



**The
Aotearoa
Circle**

Mā te
Kaitiakitanga
ko te
Tōnuitanga
Prosperity
Through
Guardianship



Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

Value creation for sustainable business



Dr Amelia Sharman
External Reporting Board



Vicki Watson
The Aotearoa Circle



Mark Gough
Capitals Coalition



Annabel Davies
Pāmu



Alec Tang
KPMG

starting soon



Accounting for what matters



CAPITALS
COALITION

What do we care about?

Are these things included in our accounts?

The global economy is undergoing a rapid transformation

Building confidence in a four capitals approach is key to update the economic system



A global network



c. 460+

Organizations at
the core – [view](#)



c. 25,000

Global network



19

Capitals Hubs –
[view countries](#)



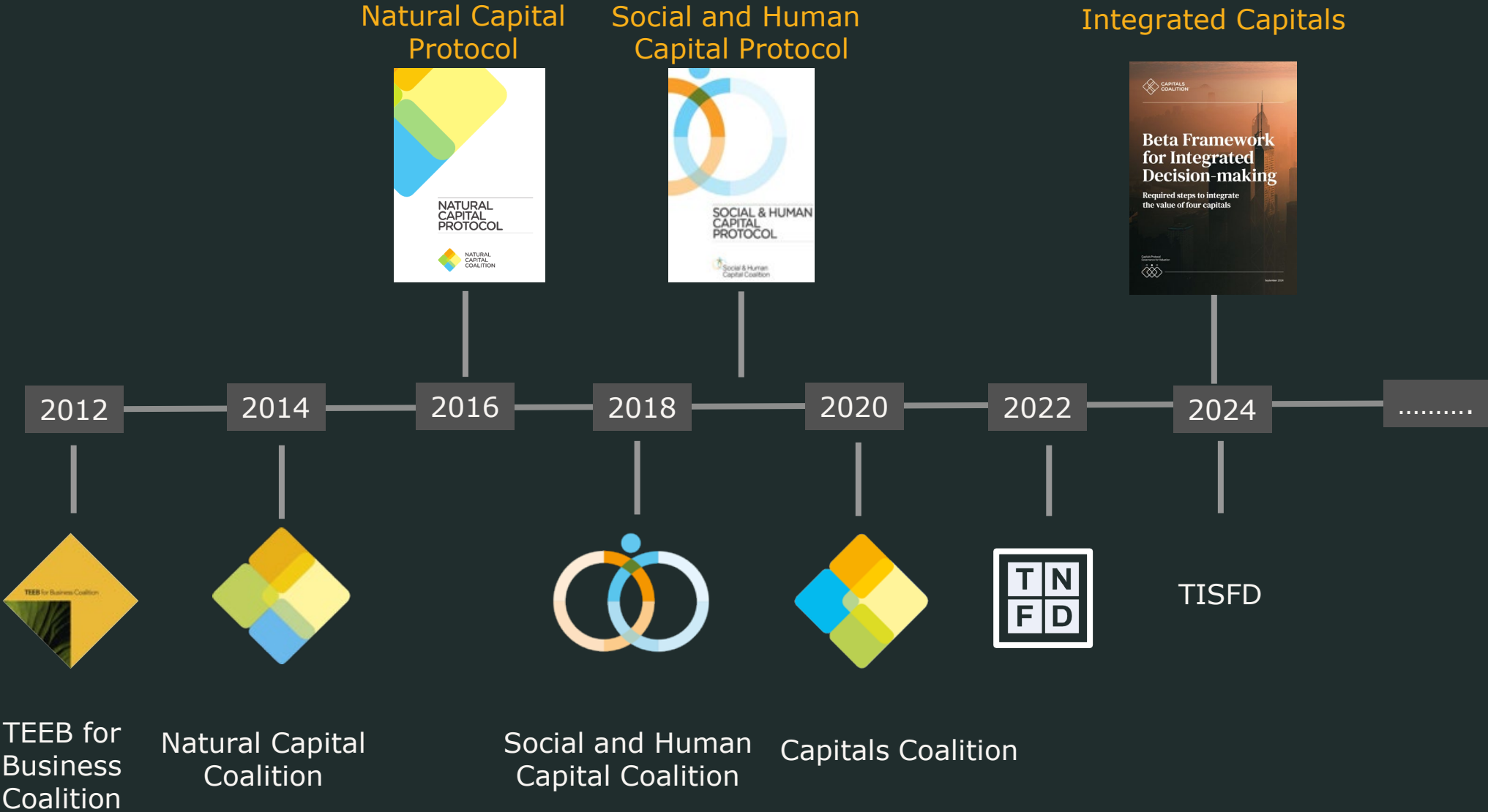
20+

Technical
partnerships



CAPITALS
COALITION

Our History



The Capitals

Any resource or asset that stores or provides value to people.

If we invest in the capitals, they create value.

If we degrade them, we erode their value for current and future generations.



Natural capital

The stock of renewable and non-renewable natural resources that combine to yield a flow of benefits to people.



Social capital

The networks together with shared norms, values and understanding that facilitate cooperation within and among groups.



Human capital

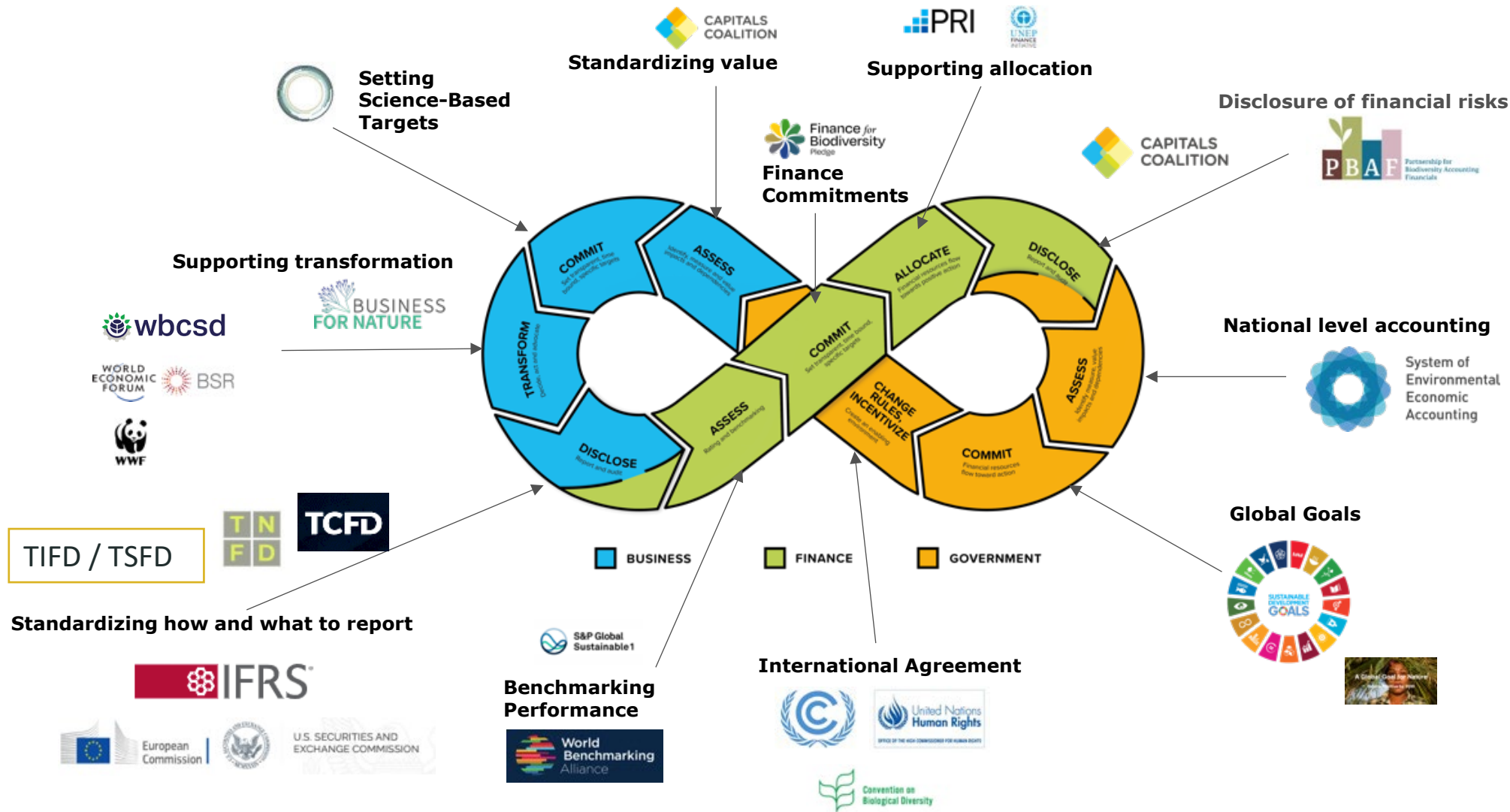
The knowledge, skills, competencies and attributes embodied in individuals that contribute to improved performance and wellbeing.



