



How we were **Here** *for NZ* in FY24

‘HERE FOR NZ’ is our commitment to our communities, our people and our country. It’s our call to action and how we ensure we’re acting in a way that will support future generations to thrive.

WE HAVE FOUR SOCIAL PROMISES THAT KEEP US ACCOUNTABLE AND COMMITTED:

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

We create **meaningful and safe work** for our people.

We **support our local communities** to thrive.

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

The key numbers and details about Foodstuffs North Island’s progress against each of those social promises in FY24 are outlined further below.

FY24 Update

This year we undertook a materiality assessment to help understand what areas are most important to our customers, suppliers, government and non-government agencies, as well as our teams.

In total, we conducted over 40 interviews with key stakeholders, as well as undertaking customer and staff surveys.

This helped us determine our priorities for FY25 and beyond.

- **Food affordability** – helping our customers access nourishing food by doing all that we can as a co-op to ensure food is as affordable as possible, being there for the communities we are part of through supporting social supermarkets, and educating tamariki to make healthy food choices through supporting Food for Thought education in primary schools.
- **Reducing our carbon emissions** – continue with our planned refrigerant transition programme (actively transitioning to CO2 systems), reducing our power use at stores and reducing diesel through route optimisation in our supply chain.
- **Continued focus on food waste** - donating edible food to food banks and food rescue organisations as a priority, and non-edible food to local farmers and compost.
- **Ensuring we're ahead of the curve with regulatory changes** around plastic packaging and modern slavery.



Healthy and Affordable Food

INFLUENCING HEALTHIER FOOD CHOICES

Foodstuffs has supported the Food for Thought programme to deliver free nutrition education to primary schools since 2007. Along with in-class lessons, Food for Thought and Heart Foundation nutritionists organise class visits to a local New World, PAK'nSAVE or Four Square store to bring learnings to life in a real-world setting. In FY24, more than 16,000 children participated nationwide – 11,186 in the North Island.

Health Star Ratings are an important way for customers to make healthier food choices. In FY24, we displayed Health Star Ratings on 99% of relevant* Own Brand products, up from the year before, and we're currently on track to meet 100% in FY25.

We're continuing our work with the Heart Foundation and have adapted a number of Own Brand products to improve nutritional options for customers, with 73% of eligible Own Brand products now compliant with its criteria, exceeding our FY25 target.

Measure	FY23	FY24	FY25 Target
Number of children participating in the Food for Thought programme in the North Island	11,767	11,186	Year on year improvement
Display the Health Star Rating on all relevant* food products (National)	73%	99% †	100%
Across food categories where Heart Foundation nutritional criteria exists, a defined % of Own Brand products will comply with those criteria (National)	68%	73%	70%

*Definition updated in FY24 to align with HSR programme guidelines and is where space permits.

† Based on the previous definition, the FY24 result corresponds to 78% of eligible products - an increase from FY23.



Healthy and Affordable Food

REDUCING FOOD POVERTY

One of our core values and social promises at Foodstuffs is to ensure that everyone has access to healthy and affordable food. No one wants to see good food go to waste which is why our stores have partnerships with food rescues and food banks within their local communities.

We have Food Donation Guidelines for stores to help them redirect surplus food to those in need. In FY24, 88% of our North Island New World and PAK'nSAVE stores had a relationship with a local food bank or food rescue partner.

Measure	FY23	FY24	FY25 Target
Number of 'equivalent meals' donated by sites on the Waste Minimisation Programme to food rescue organisations and food banks across the North Island	4.5m	TBA*	N/A

*FY24 results will be available mid-late-2024, in the Foodstuffs Sustainability Report.



Sustainability Leadership

REDUCING CARBON EMISSIONS

We have science-aligned targets for reducing our Scope 1 (direct) and Scope 2 (indirect) emissions, from sources such as the energy we use for electricity, heating and cooling.

We continue to accelerate our transition away from synthetic refrigeration systems over to CO2 systems with a lower global warming potential. Leakage from legacy assets is an ongoing risk.

We've decreased emissions by transitioning our corporate fleet to EVs, continuous improvement in load and route optimisation in our supply chain, and trials of low emission heavy transport options.

