



# Final report

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## Pardoo Beef Building a Sustainable Wagyu Operation

Project code: P.PSH.1349  
Prepared by: Linley Houwen, Grant Gilmour  
Beanstalk Agtech  
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## *Abstract*

*Given the increasing global consumer, regulatory and industry awareness of sustainable practices Pardoo has embarked on this project to set a clear sustainability strategy and roadmap for the future. The key objective of this project is to progress Pardoo's mission to measure and manage a sustainable system that supports and develops their people and their land.*

*To ensure a holistic and consistent approach to developing Pardoo's sustainability strategy Pardoo used a multi-lens strategic framework centred around MLA's Beef Sustainability Framework. This includes examining Pardoo's strengths and weaknesses, what Pardoo is already doing in terms of sustainability, the new opportunities available to Pardoo, and the current and future market requirements from Pardoo's key stakeholders (e.g., consumers, financiers, industry bodies, regulators etc).*

*The outcomes of this project were a Sustainability Strategy to guide Pardoo over the next 1 – 10 years, an understanding of how Pardoo will move up the sustainability investment curve and a roadmap of tactics, clearly defined Unique Selling Propositions for Pardoo to take to market, ~12 sustainability dashboards showing ~15 metrics across Pardoo's three strategic priorities and a carbon baseline for 2020 and 2021 and recommendations to lower carbon emissions.*

*Market research during this project has identified lessons for industry including the importance to link the benefits of sustainable production with a healthier, safer, and tastier product in Asian markets to appeal to consumers.*

## Executive summary

### Background

Given the increasing global consumer, regulatory and industry awareness of sustainable practices Pardoo has embarked on this project to set a clear sustainability strategy and roadmap for the future. The key objective of this project is to progress Pardoo's mission to measure and manage a sustainable system that supports and develops their people and their land.

### Objectives

The key objectives of this project were to:

- Develop Pardoo Wagyu's sustainability strategy, and roadmap of tactics.
- Create Unique Selling Propositions that enable Pardoo to talk about their sustainability journey in a meaningful way in market.
- Complete a carbon baseline for northern operations to understand key drivers of emissions.
- Develop sustainability dashboards to track impact and progress accurately and regularly on Pardoo's sustainability journey.

### Methodology

This project was undertaken across three milestones with the first milestone focused on surfacing Pardoo's top opportunities in the sustainability space and developing Pardoo's sustainability strategy. The second milestone was focused on understanding market drivers and creating unique selling propositions to enable Pardoo to talk in market about their sustainability journey. Finally, the team built proof points to stand behind Pardoo's sustainability strategy and USPs in the form of PowerBI dashboards.

### Results/key findings

Through the process of developing Pardoo's sustainability strategy, conducting customer research and visualising key metrics the team found:

- Market research shows that environment-based initiatives are more important to key external stakeholders. This is largely due to its link back to a clean, green, and pristine operating environment which for consumers can represent safer, tastier, and healthier products and the higher-profile nature of environmental issues such as carbon through increasing public awareness campaigns and international scrutiny
- Pardoo is doing more around sustainability than they speak about in the market. We heard from Pardoo about several market-leading initiatives they were undertaking to pursue a more sustainable production system that could be communicated to their customers and consumers
- The process of completing the carbon baseline highlighted Pardoo's exceptional data capture across historical years in terms of animals and weights and encouraged the team to continue collecting high quality and accurate data

## Benefits to industry

There were many key lessons discovered as part of this project which have applications for the broader industry, the top three being:

- Some producers, like Pardoo, may be doing more around sustainability than they speak about in the market. We heard from Pardoo about several market-leading initiatives they were undertaking to pursue a more sustainable production system that could be communicated to their customers and consumers
- Any sustainability strategy needs to consider business growth plans to ensure success. This means accounting for periods where there will be lower investment and focusing during this time on lower investment but high-value opportunities
- Markets have various levels of maturity when it comes to sustainability and different expectations. Some markets, such as Singapore, put much higher importance on sustainability being part of a brand story. In contrast, interviews have indicated that in markets such as the UAE only a few are asking about sustainability. All interviews however shared a resounding feeling that sustainability is only going to increase in importance, and become a right to play

## Future research and recommendations

To continue Pardoo's journey towards a sustainable production system, we recommend 3 extensions to this project:

1. **Retention strategy** – One of the key opportunities identified for Pardoo was to develop a retention strategy to address common themes across employee engagement and ensure a thriving culture
2. **ESRM report** – Pardoo station's ESRM report provides valuable information on the management of the land, this could extend to Pardoo's northern properties at another stage
3. **Extend dashboards** – Continue to enhance the sustainability dashboards, and build the database supporting them, so they can be public-facing increasing transparency and accountability

In terms of the broader industry, it could be an opportunity for MLA to build an industry-wide Sustainability dashboard so producers, regulators, media, and other key stakeholders can track the industry's progress in a way that is engaging and informative, whilst also creating a benchmark for producers looking to do the same to follow.

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# 1. Background

## 1.1 Pardoo’ sustainability journey

Given the increasing global consumer, regulatory and industry awareness of sustainable practices Pardoo embarked on this project to set a clear sustainability strategy and roadmap for the future. Additionally, Pardoo wanted to complete a more rigorous understanding of their key drivers of emissions and develop dashboards to track impact and progress towards sustainability with the view that these would become public facing to ensure maximum transparency and accountability.

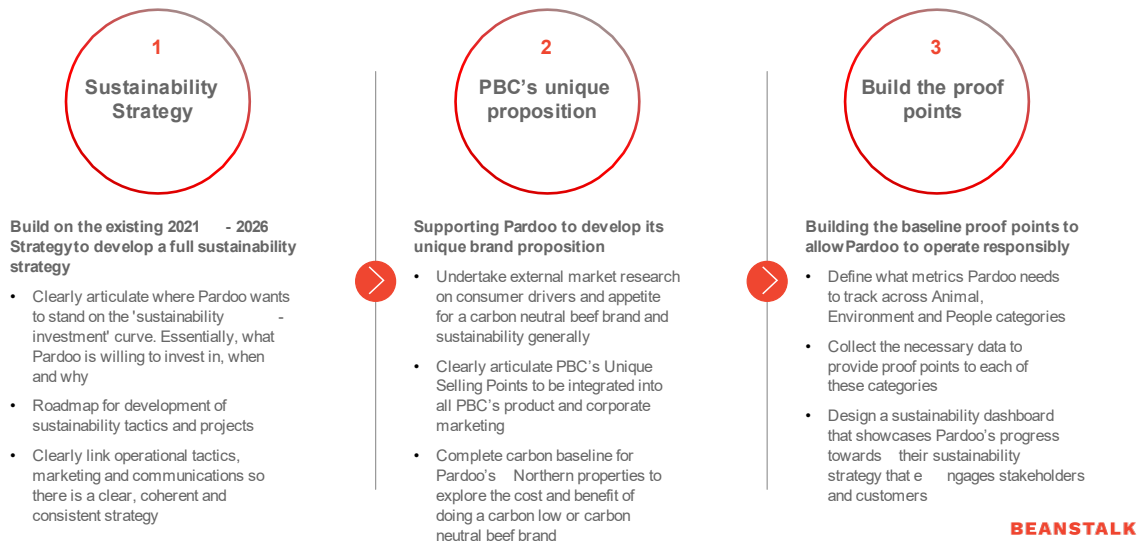
The results of this project will guide Pardoo towards their 2030 sustainability goals and ensure progress can be accurately and regularly tracked.

