



2026

ANNUAL REPORT

Foodstuffs
South Island

CONTENTS

Introduction	2
Our Store Network	4
FY26 Highlights	5
A Note from our Chair	6
A Note from our CEO	8
Brand Reports	10
PAK'nSAVE	12
New World	14
Four Square	16
On the Spot	18
Trents	19
Precision Media	19
Liquorland	20
Foodstuffs Own Brands	20
Supply Chain	22
Supporting our Communities	23
HereforNZ	24
Supporting Strong Communities	28
Meaningful and Safe Work for Our People	35
Protecting our Environment	37
Our Leadership Team	44
Financial Statements	46

In FY26, Foodstuffs South Island continued to deliver for customers and communities across the South Island while strengthening the foundations of the co-operative. In a challenging and fast-moving retail environment, we stayed focused on value for customers, reliable execution and supporting our local Owner Operators to run successful businesses.

Our strategy centred our work on three pillars: Retail Excellence, World Class Co-op, and Simplify. Across the year, we progressed major programmes in customer engagement, supply chain technology, store enablement, leadership and capital management. These investments were designed to improve our performance today while preparing the co-operative for the future.

We continued to live our purpose: together we feed the South. From helping customers access value and supporting food rescue partners, to improving safety, reducing waste and investing in more resilient systems, our people and Members worked together to make a positive difference throughout the year.

OUR PURPOSE:

Together
we feed
the South

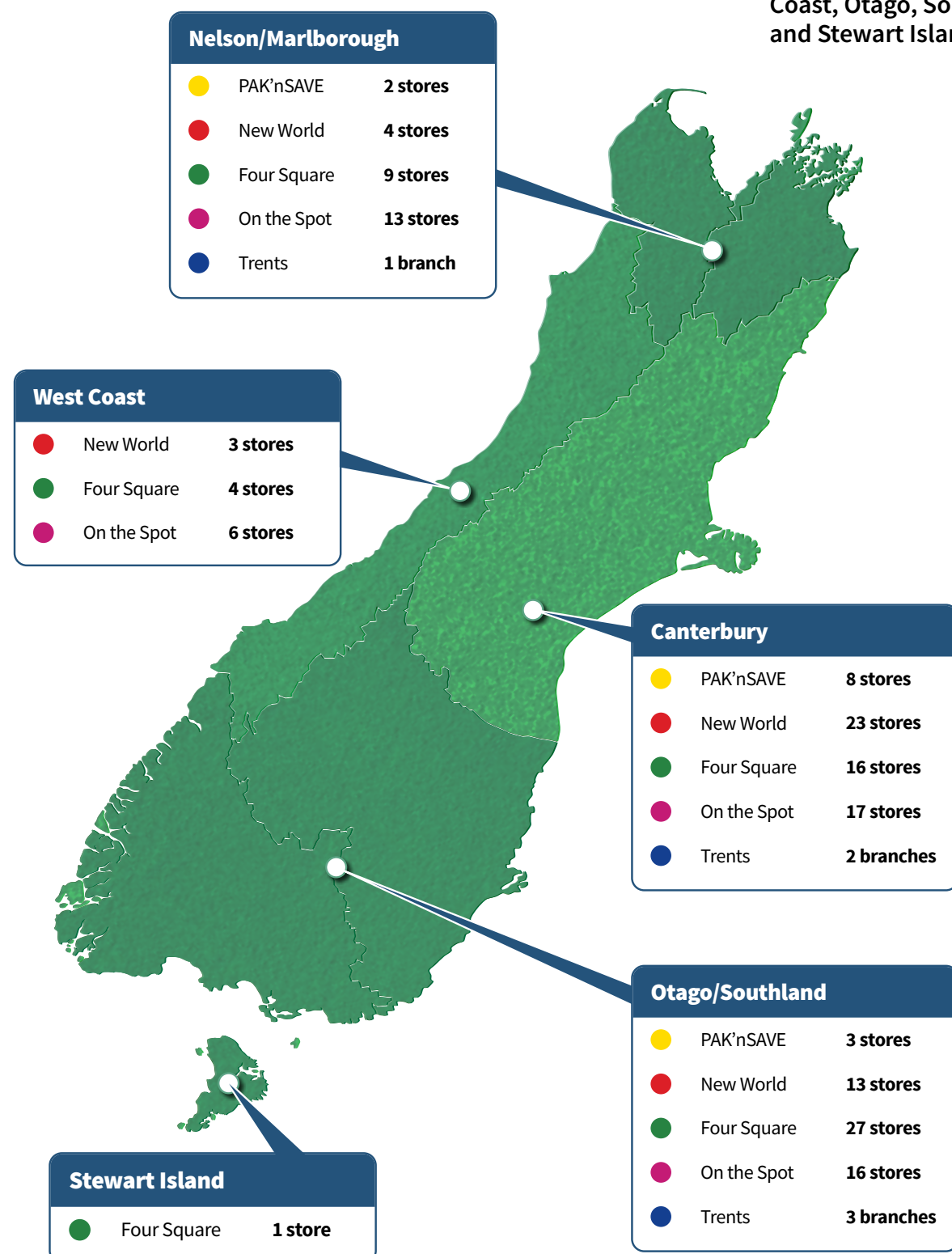
OUR VISION:

To be the
South Island's
most loved &
trusted retailer



Our store network

Our locally owned and operated store network continued to serve communities across Canterbury, Nelson and Marlborough, the West Coast, Otago, Southland and Stewart Island.



FY26 Highlights

OPENED

PAK'nSAVE
Rolleston



LAUNCHED

club+
MORE THAN 2 Million
members joined nationwide

SUPPORTED

24



OWNERSHIP
CHANGES

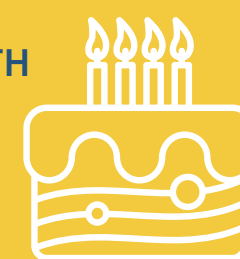
NEW STORES FOR

Four Square
Murchison
& Rakaia

CELEBRATED

PAK'nSAVE's

40TH
birthday



OPENED
On the Spot
Dunsandel

OVER
\$800,000
IN
COMMUNITY TRUST GRANTS

REACHED major milestones in
PROJECT MAKO
progressing the modernisation of our
supply chain and distribution technology



A note from our Chair

Against a backdrop of global uncertainty, ongoing economic pressures and increased regulatory oversight, we remained focused on what matters most: delivering value for customers, supporting communities and investing in the long-term success of Foodstuffs South Island.



As this is my first Annual Report as Chair of Foodstuffs South Island, I would like to begin by acknowledging the contribution of my predecessor, Russell McKenzie. Following his retirement from the Board in December 2025 after 23 years of service, including eight years as Chair, I am honoured to build on the strong foundations he helped create.

Russell's commitment to the co-operative, and his deep pride as a multi-generational Foodstuffs Member, were evident throughout his years of service. As Chair he was a steadfast advocate for our Members, our co-operative model and the communities we serve. On behalf of the Board and our Members, I thank Russell for his outstanding leadership and dedication over more than two decades of service.

As I reflect on the year, I am proud of the progress we have made together and the momentum we have built for the future. FY26

demonstrated the strength of our co-operative model, from the way our Members and teams responded to significant weather events across the South Island to the continued investment in our stores, supply chain and customer offer. Against a backdrop of global uncertainty, ongoing economic pressures and increased regulatory oversight, we remained focused on what matters most: delivering value for customers, supporting communities and investing in the long-term success of Foodstuffs South Island.

I am pleased to report that the Co-operative produced a Net Profit After Taxation of \$25.1m in the year to 30 June 2026 compared to \$2.9m for the four months to 30 June 2025 and a net loss after taxation of \$47.2m in the year to 28 February 2025. The result has helped the co-operative strengthen its balance sheet, providing greater financial and operational resilience in a volatile environment.

Central to that success are our Members. During the year, we continued to strengthen operator development, performance and selection processes, ensuring we are well placed to support the next generation of successful Owner Operators. The combination of local ownership, shared purpose and collective scale continues to underpin the long-term strength and resilience of our co-operative.

We also made significant progress on the platforms that will shape the years ahead. Club+ allows us to recognise and reward customers across our three retail brands, while Project Mako continued the modernisation of our supply chain. Alongside these initiatives, we maintained a disciplined approach to capital management and continued investing in the assets, infrastructure and capabilities required to support our Members and strengthen the co-operative for the future.

As a Board, we remain focused on balancing today's priorities with the long-term needs of the co-operative. This means ensuring Foodstuffs South Island remains financially resilient, well governed and positioned to invest in future growth opportunities, while continuing to deliver value for Members, customers and communities. Our strong foundations and clear strategic direction give us confidence in the opportunities ahead.

The grocery sector operates in a dynamic environment that requires adaptability and a long-term perspective. The Board remains confident in the strength of our people, our brands, our Members and our co-operative model. By maintaining a focus on retail excellence, supporting our Members and investing thoughtfully for the future, we believe we are well positioned to deliver sustainable long-term success.

