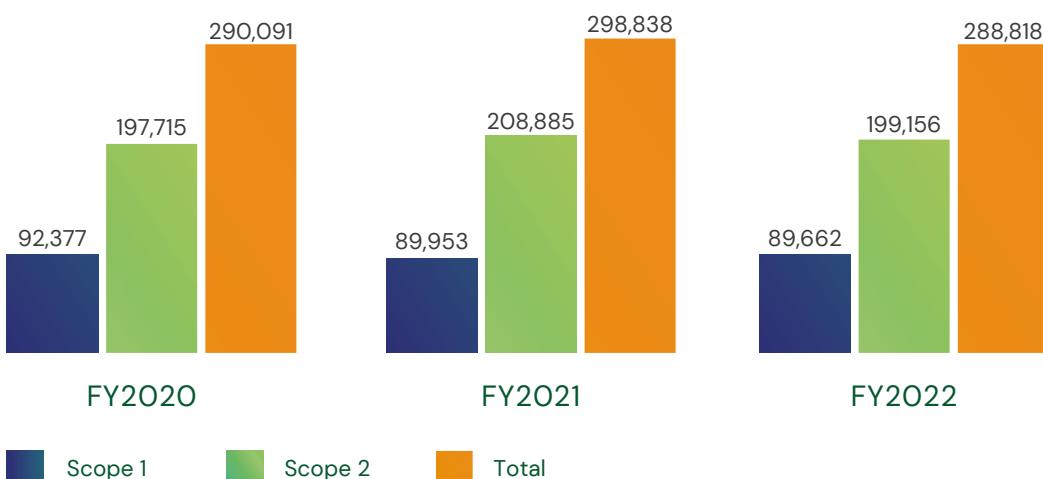


Figure 22: Bega Group greenhouse gas emissions – scope 1, scope 2 and total

Measuring our scope 3 emissions

In accordance with our FY2021 commitments, we have started work to better understand our scope 3 emissions. Scope 3 emissions are those generated by activities outside of Bega's direct control that are incurred within Bega's value chain, on farms and in transport for example. They include greenhouse gas emissions associated with the products and services that Bega Group procures (other than electricity) and emissions generated in the transportation, use and disposal of Bega's products and management of waste.

We have undertaken an initial estimate using guidance provided by the Greenhouse Gas Protocol, the world's most widely used greenhouse gas accounting standards. Our estimate was derived by applying emissions factors to Bega specific activity data for the FY2021 period associated with purchases, distribution of goods, waste management, employee travel, and the processing of our products. This analysis highlighted that scope 3 emissions

are the largest component of our total greenhouse gas footprint. Emissions associated with the raw materials, ingredients and transportation services we procure are our most significant source. More than 90% of our total emissions are scope 3. Milk and the emissions generated in dairy farming are clearly the greatest single source of our scope 3 emissions.

We have commenced an engagement program with suppliers to highlight our growing focus on our material supply chain emissions. The initial priority is to understand the progress our suppliers have made in addressing their own greenhouse gas emissions, source data to assist with ongoing scope 3 measurement and to identify potential scope 3 emissions reduction opportunities. Our intention is that these initial conversations will provide a basis for an ongoing scope 3 collaboration program involving our suppliers, customers and other relevant stakeholders.