## 2. Objectives

The key objective of this project is to progress Pardoo’s mission to measure and manage a sustainable system that supports and develops their people, their animals, and their land. This project will deliver three key outcomes, shown in figure 1 and detailed below.

**Figure 1: Summary of detailed deliverables and outcomes**

### Summary of detailed deliverables within each outcome



### 2.1 Develop a sustainability strategy

Given the increasing global consumer, regulatory and industry awareness of sustainable practices, Pardoo Wagyu has undertaken an assessment of sustainability options open to northern/wagyu producers. It has mapped, prioritised, and ranked each of these options, and identified collaboration partners to deliver them.

Building on the 2021-2026 sustainability strategy, Pardoo will understand how to link this with its branding to ensure maximum impact within both its domestic and export markets.

## Build Pardoo’s baseline proof points

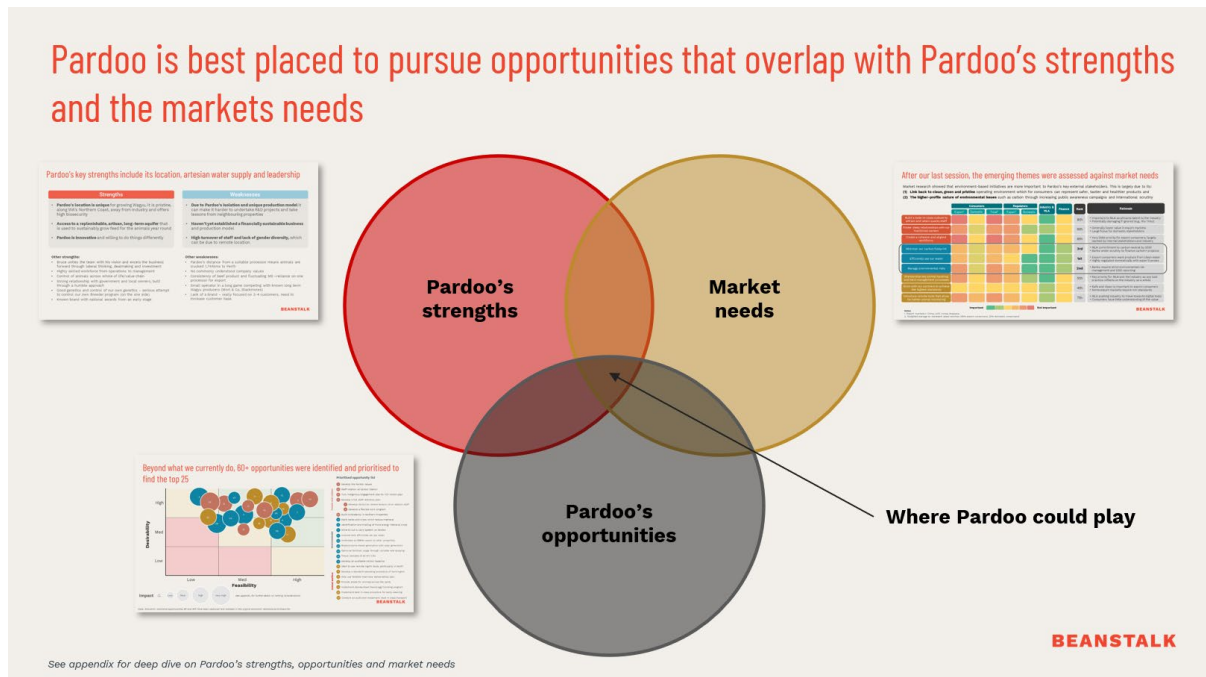
This outcome would cap off the sustainability strategy and link with branding to provide consumer, regulator, and industry proof points of Pardoo’s commitment to sustainable practices. Specifically, this is building a dashboard that will work towards showcasing real-time sustainability data to provide consumers, the public, regulators and export markets with visibility and transparency around Pardoo’s sustainability impact.

### 3. Methodology

#### 3.1 Developing Pardoo’s sustainability strategy

To develop Pardoo’s sustainability strategy the team created a framework that looked at Pardoo’s strengths and weaknesses, what Pardoo is already doing in terms of sustainability, the new opportunities available to Pardoo, and the market needs across Pardoo’s key stakeholders (e.g. consumers, financiers, industry bodies, regulators etc). It is at the intersection of what Pardoo does well, the opportunities Pardoo can pursue, and what the market is asking for where Pardoo should play (Figure 2).

Figure 2: Strategy development methodology



##### 3.1.1 Understanding Pardoo’s strengths and weaknesses

The team ran in-depth interviews with key stakeholders across Pardoo’s board and operations to answer three key questions:

1. What are Pardoo’s unique competitive advantages?

2. What are Pardoo’s unique disadvantages?
3. How can Pardoo leverage its strengths to create opportunities in sustainability?

The team summarised the key strengths and weaknesses of Pardoo today to use as a lens when assessing the opportunities identified. It is important to understand what your business does well, and not so well when assessing the feasibility of future opportunities.

