



Talofa lava!

It's been a pretty big year here at Foodies. We're proud to share our journey with you in our Concise Annual Report for FY20.





**Our year in it
together with all
New Zealanders.**

01. Our Customers	4
02. We are Foodies	7
03. Our Year	9
04. Our Results	17
05. Our Leadership Reports	22
06. Our Numbers	34
07. Our Brands	49
08. Our People & Culture	64
09. Our Social Responsibility	84
10. Our Leaders	91

01.

Our Customers

Our purpose is to make sure New Zealanders get more out of life and we aspire to be one of the most customer driven retailers in the world.

Our team of over 24,000 Foodies based across Te Ika-a-Māui, our North Island, are on a daily mission to keep the promises we make to our customers, continuously proving our loyalty to them through our actions.



This is Willa

Working mum of two from
Tāmaki Makaurau Auckland



At Foodies we're obsessed about really understanding our customers so we consistently deliver what they need and value. We're transforming our business so our customers see and feel we really get them through everything we do.



Who are our customers

Our customers are every day New Zealanders just like you, with their own unique needs, challenges, goals and aspirations.

Every week an average of 2.7 million customers walk through the doors of our physical stores or click into our online shopping experiences. Shopping for food and groceries is central to many, if not all New Zealanders' lives. Our stores are places where almost everyone in a community goes on a regular basis. They're hubs for communities, especially in our city suburbs and regional towns. They're places where people make their most basic health decisions. They're places our business customers rely on to deliver for their own customers. They're an important part of New Zealanders' daily lives.

We live and work in the same communities as our customers and it's an honour to be such an essential part of making New Zealanders' lives better every day



This is Shazza's nana

Shazza's nana loves her local
New World in Papatoetoe

What matters most to our customers

Every customer who visits our stores, or shops with us online, has their own priorities when it comes to getting their food and grocery shops done in amongst everything else that needs to happen for them in a day.

We're always engaging with our customers to understand their reality, what's important and what they value most. We have found through our regular customer conversations and 'always on' feedback solutions that there are common priorities that are important to our customers. These include:

- Fair pricing
- Good value
- Really fresh produce
- Simple meal solutions
- Awesome service from friendly people
- Fast in-and-out of physical and online stores
- Finding products they want and need on the shelf
- Discovering new products easily



The COVID-19 pandemic has changed the way we all live, work and play – and the impact of these changes are not yet fully understood. What we know to be true is that we will be there for New Zealanders as we all adjust to the 'next normal'.



- Help to reduce their environmental impact
- Support for those in the community that are in need
- And for our business customers, support to be as efficient as possible

Why our customers can count on us

We've been a part of New Zealanders' daily lives for nearly 100 years – since 1922 in fact. This is a privilege that we don't take for granted and we work hard every day to meet our customers' needs and exceed their expectations.

We're working on how we listen, understand and most importantly act on the feedback our customers generously share with us. We're determined to deliver every time but if we make mistakes we'll put them right and learn from them.

We're committed to being a positive force for New Zealand in good times and bad, and that's a responsibility we take seriously. We've been here for nearly a century and we're looking forward to being here for New Zealanders for the next.

02.

We are Foodies

We exist to make sure New Zealanders get more out of life. It's our reason for being.

We're a bunch of grocers who believe we have a responsibility to be a positive force for the communities we live in and to the people that call this great island nation home too.

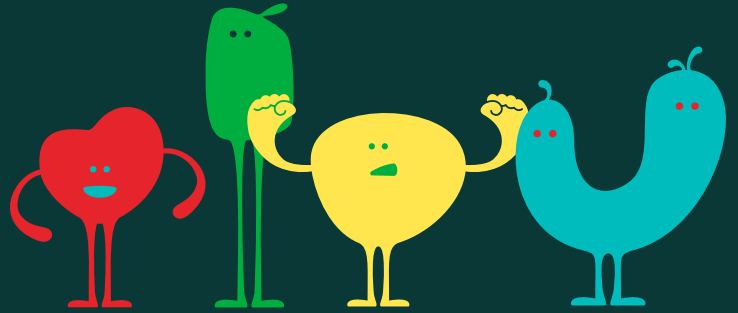
To make sure New Zealanders get more from life, we aspire to be one of the most customer driven retailers in the world who truly understand our customers, consistently delivering what they value and continuously proving our loyalty to them through our actions.

For those that work with us, we're committed to creating an awesome place, for awesome people to achieve awesome things because our people add the magic to the experiences our customers have with us.



*Just what you need,
right nearby!*

**Our Foodies values are
Think Customer, In It
Together, Courageous
and Above The Line.**



Our Foodies business priorities are:

- 1.** Being driven by customer insights.
- 2.** Being more efficient every day.
- 3.** Innovating for customers.
- 4.** A powerfully aligned Co-op.
- 5.** Being a positive force for NZ.

**And we're proud to share the progress
we have made in FY20.**

03.

Our Year

**In it together with all
New Zealanders.**



Friday 28 February, 2020. It was a day that started like any other day, the final days of a long, hot New Zealand summer.

What began as any normal Friday evening took a very different turn as New Zealanders heard the news our first COVID-19 case had been announced.

What followed was unlike anything our stores have ever experienced. Mass panic buying, Gilmours stores having to close their doors because of empty shelves, crowd control, record orders flying out of our distribution centres, and trucks driving through the night to help restock stores as they battled to keep up with demand eclipsing the traditional Christmas rush for weeks on end.

Little did we know that this was just the beginning. The beginning of a fast-escalating global pandemic that reached into the heart of our country and communities. The beginning of a temporary new way of life in New Zealand. The beginning of a long, challenging road ahead.

But it was also the beginning of a chapter in our Foodies history we can all feel incredibly proud to be part of.

It was a chapter where every part of our Co-operative (Co-op) came together for our customers and communities, right when they needed us most.

In this chapter we didn't just keep our stores open for customers, but courageously stood by six commitments we made to New Zealanders.



Our commitments.

- Taking accountability for the safety and wellbeing of our team and New Zealanders in our places.
- We will do all we can to support the New Zealand COVID-19 strategy and play our role in the economic recovery of New Zealand.
- We have a privileged ability to trade and our offer will be customer driven. We will look after our teams, deliver fair prices, and focus on food being available to everyone as we go through this together.
- Our brands all have value for New Zealanders after COVID-19, and we will use the strength of the two Co-ops to support their survival.
- We cannot deliver for New Zealanders alone. We have a role to generate employment and bring our suppliers, manufacturers and partners with us, so we emerge as a healthy New Zealand industry.
- This event will change how New Zealanders live, and we will evolve our business to deliver what New Zealanders need in the future.



In true Foodies style, our store Owners and team members approached the chaotic, uncertain COVID-19 crisis with humility and a sense of duty to keep our stores running and our shelves stocked.



We set up new safety measures for customers and teams at record pace, including protective checkout screens, shelters outside stores and virtual queuing to help look after people getting used to the idea of physical distancing. We kept in touch with customers through social media and other communication channels so they knew what to expect in our stores and how to make their shopping trips as stress-free as possible. We were backed all the way by our suppliers who worked tirelessly with us to deliver for all New Zealanders. And we stayed connected in our business, through daily Member and Leader teleconferences and a common focus on doing our very best for our customers and teams.

Our Foodies essential workers epitomised the phrase 'kia kaha', selflessly going into work day after day through lockdown, and soon became New Zealand's new heroes. We applaud the amazing job every Foodies team member and supplier did, and continues to do, for New Zealanders facing incredibly challenging circumstances.

When COVID-19 reached our shores

Keeping our awesome Distribution Centre, Transport and Store based teams safe on the front line was really important and we supplied:



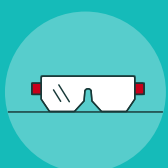
3.5m face masks



140,000L of hand sanitiser



1m pairs of gloves



250,000 safety glasses

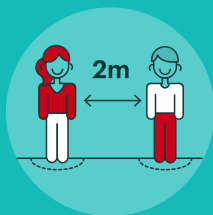
1,633
new jobs for
New Zealanders
out of work

COVID-19 hit most New Zealand businesses hard, with many needing to ask their team members to work reduced hours or, in some cases, having to let people go. Our stores were in a privileged position to trade throughout lockdown and at the same time we needed more people to help keep shelves stocked for our customers. This opened the door for us to bring in new team members and we worked with tourism, hospitality, aviation and transportation businesses to redeploy 1,633 people into short term roles in our business.



Virtual digital queues for our customers

Our IT team developed an innovative text based solution for customers to check in virtually when they arrived at some of our stores. Instead of waiting in queues in all weather, customers could use the app to wait in the safety of their cars until it was their turn to shop.



Two metres apart

When the news broke that New Zealand would move to Level 4 within 48 hours, our Membership & Property team moved fast to design and manufacture safety screens for checkouts and floor decals to help customers to stay two metres apart in store. Within one week, the decals had been distributed and installed in around 100 New Worlds, 44 PAK'nSAVEs, 7 Gilmours, and about 170 Four Squares.



Medical and emergency services workers to the front of the line

As New Zealand united against COVID-19, we were proud to be able to help our emergency services and medical workers on the front line by giving them priority when they joined the queue at any store, at any time, nationwide.



Student Volunteer Army mobilises for elderly and vulnerable

New World proudly partnered with the Student Volunteer Army (SVA) to deliver groceries to those who needed it most during COVID-19. They quickly mobilised a service where elderly or vulnerable customers could place their grocery order with a local member of the Student Volunteer Army, who would then complete and deliver the order to the customer's front door.



Scaling up online shopping capability to cope with 400% increase in demand

Our Online team recruited hundreds of new Foodies during lockdown to help pick more than 200,000 orders and prioritise our most vulnerable customers. In the last week of FY20, our total online sales for Foodies grew four times on the same time last year.



Working from home

Our Support Centre teams suddenly found themselves working from home and it was all hands on deck for our IT team. In just three days, the IT team scaled up our remote working capability so 100% of Support Centre roles could work from home. The team also launched new technology options to help self-isolating store team members connect to their back-office store systems from home.



Foodies Team Talk

As COVID-19 case numbers rapidly escalated, our Safety & Wellbeing team partnered with IT to launch a new Foodies Team Talk tool to help keep team members, merchandisers and contractors safe in store. It's a simple tool for these people to do a quick 'well for work' check before going into a store.



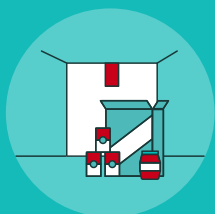
In it together with suppliers

Through the COVID-19 lockdown, getting products on shelves for New Zealanders was a challenge. Thanks to the focused efforts of our suppliers and our regular engagement with them we were able to work together to ensure supply, bring customers fair prices, and keep our promotions going.



Prioritising essential products in our DCs

As our DCs managed pick volumes that surpassed our Christmas 2019 peak (with pick volumes up on average 27% during March and April 2020), our Merchandise and Supply Chain teams jumped into action with our suppliers to prioritise essential and key products in our distribution centres (DCs), and reduce repacking so our DCs could quickly get as many deliveries out the door as possible.



New World Essential Boxes

Foodstuffs North Island piloted New World Essential Boxes to give New Zealanders an express shopping option to get their grocery essentials quicker and more conveniently during the Alert Level restrictions. This service went live on 20 April 2020 and was powered by Gilmours. This joint solution was a great way for the two brands to combine forces and meet the needs of customers who needed key grocery items and who preferred to shop from the comfort and safety of their homes.



The stuff that counts...

\$1.3 million for more than 50 charities

On 14 April 2020 Foodies announced that it would pledge more than \$1 million to support community organisations help New Zealanders who were facing tough times due to COVID-19.

Charities and community organisations are facing significant and prolonged demand as a result of COVID-19. Our hope was for this support to help our social partners meet their increased demand and help our most vulnerable get back on their feet as we look to the future and rebuild New Zealand together.

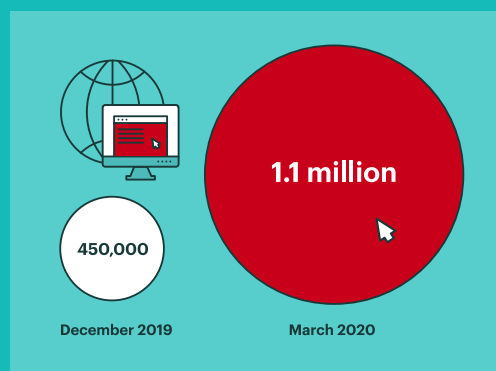
The final donation totalled \$1.3 million across more than 50 incredible organisations throughout New Zealand – exceeding the \$1 million initially pledged due to the overwhelming need. Among these were:

- Our City Missions and food rescue organisations who look after our communities and make sure they have consistent access to healthy food.
- Our Ronald McDonald Houses who look after and feed families with children in hospital.
- Age Concern who look after our elderly neighbours.



Believe it or not...

During COVID-19 our online traffic went from 450,000 visitors across PAK'nSAVE and New World in December 2019, to more than 1.1 million in March 2020.

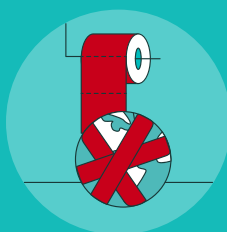


Anchor UHT Milk was the top product ordered from our DCs during Level 4, with 76,872 units going out to stores

Our customers across the North Island bought...



Enough pre-cooked sausages to reach from Auckland to New Plymouth



Enough toilet paper to wrap around the world 22 times



Flour weighing as much as 540 African elephants

04.

Our Results

We're proud to present our results for FY20. Thanks to the customer focus and hard work of our people and Members, supported by our awesome suppliers, it's been another strong year for our Co-op both culturally and financially.