Produced capital

The human-made goods and financial assets that are used to produce goods and services consumed by society.

Interconnected system





CAPITALS
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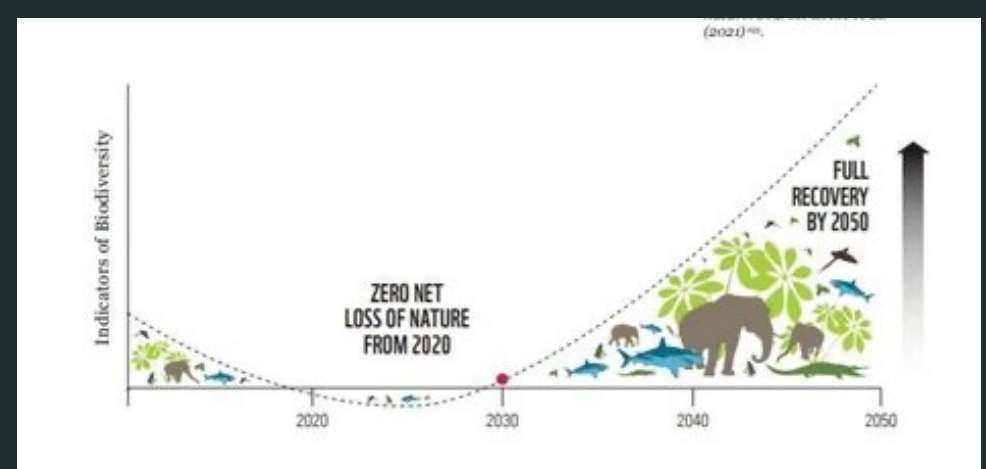
Trends





GLOBAL

NATURE
POSITIVE
INITIATIVE





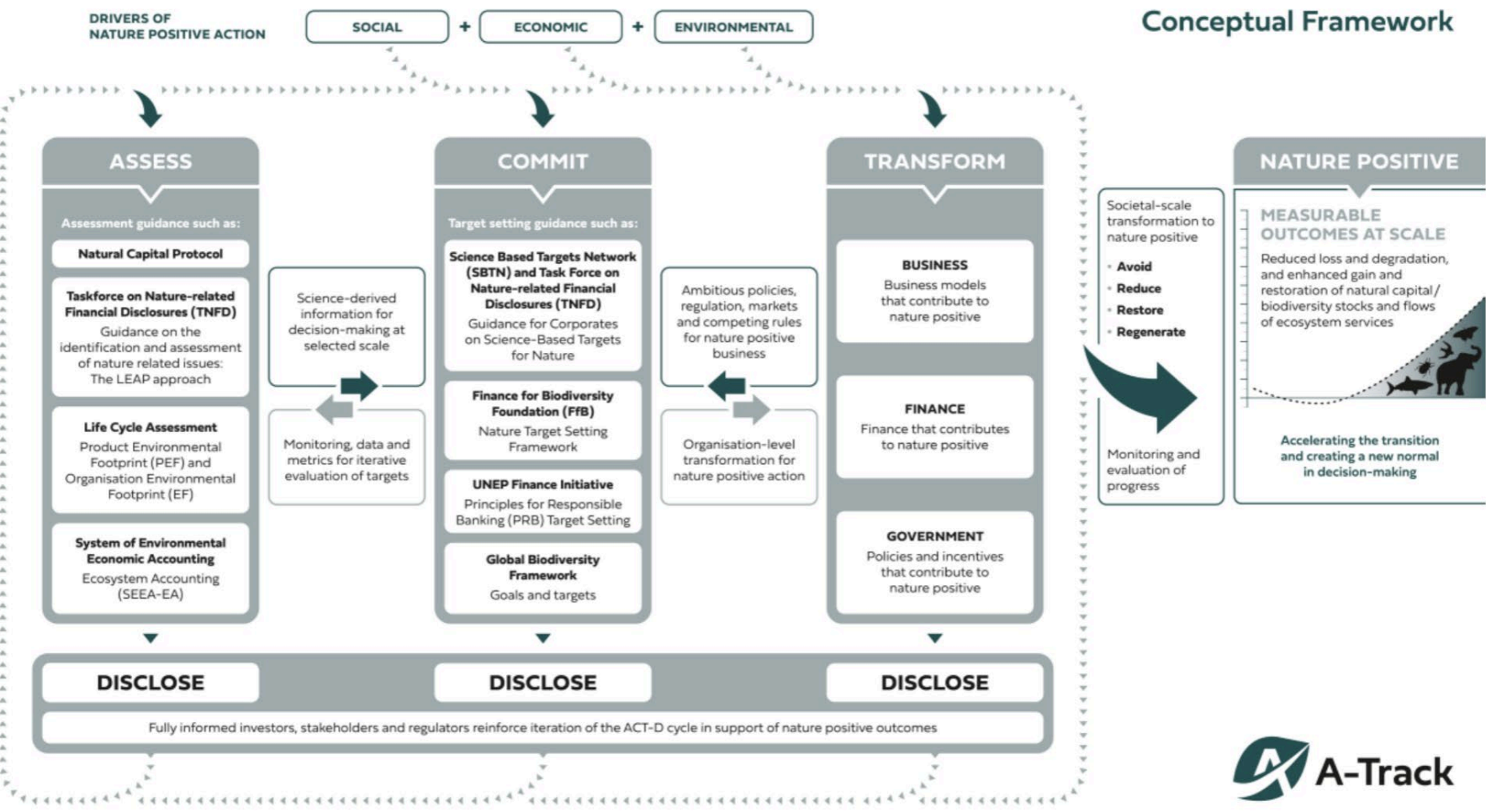
CAPITALS
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Business resilience



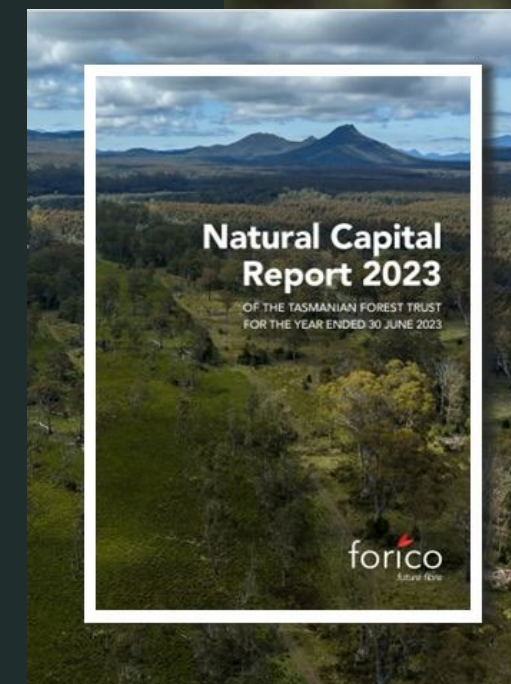
Combining Public & Private (Natural Capital)

A-Track Conceptual Framework



Forico - Tasmanian Forestry Company

- Materiality assessment on all capitals
- Environmental Profit & Loss Account
- Environmental Balance Sheet
- Independent Assurance KPMG
- Reported using TCFD /TNFD



