



Farmlands



ANNUAL REPORT 2021

Together
stronger™



Farmlands
co-operative

Welcome

In 1962, a group of farmers got together to talk about how they could disrupt the business model of the traditional stock and station agents. The pre-cursors of Farmlands Co-operative were created from these meetings, as a way to drive competition in the industry and get better pricing on the inputs they needed to help their businesses succeed.

Today, Farmlands Co-operative remains New Zealand-owned and operated. Our owners are farmers, growers, contractors, staff, lifestylers, agribusiness trusts and other businesses that make a living off the land. They want us to bring competition in rural input supplies and stay true to the ethos that created us.

The Farmlands Annual Report is a reflection on the financial year ended 30th June 2021. This report looks at our entire contribution to the New Zealand primary sector and how we positively influence our people, our environment and the financial wellbeing of our co-operative. Our move to integrated reporting gives our shareholders the opportunity to view our progress across these measures and understand the factors that our stakeholders view as being material to our future success.

The printed version of this Annual Report is a limited run of 200 copies and from next year as part of our sustainability initiatives, the Farmlands Annual Report will be only available online. This document contains a condensed version of our financial reporting – to view the full financial statements, please visit our Annual Report at www.farmlands.co.nz

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**Together
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Farmlands
co-operative



Acting CEO Report

Hello all, tēnā koutou katoa.

This financial year was our first full year working on the new Braveheart platform. It was also a year of mixed fortunes in the wider market. Rapid but uneven global recovery from the COVID-19 pandemic supported buoyant commodity prices, offset by ongoing challenges in regulatory uncertainty and global supply chains. Container shortages, shipping charges and delays, significantly longer order-lead times, uncertainty on product availability and price increases arose from the latter.

Regardless, our bottom-line financial performance, even with some COVID-19 restrictions, improved on last year. Net Profit Before Tax and Rebates (NPBTR) of \$8.1m was 16% up on last year's \$7.0m, reflecting solid trading performance and cost management. While pleasing to achieve this lift, we still have much work to do to realise value from the significant groundwork laid over the last three years.

Getting the right products to the right place at the right time in this trading environment demonstrated the strategic importance of our buying-scale, partnerships and logistics networks. These enabled priority access to critical products for your farming and growing operations. With access to these inputs likely to be disrupted for the next few years (and the spectre of inflation), scale and negotiating leverage with suppliers are more important than ever. Working together as a co-operative to manage this risk worked well for our shareholders, with our challenge being how we scale and significantly improve this.

It was also another year of primary sector price buoyancy (except venison). The sector's resilience and critical contribution to our economy drove renewed confidence in innovation, growth and investment. We are actively positioning for growth opportunities with a better targeted proposition under our refreshed strategy.

Our people were of course critical to our success. Their dedication and resilience this year was a huge testament both to them and their passion for our sector. I want to acknowledge and thank our people for their hard work, trust and belief. They bring our purpose to life every day, and are the key to delivering the solutions that earn us the right to partner the world's best food producers.

I am confident their efforts this year, along with re-organising and adapting the business has further strengthened our foundations and put us the right path for delivering the value our shareholders demand from us.

Strategy

Following the first COVID-19 outbreak in 2020, and prior to commencing the FY21 financial year, we simplified and clarified our strategy into six priorities:

1. Accelerate Digital for Unbeatable Customer Experience
2. Optimise Supply Chain
3. Strengthen Processes
4. Deepen Strategic Relationships
5. Be Sustainable
6. Be Adaptive and Performance Led

These (and the initiatives agreed to deliver them) were aimed at optimising and driving value from our Braveheart transformation investment over a 12-month horizon. The intent was to strengthen our core and do the basics well before re-focusing on our core market proposition.

Execution

Adapting any business to working successfully on a new company-wide system is a major challenge. The system itself is only the first step. Processes, adjacent systems, behaviours, team structures and leadership must also adapt over time with system cut-overs from old to new – a journey which started for us in November 2019.

Embedding company-wide changes throughout FY21 required a relentless focus on positive change. It also required fundamentally challenging traditional ways of thinking and doing things. While the learning and opportunities for growth have been enormous, there was also understandable frustration and fatigue for staff (and in some cases shareholders). The shining light was attitude, manifest in the many examples of "can-do" despite these impacts.

While our change process has been wide-reaching and challenging, it's also been necessary to remain relevant, particularly as our sector also adapts to significant change.

Our financial year began with a restructure of the whole organisation. This moved us from traditional siloed business-units into a single regional/provincial model. Our main aims were to:

- Align our Group structure with the new system;
- Organise the Group's activities more effectively around our customer;
- Reduce siloed behaviours, inefficiency and duplication across the business;
- Build, safeguard, and make better use of our data assets;
- Deliver a more coherent customer value proposition.

This consolidation saw creation of dedicated Category, Supply Chain and Customer Experience functions. These are designed to strengthen sourcing and procurement across the Group and improve understanding of customer needs.

Change continued at the helm of our business. I stepped into the interim CEO role after Peter Reidie departed in April. We welcomed new CEO, Tanya Houghton in September. The team is looking forward to working with Tanya as she leads us through the next stage of our transformation and growth.

Our people

We care for and value our people. We ask for their feedback in our regular internal survey, The Gathering. Our team has responded with three key areas for improvement:

- Strategy and Communication – clarity of direction, what we stand for and how we will achieve our aims.
- Workload – higher workloads from new processes.
- Reward and Recognition – having options and pathways for career development.

In response, we have:

- Simplified our strategy to six clear priorities and implemented an improved process for communicating these and our expectations of our people, underpinned by improved measurement and feedback through new Balanced Scorecards.
- Reorganised parts of the business to clarify roles and responsibilities, better utilise support functions, and streamline processes and roles.
- Actioned a one-off payment to all frontline staff responsible for meeting the day-to-day needs of shareholders throughout Alert Level 4 and Level 3 protocols. This targeted those at the lower end of our pay scale and acknowledged their sacrifices and efforts to keep our co-operative running at those Alert Levels.

Consequently, engagement levels measured by our internal Net Promoter Score (eNPS) improved throughout the year (from -5 to +6) while continuing to highlight where we still have work to do. I note incidentally that several further staff initiatives stemming from this feedback have seen a further lift in employee sentiment.

Integrated Reporting

This Report is an improved Integrated Reporting format, building on the previous two years. When we first introduced Integrated Reporting, we noted then that this would be a journey and our reporting would evolve as we refined our approach to integrating sustainability into all parts of our business. To that end, we have sought to improve visibility on the areas and/or initiatives critical to driving improved resource-use and outcomes in terms of profit, people and planet, including the measures by which we hold ourselves to account.

Other highlights for the year included:

- Improved data-sharing and invoice processing for vendors with automated invoice matching increasing from 28% to 68%.
- Customer complaints reduced by 45% following considerable efforts to improve customer responsiveness and experience.
- Operating expenses across the business reduced by 2.7% in line with a focus on being better and more disciplined at those things we control.
- Ensuring access to the right quantities of critical supplies, a strategic decision to work with suppliers, ports and stakeholders up to half a year in advance. This saw higher borrowings (up \$4.0m) and inventory (up \$10.0m) than planned to manage supply chain delays and ensure product was on hand for the busy spring period.

Conclusion

While Farmlands posted another positive result in a challenging trading environment, we can do better and we will.

We have worked hard to continue building on the foundations that I am confident will support delivering materially improved performance and value for shareholders over coming years. We are mindful as always that we must earn your business and trust – and this will continue to shape and drive our focus in the year ahead.

Thank you. Nāku noa, nā,

Kevin Cooney



Chair's Report

“
Your co-operative has secured a profitable year in unprecedented and challenging global trading conditions.
”

Kia ora. Farmlands Co-operative ebbs and flows with the performance of New Zealand's primary sector. The issues confronting, and opportunities available to, our more than 75,000 shareholder customers mirror the challenges facing your co-operative. The pace of change means we continue to move swiftly to remain relevant to our farmer and grower owners.

If we're not relevant to our customers then we won't be in business. Relevance means different things to different people. A one-size-fits-all approach is no longer enough to help our members succeed to the levels they aspire.

Our co-operative spent more than 3 years planning for and implementing the world-class Microsoft D365 business system we called Braveheart. This replaced seven legacy systems well past their use by date. Consequently, we now have a great set of tools that is delivering a level of granular understanding that we have never had before – for both your business and our own. Using these tools more effectively to better deliver a tailored and timely solution for our customers is our focus.

