



WARAKIRRI ASSET MANAGEMENT

Melbourne, Victoria

**LH AUS FMS SURVEILLANCE AUDIT SUMMARY REPORT
2024 SURVEILLANCE I**

19 August 2024





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INTRODUCTION

This report summarises the results of the surveillance audit conducted on Warakirri Asset Management (WAM) managed production agriculture properties. The audit was conducted by Matt Armstrong (Lead Auditor) and Jemma Lawrence (Field Auditor) for Averum. Matt Armstrong has had experience with Leading Harvest throughout its development and is an assurance provider for multiple sustainability programs. Jemma Lawrence has had experience with Leading Harvest throughout its pilot program in Australia, and has expertise in sustainable production, various agricultural production systems, and many Australian crop types. The audit process and reports were independently reviewed by Sarah Barrett, who has expertise with the Leading Harvest standard and varied agricultural production systems. All senior members of the audit team hold training certificates in ISO 17021:2015 (Conformity Assessment), 14001:2015 (Environmental Management Systems), and/or IAF MD-1:2018 (Certification of Multiple Sites).

SCOPE AND OBJECTIVE

In 2024, Averum was engaged by Warakirri to perform an audit of sustainability performance on 100,000 – 200,000 hectares of managed agricultural operations and determine conformance to the principles, objectives, performance measures, and indicators of the Leading Harvest Australia Farmland Management Standard 2023 (LH AUS FMS). LH AUS FMS objectives 1 through 13 were covered during site visits on properties in Western Australia. There was no substitution or modification of LH AUS FMS performance measures.

COMPANY INFORMATION

Warakirri is an independent agricultural investment firm. Farm operating managers and tenants are responsible for the day-to-day farmland management services for Warakirri's properties. Warakirri opted to certify 100 percent of their agricultural properties in 2023, allowing them to engage in broader sampling and simplifying the process of maintaining their certification in the future.

Warakirri contracted with Averum to conduct surveillance audits in 2024. During the surveillance audits, three (3) sites in Western Australia were selected, with two farm managers and one tenant manager included. Managers overseeing decision making and standard compliance for sample regions were contacted for evidence requests and interviews. The properties in these regions are a representative sample of current practices in place and management decision making. The primary agricultural production on sites is dryland broadacre cropping including cereals, canola and legumes and blueberry production.

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AUDIT PLAN

An audit plan was developed and is maintained on file by Averum. A Warakirri online document management system was used for coordination and upload of evidence for auditor review, and evidence was continuously uploaded throughout the audit. An opening meeting was held on 11th of July 2024, preceding site visits. Following the meeting, a document review of the provided evidence was conducted by Averum. Field sites in Western Australia were examined on 23rd, 24th and 25th July 2024. A closing meeting was held on 19th August 2024.

Throughout the audit engagement, information, and communication technology (ICT) was employed for a variety of tasks. An online document management system used by clients to supply documentation for review. Other online platform was used to provide feedback on observation and notes, and for multiple levels of audit team reviews and signoffs. Throughout the audit engagement, conference calling technology (including Zoom, Team, etc.) was leveraged for meeting with clients, conducting management interviews, follow-up interviews, and Opening and Closing meetings. As Leading Harvest engagements are geographically decentralised, the use of ICT was deemed not only appropriate, but necessary.

Opening Meeting: Conference Call

11 July 2024

Attendees:

(Warakirri) Jessica Sleight, Lachlan Higgins, Nikki Jordan, Ghazal Taghdir, Gavin Merriman, Kristen Lamb

(Audit Team) Matt Armstrong, Jemma Lawrence

Topics:

- Introductions of participants and their roles: Matt Armstrong
- Introduce audit team: Matt Armstrong
- Status of findings of the previous audits: Matt Armstrong
- Audit plan: Matt Armstrong
- Expectations of program user staff: Matt Armstrong
- Method of reporting: Matt Armstrong

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Closing Meeting: Conference Call

19 August 2024

Attendees:

(Warakirri) Jessica Sleigh, Lachlan Higgins, Nikki Jordan, Steve Jarrot

(Audit Team) Matt Armstrong , Jemma Lawrence

Topics:

- Opening remarks: Matt Armstrong
- Statement of confidentiality: Matt Armstrong
- Closing summary: Matt Armstrong
- Presentation of the audit conclusion: Matt Armstrong
 - Non-Conformances: 0
 - Opportunities for Improvement (OFI): 5
 - Notable Practices: 1
- Report timing and expectations: Matt Armstrong

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MULTI-SITE REQUIREMENTS

Warakirri maintains operations on multiple properties in Queensland, Victoria, New South Wales, Tasmania, and Western Australia. Warakirri qualifies for multi-site sampling since the properties within the management system are centrally controlled and directed by regional management, with regular monitoring activities. Warakirri sustainability officers are responsible for developing corrective action plans regarding LH AUS FMS conformance and report them to Warakirri management, if applicable. Warakirri's current review and monitoring process is effective and ongoing.

Field visits and observations are conducted based on a sample of regions each year. Sampling methodology is provided in the LH AUS FMS. In accordance with International Accreditation Forum Mandatory Documents (IAF-MD) methodology, all sites were initially selected at random with consideration of any preliminary examinations and then coordinated to ensure representative coverage of the complexity of the portfolio, variance in sizes of properties, environmental issues, geographical dispersion, and logistical feasibility.