NATURAL CAPITAL REPORT Natural Capital Balance Sheet as at 30 June 2022	30 June 2022						30 June 2021		
	NOTES	Measure	Metric	Value to Business \$k	Value to Society \$k	TOTAL \$k	Measure	Metric	TOTAL \$k
ENVIRONMENTAL ASSETS									
Biomass									
Productive Plantation	3	11,977	'000 gmt	553,159	-	553,159	11,700	'000 gmt	487,955
Carbon Sequestration									
Productive Plantation									
Carbon - above ground	4	12,387	kt CO ₂ -e	1,375	432,066	433,441	18,453	kt CO ₂ -e	295,205
Carbon - below ground	4	52,309	kt CO ₂ -e	-	1,830,809	1,830,809	53,883	kt CO ₂ -e	862,121
Carbon - forest debris	4	6,576	kt CO ₂ -e	-	230,177	230,177	1,317	kt CO ₂ -e	21,064
Future carbon sequestration before harvest	4	24,725	kt CO ₂ -e	14,037	700,100	714,137	54,365	kt CO ₂ -e	653,819
Natural Forest									
Carbon - above & below ground	4	52,453	kt CO ₂ -e	-	1,835,872	1,835,872	52,453	kt CO ₂ -e	839,256
		148,451		15,412	5,029,023	5,044,436	180,471		2,671,465
Natural Forest Habitat									
	7	77,024	ha	-	284,769	284,769	77,552	ha	254,838
TOTAL ENVIRONMENTAL ASSETS				568,572	5,313,793	5,882,365			3,414,258
ENVIRONMENTAL LIABILITIES									
Maintenance provision - Natural Forest	8	77,024	ha	21,388	-	21,388	77,552	ha	26,359
Provision for future harvest carbon emissions	9	295		8,403	-	8,403			
TOTAL ENVIRONMENTAL LIABILITIES				29,792	-	29,792			26,359
TOTAL NET NATURAL CAPITAL				538,780	5,313,793	5,852,573			3,387,900

NATURAL CAPITAL REPORT Environmental Profit & Loss for the year ended 30 June 2022	Note	Measure	Metric	30-Jun-22		
				Value to business \$k	Value to society \$k	TOTAL \$k
ENHANCEMENTS TO NATURAL CAPITAL						
Biomass - Productive Forest						
Fibre from growth	3	1,330	'000 gmt	61,404	-	61,404
Revaluation on biomass	3			62,371	-	62,371
				123,775	-	123,775
Carbon Sequestration						
Revaluation of opening balance carbon sequestration	4			93	2,395,862	2,395,955
Increase in carbon sequestration due to growth - current year	4	4,827	kt CO ₂ -e	1,204	148,504	149,708
Increase/(decrease) in future estimated carbon sequestration due to current year changes in production profiles	4	(29,640)	kt CO ₂ -e	9,748	(982,358)	(972,610)
Revaluation in opening balance of future estimated carbon sequestration	4			2,975	1,029,953	1,032,928
				14,020	2,591,962	2,605,981
Water						
Water flows to the estate (rainfall)	6a	1,277	GL	140,470	-	140,470
Sediment control - erosion prevented due to riparian buffers	6b	12,726	tonnes	-	216	216
Water transfers	6a	1,183	GL	(130,130)	130,130	-
				10,340	130,344	140,684
Natural Forest Habitat						
Profo/(Loss) on revaluation of Habitat	7			29,932	-	29,932
Investment in vegetation condition improvements	8			4,971	695	695
Decrease in provision for Natural Forest maintenance	8			34,902	695	35,598
				183,037	2,723,003	2,906,041

REDUCTIONS TO NATURAL CAPITAL	Measure	Metric	Cost/ Impact from Business \$k	Cost/ Impact from Society \$k	TOTAL \$k	Measure	Metric	TOTAL \$k	
									TOTAL \$k
Biomass - Productive Forest									
Harvested biomass from Sustainable Plantations	3	1,404	'000 gmt	58,571	-	58,571	1,313	'000 gmt	49,662
				58,571	-	58,571			49,662
Carbon Sequestration									
Sequestered carbon transferred on harvest - current year	4	6,657	kt CO ₂ -e	-	233,011	233,011	2,165	kt CO ₂ -e	34,643
Carbon emissions from operations - future years based on harvest profile*	9	295	kt CO ₂ -e	8,403	-	8,403	n/a	kt CO ₂ -e	n/a
Carbon emissions from operations - current year	5	114	kt CO ₂ -e	3,987	-	3,987	22	kt CO ₂ -e	355
				12,390	233,011	245,401			34,999
Water									
Water consumed by operations	6a	93	GL	10,254	-	10,254	29	GL	3,006
Sale of water resources	6a	0.1	GL	6	-	6	0.1	GL	10
Estimated sediment impact from operations	6b	1298	tonnes	22	-	22	1,213	tonnes	21
				10,282	-	10,282			3,036
Natural Forest Habitat									
Natural forest maintenance costs incurred	8			695	-	695	-	-	661
				695	-	695			661
				81,939	233,011	314,950			88,358
Net Increase/(decrease) in Natural Capital				101,098	2,489,993	2,591,091			106,911

*2022 first year of reporting future carbon emissions from harvesting operations.
These statements should be read in conjunction with the accompanying notes and scope, and users should note its limitations regarding completeness.

Natura&Co

- 1st South American integrated profit & loss account
- Target for Societal Value 1:4 (2021 1:1.5, 2023 1:2.7)
- Developing strategic management tool



Natura&Co

INTEGRATED PROFIT & LOSS

Our impact valuation pathway

To measure complex impacts on quality of life and ecosystems, we defined a consistent, comparable and relevant impact indicator that reflects the change in the well-being of the people affected in the long-term.



- Supplier chain
- Extractives communities in the Amazon region
- Direct operations (facilities and offices)
- Beauty consultants
- Use and end of product life cycle
- Carbon offsetting program
- Instituto Natura (support for education)

Human capital

- Salary/income impact
- Gap to living income
- Debits
- Skills/knowledge
- Diversity

Social capital

- Social costs avoided
- Tax contribution
- Institutions
- Infrastructure
- Utility of products

Natural capital

- Water use
- Climate change
- Air pollution
- Water pollution
- Land use
- Resources use



Direct effects on health and quality of life



Economic effects
(individual or collective)



Utilitarian models
(reflex of economic effects on quality of life)



Change in well-being

• **Decision-making through monitoring** quarterly performance: business reviews and executive committee

• Integration at our **Strategic Planning process**

• **Evaluation metric in the project portfolio** in conjunction with CAPEX, OPEX, EBIT

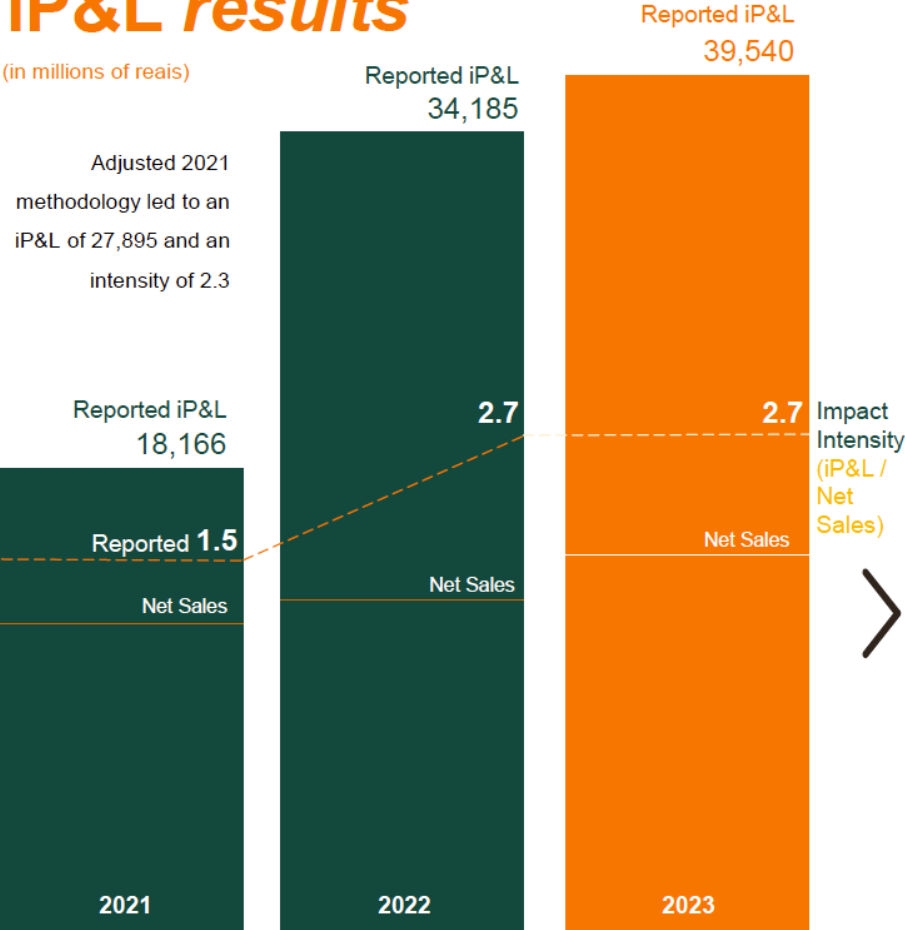
Teams involved:
Sustainability (Impact Valuation), Finance (CFO, FP&A, Finance BP for each business), business leaders and C-level in the region.

