



Here for NZ



Our commitment
to our people and
our place



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foodstuffs NORTH ISLAND

FOODSTUFFS South Island

Foodstuffs NZ

OUR BRANDS











A letter from our Chief Executives

The past year has been like no other for Foodstuffs. The ongoing impact of the COVID-19 pandemic, steadily increasing inflation adding to customers' grocery bills, intense scrutiny of the grocery sector following the Commerce Commission's market study, and the need to adapt our business to deliver on our climate goals have brought a unique combination of challenges and opportunities. We are incredibly proud of how our teams across the North and South Islands came together, more resolutely than ever, to look after our customers and their communities in the past 12 months¹.

As the pandemic evolved and vaccination rates increased in New Zealand, we were consciously observing the impact of the more infectious strains of COVID-19 on grocery supply and demand in other parts of the world. We made plans to address what would happen when the Omicron variant arrived on our shores. We focused on two things: the safety and wellbeing of our teams and customers, and ensuring food was on the shelves for New Zealand families.

And arrive it did, putting our distribution centres, supply chains and supermarkets under intense pressure, as New Zealanders relied on us for fresh, healthy and affordable food to sustain them through a difficult time. Though the impact on supply chain and staff availability created

pressure, our planning and stock management paid off. We're proud to say that we're at our best when the pressure is on. Our teams came together to make sure we were delivering the basics of the supermarket business: the best possible value, meaningful specials and accessibility for all customers. Sometimes this meant people from our support centres worked in the distribution centres to make sure orders were fulfilled. It also called for constant collaboration between owner-operators and support teams. As the pressure on households increased and communities suffered greater food insecurity, this meant sending extra food from our stores to our foodbank partners around the country, and welcoming new food rescue partners to the Foodstuffs whānau.

You don't have to look far to see the impact of inflation on New Zealanders' ability to access food. The cost of living is currently the number one concern among New Zealanders² and our business will stand up and deliver. We remain focused on delivering value and affordability to our customers every day. In May 2022 we implemented a price rollback, reducing the prices on more than 110 of the most-shopped grocery items to what they averaged during the first quarter last year. At the end of June 2022, the national rollback was saving customers an average of \$1.3 million every week.

Demand at local food rescue organisations and food banks has never been greater. Our stores' relationships with these

organisations have allowed them to provide product donations and financial support in a variety of ways. We're also responding to this need through our Social Supermarkets, with two up and running and plans for another four in the next year. Our stores are committed to ensuring no good food is wasted, and over the past year we've been implementing processes and measures to ensure as much edible food as possible safely finds its way back into our local communities.

We remain focused on delivering value and affordability to our customers every day.

On top of diverting useable food from landfill, introducing sustainable packaging solutions and removing single-use packaging is a real success story at a store level. Our desire to be a more environmentally sustainable business is seeing significant investment in decarbonising our operations. Over time this includes ensuring our stores are using refrigerants that have the least impact on the environment, electrification of our fleet where possible, investment in solar power and building low-carbon stores and buildings.

Transparency and accountability keep us focused. This is a key principle in our reporting, and in our response to the Commerce Commission's market study. We will continue working



constructively with Government to do everything we can to ensure a fair grocery market for all. We are working with the Ministry of Business, Innovation and Employment to design a mandatory Grocery Code of Conduct that will clarify how we work collaboratively with our supplier partners for the benefit of customers, and we support the Government's legislation removing the use of restrictive covenants on land and exclusive covenants on leases. As at June 2022, 58% of all affected North Island titles have had covenants removed and Foodstuffs South Island is working through a similar process.

This year, our focus on delivering value to our customers and being 'Here for New Zealand' has anchored us and kept us focused. Our social promises of Healthy and Affordable Food, Meaningful Work, Supporting Local Communities and Sustainability Leadership are more than words that are rolled out in this report. They're living statements that we ground ourselves against and measure ourselves by. Foodstuffs is a critical part of the fabric of New Zealand communities, from the Far North to Stewart Island. It's a privilege to feed

New Zealand and we will never waver from this responsibility.

We're certainly proud to reflect on what our teams right across Foodstuffs have achieved, especially under difficult circumstances. Our people are the heart and soul of our business, and we are investing in meaningful and safe work as a priority. We're committed to advancing the careers of our people, providing a place where they are not only empowered to be themselves but where they can thrive in meaningful careers, and where they are appreciated for their unique skills and potential.

Our people are the heart and soul of our business, and we are investing in meaningful and safe work as a priority.

From the tremendous efforts of our owner-operators and their teams to the people in our support functions across the motu, this report is a snapshot of how we've been Here for New Zealand over the past year and what our future looks like.

If you're reading this, you're part of the Foodstuffs story too. Thank you for your support and we hope you enjoy the report.



Chris Quin
Chief Executive Officer
Foodstuffs North Island



Mary Devine
Chief Executive Officer
Foodstuffs South Island

¹ References to financial years (FY) in this report relate to Foodstuffs North Island's and Foodstuffs South Island's respective financial years. Foodstuffs South Island's financial year is from 1 March to 28 February in the following year, and Foodstuffs North Island's financial year is from 1 April to 31 March in the following year.

² Kantar's Better Futures Report 2022

Our year of being Here for NZ³

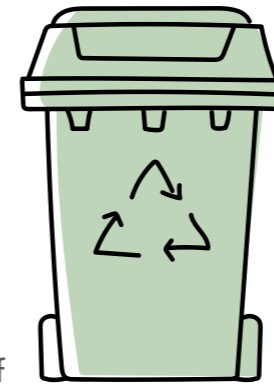
Our four social promises

-  **Healthy and Affordable Food**
We support every New Zealander to access healthy and affordable food.
-  **Sustainability Leadership**
We are sustainability leaders in our operations and how we source our products.
-  **Supporting Local Communities**
We support our local communities to thrive.
-  **Meaningful Work**
We create meaningful and safe work for our people.



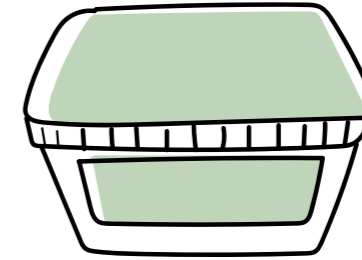
More than
\$725,000

to 35 community organisations by the Foodstuffs North Island Here for NZ fund.



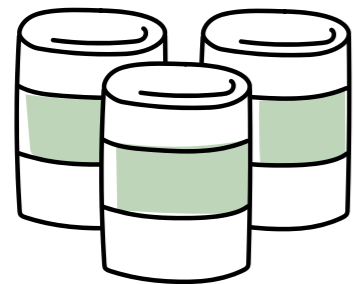
Equivalent of
46,504

wheelie bins of cardboard has never been produced as we transition to reusable crates for produce in the South Island



85%
of our retail in-store packaging is reusable, recyclable or home compostable

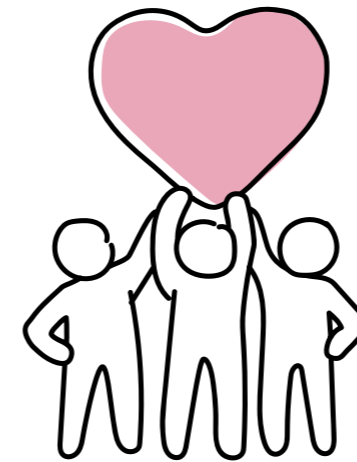
Proudly employing
36,000
people in our co-ops, nationwide



Donated more than
\$2 million
worth of product to the New Zealand Food Network



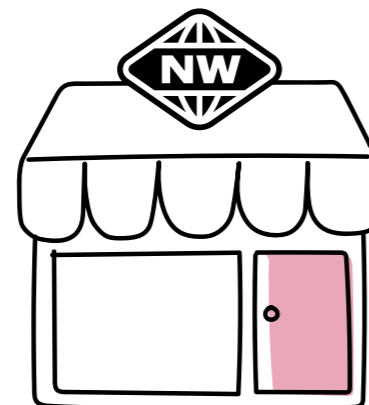
The equivalent of more than
6.3 million
meals donated through our food hub⁴ partnerships



Almost
\$7.2 million
donated by our stores to our local communities



Foodstuffs (South Island) Community Trust distributed nearly
\$900,000
in education and community grants



40%
reduction in energy consumption in new generation of energy efficient stores, compared to previous generation stores

More than
\$254,000
in grants was provided by the Foodies Foundation to support fellow Foodies through tough times



³ For the year 1 April 2021 to 31 March 2022.

⁴ Food hubs include food rescue and food bank organisations.

Healthy and Affordable Food

We play a fundamental role in feeding and nourishing New Zealanders, and it's a responsibility we take extremely seriously. In FY22, we increased our support of and strengthened established partnerships with community organisations, we improved our affordable and healthy Own Brands products by building on our mahi with the Heart Foundation and Health Star ratings and we worked with our local partners to help ensure edible food does not go to waste. And to give many New Zealanders facing food insecurity dignified support, we introduced our Social Supermarket initiative.

Our cooperatives' commitment to be here to feed New Zealand was our North Star through the ongoing COVID-19 pandemic and its impact on our supply and distribution channels. As we responded in real time to lockdowns and the rapid spread of the virus, we were firmly focused on supporting every New Zealander to access healthy and affordable food.

Over the past year, the Commerce Commission's investigation into supermarkets brought our operations under greater scrutiny. We acknowledged the findings in the draft report and proactively made changes, which were then referenced in the Commerce Commission's final report. Our business is committed to working with the Government to support the implementation of the commission's recommendations.

The ongoing impact of the pandemic, alongside other global events affecting commodity and product supply and supply chains, saw household budgets become increasingly stretched and inflation at its highest level in 30 years. We leaned into the challenge, supporting our New World, PAK'nSAVE and Four Square customers by rolling back the prices for at least three months on more than 110 of our customers' most shopped grocery items to what they averaged early last year.



Our social promise

We support every New Zealander to access healthy and affordable food.



Alignment to the UN Sustainable Development Goals



Sam Beaumont of KiwiHarvest and Mark Acheson, Produce Manager at PAK'nSAVE Albany

Our 2025 Healthy and Affordable Food Measures & Targets

INFLUENCE HEALTHIER FOOD CHOICES

Provide healthy and affordable food choices to New Zealanders to measurably shift customer behaviour.

Measure	FY22	FY23	FY24	FY25
PAK'nSAVE - Maintain #1 'Fairness' ranking (among Retailer organisations) in Kantar's annual Corporate Reputation Index	#1	#1	#1	#1
New World - Achieve 'Fairness' score of 105 (top 10% globally) in Kantar's annual Corporate Reputation Index by FY25	101	102	104	105
Number of classes participating in the Food for Thought programme	645	645	645	645

REDUCE FOOD POVERTY

Make a notable difference to alleviating food poverty in New Zealand.

Reporting commitment	FY22	FY23	FY24	FY25
Number of 'equivalent meals' donated by sites on the Waste Minimisation Programme to Food Rescue and/or Food Banks Organisations				

No annual targets. Our aspiration is to embed best practice across our entire business so that any unsaleable food products fit for human consumption are diverted from landfill to food rescue and/or food bank organisations. We will report on the number of 'equivalent meals and tonnage' donated each year.

HEALTHIER AND MORE AFFORDABLE OWN BRANDS

Provide more options to customers through the development and championing of healthier and more affordable Own Brand products.

Measure	FY22	FY23	FY24	FY25
Display the Health Star rating on all relevant food products ⁵	64%	75%	84%	100%
In food categories where Heart Foundation nutritional criteria exists (reduced sugar and sodium), a defined percentage of Own Brand products will comply with those criteria	55%	60%	65%	70%

⁵ where packaging space permits it

Influencing healthier food choices

We are focused on helping New Zealanders across the country shop efficiently and affordably to create healthy meals with seasonal produce.

To achieve this goal, we've invested in educating tamariki about making good food choices, built on our community partnerships and delivered innovative communications to customers to help them make the best decisions for themselves and their families.



Our long-term partnership with Food for Thought, a free nutritional education programme run through schools, continued this year. Along with in-class learning sessions, led by a nutritionist or Heart Foundation nutritional advisor, Food for Thought participants (year five and six students) visit local New World, PAK'nSAVE and Four Square stores to learn what to look for on food labels and how

to make healthy choices when grocery shopping.

