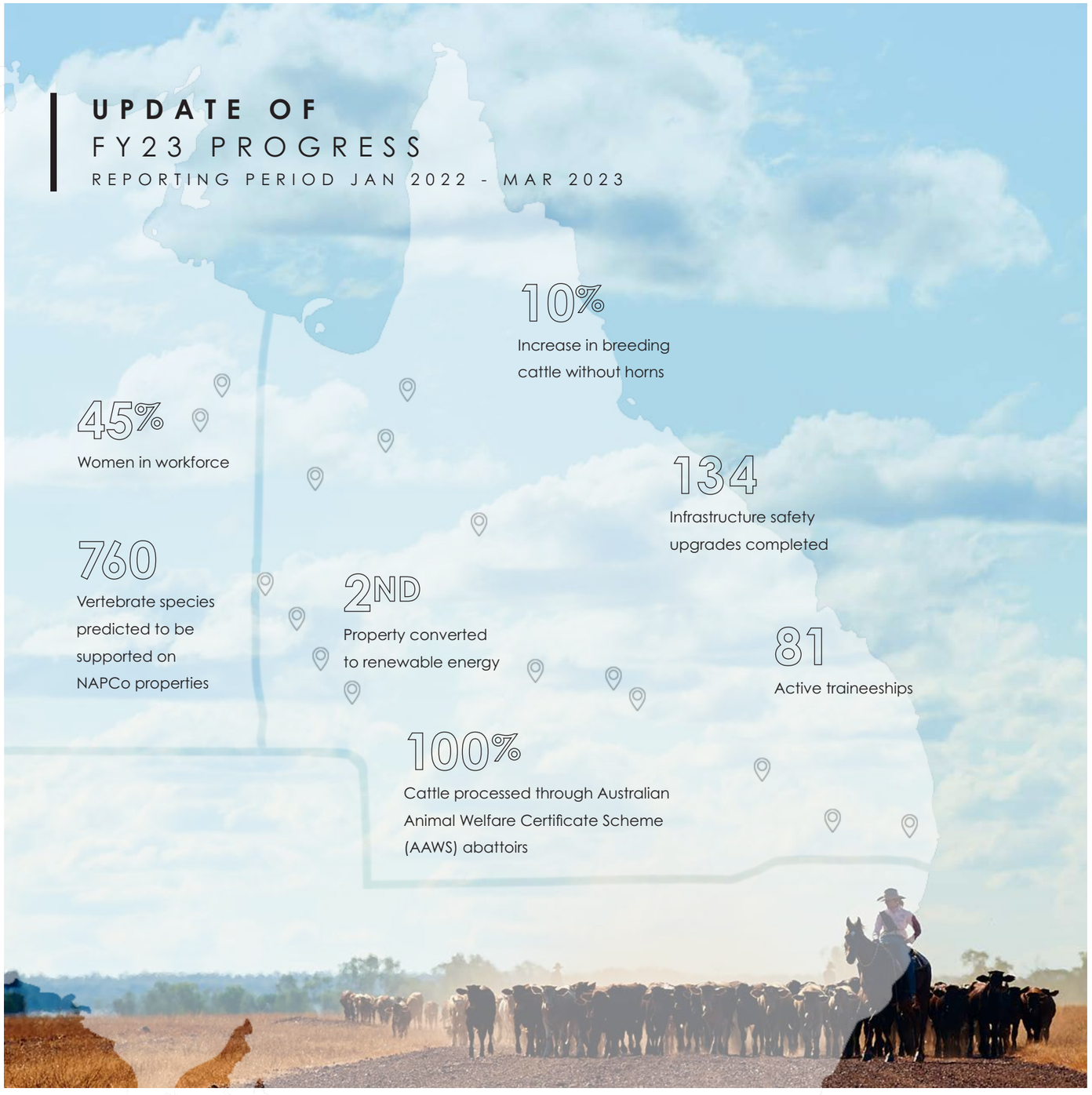
FY23 SUSTAINABILITY REPORT

NORTH AUSTRALIAN PASTORAL COMPANY



UPDATE OF FY23 PROGRESS

REPORTING PERIOD JAN 2022 - MAR 2023

10%
Increase in breeding cattle without horns

45%
Women in workforce

134
Infrastructure safety upgrades completed

760
Vertebrate species predicted to be supported on NAPCo properties

2ND
Property converted to renewable energy

81
Active traineeships

100%
Cattle processed through Australian Animal Welfare Certificate Scheme (AAWS) abattoirs

CONTENTS

CEO MESSAGE	04
OUR VALUES	06
PROPERTIES & SUPPLY CHAIN	08
STRATEGIC PRIORITIES	10
ENVIRONMENT	14
ANIMAL HEALTH & WELFARE	21
HEALTH & SAFETY	22
PEOPLE & COMMUNITY	26

ACKNOWLEDGMENT OF COUNTRY

The North Australian Pastoral Company respectfully acknowledges the Traditional Custodians of Country throughout Australia, and recognises their continued connection to land, waters and community. We pay our respects to Elders past and present. We embrace the spirit of reconciliation and are committed to continued listening and learning from Aboriginal and Torres Strait Islander people, to further work toward outcomes of equality.