The year also marked an important period of change for our Board. In December, we farewelled Steve Wakefield following seven years of service as an Independent Director. As the first Independent Director appointed to the Foodstuffs South Island Board, Steve brought valuable external perspective, financial and technology expertise and provided leadership as Chair of the Audit Finance and Risk Committee. On behalf of the Board and our Members, I thank Steve for his significant contribution to the governance of our co-operative.

At the same time, we were pleased to welcome Brent Goldsack to the Board as an Independent Director and Chair of the Audit Finance and Risk Committee. Brent brings extensive governance, financial and co-operative experience across New Zealand's agribusiness and commercial sectors. His expertise and perspective will be a valuable asset as we continue to strengthen the co-operative and deliver on our strategic priorities.

The Board was also pleased to welcome Paul Reid as an Independent Director, effective 1 July 2026. His broad experience in logistics, supply chain, technology and business transformation will bring valuable additional expertise and perspective to Board discussions and decision-making.

None of what we do would be possible without the commitment of our Owner Operators, store teams, supply chain and support centre teams, suppliers and partners. I would also like to take this opportunity to acknowledge Mary Devine, who after five years will step down as Chief Executive Officer later this year. Mary's leadership has been instrumental in guiding the co-operative through a period of significant change and transformation, while maintaining a clear focus on Members, customers

The Board remains confident in the strength of our people, our brands, our Members and our co-operative model.

and communities. On behalf of the Board and our Members, I thank Mary for her tireless commitment, her leadership and the lasting contribution she has made to Foodstuffs South Island.

MARCEL GRAY

CHAIR
Owner Operator
PAK'nSAVE Wainoni

A note from our

CEO

Throughout the year, we demonstrated resilience and adaptability while remaining committed to delivering value for customers, supporting our Members and investing in the long-term success of our co-operative.



FY26 was a year of progress, focus and momentum for Foodstuffs South Island. Throughout the year, we demonstrated resilience and adaptability while remaining committed to delivering value for customers, supporting our Members and investing in the long-term success of our co-operative.

At Foodstuffs South Island, our purpose is simple: together we feed the South. It is a purpose that guides every decision we make. Whether delivering value for customers, investing in our store network and supply chain, or helping communities thrive, we remain focused on making a meaningful difference across the South Island.

A defining achievement during FY26 was the successful launch of Club+. Bringing together New World, PAK'nSAVE and Four Square through a shared customer platform represents one of the most significant customer initiatives

undertaken by our co-operative. Club+ creates new opportunities to deliver personalised experiences, strengthen customer loyalty and better understand changing customer needs, while preserving the unique strengths of each banner. Registrations have exceeded two million nationally since launch, highlighting the strong response from customers and the outstanding work of our stores, support teams and suppliers who helped bring the programme to life.

We also continued to invest in systems and infrastructure with significant progress through Project Mako, which is modernising our supply chain and distribution technology, while digital initiatives improved the tools, data and technology available to stores and support teams. Together, these investments are helping us operate more efficiently, strengthen the customer experience and build a more connected business.

Our people remain our greatest strength, and in FY26 we continued to invest in the culture, capability and leadership that will support our long-term success. Encouragingly, our Have Your Say Engagement Survey reflected positive progress, with continued improvement in our leadership measure.

Creating a safe workplace remains one of our most important responsibilities. During FY26, we achieved a 20% reduction in our Lost-Time Injury Frequency Rate. This progress reflects the dedication of leaders and teams across the co-operative to creating safer workplaces and ensuring every team member returns home safely each day.

Our commitment to communities continues to sit at the heart of who we are. Through the Foodstuffs South Island Community Trust and our HereforNZ programme, we supported initiatives focused on food affordability, food security, nutrition education, community wellbeing, waste reduction and environmental sustainability. During the year, Community Trust grants exceeding \$800,000 supported school lunches, breakfast programmes, grocery vouchers, family essentials and access to sport.

The South Island presents unique realities. We operate across a vast and diverse region, serving communities that range from large urban centres to some of New Zealand's most remote towns. Geography, distance and weather continue to shape how we operate. Yet these same realities demonstrate the enduring value of our co-operative model.

More than a century ago, independent grocers recognised they could achieve more by working together than they could alone. By combining local ownership with shared scale and infrastructure, they

created a model capable of serving communities throughout the South Island. That principle remains just as relevant today. Our co-operative continues to provide the scale, resilience and local accountability needed to support communities from Collingwood to Stewart Island.

Our industry continues to experience significant public, political and regulatory scrutiny. Food affordability, competition and the future structure of the grocery sector have become increasingly prominent topics of national conversation. While opinions on solutions may differ, there is broad agreement on the outcome we all seek: ensuring New Zealanders have access to affordable food and a resilient food system. We remain committed to constructive engagement and to continuing to improve outcomes for our customers and communities.

Technology, automation and data will continue to transform our industry. However, I remain convinced that our greatest strengths will continue to be the qualities that have always defined Foodstuffs South Island: local ownership, trusted relationships, community connection, practical problem-solving and a shared commitment to serving customers. Our opportunity is to combine the benefits of scale, productivity and innovation with the local knowledge and accountability that make our co-operative distinctive.

Today, Foodstuffs South Island supports 165 locally owned stores, more than 12,000 team members, thousands of supplier partners and communities across the South Island. Every week, approximately 1.5 million customer transactions take place through our network. Behind every one of those transactions is the trust customers place in us to provide value, quality and service. We never take that trust for granted.

Thank you to our team, Members, suppliers and partners who have

Our commitment to communities continues to sit at the heart of who we are.

contributed to our success during FY26. Together, we continue to strengthen our co-operative, support our communities and build for the future.

Personally, as I prepare to conclude my time as CEO, I do so with immense gratitude. Foodstuffs South Island is a remarkable co-operative with a proud history, and it has been a privilege to be part of the journey.

MARY DEVINE
CEO



Brand

REPORTS

Our retail and wholesale brands each play a distinct role in serving South Island customers and communities.

PAK'nSAVE

PAK'nSAVE continued to lead on value

Throughout FY26, PAK'nSAVE remained committed to delivering value for customers, with Members achieving strong results through their focus on customers, operational excellence and local leadership.

This focus reinforced PAK'nSAVE's position as a trusted destination for low prices, helping the banner remain a preferred choice for value-conscious shoppers across New Zealand.

The brand celebrated 40 years with strong customer engagement

PAK'nSAVE's 40th anniversary campaign celebrated the brand's enduring commitment to customers, combining high-impact promotions with memorable in-store experiences that drove strong engagement across the banner. Customer participation exceeded expectations, with almost 100,000 packets of Bluebird chips, 40,000 packs of Tim Tams and 18,000 bags of potatoes sold during the promotion, highlighting the strong affinity customers have with the PAK'nSAVE brand.



Club+ established the foundation for future customer growth

FY26 marked a significant shift in customer engagement through the introduction of Club+. The programme enabled PAK'nSAVE customers to access personalised offers and fuel rewards on qualifying purchases while providing the banner with a stronger customer connection and improved insight into shopping behaviour. Customer adoption continues to build, with scan rates approaching 40% by the end of September 2026.

Investment continued in the future growth of the network

The banner progressed property and development initiatives focused on delivering modern, efficient and scalable store formats. A significant milestone for the banner was the opening of PAK'nSAVE Rolleston in October 2025. As the South Island's largest supermarket, the \$40 million-plus investment created approximately 270 jobs and established PAK'nSAVE's presence in one of New Zealand's fastest-growing communities. Opening ahead of schedule, the store was met with strong customer interest.



Strong momentum was maintained across the banner

PAK'nSAVE delivered retail sales growth and increased its market share during FY26, while continuing to invest in strategic priorities including eCommerce, digital capability, customer experience and operational excellence. This disciplined focus on execution strengthened the banner's performance and positioned it well for continued growth.





Customer experience, strong local execution and rewarding loyalty remained key priorities for New World throughout FY26. The year included the transition to Club+ and ongoing enhancements to store technology and customer-facing capability.

Strengthening New World's position as the destination for food

Throughout FY26, New World continued to invest in its fresh food offer, meal solutions, product ranges and category performance. The focus remains on helping customers discover great food, find inspiration for everyday meals and enjoy a quality shopping experience.

Accelerating customer loyalty and personalised engagement

2026 marked a significant milestone in customer engagement with the successful transition from the long-standing Clubcard programme to Club+. The launch of Club+ in June 2026 established a more modern and personalised loyalty platform, enabling New World to deliver more relevant offers, strengthen customer relationships and provide greater value through enhanced digital engagement.



