



Here
for NZ **FY23**
Sustainability
Report

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foodstuffs NORTH ISLAND

Foodstuffs
South Island

Foodstuffs NZ

OUR BRANDS



About this Report

This Sustainability Report shows how Foodstuffs has been a positive force for New Zealand in the ways we supported our customers, our communities, and the environment throughout FY23*.

Foodstuffs is 100% homegrown and has been around for over 100 years. We're a family of co-operatively owned NZ retailers, wholesalers and collectively, one of New Zealand's largest employers - with 38,000 people working across our 550+ stores, supply chain and support centres.

Our stores are locally owned and operated by grocer families who're embedded in their communities. Our brands are some of New Zealand's most known and loved including: PAK'nSAVE, New World, Four Square and Pams.

HereforNZ is Foodstuffs' sustainability framework, embracing four social promises that keep us accountable to being a positive force for NZ.

Our social promises are to support every New Zealander to access healthy and affordable food, to create meaningful and safe work for our people, to support our

local communities to thrive, and to be sustainability leaders both in our operations and how we source products.

We deliver on our social promises through focused HereforNZ initiatives and strategic community partnerships. These help us build on our legacy of making local community donations and sponsorships, tackling food poverty, reducing our carbon footprint, supporting the wellbeing of our people and educating tamariki in schools and in-store about the importance of making healthy choices.

*Foodstuffs North Island Limited's FY23 was the 52 weeks in the year ended 2 April 2023. Foodstuffs South Island Limited's financial year was 1 March 2022 to 28 February 2023. References to FY23 in this report relate to Foodstuffs North Island and Foodstuffs South Island's respective financial years.



A letter from our Chief Executives

Kia ora,

As New Zealand locally owned co-operatives, we are constantly investing in the things that matter to New Zealanders – our communities, our people, and the environment.

Our approach to sustainability, which encompasses both social and environmental concerns, is to do the right things, at the right time, and for the right reasons to make a meaningful impact.

As one of the country’s biggest employers, we understand the role we play in the success of our country and we’re proud of the work our team of 38,000 do to make a meaningful difference to New Zealanders.

Our commitment is simple; to be HereforNZ and to keep building on this for generations to come as we support our team members, their families, our customers, local community groups, our supplier partners, and our country to thrive.

Our approach to sustainability, which encompasses both social and environmental concerns, is to do the right things, at the right time, and for the right reasons to make a meaningful impact.

Our four social promises encourage us to be accountable and to best target our resources. Our pledge is to provide every New Zealander with access to healthy and affordable food, create meaningful and safe work for our people, support our local communities to thrive, and to be sustainability leaders in our operations and how we source our products.

Off the back of several years of managing food supply in a pandemic, and in the face of record inflation, increased food insecurity, and climate change impacts - including several devastating weather events - together the Foodies family has demonstrated extraordinary resilience and commitment and delivered strongly on our social promises to be HereforNZ.

In a year of record cost inflation, we fought hard to help ease the pressure of the increased cost of living on New Zealanders. We did this by buying well, finding efficiencies in our business and introducing more Everyday Low Price products on shelf (these are everyday groceries with prices that stay low for longer, so our customers can have more certainty of their regular grocery spend when they get to the checkout).

In FY23, Foodstuffs helped over 17,000 school children to take part in the national Food for Thought programme, learning what to look for on food labels and how to make healthy choices. Through our partnerships with community organisations, food banks and

food rescue organisations, we donated the equivalent of more than 6 million meals across New Zealand in FY23.

Our Social Supermarket partnerships are world-class, providing people who need food support with the dignity of choice by shopping in a supermarket environment. They also give people the skills and confidence to shop for healthy and affordable food, no matter what their circumstances. We’ll continue partnering with more local organisations to deliver Social Supermarkets in communities where the support is needed most.

Our commitment is simple; to be HereforNZ and to keep building on this for generations to come as we support our team members and their families, our customers, local community groups, our supplier partners, and our country to thrive.