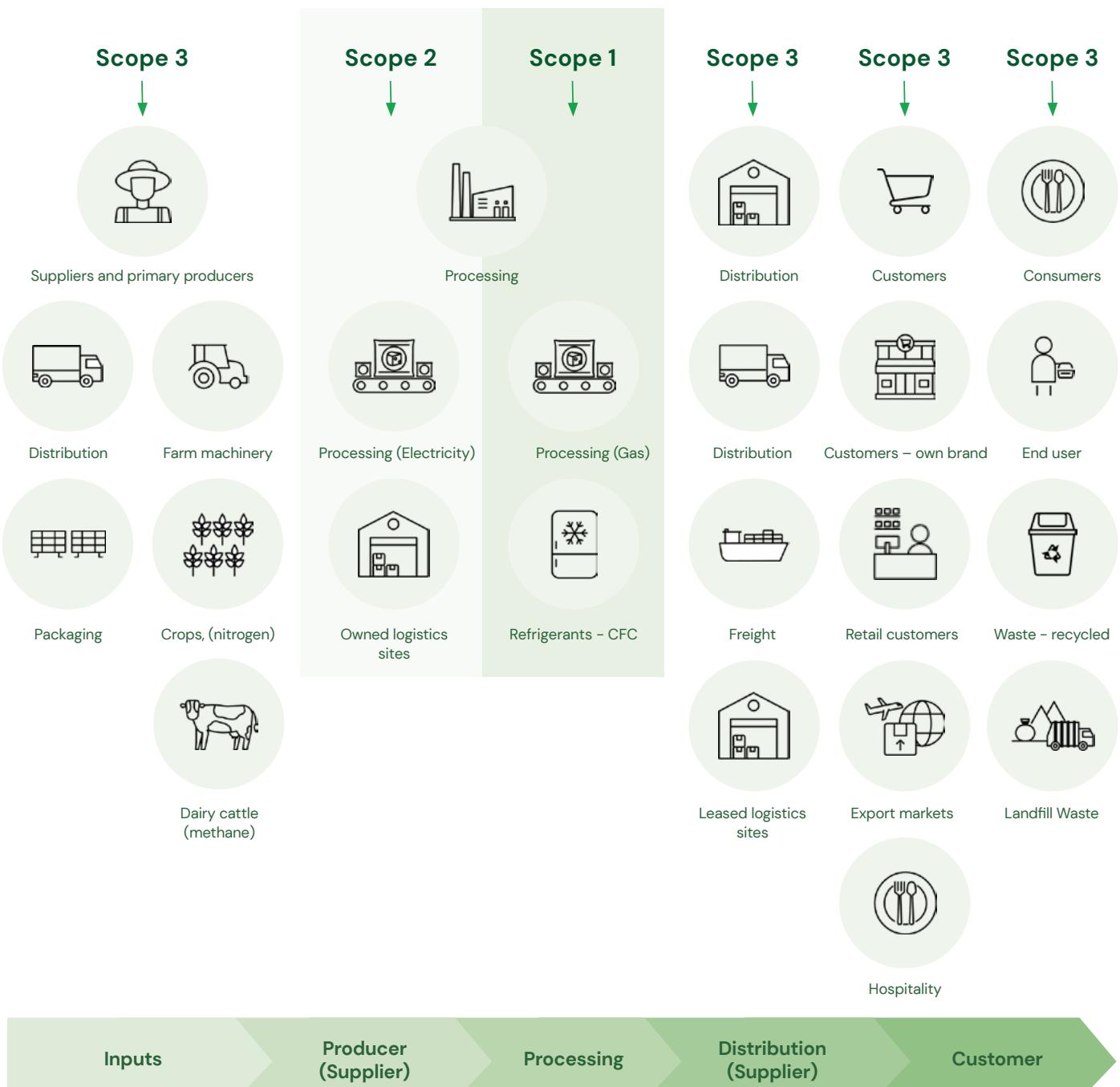


Figure 23: Understanding Bega Group's scope 3 emissions

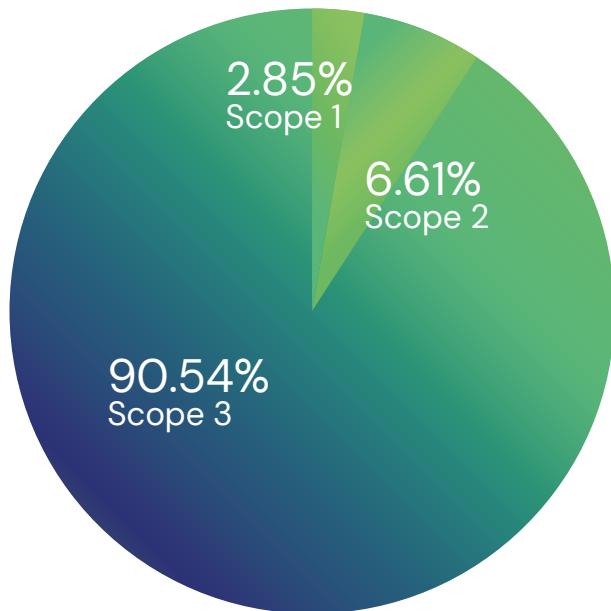


Figure 24: Bega Group's Scope 1, 2 and 3 greenhouse gas emissions in FY2021

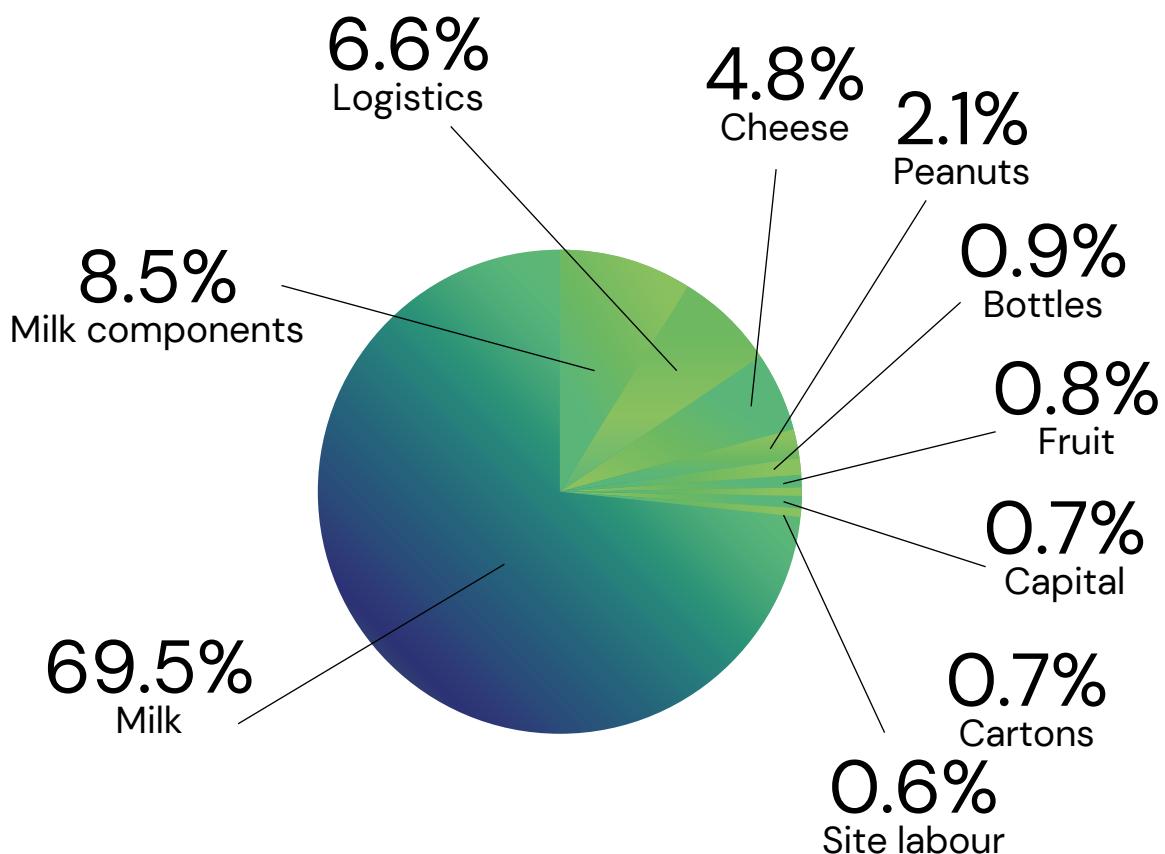


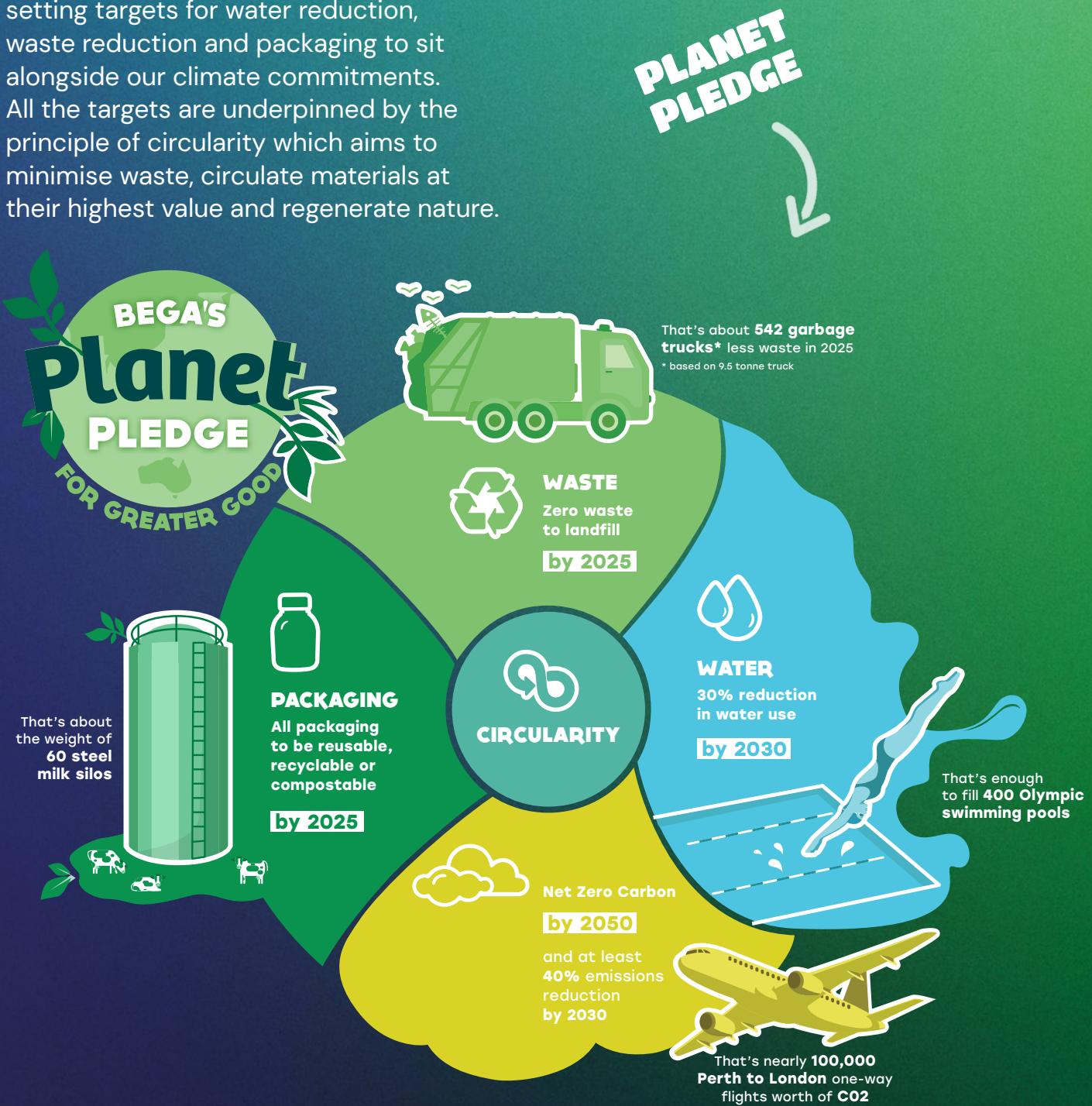
Figure 25: Bega's top 10 purchased products and services by emissions (% of scope 3/tCO2e) Footnote 8