Our Results



72%

Customer satisfaction
flat year-on-year



2.5

**Co-op Lost Time Injury
Frequency Rate (LTIFR)**
↓ halved year-on-year



\$8.4b

Retail & Wholesale store sales
↑ 6.1% year-on-year



66%

**FSNI overall Co-op employee
engagement score**
↑ 4% year-on-year

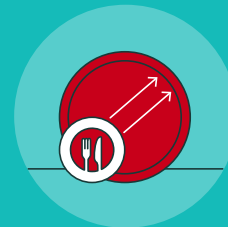
Our Highlights



A united, courageous response to the global COVID-19 pandemic.



A strong year for safety improvements and our lowest Co-op Lost Time Injury Frequency Rate (LTIFR) score ever.



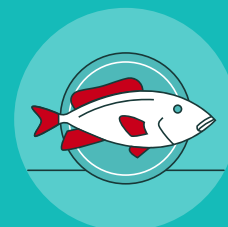
Gilmours transformed their business with double digit growth.



The launch of customer promises for Four Square, New World, PAK'nSAVE and Gilmours.



Four Square turned 95 and was named by AON Hewitt as one of the top ten best employers in Australasia for the second year in a row.



Purchased the business of Leigh Fisheries (rebranded Lee Fish) to bring our customers high quality, sustainably caught fresh fish.

Our Highlights



Took PAK'nSAVE Click & Collect from strength to strength with 39 stores now online.



Nailed a world-class Net Promoter Score (NPS) rating of 84 for the year at Liquorland.



Pams was awarded Most Trusted Brand in the Supermarket / Home Brand category by Reader's Digest for the eighth year in a row.



Our stores gave 8 million meals to local communities through partnerships with food rescue organisations.



Raised more than \$550,000 for the Foodies Foundation and helped another 50 families in the Foodies whānau during times of need.



Launched Everyday Value for New World customers.

Our Highlights



Took out Retailworld NZ's Large Retail Employer of the Year award for the second year in a row.



Opened our first New World 2.0 stores in Pukekohe and Metro Shore City, opened New World Long Bay, and completed a big 2.0 refurbishment of New World Matamata all of which gave us great insights for future store design. We also completed a refurbishment of PAK'nSAVE Botany and Gilmours Manukau and replacement stores for Four Square Papamoa and Four Square Bay.

05.

Our Leadership Reports



From Our Chair.



Dean Waddell

Chair



I am proud of our Co-op's response to this crisis. I am proud we delivered on our commitment to keep our team, customers and visitors safe, while continuing to make sure New Zealanders had access to affordable food.



It is incredible to think that in recent times New Zealand has been in lockdown, in it together to fight a global pandemic.

I am proud of our Co-op's response to this crisis. I am proud we delivered on our commitment to keep our team, customers and visitors safe, while continuing to make sure New Zealanders had access to affordable food. I am proud of the rapid innovation in our Co-op to launch things like the virtual queue technology, and I am proud of the way our Co-op culture and values showed up in everything we did.

We were in a privileged position to be able to trade when many other New Zealand businesses were not able to operate, and this is a privilege we did not take lightly.

Early in the crisis, the Foodstuffs North Island and Foodstuffs South Island Boards agreed on six key commitments and these were front and centre of every decision made. These came through in many different ways, from our decision to provide all our waged frontline team members with a 10% allowance during Level 4, to our commitment in April 2020 to support our charity partners with more than \$1 million in funding to help New Zealanders facing tough times due to COVID-19.

Looking back on FY20, it is hard to believe the COVID-19 crisis was only a small time in our financial year. The FY20 year was also one where our co-op made significant progress on our customer driven aspiration, resetting our 2022 strategy to a longer term 2030 strategy and bringing our customer promises to life across our brands.

It was also a year where we demonstrated what it means to be a powerfully aligned and engaged co-op. There were many examples of this in action, from the work we did to evolve our New World brand, to launching our buying transformation in New World and Four Square.

In many respects, the COVID-19 lockdown was just the beginning for New Zealand as we look to rebuild our economy together. There is no doubt New Zealanders face a challenging year ahead and I am confident Foodies will rise to the challenge and do our part by delivering our corporate social responsibility (CSR) pillars: Healthy and Affordable Food, Meaningful Work, Sustainability Leadership, and Supporting our Local Communities.



Financial highlights.

We're pleased to present another strong financial result for our Co-op.

Our results have been driven by our customer driven transformation, the stable performance of our PAK'nSAVE and Four Square banners, the turnaround of our New World banner and the growth of our wholesale business, Gilmours. This has resulted in overall store sales for our stores of \$8.4b, which is up 6.1% year-on-year.

The following bullet points related to the statutory accounts of the Foodstuffs North Island Group.

- The Foodstuffs North Island Group's revenue for the 52-week period of up on last year on a like for like basis and reflects strong growth across the Group. Reported statutory revenue was \$3,543 million, the difference reflects charge through revenue, which is recorded net under the revenue recognition accounting standard.
- The Group's operating profit was \$218.5 million, \$71.3 million down on last year. This was largely due to the sale of Roma Road last year which is a non-recurring event.
- Consistent with prior years, interest rates have remained low and underlying net finance costs remain stable however the introduction of the new accounting standard for leases was the main cause of our overall net finance costs increasing by \$5.3 million. Accordingly, the Group's accounting profit before distribution to members was down by \$76.9 million on last year to \$171.4 million.
- However, I am pleased to announce Distribution to Members for FY20 is \$169.8 million, \$1.4 million higher than last year.



● ●

As your Board, we keep a firm eye on the future, and the strength of our Balance Sheet enables the perpetuity of the Co-op so we can continue to serve New Zealanders for the next 100 years.

● ●

During the year total capital spend was \$216.8 million which was \$64.8m higher than last year. This increase was due to the acquisition of the Lee Fish business and quota, ensuring surety of a sustainable seafood supply for New Zealanders and acquiring a minority interest in Fresh Connection Limited ensuring we are better positioned to provide a whole of plate offer for Gilmours customers. We continued implementing our property network strategy, investing \$90m million in new stores, refurbishments and the start of our journey to our new home at The Landing, Auckland Airport. In addition, \$33.4 million was invested in technology, including

continued investment in our warehouse and transport management systems, our Digital journey and our Produce systems. The new accounting leasing standard resulted in the Group recognising on balance sheet at the end of FY20 a net liability of (\$3 million).

The Group remains in a strong financial position and we are confident that we are in a good position to enable our Co-op to continue to grow, thrive and succeed for the next 100 years and beyond.

Strengthening our Co-op governance and Member representation.

One of my personal highlights this year has been seeing our Banner Representation Groups (BRGs) go from strength to strength through a strong partnership with our centre teams. This has shown up in more customer driven decision making and improvements to our Member channels such as the All Operator Meetings, where we had regular discussions on the Co-op's governance. We need to keep working on and investing in our member communication channels as these provide us with a platform to have robust conversations on retail excellence, and our new customer initiatives.

This year we also welcomed a new Grocer Director to our Board, Jason Witehira who is the Owner of New World Victoria Park.



Thank you.

Every year in this message, I thank our Members, Executive Leadership Team and Support Centre and Supply Chain teams. This year, the words 'thank you' hardly seem enough.

On behalf of your Directors I would like to sincerely thank you for the incredible job you did leading your teams, providing your communities with valuable support, keeping the shelves stocked with great value food for New Zealanders, and for your unwavering Co-op spirit.

Congratulations to CEO Chris Quin and the whole Foodies team on an incredibly strong year of leading our Co-op through unprecedented times, the significant progress we made on our 2030 strategy, and the strides we made towards becoming one of the most customer driven retailers in the world.

On behalf of the Board,

Dean Waddell
Chair

From Our CEO.



Chris Quin
Chief Executive Officer

●●
FY20 has been a year we should be proud of. We have been challenged by the COVID-19 crisis and it has made us an even stronger Co-op than before. We have had the privilege and responsibility of serving New Zealanders through an uncertain and stressful time for all of us. The one thing that hasn't changed is our commitment to our transformation to become one of the most customer driven retailers in the world.
●●

FY20 has been a year we should be proud of. We have been challenged by the COVID-19 crisis and it has made us an even stronger and more customer driven Co-op than before. We have had the privilege and responsibility of serving New Zealanders through an uncertain and stressful time for all of us.

As a 100% New Zealand owned and operated Co-op, we quickly focused on New Zealanders during the COVID-19 crisis with our focus on six key commitments.

Our overall FY20 performance outcomes reflect the challenge, fight and opportunity we were given this year and the way our Co-op took it on with courage and commitment.

Our customer satisfaction remains strong at 72%, and we have made progress on our aspiration to become one of the most customer driven retailers in the world. It was exciting to see three fantastic new stores open this year – New World Long Bay, New World Metro Shore City and New World Pukekohe. These stores provide customers with an exciting new shopping experience aligned to the future of the New World brand. We also completed major refurbishments at New World Matamata and Gilmours Manukau, and opened replacement stores for Four Square Bay and Four Square Papamoa.

It was a strong year for safety, and we finished the year with our lowest ever Lost Time Injury Frequency Rate (LTIFR) at 2.5 (halved since last year). Since November 2016 we have decreased our LTIFR by 75%, and we have delivered strong capability in safety across the Co-op. We also rolled out our new safety management system, “The SHED” (Safe Home Every Day) – which is a common user-friendly tool that supports us to manage our commitment and obligations to safety and wellbeing.

Overall employee engagement grew 4% year-on-year to a high of 66%. This puts us above the Australia/New Zealand retail average, with increases across all our banners. We also had a strong result in terms of Member engagement, and we are continuing to improve supplier communication and relationships.

It was fantastic to confirm our corporate social responsibility (CSR) strategy, with four clear social promises to New Zealand: providing healthy and affordable food,

meaningful work, sustainability leadership, and local community support. Our COVID-19 \$1 million-plus community support fund, announced in April 2020, has been a great way to see some immediate, tangible action in this space and has already made a difference to New Zealanders across the country.

We had a strong year in returns to Members, with a particularly strong March. Our Four Square, New World, and PAK'nSAVE supermarket brands served huge demand before New Zealand went into Level 4 lockdown on 25 March 2020. The story has been very different for our Gilmours and Liquorland brands, and we have focused on supporting these members of our Co-op through COVID-19. For all our waged frontline, Supply Chain, and Customer Service team members, we committed a 10% allowance for the duration of Level 4.

Summer was strong for us earning customers, and New World saw excellent performance with a strong Spiegelau promotion. It was pleasing to see us act on learnings from last year and get a great result. Online performance was a focus throughout the year, and we saw customer demand for this channel accelerate during the last few months of FY20.

● ●

Overall employee engagement grew 4% year-on-year to a high of 66%.

● ●



Delivering on our strategy.

We made significant progress on our strategic priorities throughout the year.

Actionable Customer Insights: It was exciting to see the rollout of customer promises, the launch of New World Everyday Value & Store Clusters, and implementation of the 'Shelf Review' range tool and Shop on Lab. Working alongside the dunnhumby team, we have received excellent feedback on our progress compared to other major international retailers who have undertaken a similar customer driven change programme.

Simplify Our Business: We have achieved some strong results with the buying model transformation in New World and Four Square, working through category by category in our customer driven range. We've also seen great progress on projects to reduce duplication and cost across the Co-op such as Pay by Scan and centralisation of store office activities.

Partner for Store Performance: The successful delivery of year one of the New World Plan has led to a strong performance this year. Store business plans and trackers have also been well received, and our refreshed coaching model set up, including a training programme for Support Centre teams which will kick off in FY21.

Leaders worth Following: We have made progress culturally, with highlights including the rollout of the Leadership Contract, a review of the future of work, developing Retail College capability, and creating the Future Leaders Advocacy Group (FLAG) to ensure we have diverse thinking.

Using Tech to Win: This year we completed the rollout of PAK'nSAVE Online to give more customers the opportunity to get groceries easily, at a great price. Our e-commerce platforms in both retail and wholesale were recognised with industry awards at the global conferences of Sitecore and Salesforce respectively. We were able to scale New World Online capacity to help meet online demand during the lockdown and our customers continue to tell us how important this channel is to them. Our technology team also supported a rapid shift of our Support Centre team to working from home in March.

Supply Chain Transformation: Supply Chain performance has been a key focus throughout this year. We have continued our Warehouse Management System (WMS) rollout and made good progress on our long-term Supply Chain strategy, whilst dealing with record-breaking volumes.

Wholesale Transformation: Gilmours has seen great results in Online, with excellent customer feedback for our e-commerce Service Delivery channel. Entering our partnership with Fresh Connection was a highlight and we gained some significant national Foodservice contracts.

Move to the Landing: Significant progress was made on our new Landing Drive DC and Support Centre through FY20, and we're still on track despite the impact of COVID-19. Our teams are adjusting well to new ways of working in the Support Centre.

Strong Social Licence: Confirming our CSR strategy with four social promises, measures, resourcing, action plans, and brand tracking has been an exciting win in this space. We are now aligning our CSR work to these four pillars: healthy and affordable food, meaningful work, sustainability leadership, and local community support.

Pursue New Opportunities and Adjacencies: This year we acquired the Lee Fish business and invested in Fresh Connection. We have also developed digital innovations including Zoom Trolley and implemented a digital queuing solution for our supermarkets.



Looking ahead, our ten-year strategic plan to 2030 is clear – we have one purpose, one aspiration and four values. We have six big goals for our Co-op, which are to:

1. Be the market leader who is the most loyal to customers

2. Be the most engaged retail and wholesale employer

3. Be the most valuable Co-op for Members to be part of

4. Be rated as a positive force for New Zealand

5. Be a powerfully aligned Co-op and industry partner

6. Be a leader in retail and wholesale efficiency



I am looking forward to seeing all our strategic work progress in FY21, and spending our last year at our Roma Road office and DC. FY21 is a crucial year for us in relation to supply chain, culture, and customer loyalty in particular.