Foodstuffs is proudly 100% New Zealand owned by over 550+ grocer families who, as local employers and retailers, are deeply embedded in our local communities, having donated more than \$8.1 million to local communities in our FY23 financial year.



We also have initiatives in place to track and reduce our carbon emissions, our landfill waste and continue to evolve a strong Foodstuffs culture that supports our people to thrive, perform and belong.

This report shows how Foodstuffs has performed to deliver on our social promises, and how we’re challenging ourselves to do more to be a positive force for New Zealand.



Chris Quin
Chris Quin
Chief Executive Officer
Foodstuffs North Island



Mary Devine
Mary Devine
Chief Executive Officer
Foodstuffs South Island

We trust you find this report as meaningful as the social promises we’re holding true to.

Ngā mihi nui,

Our Nationwide Footprint

We're two co-operatives, one in the South Island and one in the North Island. Our family of branded stores are locally owned and operated by 550+ retailers and wholesalers, who're embedded in the communities we serve across New Zealand.

Our retail brands are PAK'nSAVE, New World, Four Square, Raeward Fresh, Liquorland and On the Spot. Gilmours and Trends are our wholesale brands. Pams is our main private label grocery brand and we also had five Social Supermarket community partnerships at the end of FY23.

In FY23, between our retail and wholesale stores, support offices and distribution centres, the Foodstuffs co-ops employed over 38,000 people across New Zealand.



FY23 at a Glance



More than
17,000

tamariki participated in the Food for Thought programme.



Over
\$8.1 million 

donated by stores to their local communities.

\$1.7 million

of grants were made to our employees and communities through the Foodies Foundation, South Island Community Trust and North Island HereforNZ fund.



Our co-ops provided meaningful work to

38,000

people across our stores, support centre and supply chain.



68%  Heart Foundation™

of Own Brand products complied with the Heart Foundation nutritional criteria.



The South Island delivered

25,785

hours of training to our people in supply chain.



Foodstuffs was one of the largest providers of apprenticeships in New Zealand.



98.9%

of Own Brand packaging is reusable, recyclable or home compostable.



Over

\$6.1 million

equivalent meals were donated to food rescue and food bank organisations.



Over 20,000 bags of groceries donated by New World customers nationwide to food banks in the Family2Family appeal. New World donated \$250,000 to the City Missions and local food banks across New Zealand. PAK'nSAVE customers donated over 55,000 cans in the national PAK'canSAVE appeal and \$150,000 was donated by PAK'nSAVE to local food banks across New Zealand.



Our Healthy and Affordable Food Impact

Alignment to the UN Sustainable Development Goals



Access to healthy and affordable food shouldn't be a privilege. We believe no New Zealander should go hungry.

One of our core values and social promises is to ensure that all New Zealanders have access to healthy and affordable food. We're taking action by influencing healthier food choices, reducing food poverty, and continually improving on our private label brands.

High inflation and the resultant rise in the cost of living has

meant household budgets are being stretched more than ever, and many New Zealanders are struggling. All our teams have a strong focus on fighting inflation, and we've been achieving this through finding efficiencies in the way that we work, buying well and providing promotions that our customers value. We track prices in our retail stores and compare these with the Stats NZ monthly Food Price Index (FPI). We're proud to have kept Foodstuffs retail prices below the Stats NZ measure consistently in FY23 and we measured this using the Infometrics-Foodstuffs New Zealand Grocery Supplier Cost Index.

To encourage healthy food choices from a young age, Foodstuffs supported over 17,000 primary school children to take part in Food for Thought, a nutrition education programme, teaching tamariki about nutritious food groups and understanding food labels to make healthier choices. Foodstuffs is proud to be the primary sponsor of the

Food for Thought Educational Trust, delivering the programme nationally in partnership with the Heart Foundation.