⁸This includes scope 3 categories 1,2 and 4 – purchased goods & services, capital goods, transport & distribution

Case Study

BEGA'S PLANET PLEDGE FOR GREATER GOOD

This year we launched our Planet Pledge, setting targets for water reduction, waste reduction and packaging to sit alongside our climate commitments. All the targets are underpinned by the principle of circularity which aims to minimise waste, circulate materials at their highest value and regenerate nature.



Water Management

Our aim is to reduce our consumptive water use by 30% by 2030 based on FY2021 water use. To support this work, we have been rolling out further water meters, with five new meters to be installed at our Tatura site in early FY2023. The same site saved 36 megalitres of water in FY2022 through program changes and maintenance of vacuum pumps and seal water systems. This builds on work already undertaken at the Wetherill Park site last year which saved 86 megalitres of water in FY2021 and the Koroit site in FY2020 which reduced demand on town water by 200–300 kilolitres a day. Our Lagoon Street site in Bega has saved 18% of total water between FY2015 and FY2020, conserving more water resources for the Bega community's town water supply.

While water consumption across the Bega Group decreased in recent years, 30% of our manufacturing sites are located in areas of high or extremely high water stress. Our manufacturing sites aim to improve water efficiency and are focused on reducing water intake, water collection, increasing the re-use of water and finding alternatives for efficient resource processing.

Bega Group's overall data on water consumption, wastewater generation and water re-use is detailed in the performance data table in Appendix B.

Water withdrawal by source (Megalitres)

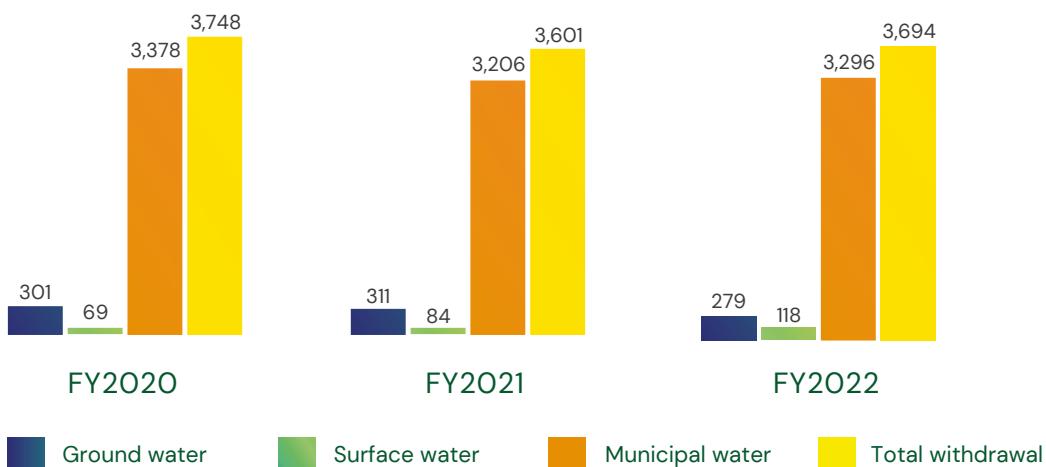


Figure 26: Bega Group water withdrawal for manufacturing by source

Wastewater generation (Megalitres)

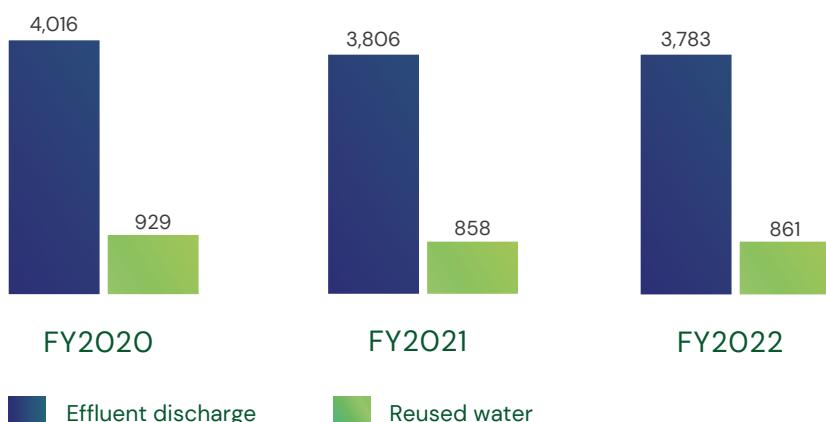


Figure 27: Bega Group wastewater generated

Producing More, Wasting Less.

Understanding how raw materials and natural resources are used at our food processing sites will help us to identify opportunities to recover and repurpose them. We have expanded our scope to monitor a wider range of waste streams to gather information on how materials may be diverted away from landfill and retain more of their value to our business or those of commercial and other partners. Our Lagoon Street site in Bega generated revenue by processing mineral whey concentrate into product, instead of releasing minerals to the environment through wastewater.

Recent challenges in the global food supply chain and concerns regarding food security more broadly has increased interest and focus on how food is lost or wasted in the value chain. Australians waste around 7.6 million tonnes of food annually. While this represents 3% of Australia's annual greenhouse gas emissions, it also represents 2,600 gigalitres of water used to grow that food⁹.

Bega Group has a significant role in reducing food loss and waste in the Australian dairy sector. Losses can occur on farms, in factories and distribution, as well as through retail and consumption. Dairy Australia is partnering with Stop Food Waste Australia and the Australian Dairy Products Federation to create a Dairy Sector Food Waste Action Plan to support the Australian dairy industry's public commitment to halve food waste by 2030. Bega Group and other manufacturers are sharing their insights regarding food waste types, causes, locations, current disposal methods and proposed interventions.

Under our Planet Pledge, our aim is for zero waste to landfill. Our rate of solid waste diversion from landfill this year for Bega Group was 97%. In FY2021, our site in Salisbury, South Australia, achieved zero waste-to-landfill and we plan to learn from that and repeat that success over the next few years.

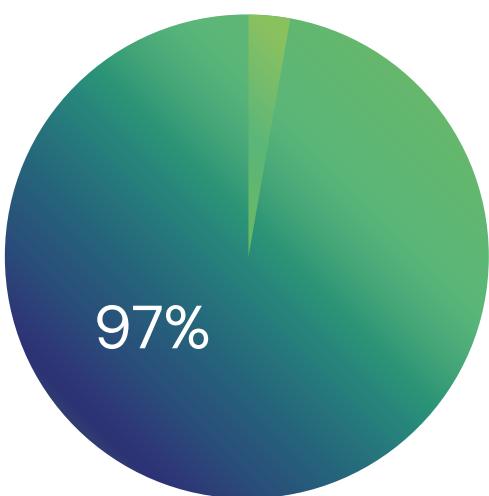


Figure 28: Bega Group solid waste landfill diversion rate

Packaging – circular economy for a better planet

Reducing the environmental impact of our packaging while maintaining food safety and integrity is vital to us as a food producer. Bega Group procured more than 47,000 tonnes of packaging in FY2022. We support Australia's National Packaging Targets adopted in 2018 and are active participants in the Australian Packaging Covenant Organisation (APCO) which has been charged by government to facilitate the delivery of the targets. This is an important step towards a circular economy for packaging. We also participate in Dairy Australia's Industry Working Group for Sustainable Packaging (IWGSP) which aims to identify sustainable packaging opportunities and progress industry collaboration towards collectively meeting the 2025 National Packaging Targets. The work of the group is guided by the Australian Dairy Sustainable Packaging Roadmap to 2025, developed by APCO, Dairy Australia and the Australian Dairy Products Federation.

Our target is for 100% of our packaging to be reusable, recyclable or compostable by 2025. This includes:

- Maximizing the recycled content included in packaging by 2025.
- Phasing out of problematic and unnecessary single use plastic packaging by 2025.
- Adopting Australasian Recycling Label (ARL) logos to provide consumer clarity, increase the recovery of recycled materials and maximize the amount of packaging recycled nationally.

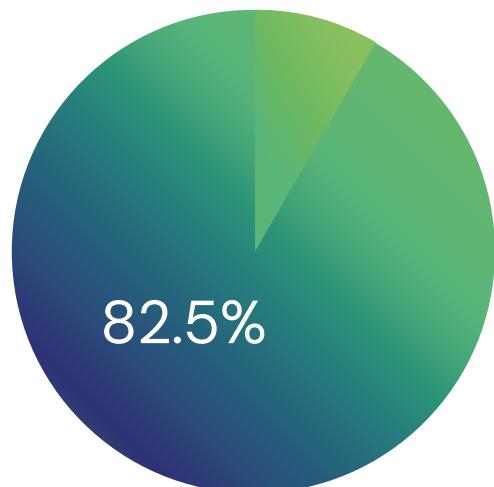


Figure 29: Bega Group total packaging by weight which is reusable, recyclable or compostable

⁹National Food Waste Strategy Feasibility Study Final Report 2021

100% of our Vegemite packaging is recyclable

Our focus is on increasing the recycled content in our packaging and increasing the recyclability of our packaging. To do this, we integrate packaging considerations into our product development process. In FY2022, more than 82% of our total packaging was recyclable and nearly 27% of our packaging included recycled content.

Today 100% of our Vegemite packaging is recyclable. On the back of the launch of our Vegemite Squeezy bottle last year, we launched our Simply Nuts peanut butter in a Shake 'n' Squeeze bottle made from at least 30% post-consumer recycled polyethylene terephthalate (rPET)¹⁰.

This year we completed our phase out of polyvinyl chloride (PVC) from our packaging altogether. The team at our Ridge Street factory in Bega, New South Wales worked with our customer to replace PVC cheese slice clamshell packaging with up to 30% post-consumer rPET. The rPET is sourced from pre and post-consumer material waste sources and is cleaned, sterilised and recycled through food contact approved recycling equipment. Starting with a trial in November 2020, the new packaging was rolled out to all of the customer's stores at the end of 2021. Our next step is to increase the post-consumer rPET from 30% to 50%, with a view to achieving 100% post-consumer rPET by 2025. In the coming year, we will launch a 100% rPET bottle for our Juice Brothers brand.

In 2021 Bega Group became a partner of the REDcycle program which is a product stewardship model where manufacturers, retailers and consumers share responsibility to reduce plastic packaging going to landfill. We use this platform to support the recycling of our post-consumer flexible plastics, for example yoghurt pouches, cheese outer wraps and plastic sleeves such as Zooper Dooper.