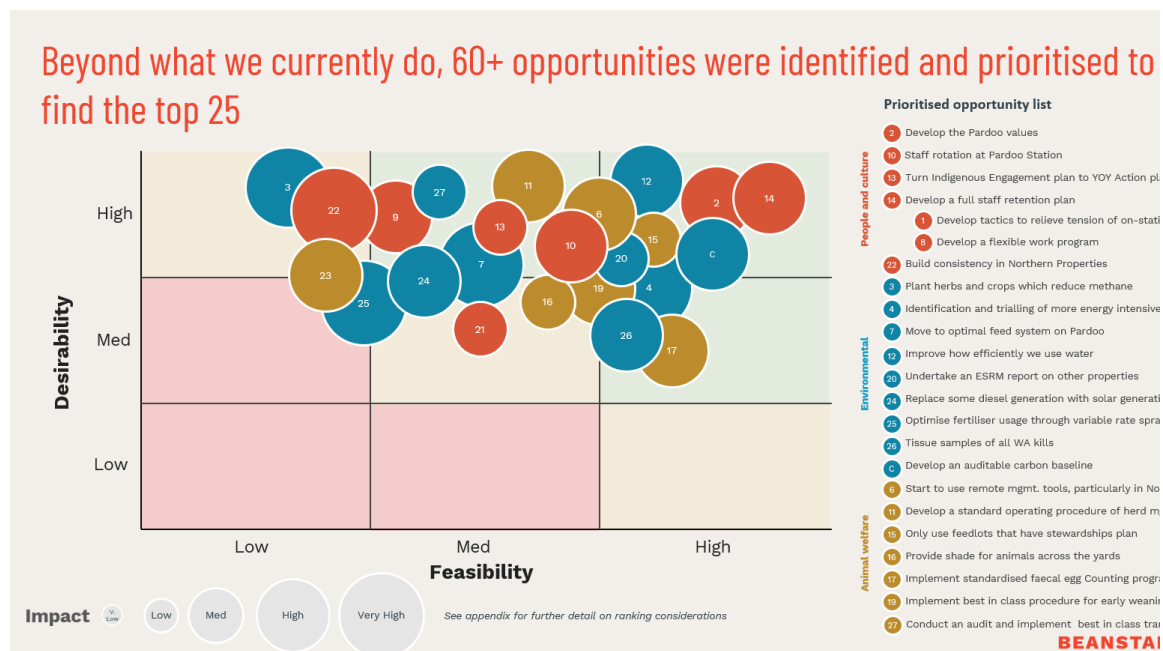
### 3.1.2 Identifying and prioritising opportunities

The third question in the in-depth stakeholder interviews identified what opportunities were available to Pardoo in terms of sustainability. Additionally, the team discovered what Pardoo was already doing in this space. To ensure the team was being mutually exclusive and collectively exhaustive in their approach the team used the MLA Beef Sustainability Framework to guide the discussion. Once the opportunities had been identified, the team went through a rigorous process of assessing their relative:

- Feasibility - How easy is it to do?
- Desirability - How much do key stakeholders want it today and in the future?
- Impact - What impact would it have in terms of sustainability?

Once complete, the team met with key management to run a prioritisation where the leaders of the business could discuss and agree on the relative ranking of the opportunities, as well as identify any gaps in the analysis. The outcome was a prioritised list of opportunities (Figure 4) and emerging strategic priorities.

**Figure 4: Prioritised opportunities**



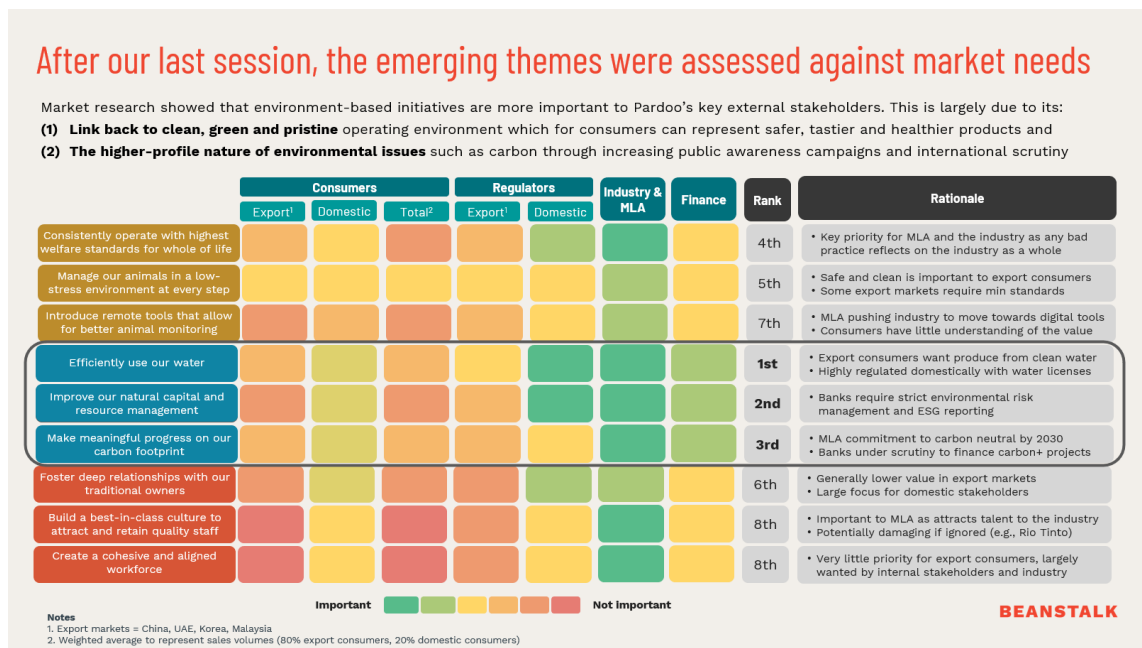


### 3.1.3 Assessing against the market needs

To complete the framework shown in figure 2 the team assessed the emerging strategic priorities against the market needs using desktop research and previous intel gathered through domestic and export market interviews. The team considered all Pardoo’s key stakeholders which include consumers (export and domestic), regulators (export and domestic), industry and MLA.

The outcome of this work was a heatmap showing where the market is focusing, and what part of the market is leading the way (figure 5). In this case, it is industry & MLA, domestic regulators, and financiers.

Figure 5: Market needs heatmap



This work culminated in Pardoo Wagyu’s sustainability strategy and roadmap, shared in section 4.2.

## 3.2 Translating Pardoo’s sustainability strategy into USPs

The next step in translating Pardoo’s sustainability strategy into something Pardoo can talk about in market was developing Unique Selling Propositions that highlight Pardoo’s unique strengths, whilst appealing to customers in their key markets.

The process to develop Pardoo’s USP’s included bringing in existing customer research and speaking with customers in Pardoo’s key markets to understand how important sustainability was to customers and consumers when it came to the purchasing decision.

### 3.2.1 Customer research

Before beginning to develop Pardoo’s USPs the team undertook qualitative customer research to understand key drivers of spending and preferences in market. The team drew on earlier research done where they interviewed over 35 stakeholders across key export markets on sustainability. Key insights from this work are shown in Figure 6, with the overall picture showing varying degrees of

maturity across the market when it comes to sustainability, but a strong feeling of the growing importance for brands of the future to deliver on sustainability requirements.