Natura&Co

Identified Negative impact on lower-level consultants who don't earn enough income

iP&L results

(in millions of reais)



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Natura | Integrated Profit & Loss

Summary table

iP&L Results (in millions of reais)	Human capital	Social capital	Natural capital	2023 Total
Consultants - higher levels	19,581	-	-	19,581
Taxes (sales and corporate)	-	20,626	-	20,626
Supply chain	2,852	352	-9,540	-6,336
Direct operations	4,087	741	-201	4,628
Instituto Natura	4,632	1,571	-	6,202
Carbon credits	438	307	1,588	2,334
Supplier communities (incl. Amazon)	73	488	53	613
Social Support	65	-	-	65
Product use phase + end of life	9	4,554	-4,171	392
Consultants - lower levels	-8,566	-	-	-8,566
Total	23,171	28,639	-12,271	39,540

Note: The highlighted figures indicate impact hotspots exceeding 10% of the total, with green denoting positive contributions and brown for negative contributions.

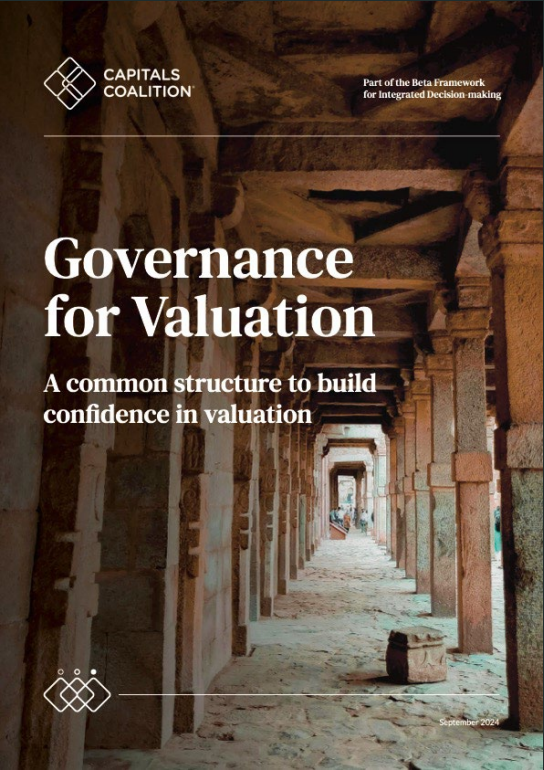


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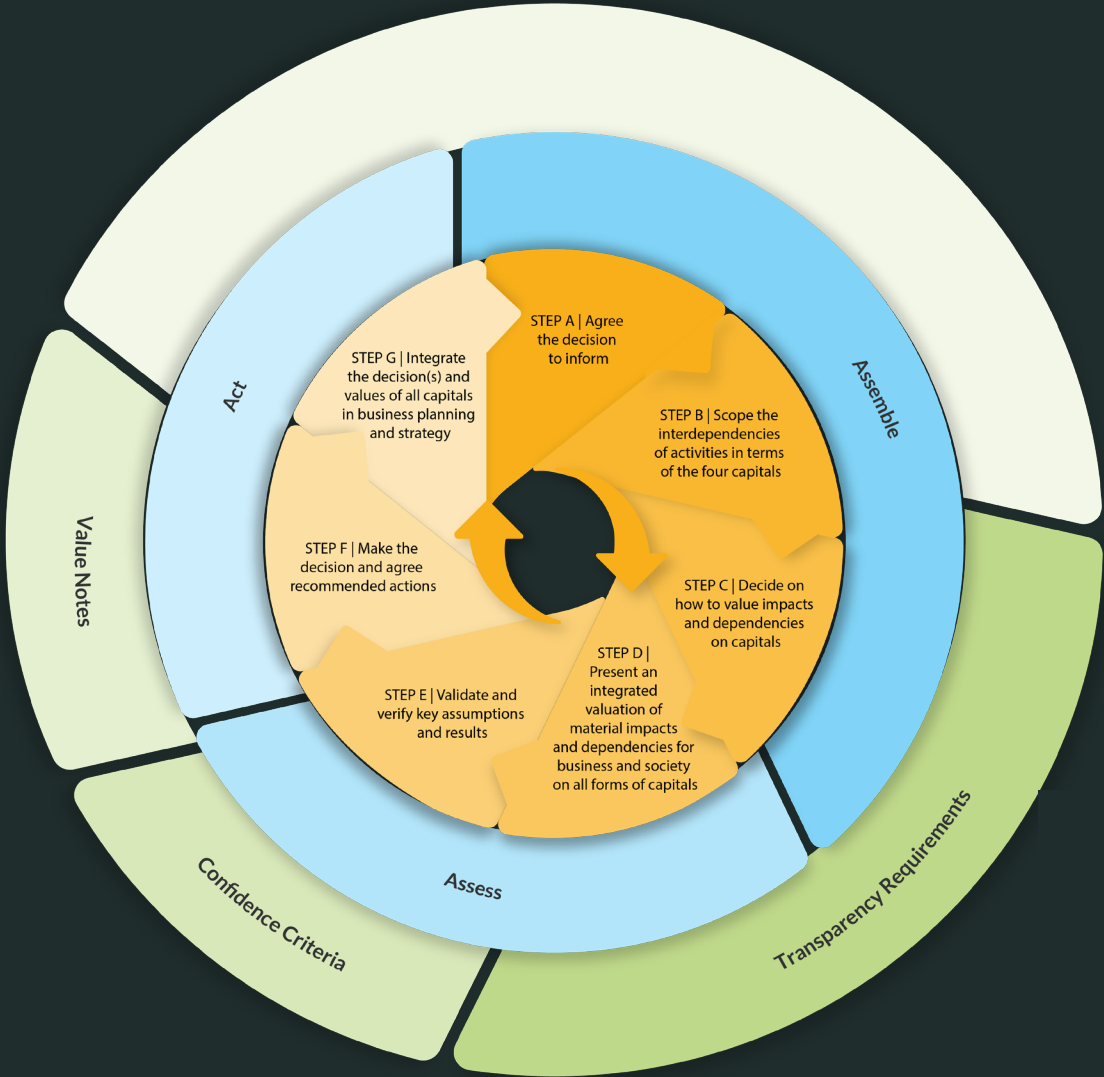
Beta Framework for Integrated Decision-making



Three Integrated Documents



The Framework



Required Steps

Defining the practical conditions for integrated decision-making



Capitals Protocol

Providing detailed guidance on how to conduct an integrated capitals assessment



Governance for Valuation

Introducing a common structure to build confidence in valuation

Governance For Valuation

Attribution | Transparency | Confidence | Value Notes

Why to do a capitals assessment?

- Internal company requirements for better decision making
- External reporting requirements

How to do a capitals assessment?

- Guidance documents, see Capitals Protocol, Value Balancing Alliance, Social Value International, International Foundation for Valuing Impacts, and others

How to integrate results into decision making?

- Guidance documents, see Capitals Protocol

What methodology detail to make available?