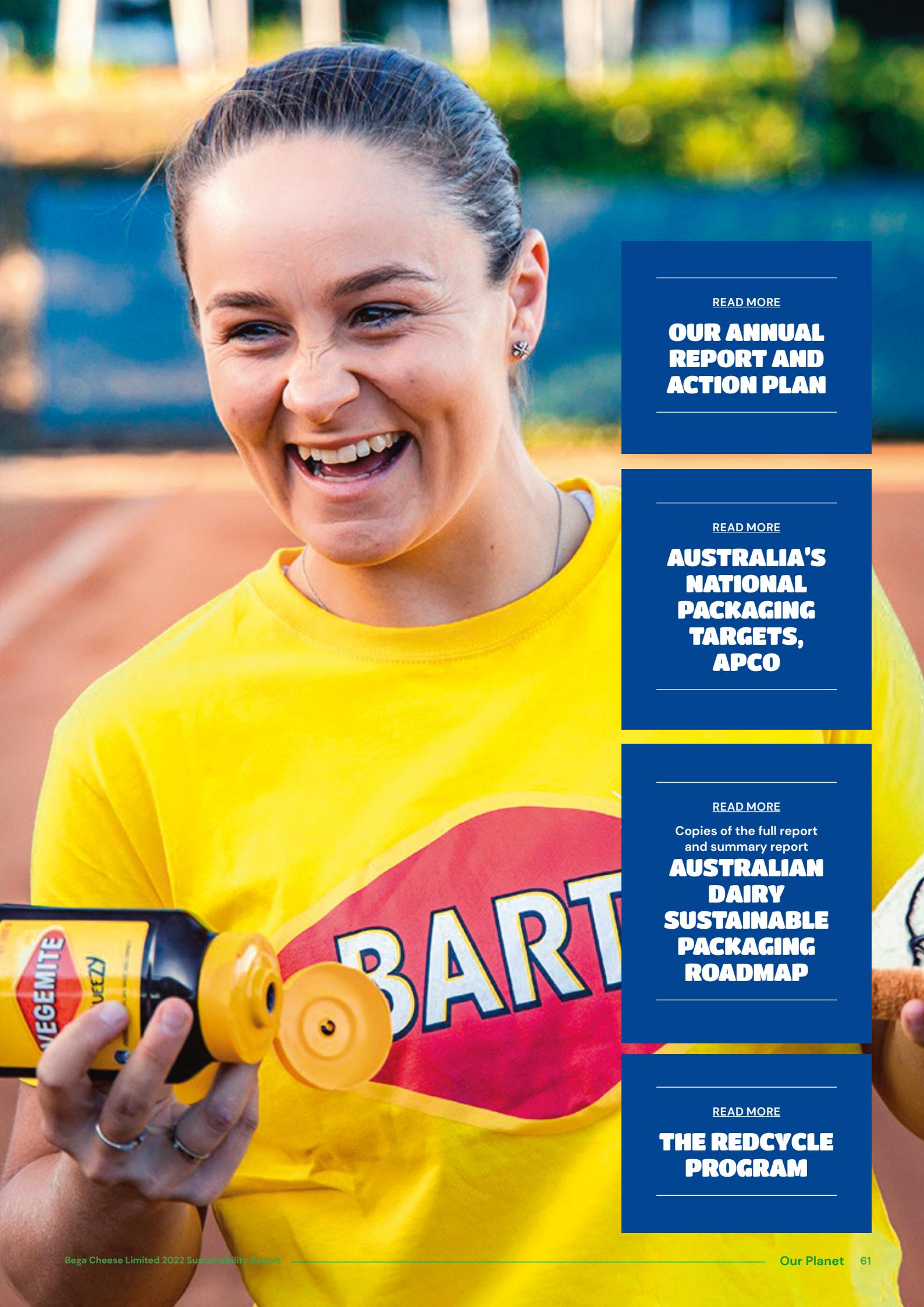
Phased out PVC packaging completely

Nearly
27%
of our packaging includes
recycled content



82.5%
Total packaging
by weight which is
 reusable, recyclable or
compostable

¹⁰Excluding the bottle cap

A close-up photograph of a woman with dark hair tied back, smiling broadly. She is wearing a yellow t-shirt with a red graphic that says "CO BART". In her right hand, she holds a black Vegemite jar with a yellow lid. In her left hand, she holds a round, yellow cookie. The background is blurred, showing what appears to be a tennis court or sports field.

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OUR ANNUAL REPORT AND ACTION PLAN

[READ MORE](#)

AUSTRALIA'S NATIONAL PACKAGING TARGETS, APCO

[READ MORE](#)

Copies of the full report and summary report
AUSTRALIAN DAIRY SUSTAINABLE PACKAGING ROADMAP

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THE REDCYCLE PROGRAM

APPENDIX A: Data Boundary

Data included in Sustainability Report FY 2022

Entities in Consolidated Financial Statement in 2022	Ownership (%)	Supply chain	Food Safety	Nutrition	Workforce	Safety	Energy	Carbon	Water	Wastewater	Waste	Packaging
Bega Cheese Ltd (Parent)		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓ ¹¹	✓
180 Nutrition Pty Ltd	100	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✓
BDD Australia Pty Ltd	100	✓	✓	✓	✗	✓	✗	✗	✗	✗	✗	✓
BDD Foods Pty Ltd	100	✓	✓	✓	✓	✓	✗	✗	✗	✗	✗	✓
BDD Milk Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bega Cheese Benefit Fund Ltd	100	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Bega Cheese Investments Pty Ltd	100	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Bega Dairy and Drinks Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bega Dairy and Drinks Finance Pty Ltd	100	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Bega Dairy and Drinks (NZ) Ltd	100	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Bega Dairy and Drinks Services Pty Ltd	100	✓	✗	✗	✓	✓	✗	✗	✗	✗	✗	✓
Bega Insurance Pte Ltd	100	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Berri Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Berri Asia Sdn Bhd	100	✓	✗	✓	✗	✗	✗	✗	✗	✗	✗	✓
Blowflex Mouldings Pty Ltd	100	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓
Capitol Chilled Foods (Australia) Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dairy & Drinks Singapore Pte Ltd	100	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗
Dairy Farmers Pty Ltd	100	✓	✓	✓	✗	✓	✗	✗	✗	✗	✗	✓
Dairy Vale Foods Pty Ltd	100	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✓
Malanda Dairyfoods Pty Ltd	100	✓	✓	✓	✓	✓	✗	✗	✗	✗	✗	✓
National Foods Holdings Ltd	100	✓	✓	✓	✗	✓	✗	✗	✗	✗	✗	✓
National Foods Beverage Holdings Pty Ltd	100	✓	✓	✓	✗	✓	✗	✗	✗	✗	✗	✓
Peanut Company of Australia Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
QUD Pty Ltd	100	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✓
Shanghai Great Lion Food & Beverages Management Co Ltd	100	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗
Tatura Milk Industries Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tatura Cheese Industries Pty Ltd	100	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✓
Vitasoy Australia Products Pty Ltd ¹²	49	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗
CBH Fresh Ltd	13.7	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

¹¹Excludes Maffra depot facility

¹²Performance data on the Vitasoy Australia Pty Ltd joint venture is detailed in Vitasoy International Holdings Sustainability Report at www.vitasoy.com/sustainability/reporting

APPENDIX B: Performance Data

Sustainability Report People Data (1/07/21 – 30/06/22)

Measure – Employees and Diversity

Gender representation

	Female	Male	Non-binary
% Board members	28.57%	71.43%	0.00%
% Management	36.89%	63.11%	0.00%
% Non-Management	28.37%	71.60%	0.03%
% Overall Workforce	29.51%	70.46%	0.03%

Gender by employment type

	Female	Male	Non-binary
# Total workforce	1,132	2,703	1
# Full-time	882	2,465	-
# Part-time	168	99	1
# Permanent	981	2,491	1
# Fixed term	69	73	-
# Casuals	82	139	-

Workforce by Region

	Female	Male	Non-binary	
# ACT	9	27	-	36
# NSW	329	866	-	1,195
# NT	1	2	-	3
# QLD	121	269	-	390
# South Australia	21	143	-	164
# Tasmania	5	46	-	51
# Victoria	625	1,267	1	1,893
# Western Australia	21	82	-	103
# Other * Dubai	-	1	-	1

Age Representation

	<30 years of age	30–50 years of age	50+ years of age
% Board members	0.00%	0.00%	100.00%
% Management	2.72%	70.10%	27.18%
% Non-Management	14.64%	50.80%	34.56%
% Overall Workforce	13.01%	53.28%	33.71%

EBA

	Total
% of total employees covered by a collective bargaining agreement	56.80%

Measure – Food Safety

Audits and Compliance – Bega Cheese

	FY2020	FY2021	FY2022
Number of audits	90	83 ¹³	-
Number of audit days	149	131	-
Number of sites audited	8	8	-
Incidents of non-compliance with regulations or voluntary codes	0	0	-
Recalls issued	0	0	-

Audits and compliance – Bega Dairy and Drinks

	FY2020	FY2021	FY2022
Number of audits	79	82	-
Number of audit days	119	122	-
Number of sites audited	13	13	-
Incidents of non-compliance with regulations or voluntary codes	0	3	-
Recalls issued	1 ¹⁴	0	-

Audits and compliance – Bega Group

	FY2020	FY2021	FY2022
Number of audits	-	-	187
Number of audit days	-	-	264
Number of sites audited	-	-	20
Incidents of non-compliance with regulations or voluntary codes	-	-	0
Recalls issued	-	-	0

¹³Audits and days down on previous years as a number were postponed, some held virtually

¹⁴Recalls and incidents of non-compliance occurred prior to acquisition by Bega Group

Measure – Workforce FY2022

Workforce by employment type and gender

	Female	Male	Non-binary ¹⁵	Total
Total workforce¹⁶	1,132	2,703	1	3,836
Full time	882	2,465	0	3,347
Part-time	168	99	1	268
Permanent	981	2,491	1	3,473
Fixed term	69	73	0	142
Casual	82	139	0	221

Workforce by region and gender

	Female	Male	Non-binary	Total
Australian Capital Territory	9	27	0	36
New South Wales	329	866	0	1,195
Northern Territory	1	2	0	3
Queensland	121	269	0	390
South Australia	21	143	0	164
Tasmania	5	46	0	51
Victoria	625	1,267	1	1,893
Western Australia	21	82	0	103
Other	0	1	0	1

Age group of employees by category

	<30 years of age	30–50 years of age	50+ years of age
Board members (%)	0%	0%	100%
Management ¹⁷ (%)	2.72%	70.10%	27.18%
Non-Management (%)	14.64%	50.80%	34.56%
Workforce overall ¹⁸ (%)	13.01%	53.28%	33.71%

Freedom of association

	% of total workforce
Employees covered by collective bargaining agreements	56.8%

¹⁵Self-identified as Non-binary

¹⁶Based on full time equivalent employees excluding external contractors.

