



LOOKING AFTER OUR PATCH

FOODSTUFFS
CORPORATE SOCIAL
RESPONSIBILITY
REPORT 2020

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foodstuffs NORTH ISLAND

FOODSTUFFS
South Island

Foodstuffs NZ

OUR BRANDS



OUR SOCIAL PROMISES

HERE AT FOODSTUFFS, WE ARE PROUDLY 100% NEW ZEALAND OWNED AND OPERATED. WE TAKE OUR ROLE TO LOOK AFTER THIS PLACE WE ALL CALL HOME SERIOUSLY. MORE THAN EVER, WE HAVE SEEN HOW IMPORTANT IT IS THAT ALL NEW ZEALANDERS HAVE ACCESS TO HEALTHY AND AFFORDABLE FOOD. WE RECOGNISE WE HAVE AN IMPORTANT ROLE TO PLAY TO MAKE THAT HAPPEN AND TO ENSURE WE OPERATE IN A WAY THAT DELIVERS OUR SOCIAL PROMISES AND MAKES US PART OF EVERY COMMUNITY.

This year our focus was on understanding what issues are most important to New Zealanders and agreeing what role we play in solving them.* We had conversations with our Store Owners, Foodstuffs leaders, team members, customers, suppliers, government representatives, industry bodies and interest groups, and we were encouraged that, overall, they aligned on what the key issues are. This informed our new Corporate Social Responsibility (CSR) Strategy, comprising four social promises, which guide our efforts to support and build on the work already being done in our communities:

- We support every New Zealander to access healthy and affordable food.
- We create meaningful work for our people.
- We support our local communities to thrive.
- We are sustainability leaders in our operations and how we source our products.

These promises informed our 2025 CSR Goals. Over the coming months we will be developing goal-specific measures and targets against which we will monitor our progress. We are really proud of the work our teams have done in the CSR space this year. A few highlights that stand out for us include:

- Getting the equivalent of more than 8 million meals to New Zealanders who needed them most through our food rescue partnerships.**
- Donating more than \$1 million through 54 social organisations to help New Zealanders facing tough times because of the impact of COVID-19.
- Joining the Climate Leaders Coalition – committing to setting carbon emission reduction targets and reporting on our progress.

With the arrival of COVID-19 and the country going into lockdown, we made some clear commitments to New Zealand. Our response, aligned to our four social promises, focused our efforts on supporting New Zealand's recovery through the following declarations:

- Our offer will be customer-driven, deliver fair prices, and focus on food being affordable and accessible for everyone.
- We are accountable for the safety and wellbeing of our team and New Zealanders in our places.
- Our stores and brands all have value for New Zealanders; we will use the strength of the two co-operatives to support them and the active role they play in their communities.
- We cannot deliver for New Zealanders alone; we have a role to generate employment and bring our suppliers, manufacturers, and partners along with us, so we emerge as a healthy, sustainable New Zealand.
- We will do all we can to play our role in the economic recovery of New Zealand.
- COVID-19 has changed how New Zealanders live. We will evolve our business to deliver what New Zealanders need now and into the future.

We have a busy year ahead – from establishing our reporting framework to setting our carbon reduction targets, installing the largest solar-panel array of any building in New Zealand on the roof of our new Landing Drive Distribution and Support Centres, and building on the programme to deliver our 2025 CSR goals. We are well into an exciting journey, and there is so much more for us to do. We hope you enjoy our 2020 Corporate Social Responsibility Report.



Chris Quin
CEO Foodstuffs North Island



Steve Anderson
CEO Foodstuffs South Island

FOODSTUFFS OVERVIEW

PROUDLY 100% NEW ZEALAND-OWNED AND SUPPORTING A SUSTAINABLE NEW ZEALAND.

The first Foodstuffs company was founded in 1922. We have grown from these modest beginnings to become New Zealand's biggest grocery retailer and one of the country's largest organisations and employers with a team of more than 39,000.

We are 100% owned by New Zealanders and our local Owner-Operator in every store means they are embedded in their community and completely focused on the customers they serve. As New Zealanders, we take our responsibility to look after this wonderful place we call home very seriously.

OUR CSR HIGHLIGHTS



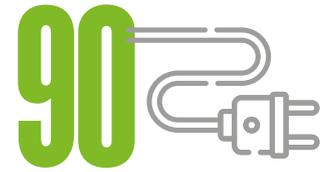
TO DATE, FOOD FOR
THOUGHT HAS REACHED

185,394

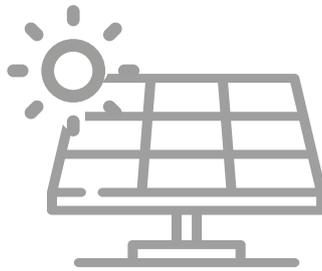
NEW ZEALAND CHILDREN
FROM 7,036 CLASSES



OUR STORES CONTRIBUTED MORE THAN
\$7.4 MILLION
TO THEIR LOCAL COMMUNITIES LAST YEAR



OF OUR STORES WILL HAVE EV
FAST-CHARGING STATIONS BY
THE END OF 2020, REPRESENTING
40% OF NEW ZEALAND'S
FAST-CHARGER NETWORK

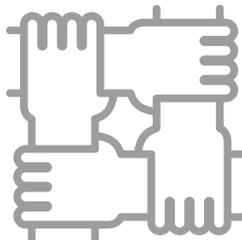


OUR NEW AUCKLAND SUPPORT CENTRE,
CURRENTLY UNDER CONSTRUCTION, WILL BE
A 5-STAR GREEN BUILDING AND WILL HOUSE
**THE LARGEST
SOLAR PANEL ARRAY IN NZ**



WE JOINED THE
**CLIMATE
LEADERS
COALITION**

AND SIGNED UP TO THE
NZ PLASTIC PACKAGING
DECLARATION



OVER \$1 MILLION

CONTRIBUTED THROUGH 54 SOCIAL ORGANISATIONS TO
HELP NEW ZEALANDERS FACING TOUGH TIMES BECAUSE
OF THE IMPACT OF COVID-19



SINCE
2018,
MORE
THAN

\$1 MILLION

HAS BEEN RAISED THROUGH THE FOODIES FOUNDATION. OF THIS,
MORE THAN \$310,000 HAS ALREADY BEEN DONATED TO ALMOST 100
FOODSTUFFS FAMILIES IN EXTREME HARDSHIP

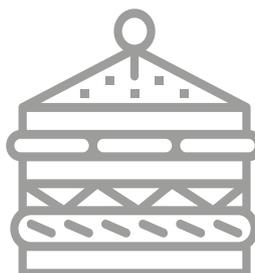
PERCENTAGE OF
WASTE THAT STORES
ON OUR NATIONAL
WASTE MINIMISATION
PROGRAMME
HAVE DIVERTED
FROM LANDFILL



**FOOD IN
THE NUDE**



PROGRAMME REMOVING PLASTICS FROM PRODUCE
WAS ROLLED OUT TO 35 NEW WORLD STORES



THE EQUIVALENT OF MORE THAN
8 MILLION

MEALS WERE PROVIDED THROUGH
OUR FOOD RESCUE PARTNERSHIPS

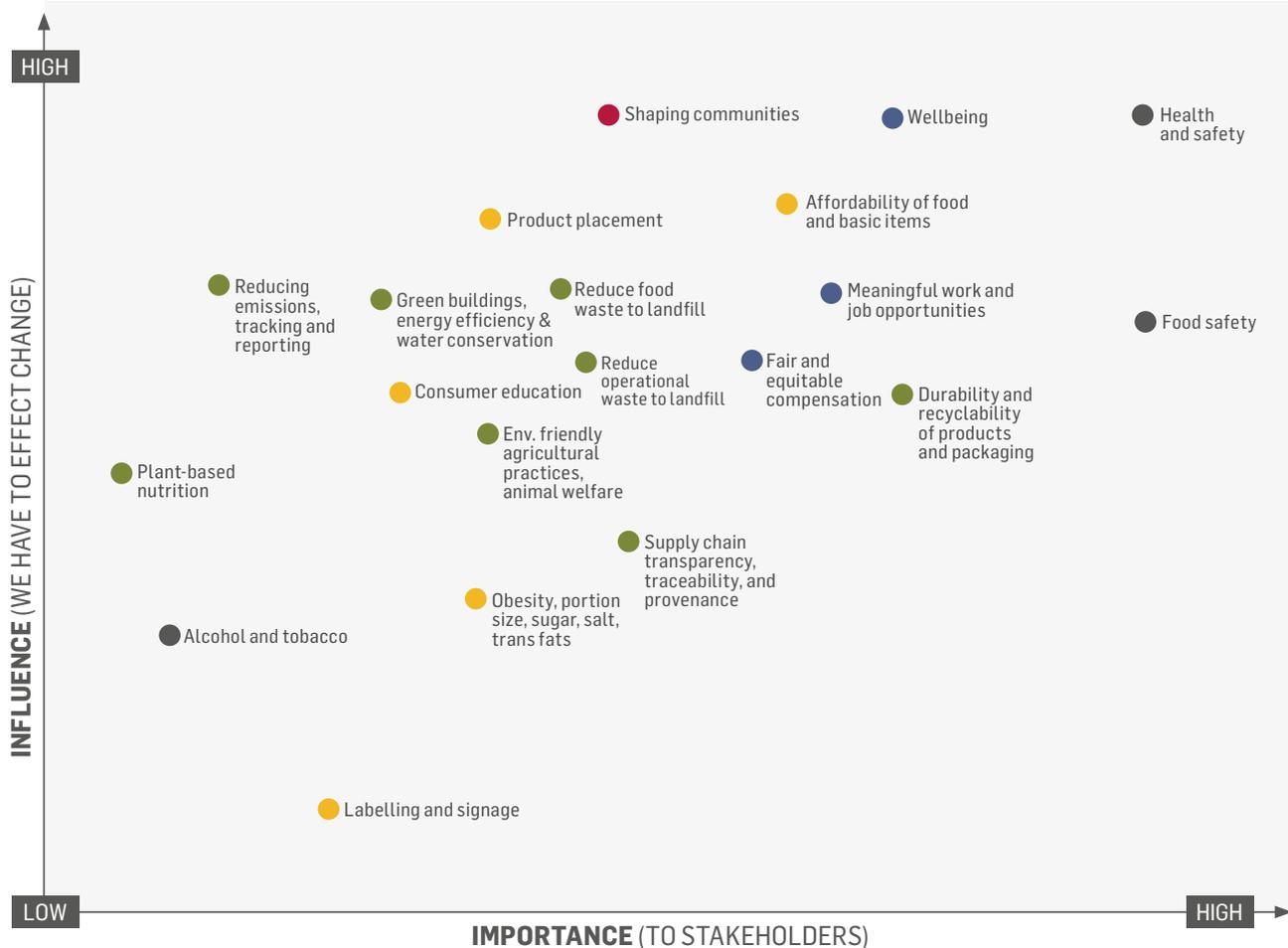
WHAT NEW ZEALANDERS HAVE TOLD US IS IMPORTANT

IN FY20, WE DEVELOPED A NATIONAL CORPORATE SOCIAL RESPONSIBILITY STRATEGY TO BETTER DIRECT THE TWO CO-OPERATIVES' ABILITY TO BUILD ON THE GOOD WORK ALREADY BEING DONE.