While COVID-19 meant many classes were postponed, the Food for Thought team adapted with some classes run virtually and store visits replaced with 'in-class' supermarkets. A digital shared document containing photos of food products was developed and is now well established and used in the classroom as part of the in-class supermarket label-reading session. Students can access this via their devices at home or in school. This also means that as schools see unprecedented

Our Goal

Provide healthy and affordable food choices to New Zealanders to measurably shift customer behaviour.

absences, 'at home learning' can still take place, allowing absent students to still benefit from the programme.

"You used excellent resources and the lessons were well structured. My students are still comparing and checking food labels when they open their lunch boxes! It is really important that our tamariki are aware of nutrition labels and that they know how to interpret them."

TEACHER

Love Food Hate Waste

New World is on a mission to show how healthy eating can be affordable and delicious. Together with Love Food Hate Waste (a WasteMINZ initiative), New World partnered with nutritionist and food influencer Claire Turnbull to create an online seasonal weekly meal planner containing five family dinners for under \$100. This is a practical way for families to eat affordably and to reduce food waste by buying seasonally.



You can find New World's weekly meal planners here



Fresh Market Update

This year the PAK'nSAVE team was busy helping its customers find creative ways to save money and buy fresh, healthy food. The PAK'nSAVE Fresh Market Update, a new monthly customer newsletter, highlights seasonal produce and the best fresh deals in its 'The Pick of the PAK' section. The update includes recipes supplied by 5+A Day, a charitable trust that encourages all New Zealanders to eat five or more servings of colourful, fresh vegetables and two servings of fruit every day. Future Fresh Market Updates will include highlights from our Butchery and Seafood departments and useful tips to get the most out of your grocery shop.

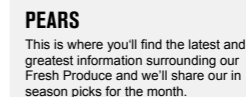
- THE PICK OF THE PAK - MARCH 2022



APPLES

This is where you'll find the latest and greatest information surrounding our Fresh Produce and we'll share our in season picks for the month.

We'll share our best in market deals, some delicious recipes and some amazing from farm to plate journeys.



PEARS

This is where you'll find the latest and greatest information surrounding our Fresh Produce and we'll share our in season picks for the month.

We'll share our best in market deals, some delicious recipes and some amazing from farm to plate journeys.



PUMPKINS

This is where you'll find the latest and greatest information surrounding our Fresh Produce and we'll share our in season picks for the month.

We'll share our best in market deals, some delicious recipes and some amazing from farm to plate journeys.



New World is excited to bring back Little Garden

The campaign, which encourages big and little shoppers alike to create an edible garden, connects the planting of your own vegetables with enjoying healthy food. The campaign will also shed light on the benefits of buying in-season fruit and vegetables – that it not only provides the freshest and tastiest ingredients for your meal, but also helps to keep your food costs low. Little Garden has been one of New World's most popular initiatives, with the 2020 campaign reaching more than 125,000 children.



Progress

INFLUENCE HEALTHIER FOOD CHOICES

Provide healthy and affordable food choices to New Zealanders to measurably shift customer behaviour.

Measure	Actual FY22	Target FY22	Target FY25	Progress
PAK'nSAVE - Maintain #1 'Fairness' ranking (among Retailer organisations) in Kantar's annual Corporate Reputation Index	#1	#1	#1	● Achieved
New World - Achieve 'Fairness' score of 105 (top 10% globally) in Kantar's annual Corporate Reputation Index by FY25	97	101	105	● Not Achieved The New World team recognise that work needs to continue to ensure our customers are getting value in our stores – this will remain a considerable focus for the team.
Number of classes participating in the Food for Thought programme	446	645	645	● Not Achieved While the Food for Thought team continued to operate at a high level in a very challenging operating environment, adapting the programme to an online learning environment, a number of classes were cancelled due to the impacts of COVID-19. ⁶

Outlook

Our retail brands will continue to support our customers with tips and solutions that empower them to make healthy choices. This includes a continued focus on delicious and nutritionally balanced recipes and customer communications that focus on seasonal fresh foods.

Next year, our retail brands will focus even more on delivering value for households across New Zealand. This includes working to ensure our customers are receiving great value when they purchase essential food and grocery items, as well as being able to buy and use in-season fruit and vegetables. We'll also double down on providing deep-cut specials on the food customers want to buy.

Efforts will continue to make the Food for Thought programme adaptable to both in-person and digital learning environments. This includes exploring the potential of more 'at home learning' activities, such as students completing the label reading component of the programme via their digital devices.

⁶ Based on a March to February year. FY21's participating class number has been restated to reflect a change from the April to March period reported last year.

Reducing food poverty

The past year has been tough for New Zealanders due to COVID-19 and the increased cost of living impacting family budgets. In response, we doubled down on our support of local food banks and food rescue organisations to provide targeted support to those in need, including our successful Social Supermarket initiative. We delivered a range of grants through the Foodstuffs (South Island) Community Trust. Foodstuffs North Island's Here for New Zealand Committee was developed to support our Reducing Food Poverty goal.

We're in the privileged position of being able to actively make a difference to food poverty levels in New Zealand. While one organisation alone cannot solve the problem, through our long-term partnerships, local store support of food banks and food rescue organisations, and targeted local investment, we are helping to improve food security for people who need help in our communities.

Our Goal

Make a notable difference to alleviating food poverty in New Zealand.



6.3 MILLION EQUIVALENT MEALS DONATED ANNUALLY⁷

to those who need it most through our partnerships with food rescue organisations nationwide



More than
2.6
million



More than
2
million



More than
33,000



More than
73,000

OUR
DISTRIBUTION
CENTRES

More than
1.5
million

⁷ This figure is based on the approximate weight of food donated by our stores as calculated by food rescue partners, divided by the weight of an average meal (350g).

Food Rescue

We believe that edible food should not go to waste. PAK'nSAVE, New World and Four Square stores across the country partner with local food banks or food rescue organisations to donate product through local campaigns and initiatives. Working with the New Zealand Food Network, this year we redirected 120 tonnes of food from landfill back into our local communities.

In FY22 we have been strengthening our strategy to ensure we maintain progress towards our longer-term objective of zero food waste to landfill.

A critical step in this journey has been the introduction of Foodstuffs' internal food donation guidelines, aligned with the Ministry of Primary Industry's food safety regulations and Aotearoa Food Rescue Alliance's (AFRA) Food Safety Guidelines. The guidelines, to be launched in FY23, will provide a consistent approach for safely donating food to food rescue partners, giving our stores the knowledge and confidence to redirect even more meat, chilled and frozen goods, as well as baked and 'ambient' (shelf) goods to food rescue organisations across the country.

The total reported weight of edible food we diverted from landfill to donate to our local communities was lower than in previous years. This is largely due to more accurate data collection, providing us with more confidence in the numbers we are reporting; this is an ongoing challenge but we believe we are making excellent progress. COVID-19 also impacted on the diversion of food to those in need as staff shortages and a desire to limit contact with external parties meant less product than usual was sent to food rescue partners.



Foodstuffs (South Island) Community Trust distributed nearly \$900,000 to local community organisations, including those active in combating food poverty in their communities. You can read more about this on page 46 in our Supporting Local Communities section.

Foodstuffs North Island's Here for New Zealand Committee

This year, Foodstuffs North Island established its Here for New Zealand Committee to help the cooperative deliver on its social promises.

The 10-person committee is comprised of owner-operators and people from our support centres who are actively involved and engaged in Foodstuffs North Island and committed to being 'here for New Zealand'. Recognising that the cooperative has the influence and experience to make a meaningful difference across all our Here for NZ goals, the committee has specifically chosen to concentrate its efforts on addressing food poverty.

In addition to providing strategic direction to the business, the committee administers a 'Here for NZ Fund' to support projects and community organisations aligned to our strategy. The fund provides support to community organisations active in the area of food poverty, funding for strategic projects that aim to address systemic issues that contribute to food poverty and on-going support for the establishment and operation of Social Supermarkets across the North Island. In FY22, the fund distributed more than \$725,000 to 35 community organisations.

As a strong voice and reminder to the business about our commitments to be Here for NZ, Foodstuffs North Island's Here for New Zealand Committee is integral to ensuring our business makes an increasingly positive and meaningful difference to our communities.



Are you a community group working in an area aligned to one of our social promises? Get in touch with herefornewzealand@foodstuffs.co.nz to find out more about the Here for NZ fund.



Profile

PAK'nSAVE Rotorua

PAK'nSAVE Rotorua established a partnership with Rotorua Whakaora, the free food supermarket, in October 2021. Owner-operator Amanda Elliot saw an interview on TVNZ's Breakfast in which founders Elmer and Gina Peiffer were talking about the service their store offers to members of the community experiencing food insecurity.

"We were contacted by the store, who wanted to support our service by supplying food with packaging that may have been damaged in transit, or was close to its best-before date but still perfectly safe for consumption."

Elmer and Gina established Rotorua Whakaora to help

people from all walks of life struggling to have enough food, an issue exacerbated by lockdowns, the pandemic, and the increasing cost of living.

"People will feel like they're in any other supermarket. There is no shame, people will take what they need and what they will use. When you give people food parcels, food may go to waste because they don't know what to make with certain items."

Food items that were destined for landfill are given a second chance through this partnership. Elmer said "We have been well-supported by PAK'nSAVE Rotorua with the daily collection of credited items and Foodstuffs providing in-store credit, some of which was used to purchase a

pallet stacker to ease the manual workload our organisation was dealing with."

In just over six months, the partnership has prevented more than 25 tonnes of food from ending up in landfill.



"The positive effect it has on our community for those who need assistance with food security has been overwhelming. While the issue of food insecurity is not going away, with the support of PAK'nSAVE Rotorua the pressure of sustaining those in need becomes that much easier."

—
ELMER – ROTORUA
WHAKAORA CO-FOUNDER



Eat My Lunch

Foodstuffs North Island are proud shareholders in Eat My Lunch, which has delivered more than 1.7 million lunches to Kiwi kids in need. Eat my Lunch feeds 16,000-18,000 children every week as part of the Ka Ora, Ka Ako Healthy School Lunches Programme. To support the development of their supply chain capability, Foodstuffs North Island seconded a supply chain specialist to Eat My Lunch for three months.

When COVID-19 put the brakes on lunch deliveries to schools and corporates, Eat My Lunch adapted its offering. This included delivering lunches to customers in Auckland and Wellington who were working from home, delivering food boxes (instead of lunches) to schools, and working alongside the Ministry of Social Development and community connectors to provide approximately 3,000 food boxes or meals to families in isolation or emergency housing.

Social Supermarket

"One of the things I love about our approach to Social Supermarkets is working with great partners and enabling them to do more using our size and scale to support the essential work they are delivering in the community."

MATT HEAP – HERE FOR NEW ZEALAND COMMITTEE CHAIR, OWNER-OPERATOR OF PAK'NSAVE THAMES

This year saw the cooperative build on the success of its 'Social Supermarket' initiative, which reimagines the traditional food bank model. A key focus of Foodstuffs North Island's Here for New Zealand Committee is working with community organisations to establish Social Supermarkets across the North Island.

A second Social Supermarket was recently announced in partnership in Te Hiku o te Ika (the Far North of New Zealand). 'Te Hiku Pātaka' in Kaitaia is a partnership with Te Kahu Oranga Whānau which is a collective of iwi and Māori organisations in Northland. "Pātaka" refers to a food storehouse, or community pantry, which replenishes local whānau and is contributed to by all.

In line with our Social Supermarket model introduced in Wellington last year, the Pātaka enables people experiencing food insecurity to choose, free of charge, in a replicated supermarket environment, from a wide selection of groceries. This model, rather than the traditional food parcel model, not only

encourages positive shopping habits, but helps to preserve the dignity of the shopper.

Since opening its doors in March 2021, the Social Supermarket partnership between Wellington City Mission and Foodstuffs North Island has helped more than 3,200 Wellingtonians needing food support to shop with dignity in a supermarket environment. In response to the Delta Lockdowns in August 2021 and to the Omicron outbreak in February 2022, Foodstuffs North Island made a donation of \$70,000 from its Here for NZ Fund to ensure the Mission could fill the shelves of the Social Supermarket in the face of significantly increased need.

At the end of a tumultuous year due to the ongoing impact of the pandemic, Foodstuffs North Island made an additional \$20,000 contribution to Wellington's Social Supermarket to help the Mission deliver Christmas cheer to the community, and the team was honoured when the partnership was recognised in Wellington City Mission's Walk of Fame with its own star.