Maintaining a strong value proposition

Delivering value for customers remained a key focus for New World throughout FY26, supported by targeted promotions, relevant rewards and compelling customer offers. Key initiatives generated strong customer engagement, while campaigns such as Family2Family reinforced New World's commitment to supporting local communities, including a \$250,000 contribution to food charity partners across New Zealand. This support was provided over and above the funding distributed through the Foodstuffs South Island Community Trust.



Enhancing the customer experience across every touchpoint

Throughout FY26, New World prioritised the customer experience through strong service, digital capability and in-store execution. Alongside store improvements, customer-facing technology and service standards, initiatives such as Shop & Go provided customers with greater flexibility and choice in how they shop.

The banner's annual continuity programme featured a premium SMEG kitchenware collection, rewarding customers for their loyalty and driving engagement across stores and digital channels. The promotion attracted strong customer participation, with more than 500,000 pieces redeemed by New World South Island customers during the campaign.





Four Square continued to build on its reputation as New Zealand's trusted local grocer, with convenience, community connection and local ownership at the heart of its offer. Members continued to invest in their stores to enhance the customer experience and strengthen their connections with the communities they serve.



Investing in modern stores

The year saw the opening of new locations for Four Square Murchison and Four Square Rakaia, while store upgrades at Four Square Hanmer Springs, Four Square Omarama and Four Square Twizel advanced the rollout of the Four Square 4.0 format. Electronic Shelf Labels were also introduced across seven additional stores to improve operational efficiency and customer experience.

Strong local ownership

Seven new owners joined the Four Square network during the year, bringing fresh leadership to stores in Newfield, Maniototo, Omarama, Owaka, Pleasant Point, Tapanui and Stafford Street. The banner also celebrated significant milestones, with the owners of Four Square Havelock, Four Square St Clair and Four Square Karamea each reaching 25 years of ownership.

Delivering value for customers

The launch of the Display All Stores programme improved promotional visibility for suppliers and made it easier for customers to identify value in store. Alongside ongoing ranging improvements from category reviews, these initiatives helped strengthen Four Square's offer and improve the shopping experience for customers.

Marketing and community connection

Marketing activity centred on the new Here 4 platform, highlighting the everyday shopping missions and community connections that define the Four Square brand. Stores continued to strengthen their connections with local communities through support for a range of events, organisations and initiatives. Complementing these efforts, a summer campaign with Sawmill Brewery was a notable marketing initiative during the year.



Growing customer loyalty

Club+ was successfully launched to Four Square customers as part of its cross-banner rollout, strengthening customer loyalty and engagement. Together with ongoing investment across the network, this customer engagement initiative helps ensure Four Square remains well positioned to deliver a modern, convenient and community-focused shopping experience.





On the Spot continued to serve local communities through its South Island network.



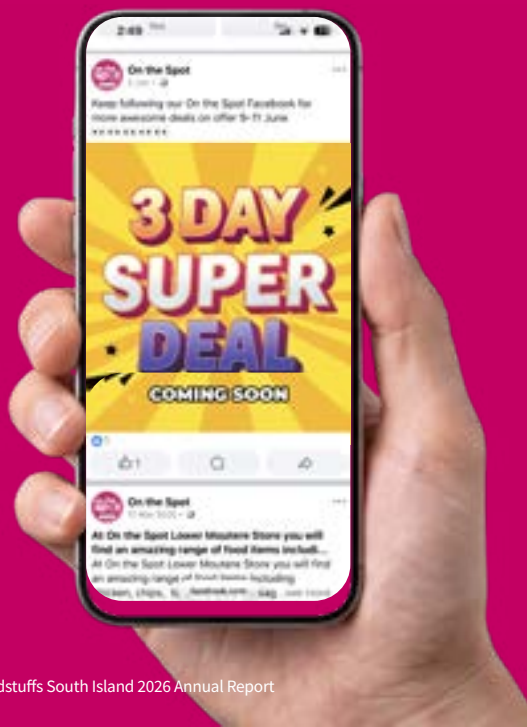
Adapting in a competitive market

The convenience retail sector has continued to face significant challenges over the past 12 months, particularly as changing fuel purchasing habits have reshaped customer behaviour. The ongoing growth of self-service fuel sites has altered purchasing patterns and created additional pressure for traditional convenience and fuel retailers.

Strengthening the network

Throughout FY26, the On the Spot network continued to evolve and serve the changing needs of local communities. Following the opening of On the Spot Dunsandel in December 2025, the store has established itself as a convenient stop for both local residents and travellers, offering a range of food-to-go options and everyday essentials.

The network also benefited from the continued growth of stores opened in recent years and the commitment of Members to delivering convenience, customer service and strong local connections. These investments have helped reinforce On the Spot's role as a trusted neighbourhood retailer in communities across the South Island.



Growing our digital presence

The group has also continued to expand its digital presence. Ongoing social media activity has increased audience engagement and strengthened brand visibility, supporting customer awareness across the network. The On the Spot Facebook following doubled over the past year, creating further opportunities to engage customers and support promotional activity across the group.

The network's digital media platform provides valuable advertising opportunities for supplier partners. Digital screens installed throughout the network enable targeted promotional activity and help connect suppliers with thousands of customers visiting stores each day.

Evolving the customer offer

Food-to-go remains a key strategic focus for the On the Spot banner. As consumer preferences continue to evolve, particularly for protein-rich and convenient meal solutions, On the Spot remains committed to developing its offer and exploring new product opportunities that meet changing customer needs.



Trents Wholesale operated in a challenging foodservice market throughout FY26, as hospitality and foodservice operators continued to navigate economic pressures and cautious consumer spending. Despite these conditions, the business made significant progress in its transition to a standalone operating model.

FY26 marked the completion of substantial investment in systems, infrastructure and operations to establish Trents as an independent business. This work strengthened capability, improved operational resilience and positioned the business for future growth.

Following year end, and after consideration of a range of strategic alternatives, the Board entered into a conditional agreement to divest Trents Wholesale to Foodstuffs North Island. The transaction will ultimately bring Trents together with Gilmours to create a national foodservice network with the scale, infrastructure and expertise to support future growth, while enabling Foodstuffs South Island to focus on its core retail operations.

Foodstuffs Precision Media*

Precision Media supported the co-operative's strategic priorities through the continued development of its retail media offering and digital customer capabilities.

Precision Media supported the co-operative's strategic priorities through the continued development of its retail media offering and digital customer capabilities.

During FY26, the business further established its role as a strategic capability for both suppliers and member stores, growing retail media opportunities across in-store and digital channels. Strong supplier engagement reflected the value of improved campaign solutions, enhanced measurement capabilities and a continued focus on delivering meaningful business outcomes.

A highlight of the year was the successful launch of new in-store media formats, including aisle-end and digital screen wrap placements, which demonstrated strong supplier demand for more immersive and scalable customer engagement opportunities. The success of these formats has since led to their adoption as part of ongoing retail media activity.

Ongoing investment in capability, data and measurement improved Precision Media's ability to evidence campaign effectiveness while helping suppliers connect with customers in more relevant ways. Looking ahead, Club+ will enhance these capabilities further, creating new opportunities to leverage customer insights to deliver greater value for suppliers, customers and member stores.



LiquorLand

FY26 was a year of solid progress for Liquorland, with four new stores joining the banner nationwide (Oneroa, Omokoroa, Maki Centre and Ravenswood), wireless stock management technology rolled out to more than 110 stores, and the launch of the Three Day Deal promotional programme to deliver greater value for customers.

Liquorland celebrated several customer-focused achievements during the year, including the successful launch of Liquorland eGift Cards in the Airpoints Store and continued growth in online sales following the re-platforming of its eCommerce business. The business also continued to innovate through exclusive product collaborations and seasonal offers, demonstrating the strength of local partnerships and delivering compelling experiences for customers.



Foodstuffs Own Brands

A milestone year for Own Brands

Own Brands reached a significant milestone in FY26, with sales surpassing \$2 billion across New Zealand for the first time. In the South Island, Own Brands sales increased during the year, with the Pams range remaining a key contributor to overall performance.

Innovation and growth

Own Brands achieved more than 507 million unit sales across New Zealand in FY26. With more than 2,500 products available, Own Brands products accounted for 13.3% of South Island store sales, providing customers with a broad range of options across everyday grocery categories. Innovation remained a key focus throughout the year, with 321 products launched, including 119 new products developed in response to customer insights and evolving consumer preferences.

Own Brands keep it local

Supporting New Zealand producers remains an important part of the Own Brands story. During the year, Own Brands partnered with 181 Kiwi suppliers, and 70% of Pams products sold were sourced in New Zealand. These partnerships support local jobs, communities and businesses that share a commitment to delivering quality and value. From family-owned producers to established New Zealand manufacturers, these relationships play an important role in bringing quality products to customers every day.

Products are sourced internationally where they are not available locally, or where sourcing from their country of origin delivers the quality and authenticity customers expect. Regardless of where products are grown or made, the focus remains on providing customers with quality products across a broad range of categories.