¹⁷Includes senior executives.

¹⁸Bega Group

Measure – Safety

Workplace health and safety¹⁹ – Bega Cheese

	FY2020	FY2021	FY2022
Fatalities	0	0	-
Total recordable injury frequency rate (TRIFR) ²⁰	10.5	20.7	-
High-consequence work-related injuries ²¹	3	3	-

Workplace health and safety – Bega Dairy and Drinks

	FY2020	FY2021	FY2022
Fatalities	0	0	-
Total recordable injury frequency rate (TRIFR)	7.0	4.8	-
High consequence work-related injuries	8	6	-

Workplace health and safety – Bega Group

	FY2020	FY2021	FY2022
Fatalities	-	-	0
Total recordable injury frequency rate (TRIFR)	-	-	14.15
High consequence work-related injuries	-	-	10

¹⁹Injuries to contractors are included in the TRIFR data. Contractor hours have been included for Bega Cheese since December 2021. The data includes employees at the Derrimut site from July 2021 to October 2021.

²⁰TRIFR is calculated as the total number of recordable injuries for each million hours worked. Recordable injuries includes all lost time injuries, medical treatment injuries and restricted work injuries.

²¹High-consequence work-related injuries are those from which the worker cannot, does not or is not expected to recover fully to pre-injury health status within 6 months.

Measure – Energy

Activity Metric

	FY2020	FY2021	FY2022
Weight of products sold	Bega Cheese	Tonnes of product	276,183
	Bega Dairy and Drinks	Kilolitres of product	860,292
Number of production facilities			20

Energy consumption (Gigajoules) – Bega Cheese

	FY2020	FY2021	FY2022
Energy consumption	1,975,753	1,963,723	1,905,681
Natural gas	1,304,796	1,246,557	1,234,749
Electricity	418,515	433,361	423,437
Wood	202,269	223,246	192,318
LPG Stationary	45,432	57,452	51,780
LPG mobile	0	0	0
Diesel mobile	2,970	2,106	2,062
Diesel stationary	308	205	319
Petrol mobile	1,185	590	731
Petrol Stationary	278	206	285
Biogas	0	0	0

Energy consumption (Gigajoules) – Bega Dairy and Drinks

	FY2020	FY2021	FY2022
Energy consumption	833,757	844,673	827,401
Natural gas	380,360	385,062	377,950
Electricity	377,530	434,614	426,212
Wood	0	0	0
LPG Stationary	16,048	11,710	15,206
LPG mobile	45,304	1,287	714
Diesel mobile	0	0	0
Diesel stationary	25	24	19
Petrol mobile	0	0	0
Petrol Stationary	0	0	0
Biogas	14,490	11,976	7,299

Energy consumption (Gigajoules) – Bega Group

	FY2020	FY2021	FY2022
Energy consumption	2,809,510	2,808,396	2,733,082
Natural gas	1,685,156	1,631,619	1,612,699
Electricity	796,045	867,975	849,649
Wood	202,269	223,246	192,318
LPG Stationary	61,480	69,162	66,986
LPG mobile	45,304	1,287	714
Diesel mobile	2,970	2,106	2,062
Diesel stationary	333	229	339
Petrol mobile	1,185	590	731
Petrol Stationary	278	206	285
Biogas	14,490	11,976	7,299

Measure – Greenhouse Gas Emissions

Greenhouse gas emissions (Tonnes CO2e) – Bega Cheese

	FY2020	FY2021	FY2022
Scope 1	70,582	69,244	67,851
Scope 2	113,812	114,094	109,172
Total	184,394	183,338	177,023
Offsets	1,575	No data	No data
Net emissions	182,819	No data	No data

Greenhouse gas emissions (Tonnes CO2e) – Bega Dairy and Drinks

	FY2020	FY2021	FY2022
Scope 1	21,795	20,709	21,811
Scope 2	83,903	94,791	89,984
Total	105,697	115,500	111,795

Greenhouse gas emissions (Tonnes CO2e) – Bega Group

	FY2020	FY2021	FY2022
Scope 1	92,377	89,953	89,662
Scope 2	197,715	208,885	199,156
Total	290,091	298,838	288,818
Offsets	1,575	No data	No data
Net emissions	182,819	No data	No data

Measure – Water

Water withdrawal by source (Megalitres²²) – Bega Cheese

	FY2020	FY2021	FY2022
Ground water	301	311	279
Municipal water	1,627	1,572	1,643
Surface water	0	0	0
Total withdrawal	1,928	1,883	1,922
Reused water	929	868	779

Water withdrawal by source (Megalitres) – Bega Dairy and Drinks

	FY2020	FY2021	FY2022
Ground water	0	0	0
Municipal water	1,751	1,634	1,654
Surface water	69	84	118
Total withdrawal	1,820	1,718	1,772
Reused water	No data	No data	82

Water withdrawal by source (Megalitres) – Bega Group

	FY2020	FY2021	FY2022
Ground water	301	311	279
Municipal water	3,378	3,206	3,296
Surface water	69	84	118
Total withdrawal	3,748	3,601	3,694
Reused water	929	868	861

Measure – Wastewater

Wastewater (Megalitres) – Bega Cheese

	FY2020	FY2021	FY2022
Effluent discharge	2,463	2,346	2,162

Wastewater (Megalitres) – Bega Dairy and Drinks

	FY2020	FY2021	FY2022
Effluent discharge	1,553	1,460	1,621

Wastewater (Megalitres) – Bega Group

	FY2020	FY2021	FY2022
Effluent discharge	4,016	3,806	3,783

²²Bega Cheese does not use surface water, collected rainwater or waste-water from other organisations.

Measure – Waste²³

Waste Diversion – Bega Cheese

	FY2020	FY2021	FY2022
Solid waste diverted from landfill (% recycled)	52	49	70

Solid waste by generation and disposal (Tonnes) – Bega Cheese

	FY2020	FY2021	FY2022
Waste total	5,229	6,133	8,903
Waste to landfill	2,504	2,721	2,709
Waste diverted from landfill	2,725	3,412	6,194

Waste Diversion – Bega Dairy and Drinks

	FY2020	FY2021	FY2022
Solid waste diverted from landfill (% recycled)	90.44	95	97

Solid waste by generation and disposal (Tonnes) – Bega Dairy and Drinks

	FY2020	FY2021	FY2022
Waste total	25,126	49,12	74,359
Waste to landfill	2,402	2,430	2,242
Waste diverted from landfill	22,724	46,712	72,118

Waste Diversion – Bega Group

	FY2020	FY2021	FY2022
Solid waste diverted from landfill (% recycled)	-	-	94

Solid waste by generation and disposal (Tonnes) – Bega Group

	FY2020	FY2021	FY2022
Waste total	-	-	83,263
Waste to Landfill	-	-	4,951
Waste diverted from landfill	-	-	78,312

²³Excludes waste from Maffra

APPENDIX C: Assurance Statement

Independent Assurance Statement to the Board and Management of Bega Cheese Limited



Assurance conclusion

We, Point Advisory Pty Ltd ('Point Advisory'), performed a limited assurance engagement over selected metrics presented in Bega Cheese Limited's ('Bega's') Sustainability Report ('the Report') for the reporting year ended 30 June 2022.