This was informed by conversations and interviews with Store Owners, Foodstuffs executives, staff, customers, suppliers, government representatives, industry bodies and interest groups. We also referenced other sources outlining social and environmental issues that matter to New Zealanders, such as the Colmar Brunton Better Futures Report. This process provided a clear understanding of what people expect from Foodstuffs and how we can continue to earn our social licence in the most meaningful way. We were encouraged to learn that most of the people we talked to were aligned on the key CSR issues affecting New Zealanders in the fast-moving consumer goods (FMCG) category.

MATERIALITY MATRIX

This matrix plots how important key social issues are to our stakeholders, and what influence we perceive we have to effect positive change.



● HEALTHY AND AFFORDABLE FOOD ● SUSTAINABILITY LEADERSHIP ● MEANINGFUL WORK ● SUPPORTING LOCAL COMMUNITIES ● HYGIENE FACTORS

INTRODUCING OUR CSR STRATEGY AND 2025 GOALS

OUR CSR STRATEGY IS BUILT ON FOUR PILLARS: HEALTHY AND AFFORDABLE FOOD, MEANINGFUL WORK, SUPPORTING OUR LOCAL COMMUNITIES, AND SUSTAINABILITY LEADERSHIP.

To ensure our focus remains on this Strategy, we have developed eleven 2025 goals across the four pillars. These are based on what New Zealanders care about and what we believe will make a difference for New Zealand's people and our planet. Developing the goals has energised our team and created a framework to guide our actions over the next five years. Over the coming months we will be developing action plans to deliver against these goals and setting short- and longer-term targets. Where appropriate, these will supersede the 2023 commitments we previously made. Our progress against these targets will be reported on in future CSR reports.



OUR 4 SOCIAL PILLARS

These are the four priority areas where we should lead. Our leadership position in these areas provides strong benefits for New Zealand.

UN SUSTAINABLE DEVELOPMENT GOAL ALIGNMENT



HEALTHY AND AFFORDABLE FOOD

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

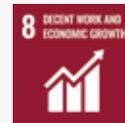
- **Influence healthier food choices** – promote healthy and affordable food choices to New Zealanders and our customers to measurably shift customer behaviour.
- **Reduce food poverty** – make a notable difference to the reduction of food poverty in New Zealand.
- **Healthier and more affordable Own Brand products** – champion healthier and more affordable alternatives by defining, highlighting and growing credentials and introducing new products in the right categories.



MEANINGFUL WORK

We create meaningful work for our people.

- **Invest in our people** – develop and build careers, including delivering on our Future of Work Pledge.
- **Commit to inclusive and fair co-operatives** – we will build a fair and inclusive team and culture that authentically reflects the communities we serve.
- **Supporting the safety and wellbeing of our people** – our people are supported with health and wellness programmes and services that are relevant to them.



SUPPORTING LOCAL COMMUNITIES

We support our local communities to thrive.

- **Impact at the frontline** – increase the impact and effectiveness of our contributions to our local communities.



SUSTAINABILITY LEADERSHIP

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

- **Reduce our carbon emissions** – join the Climate Leaders Coalition, set and deliver on phased reduction targets and report on our progress.
- **Minimise our waste** – implement our waste minimisation programme across all Foodstuffs sites, diverting waste from landfill and reducing total waste tonnage towards zero waste.
- **Improve our packaging sustainability** – deliver on our Plastic Packaging Declaration commitment, reduce single-use plastic packaging, rationalise packaging ranges, support and drive New Zealand's circular economy.
- **Responsible and ethical sourcing** – embed Foodstuffs' National Responsible and Ethical Sourcing Policy into our supplier community.



HYGIENE FACTORS

- Responsible marketing and product placement of alcohol, tobacco, gambling
- Food safety
- Operational Health and Safety
- Animal welfare
- Provenance – local and seasonal produce
- Plant-based nutrition

HEALTHY AND AFFORDABLE FOOD

OUR PROMISE: WE SUPPORT EVERY NEW ZEALANDER TO ACCESS HEALTHY AND AFFORDABLE FOOD

Why it matters

Healthy food contributes to healthy communities. Nutritious food reduces the risk of chronic diseases that take a toll on families and communities and place pressure on our health system. Access to healthy and affordable food should not be a privilege, yet one in five New Zealand children live in homes where there is not enough food. Food is what we do, and we have a responsibility to help fellow New Zealanders by providing nutritious and healthy food so they can enrich their own lives. We will continue breaking down the barriers that prevent this.

Highlights

185K

FOOD FOR THOUGHT HAS, TO DATE, REACHED 185,394 CHILDREN FROM 7,036 CLASSES AROUND NEW ZEALAND WITH NUTRITIONAL EDUCATION.

98%

WE NOW DISPLAY THE HEALTH STAR RATING ON 98% OF ELIGIBLE PAMS AND VALUE PRODUCTS.*

1.5M

SUPPORT FROM FOODSTUFFS AND OTHERS HAS ENABLED EAT MY LUNCH TO GET MORE THAN 1.5 MILLION LUNCHESES TO KIWI KIDS SINCE INCEPTION.

\$100K

WE PROVIDED A \$100,000 GRANT TO KICKSTART THE EAT MY LUNCH COVID-19 RESPONSE INITIATIVE WHICH PROVIDED OVER 4,500 WEEKLY LUNCH PACKS TO KIWI KIDS DURING LOCKDOWN.



ALIGNMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS



* The Ministry of Primary Industries states that Health Star Ratings are most suitable for packaged foods, but not required for those without a nutrition panel (such as tea, coffee, or single ingredient products like flour) or that aren't packaged (like fresh fruit and vegetables).

FOOD FOR THOUGHT

WE BELIEVE IN THE IMPORTANCE OF EMPOWERING THE NEXT GENERATION AND GIVING THEM THE TOOLS THEY NEED TO MAKE GOOD CHOICES ABOUT WHAT THEY EAT.

Since 2007, our national brands (New World, PAK'nSAVE and Four Square) have actively supported Food for Thought – a free nutritional education programme delivered in schools by the Heart Foundation and Food for Thought Education Trust. It teaches Year 5 and 6 students how to make healthy food choices, including how to plan and budget for meals, with resources available in English, Te Reo Māori and Samoan. Since its inception, Food for Thought has reached 185,394 Kiwi kids in 7,036 classes around New Zealand. We know that it's making a difference, as families of children who have participated in the programme have significantly decreased their purchases of unhealthy food. 2016 research suggests that family shops show a 7% reduction in soft drinks and 2% in confectionery consumption after a child completes the Food For Thought program. This initiative is important as we continue our journey to ensure every New Zealander has access to healthy and affordable food.

You can read more about Food for Thought [here](#).



Kiwi kids participating in the Food for Thought programme

"We really enjoyed learning about the teaspoons of sugar in the flavoured drinks. We were totally surprised how much sugar there was in each drink... Our visit to the New World was AWESOME! We learned so much about reading the food labels and knowing what was good for us. Once again, thank you for taking time out of your day to come and help us learn about food."

HANNAH AND ASHTON, WINTON SCHOOL

"I've gone through the Food for Thought resources and I'm REALLY impressed. I'm hard to please, by the way, with outside education providers. I found the class, then in-store experience you provided particularly well structured and very beneficial. Being way up here we often miss out on most opportunities offered in the larger areas, so this was a buzz!!"

CHERYL CARMICHAEL, PUKENUI SCHOOL, KAITAIA



EAT MY LUNCH

AS A BUSINESS, WE PRIORITISE WORKING CLOSELY WITH OTHERS TO HAVE A COLLECTIVE IMPACT THAT IS GREATER THAN WHAT WE COULD HOPE TO ACHIEVE ALONE.

We are delighted to continue working with Eat My Lunch – a social enterprise that is on a journey to give lunches to hungry kiwi school kids who would otherwise go without.

Our minority investment in Eat My Lunch, ongoing governance, business support, and volunteer hours to help make lunches, helps them to scale and develop their operations, getting even more lunches to kids who need them most.

We're also proud to support Eat My Lunch as a preferred catering supplier. In FY20 this saw us purchase 3,186 lunches, meaning the same number of lunches were donated to kiwi kids in need. Support from Foodstuffs and other organisations and donors has enabled Eat My Lunch to get more than 1.5 million lunches to kiwi kids since it's

inception in 2015, and we are excited to see that number continue to grow.

As we saw with many incredible kiwi organisations, Eat My Lunch's entrepreneurial spirit shone in response to COVID-19. When schools shut down during lockdown, Eat My Lunch revamped the way they operated, and set a goal to feed thousands of kiwi kids who could no longer receive free food at school. They delivered weekly food packs containing basics for breakfast and lunch to kids who used to benefit from their school programme in Auckland and Wellington. The food was packed under strict hygiene protocols and delivered to homes in a contactless way via Eat My Lunch's existing distribution system of drivers. We provided a \$100,000 grant to kickstart this initiative, which helped provide over 4,500 weekly lunch packs to children at a time when they needed it most.