With the Braveheart implementation, the business has had to focus internally more than normal to ensure system changes and roll-out go smoothly and to plan. At the same time, we have also worked hard to adapt in a rapidly evolving market and regulatory framework. Looking outward, the sector is undergoing unprecedented change and participants are increasingly looking for leadership from Farmlands as to how, together, we navigate this choppy water.

We strive to add value every day to customers and their businesses. Even more so than normal, ensuring stock is available for customers, including through enhanced e-commerce services, to purchase when they need it became a critical key performance indicator for the business due to supply chain difficulties internationally. Having access to products in uncertain times is part of what being a trusted partner is all about. Even then, sometimes supply chain vagaries caused undesirable out of stocks, as international shipping programmes wore the brunt of the COVID-19 impact. We need to remain cautious around COVID-19's influence over the coming year and the associated financial impacts. As such, our Board of Directors has decided we will not be distributing a Bonus Rebate this year.

Deliveries of products did not eventuate on the timeline expected. Your co-operative generally reacted well and managed stocks to ensure availability when the products were needed. We strive to continue to do this in these unprecedented times. The Board has been pleased with the way the business has responded under COVID-19. In particular, I want to acknowledge the frontline staff that continue to go above and beyond to add value for our customers.

Adding value requires more than just relevance, it requires a plan to lead the way. An accurate plan requires an intimate knowledge of our sector and understanding the levers to activate that knowledge on the land. Even then, intimate knowledge of on-farm requirements is only part of the solution. Understanding of the drivers that influence the consumers of the products you grow and sell to the world is critical to ensuring continued relevance for your business. Bringing these two components together is the art and science of what Farmlands aspires to do. Right now, the world, and the demands of your consumers – be they in Singapore, Seattle, Shanghai or Stockholm – are changing fast.

Farmlands do not export the products you grow. You partner with exporters – many of them co-operatives like Farmlands – who process and sell your product around the world. When you wave goodbye to that milk tanker, the truckload of cattle, the bales of wool or the bins of fruit and vegetables as they go out your farm gate, we often don't think enough about this being the start of a global food value chain, not the end of it. Your exporters have the customer and consumer insight of those who consume your carefully grown, high quality food and fibre, which is fed back to you via product specifications and market-related programmes. However, the exporters can't supply you the products and services required to deliver product that meets these market-related growing specifications – the forage seeds, the fertilisers, the animal remedies, feed supplements, the farming systems. That doesn't include all of the support structures like energy, fencing, insurances, dog food, gumboots and vehicles that enable your growing operation every day. That's Farmlands' job. We are a provider of the supplies, services and guidance our producers need to gain the higher premiums of a more discerning customer around the world. As the market changes, the risk of increasing costs to farm, comply and deliver a captivating market offer makes higher premiums that much more important.

Increasingly, consumers are saying that the right to farm is not a legislative right, it's a moral right. The consumers of the products you grow and sell are increasingly moving away from what they perceive as the 'old way' of producing food and fibre and we have to keep up with it. This global movement puts New Zealand in an enviable position. Our pastoral farming systems have never got as industrial as some of the factory farming systems used offshore. That said, we are not perfect and we have to be careful to ensure we do everything we can to maintain the opportunity for a "New Zealand premium". The various environmental initiatives and regulations that the sector is being asked to deliver against – and the pushback

from New Zealand's farmer base – indicates dissatisfaction with the pace and scale of change and the inherent uncertainty this brings. Farmlands is playing its part, providing products, services and plans to help farmers address these needs and at the same time use its influence with regional and central government to help bring both sides together. As your co-operative, we need to bring both assurance and the relevant tools to transform challenge into opportunity. As always, more work remains to be done.

Our business has earned a positive reputation with MPI and wider Government through the way we dealt with COVID-19. It has given us an entry point to influence change directly and we are utilising that opportunity. It is hard earned and something we want to preserve and maintain.

One of the consequences of all of this change and the lingering effects of COVID-19 is fatigue. It has been another tough year, with climatic, legislative and supply chain pressure impacting on all of us. Within the business, everyone has been working hard. I would argue the amount of work our people are doing has never been matched. The opportunity for the immediate future is adapting to the new reality and making hard choices about what we no longer need to do. If the definition of insanity is doing the same thing the same way repeatedly but expecting a different result, then a similar observation can probably be made about doing the same thing the same way when we have a new Braveheart backbone to do things better. While it is frustrating this high level of sustained hard work has not resulted in a more positive financial result in FY2021, the Board would like to commend all Farmlands staff on the level of effort they have put in over the past year. While I feel this year warrants a pass mark – and little more – we know there is upside potential to a lot of the ground work completed.

This team has a new leader and the Board is delighted to be able to appoint Tanya Houghton as our new Chief Executive Officer. Tanya's appointment is a milestone for our co-operative, being the first female CEO in our history, but the decision has been solely based on capability. With the world-leading ERP hardware installed and operating – Braveheart – we now empower Tanya to install the "software", the ongoing cultural change within the business that will navigate Farmlands to a position where our staff are leveraging this investment as effectively as possible to best deliver you the products and services needed to meet the needs of discerning consumers around the world.

Next year, your co-operative turns sixty. It is a timely reminder that we have served, supplied and supported generations of Kiwi farmers and growers and their businesses. We were created to disrupt, compete and challenge. Our ambition is to continue to re-invent, to be relevant and to help you succeed.

Kia kaha.

Chair Acknowledgements

Reflecting on the financial year just finished, it is important to publicly acknowledge the dedication, hard work and sacrifices put in by the entire Farmlands team over this time. Dealing with various COVID-19 Alert Levels, changing work processes and maintaining a high level of service has required an immense level of effort.

Leading this team into the future will be our new Chief Executive, Tanya Houghton. Tanya's experience and capability will lead us into an exciting new chapter in our co-operative's history. I would like to formally congratulate Tanya on her recent appointment. I am pleased to inform you all as owners of this business that the board is already enjoying the interaction with Tanya as she brings a different perspective to the business.

Tanya filled a vacancy created by the departure of Peter Reidie. Peter had been in the role for 5 years and throughout that time had overseen some significant change in our business. The Chief Executive role is to lead the business in a way that delivers the best long-term interests of our co-operative. The Board and I are grateful for this legacy – particularly our world-leading technology platform, Braveheart.

The Board and I would also like to thank Kevin Cooney in particular, and the wider Farmlands Leadership Team generally, for the way the business was run seamlessly during the time between Peter's departure and Tanya's commencement. Kevin and the team ensured the business was dealing with the big issues facing it as

well as the minutiae of detail that being a national agri-supplies business entails every day on a timely basis. Thank you for stepping up.

At last year's Director Elections, Peter Ellis the former Farmlands Trading Society CEO (the North Island pre-merger business) joined our co-operative's Board of Directors to replace the retiring Nikki Davies-Colley. Peter was joined by Warren Parker, who retired by rotation but regained his seat for a 2-year term. I'd like to congratulate both on their success in last year's election.

Our Board Observer programme has continued to provide a strong pathway to improving governance capability and our most recent Board Observer, Will Clarke, has been a welcome addition to the programme. I would like to thank Will for his willingness to learn and the valuable insights he provided during his time as Board Observer.

Mostly, I'd like to thank you, our customers and shareholders of Farmlands. Together, we own this business and it's a bit like a marriage – through good times and bad times, through sickness and in health. We are family, coming together nearly 60 years ago because our forebears knew that we were better off banding together for the common good. While agriculture has changed a lot over this time, and arguably our biggest challenges are just ahead of us, one thing above all is undeniable.

Together Stronger.