Foodstuffs North Island's Star on Wellington City Mission's Walk of Fame



Dee-Ann Wolferstan of Te Hiku Pātaka and Chris Quin, FSNI CEO

New Zealand Food Network

In June 2021, Foodstuffs North Island announced an ongoing relationship with the New Zealand Food Network (NZFN), a food rescue facilitator which distributes bulk surplus and donated food to food rescue organisations, iwi and charities. The partnership, which sees goods donated from all Foodstuffs North Island Distribution Centres, supports our social promise to ensure all New Zealanders have access to healthy and affordable food, and our aspirations to reduce food waste.

Both cooperatives also support NZFN by making additional donations in the form of product. This includes Foodstuffs South Island's \$20,000 donation of product to NZFN during the Omicron outbreak. This supported South Island community food hubs, such as Awarua Whānau Services in Invercargill.

"We appreciate all support we are receiving at this time. The kai provided is used to bulk out the parcels we make allowing us to provide whānau with extra food and making our welfare support reach more whānau in isolation."

AMY DE VRIES – GENERAL MANAGER AT AWARUA WHĀNAU SERVICES, INVERCARGILL

FSNI donated more than **\$1.9 million** worth of product

FSSI donated more than **3.6 tonnes** of product

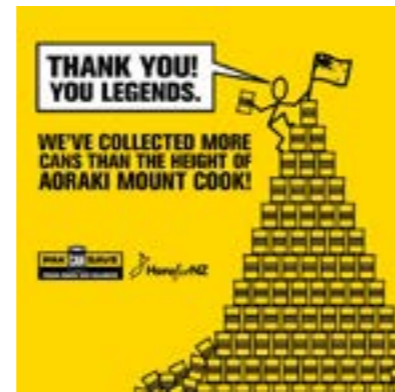
More than **364 tonnes** CO₂-equivalent averted

More than **\$437k** in cash donations from both FSNI and FSSI



PAK'canSAVE Appeal

Over FY22, generous PAK'nSAVE customers across the country donated almost 80,000 cans during the supermarket's two national PAK'canSAVE food bank appeals. On top of the food donations from its customers, PAK'nSAVE donated \$200,000 to food bank and food rescue recipients. The donations supported communities across the country to access healthy food, many of whom were struggling with the impact of COVID-19 restrictions.



New World's Family2family Foodbank Appeal

We are proud of New World's annual Family2family appeal, which makes it easy for customers to help local families experiencing food insecurity. Customer's donations, made in-store, go directly to the local City Mission, food bank or food rescue organisation.

Customers have the option to purchase a pre-filled paper bag of 'food bank friendly' products for \$20 or can choose the items they would like to donate.

As part of the nationwide campaign, New World donated \$250,000 to the City Missions and local food banks, and worked with suppliers to facilitate product donations to the City Missions.

"The continued support from Foodstuffs and New World, which includes their amazing Family2family campaign, has been an ongoing highlight for us, and is particular encouragement for our Foodbank through the difficult times of COVID-19 and beyond."

— CORINNE HAINES – CHRISTCHURCH CITY MISSIONER



Malik Ricks, Transitional Housing Navigator, Christchurch City Mission, unpacking Family2family donations

FAMILY2FAMILY

 **\$250,000**

donated by New World to City Missions and local food banks nationwide

 More than **19,000** total bags collected

Everyday Low Prices

New World and PAK'nSAVE are stepping up their focus on providing low priced quality essentials to help customers shop to their budget. This year New World is launching a new 'Everyday Low Price' ticket on hundreds of items that many shoppers buy most weeks. The prices on these items will be held low for longer so that customers can more confidently stick to their budget. Similarly, PAK'nSAVE is repurposing its 'Everyday Low' tickets. These tickets will be used on products that matter more to customers and will ensure prices are kept lower for longer. Combined with 'Extra Low' tickets on products with the very best deals, these changes are part of making it easier for customers to get the most for their money at PAK'nSAVE.

Progress

REDUCE FOOD POVERTY

Reporting Commitment	Actual FY21	Actual FY22	Progress
Number of 'equivalent meals' donated by sites on the Waste Minimisation Programme to Food Rescue Organisations and Food Banks	8.9M	6.3M	<p>● In Progress</p> <p>The reduction since FY21 is largely due to more accurate data collection this year providing us with more confidence in the numbers we are reporting. Collecting accurate data is an ongoing challenge but we believe we are making excellent progress.</p>

Outlook

Over the next 12 months, the Foodstuffs North Island team are planning to open another four Social Supermarkets to help communities facing food insecurity access food with dignity. Both Foodstuffs North Island and Foodstuffs South Island will continue to build on their relationships with the New Zealand Food Network and the Auckland, Christchurch and Wellington City Missions. Both cooperatives will explore further strategic projects and partnerships with like-minded organisations working to reduce food poverty in New Zealand.

Our brands will focus even more on delivering value for households across New Zealand. This includes working to ensure our customers are receiving great value when they purchase essential food and grocery items, as well as being able to buy in-season fruit and vegetables. We'll also double down by providing deep-cut specials on the food customers want to buy.

The Social Supermarket is coming to the South Island

The Foodstuffs (South Island) Community Trust has provided \$30,000 seed funding to Christchurch City Mission to create the South Island's first South Island Social Supermarket.

Responding to COVID-19 in our communities

The COVID-19 pandemic and associated lockdowns created a challenging environment for our communities, customers and our people. This year, our essential workers were again at the forefront of responding to the changing alert levels which varied across the country, impacting how our customers, particularly those in vulnerable circumstances, could safely access our stores. Operationally, we successfully managed supply chain disruptions due to a reduced workforce while keeping our essential workers safe.

Our response centred around our social promises of helping New Zealanders access healthy and affordable food and supporting our local communities to thrive. Here are some of the ways we responded to the need in our communities.



New World contributed **\$80,000 to the Student Volunteer Army (SVA)**. The donation ensured SVA could mobilise and fund its contactless delivery service for customers in isolation and those who had no other way to access groceries, including the elderly, medically vulnerable and essential workers. The SVA organised more than 300 volunteers in Auckland and more than 150 in the South Island.



Foodstuffs was at the forefront of accessing **Rapid Antigen Tests (RATs)**, making them **available to customers at cost** across our national store network from early March 2022, just as the Omicron outbreak was putting enormous pressure on COVID-19 testing centres. Foodstuffs also provided RATs at cost to **more than 250 businesses, including our supplier community**. Foodstuffs North Island's Here for New Zealand Committee donated **\$30,000 worth of RAT kits** to charities such as Mangere Budgeting Services, Masterton Food Bank and Rotorua Whakaora.



Across the country, to vaccinate as many eligible people as possible, many stores became vaccination sites and store owners worked with local groups to help protect their communities.

We made sure our people had easy access to information and opportunities to be vaccinated. We partnered with regional health authorities and Vitality Works to organise vaccinations at our larger stores, and we **established onsite vaccination clinics at support offices for the first, second and booster doses**.



During the **Level 4 lockdown in August 2021**:

- Foodstuffs South Island pledged **\$100,000 of immediate product** support to food bank and food rescue partners including Christchurch City Mission and St Vincent de Paul Ashburton to help the organisations respond to the extreme hardship in their communities.
- The Foodstuffs North Island Here for New Zealand Committee donated a **total of \$220,000** (a combination of product support and financial contributions) to Wellington City Mission, Auckland City Mission, New Zealand Food Network and Mangere Budgeting Services from its COVID-19 Relief Fund and donated **\$18,000 worth of store vouchers** to community partner volunteers to say "thank you" for their support.



In response to the **Omicron variant**:

- Foodstuffs North Island's Here for NZ COVID-19 Relief Fund donated **\$230,000** to 19 organisations, including **\$80,000** to the New Zealand Food Network.
- The Foodstuffs South Island Community Trust donated **\$20,000** to the New Zealand Food Network.

Healthier and more affordable Own Brands

Foodstuff's Own Brands comprise the Pams, Pams Finest, Pams Superfoods, Pams Gluten Free, Pams Organic and Value brands, providing a wide range of high-quality products for customers across our stores. This year we've continued our work with the Heart Foundation, adapting a number of our products and improving nutritional options for customers.

Plant power

Pams launched and more recently extended its plant-based range after a customer survey revealed nearly two-thirds of shoppers in New Zealand limit their meat consumption at least once a week. As one of Foodstuffs' Own Brands, Pams is proud to provide accessible, affordable plant-based alternatives to common meat, dairy and egg-based products.



Our Goal

Provide more options to customers through the development and championing of healthier and more affordable Own Brand products.

"Our customers have shown a real interest in eating less meat and we've seen searches for meat-free recipe inspiration on the rise on our website, so we're delighted to be able to offer this extension to the Pams' Plant Based range to provide even more convenient choices for New Zealanders in our stores."

PIPPA PRAIN – HEAD OF NEW WORLD MARKETING & CX AT FOODSTUFFS NZ



Brands with heart

This year we made further progress towards our target of at least 70% of Own Brand products (in categories where Heart Foundation nutritional targets exist) meeting the applicable Heart Foundation nutritional criteria by 2025. We have improved on our 54% baseline to 63%.

We participated in the Heart Foundation's working group reviews of tomato sauce, canned baked beans and spaghetti, and breakfast cereal categories, leading to updates of category definitions and further adjustments to nutritional targets. We refreshed our Own Brand breakfast cereals range including the introduction of a Pams Granola range, with three of the four products meeting the new, tighter nutritional targets.



Health Star Rating

We are committed to displaying the Health Star Rating on products to help our customers make healthier choices. 69% of our eligible Own Brands products now display a Health Star Rating. This represents 1,496 SKUs meeting the new criteria.

Progress

HEALTHIER AND MORE AFFORDABLE OWN BRANDS

Measure	Actual FY22	Target FY22	Target FY25	Progress
Display the Health Star rating on all relevant food products ⁸	69%	64%	100%	● Achieved
In food categories where Heart Foundation nutritional criteria exist (reduced saturated fat, sugar and sodium), a defined percentage of Own Brand products will comply with those criteria	63%	55%	70%	● Achieved

Outlook

We will continue to work towards our FY25 Health Star rating and reformulation targets. Our engagement with the Heart Foundation on reviewing and updating existing industry targets will continue.

⁸ where packaging space permits it

Sustainability Leadership

We are taking big steps to improve sustainability and transparency across our business, from our carbon footprint to packaging to procurement, and we acknowledge that the pathway towards a circular economy is built on the spirit of innovation and collaboration.

We work closely with our people, our suppliers, waste management partners and expert stakeholders to make sure being Here for New Zealand benefits our customers and communities. It means we can help safeguard our environment for generations to come.



Our social promise

We are sustainability leaders in our operations and how we source our products.



Alignment to the UN Sustainable Development Goals



Our 2025 Sustainability Leadership Measures and Targets

REDUCE OUR CARBON EMISSIONS

In line with the Climate Leaders Coalition 2019 Statement, play our part in limiting the long-term global temperature rise to 1.5 degrees Celsius.

Measure	FY22	FY23	FY24	FY25
% reduction in carbon emissions (cumulative reductions from FY20 baseline) – across North Island and South Island	Progress towards FY25 target			21%

MINIMISE OUR WASTE

Implement Foodstuffs Waste Minimisation Programme across all sites to reduce total waste tonnage towards zero.

Measure	FY22	FY23	FY24	FY25
Improve our landfill diversion rate (from FY22 baseline)	Baseline year no target	Progress towards FY25 target		81%

IMPROVE OUR PACKAGING SUSTAINABILITY

Reduce the environmental impact of packaging used across the Foodstuffs business and support the development of a circular economy.

Measure	FY22	FY23	FY24	FY25
% of packaging that is reusable, recyclable or home compostable	In-store Retail North Island and South Island	Baseline year no target	Progress towards FY25 targets	100%
	Private Label Own Brands	Baseline year no target	Progress towards FY25 targets	100%

RESPONSIBLE AND ETHICAL SOURCING

Embed responsible and ethical sourcing practices across our entire value chain.

Measure	FY22	FY23	FY24	FY25
Further measures and targets to support the Responsible and Ethical Sourcing programme are to be developed and will be published in the FY23 Social Responsibility Report				

Reduce our Carbon Emissions

Since first measuring our footprint in 2020, we have implemented a carbon reduction strategy that is aligned to the New Zealand Government's efforts to meet its international obligations.

