

2025 Annual Report

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Foodstuffs
South Island



Foodstuffs
South Island



Together we
feed the
South Island
and create
successful
communities.

In FY25 Foodstuffs South Island has continued to deliver for our customers and be there for our local South Island communities.

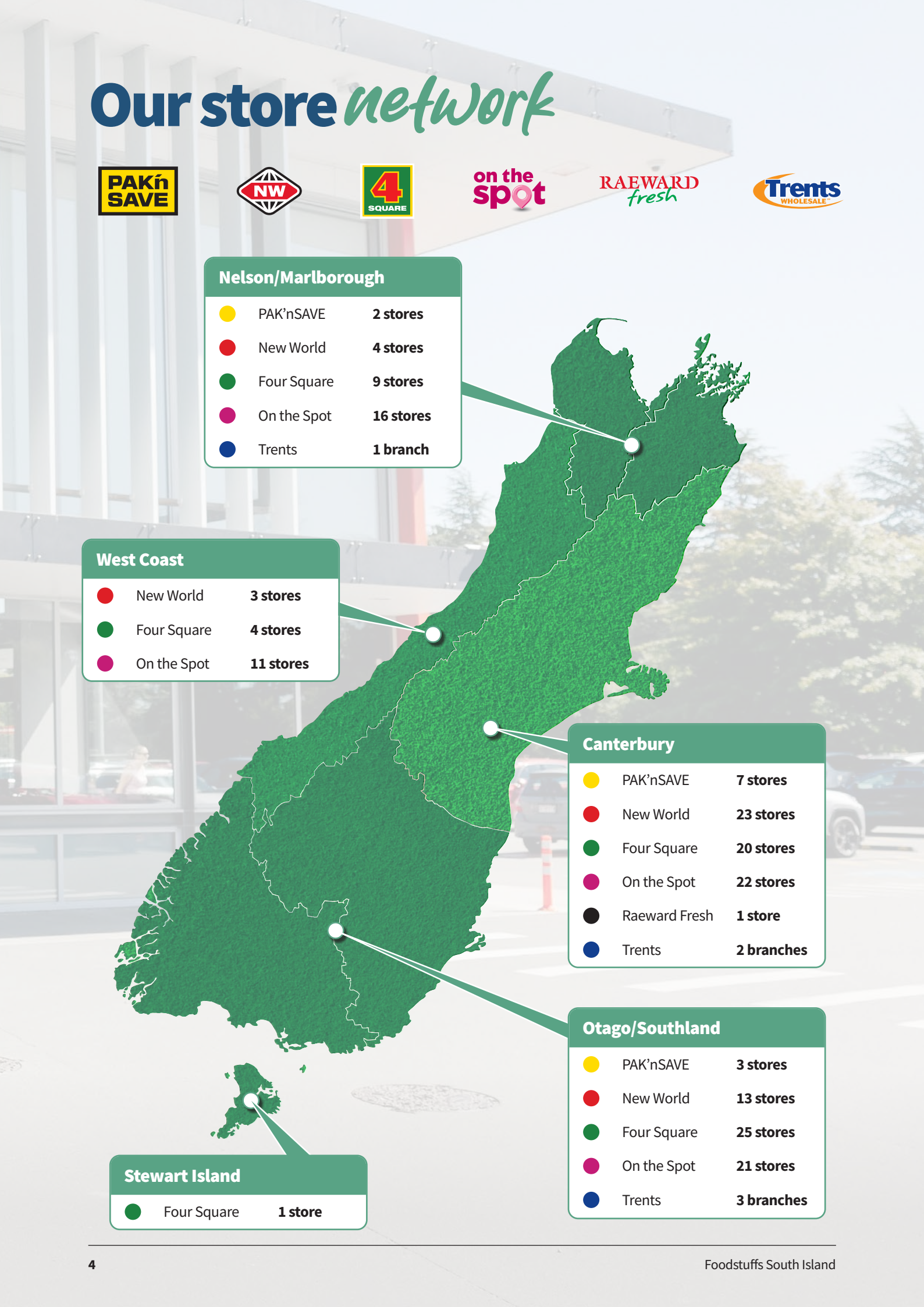
We’ve stayed focused on what matters: great value for customers, strong supplier partnerships, and positioning our co-operative for long-term success.

FY25 saw us focus on a number of major strategic projects - investing in technology, ways of working, and our supply chain to ensure we’re future-fit.

We’re proud of the progress we’ve made and remain driven by our vision: to be the South Island’s most loved and trusted retailer, positively impacting lives every day.

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FY25 Highlights



Supported
16
store ownership changes



Celebrated
100 years
of Four Square



Recorded a
40% decrease
in total injuries recorded at work



Go Live
of our new
SAP
Technology (S/4 HANA)



PAK'nSAVE
Customer promises score
reached record levels



Invested
\$51 million
in new stores and store upgrades



753
people completed leadership courses



Team engagement score increased to
69.4%



Opened
PAK'nSAVE Papanui


HereforNZ Highlights




Our Members donated over
\$2.5 million
to South Island communities




Over
5000
South Island tamariki participated in the Food for Thought programme




1.4 million
equivalent meals donated to local foodbanks and food rescue partners by our South Island stores




100%
of PAK'nSAVEs have transitioned to CO²-based refrigerant systems



72%
average landfill diversion rate



PAK'nSAVE
#1
for food affordability fairness



Health Star Rating displayed on
99.9%
of Own Brand products

A note from our *Chair*

In FY25, I believe we truly delivered on our purpose to feed the South Island and create successful communities. Our co-op model is built on family businesses and ensures New Zealanders get the products they need when they need them.

From Stewart Island to Collingwood, 1.2 million people call the South Island home, spread across just over 150,000km². With approximately 1.5 million transactions each week across 185 locally owned and operated stores, it is the scale of our network that enables us to efficiently deliver to our most remote communities just as we do for our bigger centres, and the passion of our local Owner Operators that brings our purpose to life.

Our Members are at the heart of our co-op, and this year we launched a Board sub-committee dedicated to strengthening Member development, performance, and the store selection process. By ensuring a fair, transparent, and high-performance approach, the Member Performance & Approval Committee (MPAC) is helping us build a strong pipeline of top-tier store owners who share our values and commitment to delivering for our customers.

Our co-op model allows us to support hard-working New Zealanders to own their own business, and we have a principle of appointing the best grocer for each store. In FY25 we welcomed five Owner Operators to the co-op and saw 16 stores change hands – an increase of three from the previous year. Seeing these people take on the challenge and opportunity of supermarket ownership with the support of the co-op behind them is one of the most fulfilling parts of being at Foodstuffs South Island.

FY25 marked a period of significant strategic change in our organisation, and over the past year we have seen excellent progress in all key pillars of our strategy: winning customer loyalty, growing our people and partnerships, leading and innovating to meet customer needs, and driving simplicity.

We take our commitment to provide for our customers across the South Island seriously, and in FY25 we focused on investing in value and innovation for customers and supporting our communities to thrive. In FY25 our stores donated over \$2.5 million to local community organisations, causes and events, an increase of over \$200,000 on FY24. This included a \$548,402 donation

through the Foodstuffs South Island Community Trust to South Island local communities, making a difference where it matters most.

We have been navigating a changing regulatory industry since the Grocery Industry Competition Act took effect in July 2023, and in FY25 we continued to respond to the evolution of our sector.

This included implementing unit pricing in store and online across tens of thousands of products to support customers continuing to make informed purchasing decisions and accurate price comparisons. We also continued to support the Grocery Supply Code and regulated wholesale access.

In FY25, the first Grocery Commission Annual Report was published. The report acknowledged the progress that has been made in our industry since the market study in 2022 and made it clear there was still work to be done. We remain committed to providing customers with value and supporting a strong, fair and competitive grocery market.

At the end of FY24, we proposed a merger with Foodstuffs North Island, driven by a clear ambition: “to become the best grocery co-operative in the world, owned by the best local grocery retailers and wholesalers delivering the best experience and value to New Zealanders”.

The Boards of both co-operatives approached this opportunity with the view that a merger must deliver meaningful benefits for customers and all our stakeholders. Our Members voted strongly in support of a merger, and we invested significant resource throughout FY25 to ensure the benefits of the merger would be delivered as quickly and effectively as possible for customers, Members, suppliers, and our team.

In October 2024 our application to merge was declined by the Commerce Commission. We remain committed to the merits of the merger and are currently in the process of appealing the Commerce Commission’s decision. A merger would make us more efficient and able to deliver more innovation and better value for New Zealanders – a goal we absolutely believe is worth continuing to pursue.

Financial review

The co-operative continues to maintain its strong financial position and all key financial ratios and associated measures remain within the guardrails of the Board and our funding partners.

In FY25 total revenue increased 2.4% from FY24 to \$3.7 billion. This was driven by increases in inflation and unit growth. The cost of running our co-operative continues to increase with employee, technology and financing expenses being the areas of highest growth. This follows investment in our people, the continued move from on-premise technology services to cloud-based services and financing expenses associated with the significant programme of investment made over recent years. We also invested further in preparing our co-operative for a merger with Foodstuffs North Island. Nonetheless expense growth was slower than revenue growth and as a result, the co-operative’s Profit Before Taxation increased to \$482,000 from a loss of \$13 million in the prior year.

In March 2024, the New Zealand Government enacted new tax legislation and, as a result, from the 2024/25 income tax year onwards companies can no longer claim any tax deductions for depreciation on all of their non-residential building structures. This resulted in a one-off, non-cash accounting expense in the Income Statement of \$46 million for the co-operative. Largely as a result of the deferred taxation adjustment, the co-operative has reported a Net Loss After Taxation of \$47 million compared to a loss of \$12 million in the prior year.

Like many countries, New Zealand has experienced higher than normal inflation. We work hard to mitigate the role we play in price movements due to inflation, and track the rate of food price increases at our stores in the same categories that Stats NZ monitors for food price inflation (FPI).

In FY25, our retail price increases averaged 0.2% less than the rate of food price inflation, and 2.2% less than supplier cost increases (on the products included in Stats NZ’s FPI basket). This was made possible by our commitment to buying well and running our co-operative efficiently, and it remains a continued focus for us every day.

Each month, we publicly reported on these numbers, demonstrating our commitment to transparency. Our

net profit after tax of the shelf-price of retail goods sold averages less than four cents per dollar. Around two-thirds of the shelf price covers the cost of buying the products. The next biggest proportions are our costs of doing business, and GST. We think less than four cents per dollar is a fair and reasonable profit, and because we’re 100% NZ-owned, any profits not invested in value and innovation are distributed to our NZ family grocers.

Thank you

I am proud to be a part of a co-op that is committed to feeding the South Island and creating successful communities. I want to sincerely thank all our team members across our distribution centres, stores, and support centre for your hard work, commitment, and resilience over the past year.

I also extend my thanks to our supplier partners and wider network for your continued collaboration and support.

Thank you to our Members and your families for your ongoing contributions and commitment to our co-operative.

Together, we’ve navigated a year of change and opportunity and emerged stronger, more connected, and more focused on delivering for the South Island communities we are proud to be a part of. I look forward to what we can achieve together in the year ahead.



Russell McKenzie

Chair

Owner Operator

New World St Martins



A note from our CEO

It has been a big year for our co-operative and we have continued to be driven by our vision: to be the South Island's most loved and trusted retailer, positively impacting our customers' lives every day.

Over the past three years we have concentrated on four strategic pillars: winning customer loyalty, growing our people and partnerships, leading and innovating, and focusing on simplicity. This has been a period of significant strategic change, and in FY25 we have made further investments in the fundamentals of our co-op and our ways of working.

We continued to drive hard to increase efficiency and achieved several key milestones as we progressed projects to simplify and reduce cost across our value chain. The first of these was the go-live of our new SAP technology (S/4 HANA) in March 2024, marking a significant milestone for our co-op.

On track to be fully operational in late 2025, the build of our new frozen distribution centre at our Hornby DC will enable us to increase our freezer capacity as well as improve efficiencies across the supply chain. This 2,500m², fully automated facility will be the most advanced freezer in the South Island and future-proofs our network, ensuring consistent ongoing product availability for customers.

Another key milestone was completing the deployment of two interconnected, modern payroll and rostering platforms. Launched in 2018, we completed the rollout to all our New World and PAK'nSAVE stores in FY25, streamlining our ways of working and enabling us to better understand our teams through enhanced data accuracy and improved visibility of core people information.