A MESSAGE FROM ALLAN COONEY

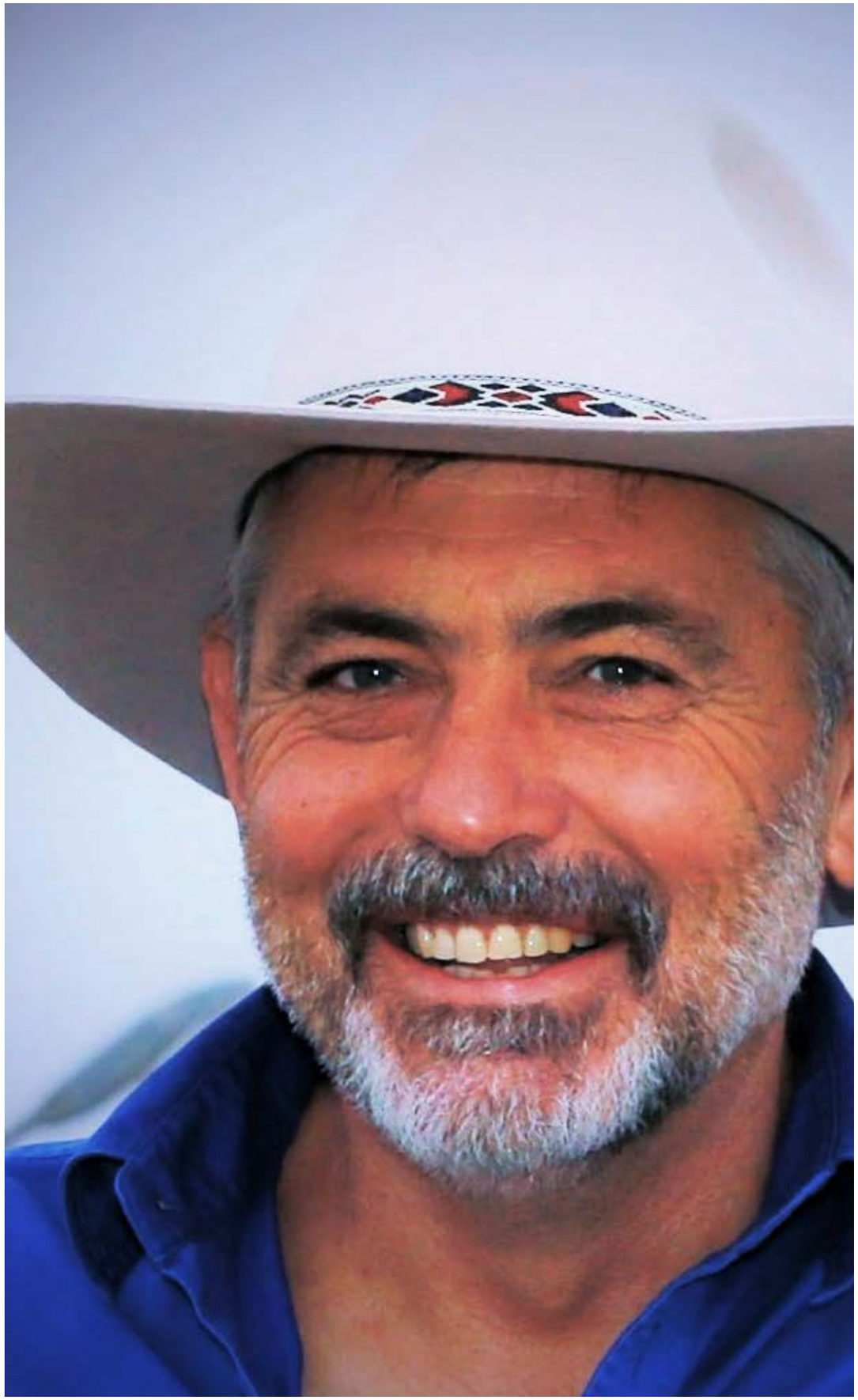
We are pleased to present the North Australian Pastoral Company's second annual Sustainability Report. This is a "sleeves rolled up" report, representing NAPCo's ongoing commitment to sustainability and its determination to real change. Through hard work and dedication, the business is making strides towards a brighter future, and this report highlights the progress and achievements over the past 15 months.

Throughout the year's many challenges, we remain committed to our purpose and striving for positive outcomes for the land we steward, and for the cattle we raise through positive initiatives that will support our pursuit to deliver some of the best Australian beef to the world for generations to come.

WE LOVE THE LAND WITH A GREAT DEAL OF PASSION AND TAKE PRIDE IN OUR FORESIGHT AS STEWARDS WHO SUPPORT A BETTER FUTURE.

NAPCo's sustainability and responsible practices are at the core of its business model. We believe that our success as a company depends not only on delivering high-quality and safe products to our customers but also on minimising our impact on the environment and society. That's why for over a century, NAPCo has committed itself to sustainable primary production practices that take into account the impact of its operations on the environment, society and governance. Our Sustainability Report reflects our view of the future and builds on a long history of responsible business practices. The importance of protecting and preserving natural resources and ecosystems is widely recognised, and we are committed to a wide range of proactive initiatives aimed at accomplishing this objective.

In 2022, we shared NAPCo's plans to drive future performance, recognising the importance of science and standards in supporting our journey to become a meaningful leader in business and within this industry.



This year, we share our progress, detailing the commitments and actions taken over the past 15 months to drive our future performance. By working together to preserve these valuable assets, we can ensure a better future for ourselves and future generations.