While we have seen an increase in our emissions in FY24 due to an increase in refrigerant losses, we have reduced emissions by 6% from the FY20 baseline. In FY25, we'll continue our CO2 refrigeration rollout, and focus on opportunities to increase energy efficiency across the business, including a trial of low emission road freight options which will set the co-op up for decreases to our fleet emissions in FY25 and beyond.

Measure	FY23	FY24	FY25 Target
% reduction in carbon emissions (cumulative reductions from FY20 baseline) across the North Island	26% reduction from FY20 baseline	6% reduction from FY20 baseline	21% reduction from FY20 baseline

MINIMISING OUR WASTE

We're diverting and reducing our waste wherever we can, including diverting food waste from landfill while also focusing on ensuring edible food that's unsuitable for sale is prioritised for feeding people.

In FY24, Foodstuffs North Island stores diversion efforts remained steady with a key focus on how we could move waste further up the waste hierarchy. At the end of FY24, 75 stores used the Whywaste app which improves stock rotation and reduces food waste from occurring. Our collaborations with our food rescue partners have strengthened, and we funded and attended regional food rescue hui to foster great collaboration within the sector. As a signatory of the Kai Commitment, we now have improved data on where food is being wasted across the supply chain.

Measure	FY23	FY24	FY25 Target
Improve our landfill diversion rate (from FY22 baseline) across the North Island	72.4%	TBA*	81%

* Over the last year, more of our stores and Distribution Centres in the North Island have begun tracking and measuring their waste and recycling. As our original waste minimisation programme was predominantly focused on PAK'nSAVE and New World stores the FY25 target was also based on those stores only. Due to the now broader focus, we will be rebaselining our data and our targets in FY25. As such, we have not reported on our landfill diversion rate for FY24.

IMPROVED PACKAGING SUSTAINABILITY

We're committed to transitioning our Own Brand packaging to be reusable, recyclable, or certified home compostable by the end of 2025. This commitment extends to our in-store packaging across our fresh departments where we prepare and package fresh produce, meat, seafood, baked goods and deli items.

We continue to phase out single-use and hard-to-recycle plastics, in keeping with regulation and our commitment to the NZ Plastic Packaging Declaration. In FY24 we removed single use plastic and compostable plastic produce bags from our stores, providing paper as an alternative and will continue to encourage and support customers to use multi-use bags when buying loose fruit and vegetables. We also moved away from providing plastic straws, cutlery and stirrers at our delis, meal counters and coffee shops, replacing them with bamboo and wooden alternatives.

As a founding member of both the Soft Plastics and Food & Beverage Carton Recycling Schemes, we are committed to working toward creating a circular economy for our packaging materials. Many of our stores participate in the collection of soft plastic and this is critical to the success of the programme, to help make drop off points accessible for our customers. By supporting the Food and Beverage Carton Recycling Scheme, this means that our Own Brand packaging in foil and polycoated fibreboards are able to be collected, and recycled into durable building materials.

During the year we discontinued reporting on the application of the Australasian Recycling Logo (ARL) on our Own Brand products, because of changes to kerbside recycling in February 2024.



Debra Goulding (Sustainable Packaging Programme Lead), Mark Troup-Paul (Owner, New World Newtown), Shaun Lewis (Director, Waste & Resource Efficiency, Ministry for the Environment) at New World Newtown to launch the transition from plastic and compostable plastic produce bags from stores



Measure		FY23	FY24	FY25 Target
% of packaging that is reusable, recyclable or certified home compostable (National)	In-store Retail packaging (weight by material type placed on market)	83%	TBA*	100%
	Own Brands packaging, including retail, inner and trade unit (weight by material type)	98.9%	TBA*	100%

* FY24 results will be available mid-late 2024, in the Foodstuffs Sustainability Report.

RESPONSIBLE AND ETHICAL SOURCING

Foodstuffs is committed to sustainability leadership in our operations through the responsible and ethical sourcing of products and services, to support positive outcomes for people, planet, and animals. Our Responsible and Ethical Sourcing Policy outlines our high-level commitment to achieving more sustainable supply chains and sets expectations for our supply partners.

