



Genus Australia T/as ABS Australia

Sustainability Policy

October 2022

Sustainability Can Equal Profitability



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Every time a farmer invests in livestock genetics, it's a choice about their **future.**



Breeding decisions shape the potential of their herd, contribute to profitability, determine

management, and define the sustainability of their business and industry.

Genetics are a powerful farming tool with effects that last generations.

Like farmers, ABS Australia as part of the global Genus group, is future focused.

We understand what happens today, determines tomorrow. That's why we have committed to sustainability goals and targets across our business.

Real and measurable, these targets are intrinsically connected.

For us, they aren't just talking points.

Genus continues to invest in research and development including accelerating animal genetic improvement to address challenges such as greenhouse gas emissions and bobby calves.

Then, ABS implements this research with Australian farmers, tailoring it for local conditions.

And it's working.

Just look at the uptake of the economic and socially conscious Dairy-Beef product Beef InFocus™ and the sexed genetics solution Sexcel®.

These are solutions for reducing bobby calves and provides dairy businesses with income diversity and increased profitability.

But there's more to be done as we all work towards a greener future.

Genus and ABS are committed to a 25 per cent reduction in greenhouse gas emissions by 2030 with a goal of net zero by 2050.

This Genus ABS Sustainability Strategy demonstrates our business targets.

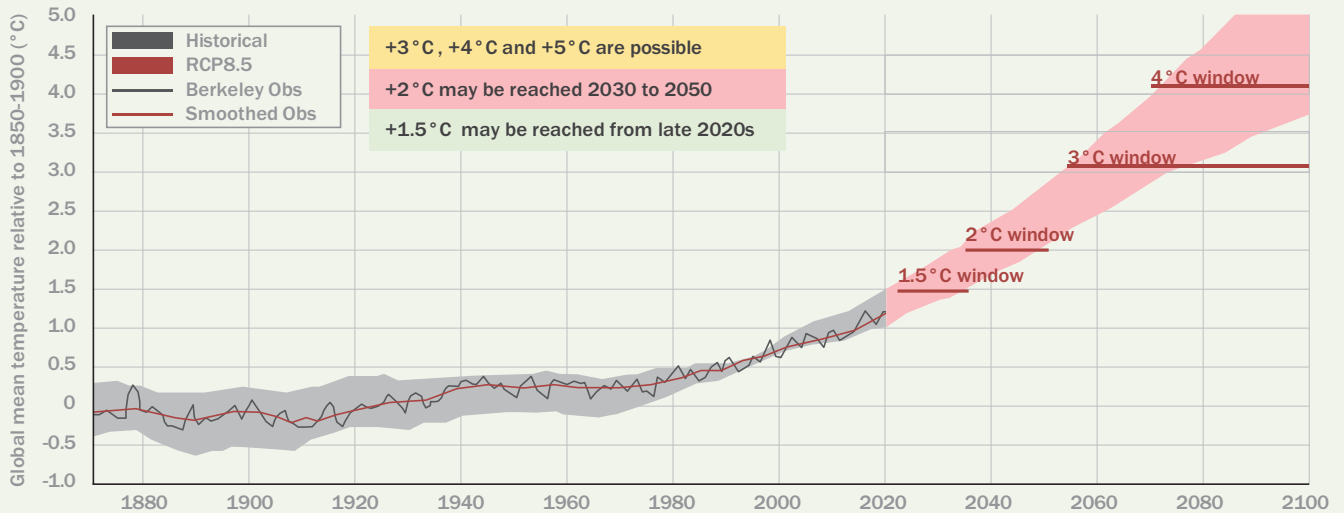
It's something we are immensely proud of as a leader in the global animal breeding industry.

We know there's no one more invested in the future than those producing food and fibre.

Farming is the epitome of sustainability, and we all want to play our part.

Marcus Rees
ABS Australia General Manager





Global commitment to a sustainable future

Genetics will help Australian dairy and beef farmers adapt their businesses to the changing climate, while meeting increased demands for affordable and nutritious food with a lower environmental footprint.