At NAPCo, we are fortunate to be the current generation standing on the shoulders of the giants who came before us. These individuals had the foresight and vision to recognise that the only future worth pursuing is a sustainable one, that belief and vision lives on with passion to ensure a strong and enduring legacy.

We are excited to report tangible gains in our sustainability efforts and remain committed to our sustainability journey and the health of our environment. This progress update marks an important assessment of ourselves, and we look forward to continuing to drive positive change as we strive to create a better future for all.

ALLAN COONEY
CHIEF EXECUTIVE OFFICER

OUR VALUES

EXCELLENCE
WE TAKE PRIDE IN OUR WORK.
WE ARE ALWAYS LOOKING FOR WAYS TO DO THINGS BETTER.

INTEGRITY
WE STRIVE TO DO WHAT'S RIGHT.
WE ARE OPEN AND HONEST WITH EACH OTHER.

TEAMWORK
WE WORK TOGETHER AS A TEAM TO GET THE JOB DONE.
WE VALUE THE CONTRIBUTION THAT EVERYONE MAKES.

HUMILITY
WE ARE QUIET ACHIEVERS. WE ARE ALWAYS WILLING
TO DO THE SMALL THINGS THAT NEED TO BE DONE.

SIMPLICITY
WE FOCUS ON THE THINGS THAT MATTER MOST.
WE KEEP THINGS PRACTICAL AND EASY TO UNDERSTAND.

Alexandria Station

PROPERTIES AND SUPPLY CHAIN

Cungelella Station

Our approach is characterised by a Whole of Life commitment to both our livestock and the environments we work in. The supply chain reflects this focus for the wellbeing of our animals and the environmental sustainability of the properties we manage.

BREEDING

Our world-renowned cattle breeding program produces animals perfectly suited to our environment, which allows them to lead healthy lives and produce the highest quality meat.

GRAZING

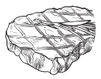
Our cattle graze freely across natural rangelands, providing them with access to a diversity of grasses and herbs for their diet. We monitor the health of these pasture communities and our cattle to ensure sustainable grazing.

FEEDLOTTING

NAPCo cattle finish on local grains and hay at Wainui Feedlot, near processing plants, for consistent high-quality products. Wainui Feedlot follows industry's quality assurance standards for animal health and welfare and participates in the independently verified National Feedlot Accreditation Scheme (NFAS).

FARMING

Our farm is on the fertile Darling Downs of Queensland and produces feed for our cattle, as well as crops like wheat for sale. We use conservation farming techniques to reduce fuel usage and minimise environmental impacts.



PROCESSING

We work with a few processing customers on a long-term basis and only use AUS-MEAT accredited facilities. This ensures that our partners have an approved quality management system that is independently verified, helping us maintain consistency in animal care and product quality.

SALES

For the most part, we sell cattle to our processing customers. However, in 2019 we extended our reach to engage directly with consumers and launched Five Founders, Australia's first certified carbon neutral beef brand.

STRATEGIC PRIORITIES

NAPCo recognises that sustainability is critical to the long-term viability of pastoral businesses and the beef industry. As such, we are committed to continually integrating new sustainable practices and being mindful of environmental, social, and economic impacts.

As an active member of the Australian Beef Sustainability Framework's consultative committee, NAPCo is dedicated to collaborating with industry stakeholders to identify emerging issues and opportunities for sustainable beef production. We strive to ensure that our practices and framework align with the highest industry standards and continuously improve sustainability performance.

We recoginse that sustainable beef production benefits not only the environment but also customers, investors, and other stakeholders who are increasingly interested in the social and environmental impact of the products they consume and invest in.

ENVIRONMENT

Biodiversity & conservation

Carbon

Rangeland management

Renewable energy

ANIMAL HEALTH & WELFARE

Animal husbandry

Handling & pain relief

Antibiotic stewardship

Genetics (polled)

Transport

Humane processing

NAP

NORTH AUSTRALIAN PASTORAL COMPANY

WHOLE OF LIFE • ANIMAL CARE • ENVIRONMENT

HEALTH & SAFETY

Safe infrastructure, plant & equipment

Safe & practical work systems

Safe attitudes & behaviours

PEOPLE & COMMUNITY

Attraction & retention

Diversity & inclusion

Capability development

Community support & engagement

MAPPING SDG PROGRESS: NAPCO'S COMMITMENT TO ACHIEVING SUSTAINABLE DEVELOPMENT GOALS AND ADVANCING GLOBAL SUSTAINABILITY

In this reporting period, NAPCo has made notable progress in continuing to align its strategies and operations with the United Nations Sustainable Development Goals. The goals that have been a focus include:

SDG 7: Affordable and Clean Energy
Progressed conversion to renewable energy sources for its stations and water bores.

SDG 8: Decent Work and Economic Growth
Focused on providing quality jobs with fair wages and working conditions for its employees, while also supporting local economic development through partnerships and community initiatives.

SDG 9: Industry, Innovation, and Infrastructure
Significant strides in adopting innovative solutions and building resilient infrastructure to improve its overall efficiency and competitiveness.

SDG 12: Responsible Consumption and Production
Optimised resource usage, and promoted sustainable supply chain practices to minimise its environmental footprint.