We are proud to be a shareholder and supporter of Eat My Lunch, as they continue their social mission to ensure no kid goes hungry.

You can read more about the awesome work Eat My Lunch is doing [here](#).

"We were committed to feeding kids in their homes during lockdown. We received so much positive feedback from parents and kids about the impact we had."

**KELLIE BURBIDGE –
GENERAL MANAGER, EML**

"You guys have saved my life, I'm so very thankful. I've just recently separated and also lost my job due to COVID-19 and every time your man delivered, it brought me to tears. You are a life-saver. Thank you so very much. My babies were able to make healthy sandwiches throughout lockdown. Thank you is not enough."

**EAT MY LUNCH DONATION
RECIPIENT**



Foodstuffs North Island Strategy and New Ventures Team volunteering at Eat My Lunch

PRIVATE LABEL

FOODSTUFFS LAUNCHED PAMS IN 1937 WITH A SIMPLE AIM THAT WE STILL PURSUE TODAY – TO GIVE OUR CUSTOMERS THE BEST QUALITY PRODUCTS, WITHOUT HAVING TO PAY TOP DOLLAR. THIS INCLUDES MAKING SURE OUR OWN BRAND PRODUCTS ARE AS NUTRITIOUS AND DELICIOUS AS POSSIBLE.

Product reformulation

In line with the Ministry of Health's Healthy Eating Guidelines, our team works to reduce sugar and sodium across our products where possible. This is especially important for products our customers enjoy regularly, like the Pams Pasta Sauce range. In 2019, we were able to reduce sodium and sugar across nearly the entire range. This means our customers can enjoy the same great-tasting product with less sugar and salt.

Helping our customers make healthier choices

Foodstuffs is committed to helping New Zealanders live healthy lifestyles. We now display the Health Star Rating on 98% of eligible Pams and Value products – that's almost 1,400 products – and we're working to reach 100% in 2020.*

We are also proud supporters of 5+ A Day, which encourages all Kiwis to eat five or more servings of colourful, fresh fruit and vegetables every day for health and vitality. You will find our commitment to this charitable trust on our Pams packaging – look for the 5+ A Day logo.



* The Ministry of Primary Industries states that Health Star Ratings are most suitable for packaged foods, but not required for those without a nutrition panel (such as tea, coffee, or single-ingredient products like flour) or that aren't packaged (like fresh fruit and vegetables).

PAK'NSAVE FIGHTS FOR FAIR

PAK'NSAVE BELIEVES IN FAIR BECAUSE WHAT'S FAIR FOR OUR CUSTOMERS IS WHAT'S GOOD FOR NEW ZEALAND.

To kick off the 2019 school year, we invited TVNZ's Breakfast cameras inside Matatoki School to learn about our Food for Thought programme delivered around New Zealand by our Food for Thought nutritionists. TVNZ Breakfast presenter Matty McLean and a few Matatoki School students took their Food for Thought learnings and put them into action in the aisles at PAK'nSAVE Thames, spotting the differences between 'everyday' foods and 'occasional' foods.

PAK'nSAVE stores donated the equivalent of 2.5 million meals in 2019 to those who needed them the most. By partnering with food rescue organisations around the country like Kaibosh, Kiwi Harvest, and Kaivolution, we are able to play a part in 'closing the loop', reducing the amount of food waste we send to landfill, feeding hungry families and strengthening food-insecure communities.

'Eat Well Pay Less' is more than just PAK'nSAVE's motto; it's how we want to help our customers live. In November 2019, we teamed up with nutritionist Claire Turnbull and launched a New Zealand Herald series to help our customers eat well and pay less. We enlisted real PAK'nSAVE customers and helped them identify top tips to eat well that fit their lifestyles and budgets.

Every year, PAK'nSAVE partners with the Stroke Foundation to conduct the biggest ever simultaneous blood pressure check. The programme helps alert thousands of New Zealanders to the possibility they might have high blood pressure, and the adjustments they can make in their lives if they do. More than 23,000 New Zealanders had their blood pressure checked in 2019 as part of our partnership with the Stroke Foundation.

PAK'nSAVE proudly rolled out initiatives to help our stores and customers live more sustainably. In July 2019, we introduced the bring-your-own-container offering at North Island PAK'nSAVE stores, inviting customers to use their resealable, leak-proof, reusable containers at our butchery, seafood, bakery, and deli serve-over departments.



Matty McLean, TVNZ Breakfast presenter, and Matatoki School students at PAK'nSAVE Thames learning the difference between 'everyday' foods and 'occasional' foods.

PAK'NSAVE STORE PROFILE



“OUR SOCIAL PURPOSE IS GREAT. FOR ME IT SUMS UP HOW WE FEEL ABOUT BEING PART OF SUCH A STRONG AND IMPORTANT BRAND IN NEW ZEALAND – FOCUSED ON THE NEED TO NOT ONLY BE A GREAT BUSINESS BUT ALSO BE GREAT IN THE COMMUNITY.

IT MEANS HOLDING PRICING LOW... FROM FRESH FRUIT AND VEGETABLES TO MEAT AND BAKERY GOODS, ALL THE WAY TO A CHEEKY CHOCOLATE BAR. MORE THAN JUST PRICING THOUGH, OUR SOCIAL PURPOSE INCLUDES LOOKING AFTER THOSE WHO ARE MOST VULNERABLE.”

ANDREW SUMMERVILLE, OWNER-OPERATOR OF PAK'NSAVE MASTERTON

MEANINGFUL WORK

OUR PROMISE: WE CREATE MEANINGFUL WORK FOR OUR PEOPLE

Why it matters

A healthy and meaningful work environment is fundamental for a thriving New Zealand. Foodstuffs and its stores are significant employers in New Zealand, and as a result, we contribute heavily to the wellbeing of our employees, their families and in turn the wider community.

We have a part to play in ensuring our employees, regardless of age, gender, ethnicity, ability, or sexual orientation, are fulfilled and supported. We are a training ground, not only for youth, but also for those looking to further develop their careers in FMCG, retail or elsewhere. We have a responsibility to train and prepare the workforce for future disruption and change.

Highlights

\$1M

SINCE 2018, MORE THAN \$1 MILLION HAS BEEN RAISED THROUGH FOODIES FOUNDATION. OF THIS, MORE THAN \$310,000 HAS ALREADY BEEN DONATED TO ALMOST 100 FOODSTUFFS FAMILIES IN EXTREME HARDSHIP.

1,464

EMPLOYEES PARTICIPATED IN FOODSTUFFS SHORT COURSES IN 2019.

917

FOODSTUFFS EMPLOYEES PARTICIPATED IN LEADERSHIP DEVELOPMENT PROGRAMMES IN 2019.

388

EMPLOYEES WERE ENROLLED IN OUR BUTCHERY AND BAKERY APPRENTICESHIP PROGRAMMES NATIONALLY IN 2019.



ALIGNMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS



THE JOURNEY TO BECOMING AN OWNER-OPERATOR

"THE BEST PIECE OF ADVICE SOMEONE HAS EVER GIVEN ME, IS TO ALWAYS LEAD BY EXAMPLE. YOUR FRIENDS, FAMILY, COMMUNITY, EMPLOYEES AND CUSTOMERS ARE ALWAYS WATCHING, AND LEADERSHIP IS A FULL-TIME JOB."

JOE DODD, OWNER-OPERATOR OF WELLSFORD FOUR SQUARE.



Joe Dodd, Owner-Operator, Wellsford Four Square

"MAKE SURE THAT ALONG YOUR JOURNEY, YOU TRY TO TAKE TIME TO LEARN GENERAL SKILLS, AS WELL AS MORE SPECIFIC OR TECHNICAL SKILLS. YOU NEED TO BE GOOD AT WHAT YOU DO, BUT YOU ALSO NEED TO HAVE A GOOD EYE ON THE OVERALL PICTURE IN ORDER TO SPOT OPPORTUNITIES AND HAVE A TRANSFERABLE SKILL SET."

ANTHONY KING, OWNER-OPERATOR OF PAK'nSAVE QUEENSTOWN



Anthony and Michelle King, Owner-Operators, PAK'nSAVE Queenstown

FOODSTUFFS TRAINING



AMANDA HAYES

ARTICLE DATA MANAGER,
FOODSTUFFS NORTH ISLAND

Foodstuffs invests significantly each year into staff development through management and leadership development programmes. One such programme participant is Amanda Hayes, an Article Data Manager at Foodstuffs North Island's Support Centre, who started working checkouts at New World in high school. Having to combine university study, parenthood and work life, she was able to negotiate flexibility into her work week, working three days in Auckland and two days remotely in Hamilton where she lives with her family. In the spirit of giving back, she now serves on the Board of Foodies Foundation, supporting the Foodstuffs North Island family during times of economic and emotional hardship.



HADEN PIGGOT

RAEWARD FRESH & EMERGING BRANDS GROUP MANAGER,
FOODSTUFFS SOUTH ISLAND

Haden Piggot worked his way towards a managerial role. Starting off with a bakery apprenticeship, he progressed to working on the Retail team in Promotions and eventually found his way to his current role as Raeward Fresh and Emerging Brands Group Manager at Foodstuffs South Island. His attitude: "Be keen to have a crack, and game-changing opportunities will follow!"

GRADUATES FROM OUR TRAINING COURSES IN 2019

917

PARTICIPATED IN A FOODSTUFFS
LEADERSHIP PROGRAMME.

1,464

PARTICIPATED IN FOODSTUFFS
SHORT COURSES.

388

ENROLLED IN OUR BUTCHERY
AND BAKERY APPRENTICESHIP
PROGRAMMES.

306

PARTICIPATED IN A HEALTH AND
SAFETY PROGRAMME.

13

PARTICIPANTS WERE APPROVED
AS OWNER-OPERATORS.

