



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





Proud to be Here for New Zealand

We are a unique business. Our stores are individually owned by families who live in the community they serve.

Our store owners work hard every day to earn the privilege to trade in these communities, knowing that their contributions help ensure we all thrive.

Our owners, from the smallest Four Square to the largest PAK'nSAVE, care deeply about their communities. This intrinsic connection with our communities is at the heart of our social responsibility strategy and gives substance to our promise to be #HereforNZ.

Since 1922, being here for New Zealand has been ingrained into our business. When we talk about being #HereforNZ, it is about doing the right thing and meeting our responsibilities to the communities we operate in.

Our focus over the past year has been influenced by the economic and health implications of COVID-19 on families and the country. Prior to COVID, environmental

sustainability was high on the agenda for many – plastic, healthy water, waste and the environment were top of mind.

COVID changed our world and tipped many of the accepted norms on their axes. Suddenly, we had an economic and medical crisis to grapple with and many people's priorities shifted to personal safety, job security, and having enough food and essential items in their homes.

Many of our communities are still doing it tough, so our focus on addressing social needs remains, and includes helping people into meaningful work and providing much-needed support via our strong partnerships with the City Missions, local food banks and food rescue organisations.

If anything, these challenging times have reinforced what really matters to New Zealanders. Healthy and Affordable Food is an ongoing, but particularly important immediate priority, Supporting Local Communities remains vital at a grassroots level, Meaningful Work is critically

If anything, these challenging times have reinforced what really matters to New Zealanders.

important to our people and their families, and maintaining a Sustainability Leadership position is a constant focus.

The desire for environmental sustainability is not going away. Initiatives that make sense environmentally, such as reducing unnecessary waste, make sense commercially. We know that our people care about this. We visit our distribution centres and our staff tell us how proud they are we have a programme specifically designed to reduce waste across our sites.

Addressing climate change is constantly front of mind. We have two big opportunities to reduce our carbon footprint: extracting more efficiency from our distribution operations, which is largely about smarter fleet management, and reducing the emissions generated by in-store

refrigeration. Foodstuffs North Island's new Landing Drive distribution centre and 5-star rated Green Star Support Centre design are game-changers and will lead to significant emissions reductions.

Reducing waste and the amount of packaging in our stores and distribution centres is a responsibility that we are tackling head-on. By working with our waste partners, suppliers and store owners we are building on the excellent progress our award winning waste minimisation programme has achieved in recent years.

Within the Meaningful Work pillar, we are on a journey to reduce injury and harm rates. With much of our work on safety systems complete, the focus is now on safety culture. As well as their physical health, we are committed to looking after our people's mental health and wellbeing. We recognise the need to ensure our people have the necessary skills and support to flourish in a changing workplace, and that our workplaces are inclusive and fair to all.

We are big believers in supporting local communities. Through our relationships with our communities – the customers who are our neighbours, visit our stores and engage with us on a daily basis –

we are in a unique position to offer help where and when they need it.

In the South Island, the commitment to supporting local communities has ramped up with additional funding raised by the Foodstuffs (South Island) Community Trust to provide food to foodbanks, children's centres and support services that are struggling due to COVID. And, after calling Mt Roskill home for 54 years, Foodstuffs North Island this year moved to Māngere in South Auckland. Partnerships with Māngere Budgeting Services and Buttabeen Motivation will see donations from our Landing Drive DC distributed to their clients in need and will help to solidify our social connections in the cooperative's new South Auckland community.

Our four-pillar social strategy gives us a strong foundation to make a meaningful difference across the country and to New Zealanders' lives. For the first time we have published targets linked to our social promises and we are committed to reporting on our progress in future reports¹.

Our brands have been contributing to our communities for almost a century, and we now have a robust platform in place to ensure we remain Here for New Zealand.

Our four-pillar social strategy gives us a strong foundation to make a meaningful difference across the country and to New Zealanders' lives.



Chris Quin
Chief Executive Officer
Foodstuffs North Island



Steve Anderson
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.



Our commitment to our people and our place

Here for NZ is our commitment to supporting New Zealanders where and when they need it, and to safeguarding the future of the environment. It sums up our core purpose and what we stand for as a business.

Sitting under the umbrella commitment of Here for NZ is our Social Responsibility Strategy, comprising 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.

These promises bring together eleven specific goals and the wide range of initiatives that are underway at our stores, many of which we've been doing from day one, like supporting our local communities.

The strategy was developed with the input of a range of stakeholders, including our customers, staff, suppliers, store owners, government representatives, industry bodies and interest groups.

While our overall strategy is still as relevant now as when it was developed, the events of the last year made the importance of our 'Healthy and Affordable Food' promise clear. We responded to the increase in need with an even greater focus on helping those in our communities access food when they need it most.

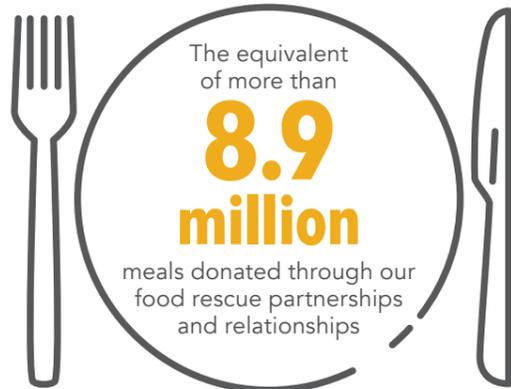
The next step on our journey to be Here for NZ is two-fold: ensuring we have initiatives and programmes that are aligned to our strategy in place, and setting targets to measure our progress against.

In this report you will find new targets relating to each of our social pillars, as well as indicators of how we are tracking. For some of our goals, we are still in the process of collecting baseline data. We have noted where targets are yet to be set and when they will be set. Measuring our performance against these targets is how we will hold ourselves to account over the coming years.



Our year of being Here for NZ

HEALTHY AND AFFORDABLE FOOD



Since its inception, Food for Thought has reached almost

200,000

kids in more than 7,300 classes around New Zealand



More than an estimated **30,000**

New World Family2family bags were donated nationwide to community food banks by our generous customers in 2020

Every New World and PAK'nSAVE store has a relationship with a food bank or food rescue organisation



SUSTAINABILITY LEADERSHIP



Annually

3.4 tonnes



of plastic has never been produced thanks to the Food in the Nude programme



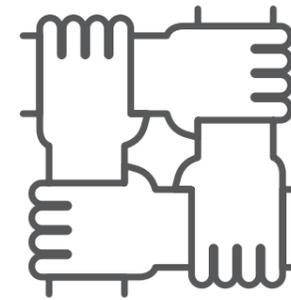
Kicked off the project to say **goodbye to single-use produce bags** in our stores

SUPPORTING LOCAL COMMUNITIES

Our stores contributed more than

\$7.3 million

to their local communities last year

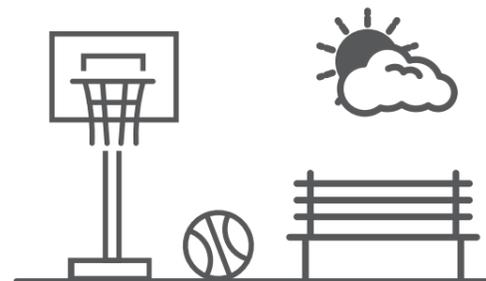


FOODSTARTER™

More than

200

innovative food and beverage product entries into the FoodStarter competition



The Foodstuffs (South Island) Community Trust has distributed more than

\$625,800

in educational and community grants

MEANINGFUL WORK



Proudly employing and supporting

36,000

people in our cooperatives



More than

\$661,000

raised this year alone for the Foodies Foundation

Healthy and Affordable Food

Central to our promise of being Here for NZ is the core of our business – we are here to feed New Zealand.

Looking through the lens of social responsibility, our purpose has even wider social impact: our ambition is to ensure every New Zealander has access to healthy and affordable food.

As leading food retailers in New Zealand, we deliver on our social promise through funded programmes and partnerships with food rescue and food bank organisations.



Our social promise

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



Alignment to the UN Sustainable Development Goals



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	FY21	FY22	FY23	FY24	FY25
PAK'nSAVE - Maintain #1 'Fairness' ranking (among Retailer organisations) in Colmar Brunton's annual Corporate Reputation Index	#1	#1	#1	#1	#1
New World - Achieve 'Fairness' score of 105 (top 10% globally) in Colmar Brunton's annual Corporate Reputation Index by FY25	100	101	102	104	105
Number of classes participating in the Food for Thought programme	No target due to impact of COVID-19	645	645	645	645

REDUCE FOOD POVERTY

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

Reporting commitment	FY21	FY22	FY23	FY24	FY25
Number of 'equivalent meals' donated by sites on the Waste Minimisation Programme to Food Rescue Organisations and Food Banks	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 organisations or food banks. We will report on the number of 'equivalent meals' 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	FY21	FY22	FY23	FY24	FY25
Display the Health Star rating on all relevant food products ²	Baseline year - No target	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	Baseline year - No target	55%	60%	65%	70%

² where packaging space permits it

Influencing healthier food choices

We recognise we have an influence on the health of young people and their whānau through what they eat. Through our Food for Thought programme and Little Garden, we are striving to influence them to

make healthier food choices. We also recognise the importance of offering products at affordable prices across our full range, so cost is not a barrier to making healthier food choices.