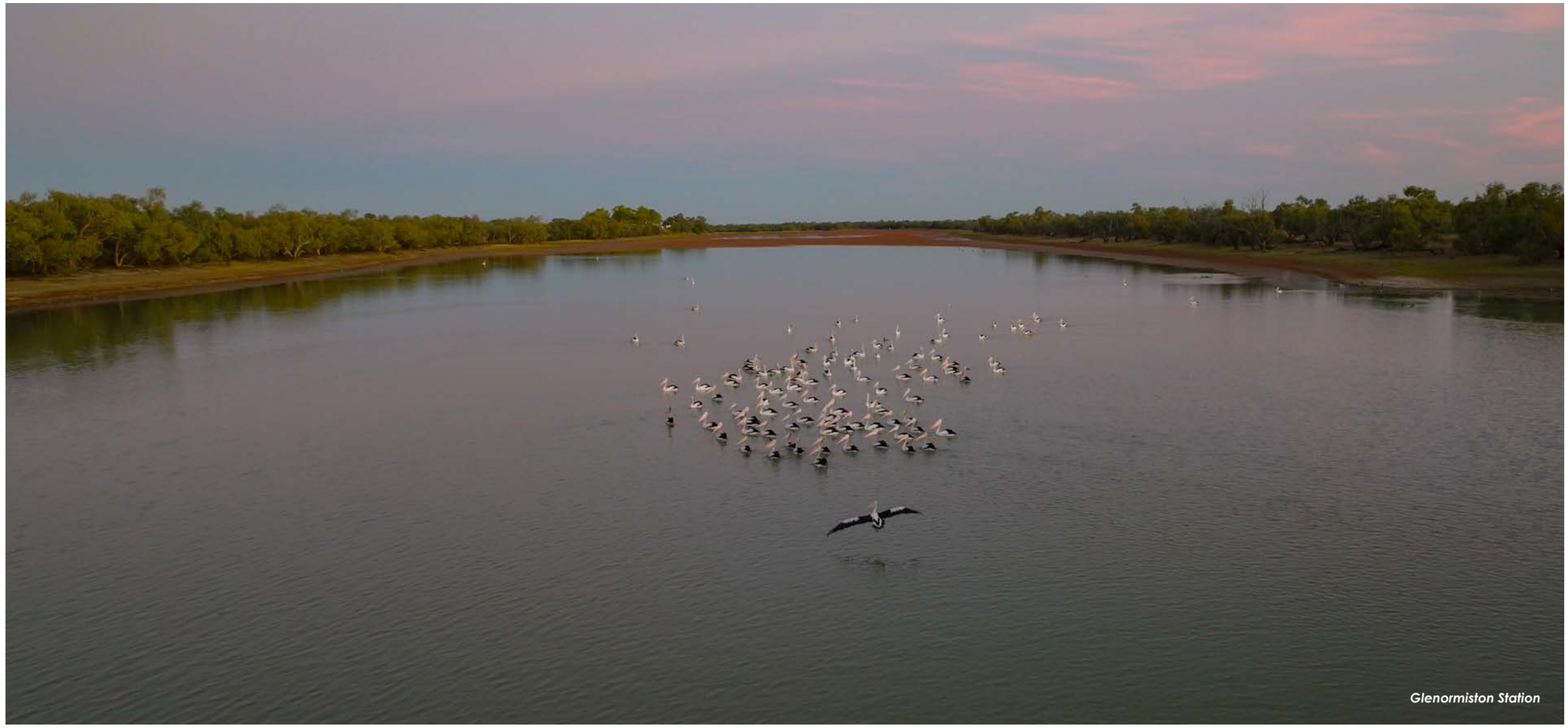
Alexandria Station

SDG 13: Climate Action
Taken concrete steps to mitigate its climate impact by working towards industry emission reduction targets, conducting regular monitoring of its carbon footprint, investing in low-carbon technologies and reducing enteric methane through the trial of feed supplement.

SDG 15: Life on Land
NAPCo recognises the importance of its employees, particularly those who live and work in remote areas, and places a high value on their wellbeing. To support its employees, the company implements various initiatives and events throughout the year.

SDG 17: Partnerships for the Goals
NAPCo's commitment to collaborate with various stakeholders, including governments, NGOs, and other businesses, to exchange knowledge and share best practice, recognises the benefit of working together towards achieving shared goals and SDG's.

NAPCo's commitment to the United Nations Sustainable Development Goals demonstrates the company's dedication to global sustainability and social responsibility. By transparently reporting its progress and actively collaborating with other organisations, NAPCo aims to make a significant positive impact on the world while continuing to advance its business objectives.



Glenormiston Station

ENVIRONMENT

PROGRESSING FORWARD

While we are proud of our achievements in sustainability and our 146 year history of innovation, we believe we can and must do even better over the next 146 years.

The availability of data and methodologies remains a challenge as we work to develop a better understanding of our environmental impact. By partnering with other organisations that are serious about environmental sustainability, and leveraging our influence with suppliers and industry, progress can be made. NAPCo can't solve these challenges alone, but we believe we can play an important role if we communicate and share our story honestly and openly.

NAPCo and Australian Wildlife Conservancy (AWC) have collaborated for the protection and restoration of ecosystems, progressing sustainable land management practices, and supporting biodiversity conservation efforts in its operating areas.