Based on the scope of our independent limited assurance engagement, nothing has come to our attention that causes us to believe that the selected metrics presented in Bega's 2022 Sustainability Report have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

Subject Matter

The Subject Matter covered as part of this limited assurance engagement is listed below.

- Total recordable injury frequency rate (TRIFR)
- Total added sugar removed
- Waste diverted from landfill
- Total waste
- Total waste to landfill

Criteria

We have used the following Criteria against which to evaluate the Subject Matter in the Report:

- Bega's own reporting criteria (as set out in the Report) and relevant internal policies and procedures used to compile the selected data.

Respective responsibilities

Bega's management is responsible for the preparation and fair presentation of the selected metrics in accordance with the Criteria, and related information within the Report. Bega's management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, adequate records and making assumptions that are reasonable in the circumstances.

Point Advisory's responsibility, in accordance with the terms of our engagement letter with Bega dated 11 August 2022, is to express a limited assurance conclusion about whether the selected metrics have been prepared in accordance with the Criteria. Our assurance engagement has been planned and performed in accordance with the *Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ASAE 3000). Our team has the required qualifications and experience to effectively apply ASAE 3000. We are not aware of any issues that could impair our independence or objectivity for this assurance engagement. Point Advisory's independence policy and supporting measures apply to management and professional staff. This policy also prohibits our team from having any financial interests in our clients that could impair our independence, either in fact or in appearance.

Our Methodology

The assurance procedures we performed were based on our professional judgement and included:

- Interviewing a selection of Bega staff and reviewing information to understand Bega's corporate structure and boundary covered by the Report.
- Interviewing data owners of the Subject Matter to understand how metric data is collected, calculated, and aggregated and checking any assumptions or estimations that were made.
- Performing analytical tests and limited substantive testing to source documentation for selected metrics and related qualitative information.
- Checking the accuracy of calculations performed and the reasonableness of assumptions used.
- Reviewing the presentation of the selected metrics and related disclosures in the Report to check that the metrics are fairly reported.

Inherent limitations

Our evidence-gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ASAE 3000) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement and therefore a lower level of assurance is provided.

Use of our assurance statement

We do not accept any responsibility for any reliance on this assurance statement by any other person(s) or organisation(s) other than the Board and Management of Bega. Other stakeholders should do their own due diligence before taking any action as a result of this statement.

On behalf of the assurance team.

A handwritten signature in black ink, appearing to read "Simon Dawes".

Simon Dawes

Lead Auditor, Sydney

Point Advisory

14 October 2022

APPENDIX D: Figures

Figure	1	Summary of Bega Group financial performance.	Page 11
Figure	2	Bega Group entity structure.	Page 12
Figure	3	Bega Group footprint.	Page 13
Figure	4	Our brands.	Page 14
Figure	5	Our value chain.	Page 15
Figure	6	Our governance structure.	Page 17
Figure	7	Greater Good and alignment with the UN Sustainable Development Goals.	Page 19
Figure	8	Our priorities.	Page 20
Figure	9	Our stakeholders and how we engage with them.	Page 21
Figure	10	Bega Group food safety performance.	Page 24
Figure	11	Bega Group ethical sourcing program.	Page 28
Figure	12	Bega Group supply chain by % of expenditure.	Page 29
Figure	13	Summary of Better Farms grants expenditure April 2018 to 30 June 2022.	Page 33
Figure	14	Area of peanut production by growing region.	Page 36
Figure	15	Gender representation in the workforce.	Page 40
Figure	16	Workforce by age group.	Page 41
Figure	17	Workforce by region.	Page 43
Figure	18	Bega Group Safety Management System.	Page 45
Figure	19	Bega Group Safety Performance.	Page 46
Figure	20	Regional Circular Co-operative Ltd structure.	Page 48
Figure	21	Bega Group total energy consumed by source.	Page 54
Figure	22	Bega Group greenhouse gas emissions – scope 1, scope 2 and total.	Page 54
Figure	23	Understanding Bega Group's scope 3 emissions.	Page 55
Figure	24	Bega Group's Scope 1, 2 and 3 greenhouse gas emissions in FY2021.	Page 56
Figure	25	Bega's top 10 purchased products and services by emissions.	Page 56
Figure	26	Bega Group water withdrawal for manufacturing by source.	Page 58
Figure	27	Bega Group wastewater generated.	Page 58
Figure	28	Bega Group landfill diversion rate.	Page 59
Figure	29	Bega Group total packaging by weight which is reusable, recyclable or compostable.	Page 60

APPENDIX E: Glossary

Terms	
ADISF	Australian Dairy Industry Sustainability Framework.
APCO	Australian Packaging Covenant Organisation.
EMS	Environmental Management System.
EBITA	Earnings before interest, taxes, depreciation and amortisation.
GHG	Greenhouse Gases.
GRI	Global Reporting Initiative.
HACCP	Hazard analysis and critical control points.
KPI	Key Performance Indicator.
SASB	Sustainability Accounting Standards Board.
Scope 1 greenhouse gas emissions	Emissions resulting directly from onsite activities such as the combustion of fossil fuels.
Scope 2 greenhouse gas emissions	Emissions resulting indirectly from the consumption of electricity generated off-site.
Scope 3 greenhouse gas emissions	Emissions resulting indirectly (not included in scope 2) that occur in the value chain, including both upstream and downstream emissions.
Units	
CO2e	Carbon dioxide equivalent, a standard unit for measuring carbon. The amount of a greenhouse gas that a business emits is measured as an equivalent amount of carbon dioxide which has a global warming potential of one.
tCO2e	Tonnes of carbon dioxide equivalent gas.
GJ	Gigajoule, unit of energy equal to one billion (109) joules of energy.
GJ/t	Gigajoules per tonne of product.
Kg	Kilogram, unit of mass equal to 1,000 grams.
Kg/t	Kilograms per tonne of product.
kL	Kilolitre, a unit of volume equivalent to 1,000 litres.
kL/t	Kilolitre per tonne of product.
kWh	Kilowatt hour, unit of energy equivalent to 3.6 megajoules.
ML	Megalitre, a unit of volume equivalent to 1 million litres.
MJ	Megajoule, unit of energy equal to one million (106) joules of energy.
T	Tonnes, unit of mass equal to 1,000 kilograms.
TRIFR	Total Recordable Injury Frequency Rate calculated as total recordable injuries for each million hours worked during the reporting period.