There are five strategic initiatives that drive us toward achieving our goals over the next ten years: acting on customer insight, more efficient every day, innovating for customers, a powerfully aligned Co-op, and being a positive force for New Zealand.

I am looking forward to seeing all our strategic work progress in FY21, and spending our last year at our Roma Road office and DC. FY21 is a crucial year for us in relation to supply chain, culture, and customer loyalty in particular.

The past few months taught us something about what really matters to customers, and we are using those learnings to keep the good stuff from our crisis response and continue to offer customers what they need most in future. The past few months taught us something about what really matters to customers,

and we are using those learnings to keep the great outcomes from our crisis response and continue to offer customers what they need most in future.

It has been a privilege to serve New Zealanders this year and I am proud to have been working alongside a world-class team of Foodies throughout. Thank you to every person in our 24,000-strong team – you have stepped up, you have delivered, and you have done it with passion. Our Co-op has done our country proud, and I hope you are all proud of the part you played.

Chris Quin

CEO

06.

Our Numbers

Following are our Consolidated FY20 Financial Statements of Foodstuffs North Island Limited, for the year ended 29 March 2020.

The Consolidated FY20 Financial Statements have been independently audited by PricewaterhouseCoopers.



**Report of the independent auditor on the
Consolidated Financial Statements – Condensed Version**



To the shareholders of Foodstuffs North Island Limited

The consolidated financial statements – condensed version (summary financial statements) comprise:

- the consolidated statement of financial position as at 29 March 2020;
- the consolidated statement of comprehensive income for the 52 weeks then ended;
- the consolidated statement of changes in equity for the 52 weeks then ended;
- the consolidated statement of cash flows for the 52 weeks then ended; and
- the notes to the consolidated financial statements – condensed version, which include a summary of policies.

Our opinion

The summary financial statements are derived from the audited consolidated financial statements of Foodstuffs North Island Limited, including its subsidiaries (the Group) for the 52 weeks ended 29 March 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

Summary financial statements

The summary financial statements do not contain all the disclosures required by New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 25 June 2020.

Information other than the summary financial statements and auditor's report

The Directors are responsible for the annual report. Our opinion on the summary financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the 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 summary financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the summary financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the summary financial statements in accordance with FRS-43: Summary Financial Statements.



Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised), Engagements to Report on Summary Financial Statements.

Our firm provides the whistle blower hotline and carries out advisory services for the Group in the areas of tax, treasury and corporate finance. The provision of these other services has not impaired our independence as auditor of the Group.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

Chartered Accountants
25 June 2020

PricewaterhouseCoopers, T: +64 9 355 8000,
188 Quay Street, F: +64 9 355 8001,
Private Bag 92162, pwc.co.nz
Auckland 1010,
New Zealand

Foodstuffs North Island Limited

Consolidated Statement of Comprehensive Income.

For the 52 weeks ended 29 March 2020

	Notes	2020 \$ '000	2019 \$ '000
Revenues			
Cost of sales	2	3,542,600	3,331,705
		(2,769,250)	(2,577,508)
Gross profit		773,350	754,197
Other income		1,666	3,121
Operating expenses		(553,733)	(532,851)
Gain/(loss) on disposal of property, plant and equipment		(2,785)	65,313
Operating profit		218,498	289,780
Finance income		5,700	7,898
Finance costs		(54,859)	(51,683)
Net finance costs		(49,159)	(43,785)
Share of profit/(loss) from Associates and Joint Ventures		2,069	2,396
Profit before distribution to Members		171,408	248,391
Distribution to Members	3	(140,565)	(139,249)
Profit before income tax		30,843	109,142
Income tax benefit/(expense)		12,629	(12,953)
Profit for the period attributable to Members		43,472	96,189
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of hedging reserves net of tax		(6,481)	(6,883)
Items that may not be reclassified subsequently to profit or loss:			
Changes in fair value of other financial assets		(3,319)	1,867
Total other comprehensive loss		(9,800)	(5,016)
Total comprehensive income for the period attributable to Members		33,672	91,173

Items in Other Comprehensive Income are disclosed net of tax.

Foodstuffs North Island Limited

Consolidated Statement of Financial Position.

As at 29 March 2020

	Notes	2020 \$ '000	2019 \$ '000
ASSETS			
Non-current assets			
Property, plant and equipment		1,891,611	1,852,936
Right of use assets	4	82,695	-
Sublease receivables	4	330	-
Intangible assets		283,081	226,116
Investments in associates	6	5,976	1,827
Investments in joint ventures	6	9,490	8,157
Other financial assets		40,250	43,569
Total non-current assets		2,313,433	2,132,605
Current assets			
Cash and cash equivalents		44,626	33,629
Trade and other receivables		544,501	409,224
Sublease receivables	4	86	-
Inventories		173,684	155,129
Related party receivables	6	58,163	79,574
Derivative financial instruments		1,328	-
Total current assets		822,388	677,556
Total assets		3,135,821	2,810,161
EQUITY			
Capital and reserves attributable to equity holders			
Share capital		132,573	132,573
Other financial asset revaluation reserve		(50,994)	(47,675)
Hedging reserve		(30,307)	(23,826)
Retained earnings		857,157	813,664
Total equity		908,429	874,736
LIABILITIES			
Non-current liabilities			
Liabilities to Members		522,327	490,826
Borrowings		315,000	443,000
Lease liabilities	4	76,494	-
Deferred tax liability		73,376	112,279
Derivative financial instruments		40,970	32,233
Other liabilities		3,039	2,764
Total non-current liabilities		1,031,206	1,081,102
Current liabilities			
Liabilities to Members		93,784	96,272
Borrowings		-	145,000
Lease liabilities	4	9,641	-
Trade and other payables		1,077,243	584,816
Payable of cash distribution to Members		8,235	8,738
Income taxation payable		3,040	6,144
Derivative financial instruments		1,125	1,181
Related party payables	6	3,118	12,172
Total current liabilities		1,196,186	854,323
Total liabilities		2,227,392	1,935,425
Total equity and liabilities		3,135,821	2,810,161



Chairman



Director
25 June 2020

Foodstuffs North Island Limited

Consolidated Statement of Changes in Equity.

For the 52 weeks ended 29 March 2020

	Share capital	Other reserves	Hedging reserve	Retained earnings	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 1 April 2018	132,573	(49,542)	(16,943)	720,034	786,122
Profit for the period	-	-	-	96,189	96,189
Constellation Drive equity adjustment	-	-	-	(1,136)	(1,136)
Prior period adjustment (tax)	-	-	-	(1,423)	(1,423)
Other comprehensive income					
Changes in fair value of other financial assets	-	1,867	-	-	1,867
Changes in fair value of hedging reserves net of tax	-	-	(6,883)	-	(6,883)
Total other comprehensive loss	-	1,867	(6,883)	-	(5,016)
Balance at 31 March 2019	132,573	(47,675)	(23,826)	813,664	874,736
Profit for the period	-	-	-	43,472	43,472
Prior period adjustment (tax)	-	-	-	21	21
Other comprehensive income					
Changes in fair value of other financial assets	-	(3,319)	-	-	(3,319)
Changes in fair value of hedging reserves net of tax	-	-	(6,481)	-	(6,481)
Total other comprehensive income/(loss)	-	(3,319)	(6,481)	-	(9,800)
Balance at 29 March 2020	132,573	(50,994)	(30,307)	857,157	908,429

Foodstuffs North Island Limited

Consolidated Statement of Cash Flows.

For the 52 weeks ended 29 March 2020

	2020	2019
	\$ '000	\$ '000
Cash flows from operating activities		
Cash receipts from customers	3,423,360	3,287,788
Cash paid to suppliers and employees	(2,688,574)	(2,977,211)
Cash generated from operations	734,786	310,577
Interest received	5,684	5,553
Interest paid	(24,157)	(25,019)
Lease interest paid	(4,346)	-
Net GST paid	(55,720)	(54,562)
Net income tax paid	(26,349)	(13,671)
Net cash generated from operating activities	629,898	222,878
Cash flows from investing activities		
Purchase of property, plant and equipment	(98,870)	(115,322)
Proceeds from sale of property, plant and equipment	1,358	103,128
Acquisition of Lee Fish business	(75,732)	-
Purchase of intangible assets	(39,751)	(36,704)
Disposal/(acquisition) of Associates and Joint Ventures	(2,465)	-
Dividends received from Joint Ventures	391	2,613
Advances to Associates	-	(200)
Dividends received from other investments	1,666	3,121
Advances to Members	(214,472)	(195,332)
Repayment of advances to Members	232,289	195,864
(Advances to)/repayment from Associates	(2,552)	4,267
Repayment from/(advances to) other related companies	(1,253)	1,203
Net cash used in investing activities	(199,391)	(37,362)
Cash flows from financing activities		
Proceeds from borrowings	20,000	268,000
Repayment of borrowings	(293,000)	(308,900)
Repayment of lease liabilities	(9,708)	-
Rebate investment vouchers paid	-	(58,138)
Deferred rebate vouchers paid	(74,036)	(11,938)
Interest paid on rebate investment/deferred rebate vouchers	(30,292)	(23,943)
Cash rebates paid	(32,474)	(39,475)
Net cash used in financing activities	(419,510)	(174,394)
Net increase in cash and cash equivalents	10,997	11,122
Cash and cash equivalents at beginning of period	33,629	22,507
Cash and cash equivalents at end of period	44,626	33,629

Notes to the Consolidated Financial Statements.

1. Policies

a) Basis of preparation

The summary financial statements are those of Foodstuffs North Island Limited (the 'Company' or the 'Parent Company'), its subsidiaries and associates (the 'Group' or 'Foodstuffs'). Foodstuffs North Island Limited has designated itself and the Group as profit oriented entities for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). They have been prepared in accordance with Financial Reporting Standards No. 43 "Summary Financial Statements" and have been extracted from full financial statements that comply with NZ IFRS.

For a complete understanding of the financial affairs of the Group, the full financial statements are available for shareholders on request.

b) Accounting periods

The Group has a weekly operating cycle ending on Sunday night. The annual accounting period follows this cycle. The 2020 accounting period presented consists of 52 weeks to 29 March 2020 (2019: 52 weeks to 31 March 2019).

2. Revenues

	2020	2019
	\$ '000	\$ '000
Sale of goods	3,061,045	2,863,771
Service income	51,019	48,392
Rental income	151,984	144,298
Freight Income	53,370	52,984
Services to Members	134,507	130,410
Co-operative income	77,853	74,725
Miscellaneous Income	12,822	17,125
Total revenues	3,542,600	3,331,705

3. Distributions to Members

The total distribution for the period is made up as follows:

	2020	2019
	\$ '000	\$ '000
Cash rebates payable	8,028	8,738
Cash rebates paid	23,940	26,832
Deferred rebate vouchers (DRVs)	108,597	103,679
Distributions to Members before interest	140,565	139,249
Interest on deferred rebate vouchers	29,193	29,058
Total distributions to Members	169,758	168,307

These balances and transactions are with related parties (refer note 6).

4. Leases

The Group leases various property, land, office and equipment.

	Property \$ '000	Others \$ '000	Total \$ '000
Right of use assets			
At adoption 1 Apr 2019	93,085	2,317	95,402
Additions	231	133	364
Depreciation & impairments	(11,789)	(1,282)	(13,071)
Net Book Amount	81,527	1,168	82,695
Lease Receivable			
Current			86
Non-current			330
Total lease Receivable			416
Lease liabilities			
Current			9,641
Non-current			76,494
Total lease liabilities			86,135

Impact of adoption NZ IFRS 16

The following table shows adjustments to the statement of comprehensive income for the period as a result of adopting NZ IFRS 16:

	Pre NZ IFRS 16	Adjustment	NZ IFRS 16
For the year ended 29 March 2020			
Revenues	3,542,760	(160)	3,542,600
Cost of sales	(2,769,250)	-	(2,769,250)
Gross profit	773,510	(160)	773,350
Other income	1,666	-	1,666
Operating expenses			
Depreciation & impairments of right of use assets	-	(13,071)	(13,071)
Lease expense	(13,319)	13,319	-
Other operating expenses	(540,662)	-	(540,662)
Gain/(loss) on disposal of property, plant and equipment	(2,785)	-	(2,785)
Operating profit	218,410	88	218,498
Finance income	5,694	6	5,700
Finance costs	(50,513)	(4,346)	(54,859)
Net finance costs	(44,819)	(4,340)	(49,159)
Share of profit/(loss) from Associates and Joint Ventures	2,069	-	2,069
Profit before distribution to Members	175,660	(4,252)	171,408
Distribution to Members	(140,565)	-	(140,565)
Profit before income tax	35,095	(4,252)	30,843
Income tax expense	11,678	951	12,629
Profit for the period attributable to Members	46,773	(3,301)	43,472

Notes to the Consolidated Financial Statements Continued.

The following table shows adjustments to the statement of financial position as at year end as a result of adopting NZ IFRS 16:

	Pre NZ IFRS 16	Adjustment	NZ IFRS 16
As at 29 March 2020			
Right of use assets	-	82,695	82,695
Sublease receivables	-	330	330
Impact on non-current assets	-	83,025	83,025
Sublease receivables	-	86	86
Impact on current assets	-	86	86
Lease liabilities	-	76,494	76,494
Impact on non-current liabilities	-	76,494	76,494
Lease liabilities	-	9,641	9,641
Impact on current liabilities	-	9,641	9,641
Impact on net assets	-	(3,024)	(3,024)

On 22 December 2017 the Company entered into an agreement with Auckland International Airport Limited (“AIAL”) to develop and lease a new ambient distribution centre and support centre on airport land. The lease amounts have not been included in the 2020 financial statements as the lease commencement has not started yet. The lease right-of-use and liability will be recognised in the financial year when the lease commences.