FY23 was focussed on on-ground activities including:

- Measuring biodiversity status of selected NAPCo properties
- Deployment of in-field remote sensing technology across properties
- Identifying technology to streamline biodiversity survey techniques and data analysis.

CARBON

NAPCo has continued its commitment to measuring its carbon footprint annually.

The Australian Government Climate Active Program has certified Five Founders as a carbon neutral branded beef since April 2019 and the carbon footprint forms the basis of this rigorous assessment and certification. It is consistent with standards determined in ISO 14067: 2018 and the Food and Agriculture Organisation of the United Nations, Livestock Environmental Assessment Performance guidelines for life cycle assessments. This assessment includes data from the whole supply chain during each calendar year (CY) and covers activities from breeding to finishing our cattle, including Scope 1, 2 and 3 emissions sources.

NAPCo is committed to applying the best available science and methodologies to calculating its carbon footprint. Applying updated emissions and global warming potential (GWP) factors to previous assessment periods (CY2018-CY2021) is a practice the organisation has undertaken since the Sustainability Baseline Report was published. This has resulted in a slight increase in our annual footprint from historically reported data (Figure 1). Increases to the 100-year GWP for methane contributed to this as enteric methane dominates NAPCo's carbon footprint. This revised analysis was conducted to maintain alignment with the best practice carbon accounting and reporting.

A total carbon footprint of 429,818 t CO2-e and a livestock emission intensity of 11.1 kg CO2-e per kg liveweight produced was reported for the calendar year from 1st January 2022 to 31st of December 2022 (CY2022) (Figure 2). NAPCo's emissions are directly influenced by variable seasonal conditions and changes to our production system in response. Total emissions and emission intensity increased slightly from CY2021 reporting period. This was due to rebuilding the breeder herd as drought effects heavily impacted the herd size between CY2019-CY2020. Since the baseline reporting period (CY2018), NAPCo has reduced overall emissions and emissions intensity.

Through the process of annually assessing our carbon footprint, NAPCo can evaluate its progress towards reducing overall emissions from its baseline year and identify the most effective initiatives for achieving emission reduction.

Figure 1.

NAPCO CARBON FOOTPRINT

(t CO_2 equiv.)

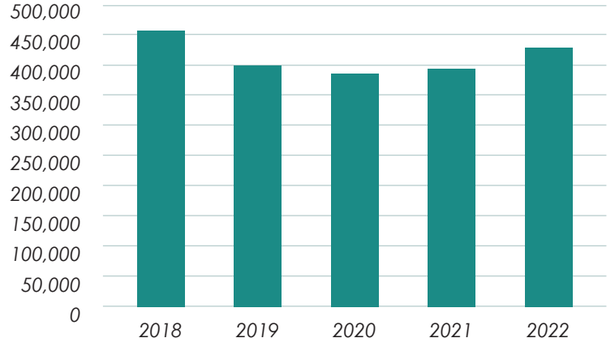
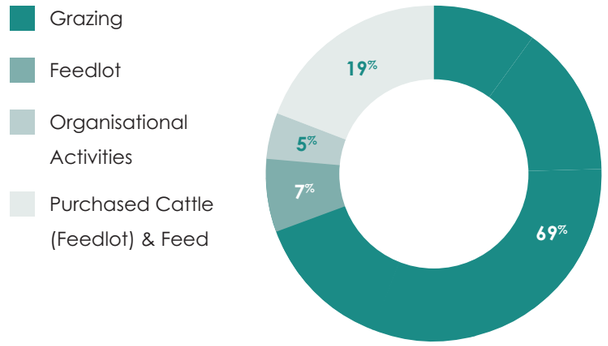


Figure 2.

GREENHOUSE GAS EMISSIONS INTENSITY

Figure 3.

CY2022 EMISSIONS SOURCES



In 2022, NAPCo formed a partnership with the University of New England (UNE) and Royal DSM to conduct a Commercial Feedlot Trial in Armidale, NSW. The trial aimed to measure the impact of Bovaer®, a methane-reducing feed supplement, on methane emissions from NAPCo steers. To ensure accurate results, UNE utilised gold-standard methane chambers to measure the methane emissions from the steers. The steers were fed a commercial feedlot diet that included appropriate levels of Bovaer®. The results of this trial are not available at the time of writing this report.

NAPCo maintains its commitment to partnering with prominent research and commercial organisations to develop innovative technologies and systems that can effectively reduce methane emissions. Through these collaborations, NAPCo is striving to identify practical solutions to improve its environmental sustainability.

Grain pellet with Bovaer 10

Portland Station

Glenormiston Station

RANGELAND MANAGEMENT

A Rangeland is an ecosystem dominated by grasses, shrubs, and other vegetation, typically found in arid to semi-arid environments. NAPCo relies on rangelands as a source of forage for livestock. Effective rangeland management involves balancing livestock needs with ecological health, considering factors like stocking rates and grazing patterns. Sound management practices aim to improve productivity while protecting the environment and maintaining long-term ecosystem health.

Rangelands are areas that have not been intensively developed for primary production and for NAPCo represents 99% of its land holding.

To ensure informed decisions are made, data is collected to monitor land condition and pasture biomass, and have recently re-evaluated our monitoring network. This has resulted in re-establishing several monitoring sites and modifying our assessment framework, which will enable more efficient and effective decision making.