Supply Chain

Our Supply Chain plays a critical role in feeding the South, ensuring products move efficiently from suppliers to shelves and helping our Owner Operators deliver for customers every day.

Delivering through transformation

Throughout FY26, our Supply Chain teams supported stores across the South Island while navigating the implementation of Project Mako, one of the most significant operational transformation programmes undertaken by the co-operative in recent years. Project Mako is strengthening visibility across the supply chain and providing improved tools to support warehouse, transport and inventory management.

The implementation of Project Mako across the Dunedin, Hornby Freezer and Hornby Ambient Distribution Centres required considerable effort from teams across the business, particularly during the challenging go-live period at the Ambient Distribution Centre. While issues arose during implementation, they were resolved quickly and valuable lessons were incorporated into the programme's ongoing rollout.

Despite these challenges, the network distributed over 64 million cartons during the year. The scale of our network and the dedication of our people remain key strengths of the co-operative. During the peak Christmas trading period, our teams successfully managed increased demand while maintaining strong operational and safety performance.



Resilience in action

The resilience of our supply chain was tested during several significant weather events across the South Island throughout FY26. Despite disruptions to transport routes and regional infrastructure, our teams worked closely with suppliers, transport partners and stores to minimise impacts on product availability and maintain service to affected communities. Their commitment and adaptability helped ensure stores remained well supplied during periods of severe weather, highlighting the strength of Foodstuffs South Island's supply chain and distribution network.



Supporting our Communities



**TOTAL FUNDING
DISTRIBUTED IN FY26:**

\$804,980

**ORGANISATIONS
SUPPORTED:**

80

**FSSI TEAM MEMBERS
SUPPORTED:**

27

**Grants were distributed
across Te Waipounamu
from Tasman to Southland**

Our locally owned stores continued to support the communities they serve. In addition, the Foodstuffs South Island Community Trust provided a coordinated way for Members to make a difference across the South Island. During FY26, the Trust supported a range of initiatives, including food assistance, grocery vouchers, school programmes, family essentials, and projects that provided practical support to individuals and families across the South Island.

Foodstuffs South Island Community Trust

The Foodstuffs South Island Community Trust is one of the ways we fulfil our purpose of creating successful communities. Store owners opt-in to support the Trust through weekly contributions, leveraging the scale of the co-op to maximise our impact across the South Island.

The Trust meets to consider applications four times each year and prioritises funding that will:

- Increase community access to healthy food
- Reduce hardship for individuals and communities
- Provide emergency relief for community organisations during crisis events

By working alongside locally owned stores, the Trust helps ensure support reaches people and organisations that are making a meaningful difference in the communities the co-operative serves.

**The Trust's
funding decisions
are guided by their
giving principles:**



**Enable people
to access
healthy food**



**Support our
South Island
communities
to thrive**



**Enable diverse careers
for our people and create
a place where everyone
can be their best**

Seasonal giving

\$350,000 donated to organisations supporting food accessibility

In late 2025, the Trust donated \$350,000 to 31 South Island organisations that help people experiencing food insecurity. The summer holiday and back-to-school period is a time where these organisations respond to increased demand for food assistance, with many families facing added costs and financial pressure.

Community impact

Southern Cancer Society

A donation of \$50,000 in supermarket vouchers to the Southern Cancer Society helped ease the burden people often face when going through cancer treatment.

As one recipient shared:

"That night, instead of the kids having a tin of spaghetti for the third night in a row, I could make us all a cottage pie filled with veggies. I know it seems small, but it was the happiest night we'd had for a long time."

The story highlights the often unseen impacts people can face through cancer treatment and how the Trust's support helped the Southern Cancer Society provide help to people and families during a difficult time.

Cholmondeley Children's Centre

For more than 100 years, Cholmondeley Children's Centre has provided a safe and supportive environment for children and families facing challenging circumstances.

In FY26, the Foodstuffs South Island Community Trust committed to ongoing support of Cholmondeley's mahi through an annual grant of \$20,000.

The funding helps provide nutritious meals for children staying at Cholmondeley, supporting both their wellbeing and sense of belonging. By helping meet these everyday costs, more of the centre's fundraising income can be directed towards the specialist care and support services they provide.

This annual grant reflects the Community Trust's commitment to supporting organisations that help strengthen South Island communities and improve outcomes for families.

A smiling woman with blonde hair, wearing a black PAKHSAVE polo shirt with a yellow name tag, stands in a supermarket aisle. The background shows shelves stocked with various products and other shoppers in the distance.

HereforNZ

To note: In 2025, the Foodstuffs South Island Board made the decision to change the co-operative's balance date from 28 February to 30 June to better align with our business cycle and the year-end of the Foodstuffs national entities. In the Foodstuffs South Island Annual Report for FY25, the measures in the HereforNZ section were for the reporting period from 1 March 2024 – 28 February 2025. The figures in this section are comparative with the Social and Sustainability Report 2025, which covers the period of 1 July 2024 – 30 June 2025.



HereforNZ is our commitment to supporting the long-term wellbeing of New Zealanders and the communities we serve.

It reflects our belief that the actions we take today can help create a stronger future for generations to come.

In FY26, our focus remained on food affordability, healthy food choices, climate change, reducing waste to landfill, and supporting South Island communities.



Supporting strong communities.

- Making everyday foods affordable for all
- Supporting local communities
- Educating for healthier choices



Meaningful & safe work for our people.

- Prioritising safety & well-being
- Enabling diverse careers
- Creating a place where everyone can be their best



Protecting our environment.

- Reducing our impact on climate change
- Sending less waste to landfill
- Sourcing responsibly through our supply chain

How we were HereforNZ in FY26



Foodstuffs South Island maintained a strong focus on customer value in FY26, keeping food price increases below New Zealand food price inflation for **10 of the 12 months measured.**



More than \$3.1m donated by stores to local organisations, causes, and events across the South Island.



Through the collective support of our Owner Operators and co-operative, the **Foodstuffs South Island Community Trust donated over \$804,000** to strengthen South Island communities.



1.6 million equivalent meals donated through stores and distribution centres to food rescue organisations, foodbanks, and community groups.



Nearly 6,000 students participated in the Food for Thought programme. An additional 16,727 students nationally enrolled in Nutrition Quest.



Workplace harm reduced, with **Lost-Time Injury Frequency Rate improving by 20%** and **Total Recordable Injury Frequency Rate improving by 10%.**



33,000 bags of groceries donated nationwide by New World customers as part of the Family2Family appeal. New World also donated \$250k to City Missions and local food support charities.



100% of Foodstuffs Own Brand seafood meets our responsible sourcing requirements, completing a commitment made in 2020.



Developed our 2030 Labour Rights Strategy, establishing a roadmap to improve labour rights outcomes in our operations and supply chains.



Innovating to reduce virgin plastic consumption, towards a 40-tonne reduction per year through our distribution centres.

Supporting Strong Communities

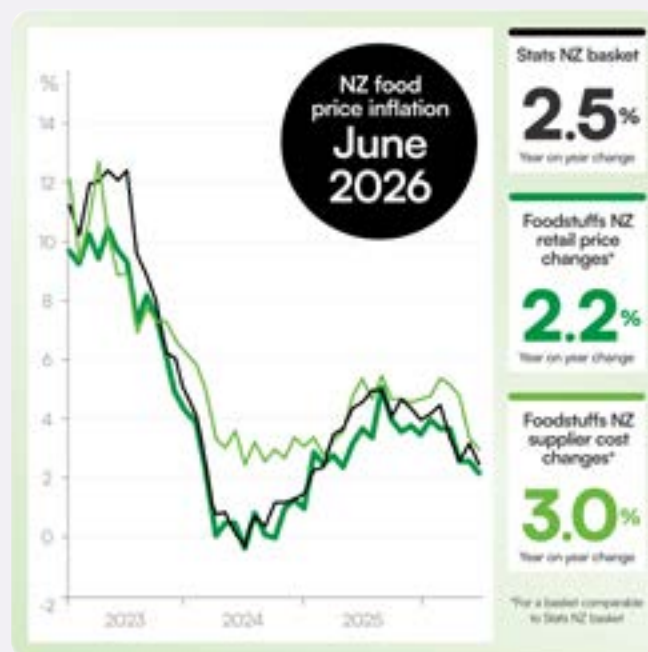
Food affordability

Food affordability remains a key focus for Foodstuffs South Island. We track New Zealanders' perceptions of affordability through biannual Kantar research as well as through our own monthly customer research.

Our aim is for PAK'nSAVE to remain the number one supermarket brand in New Zealand for fair pricing. Our aim for New World is to achieve a Kantar fairness score of 105. The latest Kantar research was released in June 2026.

PAK'nSAVE is well-known for having "New Zealand's lowest food prices" and has maintained its number one ranking for Kantar fair pricing for nine consecutive years with a fairness score of 119. New World increased 1 point up to 100 in the latest Kantar report and continues to focus on delivering value for customers through initiatives such as Everyday Low Pricing as well as through Foodstuffs' private label offering.