APPENDIX F: GRI Content Index and SASB Index

GRI Content Index

GRI Standard	Disclosure ¹	Page number(s) and URL (s)
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
GRI 102: General Disclosures 2016	102-1 Name of the organisation.	Page 3
	102-2 Primary brands, products, and services.	Page 14
	102-3 Location of the organisation's headquarters.	Page 82
	102-4 Number of countries where the organisation operates.	Page 13
	102-5 Nature of ownership and legal form.	Pages 3 and 12
	102-6 Markets served: geographic locations, sectors served, types of customers and beneficiaries.	Pages 3, 13–14, 43
	102-7 Scale of the organisation.	Pages 10–11, 14, 28–29, 43
	102-8 Total number of employees by employment contract (permanent and temporary), by gender.	Page 65
	102-9 A description of the organisation's supply chain.	Pages 28–29
	102-10 Significant changes to the organisation's size, structure, ownership, or supply chain.	Pages 6–9
	102-11 Whether and how the organisation applies the Precautionary Principle or approach.	Page 16
	102-12 A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes, or which it endorses.	Pages 21 and 59
	102-13 A list of the main memberships of industry or other associations, and national or international advocacy organisations.	Page 18
	102-14 A statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy for addressing sustainability.	Pages 6–7
	102-15 A description of key impacts, risks, and opportunities.	Pages 19–21
	102-16 A description of the organisation's values, principles, standards, and norms of behaviour.	Page 16
	102-18 Governance structure of the organisation.	Page 17
	102-40 A list of stakeholder groups engaged by the organisation.	Page 21
	102-41 Percentage of total employees covered by collective bargaining agreements.	Page 42
	102-42 The basis for identifying and selecting stakeholders with whom to engage.	Page 21

¹Disclosure descriptions have been summarised. For detailed descriptions refer to the GRI Standards www.globalreporting.org/standards

GRI Content Index

GRI Standard	Disclosure ²	Page number(s) and URL (s)
GRI 102: General Disclosures 2016		
	102-43 The organisation's approach to stakeholder engagement.	Page 21
	102-44 Key topics and concerns raised.	Page 21
	102-45 Entities included in the consolidated financial statements.	Page 62
	102-46 Defining report content and topic boundaries.	Pages 19-21 and 62
	102-47 A list of material topics.	Pages 19-21
	102-48 Restatements of information.	Noted in the text where they appear
	102-49 Changes in reporting.	Pages 19-21 and 62
	102-50 Reporting period.	Page 3
	102-51 Date of most recent report.	Page 3
	102-52 Reporting cycle.	Page 3
	102-53 Contact point for questions regarding the report.	Page 3
	102-54 Claims of reporting in accordance with the GRI Standards.	Page 3
	102-55 GRI content index.	Page 75
	102-56 External assurance.	Page 71

²Disclosure descriptions have been summarised. For detailed descriptions refer to the GRI Standards www.globalreporting.org/standards

GRI Standard	Disclosure ³	Page number(s) and URL (s)	Omission
Material Topic – Customer Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components. 103-3 Explanation of how the organisation evaluates the management approach.	Pages 24 and 62 Page 24 Page 24	
GRI 416 Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health & safety impacts of products and services.	Page 24	
GRI FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards.	Page 25	
Material Topic – Water			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components. 103-3 Explanation of how the organisation evaluates the management approach.	Pages 58 and 62 Page 57-58 Page 58	
GRI 303 Water 2016	303-1 Water withdrawal by source.	Pages 58 and 70	
GRI 303 Water 2016	303-3 Water recycled and reused.	Pages 58 and 70	
Material Topic – Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components. 103-3 Explanation of how the organisation evaluates the management approach.	Pages 28 and 62 Pages 28-29 Pages 28-29	
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria.	Page 28	
GRI FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognised.	Page 30	
Material Topic – Environmental compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components. 103-3 Explanation of how the organisation evaluates the management approach.	Page 51 Page 51 Page 51	
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations.	Page 51	

³Disclosure descriptions have been summarised. For detailed descriptions refer to the GRI Standards www.globalreporting.org/standards

Material Topic – Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components.	Pages 52 and 62 Pages 52–52
	103-3 Explanation of how the organisation evaluates the management approach.	Pages 52–53
GRI 302 Energy 2016	302-1 Energy consumption within the organisation.	Pages 54 and 68–69
Material Topic – Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components.	Pages 52–56 and 62 Pages 52–57
	103-3 Explanation of how the organisation evaluates the management approach.	Pages 52–56
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions.	Pages 54 and 62
GRI 305 Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions.	Pages 54 and 62
GRI 305 Emissions 2016	305-4 GHG emissions intensity.	Page 54
Material Topic – Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components.	Pages 59 and 62 Pages 57 and 59
	103-3 Explanation of how the organisation evaluates the management approach.	Page 59
GRI 306 Effluents and waste 2016	306-2 Waste by type and disposal method.	Page 71
Material Topic – Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components.	Pages 45 and 62 Page 45
	103-3 Explanation of how the organisation evaluates the management approach.	Page 45
GRI 403 Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	Pages 46 and 67
GRI 403 Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system.	Page 45
Material Topic – Animal Welfare		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries. 103-2 The management approach and its components.	Page 34 Page 34
	103-3 Explanation of how the organisation evaluates the management approach.	Page 34

Sustainability Accounting Standards Board Index

Food & Beverage Sector: Processed Foods Standard 2018

Activity metric	Category	Unit of measure	Code	Disclosure/Location
Weight of products sold	Quantitative	Metric tons	FB-PF-000.A	Bega Cheese produced 276,183 tonnes of product. Bega Dairy and Drinks produced 860,292 kilolitres of product.
Number of production facilities	Quantitative	Number	FB-PF-000.B	20

Topic	Accounting metric	Category	Unit of measure	Code	Disclosure/Location
Energy management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable.	Quantitative	Gigajoules (GJ), Percentage (%)	FB-PF-13Oa.1	Pages 54 and 68–69.
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.	Quantitative	Thousand cubic meters (m³), Percentage (%)	FB-PF-14Oa.1	Pages 58 and 70. Partially reported.
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations.	Quantitative	Number	FB-PF-14Oa.2	Page 51
	Description of water management risks and discussion of strategies and practices to mitigate those risks.	Discussion and Analysis		FB-PF-14Oa.3	Pages 33 and 58. Partially reported
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances.	Quantitative	Rate		Page 24. Partially reported
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program.	Quantitative	Percentage (%) by cost		Page 25
	(1) Total number of notices of food safety violation received, (2) percentage corrected.	Quantitative	Number, Percentage (%)		Page 24. Partially reported
	1) Number of recalls issued and (2) total amount of food product recalled.	Quantitative	Number, Metric tons (t)		Page 24
Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes.	Quantitative	Reporting currency		Not reported
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers.	Discussion and Analysis			Page 23. Partially reported

Product labelling and Marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines.	Quantitative	Percentage (%)	Not reported
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO.	Quantitative	Reporting currency	Not reported
	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes.	Quantitative	Number	Page 24
	Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices.	Quantitative	Reporting currency	Page 24
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable.	Quantitative	Metric tons (t), Percentage (%)	Pages 59–60
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle.	Discussion and Analysis		Pages 59–60
Environmental & Social Impacts of Ingredient Supply Chain	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard.	Quantitative	Percentage (%) by cost	Pages 29 and 32. Partially reported
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances.	Quantitative	Rate	Page 28
Ingredient Sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress.	Quantitative	Percentage (%) by cost	Not reported
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations.	Discussion and Analysis		Pages 28–38

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for a better future*