NAPCo's investment in remote satellite imagery guides it's understanding of vegetation cover and pasture biomass trends. During the reporting period, progress ground-truething valuable satellite data has further strengthened confidence in the accuracy of this technology. The investment in satellite imagery will continue to assist in making informed decisions regarding NAPCo's land stewardship.

RENEWABLE ENERGY

Our commitment to replace all diesel-powered bore pumps with solar power was initially planned as an 8 year program, ending in 2028. During this reporting period this program has been accelerated, which saw 54 bore pumps converted to solar power during the year, reducing our reliance on diesel powered bores by 18%.

During the reporting period, NAPCo converted its second station from diesel-generated power to solar-power, in total saving approximately 100,000 litres of diesel or 220 metric tonnes of CO_2 e per year. Work is currently underway to finalise feasibility and design studies on NAPCo's remaining stations.

Mantuan Downs Station

ANIMAL HEALTH & WELFARE

NAPCo is committed to the health and welfare of its animals and follows the Australian Animal Welfare Standards and Guidelines for Cattle to achieve improvements in animal welfare outcomes.

During the reporting period, we progressed numerous priorities relating to our Animal Welfare Strategy:

- Maintaining compliance with the National Feedlot Accreditation Scheme for Antibiotic Stewardship
- Enhancing data capture for individual animal recording of antibiotic treatments and exploring probiotic development to improve animal health in cattle diets
- Continued commitment to training and educating livestock-staff and livestock transporters in animal husbandry practices with the help of industry experts
- Applying pain relief for surgical procedures and providing training for relevant staff
- Increasing the polled rate by 10% in our breeding program
- Maintaining transport standards and fit-to-load guidelines resulting in no reportable incidents
- Processing 100% of our cattle through Australian Animal Welfare Certification Scheme (AAWCS) accredited facilities in a humane way

Reference: Johnston, Ferdosi, Cook and Savage (2022) Polled Accelerator – a unique application of genomic technologies to address a beef breeding challenge. Proceedings of the 12th WGCALP, Rotterdam, Netherlands

Breeding cattle without horns (polled) is a permanent solution to the risk of injuries to staff and cattle themselves. NAPCo's "Polled Accelerator Program" which combines genetic technologies and practical breeding strategies achieved recognition as a world-leading improvement in animal welfare, with publication at the World Genetics Congress, held in Rotterdam in July 2022.

HEALTH & SAFETY

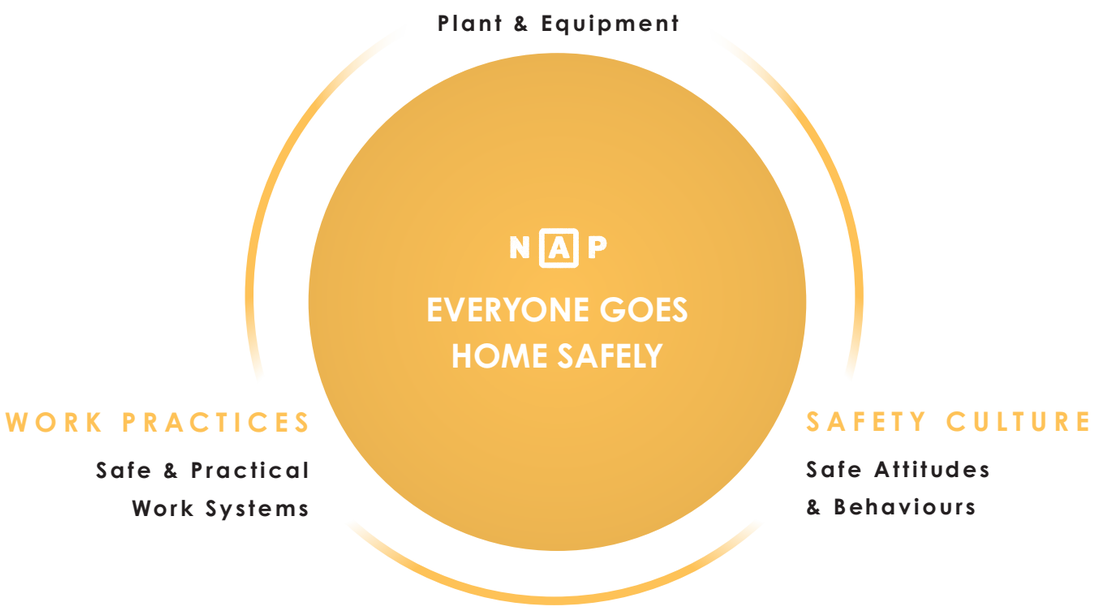
NAPCo acknowledges the inherent risks associated with it's unique workplaces, and as such, prioritise the promotion of health and safety as a core business value. NAPCo is very committed to providing a safe work environment and view safety performance as a fundamental component of it's overall success. NAPCo also recognises the importance of meeting community's expectation to deliver on this commitment to safety.

Boomarra Station team members, NAPCo Station Challenge 2022

EVERYONE GOES HOME SAFELY, EVERY DAY.

During this reporting period NAPCo has made significant progress against its Safety Strategy.