Region	Crop	Properties Examined During Engagement
Western Australia	Cereals, canola, legumes, blueberries	Three (3) sites visited during audit were selected to represent the Western Australian region. <ul style="list-style-type: none">- Management population: Two (2) farm managers, one (1) tenant operators- Sites visited: Carinup, Mawarra, Southbrook Berries

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AUDIT RESULTS

Overall, Warakirri's agricultural operations conform to the objectives of LH AUS FMS. Interviews and document reviews were performed to determine procedural and documentation conformance to the LH AUS FMS. Documentation of practices was continuously supplied throughout the audit when requested. Documentation from multiple sites was provided to auditors. Field visits were performed on three (3) operating sites, in Western Australia. Visits were during the growing season and pre harvest, so production management and harvesting efficiencies were highlighted. Central and farm management representatives, as well as operating tenants, were present and interviewed to illustrate Warakirri's conformance and policy implementation. Central office staff with roles that impact LH AUS FMS conformance were interviewed to determine awareness of and support for LH AUS FMS conformance, and to illustrate company practices and procedures not performed by farm managers. Warakirri's central management staff served as guides and were available throughout the entire engagement, providing logistic support and honoring evidence requests wherever needed.

KEY FINDINGS

Previous Non-Conformances: Warakirri achieved initial certification to Leading Harvest in 2023. During initial certification, four minor non-conformances were identified in Objective 7, pertaining to threatened and endangered species, threatened ecological communities, and deforestation. During the 2024 audits, practices supporting conformance were demonstrated to have improved and been brought into conformity with standard requirements since last year, and opportunities for improvement have not increased in significance or severity.

Major Non-Conformances: Zero (0) major non-conformances were identified during the audit.

Minor Non-Conformances: Zero (0) minor non-conformance was identified during the audit.

Opportunities for Improvement (OFI): Five (5) opportunities for improvement were identified during the audit.

1. 4.2.1 Application and Storage of Crop Protectants
 - a. Auditors noted that chemical storage on the main farm needed upgrading. Some storages are in the process of being upgraded. Flag for continued monitoring.
2. 5.1.1 Energy Conservation
 - a. The opportunity exists to leverage diesel fuel and energy use data to inform more business actions. Last year, Warakirri received a Notable Practice due to how well other farms used the data – Business wide energy use strategy does not seem 100% finalised or in place at all farms.

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3. 7.1.1 Threatened species

- a. Education of team members on species occurrences or monitoring needs is still under development.

4. 7.1.2 Endangered species

- a. Same as 7.1.1

5. 7.2.1 Native Habitats and Natural Communities

- a. Same as 7.1.1

Notable Practices: One (1) notable practice was identified during the audit.

1. 5.3.1 Greenhouse gas emissions

- a. Auditors noted a high level of GHG measurement and management initiatives, including GHG reporting preparation, conservation projects tied to GHG performance and national carbon sequestration initiatives.

AUDIT FINDINGS BY PERFORMANCE MEASURE

The following are summarized findings, per LH AUS FMS performance measure. Specific non-conformances, opportunities for improvement, and notable practices are described in the Key Findings section of this report.

Objective 1: Sustainable Agriculture Management

1.1 Sustainable Agriculture Stewardship

Conformance Evidence

- Sustainability Strategy
- Sustainability reports
- Operating Strategy
- Business reports: Sustainability & Climate Change
- Global Ag Investing presentations
- Agri Investor Award
- Rest Annual Report: WC Feature

Auditor Notes

- Since last year, a Head of Sustainability (HoS) has been hired.
- HoS is responsible for providing guidance on sustainability related matters and setting sustainability strategy for Warakirri Asset Management, including putting in place a Sustainability Policy. Sustainability standards now sit under the overarching policy for each investment platform to meet the specific needs of platform service agreements and key stakeholders.
- Management is focused on improving how sustainability and LH is communicated within the business.
- New strategy for operations is being worked through, then implementation plans will be developed for the platforms WAM operate and action plans will be developed for the platforms WAM manage.
- The strategy will focus on operational aspects, while the policy will cover governance.
- Warakirri Cropping has developed a new three-year sustainability strategy. The previous strategy was also in place for three years.
- Farms will be given budget lines based on priorities of identified projects.
- Non arable land is now often given a better rating in carbon or biodiversity value.

Result: In Conformance

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Objective 1: Sustainable Agriculture Management (Continued)

1.2 Critical External Factors

Conformance Evidence

- Farm budgets
- Capital Expenditure proposals for machinery
- Risk Matrix
- Cropping Risks Register

Auditor Notes

- Management determines operational and risk metrics for strategy of business.
- Key risks are tracked to see how actions are progressing.
- There are quarterly updates on actions required, so if there are barriers to meeting the outcomes on a risk then this can be identified, and more resources can be allocated if needed.
- Within Warakirri, the audit risk committee, and trust committees are involved with the budget approvals and budget variation processes if required.
- Budgets are developed in October/November each year for the following fiscal year and updated in February, if required, due to summer conditions or updated seasonal forecasts.

Result: In Conformance

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Objective 2: Soil Health and Conservation

2.1 Soil Health

Conformance Evidence

- Soil test results
- Amelioration records
- Soil Test storage
- Season reports
- Fertiliser application records
- Soil Due Diligence assessments
- Nutrient budgets
- Soil maps
- Due Diligence Report
- Soil surveys
- Mapping and zoning: summary reports
- Precision Ag strategy