Research was undertaken and information provided using the MLA report on Harvest Road to better understand consumer preferences (Carbon footprint and reduction options for Harvest Road Group Operations Public Report Project code: P.PSH.1259).

Figure 6: Key insights from initial customer research

### Key insights from interviewing over 35 stakeholders on sustainability



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Note: 15 producers, 14 retailers and distributors and 7 industry bodies and experts were interviewed across Australia, Japan, China, UK and Singapore across beef, seafood, wine and alternative proteins

### 3.2.2 Developing Pardoo’s USPs

From this customer research three areas were identified as important for Pardoo to consider when developing their USPs. Customer research showed that in Asian markets it is important to link the benefits of sustainable production with a healthier, safer, and tastier product (Figure 7).

Figure 7: Summarised customer research

**Consumers are asking for sustainability in the form of healthier, safer and tastier products**

Products produced sustainably in pristine, clean and green environments are often linked to being healthier, safer and tastier products in consumers minds. This is particularly important in Pardoo’s export markets where food safety is a big concern.

Healthier	Safer	Tastier
<p>E.g. <b>IRONGATE</b></p> <p>Irongate link their high animal welfare and pristine environment with a healthier product</p> <p><i>"We set our standards as high as possible when it comes to our animals' welfare. Couple this with the unspoiled environment our herd is raised in, and the result is some of the healthiest and best quality Wagyu beef you will find anywhere"</i></p>	<p>E.g. <b>obe organic</b></p> <p>OBE Organic link their organic beef production with producing a safer product</p> <p><i>"Lean beef, eaten as part of a balanced diet, offers exceptional nutritional benefits to people of all ages and levels of health. We supplied 3,370 tonnes of chemical free, safe, nutritious organic beef to consumers around the world"</i></p>	<p>E.g. <b>CAPE GRIM</b></p> <p>Cape Grim links their pristine environment with higher quality products</p> <p><i>"It's hardly surprising that the British breeds of Cape Grim Beef, lungs full of clean air and bellies busy digesting the superior pastures on offer, have earned themselves a reputation for providing premium - grade beef"</i></p>

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A Unique Selling Proposition was defined as; something that Pardoo does well, something that Pardoo's customers want and is of value to them, something that is unique to Pardoo and something that is assertive, but defensible. This needs to be something that Pardoo can substantiate any claims with proof points.

**Figure 8: Unique Selling Proposition definition**

### What is a unique selling proposition?

**A unique selling proposition is a statement that a business chooses to embody that differentiates your products and your brand from your competitors**

#### What a USP is

- ✓ Something that Pardoo **does well**
- ✓ Something that Pardoo's **customers want** and is of **value to them**
- ✓ Something that is **unique** to Pardoo
- ✓ Assertive, but **defensible**

#### What a USP isn't

- ✗ Something Pardoo's competitors also do well
- ✗ A slogan with no substance

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The team went through a process with key members of Pardoo's Executive Team to identify what aspects of Pardoo's sustainability strategy are unique to Pardoo and can differentiate them in market. This included building out what markets they would appeal to, the key attributes they represented and the relevant proof points that back them up (shared in section 4.3)

### 3.2.3 Validating the USPs with customers in market

After developing the USPs it was important to test these in market with Pardoo's actual customers. The team spoke with three of Pardoo's customers across the key markets of China, Singapore and the UAE to understand how consumers in these markets viewed sustainability. Some key points shared were:

- Quality and price are still the number one drivers of consumer preference, sustainability needs to back up the quality of the product, it alone is not enough to drive spending
- COVID has changed the dynamic in market and put a much larger focus on price, this is expected to change as the daily impact of COVID is reduced
- Consumers like a good brand story and the best way to do this is through imagery and social media
- Having inserts and stickers within packaged cuts which tell this story is important, otherwise a customer (e.g., distributor) needs to go out of their way to find the story, and it can get lost-there is also more visibility when QR codes can take customers to the farm directly
- In Singapore sustainability has become part of the requirement of a premium product, in the UAE only 2 in 100 customers would ask about it, however sentiment is that this will continue to increase every year

### **3.3 Building the proof points**

During the final milestone of this project, the team built sustainability dashboards to track key sustainability metrics over time. As identified in the previous two sections, consumers and customers are placing increasing importance on sustainability outcomes and successful brands need to be able to validate any sustainability claims they make. Additional to this, it was important to Pardoo Wagyu to track their progress against their sustainability strategy to ensure they were driving real change.

#### **3.3.1 Defining the metrics**

To understand which metrics were most important to track, the team reviewed Pardoo's newly developed sustainability strategy to identify the key outcomes Pardoo was trying to drive. Keeping this in mind, the team conducted desktop research to understand within those outcomes the industry standard benchmarks and metrics.

Three key principles guided the development of the metrics:

1. No more than 5 headline metrics per strategic priority (15 in total) to ensure there was breadth, but also depth in the metrics
2. The timeliness of the metric needs to reflect the timeliness of the change
3. Metrics need to have specific goals and be measurable

The team pulled together a list of ~20 metrics for the board to review and choose a top 15 metrics to track, the outcomes of which are shared in section 4.4.