Little Garden: Inspiring green thumbs nationwide

Back by popular demand, New World's Little Garden goes further than being a savvy way of getting children to eat vegetables.

Little Garden is a key part of our ongoing campaign to generate excitement around fresh produce and knowledge around food affordability and sustainability.

A commitment to growing healthy food in a sustainable way is at the heart of Little Garden. Customers receive a free seedling kit with every \$40 spent in-store. Each seedling kit comes with its own

fibre pottle, a soil tablet, a seed mat and a character sticker. The kits are 100% plastic free, the pottles are home compostable, the collector tray is made of sugarcane pulp, and all of the paper packaging is recyclable and Forest Stewardship Council (FSC) certified.

Each of the 24 herb, vegetable and flower seedlings were given "personalities" to make it easier for young gardeners to recognise the vegetables, learn about their "superpowers" and get excited about growing them.



During the six weeks Little Garden was in stores, more than 3,000 classes of primary school children were gifted a Little Garden curriculum-based classroom kit and each of our 143 New Worlds donated at least one garden kit to a local school.



Children from Bailey Road School in Auckland.



Since 2007, New World, PAK'nSAVE, and Four Square have supported Food for Thought, a free nutritional education programme delivered in schools by the Food for Thought Education Trust and the Heart Foundation. Foodstuffs South Island provides ongoing administration and operational support for the programme. Since its inception, Food for Thought

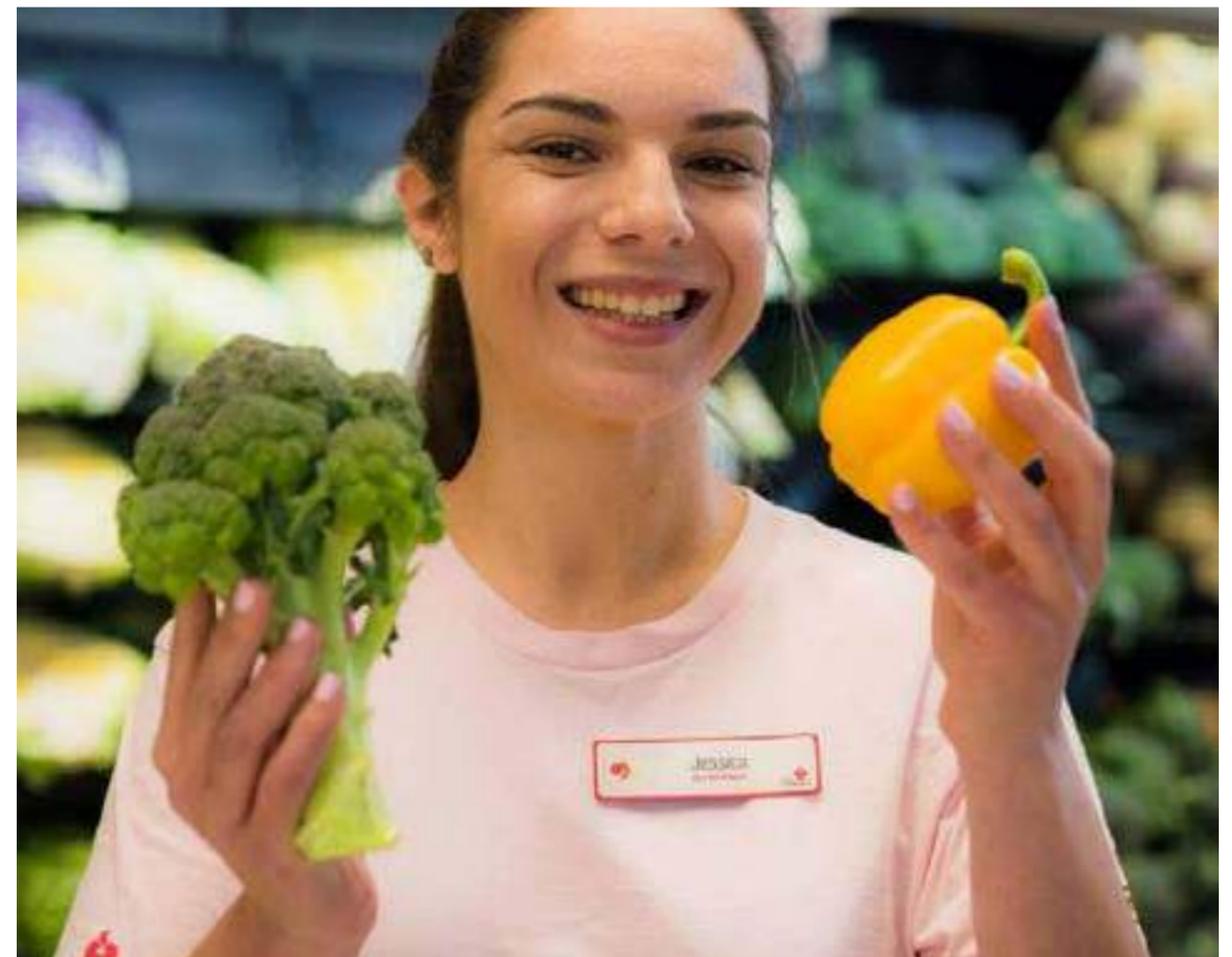
has reached almost 200,000 Kiwi kids in more than 7,300 classes around New Zealand.

To encourage healthy eating, Food for Thought nutritionists teach children in Years 5 and 6 which food and drinks can be consumed every day and which should only be eaten occasionally. The students also learn how to read nutritional labels.

As well as in-class activity, Food for Thought participants visit local Foodstuffs supermarkets with one of the Food for Thought nutritionists or a Heart Foundation nutrition advisor, to learn more about labelling and healthy choices. In the 12

months to the end of March 2021, classes visited 149 New Worlds, 54 PAK'nSAVEs, 28 Four Squares and one On the Spot. During this period the team also ran 30 in-class supermarkets in order to manage the challenges COVID-19 presented for the programme.

Wanting to take some of the benefits of the programme out of the classroom and to customers, we teamed up with Food for Thought nutritionists Jessica Smaill and Andy Kane to make a series of videos to showcase the power of vegetables and how delicious they can be - like in our Little Garden beetroot dip recipe, or when planning for back to school³.



Food for Thought Nutritionist Jessica Smaill.

³ Little Garden a secret ingredient to family five-a-day | Stuff.co.nz
Nutritionist reveals how to kickstart a healthy eating routine | Stuff.co.nz

Progress

INFLUENCE HEALTHIER FOOD CHOICES

Measure	Actual FY21	Target FY21	Target FY25	Progress
PAK'nSAVE - Maintain #1 'Fairness' ranking (among Retailer organisations) in Colmar Brunton's annual Corporate Reputation Index	#1	#1	#1	● Achieved
New World - Achieve 'Fairness' score of 105 (top 10% globally) in Colmar Brunton's annual Corporate Reputation Index by FY25	99	100	105	● Not Achieved While we did not achieve our target this year, Foodstuffs is confident that New World is on track to achieve its FY25 goal.
Number of classes participating in the Food for Thought (FFT) programme	523 ⁴	No target	645	● In Progress No target was set this year as participation was heavily impacted by COVID-19. Foodstuffs and the FFT team regard the number of classes participating to be an excellent result given the challenging year.

Outlook

Next year we will continue to integrate healthy food messages into our promotional campaigns in an effort to positively influence customer choice. We will also continue to support the Food for Thought programme in schools after a year of COVID-19 related disruptions.

⁴ based on a April to March year.

Reducing food poverty

Over the past year, our efforts to reduce food poverty stepped up a gear as we increased our support of food banks and food rescue organisations. We saw an increasing awareness of the vitally important role these organisations play in our communities, by ensuring vulnerable people have access to food.

In recognition of this need, we have increased our support of food banks and food rescue organisations at the cooperative level, such as through New World's Family2family appeal. Support is also provided at the

local store level and through grants provided by the Foodstuffs (South Island) Community Trust, detailed in the Supporting Local Communities section of this report. As of this year, every one of our New World and PAK'nSAVE stores has a partnership with a food bank or food rescue organisation in their community.

Reflecting our strengthening relationships, 8.9 million equivalent meals⁵ were donated to those in need in 2021, up from 8 million in 2020.



New World Halswell and their Food Bank partner City Harvest Canterbury



8.9 MILLION EQUIVALENT MEALS DONATED ANNUALLY⁵

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



4.5 million



2.5 million



17,000

OUR DISTRIBUTION CENTRES

1.8 million

⁵ 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). As data on food recovery is an area of ongoing development in New Zealand, it is likely that the current estimates under-represent the true amount of food collected. We continue to work with our food rescue partners to better represent the scale and impact food recovery has on our communities and business. Rounding differences apply to numbers in this table.

Store spotlight

PAK'nSAVE Rangiora

James and Catherine Flanagan are big believers in the power of community. Born and bred in Canterbury, the couple decided one of the first things they needed to do when they opened PAK'nSAVE Rangiora was to support a food charity.

"It is important for us look after our local community, so we formed a relationship with Satisfy Food Rescue as soon as the store opened – so we could feed locals who were struggling," says James.