Auditor Notes

- Some areas of the newly purchased property required burning retained stubble due to biosecurity concerns and weed load.
- Operators retain residue after harvest as a standard practice.
- Canola stubble is broken up and left on the surface, while wheat and barley stubble, along with canola residue, are sown through.
- Crop rotation typically follows pulse, canola, wheat, barley, then back to pulse, adjusted based on soil types and weed/disease pressure.
- Areas with heavy soils or low areas may be planted with oats for hay or grain instead of canola.
- Hay, lupins, and peas are limited due to low market demand; peas suit heavier soils, lupins prefer sandy soils.
- Core sampling revealed sandy areas are usually 10-15cm over gravel or clay subsoil; some properties have deep sands.
- Stubble is retained, direct drilling is used, and drilling spacing increased from 10 to 12 inches for better water availability.
- Some cereal stubble is turned in to increase organic matter down to 15cm.
- Deep ripping is done on targeted blocks to address historical compaction, alongside an amelioration program to boost organic matter and water holding capacity.
- The amelioration program uses variable rate technology to address specific issue resulting in yield increases.
- Blueberries are grown in substrate pots imported from Scotland, tested for EC and pH.
- Soil types assessed during due diligence include heavy grey clays and sandy soils over clay/gravel.
- Annual soil testing under blueberry tunnels checks for soil micro, MRL (chemical residue), and heavy metals.
- Soil testing of the soils underneath the blueberry tunnels is completed annually for soil micro, MRL (chemical residue) and heavy metals.

Objective 2: Soil Health and Conservation (Continued)

2.1 Soil Health (Continued)

Auditor Notes (Continued)

- Comprehensive soil testing is done on the top 15cm of soils on broadacre farms, with pH and nitrogen testing on subsoils. Starting moisture is tested strategically as needed.
- Agronomists advise on soil testing frequency, focusing on strategic testing for crop requirements until lime and gypsum applications take effect.
- The soil testing program covers all paddocks over four years, testing prior to fallow/legumes to inform the amelioration program and use variable rates. The highest represented soil type in each block is sampled.
- Soil test results, yield profit models, and crop rotations inform fertiliser budgets, which are developed with agronomists from October and managed in AgWorld.
- Agronomists visit fortnightly for spray recommendations and nutrient program adjustments.
- Jobs are created based on agronomist recommendations in AgWorld and regularly reconciled.
- Communicate with agronomists via WhatsApp group, the agronomist will visit farm office at end of visits and/or someone will drive around with them.
- Leaf testing is done for underperforming crops or issues.
- The blueberry fertiliser program is developed by horticulturalists and adjusted by internal agronomist based on crop needs, with applications adjusted via fertigation or granular methods.
- pH and electrical conductivity of pot substrate is tested daily, with monthly leaf testing.
- Leaf testing is completed monthly.
- Crop residues are retained on broadacre farms, with inter-rows grassed and prunings mulched in blueberry tunnels.

Result: In Conformance

Objective 2: Soil Health and Conservation (Continued)

2.2 Soil Conservation

Conformance Evidence

- Precision Ag Strategy
- Amelioration records
- Interviews and practice observations
- Drainage upgrade plans

Auditor Notes

- Flown radiometric mapping has been completed for the broadacre properties.
- Ameliorate program includes the application of lime and/or gypsum depending on the soil type and limitation.
- Lime and gypsum are applied at a variable rate depending on soil requirements.
- Lime and gypsum are applied during fallow period, with lime and gypsum either directly applied or deep ripped or ploughed depending on the severity of the soil and efficiency in which need the ameliorate to act.
- No deep ripping occurs past the end of July, to allow for groundcover to establish prior to summer to prevent erosion.
- Some areas on properties have issues with salt encroachment from waterways, which is a common issue in the region. Usually, the salt lakes would contain the salt, however encroachment has occurred in some areas.
- Management is considering deep trenching drainage or planting salt bushes to help resolve encroachment from waterways. Drainage has been effective where used previously.
- Some paddocks require rock picking, particularly where deep ripping has occurred.
- There are a couple of sand blow areas due to historical use, which are being considered for claying, as even with wetting agents during planting, do not produce crops.

Result: In Conformance

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Objective 3: Water Resources

3.1 Water Use

Conformance Evidence

- Soil moisture probe records
- Weather station records
- Bore water licenses
- Telemetry upgrades
- Water invoices
- Water usage: spraying

Auditor Notes

- No irrigation occurs on broadacre farms.
- Groundwater bores provide water sources for blueberry production.
- Bores are licenced and usage is monitored continuously.
- Water usage information is reported to Warakirri monthly.
- Water budgets developed based on crop water requirements and seasonal conditions.
- Water budgets are then edited daily based on weather conditions (weather station on farm).

Result: In Conformance

Objective 3: Water Resources (Continued)

3.2 Water Quality

Conformance Evidence

- Groundwater monitoring analysis
- Agronomist recommendations
- Weather station records

Auditor Notes

- No permanent water resources on broadacre farms, ephemeral waterways usually only flow in significant rain events.
- One block has a salt system that flows through, irrigation is not sourced from the system
- Buffers implemented between spraying activities and neighbouring properties, particularly where water sources are located. Buffers will change depending on wind and weather conditions.
- All recommendations for applications are provided by agronomists.
- Only spray as needed based on pest and disease pressure, rather than on a set schedule.
- Spraying is completed internally, with contractors used on occasion.
- Weather stations located on farm and handheld weather stations available for use with spray rigs.
- All employees are ChemCert accredited, and certificates are stored in Lucidity.
- If contractors are spraying, they will be provided with farm maps and inducted.
- Spray logs record weather conditions in addition to spray records.
- Information from spray logs is inputted into AgWorld.
- For the irrigation of the blueberries, the water quality of the bore water is tested twice a year and water is testing entering and leaving the pots daily.
- Water quality informs FreshCare obligations
- Lessee annual report reviews water quality and considers nutrient and electrical conductivity changes over time as well as water licencing.
- Soil moisture probes are in pots strategically over farm.
- Spraying in tunnels is completed overnight to protect employees and bees when on farm.