The strategy is focused on our major sources of emissions: refrigeration gases, transport and electricity usage. As our business grows, the challenges, and our progress associated with each vary, but we continue to make inroads in these areas.

In line with Climate Leaders Coalition requirements, our emissions are calculated following the GHG Protocol (ISO 14064) standard and audited by Toitū Envirocare. We are currently measuring and reporting Scope 1, Scope 2 and some Scope 3 emissions in our footprint. We expect our reported Scope 3 emissions will continue to increase as what we are able to accurately measure improves. We are also starting to engage with suppliers to identify where we can help them reduce the emissions relating to the products and services we buy.

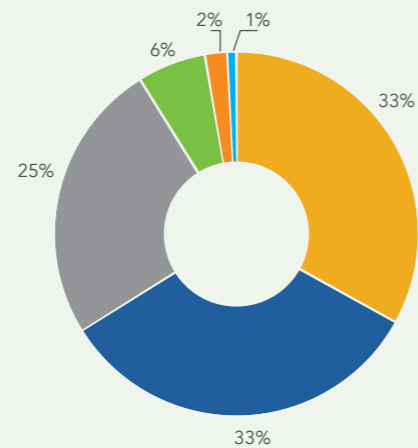
Our Goal

In line with the Climate Leaders Coalition 2019 Statement, play our part in limiting the long-term global temperature rise to 1.5 degrees Celsius.

Emissions Profiles

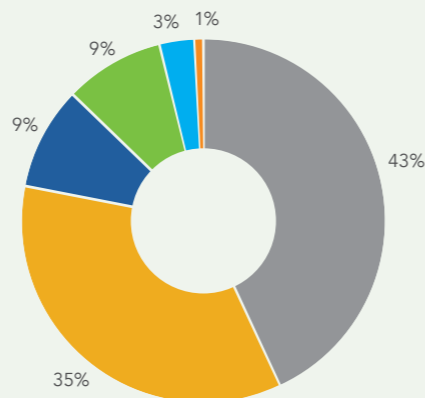
Foodstuffs North Island FY22 Scope 1, 2 and 3 Emissions (Tonnes CO₂-e)

Total emissions 85,892 tonnes (CO₂-e) comprising ownership of 45 PAK'nSAVE, 103 New Worlds, 7 Four Squares, 7 Gilmours, 2 Support Offices and 5 Distribution Centres.



Foodstuffs South Island FY22 Scope 1, 2 and 3 Emissions (Tonnes CO₂-e)

Total emissions 38,045 tonnes (CO₂-e) comprising ownership of 12 PAK'nSAVE, 43 New Worlds, 21 Four Squares, 5 Trents Wholesale, 1 Support Office and 3 Distribution Centres.



Electricity Refrigerant gas leakage Diesel Waste to landfill Travel related Petrol

Refrigeration transition update

As part of Foodstuffs North Island's refrigeration transition programme, all new build and refurbishments involving refrigeration are transitioned to natural CO₂ refrigerants. The programme has seen 55% of stores transitioned. However, our latest carbon footprint for Foodstuffs North Island reveals

that we still have work to do in our older legacy stores that operate using synthetic refrigerant gases. Significant losses of these gases in FY22 in the North Island resulted in the footprint increasing against the baseline year. This means we are doubling-down on our efforts over the next few years.

In the South Island, our measured emissions decreased by 3.7% against the previous year, mainly due to the advanced programme (74% complete) of transitioning stores to natural CO₂ refrigerants. Refrigerant gas emissions declined 32% due to Foodstuffs South Island's transition programme.



Supply chain/transport fuel improvements

We have seen some reduction in diesel use over the past year, especially in the North Island. The partial consolidation of our distribution operations since the opening of The Landing facility in Auckland, along with better load optimisation practices and the addition of newer trucks to the fleet, has had a positive impact on transport-related emissions.

Our three electric trucks are on the road and in daily use and have clocked up more than 100,000kms since their introduction. In the South Island, our two EV trucks have been a fantastic addition to the metro fleet giving us more than 55,000km of diesel-free deliveries annually.

Continuous improvement on route optimisation with both our internal fleet and external transport

partners, together with ongoing driver education and training about fuel-efficient driving, provides regular reduction in fuel usage across our freight network.

Foodstuffs North Island has also recently agreed to lease two Hydrogen Fuel Cell (HFC) Electric

trucks in FY23. These trucks will be powered by 100% green hydrogen and will emit only water vapour. At Foodstuffs South Island, we're investigating opportunities to increase our EV fleet while looking at other areas to reduce fuel usage such as low-emission refrigeration motors on our refer trailers.



Energy Reduction

We're working hard to reduce energy use, in existing and new stores. With the new generation of stores and offices being 40% more energy-efficient than the previous generation, and all new stores in North Island striving for 5 Greenstar level certification, we're confident that the future is bright for new builds.

We've achieved reduced energy usage through ensuring frozen cabinets (and chillers where suitable) have doors and lids,

the use of LED lighting and natural CO₂ refrigeration systems throughout the store and using natural light where possible.

We are actively investigating the installation of solar panels on existing stores that are seismically suitable – converting to solar will have a significant impact on store energy usage. We continue to install or retrofit lids on all remaining open freezers and chillers, and the introduction of energy reduction data dashboards

in our stores has kept usage top-of-mind for our owner-operators.

A highlight we're very proud of is receiving the 6 Green Star - Office Built v3 Certified Rating from New Zealand Building Council for Foodstuffs North Island's state-of-the-art premises at Landing Drive in Auckland. With more than 3,000 rooftop solar panels, making it one of the largest arrays in the country, and a rainwater harvesting system, the building has minimal environmental impact.



In the first year of operation, the Landing generated 14% more energy than was used. This meant our office electricity was carbon positive for the year. Surplus energy generated from the building was exported back to the electricity grid, creating enough energy to power 34 homes for a year.

We're also celebrating another natural resource saving as 25% of the water used at the Landing Drive support office is from harvested rainwater (more than 464,000 litres).

However, it's not just our sites where we're focused on reducing

emissions. As New Zealanders increasingly turn to electric cars, we're doing our bit to help them charge while they shop. To date 93 of our stores offer EV charging facilities.



Update

Carbon Zero Milk

The successful collaboration between Fonterra and Foodstuffs North Island expanded this year with the addition of a 3-litre bottle to the carbonzero Simply Milk range.

Simply Milk is certified carbonzero through its support of native forest regeneration and renewable energy projects that offset the emissions in its production cycle and is audited and verified by Toitū Envirocare. Since the Simply Milk range was introduced in 2020, New Zealanders choosing Simply Milk has helped offset more than 6,660 tonnes of carbon – equivalent to the carbon captured by 15,297 planted native trees over 50 years.



Progress

REDUCE OUR CARBON EMISSIONS

Measure	Actual FY22	Target FY25	Progress
% reduction in carbon emissions (cumulative reductions from FY20 baseline)	North Island	6.5% increase	21%
	South Island	2.0% increase	21%

● In Progress
Significant leakage of synthetic refrigerant gases and increases in electricity use resulted in higher greenhouse gas emissions in FY22.

● In Progress
A reduction in in refrigerant gas leakages this year was partly offset by increases in electricity use. We will continue to ensure we reach our FY25 target in the face of growing emissions.

Outlook

Cumulative increases in our national footprint against the FY20 baseline have highlighted the need to escalate our response across all emissions categories. We are developing accelerated work plans that will help us deliver against our carbon reduction targets.

Waste Reduction

Programme update

This year, our Waste Minimisation Programme grew in strength, with 221 of our 240 sites⁹ now incorporated into our reporting framework. As more sites join the programme, our understanding of national usage improves, we have greater visibility of progress against our targets, and we strengthen relationships with our three main waste partners, EnviroWaste, Reclaim and Waste Management.

To make our waste reduction efforts more meaningful and sustainable, this year we focused on improving the quality of the data we collect from stores. We worked closely with our waste partners to build a clear picture

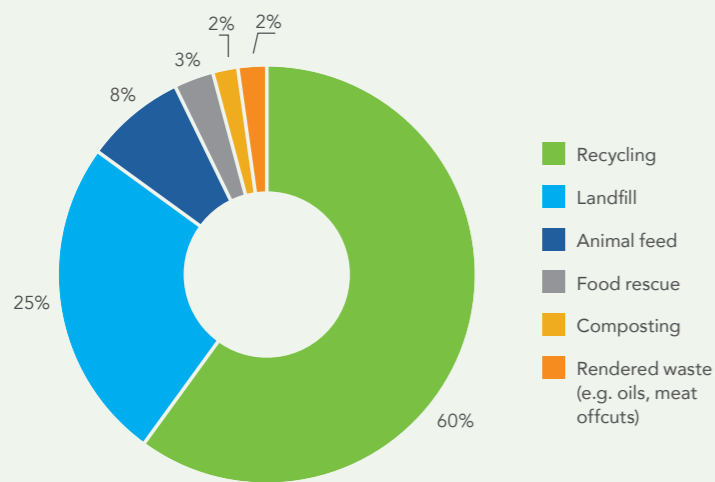
of the actual weight of landfill generated, and where this was not possible, we engaged with stores directly to get a better understanding of the product we donate to food banks and food rescue organisations.

This process established a more accurate dataset, allowing us to reset our benchmark year to FY22. It's also given us the confidence to accurately report against our new target of increasing diversion from 75% in FY22 to 81% by FY25. To provide consistent and transparent reporting, we are also reporting on the breakdown of our waste and the weight of food diverted from landfill.

Our Goal

Implement Foodstuffs Waste Minimisation Programme across all sites to reduce total waste tonnage towards zero.

Waste streams (% of total tonnage)



Landfill diversion rate¹⁰

FSNI **74%** | FSSI **77%**

The equivalent of more than **6.3 million** meals donated through our food rescue partnerships

Annually more than **2,200 tonnes** of food waste diverted from landfill

⁹ Includes Gilmours, Raeward Fresh, New World and PAK'nSAVE stores, Distribution Centres and Support Centres.

¹⁰ For stores on our National Waste Minimisation Programme

All Foodstuffs sites which are aligned with one of our waste partners undertake an annual waste audit, during which our waste partners identify contamination in bins and highlight opportunities such as partnering with a farmer or a food hub.

This year, Reclaim undertook an in-depth baseline audit of a PAK'nSAVE and a New World store. Its aim was to recommend the best practice our stores should follow to maximise the amount of waste diverted from landfill. This baseline review will become part of our annual audit process. The results highlighted an opportunity to divert half of a store's waste, including problematic waste streams, such as soft plastics and polystyrene bins that are typically used to transport seafood products.



Foodstuffs South Island has partnered with CHEP to transition all produce from cardboard to crate, saving the equivalent of 46,504 wheelie bins (240L) of cardboard from supplier to DC to store.



Profile

Green Spider pallet wrap

In FY22, we partnered with innovative companies to further reduce our waste and move towards a circular economy. Joel Nichol from Nichol Developments, in partnership with New World Fendalton, uncovered an opportunity to replace pallet wrap, which is used to keep products safe in transit but can be problematic to dispose of.

Joel worked with New World Fendalton to develop a reusable solution, known as Green Spider, that will save the store approximately three tonnes of pallet wrap per year. In the words of owner-operators James and Richard Turner, "they are simple, work well, and we haven't looked back since."

Green Spider reusable pallet wrap is now in use at three sites in the North Island and is being trialled by two more. In the South Island, 15 stores are using the wrap with predicted annual savings of more than 14,000 rolls of traditional pallet wrap.



Green Spider in action at New World Fendalton

Progress

MINIMISE OUR WASTE

Measure	Actual FY22	Target FY25	Progress
Improve our landfill diversion rate (from a FY22 baseline)	75% baseline	81%	<p>● In Progress</p> <p>Now that we have more accurate waste data, we have been able to set a new baseline and FY25 target.</p>

Outlook

Through the introduction of an online platform, we will focus our efforts in FY23 on educating and improving waste reduction practices in all stores. The platform will contain resources and case studies around waste reduction best practice to spark inspiration and drive innovation at a local level. Stores will be able to monitor their performance to identify where they can reduce their waste and further support communities through food rescue.