On adoption of IFRS16, the group recognised lease liabilities in relation to leases which has previously been classified as “operating leases” under the principle of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 April 2019. The Group weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 4.64%.

The following table reconciles the operating lease commitments as at 31 March 2019 to the lease liabilities recognised on adoption of NZ IFRS 16.

Operating lease commitments disclosed as at 31 March 2019	484,596
Less: Landing Drive Lease not recognised as at 1 April 2019 not required under NZ IFRS16	(381,064)
Less: Short term and low value leases	(186)
Add: Adjustments as a result of different treatment of right of renewal options	79,511
Lease Commitments as at 31 March 2019 subject to lease liabilities measurement	182,857
Less: Discounted with incremental borrowing rates	(87,807)
Opening lease liabilities as at 1 April 2019	95,050

5. Business combination - acquisition of Lee Fish business

On 31 July 2019, the Group acquired certain assets and liabilities of Leigh Fisheries Limited, a leading seafood supplier. The acquisition has significantly increased the Group's fish quota assets and compliments the Group's existing seafood operations.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	\$ '000
Purchase consideration:	
Cash paid	75,732
Total purchase consideration	75,732

The assets and liabilities recognised as a result of the acquisition are as follows:

	\$ '000
Intangible assets: quota	65,102
Prepayments	3,562
Land and buildings	2,576
Trade receivables	2,254
Investment in subsidiaries and associates	1,607
Plant and equipment	1,218
Loans to other related parties	538
Inventories	354
Trade payables and other payables	(1,363)
Other employee benefit obligations	(116)
Net assets acquired	75,732

Included in investment in subsidiaries and associates above is a 90% share in Lee Fish New Zealand Limited. The remaining 10% share in this entity was purchased by Lee Fish Limited on 28 February 2020 for a consideration of \$21,500. At year end Lee Fish New Zealand Limited is a wholly owned subsidiary of Lee Fish Limited and ultimately the Group.

The non-controlling interest held in Lee Fish New Zealand Limited from 1 August 2019 to 28 February 2020 has been assessed as not significant by the Group.

Included in investment in subsidiaries and associates above is a 50% share in NZ Pilchard Processors Limited. This was sold by the Group on 11 October 2019 for a consideration of \$779,000.

6. Related party transactions

a) Transactions with related parties

Foodstuffs North Island Limited operates as a co-operative and predominantly trades with Members. On a Group level, approximately \$3,529,890,000 (2019: \$3,363,908,000) of revenue represents sales to and rental from Members.

In the ordinary course of business the Group bears charges for the shared activities undertaken by its associated companies and related parties and incurs direct costs which are recovered from them. The net charges from associated companies were \$20,883,554 (2019: \$18,991,586). Net charges to related parties were \$101,129 (2019: \$98,982). These charges are recognised as part of related party receivables and payables in the Statement of Financial Position and cost of sales, other income, operating expenses and finance income and expenses in the Statement of Comprehensive Income.

There have been no transactions with directors outside trading in the normal course of business in their capacity as Members, other than directors fees. Total directors fees paid and payable for the current year end amount to \$1,043,860 (2019: \$921,041).

b) Outstanding balances at balance date with related parties

The Parent company advances funds to subsidiaries, Members and associate companies in the normal course of business. All loans are secured and repayable on demand. At 29 March 2020 a reserve against future recoverability of Member loans of \$nil (2019: \$nil) was held.

	2020	2019
	\$ '000	\$ '000
Loans to Members	51,066	65,890
Loans to Associates	2,298	1,205
Receivable from other related companies	4,799	12,479
Related party receivables	58,163	79,574

Included in trade debtors for the Group is \$433,763,000 (2019: \$320,800,000) arising from Member purchases.

Other related parties represent balances owing from Foodstuffs Auckland Provident Fund Limited, Foodstuffs (N.Z.) Limited and Modern Merchants Limited.

	2020	2019
	\$ '000	\$ '000
Payable to Associates	55	176
Payable to other related companies	3,063	11,996
Related party payables	3,118	12,172

Loans to Members are due within one year and the rate of interest is determined over the period at the floating rate existing at that time except where alternative arrangements have been made. The average floating rate at balance date was 4.0% (2019: 4.5%).

Other related parties represent balances owing to Modern Merchants Limited, Foodstuffs (N.Z.) Limited and Foodstuffs Inbound Limited.

Eight Directors of the Company are also store owners and as such may receive loans under the same terms and conditions as other loans to Members. At balance date, these amounted to \$ nil (2019: \$ nil).

Foodstuffs North Island Limited

Notes to the Consolidated Financial Statements Continued.

c) Guarantees

	2020 \$ '000	2019 \$ '000
Guarantees for Members' bank loans	504,267	507,960

The Group acts as a guarantor for a number of Members' bank loans. The Group is obligated under the guarantee to make the loan payments in the event the Member defaults on a loan agreement. The Group generally holds first debenture security over the assets and prudently manages exposures. Based on the application of the expected credit loss model under NZ IFRS 9, no amount has been included in the financial statements in relation to these guarantees as no guarantees are expected to be called.

d) Fair values

The carrying values of balances receivable or payable are approximately their fair value.

e) Investment in subsidiaries

The Group's principal subsidiaries are:

	Business activity	Share of issued capital and voting rights	
		2020	2019
Equity Funding Limited	Investment	100%	100%
Foodstuffs (Auckland) Nominees Limited	Investment	100%	100%
Foodstuffs (Auckland) Systems & Technology Leasing Limited	Leasing	100%	100%
Foodstuffs Finance (Auckland) Limited	Funding	100%	100%
Foodstuffs Fresh (Auckland) Limited	Distribution	100%	100%
Merchant Property Management Limited	Property management	100%	100%
Foodstuffs North Island Transport Limited	Transport	100%	100%
The National Trading Company of New Zealand Limited	Retail property	100%	100%
Foodstuffs Properties (Wellington) Limited	Retail property	100%	100%
Wai Iti Developments Limited	Investment	100%	100%
Wardell Bros. & Coy Limited	Investment	100%	100%
Gilmour's Wholesale Limited	Wholesaling	100%	100%

f) Investment in Associates and Joint Ventures

The Group's principal Associates and Joint Ventures are:

	Reporting date	Business activity	Share of issued capital and voting rights	
			2020	2019
Foodstuffs (N.Z.) Limited	29 March	Brand Management	50%	50%
Foodstuffs Liquor New Zealand Limited	31 March	Retail	67%	67%
Foodstuffs Own Brands Limited	29 March	Procurement	50%	50%
Foodstuffs Inbound Limited	29 March	Transport	50%	50%
Eat My Lunch Limited	31 August	Catering Service	26.05%	26.05%
Fresh Connection Limited	30 June	Produce Distribution	25%	0.00%

Notes to the Consolidated Financial Statements Continued.

All Associate and Joint Venture companies are incorporated and domiciled in New Zealand which is their principal place of business. At balance date all the above companies are considered joint ventures.

Associates are entities over which the Group has significant influence to participate in the financial and operating policy decisions of the associate, but does not have control or joint control over these policies.

Joint Ventures are entities over which the Group has significant influence to participate in the financial and operating policy decisions of the joint venture and has joint control over these policies.

	2020	2019
	\$ '000	\$ '000
Interests in Associates		
Carrying value at beginning of period	1,827	1,857
Acquisition/(disposal/sale) of shares in Associates	3,804	-
Advances to Associates	-	200
Group's share of Associate's profit/(loss)	345	(230)
Carrying value at end of period	5,976	1,827

	2020	2019
	\$ '000	\$ '000
Interests in Joint Ventures		
Carrying value at beginning of period	8,157	8,443
Acquisition/(disposal/sale) of shares in Joint Venture	-	(300)
Group's share of Joint Venture's profit/(loss)	1,724	2,627
Dividends declared	(391)	(2,613)
Carrying value at end of period	9,490	8,157

	2020	2019
	\$ '000	\$ '000
Results of Associates and Joint Ventures		
Share of profit before income tax	3,006	3,252
Income tax	(937)	(856)
Share of profit from Associates and Joint Ventures	2,069	2,396

The Group's share of the results of its principal Associates and Joint Ventures, all of which are unlisted, and its aggregated assets, liabilities and revenues are as follows:

	Assets	Liabilities	Revenues	Profit
	\$ '000	\$ '000	\$ '000	\$ '000
2020	35,684	24,531	96,020	2,069
2019	20,117	10,351	67,826	2,396

7. Subsequent events

There were no significant events subsequent to year end.

8. Implications of the effects of Covid-19

The FSNI Group were privileged to have the ability to trade through all Covid-19 alert levels.

The Group experienced an increase in revenues towards the end of the year due to high demand driven by the initial behaviours displayed by consumers. Additional costs were also incurred during this time, those related to supply chain and as the Group agreed to pay a 10% allowance to stores for their work during the lock-down period.

The future effect Covid-19 will have on the Group is unknown as at year end and will largely depend on both the scale and longevity of the pandemic. Management considered it prudent to re-assess during and post year end, the possible impact Covid-19 may have on its business, particularly the carrying value of its indefinite life assets and finite life assets to determine whether changes in circumstances indicated the carrying value of an asset may not be fully recoverable. From its review, no additional impairment is required to the Group's property assets or the Group's intangible assets.

07.

Our Brands

We offer New Zealanders the opportunity to choose the shopping experience that works for them through our five different brands.

Local grocers own and operate every one of our stores and are committed to delivering what's right for their customers. When we say local, we mean it. From Four Square Houhora in the Far North, to New World Island Bay in the world's coolest little capital.





PAK'nSAVE has continued to go hard on providing Cheap As, Fresh As and Sweet As experiences from Kaitaia down to Kilbirnie so New Zealanders know they can get the lowest food prices from us. These promises have helped drive another strong year for PAK'nSAVE.



PAK'nSAVE continues to deliver on its policy of offering New Zealand's lowest food prices, with New Zealanders ranking it the second most reputable brand across all brands and the leading retailer in New Zealand (Colmar Brunton "Corporate Reputation RepZ" survey). It was also voted the fifth most loved brand in the country (Colmar Brunton "Brands I Love" register). PAK'nSAVE's advertising continues to receive significant accolades for its effectiveness and sustained success.

Keeping prices low for New Zealanders is what drives our PAK'nSAVE teams every day and this year we've put a whole new focus on widening the price gap, including three price gap campaigns through the year.

In July and August we ran a series of Buyer forums to help upskill our teams to improve pricing and introduce a few new tools to make that better than ever. The Owner Operators from PAK'nSAVE Wairau Rd, Palmerston North and Tamatea partnered with our Support Centre team to lead the sessions and share their first-hand experience – a great way to upskill across the banner using our internal experts.

To make our low prices easy for customers to spot, we rolled out new large format price signage and improved our shelf marketing to make sure customers don't miss our great deals every time they shop at PAK'nSAVE.



Making life that little bit easier

At PAK'nSAVE we're all about giving our customers plenty of fresh as options. In June 2019 we were able to answer our customers' age-old question with our new What's for Dinner meal kits.

For a low \$19.99, these kits contain all the ingredients needed to cook a fresh and nutritious meal for five people. Customers love the easy dinner option while still being able to cook at home.



A fresh new look for our stores

To create a sweet as experience for customers, both PAK'nSAVE Botany and Manukau were refurbished, PAK'nSAVE Thames was upgraded, and PAK'nSAVE Henderson temporarily closed for an exciting new rebuild. Every design decision we make is about creating better in-store experiences for our customers, in a way that suits the way they shop, while helping our teams to get stock on the shelf quickly and safely.

Click & Collect user improvements

We also went harder on our online journey for customers through PAK'nSAVE Click & Collect, which gives customers another great way to get their groceries from us with more flexibility and speed. There are now 39 PAK'nSAVE stores operating online and we are continuing to evolve the systems and processes instore and from the centre to give customers the best possible experience with every online shop.

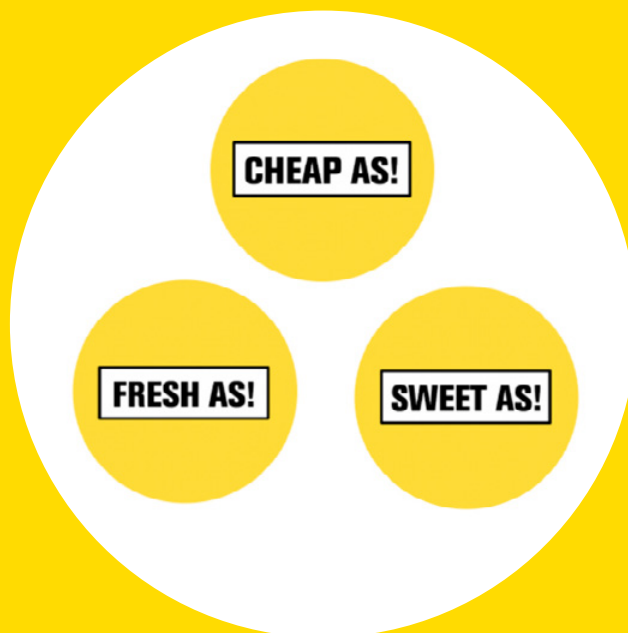


PAK'nSAVE, Botany

Auckland

Eat Well, Pay Less

In December 2019 PAK'nSAVE made the exciting move to team up with Nutritionist Claire Turnbull and begin a series called Eat Well, Pay Less – helping all New Zealanders do exactly that! The series kicked off with Claire getting alongside an urban family, retired couple, single Dad and student flat to show them just how easy it is to make tweaks to their eating habits without breaking the bank. The teamwork with Claire will continue into 2020 with further inspiration around reducing food waste, food preparation and plenty of other smart ideas to help New Zealanders get into healthy habits and routines and make changes that last.