The food rescue organisation helps distribute food to people in need in the Waimakariri and Hurunui districts, picking up food at least five times a week from PAK'nSAVE Rangiora. Recipients of goods include the Amberley Food Bank, St Vincent de Paul - Kaiapoi, Tuahiwi Marae, and a migrant cooking class.

Partnering with a food rescue organisation also enables PAK'nSAVE to "close the loop" and make use of food that would have otherwise been sent to landfill.

For James, being involved and helping local communities is core to being part of the Foodstuffs cooperative.

"If the community is doing well, we all do well and we believe that if you are in a position to help out, you should"

JAMES FLANAGAN – PAK'NSAVE RANGIORA OWNER-OPERATOR



Owner-operator James Flanagan

Strengthening our partnership with food banks

We continued to build our relationships with the Christchurch, Wellington, and Auckland City Missions this year. Among other initiatives, we had the privilege of partnering with Wellington City Mission to open New Zealand's first Social Supermarket, we sponsored the Christchurch City Mission's Christmas Tree, matched Giltrap's Christmas food drive for the Auckland City Mission, and raised \$34,000 in New World vouchers for the Missions in partnership with Flybuys.

New Zealand's first social supermarket

When Wellington City Mission approached Foodstuffs North Island about partnering to build New Zealand's first social supermarket, the cooperative jumped at the opportunity.

The Social Supermarket puts personal choice and the shopper's dignity at the heart of their experience. The traditional food parcel model means families in need are often given a pre-prepared food package.

At the Social Supermarket, shoppers select food and essential items of their choice. Taking a holistic approach, the Social Supermarket helps to address the root causes of food insecurity by connecting shoppers to additional services, like budgeting or family support within the wider community.

New World drew on the owner-operator network in Wellington to donate a range of products

and fittings. For example, New World Wellington City donated shelving, New World Thorndon donated the produce bins and trolleys, New World Railway donated shopping baskets, New World Whitby donated the chiller unit and New World Newtown is a long-term supporter and provides ongoing bread donations. The New World team designed the space, which holds 3,000 items, and trained 12 volunteers.



Jeremy Neeve and Murray Edridge of the Wellington City Mission with Dave Freeman, New World Business Partner

New Zealand Food Network's North Island partnership

Early in 2021, Foodstuffs North Island began its partnership with the New Zealand Food Network, which distributes food to more than 40 organisations that feed communities nationwide.

Since February 2021, more than 78,520 kg of donated products, such as UHT milk, instant coffee and muesli, have been distributed to food hubs, including Auckland City Mission, Gizzy Kai Rescue, New Plymouth Community Foodbank and many more through the New Zealand Food Network.



New Zealand Food Network volunteers sorting through donated products

New World's Family2family Foodbank Appeal

Many households struggle to put food on the table and rely on the City Missions and local food banks to feed their families. In many cases one or more family members are working, but they cannot afford to pay the bills and feed their family, especially in winter when household costs are higher.

New World's Family2family Foodbank Appeal, where every New World in New Zealand teams up with their local food bank, supports this need. New Zealanders pick up a special brown paper bag in-store, fill it with foodbank friendly items as they do their own shopping, and leave it in the donation box after they've paid. Food is then taken to local food banks, who distribute it to those who need it.

"Have just had an update this morning and we are sitting on 11,500 bags! AND we still have another 10-15 pallets coming this week. We are so incredibly happy with his. What an amazing outcome!"
—
RACHEL SCOTT - CHRISTCHURCH CITY MISSION

FAMILY2FAMILY



THE RESULTS IN 2020 WERE TREMENDOUS:

NORTH ISLAND
433

donations on average per store.

SOUTH ISLAND
275

donations on average per store.



Stores also sold \$20 prefilled bags to customers and these were donated to the food banks.

NORTH ISLAND
7,177

bags sold across 48 stores. Thorndon was the top seller with 1,205 sold.

SOUTH ISLAND
2,309

bags sold across 18 stores. Motueka sold 403 bags, followed by Durham St with 278 and Three Parks with 243 bags.



Eat My Lunch steps up

Foodstuffs North Island continued to support Eat My Lunch, which won a major tender for the Government's Ka Ora, Ka Ako, Healthy School Lunches Programme.

Under the contract, Eat My Lunch is set to provide lunches for approximately 16,500 Kiwi kids a day in 2021, equating to 3.3 million lunches in one year. To support the massive scale up, Eat My Lunch moved to new premises in East Tamaki, created a new menu and purchased 11 delivery vans and a new kitchen. Foodstuffs transported and outfitted Eat My Lunch's new working space with desks, chairs, couches, screens and a printer as well as supplied a full-time worker to support Eat My Lunch during this growth phase.

Progress

REDUCE FOOD POVERTY

Reporting Commitment	FY20	FY21	Progress
Number of 'equivalent meals' donated by sites on the Waste Minimisation Programme to Food Rescue Organisations and Food Banks	8.1M	8.9M	● In Progress As we add sites to the Waste Minimisation Programme, more food will be diverted to those who need it.



Outlook

Our intention is to strengthen our commitment to the Auckland, Wellington and Christchurch City Missions and to continue to build on our relationship with the New Zealand Food Network and other food rescue partners across the country.

Healthier and more affordable Own Brands

Our Own Brands product range of Pams, Pams Finest, Pams Superfoods, Pams Gluten Free, Pams Organic and Value gives us the ability to provide our customers with a choice of affordable food products and more specialised or gourmet products.

We have been working with the Heart Foundation on the formulation of selected products to improve their nutritional value or reduce their impact on public health. This includes reducing the amount of sodium, saturated fat and sugar in our products.



Pams is a proud supporter of 5+ A Day, which encourages all Kiwis to eat five or more servings of colourful, fresh fruit and vegetables every day.



Reformulation according to Heart Foundation guidelines

We have identified Own Brand products in 31 categories in which Heart Foundation nutritional targets exist, and we have committed that overall at least 70% of these will meet the applicable Heart Foundation nutritional criteria by 2025.

Our focus is on reformulating products that have high sales volumes and therefore have

greater positive impact on public health. For example, Italian prosciutto is likely to have high sodium levels but low public health impact. In comparison, regular Pams Shaved Ham, which is more widely consumed, has been reformulated, reducing sodium by 18%, and as a result currently meets the Heart Foundation criteria for sodium.

Health Star Rating – transition to new guidelines for our Own Brands

The Trans-Tasman Food Regulation Council completed a five-year review of the Health Star Rating system and introduced changes to increase the distinction between healthier and less healthy food.

New criteria came into play in November 2020 and 63% of our

eligible Own Brands products now display a Health Star Rating. This represents 1,290 SKUs meeting the new criteria. We are committed to displaying the Health Star Rating on products to support our customers in making healthier choices.



Progress

HEALTHIER AND MORE AFFORDABLE OWN BRANDS

Measure	Actual FY21	Target FY25	Progress
Display the Health Star rating on all relevant food products ⁶	63% Baseline	100%	● In Progress This is our baseline year for collecting data. Work in both areas continues.
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	54% Baseline	70%	

Outlook

In addition to continuing our transition to the new Health Star Rating system and product reformulations, we have been working with the Heart Foundation and other industry participants on setting or updating existing industry targets for breakfast cereals, baked beans, spaghetti, and tomato sauce.

⁶ where packaging space permits it.

Sustainability Leadership

We support a sustainable New Zealand in the way we operate our business and source our products.

New Zealand is our home. That's why we're committed to becoming a business that operates and sources our products in a way that respects our environment. By embracing a sustainable approach that reduces our reliance on finite resources, we're creating a healthier environment and future for New Zealand.



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	FY21	FY22	FY23	FY24	FY25
% reduction in carbon emissions (cumulative reductions from FY20 baseline) – across North Island and South Island					21%

MINIMISE OUR WASTE

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

Measure	FY21	FY22	FY23	FY24	FY25
Develop an accurate waste reduction measure to report on Waste Minimisation Programme progress					

IMPROVE OUR PACKAGING SUSTAINABILITY

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

Measure	FY21	FY22	FY23	FY24	FY25
% of packaging that is reusable, recyclable or compostable					100%

RESPONSIBLE AND ETHICAL SOURCING

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

Measure	FY21	FY22	FY23	FY24	FY25
Develop a national Responsible and Ethical Sourcing Policy that covers all areas of our business					

Climate change and carbon reduction

We are transitioning to a low carbon model, in line with the New Zealand Government's efforts to meet its international obligations and substantially reduce greenhouse gas emissions.

Since joining the Climate Leaders Coalition (CLC) in 2019 we have sharpened our approach to carbon reduction, monitoring and reporting. Both Foodstuffs North Island and Foodstuffs South Island have signed up to the CLC 2019 Statement which aligns our 2025 emissions reduction target to keeping the global temperature rise below 1.5 degrees by the end of the century.

Our carbon reduction strategy started many years ago with energy efficiency innovations such as lids on freezers, LED lighting and electric vans. The single most important change to operations has been the transition to CO₂ natural refrigeration gases in our stores. We expect our overall refrigerant gas-related carbon emissions in 2030 to be 99% lower than in 2012.

In 2021, we set ourselves an ambitious science-based target to reduce our 2025 carbon emissions, from our 2020 baseline, by 21%.

Establishing baseline data and accurately measuring the carbon footprint of our businesses has now been completed and audited by Toitū Envirocare.