We're looking forward to seeing some big changes in the waste industry as the recommendations in the Government's Emissions Reduction Plan and Transforming Recycling proposal come to life.

A key focus for us is working towards zero food waste. Partnerships with our food rescue and food bank partners and farmers will play a crucial role in our stores' waste strategies, as will improving efficiency in our ordering and procurement processes to reduce the volume of food destined for landfill.

Improve Packaging Sustainability

Foodstuffs' cooperatives were among the first New Zealand retailers to sign up to the New Zealand Plastic Packaging Declaration in 2018, making the commitment that all in-store and Own Brand packaging will be reusable, recyclable or home compostable by 2025. By consulting with our customers, innovating through the circular economy and partnering with our people and communities, we have made significant progress towards this goal.

Retail in-store audit

This year we completed an audit of in-store retail packaging to understand how we're tracking towards our 2025 goal. We're making great progress, with 85% of our packaging now reusable, recyclable or compostable (by weight).

Of the packaging that isn't compliant with the guidelines, the majority is PVC wrap which is earmarked by the Ministry for the Environment for phase-out by 2025. The wrap is used in our meat, seafood, deli and fresh produce departments and is an integral part of how we present, preserve and protect products we prepare for customers in our stores.

We have recently completed a series of in-store trials directly comparing PVC and PE wrap on our automated and hand wrapping machines. These trials are an important step towards all our in-store wrap moving to recyclable PE.

Our Goal

Reduce the environmental impact of packaging used across the Foodstuffs business and support the development of a circular economy.

Sustainable Packaging Principles

Foodstuffs is committed to our '10 Sustainable Packaging Principles' and we are actively encouraging our suppliers to move in this direction with us. Product stewardship and circular design are at the heart of the principles, which you can read more about [here](#).



Profile

Synlait's Swappas

Foodstuffs South Island is proud to partner with Synlait, trialling a disruptive modern take on returnable milk bottles. Synlait's 'Swappa Bottles' are made from food-grade stainless steel meaning they're durable, light-proof and infinitely recyclable.

The process is simple: drink, return, repeat. Customers purchase a Synlait Swappa Bottle from participating New World stores, then return the bottle when it's empty and only pay for the milk in the replacement bottle. Our two trial sites at New World St Martins and New World Fendalton have seen great success with bottles being returned at a high rate. The initiative will be extended to additional stores across the South Island in 2022.



Keeping a lid on it

Bottle lids and caps present a challenge at recycling plants as, due to their small size, they can be difficult to handle and can jam machinery. As a result, they are often removed from the recycling stream and sent to landfill. Caps and lids are also commonly found in our waterways, beaches and oceans as they make their way down drains very easily.

Plastics New Zealand and the Packaging Forum put their heads together to come up with a trial programme that could help resolve the issue and we were keen to help out. The 'Good Caps' trial will see Foodstuffs providing support and New World vouchers to encourage children from twelve primary and intermediate schools in Hawke's Bay to collect plastic and metal bottle lids for an initial

three-month period. Each school receives a kit containing take-home bags for students to fill with caps and lids. Once returned to school, the students take the bags home and fill them again.

During the trial, the bags will be collected from their school by Lions Club members and taken to the Waste Management site in Napier for sorting, then sold to reprocessors. The plastic caps will be sent to either Aotearoa NZ Made in Palmerston North and made into products such as recycling bins and plant pots, or to local manufacturer Method Bins who produce recycling and rubbish bins. The metal caps will be sent offshore and turned into car parts. The proceeds of the campaign will initially go to Kidney Kids, a non-profit organisation

established to support children with kidney disease and their whānau. The trial will run for the 3rd school term – July to October 2022.



Woody Dickinson collecting caps as part of the Good Caps trial

Soft plastics

The Soft Plastics Recycling Scheme helps customers dispose of soft plastics in an environmentally friendly way. Thirty six stores are now participating in the scheme in Auckland, Hamilton, Wellington and Hawke's Bay, and 15 stores in Christchurch, Rangiora and Dunedin have joined the programme. Our customers have returned almost 86 tonnes of soft plastic for recycling back to our stores. The soft plastic is combined with recycled milk bottles to make fence posts, garden edging and parking bumpers.

In April 2022, three of our New World stores in Taumarunui

and Palmerston North started a three-month trial with NZ Post and The Warehouse Group in which customers buy a courier bag and post their soft plastic packaging directly to the recycling facility. The trial is particularly beneficial for customers living in remote areas where soft plastic bins are not always available.

Customers bought 7,500 bags from New World, NZ Post and The Warehouse Group stores during the trial period. The positive response has led to the supply and collection of the bags being adopted as an ongoing service. Foodstuffs will continue to support

and promote the programme by making the bags available through our stores.



Trialling alternative produce bags

As part of New Zealand's move to remove all plastic produce bags by mid-2023, during 'Plastic Free July' in 2021 we trialled alternatives at New World Durham Street in Christchurch to see which options work best for our customers.

The trial featured reusable alternatives made from nylon, polyethylene and organic cotton, and we also asked customers for their views about the proposed changes. Overall, two-thirds of shoppers support the removal of plastic produce bags from supermarkets with less than a quarter against this change. Nearly half of shoppers would like to have plastic produce bags removed from supermarkets as soon as is practical.

Removing plastic produce bags from our stores will see more than 109 million fewer bags in circulation each year. The results of the trial will inform how Foodstuffs transitions away from single-use produce bags, including the alternatives offered to our customers.



Profile

Trudy's on a roll

Something about the till paper rolls used in their store didn't add up for Trudy Hollier and the team at New World Tawa, as they routinely threw the plastic core in the bin. "The cores weren't damaged at all, and we got to thinking about whether they could be reused," Trudy said. One day, during a chat with an IPS team member (the company that manufactures the till rolls), Trudy discovered the rolls were manufactured just a few kilometres away from their store. Then she had a brainwave – why don't we save the plastic cores inside all the till rolls and return them to IPS. The plastic cores are made of recycled milk bottles and are rarely damaged meaning they can be used repeatedly.

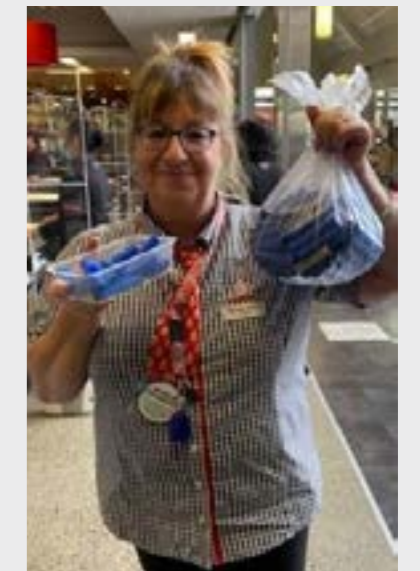
Her inspiration led the team to collect the cores for a weekly pick-up by IPS. From little

ideas big changes grow. It was not long until the Foodstuffs team met IPS to see how this idea could work for our other stores. Six stores across the country were selected to take part in an extended trial. A simple 'post back' scheme was developed. IPS provided stores with pre-paid courier bags in which to return the cores, and the bags were sent back when full. The returned cores require no reprocessing, they are simply reused by IPS, with any damaged cores returned to the manufacturer to be recycled.

Over the three month trial period, participating Foodstuffs stores returned more than 9,000 cores to IPS. The initiative was a huge success and proved to be a simple and effective way to keep these cores in circulation. The initiative is being rolled out to all

other stores as part of their waste management programmes.

They may be small but by reusing these cores we will prevent 5 tonnes of plastic entering landfill each year.



Trudy Hollier from New World Tawa.

Supercarts

When customers visit New World New Lynn, one of the first things they notice are the shopping trolleys. Unlike traditional trolleys, the basket in a Supercart is made from recycled plastic milk bottles. This makes them very light, easy to manoeuvre and the production process means they are very strong. The small trolleys are made from 74 milk bottles and the larger ones require 152, so New World New Lynn's fleet of 300 trolleys has seen more than 30,000 milk bottles reused.

Supercarts are also in use at New World Albany and New World Whangaparaoa, with more stores likely to join them this year.



Own Brands

This year, we undertook and completed an audit of Foodstuffs' Own Brands packaging. The goal was to understand how much of it complies with our New Zealand Plastic Packaging Declaration commitments. Our Own Brands products contain approximately 9,000 packaging components

across the range. By weight, 96% of our own brand packaging is either reusable, recyclable or certified home compostable in New Zealand.

We are now engaged with suppliers, as part of our sustainable product development

and tender process, to ensure that our sustainable packaging requirements are well communicated and that we remain on track to meeting our commitment by 2025.

Progress

IMPROVE OUR PACKAGING SUSTAINABILITY

Measure	Baseline	Actual FY22	Target FY25	Progress	
% of packaging (by weight) that is reusable, recyclable or home compostable	Instore Retail (national)	82%	85%	100%	● In Progress
	Own Brands	96% baseline year FY22		100%	● In Progress

Outlook

FY23 will see the first of the Government's packaging phaseout deadlines reached. On 1 October 2022, a number of packaging items including PVC pre-formed, rigid food trays and containers, and PS and EPS takeaway food and beverage packaging will no longer be manufactured or sold in New Zealand.

Our focus for in-store packaging is on preparing for the phase-out of single-use plastic produce bags and transitioning out of remaining materials and packaging formats that are not reusable, recyclable or home compostable.

In FY23 we'll see the rollout of Australasian Recycling Labels

(ARL) on our Own Brands products. This is a voluntary on-pack labelling scheme that helps consumers recycle correctly and encourages manufacturers to design recyclable packaging. We'll also continue reviewing non-recyclable packaging, working closely with suppliers to work towards sustainable solutions.

Responsible and Ethical Sourcing

National Responsible and Ethical Sourcing Policy

This year our Responsible and Ethical Sourcing Policy was developed and approved by the respective Boards of Directors of Foodstuffs North Island and Foodstuffs South Island. The policy outlines the expectations we have of all of our suppliers, and covers areas such as human rights, modern slavery, health and safety, ethical business practices and animal welfare. In FY23, the policy will be communicated to suppliers and we will start determining levels of compliance.

Our Goal

Embed responsible and ethical sourcing practices across our entire value chain.

Our Own Brands

Our Own Brands team continues to develop policies and position statements that reflect our focus on ethically sourced products. These address modern slavery, cage-free eggs, responsible timber, bamboo, pulp and paper, sustainable palm oil, and responsible seafood.



In FY22 we achieved 81% compliance against our Responsible Seafood sourcing commitment. We have rolled out the requirements of our Modern Slavery Position Statement to 29% of our overseas manufacturing sites, exceeding our FY22 internal target of 18%.

To ensure our processes and policies are robust and deliver strong environmental and social outcomes, we're continuing our work with external stakeholders and experts including SEDEX, Forest Stewardship Council, Roundtable for Sustainable Palm Oil and the Marine Stewardship Council.

Global trends and changing customer preferences are reflected in our Own Brands products, in both the consumable and non-consumable categories. The move towards plant-based categories has seen our Pams Plant-Based range expand significantly over the year.

Progress

RESPONSIBLE AND ETHICAL SOURCING

Measure	Actual FY22	Target FY22	Progress
Develop a National Responsible and Ethical Sourcing Policy that covers all areas of our business	Completed	Complete policy in FY22	● Achieved
Further measures and targets to support the Responsible and Ethical Sourcing programme are to be developed and will be published in the 2023 Social Responsibility Report	N/A	N/A	● In Progress

Outlook

Nationally, in FY23 we will expand our commitment to responsible and ethical sourcing with the recruitment of a Responsible Sourcing Programme Manager who will manage the delivery of Foodstuffs' responsible and ethical sourcing programme across both cooperatives. New measures and targets out to FY25 will be developed in FY23.

Over the next year we'll continue building momentum across our Responsible and Ethical Sourcing Programme, with a focus on the following areas:

- Certified Pams Canned tuna with the Marine Stewardship Council (MSC) ecolabel will appear on shelves in mid-2022, with MSC labelled sardines to follow.
- We will continue to onboard overseas manufacturers onto SEDEX, the tool we are using to manage the risk of modern slavery in our product supply chain.
- Our Pams Eggs range is 100% barn or free range. Where our products contain egg as an ingredient, we are working with suppliers towards 100% cage-free eggs in those products by the end of 2025.
- We are targeting all timber, bamboo, pulp and paper used in Own Brands products and packaging to be FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forestry Certifications) certified or contain more than 95% recycled content.
- Our Own Brands sugarcane and wooden tableware will replace the current disposable retail tableware range (Pams and Value).
- There will be further policy development on Own Brands animal welfare requirements beyond layer hens, which have already been addressed in our Own Brands Cage-Free Egg Policy.