WORK ENVIRONMENT



SAFETY PERFORMANCE

METRIC	2019	2020	2021	JAN 2022 - MAR 2023
Infrastructure, Plant, Equipment Improvements	714 safety improvements identified. 45% completed (323 of 714)	74% completed (531 of 714)	80% completed (575 of 714)	99% completed (709 of 714)
Lost Time Injury Frequency	Baseline year	44% improvement*	34% improvement*	36% improvement*

**Calculated as a percentage of baseline year.*

Over the past four years, NAPCo has implemented a revised HSE (Health, Safety, and Environment) strategy, which has resulted in positive outcomes, including a 36% reduction in serious injuries (from baseline December 2019 to March 2023).

NAPCo's focus on creating a safe work environment has involved upgrading over 709 infrastructure, plant, and equipment-related components since 2019, with measures such as converting all windmills into solar power to eliminate the risk associated with working at heights.

NAPCo also prioritises the physical and mental wellbeing of its workforce. To this end, we have delivered a comprehensive voluntary wellbeing program to all key staff. Additionally, NAPCo partnered with Outback Futures, a leading rural-based employee assistance provider, to further ensure employee wellbeing.

PEOPLE & COMMUNITY

45%
Female representation in workforce

81
Active traineeships

31
Employee transfers

26
Internal promotions

Glenormiston Station

WELLBEING IS FOR EVERYONE, EVERY DAY.

Glenormiston Station

THE STRENGTH OF THE LAND IS IN ITS PEOPLE

At NAPCo, our people are at the heart of the business, their experience, hardwork and dedication drives an effective operation.

With approximately 220 people located across Queensland and the Northern Territory, NAPCo is committed to providing an inclusive work environment that embraces, promotes and values diversity.

During the reporting period, a number of priorities have been progressed, relating to the People & Culture strategy, including;

PROMOTING AN INCLUSIVE AND DIVERSE CULTURE

- We redefined our organisational structure and enhanced internal committees, leading to more effective business outcomes.
- We increased female representation in leadership positions and had a 45% female workforce.
- We celebrated our 146-year-old culture and invested in initiatives that promote respect, inclusivity, and opportunities for all employees to reach their potential.

DEVELOPING OUR PEOPLE

- We supported 81 active traineeships, and facilitated 31 employee transfers and 26 promotions.
- We held various professional development forums to train and upskill our workforce.

PRIORITISING EMPLOYEE WELLBEING

- We continued to provide an industry leading Employee Assistance Program.
- We enabled flexible work arrangements to support employee wellbeing and work/life balance.
- We promoted participation in initiatives such as Men's Health Week, Dry July, Women's Health Week, and Movember.

SUPPORTING COMMUNITIES

- For those in our local communities and throughout our supply chain, we provided sponsorship and volunteers for various events and initiatives.
- We continued to contribute donations to support services and charities, fostering regional and remote communities.

Some of the charities, not-for-profit organisations, and initiatives in this reporting period have included:

ROYAL FLYING DOCTOR SERVICE

NAPCo is proud to support the Royal Flying Doctor Service (Queensland Section) as a preferred charity recipient. During the reporting period, NAPCo made a monetary donation to support the development of a new Aeromedical Base in Mount Isa. This new base will provide emergency evacuations, primary health care, and mental health services to Western Queensland for many years to come.

DRY JULY

Dry July is a fundraiser encouraging participants to go alcohol free for the month of July, to raise funds for those affected by cancer. We had participants across the company go dry in July and raise funds, which NAPCo matched, dollar-for-dollar.

BIG DRY FRIDAY

NAPCo donated Five Founders beef to the Big Dry Friday event in Brisbane, which supports rural and regional Australia.

MOUNT ISA ISOLATED CHILDREN'S PARENTS' ASSOCIATION (ICPA) BRANCH OF THE AIR (BOTA)