We're displaying the Health Star Rating on our Own Brands products, like Pams and Value. We also work with the Heart Foundation to discuss nutritional targets and implement these for our Own Brands.

No one wants to see good food go to waste, which is why our stores develop partnerships with food rescue organisations and food banks within their local communities. Safe edible food which hasn't been sold, as well as donations of food from customers, are provided to our partner organisations for New Zealanders in need. It also enables us to reduce food going to landfill.

During FY23 our co-ops collectively donated an estimated 6.1 million 'equivalent meals' to community food rescue and food bank organisations.



INFLUENCE HEALTHIER FOOD CHOICES		Performance		Status	FY25 Target
Measure	FY22	FY23			
Number of tamariki participating in the Food for Thought programme	14,726	17,273	Achieved	Year-on-year improvement	
Display the Health Star Rating on all relevant food products	69%	73%	Making Progress	100%	
In food categories where Heart Foundation nutritional criteria exist, a defined percentage of Own Brand products will comply with those criteria	63%	68%	Making Progress	70%	
REDUCE FOOD POVERTY		Performance		Status	FY25 Target
Measure	FY22	FY23			
Number of 'equivalent meals' donated by sites on the Waste Minimisation Programme to food rescue organisations and food banks	6.34m	6.1m	N/A	No set targets	
FOOD AFFORDABILITY		Performance		Status	FY25 Target
Measure	FY22	FY23			
PAK'nSAVE - Maintain #1 'Fairness' ranking (among retailer organisations) in Kantar's annual Corporate Reputation Index	#1	#1	Achieved	#1	
New World - Achieve 'Fairness' score of 105 (top 10% globally) in Kantar's annual Corporate Reputation Index by FY25	97	99	Making Progress	105	

Our Sustainability Leadership Impact

Alignment to the UN Sustainable Development Goals



At Foodstuffs we're dedicated to making progress toward our sustainability targets.

We're taking transparent and meaningful action to reduce our carbon emissions. Our membership with the Climate Leaders Coalition (CLC) sees us working with about 100 organisations to respond to climate change.

We have ambitious targets and are constantly managing and measuring our progress. By FY25, we're aiming to reduce our carbon emissions by 21% from an FY20 baseline, and by 42% by 2030. Our targets are science aligned to help limit future global warming to 1.5 degrees Celsius. One of our goals is to reduce our direct emissions, such as the electricity from our operations, the refrigerants from our fridge and freezers, and the fuel from our transport fleet, so we can do our part in keeping global warming below 1.5 degrees.

Both our North Island and South Island co-ops have refrigeration

replacement programmes in place to transition existing traditional refrigeration systems to systems using CO₂, which have a much lower carbon impact compared to synthetic refrigerants. Foodstuffs South Island has been transitioning to CO₂ systems since 2010, and Foodstuffs North Island launched a programme in FY23 to accelerate the transition process in our stores in the North Island.

To support a circular economy, our systems are designed to prevent environmental and financial impacts of waste to landfill, advance sustainable packaging, and embed responsible and ethical sourcing practices across our entire supply chain.

Foodstuffs is committed to reducing waste wherever we can and have diverted 15% of food waste from landfill through food rescue, food upcycling, animal feed, and the recycling of other materials.

We continue to strive towards 100% reusable, recyclable or home compostable for our in-store and private label (Pams, Value and Gilmours) packaging by 2025. Our focus is on removing and reducing unnecessary packaging and making sure that the majority of the packaging material we use can be recovered and recycled in New Zealand.

The way we track our sustainability data has continued to prove challenging for Foodstuffs, but we continue to improve our data collection through surveys, relationships with external

providers and internal systems. This has meant that in our year-on-year progress tracking, it appears we are going backwards. We are putting more focus on reporting and data collection than we ever have before.

We are actively involved in product stewardship and packaging recovery schemes for cardboard, glass and soft plastic. We collaborate with industry and other retail brands to find solutions for hard to recycle material like such as liquid paper board and difficult to recover items such as caps and lids.