For the past four years, we've been monitoring how Foodstuffs' price increases compare with both supplier cost increases and Stats NZ food price inflation. This helps us understand the impact of rising costs while maintaining a focus on value for customers. In FY26, our food price increases remained below New Zealand food price inflation for 10 of the 12 months measured.



MEASURE	FY25	FY26	Target
Making everyday food affordable	PAK'nSAVE #1 and New World 99 for Fairness	PAK'nSAVE #1 and New World 100 for Fairness	PAK'nSAVE #1 and New World 105 for Fairness

Meal donations

In FY26, we continued working with food rescue organisations and community groups to ensure surplus food that was no longer suitable for sale was redirected to people who need it most.

This year, our stores donated more than 840,000 equivalent meals to members of the Aotearoa Food Rescue Alliance (AFRA). These organisations redistributed the food to community groups and people in need across New Zealand. Our distribution centres also donated approximately 800,000

equivalent meals through partnerships with the New Zealand Food Network and other food rescue organisations.

Stores that are not partnered with AFRA members continued to support their local communities through direct donations to community groups, school breakfast clubs and marae. These partnerships help maximise the value of surplus food while supporting food security in communities throughout New Zealand.

MEASURE	FY25	FY26	Target
Number of equivalent meals donated to food rescues and food banks	1.4m	1.6m	No set target

Note: a meal is considered equivalent to 450 grams as per AFRA guidelines.

PAK'nSAVE Rangiora supporting Satisfy Food Rescue

Supporting food rescue is not always about donating food. In FY26, PAK'nSAVE Rangiora donated surplus shelving to Satisfy Food Rescue as the organisation established new premises to support the redistribution of food to foodbanks across the region.

Satisfy Food Rescue General Manager, Stef Van Meer, said the contribution helped support the organisation's work and reflected a long-standing partnership with the store.

"We're grateful to James and Katherine Flanagan, owners of Rangiora PAK'nSAVE for supporting our mahi. As our first partner store 11 years ago, they've been with us from the beginning, and their continued support shows us we can count on them when it matters most."



James Flanagan (PAK'nSAVE Rangiora) and the team at Satisfy Food Rescue

Providing good food & other essentials for New Zealand Food Network to deliver across the South Island

Through its partnership with New Zealand Food Network (NZFN), the country’s largest food support charity, Foodstuffs South Island helps provide essential products to NZFN’s Food Hubs, including food rescue organisations, foodbanks, social service agencies and marae across the South Island.

For example, Foodstuffs South Island’s recent donation of frozen products to the New Zealand Food Network helped support Canterbury whānau facing hardship, with a wide variety of products, providing access to items that are not often available through regular channels.



This partnership helps ensure surplus food reaches communities where it can make a meaningful difference, while supporting organisations working to address food insecurity across the South Island.

“Despite the chilly, wet weather outside, our wonderful Evergreen members were all smiles today as they enjoyed a surprise treat — delicious ice cream generously donated by Foodstuffs and NZ Food Network! The cold couldn’t dampen the joy — laughter, connection, and a whole lot of grateful hearts filled the room. Thank you for helping us create these small but special moments that mean so much. Ngā mihi nui to Foodstuffs and NZFN for your kindness — it truly warmed our day from the inside out!”

Delta Community Support Trust



Community impact

With approximately 1.5 million customer transactions each week across 165 owner-operated stores, Foodstuffs South Island is closely connected to communities throughout the South Island. Our locally owned and operated model means our store owners and teams understand the needs of their communities and are well placed to support the causes, organisations, and events that matter most to local families.



In FY26, our stores donated more than \$3.1 million to local community organisations, causes, and events. This represents an increase of more than \$590,000 on FY25 and reflects the contribution our Owner Operators and teams continue to make in the communities they serve.

MEASURE	FY25	FY26	Target
Amount donated by our stores to relevant local community organisations, causes and events	\$2,555,405	\$3,140,680	No set target

Community Trust: supporting communities across the South Island

The Foodstuffs South Island Community Trust brings together the collective support of our Owner Operators and co-operative to help strengthen South Island communities. Through the Trust, we support organisations that provide access to healthy food, reduce hardship, and respond to community needs during times of crisis.

In FY26, \$804,980 in funding was distributed through the Trust to support communities across the South Island. This included a \$350,000 donation to 31 foodbanks over the summer period, helping keep shelves stocked for families in need beyond the holiday season.

The Trust also made two significant donations during the year, contributing \$50,000 to the Southern Cancer Society and \$20,000 to the Cholmondeley Children’s Centre Charitable

Trust. These contributions helped support organisations providing vital services to individuals and families when they need them most.

The Community Trust reflects the collective impact that can be achieved through our co-operative model and shared purpose. It extends our commitment to feeding the South Island beyond our stores, helping support some of the most vulnerable members of our communities while bringing to life the spirit of the co-op.



New World Family2Family campaign

In April 2026, New World stores partnered with City Missions and local food support charities through the Family2Family campaign, helping provide practical support to communities facing food insecurity.

The campaign once again received strong support from customers, with more than 33,000 bags of groceries donated nationwide. New World also contributed \$250,000 to City Missions and local food support charities, helping these organisations continue providing food and support to people and families experiencing hardship.



Supply chain Christmas support

At Christmas time, our Supply Chain team came together to support local communities through a range of initiatives aimed at helping individuals and families during the festive season.

A total of 1,488 lolly cake food bags were assembled for donation to charities, including 150 to Delta Community Support Trust and 150 to Kairos Food Rescue. These donations helped support people in the community at a time of year when many families face additional pressures.

The team also donated 100 school bags filled with back-to-school essentials, along with two pallets of SMEG kitchen utensils to Christchurch Aunties. Through these initiatives, our Supply Chain team provided practical support to local community organisations and the people they serve, demonstrating the positive impact that can be achieved when we work together for our communities.

Food for Thought

Foodstuffs South Island proudly support Food for Thought, a nutrition education programme delivered in primary schools by qualified nutritionists, in partnership with the Heart Foundation.

In FY26, 5,947 students participated in the Food for Thought nutritionist in school programme across the South Island. Nationally, an additional 16,727 students were enrolled in Nutrition Quest, Food for Thought’s digital education platform. Here, students embark on a digital learning adventure to the islands of Foodtopia, where they learn how different foods support our wellbeing, and complete fun nutrition challenges to bring food back to the people of Foodtopia.

Adding a digital programme to its toolkit has enabled Food for Thought to extend its reach to more schools and students across the country, as well as providing teachers with an easy-to-use resource to reinforce learnings from the nutritionist in school programme.

Since the programme began in 2007, Food for Thought nutritionists have educated more than 294,000 tamariki across New Zealand, supporting children to build knowledge and skills that help them make informed food choices to support their wellbeing.



MEASURE	FY25	FY26	Target
Number of children in the South Island participating in the Food for Thought programme	5,349	5,947	YOY increase

Food for Thought Nutrition Quest takes home a Diamond Award at the LearnX Awards

Food for Thought’s digital education platform, Nutrition Quest, received a Diamond Award for Best eLearning Design - Game (Education) at the LearnX Awards in Melbourne in November 2025. The LearnX Awards are an international programme recognising excellence across HR, education, learning and development, and technology.

Food for Thought created Nutrition Quest in partnership with Cognition Evolve, with input from qualified nutritionists and Heart Foundation Nutrition Advisors. Primary school teachers and students also played an important role in developing and testing the platform to ensure it delivered an engaging and effective learning experience.



Health Star Rating & Heart Foundation Nutrition Guidelines

Foodstuffs Own Brands is committed to helping New Zealanders make informed food choices through transparent nutrition information and the continuous improvement of product nutrition.

Through our Own Brands portfolio, we support the Ministry for Primary Industries' Health Star Rating (HSR) programme by displaying HSR on relevant products. Relevant products are foods that require a nutrition information panel, may vary in nutritional composition, and have sufficient packaging space to display the Health Star Rating. The HSR system helps customers compare products and make informed choices at the point of purchase.

We also use the Heart Foundation Nutrition Guidelines to inform product development and reformulation activities across our Own Brands portfolio. These guidelines help us identify opportunities to improve nutritional outcomes and increase the availability of healthier choices for New Zealanders.



Pams wins at Healthy Food Guide Lunchbox Awards

In FY26, Pams Super Slaw and Pams Cheese Sticks were recognised in the Healthy Food Guide Lunchbox Awards for their nutritional profile, taste, and value.



MEASURE	FY25	FY26	Target
In food categories where Heart Foundation nutritional criteria exist, a defined percentage of Own Brand products will comply with those criteria (National)	75.4%	74.8%	70%
Display the Health Star Rating on all relevant* Own Brand food products (National)	99.9%	99.9%	100%

* Definition of 'relevant' aligns with HSR programme guidelines for foods intended to carry HSR. HSR are applied where space permits.