Result: In Conformance

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Objective 4: Crop Protection

4.1 Integrated Pest Management

Conformance Evidence

- Pest monitoring records
- NDVI imagery
- Integrated Pest Management (IPM) Plan
- Agronomist recommendations
- Chemical application records
- Spray Rig Safe Work Procedure (SWP)
- Firearm permits
- Site photos (chemical storage)
- Monitoring invoices
- Employee training records
- Vertebrae control permits
- Records of Vivus use
- Spray logs
- Contractor spraying induction
- SDS Access - Agworld

Auditor Notes

- Biosecurity practices follow standard come clean, leave clean. Communicated to agronomists and contractors through inductions.
- Inductions must be completed every twelve months, and contractors/agronomists communicate when they are coming on farm.
- Washdown bays are on farm for contractors/agronomists if required.
- On one farm, external vehicles are left at the office and only drive farm vehicles around farm, staying on marked roads where possible.
- Operators have started using drones as an additional tool to inspect crops to reduce the number of passes over paddocks.
- Lessees require interstate employees to carry different boots for WA farms.
- Everyone is required to sign in and have contractor agreements that cover biosecurity requirements.
- Operators limit movement of employees and/or equipment if there is a breakout of diseases (e.g., blueberry rust) in region.
- On the broadacre farms, pest scouting is completed on a continuous basis by employees (particularly senior staff), as well as agronomists on a regular basis. An independent scouter is also available on one farm as needed.
- NDVI imagery is used to monitor crop health, soil moisture and disease or pest outbreaks.
- On the blueberry farm, an internal scouter monitors the tunnels daily, provides a daily report and looks at trends over time.
- On broadacre farms, crop rotations are used as a large part of the weed and disease control program.
- Rye grass can be a particular issue to control, especially where a property has been recently purchased.

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Objective 4: Crop Protection (Continued)

4.1 Integrated Pest Management (Continued)

Auditor Notes (Continued)

- Long fallows and knock down sprays usually bring the high rye grass load under control over time.
- Spray plans are developed with agronomists based on expected pest or disease load and tweaked throughout season as needed.
- In season changes are generally small based on weed load, and insects that appear, as insecticide sprays are based on thresholds.
- Weedits (camera sprayers) are used for fallow periods where sporadic weed control is required.
- Additionally, one farm uses a weed wiper (spray blanket), that can be used to control radish in the lupins without spraying everything (i.e., broadleaf on broadleaf).
- Bait for mice in high pressure years. Provide declaration when purchasing for government records.
- All spray applications and baiting recorded in AgWorld.
- Licenced shooters are used to control kangaroos periodically.
- In the blueberries, the spray program is based off thresholds for pest and disease.
- Bait around infrastructure for mice.
- Selective chemicals used wherever possible, with particular focus put on fostering beneficials, on both broadacre and blueberry farms.
- Warakirri sustainability reporting identifies cost of chemical that are beneficial friendly compared to the cost of broad-spectrum chemicals.
- The lessee is establishing garden beds for plants suitable to support beneficials.

Result: In Conformance

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Objective 4: Crop Protection (Continued)

4.2 Crop Protectant Management

Conformance Evidence

- Contractor spraying accreditation
- Aerial spraying
- Safety & Quality Assurance
- SWPs Aerial
- Site specific induction
- Application records
- Agronomist recommendations
- End of Month checklists
- Season Plan: reports
- Spray logs
- Hazardous Material Standards
- Minimum Standards Chemical Batching Units
- Chemical Storage Specifications

Auditor Notes

- Use Exact Apply on booms (pulse with modulation) which will change depending on movement (i.e., inside will slow down when turning corner).
- Spraying is completed internally, with contractors used on occasion.
- Have camera sprayer spray rig and trailing sonic boom that can be used for sport spraying in broadacre.
- Employees are all ChemCert accredited, and contractors are required to provide all accreditations and insurances and are inducted on farm.
- A chemical batching system is used which can rinse drums back into spray rigs. Are looking to invest in a nurse truck to batch chemicals and deliver to rigs in paddock.
- One farm has upgraded the chemical storage since Warakirri purchased the property, with concrete floors bunded to a sump for all liquids, and a separate area for dry material.
- Chemical storages are audited during the six-monthly safety audits.
- SDS's are stored on AgWorld, and hard copies are available in the shed, office, and spray rigs. Farm admins are responsible for ensuring they are up to date.
- On one property, one of the chemical storages has recently been upgraded, while the other needs upgrading.
- Use remote weather stations/rain gauges, hand-held wind monitors and the BOM app to inform applications.
- Operators will spray quadrants based on wind conditions and forecast to ensure sufficient buffers are maintained.
- Have toolbox talks to reiterate procedures for spraying near boundaries etc. as required.

Result: In Conformance, Opportunity for Improvement (See Key Findings)

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Objective 5: Energy Use, Air Quality, and Climate Change

5.1 Agricultural Energy Use and Conservation

Conformance Evidence

- Fuel usage records
- Solar installations and capex proposals
- WC emission reduction
- Efficient machine use
- Electricity register: electricity usage
- Electricity invoice
- Machine service records

Auditor Notes

- Farm admins process electricity invoices.
- Looking to add in tracking of kilowatts to feed into a dashboard that will have all farms listed.
- Track diesel usage on per machine basis, with a fob or QR code for each machine that accesses the self-bunded fuel tanks.
- Some farms track usage in spreadsheet.
- One limitation is the ability to track diesel usage when it is carted in the fuel trailer to the paddocks and machines filled up there.
- Opportunity exists to do more with the fuel usage and energy data.
- Harvesting equipment serviced prior to harvest season. All other equipment serviced based on hours.
- Harvester usage is tracked through the John Deere Operations Center so that this information can be used in the budget planning process.
- The lessees try and reduce energy usage where possible, including installing signage around the break rooms, ensuring everything is switched off at night, turning off the packing shed for the months it is not required rather than leaving it running, and changing cleaning practices.
- Bores use low power (low flow rates) and gravity is used to convey water where possible.
- Solar has been installed on the packing shed roof.
- Warakirri are considering solar for broadacre farms, but at the time it was initially considered it was cost prohibitive.
- It is a consideration for the future.

Result: In Conformance, Opportunity for Improvement (See Key Findings)

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Objective 5: Energy Use, Air Quality, and Climate Change (Continued)

5.2 Air Quality

Conformance Evidence

- Machine service records
- Capital expenditure proposals
- Crop rotation records
- Ad Blue

Auditor Notes

- Consider emissions in CAPEX proposals, but main priorities are serviceability and accessibility.
- Running trials on farm with a different type of urea to reduce rates required.
- Have invested in new seeders that applies UAN below the ground, which reduces loss to the atmosphere. This can also apply UAN at a variable rate to reduce nitrogen requirements.
- Utilise traffic management plans during harvest to reduce traffic movements.
- Speed limits implemented on farm.
- Staff are instructed to not drive in dust and stop work if dust poses a safety risk.
- Soil improvement program has reduced dust.
- Bring nurse truck out to paddocks to avoid extra trips back to fill points.
- Employees must be signed off as competent against Warakirri's SWPs by senior staff members prior to operating alone.
- CAPEX proposals ask for emission rates.
- Variable rate used for fertiliser and ameliorate program where possible.
- Lessees trialed electric ATV's, use low emission technology as much as possible and reduce passes etc.

Result: In Conformance

5.3 Climate-Smart Agriculture

Conformance Evidence

- WAM Climate Change statement
- WC Net Zero Strategies
- Climate Change Risk & Opportunity Matrix
- Climate risk and GHG Management report
- Climate Acquisition modelling
- WC Environmental plantings strategy
- Crop rotations
- Variety Trials on Farm
- Climate Outlook – Business Update
- Variable rate fertiliser application
- Emergency response plans/Fire safety

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Objective 5: Energy Use, Air Quality, and Climate Change (Continued)

5.3 Climate-Smart Agriculture (Continued)

Auditor Notes (Continued)

- Harvesting equipment serviced prior to harvest season. All other equipment serviced based on hours.
- Harvester usage is tracked through the John Deere Operations Center so that this information can be used in the budget planning process.
- CAPEX proposals consider emission rates of new machinery; however, serviceability and accessibility are still priorities given remote farm locations.
- GHG assessments have been completed for WAM and will be outlined in the sustainability report.
- Will include a GHG supplement in addition to assessment this year, in preparation for mandatory reporting.
- Have been working on a carbon project for 2-3 years, which received funding for, and can be allocated carbon credits.
- Phase one of the project included nearly 100ha of plantings, phase two will include just over 100ha.
- This is also considered a biodiversity project (based on developing credits similar to carbon credits).
- The project is a pilot for Warakirri, to test the strategy for net zero towards 2050.
- Learnings from phase one of the project are being compiled to inform phase two of the project.
- Climate adjusted risk returns are modelled based on deciles (rainfall)
- Large scale climate assessments are completed during due diligence.
- Warakirri have developed a climate change action plan, however it requires updating with new mandatory reporting.
- Crop rotation plans have been developed based on modelled changes to climate and rainfall (on soil type basis), including aspects such as frost risk.
- Based on this climate modelling, hay has been added to the rotation to replace canola or more frost susceptible crops.
- Ensure keeping on top of new varieties that may be more suitable or adaptable to conditions.
- Seen incremental changes to timing of rainfall events and seasonality, with an increase in more intense summer storms.
- In blueberry tunnels, have seen temperatures trending warmer, which increases the need to vent more plastic, have been looking at heat reflective plastic, heat mats, and using shade cloth to manage temperatures.
- Water usage has also increased with the warmer temperatures.
- Can alternate the tunnel covers between white and black net depending on conditions.
- Have emergency management and evacuation plans.
- Stubble is retained to increase water holding capacity of soils to improve resilience to dry periods.
- Crop insurance for broadacre is cost prohibitive, but it is in place for blueberries.
- First-aid officers are on all farms.

Result: In Conformance, Notable Practice (See Key Findings)

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Objective 6: Waste and Material Management

6.1 Management of Waste and Other Materials

Conformance Evidence

- SWPs for chemical, fuel, oil management and spill management
- Fuel storage bunding requirements
- Waste disposal records
- ChemCert training records
- Bulk purchase invoices
- Waste Disposal Document: Oil or Drum Muster SDS

Auditor Notes

- Historical waste is assessed during due diligence and require previous owners to dispose of waste as much as possible prior to settlement.
- Limited waste disposal options in region, general waste from houses is taken into town for disposal.
- No recycling options are available at the closest town, with some options available at the next town over.
- Skip bins are on farm for general waste where pick up is available at one farm.
- Tunnel plastic for the blueberries cannot be recycled at this time. Plastic waste is disposed of as responsibly as possible.
- Scrap metal can be recycled once it has been stockpiled to a sufficient quantity for pickup.
- Cardboard is stockpiled for recycling.
- Old pots from the blueberries are taken back and recycled as part of the procurement policy.
- Repair rather than replace tunnel nets.
- Buy chemical and fertiliser in bulk where possible to reduce waste from containers.
- Suppliers will take shuttles and enviro drums.
- Any small drums are stored in a cage prior to being taken to DrumMuster.
- Waste oil stored in a shuttle which is collected approximately every six months.
- Old asbestos from historical house fencing was taken off farm by licenced contractor.
- Any old or unneeded chemical is returned through an annual chemical collection program; however, this is minimal.

Result: In Conformance

WARAKIRRI ASSET MANAGEMENT

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Objective 6: Waste and Material Management (Continued)

6.2 Food and Agricultural Waste Resource Recovery

Conformance Evidence

- Machine service history and service agreements
- Harvest planning
- Harvest review: Toolbox
- Pre-Harvest Crop Inspection
- SWP

Auditor Notes

- On broadacre farms there are multiple trucks and mother bins operating at any time during harvest.
- There are SWPs in place for all machinery and machinery is serviced prior to harvest.
- Harvesters have Bushel tees that measure waste grain and can then change the settings in the header if seeing too much waste.
- Silos are fumigated prior to storing grain for seed. No other grain is stored on farm.
- Stubble is retained after harvesting of crops.
- Warakirri have completed a review of waste collection across the portfolio recently to record baseline collection availability. Management will be developing guidelines based on these findings.
- In the blueberries, there is a runner behind the crews that monitors waste blueberries from pickers. Any waste from picking breaks down in inter-rows.
- Seconds from packing shed are passed on to food services, and any other waste is minimal and includes providing to local pig producers or the like.
- Prunings are incorporated into the inter-rows of the blueberry tunnels and old plants are used in the soil improvement program.

Result: In Conformance

WARAKIRRI ASSET MANAGEMENT

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Objective 7: Conservation of Biodiversity

7.1 Species Protection

Conformance Evidence

- Biodiversity Assessment Vegetation Plan
- Biodiversity Management Plans: Staff training/education
- Biodiversity registers

Auditor Notes

- Threatened and endangered species assessments completed with protected matter search tool which gives the records in excel and pdf form.
- The list of species will be put into a portfolio register that will be added to over time.
- This will be communicated through toolbox talks and signage/ lists will be provided of present species.
- The communication of this information is still a work in progress, and management or implementation plans are still to be developed, where applicable.

Result: In Conformance, Opportunity for Improvement (See Key Findings)

7.2 Wildlife Habitat Conservation

Conformance Evidence

- On-site ecological assessment scope
- Biodiversity Management Plans: Staff training/education
- No-till practices

Auditor Notes

- Habitat for threatened species and threatened ecological communities included in assessment on Protected Matters Search Tool. No threatened communities are located on any farms visited.
- Buffers are used to protect vegetation from spray applications.
- There is a salt lake on one property that supports myriad bird life and kangaroos.
- Production areas are set back from habitat, no action taken against wildlife outside of production areas.

Result: In Conformance, Opportunity for Improvement (See Key Findings)

WARAKIRRI ASSET MANAGEMENT

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Objective 7: Conservation of Biodiversity (Continued)

7.3 Avoided Conversion

Conformance Evidence

- Deforestation reports
- Deforestation Policy Draft
- Deforestation Statement Draft
- Cover cropping
- Clearing permits

Auditor Notes

- Some clearing of strategic treelines for paddock efficiency has occurred in the past, in line with legal approvals and Warakirri's drafted deforestation policy.
- Deforestation policy is in draft form.
- The Warakirri Cropping annual sustainability report will include a zero-deforestation statement, which is already a Warakirri commitment to investors.
- WAM will cover the overarching policy, with the strategies at a platform level to include further detail on how this will be addressed.

Result: In Conformance

7.4 Crop Diversity

Conformance Evidence

- Crop rotation records/plans
- Paddock records
- Communication: re sowing plans

Auditor Notes

- Operators use roundup ready canola due to having rye grass that has required control, hence will increase amount of canola grown for a couple of years to enable control of the rye grass.
- Operators use acid tolerant barley varieties in soils with a low pH.
- Multiple varieties of the same crop type are planted to support genetic diversity.

Result: In Conformance

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Objective 8: Protection of Special Sites

8.1 Site Protection

Conformance Evidence

- Special site register
- Map of special sites
- Special Site Management (Management Plans)
- Due diligence reports
- Ecological Scope

Auditor Notes

- Due diligence includes assessments for sites of cultural significance.
- A site is close to the blueberry (catchment identified) in legal DD.
- Part of the property falls within a brook catchment area which has cultural significance, however there are no requirements to change management or report.
- Register of special sites now developed for internal use that outlines management requirement.

Result: In Conformance

Objective 9: Local Communities

9.1 Economic Wellbeing

Conformance Evidence

- Job advertisements
- Agriculture graduate program

Auditor Notes

- Farm admin responsible for payment of invoices and expenses.
- Procurement occurs from local community unless operators must order something from Perth.

Result: In Conformance

Objective 9: Local Communities (Continued)

9.2 Community Relations

Conformance Evidence

- Local sponsorship records
- Capturing Community Engagement
- Career fair photos and documentation

Auditor Notes

- Cropping farms sponsor local sports clubs.
- Host field days for local farmer or industry groups.
- Give community initiatives resources such as chemical, tanks or personnel time.
- Most farm employees are members of the local fire brigade.
- Community support through hours or resources contributed are now recorded in Deputy system.
- For lease arrangements, during DD procedures, look at tenant intent and suitability, stewardship of local area.
- Lots will have own plans for local engagement.

Result: In Conformance

9.3 Local Communities and Indigenous Peoples

Conformance Evidence

- Communication: RE field days, support of local events
- Social Responsibility Policy
- NAIDOC week initiatives
- PPG Presentations
- Local Community and Indigenous Peoples Policy or Statement of Intent

Auditor Notes

- Statement of Intent with local Indigenous communities.
- Consider opportunities that align with communities but avoid performative displays.
- Operators are involved in local communities in general.
- All those arriving on farm are inducted and provided with a booklet with emergency numbers and maps etc.
- Signage is on farm entrances.
- Warakirri have a complaint register and complaints reporting procedure.
- No complaints registered at this time.