HUMAN RIGHTS & LABOUR PRACTICES

We're committed to supporting the protection of human rights and socially responsible employment and labour practices. We support the development of Modern Slavery legislation in New Zealand and have continued our participation in the Collaborative Advantage, which is a working group of NZ businesses who seek to address environmental and social issues in their operations and supply chains.

To support the reduction of risk and improve supply chain transparency, we request all international Own Brand suppliers to onboard onto Sedex, which is a platform used to self-assess and audit environmental and social risks in supply chains. Where any risks are identified as medium or high risk, we require the completion of a social compliance audit. As of the end of FY24, all but one site has completed onboarding onto Sedex, with the remaining supplier expected to do so within FY25. We also require our New Zealand produce suppliers to undertake social audits and we are monitoring these.

Measure	FY23	FY24	FY25 Target
% of Own Brands international supplier sites onboarded to Sedex to monitor social and environmental risks (National)	71%	99.5%	100%
% of medium to high-risk Own Brands international supplier sites that have completed a social compliance audit	Not reported in 2023	67%	100%

ANIMAL WELFARE

We've continued to work with our supply partners to transition to 100% cage free eggs (barn raised or free-range) for all packaged eggs sold within our stores, and where egg is used as an ingredient in Own Brand products.

Despite supply challenges that we expect to remain in FY25, we've maintained progress towards achieving 75% cage free ingredient egg in our Own Brand products and will be working with Foodstuffs Own Brands to develop transition plans with an intention to meet this commitment by the end of FY25.

The decline in the number of stores that have gone 100% cage free is largely the result of supply issues associated with the government phase out of battery caged eggs and challenges faced by the sector including increased input costs. Resulting elevated prices for cage free eggs have seen shifts in consumer purchasing to more affordable colony egg options. Despite this, there was an increase in volumes of barn and free-range egg sales overall for the North Island, and we are still committed towards a phase out of caged and colony eggs by the end of 2027.

Measure	FY23	FY24	Target
% of Own Brands packaged eggs are cage free (National)	100%	100%	Achieved
% of Own Brands products use cage free eggs as an ingredient by 2025 (National)	47%* †	52%†	75% by 2025
Number of North Island stores have gone 100% cage free for packaged eggs by 2027 (own brand and vendor brand)	62 stores	55 stores	100% by 2027
% of North Island packaged egg sales (by volume) are cage free by 2027 (Own Brand and vendor brand)	58%	69%	100% by 2027

* Changed to align to national process as of 1 March 2023.

† The updated figure for FY23 and part of the increase in FY24 compared to last year's figure can be attributed to a new exclusion to our policy where egg as an ingredient that comprises less than 1% of the total volume of the formulation.

SEAFOOD

To support healthy fish stocks and marine ecosystems, our goal is that by the end of 2025 all wild and farmed seafood in our Own Brands products will be responsibly sourced. We verify and audit our seafood sourcing against independent certification standards, such as the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC).

There are four remaining product ranges that we are focusing on to meet our commitment in FY25: frozen prawns, smoked salmon, tuna pouch and canned mackerel.

We still provide customers with other responsibly sourced and affordable canned seafood options such as our MSC-certified tuna and salmon, and sardines. Due to challenges in sourcing affordable and responsibly sourced Own Brand canned mackerel, we made the decision to discontinue this offering until a suitable option arises. We expect to sell through stock in Q3 of FY25 and are working closely with MSC to look for other suitable supply options.

Measure	FY23	FY24	Target
% of Own Brands wild caught seafood are responsibly sourced	92%	89%	100% by 2025
% of Own Brands farmed seafood are responsibly sourced	58%	70%	100% by 2025

TIMBER, BAMBOO, PULP & PAPER

Foodstuffs has committed to the responsible sourcing of Own Brand products containing timber, bamboo, pulp and paper by the end of 2025 to help mitigate deforestation and climate change risks.

To meet this commitment, Own Brand products must be sourced in line with independent certification standards such as the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) or be made of at least 95% recycled content. We will continue to work with supply partners to transition remaining products to meet our commitment.