→ **Governance for Valuation**

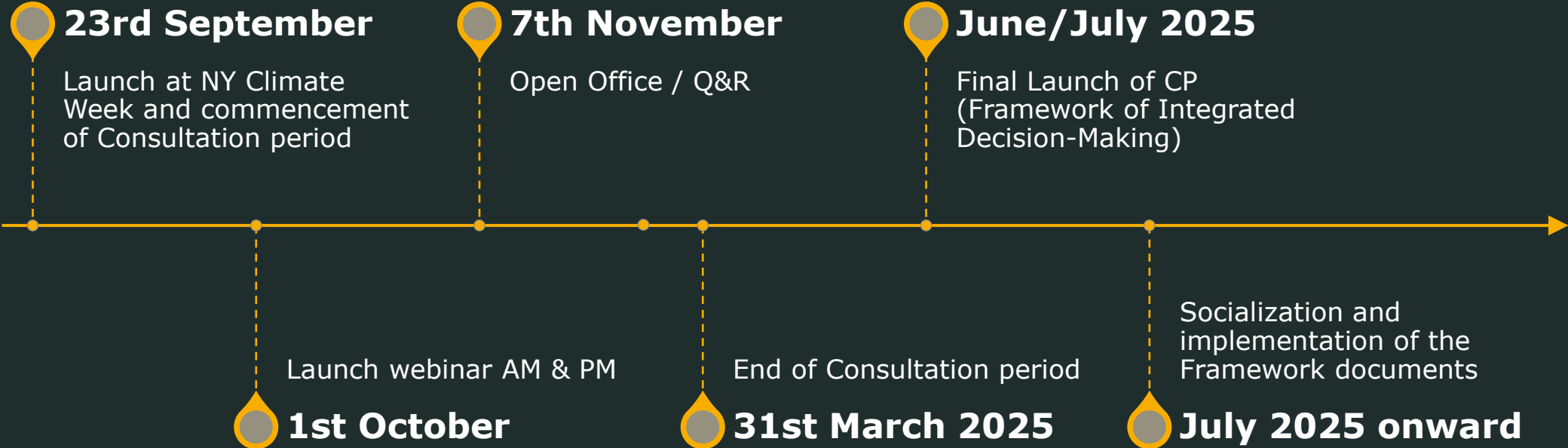
How to assess confidence in results? and, how to communicate that to others?

→ **Governance for Valuation**

Value Notes

Summarizing the suitability of capitals information for decision-makers and external stakeholders

Timeline



Be the Change





ANNABEL DAVIES
CHIEF SUSTAINABILITY &
RISK OFFICER



PAMU[™]

INTEGRATED REPORTING

Pāmu Farms of New Zealand

Upper North Island

- WAIKATO STATE DAIRY COMPLEX
- SCOTLAND DAIRY UNIT
- AUKA DAIRY UNIT
- ARATA DAIRY UNIT
- ROCKY DAIRY UNIT
- BROADLANDS DAIRY UNIT
- BURNESS DAIRY UNIT
- DISCOVERY DAIRY UNIT
- E WINDHAM DAIRY UNIT
- TEKONGA DAIRY UNIT
- CASTON C&F SCHEMIS
- HALL'S DAIRY UNIT
- HIT DAIRY UNIT
- MANAWATU DAIRY UNIT
- DAIRY SUPPORT
- OTAGO DAIRY UNIT
- FACTORY DAIRY UNIT
- QUARRY DAIRY UNIT
- QUEST DAIRY UNIT
- REDHORN DAIRY UNIT
- REKON DAIRY UNIT
- ST RALPH DAIRY UNIT
- VICTORY DAIRY UNIT

- HUBBU FARM
- WATER FARM
- TE WHANGA COOH
- HEBERIA STATION
- SALEHU FARM

Upper South Island

- CAPE FOLKLAND COMPLEX
- SHARPS DAIRY UNIT
- CAPE FOLKLAND FARM
- EDWARDS DAIRY UNIT
- FRANK ROAD DAIRY UNIT
- WEST COAST DAIRY SUPPORT
- GREY VALLEY
- WELSH DAIRY DAIRY SUPPORT
- SOMERVILLE DAIRY UNIT
- TROMPSBURG DAIRY UNIT
- ANAKA FARM
- WETA COMPLEX
- BELL HILL DAIRY UNIT
- ISLAND DAIRY UNIT
- BALANCE DAIRY SUPPORT
- KOPURU DAIRY UNIT
- RURU DAIRY UNIT
- SULLY DAIRY UNIT
- WETA FARM

Lower South Island

- TE ANZO BUSH AND
- SOUTHLAND LIVESTOCK FARM
- DALE FARM
- CENTRAL HILL STATION
- ELLENBOROUGH FARM
- EVERSUN STATION
- EYE GREEN STATION
- WARRISTON FARM
- HAWKWOOD STATION
- MILLER FARM
- LYNCHDALE FARM
- MARLBOROUGH STATION
- MT HAMILTON STATION
- REIDDALE FARM
- STUBBS FARM
- WATSON FARM
- WILKINSON STATION

- WINDON FARM
- THE HONEYCREEP STATION
- WAIPOI STATION
- GAFFON DOWN'S FARM
- WATERLOO DAIRY COMPLEX
- OSING DAIRY UNIT
- LANDMARK DAIRY UNIT
- WATERLOO DAIRY SUPPORT

- BRISBANE FARM
- TRAFALGAR FARM
- KAHOE BUSHLAND
- KAPU FARM
- TAKU BAY DAIRY UNIT
- PURITANIA FARM
- MANUKAU FARM
- TYTOH FARM
- OHANGA FARM
- WHIRIHAUTE FARM

- NU ITO FARM
- BOTHANARA FARM
- BOWLANDS FARM
- COUDS FARM

Lower North Island

- TERANGHE STATION
- WARRINGTON FARM
- PARAKORANGA STATION
- PARAKI FARM
- SHOOTING STATION
- KARANGA STATION
- WATERS FARM
- ANAKA FARM
- TE ANZO FARM
- TEBERA FARM
- EDMUND STATION

- CHILTERNAN DOWNS FARMS
- SWEET ROAD ORGANICS DAIRY SUPPORT
- TANGIHOANA FARM
- MOUITA DAIRY COMPLEX
- ADRIAN DAIRY UNIT
- ASTRING DAIRY UNIT
- COFFIN DAIRY UNIT
- REDFIELD DAIRY UNIT
- TAPMAN DAIRY ORGANICS
- TO KARAN DAIRY UNIT
- TO KORO DAIRY ORGANICS
- WINDSPORT DAIRY UNIT

- HOLESWORTH STATION
- FURBER FARM
- MICHARD'S DAIRY UNIT
- EVYNSVILLE DAIRY UNIT
- HARDMAN DAIRY COMPLEX
- PARAHAKA DAIRY UNIT
- MANFIELD DAIRY UNIT
- SALETTE DAIRY UNIT
- ROSEBANK FARM



OUR PURPOSE

Enriching our land, our people and the future of food and fibre for Aotearoa New Zealand



OUR FOCUS

Capable and safe people

Farming excellence and innovation

Earnings diversification

Stewardship of natural assets
and resilience to climate change

WHAT SUCCESS LOOKS LIKE



One of New Zealand's top employers with safety and wellness at its core.



A highly productive, market-led food and fibre company with uncompromising care for the environment and animals.



A leader in integrated sustainable land use protecting and restoring the natural world.



Creating enduring value for the good of Aotearoa New Zealand.



A sought after innovation partner contributing to Aotearoa New Zealand's future.



Valued by our customers, partners and the communities in which we live and farm.

GENUINE

SHOULDER-TO-SHOULDER

GROUNDED

BOLD

Pāmu strategy to increase total shareholder value



The Pāmu strategy is based on six priorities that strive to balance delivering sustained financial performance that will benefit Aotearoa New Zealand with ensuring the business is resilient and fit for the future:

1. Farming excellence
2. Diversification of earnings
3. Partnerships and communities
4. Digitalisation
5. Grow our people
6. Stewardship of natural assets

In this section, we report on our progress this year across these strategic priorities. Our intentions align with our purpose:

- **Enriching our land.** We are committed to delivering a return on investment and value to all New Zealanders;
- **Enriching our people.** We look to be a robust and resilient pastoral farmer that prioritises core business and commercial disciplines; and
- **Enriching the future of food and fibre for Aotearoa New Zealand.** We are developing a high-performing food and fibre business that is profitable and efficient and that grows prosperity for Aotearoa New Zealand.

How Pāmu creates value

Our purpose: Enriching our land, enriching our people, and enriching the future of food and fibre for Aotearoa New Zealand. **Living by our values:** grounded, genuine, shoulder-to-shoulder, bold.