Sites covered in our baseline 2020 carbon footprint include Foodstuffs South Island and Foodstuffs North Island businesses, and the Foodstuffs NZ Ltd and Foodstuffs Private Label support centre. Scope 1, 2 and 3 emissions have been measured⁷.



⁷ According to the GHG protocol, Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain (such as business travel and waste). Four Square, On the Spot and Liquorland brands are currently out of scope as they operate under a different business model, with not all premises owned; as a result we are unable to collect accurate data at this time.

Emissions Profiles

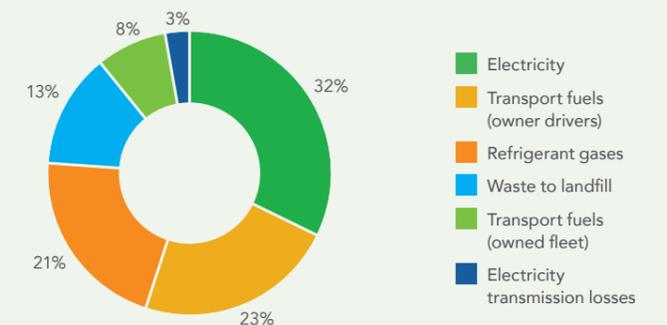
FY21 was not business as usual. Fuel use in our supply chain and in our stores, as well as electricity use in our stores, increased due to COVID-19-driven customer demand. We remain confident the low carbon action plans we are implementing will help us achieve our 2025 target of a 21% reduction. As this is our second year of reporting, we expect the drivers of emissions increases and decreases to be more apparent in subsequent years.

Foodstuffs North Island GHG Emissions

FY21: 86,116 Tonnes CO₂-e

Emissions from 170 sites comprising 45 PAK'nSAVE, 100 New World, 7 Gilmours, 1 Fresh Collective, 14 transport and distribution centres, and 3 support centre offices.

SCOPE 1, 2 & 3 EMISSIONS FY21

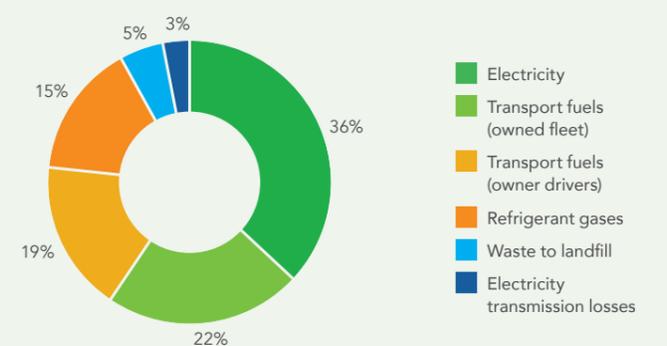


Foodstuffs South Island GHG Emissions

FY21: 33,323 Tonnes CO₂-e

Emissions from 72 sites comprising 12 PAK'nSAVE, 43 New World, 5 Trents, 5 Raeward Fresh, 6 transport and distribution centres, and the support centre.

SCOPE 1, 2 & 3 EMISSIONS FY21



Electrifying our supply chain

As transport in New Zealand accounts for around 18% of total GHG emissions and 35% of Foodstuffs' emissions, there is a clear opportunity for us to address emissions from our transport fleet.

We can make big emissions savings from our transport operations by reducing travel distances and improving truck utilisation. SAFED (Safe and Fuel Efficient Driving) training, more efficient management

of frozen, chilled and ambient product deliveries, actively reducing the number of empty trucks on the road, and regular route optimisation reviews are collectively helping us to produce real reductions in fuel use.

Partnering with the Energy Efficiency and Conservation Authority (EECA) and using technology supplied by SEA in Australia and Blackwells in Christchurch, we have built two

EV local delivery trucks for Foodstuffs South Island and a refrigerated EV truck, a New Zealand first, for Foodstuffs North Island to be used in the Wellington region.

Our electric vehicle charger rollout at stores continued in FY21 with 95 chargers now operational across the country, giving customers the opportunity to reduce their own carbon footprints.



Supplying carbon-neutral milk

As well as a first for New Zealand, Simply Milk is the first carbonzero milk in the southern hemisphere, and one of just a handful in the world.

Produced by Fonterra exclusively for North Island New World, PAK'nSAVE and Four Square stores, Simply Milk has been certified carbonzero through the purchase of Toitū Envirocare-verified carbon credits.

The production and delivery of each 2L bottle of milk emits 2.1 kilograms of CO₂-e. Through the purchase of a 2L bottle of Simply Milk, consumers contribute to native reforestation in Kaikōura, a hydro power plant in India and energy-efficient cook stoves in Bangladesh.



Progress

REDUCE OUR CARBON EMISSIONS

Measure	Actual FY21	Target FY25	Progress
% reduction in carbon emissions (cumulative reductions from FY20 baseline)			● In Progress
North Island	5.3% reduction	21%	FSNI reduction in diesel use may be a result of the move to a centralised DC, The Landing, and the implementation of a logistics optimisation strategy. Further trends into what drives reductions will be apparent next year.
South Island	2.1% increase	21%	● In Progress FSSI is implementing a transition programme away from HFC refrigerants to CO ₂ natural refrigeration in its stores. Reductions in emissions as a result of this transition were offset by the "top up" of HFC gasses still in use at some stores. This represents 10% of the total footprint and reinforces the importance of the CO ₂ natural refrigeration transition.
Nationwide	3.3% reduction	21%	● In Progress

Outlook

Over the next year we will focus on continuing our low carbon refrigeration system transition, driving greater transport efficiencies, reducing energy in stores, investigating the opportunities presented by rooftop solar, and further reducing our landfill waste.

Both cooperatives are actively monitoring and reporting energy usage at stores, which is expected to help reduce usage nationally in the coming year.

We know that Foodstuffs is only one contributor to New Zealand's collective aim of reducing emissions, so we will continue to educate and communicate the value of measuring and reporting emissions in our business and with our supply chain partners.

 Spotlight

Our Distribution Centres

In our journey to becoming sustainability leaders, our distribution centres (DCs) are where much of our work on carbon reduction and waste minimisation comes together.

In March 2021, Foodstuffs North Island, Foodstuffs Own Brands and Foodstuffs New Zealand moved into a new support centre and DC that serves Foodstuffs stores in the upper North Island. Foodstuffs Landing Drive features the largest rooftop solar array in New Zealand with 2,880 photovoltaic panels with a rated output of 1.166MWp to power the building. The support centre building is a 5-star rated Green Star design, and we are striving to achieve a 6-star built rating, which will be assessed 12 months after first occupying the building. With the consolidation of two DCs into one, and with environment-friendly features such as rainwater capture and 32 electric vehicle (EV) chargers, the

new facility will deliver further emissions reductions.

Both the Landing and Foodstuffs South Island's DC at Hornby are low-carbon buildings with motion-operated LED lighting, roof lights, battery-powered forklifts, an energy management system and a waste minimisation plan that includes partnering with food rescue organisations. All materials handling equipment in both DCs is electrified. The Landing features fully electric equipment

and the Hornby DC is on track to reach 100% electrification of all equipment, including forklifts, within the next two years.

DCs in both the North and South islands use NanoWrap pallet wrap that is 1/3 lighter and 100% recyclable in New Zealand. Reusable crates are replacing cardboard boxes. Together with the continued implementation of waste minimisation plans our DCs have decreased their overall waste to landfill ratio by 5%.



Hornby DC



The Landing's solar array

Waste minimisation

Since 2014, we have actively worked to minimise waste in our supermarkets, distribution centres and support centres. Our waste is mostly made up of recyclables, food waste and general non-recyclable waste. We work with our suppliers to reduce packaging coming to the business before it hits the shelves and we invest in solutions that optimise our capability to recycle.

We believe no food fit for human consumption should ever go to waste which is why every New Word and PAK'nSAVE store has a food rescue or food bank partnership in place to redistribute surplus or short-dated food to those in need. In FY21, these partnerships enabled us to provide the equivalent of 8.9 million meals⁹ to local communities. Where possible, our stores also supply local pig and cattle farmers by providing food waste that is not fit for human consumption for stock-feed.

As a cooperative, each store is unique when it comes to finding solutions for problematic waste. The trending 'upcycled' food sector demonstrates this perfectly, using food surplus and waste to create new products. Recognising this opportunity, our stores support food supplier partners who are taking food waste and

creating higher value items, like beer (brewed from loaves too old to be on shelf) and pet food (from meat offcuts), as well as upcycling food waste within the business, for example, using cake offcuts to create cake decorations.

FY21 saw us take our Waste Minimisation Programme up a notch. With the support of three key waste service partners we have expanded the reach of our programme to 155 Foodstuffs sites nationally. One challenge we are tackling is the lack of waste service infrastructure in different parts of the country. As this improves, our aim over the next four years is to complete the rollout of the programme to all Foodstuffs stores.

83% of waste is diverted from landfill

We are pleased to report our overall landfill diversion rate (waste that does not go to landfill) remains strong at 83%. Our sites take enormous pride in their waste reduction efforts – New Word City Centre in Dunedin is a great example, reducing landfill waste by a remarkable 33.5% in a single year.