NORTH ISLAND FOODIES FOUNDATION

ONE OF FOODSTUFFS NORTH ISLAND'S VALUES IS BEING 'IN IT TOGETHER'. IT'S ALL ABOUT WORKING TOGETHER AS ONE WINNING TEAM FOR OUR CUSTOMERS AND LOOKING AFTER EACH OTHER THROUGH THE GOOD TIMES AND THE BAD. WE KNOW THAT, TOGETHER, NOTHING IS TOO HARD AND THAT NO JOURNEY SHOULD EVER BE TAKEN ALONE.

Fuelled by this, we decided to turn that attitude into meaningful action by launching the Foodies Foundation. We're one big family, and sometimes our people are thrown curve balls and need support. The Foundation is available to any of our 25,000 Foodstuffs North Island employees when times get tough – providing financial support to lessen the load during these difficult times.

The Foodies Foundation is generously funded by our Owner-Operators, Foodstuffs North Island employees, and external partners. Donations are made directly and through events like auctions (our most recent one raised over \$140,000), Awareness Day, our Christmas grocery voucher giveaway, and many small fundraisers run by people all over the business. Our six Foodies Foundation Trustees meet regularly to make decisions on where funds are directed and to ensure the Foundation remains relevant, impactful and sustainable.

Since its launch in 2018, the Foodies Foundation has raised more than \$1 million to support our people. We've supported almost 100 families across our stores, Support Centre and

supply chain – giving away more than \$310,000 in financial support. You can read more about the Foodies Foundation [here](#) and follow its latest activity on Facebook [here](#).

“ The aroha you have shown to me and my family will never be forgotten. ”

“It's been very moving and immensely rewarding to see how our Foodies Foundation has helped our whānau in times of need. No one is expecting to lose their home in a fire, be diagnosed with a terminal illness or lose a loved one in a car accident, but being able to offer immediate financial support with a message of love from all of us has helped our people get through some of their darkest days. We've had a phenomenal show of support from across our stores, Support Centre and supply chain to raise money and awareness for the Foundation, and many of our external partners have also jumped on board. We know the Foundation is meeting an important need in our co-op and it's created a real sense of pride, belonging and community among our people.”

EWAN ATHERTON, FOODIES FOUNDATION CHAIR



LEADERSHIP AT FOODSTUFFS

WE BELIEVE LEADERSHIP IS A KEY COMPONENT OF PERSONAL AND CAREER DEVELOPMENT FOR EMPLOYEES AT ALL STAGES OF THEIR CAREERS. IN 2019, 917 FOODSTUFFS EMPLOYEES PARTICIPATED IN LEADERSHIP DEVELOPMENT PROGRAMMES, AND MANY MORE HAVE PARTICIPATED IN VARIOUS LEADERSHIP ACTIVITIES. SOME EXAMPLES OF THE PROGRAMMES OFFERED ARE OUTLINED BELOW.

Leadership at Foodstuffs North Island

Self-leadership (early-stage career development)

– comprised of two one-day modules with reinforcement sessions four weeks after each module. It aims to help participants develop an understanding of themselves so they can be more connected, purposeful and productive.

"This programme helped me understand my values – I realised that my family were important to me. I worked on upskilling my team so that I could have a break with my family. My next goal is to save so that we can afford a family holiday."

PROGRAMME PARTICIPANT, NEW WORLD WARKWORTH

Leadership Contract (all leaders) – we strive to build our Foodies Leadership community and offer half-and-full-day workshops for all people leaders in the Foodstuffs North Island Co-op. The expectations and responsibilities of our leaders are laid out in the four pillars of The Leadership Contract:

- Leadership is a Decision – make it.
- Leadership is an Obligation – step up.
- Leadership is Hard – get tough.
- Leadership is a Community – connect.

"The Leadership Contract is a great way to foster the culture we want. I can see the change from 2014 to now.... It's working and the teams are loving it."

PARTICIPANT, THE LEADERSHIP CONTRACT

Leadership in Action (mid-career development)

– utilises a combination of best-practice techniques and action-learning groups to create a high-impact learning experience which delivers results and transforms our skilled managers and up-and-coming managers into forward-focused and resilient leaders.

"It was great to work alongside a team of like-minded, motivated and goal-driven individuals... solutions we came up with were listened to and are now happening throughout the organisation."

PROGRAMME PARTICIPANT, NEW WORLD WESTEND

Owner-Operator Board development (pinnacle career development) – to successfully guide our co-operatives into the future, we need Independent Directors with broad perspectives and Grocer Directors who understand how our business works inside out. To help Owner-Operators become Directors, we assist them to upskill via the New Zealand Institute of Directors, Fonterra Governance Programme or other suitable courses to give them the confidence and capability to contribute effectively around our Board table.

"I found the simulations and role plays of particular value during my Director upskilling programme. It was fascinating to see and to understand the differing viewpoints during the simulations and this prepared me well for our Board discussions. It was a genuine representation of the group dynamic and a positive development experience."

FOODSTUFFS NORTH ISLAND BOARD MEMBER

LEADERSHIP AT FOODSTUFFS

Leadership at Foodstuffs South Island

MANAGEMENT ACADEMY

Level 1 – provides participants with an introduction to fundamental people leadership knowledge and skills. It is designed for participants who are new to leadership or high-potential staff who are likely to be promoted to leadership roles in the next few months. This programme is delivered over two days.

Level 2 – provides participants the opportunity to further embed their learnings and introduces Conflict Management. It is designed for more experienced leaders who have already completed some training, e.g. Managers, Department Managers, 2ICs. This programme is delivered over three days.

Level 3 – provides participants the opportunity to extend and deepen their knowledge, skills and confidence to lead and introduces Change Management. It is designed for participants who are experienced managers or leaders. This programme is delivered over four days.

Level 4 – a widely recognised and valued training programme designed for Senior Managers/Leaders and Owner-Operators who wish to further develop their management capability. Participants learn about Foodstuffs South Island's strategic direction and gain insights from the Foodstuffs South Island Leadership Team, Owner-Operators and top external facilitators on topics such as Project Management, Retail & Department Strategies, Recruitment & Employment Law, Financial Principles, Conflict, and Change Management.

Level 5 – designed for experienced Senior Managers/Leaders and Owner-Operators and focuses on self-awareness, the tasks of team leadership and building highly effective teams. Participants are required to complete a Myers Briggs Personality Assessment and the programme explores each of the personality types in depth to help them better understand themselves and others in the workplace. This course is delivered over five days.

"The most valuable part of the programme for me is the new friendships that are made and getting to know everyone's different backgrounds within the business. The wide range of participants from retail stores, Head Office, the Distribution Centres and even some outside of Foodstuffs South Island give a unique perspective on all aspects of the business that were not familiar to me and really showcased the strengths of the co-operative. Learning more about my own values and strengths was also very helpful to take away and implement in both my work and personal life."

LAURAN BROWN, STORE MANAGER, NEW WORLD RANGIORA

LEADERSHIP AT FOODSTUFFS

Leadership at Foodstuffs South Island

LEADERSHIP ACADEMY

Executive Development Programme – a renowned leadership development programme for Senior Managers/Leaders, and current and potential Owner-Operators, facilitated by top New Zealand academics and experts. Participation is by invitation only from respective Foodstuffs South Island General Managers. This is delivered over three live-in, three-day workshops:

- Workshop One: Strategic Leadership
- Workshop Two: Team Leadership
- Workshop Three: Personal Leadership

Advanced Leadership Programme – the second programme in the Leadership Academy, available to those who have successfully completed the Executive Development Programme. With a strong strategic focus, it explores managing conflict dynamics, strategic business analysis, strategies to develop a strong culture, as well as hearing strategic reflections from members of the Foodstuffs South Island Leadership Team. Other topics covered include wellbeing and mindfulness, personal resilience and learned optimism, and strategies and tactics to lead strategic change. This is delivered over two live-in workshops, one for four days and one for two, with the implementation of a professional or personal project in between.

CASE STUDY

'Simply the Best' programme – Binod Mishra

Foodstuffs South Island's 'Simply the Best' programme started in 2017 as part of the Government's Skills Highway workplace literacy and numeracy initiative, but it is now so much more. The programme continues to improve the reading and writing skills of participants, improving intercultural communication while opening the eyes of all Foodstuffs South Island employees to the different cultures working within the organisation.

Of the 91 employees who have completed the programme so far, one of the stars is Binod Mishra from the Foodstuffs South Island Distribution Centre. After completing the 'Simply the Best' programme, he was recognised in 2018 as a Skills Highway Champion Learner, awarded to those who truly embody the spirit of the programme and take it to the next level in their workplace.

Binod has taken all that he learned on 'Simply the Best' and has shared it with his family, friends and others in the Bhutanese community, helping them with visa applications, travel arrangements and job interviews. At the Distribution Centre, he has co-created a fitness challenge to improve the health and wellbeing of his colleagues, and has shared his story across Foodstuffs South Island, inspiring others to follow the example he has set. To quote the nomination for his award, "he is a great leader and mentor for Foodstuffs and his Bhutanese community".

HEALTH AND SAFETY

WE TAKE THE HEALTH AND SAFETY OF OUR PEOPLE SERIOUSLY AND, ALONGSIDE THE STEPS WE TOOK TO SAFEGUARD THE HEALTH OF OUR STAFF IN RESPONSE TO COVID-19, WE CONTINUE TO INVEST IN SYSTEMS AND INITIATIVES TO PREVENT INJURIES.