In FY25, we introduced a range of customer-centric initiatives designed to add value and build loyalty. The successful return of PAK'nSAVE Mad Days deals demonstrated the importance of providing different ways for our customers to find value, while the simplification of the Clubcard programme and introducing the ability to earn and spend New World Dollars directly helped drive customer loyalty and strengthened engagement across the South Island. With approximately 1.5 million transactions recorded each week across our stores, our Customer Promises Tracker has provided critical insights to ensure we consistently meet our brand promises.

This year, our brands continued to perform well overall. New World had a year of solid execution, with another successful continuity programme supporting revenue growth of 0.5%. PAK'nSAVE finished the year strongly with a 4.8% increase in revenue, demonstrating the importance of delivering value for our customers. Our strong refurbishment programme, transitioning to 4.0 brand standards, and increases in tourism saw Four Square increase revenue by 2.2%. On the Spot has performed well, ending FY25 on -0.5% revenue by focusing on store execution and food-to-go solutions.

This year we enhanced the ways we engage with suppliers, including in-person and virtual Foodies Forums and regular supplier newsletters. Our joint business planning approach continues to enable more strategic discussions and improved outcomes for us, our suppliers, and our customers. A valuable engagement was a successful session hosted by our retail media network, Precision Media, where suppliers learned strategies to enhance their retail media planning. We are committed to delivering innovation and continue to support new product development as one of our core competencies.

Our continued commitment to positively impacting our communities remains steadfast through our HereforNZ promises and the Foodstuffs South Island Community Trust. In FY25, our stores donated over \$2.5 million to local community organisations, causes and events, an increase of over \$200,000 on FY24. This included a \$548,402 donation through the Foodstuffs South Island Community Trust to South Island communities, making a real difference to our local communities, team members and their families, supplier partners and the environment.

Our industry has faced challenges in recent years, including inflationary pressures, global disruptions, and shifting regulations. We have spent significant time over the past year engaging with Government and regulators to ensure our work together is constructive and impactful for New Zealanders and continue to invest in numerous initiatives in response to industry reform.

With the support of our Community Trust, we have continued to make a real difference to our local communities, team members and their families, supplier partners and the environment.

At the end of FY24, our Board and the Board of Foodstuffs North Island put forward an application to the Commerce Commission to merge our two 100% New Zealand-owned co-operatives into one national grocery co-op.

We approached this opportunity with a shared commitment to making New Zealand's grocery industry world-class. We have a clear aspiration and rationale, the benefits are evident, and our Members voted strongly in support.

While the Commerce Commission declined our application to merge, we remain convinced that merging is the right thing to do for our customers, Members, teams, suppliers, and for New Zealand. We know it will make us more competitive, efficient, and agile, and allow customers to benefit from our united ability to invest more in what they care most about: value, innovation, and convenience. That's why we are pursuing an appeal of the Commerce Commission's decision.

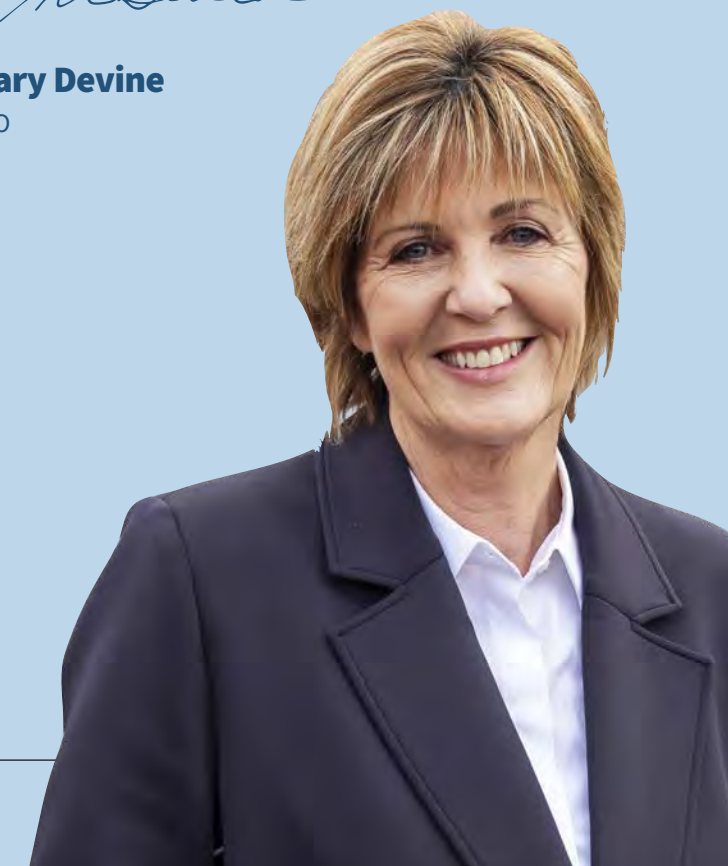
Throughout this journey, one thing has remained clear: our people are our greatest strength. I am proud of the resilience, focus, and professionalism our teams have shown during a time of uncertainty. To maintain our positive culture in FY25, we increased the touchpoints with our teams and Members, introducing frequent feedback mechanisms, monthly virtual updates, and regular opportunities for our teams to engage with leadership. Our support centre and supply chain team engagement score increased from 65.7% in FY24 to 69.4% in FY25. This outstanding result recognises our ongoing commitment to creating a culture where our people can perform and thrive. Our Members' engagement also remained strong this year at 72%.

Looking ahead, we're focused on optimising our investments and building on our momentum to deliver world-class outcomes for customers and Members. Our strategy for the year ahead is simple and clear—focus on retail excellence, become a truly world-class co-op, and continue to simplify how we work so we can keep delivering on our purpose.

In a rapidly evolving retail landscape and continued regulatory changes, our co-operative is well positioned for what comes next. With strong foundations, a clear strategy, and future-focused teams, I am confident that together we will continue to deliver positive outcomes.



Mary Devine
CEO



Brand Reports

WE LOVE
LOCAL!

We work with growers all over New Zealand
to bring you the freshest produce

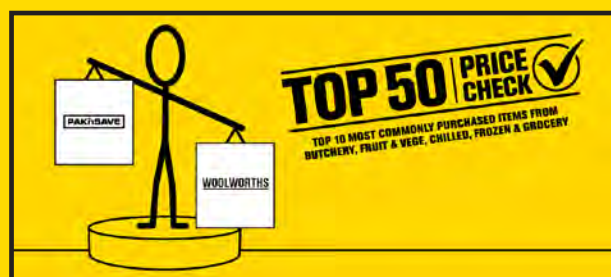


PAK'nSAVE

PAK'nSAVE continued to play a leading role in delivering low prices and a great shopping experience, helping New Zealanders get the best value every time they shop.

Delivering value

Our Customer Promises Tracker (CPT) remained a key measure of how well we're delivering for customers. In December 2024, our CPT score reached record levels, finishing 110 basis points ahead of December 2023, driven by fresh quality, low prices, and an improved in-store experience. Our 'Cheap As' promise also realised strong growth, lifting 170 basis points from December 2023 to December 2024.



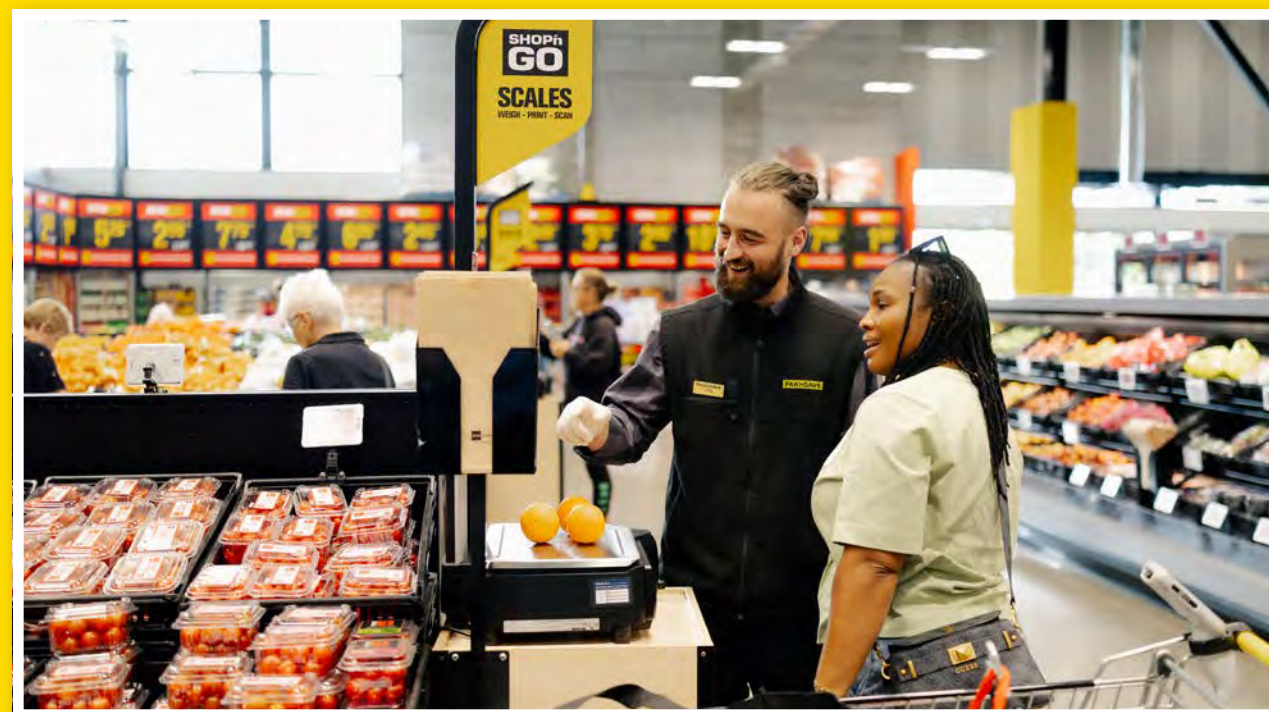
With value for customers front and centre, we also enhanced PAK'nSAVE's Top 50 Price Check tool, making it even easier for our customers to compare prices between competitors at a local level. In a New Zealand first, these results were dynamically promoted through Video on Demand, giving customers direct insights into their savings.

One of the biggest highlights of the year was the return of our Mad Day campaign. The one-day sale, which we brought back after a three-year hiatus, was one of the ways we made it easier for our customers to find value in their shop. We partnered closely with suppliers to provide amazing deals to shoppers across the South Island – and each store topped it off with in-store promotions of their own to go above and beyond delivering incredible savings to customers.

Strengthening a trusted, iconic Kiwi brand

PAK'nSAVE's bold, customer-centric marketing approach continued to go from strength to strength in FY25. We are proud to have received over 20 industry awards in 2024, including recognition from IAB NZ Digital Advertising, Speccy, Beacons, Readers Digest, and Axis Awards. Our Marketing Team were named Marketing Team of the Year at the YouTube NZ Marketing Awards, which recognised the team's strategic impact on our brand performance.

Our social media following continues to grow year-on-year, with our largely organic TikTok content reaching over 40,000 followers and 1 million likes. In FY25 we celebrated a major milestone, reaching 1 million followers across all our social platforms. These channels remain key to helping customers find value and we have seen strong engagement across the board.



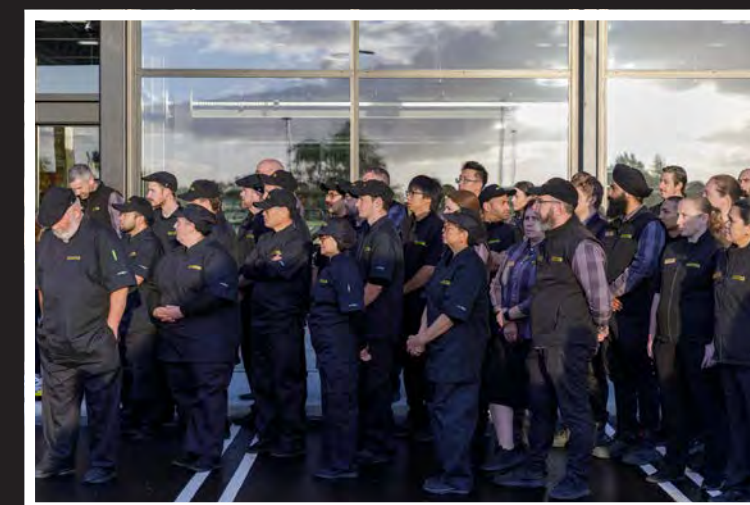
**HELPING KIWIS
FIND VALUE!**

Building meaningful careers

In FY25 we shone a light on our store teams through a mini content series that shared some of the stories of incredible careers at PAK'nSAVE. This reinforced the important role PAK'nSAVE plays in creating jobs and growing talent in our communities.