As more sites join the programme and we gain more data and

transparency over our waste streams, we expect to see our reported landfill and recycling tonnage increase over the next few years. By 2025, our goal is that each site will achieve a landfill diversion rate of at least 90% after two years on the programme. So while reported landfill tonnage will increase, we expect to see a significant decline in waste to landfill by 2024 as best practice processes are adopted.

While increasing the amount of waste diverted from landfill is important, our core aim is to significantly reduce the amount of waste we produce. The growth of our waste minimisation programme means that finding a consistent and accurate measure of our overall waste reduction has been challenging. As new stores join the programme and as waste infrastructure and data collection improves, the baseline data on which we measure progress shifts, making it difficult to provide an accurate view of reductions in this area.

Foodstuffs is committed to transparently and accurately reporting on our waste reduction efforts. We are currently working with our stores and waste management providers to establish an accurate measure.

⁹ 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). As data on food recovery is an area of ongoing development in New Zealand, it is likely that the current estimates under-represent the true amount of food collected. We continue to work with our food rescue partners to better represent the scale and impact food recovery has on our communities and business.

Progress

MINIMISE OUR WASTE

Measure	FY21	FY22	FY23	Progress
Develop an accurate waste reduction measure to report on Waste Minimisation Programme progress.		Measures and targets to be set in FY22		● In Progress



Reusable crates in action at Hornby DC

Outlook

We will continue our focus on working with stores and our waste partners to not only mitigate waste, but also to provide solutions that favour reuse over recyclability.

This includes partnering with suppliers to further reduce cardboard packaging waste through expanding the use of reusable crates, and continuing our partnerships with food manufacturers to upcycle our food waste into higher value items. We will set our waste minimisation measure and targets in FY22.

Sustainable packaging

Concerns over COVID-19 virus transmission led to greater use of pre-packaged food in our supermarkets during 2020 and 2021. However, as the risk reduced, shoppers turned their minds again to using less plastic. We know that customers are still as committed as we are to plastic reduction and sustainable packaging. When we asked about their concerns, two thirds of customers surveyed expected to see less plastic packaging used in future.

As one of the first retailers in Aotearoa to sign up to the New Zealand Plastic Packaging Declaration in 2018, we continue to work towards 100% reusable, recyclable or compostable retail and private label (Pams, Value and Gilmours) packaging by 2025.

Our priorities are product stewardship and circular design – making sure resources are used again and again in other products. Where packaging is required, Foodstuffs is determined to play its part by aligning material inputs to New Zealand’s waste infrastructure.

This year, we continued to review packaging used and sold across our business. The packaging audits underway aim to identify the material, weight, and end-of-life

expectation for each component of our packaging. This includes the core packaging item and all of its components (labels, closures, sleeves, lids) and extends to the secondary and tertiary packaging that our suppliers use to protect and transport products to our DCs and stores (liners, sleeves, cartons). Once the audit is complete in FY22, we will be in the position to benchmark and report on progress towards our 2025 commitments.



Helping our customers reuse and recycle

In 2020, selected stores restarted the collection of soft plastic packaging through the Soft Plastics Recycling Scheme, run by The Packaging Forum (of which we are a member). This recommencement was made possible through increased onshore reprocessing capacity at Future Post, based in Waiuku.

We now have 23 participating New Worlds and PAK'nSAVE stores in Auckland, Wellington and Christchurch. Soft plastics are combined with recycled milk bottles to make fence posts, garden edging and parking bumpers.



Creating a plastic packaging economy that works

We've continued our partnership with the Sustainable Business Network (SBN), New Zealand King Salmon and thinkstep-anz to run another Plastic Packaging Circular Innovation Masterclass and help the industry reach its 2025 Plastic Packaging Declaration commitments. More than 100 people attended, including brand owners, packaging manufacturers and designers, retailers, recyclers, policy makers, and industry organisations.



Building on our mahi

Many of our projects to reduce packaging in our business and across the sector continued to evolve in 2021.

Our 10 Sustainable Packaging Principles – We review our principles in response to infrastructure changes and new materials entering the market. The principles help guide our work programme across the business. We communicate the principles to our suppliers and encourage their adoption.

Food in the Nude - First debuted in 2016, 36 out of 42 New World stores in the South Island are now 'nude'. Removing unnecessary plastic packaging from produce has prevented 3.4 tonnes of plastic from being produced annually.

Nationwide roll-out of paper bags at bulk bins – In time for Plastic Free July 2020, paper bags at Alison's Pantry bulk food departments were rolled-out across the country at 143

New World stores. PAK'nSAVE stores nationwide joined the programme in 2021. The recycled paper bags are made of 70% recycled content, certified by the Forest Stewardship Council, and are kerbside recyclable.



Progress

IMPROVE OUR PACKAGING SUSTAINABILITY

Measure	FY21	FY25	Progress	
% of packaging that is reusable, recyclable or compostable	In-store Retail North Island and South Island	Baseline and targets to be set in FY22	100%	● In Progress
	Private Label Own Brands		100%	● In Progress

Outlook

We are continuing to research, develop and trial new innovations that can reduce packaging in our supply chain and stores. These initiatives include the expansion of the RefillNZ free water refill network and the number of Ecostore refill stations, and completing the transition to rPET punnets, deli containers and clamshell packaging.

Recognising the importance of continued plastic reduction, Foodstuffs will begin the process to remove single-use plastic produce bags across our supermarkets in FY22. To help customers transition, a range of sustainable alternatives will be trialed in stores, including MUBs (multi-use bags), nylon mesh bags, polyester mesh bags, organic cotton reusable bags and collapsible crates.



Responsible and ethical sourcing

Our Own Brands

We are committed to working with suppliers to meet sustainability goals in a complex, dynamic environment, while continuing to provide competitively priced products that our consumers love.

We have a suite of ethical and responsible sourcing policies and position statements for our

Own Brands, including a Modern Slavery Position Statement, Cage Free Eggs Policy, Responsible Timber, Bamboo, Pulp & Paper Policy, Sustainable Palm Oil Policy, and Responsible Seafood Policy.

We work with key stakeholders and relevant local and international experts such as

SEDEX, Forest Stewardship Council, Roundtable for Sustainable Palm Oil, and the Marine Stewardship Council to ensure our policies are robust and aligned with best practice, and to develop appropriate timeframes for full implementation.



Fishing sustainably

Seafood remains a major part of New Zealand's identity and island-nation story. Sustainability is an increasingly important part of that story as consumers become more aware of the quality of their food and where it comes from.

New World and PAK'nSAVE seafood is caught, managed and transported in a way that ensures there will be a continued supply for future generations.

In 2019 Foodstuffs North Island acquired Lee Fish, a boutique fishery that uses sustainable long-line and iki-jime fishing methods and has a decades-long commitment to caring for the environment. The fish is processed in Leigh, north of Auckland, and can be in the kitchens of top restaurants or behind the seafood counter in New World and PAK'nSAVE stores within 48 hours of being caught.



Outlook

An important focus in FY22 will be the development of a comprehensive National Responsible and Ethical Sourcing Policy. Following this, specific measures and targets will be set and these will be included in future reports.

Progress

RESPONSIBLE AND ETHICAL SOURCING

Measure	FY21	FY22	FY23	Progress
Develop a National Responsible and Ethical Sourcing Policy that covers all areas of our business		To be completed in FY22		● In Progress

Supporting the communities we are part of

Our stores are locally owned and operated. We're embedded in our communities. Employing local people, mums and dads, and rangatahi, we hear directly from our team members about the challenges, successes and changes in the social fabric that surrounds us.

The past year has been a difficult one for many. Job losses and ongoing uncertainty have seen many families struggle. Supporting communities to thrive is just one of the proactive ways our cooperatives demonstrate their commitment to be Here for NZ. In FY21, our stores donated more than \$7.3 million to local community causes and organisations. In addition,

we established our COVID-19 Relief Fund, which contributed more than \$1.3 million to help New Zealanders through the pandemic; this fund supported 54 charities and community support services (which you can read more about in our [2020 Corporate Social Responsibility Report](#)). This reflects our response to heightened need seen in our communities during this difficult year.

We believe that our giving should reflect the changing needs of our communities, not the pursuit of a specific financial giving goal. As a result, rather than a target, we are committing to publicly reporting total community donations.



Our social promise

We support our local communities to thrive.



Alignment to the UN Sustainable Development Goals



New World Blenheim owner-operators Ashley and Melanie Shore and Wynnie Cosgrove from Marlborough Foodbank

Our 2025 Supporting Local Communities goal and commitment

Impact at the frontline – Increase the impact, effectiveness and awareness of our contributions to our local communities.

REPORTING COMMITMENT

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



OUR STORES CONTRIBUTED MORE THAN \$7.3M TO LOCAL COMMUNITIES IN FY21⁹



Stores contributed on average:

\$58.9K

To local communities in FY21



Stores contributed on average:

\$25.1K

To local communities in FY21



Stores contributed on average:

\$3.1K

To local communities in FY21



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



In 2021, during the level 3 lockdowns, the Student Volunteer Army and New World re-mobilised in Auckland to once again make contactless deliveries to older and vulnerable people

⁹ All reported numbers are based on available SAP data. Rounding differences apply.