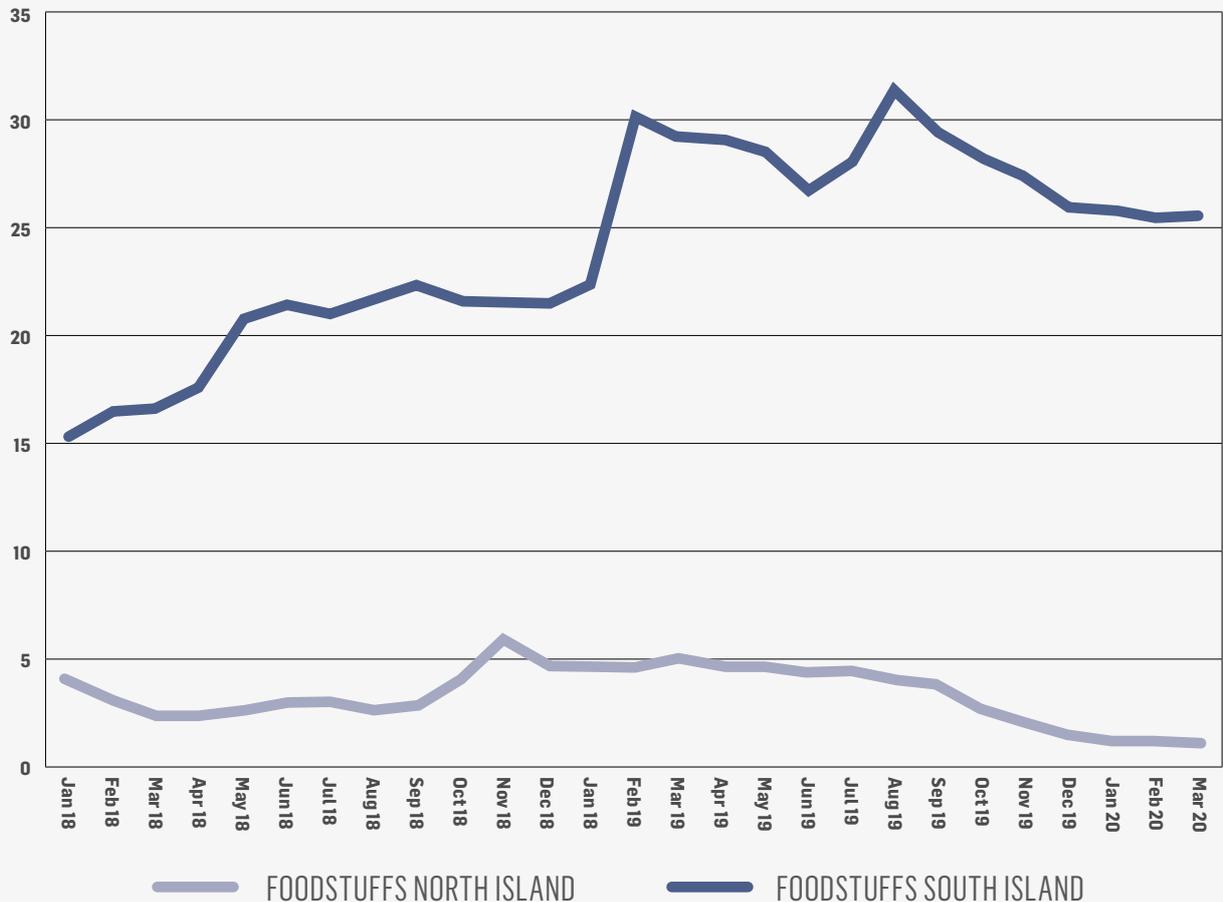
Foodstuffs North Island has given specific attention to back injury prevention in recent years and this is reflected in their improved Lost Time Injury Frequency Rate (LTIFR).

Foodstuffs South Island remains focused on preventing manual handling injuries through their First Move programme, which aims to reinforce simple but effective injury-prevention techniques. Additional expertise has also been recruited to develop further injury prevention initiatives.



FOODSTUFFS NORTH ISLAND & FOODSTUFFS SOUTH ISLAND LTIFR

Lost Time Injury Frequency Rate (LTIFR) from Jan 2018 to Mar 2020



SHADOW LEADERSHIP



THE FUTURE LEADERS ADVOCACY GROUP (FLAG) IS A NEW INITIATIVE AT FOODSTUFFS NORTH ISLAND DESIGNED TO HELP US BETTER REPRESENT DIVERSE PERSPECTIVES IN THINKING AND DECISION-MAKING, PARTICULARLY THOSE OF THE YOUNGER GENERATION.

FLAG was formed in November 2019 through a process of 'blind recruitment' – where all identifying factors including name, gender, and job title were removed from the applications before selection took place. This removed any unconscious bias from the selection process and allowed candidates to be evaluated based solely on the value they could add.

FLAG has two primary focuses: supporting strong relationships within our co-operative, and helping the co-operative to win with younger people (both our customers and our team). The group provides input into the same

discussions and initiatives that go to our Board for review, to give our Directors and senior leadership team a different point of view to consider. FLAG also drives new initiatives of its own that help Foodstuffs take steps toward success in their two focus areas.

Being part of FLAG also provides a leadership development opportunity for Foodstuffs team members who are early in their career but ready to make a big impact. The inaugural group is made up of nine Foodies from across the Support Centre:

"It's awesome to have this diverse group of young people in the business who are ready to speak up, challenge the status quo, make an effort to connect with others, and provide an honest, balanced perspective. We know that diverse thinking leads to better decisions and outcomes, and at the senior leadership level, age diversity is an area where we could have better representation. FLAG helps us bridge that gap while giving some of our cool young talent an opportunity to engage with strategic discussions and develop their own leadership capabilities."

CHRIS QUIN, CEO FOODSTUFFS NORTH ISLAND

"FLAG is really important to the business because it's a platform for young people to identify problems, speak out and contribute ideas. I love being part of FLAG because I get the chance to know how the whole business works. I feel comfortable sharing my thoughts and working with buddies in the group."

XUAN SONG, FLAG MEMBER



KAARISHMA NAIR
IT Project Manager, FSNI



MADDIE MCCLEAN
Category Manager of
General Merchandise, FSNI



MONIQUE PACE
Customer Experience
Design Specialist, FSNZ



XUAN SONG
Food Technician, FOBL



**NIAH TAYLOR
(GROUP LEAD)**
Comms Partner,
Internal Comms, FSNI



OLIVIA TAYLOR
Legal Counsel, FSNI



TIM PATON
Finance Automation Lead,
FSNI



LIMARA BEST
Commercial Partnership
Specialist, FSNI



ADAM PATERSON
Strategy and New Ventures
Analyst, FSNI

SUPPORTING LOCAL COMMUNITIES

OUR PROMISE: WE SUPPORT OUR LOCAL COMMUNITIES TO THRIVE

Why it matters

Being 100% New Zealand-owned and operated, we are embedded in the communities we serve, and we continue to thrive because New Zealanders know and support our stores. Nationally, our brands provide coordinated support to many organisations with a presence in local communities. Most of our support, however, comes from our local Store Owners who know their communities best and can meet their unique needs.

Highlights

\$7.4M

OUR STORES CONTRIBUTED MORE THAN \$7.4 MILLION TO THEIR LOCAL COMMUNITIES LAST YEAR.

\$1M

FOODSTUFFS DONATED MORE THAN \$1 MILLION THROUGH 54 SOCIAL ORGANISATIONS TO HELP NEW ZEALANDERS FACING TOUGH TIMES BECAUSE OF THE IMPACT OF COVID-19.

2K

FOODSTUFFS HIRED MORE THAN 2,000 ADDITIONAL STAFF FROM INDUSTRIES DEEPLY AFFECTED BY COVID-19.

\$1.3M

NEW WORLD RAISED MORE THAN \$1.3 MILLION FOR, AND DONATED MORE THAN 800 FRUIT BOXES TO, THE STARSHIP FOUNDATION.

15K

NEW WORLD'S ANNUAL SOUTH ISLAND FOODBANK APPEAL SAW 15,000 FOOD BAGS DISTRIBUTED VIA THE CHRISTCHURCH CITY MISSION, AND MANY MORE VIA SMALLER FOOD BANKS.

\$360K

THE FOODSTUFFS (SOUTH ISLAND) COMMUNITY TRUST DONATED MORE THAN \$360,000 TO THOSE IN NEED.



ALIGNMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS



OUR STORES SUPPORTING THEIR LOCAL COMMUNITIES



OUR STORES CONTRIBUTED MORE THAN
\$7.4 MILLION
TO THEIR COMMUNITIES LAST YEAR.*

PAKñSAVE

STORES CONTRIBUTED
ON AVERAGE

\$64K PER STORE

TO THEIR LOCAL
COMMUNITIES
LAST YEAR.*



STORES CONTRIBUTED
ON AVERAGE

\$24K PER STORE

TO THEIR LOCAL
COMMUNITIES
LAST YEAR.*

4 FOUR SQUARE

STORES CONTRIBUTED
ON AVERAGE

\$1K PER STORE

TO THEIR LOCAL
COMMUNITIES
LAST YEAR.*

SOME EXAMPLES OF THE GREAT CAUSES OUR STORES SUPPORTED INCLUDE:

SCHOOLS



CLUBS

EVENTS



TRUSTS

KINDERGARTENS



FIRE STATIONS

*Averages and total giving figures are conservative and based on information captured in SAP.

FOODSTUFFS SOUTH ISLAND COMMUNITY TRUST

THE FOODSTUFFS SOUTH ISLAND COMMUNITY TRUST REMAINS COMMITTED TO SUPPORTING THOSE IN NEED, DONATING MORE THAN \$360,000 TO LOCAL SERVICES, SCHOOLS, COMMUNITY GROUPS, AND INDIVIDUALS REQUIRING FINANCIAL ASSISTANCE IN THE LAST YEAR.

This has been a particularly challenging year for South Island communities. Significant emergency support and assistance was given to staff from stores affected by February's Nelson fires, and also to Foodstuffs' staff impacted by the Christchurch mosque shootings. The Trust continues to monitor the needs of those affected and will make further payments as the need arises. In the last year, more than \$115,000 in educational grants was made to 61 students to assist them with their tertiary education.

A key milestone this year was the establishment of a three-year sponsorship partnership with The Gut Foundation (formerly the Bowel and Liver Trust). While gut disease is increasing worldwide, it is particularly prevalent across the South Island. This partnership will help provide South Island communities with the knowledge and tools to better look after their families' gut health. It is hoped this will be a significant step in the reduction of gut disease in the South Island and beyond.