Customers insights

We took seriously our responsibility to keep New Zealanders fed through the lockdown. Cheap as, fresh as and sweet as took on a whole new meaning and our awesome teams rose to the challenge. Customer insights told us that 89% of shoppers felt we were treating them extremely well and 73% trusted us to do the right thing.



This has been a strong year for New World as we have focused on delivering on our customer promises: Fair Value Every Day, Inspiring Solutions and Awesome Experiences.



Happier customers, a more engaged team and outstanding sales growth are the result of an incredibly focused and united effort from all our New World Owners and their teams up and down the North Island.

Our customers started looking for more value from their grocery shopping and we responded with New World's Three Ways to Save and Everyday Value. These were quickly followed by our Spiegelau glassware campaign to help customers enjoy Christmas 'round at ours. The campaign smashed sales records and cemented New World as the highest rated supermarket for customer satisfaction (Canstar 2019) and the top ranked for leadership in the Colmar Brunton Corporate Reputation RepZ survey.



Customer Promises

Head of New World Morgan McCann and his new team of Business Partners hit the ground running, creating the three-year New World Plan and partnering with stores to improve their performance.

First up in year one of the plan was our customer driven transformation and the launch of our Customer Promises and bringing them to life in an epic roadshow for 1,100 of our people.

They've gone back to their stores to embed these promises in everything we do at New World, from the fast and friendly service and the wow factor, to the best fresh products at good prices and simple and inspiring meal solutions.

Changing things up

We started grouping New World stores in a more customer driven way, with store clusters for our Heartland Households, Basket Specialists, Urban Upscale and Value & Variety stores. These clusters cater for different customers and their shopping missions.

Next, we turned our focus to the freezer, with frozen berries and fruit the first stop on our journey to the new buying model. We're changing the way we buy to make it simpler for suppliers to do business with us, more efficient for our stores to operate and ultimately give our customers exciting offers and better experiences.

Then we earned a bunch of loyal new customers with some creative additions to the trade calendar, beating the Black Friday rush with Red Thursday and winning over hungry fans in our \$5 Weeks.

We pulled out all the stops with an army of helpers to open three new stores, New World Long Bay, New World Metro Shore City and New World Pukekohe.

Our Pukekohe store revealed the next generation of New World 2.0 stores, with an exciting new design and layout redefining the customer experience for those looking for more fresh options and meal solutions.



New World, Long Bay

Auckland



The stuff that counts...

New World Waka Kai makes a splash

Kerry Stanley and his team at New World Whitianga took to the Coromandel waters over the summer in a world first for their customers.

They launched New World Waka Kai, a boat delivery option for New World Whitianga customers to skip the store and stay at the shore all summer long.

A lightbulb moment led to the idea – summer traffic is bananas in the Coromandel, van deliveries take too long on those windy roads and our customers would rather be at the beach and in the sunshine than doing errands.

So, they thought, “let’s deliver groceries by boat!”

The boat rolled up to the shore in Whangapoua, Matarangi, Opito Bay, Cooks Beach, Hahei and Pauanui during the busiest days of summer, and customers loved it.

Four Square



Four Square, as always, continues to touch the hearts and minds of our local communities and has had a year Cheeky Charlie would be proud of – with strong growth, employee engagement of 86%, up 3% from the previous year, and customer satisfaction at 88%.



Not many brands are part of the psyche of New Zealanders, but after being part of our communities for nine decades, Four Square is one of them. On 4 July 2019, Four Square celebrated its 95th birthday with a national call out to send a Kiwi nonagenarian on an adventure.

The birthday celebrations also kicked off a partnership with Mr Vintage and the introduction of a national summer brand campaign.



Customer Promise Launch

The Four Square team led by David Gordon hit the road in August to launch our new customer promises: Fresh Faves, Everyday Essentials and Local Service.

Since then, Four Squares up and down the island have been doing their part to bring the customer promises to life by making sure customers get all the fresh essentials they need, easy food-to-go meal solutions, something for every time of the day and, of course, the friendly, personal service Four Square is famous for.

To help Four Square stores bring the customer promises to life, we kicked off our buying transformation to make sure our stores have the right range our customers want, at a fair price every day.

The Four Square team has two dedicated fresh specialists who have been using their extensive knowledge to coach stores and help them take their fresh departments to the next level. There has also been impressive growth in the Seafood department, led by the launch of new Moana fresh fish and the new Pams Smoked Salmon range.

We can't deliver our customer promises without a great team, and for the second year in a row Four Square was in the Australasian upper quartile with our employee engagement score of 86%.



Local service matters

Local Service is all about how our Four Square stores are at the heart of their communities. We saw this time and time again through stores' sponsorship of local schools and sports teams, food deliveries to less mobile members of the community, or donations of food parcels to those in need. Like Dan Dale, Owner of Four Square Parakai, who has been supplying two local primary schools with lunches for almost two years.

"With every paying lunch order we give away a free sandwich, and last year gave away around 5,000 free sandwiches. Along with the support of several other local businesses we also provide food for the two local primary school's breakfast clubs. Each breakfast club feeds close to 70 kids a day," says Dan.

For many of our Co-op Members, their journey as an Owner begins in a Four Square. It's not easy to become a Four Square Owner and each year we run a Four Square assessment process to make sure we're selecting top New Zealand talent to take the reins in our stores. In FY20, we welcomed 14 new faces to our Co-op.



● ●

Four Square is where it all began for us in 1924 and we've been delivering "what you need, right nearby" ever since. Our Four Square family continues to go from strength to strength each year, and we're proud of our Four Square Members for being named one of Australasia's Top 10 Employers (by AON Hewitt) for the second year in a row.

● ●

New look Four Squares

Four Square Papamoa Beach built a brand-new store across the road from their original site and relocated in September 2019. The team won Four Square Customer Driven Store of the Year in their old store just weeks before their move, showing their commitment to doing their best for their customers. The new store is bright and airy, with an impressive range of fresh products!

Four Square Bay (in Russell) closed in February 2019 for a complete rebuild and reopened in December with a brand-new store and a focus on all things fresh.



Four Square, Papamoa

Bay of Plenty

It isn't always easy...

Four Square Edmund Road overcomes devastating fire

Behind every great New Zealand story there are always ups and downs. Clare and Richard Gallagher, Owners of Four Square Edmund Road, know this better than anyone.

Just eight days out from their second anniversary as owners of Four Square Edmund Road, on 27 August 2019, the unthinkable happened.

At the store's busiest time of day, a fire broke out in the switchboard. Things escalated quickly, with the fire alarm sounding and team members and customers needing to evacuate fast. Thankfully no one was hurt, but the fire caused extensive damage to the store, forcing Clare and Richard to shut the store for three months to be repaired.

Not surprisingly, this was a tough time for Richard and Clare. "Our store is, what we believe to be, the heart of our little community...it's how we feed our children and everyone else's who works with us," says Clare.

But thanks to some amazing Co-op, community and team spirit, Clare and Richard were able to get through the crisis and re-open their store.

"When people talk about the strength of the Co-op, we talk about what makes us different – our independent

Owner Operator model. Yes, this is what makes us different on the outside. But what we experienced during the fire, was what makes us different on the inside. The Co-op spirit that we witnessed and experienced goes beyond the ownership model. It was pure heart and soul. The support was overwhelming. The kindness very humbling. We were not in the boat alone. The Co-op were right there with us. That is what makes this Co-op unique and strong," says Clare.

Since the fire, Four Square Edmund Road has gone from strength to strength and is back supporting the community just as strongly as before.





In FY20 Gilmours was back to winning with double digit growth and made a clear transformation on the path to being the leading New Zealand Foodservice partner. While COVID-19 stopped this double digit growth in its tracks, the team has still delivered a result to be proud of.



Gilmours promises its customers it will be the Foodservice partner they can trust, with excellent service and having what they need. In FY20 these new customer promises came to life in everything Gilmours delivered.

It was an exciting year for Gilmours as we welcomed new customers, including Compass, one of New Zealand's largest Foodservice customers.

As a customer-driven business, we are continually looking for new ways to connect with customers. Thanks to Gilmours live chat, customers can now 'chat' directly with our Customer Service Centre when they order through Gilmours Online. This means their queries are answered fast which saves them valuable time.



Time is precious for our Gilmours Foodservice customers, so the Gilmours team introduced a new 'standing orders' capability. Standing orders are for busy restaurants and cafés that need to order the same amount of the same products for delivery on the same days, saving them time as they don't need to go through the ordering process each time.

A big part of delivering on our customer promises is making sure we're efficient. We introduced Microlise, a new paperless solution that cuts down administration for our drivers. It helps improve route planning, reduces mileage, keeps us on time and minimises turnaround times.

Along came COVID-19

COVID-19 was a difficult time for Gilmours after a year of significant growth.

COVID-19 was a difficult time for the Foodservice industry, and for Gilmours after a year of significant growth. Alert Level 4 was an immediate stop to 80% of our wholesale delivery business, so the team needed to pivot from a Foodservice delivery business to helping customers in our busy Cash 'n Carry stores, helping out in other areas of the Co-op such as New World, and keeping in touch with our customers until they could open again.

Here are some ways Gilmours helped the Co-op and New Zealand get through:

- New World Essential Boxes were powered by Gilmours. The Gilmours team picked, packed and delivered orders of essential items to New World customers when they could not secure a delivery slot.
- Supporting many customers with large scale supply to people and organisations who needed it, like the Salvation Army and Tokelau.
- Setting up home delivery to Gilmours Members.
- Delivering to our Four Squares who were finding it challenging to receive their regular deliveries.
- Keeping in touch with our Foodservice customers who had to shut during Level 4, with tips to help them and their businesses.



● ●

As a customer driven business, we are continually looking for new ways to connect with customers.

● ●



Liquorland finished FY20 with a world-class customer Net Promoter Score (NPS) of 84 and double digit top line revenue growth.



Liquorland is one of New Zealand's most successful and sustainable liquor operations and had a massive year with a 55% increase in customer transactions and a 45% increase in basket sizes. The number of Liquorland stores also grew to 129 stores nationwide, up from 116 stores last year.

Liquor trends are changing and New Zealanders are now looking for healthier options, authenticity and interesting colours, flavour and texture. Liquorland has made sure we stay on the front foot with these trends to bring new options to our customers.



Liquorland was the naming rights sponsor of major industry events Beervana, the Great Australasian Beer SpectAPular (GABS) Auckland, Dunedin Craft Beer Festival, and Highball. These gave unparalleled exposure to more than 40,000 people.

Keeping up with New Zealanders taste buds

As a result, we saw huge growth across full strength spirits (up 21.4%) and ready-to-drink products which were up 18.5% year-on-year. Gin grew 45.4% and premium gin (particularly pink gin) grew at nearly double this rate. White rum also showed exceptional growth over the previous year, as new product launches captured drinkers from other categories due to their 'better for me' features, taste, colour and innovation.

55%

↑ Increase in customer transactions

45%

↑ Increase in basket sizes

21.4%

↑ Increase sales in full strength spirits



For our Liquorland Franchisees, this was the first year of a discretionary rebate payment. Given the nature of the COVID-19 crisis and extreme pressures on cashflow in the beginning of the new financial year, we decided to remove all of the criteria for the payments (other than a Franchise Agreement valid beyond the end of the new financial year) and pay this in full to all Franchisees.

Believe it or not...

With only four days left to go in FY20, COVID-19 forced the closure of all our Liquorland stores. That same week, as the clock ticked to lockdown, Liquorland delivered its largest sales of the year.



Foodstuffs Own Brands Limited (FOBL) has wrapped up another successful year with strong year-on-year growth and plenty of exciting projects on the horizon as we head into FY21.



Lisa Oldershaw came on board as General Manager in March 2019 and led FOBL through a strategy overhaul so the team is ready to drive Private Label growth this year and beyond.

Commercially, FOBL has gone from strength to strength with a positive track record on target to achieve significant growth in sales for Retail and Wholesale combined.



The team has also drafted a Sustainable Sourcing Policy for Private Label products that will ultimately form the foundation for standards in key areas: Seafood, Animal Welfare and Modern Slavery.

Once again, Reader's Digest awarded Pams the Most Trusted Brand in the Supermarket/Home Brand category, an annual accolade Pams continues to win year after year.

Colmar Brunton released their results for New Zealand's Brands Kiwis Love survey and for the first time, Pams placed on the list at number 11.

Sustainability is an important focus for FOBL, who are working hard towards the goal of 100% reusable, recyclable or compostable private label packaging by 2025.



#11

Brands Kiwis love: ranking for Pams

08.

Our People & Culture

Because we passionately believe that the experiences our people have at Foodies show up in the quality of the experiences our customers have when they shop with us, our goal is to make sure Foodies is “an awesome place, for awesome people, to achieve awesome things”.



Home Safe Every Day.

When COVID-19 suddenly arrived on New Zealand's doorstep, the safety and wellbeing of our people and customers became even more critical than ever before. Foodies stepped up to the challenge with new technology, processes and resources to keep everyone safe.



Our Safety & Wellbeing and HR teams worked around the clock to support our Owners, Supply Chain and Support Centre leaders with everything from managing vulnerable team members, to new protocols for dealing with COVID-19 cases, to safety campaigns, to working with the Government around safety requirements, to the launch of a new intranet site with wellbeing resources.