Impact at the frontline

Local giving responds to need

Our stores give regularly to a wide range of community groups and clubs, as well as charities and social services; this broad range reflects the diversity of our local communities. In 2021 and beyond, we will be working with our stores to sharpen the impact and focus of our giving.

STORE SPOTLIGHT



Shopping experiences that include everyone at New World

In September, New World Nelson trialed a dedicated sign language aisle at its checkout.

The reason? The perspex screens and masks needed for COVID-19 protection were making it difficult for the hard-of-hearing to read lips or to hear checkout operators.

To assist communication, checkout staff were trained in basic sign language, and sign language posters were displayed in the aisle and checkouts.

The trial was run in September 2020 in conjunction with Hearing

Nelson. Having seen the positive impact on the community, owner-operator Greg Guy and his checkout staff continue to embrace the use of sign language.

Another New World team focused on serving people with diverse needs is New World Pukekohe, led by owner-operator Tim Wilson, which offers a tailored in-store shopping experience from from 2.30pm to 5.30pm, Monday to Thursday.

The store installed new equipment and staff learned new skills to support individuals with mobility,

cognitive, sight or hearing impairments. Employees have also learned basic sign language.

The store has added new trolleys for kids, trolleys for parents with multiple kids, trolleys which clip onto the frame of wheelchairs, and Caroline's Carts, which are trolleys designed for special needs individuals. Additionally, the store has installed 'call points' throughout the store for people who need support to finish their shopping.



The team at New World Pukekohe



The teams at New World Melody's and New World Durham Street supporting the Family2family food bank appeal



Backing the South Auckland community

In 2020, South Auckland experienced unprecedented hardship, and the team at PAK'nSAVE Manukau stepped in to lend a hand.

The store teamed up with Dave Letele and Buttabeen Motivation Food Bank to match customer donations up to the value of \$10,000, with all proceeds going to Buttabeen Motivation Food Bank's efforts to help South Aucklanders.

"We're pretty resilient and have the pivoting in and out of lockdowns down to a science, but the demand we're seeing from families is not going away; it's only increasing," said Dave Letele, founder of Buttabeen Motivation.

Inspired by this, and PAK'nSAVE Māngere's ongoing support of Māngere Budgeting Services for more than seven years, Foodstuffs North Island decided to join in. Having just moved its head office to the South Auckland community, the cooperative has committed to donating \$100,000 over the next two years to Buttabeen Motivation and Māngere Budgeting Services, building on the strong relationships these organisations have with PAK'nSAVE Manukau and PAK'nSAVE Māngere. In addition, over these two years the cooperative will be donating a pallet of food product to each organisation every month.

"We have a responsibility to lead this initiative to curb food insecurity because this is our local community – we know our customers, we hear their stories and we don't want anyone to have to go without due to circumstances beyond their control"

STEPHEN LOCKIE – PAK'NSAVE MANUKAU OWNER-OPERATOR



David Letele and the team at PAK'nSAVE Manukau



Supporting Invercargill locals to pursue their dreams

Bryan and Anne Dobson have been owner-operators at PAK'nSAVE Invercargill, the South Island's first PAK'nSAVE, since 1992. Their children, Matthew, Jason and Tanya grew up in the store, and all three today are managers, carrying out the family's humble commitment to "do their best" for their customers and their staff.

For their customers, this means contributing to as many community requests as possible, with the store supporting up to 75 causes each year. As Bryan explains, "We support what our customers support, and we wouldn't want to disappoint our customers. We seldom say no." Memorably, the

Dobson's supported Jack Lovett Hurst's dream to race in the New York Marathon. Born with muscular dystrophy, Jack was awarded one of two spots for New Zealanders to race at the marathon on a hand cycle. Inspired by Jack's mission, PAK'nSAVE Invercargill helped sponsor Jack, his mum and stepdad to fly to New York and compete.

For their staff, doing their best means backing their team to succeed. The store awards five \$1,000 educational grants to help fund tertiary study for students who have worked in their store for three or more years.

"We are proud to support our team members pursue their career dreams"

ANNE DOBSON – PAK'NSAVE INVERCARGILL OWNER-OPERATOR



Bryan and Matthew Dobson with Jack



Locals supporting locals

Laura and Gareth Caldwell, owner-operators of Raeward Fresh Richmond and Raeward Fresh Wholesale in Nelson, take their motto of "locals supporting locals" to heart.

When wholesale customer Under the Hood BBQ suggested a collaboration called "Dinner's on us" to provide free dinner to five local families, Laura and Gareth came on board. Twice a year, the team takes nominations for families experiencing hardship. Raeward Fresh supplies the ingredients and the Under the Hood BBQ team gets up in the early hours of the morning to cook a delicious meal. This year more than 90 nominations were received, and in response, the team decided to double the meals and provide dinner for 10 families.



Laura and Gareth Caldwell, and family



Four Square Community Hero Award

Four Square's Christmas Community Hero Award acknowledged those who looked after the elderly or vulnerable, those who helped feed neighbours, community members or groups, and those who fostered community connection and togetherness.

In late 2020, five winners each received a \$500 Four Square gift card as well as a \$1,500 donation to go towards their chosen charity.

One of the five was April O'Brien from the Bay of Plenty who was nominated by more than a dozen people. A local of Murupara, April organised the delivery of groceries to people in need, ensuring everyone in her community was well-fed during lockdowns.

Anahera Tamepo, who is one of many who nominated April for the Award, says, "Whether it's sponsoring the local netball team, delivering kai to families in

need, looking after the elderly or organising community initiatives for the betterment of our people, she's a pillar in our local community. We're so fortunate to have April looking out for us as she is a true advocate for the people of Murupara."

April gifted her charity donation to Te Ika Whenua Hauora Māori Health Provider to help feed local families.



Franz Josef Four Square Supermarket Steps In

In Franz Josef, an area hit hard by the drop in tourism as a result of the COVID-19 restrictions, a food bank was set up by the South Westland Emergency Relief Trust for Families (SERF) to support the local communities.

Four Square owners Cushla Jones and Chris Roy immediately stepped in to help provide groceries and

fresh food. Knowing that Foodstuffs had set up a COVID-19 Relief Fund, Cushla helped SERF complete an application that resulted in a \$10,000 grant.

"The team at SERF are amazing," says Cushla. "Having SERF and Foodstuffs working together means people know they will never go hungry. It gives them

reassurance that they are not alone, and there is always someone to help. It's about the people and that's how life should be."

"Whenever something happens," says SERF Trustee Janelle Shaw, "Chris and Cushla are always there to support the community with whatever they need."



Cushla and Chris, with Kimmy from SERF

A cascade of toys from Four Square Parakai

Knowing many local Kiwi families would be "doing it tough" during the Christmas holiday period, Dan Dale, owner-operator at Four Square Parakai, decided to do something to help. He created a special 'buy one, give one' toy donation campaign: for every toy purchased in-store, Four Square Parakai would donate one toy to a local charity.

The response from the community was overwhelming: more than 5,000 toys were purchased by locals and gifted to Kindred Family Services, which is dedicated to helping people overcome life's challenges.

Dan said, "We know putting on a memorable Christmas, including food and presents, would be hard for families. No parent should have to make the sacrifice of food over presents this Christmas."

Dan says the toy drive has been a way his team can give back to their local community following the support received over the lockdown periods.

"We're so proud to call Parakai home, and the community support and generosity we received this year has blown us away."



Dan Dale and his family

Foodstuffs (South Island) Community Trust



Our Foodstuffs South Island Community Trust, funded by owner-operators with additional support from donors, provides essential funding and services to communities throughout the South Island.

When COVID-19 restrictions hit the South Island, Trust members and staff responded by raising more than \$600,000 for local charities. This financial year, more than \$625,800¹⁰ has been distributed and put to good use.

Supporting the Gut Foundation

South Island communities have the highest rates of bowel cancer in the world and one in 84 Cantabrians has coeliac disease. Recognising the region's need for gut health support, in 2019 the Trust entered a three-year agreement with the Gut Foundation, a charity dedicated to helping New Zealanders improve gut health through research and education.

The funding supports the Gut Foundation's educational campaigns, research projects and Gut Health Hubs in South Island – designed to connect medical professionals and gut health specialists with resources and knowledge in their community.

COVID-19 response

In response to significant challenges in the past year, the Trust provided emergency support and ongoing assistance to South Island food banks and community groups. To date, grants totaling \$322,000 have been approved for charities operating across the South Island, from Nelson to Invercargill.



Cholmondeley Children's Centre, recipients of a grant from Foodstuffs (South Island) Community Trust, provides short-term and emergency respite care for children aged three to 12.

Community Grants

Our Community Grants are the heart of what we do as a Trust. This year we funded two immersion suits for the Nelson Marlborough Rescue Helicopter Trust. Designed to keep the wearer warm and dry in cold ocean water, the suits also provide extra protection for crew members if the helicopter ever runs into trouble.

Among many other grants, the Trust also funded the purchase of a defibrillator for Fairfield School in Dunedin, a new play area for Tai Tapu Playcentre, and contributed funds towards a therapy dog for a young boy.



¹⁰ This includes funds raised from the previous financial year

FoodStarter

Designed to support New Zealand's food entrepreneur and small supplier community, FoodStarter is a competition to find some of New Zealand's most promising and innovative food and beverage products.