Sustainability is at the heart of every decision we make.

Genus is committed to creating sustainable genetic solutions for our farmers, their livestock, businesses, and industry.

As part of the Genus group, ABS Australia is dedicated and focused on Australian farmers and their industry.

Genus and ABS Australia enable farmers to breed cattle with specific health, productivity, and environmental traits.

Strategic genetic solutions will deliver innovative solutions for farmers to address future environmental and social challenges.

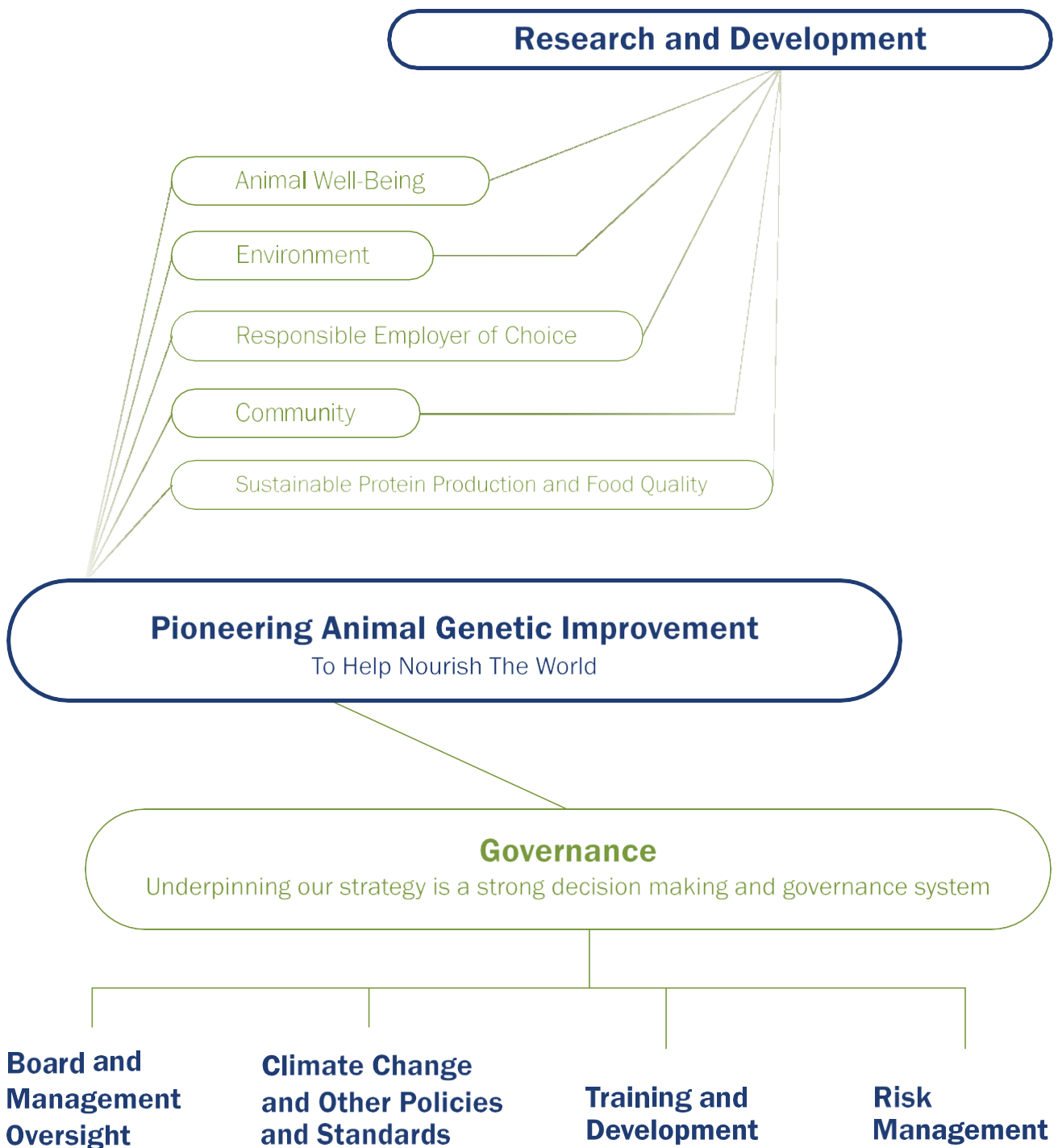
A pioneer in livestock breeding we aim to accelerate animal genetic improvement.