Tanya Houghton



Peter Reidie

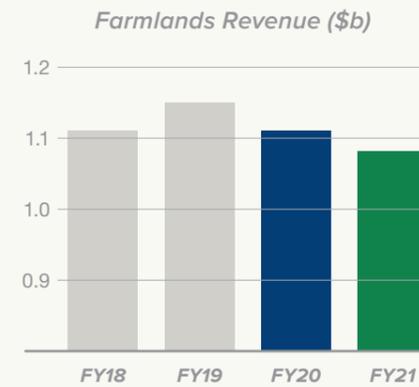


Peter Ellis

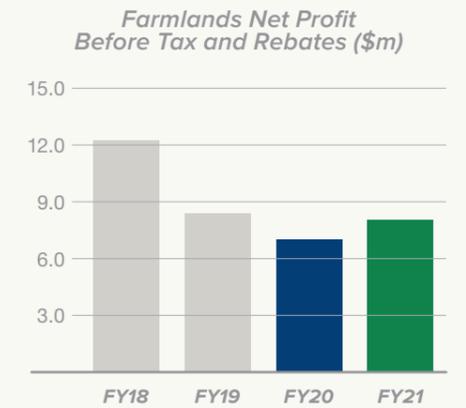


Warren Parker

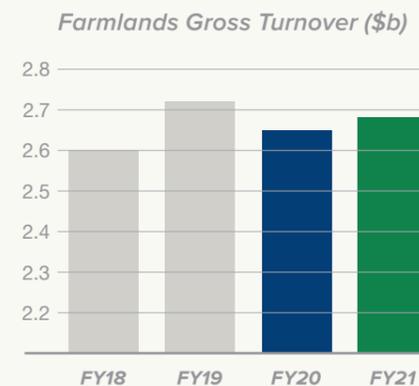
Financial Highlights 2021



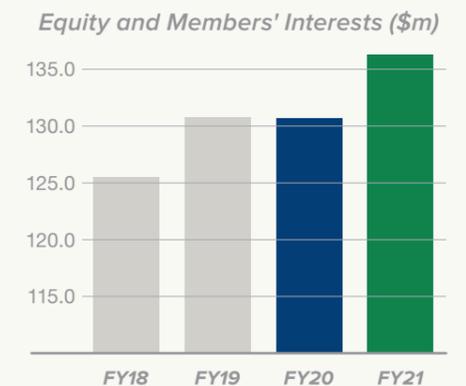
\$1.1b



\$8.1m



\$2.7b



\$136.3m



75.4k



Governance

Farmlands has nine members of the Board of Directors, consisting of:

- Three elected Shareholder Directors from the North Island
- Three elected Shareholder Directors from the South Island
- Three Independent Directors

Shareholder Director Elections are held annually, with one Shareholder Director from each Island retiring by rotation. At the time of publishing, the results of the 2021 Director Election have not been announced.

Farmlands operates its own Board Observer programme, in addition to working with Silver Fern Farms (and from 2022 also with LIC), on the collaborative To The Core rural governance programme.

The Board Observer programme is a fixed term role that provides one Farmlands shareholder with the ability to shadow the Board of Directors for 18 months. Designed to elevate capability for shareholders interested in governance, the Board Observer role retains full speaking rights at Board meetings, although they are unable to vote on co-operative matters.

To The Core is an intensive rural governance programme available to shareholders from our co-operatives. To The Core focuses on developing critical thinking and challenges participants through replicating Board environments and situations.

These changes allow for increased diversity of backgrounds and experience at our Board table. Diversity of thought and skill-sets around the Board table are of critical importance to Farmlands, given the wide breadth of businesses that make up our shareholder base. Every aspect of the primary sector, including sheep and beef, dairy, horticulture, forestry, apiculture, deer, rural contracting, Maori agribusiness and lifestyle farming are represented.

Fostering a new generation of governance leaders that have developed critical thinking that reflects the changes within our sector will ensure the longevity of our co-operative.

Board Responsibilities

The Board has responsibility for the affairs and activities of the co-operative, while the day to day operations and administration are delegated to the Chief Executive.

The Farmlands Board follows best governance practice and the four pillars of governance, as advocated by the New Zealand Institute of Directors, establish the basis for that best practice.

The four pillars are:

- Determination of purpose
- An effective governance culture
- Holding to account
- Effective compliance

More specifically, the responsibilities include directing and supervising management in the following areas:

- Ensuring that the co-operative's goals are clearly established and strategies put in place to achieve them
- Establishing there are policies to improve performance
- Monitoring the performance of management
- Overseeing and monitoring the co-operative's financial position
- Ensuring that the co-operative adheres to appropriate values, ethics and corporate behaviour
- Ensuring that there are risk management and compliance policies in place.

Board Committees

The Farmlands Board operates two committees:

- **Audit and Risk Management** – Julie Bohnenn (Chair), Sjoerd Post, Chris Dennison, Peter Ellis, Rob Hewett (ex officio)
- **People and Performance** – Warren Parker (Chair), Dawn Sangster, Gray Baldwin, John Journee, Rob Hewett (ex officio)

The Audit and Risk Management Committee assists the Board in matters relating to auditing, financial reporting and risk.

The People and Performance Committee provides guidance to the Board and the Executive team on the development of Farmlands' people and governance strategies. The Committee's functions include recommending to the Board the Chief Executive's and their direct reports' annual goals, performance evaluation and remuneration and recommending remuneration of Directors to shareholders.

Board Meetings

There are eight Farmlands Board meetings held each year, with extra meetings held if required. Management reports from across the business are provided to Directors prior to the monthly meetings.

Senior management from the co-operative are introduced to answer specific queries on those reports and to provide insight into relevant issues. Time is also scheduled to co-design and update the co-operative's strategy and ensure performance remains 'fit for purpose'.

Farmlands Board of Directors



BACK ROW – Dawn Sangster | Peter Ellis | Sjoerd Post (Independent Director) | Chris Dennison | Gray Baldwin | John Journee (Independent Director)

FRONT ROW – Warren Parker | Rob Hewett (Chair) | Julie Bohnenn (Independent Director)

To learn more about your Board of Directors please visit farmlands.co.nz/Directors

Introduction to Integrated Reporting

Integrated Reporting is all about value over time. Our move to Integrated Reporting is designed to give our stakeholders a front row seat on our journey towards becoming a more sustainable business by tracking progress and accountabilities across Environmental, Social and Governance (ESG) goals.

In line with this journey, Farmlands subscribes to achieving relevant UN Sustainable Development Goals (SDGs). The UN SDGs are a call to action for a global union that addresses issues relating to inequality, climate change, poverty and economic challenges.

Providing rebates, Choices Rewards Points and posting a profit is just one aspect of business. We mark our success as a co-operative through three pillars:

People. We foster our staff – Farmlanders – to become technical experts, encouraging them to learn, grow and thrive. This flows into the local communities that our shareholders, customers, suppliers and stakeholders are a part of.

Planet. We are kaitiaki (guardians) of the land that our shareholders have farmed for generations. We work with them to ensure we are protecting the land for generations of shareholders to come. We achieve this by addressing our own environmental impacts, while being a leader that provides guidance and tools our customers need for their own journey.

Performance. We maintain and grow a financially viable and sustainable co-operative, to ensure our shareholders can continue to rely on us for the years ahead.

Underlining all of this is our Purpose. We exist to be first for New Zealand's food and fibre inputs. Whatever our shareholders need, now and into the future, we offer the competition that lowers cost relative to the status quo.



People

Creating a safe and engaged workplace, empowering our employees to demonstrate leadership in supporting our shareholders, customers, stakeholders and suppliers.



Planet

As stewards of nature, we are committed to reducing the impacts of our business activities and to doing our part in helping to decarbonise our economy, protect our water and soils, and increase biodiversity.



Performance

Focusing on creating long-term value by taking into consideration how we can operate in a way that provides financial sustainability for our co-operative.

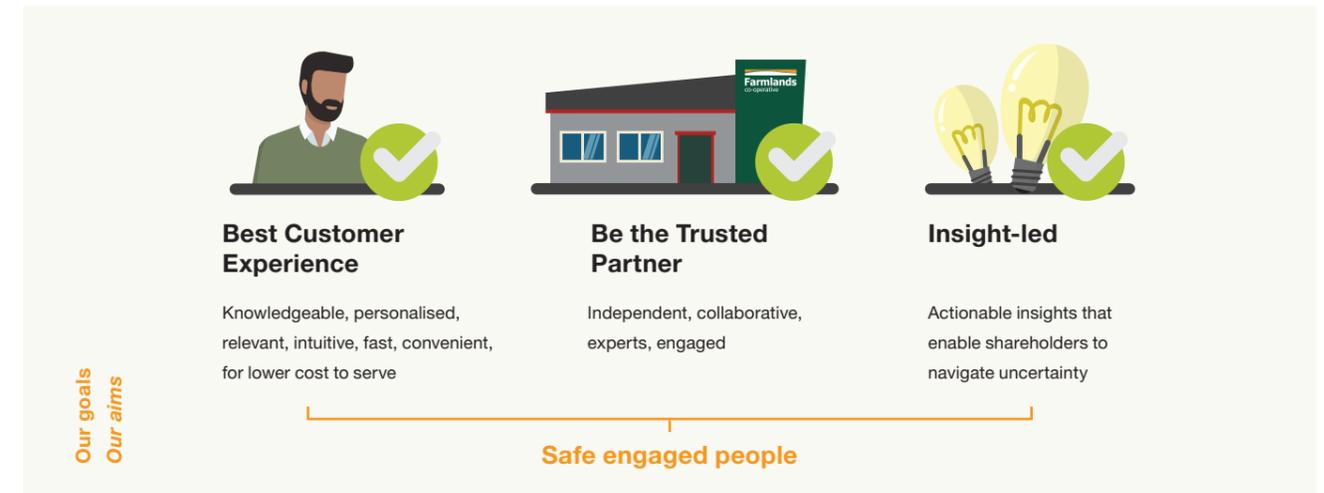
The aspirations we have under our three pillars contribute directly to many of the UN Sustainable Development Goals.