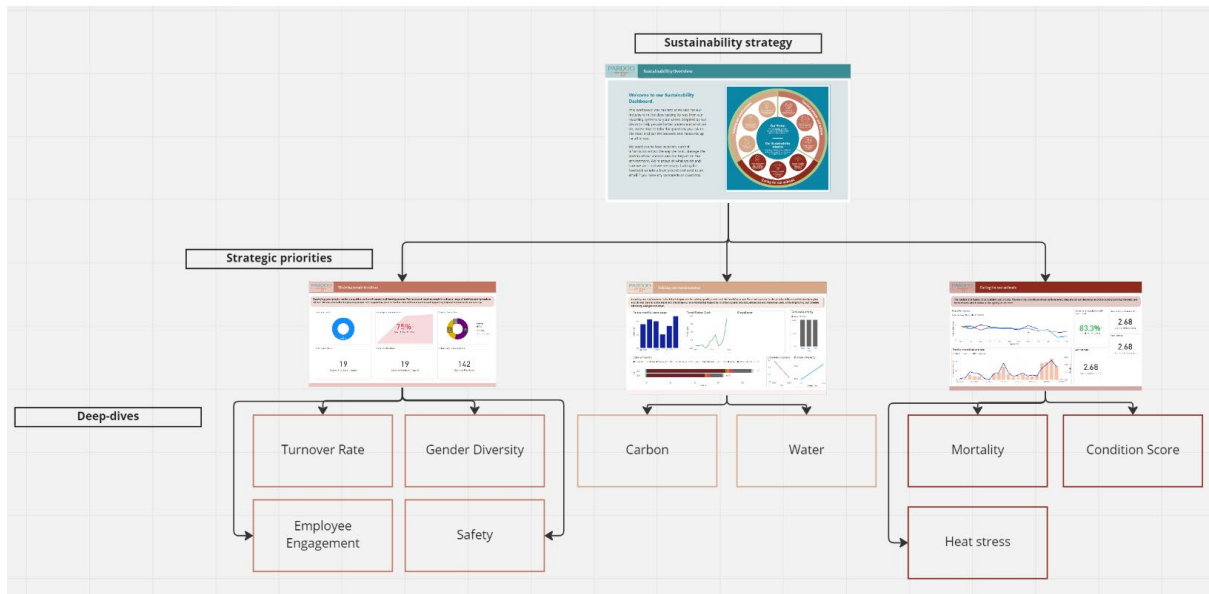
#### **3.3.2 Collecting the data**

After the metrics were chosen, the team went about collecting the past three years data (where available) from across the business to build the metrics. This included sourcing employee, safety, training, carbon, water, and animal data, amongst others.

Where data was unavailable, for example employee engagement, the team created a new process for future data collection (bi-annual employee engagement surveys).

#### **3.3.3 Building the dashboards**

The final step was to create engaging and informative dashboards to share Pardoo's key sustainability metrics and data (see section 4.4). It was important to design the dashboards in a way where they were easy to understand, given the various topics they show, but also provide enough detail to validate Pardoo's strategy and story.

**Figure 9: Pardoo’s sustainability dashboard architecture**

The dashboards are originally intended to be used in-house, but once Pardoo is comfortable with the dashboards and enough data is ingested to show progress, Pardoo can publish these dashboards externally to share with customers, regulators, and the broader industry.

## 4. Results

### 4.1 Overall summary

The outcomes of this project and key deliverables (figure 10) include:

- A Sustainability Strategy to guide Pardoo over the next 1 – 10 years
- An understanding of how Pardoo will move up the sustainability investment curve and a roadmap of tactics
- A refreshed view of Pardoo’s strengths and weaknesses
- Market analysis on sustainability across key stakeholders, including customer interviews
- Clearly defined Unique Selling Propositions for Pardoo to take to market
- ~12 sustainability dashboards showing ~15 metrics across Pardoo’s three strategic priorities

Figure 10: Sustainability Strategy key deliverables

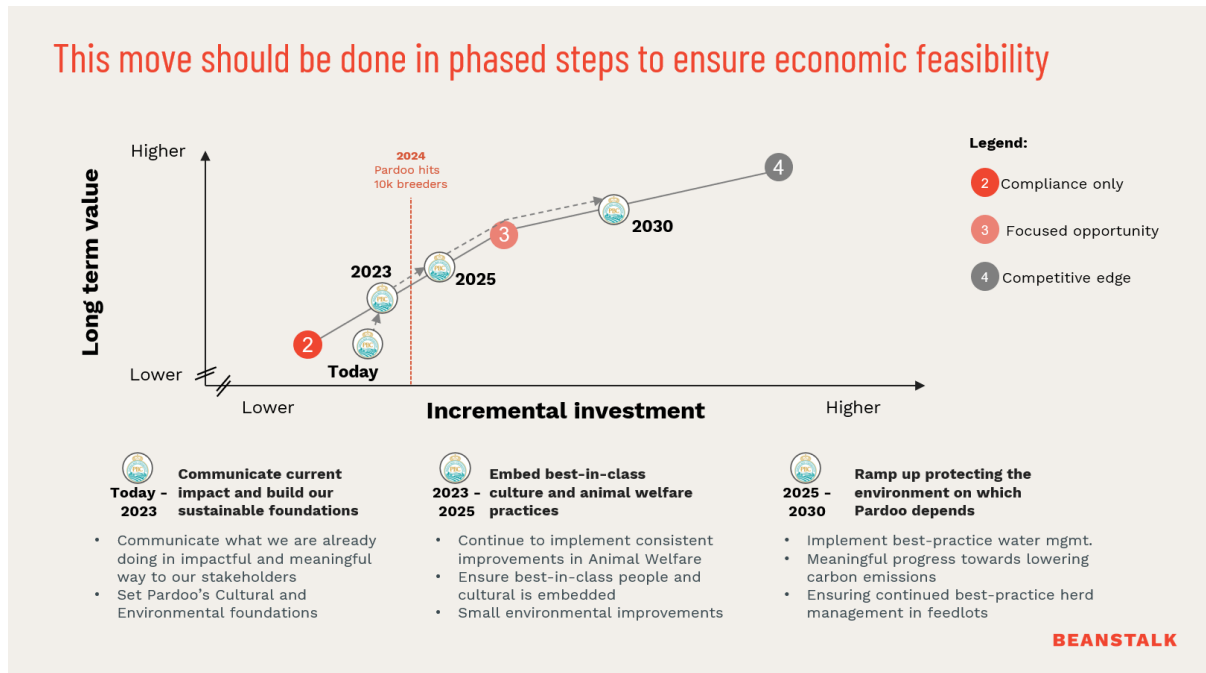


## 4.2 Sustainability Strategy

The team brought together everything that had been learned about Pardoo and its strengths and weaknesses, the highest-ranked opportunities for Pardoo to pursue, and the needs of the market to develop the Pardoo Sustainability Strategy (Figure 11). To understand how this strategy would play

over the next 8 years the team build a roadmap to 2030, showing the shifting priorities and increased investment aligned to Pardoo’s business strategy (Figure 12).

Figure 12: Pardoo’s sustainability roadmap and investment curve



### 4.3 Unique Selling Propositions

Bringing together Pardoo’s sustainability strategy and customer research, six unique selling points were identified that reflected Pardoo’s unique offering in market and were of value to consumers by representing a safer, tastier, and healthier product.