- In Level 4, our HR team launched a 24/7 phone and email hotline to help Owners and leaders with employment matters
- Our Lost Time Injury Frequency Rate (LTIFR) improved for the third year in a row, and was the lowest it has ever been at 2.5
- Launched our new health and safety reporting tool, the SHED, to New World and PAK'nSAVE stores, DCs and Support Centre
- The size of our Safety & Wellbeing team nearly doubled to demonstrate our commitment to safety and wellbeing and provide stores with more practical support throughout the year
- Expanded our wellbeing programme in light of the pressures people will be facing from COVID-19 to cover financial, physical, mental and environmental wellbeing

Empowering our people.

Foodies Learning Academy

Our Learning Academy equips our people to be independent thinkers and collaborative doers who are adaptable, share knowledge openly, strive for continuous improvement and seek opportunities to make a difference in the lives of New Zealanders.



In the 2019 calendar year:

867 attended one of our Leadership Programmes

11 graduated as an approved Trainee Operator

1,168 participated in a Foodies short course

256 participated in a health and safety programme

274 enrolled in our apprenticeship programmes

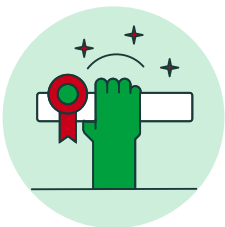


Two new NZQA Level 4 qualifications were offered – Leadership Essentials and Retail Essentials – providing participants with a NZ Certificate in Business and contributing to our commitment to upskill Foodies and achieve recognisable educational achievements.



Congratulations Matthew & Keagan

Graduation 2019



Getting ready for the future of work

We've signed the New Zealand Business Advisory Council's Future of Work Pledge. This means we've agreed to:

- Publicly disclose our investment in on-the-job training and re-skilling hours annually
- Double the number of on-the-job training and reskilling hours we provide by 2025

This pledge challenges us to plan for the future of work and get ready to address any gaps between current capabilities and job types, and those needed in future. Then we can develop team members for the future. To help us achieve this in a complex and changing world, we've invested in a new learning management system to change the way we learn at Foodies. This will go live in FY21.



Flying the flag for the future

We're bringing our younger generations into the boardroom through the Future Leaders Advocacy Group (FLAG), a new initiative at Foodies to help us include a more diverse school of thought in our decision making.

We set up FLAG in November 2019 with the focus on supporting strong relationships within our Co-op and helping us to win with younger people. It's a leadership development opportunity for Foodies team members who are early in their careers but ready to make a big impact by providing a different perspective on business initiatives.

"We know diverse thinking leads to better decisions and outcomes, and at the senior leadership level, age diversity is definitely an area where we could have better representation. FLAG helps us bridge that gap while giving some of our cool young talent an opportunity to engage with strategic discussions and develop their own leadership," says CEO Chris Quin.

Inaugural FLAG members

- **Adam Paterson** Strategy Analyst, Strategy & New Ventures
- **Kaarishma Nair** Project Manager, IT
- **Limara Best** Commercial Partnership Specialist, Membership & Property
- **Maddie McClean** Category Manager, Merchandise
- **Monique Pace** Customer Insights Executive, FSNZ
- **Niah Taylor** Communications Partner, People & Capability
- **Olivia Taylor** Legal Counsel, Legal
- **Tim Paton Finance** Automation Lead, Commercial Operations
- **Xuan Song** Food Technician, FOBL



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

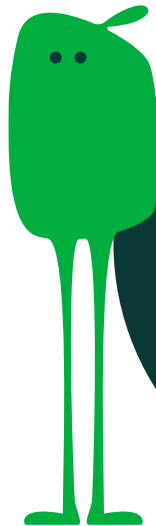


Xuan Song
FLAG Member

Congratulations to our 2019 Approved Operators

In the 2019 calendar year we approved 11 new Owner Operators from the Trainee Operator Programme, with seven members of the group moving to their first store.

- **Kirk Mander**
- **Mark Oliver** (New World Wanganui)
- **Chris Hart** (New World Flaxmere)
- **Paul Fabian** (New World Pahiatua)
- **Luke Stock**
- **Jamie Brear**
- **Aiyad Khan** (New World Taumarunui)
- **Doug Cochrane** (New World Metro Shore City)
- **Michael van Brink** (PAK'nSAVE Royal Oak)
- **Marcus Te Brake** (New World Long Bay)
- **Bruce Jenkins** (New World Dannevirke)



Did you know?

Our 2019 Trainee Operator cohort came from a variety of different backgrounds before moving into the retail industry – from being in the Police, to working in IT, to chartered accountants and English teachers.

Living our values.

How we go about things is just as important as what we do. Our Foodies values play a key role in helping our teams work together, make courageous decisions, respond, innovate and deliver for customers every day.

Congratulations to our Values Champions for 2019, who rose to the top of an impressive 524 nominations.

Think Customer

Nick Ribton Gilmours Mt Roskill

In it Together

Leo Liu Commercial Operations

Courageous

Niah Taylor People & Capability

Above the Line

Otis Wilson Membership & Property

Overall

Parminder Kaur New World Metro Queen St



Parminder Kaur

New World Metro Queen St

“Winning the award was huge for me but honestly the award belongs to our checkout team as they were the ones that voted for me. There is no I in team! To me living the values is about caring, helping and leading. We want to put our best foot forward and provide the best service, best products and best presentation for our customers. It’s also about enabling and encouraging our team members and building their confidence so they can provide the best service.”

Parminder Kaur, Overall Values Award winner, NW Metro Queen St

Foodies Foundation.



“I love the way we work together and are changing the lives of our people for the better. I look at our Trustees and see the huge hearts they have and their ability to connect with care and kindness and it makes me so proud to be part of it.”



Amanda Hayes, Foodies Foundation Trustee

There for our Foodies whānau

When life throws curveballs, the Foodies Foundation is there to help our people and their families.

As the Foodies Foundation heads towards its second birthday in FY21, it continues to make a big difference to the lives of our Foodies whānau when they need it most.

Through the generosity of our people and external partners, plus the passionate support of our Trustees, we’ve been able to raise over \$564,000 and support 50 more families in FY20. This means in total we’ve helped 83 families, bringing hope and inspiring courage through all sorts of tough and traumatic situations.

Ewan Atherton, Chair of the Foodies Foundation Trust, says this means our people can support each other through difficult times in a really practical way.

“It’s worked so well because that has been the heart of Foodies since well before the Foundation. We love what it’s enabling us to do,” says Ewan.



Making it all possible

We marked the first anniversary of the Foodies Foundation with a Thank You event in May 2019. It was a special opportunity to thank everyone for the journey so far and hear some of the stories of how the Foundation is impacting people's lives.



A fundraising auction at our annual Co-op Awards in August 2019 raised over \$140,000, thanks to the generosity of our suppliers, Members and Support Centre teams. Many more teams from all corners of Foodies organised their own fundraisers during the year, using their talents, energy and organisational skills to make a difference for those who need it most.

On top of their normal jobs, our six Foodies Foundation Trustees are the ones who carefully manage the funds coming in.

“Our Trustees often go above and beyond to support our people and direct them to other avenues of support wherever possible too. They have given incredible amounts of time, dedication and care to their roles and the Foundation stands tall today because of their amazing work,” says Ewan.

“The supportive roles that Sharon McCoskrie (Communications Partner) and Michelle Gibbs (Trustee Secretary) have provided over the last two years have been at the cornerstone of our success. Their contribution is recognised by all the Trustees and the Trustees all wish to express their heartfelt appreciation.”

And the feedback from those we have been able to support has included:

“Thank you very much for the help. This will really be helpful for my family.”

“Thank you so much for everything, I appreciate it all so much! Me and my little family. It's helped so much – you don't realise how much stress it has taken off me.”

“I would like to say thanks to all the Foodies Foundation for helping me. It's big money for me. Me and my family are so thankful to the Foodies Foundation for this act of kindness.”

“The Foodies Foundation is the difference between a bad Christmas and now a really really good one!”

Supply Chain

Keeping the North Island moving.

It's been a big year of record-breaking volumes and making changes to build a world-class supply chain. But this year wasn't without its challenges for our legendary Supply Chain teams.

We've focused on getting ready for the future with the build of our new fit-for-purpose Ambient DC at The Landing and the new JDA warehouse management system across four sites to improve on-shelf availability and lower cost of goods sold. Both projects are an important part of our customer driven journey and will help our supply chain deliver the scale and efficiency our customers need.

Bringing the new warehouse management system into our DCs, along with moving to SAP in our Palmerston North DCs, created some challenges that impacted store service levels. We also faced challenges this year with ambient storage, particularly at the Roma Road DC.

Thanks to a strong team effort from IT, Supply Chain, Merchandise and Membership & Property, our DC service levels are now back on track and the teams continue to innovate new ways of strengthening our systems and network.

The team worked harder than ever to improve team safety, and this showed up in the Supply Chain Lost Time Injury Frequency Rate (LTIFR) going down from 5.6 in FY19 to 3.9 in FY20. Contributing significantly to the reduction of our overall Co-op LTIFR to 2.5.

Supply Chain's engagement score also lifted significantly from 57% to 65%.

Then COVID-19 hit

Panic buying and lockdown had a massive impact on our Supply Chain teams, who were faced with the task of delivering record-breaking volumes to stores. In the week before Level 4 alone, our DCs picked 2.3 million cartons – beating the Christmas peak of 2.1 million cartons!

**COVID-19 Level 4:
42,800 pallets**



**Pre-COVID-19:
29,600 pallets**

Keeping our people and customers safe remained our top priority and the team stepped up to their important role for all New Zealanders. They worked around the clock to make sure even our most remote stores received extra deliveries to help keep their shelves stocked for customers.

A year of big numbers

On average 29,600 pallets are delivered to our North Island stores every week – that's a total of 1.5 million for the year! In our peak week of COVID-19 Level 4, this jumped up to 42,800 pallets!

More than 300,000 proof of delivery documents were captured digitally using sign on glass – a huge paper saving as this only started in November 2019.

82% of all loads in FY20 were created by our Central Planning Team or using automation – up from 54% in FY19.

Support Centre

Here for our customers & our Members.

Behind our successful brands are our hardworking Support Centre teams doing their part to help Foodies become one of the most customer driven retailers in the world.

FY20 was another big year for Support Centre as we kicked our customer driven transformation into gear, centralised back office activities for stores, improved partnering with stores, and introduced new technology, processes and initiatives to help our brands win in their markets.



Our customer driven year



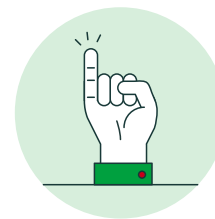
May 2019

We start our journey to become one of the most **customer driven** retailers in the world. Being customer driven is about making sure we're always delivering what matters most to customers, and basing all our decisions on customer insights and data.



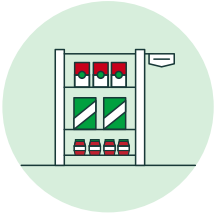
August 2019

New World customers are looking for more value from their grocery shopping and we respond with **Everyday Value**. We can now use data to give our customers everyday items at great prices that last and this has driven significant growth in customer price perception for New World.



September 2019

We launch the **customer promises** for each of our brands. This means our people can focus on nailing the things that matter most to our customers.



January 2020

We introduce **Shelf Review**, a tool that taps into the insights from three million transactions a week. This recommends different product assortments and even substitute products, based on our customer purchasing choices and behaviours.



January 2020

Then comes **Shop on Lab**, a customer insights tool that shows how our customers shop and how we can build loyalty. This helps us understand how our customers are purchasing products and responding to prices so we can make sure we have the right category strategy.



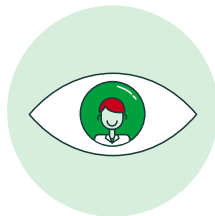
March 2020

Support Centre starts using **Symphony Retail** space and range tools to draw up planograms that show where to put products on the shelves for our customers. Store team members will soon be able to use a tablet to walk the floor and check products are in the right places.



March 2020

We start grouping New World stores in a customer driven way, with **store clusters** for our Heartland Households, Basket Specialists, Urban Upscale and Value & Variety. Now we can see what our customers are looking for in different types of stores and improve their experience.



March 2020

Our technology teams deliver a **single view of a customer** to bring together shopping insights from across New World, PAK'nSAVE and Four Square. This powers the dunnhumby tools and gives us a unique view of how customers shop across our retail brands.



And we're off...

We're off to a racing start! Year two will put these valuable customer insights into action in store on the road to becoming one of the most customer driven retailers in the world.



“I congratulate you on the amazing progress. I cannot think of any of our partners who have activated so many customer driven principles, approaches, or decision tools with such strong conviction during the first year. Never have so few activated so much for the customer in such a short time!

On behalf of dunnhumby, we salute you and thank you. We are grateful to be your partners in delivering the vision of making Foodstuffs North Island one of the most customer driven retailers in the world. Customer driven is not a thing that can be once achieved, then ticked off the list. Rather, it is an ongoing aspiration, the particulars of which change as customers themselves change. So there’s still gritty work to do – but what a great start you are off to!”



David Ciancio, Global Head Grocery Retail, dunnhumby



Customer driven connections

We know New Zealanders want great value, they want us to care about the environment, and they want us to bring them healthy food. As Foodies keeps moving on our customer driven journey, we're constantly looking at new ways to bring our customers more of what matters to them.

Health By Habit

After the runaway success of Rascal + Friends, we worked with ZURU Edge to bring Health By Habit into our stores in March 2020. Health By Habit is a new range of vitamins and it's already proving to be a hit with customers. The vitamins have been formulated by some of New Zealand's leading naturopaths, nutritionists and researchers with formulas based on the latest scientific evidence. This means our customers are getting premium vitamins inspired by real life.

Technology journey continues at pace

We saw strong growth in our retail and wholesale online channels and focused on enriching the customer experience through new apps, revamped brand websites and two-way customer communication channels like Live Chat.