Strategy and how we create value

Grow Shareholder Success

Harness our co-operative spirit to be first for New Zealand food and fibre inputs



Strategies
How we achieve our goals

Strengthening and growing our core

– In our operating-model, processes, relationships and capability

- Accelerate digital for an unbeatable customer experience
- Optimise our supply chain
- Strengthening processes
- Deepen relationships
- Be sustainable
- Be adaptive performance-led

Measure
How we make progress



Values
Our behaviours

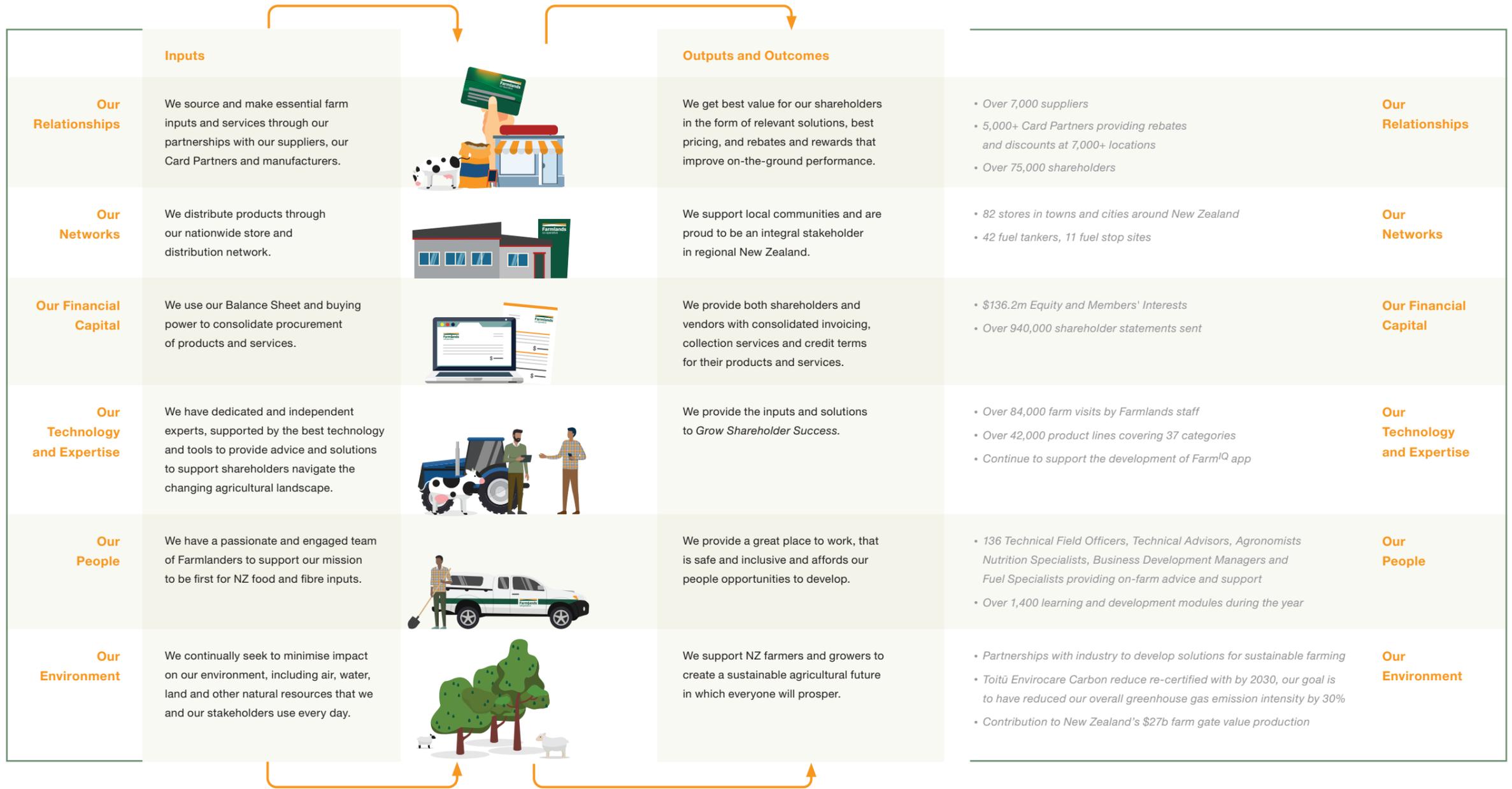


Creating value

We seek to operate a sustainable business with regard to the interests of all our major stakeholders in terms of profitability, people and planet.

Our inputs are the resources (or 'capitals') that we use in the process of creating value for our shareholders. These are deployed in or affect our business activities.

Outputs – ultimately the outcomes of how we create value – are what emerge from the interactions between us and our major stakeholders as part of our day-to-day business, including impact on the communities we operate in.



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Integrated Reporting Materiality Matrix

In the second year of our integrated reporting journey we wanted to better understand what is important to our business and to our key stakeholders in order to ensure we're focusing on the material issues and to manage our performance against these topics.

Summary of Process

The first step of the materiality process was identifying the 4 key stakeholder groups (People, Shareholders, Suppliers, Regulators/Sector Partners).

To establish a long list of topics, data sources from each of the stakeholder groups were reviewed. Specific data points included an employee survey conducted during the annual conference, reports from research partners, shareholder interviews as part of the Enact Change project, Supplier and Peer topics identified within annual reports and websites. After establishing the long list, a scoring methodology was applied to prioritise the topics from a stakeholder perspective.

To form the business/Farmlands view of these material topics, 12 members of the Farmlands Leadership Team were surveyed and asked to score the material topics from not so important to extremely important in terms of impact on Farmlands strategy, risk management and the value chain.