Backed by New World and founded by Foodstuffs South Island and start-up and innovation growth incubator Ministry of Awesome, category winners receive a place on the shelves of every New World store, along with a business mentoring and support package provided by the FoodStarter partners: Foodstuffs South Island, Foodstuffs North Island, Ministry of Awesome, Food Innovation Network, Christchurch NZ, Auckland Unlimited and Strategy Creative.

Selected by an expert panel of industry judges from a record 214 entries, both FoodStarter category winners are purpose-led, socially driven enterprises. Whanganui-based, iwi-owned enterprise Kaitahi As One, winner of the New World Small Supplier category, creates frozen smoothie drops

from locally sourced ingredients and native plants traditionally used by Māori. Plant-based dessert company Lilo Desserts, based in Queenstown, won the Start-Up category for its cheesecake, made with fruit that would otherwise go to waste.

Working Group Lead, Arohaina Owen, from Kaitahi As One says their FoodStarter success is about growth for the whole community, not just the product.

One of the first questions asked when she arrived home to Whanganui after the win was, 'What does this mean in terms of

employment?'. "I said, 'It means everything. We are going to need engineers, we are going to need food scientists, we'll need a whole lot of people in the office. We've got to pick some pūhā, you all better be ready!'"

"Everything we do is about creating intergenerational opportunities. It's about creating a better future for our kids and their kids."

—
AROHAINA OWEN –
KAITAHI AS ONE



Pania Winterburn and Arohaina Owen of Kaitahi As One, New World Small Supplier winners



Russell Haines and Cleo Gilmour, Lilo Desserts, Start-Up winners with Marian Johnson (Ministry of Awesome), Steve Anderson (CEO, FSSI), Chris Quin (CEO, FSNI) and Morgan McCann (Head of New World, FSNI)

Meaningful work

At Foodstuffs, we create meaningful work for our people.

As a cooperative led by owner-operators, we care for our people - from students stacking shelves to our supply chain experts and support services team members.

This past year, COVID-19 dominated the headlines and changed the way many New Zealanders live. As our country dipped in and out of lockdowns, our front-line supermarket employees and distribution centre and transport team members

went to work. They were recognised as essential workers, and their jobs took on a deeper level of meaning and purpose.

Despite the disruptions of 2020, we have started a number of initiatives to enhance meaningful work at Foodstuffs. This includes increased emphasis on diversity and inclusion, continuing investment in leadership, and the extension of successful programmes for youth development. And because of these disruptions, safeguarding the wellbeing of our people has become an even greater focus.



Our social promise

We create meaningful and safe work for our people.



Alignment to the UN Sustainable Development Goals



OUR TEAM IS

12,000
people strong

IN THE SOUTH ISLAND

24,000
people strong

IN THE NORTH ISLAND

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	FY21	FY22	FY23	FY24	FY25
% of FSNI and North Island store employees enrolled in Foodies Learning formal Learning Programmes		5.5%	7.0%	8.5%	10.0%
# of FSSI and South Island supermarket employees participating in Leadership Development programmes	Baseline year - No target	1,843	1,888	1,933	1,980
# of FSSI and South Island supermarket employees participating in Retail and Supply Chain Development programmes		1,434	1,468	1,504	1,540

COMMITTED TO INCLUSIVE AND FAIR COOPERATIVES

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

Measure	FY21	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	FY21	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	Baseline year - No target	Year on year improvement		

We invest in our people

We invest in our people through continuous learning opportunities, leadership development and mentoring. Our people are encouraged to develop their potential at all stages of their career journey.



Foodstuffs North Island Ruia Te Kākano - Māori and Pasifika Leadership Programme

As part of our commitment to developing our Māori and Pasifika leaders, in 2020 Foodstuffs North Island launched a new programme in partnership with Indigenous Growth. Through a mixture of workshops, team projects and personal coaching, participants developed confidence and leadership skills based on indigenous values. In total, 16 supply chain employees completed the Ruia Te Kākano programme over a five month period.

"Ko Mauao te maunga
Ko Tauranga o te moana
Ko Mātaatua te waka
Ko Ngai Te Rangi te iwi
Ko Ngati Hangarau te hapū
Ko Hangarau te marae
Ko Anita Te Amo ahau

Ruia Te Kākano was a very unique and empowering experience. Having pride in my Māori identity and recognising the power in being authentic to your wairua has changed my life in the most extraordinary way. I now feel more connected at work and excited to help facilitate Māori growth within Foodstuffs North Island."

ANITA TE AMO –
PROCESS & SYSTEMS TEAM
LEAD - NORTH ISLAND
TRANSPORT



Continuous Learning

All staff at Foodstuffs have access to continuous learning opportunities, from part-time staff members through to store managers. Continuing to invest in these opportunities and making them easy to access is part of preparing our people for changes in the workplace.

In the North Island, we celebrated the achievements of 20 bakers and 28 butchers who completed the requirements for their New Zealand Certificate in Trade Level 4. This was despite major interruptions to in-person courses, which saw a slowdown in other certifications.

Accessible to all Foodstuffs North Island employees, Learning Central, launched in 2020, is an online platform where staff can choose workshops, launch and complete online learning, and download e-books and audiobooks.

Foodstuffs South Island reviewed and updated its Leadership Academy programmes in 2020 to offer eight levels of leadership development. Typically, an employee will participate in one leadership programme a year.

Foodstuffs South Island employee learning is now captured in a system called Success Factors, which enables us to manage goals and performance online.

In 2021, Foodstuffs South Island successfully rolled out the Learning module of Success Factors to all Foodstuffs South Island employees allowing us to track our employees learning and development journey. This year, 1,800 Foodstuffs South Island and supermarket employees participated in Leadership Academy courses. Because Learning Central and Success Factors were designed for Foodstuffs, employees can apply learnings in their everyday work.

Profile

From Butcher to Owner-Operator



When asked to describe his journey to becoming an owner-operator, Nathan Goodfellow says, "It's been exciting, but it's not something that occurred to me until I started working for Foodstuffs." Nathan worked at another supermarket chain as a butcher for 10 years. He then joined the team at New World St Martins in 2012 as a Butchery Assistant Manager, "I saw the opportunity from the start and was encouraged by the St Martins owner, but I had self-doubt," says Nathan.

After working as Butchery Manager at New World Ilam, Nathan began working at Foodstuffs South Island Support Office in 2014. There he spoke to a wide range of owner-operators who told him, "It's not one type of person that becomes an owner. I

realised I can do this." Nathan is grateful for the culture at the cooperative which gave him the confidence to pursue his dream. He says, "they supported me to gain as many skills as humanly possible." To get more in-depth store experience, he returned to work at New World Wanaka and then briefly New World Three Parks before having the opportunity to purchase the Four Square in Clyde in December 2020.

"Every owner I worked with actively invested in me. They sent me on courses and shared their experience knowing that I would leave. They were proud to be part of my journey." Now settling into life in Clyde with his wife Kate and two young sons Gus and Louie, Nathan is putting what he's learned into action.

Progress

INVEST IN OUR PEOPLE

Measure	Actual FY21	Target FY21	Target FY25	Progress
% of FSNI and North Island store employees enrolled in Foodies Learning formal Learning Programmes	4.5%		10.0%	
# of FSSI and South Island supermarket employees participating in Leadership Development programmes	1,800	Baseline year - no target	1,980	● In Progress Targets have been set from FY22 onwards.
# of FSSI and South Island supermarket employees participating in Retail and Supply Chain Development programme	1,400		1,543	

Outlook

To increase enrolment, both regions will be building greater awareness within the cooperative of their respective learning platforms. In the North Island, helping stores and team members adjust to online learning environments will be a focus for FY22. In the South Island, we will continue to support our Foodstuffs South Island and supermarket employees to identify appropriate learning opportunities.

We are committed to fair and inclusive cooperatives

Our goal is to be a workplace where every employee, regardless of age, gender identity, ethnicity or sexual orientation, can bring their "full selves" to work. This year we began a series of new diversity and inclusion initiatives and expanded those that are already thriving.



Diversity and Inclusion Working Group in the North Island

Foodstuffs North Island launched its first Diversity and Inclusion Working Group in 2020. Through a blind recruitment process, a group of 12 passionate individuals was formed from across the business. The group has developed a five-year framework and a commitment statement to guide our journey towards a more diverse and inclusive cooperative.

Diversity, Inclusion and Belonging at Foodstuffs South Island

Integrated within our overall Wellbeing framework we are active in the Diversity, Inclusion and Belonging (DI&B) space. During 2021 we celebrated DI&B with our employees, through the sharing of stories, the celebration of food and learning about and using different languages. We remembered the mosque tragedy with our people, particularly those who were impacted. We celebrate and develop our women through our Women's Forums and continue to grow an ongoing appreciation for our diverse workforce.



Foodstuffs North Island's Diversity and Inclusion Commitment

We are committed to being a co-op that authentically reflects the communities we serve across every inch of our co-op. We welcome courageous behaviour, encourage togetherness, inspire our people to be their best selves in our Foodies whānau, but most importantly we celebrate our people - our taonga, every day for being uniquely them.

Profile

Creating an environment for apprentices to thrive

Brian West has been the Butchery Manager at New World Hokitika for more than 33 years. Described as a “legend” for his commitment to training up apprentices who might not otherwise be provided the opportunity, Brian would rather describe it as ‘patience and understanding.’

