Sustainability Policy

Rural Funds Management

ABN 65 077 492 838
AFSL 226701

Effective date: 30 June 2026	**Reviewed:** Annually
Owner: General Manager – Investor Relations, Corporate Affairs & Sustainability	**Approval:** Board

Policy

Sustainable outcomes are reliant on balancing environmental and social considerations with corporate governance to create and maintain value. Operating in a sustainable manner enables RFM to protect assets now and into the future.

Purpose

This policy outlines our commitment and approach to undertaking our activities in an environmentally and socially responsible manner and outlines our corporate governance framework.

Scope

This policy applies to RFM and all entities which are owned and/or managed by RFM.

Need help?

Any queries regarding this policy should be directed to the General Manager – Investor Relations, Corporate Affairs & Sustainability, or the Sustainability Analyst.

Sustainability

RFM seeks to operate in a sustainable manner by considering the impact of its activities on the environment, the people within the business and the local communities where the organisation operates.

Environmental sustainability is defined as responsible stewardship of natural systems and resources. RFM's farming businesses are dependent on the use of natural systems and resources and as such, it is important that these assets are protected and their value recognised to ensure sustainable productivity now and into the future.

RFM's business is also dependent on its people, lessees and other stakeholders, such as the communities in which the Company operates. Social aspects of sustainability consider the impact of RFM's activities on these important stakeholders.

Underpinning these environmental, social and governance considerations is a culture of continuous improvement and innovation. RFM applies precision and embraces innovation to improve performance across its operations, supporting better sustainability outcomes now and into the future.

Environment

RFM acknowledges that environmental stewardship is critical to the successful long-term, sustainable performance of assets, and recognises our environmental responsibilities as custodians of agricultural assets.

RFM continues to identify ways to utilise natural resources more efficiently and minimise the impact that production systems have on the environment.

Applying sustainable practices is in the best interest of investors and the environment, and RFM believes that good environmental practices typically produce good farming outcomes.

Climate change and climate-related risk management

RFM acknowledges the risk of climate change, and that appropriate stewardship is critical to the successful long-term, sustainable performance of Rural Funds Group (**RFF**) assets.

1. RFM:
    - has implemented a climatic diversification strategy to disperse assets across varying climatic zones[1]. This approach seeks to lower the aggregate level of risk of seasonal or long-term climate stress affecting numerous assets and lessees at the same time
    - has a Risk Management Policy and Procedures that detail the process of identifying, assessing, managing, monitoring, reviewing and reporting on risks, including climate-related risks, in line with our Risk Management Framework

[1] see ASX disclosure 20 June 2016

- will continue to voluntarily disclose RFF Scope 1 and Scope 2 emissions from unleased assets and explore Scope 1 and Scope 2 emissions reduction opportunities[2]
- works with RFF lessees to assess and where possible, implement emissions reduction and carbon sequestration opportunities[3]
- continues to work towards alignment with sustainability reporting standards.[4]

Responsible consumption and production

RFM acknowledges that the sustainability of natural resources is linked to responsible consumption and production.

2. RFM:
    - considers operational efficiency to produce more with less, thereby increasing productivity while reducing resource consumption per unit of output. This includes:
        - adopting modern, precision agricultural techniques to optimise water use and input efficiency
        - enhancing productivity through the use of genetics to maximise output and optimise input efficiency.
    - aims to adopt industry and regional best practice and embrace innovation to improve operational performance.
    - seeks to minimise environmental impacts by improving resource efficiency, reducing waste generation and limiting pollution across operations.
    - wherever feasible, integrates circularity principles to improve resource use efficiency.

Protecting land and water

Healthy, sustainable, and productive land and water is vital to RFM's operations and long-term success.

3. RFM:
    - seeks to implement land management practices that protect and enhance ecosystem health and biodiversity
    - where applicable, participate in voluntary, industry-led Best Management Practice (**BMP**) systems such as Hort360, MyBMP and Bee Friendly Farming Certification – to continually improve natural resource management and promote sustainable

[2] The National Greenhouse and Energy Reporting (NGER) Scheme determines that RFM does not meet determined thresholds and therefore does not have an obligation for registration and reporting of annual emissions under the NGER Act. RFM has elected to disclose Scope 1 and Scope 2 emissions for assets for which RFF receives the operational proceeds for a given financial year. RFM will continue to monitor changes to the NGER Scheme.

[3] RFF is a real estate investment trust and as such, most assets are leased, and the emissions produced by these assets are under the operational control of lessees. RFM has limited ability to impact the emissions produced by these assets. Furthermore, emissions from leased assets are the responsibility of lessees, not RFF.

[4] Based on the Australian Accounting Standards Board Climate-related Disclosures (S2) reporting thresholds, RFF will likely form part of Group 3 and will therefore be required to align with the AASB S2 in FY28.

production.

Social

The Company works to consider the impact of its activities on the people within the business, contractors and the local communities where the organisation operates.

RFM's guiding motto "*managing good assets with good people*" speaks to the importance of its people and the value RFM places on its people. RFM selects employees for their experience and passion for the agricultural industry and the RFM business, as well as their respectful, precise, diligent, honest, and ethical approach to work.[5]

Diversity, Equity and Inclusion

Workplace diversity refers to the variety of differences between people in an organisation. It is an understanding that everyone is unique, and a recognition of individual differences. These differences can include ethnicity, gender, gender identity, sexual orientation, age, physical abilities, family or relationship status, religious beliefs, experience or other ideologies.

4. RFM:
   - recognises that its employees are one of its greatest assets
   - has implemented the RFM Diversity, Equity and Inclusion Policy and ensures compliance.