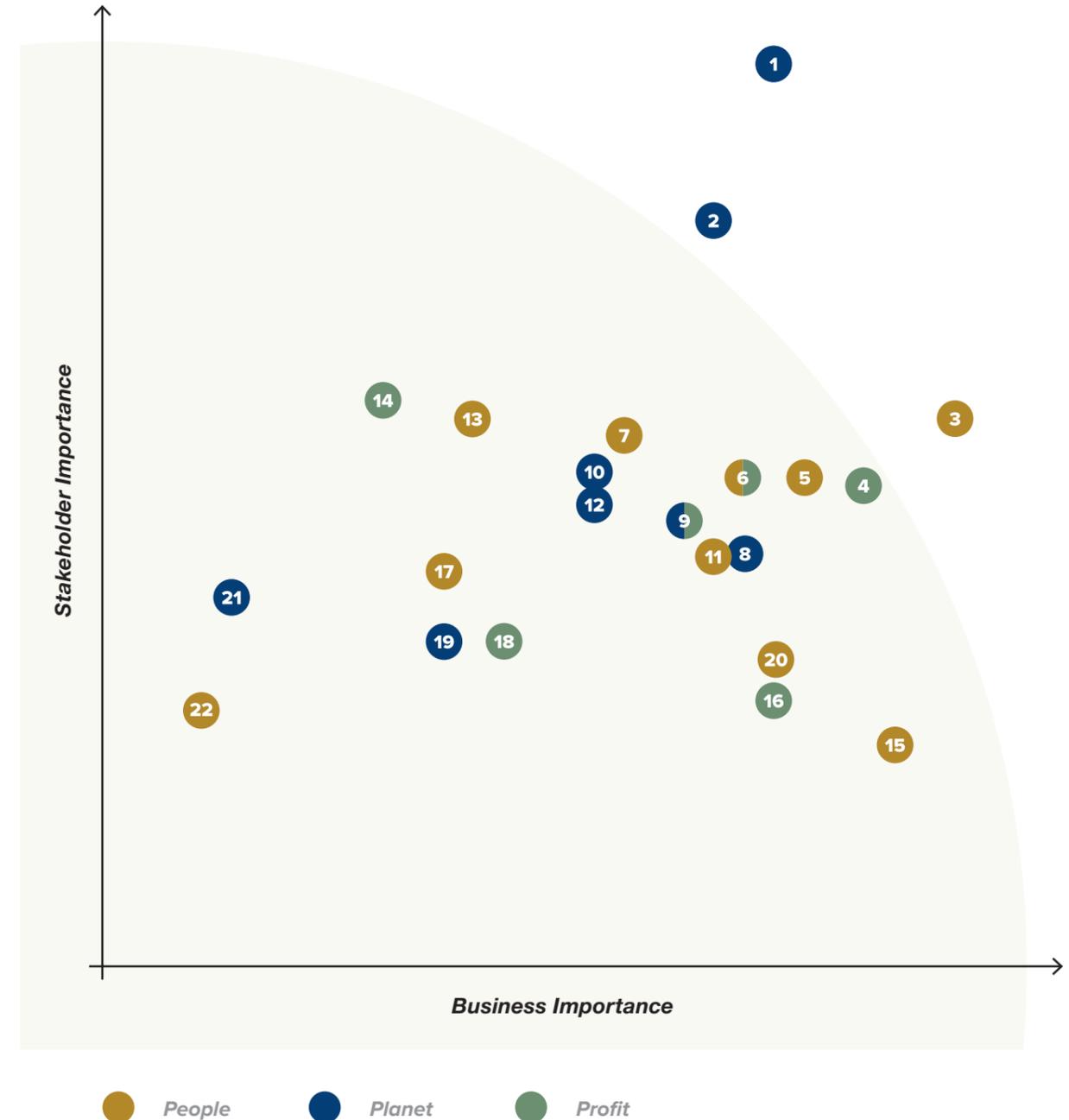
Potential Enhancements Next Year

The process this year was a desktop exercise, whereby topics were derived from existing data points. We will enhance the stakeholder engagement process next year, through workshops and detailed interviews with employees, suppliers and shareholders to enable further analysis into the material topics. We also intend to complete a climate risk assessment, which will require input from stakeholders.

Material Topics

- 1 GHG Emissions Management
- 2 Solid Waste to Landfill
- 3 Health, Safety and Wellbeing
- 4 Financial Viability
- 5 Learning, Growth and Performance
- 6 Shareholder Engagement
- 7 Education for a Changing Landscape
- 8 Kaitiakitanga
- 9 Climate Risk Management
- 10 Freshwater Management
- 11 Access to Labour/Attracting and Retaining People
- 12 Sustainable Procurement (including packaging)
- 13 Industry Alignment, Collaboration and Leadership
- 14 Regulatory Compliance
- 15 Diversity, Inclusion and Equality
- 16 Innovation in Technology
- 17 Te Ao Māori
- 18 Industry Profitability
- 19 On-Farm Environmental Management
- 20 Communities
- 21 Afforestation
- 22 Rural Connectivity

Materiality Matrix





People – Manaakitanga Health and Safety

Farmlands puts the health, safety and wellbeing of our team and shareholders first at all times. We are not afraid to make tough calls if it keeps our people safe.

The FY21 Critical Risk Assurance Programme identified the areas of our business that are 'Critical Risk' and where we need to install preventative controls to protect our staff, shareholders and the public. Corrective actions have been put in place to limit risks involving:

- Trailers
- Vehicles
- Forklifts
- Stacking and storing product
- Hazardous substances
- Lone workers (staff working by themselves in isolated areas)
- Dust explosion (processes at our feed mill)
- Machinery (processes at our feed mill)

The corrective actions include ensuring our team are adequately trained, compliance checks are carried out, vehicles are safe and processes are compliant. For example, trailers are checked quarterly by an engineer and competency assessments are undertaken by team members who tow trailers as part of their work.

The Health and Safety conversation

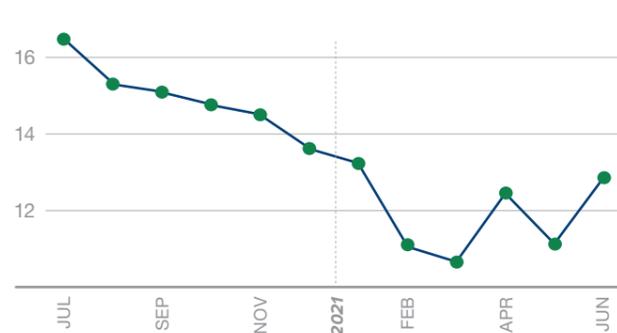
Health, safety and wellbeing isn't just a target to be met, it forms a part of who we are and how we work. Farmlands offers a range of benefits to staff, including free flu vaccinations and health insurance. With COVID-19 continuing to impact normal day-to-day work, Farmlands has implemented its own protocols, including a daily declaration app and QR code scanning at every site. The Farmlands team are encouraged to work safe – but also identify how we can improve safety in everything we do.

A Safety Interaction is a conversation or action that can help our people work safer as a result of that interaction. A Near Miss is an incident that could have resulted in injury and as a result, corrective actions should be taken. Our Critical Risk Assurance Programme addresses many of these corrective actions.

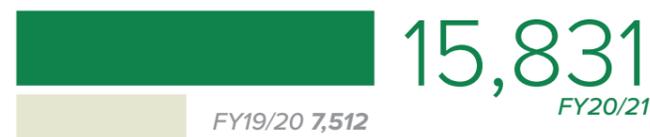
The Health, Safety and Wellbeing message is getting through and over the past year, Safety Interactions across our co-operative have more than doubled. This is a reflection of the improved Health and Safety culture across our business. We have Health and Safety reporting targets for every team member and the increase in Near Misses is a reflection of increased expectations around our reporting. Increased engagement demonstrates the safety of our people is a key factor for our business and to improve safety performance, the KPI for Safety Interactions was doubled in the last financial year.

Total Recordable Injury Frequency Rate (TRIFR)

The TRIFR is a rolling 12 month figure that shows the average combined number of Lost Time Injuries (LTI) and Medical Treatment Injuries (MTI) per month.



Safety Interactions



Near Misses



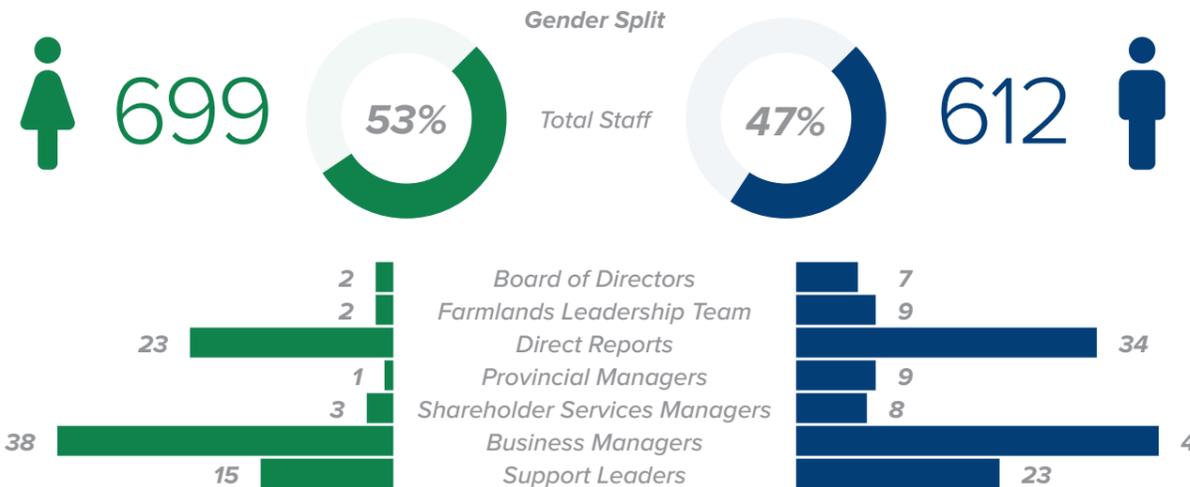
People – Manaakitanga Diversity, Inclusion and Belonging at Farmlands

Proudly partnering with Diversity Works New Zealand (DWNZ) Farmlands has joined more than 500 other organisations across Aotearoa working to build more inclusive workplaces.

We have undertaken a 'Diversity and Inclusion Stocktake' to understand what we are already doing to create an inclusive workplace culture and have completed this baseline review.