Opening PAK'nSAVE Papanui

Another major milestone for the banner was the opening of the PAK'nSAVE Papanui store. After a complex development and construction phase, this store opened on 19 March 2024 and has exceeded our sales targets by 40%, delivering a fantastic new brand experience to our customers. Owned by Bryan Walker and Lucy Boock, this is the first new PAK'nSAVE in Canterbury since 2015 and has created 100 new jobs, alongside the 210 team members who transferred from PAK'nSAVE Northlands. With natural light, wide aisles, and modern sustainability features like solar panels and EV charging, the store was designed to deliver an excellent shopping experience at a low cost.



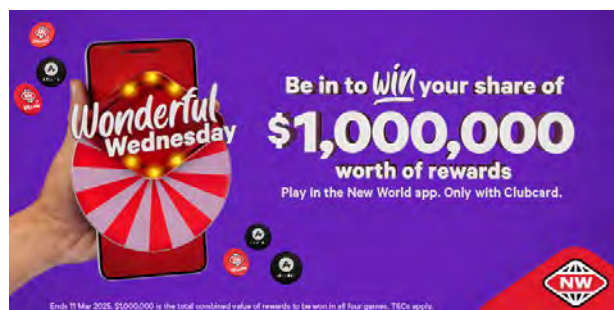


**Find Your
Wonderful**



In FY25, New World continued to deliver more value for customers and strengthen its brand loyalty by creating a more rewarding shopping experience.

A key milestone was the launch of Find Your Wonderful, a new brand platform designed to build long-term brand equity and create a more consistent, connected New World customer experience. Find Your Wonderful celebrates why New Zealanders choose to shop at New World and has strengthened our brand throughout the South Island.



Building customer loyalty

Our loyalty programme, New World Clubcard, continued to evolve, helping customers find more value at New World. In FY25, key highlights included:

- In November 2024, we simplified the Clubcard programme with the removal of Flybuys and the ability to earn and spend New World dollars directly, giving customers a more seamless way to redeem rewards.
- Customer engagement with Clubcard grew, with higher scan rates and an increased awareness of New World Dollars.
- We increased capability in the New World app, particularly the Wonderful Wednesday game which successfully increased customer engagement with the app.
- We ran another successful continuity campaign with customers redeeming nearly 400,000 Kitchen Aid containers.

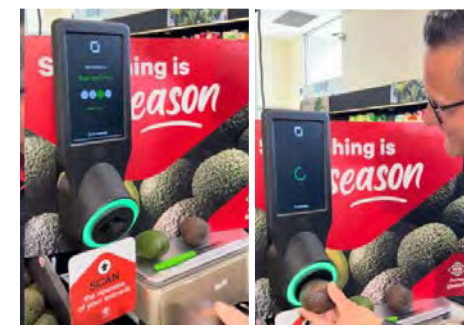
Delivering a standout festive season

New World continues to be a go-to destination for the festive season. Our optimised seasonal plan included numerous promotional campaigns from Black Friday through to New Years to help customers find more value for all their festive season hosting needs. The seasonal plan combined strong brand advertising with a well-executed promotional programme, and the strong engagement from our customers showed that New World played a big part in making festive celebrations special in the South Island.



Value for customers

We remained focused on delivering our three customer promises: Fair Value Every Day, Inspiring Solutions, and Awesome Experiences. Our Customer Promise Tracker score continued to improve, with an uplift of 0.7 points overall. The biggest increase was in Fair Value Every Day, increasing from 74.2 to 75.4, highlighting our commitment to helping customers find value through our Every Day Low Price (EDLP) programme.



Our Owner Operator model enables our stores to tailor innovation for their communities. New World Ilam invested in an avocado scanner allowing customers to check a fruit's ripeness, so they know whether an avocado is suitable for nachos tonight or whether it needs longer to ripen. The machine is also proving valuable for the instore team as they are able to select the right avocados to make the day's sushi.



Giving back to our communities

In 2024, New World ran our fifth Family2Family campaign, supporting local foodbanks. South Island customers donated 14,392 bags of foodbank-friendly items, with New World contributing an additional \$250,000 to the three City Missions and foodbank partners nationwide to support Kiwi families in times of need.

Another way we gave back is through our Christmas Kindness campaign. Our New World stores gave away over \$20,000 worth of groceries across the South Island as part of a national campaign to make Christmas a little bit easier for deserving whānau.

To share some of our wonderful stories of how New World gives back to our communities, we partnered with Seven Sharp and showed the different ways our local stores support customers, communities, and suppliers across New Zealand. The segment featured stories from two of our local stores, New World Northwood and New World Kaikōura.

The festive season can be a tough time for many people in our communities and as part of the New World Kindness campaign, Greg Boock, Owner Operator of New World Northwood hosted a breakfast shout to show appreciation to some of the amazing people doing awesome work supporting our communities.

He also surprised the Christchurch North Salvation Army with a free trolley grab around New World Northwood to help them fill Christmas food bags for families in need. The team filled five trolleys with nearly \$9,000 worth

of goods, and it was fantastic to have the opportunity to positively impact many in our community with this contribution.

The New World Northwood team also gave \$1,000 to Belfast Primary school, helping them build their new playground. A great way to spread the festive cheer!





In 2024, Four Square celebrated a century of serving local communities with a year-long celebration of our history, strong brand presence, and commitment to delivering value for customers.

From exclusive merchandise to strategic partnerships and store investments, Four Square's 100th year reinforced its place as Kiwis' trusted local grocer.



Recognising an iconic kiwi brand

Four Square's centennial celebrations and brand evolution were recognised at the 2024 Effie Awards, earning a Silver in Brand Revitalisation/Transformation. This award celebrated and recognised our brand identity refresh, innovation, and customer-led engagement.



Celebrating a hundy!

To mark the milestone, we launched 100-year limited edition merchandise, which saw strong demand highlighting the strength of the Four Square brand in the South Island.

We also partnered with well-known New Zealand brands for 'Brollab' collaborations, creating exclusive products such as:

- Birthday Cake Cookie Time Cookie
- Behemoth Hazy of the Century
- Limited Edition Wattle's Tomato Sauce packaging
- The return of Fruju Orange Crush singles

To take the celebration nationwide, we teamed up with ZM for the Hundy Tour, bringing Brollab product sampling to 17 stores across the country.

Our South Island Owner Operators also joined us for a 100-year gala dinner, celebrating their contributions to local communities. They brought their local communities in on the action with sharp specials, giveaways, and local events.

Bringing communities together

Four Square partnered with SIX60 for their Grassroots Tour, bringing two Kiwi icons together to celebrate rural New Zealand.

This partnership strengthened our brand love, and our exclusive co-branded merchandise proved very popular with both our customers and teams! The SIX60 Tiny House made appearances at selected stores, our support centre, and in some cases, customers had the chance to meet the band in person.

Best-in-class instore experiences

Our Owner Operators continued to invest in upgrading their stores to the Four Square 4.0 store design standards, improving the customer retail experience through better layout, expanded product ranges, and enhanced availability.



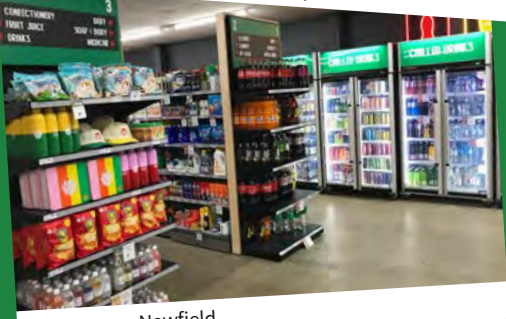
Four Square Arrowtown



Four Square Brightwater



Four Square Mapua



Four Square Newfield



on the spot

Driving brand growth and enhancing the customer experience

In 2024, On the Spot's brand continued to grow by focusing on delivering excellent in-store experiences and offering real value for our customers. We focused on expanding our presence and providing the communities we serve with a top-tier convenience store experience.

A highlight of the year was the opening of our new On the Spot store in The Meadows community in Richmond, Nelson. This store demonstrates the future of our convenience offering, featuring a broad range of groceries, fresh goods, and a full takeaway selection.

The store perfectly reflects our commitment to delivering on our customer promises:

- 📍 **Always Welcoming**
- 📍 **Always Fairly Priced**
- 📍 **Always Convenient**

With an inviting atmosphere, a great product range, and everyday fair prices, the store has quickly become a valued part of the local community, offering a seamless shopping experience to meet every day needs.

We continue to focus on our food-to-go offerings, bringing attention to this in-store and through increased social media engagement. This includes strengthening our supplier partnerships to drive product promotion, helping to boost visibility and sales.



The launch of our 'Made in Store' food labels proved to be a huge hit with customers, increasing visibility and boosting sales of fresh, in-store made products. This initiative has resonated well with our customer base, highlighting the quality and freshness of the food we offer.



RAEWARD *fresh*

your fresh food people

The Raeward Fresh brand has been challenged in recent years by changing consumer needs and trends toward everyday essentials, value, and convenience.

Each of our Raeward Fresh stores had quite distinct catchments and serviced their community in different ways, and throughout 2024 we worked closely with each of our Raeward Fresh Owners on plans for their individual stores.

After careful consideration and a review of the business, we identified that three stores were no longer in the best position to meet changing customer needs and behaviours. Following a consultation process with their team members, two stores closed their doors, and one store transitioned into operating under an independent brand.

Raeward Fresh Tower Junction has remained operational while we have been working closely with the owner to identify the best steps forward for their business.

We would like to take this opportunity to thank all our Raeward Fresh team, suppliers, and customers for their hard work and support over the years, and the Owner Operators for the fantastic offering they've provided to their community.

LiquorLand

Liquorland's market share increased in FY25, with 173 stores nationwide offering New Zealanders a local specialist liquor retailer with a wide range of products and expert advice.

Value continued to be front of mind for our customers and this influenced declining volume in the second half of the year. Sales in value categories grew as more customers sought options to better suit their budget.

We continued to see growth in the "better for me" sector alongside an increase in low carb and lower sugar RTDs. New products remained key to growth with highly successful launches in flavoured whiskey—in particular peanut butter and cinnamon. The spritz segment also continued to grow as new customers searched for taste alternatives.

We also saw increases across our customer database and social media following, and liquorland.co.nz was the most visited liquor website in the country. Our national campaigns were well-executed by stores and successfully delivered strong category and occasion-based propositions to customers. We have been pleased to maintain strong results in FY25 and look forward to continuing to offer great liquor options to New Zealanders in the next year.



In 2024, Trents made significant strides in positioning itself as a standalone wholesale business, focusing on providing more relevant, flexible, and dynamic solutions for foodservice customers. The transition will enable Trents to meet the evolving needs of South Island and national customers, ensuring increased competitiveness in the wholesale market.

This new operating model will be focused on the modern foodservice customer, with a complete fresh offering and enhanced capabilities to scale the business to new customers.

FY25 saw Trents make significant progress including the transition to SAP Wholesale to ensure business continuity and efficiency.

Another milestone was the separation of our Trents systems and operations from our Dunedin distribution centre, enabling true standalone capability and improved operational flexibility.

The acquisition of Raeward Fresh Tasman Butchery strengthened Trents' strategic wholesale meat offerings, allowing us to provide higher-quality fresh meat options to our customers.

Trents continues to work towards establishing standalone wholesale operations in Christchurch, which will include ambient, chilled and frozen capability. The work on our new Christchurch site at Seymour Street is on track for completion in FY26.

As Trents continues to evolve as a standalone business, we remain committed to delivering excellent service, flexibility, and a full fresh offering to our customers.