Measure	FY23	FY24	Target
% of Own Brands products using responsibly sourced timber, bamboo, pulp and paper (National)	74%	84%	100% by 2025

PALM OIL

Foodstuffs has committed to the responsible sourcing of Own Brand products containing palm oil by the end of 2025 to help mitigate deforestation and climate change risks.

Palm oil is the world's most produced vegetable oil. It is widely used in both food and non-food grocery products. It is valued for its versatility, taste, texture, shelf life and is also the highest yielding vegetable oil crop, which means it is very efficient to grow. Despite such benefits, irresponsible production practices have caused harm to people and the environment.

This is why Own Brands is committed to sourcing Roundtable on Sustainable Palm Oil (RSPO) certified palm oil. RSPO are a non-profit organisation who ensure that certified palm oil is from sustainable sources produced against a set of environmental and social criteria.

Palm (kernel) oil and its derivatives used in the manufacture of our Own Brands products must be from independently certified sources such as the RSPO.

Measure	FY23	FY24	Target
% of Own Brands products use responsibly sourced palm oil (National)	99.5%	100%*	100% by 2025

*These figures are calculated for each calendar year and are reported through the RSPO Annual Communication of Progress mechanism, a requirement of our RSPO membership. Products with less than 1000 units sold per annum are excluded from reporting, they are however immaterial to overall progress.



Meaningful Work

INVEST IN OUR PEOPLE

We invest in our team members by offering learning opportunities in every area of our co-op, to help them gain knowledge, skills and qualifications, and to equip them for meaningful careers.

We continue to review our targets annually to ensure we have strong engagement in our learning programmes.

Measure	FY23	FY24	FY24 Target
% of Foodstuffs and North Island store employees enrolled in Foodies formal learning programmes	7.7%	10.1%	8.5%

FAIRNESS AND INCLUSIVITY

In FY24, Foodstuffs North Island focused on improving pay parity and pay equity through initiatives such as reviewing remuneration data with external specialists, having pay parity as a focal point during remuneration review and considering the impact of remuneration changes throughout the year on pay equity.

Measure	FY23	FY24	National Average
Ensuring a Gender Pay Gap that is below the national average across the North Island (Support and Distribution Centres)	2.0%	-0.2%	8.6%

SUPPORTING OUR PEOPLE'S WELLBEING

Foodstuffs North Island is committed to providing safe and healthy working conditions, focusing on management of our critical risks, encouraging team engagement and the promotion of continuous improvement.

FY24 saw a focus on driving accurate contractor reporting of risks and injuries, which has meant an increase in TRIFR. FY25 sees a continued focus on accurate data reporting and preventing the occurrence of serious incidents.

Measure	FY23	FY24	FY25 Target
Lost-Time Injury Frequency Rate (LTIFR) across the North Island	2.3	1.3	Year on year improvement
Total Recordable Injury Frequency Rate (TRIFR) across the North Island	14.1	22.5	

Supporting Local Communities

IMPACT OUR COMMUNITY GROUPS

Our local Owner-Operators work in the heart of their communities. They know their communities well and are passionate about supporting areas where they see the greatest need, including through financial giving. In FY24, Foodstuffs North Island Owner-Operators gave \$7 million to their local communities.

Our New World stores ran a very successful 'Family2Family' campaign in April 2023, and partnered with City Missions and local food banks nationally to give back to local communities. North Island customers donated over 15,544 bags, and New World donated \$250,000 to the Missions and local food banks nationwide.

Foodstuffs North Island also partnered with local community groups to open five more social supermarkets in FY24, to support people experiencing food security challenges. We opened our first Auckland site in June 2023, plus others in Palmerston North, Napier, Paeroa and Porirua – taking the total to 10.

Our HereforNZ Committee oversees the HereforNZ fund, which is supported by all North Island PAK'nSAVE, New World, Four Square and Gilmours stores, and is a way for Foodstuffs North Island to provide direct support for communities. In FY24 \$554,384 was given out including an end of year grant of \$270,000 to our valued community partners, and funding for 14 food rescue organisations.

Measure	FY23	FY24
Amount donated by our stores to relevant local community organisations, causes and events across the North Island	\$6m	\$7m