Resources

The resources we employ

People

Natural assets

Finances

Productive assets

Expertise

Relationships

For more information about our resources on the Our purpose: P06

And Scorecard: P86



How

How we create value

Optimising our land by activating our Strategic Priorities:

Excellence

Farming excellence P19

Diversification

Diversification of earnings P22

Partnerships

Partnerships and communities P25

Digitalisation

Digitalisation P28

Grow

Grow our people P31

Stewardship

Stewardship of natural assets P34

In harmony with our sustainability action plan

For more information about our sustainability approach on: P37



Milestones

Our 2027 Milestones

Group NOP from FY2025–2027

\$112.5m

Total shareholder return

2.2%

Core farming performance in FY2027 increased by

\$26m
(compared to FY2023 baseline)

Reduce net GHG emissions by

9.97%
(compared to FY2021 baseline)

Farms with fit-for-purpose environmental plans

100%

Calves from dairy herd reared

75%

Female representation in permanent staff

34%

Employee net promoter score

>20

Farm workforce enrolled in vocational training

25%

Health and Safety Critical Risk management system implemented

100%

Internal promotions

60%

Pāmu-led open farm days to share knowledge

7



Success

What success looks like for our resources

A top New Zealand employer with safety and wellness at its core

A leader in integrated sustainable land use protecting and restoring the natural world

Creating enduring value for the good of Aotearoa New Zealand

A highly productive, market-led food and fibre company with uncompromising care for the environment and animals

A sought-after innovation partner contributing to Aotearoa New Zealand's future

Valued by our customers, partners and the communities in which we live and farm

About this Report

This report uses integrated reporting practices to provide commentary, financial and non-financial data about the business's performance over the past 12 months.

Our top ten material issues

Over recent years, Pāmu has developed a solid understanding of issues that are material to our external stakeholders, and their priority within our organisation. Last year we updated our Materiality factors through an independent research process. The following were identified as the top 10 issues in order of importance to internal and external stakeholders. These topics are addressed in the following pages and they continue to inform our future focus:

1 Health, safety and wellbeing



6 Land and soil health



2 Productivity and profitability



7 Biosecurity actions



3 Animal health and welfare



8 Science advancements and innovation



4 Freshwater



9 Digital innovation

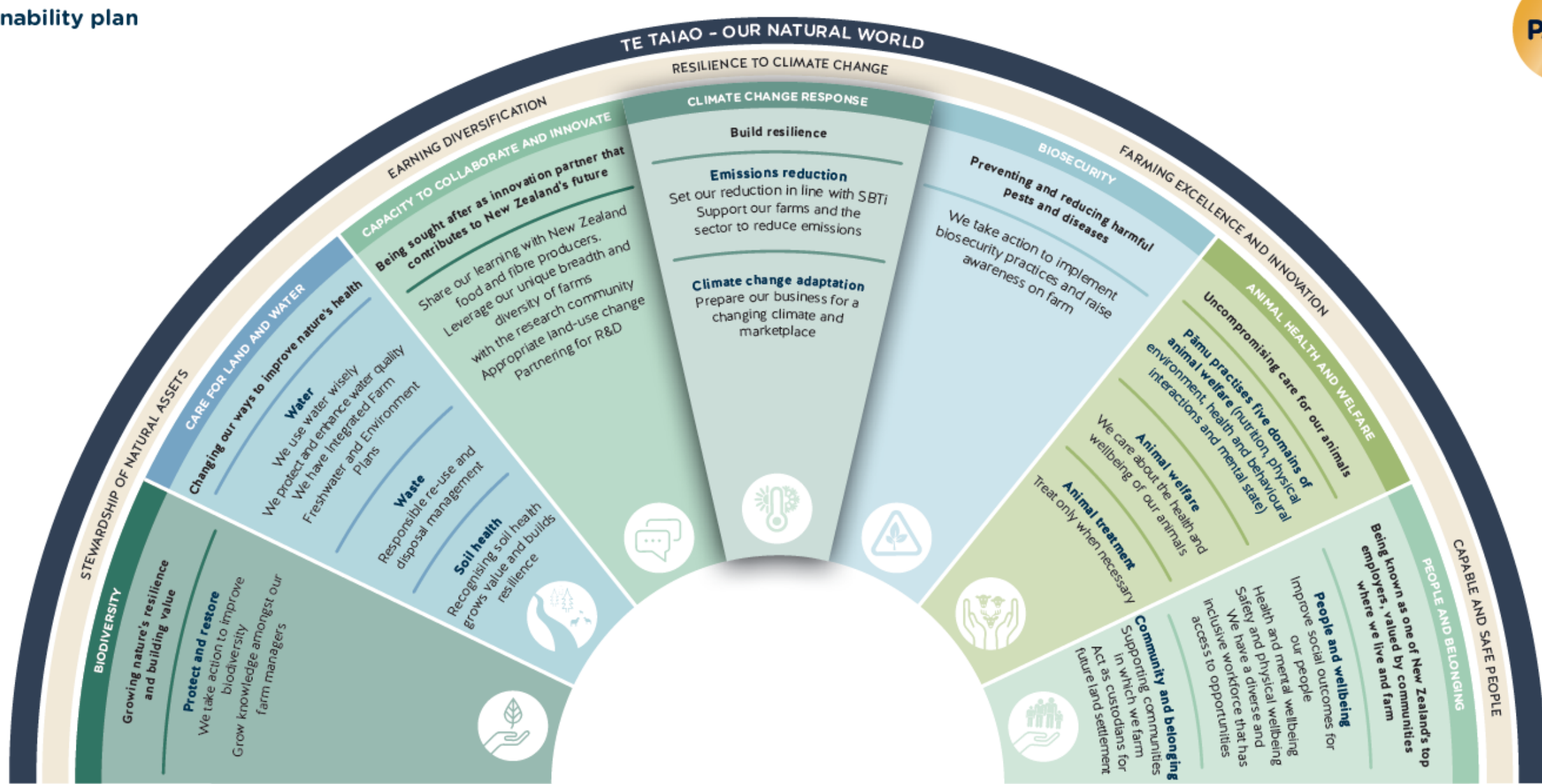


5 People skills and motivation



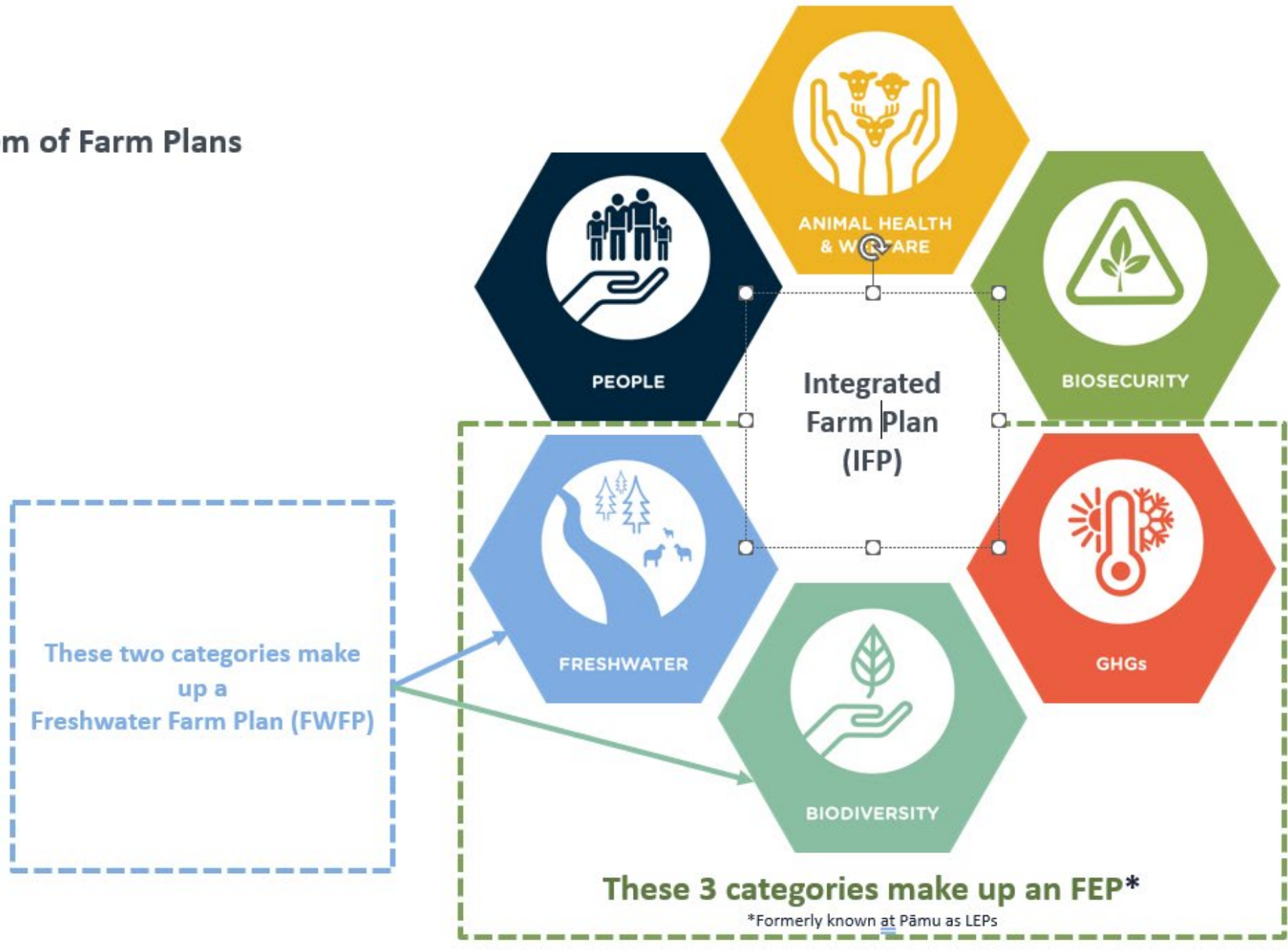
10 Climate adaptation and resilience





- UN Sustainable Development Goals:
- -
 -
 -
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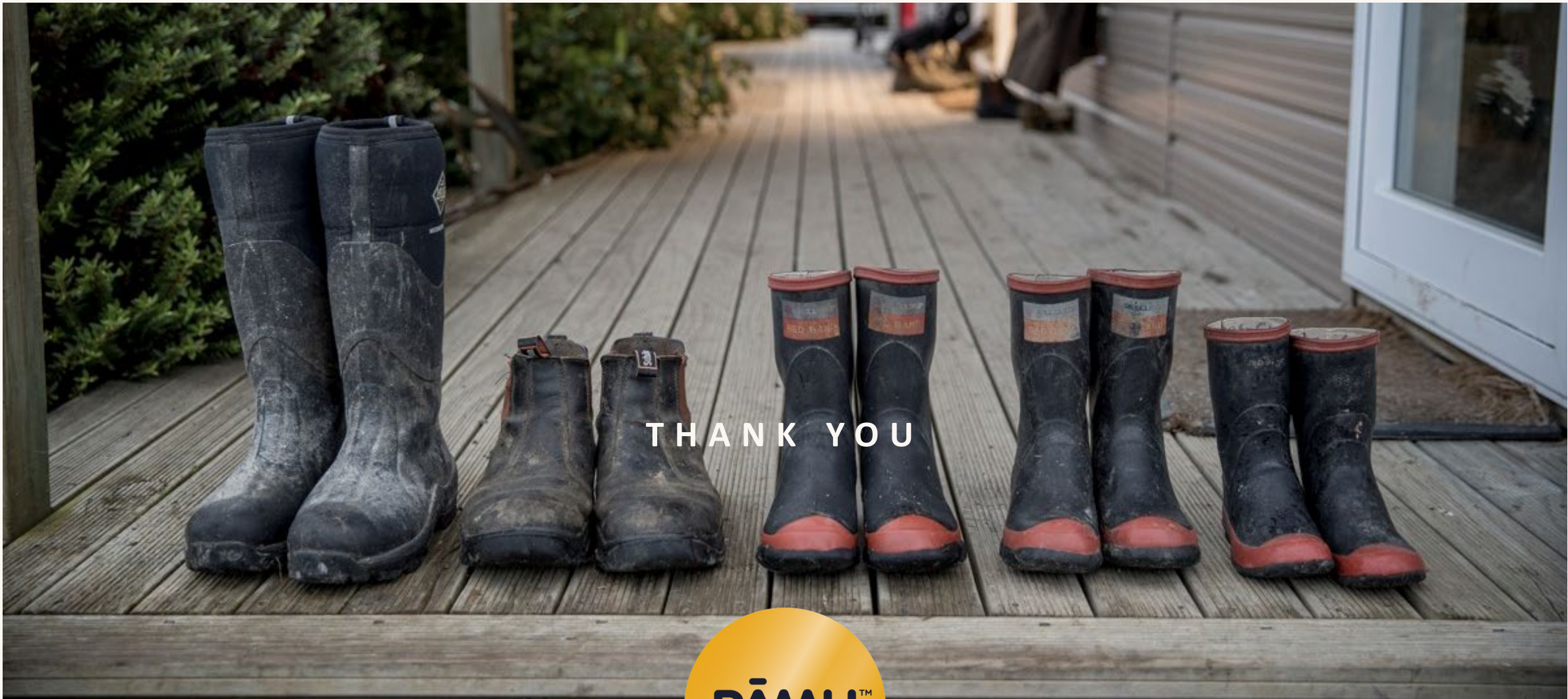
The ecosystem of Farm Plans



NEXT GENERATION REPORTING

- Less lag
- Inter-connectedness between capitals
- Evidence how resilience is being built
- Responsiveness to stakeholder issues
- Continual improvement in internal tools - systems alignment. E.g. capital investment cases, asset management decisions, Exec Team KPIs, business quarterly resource allocation, Enterprise Risk Management Framework.
- Consumer as our Regulator - transparency, provenance of product, people wellbeing, animal welfare, wastage, nature positive actions etc





THANK YOU



LANDCORP FARMING LIMITED



Value Creation for Sustainable Business

External Reporting Board / Aotearoa Circle

14 October 2024



The WHY (particularly for Aotearoa)



Our Nature-based Economy

Key industries directly reliant on natural capital include:



Agriculture



Tourism



Fisheries



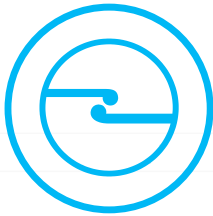
Forestry



Horticulture



Fibre and Raw Materials



Ao Māori

Our cultural context requires and enables us to take a much broader view of business than a single-capitals focus.

But we cannot just take global frameworks (particularly those looking at nature and social aspects – e.g. TNFD/SBTN, TISFD) without considering relevance and respect for mātauranga and tikanga.



Our Place in the World

80%

of exports by value going to markets with mandatory ESG disclosures in force or proposed

(Source: Aotearoa Circle)

We are at the end of lengthy trade routes exposed to a myriad of environmental, geo-political and social risks.

Some Reflections for Decision Making



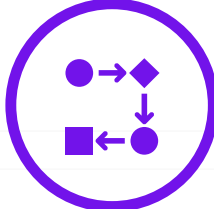
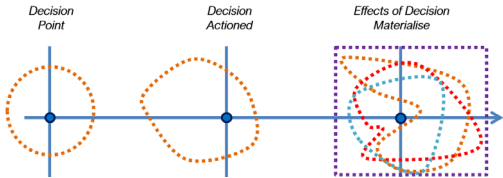
A comparative approach

- Not all options are created equally.
- Central to compelling comparisons are well-considered, plausible alternatives that test foundational assumptions.



Boundaries and Time Horizons

- Where you draw boundaries will have a significant impact on the decision outcome.
- Necessary to factor change in outputs/benefits/impacts over time.



Impacts and Dependencies

- Our focus (particularly when it comes to natural capital) has been on impacts.
- We need to also consider our dependence on these capital resources as this moves us from 'doing less bad' to 'ensuring enduring value creation'.