Respecting animal welfare is also top of mind and we're closing in on our target of having all our Own Brand products using 100% cage-free eggs (barn or free-range) by 2025 and all eggs in stores by 2027.

We're sourcing seafood responsibly to support fish stocks and marine ecosystems by verifying and auditing our seafood sourcing against responsible standards, such as the Marine Stewardship Council and Aquaculture Stewardship Council.

With illegal or unsustainable forestry practices at play, we are working towards sourcing pulp, paper, and timber from certified forests or use greater than 95% post-consumer recycled content. We also only source certified palm oil produced according to environmental and social standards to avoid negative impacts such as deforestation and modern slavery.

Foodstuffs is delivering responsibly and ethically produced products and services to our stores with our purchasing practices aligned with our values and policies. We're

building a more environmentally and socially responsible supply chain and ask all our producer suppliers to take social audits. Through close collaboration

with our suppliers, we are working collectively to achieve positive outcomes for people, animals, and the environment.

REDUCE OUR CARBON EMISSIONS		Performance		Status	FY25 Target
Measure		FY22	FY23		
% reduction in carbon emissions (cumulative reductions from FY20 baseline)		8% increase	6% decrease (vs target)	Limited Progress	21% reduction from FY20 baseline
MINIMISE OUR WASTE		Performance		Status	FY25 Target
Measure		FY22	FY23		
Improve our landfill diversion rate (from FY22 baseline)	North Island	74%	72%	Limited Progress <i>Decrease is due to improved data collection</i>	81%
	South Island	77%	75%		
IMPROVE OUR PACKAGING SUSTAINABILITY		Performance		Status	FY25 Target
Measure		FY22	FY23		
% of in store packaging that is reusable, recyclable or certified home compostable	In-store retail (weight by material type)	85%	83%	Limited Progress <i>Decrease is due to improved data collection</i>	100%
	% of Own Brands packaging that is reusable, recyclable or certified home compostable	96% (baseline)	98%	Making Progress	100%
Number of Australasian Recycling Label logos on Own Brands products to support customers to recycle correctly		Not reported in FY22	217	N/A	No set targets

RESPONSIBLE AND ETHICAL SOURCING	Performance		Status	FY25 Target
Measure	FY22	FY23		
% of Own Brands international supplier sites onboarded to Sedex to monitor social and environmental risks	Not reported in FY22	71%	FY23 Baseline	100%
% of Own Brands packaged eggs are cage free	100%	100%	Achieved	100%
% of Own Brands products use cage free eggs as an ingredient	Not reported in FY22	47%	FY23 Baseline	100%
% of Own Brands products use responsibly sourced seafood	Not reported in FY22	84%	FY23 Baseline	100%
% of Own Brands products use responsibly sourced timber, bamboo, pulp and paper	Not reported in FY22	74%	FY23 Baseline	100%
% of Own Brands produce use responsible sourced palm oil	Not reported in FY22	100%	Achieved	100%

RESPONSIBLE AND ETHICAL SOURCING	Performance		Status	FY27 Target
Measure	FY22	FY23		
Number of stores have gone 100% cage free for packaged eggs (Own Brand and vendor brand)	Not reported in FY22	64	FY23 Baseline	100%
% of Foodstuffs packaged egg sales (by volume) are cage free (Own Brand and vendor brand)	North Island	58%	FY23 Baseline	100%
	South Island	48%		
	Not reported in FY22			



Our Meaningful and Safe Work Impact

Alignment to the UN Sustainable Development Goals



At Foodstuffs we strive to be the most loved and trusted employer.

We're committed to being a co-op that celebrates our people and our taonga, and want all our people to feel a sense of belonging in our Foodies family, and that means evolving a diverse and inclusive culture for our people.

For many rangatahi, Foodstuffs is their first job and provides fulfilling lifelong careers, from apprenticeship to ownership. We're proud of both the diversity of the people who work with us, and the diversity of meaningful work opportunities we offer.