Foodstuffs Precision Media

In 2024, we celebrated Foodstuffs Precision Media's second anniversary, marking a year of significant growth, transformation, and success. During our second year of operation, we focused on three key pillars: **optimisation, expansion, and education, each contributing to our continued evolution.**

Our optimisation efforts were highlighted by a remarkable leap in in-store compliance, increasing from the global average of 85% to an impressive 92%. Additionally, we introduced a new specialist insights and measurement team, delivering deeper analysis and actionable insights to refine and optimise our strategies.

On the expansion front, we added 17 new in-store point-of-sale elements across the grocery, chilled, and liquor categories, elevating the customer experience. As the FlyBuys partnership came to a close in November, we responded with a more robust Electronic Direct Mail (EDM) offering for suppliers, which now includes New World Dollar rewards, branded offers, and recipe pairings targeted at Clubcard customers, providing greater value and engagement.

In the face of the global growth of retail media, we placed a strong emphasis on education. We took a proactive

role in hosting supplier workshops, sharing insights on Precision Media's science-led approach to measurement, store selection, creative strategy, and insights. To further strengthen supplier relationships, we scoped the Retail Media Accreditation Certificate, which will provide suppliers with a deeper understanding of retail media and best practices for driving success. This new initiative will be available to our clients in early 2025.

As we closed out the year, we saw a 42% increase in the number of suppliers engaging with us compared to 2023, and the number of campaigns in the market doubled. At the core of all our initiatives, we remain committed to a science-led approach, leveraging data-driven strategies to deliver measurable, impactful results for our partners and an excellent instore experience for our customers.

Foodstuffs Own Brands



Delivering trusted quality, value and innovation to customers through own brand products

Foodstuffs Own Brands' mission has always been to deliver quality, affordable products that New Zealanders love and trust. In FY25, customers purchased 147 million own brand products from PAK'nSAVE, New World, Four Square, On the Spot, and Trents stores across the South Island.

As shoppers continue to seek value, our own brand range provides choice, competitive pricing, and makes decision-making easier, by giving them 'go-to' brands they know and trust. With over 2,500 products available across Pams, Pams Value, Pams Finest, Gilmours, and exclusive labels, our own brands range accounted for 13.2% of South Island store sales over the past year.

While pantry staples remained popular, we continued to broaden our range to provide solutions for more New Zealanders. In FY25, we launched 67 new own brand products, designed to align with evolving customer preferences and trends.

Among them were Pams Mini Ice Cream Sticks in Classic Vanilla & Chocolate and Chocolate & Almond - developed to offer an affordable option in the growing multipack ice cream segment. Tapping into current flavour trends, we introduced a seasonal summer twist on a Kiwi favourite: Orange and Five Spice Whole Chicken, available both fresh and hot cooked - delivering a convenient, flavour-packed meal solution.

We also responded to increasing demand for special dietary products with the launch of Pams Gluten Free Flours in both Plain and Self-Raising. Looking ahead, we have over 30 new products in development for early FY26. We're excited to continue delivering value, innovation, and trusted choices to our customers.

Championing a popular brand, healthier choices, and ethical sourcing

This year, we proudly celebrated Pams being "the most popular grocery brand in the land". Building on our simplified brand strategy, our marketing continued to hero the iconic red Pams logo - keeping the brand top-of-mind for customers and making it easier for them to spot Pams products in-store.



Some see a chopping board, others a bread tag. To us, the Pams logo is a trusty shopping bag! Very fitting for Pams, "the most popular grocery brand in the land", with our products finding their way into so many shopping bags across the motu.

We continued to support our customers in making healthier choices and are on track to have Health Star Ratings on 100% of intended own brand products in 2025. Our ongoing collaboration with the Heart Foundation also helps improve the nutritional value of our products through formulating to reduce saturated fat, sodium and sugars.

Our commitment to responsible and ethical sourcing remains a priority. This year, we launched the Foodstuffs Own Brands Cocoa, Coffee, Tea, and Cane Sugar Position Statement, outlining our preference for sourcing these high-risk commodities from independently certified programmes.

We also updated our Palm Oil Policy and Timber, Bamboo, Pulp, and Paper Policy to align with current best practices. These updates strengthen supply chain traceability, requiring certification at both the product/manufacturer and ingredient/raw material levels.

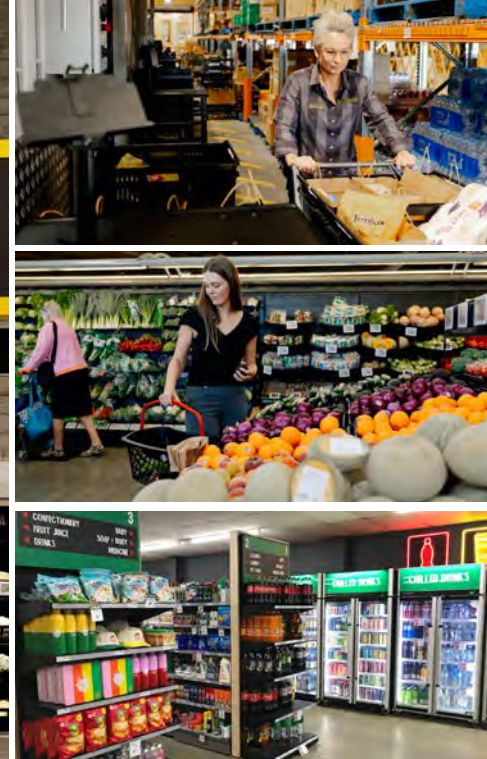
We're proud of the role we play in supporting our customers, communities, and co-operative. Throughout FY25, we remained focused on maintaining a product portfolio that was both customer-centric and commercially resilient, while navigating an increasingly complex regulatory landscape.

Looking ahead, we'll continue delivering innovation, choice, and value - staying true to our purpose of doing the right thing for our customers and communities and partnering with our stores to offer the quality and affordable products New Zealanders know and trust.

Delivering value and driving efficiency

Feeding the South Island and delivering value through efficient systems, future fit stores, and a connected supply chain.





Investing in our *stores*

In FY25 we invested \$51 million in new stores and store upgrades, so our local communities can have world-class shopping experiences. Those stores also create local jobs and support local producers.

We continue to invest in our store network to ensure it is fit for the future - supporting our Members, improving operational efficiency, and reducing our environmental impact through our commitment to be Here for New Zealand.

A key focus this year has been improving energy efficiency across our network. We introduced a new role - Engineering, Services, and Energy Lead - to support Members with energy use reviews and to develop strategies for reducing consumption. Energy audits have now been completed at three stores and they are engaging energy consultants to implement reduction strategies. So far, stores have achieved up to 9% energy savings by following recommended changes.

We've also expanded the use of solar energy, installing rooftop solar systems at locations across our store and supply chain network.

These include:

- **PAK'nSAVE Papanui (325kW)**
- **PAK'nSAVE Queenstown (360kW)**
- **Temperature Controlled Distribution Centre Hornby (225kW)**

Capable of generating up to 25% of a store's energy needs these installations significantly help to reduce our carbon footprint.

All new stores are now being built with doors on upright refrigeration cases, and nine existing stores have now retrofitted these energy saving solutions. This upgrade can reduce refrigeration energy consumption by up to 15%.



During FY25, we also completed several full store CO₂ refrigeration upgrades including at our New World stores in Motueka, Stanmore, Ashburton, Rolleston, and Queenstown. These systems use natural refrigerants and are part of our long-term strategy to remove high global warming potential (GWP) synthetic gases from our store network.

We also carried out essential roof repair work across multiple locations, including our Dunedin Distribution Centre and New World stores in Dunedin, Temuka, Nelson, Northwood, Gore, and Ashburton.

These store upgrades and investments reflect our ongoing commitment to energy efficiency, sustainability, and maintaining a high-performing store network that delivers for our South Island communities.

Driving efficiency: *Supply Chain*

Our vision is bold: to be New Zealand's leading warehouse and logistics operation, and the number one employer of choice for supply chain careers.

Our strategic pillars:
Develop and Protect Our People, Optimise Today, and Transform Tomorrow

Our supply chain is the backbone of our co-operative, moving goods from suppliers to shelves every day across the South Island. With distribution centres in Christchurch and Dunedin operating 24/6.5, we are committed to delivering greater efficiency and value for our customers, Members, and supplier partners.

In FY25, we made strong progress on projects that will set us up to optimise our investments and build a world class co-op.

We continued to make significant progress on "Project AutoFreeze", from the first concrete pour in June 2024 to the building being fully enclosed in November. This fully automated, hypoxic fire suppression 2,500m² freezer expansion at our Christchurch Hornby DC campus includes an automated storage and retrieval racking system and is designed to increase our freezer capacity while unlocking operational efficiency.

With construction on track and the facility due for handover in August 2025, this will be the most advanced freezer in the South Island - future-proofing our network and improving product availability for our stores and customers.

This investment reflects our commitment to sustainability, with solar power integration, and automation that will support more efficient stock flow, reduce manual handling, and deliver long-term value.

We also made great progress on "Project Mako", our project to implement modern warehouse, transport, and asset management systems to our supply chain operations. These new systems are critical to improving reliability and agility across our supply chain.

Together, AutoFreeze and Mako represent a step-change in how we manage our supply chain and enable us to continue supporting our stores and feeding the South Island.



Following the success of our supply chain tours in FY24, we opened our doors to our teams and supplier partners to give tours of our supply chain. This opportunity gave our suppliers and team members a valuable insight into how we are building a world-class supply chain.



Our People and *Culture*





The passionate, hardworking, and caring people who make up our co-operative are the secret to our success and central to everything we do.

Our teams are the driving force behind delivering value, excellent retail experiences, and innovation for New Zealanders right across the South Island.

Driven by our values; Together We, Drive Success, Be Your Best, and Care for our Whānau, our teams show up every day with a commitment to feeding the South Island.



Creating an environment that supports our people to thrive and perform

Our organisational culture sets us up to deliver for our customers. To ensure we are focusing on the right areas to create a positive and high-performing working environment, we regularly run “Have Your Say” team engagement surveys that give our teams an opportunity to share feedback on their experience working at Foodstuffs South Island. The results provide insight into what’s working well for our team, and what they need more of to thrive and perform. It also provides our engagement score – the key metric that helps us understand the overall sentiment from our people.

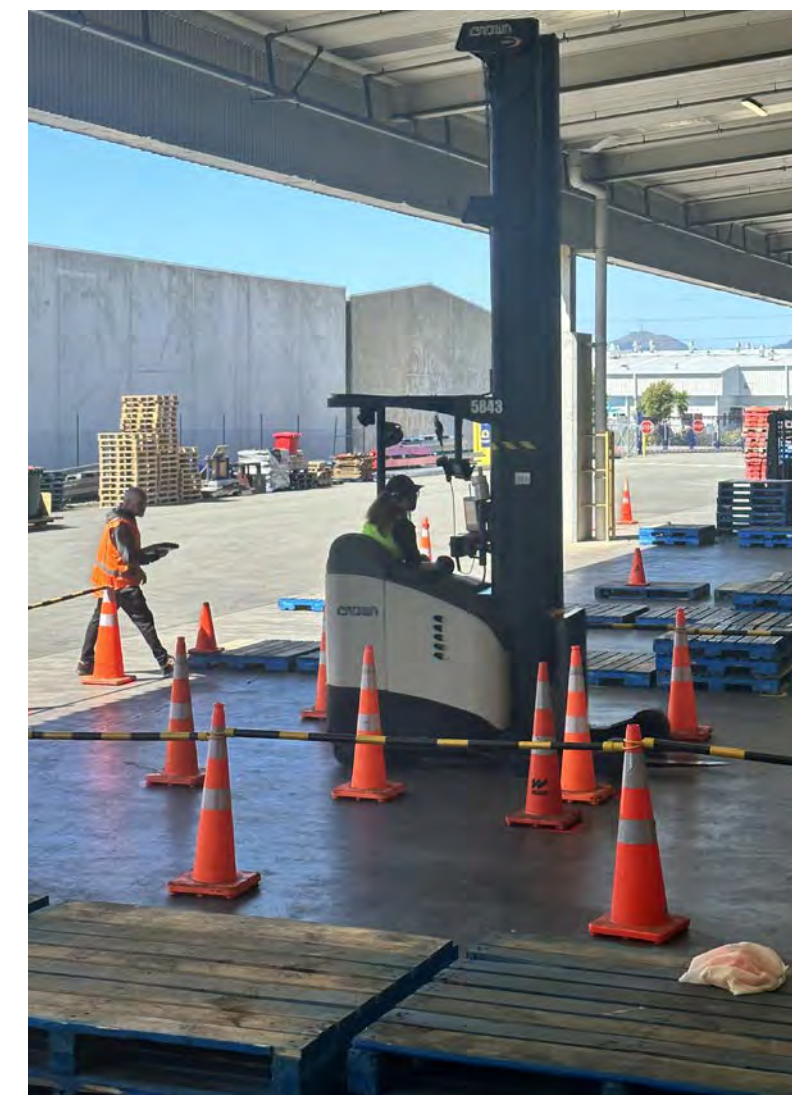
Our support centre and supply chain team engagement score increased significantly from 65.7% in FY24 to 69.4% in FY25. This excellent result recognises our ongoing commitment to creating a culture where our people can perform and thrive. During FY25, we strengthened leadership capability and supported meaningful initiatives that contribute to a culture and environment where our people feel they belong.