Supporting our local communities

This year has seen communities across New Zealand facing significant increases to living costs while adjusting to life with COVID-19 in the community. With some of the most recognisable brands in the country, New Zealanders look to us to help those who need it most. We can make a real difference in their lives – whether it's through grocery donations, community fundraising or financial support. Being a good neighbour and knowing the communities we operate in allows us to tailor investment through Foodstuffs North Island's Here for NZ Fund and the Foodstuffs (South Island) Community Trust. At a local level, our owner-operators have the privilege of giving back to their communities in a way that best suits their neighbourhood – a responsibility they take very seriously.



Our social promise

We support our local communities to thrive.



Alignment to the UN Sustainable Development Goals



Penny McEwan of the Wellington City Mission

Our 2025 Supporting Local Communities goal and commitment

REPORTING COMMITMENT

Amount donated by our stores to relevant local community organisations, causes and events.

Our Goal

Increase the impact and effectiveness of our contributions to local communities.

OUR STORES CONTRIBUTED MORE THAN \$7.2M TO LOCAL COMMUNITIES IN FY22¹¹



Stores contributed on average:

\$48.4K

To local communities in FY21



Stores contributed on average:

\$25.7K

To local communities in FY21



Stores contributed on average:

\$4K

To local communities in FY22



Our stores contributed to community organisations including schools, local sports teams, food banks, the Foodies Foundation, and the Foodstuffs (South Island) Community Trust

Pams in the community

Christmas is a special time to connect with friends and whānau. For our New Zealand Defence Force (NZDF) personnel deployed overseas, it's also a time when homesickness and yearning for a Kiwi summer kicks in.

Every Christmas for the past five years, Pams has partnered with the Returned Services Association (RSA) and the Royal New Zealand Air Force (RNZAF) to bring a taste of home to NZDF personnel deployed across the globe. In 2021, 120 service people based from the Sinai Desert to Antarctica were delighted to receive festive boxes full of Pams Christmas goodies, including Pams coffee sachets, fudge, scorched almonds, and dark chocolate chunk cookies.

Packing the boxes is an exact science, and the Pams team works closely with the RSA and the RNZAF to ensure the boxes don't weigh a gram more than is allowed.

"There isn't even any room for air gaps, so it really is a military operation for us! Everything is measured and weighed down to the last millimetre and then packed tightly into the boxes to be put onto aircraft for delivery," said Malee Fohetaha from Foodstuffs Own Brands.



¹¹ All reported numbers are based on available SAP data. Rounding differences apply.

FOODSTARTER

FoodStarter is an opportunity for Kiwi food innovators to showcase their unique products. The annual competition to help small-scale and start-up suppliers grow their business is a collaboration between New World, Ministry of Awesome, Foodstuffs South Island, Foodstuffs North Island, New Zealand Food Innovation Network, phd, Socialites and Strategy Creative.

The Small Supplier category winner of FoodStarter 2021 was Kaitahi As One, with its range of frozen smoothie drops packed full of sustainable, native ingredients. In October 2021, the South Taranaki iwi-owned enterprise launched their range into New World stores across the country.

The FoodStarter 2022 competition was extended to encompass any local product that can be sold in a supermarket. The finalists represented a broad range of food categories, but one

thing the two category winners had in common was that their products were developed to meet specific dietary needs.

QB's Snacks Crunchy Cheese Snack, winner of the Start-Up category, was created after owner Graham Manson took up the Keto lifestyle and found shopping for suitable snacks something of a challenge. The resulting product is made from 100% New Zealand cheese and is suitable for snackers looking for a low sugar and gluten free option.

Nigel and Debbie Stowe from Olive and Ash took out the Small Supplier category this year. They came up with the idea for Vince, a vegetable mince, after their daughter was suffering from food allergies and the family needed to reduce the amount of meat they were eating. Operating out of Northland, their plant-based product contains more than 500g of real vegetables in every pack.

Graham says it's really exciting to be the winner of the Start-Up Category, especially after watching the calibre of the other finalists. "It was already so amazing to be in the finals and then to see the level of talent and innovation coming through from the other finalists. To hear your name as one of the winners was beyond comprehension. I was literally speechless, it still hasn't sunk in."

"To be a finalist was fantastic and every step of the FoodStarter process has been both intense and rewarding. Everyone has been so supportive, and we've enjoyed every minute."

GRAHAM MANSON – FOODSTARTER START-UP CATEGORY WINNER



FoodStarter Start-Up Category Winner Graham Manson with his product QB's Crunchy Cheese Snacks



FoodStarter Small Supplier Category Winners Debbie and Nigel Stowe from Olive and Ash



Every can makes a difference

PAK'canSAVE is making a real difference to our communities at a local level. The national campaign has gone from strength to strength, and it's all thanks to our local stores galvanising their communities and standing with them.

The team at PAK'nSAVE Blenheim are proud partners of the Marlborough Foodbank. Through the two PAK'canSAVE foodbank appeals in 2021, customers donated more than 2,300 canned food items to their local community.

"PAK'canSAVE is a great way to donate something somebody in your community needs," says Mark Elkington, owner-operator of PAK'nSAVE Blenheim.

At PAK'nSAVE Tamatea, the team partner with the Napier Community Foodbank, and the generosity of the local community during the 2021 PAK'canSAVE campaign was inspiring, with more than 850 cans of food donated by customers.

"It's not hard to see there's a need in our communities, and Napier Community Foodbank has been around for more than 30 years. They work in the background for a lot of other agencies. We have had a long connection with them and we are thrilled to show our appreciation through the PAK'canSAVE appeal," Andrew Graney, owner-operator of PAK'nSAVE Tamatea said.

"PAK'canSAVE is a great initiative, and we were thrilled to be a recipient of the PAK'canSAVE campaign. The can donations went directly to people in our community who are having a hard time."

WYNNIE COSGROVE - MARLBOROUGH FOODBANK



PAK'nSAVE Blenheim owner-operator Mark Elkington with Wynnie Cosgrove, Manager at Marlborough Foodbank



The PAK'nSAVE Tamatea team was recognised at the 2021 Hawke's Bay Chamber of Commerce Awards for its outstanding contribution to the community.



Retailers in harmony for foodbank boost

Masterton's annual Foodbank Challenge was first established in 2019, led by New World Masterton's owner-operator Clive Webber.

This year Clive saw a real depth of need in his community. He knew that if he partnered with other local retailers such as PAK'nSAVE, Countdown and The Warehouse, they could make a bigger difference for the community. And he was right! Clive rallied the other major retailers, while Brent Gare from More FM once again advertised the challenge on the radio at zero cost. Through their combined efforts, they galvanised local support.

During the week-long event, customers donated food bank friendly items at any of the participating retailers, raising over \$20,000 for the Masterton Foodbank. Clive was delighted by the overwhelming success of the challenge. "This initiative is all about bringing our community together. It's important we support Masterton Foodbank and the work they do for families in our community struggling to put food on the table."

"COVID-19 has put additional pressure on our resources and we're seeing more families reach out for help. We're incredibly grateful to have the support of local retailers in our community."

JENNA MACHETT - MANAGER AT MASTERTON FOODBANK

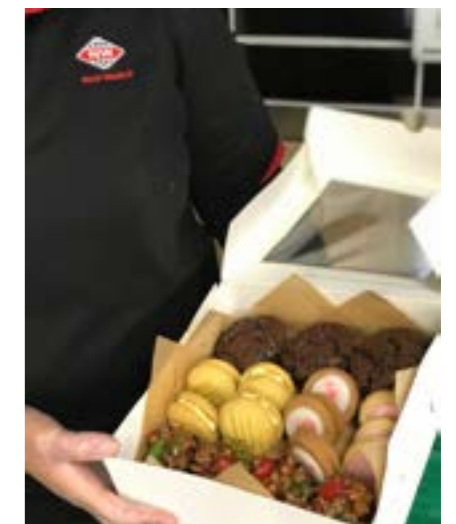
New World and Good Bitches Baking deliver a sweet Christmas

Christmas is a time for sharing festive fun, and the kindness network known as 'Good Bitches Baking' (GBB) helped New World stores share some extra sweetness with their delicious festive-themed baked goods. GBB is a group of more than 3,000 voluntary bakers in 28 chapters across the country, who collectively bake and deliver more than 1,300 sweet treats to 285 organisations every month, bringing cheer to people in the community who are doing it tough.

In December 2021, New World Waitaki's in-store bakers got involved, supplying baked goods for GBB's Christmas campaign and providing boxes of baking for GBB volunteers to deliver to Family Works, Community Perinatal Support and Age Concern North Otago. "Christmas is a time for sharing fun, it's a time for kindness and for New World Waitaki it's about showing support for our community. Things are tough for more people this year, so it's even more important than usual," said then owner-operator Tineke Powell.

"I signed up to bake for GBB as I liked the idea of doing something nice for people and families who may be having a hard time or may just need a little bit of kindness"

DANA KENNEDY - NEW WORLD WAITAKI'S BAKERY 2IC MANAGER





Good Sorts

In 2021 Four Square partnered with TVNZ as the first ever sponsor of the much-loved Good Sorts segment. Unsung heroes in our community are featured on Good Sorts on 1 News every Sunday. There are lots of great Kiwis who selflessly carry out good deeds for the benefit of others and Good Sorts is a chance to say a big heartfelt “thank you” and give them the recognition they rightly deserve. Being part of more than 230 communities, Four Square is a perfect fit with Good Sorts’ mission.

This year, Good Sorts set off on a national roadie to revisit the ‘Best of the Good Sorts’ and Four Square tagged along to support, donating \$30,000 to the Red Cross to help settle refugees into New Zealand. The team also donated extra dog tucker for Cromwell’s Dogs in Schools Programme and treated the Game Changers Netball team, a team for children with special needs, to a trolley grab in Auckland.

The trolley grab items were then donated to the Ellerslie Rotary Club, partners of the Guardian Angels who support families of terminally ill children. Perhaps predictably, the kids mostly chose lollies and chips in their trolley grab, so the addition of \$600 worth of Four Square vouchers helped boost the basket with the extras needed for the families the Guardian Angels support.



Four Square Alexandra

When Alexandra’s much-loved Blossom Festival was cancelled in 2021, this didn’t quell the local Four Square’s enthusiasm. The team, including owners Monique and Shannon Entwisle and assistant Millie Harrex, enlisted friends and family to create 20,000 paper blossoms to decorate their store, bringing joy to the local community. Local businesses came on board, providing supplies for the project.

Event Manager Martin McPherson says it brought a tear to his eye when he saw it. “It just goes to show the amount of love people have for the festival and what it means to everyone.”



Tonga Response

Following the devastating tsunami which struck Tonga in January 2022, Foodstuffs stepped up, providing essential food products and cash donations to help our Pacific neighbours. Foodstuffs (South Island) Community Trust donated \$10,000 to New Zealand Red Cross’ Pacific Tsunami Appeal, and Foodstuffs North Island mobilised its Here for NZ Fund to donate \$50,000 worth of product to support disaster relief efforts.

The Foodstuffs North Island team listened and acted on requests from the Aotearoa Tonga

Relief Committee and Tongan Government, providing priority items including rice, canned fish, canned corned beef, canned meat and vegetables.

Matt Heap, owner-operator of PAK’nSAVE Thames and Chairperson of the Foodstuffs North Island Here for New Zealand Committee, says the cooperative’s commitment to supporting its people doesn’t end at the border.

“A lot of our team members hail from Tonga and being Here for NZ means making sure our team members know the things that

matter to them matter to us too. It also means when New Zealand steps up and responds to a natural disaster in our backyard, we recognise we have a responsibility to do our bit too.”

Justin Smith, Chairman Foodstuffs (South Island) Community Trust, says that people across the South Island know only too well the devastating destruction of natural disasters and the long-lasting impact on communities in the aftermath. “Many of our people have strong connections with Tonga, and we’re here to help.”