Donations by year

2018	\$443,000
2019	\$486,000
2020	\$506,000

"We are grateful, humbled, and inspired by our team's generous contributions to the Community Trust. This continues to provide a tangible and positive impact in our local communities and galvanises our team around a common purpose to improve the lives of South Islanders."

STEVE ANDERSON, CEO FOODSTUFFS SOUTH ISLAND



COVID-19 COMMUNITY RESPONSE*



New World Durham St supporting the Ronald McDonald House

OUR BUSINESS WAS ONE OF FEW THAT WAS ABLE TO TRADE DURING THE COVID-19 LOCKDOWN.

As the crisis evolved, we focused on supporting our team members around the country, ensuring New Zealanders had access to food and grocery products and looking after the safety and wellbeing of all teams and our customers.

In April 2020, Foodstuffs' brands announced a commitment to contribute more than \$1 million to help New Zealanders facing tough times due to the impact of COVID-19. New Zealand's charities and community support organisations saw significant and prolonged demand, and we hoped our contribution would help them meet this demand as they supported our most vulnerable to get back on their feet and look to the future.

In total, we supported 54 social organisations across New Zealand who fed, supported, housed and lifted up those who were adversely impacted by COVID-19, and continue to do so. In addition to this we also supported our people, suppliers, communities and customers by:

- Giving priority entry and checkout access to emergency services and medical personnel at every store across New Zealand.
- Recognising our people's sacrifice and tremendous efforts to keep New Zealanders fed by giving all waged frontline, distribution and transport employees nationwide a 10% pay allowance on top of what they earned during lockdown.
- Protecting our most vulnerable by continuing to pay those who could not work during lockdown so they could stay safe at home.
- Hiring 2,000 additional staff from deeply affected industries such as aviation, hospitality and tourism to help meet the increase in customer demand and provide employment opportunities to displaced individuals.
- Supporting our supplier community by giving small and medium-sized suppliers the option to move to 10-day payment terms, providing them with financial certainty and business surety.
- Partnering with the Student Volunteer Army to help get grocery supplies to elderly and vulnerable New Zealanders who were unable to leave home during lockdown.

"We saw the need to support the older and more vulnerable members of our community and enable them to keep themselves safe during this difficult time. Ensuring they were able to access groceries was an important part of that puzzle and New World's support and partnership in making that happen was integral in enabling us to scale quickly and safely."

SAM JOHNSON, FOUNDER AND CHIEF EXECUTIVE OF THE STUDENT VOLUNTEER ARMY



Wellington City Mission



Wellington City Mission



Kaibosh Food Rescue, Wellington

* Our COVID-19 response extended beyond our reporting dates (extends to June 2020), which we have done as an exception to provide a full picture.

Our Owner-Operators were uniquely positioned to meet the specific needs of their communities during the COVID-19 lockdown. A report of stores' efforts to support their communities and customers includes:

- Bishopdale New World delivering to a local retirement village each week, getting essential supplies to some of the most vulnerable in their community.
- New World Onekawa arranging a special delivery to feed those living in the Chatham Islands when their food delivery was delayed due to lockdown.
- Four Square Fairlie launching deliveries so they could look after their self-isolating or homebound customers.
- Foodstuffs North Island's Fresh Distribution Centre sending food waste which was unsuitable for our food rescue partners to Butterfly Creek in South Auckland so their 60 animals could maintain a balanced diet.



Taking precautions in-store during lockdown to keep our team and customers safe

CASE STUDY

Gilmours supporting our COVID-19 response

Gilmours North Island stores and staff worked hard to support our response to COVID-19, helping to activate Foodstuffs' \$1 million commitment and providing additional support where they were able to.

- Gilmours Mount Roskill, in a joint effort with the Government of Tokelau, supplied a food security package to the vulnerable and isolated group of islands near Samoa, after their usual source of supply was cut off due to COVID-19 restrictions. This package of four shipping containers ensured its 1,400 residents had the key essentials such as long-life milk, rice, pasta, canned goods and cleaning products to feed and keep them safe for months to come.
- Gilmours Hamilton worked with the K'aute Pasifika Trust who provide support packages for vulnerable families in Hamilton. They donated essential goods such as butter, sugar, sanitary products and sanitiser. They were able to help more than 1,300 local families – this made all the difference during the lockdown period.
- Gilmours Wellington was proud to have provided food and logistical support to Kapura, helping the Ministry of Social Development provide up to 7,000 meals a day to the vulnerable in Wellington. This included lending them a Gilmours truck and providing a place to store products in their freezer and chiller before it was distributed.



Gilmours facilitating a product donation for Do Some Good as part of Foodstuffs' \$1 million commitment to support local communities

FOUR SQUARE SUPPORTING LOCAL COMMUNITIES



Four Square's 95th Birthday 'Forever Young' competition winner Gerald Frost and his daughter in the Marlborough Sounds.

FOUR SQUARE HAS HELPED OUR LOCAL COMMUNITIES THRIVE FOR ALMOST A CENTURY.

In July 2019, Four Square celebrated its 95th birthday. We took TVNZ Breakfast viewers on a journey to Four Square Maniototo where they met the community and celebrated this very exciting milestone for the brand. As part of our integration with TVNZ Breakfast, Four Square

hosted a "Forever Young" competition inviting viewers to nominate a special nonagenarian in their lives to win a birthday party to remember, courtesy of Four Square.

A week later, viewers were invited to celebrate the birthday of Gerald Frost, the lucky winner of Four Square's 'Forever Young' competition. Nominated by his daughter, Nelson local "Papa G", as he is affectionately called, spent 40 years as the local milkman delivering milk to his local Four Square store. Papa G enjoyed a birthday to remember on a fishing trip out to d'Urville Island in the Marlborough Sounds where he spent the day with his family on the water followed by a helicopter ride home.

Keeping our communities sustainable

The beachside community of Raglan is known for its surf, friendly locals, and sustainability efforts. Four Square Raglan made the switch to renewable energy with their 108-strong solar panel array in December.



Solar panel array on Raglan Four Square

FOUR SQUARE STORE PROFILE

“WE LOVE BEING A PART OF OUR LOCAL COMMUNITY AND DEVELOPING AWESOME RELATIONSHIPS BY MEETING AND TALKING TO OUR LOCALS, WHICH CAN OFTEN LEAD TO US INTRODUCING NEW PRODUCTS TO OUR RANGE. WE ALSO ENJOY CONNECTING WITH, AND SUPPORTING OUR STAFF – SHARING PERSONAL STORIES WITH EACH OTHER, HELPING THEM TO LEARN AND DEVELOP NEW SKILLS AND WORK TOWARDS THEIR VARIOUS GOALS IN LIFE.”



Graeme and Tracey Neilson – Owner-Operators of Four Square Ascot, Invercargill

SUSTAINABILITY LEADERSHIP

OUR PROMISE: WE ARE SUSTAINABILITY LEADERS IN OUR OPERATIONS AND HOW WE SOURCE OUR PRODUCTS.

Why it matters

New Zealand is our home. Our current linear economy based on 'take, make, dispose' generates waste and relies on an endless supply of raw materials, so we are committed to doing our part to ensure we operate and source in a way that does no harm to our environment. This means taking responsibility for the waste we create and moving towards carbon neutrality. Embracing a sustainable approach reduces the reliance on finite resources and creates a healthier environment and future for New Zealand.

Highlights

80%

83% OF STORES ON OUR WASTE MINIMISATION PROGRAMME ARE DIVERTING MORE THAN 80% OF WASTE FROM LANDFILL.

8M

THE EQUIVALENT OF MORE THAN 8 MILLION MEALS WERE PROVIDED THROUGH FOOD RESCUE PARTNERSHIPS – MINIMISING OUR WASTE AND GETTING FOOD TO THOSE WHO NEED IT.*

18.5M

WE ELIMINATED 18.5 MILLION CARDBOARD BOXES THROUGH SWITCHING TO REUSABLE CRATES, AND 200 TONNES OF PLASTIC BY SWITCHING TO NANOWRAP.

35

'FOOD IN THE NUDE' IS NOW IN 35 NEW WORLD STORES.

2019

IN 2019, WE JOINED THE CLIMATE LEADERS COALITION.

90

WE WILL HAVE MORE THAN 90 STORE-BASED, FAST-CHARGING STATIONS FOR ELECTRIC VEHICLES BY THE END OF 2020, REPRESENTING 40% OF NEW ZEALAND'S FAST-CHARGER NETWORK.



ALIGNMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS



WASTE MINIMISATION



KiwiHarvest collecting rescued food from PAK'nSAVE Sylvia Park

WE HAVE BEEN ON A JOURNEY TO MINIMISE OUR WASTE SINCE THE LAUNCH OF OUR NATIONAL WASTE MINIMISATION PROGRAMME IN 2014.

We now have more than 130 New World and PAK'nSAVE stores, distribution centres and corporate sites on the programme collectively fighting the war on waste. This year we launched our new Waste Minimisation Plan, providing detailed guidance to help our stores achieve their waste reduction goals.

Foodstuffs has a target of diverting 90% of waste from landfill by 2023 and we are tracking well, with 37% of monitored stores already meeting or exceeding this target, and 83% of stores diverting 80% or more through recycling, reprocessing, composting and donating.

No food fit for human consumption should ever go to waste. In the last year, over eight million equivalent meals have been provided to local communities via our partnerships with food rescue organisations. Food rescue is an extremely important initiative which connects stores with charities who provide food to organisations supporting vulnerable members of their communities. If it's not fit for human

consumption, it is diverted either to animal stock feed or is composted.

Across the country, our stores work with a wide range of local food rescue organisations. Our staff take immense pride in diverting food to organisations that support those in need – like our team at Kilbirnie PAK'nSAVE who volunteered with a food sort at Kaibosh Food Rescue in Wellington.