Figure 13: Pardoo’s Unique Selling Propositions – part 1

### Pardoo’s Unique Selling Propositions

USP	Attributes	Applicable markets	Proof points	Examples of what we communicate
<b>Replenishable, artesian, longterm aquifer, sourced by nature</b>	<ul style="list-style-type: none"> <li>✓ Health</li> <li>✓ Safe</li> <li>✓ Taste</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic</li> <li>• Singapore</li> <li>• UK/Europe</li> </ul>	<ul style="list-style-type: none"> <li>• Water quality</li> <li>• Diesel/CO2e saved from not having to pump</li> <li>• Water replenish rate?/Water audit?</li> </ul>	<ul style="list-style-type: none"> <li>• Our animals eat grass that we grow using some of the <b>purest water</b> in the world, <b>sourced naturally</b> from right underneath us</li> <li>• Because we grow our animal feed using a sustainable artesian water source <b>we don't have to use diesel pumps, therefore saving CO2</b> from being released into the atmosphere</li> </ul>
<b>Pristine natural environment in one of the most remote corners of the world</b>	<ul style="list-style-type: none"> <li>✓ Health</li> <li>✓ Safe</li> <li>✓ Premium</li> <li>✓ Provenance</li> </ul>	<ul style="list-style-type: none"> <li>• Asia</li> <li>• Domestic</li> <li>• UK/Europe</li> </ul>	<ul style="list-style-type: none"> <li>• Air quality</li> <li>• Distance to nearest neighbour or Industry?</li> <li>• Herd management (i.e. no overgrazing)</li> </ul>	<ul style="list-style-type: none"> <li>• The Pilbara is twice the size of the UK but <b>less than 0.1% of the population</b> giving our animals <b>plenty of space</b> to roam around and breath in some of the <b>cleanest air</b></li> <li>• Our animals are born along WA's <b>pristine north coast</b> which is in close proximity to <b>Eighty Mile Beach</b> the <b>longest uninterrupted beach in Australia</b></li> </ul>
<b>Own and closely manage our animals from genetics to plate</b>	<ul style="list-style-type: none"> <li>✓ Health</li> <li>✓ Safe and traceable</li> <li>✓ Premium</li> </ul>	<ul style="list-style-type: none"> <li>• Asia</li> </ul>	<ul style="list-style-type: none"> <li>• Details on genetics program</li> <li>• Amount of data collected and dashboards</li> </ul>	<ul style="list-style-type: none"> <li>• We <b>hand select the best genetics</b> for our animals, to make sure we deliver the <b>most premium</b> product</li> <li>• We <b>nurture our animals for their whole life</b> not just a part of it. This means that we know they <b>never had hormones</b> or any other nasties.</li> </ul>

Figure 14: Pardoo’s Unique Selling Propositions – part 2

## Pardoo’s Unique Selling Propositions

USP	Attributes	Applicable markets	Proof points	Examples
<b>Consistently delicious product delivered through high-quality care for our animals for the whole of their life</b>	<ul style="list-style-type: none"> <li>✓ Safe</li> <li>✓ Premium</li> <li>✓ Taste</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic</li> <li>• Government</li> </ul>	<ul style="list-style-type: none"> <li>• Practices Pardoo does above and beyond industry standard (e.g. pain relief, farmbots to track water)</li> <li>• Training certification in natural herd management techniques</li> </ul>	<ul style="list-style-type: none"> <li>• <b>We use the latest in sensor technology to get live updates on available water</b> to make sure our animals are always happy</li> <li>• <b>We care about our animals across their whole life</b>, including make sure we only use <b>Australian Animal Welfare certified processors</b></li> <li>• We work with <b>world-leading experts</b> to treat our animals with <b>the utmost respect and gentle care</b> so low stress animals means better quality, tender beef</li> </ul>
<b>We honour age old traditions whilst taking Wagyu production into the future</b>	<ul style="list-style-type: none"> <li>✓ Premium</li> <li>✓ Taste</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic</li> <li>• Government</li> <li>• Asia</li> </ul>	<ul style="list-style-type: none"> <li>• Takeda Sun</li> </ul>	<ul style="list-style-type: none"> <li>• Pardoo has worked with the <b>famed Shogo Takeda to balance the unique art of raising Wagyu with the innovative techniques</b> needed to grow Wagyu in the pristine Pilbara</li> <li>• We have <b>industry renowned scientists</b> working closely with our animals to make sure we <b>produce consistently tasty products</b></li> <li>• Building the <b>Pilbara’s first world class Wagyu herd</b> requires something uniquely different to bring you the <b>tastiest product, from one of the most untouched regions in the world</b></li> </ul>
<b>We foster deep relationships with the traditional owners</b>	<ul style="list-style-type: none"> <li>✓ Provenance</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic</li> <li>• Government</li> <li>• Potentially EU/UK</li> </ul>	<ul style="list-style-type: none"> <li>• Support for indigenous communities (e.g. supporting local football teams)</li> </ul>	<ul style="list-style-type: none"> <li>• The <b>country on which we operate has a rich history</b> long before us and our time, we make <b>sure we respect this by forming deep relationships with the traditional owners</b> of the land and <b>supporting their communities to thrive alongside ours</b></li> </ul>

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### 4.4 Proof points

Finally, 16 metrics were created across Pardoo’s three strategic priorities (Thriving people and culture, valuing our environment, and Caring for our animals) to track progress against the sustainability strategy, and provide proof points for the unique selling points.




Figure 15: Thriving people and culture metrics

## Thriving people & culture

Build a best-in-class culture to attract and retain quality staff

Foster deep relationships with the traditional owners of the land

Create a cohesive and aligned workforce across all of Pardoo

Metric	Source	Frequency	2022 figure
 Safety incidents	= Lost time injury frequency rate	Monthly	12.9 claims per million hours worked
Employee engagement	= Half yearly pulse survey	Half-yearly	
Staff turnover	= Turnover rate	Quarterly	
 Female representation	= % of female employees in management positions and overall	Quarterly	41.9% of women on beef farms
 Capability building	= Quarterly hours spent on extra curriculum and training	Quarterly	10,468 participants undertaking training
Indigenous engagement action plan	= compliance with YOY action plan	Yearly	

 Same or similar to Australian Beef Sustainability Framework metrics  
 1. MLA, Livecorp, AMPC or Peak Industry Council training

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Figure 16 – Valuing our environment metrics