Next actions

- Creation of a Diversity, Inclusion and Belonging at Farmlands Policy.
- Creating a small 'grassroots' Diversity & Inclusion team – this group will assist in the evaluation of our current inventory of practices and inform our decisions to improve/incorporate new points of action. This team will help us gain traction for our initiatives and support us in gaining a more comprehensive view of how D&I can be embedded.
- Identified 5 key pillars to enable our DIB journey – these being Gender Equality, Sexuality, Life Stage, Cultural and Diversability – and have road mapped initiatives to achieve the strategy in each of these pillars.



2020 / 2021

Community Highlights



➔ 18 rural schools visited by Super Rugby players as part of the 2021 Farmlands Cup.

\$25,000 raised in South Canterbury at the 2021 Farmlands Cup.

↓ \$5,000 donated to Farmstrong Support Group.



23 shareholders participated in To The Core – rural governance programme.

6 scholarships given to tertiary students.

↓ 56 Century Farm and Station Awards received by shareholders.



\$40,000 raised for flood relief via 4 on-farm BBQs.

270 people get off farm as part of the North Canterbury Drought Shout.

45 welfare packs distributed and 15 staff working on-farm to help clean up after flooding.

\$24,000 raised for Blue September.



People – Manaakitanga Communities

Farmlands is a part of our local communities. We are proud to support these communities, their characters and everything that makes rural New Zealand special.

Farmlands has strong ties to community-based initiatives focusing on wellbeing, including Farmstrong and Rural Support Trust. Over the past year we have provided support to 78 sports clubs, 50 up-and-coming horticulturalists via local Young Grower events and had a presence at 24 community A&P Shows.

Farmlands Co-operative has fundraised or donated to causes such as Heart Kids, Autism NZ, rescue helicopters, Cancer Society, Life Education and even a Lions Club.

While we cannot support everyone, we make sure we have a strong presence in the community initiatives that matter to our shareholders.



People – Manaakitanga Te Ao Māori

Te Whenua Tāroa (Farmlands Co-operative) has started our journey towards having a better understanding of Te ao Māori (The Māori world). The journey is in its infancy and to be respectful of Te ao Māori, our goal is to be authentic first and foremost. That means while we are passionate to learn, engage and grow, we want to ensure we are not saying or doing anything that we as a business cannot back up.

Farmlands has a growing number of Māori agribusiness shareholders, customers and team members and we have a responsibility to support them as best we can.

We want to walk the walk. While we are only just beginning, Farmlands has taken small steps towards educating our people on Te ao Māori. Examples include:

- Select Farmlands staff starting with the Leadership Team, have had the opportunity to learn more about Te ao Māori via lessons on Te Reo and Tikanga.
- A programme has been implemented for interested employees to assist in their cultural development, bringing more value to our Māori shareholders and customers.
- In the next 12 months, we will continue to develop our Te ao Māori cultural awareness programme.
- Working with our Te ao Māori liaison, Farmlands has created our own waiata – Te Whenua Tāroa – which is also the translated interpretation of our name. It means The Enduring Land, something as kaitiaki we feel sums us up well. Our Ōtautahi (Christchurch) office has created a group for those that want to learn and practice our waiata, which is held fortnightly.

Te Whenua Tāroa – The Farmlands waiata

Te Whenua Tāroa e mihi atu nei – Farmlands stand united
 Ki a koutou e te iwi e – and we greet you all
 Manaakitia – to show hospitality, to show respect
 Awhinatia – to give unconditional support
 Aroha nui ki ngā hunga katoa – to all people
 He tohu aroha nui e – this is the ultimate sign of love

Te Reo Glossary

K	Kaitiaki Guardian
	Kaitiakitanga Guardianship
M	Mihi/Mihimihi Greeting/introduction
P	Powhiri Welcome
T	Te Reo Māori language
	Tikanga Protocol, custom
	Te Whenua Tāroa The Enduring Land/Farmlands
W	Waiata Song
	Whanau Family



People – Manaakitanga Performance Culture

Farmlands is proud to provide development opportunities that foster high performance and grow our next generation of co-operative leaders. To be the best that we can be for our shareholders, we need to ensure we perform across every aspect of our business. That includes looking after our people, our shareholders, their land, and our balance sheet.

What is a Balanced Scorecard?

Our Balanced Scorecard measures our strategic success against four different perspectives: Financial, Customer, Process and People.

- Financial looks at our sales and profit, while having targeted reductions in operating costs and debt.
- Customer is all about relationships built on trust. We want our shareholders to be happy they choose to shop at Farmlands.
- Process aims to make dealing with your co-operative easier, by having the right information and simpler ways of working with us.
- People looks at making every Farmlands site a safer, more accessible workplace, where Farmlands staff are given the opportunity to succeed.

For our co-operative to remain healthy and successful, you cannot have one without the others. Each part is measured and every staff member has a part to play in achieving results.



People – Manaakitanga Learning and growth

By helping our people develop their knowledge and capability, we are providing our shareholders with a team of technical experts dedicated to helping them succeed.

Farmlands has invested in our own people to create a team of in-house experts that can support shareholders through the current challenging climate. This specialised team has spent the past year understanding and developing enhanced critical thinking on problem solving for our shareholders today, while identifying the trends and innovation that will support them in the future.

Sam Lucas – Head of Agronomy and Farm Systems

John Arrell – Head of Enabling Technology

Gaz Ingram – Head of Organics and Biologicals

Dr Rob Derrick – Head of Nutrition and Animal Health

Katie Vickers – Head of Sustainability and Land Use



All Farmlanders have the opportunity to develop their knowledge through our Centre of Learning. Farmlands' in-house knowledge database, the Centre of Learning provides all team members with direct access to educational articles and modules relating to every aspect of our business.

A new specialised training programme for our Sales and Retail staff commenced this year. Eventually encompassing 12 modules and in-person workshops for our staff in-store and in the field, the programme aims to revolutionise support and provide consistency in our offer to shareholders.

In the year ahead, Centre of Learning will grow to include the launch of sustainability modules, which will be complemented by a new sustainability page for shareholders on the Farmlands website.

Farmlands Centre of Learning Highlights

100 Courses and modules available in the Farmlands Centre of Learning

Courses and modules completed by Farmlands Staff

14,353



Planet – Kaitiakitanga Introduction

For Farmlands Co-operative to succeed and grow for generations to come, we need to protect the land our shareholders farm, grow and live on.

Without it, we don't exist. We can only protect the land by looking at how we, as your co-operative, impact the planet ourselves. Every aspect of our business – People, Planet and Performance – can impact the environment. Farmlands wants to lead by example by being accountable for the footprint we make.

2020 /2021

What we have delivered

- ↓ Total carbon emissions reduced by 12.24% (target: 3%).
- ↓ Air travel reduced by 40.87% due to COVID-19 (target 15%).
- ↓ 33 vehicles removed from fleet between September 2020 and April 2021, reducing fuel use.
- ✓ LED lighting installed in 12 Farmlands branches.
- ↓ Waste to Landfill target of 5%. We are collecting more accurate data at 80% of our sites, to ensure we have more visibility on what we are sending to landfills.
- ✓ We have upgraded our Winton Feed Mill coal boiler to diesel.

2021 /2022

What we plan to deliver next year



Freight

We are implementing the Ortec trip scheduling management system for fuel deliveries and increasing efficiency and data accuracy through the implementation of our new M2X system.



Electricity

15 stores per year to be converted to LED lighting.
Increase efficiency through month-to-month comparison of Meridian site usage data.



Diesel & Petrol

We're introducing advanced telematics (via GPS) to monitor and evaluate driver behaviour.
We're also partnering with a vehicle leasing agency to assess fleet and introduce more fuel efficient, hybrid and/or electric vehicles (where possible).
Upgrade of three leased delivery trucks in Taieri, Alexandra and Greymouth.



Waste

Achieve access to weight collection data for 100% of sites.

Planet – Kaitiakitanga Sustainability – Internal

Last year, Farmlands achieved Toitū Carbonreduce certification. We were re-certified again this year and our goal is to achieve this annually from now on.

To be re-certified, we have to continue to measure and report our carbon footprint. By 2030, our goal is to have reduced our overall greenhouse gas emission intensity by 30%. We already have some ambitious targets to help us get there, including converting 65 of our stores to LED lighting by 2025, electrification of existing diesel boilers at our Rolleston and Winton Feed Mills and, eventually, certified renewable electricity at 100% of our sites.

Leading from the front

What does it mean to be a sustainability champion?

Sustainability is more than just the environment. It's about the practices, processes and decisions that shape how we can be a responsible employer – and supporter of rural New Zealand.