Meaningful & Safe Work for Our People

Health & safety

Workplace harm reduced during FY26, with Lost-Time Injury Frequency Rate reducing by 20% and Total Recordable Injury Frequency Rate reducing by 10%.

This improvement was supported by further progress towards a proactive, risk-based health and safety model focused on preventing harm before it occurs.

During the year, we strengthened our health and safety support framework for stores through

training, advisory services and governance tools. We also continued to build leadership capability, increase worker participation through health and safety committees and representatives, and further embed critical risk management across the business.

Within Supply Chain operations, efforts focused on engaged people, safer systems of work, improved contractor partnerships, and engineering controls designed to eliminate or reduce critical risks.

MEASURE	FY25	FY26	Target
Lost-Time Injury Frequency Rate (LTIFR)	35	28	YOY Improvement
Total Recordable Injury Frequency Rate	79	71	YOY Improvement

Learning & development

Engagement with leadership development programmes continued to grow during FY26, reflecting strong participation from team members across the co-operative.

We continued to invest in learning opportunities that support current and future leaders, helping equip them with the skills needed to succeed in a changing business environment.

Our grocery commercial development learning programme is now an established part of our learning offering. Building on this progress, additional courses are planned for launch later in

the calendar year to further strengthen commercial capability across the co-operative.

While apprenticeship numbers in butchery and bakery remained relatively stable during the year, engagement with pre-trade programmes remained positive. These programmes continue to play an important role in developing a pipeline of future talent and supporting people to begin careers in these specialist trades.

Participation in retail and supply chain development programmes was relatively flat in FY26.

MEASURE	FY25	FY26	Target
Number of employees participating in Leadership development programmes	753	765	YOY Improvement
Number of employees participating in Retail and Supply Chain development programmes	172	165	YOY Improvement

Gender pay equity

During FY26, updates were made to internal data preparation processes to better align with the Ministry for Women toolkit.

Using this approach, our overall gender pay gap is -5.56%, meaning the median female team member earns 5.56% more than the median male team

member. This is better than the national average of 5.3% as at 30 June 2026.

The gender pay gap is one measure of workforce equity and forms part of a broader understanding of representation and outcomes across our workforce.

MEASURE	FY25	FY26	Target
Achieve a Gender Pay Gap that is better than the national average (5.3% as at 30 June 2026)	-3.58%	-5.56%	YOY Improvement
Improve representation of women in leadership roles	34%	34%	YOY Improvement



Protecting Our Environment

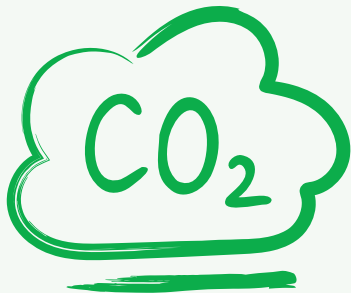
We recognise the important role we play in helping reduce our environmental impact and supporting outcomes for future generations.

Our environmental focus is centred on reducing waste from our operations, including packaging waste, reducing carbon emissions and promoting responsible and ethical sourcing practices throughout our business. These focus areas help guide our efforts as we work to improve the way we operate, manage resources more efficiently, and support positive environmental outcomes across our value chain.

Carbon emissions

Our 2030 target

Foodstuffs South Island continues to work towards its target of reducing Scope 1 and Scope 2 emissions by 42% by 2030, compared with our 2020 baseline year.



Our emissions profile

Our emissions profile continues to be significantly influenced by diesel use within our supply chain network. As a result, a key area of focus is supporting the transition to lower-emission transport solutions, including working towards the future adoption of electric vehicles.

Enabling greater uptake of electric vehicles

The transition to an electric vehicle fleet requires significant supporting infrastructure. During FY26, we continued to work towards developing the systems and infrastructure needed to enable this transition over time, recognising the important role it will play in reducing emissions from our operations.

MEASURE	FY25	FY26	Target
Reduction in carbon emissions (Scope 1 & 2 cumulative reductions from FY20 baseline)	-1.2%	-3.5%	-42% by FY30

The absolute emissions inventory, broken down by scope and source, can be found in Appendix A.

Building more energy-efficient stores

While we continue to improve the energy efficiency of existing stores through refurbishment programmes, our newest stores showcase the direction we are heading.

PAK'nSAVE Rolleston, which opened in October 2025, incorporates a range of technologies designed to reduce operational energy use and improve efficiency. These include a natural CO₂ refrigeration system, replacing synthetic refrigerants with high global

warming potential, as well as doors on fridges and freezers to help retain cold air and reduce energy consumption.

The store also features LED lighting throughout and rooftop solar generation, which produces electricity onsite and reduces reliance on power from the national grid. Together, these features help create a more energy-efficient store while supporting our broader efforts to reduce emissions from our operations.



Reducing waste & supporting circular solutions

Foodstuffs South Island continues to focus on reducing waste from our operations and finding practical alternatives to landfill wherever possible.

Across our New World, PAK'nSAVE, Four Square and Trents stores, a range of materials are diverted from landfill, including cardboard, plastic film and mixed plastics. We also work to maximise the value of food that is no longer suitable for sale through a range of recovery pathways.

Edible food is redirected through partnerships with food rescue organisations and community groups, helping ensure surplus food reaches people who need it most. Where food is no longer suitable for human consumption, alternative options such as pig farmers, composting services, protein recovery

programmes, and oils and fats collection help divert material from landfill and support more productive outcomes.

Measuring an overall diversion percentage across our network remains challenging due to the number of waste streams and recovery pathways involved. For this reason, our focus in FY26 has been on reducing the total amount of waste sent to landfill, while also reducing the volume of food that is not sold as intended.



Building a waste minimisation culture through education

We believe ongoing education plays an important role in changing behaviours and supporting long-term waste minimisation outcomes.

In FY26, we developed and rolled out sustainability and waste minimisation online induction and refresher training for operational team members. The training was designed to build awareness of waste reduction practices and help team members better understand the role they can play in improving environmental outcomes across our operations.

By incorporating waste minimisation into core learning programmes, we are helping create a culture where sustainability considerations become part of everyday decision making. This approach supports our wider efforts to reduce waste sent to landfill and improve resource recovery across the supply chain.

The rollout of this training forms part of a broader programme of work that has contributed to strong waste reduction outcomes across our supply chain operations during FY26.



Packaging sustainability

Reducing packaging waste remains an important focus across our stores, supply chain, and Own Brands range. Our approach includes supporting reusable solutions, reducing the use of virgin materials, removing unnecessary packaging, and improving recyclability wherever practical.



Caps & Lids recycling

In FY26, Foodstuffs continued its support of the Caps & Lids Recycling Scheme, an industry-led product stewardship initiative managed by The Packaging Forum. We support the scheme through financial contributions towards operating costs and by providing convenient back-to-store collection points at our participating stores around New Zealand. Four of our New World stores in Christchurch continued to participate in the programme, helping customers divert lids and caps that are not accepted through kerbside collections.

The success of the programme reflects the value of collaboration across the packaging and recycling sectors. Partners include The Packaging Forum, Nestlé, Coca-Cola Europacific Partners, Lactalis-Mainland Dairy, Goodman Fielder, Lion, Danone, Sanitarium, Suntory Oceania, The PACT Group, Wadding Solutions.



Reducing plastic & driving packaging efficiencies across our distribution centres

Reducing packaging waste is an important part of our efforts to minimise the environmental impact of our operations. In FY26, Foodstuffs South Island worked with packaging partner Universal Packaging to introduce advanced stretch film technology across our distribution centre network.

The technology allows for “downgauging”, where a thinner stretch film delivers the same, or improved, performance compared with conventional stretch wrap. This reduces the amount of virgin plastic required to secure pallets while maintaining the strength, safety, and operational performance required within our distribution centres.

Based on current usage, the initiative is expected to reduce virgin plastic consumption by approximately 40 tonnes per year. Alongside reducing plastic use, the new film improves packaging efficiency and lowers material costs without compromising pallet stability or supply chain performance.

This project demonstrates how innovation and collaboration with suppliers can help reduce packaging waste while delivering operational benefits across our supply chain.



Circularity initiative: closing the loop on hard-to-recycle materials

Foodstuffs helped enable circular resources use through its partnership with saveBOARD, transforming difficult-to-recycle materials into valuable new building products. Soft plastics collected through in-store recycling programmes, along with retired New World Clubcards and PAK’nSAVE Sticky Club tags, are diverted from landfill and repurposed into durable, low-carbon construction panels manufactured in Hamilton.

Plastic Clubcards and Sticky Club tags are made from PVC, a material that is traditionally difficult to recycle due to its chlorine content, additives and small size. By combining these cards with soft plastics and long-life food and beverage cartons, saveBOARD creates high-performance building boards that can be used for wall linings, ceiling tiles, signage, hoardings and surface protection applications.