Genetic improvement can reduce the environmental footprint of dairy and beef production by ensuring more protein is produced with less greenhouse gas emissions.

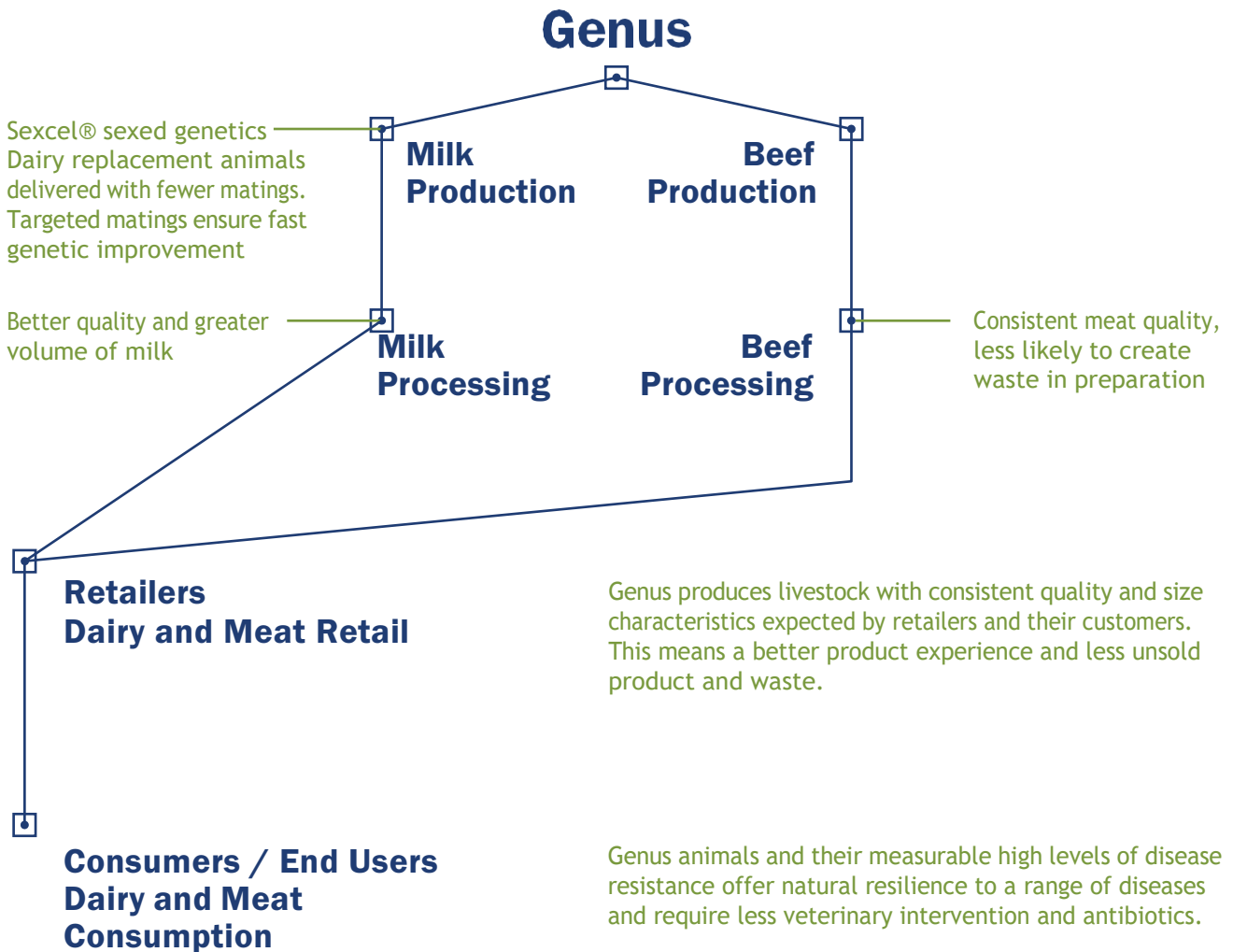
A balanced, evidence-driven approach to sustainability

We believe animal genetic improvement is critical to improving animal protein productivity and reducing the industry's environmental footprint.