Kilbirnie PAK'nSAVE team volunteering at Kaibosh Food Rescue in Wellington

WASTE MINIMISATION



NanoWrap in action at Roma Distribution Centre

ALONG WITH THE EFFORTS WE ARE MAKING TO DIVERT WASTE AWAY FROM LANDFILL, WE ARE ALSO SHIFTING OUR FOCUS TO GENERATE LESS WASTE IN THE FIRST PLACE, ACROSS ALL STREAMS, EVEN RECYCLABLES.

Last year we made significant progress in reducing packaging from our supply chain. We eliminated 18.5 million cardboard boxes by switching to reusable crates – even our Christmas hams were delivered in reusable crates.

By switching to NanoWrap, which is one third lighter than traditional pallet wrap, we have been able to remove more than 200 tonnes of plastic across our supply chain annually.

This year we began to stock Longopac continuous bin-liners in our distribution centres. Adoption of this product will support landfill waste minimisation and deliver significant time savings and carbon emission reduction.

Annual savings from the introduction of Longopac continuous bin-liners*

2.54 TONNES OF CARBON

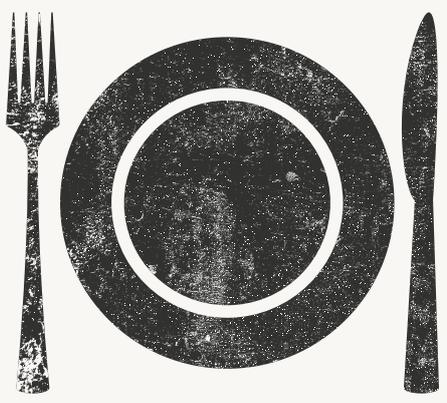
501 KILOGRAMS OF PLASTIC

82 HOURS OF TIME

* Based on 2x 60L bin empties per day.

FOODSTUFFS TO THE (FOOD) RESCUE!

Foodstuffs stores throughout New Zealand set aside safe, edible food we couldn't otherwise sell, as well as other donations, and give it to organisations working to redistribute it to Kiwis in need. Partnering with food rescue organisations also lets us 'close the loop' and reduce the food waste we send to landfill.



THE EQUIVALENT OF
8 MILLION
 MEALS PROVIDED ANNUALLY TO
 THOSE WHO NEED THEM THE MOST

FOOD RESCUE ORGANISATIONS ARE SUPPORTED BY STORES AND DISTRIBUTION CENTRES ACROSS ALL FOODSTUFFS BRANDS

PACKAGING SUSTAINABILITY



WE KNOW PLASTIC POLLUTION IS AN ISSUE MANY NEW ZEALANDERS CARE DEEPLY ABOUT. IF YOU NEED PROOF OF HOW COMMITTED NEW ZEALANDERS ARE TO LIVING MORE SUSTAINABLY, JUST LOOK AT HOW QUICKLY WE HAVE ADAPTED WHEN IT COMES TO ELIMINATING SINGLE-USE PLASTIC BAGS FROM OUR WEEKLY SHOP.

As one of the first retailers in Aotearoa to sign up to the New Zealand Plastic Packaging Declaration, we are working towards 100% reusable, recyclable or compostable retail and private label (Pams and Value) packaging by 2025. Product stewardship and circular design – making sure resources are used again and again in other products – is also a priority for us. We are proud to work collaboratively to help bring stores, suppliers and customers with us on this journey.

Making meaningful progress to reduce environmental impacts

We have been busy taking stock of the packaging used and sold across our business, working with suppliers on improvements and rolling out in-store initiatives to 'remove', 'reduce' and 'reuse'. To guide our work programme, we have developed 10 Sustainable Packaging Principles and we are actively encouraging our suppliers to move in this direction with us.

Exciting achievements this year included:

- Being the first major supermarket to launch BYO containers at serve-over departments.
- Expanding our 'Food in the Nude' plastic reduction Produce Department strategy to 35 New World stores.
- Introducing Ecostore refilleries to six New World stores.

- Introducing a handled paper 'back-up' bag for checkout.
- Trialling recycled paper bags at Alison's Pantry bulk foods departments.
- Trialling and rolling out renewable-fibre and rPET pre-pack options in Deli, Produce and Bakery.
- Trialling certified home-compostable carrier bags.
- Rolling out super-light, reusable Produce 'multi-use bags' (MUBs).
- Phasing out plastic straws and oxo-degradable plastics.
- Completing our transition to widely recyclable, clear rPET meat trays made from at least 50% recycled content – New World has led the way with the elimination of polystyrene foam meat trays and adoption of rPET.

This year, our Pams team has reduced single-use plastic by more than 20 tonnes through initiatives including de-sleeving produce lines as part of our Food in the Nude initiative, moving from 'bagged' to tagged lines across seven popular vegetable lines, continuing the transition to widely recyclable rPET punnets and clamshells, and, in a new initiative this year, introducing home-compostable fibre onion bags, positively impacting more than a dozen supplier lines.

Across our supply chain, we continue to recycle all of our back-of-house packaging – including pallet wrap and cardboard, and this year we expanded the use of reusable crates in Produce and beyond.

Food in the Nude

'Food in the Nude' has been rolled out to 35 South Island New World stores since 2017, and a North Island trial will be starting in July 2020 to transform team behaviour and incorporate new processes. This initiative heroes loose fresh fruit and vegetables, minimises unnecessary packaging by supplying produce in reusable crates, and brings a market-style environment to the produce department. The strategy is supported by innovative misting units to ensure the quality and shelf-life of vegetables is not affected. We acknowledge the ongoing collaboration with our suppliers to ensure single-use plastic is eliminated throughout our end-to-end supply chain. At least 54 pre-packaged or wrapped produce lines have been removed from stores where a loose alternative is available.



New World Three Parks in Wanaka had some fun on social media when they introduced Food in the Nude to their store

BYO Container

This initiative was launched at all Foodstuffs North Island supermarkets in June 2019, just in time for Plastic Free July.



Alison's Pantry recyclable paper bag trial

Alison's Pantry trial

70% recycled uncoated paper and Forest Stewardship Council (FSC) certified bags were trialled nationwide at 30 New World and PAK'nSAVE stores in February and March 2020.

Throughout this trial, we captured customer feedback to gauge whether customers wanted the bags as a permanent option at Alison's Pantry. We listened, and from July 2020, all New World stores will offer the choice of recycled paper bags alongside the existing reusable plastic bags at Alison's Pantry, providing sustainable, convenient packaging for customers.

The paper bags will be rolled out to PAK'nSAVE stores at a later date.



Sustainable Business Network masterclasses

Closing the loop and helping suppliers do the same

The New Zealand recycling and packaging system needs to be improved. This is a real balancing act and requires strong collaboration. Food producers and supermarkets rely on packaging for food safety, protection in transit, extending shelf-life, minimising food waste and improving on-pack communication. Recycling policy and infrastructure varies from region to region. International market demand for plastics has reduced significantly over the past two years, meaning reprocessing infrastructure in New Zealand needs to be developed and supported. This need has been further highlighted by the COVID-19 lockdown, when councils were temporarily unable to offer their recycling services.

To help navigate this space, Foodstuffs has partnered with the Sustainable Business Network (SBN) to establish the Plastic Packaging Circular Innovation Programme. In 2019 we ran

three interactive masterclasses with Government, suppliers and innovators to help find circular solutions and demystify sustainable packaging.

As a cohort, we learnt there is opportunity to design-out single-use plastic, and that durable, safe reusable models have a role to play. We also need to design new packaging that fits the New Zealand recycling system. Where plastic cannot be eliminated, we aim to simplify by using types 1, 2 or 5 and retain reprocessing value by keeping it clear and clean. Reprocessing of soft plastics once consumers are finished with them (e.g. bread bags and chip packets) remains a challenge, as they represent a low-value and highly contaminated waste stream. Like many companies, we are investigating compostable packaging. For Foodstuffs, this means certified, home-compostable plastic packaging. We recognise this is not a cure-all, but compostable

packaging does have its place, and is a sustainable option to protect food and minimise food waste.

We are committed to helping our suppliers by simplifying action in a complex environment and providing them with practical guidance. We have shared our Packaging Principles with suppliers and are working together on requirements and expectations. In February, we ran four free supplier workshops to encourage collaboration and change.



OUR 10 PACKAGING PRINCIPLES



REMOVE AND REDUCE UNNECESSARY PACKAGING.



REDUCE THE WEIGHT OF PACKAGING BY CHANGING THE PRODUCT OR PACKAGE DESIGN WHERE FEASIBLE.



WHERE APPROPRIATE, DESIGN PACKAGING SO THAT IT CAN BE REUSED.



WHERE APPROPRIATE, TRANSITION TO FIBRE-BASED RENEWABLE MATERIALS FROM SUSTAINABLE SOURCES THAT CAN BE RECYCLED OR COMPOSTED.



WHERE PLASTIC IS NECESSARY, PRIORITISE CLEAR PLASTICS TYPE 1 AND 2 AS THESE ARE RECYCLABLE THROUGH ALL KERBSIDE COLLECTIONS IN NEW ZEALAND. BY EXCEPTION, USE TYPE 5, BUT DO NOT USE PLASTICS TYPE 3 AND 6.



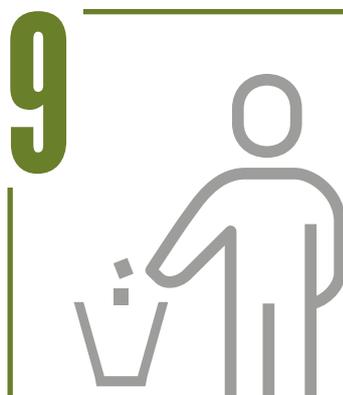
SPECIFY THE MAXIMUM AMOUNT OF POST-CONSUMER RECYCLED CONTENT FEASIBLE.



AVOID ALL OXO-DEGRADABLE, BIO-DEGRADABLE AND RIGID COMMERCIALY COMPOSTABLE BIO-PLASTICS – USE ONLY CERTIFIED HOME COMPOSTABLE BIO-PLASTICS.