Farmlands has its own in-house team of sustainability champions, who are tasked with leading from the front with our sustainability response. Our initial group of sustainability champions consists of 55 Farmlanders from across the country. They are all volunteers, with a passion for making a difference for our shareholders and our co-operative.

The team gets together each month to look at our sustainability initiatives and how we can improve our performance or achieve our goals. In the year ahead, this group will be split into smaller teams and tasked with achieving specific sustainability initiatives directly.

In addition to helping us achieve our ambition to reduce our carbon footprint, being a sustainability champion is also an opportunity to develop leadership skills and make visible change within our business.



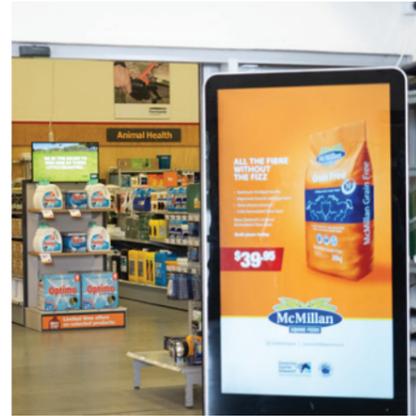
Planet – Kaitiakitanga Sustainability – External

Cleaning up our back yard

Reducing waste is a cornerstone of our plan to reduce our carbon emissions.

Reducing marketing and communication waste

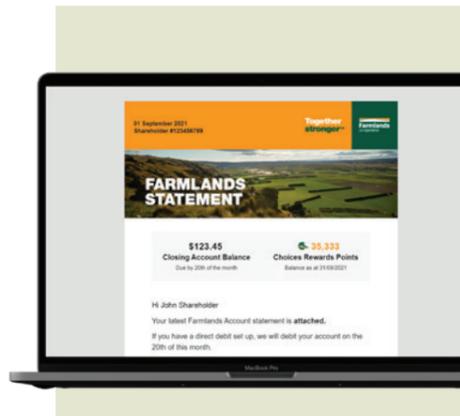
- Just over 72% of shareholders now receive their monthly statement by email only.
- We have saved \$230,000 over the past year by reducing the volume of promotional cardboard signage you see in-store.
- When you visit us in-store, Farmlander TV has replaced a lot of our printed marketing. We're rolling out Farmlander TV across our store network.
- From now on, when we host an event, it has sustainability in mind. We want to reduce the amount going to the landfill from events we associate with.



The power of Partnerships

Farmlands has aligned with leading organisations, marketers and processors to make sure we are taking a collaborative approach to improving our environmental record.

- Membership to the Climate Leaders Coalition
- Membership to the Sustainable Business Council
- Partnerships with marketers and processors, e.g. NZ Merino, Synlait, Silver Fern Farms, Zespri



Planet – Kaitiakitanga Sustainability – External

We want to prepare our shareholders for the future by delivering market-leading solutions and providing knowledge and support that responds to changing attitudes, legislation and market demand.

The development of specialised technical expertise has allowed our team to provide increased guidance and support on managing:

- Fresh Water
- Soil
- Biodiversity
- Moving to a low carbon economy including reducing biogenic methane
- Animal Welfare

Specialised expertise can be accessed by anyone who needs it. We've launched a Sustainability page on our website that covers Fresh Water Policy and Regenerative and Organic product options.

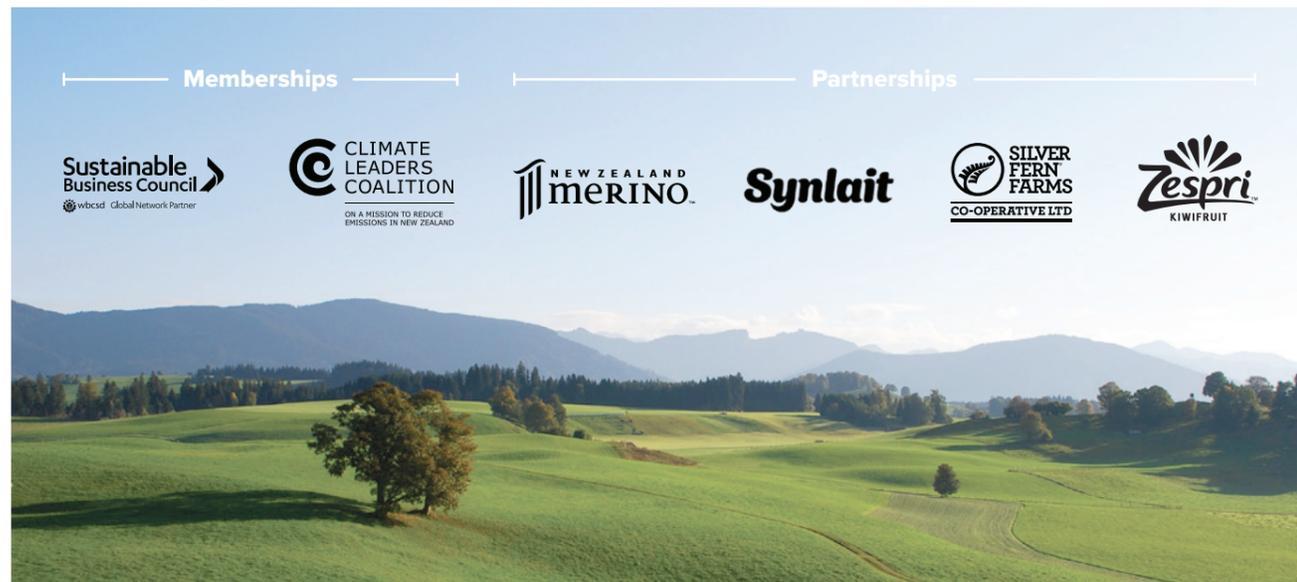
We are also connecting farmers and growers to qualified Environmental Consultants, to help them achieve environmental compliance and greater sustainability.

Our approach to improving sustainability is becoming increasingly visible. Farmlands is the largest host of Agrecovery sites in New Zealand, with 23 sites nationwide for farm plastic container collection. We consider approach to sustainability as a key point in our selection of supplier proposals.

In the coming year, we will continue to increase visibility. To acknowledge the contributions of our partners to sustainability, we have created a Sustainable Supplier Award at our annual event.

Farmlands in the future

- We will increase our directory of qualified Environmental Consultants as Farmlands Card Partners.
- Regenerative agriculture and organics will have a wider range on our online e-commerce platform.
- Introduction of a Carbon Zero Lifestyle Range.
- Investment in Agronomy regenerative agriculture training.
- Collaborating with other industry leaders and organisations to achieve sustainable solutions.
- Seek value creation opportunities and actively engage with early adopters and process innovators in sustainability.
- Reduce the amount of packaging received in-store and work with suppliers to investigate alternative packaging options.
- Partnership with Agrecovery and Plasback to assist in the development of an on-farm soft plastic recycling programme.
- Establish sustainable procurement as best practice.





Profit – Ohanga ora Adding value

We are relentless in our journey to bring more value to our shareholders and customers. Farmlands provides an ecosystem of offers, deals and services that combined provide visible value to the primary sector.

This value can be seen through our Net Promoter Score (NPS), which measures how likely someone is to recommend a Farmlands store to others. The Farmlands NPS of +60 is 31 points above the retail industry average.

e-Commerce

Farmlands launched its new, purpose-built e-commerce platform late last year. Building on the success of our “COVID Click and Collect” platform, the new Farmlands online store brings improved usability, wider product range and an overall better shopping experience for our shareholders, in their own time.

MyFarmlands

31% of shareholders have registered for our new self-service portal, which allows them to redeem Choices Rewards Points, view historic statements and access shareholder pricing on our online store.

Some of the initiatives that improved our offer this financial year include:

- Farmlands Card online – There are now 14 Card Partners accepting Farmlands Card online, with more to come!
- Card Partner Directory – Farmlands shareholders can now find their nearest Card Partner through our online Card Partner Directory. Accessible through the Farmlands website, the intuitive map shows any shareholder where their nearest Card Partner is.
- One Plan – to support our customers at the right time, with the right offer, we’ve developed One Plan. It is a schedule of major events on the farming and growing calendar, with competitive offers that come direct to shareholders. We want to provide you with what you need, when you need it.
- Scorpius – Farmlands teamed up with Donaghys to be the exclusive distributor of Scorpius Elite, the world-first spot-on for sheep. Having worked with Donaghys during the trial phase, this revolutionary product speeds up the process while offering effective protection, for a fraction of the effort.