FY25 also saw us make significant investment in our payroll and workforce rostering systems. This future-focused work enables our stores to better understand their teams through enhanced data and insights on shift patterns, labour requirements, and people-related information.

Our support centre and supply chain team engagement score increased significantly from 65.7% in FY24 to 69.4% in FY25. This excellent result recognises our ongoing commitment to creating a culture where our people can perform and thrive.

We continued to offer a variety of different opportunities for our teams to connect with each other, including social events, regular development courses, and team days. A highlight across all our sites was the “15-minute Challenge”, where our people competed in teams to achieve at least 15 minutes of movement every day. We also continued to receive great feedback on Furry Friend Fridays, where our Support Centre teams are able to share the joy of their pets with their fellow team members.

A highlight for team members from our Hornby and Dunedin distribution centres was our annual Forklift Champions League where they had the chance to demonstrate their skills and enjoy some friendly competition. The event was a masterclass in machine handling and provided team members with a valuable opportunity to showcase their skills in safety, precision, and operational efficiency. It also highlighted the essential expertise required to keep shelves stocked across the South Island.



Home *safe* every day

At Foodstuffs South Island the safety and wellbeing of our people is paramount, and we are committed to making sure everyone gets home safe, every day.

Over the past year, we have continued to strengthen our health and safety systems to help our teams identify and manage risk proactively.

In FY25, we recorded a significant 40% decrease in injuries at work. Importantly, our reporting rate for 'near miss' incidents and other health and safety events has remained steady, reflecting the progress we have made in supporting a positive reporting culture while more effectively identifying and managing risks.

One of our key initiatives is the Early Intervention Programme (EIP). Entering its second year, the programme continues to provide access to physiotherapy support for team members experiencing discomfort or early signs of injury. It's designed to intervene before issues become more serious, and the



results have been positive. Of the 746 interventions to date, 63% were successfully resolved without progressing to formal injury claims, helping reduce both risk and recovery time.

The Critical Risk Taskforce, made up of front-line team members and leaders from across our supply chain, has also played a key role in reducing risk. Together, the Taskforce helped identify safer ways to carry out high-risk tasks in operational areas such as our loading docks. We have also sought out stronger controls for several of our critical risks leading to practical improvements such as push-through protection in racking, battery charging ventilation upgrades, and physical separation between people and machinery. These changes are reducing exposure to risk and are making a measurable difference in our workplaces.

We also significantly increased the health and safety support provided to stores with the launch of a dedicated Health and Safety framework. This includes store visits, engagement sessions, capability-building webinars, and regular check-ins from our Health and Safety team. This hands-on support is helping stores strengthen their safety culture and build confidence in managing their risks effectively.

This year, 105 leaders and supervisors from Trents and our Supply Chain, took part in targeted safety leadership development. Our Supply Chain team also completed 3,152 hours of compliance training - a 9% increase on the previous year - supporting a stronger, more confident safety culture at all levels of the business.

Across the board, we're seeing greater team engagement, more proactive conversations, and earlier action to mitigate risks.



Highlights

WE RECORDED A
40% decrease
IN INJURIES AT WORK

105 leaders and supervisors
FROM TRENTS AND OUR
SUPPLY CHAIN TOOK PART IN
TARGETED SAFETY LEADERSHIP
DEVELOPMENT

OF 746 INTERVENTIONS IN OUR
EARLY INTERVENTION PROGRAMME,
63% were resolved
WITHOUT REQUIRING
MEDICAL SUPPORT



the experiential learning happening in our stores, with more formal learning in the areas of Commercial Retail Management, Store Performance, and Governance setting our Members up for long-term success. We also launched our HR Community of Practice to encourage collaboration and provide tailored advice to our HR leaders in store to help them better support their teams.

The introduction of our improved learning management system marked a key milestone, giving us better data and insights to ensure we're focusing our efforts where they make the biggest difference. This supports a more strategic and impactful approach to learning and is key to unlocking more targeted development opportunities to support our people to drive success and be their best.

Our investment in digital learning also continues to evolve, with solid foundations now in place as well as ongoing work to expand and optimise how learning is delivered across the different areas of our business.

We are proud to help people turn their passions into careers - especially those who may not have followed a traditional education pathway. As one of the South Island's largest apprenticeship providers, we continue to invest in our people with opportunities to grow their skills and gain recognised qualifications. Over the past year, 155 Butchery and Bakery apprentices have begun or continued their training with us, alongside 17 members of our Supply Chain team who've successfully completed our Supply Chain Development Programme. For some of our team, this achievement represents their first formal qualification.

We know that great leadership is essential to long-term success, and we recognise that everyone can lead - whether through a formal leadership role or by influencing others. Our leadership development programmes are a critical part of how we continue to build a strong pipeline of leaders with the capability and commitment to grow great teams. In FY25, 753 people completed one of our leadership courses, coming out equipped with the confidence and skills to lift performance and build positive team culture.

In FY25 we celebrated 31 team members from our Support Centre, supply chain and stores who graduated from our leadership development programme after completing all six courses.

We also welcomed our second intake of graduates into the Graduate Programme. Over a 24-month rotational programme, our graduates have a unique opportunity to learn about different areas of our co-op. This is an exciting way to grow our people and build meaningful careers.

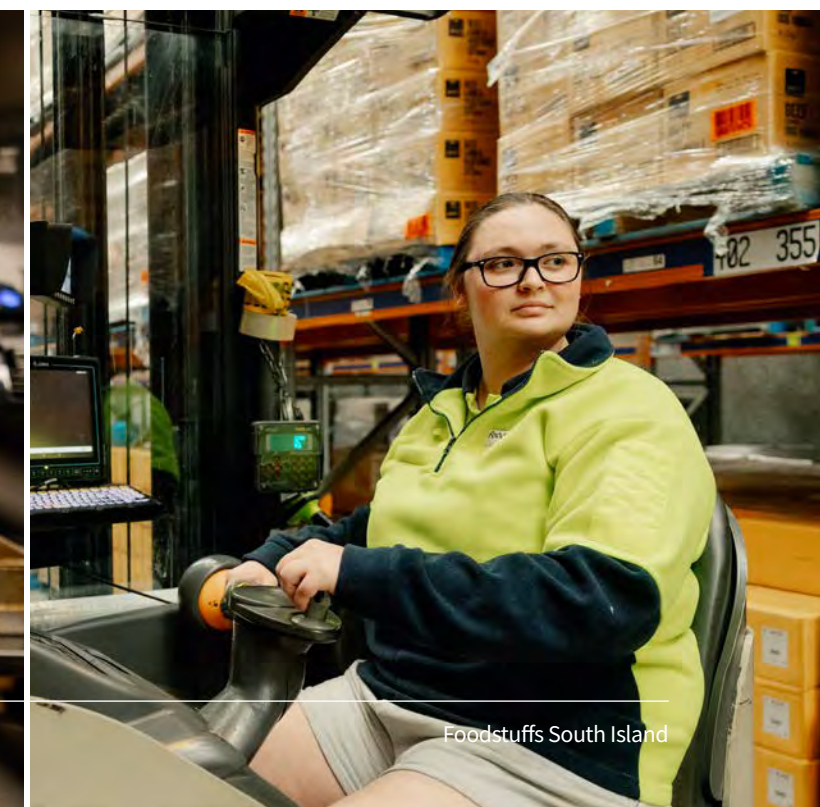
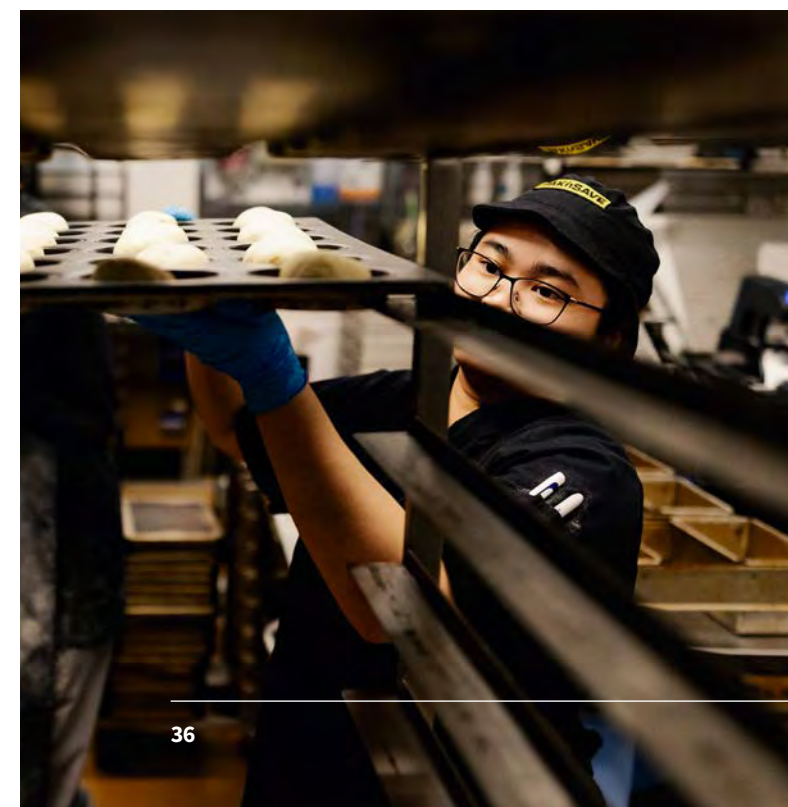


BUILDING CAPABILITY: Growing meaningful *Careers*

Foodstuffs South Island employs around 14,000 people across our 185 stores, support centre, supply chain, and six Trents branches.

In FY25 we continued to support our people to develop and build successful careers across all areas of our co-op, and engagement in training has remained strong, with more of our people taking development opportunities that align with their goals and our strategic priorities.

The success of our co-op is built on the talents and hard work of our people, including the strong leadership of our Owner Operators. In FY25, we continued to strengthen our Owner Operator Development Programmes, with the initiatives we developed in FY25 being rolled out in the year ahead. These initiatives aim to complement



A place to *belong*

In 2024, we made good progress on our efforts to enhance diversity, equity, and inclusion (DEI) at Foodies. There’s still more to do, but we’ve taken important steps to set a clear strategy and priorities for the year ahead.

This work is underpinned by our commitment to creating a workplace where every team member feels able to be their authentic self, reach their potential, and thrive. We believe that fostering an inclusive environment is not only essential to our role as a major New Zealand employer but also critical to building a strong and resilient co-op.

Our DEI priorities are shaped by three strategic objectives:

Increase representation and diverse thought at all levels of the co-op to build a diverse talent pool that is reflective of the communities we serve.

Cultivate an inclusive environment to be a workplace where everyone can be themselves, progress, and achieve their potential.

Build our capability to create an exceptional workplace equipped with the skills, systems, and commitment needed to drive meaningful, lasting change.



We proudly signed the Pride Pledge, reinforcing our commitment to LGBTQIA+ inclusion and visibility in all areas of our business.

Throughout the year, we made strong progress across a number of initiatives that support our DEI goals.

Our te ao Māori journey continued to develop, with over 120 team members taking part in self-directed e-learning and increased numbers taking up learning opportunities, such as Matariki webinars.

“I attended the te ao Māori course to unpack and discover more about my whakapapa and key historical, unbiased events. Overall, the course was hugely educational and rewarding.”