AVOID, OR MINIMISE THE USE OF, MATERIALS THAT ARE POTENTIALLY HAZARDOUS TO THE ENVIRONMENT OR TO HUMAN HEALTH.



INCLUDE MESSAGING IN PACKAGING DESIGN TO ADVISE CONSUMERS OF THE CORRECT METHOD OF POST-USE DISPOSAL.



COMMUNICATE THE DESIRE THAT ALL SUPPLIERS ADOPT THE FOODSTUFFS 10 PACKAGING PRINCIPLES.

CLIMATE CHANGE

WITH A TRANSPORT NETWORK THAT TRAVELLED OVER 34 MILLION KILOMETRES AROUND NEW ZEALAND TO DELIVER FOOD AND GROCERY PRODUCTS TO OUR 566 STORES LAST YEAR, REDUCING CARBON EMISSIONS HAS BECOME ONE OF OUR MOST IMPORTANT ISSUES.

In 2019, we joined the Climate Leaders Coalition, a group of more than 100 New Zealand companies committed to tackling climate change and collectively helping New Zealand transition to a low emissions economy. We agreed to report our emissions in 2020 and set reduction targets. We're not only committing to measure and report on our emissions, we're also focused on actively reducing them – it's really important that we 'walk the talk'. A few of the initiatives we have focused on over the past year are:

Electric vehicles and chargers

We have worked hard to build our national EV network to reduce carbon emissions, both within our operations and for our customers.

To date, 28 New World and PAK'nSAVE stores have electric delivery vans, and our success, in collaboration with ChargeNET and EECA, in securing further government funding for electric vehicle fast-charging stations will see more than 90 store-based chargers live by the end of 2020. This will represent 40% of New Zealand's current fast-charger network, essential to encouraging further adoption of EVs.

We will have transitioned all warehouse materials-handling equipment to electric in the next one to two years. Thanks to greater use of virtual-meeting technology, we have been able to downsize our Foodstuffs North Island

corporate car fleet by 30% in the past year. Our latest industry-leading move is commissioning the construction of three battery-powered heavy trucks, including a 24-tonne refrigerated model that is a first in New Zealand. This truck is being trialled in the Wellington metro area, and the lessons from the trial will guide us as we add more EV trucks to our fleet in the future.

Alternative energy sources

Energy efficiency has been another priority, with audits and rapid deployment of LED lighting and lids on freezer cabinets reducing energy usage by up to 30% in some stores.

Because our electricity is mostly renewable in New Zealand, this only translates to an emissions reduction of approximately 5%, but it all adds up, and stores built in 2019 have a 50% lower operational carbon footprint than those built a decade earlier, an outstanding achievement. They are arguably the lowest carbon-emitting stores in the world by virtue of natural refrigeration and New Zealand's high proportion of renewable energy. We have also committed to the largest solar-panel array of any building in New Zealand on the roof of our new Landing Drive Distribution and Support Centres.

The Support Centre, which will open next year, will boast a 5-Star rating awarded by the New Zealand Green Building Council.

Refrigeration

The single most important carbon-reduction leadership action we made was the decision in 2012 to be the first organisation in the Southern Hemisphere to introduce CO₂-based, trans-critical refrigeration to our stores – a solution that enables the use of natural refrigerants, rather than synthetic gases.* This essentially cut the carbon footprint of new and refurbished stores by 40%, and we won a national EECA award for this initiative. Our South Island supermarkets will be 100% CO₂-refrigerated by 2025.

"EECA has now co-funded a number of electric vehicles and EV-charger projects with Foodstuffs. We're pleased to support their commitment to reduce carbon emissions by electrifying their own and their customers' transport."

**ANDREW CASELEY,
CHIEF EXECUTIVE, EECA**



New 24-tonne electric truck operating in the Wellington-metro area

* This refers to the use of natural refrigerants in refrigeration – alternatives to widely used synthetic gases, potent sources of carbon emissions.

SUSTAINABLE SOURCING

Our Foodstuffs Own Brands sustainable sourcing journey

Here at Foodstuffs, our Own Brands are on a focused journey to ensure the Pams and Value products our customers enjoy are sourced responsibly. We're proud to have already made many commitments about where our products come from and how they are made.

Here are some highlights:

CAGE-FREE EGGS



By 2027, all eggs, including Own Brands, will be cage-free. We partner with organisations like Oritain (based in Dunedin) who scientifically 'fingerprint' the source of Pams 100% cage-free eggs, so that we can trace the eggs' origin back to the individual farm location.

PALM OIL



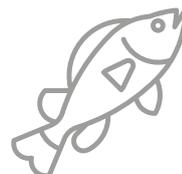
Foodstuffs are members of the Roundtable of Sustainable Palm Oil (RSPO) and only source RSPO-certified sustainable palm oil in our Pams and Value food products and in-store bakery items.

PAPER PRODUCTS



We've committed to ensuring all our paper products are Forest Stewardship Council (FSC)-certified or Programme for the Endorsement of Forest Certification (PEFC)-certified.

TUNA



We've committed to ensuring our tuna is skipjack only, Marine Stewardship Council (MSC)-certified and Fish Aggregating Device (FAD)-free to reduce bycatch.

FAIRTRADE



Our PAK'nSAVE and New World stores continue to sell an increasing range of Fairtrade products.

CASE STUDY

Delicious seafood on your plate, without costing the ocean

We've established a programme of work to develop a range of policies that support the sustainable sourcing of our Own Brand products. The first policy in this programme will be the Foodstuffs Own Brands Responsible Seafood Policy Standard. New Zealanders love their seafood, and we're passionate about ensuring our seafood is farmed, caught and processed in a responsible way. This policy explicitly outlines what measurable requirements and certifications our Gilmours, Pams and Value range seafood vendors will be expected to fulfill.

The policy covers wild-caught and farmed seafood, sourced domestically and internationally, and all food products that contain seafood as a primary ingredient, and/or have a seafood ingredient as a characterising ingredient.*

Working with the industry

We are working with the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC) to help inform our Responsible Seafood Standard and are also working with our suppliers to establish a transition period for wild and farmed seafood to meet our sustainability requirements. This helps local and international suppliers incorporate any changes into their operations, as well as helping to ensure we continue to offer our customers great value for sustainably sourced seafood products. The negative environmental impacts on seafood and their habitats will continue to evolve, and so will our response.

*As defined in the Australia New Zealand Food Standards Code, Standard 1.2.10 (e.g. Prawn Curry, Tuna Pasta Bake).

NEW WORLD SUPPORTING NEW ZEALAND'S FUTURE

AT NEW WORLD, WE CARE PASSIONATELY FOR NEW ZEALAND'S FUTURE – OUR PEOPLE AND PLANET. BEING 100% NEW ZEALAND-OWNED AND OPERATED, WE'RE LOCALS LIKE YOU.

We love our country and take the responsibility to look after this wonderful place we call home seriously. With local Owners in every one of our stores, we're focused on supporting the communities where we live in the way that is right for them.

Over the past year, we've been working hard to reduce our waste and lessen the impact packaging has on the environment. We're pulling plastic out of Produce, with our 'Food in the Nude' programme in 35 New World stores, and we have Ecostore refilleries in a number of our stores. We're also helping our customers to 'go reusable' at check-out and serve-over. We were the first major supermarket retailer to launch BYO containers at serve-over departments, introduced a handled paper 'back-up' bag for checkout, and are trialling certified home-compostable barrier bags and recycled paper bags in our Alison's Pantry bulk foods departments. We're rolling out super-light reusable produce 'multi-use bags' (MUBs), and have transitioned to widely recyclable, clear rPET meat trays made from at least 50% recycled content, eliminating polystyrene foam meat trays.

Our stores continue to participate in our award-winning waste minimisation programme, which saw us provide the equivalent of 4.2 million meals through our food rescue partnerships across New Zealand last year and divert



New World Pukekohe

approximately 85% of waste from landfill. We continue to improve the sustainability of our store operations, from using natural refrigerants, to sourcing our timber locally, employing LED lighting, and expanding our fleet of electric delivery vans.

At New World, supporting our local communities is in our DNA. Nationally, with the help of our customers, we raised more than \$1.3 million for the Starship Foundation. We also donated more than 800 fruit boxes to Starship through the year – delivering these every week to the Starship Hospital parent kitchens, to give family members access to healthy food while supporting their loved ones in hospital. Our annual South Island Brown Paper Bag Foodbank Appeal saw 15,000 food bags distributed to those in need via the Christchurch City Mission, and many more via smaller food banks throughout the South Island, and we're excited to take our next Appeal

national. We're also extremely proud to continue supporting the delivery of the Food for Thought Education Trust's nutrition programme to primary schools across New Zealand.

In addition to New World's national support, our individual stores continue to support their local communities in ways that are most meaningful to them. They sponsor local schools, sports clubs, food banks, food rescue organisations and many other worthy causes in their communities, and they understand and continue to deliver on their communities' unique needs. This ranges from New World Three Parks in Wanaka introducing the Again Again reusable coffee cup system to help customers go zero-waste, to New World Durham St in Christchurch signing up as an official Refill NZ site to reduce single-use water bottles.

NEW WORLD STORE PROFILE

“NEW WORLD’S SOCIAL PURPOSE FOR ME IS ALL ABOUT TRYING TO BE AS LOCAL AS YOU CAN. THAT’S FROM PROCURING FRUIT AND VEGETABLES LIKE WE CAN HERE IN PUKEKOHE, TO LOOKING AFTER OUR LOCAL COMMUNITY WITH SPONSORSHIPS, WHICH ARE DIRECTLY RELATED TO THE GRASSROOTS NATURE OF THE PEOPLE WHO COME AND SHOP WITH US. EVERYONE WE EMPLOY HAS COME FROM THE LOCAL AREA, SO IT’S GREAT TO BE ABLE TO PUT ANOTHER 110 JOBS INTO THE FAMILY HOMES OF PEOPLE WHO LIVE IN PUKEKOHE AND THE WIDER FRANKTON AREA.”



Tim Wilson, Owner-Operator of New World Pukekohe