The initiative demonstrated circularity in action. The boxes used as collection bins in 45 New World and 13 PAK’nSAVE stores across the South Island, are themselves made from saveBOARD material and, once they reach end of life, can be returned, shredded and recycled into new products. Foodstuffs customers can see firsthand how materials they return through store recycling programmes are transformed into new products.



Responsible & ethical sourcing

Through our sourcing decisions, we have an opportunity to influence positive outcomes across the products we buy and the suppliers we work with. Our approach is practical and risk-based, focusing on understanding and prioritising risk, communicating clear expectations, building capability across our co-operatives and supply partners, and taking action in the areas where we can have the greatest opportunity and influence.

Our labour rights approach

Respect for labour rights is a fundamental part of responsible sourcing. Our research shows that 81% of our customers believe fair pay and working conditions are important.

In FY26, we completed a significant body of foundational work to strengthen our approach. This included developing the national 2030 Labour Rights Strategy, which provides a roadmap for improving labour rights outcomes. We also developed a Labour Rights Policy and completed risk assessments to better understand labour rights risks across our operations and supply chains, helping inform how we prioritise and respond to these issues.

FY27 marks the beginning of implementation, with a focus on building awareness, strengthening capability, communicating expectations and improving how labour rights risks are identified, assessed, and addressed across the business.

Improving labour rights outcomes is a complex, long-term challenge. While we will not always get it right, we are committed to learning, adapting, and continuously improving our approach to support better outcomes for workers throughout our operations and supply chains.

Scaling responsible seafood sourcing

Seafood sourcing presents a range of environmental and social risks that can vary significantly depending on the species, catch method and country of origin. Addressing these risks is an important part of our responsible sourcing programme.

In FY26, all actively ranged Own Brands seafood products met Foodstuffs’ responsible sourcing requirements. This achievement completes a commitment made by Foodstuffs Own Brands in 2020.

With this milestone achieved, our focus will shift to expanding responsible sourcing requirements beyond Own Brands seafood products. Initial efforts will prioritise higher-risk imported seafood products, helping strengthen visibility of sourcing risks and support improved practices across a broader range of seafood categories.



Progressing sustainable cocoa sourcing

Cocoa remains a priority within our responsible sourcing programme due to the social, nature, and climate-related risks associated with its production.

In FY26, 32% of cocoa used in the Own Brands range by weight placed on market was sourced through independent certification such as the Rainforest Alliance². Independent certification provides a mechanism to support responsible sourcing practices within cocoa supply chains and helps strengthen visibility of sourcing conditions and standards.

Building on this progress, future efforts will focus on increasing the use of responsibly sourced cocoa across both the Own Brands range and our in-store bakery products.



² Calculated using FY26 cocoa bean equivalent weight placed on market. Only products using cocoa as a primary or characterising ingredient are in scope – in practice there is only one product containing cocoa that is out of scope.



Phasing out caged eggs

Cage-free eggs accounted for 73% of all packaged egg units sold in FY26, representing a gradual increase over the course of the year. This growth reflects both increasing availability of cage-free eggs and continued customer demand for affordable protein options.

Throughout the year, suppliers continued investing in the transition away from colony systems by converting existing production capacity to barn and free-range systems, as well as expanding cage-free capacity ahead of the planned phase-out of colony eggs. Supply availability was more stable during FY26, supporting increased promotional activity

on barn and free-range products and improving accessibility for customers.

Looking ahead, Foodstuffs South Island has a clear colony egg phase-down plan commencing in FY27, aligned with suppliers completing new barn and free-range facilities that will provide additional cage-free supply and support the transition by 2028.

Progress has also continued across Foodstuffs Own Brands, with 99% of Own Brands products containing egg as an ingredient now using cage-free egg. Pams packaged eggs have been cage-free since 2008.

MEASURE	FY25	FY26	Target
% of in-scope* Own Brand products containing cage-free eggs as an ingredient	62%	99%	100%
% total category packaged egg sales (unit sales) that are cage-free	70%	73%	100% by end of 2027

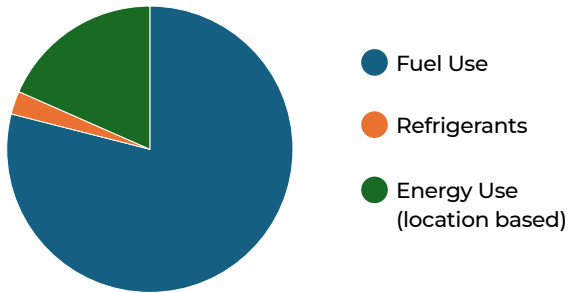
*In-scope relates to where ingredient-egg is present ≥ 1% of the product formulation

Appendix A

FY26 Carbon Emissions Scope 1 & 2 Inventory

The greenhouse gas emissions inventory and boundary have been assessed and measured in accordance with the Greenhouse Gas Protocol methodology. KPMG has provided limited assurance over the reported Scope 1 & 2 emissions for the 2026 reporting period.

Foodstuffs South Island Emissions by Source



SCOPE	Emission Source	tCO ₂ e
1	Fuel Use	6,694
	Refrigerants	196
	Scope 1 Subtotal	6,890
2	Energy Use (location based)	1,342

Our leadership team

Board of Directors

Russell McKenzie	New World St Martins
(CHAIR – RETIRED 4 DECEMBER 2025)	
Marcel Gray	PAK’nSAVE Wainoni
(DEPUTY CHAIR UNTIL 4 DECEMBER 2025, CHAIR FROM 5 DECEMBER 2025)	
Glenn Anderson	PAK’nSAVE Richmond
Phillip Blackburn	PAK’nSAVE Rolleston
Marc Brokenshire	New World Ilam
Angela Bull	Independent Director
Michelle King	PAK’nSAVE Queenstown
Ashley Shore	New World Mosgiel
Steve Wakefield	Independent Director
(RETIRED 4 DECEMBER 2025)	
Jason Williams	PAK’nSAVE Moorhouse
Brent Goldsack	Independent Director
(APPOINTED 5 DECEMBER 2025)	
Paul Reid	Independent Director
(APPOINTED 1 JULY 2026)	

Executive Leadership Team

Mary Devine	Chief Executive Officer
Andrew Crerar	General Manager People & Capability
Chris Day	Chief Financial Officer
Tim Donaldson	General Manager Retail, Wholesale & Property/ Acting General Manager of Supply Chain
(FROM 19 MARCH 2026)	
Kris Lancaster	General Manager Supply Chain
(UNTIL 18 MARCH 2026)	
Damian Lynch	General Manager Merchandise
Lydia Matthews	Head of Strategy
(UNTIL 30 JUNE 2026)	
Darryl Tracy	Group Head of Digital Services
(FROM 1 AUGUST 2025)	
Kent Mahon	Head of Retail
(LEADERSHIP TEAM MEMBER FROM 19 MARCH 2026)	

PAK’nSAVE Member Representation Committee

1 JULY 2025 – 30 JUNE 2026

Bryan Walker (Chair)	PAK’nSAVE Papanui
James Flanagan	PAK’nSAVE Rangiora
Glenn Anderson	PAK’nSAVE Richmond
(UNTIL 20 FEBRUARY 2026)	
Phillip Blackburn	PAK’nSAVE Rolleston
Kyle Burnett	PAK’nSAVE Riccarton
Mark Elkington	PAK’nSAVE Blenheim
(UNTIL 20 FEBRUARY 2026)	
Marcel Gray	PAK’nSAVE Wainoni
(UNTIL 20 FEBRUARY 2026)	
Caroline Hall	PAK’nSAVE Timaru
(UNTIL 20 FEBRUARY 2026)	
Anthony King	PAK’nSAVE Queenstown
Kerri Lee-Lissington	PAK’nSAVE Hornby
Brent Prue	PAK’nSAVE Invercargill
Justin Vaudrey	PAK’nSAVE Dunedin
Jason Williams	PAK’nSAVE Moorhouse
(UNTIL 20 FEBRUARY 2026)	

New World Member Representation Committee

1 JULY 2025 – 30 JUNE 2026

Bradley Patton (Chair)	New World Wigram
Justin Blackler	New World Ravenswood
Marc Brokenshire	New World Ilam
Andrew Griffiths	New World Timaru
Nicola Hollyer	New World Motueka
Julia Spence	New World Prestons
Glen Steele	New World Rolleston
James Turner	New World Fendalton

Four Square Member Representation Committee

1 JULY 2025 TO 30 JUNE 2026

Tim Manson (Chair)	Four Square Stewart Island
Nathan Hay	Four Square Brightwater
Amy Bartlett	Four Square Mātaura
James Fabian	Four Square Wakefield
Damian Fernando	Four Square Atawhai
Jason Jefferies	Four Square Tekapo
Shaun McFadden	Four Square Māpua
Annie Truman	Four Square Hanmer Springs



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 50 to 53:

- have been correctly derived from the audited consolidated financial statements for the year ended 30 June 2026; 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 30 June 2026; 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)).