Farmlands NPS

Promoters **72%**
Passive **16%**
Detractors **12%**

+60
NPS = % promoters – % detractors)



Staff Remuneration

Remuneration and value of benefits	Number of employees	Remuneration and value of benefits	Number of employees	Remuneration and value of benefits	Number of employees
\$100,000 – \$110,000	40	\$190,000 – \$200,000	5	\$330,000 – \$340,000	1
\$110,000 – \$120,000	32	\$200,000 – \$210,000	3	\$340,000 – \$350,000	1
\$120,000 – \$130,000	40	\$210,000 – \$220,000	1	\$370,000 – \$380,000	1
\$130,000 – \$140,000	13	\$220,000 – \$230,000	2	\$380,000 – \$390,000	1
\$140,000 – \$150,000	6	\$230,000 – \$240,000	1	\$390,000 – \$400,000	1
\$150,000 – \$160,000	11	\$290,000 – \$300,000	1	\$480,000 – \$490,000	1
\$160,000 – \$170,000	8	\$300,000 – \$310,000	1	\$800,000 – \$810,000*	1
\$170,000 – \$180,000	6	\$310,000 – \$320,000	1	*CEO Remuneration	
\$180,000 – \$190,000	5	\$320,000 – \$330,000	1		

Employee Entitlements	FY20 \$000	FY21 \$000
Total	\$80,745	\$82,013

Director Remuneration

Director	Value
R J Hewett, Lawrence (Chair)	\$136,000
G W Baldwin, Putaruru	\$65,000
N P Davies-Colley, Whangarei (Chair of the People & Performance Committee) (Retired 19 November 2020)	\$25,154
C J Dennison, Oamaru	\$65,000
W J Parker, Rotorua (Chair of the People & Performance Committee)	\$69,000
H D Sangster, Ranfurly	\$65,000
P J Ellis, Hastings (elected 19 November 2020)	\$38,346
J A Bohnenn, Rangiora, Independent (Chair of the Audit & Risk Management Committee)	\$71,000
S Post, Auckland, Independent	\$65,000
J Journee, Auckland, Independent	\$65,000
	\$664,500

Summary Statement of Comprehensive Income

For the year ended 30 June 2021

	2021 \$000	2020 \$000
REVENUE	1,082,943	1,105,487
Cost of goods sold	(908,212)	(927,523)
GROSS PROFIT	174,731	177,964
Other income	355	288
Less finance costs	(3,565)	(4,789)
Less other operating expenses	(162,463)	(165,504)
Less share of loss in associate	(992)	(957)
PROFIT FROM OPERATING ACTIVITIES	8,066	7,002
Income tax expense	(2,401)	(2,351)
CHANGE IN RETAINED EARNINGS ATTRIBUTABLE TO MEMBERS	5,665	4,651
Other comprehensive income for year	235	(203)
TOTAL COMPREHENSIVE INCOME	5,900	4,448

Summary Statement of Financial Position

As at 30 June 2021

	2021 \$000	(Restated) 2020 \$000
Current Assets:		
Cash and cash equivalents	1,035	876
Inventories	108,152	98,105
Receivables	245,673	246,147
Derivatives	86	-
	354,946	345,128
Non-Current Assets:		
Property, plant, equipment and right-of-use assets	135,845	145,239
Equity investment	888	1,880
Intangible assets	100,610	99,775
Deferred tax asset	-	290
	237,343	247,184
TOTAL ASSETS	592,289	592,312

Summary Statement of Financial Position continued

As at 30 June 2021

	2021 \$000	(Restated) 2020 \$000
Current Liabilities:		
Bank borrowings	68,000	33,000
Payables	242,022	242,207
Lease liabilities	18,784	19,301
GST payable	27,213	23,288
Derivatives	-	240
	356,019	318,036
Non-Current Liabilities:		
Term bank loans	50,500	81,500
Payables	674	793
Lease liabilities	46,603	55,246
GST payable	-	6,676
Deferred tax	2,202	-
	99,979	144,215
TOTAL LIABILITIES OTHER THAN SHARE CAPITAL REPAYABLE ON DEMAND	455,998	462,251
NET ASSETS EXCLUDING MEMBERS' INTERESTS	136,291	130,061

Summary Statement of Changes in Equity and Members' Interests

For the year ended 30 June 2021

	2021 \$000	(Restated) 2020 \$000
BALANCE AT BEGINNING OF YEAR	130,061	130,152
Change in retained earnings attributable to members	5,665	4,651
Net contributions from members – all capital types	330	(9)
Other comprehensive income	235	(203)
Adoption of IFRS 16	-	(4,530)
MEMBERS' INTERESTS AT THE END OF THE YEAR	136,291	130,061
Made up of:		
Retained earnings	16,253	10,588
Cash flow hedge reserve	62	(173)
Share capital repayable on demand	119,976	119,646
TOTAL EQUITY AND MEMBERS' INTERESTS	136,291	130,061

Summary Statement of Cash Flows

For the year ended 30 June 2021

	2021 \$000	2020 \$000
Net cash inflows from operating activities	31,443	47,052
Net cash outflows to investing activities	(18,006)	(25,485)
Net cash outflows from financing activities	(17,278)	(16,912)
NET INCREASE/(DECREASE) IN CASH HELD	(3,841)	4,655

Notes to the Financial Statements

The specific disclosures in this summary financial report have been extracted from the full financial statements which was authorised for issue on 27th September 2021. The full financial statements have been prepared in accordance with full NZ GAAP as profit-oriented entity and the Group has made an explicit and unreserved statement of compliance with IFRS's in the full financial statements. The full financial statements have been audited and an unmodified audit opinion has been issued. These summary financial statements comply with FRS43. Figures are in New Zealand dollars, which is the Group's presentational currency.

During the year an historical computational error relating to the accrual of employee entitlements was discovered resulting from incorrect period end cut-off assumptions. All employees were paid their full entitlements and were not disadvantaged in any way from the error, however this resulted in an understatement of the employee entitlements liability in the balance sheet for the 2020 and prior financial years. The correction of the error had no impact on the income statement or statement of cashflows in either the current or prior year.

Subsequent to balance date the Group and ASB Bank Limited have signed indicative terms with respect to renewal of all existing bank borrowing facilities. Covid-19; On 18 August 2021, the New Zealand Government placed restrictions on individuals and businesses by raising its COVID-19 Alert Level to 4. Further details are available in the full financial statements.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial report of the Group. If you require a full set of financial statements, please write to: The Secretary, Farmlands Co-operative Society Limited, PO Box 271, Christchurch 8140, giving your name, address and shareholder number and we will forward a copy to you. Alternatively full financial statements or your co-operative can be obtained from Farmlands' website. The Board of Directors of Farmlands Co-operative Society Limited authorised the full financial statements on 27th September 2021.

Report of the Independent Auditor on the Summary Financial Statements



To the members of Farmlands Co-operative Society Limited

The summary financial statements comprise:

- the summary statement of financial position as at 30 June 2021;
- the summary statement of comprehensive income for the year then ended;
- the summary statement of changes in equity and members' interests for the year then ended;
- the summary statement of cash flows for the year then ended; and
- related notes to the summary financial statements.

Our opinion

The summary financial statements are derived from the audited financial statements of Farmlands Co-operative Society Limited, including its subsidiaries (the Group) for the year ended 30 June 2021.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited 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 financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 September 2021.

That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year.

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 otherwise appears to be materially misstated. If, based on the work we have performed on the other information, 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 of the summary financial statements in accordance with FRS-43: *Summary Financial Statements*.

Report of the Independent Auditor on the Summary Financial Statements

continued



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 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*.

We are independent of the Group. Our firm carries out other services for the Group in the areas of assistance with legislative compliance. 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 Society's members, 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 members, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
Christchurch, New Zealand
3 November 2021

PricewaterhouseCoopers, PwC Centre, 60 Cashel Street, Christchurch Central, PO Box 13-244, Christchurch 8141, New Zealand
T: +64 3 374 3000, www.pwc.co.nz

As part of our commitment to sustainability, this Annual Report is printed on an environmentally responsible paper produced using Third Party certified 100% Post-Consumer Recycled Process Chlorine Free (PCF) pulp from Responsible Sources.

Manufactured under the strict ISO 14001 Environmental Management System, and carries the internationally recognised EU and Nordic eco-labels, as well as the Austrian Environmental Label.



**Together
stronger™**


Farmlands
co-operative