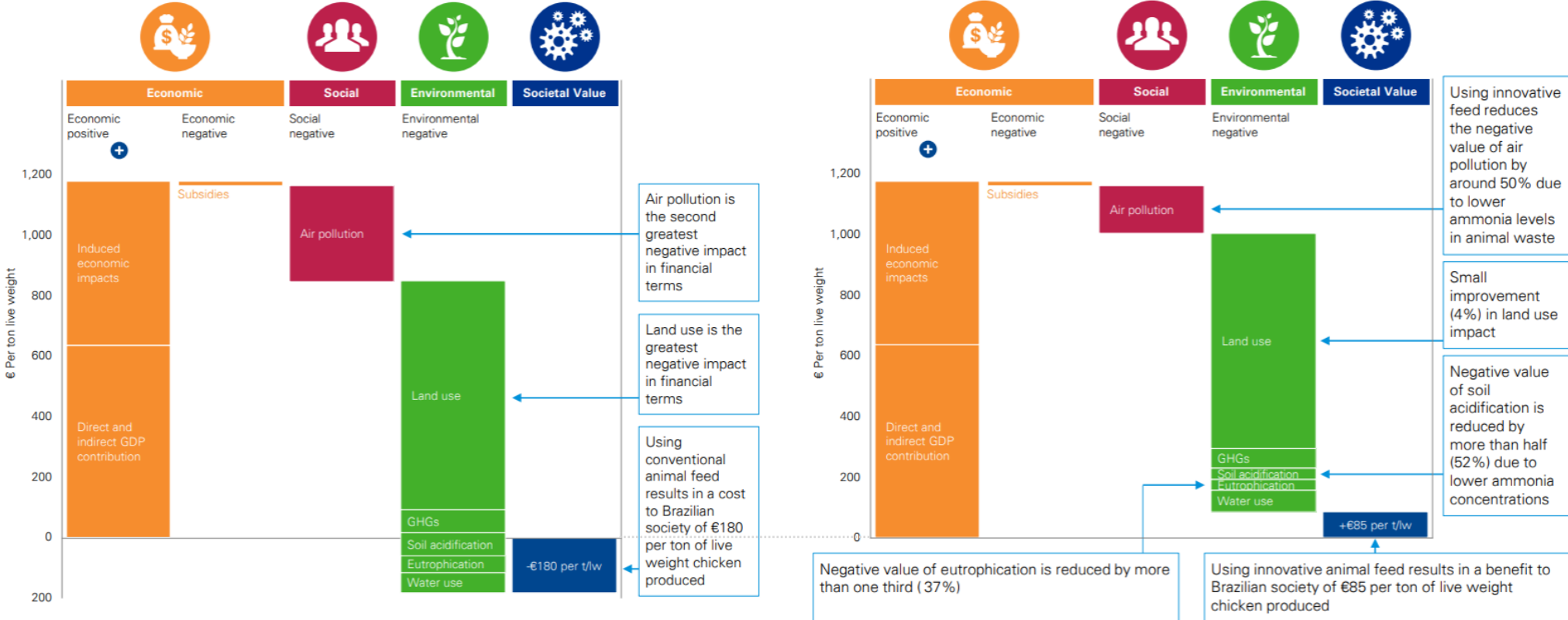
Creating Resonance

MATERIALITY ASSESSMENT		
<IR> Capitals	Our long-term aspiration areas	What's important to us and our stakeholders
Social and Relationship	<ul style="list-style-type: none"> • Kiriaki / Customer 	<ul style="list-style-type: none"> • Building trust • Customer experience • Customer loyalty • Innovative services
Natural Manufactured	<ul style="list-style-type: none"> • Kōhūtanga / Partnerships • Kaitiakitanga / Stewardship 	<ul style="list-style-type: none"> • Building trust, mana-enhancing practices • Creating shared value • Fostering strong, long-term relationships • Innovation • Optimising our physical assets • Improving the natural environment • Resilience to climate change • Leading on electrification
Human Intellectual	<ul style="list-style-type: none"> • Ngā Tāngata / People 	<ul style="list-style-type: none"> • Being a learning and adaptive organisation • Health, safety and wellbeing • Transparency • Recognition
Financial	<ul style="list-style-type: none"> • Aramoni / Commercial 	<ul style="list-style-type: none"> • Sustainable commercial growth • Renewable generation development • Operational excellence

Mercury 2024 Integrated Report
<https://www.mercury.co.nz/investors/results-reports/annual-and-interim-reports>

Creating Resonance through Visualisation

'True Value' of chicken production in Brazil using conventional animal feed (L) versus innovative animal feed (R)

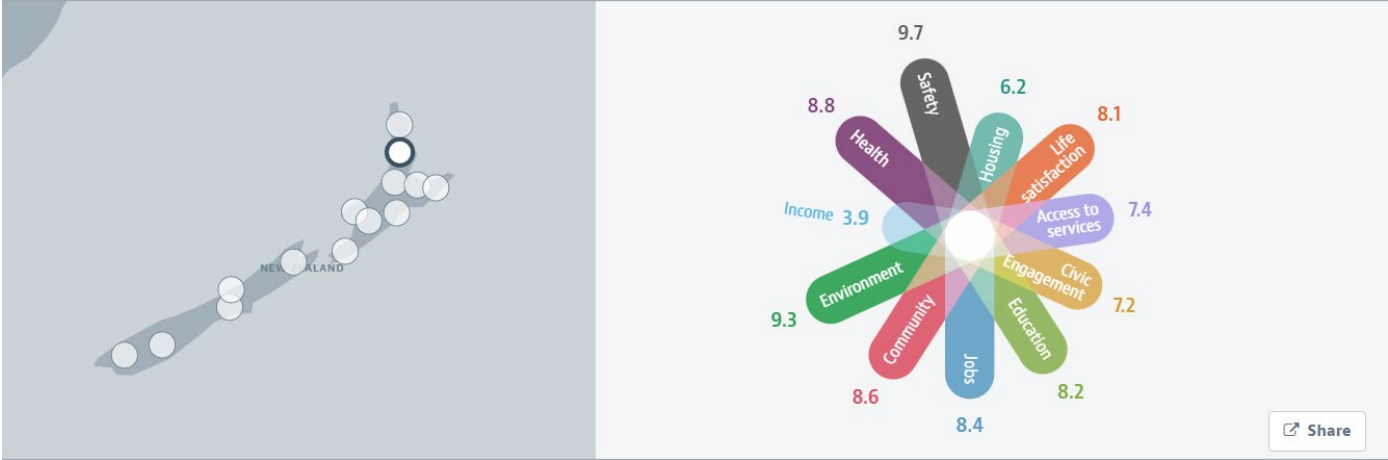


Creating Resonance through Visualisation



OECD countries / New Zealand

Auckland



Explore the map to find out how life is across OECD regions and discover regions with similar well-being.

Each region is measured in eleven topics important for well-being. The values of the indicators are expressed as a score between 0 and 10. A high score indicates better performance relative to the other regions.

Help

Regions with similar well-being in other countries



Norway
Innländet



France
Brittany

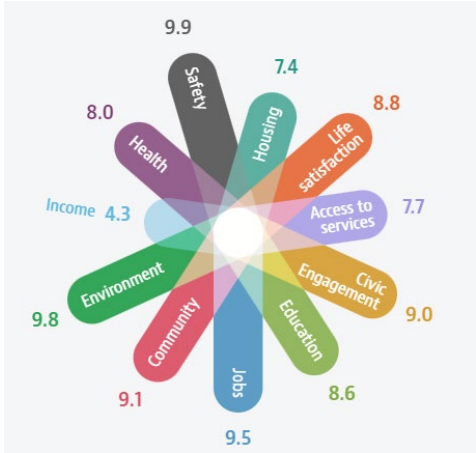


United Kingdom
South East England

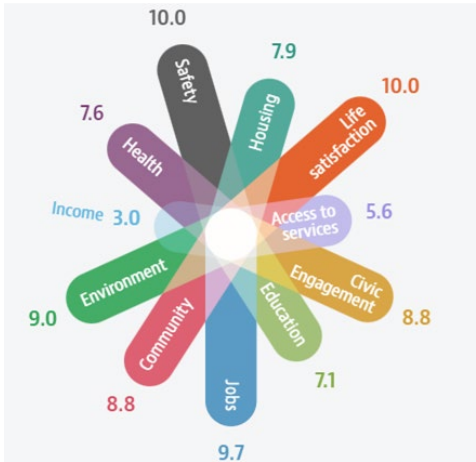


Germany
Rhineland-Palatinate

OECD Regional Well-Being <https://www.oecdregionalwellbeing.org>



(A)
Wellington



(B)
Tasman-
Nelson-
Marlborough



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