– Jonathon Reuben,
Retail Technology Product Lead



We launched our Young Professionals network, creating a dedicated space for early-career team members in our Support Centre and Supply Chain to connect, share ideas, and grow. In their inaugural year, the group delivered a mix of social and development events attended by over 50 early career Foodies from across our supply chain and support centre teams.

“Foodies Yo Pros Speed Connect was an awesome opportunity to hear from our leaders in a more relaxed setting, where I felt comfortable asking questions about their career journey to gain valuable insights for my own.”

– Bella Bathurst, Graduate

We also refreshed our Code of Conduct – The Foodies Way – which sets out the behaviours and standards we expect from everyone across the co-op. Alongside this, we updated our Bullying, Harassment and Discrimination Prevention Policy to reflect best practices and our ongoing commitment to providing a safe and respectful workplace. These updates were supported by a company-wide training programme, designed to bring our values to life and ensure all team members feel safe, respected, and supported at work.

To educate our leaders on management fundamentals and the support available to them, we rolled out People & Culture training to our Supply Chain Team Leaders. These sessions gave our leaders a chance to share experiences, grow their confidence, and build their skills in leading people-focused conversations.

We are proud of the steps we’ve taken so far and are excited about the future. Creating a truly inclusive workplace takes time, care, and ongoing learning and we are committed to continuing our work to make Foodies a place where everyone can belong, contribute, and thrive.



Supporting our *Communities*



Making a difference: *Foodstuffs Community Trust*

Our local Owner Operators are deeply involved in the communities they serve, and the Foodstuffs Community Trust enables them to support their local communities and make a tangible difference where it matters most.

With strong local knowledge and a passion for making a difference, our Members know that we can have the biggest impact by working together to create successful communities in the South Island. The power of the Foodstuffs Community Trust is harnessing the collective contributions of our sponsors and directing funds where they are most needed. In FY25, our total contributions amounted to \$548,402. We're grateful for the privilege of positively impacting our communities.

Community grants

In FY25, the Trust contributed \$443,402 in community grants. This includes \$35,000 to the Gut Foundation, sponsoring their 'Gut Feelings' event, which delivered an interactive educational experience to tamariki on the importance of gut health. Our other significant contributions include donating \$20,000 worth of gift vouchers to The Cancer Society, \$10,000 of gift vouchers to Kairos Food Rescue and Full Bellies Charitable Trust, and \$10,000 to The Cholmondeley Children's Centre. We're pleased to have supported a wide range of initiatives in this financial year, including \$5,000 to Foster Hope Otago/Southland, \$5,000 to the Frankton Volunteer Fire Brigade and \$6,000 to Envirohub Marlborough.

Festive season boost

As part of the \$443,402 contribution, the Trust donated \$250,000 across 29 organisations at the end of 2024 to make the festive season a little merrier for whānau who needed support over the holidays. The grant comprised of donations from all our sponsors and supporters, which enabled us to extend our reach to a wide spread of communities in need all over the South Island. It was a wonderful opportunity to spread some joy over the holidays and support foodbanks and community partners during one of their busiest times of the year.

Supporting our people

Caring for our people will always be one of our most important roles. Throughout FY25, we offered practical support, including educational grants totalling \$4000 and also supported 16 Foodies team members experiencing hardship, ensuring they had help when they needed it most. Our emergency grants for FY25 totalled \$101,000. This scale of support is only made possible through the shared resources of our co-operative through our Trust, and we are proud to be able to support our team members in times of real need.



Greg Boock helping stock the shelves at the self-serve foodbank.



Supported by the Community Trust, Full Bellies volunteers co-ordinating the lunch deliveries for schools.



Lucy Boock, Foodstuffs South Island Community Trust Chair, and Kirsty Elstone, Christchurch City Mission Foodbank Team Leader inside the Mission's foodbank warehouse.



HereforNZ is our commitment to our communities, our people, and the environment.

It's our call to action and how we ensure we're acting in a way that will support future generations to thrive.

Our HereforNZ promises are:

- **Supporting strong communities**
- **Meaningful and safe work for our people**
- **Protecting our environment**

Our HereforNZ social promises were developed in 2019. As our communities' needs have changed over time, the activities and initiatives we focus on have evolved. Last year, we completed research to better understand what was most important to our communities, getting input from our people as well as our external stakeholders (customers, suppliers, government and non-government agencies). We found that we need to make sure we're focused on:

- Food affordability
- Climate change
- Healthy food enabling wellbeing
- Sending less waste to landfill (particularly as it relates to food and packaging)
- Supporting our communities

We want to ensure that we continue to make progress toward our goals. As a co-op, we continue to be committed to doing what's right: being here for our communities, for our people and for the environment. The following pages detail key metrics showing our progress towards each of our social promises in FY25.



Food affordability

At Foodstuffs South Island, we continue to be strongly focused on food affordability, and we track New Zealanders' sentiment on this through Kantar market research. Our goal is for PAK'nSAVE to rank #1 for fairness (i.e. affordability) and that New World achieves a 105 score for fairness. For eight years in a row, PAK'nSAVE has been #1 for fairness. New World has a 96 fairness score and continues to develop more ways for customers to find value every day.

Meal donations

Our stores continue to partner with food rescue organisations and community groups to ensure food that is unsuitable to sell can still be donated to those in need. In FY25 our South Island stores donated 1.4 million equivalent meals to local food banks and food rescue partners. This included 900,320 equivalent meals donated to members of the Aotearoa Food Rescue Alliance and New Zealand Food Network for redistribution. It also included an estimated 500,000 meals donated to community groups and local foodbanks.

“The impact the Foodstuffs South Island donation has on families and individuals has been incredible to see. We’ve had people burst into tears because someone cares enough to help them practically. We’re supporting those who are struggling to make ends meet because of sickness, unexpected one-off expenses, income flow issues, those supporting their tamariki and mokopuna, and pensioners.”

Thrive Community Trust





Last Christmas, our Supply Chain team spread holiday cheer by donating 250 festive goodie bags to our community through Satisfy Food Rescue. Each bag was packed with ingredients and a recipe card to make a “Christmas Rocky Road” treat for a family to enjoy.

Community impact

We record approximately 1.5 million customers each week, with 185 owner-operated stores in communities throughout the South Island. That means we have unique knowledge of what matters to our communities and their families. In FY25, our stores donated over \$2.5 million to local community organisations, causes and events, an increase of over \$200,000 on FY24.

This included a \$548,402 donation through the Foodstuffs South Island Community Trust to South Island communities, making a difference where it matters most. At the end of 2024, the Trust donated \$250,000 to 29 food banks across the South Island. The donations made a meaningful difference for families in need during the holiday season.

Last Christmas, our Supply Chain team spread holiday cheer by donating 250 festive goodie bags to our community through Satisfy Food Rescue. Each bag was packed with ingredients and a recipe card to make a “Christmas Rocky Road” treat for a family to enjoy.

Our teams at the Christchurch and Dunedin Distribution Centres also assembled school bags filled with back-to-school essentials. These bags were donated to Christchurch Aunties, an organisation supporting women and children in Christchurch women’s refuges, and Foster Hope in Dunedin, which aids children in foster care.

Health Star Rating and Heart Foundation

Through our own brands, we are committed to supporting the Ministry of Primary Industries by displaying the Health Star Rating (HSR) to help our customers make healthier choices. We are on track to meet our target of 100% of relevant products in FY25.

While packaging has been updated, there may still be product in the market without HSR as we sell through existing stock to avoid food and packaging waste.

We also continue our work with the Heart Foundation and have adapted a number of our products to improve nutritional options for our customers. We’re pleased to report that we have exceeded our FY25 target for meeting Heart Foundation nutrition criteria.

Food for Thought

Last year, more than 5,000 South Island children participated in Food for Thought (FFT), a free nutrition education programme delivered in primary schools since 2007. Along with in-class learning sessions, FFT 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 2025, Food for Thought will launch a digital programme to extend our offering to schools further afield, and consolidate the learning students completed in person.

Measures and targets

MEASURE	Actual FY24	Actual FY25	Target FY26
Making everyday foods affordable	PAK’nSAVE #1 New World 98	PAK’nSAVE#1 New World 96	PAK’nSAVE #1 for fairness New World 105 for fairness
Number [*] of ‘equivalent meals’ donated to local food banks and food rescue partners by our South Island stores	1,313,333	1,400,320	No set target
Amount donated by our South Island stores to relevant local community organisations, causes and events.	\$2,331,660	\$2,555,405	No set target
Number of children participating in the Food for Thought programme in the South Island	4,930	5,349	YOY Growth
Display the Health Star rating on all relevant ¹ own brand food products (National)	99%	99.9%	100%
In-food categories where Heart Foundation nutritional criteria exists, a defined percentage of own brand products will comply with those criteria (National)	73%	74.9%	70%

NOTES:

^{*} In April 2024, after analysing the research in Kore Hiakai’s “What’s in a Food Parcel? Nutritional Guide” and the international standards mentioned above, New Zealand Food Network has adopted a 450g meal equivalent measure. This has now been adopted by Aotearoa Food Rescue Alliance. Foodstuffs has now aligned with this new measure and the numbers provided in this report use that measure and the numbers for FY24 have been updated accordingly.

¹ The definition of relevant food products as per HSR guidelines are products that are required to have a NIP and can vary in nutrient composition. HSR are applied where space permits.



Meaningful & safe work for our people.

Lost-Time Injury Frequency Rate

We have seen an 18% reduction in our lost time injury (LTI) frequency rate, supported by stronger levels of safety engagement and increased injury prevention initiatives.

Total Recordable Injury Frequency Rate

We have had a 40% reduction in our total recordable (overall) injury rate (TRIFR), with increased safety leadership capability, ongoing improvement in active injury management such as our early intervention programme, and improved engagement between team members and their leaders.

Leadership development

This year we focused on dispelling the myth that leadership is a role reserved only for those with a people leader position.

One of the key initiatives was to actively enrol all our “On-the-Job Trainers” in our Distribution Centres onto their first leadership course. Through this, our trainers have gained a greater awareness of their leadership impact, which in turn enables them to support our teams to gain skills and knowledge faster in their work.

Engagement

Our overall team engagement score increased to 69.4%, up from 65.7% the previous year. This positive trend shows that our initiatives to enhance the team member experience and workplace culture are making an impact. We will continue to focus on key drivers of engagement - such as leadership development, improved communication, and career growth opportunities.

Pay gap

Foodstuffs South Island measures our gender pay gap using the Statistics NZ methodology, which is consistent with the approach used in FY23 and FY24. Based on this approach, we have seen a positive year-on-year improvement.

Although this is pleasing to see, we are aware that the make-up of our teams and the waged skills-based framework means this methodology may not tell the full story. We are committed to being an equitable and inclusive workplace and are making significant investment into how we report and gather data. This includes breaking down pay gap reporting across operational and office-based roles, remuneration level, and leadership tiers.

We expect that adapting our approach and improving our assessment methodology will shift our reported pay gap and are committed to remaining transparent about the areas of focus so we can continue targeted improvements that make a difference for our teams.

Representation of women in leadership

Supporting more women into leadership roles continues to be a priority across our co-op. Enabled by our investment in improving our people information systems - including the core Human Capital Management, Payroll, and Rostering modules of our system. This significant investment has provided improved data and visibility of our workforce, including gender, leadership level, and tenure. These insights are essential for helping us identify where support is most needed to attract, retain, and grow our people.

With an even better picture of leadership and representation, we are now better placed to know what interventions are working and where we need to prioritise actions and measure our progress toward our 40:40:20 leadership target - 40% women, 40% men, and 20% any gender.



Measures & Targets

MEASURE	Actual FY24	Actual FY25	Target FY26
Lost-Time Injury Frequency Rate (LTIFR)	42.7	35.0	YOY Improvement
Total Recordable Injury Frequency Rate (TRIFR)	131.3	79.0	YOY Improvement
Number of South Island employees participating in Leadership development programmes	716	753	YOY Improvement
Number of South Island employees participating in Retail and Supply Chain development programmes	210	172	YOY Improvement
Overall engagement score for Foodstuffs South Island	65.7%	69.4%	YOY Improvement
Achieve a Gender Pay Gap that is better than the national average	-3.54%	-3.58%	YOY Improvement
Improve representation of women in leadership roles	34%	33%	YOY Improvement

Protecting our environment.

