Final Report

Sustainability Strategy

G. & K. O'Connor Pty Ltd

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Contents

1.0 Abstract

This project was undertaken to support G. & K. O'Connor Pty Ltd (GKO) in transitioning from fragmented sustainability initiatives to an integrated, evidence-based sustainability and decarbonisation program aligned with emerging regulatory, market and industry expectations. Like many Australian red meat processors, GKO faces rising energy and water costs, increasing scrutiny of environmental performance, and forthcoming mandatory climate related disclosures. The project sought to identify practical, commercially viable pathways to improve resource efficiency, reduce emissions, and strengthen long-term business resilience.

The project was delivered through a staged methodology combining baseline assessment, detailed technical and economic analysis, and implementation planning. A central component was the ARENA and AMPC co-funded *Closing the Loop on Process Energy and Emissions* study, which evaluated multiple decarbonisation scenarios and produced a prioritised roadmap. This was complemented by a site wide Water Audit and Action Plan, benchmarking through AMPC's Environmental Performance Review, and alignment with broader governance and reporting frameworks.

Key outcomes include the development of an efficiency led decarbonisation roadmap, installation of site wide metering and monitoring systems, identification of low cost, high return water and energy efficiency actions, and a clear pathway toward electrification of process heat. The project positions GKO to meet forthcoming Group 2 climate reporting obligations from 1 July 2026 and provides replicable insights for the wider red meat processing sector.

2.0 Executive summary

This project responds to a critical challenge facing the Australian red meat processing sector: how to improve environmental performance and reduce emissions intensity while remaining competitive in a high cost operating environment. For GKO, sustainability is not treated as a standalone strategy document but as a program of practical actions embedded in core operations and capital planning.

The primary audience for this project includes red meat processors, industry bodies, regulators and levy payers seeking scalable, evidence based approaches to sustainability and decarbonisation. The work demonstrates how targeted investment in efficiency, supported by robust data and governance, can deliver meaningful outcomes without compromising productivity.

Through AMPC co-funding and collaboration with specialist advisors, GKO has developed a Sustainability Strategy in action, anchored by its Decarbonisation Roadmap. The efficiency led pathway was identified as delivering the strongest financial and emissions outcomes, prioritising demand reduction before electrification or fuel switching. Parallel water efficiency initiatives identified rapid payback opportunities that reduce potable water use, wastewater volumes and associated energy consumption.

The results of this project are being actively used to inform capital investment decisions, grant applications (including an industrial CO_2 heat pump project), and preparation for mandatory sustainability reporting under the Corporations Act. For levy payers and industry stakeholders, the project provides a practical case study demonstrating how sustainability, compliance and competitiveness can be mutually reinforcing.

3.0 Introduction

The Australian red meat processing sector is under increasing pressure to respond to climate risk, resource constraints and evolving regulatory requirements. Energy, water and waste management are material cost drivers for processors and are increasingly scrutinised by customers, financiers and governments.

This project was designed to address these challenges by moving beyond high level commitments and delivering an integrated, data driven sustainability program at an operating abattoir. The project builds on previous energy audits and benchmarking and is unique in its integration of energy, water, emissions, governance and reporting readiness into a single, coherent framework.

The outcomes are intended to support operational decision making at GKO, inform industry wide learning through AMPC, and contribute to the sector's broader transition toward lower emissions, more resource efficient processing.

4.0 Project objectives

The objectives of the project were to:

- Develop a robust sustainability framework aligned with industry and regulatory expectations;
- Identify and prioritise cost effective opportunities to reduce energy, water use and emissions;
- Establish a clear, staged decarbonisation roadmap based on technical and economic evidence;
- Improve data quality through metering, monitoring and benchmarking;
- Position GKO for future mandatory climate related disclosures and ongoing continuous improvement.

All objectives were achieved through the delivery of the roadmap, audits, benchmarking and implementation planning.

5.0 Methodology

The project was delivered through a staged, evidence based methodology:

- Baseline assessment of energy, water, emissions and compliance obligations;
- Detailed technical and economic analysis of decarbonisation scenarios (*Closing the Loop* study);
- AMPC Environmental Performance Review benchmarking;
- Site wide Water Audit and development of a prioritised Water Audit Action Plan;
- Integration of findings into governance, reporting and forward capital planning.

6.0 Results

Key results of the project include:

- Identification of an efficiency led decarbonisation pathway with the strongest net present value and payback;
- Installation of site wide energy and water metering to support ongoing performance management;
- Identification of water efficiency initiatives delivering up to 14% reductions in potable water and wastewater volumes with short paybacks;
- Improved understanding of Scope 1, 2 and emerging Scope 3 emissions profiles;
- Confirmation of strong performance through AMPC benchmarking, with best practice ratings for thermal and electrical intensity.

7.0 Discussion

The project demonstrates that incremental, efficiency first action is critical in complex industrial settings where capital constraints, operational risk and cultural factors influence change. By reducing demand first, GKO lowers the cost and scale of future electrification and renewable energy investments.

Importantly, the work highlights that sustainability outcomes are strongest when technical analysis is coupled with governance, data systems and leadership engagement. The approach adopted through this project is highly transferable to other red meat processors.

8.0 Conclusions

This project confirms that meaningful sustainability outcomes in red meat processing are achievable through disciplined, evidence based planning and targeted investment. GKO is now well positioned to meet future regulatory requirements, reduce exposure to energy and water cost escalation, and demonstrate leadership within the sector.

9.0 Recommendations

It is recommended that industry participants:

- Prioritise efficiency led decarbonisation pathways before large scale electrification;
- Invest in metering and monitoring to support data driven decision making;
- Integrate water, energy and emissions planning rather than treating them separately;
- Prepare early for mandatory climate related financial disclosures.

10.0 Project outputs

Project outputs include:

- Continued progression and refinement of O'Connor's decarbonisation roadmap;
- *Closing the Loop on Process Energy and Emissions* final report (attached);
- Site wide Water Audit and Water Audit Action Plan (attached);
- AMPC Environmental Performance Review participation (case study attached);
- Lodgement of annual NGERs and NPI returns, and compliance with APCO membership requirements.