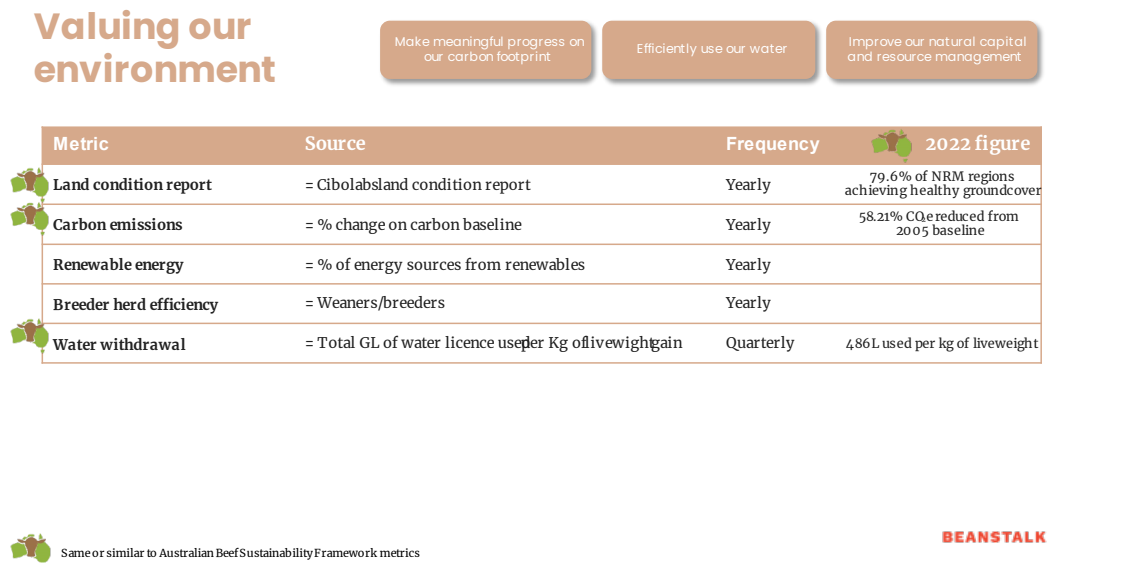
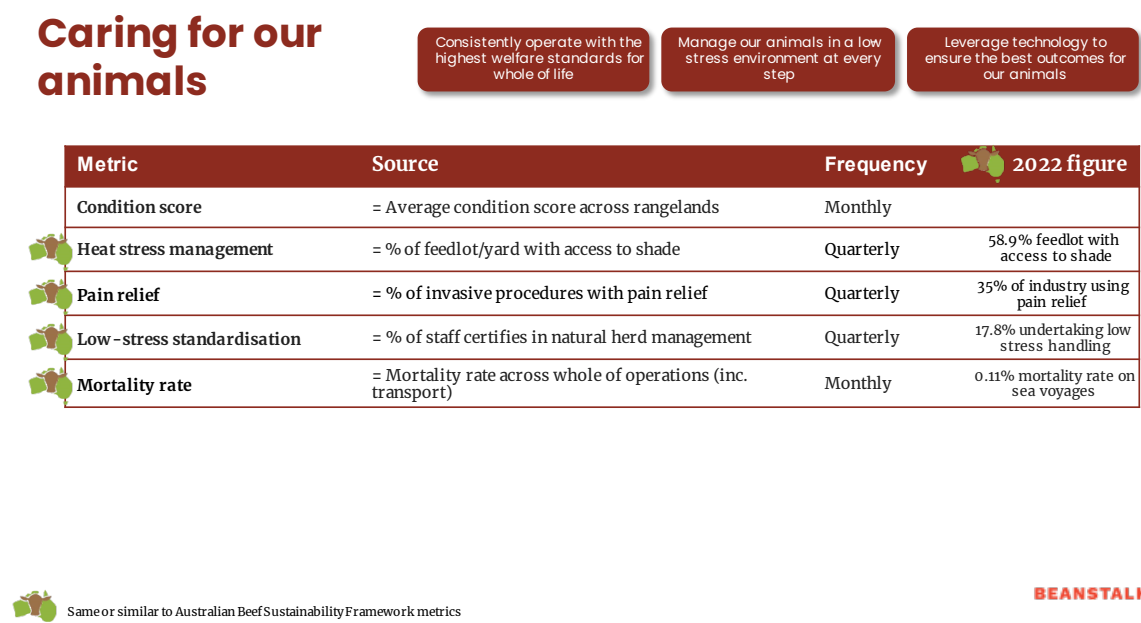


Figure 17 – Valuing our environment metrics



These metrics were turned into sustainability dashboards for Pardoo’s team, and eventually key external stakeholders, to track progress and increase accountability and transparency. The dashboards are separated into Pardoo’s three strategic priorities with deep dives on certain metrics where more information was both informative, and available.