Gilmours in the community

Gilmours has been operating in the North Island for almost 100 years, so the teams know their communities very well. Dayne Riddell, previously owner-operator of Gilmours Hamilton (now owner of Gilmours Manukau) says, “We never take our customers for granted, and during my time in Hamilton we actively searched for ways to give back and support the community especially when they are providing people with the basics in life. The teams’ contributions have increased since COVID when many of our customers’ businesses were unable to operate. I’m sure, the new owner-operator Richard Goatcher will carry on this approach.”

Aaron Kedzlie, owner-operator of Gilmours Mt Roskill agrees. He says the customer relationships Gilmours has with community organisations were vital during lockdowns, helping agencies such as Auckland City Mission, Salvation Army, Starship, The Fono West and South Seas Healthcare Network maintain the flow of critical food supplies at discounted prices. “During the

lockdown, it was an opportunity for the Gilmours business across the North Island to fall in behind their local aid agencies, to ensure they had access to healthy and affordable food at a time when food supply was under pressure due to increased demand – and that’s something we can be proud of.”

Giving back and supporting local causes is something Dayne feels passionate about and is looking forward to getting to know the Gilmours Manukau community. Alongside pandemic support, Gilmours Hamilton provided community assistance in many

ways. From an annual \$5,000 store credit grant to a local community organisation, with recipients including Salvation Army and Women’s Refuge, through to as-needed support for customers who required immediate help. This included providing a \$500 store credit to a local café which was vandalised on multiple occasions and covering the insurance excess when a community centre that delivered Lunch in Schools was broken into. The store also donated its short-dated products to The Serve, a local community food bank/kitchen.



Dayne and Jolie Riddell

Foodstuffs (South Island) Community Trust

The Foodstuffs (South Island) Community Trust, funded by our owner-operators and supporters, provides essential funding and services to communities throughout the South Island.

In FY22 we made contributions totalling nearly \$900,000 to education, the ongoing COVID-19 response and our major sponsorship partners, including the First Foundation and the Gut Foundation. We are a foundation donor to the Christchurch Cathedral Restoration Trust and provided financial and in-kind assistance to a range of causes including the Red Cross Tongan appeal, schools, sporting organisations, community centres, and support for the victims of the 2019 mosque terror attack. Next year, we will be looking at the trust's long-term strategy to improve the lives of South Islanders in the ways that matter most to them.



A sports chair donated to Parafed Canterbury by the Trust to enable equitable access to sport.

Meaningful work

Our people are at the heart of our business. Our teams at the frontline, our supply chain experts, and support service team members show up every day and deliver for our customers. We remain as committed as ever to create meaningful work opportunities for our people.

Despite the disruption caused by COVID-19 to in-person learning programmes, we have adapted and will continue to do so, shifting training online where possible. An increased focus on diversity and inclusion speaks to the important role we have as an employer to create an environment where people can bring their 'full selves' to work. We also recognise that through this time of change and the added pressure of being essential workers, the safety and wellbeing of our team members are paramount. We continue to focus on health and safety and wellbeing initiatives that keep our people safe.



Our social promise

We create meaningful and safe work for our people.



Alignment to the UN Sustainable Development Goals



St Vincent de Paul Ashburton Manager Donna Collins.



St Vincent de Paul Ashburton

Foodstuffs (South Island) Community Trust pledged \$100,000 of product and financial support to our partners across the South Island who needed extra support to meet community demand during the COVID-19 Delta outbreak. One of the recipients was St Vincent de Paul Ashburton, which provides assistance to people facing food insecurity by packing and providing food parcels. Community Trust chair Justin Smith said, "We took immediate action to help. Our foodbank partners and City Missions do incredible work, and we are privileged to support them."

The grant from Foodstuffs (South Island) Community Trust helped St Vincent de Paul Ashburton make their resources go further at a time when the community was facing unprecedented demand. Michael Hanham, St Vincent de Paul Ashburton president said, "The additional funding from the Trust meant we can purchase essential groceries for our food parcels, helping us meet the demand and providing much needed relief for those in our community who need it."



Chris Hunt, Produce Manager at New World Durham Street

Our 2025 Meaningful Work Measures and Targets

INVEST IN OUR PEOPLE

Develop and build careers, including preparing our people for the future of work.

Measure	FY22	FY23	FY24	FY25
% of FSNI and North Island store employees enrolled in Foodies Learning formal Learning Programmes	5%	5%	5%	5%
# of FSSI and South Island supermarket employees participating in Leadership Development Programmes (face-to-face and online)	2,012 baseline	Year-on-year improvement		
# of FSSI and South Island supermarket employees participating in Retail and Supply Chain Development Programmes (face-to-face and online)	10,422 baseline	Year-on-year improvement		

COMMITTED TO INCLUSIVE AND FAIR COOPERATIVES

We will build a fair and inclusive team and culture that authentically reflects the communities we serve.

Measure	FY22	FY23	FY24	FY25
% Gender Pay Gap	Foodstuffs North Island	Better than the national average		
	Foodstuffs South Island	Better than the national average		

SUPPORTING THE WELLBEING OF OUR PEOPLE

Our people are supported with health and wellness programmes and services that are applicable to them

Measure	FY22	FY23	FY24	FY25
Lost-Time Injury Frequency Rate (LTIFR)	Foodstuffs North Island and		Year on year improvement	
Total Recordable Injury Frequency Rate (TRIFR)	Foodstuffs South Island		Year on year improvement	

We invest in our people

Our Goal

Develop and build careers, including preparing our people for the future of work.

We are fully committed to investing in our people's continuous learning. Whether in-person or online, our cooperatives continue to develop and deliver training and development that helps our people reach their full potential.



Learning and Development in the North Island

During FY22, many of our learning programmes were disrupted by COVID-19. While technology is now providing solutions to some areas of our learning, COVID-19 not only impacted enrolments but it also had ramifications on the continuation and completion of in-progress programmes, which have now been rescheduled into FY23.

Despite these challenges, our apprentices were still training on the job and we converted

the Building a Coaching Culture, Trainee Operator and our Store Mastery programmes to virtual connect sessions.

Our intake of trainees continues to flourish. In total, 55 new bakery apprentices and 87 new butchery apprentices joined the three-year long programme in FY22, and 21 store employees enrolled in our new two-year Retail Apprenticeship programme.

We had employees across the cooperative accessing digital learning content during the pandemic, much of which has been newly created by the business.

New programmes launched in FY22 included our Store Mastery Programme. It's tailored to build operational excellence among store managers and upskill them in critical business areas, such as leadership and finance.

Online learning at Foodstuffs North Island

1,416
eBooks downloaded

3,400
eLearning modules completed

1,720
Digital courses accessed from our online library

More than **100**
Support Centre Leaders attended or watched live events in our Growth Faculty Online Membership

Profile

Apprenticeships opening doors



For Tayah Kaipo, joining the Retail Apprenticeship programme has not only boosted her confidence, it's opened her eyes to a rewarding career and planted the idea of one day owning a store of her own.

It was just three years ago when the 17-year-old started as a Produce Manager at Four Square Waipu. Landing the role was Tayah's first full-time job and less than a year later she was promoted to Chilled and Frozen Manager.

Her enthusiasm and work ethic caught the eye of Jodie Ansell, the store's owner. "She encouraged me and saw a lot of promise in me early on," recalls Tayah.

"I didn't really know I wanted to have a retail career – until Jodie mentioned it to me and said I'd be great for this."

Tayah seized the chance to upskill – the opportunity broadened her horizons in many aspects of the business. "The Retail Apprenticeship programme is about giving

you leadership and business management experience."

Staff management is something Tayah is learning about first hand. "I have a co-worker and Jodie gave me the responsibility to train her up."

Tayah wouldn't hesitate to recommend the apprenticeship programme to others. "It has definitely opened doors for me. I have more confidence and belief that one day I can become a Store Manager or own my own store."

Learning and Development in the South Island

Foodstuffs South Island also experienced significant disruptions to our learning programmes as a result of COVID. In response, we deferred all face-to-face programmes. This included our Leadership Academy and apprenticeship programmes. Food Safety Compliance training was delivered virtually while our Liquor Controller's Qualification was delivered via our e-Learning platform. This provided continuity for these business-critical compliance programmes.

During this period, we rolled out MyPlace, our Learning Management System (LMS), across our business and to three pilot stores. Staff can book and complete e-Learning content within the LMS. This system provides us with greater scope for

blended face-to-face and virtual learning delivery in the future. We also began scoping Conflict De-escalation and Food Safety compliance modules with the intention of moving these onto the platform.

We were also able to complete the full schedule of apprenticeship workshops despite COVID-related pressure on our retail network.

In 2021, we launched our new Leadership Academy, a series of eight Leadership programmes covering foundational leadership skills right up to strategic leadership. This has created a pathway for our leaders to strengthen their leadership effectiveness and helps us to identify career paths and plan for future succession into key leadership roles.

Learning at Foodstuffs South Island

56

attendees completed Bakery workshops

69

attendees completed Butchery workshops

12

trainees completed Bakery pre-trade pilot course with Skills4Work

Profile

Representing New Zealand on the butchery world stage

Maria Pio grew up in a small rural community in Brazil on her family farm. Despite pursuing a career in accounting, Maria was always drawn back to her love of food. However, in Brazil it wasn't common for women to become butchers. That didn't stop Maria making her dream come true.

After making the difficult decision to leave the corporate world, Maria migrated to Aotearoa and joined the wider Foodies family at New World Queenstown. She started in the Checkout team, before getting an opportunity to work in the Butchery department. Several years later, she moved to North Canterbury to work at PAK'nSAVE Rangiora and joined their Butchery team. It was there that James and Catherine Flanagan, the owners of PAK'nSAVE Rangiora, along

with the Foodstuffs South Island Learning & Development team, provided Maria with the opportunity to train to become a qualified butcher.

Even in the early stages of her apprenticeship, her skills, passion and creativity became evident. Showcasing her skills at the ANZCO Butchers Apprentice of the Year competitions, Maria proudly took out first place in 2021.

Thanks to the support of the Flanagans and the team at PAK'nSAVE Rangiora, Maria has completed her butchery apprenticeship and has been selected to represent New Zealand at the World Champion Butcher Apprentice & Young Butcher Competition in the USA in September 2022.

One of the biggest pieces of advice Maria has for anyone thinking about entering the profession is to not believe in stereotypes. Maria's success is a testament to her commitment and dedication to following her passion and never giving up.



Progress

INVEST IN OUR PEOPLE

Measure	Actual FY22	Target FY22	Target FY25	Progress
% of FSNI and North Island store employees enrolled in Foodies Learning formal Learning Programmes	4.8%	Original target 5.5%, restated to 5.0%	Original target 10.0%, restated to 5.0% (each year to FY25)	<p>● Not Achieved</p> <p>2021's COVID-19 lockdowns and the Omicron outbreak in 2022 caused major disruptions to our formal learning programmes. Despite this, 4.8% is a good engagement level. After a detailed review of our development programmes, we have reduced our annual targets to FY25, starting in FY22. We found the original targets didn't reflect the many ways, outside of the formal Foodies Learning programmes, that our people access and receive training and development. Achieving the new annual target of 5% in future years will represent strong levels of investment in our people.</p>
# of FSSI and South Island supermarket employees participating in Leadership Development Programmes (face-to-face and online)	2,012 baseline	N/A (FY22 is baseline)	Year on year increase	<p>● In Progress</p> <p>Due to COVID-19, there has been a significant shift from face-to-face training to online training, which will continue. As a result of this change, targets have been revised. Combined FY22 face-to-face and online training numbers have been used as the new baseline, with the target for subsequent years being year-on-year improvement. This will be revisited once we know more about the long-term impact of COVID on our training programmes.</p>
# of FSSI and South Island supermarket employees participating in Retail and Supply Chain Development Programmes (face-to-face and online)	10,422 baseline	N/A (FY22 is baseline)	Year on year increase	

Outlook

At Foodstuffs North island, there are many more exciting new programmes and initiatives in the pipeline for next year. Opportunities on offer for those looking to advance their careers include Retailing Excellence, Women in Retail - Careers by Design, Leading & Managing Change, Buying Excellence programme, Customer Driven Leadership and Customer Service Excellence.

Foodstuffs South Island's Learning and Development Business Partners have been engaging with our business units and our stores to identify development needs. The appointment of a new General Manager of People and Capability in August 2022 will enable us to prioritise the key learning and development focuses as part of a wider People Strategy.