Result: In Conformance

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Objective 9: Local Communities (Continued)

9.4 Public Health

Conformance Evidence

- Sowing Operation SOW
- Spraying weather records
- Incident Risk Assessment
- Chemical application records
- Health, Safety, and Environment (HSE) Standards
- SDS
- Contractor Inductions
- Chemical use certificates

Auditor Notes

- For incident management, the organisation has hierarchy where the farm manager will call the general manager, and the general manager will set up WhatsApp group for incident management.
- Off farm personnel then manage the incident level and determine notification requirements. If required, the farm manager is responsible for family notification if hospitalisation occurs.
- Lucidity program is used to track hazards, near misses etc. Hazards include actions that are required to be completed and closed out by farm to eliminate or reduce the hazard level if possible.
- Consider weather conditions and surrounding amenities including neighbouring crops or houses when spraying.
- Spraying all completed by ChemCert accredited employees or contractors.
- Weather stations and rain gauges are located on farm.

Result: In Conformance

Objective 10: Employees and Farm Labor

10.1 Safe and Respectful Working Environment

Conformance Evidence

- WAM HSE Policy
- WAM Diversity in Agriculture Pledge
- Diversity and Inclusion Policy
- Cultural Survey
- Whistle Blower Policy
- Fitness for Work Standard
- HSE Meeting
- HR Team Plans
- People and Culture Strategy
- HR Implementation Plan
- Agenda Toolbox Talks
- Unacceptable Behaviour Policy
- Manager Recruitment (LOB & YOO)
- Emergency contacts
- Sexual Harassment: Farm posters
- Discrimination and Harassment Action Plan

Auditor Notes

- Warakirri ensures equitable hiring by maintaining a 50/50 gender balance on interview panels and having a dedicated person review adverts to remove any language biases.
- Management attends university career days and conferences or events with similar hiring goals and tracks progression (turnover and gender) to highlight opportunities to improve.
- Warakirri has an eight-month Women's Development Program with action-based modules. Women in this program get to work with senior members of the business they would not necessarily work with in their day-to-day role.
- The business offers twelve weeks paid parental leave on top of the standard government offer, and employees do not have to be the primary care parent to claim this benefit. Warakirri makes super contributions for the leave period (up to twelve months) once the employee returns to work.
- All employees must undergo unconscious bias and respectful work training.
- Warakirri uses a third-party compliance platform to share unacceptable behaviours during inductions and maintain training records.

Result: In Conformance

Objective 10: Employees and Farm Labor (Continued)

10.2 Occupational Training

Conformance Evidence

- Training matrix
- Skills matrix
- Risk Matrix safe work procedures
- Site-specific induction
- First Aid Certificates
- Incident Report
- Audit Schedule
- Audit reports
- Induction booklets

Auditor Notes

- Training matrix outlines training program requirements for employees.
- Contractors have their own SWPs and Standard Operating Procedures (SOPs) that must be provided to Warakirri prior to work commencement. If SWPs are not in place, Warakirri SWPs must be followed.
- Warakirri uses a contractor management system to manage contractor documents. The HSE manager oversees the database and farm administrators responsible for ensuring documentation is uploaded by contractors.

Result: In Conformance

10.3 Supporting Capacity for Sustainability

Conformance Evidence

- Leading Harvest Commitment
- Performance review process
- Leading Harvest involvement
- Staff appointments
- Training records
- Job descriptions

Auditor Notes

- Warakirri is working towards a more centralised approach to enable tracking of document expiries of documents and other necessary sustainability reporting data. Currently these efforts take place at an operations level, and compliance obligations are reported quarterly.
- Warakirri has a Compliance Committee to support LH conformance efforts. Previous findings are reported to farms as Warakirri management travelled to farms to provide sustainability updates, and briefing sessions are held regularly to communicate updates to staff.
- All staff included in training sessions for Leading Harvest. Records of training sessions have been retained.

Result: In Conformance

WARAKIRRI ASSET MANAGEMENT

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Objective 10: Employees and Farm Labor (Continued)

10.4 Compensation

Conformance Evidence

- Modern Slavery Statement
- Remuneration Guideline

Auditor Notes

- Warakirri’s Remuneration Guideline outlines its philosophy of providing pay and compensation sufficient to recruit and retain high quality and committed professional employees.
- Warakirri’s Modern Slavery Statement states its commitment to comply with labour rights standards, legislation, and statutory requirements. The Statement shares risk assessments and addresses actions taken to address modern slavery risks in its operations and supply chain, including established employment agreements for all employees, ensuring all remuneration is paid appropriately, meeting or exceeding minimum award classifications, accrued time off in lieu (TOIL), and providing support for families living and working in remote locations who may have limited access to daycare or providing family support allowances.

Result: In Conformance

10.5 Farm Labor

Conformance Evidence

- Contractor induction
- Harvest contractor induction
- SWP signed
- Public Liability Insurance
- Site-specific induction
- Harvest review

Auditor Notes

- Farm labour hire is not used on any direct managed farms.
- Warakirri has established requirements for all contractors including completing an induction to share and confirm SWPs and ERPs relevant to their function.

Result: In Conformance

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Objective 11: Legal and Regulatory Compliance

11.1 Legal Compliance

Conformance Evidence

- SDS access SOP
- Personal Investment Quarterly Checklist
- Peakon Survey reminder
- Farm Signage Requirements
- Farm info booklet

Auditor Notes

- Farm related licences are stored on farm and managed by farm admins who ensure licences are renewed prior to expiration.
- Sites selected are moving some farm administrators to a new, centralized risk system that facilitates annual licence reporting requirements.
- Warakirri uses databases for OHS and alerts, with national updates provided weekly and reviewed annually.
- Management subscribes to State updates for authority notifications.
- PSP sends updates to workers' compensation.
- Green Square Consulting helps build the system and conducts an annual legal review of the safety management system.
- SOPs are regularly updated to ensure procedures are as relevant as possible. Master copies are stored online and can be downloaded by users. Updates are communicated through safety committee.
- Farm staff are required to review updated SOPs annually to ensure any changes are captured, communicated, and support safe operations on sites.