Figure 18: Thriving people and culture dashboard



Figure 19: Valuing our environment dashboard

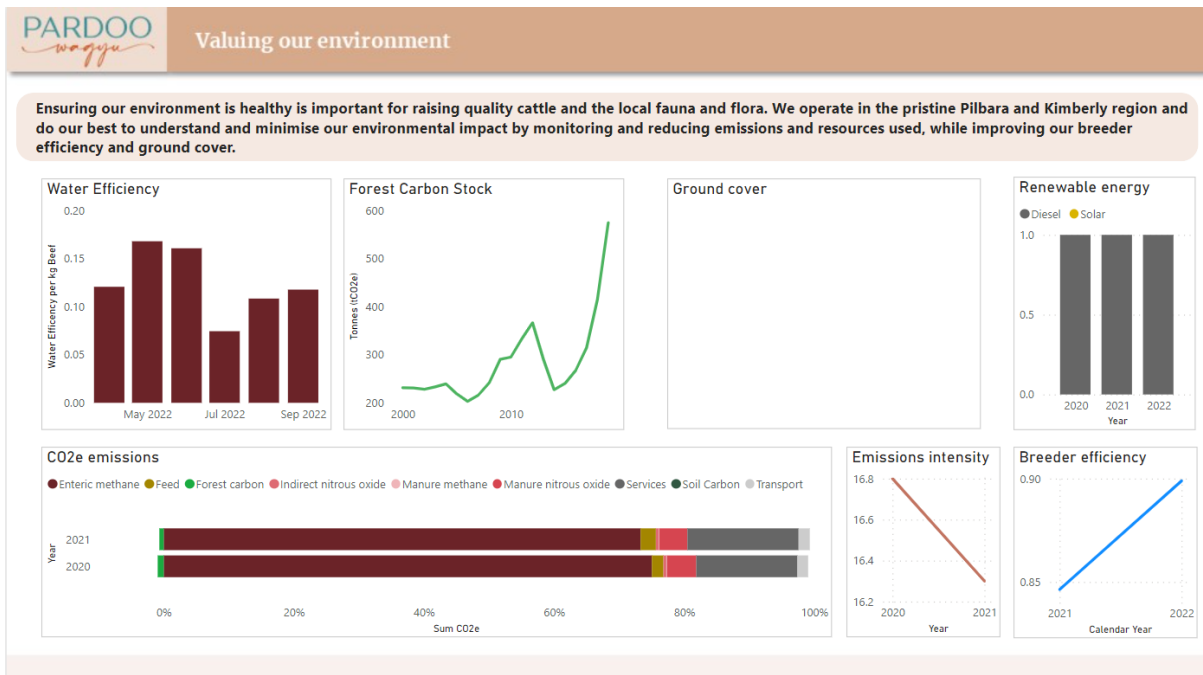
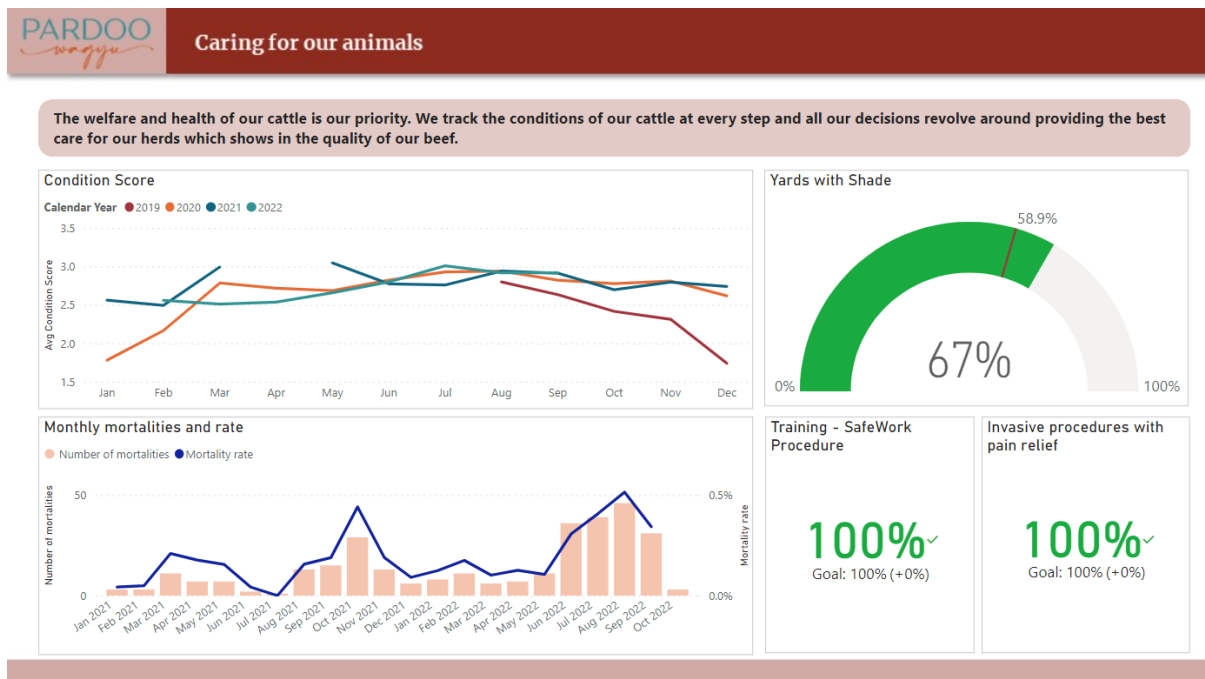


Figure 20: Caring for our animals dashboard



## 5. Conclusion

### 5.1 Key findings

Through the process of developing Pardoo’s sustainability strategy, conducting customer research and visualising key metrics the team revealed several key findings that are relevant to both Pardoo and the Australian livestock industry more broadly. These are canvassed below:

- Market research shows that environment-based initiatives resonate more than animal welfare and people sustainability initiatives key external stakeholders, particularly those in Asia. This is largely due to the link back to a clean, green, and pristine operating environment which for consumers attribute safer, tastier, and healthier products. It is also due to the higher-profile nature of environmental issues such as carbon through increasing public awareness campaigns and international scrutiny
- Pardoo is currently doing more around sustainability than they speak about in the market. We heard from Pardoo about several market-leading initiatives they were undertaking to pursue a more sustainable production system that could be communicated to their customers and consumers
- Through gathering data on key metrics, we were able to identify the areas where Pardoo is well beyond industry standard as well as focus areas (e.g. emissions intensity). It is likely that these findings would be relatively consistent across the Australian Livestock industry and could be worth considering in a ‘Brand Australia’ sustainability initiative

## 5.2 Benefits to industry

There were many key lessons discovered as part of this project which have applications for the broader industry:

- Some producers, like Pardoo, may be doing more around sustainability than they speak about in the market. We heard from Pardoo about several market-leading initiatives they were undertaking to pursue a more sustainable production system that could be communicated to their customers and consumers
- Any sustainability strategy needs to consider business growth plans to ensure success. This means acknowledging and accounting for periods where there may be lower investment potential in the business. The lesson learned was to acknowledge this, and instead have a very targeted focus during this time on lower investment but high-value opportunities
- COVID-19 has had significant impact on export markets, particularly in squeezing margins for purchasers. Costs of Australian product are higher, and consumers have less disposable income to spend. As such customer interviews are indicating that price is the number one attribute being considered when purchasing wagyu, with quality a close second.
- Markets have various levels of maturity when it comes to sustainability and different expectations. Some markets, such as Singapore, put much higher importance on sustainability being part of a brand story. In contrast, interviews have indicated that in markets such as the UAE only 2 in 100 customers are asking about sustainability. All interviews however shared a resounding feeling that sustainability is only going to increase in importance, and become a right to play
- Identifying the sustainability metrics important to your business, and collecting data on these metrics as soon as possible is critical to prove progress on any sustainability journey and quantify impact

## 6. Future research and recommendations

To continue Pardoo's journey towards a sustainable production system, we recommend 3 extensions to this project:

1. **Retention strategy** – One of the key opportunities identified for Pardoo was to develop a retention strategy to address common themes across employee engagement and ensure a thriving culture. This is particularly relevant to livestock companies operating in the remote and rugged environments that Pardoo operates
2. **ESRM report** – Pardoo station's ESRM report provides valuable information on the management of the land, and this will eventually extend to Pardoo's Kimberley properties.
3. **Extend dashboards** – Continue to enhance the sustainability dashboards, and build the database supporting them, so they can be public-facing increasing transparency and accountability

In terms of the broader industry, there are two recommendations for extension work to help other producers apply these lessons to their businesses:

1. **Industry training session/s** to share the lessons listed in section 5.2, providing practical examples of their application, and answer any questions the industry has on how they can begin or progress journey to understanding and visualising their sustainability data

2. **Build MLA Sustainability dashboards** so producers, regulators, media, and other key stakeholders across the world can track the industry's progress in a way that is engaging and informative, whilst also creating a template for producers looking to do the same to follow.
3. **Develop a "Sustainable Aussie beef" consortium:** This could be open to any livestock producers in Australia who are willing to share key sustainability data to which would then feed into a set of Aussie Beef dashboards. This would uniquely differentiate Australian Beef from competitors in key markets across the world.

Note: No references or Appendices included in this public version report.