Our South Island co-op launched a skills-based framework in our supply chain division that enables our people to access the training they need to reach their career goals, build leadership capability, and get a formal qualification - often for the first time. Through these programmes we delivered

over 25,500 hours of training in supply chain in FY23. In addition, over 520 people progressed through our internally designed Leadership Development Academy and 60 Foodies actively worked toward their butchery or bakery apprenticeship, making us one of the largest providers of apprenticeships in the country.

In the North Island in FY23, 800 new team members were trained and onboarded and 150 existing team members cross-trained into new operational areas. We created digital resources for our teams to access to ensure everyone knows how to do their jobs safely and well, 30% of our Landing Drive teams have used them by end of FY23. A total number of 1,792 courses were delivered across the North Island with 251 employees across the co-op completing formal talent development programmes. These included our apprenticeships, department managers, store managers, trainee operators and women in retail programmes. Additionally, a representative 34% of employees engaged in online learning. The co-op members raised \$1.03 million for the Foodies Foundation to support employees, with \$479,000 going towards helping 70 Foodies whānau who were experiencing serious difficulty in their lives.

Our focus on improving diversity has seen the narrowing of our gender pay gap. Foodstuffs North Island uses the Stats NZ methodology for calculating median gender pay gap and Foodstuffs South Island uses the Public Services Commission methodology for calculating average gender pay gap to ensure we're lower than the national median or average benchmarks*. Our goal is to continue reducing our gender pay gaps while ensuring the representation of women in leadership roles is reflective of our wider teams and communities.

Health and safety levels are improving with high-tech solutions to improve manual handling of goods, health monitoring, early intervention support, and pre-employment physical health assessments. We want to get our team home safe every day and have a strong focus on risk critical management to build on our safety culture of keeping our people healthy and safe from injury.

Nationally, we saw a significant reduction in the Lost Time Injury Frequency Rate in FY23 when measured across both co-ops.

*Foodstuffs South Island uses the Stats NZ methodology to calculate the median gender pay gap and Foodstuffs North Island uses the Public Services Commission methodology to calculate the average gender pay gap.

INVEST IN OUR PEOPLE		Performance		Status	FY25 Target
Measure		FY22	FY23		
Number of South Island supermarket team members participating in Leadership development programmes		416	527	Achieved	Year-on-year improvement
Number of South Island supermarket team members participating in retail and supply chain development programmes		148	190	Achieved	Year-on-year improvement
% of North Island store employees enrolled in 'Foodies Learning' formal learning programmes		4.8%	7.7%	Achieved	5.0%
COMMITTED TO FAIR AND INCLUSIVE COOPERATIVES		Performance		Status	FY25 Target
Measure		FY22	FY23		
Achieve a gender pay gap that is better than the national average	North Island	2.6%	2.0%	Achieved (National Avg 7.1%*)	Maintain a gender pay gap that is better than the relevant national benchmark
Achieve a gender pay gap that is better than the national average	South Island	0.60%	0.58%	Achieved (National Median 8.6%*)	
South Island representation of women in leadership roles		Not reported in FY22	31%	FY23 Baseline	40% women, 40% men, 20% any gender
SUPPORTING THE WELLBEING OF OUR PEOPLE		Performance		Status	FY25 Target
Measure		FY22	FY23		
Lost-Time Injury Frequency Rate (LTIFR)		43.5	37.2	Achieved	Year-on-year improvement
Total Recordable Injury Frequency Rate (TRIFR)		111.2	148.2	Limited Progress <i>Increase is due to improved H&S reporting from teams</i>	Year-on-year improvement
ENGAGING OUR PEOPLE		Performance		Status	FY25 Target
Measure		FY22	FY23		
South Island overall engagement score for FSSI		60%	65%	Achieved	Achieved

Our Supporting Local Communities Impact

Alignment to the UN Sustainable Development Goals



We're giving back to the communities we serve.