As part of our audit, we have also addressed the following key audit matters, which are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period:

Co-operative trading: As a co-operative, the Group has extensive trading with members and leverages its collective scale to negotiate rebates and contributions from suppliers. We have checked the occurrence of transactions with members during the period and assessed the accounting treatment of rebates to members and the classification of certain revenue transactions.

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 assurance of the share registry, AML assurance, agreed-upon procedures relating to trustee reporting and limited assurance services for Green House Gas Emissions reporting. 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 New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). 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.

© 2026 KPMG, a New Zealand Partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Document classification: KPMG Public



Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon as part of the engagement to audit the consolidated financial statements. We have performed an assurance engagement on the Green House Gas Emissions reporting that forms part of the other information and provided a separate limited assurance opinion. This opinion is not included within the other information. In connection with our audit of the consolidated 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 financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

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 17 September 2026.

For and on behalf of:

KPMG

KPMG
Christchurch
30 October 2026

2026 Financial Statements

30 June 2026 Financial Statements

These summary financial statements on pages 50 to 53, 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 for the period ended 30 June 2026 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 30 June 2026, authorised for issue by the Board of Directors and signed on 17 September 2026 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 30 June 2026

	notes	12 months to 30 June 2026 \$000	4 months to 30 June 2025 \$000
Net revenue	1	3,937,979	1,214,986
Cost of sales		(3,521,905)	(1,086,530)
Gross profit		416,074	128,456
Other income		21,668	1,686
Operating expenses		(380,387)	(124,885)
Operating profit		57,354	5,258
Finance income		501	115
Finance costs		(24,564)	(9,088)
Net finance costs		(24,063)	(8,973)
Share of profit from associates		1,970	1,329
Profit / (Loss) before tax		35,261	(2,387)
Income tax (expense) / credit		(10,131)	5,244
Net profit for the period after tax		25,130	2,858

STATEMENT OF OTHER COMPREHENSIVE INCOME For the Year Ended 30 June 2026

		12 months to 30 June 2026 \$000	4 months to 30 June 2025 \$000
Net profit for the period after tax		25,130	2,858
Other comprehensive income:			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Movement in cash flow hedge reserve		612	(1,073)
Related deferred tax		(171)	301
Total comprehensive income for the period		25,571	2,085

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY For the Year Ended 30 June 2026

	12 months to 30 June 2026 \$000	4 months to 30 June 2025 \$000
At beginning of the period	257,679	255,594
Total comprehensive income	25,571	2,085
Dividends paid	(2,237)	-
Issue of shares	55,332	-
Redemption of shares	(42,045)	-
Treasury shares	498	-
At the end of the period	294,798	257,679

BALANCE SHEET As at 30 June 2026

	30 June 2026 \$000	30 June 2025 \$000
ASSETS		
Current assets		
Cash and cash equivalents	2,969	13,525
Trade and other receivables	231,931	232,402
Inventories	164,003	155,889
Income tax receivable	1,179	-
Property, plant and equipment held for sale	9,638	10,557
Assets held for sale	20,635	-
Derivative financial instruments	-	479
Total current assets	430,356	412,853
Non-current assets		
Property, plant and equipment	981,709	1,007,992
Intangible assets	68,737	61,792
Investments in associates	6,048	5,480
Derivative financial instruments	670	682
Total non-current assets	1,057,164	1,075,945
TOTAL ASSETS	1,487,521	1,488,797
Liabilities		
Current liabilities		
Trade and other payables	335,987	332,185
Bank borrowings	100,000	-
At-call deposits	145	188,110
Trading deposits and trading deposit shares	122,755	109,932
Employee entitlement liabilities	17,169	15,536
Lease liability	7,891	7,470
Liabilities held for sale	2,933	-
Rebates payable	60,744	57,207
Income tax payable	-	557
Derivative financial instruments	1,558	-
Total current liabilities	649,183	710,997
Non-current liabilities		
Bank borrowings	385,871	365,371
Lease liability	96,995	98,873
Employee entitlement liabilities	1,961	2,407
Derivative financial instruments	34	2,694
Deferred income tax liability	58,679	50,775
Total non-current liabilities	543,540	520,121
TOTAL LIABILITIES	1,192,723	1,231,118
EQUITY		
Capital and reserves attributable to equity holders		
Share capital	219,867	206,082
Other reserves	(922)	(1,534)
Retained earnings	75,853	53,131
TOTAL EQUITY	294,798	257,679
TOTAL EQUITY AND LIABILITIES	1,487,521	1,488,797

STATEMENT OF CASHFLOWS
For the Year Ended 30 June 2026

	12 months to 30 June 2026 \$000	4 months to 30 June 2025 \$000
Cash flows from operating activities		
Cash was provided from:		
Customers	4,049,695	1,300,249
Interest received	501	115
	4,050,196	1,300,364
Cash was applied to:		
Purchases, wages and expenses	3,835,120	1,168,876
Members rebates	56,446	21,241
Interest paid	21,489	7,766
Income tax paid	4,041	867
	3,917,095	1,198,750
Net cash inflow from operating activities	133,101	101,614
Cash flows from investing activities		
Cash was provided from:		
Advances from other related parties and associates	4	333
Dividends from associates	1,400	1,200
Sale of Property, Plant, & Equipment	35,599	14,169
	37,003	15,702
Cash was applied to:		
Purchase of intangibles	29,007	5,461
Purchase of property plant and equipment	41,674	33,861
	70,681	39,322
Net cash outflow from investing activities	(33,678)	(23,620)
Cash flows from financing activities		
Cash was provided from:		
Increase in Trading Deposits/Shares	12,823	6,647
Increase in bank borrowings	120,500	-
	133,323	6,647
Cash was applied to:		
Decrease in bank borrowings	-	55,000
Payment of member trading accounts	187,965	14,074
Payment of lease liability	13,995	4,438
Retained Patronage Shares redeemed	41,212	-
	243,172	73,512
Net cash (outflow) from financing activities	(109,848)	(66,865)
Net (decrease)/increase in cash held	(10,426)	11,129
Opening cash brought forward	13,525	2,396
Ending Cash carried forward	3,099	13,525
Represented by:		
Bank and cash balances	2,969	13,525
Cash and cash equivalents included in assets held for sale	129	-
	3,099	13,525

Notes to the Summary Financial Statements

Note 1 Revenue

	12 months to 30 June 2026 \$000	4 months to 30 June 2025 \$000
Revenue		
Revenue from the sale of goods	4,074,865	1,261,458
Rebate discount off invoice	(274,381)	(85,909)
Promotional distributions to members	(42,021)	(13,532)
Monthly member rebates	(19,404)	(7,370)
Year-end rebates to members	(53,662)	(16,051)
Levies from members	124,147	36,030
Total revenue	3,809,544	1,174,625
Other Revenue		
Services to members	39,644	13,543
Rental income on owned assets	61,355	18,645
Rental income on Right of Use assets sublet	20,312	6,060
Miscellaneous income	7,123	2,112
Total other revenue	128,434	40,360
Net Revenue	3,937,979	1,214,986
Other Income		
Gain on disposal of property, plant & equipment	21,668	1,686
Total other income	21,668	1,686

Note 2 Contingent Liabilities

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

	30 June 2026 \$000	30 June 2025 \$000
Members guarantees for bank overdrafts/loans	240,159	290,696
Related party bank guarantee	3,000	3,000
Foodstuffs Publishing Ltd - uncalled capital	25	25

Note 3 Subsequent Events

Subsequent to 30 June 2026, the Commerce Commission advised Foodstuffs South Island Limited of its intention to commence civil proceedings in relation to alleged breaches of section 37 of the Commerce Act 1986 regarding resale price maintenance practices. Proceedings are expected to be filed during the 2027 financial year. At the date of approval of these financial statements, the matter remains at an early stage and the company is unable to reliably estimate the potential financial impact, if any. Accordingly, no provision has been recognised.

Additionally, FSSI has received requests for information from the Commerce Commission. These requests for information remain ongoing and at different stages of progress. At 30 June 2026, there is no material financial statement impact from these that requires, or can be, reliably quantified.

Subsequent to balance date, the Group entered into a conditional agreement to sell the Trents wholesale foodservice business, including Tasman Butchery, to Foodstuffs North Island (FSNI). Settlement is expected on 31 October 2026, subject to the satisfaction of conditions precedent. As the agreement was entered into after balance date, no adjustment has been made to these financial statements. The Trents business was classified as held for sale on 30 June 2026 and the conditional agreement requires no changes in the carrying value.

On 16 September 2026, the Ministry of Business Innovation & Employment released their report on Cost Benefit Analysis of options to restructure the New Zealand grocery sector. FSSI is reviewing this paper and any subsequent impact it may have on the co-operative.

20
26

Foodstuffs
South Island