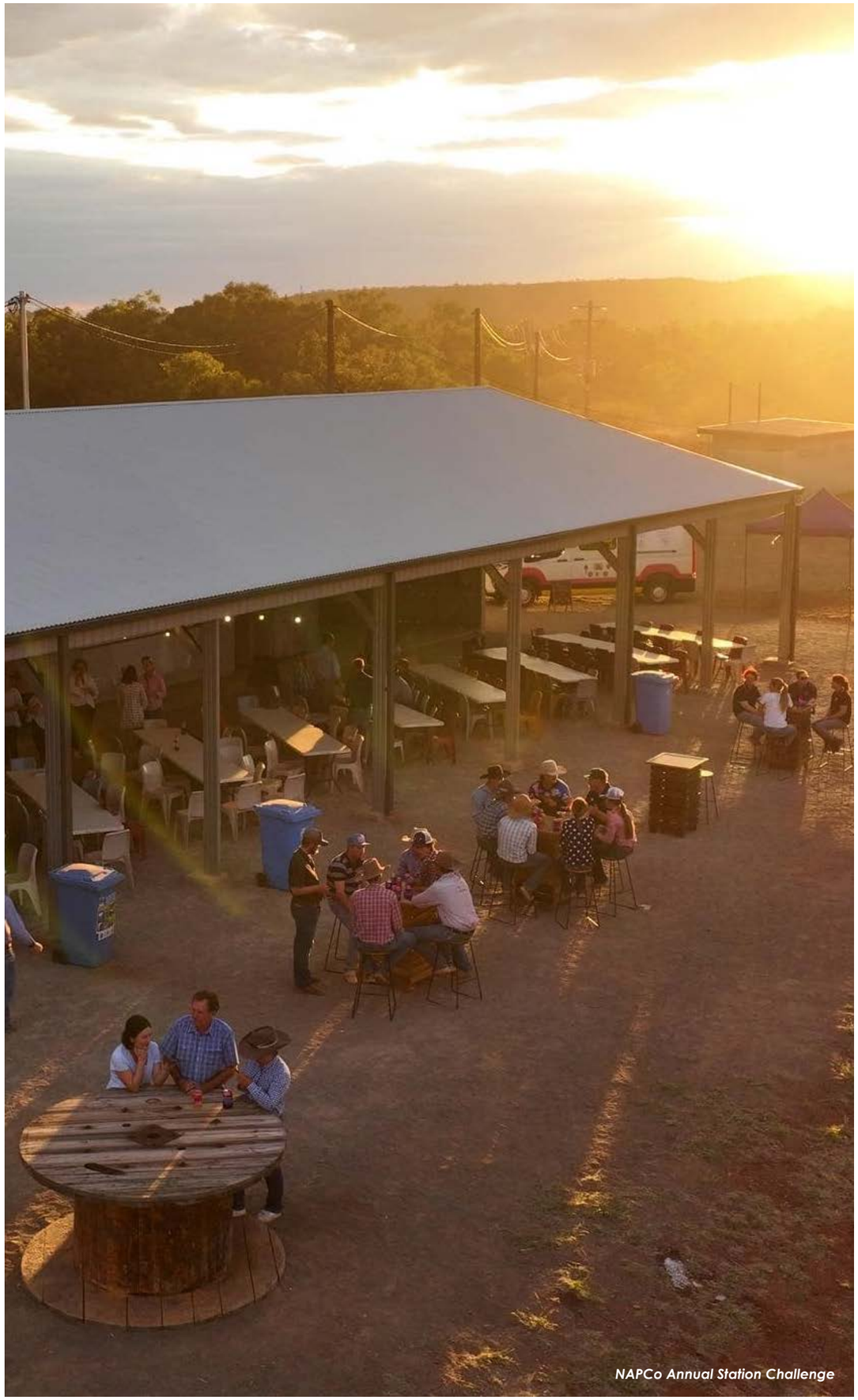
In support of geographically isolated children's educational needs and aspirations, NAPCo was delighted to support the Sports for Bush Kids event organised by Mount Isa ICPA BOTA, a volunteer organisation.

SOBER IN THE COUNTRY (SITC)

NAPCo supported SITC by raising awareness for their advocacy work and peer support programs through an online event with SITC's Founder & CEO, Shanna Whan.

YOUNG BEEF PRODUCERS FORUM (YBPF)

NAPCo sponsored the Young Beef Producers Forum, a two-day conference for those under 40 in the beef industry.



NAPCo Annual Station Challenge

OUTBACK FUTURES

NAPCo partnered with Outback Futures as it's EAP provider, a not-for-profit organisation committed to long-term change in mental health and wellbeing for outback communities.

AUSTRALIAN BREASTFEEDING ASSOCIATION (ABA)

NAPCo supported the Australian Breastfeeding Association (ABA) on International Women's Day by providing a monetary donation and recognising the efforts of one of our employees, who has volunteered as a Breastfeeding Counsellor for 13 years and personally facilitated over 2,000 hotline calls.

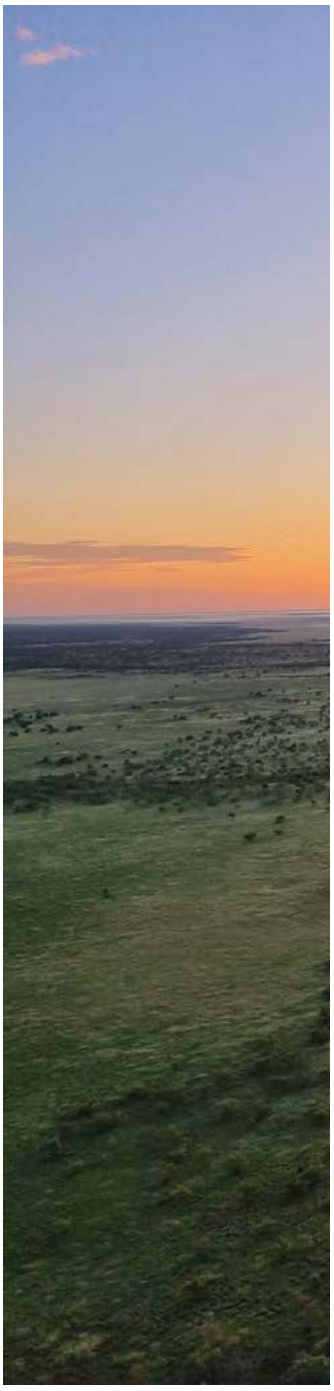
LOCAL EVENTS

NAPCo continues to support long standing local community events via donations, resources, equipment and volunteer support, including Campdrafts, Rodeos, Race Days, Shows and School events.

CELEBRATING

146 YEARS IN AUSTRALIAN AGRICULTURE

NAPCO'S AIM IS TO ACHIEVE SUSTAINABLE CHANGE TOGETHER



NORTH AUSTRALIAN PASTORAL COMPANY

WHOLE OF LIFE • ANIMAL CARE • ENVIRONMENT