Brian says, “In a standard job interview, they may really struggle. Sometimes it’s because of unstable upbringings, health challenges or learning disabilities. I do research and speak with people to understand what it’s like for someone with depression or another challenge so we can provide an environment where they could thrive. Often people don’t want to know about them or their challenges. But if we try, they can come out the other end with more skills and empathy.”

Brian and his butchery team have trained over a dozen apprentices. They invest in each apprentice for three to five years, depending on the level of support required. Brian’s apprentices have gone on to

other New Worlds to continue their butchery work, stayed in his team, or have moved on to management positions with aspirations of becoming an owner-operator in the cooperative.



Brent Prue, New World Hokitika owner-operator and Brian West

Nurturing talent

In September 2020, Foodstuffs South Island hosted its inaugural Women’s Forum, an evening of networking, inspiration, and learning. Women travelled from our stores and our distribution centre to attend the event. Our keynote speaker was Mary Devine, Managing Director of Hallensteins Glassons, who spoke about her career journey. This was followed by Health and Wellbeing tips from Amber Tilley of Synergy Health. Out of the event, a mentoring programme was established. In 2021 we held a second Women’s Forum with keynote speaker Melissa Davies.

Foodstuffs North Island also began working with TupuToa, an internship programme with the purpose of growing Māori and Pacific leaders for a greater Aotearoa. Three TupuToa interns joined us during the 2020/2021 university summer break.

“My experience as a TupuToa intern at Foodies was incredible. Everyone was welcoming and I was supported by awesome mentors who gave me ample opportunity to engage and contribute where possible. Foodies partnership with TupuToa means more diverse thinking and decision making and it’s exciting knowing that more young Pasifika talent will be passing through their doors in the future.”

AMARYAH HALO



Gender Pay Gap

As part of our diversity and inclusion commitment, and to ensure that we authentically reflect our 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 reported by Statistics New Zealand.

The remuneration framework at Foodstuffs North Island and Foodstuffs South Island 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 and keep gender pay top of mind, 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 FY21	National Average	Progress
Achieve a Gender Pay Gap that is better than the national average			
FSNI	3.4%	9.5%	<p>● Achieved</p> <p>In FY21 Foodstuffs North Island implemented initiatives targeted at minimising gender pay gap as much as possible. This will continue to be a focus next year.</p>
FSSI	–	9.5%	<p>● In Progress</p> <p>Foodstuffs South Island is currently updating its systems and processes and as a result accurate data is not available. Pay gap data will be reported in FY22.</p>

Outlook

In our commitment to build inclusive and fair workplaces, we will continue to review our systems, processes and programmes. Foodstuffs North Island will be identifying which initiatives have been most effective in minimising gender pay gaps as part of its wider focus on diverse and inclusive remuneration. After ensuring all remuneration data is in order, Foodstuffs South Island will further investigate and address gender pay gaps.

We support the wellbeing of our people



Wellbeing at work

During COVID-19 lockdowns, we erected health barriers at checkouts, monitored the number of customers entering our supermarkets, and developed systems for hygiene control including frequent trolley cleaning.

Recognising the increased pressure many were under, all employees were reminded of the professional counselling and wellbeing advice available to them. Additional support was extended to our employees on work visas, those more vulnerable to the impacts of COVID-19, and those with vulnerable family members.

In addition to our Employee Assistance Programme (EAP) offering, in 2020 Foodstuffs North Island launched THRIVE, an intranet page as the home of wellbeing for our staff, and introduced PERKS, a discount app to help make our employees' money go further.

In the South Island, we have an active wellbeing programme driven by our employees. This programme included a series of talks, events and other support opportunities throughout the year. A highlight was a presentation by Mike King, who spoke to approximately 1,000 people at our Papanui and Hornby sites about mental wellbeing.



Mike's grassroots style generated much engagement from our people and highlighted the importance of being open about mental health challenges and being there for one another in times of need.

We are exceptionally proud of all our team members who supported each other and learned new ways of working over the last 12 months.



The Foodies Foundation

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

In FY21, the Foodies Foundation gave more than \$230,000 to 67 families across our stores, support centre and supply chain. This year, the Foundation received more than \$661,000 from our generous employees and supporters.

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



House fires



Baby in ICU



Sudden family death



Stranded overseas due to COVID

"One of our Foodstuffs values is 'In it Together'. The Foodies Foundation is exactly this. There are centre staff, DC staff, supply chain and store staff who at any time could be served up a pot of hard luck that is out of their control. Being truly "In It Together" is what the Foodies Foundation is all about and something that I really like supporting and being involved with."

DAMIAN LANGELY – OWNER-OPERATOR FOUR SQUARE COROMANDEL



Damian Langely and the Timber Trial Fundraising team raised over \$40,000 for the Foodies Foundation

Foodstuffs (South Island) Community Trust



The Trust proudly supports staff working in Foodstuffs South Island stores or distribution centres to pursue further education and deepen their experience through educational grants and scholarships. This year, the Trust donated \$118,000 in educational grants to 64 students to assist them with their tertiary education. Four Outward Bound scholarships were awarded to further develop leadership skills and give valuable experience to our people.

We also continued our partnership with the First Foundation, an educational trust that supports talented students to achieve their potential by providing scholarships for tertiary education, mentoring and work experience in our business. This year, the Trust supported two First Foundation recipients.

Supporting families affected by the Christchurch mosque attacks

On 15 March 2021, the anniversary of the Christchurch mosque attacks, the Foodstuffs (South Island) Community Trust announced a partnership with the Datacom Foundation, passing on funds it had raised to support families affected by the mosque attacks to the Foundation. The Foundation supports children significantly affected by the tragedy. The children will receive financial support to attend tertiary education and other

support needed to fulfil their potential, over and above what is provided by the government. The Foundation also provides counselling, rehabilitation and other support services for children who lost parents or had parents injured in the attack. The Foundation has committed to prioritise the use of the funds from the Trust for the benefit of the families of victims associated with Foodstuffs South Island.

"Kia Ora koutou, I am the eldest of four siblings, and am fortunate enough to be the first in my whānau to study at a tertiary level. When I was offered a First Foundation scholarship from the Foodstuffs (South Island) Community Trust, it reinforced that attending university was the right option for me. The scholarship has already given me new experiences, knowledge, and connections. I was offered a part time job at New World Stanmore. Also, I have gained valuable work experience in the Support Office where I get to see what opportunities are ahead for me. I am looking forward to graduating and being able to use my skills in the workplace and also the community.

Ngā Mihi."

TODD EHAU –
FIRST FOUNDATION
SCHOLARSHIP RECIPIENT



Lost Time Injury Frequency Rates (LTIFR)

This year we continued to develop new injury-prevention initiatives across both Islands.

In the North Island, all stores use the Foodstuffs North Island Safety Management System, and we also rolled out a digital platform for safety record keeping. We are committed to improving our LTIFR¹¹, however increasing volumes of goods through our distribution centres, and introducing further safety controls and compliance requirements in response to COVID-19 placed

teams under increasing stress. As a result, injury rates increased this year, in large part due to fatigue.

In the South Island, while efforts to reduce LTIFR increased, there has not been a reduction in injuries. Our focus has shifted toward ensuring these efforts have greater impact. An Early Intervention Programme has been developed to provide access to physiotherapist treatments for staff to prevent early signs of pain and discomfort developing into an injury. A COVID-19 prevention

and response plan was developed and implemented, and roles have been created to focus on the root causes of incidents. Since implementing the First Move Programme last year, we have refocused on improving delivery of the programme to our teams to maximise benefit.

In 2021, we set a baseline for measuring our Total Recordable Injury Frequency Rate (TRIFR)¹², which will be reported on annually.

Progress

SUPPORTING THE WELLBEING OF OUR PEOPLE

Measure		Actual FY20	Actual FY21	Target	Progress
Lost-Time Injury Frequency Rate (LTIFR) ¹³	North Island	1.2	4.4	Year on year improvement	● Not Achieved Both Foodstuffs North Island and Foodstuffs South Island were impacted by the changing work environment as a result of COVID-19 and continue to develop programmes in response to reduce LTIFR rates as described above.
	South Island	26.1	38.6		
Total Recordable Injury Frequency Rate (TRIFR)	North Island	–	18.6		● In Progress Baseline year – year-on-year improvement will be measured from FY22 onwards.
	South Island	–	81.6		

Outlook

Building resilience and responsiveness into our health and safety programmes in light of the new COVID-19 work environment and the associated disruption will be a focus for FY22. Foodstuffs North Island and Foodstuffs South Island will be further adapting health and safety programmes to COVID-19 protocols, as well as strengthening existing programmes to reduce injuries in the workplace.

¹¹ The LTIFR calculation is a rolling industry metric and is calculated as follows: The number of Lost Time Injuries in the month divided by the number of hours worked, multiplied by 1,000,000. A Lost Time Injury is defined as a work absence from the next rostered shift due to a work-related injury, illness or disease, signed off by a Medical Practitioner.

¹² The TRIFR is the total number of work-related injuries for a month, divided by the hours worked, multiplied by 1,000,000, that require medical treatment.

¹³ LTIFR and TRIFR include employees on the FSNi and FSSI payroll systems only



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