At a local level, our owner-operators work in the heart of their communities and are passionate about supporting areas where they see the greatest need. We contribute to a range of community organisations including schools, local sports teams, food banks and food rescue, City Missions, and other community-based organisations. Our stores nationwide donated \$8.1 million to local community

organisations, causes and events throughout New Zealand in FY23, up \$900,000 on FY22.

When the Auckland floods and Cyclone Gabrielle ravaged large parts of the North Island, we came together quickly when our teams and communities needed us most. We delivered much-needed supplies into cut-off communities by air and our North Island HereforNZ Fund donated \$425,000 worth of product and funding to help affected communities with their most immediate needs. They also pledged \$250,000 to Hawke's Bay growers whose crops were decimated, including \$50,000 each to HortNZ, the Rural Support Trust, Federated Farmers and Red Cross.

In the South Island, stores gave more than \$2.1 million in support to their local communities including contributions through the Foodstuffs (South Island)

Community Trust. The Foodstuffs South Island Community Trust, funded by its co-op members and support centre teams, is a powerful vehicle to support communities with nearly \$200,000 in donations and sponsorships, \$42,000 towards educational grants, and \$62,500 to the Gut Foundation.

In the North Island, stores gave \$6.0 million in support to their local communities. To help support people experiencing food security challenges, in FY23 we partnered with community organisations to open four more Social Supermarkets in the North Island, adding to our first Social Supermarket partnership which opened at Wellington City Mission in 2021. These Social Supermarkets are 155 Whare Kai (Whangārei), The Ōtūmoetai Social Supermarket, Tokoroa Social Supermarket, and Te Hiku Pātaka (Kaitaia).

IMPACT AT THE FRONTLINE	Performance		Status	FY25 Target
	FY22	FY23		
Measure				
Amount donated by our stores nationwide to relevant local community organisations, causes and events	\$7.2m	\$8.1m	N/A	No target set



Partnerships and Other Relationships

New Zealand is making good progress in integrating Environmental Social Governance considerations into its business practices.

Foodstuffs recognises the leading role we play in creating a ripple effect in New Zealand's environmental and social landscape. We partner with a wide range of like-minded businesses and organisations who are also striving to do the right thing for their people, their communities, and the planet. Together we're using our collective expertise to find solutions to problems that will make an impactful and lasting difference.

As aspiring sustainability leaders, we hold ourselves to account through our affiliations, agreements, and certifications. Aside from our close supplier relationships, we regularly connect in with community groups and industry associations to ensure we play our part in addressing issues and improving the grocery sector.



Challenges Ahead

We're committed to being here for our communities, here for our people, and here for our country.

Our focus for FY23 was on responding to community needs in uncertain times and building on our Foodstuffs HereforNZ framework which sets out our four social promises.

The cost-of-living crisis was the most important concern for most New Zealanders, with 55% of New Zealanders reporting in surveys* that they are "just getting by" financially and another 12% saying they are struggling to make ends meet.

To keep our prices as low as possible, we focus on buying as well as we can to get products at a fair price on shelf and running our co-ops as efficiently as possible to keep costs under control.

We've been working with our wide range of internal and external stakeholders on the areas that matter most and are working hard to make a positive impact on issues like food affordability, climate change, food waste to landfill, sustainable packaging, and supporting our local communities.

Through close collaboration with our suppliers, we aim to build a more sustainable and socially responsible supply chain for the future, and we're working collectively to achieve positive outcomes for our people, biodiversity, and the environment.

While there are many challenges ahead, Foodstuffs is building on its social promises' year-on-year as we partner with like-minded organisations throughout New Zealand to make a difference where it matters most.



*Te Ara Ahunga Ora Retirement Commission survey 2023, Kantar Better Futures 2023

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



Thank you

[FSNI Annual Report](#)

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 **Here for NZ**

Foodstuffs  NZ