Reducing our emissions

At Foodstuffs South Island, we have continued to reduce our carbon emissions by transitioning stores to CO²-based refrigerant systems, and now have 100% of PAK'nSAVEs and 84% of New Worlds utilising these systems. Due to the high global warming potential of traditional refrigerants, these systems produce around a third of our emissions despite only being present in a small remaining number of stores, reinforcing the importance of completing this work.

To further increase the energy efficiency of our stores, we are installing doors to all refrigerated dairy, liquor, and some butchery cabinets. Seven New Worlds and four PAK'nSAVEs have now made extensive use of cabinet doors, and with all new stores and refurbishments implementing them we expect to see continued adoption across the network.

In addition to the efforts made to reduce electricity consumption, we are now producing more electricity onsite. Our \$27million investment in our new Hornby freezer facility includes a roof-mounted 225kW solar panel array. The peak production from solar occurs around midday, aligning with the peak electrical demand for cooling. This alignment of load is expected to reduce carbon emissions by approximately 200 tonnes over the next 10 years.

Minimising our waste

New World and PAK'nSAVE stores have the option to divert up to seven waste streams from landfill, including cardboard, plastic film, and other mixed plastics. Edible food waste is redirected through food rescue and community organisations, while inedible food is sent to farms or composting services. Meat waste and oils/fats are collected separately using protein bins.

The average diversion rate for New World and PAK'nSAVE stores in the South Island in FY25 is 72%, and this is based on actual weights. For many stores there is likely to be an estimated 5-15% of additional diversion through food rescue services, but these are not currently able to be accurately reported.

Bakery innovation

Foodstuffs South Island is also committed to looking for ways to reduce food waste both in store and for customers. Our bakery team has been successful in maximising the natural shelf life of soft bread products while retaining quality. In a recent trial, sales have increased by 8% and bakery waste reduced by 55%.

Packaging sustainability

We remained committed to transitioning all our in-store packaging to be reusable, recyclable or certified home compostable. This commitment extends across all our fresh departments where we prepare, make, bake, and package all the fresh produce, meat, seafood, bakery, and deli items New Zealanders love.

We started the year strong with 84% of in-store packaging meeting this commitment. However, Kerbside Standardisation Regulation, established on 1 February 2024, excluded many products which in the prior year, such as aerosols, caps, lids and foil trays, had been considered recyclable. This regulatory change will impact our FY25 progress result, which will be reported in the National Social and Sustainability Report later this year.

Despite this setback, we remain committed to achieving significant progress by the end of June 2025. We have increased our efforts, with special focus on plastic products and material that will have the highest impact and drive the progress we are committed to making.

Caps & Lids Recycling Scheme

We became a founding member of the Packaging Forum's Caps & Lids Recycling Scheme and pledged our support both financially and through donations to our 'back-to-store' collection points. The Caps & Lids pilot kicked off in September 2024 with New World Prestons, New World Ilam, New World Wigram, and New World Bishopdale leading the way. We also added collection points at our Papanui support centre and Hornby distribution centre. The scheme has proved very popular with our customers and in FY26, the programme will be expanded to stores in Dunedin, Blenheim, and Nelson.



Reducing packaging using Nano Wrap

Lightweighting and optimising the use of essential plastic products is another significant way in which we are delivering on our commitment to reduce the impact our packaging has on the environment and the cost of our products. Our supply chain focused on reducing the tonnes of virgin plastic used to wrap pallets. In the first 6 months of the project, our distribution centre team reduced the overall tonnage of product used by 48% by switching to the latest 'nano wrap' – which is lighter, stronger, and stretches more.

Pams' continued support of the Food & Beverage Recycling Scheme

Foodstuffs Own Brands continues to support the Food & Beverage Carton Recycling Scheme (FBCRS) along with nine other brands in New Zealand. This voluntary stewardship programme is managed by the Packaging Forum and is aimed at collecting back the material used for specialist products such as UHT longlife milks, fruit juices, stocks, and tomato puree and pastes. The Pams brand has products in all these categories and uses this type of packaging to extend their shelf life and help reduce food waste. When returned, the cartons are transformed into useful products such as building materials manufactured by SaveBoard here in New Zealand. The scheme has to date collected 38.3 tonnes from the 94 community-based drop-off points across the country. Our Pams and Value brands will be updating the on-carton recycling information and adding the scheme logo to help educate customers to return this packaging for recycling.

Responsible & Ethical Sourcing

Foodstuffs is dedicated to sustainability leadership by sourcing products and services responsibly and ethically, ensuring positive outcomes for people, our environment, and animals. Our Responsible & Ethical Sourcing Policy defines our commitment to building more sustainable supply chains and sets clear expectations for our supply partners.

Human Rights & Worker Welfare

This year, we set out to strengthen our approach towards ensuring fair and safe working conditions for the most vulnerable workers in our wider supply chains.

All own brand tier one overseas supplier sites are now members of Sedex, giving us clearer visibility of risk areas to inform sourcing decisions. As we reached 100% of suppliers onboarded to Sedex, we've updated our reporting metric to focus on medium-to-high risk sites, ensuring they've completed social audits.

So far, 95% of own brand sites deemed medium-to-high-risk have been audited, with a goal of reaching 100% by the end of 2025. These audits provide a level of assurance that workers in our direct supply chains are being paid and treated fairly.

We've also started developing our Human Rights & Worker Welfare Strategy to take a more proactive approach to protecting vulnerable workers. With a clear view of the most material risks and governance opportunities across Foodstuffs' total operations, we're positioned to drive meaningful impact in the coming years.

In FY26, we'll activate the first phase of our strategy, starting with a national Foodstuffs Human Rights & Worker Welfare Policy and foundational capability building across key teams. This marks a critical step in strengthening our commitment to ethical sourcing.

Timber, Bamboo, Pulp, & Paper

85% of own brand products containing timber, bamboo, pulp, or paper meet the expectations of our sourcing policy. This year, we supported responsible forestry by transitioning all Pams baby wipes to independently certified sources. Overall, our progress remained steady due to an expanded policy scope and the deletion of already compliant products, and we continue to work closely with suppliers to convert key categories like Period Care.

Cocoa, Coffee, Tea, & Cane Sugar

We’ve launched a position statement to drive the transition to more responsibly sourced cocoa, coffee, tea, and single-ingredient cane sugar products (e.g. Pams Sugar bags) in own brand products, creating better outcomes for people and nature. All upcoming Pams and Gilmours coffee, as well as Pams Tea, are Rainforest Alliance certified, building on our baseline of 4% Rainforest Alliance certified cocoa by weight sold in 2024.

Cage-Free Eggs

We’re steadily transitioning to cage-free (barn or free range) ingredient eggs across own brand products, aiming for 75% by June 2025. Our focus remains on transitioning product ranges with the highest impact when considering sales volumes.

Progress towards 100% cage-free packaged eggs across all stores by 2027 remains steady at 70%. Ensuring access to affordable protein remains a priority, and we are committed to keeping costs as low as possible, even after fully phasing out caged eggs. 100% of own brand packaged eggs remain cage-free.

Seafood

To protect fish stocks and marine ecosystems, we’re committed to sourcing 100% of own brand products containing wild and farmed seafood in line with our Foodstuffs Own Brands Seafood Sourcing Policy by the end of 2025. We verify and audit our seafood against independent certification standards like the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC).

This year, Foodstuffs Own Brands was recognised with the MSC ‘Trailblazer’ Award for being the first retailer in Oceania to transition all Pams canned tuna lines to MSC-certified.

We’ve made strong progress towards responsibly sourcing all own brand seafood, with 88% meeting our policy requirements. We have plans in place to complete the transition by the end of 2025.

Measures & Targets

MEASURE	Actual FY24	Actual FY25	Target FY26
% reduction in carbon emissions in the South Island (Scope 1 & 2 cumulative reductions from FY20 baseline)	11% decrease	TBA [*]	21% by 2025
Improve our South Island landfill diversion rate (from FY22 baseline)	Not reported	72% ¹	81%
% of in-store packaging that is reusable, recyclable or certified home compostable (National)	82%	TBA [*]	TBD ²
% of own brands packaging that is reusable, recyclable or certified home compostable	83%	TBA [*]	TBD ²
% of own brand tier one overseas supplier sites onboarded to Sedex and audited where deemed medium or high risk	67%	95%	100%
% own brand products using responsibly and ethically sourced timber, bamboo, pulp and paper	84%	85%	100%
% of in-scope ³ own brand products containing cage-free eggs as an ingredient	52%	59%	100%
% South Island total category packaged egg sales (unit sales) that are cage-free	69% ⁴	70%	100% by 2027
% own brand products using responsibly and ethically sourced seafood	83%	88%	100%

NOTES:

* Progress will be reported in the National Social and Sustainability Report later this year.

¹ Not every waste collector or food rescue organisation is able to provide data on the kilos of waste collected. 75% of our New World and PAK’nSAVE stores have sufficient data to be able to calculate a minimum diversion rate.

² For FY26 reporting on packaging sustainability will focus on project-based initiatives that will focus on meeting impactful measurable targets that focus on material reduction, reuse, and supporting a circular economy for packaging material through increased recyclability/recycled content.

³ In-scope relates to where ingredient-egg is present ≥ 1% of the product formulation.

⁴ The SI packaged egg sales figure reported in the FY24 Annual Report was under-reported as 29% due to a calculation error. 69% is the correct figure for cage-free egg sales (unit sales) for FY24.



Advocacy

FY25 was another year of significant change for the industry with the issuing of the first Annual Report by the Grocery Commissioner, as required under the Grocery Industry Competition Act 2023.

As we entered our second year as a regulated industry, we continued to implement many regulatory changes including:

- The wide-scale rollout of unit pricing regulations.
- The wholesale access regime where non-member businesses can purchase products from Foodstuffs South Island, thereby accessing our scale purchasing benefits.
- Ensuring our trade relationships are aligned with the Grocery Supply Code and ensuring that we are continuing to build strong partnerships with our suppliers.
- Further changes to our customer loyalty programmes and ensuring customers have more certainty and transparency about how we use their data.

We’ve continued to engage constructively and proactively with the Commerce Commission in relation to their Grocery Supply Code review, the Regulated Wholesale Access Inquiry and the proposed Consumer Complaints Disclosure Standard.

In FY25 Foodstuffs also submitted feedback on many other legislative and regulatory reforms which impact retailers more generally. Our overarching view is that any new legislation and regulations should foster innovation, economic growth and social responsibility.

As we entered the final month of FY25, Finance Minister Nicola Willis launched the Government’s Going for Growth agenda with a particular focus on the grocery industry. The Minister stated that the Government is actively seeking to ensure greater competition in the industry and is seeking to remove regulatory hurdles in the Overseas Investment Act 2005 and the Resource Management Act 1991. The Government is also exploring opportunities to assist a new market player and issued a formal Request for Information which will inform policy decisions on potential regulatory change.

We are constructively participating in the Government’s Request for Information, and we are committed to continuing to work with the Commerce Commission and other industry stakeholders to ensure we are driving positive change.