Breeding offers a cumulative and permanent reduction in greenhouse gas emissions.



Sustainability in the Genus value chain



Global research, Australian focus

- As part of the Genus global group, ABS Australia selects solutions tailored for Australian agriculture from Genus’s global research and development departments.
- Breeding with genomics maximises genetic gain for Australian farmers by reducing generation intervals, identifying elite animals sooner, screening more animals and introducing sires to the market quicker.
- Stakeholder engagement enables ABS to identify sustainability challenges across the supply chain and this guides future decisions.
- Providing sires for farmers to breed animals with improved productivity, health, longevity, and environmental goals underpins ABS’ sustainable business focus.
- A sustainable animal is a profitable animal.
- Sexcel® enables farmers to fast-track genetic gain and benefit quicker from breeding goals.
- The ABS “Winning Game Plan” is one example of a sustainable and easy to implement breeding program.
- ABS Australia representatives are trained to build “Winning Game Plan” strategies for farmers and deliver ongoing support.

Australian focus

Environmental

ABS is committed to the Genus **global emissions reduction** goals:

25 per cent reduction in primary intensity emissions ratio of our operations by 2030.

'Net zero' emissions by 2050.

Create a carbon neutral brand with our Beef InFocus™ product. The first step has been achieved with a proof of concept showing a 32 – 42% reduction in carbon emissions for the Beef InFocus product compared with beef bred cattle

ABS sires **decrease the environmental footprint** of dairy herds by:

- Increasing feed efficiency
- Increasing health
- Increasing production
- Improving longevity
- Increasing fertility
- Reducing emissions through breeding

All ABS Australia offices will be powered by **renewable energy** by December 31 2022.

Purchasing vehicles with **lower CO2 emissions**.

Social licence

ABS provides innovative genetic solutions to support farmers to meet social and market expectations.

We believe animals must always be treated humanely and with a high degree of care.

Our sires deliver better health, welfare, and environmental outcomes thanks to traits such as:

- Better temperament
- Calving ease
- Feed efficiency
- Improved feed conversion
- Reduced antibiotic use
- Increased semen fertility
- Increased daughter fertility
- Improved health and longevity
- Improved heat tolerance
- Polled genetics

We are working to improve the welfare of calves that do not enter the dairy herd by prioritising their sustainable integration into the beef chain.

Our Beef InFocus™ product is a proven beef on dairy solution which promotes calving ease, fertility and low mortality.

Our Jersey x Beef InFocus product has provided a sustainable calf solution for the Jersey industry. Click on the link to read an article published in the Australian Jersey Journal July-August 2022.

[LINK TO ARTICLE](#)

All staff at Genus and **ABS are required to complete annual compulsory animal welfare training**.



Australian focus

Governance

ABS Australia must complete annual carbon reporting and tracking to support the long-term Genus objective to achieve 'net zero' GHG emissions by 2050.

Industry Engagement:

Bruce Ronalds, Operations Manager at ABS Australia is a member of the Datagene Genetic Evaluation standing committee. This committee provides advice and recommendations to the DataGene board on specialist matters relating to genetic evaluation and related technologies.

Business sustainability

The ABS sustainability strategy aims to increase sustainability and profitability, while delivering business longevity.

It is crucial that sustainable genetic breeding programs are simple and easy to implement.

ABS is dedicated to making on-farm sustainable breeding programs with its "Winning Game Plan".