Partnering with stores

Our Support Centre teams have focused on new ways to partner with our store teams. The team's partnering with stores is grounded in data insights that help stores deliver for customers, and in working together with stores on plans that make our customer driven journey real by reflecting the range, prices and availability that our customers expect from each of our brands.



Smart back office centralisation

We've extended our core systems to include Four Square stores. This has enabled a dedicated central team to take on direct transactional support for back office activities in stores that can be supported remotely.

Changing the way we buy

We launched our new buying model in our New World and Four Square stores to make it simpler for suppliers to do business with us, more efficient for our stores to operate and ultimately give our customers exciting offers and better experiences. Combined with the customer insights-driven category reviews, our stores will now be able to offer ranges based on what their customers need.

Foodstuffs New Zealand.

Our national Marketing and Customer Experience team had a solid year in the face of challenging economic conditions.

Customers have more options than ever on where to spend their hard-earned money, so the team worked closely with our operational teams to lift the in-store and above-store performance of our brands, particularly New World.

They pivoted from traditional marketing to experiential marketing and used insights to put customers at the heart of all our marketing programmes. This shift in focus means our brand experiences can meet the needs of a new, digitally-driven generation.

Our Corporate Affairs team led the way in spreading the good news about our Co-op to New Zealanders, making significant strides in sustainability as we brought our corporate social responsibility (CSR) strategy into the business. The hard work of our CSR and Sustainability teams was a catalyst for Foodstuffs New Zealand to join the Climate Leaders Coalition.



Advocacy

We continued to work with the Government to advocate for what's best for our business, our customers and our people.

The Labour-led Government continued to make changes to employment law and strengthen protections for workers throughout FY20. We made submissions to the Ministry of Business, Innovation and Employment's (MBIE) consultation on fair pay, proposed changes to immigration settings, and proposals to address migrant exploitation. At the time of writing, these proposals, along with a review of the Holidays Act and Pay Equity legislation, both initiated in 2018, are progressing but not yet finalised.

The Government also did some work to strengthen statutory protections for consumers and small businesses from unfair business practices. We filed a submission in response to MBIE's

consultation on proposals to prohibit unconscionable business conduct and unfair contract terms. This is now progressing through the legislative stage, and proposals for legislation to govern payment terms are in place.

A raft of changes to food law were also progressed during the year.

We were part of the consultation, seeking to ensure the rules are both fit-for-purpose and cognisant of compliance costs for private label and retail operations. A submission on the Dairy Industry Restructuring Act Amendment Bill supported measures to preserve effective competition in the supply of wholesale consumer milk into the domestic retail market.

In response to growing community concern about environmental degradation, environmental policy received more focus from the Government during the year. Following the ban on single-use plastic bags from mid-2019, the Ministry for the Environment (MfE) consulted on priority waste product status for six products. This included four products relevant to our sector: tyres, refrigerants, electrical goods and batteries, and all plastic packaging including resin codes 1-7. We supported mandatory product stewardship in each case.

In a surprise move, the Government announced funding of a \$1 million project to co-design with industry a beverage container deposit scheme. Our input is via Retail NZ, which is directly represented in the Scheme Design Working Group, expected to report in August 2020. MfE also consulted on increases to the waste levy over the next three years, to encourage greater diversion of waste from landfill and fund much-needed investment in waste infrastructure. We supported the proposal, but with a one-year delay so businesses could prepare.

Over the years we've contributed to many reviews and changes to the Resource Management Act. In 2019 the Government set up a review panel which resulted in the release of an issues and options paper for consultation. We supported a proposal to require councils to produce



spatial plans – 20-30 year strategies for coordinating infrastructure, services and investment – which provide more certainty for developers. Linked to this, we made a submission to the Productivity Commission's review of local Government funding, supporting changes to better balance ratepayer, developer and central Government funding.

We filed a submission to the Department of Internal Affairs' review of funding for Fire & Emergency NZ (FENZ). FENZ is funded by a levy on fire insurance, and we proposed a broad funding base to reflect the breadth of beneficiaries and the public good nature of FENZ's work.

After calling for the regulation of vaping products, the Government introduced legislation to facilitate this in early 2020. We support regulation which assists those who smoke to transition to less harmful products, while at the same time managing the risks of these new products.

As COVID-19 closed in, our advocacy work included coordinating with the relevant Government agencies and organising Government support for us to continue to feed New Zealanders.

Foodies at The Landing.

Tō mātou wāhi. Our place.



We're on track to move over 1,000 of our people into The Landing Business Park at Auckland Airport in early 2021. Tō mātou wāhi. Our place. Our place to stand tall. The new heart of our Co-op which connects our people, suppliers and customers right across Te Ika a Māui, our North Island.

We're building a much larger, world-class Ambient DC and a bright, modern Support Centre on one site. It will be the biggest DC in the history of our Co-op, large enough to meet our needs for the next 30 years, and one of the biggest in New Zealand.

The new DC will combine all our Upper North Island ambient DC operations in one place. It'll be future-ready with space for us to grow, flexible enough for changes in technology, and purpose-built to seamlessly integrate our Transport and DC operations. It'll help our Supply Chain teams deliver more accurate orders for stores, fuller shelves and a lower cost of goods sold.

COVID-19 has disrupted the way the world works and its impacts will be long lasting. Our new Support Centre will maximise every opportunity to take what we learned from COVID-19 to create a dynamic and empowering environment that will attract our people into its heart daily to collaborate, share and learn from each other – in it together.



Our new place is inspired by the natural beauty of the surrounding Ōtuataua Stonefields and their walls, grass, bush and land



- Their influence is seen in the sweeping roof of the Support Centre and the dramatic effect of light spilling through all three levels
- The ground floor will have an innovation hub with a demo kitchen, test lab, hospitality space and mini mart
- We'll host our people and visitors in a purpose-built event and learning centre
- There'll be a café and hub for our people and Members
- The roof of the new DC will be the home of the largest solar array in New Zealand
- Our new DC will be bigger than eight rugby fields and could fit one third of Auckland's population standing shoulder-to-shoulder
- The DC will have 110 electric manual handling equipment items (forklifts etc), 400 CCTV cameras and will have the largest bank of semi-automated satellite racking in New Zealand aka 14,880 pallet spaces of dense racking



Events at Foodies.

Events are a big part of how we roll at Foodies. They're an important part of how we connect and learn. We also believe it's important to take the time to celebrate achievements along the way. Here's a few of our event highlights for FY20.



Checker of the Year

July 2019

Checker of the Year is a legendary event across our Co-op. We hold checker events across the North Island and bring together the best of our awesome checkers to compete for the highly prized Checker of the Year title. The atmosphere is amazing with workmates, family and friends turning out in force to support our checkers.



Co-op Awards

August 2019

Our Co-op Awards event brings together our Membership community annually to recognise excellence and celebrate the spirit of our Co-op. It's always a great night and awesome to take the time to reflect together on achievements and successes. The icing on the cake wasn't just on dessert this year, we were also able to raise over \$140,000 for our Foodies Foundation.



FoodiesX

September 2019

FoodiesX is our leadership event series and it is growing year on year. FoodiesX is about bringing together our leadership community from across our Membership, Support Centre and Supply Chain teams. Our focus is on building customer driven leaders that will help Foodies to be one of the most customer driven retailers in the world, building greater collaboration and future focused thinking. It's a great "brain food" day.



Four Square Conference

October 2019

Held every second year, this event connects our Four Square Members with our strategy and what's important for Four Square's success. It's a great time out for our Four Square Members to share learnings and catch up with each other too. The event is designed to inspire and motivate while sharing practical tools and information to help our Members with their store operations. This year the theme was "Insights, Leadership, Action" and the event was held in a pop-up dome in Christchurch (which was pretty darn cool)! The next Four Square Conference will be in April 2021.



End of Year Celebrations

November 2019

It's always important to say thank you so in November 2019 (before the Christmas madness) we held events in Wellington, Palmerston North, Rotorua and Auckland to thank our Support Centre and Supply Chain teams for their hard work and commitment throughout the year.



Foodies Graduation & Excellence Awards

March 2020 for our Class of 2019

We LOVE Foodies Graduation and Excellence Awards. It's where we get to celebrate with family and friends, the hard work and achievements of people from right across Foodies. So good for the soul and so cool to see our awesome people achieving awesome things.

09.

Our Social Responsibility

Together with Foodstuffs New Zealand and our South Island sister Co-op, we have created Foodies' National Corporate Social Responsibility (CSR) strategy. It is a plan to collectively focus on the right things that make sure we are a positive force for New Zealand.



Our CSR pillars are:



The pillars are reinforced by research that was carried out to understand areas where Foodstuffs can make a real and positive difference in Aotearoa. We spoke with New Zealanders and this included conversations with our customers, Members, Foodstuffs leaders, employees, suppliers, government representatives, industry bodies and interest groups.

This helped us to understand what people expect from us in the CSR space. We were encouraged to learn that most of the people we talked with were aligned on key CSR issues in fast moving consumer goods (FMCG) that are affecting New Zealanders. This provided great insights which helped us to develop our National CSR Strategy, Brand CSR Strategies, and our 2025 Goals. We are committed to being a positive force for New Zealanders and are looking forward to making sustained, meaningful change in the years to come.



The pillars are reinforced by work that was carried out to understand areas where Foodstuffs can make a real and positive difference in Aotearoa.



Our National CSR Strategic Summary:

Top Four Strategic Pillars

These are the four priority areas where we have a responsibility to lead. Our position in the market means we must step up for the benefit of New Zealand. It's simply the right thing to do.

<p>1.  Healthy and Affordable Food.</p>	<p>Local Communities</p> <p>Every New Zealander has access to healthy and affordable food.</p>
<p>2.  Sustainability Leadership.</p>	<p>Support a sustainable New Zealand in the way we operate our business and source our products.</p>
<p>3.  Meaningful Work.</p>	<p>Shape meaningful careers for our people and prepare them for the future of work.</p>
<p>4.  Supporting Local Communities.</p>	<p>Support and make genuine difference for our local communities.</p>

Hygiene Factors

We will comply with, and where appropriate exceed, our legal and regulatory requirements in these areas.

- Responsible marketing and product placement of alcohol, tobacco, gambling
- Food safety
- Operational Health & Safety
- Animal Welfare
- Provenance — Local and seasonal produce
- Plant-based nutrition



To help us have a strong, targeted impact aligned with each of our strategic pillars, we have set 11 National 2025 CSR Goals.

These are based on what New Zealanders care about the most, and what we believe our role is to make a difference for our country. They have energised our team and created a framework to guide our conversations and actions internally and externally – galvanising us around an aligned purpose to make meaningful change.

1. Healthy and Affordable Food.



By 2025 we will:

- Influence healthier food choices – Promote healthy and affordable food choices to New Zealanders and our customers to measurably shift customer behaviour.
- Reduce food poverty – Make a notable difference to food poverty in New Zealand through an investment of >25mil cumulatively by 2025.
- Healthier and more affordable Own Brands – Champion healthier and more affordable alternatives by defining, calling out and growing credentials and introducing new products in identified categories.

Some CSR highlights from the past year include:

- Purchased 3,186 Eat My Lunch lunches last year – donating 3,186 lunches to Kiwi kids in need. Support from us and others has enabled Eat My Lunch to give more than 1.5 million lunches to Kiwi kids since inception.
- Food for Thought (supported by our national brands) has reached 181,312 New Zealand children at 2,052 schools around New Zealand.

2 Sustainability Leadership.



By 2025 we will:

- Reduce our carbon emissions – Join the Climate Leaders Coalition. Commit to report and set targets by July 2020.
- Minimise our waste – Implement the waste minimisation programme across all Foodstuffs sites, with all sites diverting 90% of waste from landfill and reducing total waste tonnage towards zero waste.
- Improve our packaging sustainability – Deliver on our Plastic Packaging Declaration commitment, reduce single-use plastic packaging, rationalise packaging SKUs, support and drive NZ's circular economy.
- Responsible and ethical sourcing – Embed Foodstuffs' National Responsible & Ethical Sourcing Policy into the supplier community – covering social, labour and environmental standards.

The past FY year we have:

- More than 8 million meals have been provided to those who need them through food rescue partnerships.
- Foodstuffs has eliminated 18 million cardboard boxes nationally due to switching to reusable crates, and 200 tonnes of plastic by switching to NanoWrap.
- Stores on our national waste minimisation programme have diverted 85% of waste from landfill.
- We joined the Climate Leaders Coalition and signed up to the NZ Plastic Packaging Declaration.
- We committed to the largest solar panel array of any building in New Zealand, which will be installed on the roof of our new Auckland distribution centre, a 5-Star Green Building.

3. Meaningful Work.



By 2025 we will:

- Invest in our people – Develop and build careers, including delivering on our Future of Work Pledge.
- Committed to inclusive and fair cooperatives – We will build a fair and inclusive team and culture that authentically reflects the communities we serve.
- Supporting the wellbeing of our people – Our people are supported with health and wellness programmes and services that are applicable to them.

The past FY year we have:

- Raised more than \$564,000 to support our people through the Foodies Foundation, and supported more than 50 families.

4. Supporting Local Communities.



By 2025 we will:

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

The past FY year we have:

- Donated more than \$1 million nationally to help New Zealanders facing tough times due to the impact of COVID-19 – supporting 54 incredible social organisations.

10.

Our Leaders

Our Co-op leaders are driven by making sure New Zealanders get more out of life and doing the right thing for our customers, communities, Co-op and country. Having great leaders worth following is part of what makes our Co-op so special and successful.

We'd like to thank our leaders and those who have served the Co-op in FY20 for their efforts and Co-op spirit.



Our Board of Directors.