Our leadership team

Board of Directors

1 MARCH 2024 TO 28 FEBRUARY 2025

Russell McKenzie (Chair)	New World St Martins
Marcel Gray (Deputy Chair)	PAK’nSAVE Wainoni
Glenn Anderson	PAK’nSAVE Richmond
Phillip Blackburn	PAK’nSAVE Riccarton
Angela Bull	Independent Director
Michelle Grundy <small>RESIGNED 28 FEBRUARY 2025</small>	Four Square Maniototo
Michelle King	PAK’nSAVE Queenstown
Ashley Shore <small>APPOINTED 15 OCTOBER 2024</small>	New World Mosgiel
Justin Vaudrey	PAK’nSAVE Dunedin
Steve Wakefield	Independent Director
Jason Williams	PAK’nSAVE Moorhouse

Executive Leadership Team

1 MARCH 2024 TO 28 FEBRUARY 2025

Mary Devine	Chief Executive Officer
Andrew Crerar	General Manager People & Capability
Chris Day <small>APPOINTED 30 JANUARY 2025</small>	Chief Financial Officer
Tim Donaldson	General Manager Retail & Property
Kris Lancaster	General Manager Supply Chain
Damian Lynch	General Manager Merchandise
Nathan Marsh <small>RESIGNED 30 APRIL 2024</small>	Chief Financial Officer
Lydia Matthews	Head of Strategy
Grant Mayne <small>FOR THE PERIOD 1 MAY 2024 TO 17 FEBRUARY 2025</small>	Acting Chief Financial Officer
Matt Richardson <small>RESIGNED 11 OCTOBER 2024</small>	Head of Programme Management Office
Shayne Tong	Chief Digital Officer

PAK’nSAVE Member Representation Committee

1 MARCH 2024 TO 28 FEBRUARY 2025

Bryan Walker (Chair)	PAK’nSAVE Papanui
James Flanagan (Deputy Chair)	PAK’nSAVE Rangiora
Glenn Anderson <small>APPOINTED 12 AUGUST 2024</small>	PAK’nSAVE Richmond
Phillip Blackburn	PAK’nSAVE Riccarton
Mark Elkington	PAK’nSAVE Blenheim
Marcel Gray	PAK’nSAVE Wainoni
Caroline Hall	PAK’nSAVE Timaru
Andrew Howard <small>RESIGNED 12 AUGUST 2024</small>	PAK’nSAVE Richmond
Anthony King	PAK’nSAVE Queenstown
Kerri Lee-Lissington	PAK’nSAVE Hornby
William McDonald <small>RESIGNED 16 SEPTEMBER 2024</small>	PAK’nSAVE Dunedin
Brent Prue	PAK’nSAVE Invercargill
Justin Vaudrey <small>APPOINTED 16 SEPTEMBER 2024</small>	PAK’nSAVE Dunedin
Jason Williams	PAK’nSAVE Moorhouse

New World Member Representation Committee

1 MARCH 2024 TO 28 FEBRUARY 2025

Kyle Burnett (Chair) <small>APPOINTED AS CHAIR 4 DECEMBER 2024</small>	New World Lincoln
Marc Brokenshire (Deputy Chair) <small>APPOINTED AS DEPUTY CHAIR 4 DECEMBER 2024</small>	New World Ilam
James Backhouse	New World Rangiora
Andrew Griffiths <small>APPOINTED 29 NOVEMBER 2024</small>	New World Timaru
Nicola Hollyer	New World Motueka
Bradley Patton	New World Wigram
Ashley Shore <small>RESIGNED AS CHAIR 4 DECEMBER 2024</small>	New World Mosgiel
Julia Spence	New World Prestons
Simon Turnbull <small>RESIGNED 29 NOVEMBER 2024</small>	New World Durham Street

Four Square Member Representation Committee

1 MARCH 2024 TO 28 FEBRUARY 2025

Tim Manson (Chair)	Four Square Bluff and Four Square Stewart Island
Nathan Hay (Deputy Chair)	Four Square Brightwater
Amy Bartlett	Four Square Maitua
James Fabian <small>APPOINTED 29 NOVEMBER 2024</small>	Four Square Tapanui
Damian Fernando	Four Square Atawhai
Shaun McFadden	Four Square Māpua
Graeme Neilson	Four Square Ascot
Glenn Pierson <small>RESIGNED 13 SEPTEMBER 2024</small>	Four Square Stafford Street
Annie Truman	Four Square Hanmer Springs

On the Spot Advisory Committee

1 MARCH 2024 TO 28 FEBRUARY 2025

Craig Bishop-Everett <small>APPOINTED 14 MAY 2024</small>	On the Spot Meadows
Sue Davis <small>APPOINTED 14 MAY 2024</small>	On the Spot Challenge Springfield
Murray Dryden <small>RESIGNED 02 DECEMBER 2024</small>	On the Spot Pleasant Point
Dale Gray	On the Spot Moana
Jeff McLaren <small>RESIGNED 12 MARCH 2024</small>	On the Spot Caltex Nelson
Rosemary Moretti <small>RESIGNED 07 MAY 2024</small>	On the Spot Collingwood Tasman
Mark Nicholl	On the Spot Challenge Milton and On the Spot Caltex Ashburton
Michael Patel <small>APPOINTED 14 OCTOBER 2024</small>	On the Spot Waiau
Susan Thwaites <small>RESIGNED 19 NOVEMBER 2024</small>	On the Spot Collingwood Invercargill

Financial *Statements*



Independent Auditor's Report

To the Shareholders of Foodstuffs South Island Limited

Report on the summary consolidated financial statements

Opinion

In our opinion, the accompanying summary consolidated financial statements of Foodstuffs South Island Limited on pages 61 to 64:

- have been correctly derived from the audited consolidated financial statements for the year ended 28 February 2025; and
- Are a fair summary of the consolidated financial statements in accordance with Financial Reporting Standard No. 43 ('FRS-43') Summary Financial Statements (**FRS-43 Summary Financial Statements**).

The accompanying summary consolidated financial statements comprise:

- the summary consolidated balance sheet as at 28 February 2025; and
- the summary consolidated income statements, statements of other comprehensive income, changes in shareholders' equity and cash flows for the year then ended.



Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (New Zealand) 810 (Revised) Engagements to Report on Summary Financial Statements (**ISA (NZ) 810 (Revised)**).

We are independent of Foodstuffs South Island Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm has provided other services to Foodstuffs South Island Limited in relation to tax advisory and compliance, trustee reporting, advisory services, and scrutineering support at the Group's Special General Meeting. Subject to certain restrictions, partners and employees of our firm may also deal with Foodstuffs South Island Limited on normal terms and conditions within the ordinary course of trading activities of the business of Foodstuffs South Island Limited. These matters have not impaired our independence as auditor of Foodstuffs South Island Limited.



Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required for a full set of consolidated financial statements under FRS-43 Summary Financial Statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Foodstuffs South Island Limited and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our audit report on the consolidated financial statements.



Other information

The Directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the consolidated summary financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated summary financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated summary financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Use of this independent auditor's report

This independent auditor's report is made solely to the Shareholders. Our audit work has been undertaken so that we might state to the Shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Directors for the summary

consolidated financial statements

The Directors, on behalf of Foodstuffs South Island Limited, are responsible for:

- the preparation and fair presentation of the summary consolidated financial statements in accordance with FRS-43 Summary Financial Statements; and
- implementing necessary internal control to enable the preparation of summary consolidated financial statements that is correctly derived from the audited consolidated financial statements.



Auditor's responsibilities for the summary consolidated financial statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with ISA (NZ) 810 (Revised).

We expressed an unmodified audit opinion on the consolidated financial statements in our audit report dated 16 May 2025.

For and on behalf of:

KPMG

KPMG

Christchurch

2025 Financial Statements

These summary financial statements on pages page 61 to page 64, comprising the Income Statement, Statement of Other Comprehensive Income, Statement of Changes in Shareholders’ Equity, Balance Sheet, and Statement of Cash Flows are those of Foodstuffs South Island Limited and its subsidiaries.

They have been prepared in accordance with Financial Reporting Standard No. 43 “Summary Financial Statements” and have been extracted from full financial statements that have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards that comply with International Financial Reporting Standards. These summary financial statements do not include all disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

The Group is a profit-oriented entity. The financial statements are presented in NZ dollars which is the Group’s functional and presentational currency, rounded to the nearest thousand dollars (\$000).

The full financial statements for the year ended 28 February 2025, authorised for issue and signed on 15 May 2025 have been audited by KPMG and given an unqualified opinion. For a complete understanding of the financial affairs of the Group, the full financial statements are available to qualifying members on request.

INCOME STATEMENT

For the Year Ended 28 February 2025

	2025	2024
	\$000	\$000
Net revenue	3,713,937	3,626,389
Cost of sales	(3,323,240)	(3,271,593)
Gross profit	390,697	354,796
Other income	6,073	490
Operating expenses	(373,468)	(353,349)
Operating profit	23,302	1,937
Finance income	232	228
Finance costs	(25,424)	(17,991)
Net finance costs	(25,192)	(17,763)
Share of profit from associates	2,372	2,798
Profit / (loss) before tax	482	(13,028)
Income tax (expense) / credit	(47,725)	1,486
Net loss for the period after tax	(47,243)	(11,542)

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Year Ended 28 February 2025

	2025	2024
	\$000	\$000
Net Profit / (loss) for the period after tax	(47,243)	(11,542)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Movement in other reserves	-	-
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Movement in cash flow hedge reserve	(7,885)	(7,022)
Transfer of deferred tax to reserves (revaluation of interest swap)	2,208	1,966
Total comprehensive income for the period	(52,920)	(16,598)

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

For the Year Ended 28 February 2025

	2025	2024
	\$000	\$000
At 1 March 2024	321,753	367,751
Total comprehensive income	(52,920)	(16,598)
Dividends paid	(6,388)	(6,965)
Net share issue / (redemption)	(6,851)	(22,435)
At 28 February 2025	255,594	321,753

BALANCE SHEET

As at 28 February 2025

	2025 \$000	2024 \$000
ASSETS		
Current assets		
Cash and cash equivalents	2,396	1,780
Trade and other receivables	280,254	282,201
Income tax receivable	-	61
Inventories	188,472	141,168
Property, plant and equipment held for sale	14,163	17,571
Derivative financial instruments	760	2,362
Total current assets	486,045	445,082
Non-current assets		
Property, plant and equipment	990,986	936,177
Intangible assets	61,129	54,450
Investments in associates	5,122	6,276
Investments held at fair value	560	560
Derivative financial instruments	-	5,063
Total non-current assets	1,057,797	1,002,526
TOTAL ASSETS	1,543,842	1,447,608
Liabilities		
Current liabilities		
Trade and other payables	346,765	352,744
Bank borrowings	-	4,900
At-call deposits	202,184	253,987
Trading deposits and trading deposit shares	103,285	121,824
Employee entitlement liabilities	13,498	13,245
Lease liability	7,277	6,578
Rebates payable	41,495	59,288
Income tax payable	1,232	-
Total current liabilities	715,736	812,505
Non-current liabilities		
Bank Borrowings	420,371	230,371
Lease liability	92,274	67,225
Employee entitlement liabilities	2,135	1,912
Derivative financial instruments	1,220	-
Deferred income tax liability	56,512	13,842
Total non-current liabilities	572,512	313,350
TOTAL LIABILITIES	1,288,248	1,125,855
EQUITY		
Capital and reserves attributable to equity holders		
Share capital	206,082	212,933
Other reserves	(460)	7,425
Retained earnings	49,972	101,395
TOTAL EQUITY	255,594	321,753
TOTAL EQUITY AND LIABILITIES	1,543,842	1,447,608

STATEMENT OF CASH FLOWS

For the Year Ended 28 February 2025

	2025 \$000	2024 \$000
Cash flows from operating activities		
Cash was provided from:		
Customers	3,836,956	3,710,487
Interest received	232	228
Member trading accounts	-	12,862
	3,837,188	3,723,577
Cash was applied to:		
Purchases, wages and expenses	3,684,887	3,516,262
Members rebates	87,820	112,764
Member trading accounts	51,803	-
Interest paid	22,287	15,865
Income tax paid	1,554	1,940
	3,848,351	3,646,831
Net cash flow from operating activities	(11,163)	76,746
Cash flows from investing activities		
Cash was provided from:		
Advances from other related parties and associates	1,138	12,050
Dividends from associates	2,600	1,600
Sale of Property, Plant, & Equipment	23,671	909
	27,409	14,559
Cash was applied to:		
Purchase of intangibles	19,304	11,736
Purchase of property plant and equipment	81,195	87,418
	100,499	99,154
Net cash flow from investing activities	(73,090)	(84,595)
Cash flows from financing activities		
Cash was provided from:		
Increase in Trading Deposits/Shares	-	14,309
Increase in bank borrowings	180,530	64,900
	180,530	79,209
Cash was applied to:		
Payment of Lease Liability	11,709	14,036
Retained Patronage Shares redeemed	55,920	56,847
Decrease in Trading Deposits/Shares	18,539	-
Dividends paid on Retained Patronage Shares	6,388	6,965
Dividends paid on Trading Deposit Shares	3,105	2,705
	95,661	80,553
Net cash flow from financing activities	84,869	(1,344)
Net decrease in cash held	616	(9,193)
Opening cash brought forward	1,780	10,973
Ending Cash carried forward	2,396	1,780
Represented by:		
Bank and cash balances	2,395	1,738
Overseas currency accounts	1	42
	2,396	1,780