Committed to fair and inclusive co-operatives

This year our cooperatives continue to seek opportunities to ensure our people feel heard, that it is safe for them to speak up and that their contribution will lead to innovation and excellence that reflects the diversity of New Zealand and our customers. This focus on diversity, inclusion and belonging will help to ensure our cooperatives are an environment where all our employees can thrive and grow.

Our Goal

We will build a fair and inclusive team and culture that authentically reflects the communities we serve.



Diversity and Inclusion in the South Island

Diversity, Inclusion and Belonging (DI&B) is an integral part of our Wellbeing framework and supports our desire that every employee, regardless of age, gender identity, ethnicity, sexual orientation or ability, or any other difference, feels safe, supported and able to be themselves at work.

We create opportunities that bring our people together to build relationships and share their stories and culture with their colleagues. This includes our ongoing, successful Women's Forums, where we celebrate women and their personal and professional growth.

The Forums create a space for relevant issues to be discussed through inspirational speakers and opportunities to network and build community. Two Women's Forums will be held in 2022.

We are committed to providing a flexible workplace. A flexible working framework was rolled out in 2022 and all people leaders will be trained to best consider their team's flexible working needs and requests.

In addition, 2021 saw the introduction of a Diversity and Inclusion month into our Wellbeing

programme, aligned to our focus on belonging. We have featured some of our employee's stories and backgrounds, celebrated cultural diversity via our Café menu and shared cultural greetings. This has now become a regular event and is supported by celebrating Pink Shirt Day, International Women's Day and Maori Language Week, among others. The Culture Club has been recently reformed to celebrate the diversity within our Distribution Centre teams.

Diversity and Inclusion at Foodstuffs North Island

This year, we have continued to build a culture and invest in an environment that values and celebrates the diversity of our team at Foodstuffs North Island.

Parental leave policy

We've added extra parental leave benefits for Support Centre and Supply Chain personnel, available for new parents regardless of gender and family composition. Up to 12 weeks' paid leave is now available for primary and secondary carers, regardless of gender, who meet the criteria. And there's more good news with a KiwiSaver/Provident Fund Top Up (primary carer only) for team members who have returned to work for at least six consecutive months after parental leave. To help make the transition back into the workplace a little easier, vouchers worth up to \$500 are available within six months of a team member (primary carer only) returning to work after parental leave.

Rainbow Accreditation Tick

We are delighted to have gained Rainbow Tick Accreditation earlier this year. The Rainbow Tick is a continuous improvement programme designed to help

organisations ensure they are a safe and welcoming workplace for employees who are members of the LGBTTQIA+ community. The accreditation process included reviewing our existing policies, procedures, facilities and employee education to uncover opportunities to create a more inclusive environment. Each year we'll be reaccredited, meaning we will always be keeping up with best practice.

TupuToa

Foodstuffs North Island continues to work with TupuToa, an internship programme designed to develop Māori and Pacific leaders for a better Aotearoa. We are proud to now be principal partners of TupuToa, renewing our partnership and amplifying our support to grow future Māori and Pasifika leaders.

Auckland Business Chamber partnership

We have been working closely with the Auckland Business

Chamber who run a youth employment programme called CadetMax. This programme, targeted at those aged 18-24, prepares and supports young people into meaningful work. We have been involved in their Careers Days, during which we talk about meaningful careers at Foodstuffs North Island.

Internship programme

In FY22, we welcomed 25 people into our Summer Internship programme and partnered with TupuToa, universities and B.lab (supporting those with disabilities into employment) to ensure we had a strong and diverse cohort. The 12-week programme introduced our interns to meaningful work across our cooperative through lunch'n'learn sessions and a group project. We also introduced our first SAP Apprenticeship Program with the aim of growing and developing SAP experts in-house.



Gender pay gap

As part of our diversity and inclusion commitment, and to ensure that we authentically reflect the communities we serve, we are committed to minimising the gender pay gap within both cooperatives.

Our target is to have pay gaps that are better than New Zealand's national average pay gap, as measured by the Public Services Commission.

In FY22 Foodstuffs North Island implemented initiatives targeted at

minimising the gender pay gap as much as possible, which included an external assessment of how we calculate our pay gap and what we can do to minimise it. This will continue to be a focus next year.

At Foodstuffs South Island, putting processes in place to quantify the size and nature of our waged and salaried gender pay gaps has been a major focus in the past year. In FY23, we will be developing action plans that will help us address the gaps. This isn't limited to pay rates but will also consider levels

of female representation across all parts of our business.

The remuneration framework at both cooperatives includes remuneration guidelines, a banding system and internal relativity checks to ensure consistency of pay across roles of a similar level.

In order to track the impact of remuneration changes, gender pay as well as PIR (position in range) checks have been built into our annual remuneration review processes.

Progress

COMMITTED TO INCLUSIVE AND FAIR COOPERATIVES

Measure	Actual FY22	National Average	Progress
Achieve a Gender Pay Gap that is better than the national average ¹²	FSNI 2.6%	8.6%	<p>● Achieved</p> <p>In FY22 Foodstuffs North Island focused on ensuring pay parity and pay equity through initiatives such as reviewing remuneration data with external specialists, having pay parity as a focal point during remuneration reviews and considering the impact of remuneration changes throughout the year on pay equity</p>
	Waged 2.7%		<p>● Achieved</p>
	FSSI Salaried 10.2%	8.6%	<p>● Not Achieved</p> <p>Putting processes in place to quantify the size and nature of our gender pay gaps has been a major focus this year. A detailed remuneration review is underway, which will inform detailed action plans.</p>

Outlook

At Foodstuffs North Island, we will continue to focus on growing our ecosystem of employee networks in FY23. These networks are groups of passionate Foodies who come together to identify and develop opportunities to build a more inclusive cooperative.

They include Rainbow Tribe, Moana Pasifika, WILAF (Women in Leadership at Foodies), FING (Foodies Indian Network Group), FLAG (Future Leaders Advocacy Group), and Ablement (focused

on supporting inclusivity for those with a disability – physical or neurological).

We are currently building a Māori strategy in our North Island cooperative. Our aims are to ensure we are an inclusive organisation and support our Māori employees to grow within the business. As a New Zealand owned cooperative operating for 100 years, we're committed to meeting our obligations to the Treaty of Waitangi.

At Foodstuffs South Island we are focusing on building our diversity data by ensuring we collect relevant ethnicity and gender information from our employees. This data will inform our activity moving forward.

We are committed to eliminating bias from within our people practices and will be examining our employee attraction processes to ensure we are encouraging a diverse range of people to apply for roles.

¹² From FY22, we are using the Public Services Commission national average pay gap as our benchmark. At the end of FY22, this is slightly lower than the Statistics New Zealand national median pay gap we used last year

We support the wellbeing of our people

Keeping our people physically safe and supporting their mental wellbeing is a key priority for our cooperatives. Work continues in both the North and South Island to ensure the right policies, initiatives and systems are in place to support our team members.

Our Goal

Our people are supported with health and wellness programmes and services that are applicable to them.



Health, Safety and Wellbeing in the South Island

While efforts to reduce the Lost-Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) are ongoing, injury numbers have not fallen. This is due in part to the added pressure of COVID-19 on our supply chain and staffing levels.

Sprains and strains made up the largest number of injuries. To address this, we have added more resource to our Health and Safety team and introduced a number of new initiatives.

We have recently introduced an annual health monitoring assessment programme. These include hearing, vision, lung function / spirometry, weight, cholesterol, blood pressure, and blood glucose tests.

The Health and Safety team has been bolstered by the addition of two full-time advisors and an

Occupational Health Nurse who is employed three days a week. The Health and Safety advisors will lead risk assessments with our distribution centre teams to ensure we have identified the controls needed to reduce harm. Other areas for review include our manual handling programme to ensure it remains fit for purpose.

In partnership with the Heart Foundation, we piloted a wellbeing programme called My Heart for Life for our Transport South Island team. Driver participation was significantly higher than expected and results were very positive. Of the drivers who took part, 75% reduced their cholesterol and 74% reduced their hip:waist ratio. We are looking at how we might use this programme more widely.

To support staff during the lockdowns and COVID disruptions, we provided information and

resources relating to working from home, and tips for coping with uncertainty, managing remotely and building resilience.

We also established a financial wellbeing series in partnership with BNZ, which was delivered in 2021 as a series of online seminars. Topics included how to get on the home ownership ladder, budgeting, understanding KiwiSaver, and planning for retirement.

Employee satisfaction is an important part of ensuring wellbeing. Our recent employee engagement surveys have given us strong direction on how we can better support our people's wellbeing.

Health, Safety and Wellbeing in the North Island

Foodstuffs North Island's Lost-Time Injury Frequency Rate (LTIFR) improved this year as the business adapted to working in a COVID environment. This was achieved through focused communication about the risks associated with fatigue and the introduction of risk management controls to help our people look out for each other. We also encouraged early reporting of discomfort, pain or injury, allowing faster intervention. Where people could work from home during COVID-19, we provided ergonomic equipment to ensure safe work conditions.

Alongside our ongoing drive to look after the physical and mental wellbeing of our people, the added pressure of the pandemic saw

Foodstuffs North Island introduce a number of new initiatives.

Access to mental health support
Employees can now access Clearhead, an app that gives our people a range of mental health and wellbeing tools and resources at the touch of a button.

Free period products
We now provide free period products across our Support Centre and Supply Chain sites. Period products are a basic necessity – they are an unavoidable cost and we believe people shouldn't be disadvantaged because of this.

Supporting staff with hot meals
To support our distribution centre and transport workers during the

initial five weeks of the COVID-19 lockdown in late 2021, employees were provided with a daily hot meal and fruit. In total more than 14,000 meals were served at a time when many eateries were closed.

Onsite COVID-19 vaccination
Vaccination clinics were arranged for staff and were extended to their families where possible. We were involved in one of the first rapid antigen testing programmes rolled out by the Government.

Pandemic leave
This was introduced for all employees who were required to isolate due to COVID-19, with no negative impact on sick leave entitlements.



The Foodies Foundation provides financial support for staff members when 'life throws a curveball'. The foundation is funded by our owner-operators, Foodstuffs North Island employees and external partners. Six trustees meet regularly to assess applications and distribute funds.

Despite COVID-19 restrictions preventing many fundraising events, the Foodies Foundation still had a bumper year of giving. In FY22, \$254,300 was given to families across our stores, support centre and supply chain.

Some of the situations Foodies from across our stores, support centre and supply chain have faced this year:



Terminal illness



Car accidents



Severe flooding

Progress

SUPPORTING THE WELLBEING OF OUR PEOPLE

Measure		Actual FY21	Actual FY22	Target FY22	Progress
Lost-Time Injury Frequency Rate (LTIFR) ¹³	FSNI	4.4	2.9	Year on year improvement	● Achieved
	FSSI	38.1	40.9		● Not Achieved Our focus for the last 12-18 months has been keeping our teams safe from COVID-19. We are confident that new and existing initiatives will help us to significantly reduce our injury rates.
Total Recordable Injury Frequency Rate (TRIFR) ¹⁴	FSNI	18.6	15.1		● Achieved
	FSSI	81.6	93.2		● Not Achieved Refer to FSSI LTIFR commentary above

Outlook

FY23 will be a year of consolidation for Foodstuffs North Island. We will be ensuring our systems and processes are robust and reliable, that they drive better safety outcomes, and continued education and meaningful activities will foster a positive safety culture.

At Foodstuffs South Island, we are confident we have established a strong Health and Safety strategy. With new initiatives planned and others under review, we're looking forward to a safer workplace with fewer injuries to our team members. We will also be launching the Southern Cross

BeingWellPlus Wellbeing Portal to all staff, as well as rolling out Shout Outs across our internal business units in line with our focus on 'Getting Through Together via Random Acts of Kindness'.

¹³ LTIFR is calculated as follows: The number of Lost Time Injuries, divided by the number of hours worked, multiplied by 1,000,000. A Lost Time Injury is defined as an absence from the next rostered shift due to a work-related injury, illness or disease, signed off by a Medical Practitioner. LTIFR calculations include employees on the FSNI and FSSI payroll systems only.

¹⁴ TRIFR is calculated as follows: The total number of work-related injuries that require medical treatment, divided by the number of hours worked, multiplied by 1,000,000. TRIFR calculations include employees on the FSNI and FSSI payroll systems only.



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