Result: In Conformance

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Objective 11: Legal and Regulatory Compliance (Continued)

11.2 Legal Compliance Policies

Conformance Evidence

- Code of Ethics and Conduct
- Compliance Reporting Policy
- Fraud Control Policy
- Annual policy survey reminder
- Farm welcome booklets: Employee Handbook

Auditor Notes

- Warakirri has a Compliance Reporting Policy and Code of Ethics and Conduct to support legal compliance throughout the organization.
- Australian law is in alignment with International Labor Organization (ILO) conventions.
- Warakirri has a legal compliance team and works with a third-party legal compliance team to review lease agreements for legal compliance. Two new acquisitions took place this year and completed this process.

Result: In Conformance

Objective 12: Management Review and Continual Improvement

12.1 Farm Review and Continual Improvement

Conformance Evidence

- Annual Review process
- On-farm trial records
- Ag conference records
- Sustainability Scorecards
- Capital expenditure projects
- MAW Post-Harvest Toolbox
- Soil test records
- Precision ag summaries
- Performance Review records

Auditor Notes

- Managers have a performance plan including goals with dates and learning and development objectives. Machine operators will now be using paper-based reviews rather than electronic to better facilitate the review process.
- Monthly reports include LH standard metrics and are submitted to management and the board. Reports are being redesigned to include other business units to verify data and include more reference points to share more pointed information. Reports are being built with Power BI to improve communication.
- Warakirri is developing a sustainability dashboard to present sustainability data, including emissions, fuel consumption, and water usage. The dashboard will be able to access forms and enter data from trials that will be made available to the Research and Development (R&D) Committee.
- Warakirri's R&D Committee is built on sustainability, innovation, and productivity as key pillars to guide decision making. They are tasked to keep up to date with available technology such as camera spraying and improved robotics.

Result: In Conformance

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Objective 12: Management Review and Continual Improvement (Continued)

12.2 Support for Sustainable Agriculture

Conformance Evidence

- Precision ag and trials
- On-farm trial records
- Research to address agricultural productivity
- Global presentations
- Field days

Auditor Notes

- Farms participate in trials in various regions and are offered to research partners to trial innovative technologies. Lessees are allowed to decide which trials they would like to engage in.
- There are two farms participating in a trial to compare water availability with yield data and mapping soil types to improve efficiency.
- Sites selected are participating in nitrogen stabilizer trials and trials to support GHG emissions reductions during fertiliser applications.

Result: In Conformance

WARAKIRRI ASSET MANAGEMENT

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Objective 13: Tenant-Operated Operations

13.1 Leased-Land Management

Conformance Evidence

- Lease agreements
- Lease review cycles
- Lessee interviews

Auditor Notes

- Warakirri is developing questionnaires that will be leveraged every three or six months that align with lease requirements and LH aspects.
- New leases will have a more robust due diligence process and updated lease language to require operators to use best management practices (BMPs).
- Lessees have strong public reporting processes that underline the company's commitment to safety and legal compliance.

Result: In Conformance

13.2 Leased-Land Monitoring

Conformance Evidence

- Lessee review cycles
- Lessee reporting records
- Capital expenditure reports
- Lease agreements

Auditor Notes

- Warakirri has drafted guidelines to assist with on-farm management and outline processes and items to check during inspections. The guidelines formalise current practices.
- Warakirri's new sustainability management platform will facilitate compliance and lease monitoring.
- Asset Managers engage with lessees regularly to discuss any concerns, leases, or capital expenditure projects and fulfill inspection requirements.

Result: In Conformance

WARAKIRRI ASSET MANAGEMENT

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CONCLUSIONS

Results of the audit indicate that Warakirri has implemented a management system that continues to meet the requirements of, and is in conformance with the LH AUS FMS. Warakirri's enrolled acreage is recommended for continued certification to the Leading Harvest Australia Farmland Management Standard 2023.

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WARAKIRRI ASSET MANAGEMENT

LH AUS FMS AUDIT SUMMARY REPORT

19 August 2024

Summary of Audit Findings		
Program User	Warakirri Asset Management	
Audit Dates	11/07/2024 – 19/08/2024	
Non-Conformances Raised (NCR):	Major	Minor
	0	0
Follow-Up Visit Needed? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Date(s)	19/08/2024	
Follow-Up Visit Remarks		
N/A		
Team Leader Recommendations		
Corrective Action Plan(s) Accepted Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	19/08/2024	
Proceed to/Continue Certification Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	10/09/2024	
All NCR Closed Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	10/09/2024	
Standard(s) Audited Against		
Leading Harvest Australia Farmland Management Standard 2023 (Objectives 1 through 13)		
Audit Team Leader	Audit Team Members	
Matt Armstrong	Matt Armstrong, Sarah Barrett, Jemma Lawrence, Linnea Abel	
Scope of Audit		
Management of production farmland on direct and tenant operated properties.		
Accreditations	Approval by Leading Harvest to provide certification audits	
Number of Certificates	1	
Certificate Number	AVERUM-LHFMS-2023-0009	
Proposed Date for Next Audit Event	May/June 2025	
Audit Report Distribution	Nikki Jordan, Jess Sleigh, Steve Jarrott, Lachlan Higgins	