Benefits of ABS's sustainability focus on farm:

Genetic Focuses

- Increased feed efficiency
- Increased health
- Increased production
- Increased fertility
- High genetic merit polled genetics
- Genomic selection
- Sexcel® (fast-tracking genetic gain)
- Beef InFocus™ (proven beef on dairy solution)
- Better temperament

Benefits on farm

- Mastitis resistance
- Reduced antibiotic usage and vet bills
- Removing/reducing bobby calves
- Remove dehorning
- Increased productivity
- Increased longevity
- Increased fertility
- Increased herds' happiness and well-being
- Increased profitability

Sustainability reporting – Genus Global

Our Strategy

Our Target

Our Performance

Sustainable protein production

Increase the genetic improvement index by one standard deviation in 2022.

- In one elite beef line (T14) for one production system in North America; 52.5 Kg reduction CO2e/head/yr (or around 21,000 metric tonnes) reduction in customer herds.

Environment

Reduce the primary intensity ratio (scope 1 and 2 emissions) of our operations by 25 per cent by 2030.

- 11.3 per cent reduction in primary intensity emissions since 2019.
- Primary intensity ratio emissions have reduced from 9.37 tonnes CO2e/tonne animal weight (FY19) to 8.31 tonnes CO2e/tonne animal weight (FY21).

Achieve 'net zero' GHG emissions by 2050.

- A 13 per cent reduction in total carbon emissions.
- Emissions have reduced from 110,879 tonnes (FY19) to 96,409 tonnes (FY21).

Animal welfare

Maintain animal care standard.

- Structured facility audits and trials evaluate our standards of animal welfare and performance in relation to health and mortality.
- This year we have recorded lower mortality/morbidity than the expected average of our competitor products.

Ensure all employees with animal care responsibilities receive training on Genus animal care standards.

- All employees receive Genus animal welfare training.

Continue to invest in ABS animal housing facilities.

- Continued investment in our estate, including new bull housing, (predominantly powered by renewable solar energy) and IntelliGen® Technologies production facilities.

Community

- Recruit from local farms.
- Encourage staff to develop valuable and transferable skills and competences.

- 164 new employees joined our production sites.
- There was further investment in the development of new skills and qualifications for staff.
- Training includes a programme to build sustainability skills.

Sustainability reporting – domestic

Our Strategy

Our Target

Our Performance

Animal welfare

Reduce the need for de-horning and disbudding by increasing the use of polled genetics.

- Use of polled genetics by Australian farmers has increased from 10% in 2016 to 26% in 2019.
- Use of ABS polled genetics grew by 108% from FY20 to FY21.

Increase use of Sexcel® in conjunction with Beef InFocus™ to reduce bobby calves, increase profitability and meet social and market requirements.

- Use of ABS sexed genetics grew by 99% in FY21 compared to FY20.
- Beef InFocus™ sales grew by 93% in FY21 compared to FY20.

Environment

Improve health traits in the Jersey and Red breeds.

Always select the most appropriate vehicle with the lowest CO2 emissions per km.

Convert all ABS offices to renewable energy by 30 December 2022.

Responsible employer

Improved driving habits thanks to the introduction of GPSI into all work vehicles.

- Reduces occupational road risk.
- Continuous employee training and support to improve fuel efficient driving and promote safer driving.

Conclusion

Genus and ABS Australia are committed to improving the sustainability of the global animal breeding industry.

And as an industry leader Genus and ABS Australia know that change starts within. That's why this Sustainability Policy includes tangible business targets across the supply chain.

Livestock genetics have an influential role in supporting profitable farming businesses for future generations.

Genus and ABS Australia understand that sustainability and profitability are intrinsically linked.

A commitment to continual research and development underpins this Sustainability Policy, while its success will be determined by actions on the ground. With a focus on improving social, environmental and governance outcomes, Genus and ABS Australia are investing in the future of agriculture.

What happens today, determines tomorrow. Taking real action now to address industry challenges such as bobby calves, the environmental impact of agriculture and animal welfare paves the way for a better future.

This Sustainability Policy will guide the Genus and ABS Australia's business as we all work towards a greener tomorrow.

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