Dean Waddell (Chair)

PAK'nSAVE Cameron Road

Appointed to the Board in 2013, Dean is a third-generation grocer who began working in the family supermarket, New World Brookfield, at age 13. He left to study at Massey University, graduating with a Bachelor of Business Studies before returning to work at New World Brookfield. Dean became a Member in 1992 when he purchased New World Brookfield and moved to his current business, PAK'nSAVE Cameron Road, in 2013. Dean and his wife Julie have three children.



Craig McKeown

PAK'nSAVE Sylvia Park

Appointed to the Board in 2014, Craig was chosen as the pilot Operator for the conversion of Gilmours stores to owner operated. Craig was the Owner Operator of Gilmours North Shore for more than six years, before taking ownership of PAK'nSAVE Sylvia Park in August 2015. Prior to joining Foodies Craig held senior management positions in a number of large retail organisations throughout Australasia. Craig has an MBA from Auckland University and a Masters of Enterprise from Melbourne University. He and his wife Kathryn have one child.



Malcolm Boyd

New World Hillcrest

Appointed to the Board in 2017, Malcolm studied at the University of Waikato, the Australian Graduate School of Management and Massey University Business School. In 2007 he purchased his first store, New World Morrinsville, and in March 2017 took ownership of New World Hillcrest. Malcolm was Chair of the New World Committee and is currently a Board member for Boyds Asparagus Industries Limited. Before Foodies Malcolm was a business owner, held governance positions and senior roles in finance, strategy and project management, and is a Chartered Accountant. He is married to Angela and they have three children.



Rob McGregor

PAK'nSAVE Papamoa

Appointed to the Board in 2017, Rob McGregor began his career working at New World Te Kuiti, in his father's store. He graduated from Waikato University with a Bachelor of Computer Studies and applied this knowledge to develop computer programmes for the business. In 1995 Rob purchased New World Hillcrest, before moving to Auckland and purchasing the newly built New World Victoria Park. In 2010 Rob opened the newly built PAK'nSAVE Papamoa where he is Owner Operator today. Rob sat on the New World Committee for a number of years, including as Chair. He is currently the Board Rep on the Gilmours BRG and is also a Director on the Ruel Foundation.



Brendon Jones

New World Howick

Appointed to the Board in 2018, Brendon began his career at Foodies in 2001 at Write Price Wanganui and in 2005 took ownership of New World Gonville. In 2007 he opened the brand new New World Wanganui, before moving to New World Howick in 2014. Brendon is a Director on the Eat My Lunch Board. He is married to Kate and they have two children.



Sarah Aston

New World Milford

Sarah was appointed to the Board in 2018. She joined the Co-op as the Owner of Four Square Oneroa in 2008. Prior to joining Foodies, she held several senior business roles at Coopers and Lybrand (now PwC) and Telecom New Zealand (now Spark) including the Programme Lead of an operational capability development programme and Head of the 1200-strong Customer Care Team. Sarah became the Owner of her current store, New World Milford, in 2010. Sarah is also a Board Member of the Milford Business Association and was the Chair of Laura's Angels (a fundraising committee for the Laura Fergusson Trust). She holds a Bachelor of Physical Education, a Bachelor of Commerce (Accountancy) and is a Chartered Accountant. Sarah and her husband Grant have two children.



Karl Marryatt

PAK'nSAVE Kapiti

Appointed to the Board in 2014, Karl has spent his entire working career in supermarkets and the retail sector. He became a Member in 2004 with the purchase of New World Naenae, which he owned and operated for three years before purchasing New World Railway Metro in central Wellington. In June 2018 Karl took ownership of PAK'nSAVE Kapiti. Karl is married to Caroline and they have two children.



Jason Witehira

New World Victoria Park

Jason was appointed to the Board in 2019. He began his career with Foodstuffs North Island in 1998 as the Owner of New World Taumaranui. In 2001 he became the Owner of New World Botany, before taking ownership of New World Victoria Park in 2010. He has played a key role in the Foodies Co-op over the years as previous Chair for the New World North Island Committee, and New World Auckland Committee. Jason completed the Fonterra Governance Development Programme in 2015 and completed a Design Thinking Programme at Stanford University/ Callaghan Innovation in 2015 along with the Te Hono Stanford Bootcamp. Jason was also awarded the Aotearoa Outstanding Māori Business Leader of the year 2015. He is a proud father of four and has eight mokopuna.



Peter Schuyt

Independent Director

Independent Director Peter has held senior executive roles in finance and strategy areas at the New Zealand Dairy Board, Fonterra and NZ Post Group. Peter is on the Board and chairs the Audit & Risk Committees of Tatua Dairy Company, Alliance Group and Dairy NZ, is a Board member and chairs the Audit Committee of TSB Bank and is currently Chair of Tax Management NZ Ltd. Peter holds a Bachelor of Commerce in Accounting and Economics from Canterbury University. Peter and his wife Tracey have five children.



Sir Henry van der Heyden

Independent Director

Independent Director Sir Henry has served in dairy industry governance roles for over 25 years. He is currently Chair of Rabobank Australia Limited, Tainui Group Holdings, Maxwell Farms Limited and Manuka S.A. Limited. He is also a Director on the Board of Pascaro Investments. Sir Henry holds a Bachelor of Engineering with Honours from Canterbury University. He is married to Jocelyn and they have four children.



Jane Freeman

Independent Director

Independent Director Jane has held senior marketing and general management positions at Telecom, ASB, Bank Direct and Clear Communications, and is currently a Director of Kiwi Property Group. She has previously held board positions with ASB, Delegates Group, Pumpkin Patch (Chair), Air New Zealand, St George Bank NZ, Albert Street Dental, Publicis Groupe NZ, Sheffield and SKYCITY Entertainment Group. Jane has a Bachelor of Commerce in Marketing from the University of Auckland. She and her husband Chris have three children.

Our Executive Leadership Team.



Chris Quin

CEO

Chris joined Foodies as CEO in September 2015 with 28 years' experience in leadership roles. His most recent position was CEO of the Home, Business and Mobile division of Spark NZ (previously Telecom NZ). Prior to that he formed the successful IT services business Gen-i (within Telecom) by merging three businesses. In 2010, he received a Sir Peter Blake Leadership Award for his leadership achievements and contribution to the community, which include being Chair of The Icehouse business growth organisation. Chris has a Bachelor of Commerce and Accounting from Victoria University and completed the Stanford Graduate School of Business executive programme.



Catherine Tardif

GM Strategy & New Ventures

Catherine arrived at Foodstuffs Auckland in May 2013 as Manager Strategy & New Ventures and was appointed to the role of GM Strategy & New Ventures in July 2016. Before Foodies, she was Senior Manager Corporate Development for Thomas Cook Group in the UK and held senior investment banking roles at Citi and PwC. Catherine has an MBA from the London Business School, a Bachelor of Finance from Université Laval in Quebec, Canada, and is a CFA charter holder.



Mike Brooker

General Counsel & Company Secretary

Mike joined us in 2009 as GM Legal at Foodstuffs Auckland and was appointed to the role of General Counsel & Company Secretary at Foodstuffs North Island in 2013. Prior to Foodies, Mike was a Partner at DLA Piper where he had a broad commercial practice, including acting for a number of franchised businesses, of which Foodies was the largest. Mike was 2015 Private Sector In-house Lawyer of the Year. He studied at the University of Auckland and gained a Bachelor of Laws and a Masters of Commercial Law.



Jo Allan

Chief Financial Officer

Jo joined Foodies as Chief Financial Officer in January 2017 and brings more than 20 years' Fast Moving Consumer Goods (FMCG) finance and leadership experience to the table. She has held senior finance, strategy, leadership and transformation roles for a number of leading companies including Frucor, Danone, Fonterra, Tegel and Lion. She is also an engineer and has a Bachelor of Engineering (Mechanical) and is a CPA.



Lindsay Rowles

GM Membership & Property

Lindsay joined Foodstuffs North Island in May 2016 as GM Property. In September 2018, Lindsay took on a new role on the Leadership Team as GM Membership & Property. Prior to joining Foodies, Lindsay spent eight years at Woolworths Australia, where he held various leadership roles in their property group. Most recently as Group Property Operations Manager – North, he had responsibility for the development and execution of their national network strategy plan and their property strategy. Before Woolworths, Lindsay worked for ALDI for eight years, establishing and operating the ALDI retail brand in New South Wales, then as Property Director responsible for store network development in Victoria. He graduated from Deakin University with degrees in Commerce and Law.



Wendy Hammonds

GM People & Capability

Wendy became GM People & Capability in March 2016. With more than 15 years' experience in developing talent and leading people, Wendy is passionate about driving cultural change and strong employee engagement in large organisations. Prior to Foodies, she led the HR team for the retail business unit within Spark that looks after home and small business customers. She also worked for Westpac, AMP Banking and Bendon, following ten years in the UK.



Simon Kennedy

Chief Digital Officer

Simon joined in April 2019 as Chief Digital Officer. Before Foodies, Simone was most recently CIO at Air New Zealand, following seven years at The Warehouse Group, with the last four years there as Group CIO (2013-2017). A New Zealand citizen who is originally from the UK, Simon started his career with Accenture in London and held a number of consulting industry roles in the UK, NZ and India before settling permanently in Auckland in 2009. Simon holds an MA in History & Economics from Oxford University.



David Stewart

GM Merchandise

David joined in 2010 as Chief Financial Officer at Foodstuffs Auckland and became Chief Financial Officer at Foodstuffs North Island in 2013, then GM Merchandise in 2016. Before Foodies, David worked in Europe in senior finance roles at France Telecom, Orange and PwC then returned to New Zealand to work at Yellow Pages as Chief Financial Officer. Named New Zealand's CFO of the Year for 2015, David is a Chartered Accountant and has a Bachelor of Commerce and a Postgraduate Diploma in Commerce from the University of Auckland and is a graduate of the Stanford School of Business Executive Programme.



Gemma McBeath

GM Wholesale & Customer Service

Gemma joined Foodies in November 2017, leading the team that are transforming Gilmours to be the preferred Foodservice partner. Before joining our team, she ran a transformation programme for the MediaWorks Executive team. Prior to this she was at Spark for 15 years in a variety of start-up, operation and transformation roles across various leadership teams. Gemma's passion is delivery, transformation and digital change.



Jonathan Box

GM Supply Chain

Jonathan was appointed GM Supply Chain in June 2018. Prior to this he spent almost 30 years with Nestlé around the world before Fonterra brought him to New Zealand. He has extensive leadership experience in Operations, Marketing, Sales, Supply Chain and Business Transformation across a broad range of product categories and countries. Jonathan holds a Bachelor of Science from King's College London and is a graduate of the Programme for Executive Development at IMD in Lausanne.

Serving Our Co-op

A big thank you to all these people and organisations for their huge contributions to the Co-op this year. Our Co-op spirit is alive and well.

Protection and Perpetuation Trustees

Tony Carter (Chair)

Stuart Irons

Richard Reilly (retired 29 August 2019)

John Street

Martin Wiseman

Murray Jordan

Audit, Risk & Compliance Committee

Peter Schuyt (Chair)

Dean Waddell

Rob McGregor

Sarah Aston

Karl Marryatt (from August 2019)

Malcolm Boyd (stood down in August 2019)

Succession, Remuneration & Nomination Committee

Dean Waddell (Chair)

Jane Freeman

Henry van der Heyden

Craig McKeown

IT Governance Committee

Peter Schuyt (Chair)

Jane Freeman

Rob McGregor

Brendon Jones

Operator Development & Approval Committee.

Malcolm Boyd (Chair from August 2019)

Karl Marryatt

Brendon Good

Quintin Proctor

Jason Witehira (from August 2019)

Chris Quin (Chief Executive Officer)

Wendy Hammonds (GM People & Capability)

Lindsay Rowles (GM Membership & Property)

Rob Redwood (stood down in August 2019)

PAK'nSAVE Banner Representation Group.

Ewan Atherton (Chair)

Dean Galt

Vinod Bhaga

Lance Gerlach

Craig McKeown (Board Rep)

Jon Morrison

New World Banner Representation Group

Brendon Good (Chair)

Richard Lucas

John Gray

Brendon Jones (Board Rep)

Kym Samuels

Tony Ford

Amanda Elliot

Four Square Banner Representation Group

Peter Jones (Chair)

Chris Martin

Satish Parmar

Sarah Aston (Board Rep)

Joe Dodd

Tim Jackson

Claire Blair

Clare Gallagher

Aaron Broadbent

Gilmours Banner Representation Group

Aaron Kedzlie (Chair)
Dayne Riddell (stood down June 2019)
Hamish McIntosh
John Horwood (stood down June 2019)
Jason Morrissey (stood down June 2019)
Matt Humphrey
Peter Blackwell (stood down June 2019)
Rob McGregor (Board Rep)
Rob Redwood (Board Rep – stood down 2019)

Bankers

ASB Bank Limited
Bank of New Zealand
MUFG Bank Limited
Commonwealth Bank of Australia
Industrial and Commercial Bank of China (NZ) Limited
Westpac New Zealand Limited

External Auditors

PricewaterhouseCoopers (PwC)

Internal Auditors

Ernst & Young (EY)

Solicitors

DLA Piper
Ellis Gould
Hudson Gavin Martin
SBM Legal

If you would like to ask a question or share feedback about the Foodstuffs North Island Limited Concise Annual Report for FY20, please contact Mandy.

Mandy Thorburn
Foodies Head of Internal Communications

m. 027 261 1781
e. mandy.thorburn@foodstuffs.co.nz



Ngā mihi nui!
Thank you very much.

Registered Office.
Foodstuffs North Island Ltd
Suite 1, 60 Roma Road
Mount Roskill,
Auckland 1041
New Zealand