Wellbeing and safety

5. The wellbeing and safety of RFM employees and contractors is a priority. RFM has implemented an organisational wide safety management system (**SMS**) which seeks to eliminate, and if that is not reasonably practicable, minimise the risk of injury or illness arising from the conduct of the business or undertaking so far as is reasonably practicable. RFM:
   - fosters a culture of precision, and supports, promotes and protects the health, safety and wellbeing of employees
   - invests in systems and infrastructure that improves safety and continuously monitors for better safety approaches
   - monitors safety and reports monthly to the RFM Board on incidents
   - includes safety obligations in RFF lessee agreements.

Lessees

Lessees are generally responsible for operating properties according to agricultural standards and practices under the terms of the lease. Leases are also subject to various environmental legislation and regulations.

[5] RFM undertakes the operation and development of some of RFF's assets in its capacity as responsible entity, as RFF does not employ staff directly.

6. RFM:
   - encourages lessees to maintain assets in a sustainable manner including the management and mitigation of climate-related risk.[6]

Continuous process improvement

Precision is an important element of the RFM culture and an area where the Company continues to focus employee development. Doing precise work provides many benefits including achieving a safer workplace and better operational outcomes.

7. RFM:
   - fosters a culture of precision
   - prioritises continuous process improvement
   - recognises that the continual development of employee skills and expertise is fundamental for ongoing improvement within the business and as such, provides a range of training, development, and study opportunities.

Community

8. RFM:
   - supports local communities and organisations particularly where there is a connection with agriculture or the organisation
   - engages with organisations who represent Indigenous people, disabled people, and long-term unemployed people to provide internships, employment and work experience opportunities.

Governance

9. RFM:
   - has a Corporate Governance Charter that outlines the corporate governance practices, functions and responsibilities of the Board
   - has established an effective risk management system, including the Risk Management Policy and Procedures, which has been outlined in paragraph 1.
   - is committed to a robust compliance program which aims to provide confidence to investors, meet regulatory requirements and meet best practice standards for corporate governance. Our program is designed to be flexible enough to continuously develop and improve in order to meet the changing demands of the business and regulatory environment and has been developed based on the consideration of RFM's size, complexity, structure and operations.

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[6] Lessees are generally required to manage certain climate-related physical risks where applicable (eg fire hazard) and adhere to industry and regional best practices to reduce the impact on assets (eg permanent plantings). Lessees are also generally responsible for operating properties according to agricultural standards and practices under the terms of the lease. Leases are also subject to various environmental legislation and regulations.

- has documented policies and procedures to ensure accountability and transparency. The Corporate Governance section of the RFM website[7] includes the following documents:
    - Anti-Bribery and Corruption Policy
    - Continuous Disclosure Policy
    - Corporate Governance Charter
    - Conflict of Interest Management Policy
    - Diversity, Equity and Inclusion Policy
    - Modern Slavery Act Statement
    - Privacy Notice
    - Risk Management Policy
    - Securities Trading Policy
    - Whistleblower Policy

- Additional relevant documents and policies include:
    - Business Continuity and Disaster Recovery Plan
    - Delegations Policy
    - Employee Policies Handbook
    - Contractor Engagement and Management Policy
    - Cybersecurity Management Plan
    - Modern Slavery Policy
    - Risk Management Procedures
    - Safety Management System.

[7] https://www.ruralfunds.com.au/about#corporate-governance

Definitions

AASB S2	Australian Accounting Standards Board Climate-related Disclosures (S2) (AASB S2) refers to Australian Sustainability Reporting Standard (ASRS) Sustainability Standard 2 (Climate-related disclosure). AASB S2 requires reporting entities to assess and disclose information about their climate-related risks and opportunities
Best Management Practice (BMP)	Best Management Practices (BMP's) broadly refer to those practices that will ensure the production of safe and high-quality products, animals and plants, while preserving the environment and contributing to the social well-being of society
Best practice	Refers to methods, techniques and principles, that a skilled, professional and experienced Australian farmer would typically use based on what that professional, in the same or similar circumstances and conditions would do, thereby allowing for industry and regional context
Board	RFM Board of Directors
Company or RFM	Rural Funds Management Limited (ACN 077 492 838), including its subsidiary companies and any entity for which it is responsible entity
Greenhouse gas or GHG	Greenhouse gases constitute a group of gases in the atmosphere that have an influence on the earth's energy balance and therefore contribute to global warming and climate change
Hazard	Any situation, substance, activity, event or environmental factor that could potentially cause injury, ill health, harm, damage or loss to a person, property or the environment
NGER Scheme	National Greenhouse and Energy Reporting (NGER) Scheme refers to the relevant legislation applicable to entities to determine reporting requirements, including: • *National Greenhouse and Energy Reporting Act 2007* (Cth) (Act) • *National Greenhouse and Energy Reporting Regulations 2008* (Cth) (Regulations) and • *National Greenhouse and Energy Reporting (Measurement) Determination 2008* (Cth)
Precision agriculture	Precision agriculture is a farming management strategy that seeks to exert greater control over a production system by recognising variation and managing different land areas differently, according to a range of economic and environmental goals
RFF	Rural Funds Group (ASX: RFF), a stapled entity comprising Rural Funds Trust (ARSN 112 951 578) and RF Active (ASRN 168 740 805)
Risk	The likelihood of injury, illness or harm (e.g. damage, loss etc.) resulting from exposure to a hazard

Risk analysis	Process to comprehend the nature of risk and to determine the level of risk. Risk analysis provides the basis for risk evaluation and decisions about risk treatment. Risk analysis also includes risk estimation
Risk management	Coordinated activities (culture, processes, and structure) to direct and control an organisation with regard to risk
Scope 1 GHG emissions	Scope 1 emissions are direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organisation
Scope 2 GHG emissions	Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling