Growing healthier futures

Annual Report 2022

T&G
A BayWa Company

About this report

This report is for the period 1 January 2022 to 31 December 2022 and includes T&G Global Limited and its subsidiaries. It is structured to provide our investors and wider stakeholders with the annual overview of our progress with our business and sustainability strategies.

We continue to show a more integrated view of the business, including our economic, social and environmental activities. This report has been prepared in reference to GRI Standards.

The GRI Standards are the world's most widely used global sustainability reporting standard. In addition to our own report on the T&G Global business, we also contribute annually to the GRI Report published by our ultimate parent company, BayWa AG.

To guide the structure of our report, we continue to reference the Integrated Reporting <IR> Framework, in conjunction with GRI principles and indicators. Integrated thinking and reporting requires continuous improvement, and we continue to strengthen our approach.

In this report we use some words in te reo Māori, including: Aotearoa, which is New Zealand's Māori name; whānau, which means a family group, extended family; tamariki, which means children, to be young; mahi, which means to work, accomplish, make; kaitiaki, which means a guardian, caregiver, custodian; manaakitanga, which expresses kindness and respect for others, emphasising responsibility and reciprocity; and Kaitiakitanga, which means guardianship, stewardship, trustee.

References to 2020, 2021 and 2022 are for the financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 respectively, unless otherwise stated.

As this report was going to print, Aotearoa New Zealand was assessing the damage caused by Cyclone Gabrielle.

T&G's own operations, as well as our employees, Recognised Seasonal Employer (RSE) team and partner growers were affected, and we are still assessing the financial impact. Despite restrictions with communications and access in the worst affected regions, our people and RSE team are accounted for and safe,

The cyclone has left destruction in its wake and recovery will be as mentally challenging as it is physically. In many ways, this report provides confidence that we can get through.

It covers a financial year which has been anything but plain sailing. Overall, it says that even with setbacks, we are making steady progress developing a high-performance culture, growing our brands, expanding our presence in key markets and establishing the foundations of a truly sustainable business. None of these achievements has lost their relevance or importance because of Cyclone Gabrielle. Collectively, they show we have the strength and resilience to deliver on our strategy.

Kia kaha.

Contents

100% From well-managed forests FSC® C157047

At a glance

Operating profit
$20.4m
2021: $16.9m

Revenue
$1.30b
2021: $1.37b

Net (loss) / profit before tax
($3.3m)
2021: $9.8m

Net (loss) / profit after tax
($0.9m)
2021: $13.6m

Apples revenue
$774.6m
2021: $851.4m

Apples operating profit
$27.8m
2021: $40.6m

International Trading revenue
$100.7m
2021: $129.2m

International Trading operational loss
($2.6m)
2021: ($12.4m)

VentureFruit™ revenue
$29.1m
2021: $19.0m

VentureFruit™ operating profit
$11.0m
2021: $2.3m

T&G Fresh revenue
$400.5m
2021: $365.5m

T&G Fresh operating profit
$17.8m
2021: $18.0m

Employee Connection meter
76%
2021: 74%

Total recordable injuries
191
2021: 167

Fairgrow donations
978,654kg
2021: 1 million kg

Greenhouse gas emissions*
27,502 tCO_2e
2021: 32,520 tCO_2e
*Greenhouse gas emissions includes Scope 1 and 2 only

Chair and CEO review

Tēnā koutou

The year 2022 was our 125th year in business and will certainly be remembered as one of our most challenging.

Our financial results do not reflect the sustained effort of our people and partners in Aotearoa New Zealand and around the world, to work around multiple constraints to grow, pack and sell high quality fresh produce across our global markets.

Benedikt Mangold
Chair (left)

Gareth Edgecombe
Chief Executive Officer (right)

It was our third season with COVID-19, exacerbated by the arrival and rapid spread of the Omicron variant in Aotearoa New Zealand.

Rising costs in areas like freight, fertiliser and labour added to the headwinds caused by worker shortages, constraints with shipping capacity and the unfavourable growing conditions influenced by La Niña.

While the rollout of vaccinations globally helped encourage the opening of borders, challenging trading conditions remained and increased. China's COVID-related restrictions and lockdowns continued to affect market demand. Russia's invasion of Ukraine contributed further to a complex environment, impacting oil prices and global supply chains, while inflation and rising costs dampened consumer sentiment, especially in the United Kingdom and Europe.

While our performance for the first six months of 2022 saw total revenue tracking well and our profit before tax increase by 54% to $7.8 million, two key factors led to a downgraded full year forecast in the second half of the year.

Firstly, quality issues emerged in some of the New Zealand Envy™ apple crop, arising predominantly from unusually heavy rains prior to and during the 2022 harvest. This was exacerbated by the impact of supply chain disruptions, which meant the late arrival of fruit into many of our global markets – especially Asia. These quality issues resulted in produce not meeting specification and customer expectations and requiring disposal, as well as prices softening across most markets during the fourth quarter. This had a significant impact on our apple growing partners and T&G, reducing revenue for both our own orcharding operations and our commission earnings from third party growers.

Secondly, rapidly worsening economic conditions in the Northern Hemisphere reduced consumer demand, particularly in the United Kingdom and Europe. This resulted in a significant weakening in the near-term outlook for our businesses in these markets.

For the year ending 31 December 2022, revenue reduced 4%, down from $1.37 billion to $1.30 billion in 2022. Operating profit increased from $16.9 million to $20.4 million. Net profit before tax decreased from $9.8 million to a loss before tax of $3.3 million, and profit after tax decreased from $13.6 million in 2021 to a loss of $0.9 million.

Total equity increased 1%, from $573.6 million to $580.2 million in 2022, due to several factors. These included the capital investment programme to expand our orchard development in Hawke's Bay, and the investment in our new highly automated packhouse at Whakatu, which is on track for completion of its first phase in time for the 2023 Aotearoa New Zealand apple season.

Our results are not representative of the progress we have made in strengthening our underlying business, and it's important that the setbacks do not overshadow the progress with our five-year transformation strategy which commenced in 2018. We have done well, especially given the daily demands on resources. Our milestones include building momentum in our Envy™ expansion programme and a full year of VentureFruit™ operations, which are recorded in this report. After three years of pandemic disruptions, we have had to extend the delivery timeline for the full strategy to 2026. We're halfway there but remain confident the results will be worth it.

Apples

Our Apples business experienced significant challenges largely due to the Envy™ quality issues, a disrupted global shipping environment and a variety of market access challenges, particularly in China due to COVID. These challenges reduced profitability of our apples business including our own orchards, our commission earnings, our post-harvest utilisation and our in-market offices.

Despite these setbacks, our team responded and collaborated with agility to optimise the market outcomes. Significant work has been carried out in recent months to ensure we are able to further mitigate the impact of these numerous adverse environmental factors should they reoccur.

Overall, Apples operating profit decreased from $40.6 million in 2021 to $27.8 million this year, and revenue decreased by $76.8 million to $774.6 million in 2022.

International Trading

Revenue in the International Trading business decreased compared to the prior year, from $129.2 million in 2021 to $100.7 million this year. Supply remained tightly constrained due to climatic factors and shipping challenges, limiting the quality and product availability for sale.

Operating profit increased from a loss of $12.4 million in 2021 to a loss of $2.6 million this year, largely due to the non-recurrence of a number of one-off 2021 costs associated with the Peru grape farm, offset by a disappointing Australian trading performance in 2022.

At the end of 2022, we reached an agreement to sell our Peruvian grape farm, with legal title and full ownership moving to the new owner in early 2023. All costs associated with the disposal of the business have been provisioned in these financial statements.

T&G Fresh

The T&G Fresh business continued to stabilise during the early part of 2022, despite a very tight labour market and adverse weather conditions for some key crops. The business strengthened considerably towards the end of the year, particularly across the tomato operation, the Aotearoa New Zealand markets and the Pacific Islands business. The Fijian business reported a record result on the back of a strong upturn in international tourism as the world emerged from lockdown. A renewed strategic focus and its new leadership team are expected to support further growth for T&G Fresh into 2023 and beyond.

Overall revenue was up 9.6%, from $365.5 million in 2021 to $400.5 million in 2022. Operating profit slightly decreased from $18.0 million to $17.8 million this year.

VentureFruit™

Our global genetics and variety management business, VentureFruit™, completed its first full year of trading as a stand-alone business in 2022.

While the business has commercialised rights to a number of varieties, particularly berries, its results at this stage of its development are very much tied to the global performance of its key apple varieties, particularly Envy™ and JAZZ™. The 2022 year was challenging for global market sales in apples, and Envy™ in particular. Despite this, VentureFruit™ increased its revenue from $19.0 million in 2021 to $29.1 million in 2022. Operating profit increased from $2.3 million to $11.0 million this year.

Strategy in action

Despite headwinds in the business, we also experienced tailwinds in our strategy as crucial elements of our transformation came together. We've completed much of the groundwork for our three strategic goals to grow great brands, win in key global markets and lead Aotearoa New Zealand's fresh produce future, setting ourselves up for a sustainable, profitable future.

Some progress has been enabled by Aotearoa New Zealand's first Sustainability-Linked Loan in the horticulture sector. 2022 was the first year of this three-year $180 million loan, which commits us to a range of sustainability-linked targets including greenhouse gas emission reductions, a climate risk adaptation plan, the creation of permanent job opportunities and boosting regional development. These align with our kaitiakitanaga framework which ensures future developments are sustainable environmentally, socially and economically.

For example, both the need to mitigate emissions and adapt to a changing climate is reflected in our commitment, and together with our majority shareholder BayWa Global Produce, we are working to set a verified science-based emissions reduction target that aligns with limiting the global average temperature increase to 1.5°C above pre-industrial levels. This year we submitted the commitment letter to the Science-Based Target initiative (SBTi), and in 2023 we will develop emissions reduction targets and pathways.

This year we conducted a new materiality assessment, consulting with a wide range of external stakeholders as well as our own team to build a clear understanding of what matters most to them in terms of our environmental, social and governance (ESG) performance. These insights will be used to strengthen our kaitiakitanga ESG framework and develop relevant key performance indicators (KPIs), targets and metrics.

We began Project Lotus, a transformational programme that is looking at the way we work, including processes, systems and digitalisation to support our future growth strategies. It will see us move, over time, to SAP's S/4 Hana software platform.

Apples growth progress

When it comes to growing great brands, our Envy™ and JAZZ™ brands are established success stories. To meet global demand and future-proof our growing systems, our development programme in Aotearoa New Zealand has made great progress.

We sold two orchards to the New Zealand Superannuation Fund's rural investment manager FarmRight, which has released further capital to invest in Envy's™ growth.

In Hawke's Bay, we sold our 40-hectare Steiner orchard, and we will continue to provide all post-harvest, export and marketing services for the Envy™ crop from Steiner.

In Nelson, we sold our 194-hectare Riwaka orcharding operation, which currently has 33-hectares in Envy™. We will harvest the current crop before our permanent team members join FarmRight on 31 May 2023. FarmRight plan on further redeveloping and investing in the site, including planting additional Envy™ trees which will contribute to 200 hectares of new Envy™ plantings to the Nelson region.

We know it's a positive step, as it's one we took with the Fund before, selling 40 hectares of orchards to them in 2021.

Envy™ is on track to be a billion-dollar brand by 2027, so it's important that new plantings are future-fit. We have adopted a 2D structure for new developments, with espaliered trees open to more light for ripening and easier to maintain and harvest, including with automation.

This year, 119 hectares of orchards were replanted. We own and lease 728 hectares of orchards in Aotearoa New Zealand, of which 249 hectares are now in 2D. With new orchards taking eight years to reach full production, replacement is being phased to ensure continuity of fruit with sound capital management.

'What gets picked must be packed' and the first stage of our new Hawke's Bay packhouse at Whakatu will be commissioned for the 2023 harvest, and when fully operational, it will have the capacity to pack more than 125 million kilograms per season. Automation means we can process more apples without the need to recruit more people, especially given severe shortages of labour. Where our current two packhouses operate at an average 45 bins an hour, the new site will run at 90-100.

Growing categories in key markets

To win in key markets, we're creating vertical categories - from the soil to the supermarket. This harnesses our strong customer relationships and consumer insights to grow demand and loyalty, underpinned by the best plant genetics and our end-to-end value chain.

Previously, we had seen both table grapes and berries as categories with high potential, however we've decided to focus on berries. Grapes are a profitable traded category, but are challenging, so we have focused our resources and capability on the berries category, particularly blueberries.

Thanks to early agreements with Plant & Food Research and Fall Creek Farm and Nursery, Inc from Oregon in the United States, it's a category that we're building from a strong base. This 2017 partnership gave us exclusive rights to grow 16 blueberry varieties in Australia. VentureFruit™ also has a 2021 co-investment with Plant & Food Research in a breeding programme for new berry varieties for which we are the commercialisation partner. This includes their blueberry genetics.

Developments include investing in a joint venture blueberry farm in Queensland, Australia. We have supported the growth in this category by appointing a berry commercialisation manager responsible for Europe and the United Kingdom who will establish a network of eight testing partners.

Fresh developments

We're also aiming to win in fresh produce in our home market of Aotearoa New Zealand and support a vibrant horticulture industry. This year, with continued challenges from COVID-19, La Niña growing conditions and labour shortages, the team's absolute priority was keeping our people safe and fresh produce flowing through the supply chain to our customers and consumers.

With a refined strategy and a new leadership structure, following the appointment of Rod Gibson as Managing Director in January 2022, T&G Fresh is set up well for future growth.

Making our case for continued RSE worker support

In a demanding year, we secured important strategic wins. We successfully contributed to the industry-wide case to Government for a consistent and reliable supply of RSE workers to our operations, including helping dispel the misconception that the scheme deters investments in technologies to support future productivity.

Our case was supported by a report commissioned from the New Zealand Institute of Economic Research (NZIER) who studied 970 of our RSE workers over three seasons from 2019 to 2021.

The report, published as a case study in the Productivity Commission's April report on immigration, showed RSE workers were skilled and achieved high levels of productivity. It also noted "having reliable and skilled workers available to prune, thin, pick and pack all their crop gave T&G enough certainty and scale to invest in new technologies and business processes."

These included investments in mechanical picking platforms, our 2D orchards which allow for future robotic harvesting and our new packhouse which combines manual, fully automated, and hybrid modes as needed. The report noted we were able to increase the scale of our operations, achieving higher labour productivity with a smaller workforce. RSE workers are important to our strategic growth and the majority come with skills and experience from previously working with us. As the pool of local workers continues to reduce, their value cannot be underestimated in the growth of Aotearoa New Zealand's horticultural sector.

Outlook

As we look ahead to 2023, we're expecting the pandemic to be less of an influence on our operations, supply chain and markets, but it is clear some constraints remain.

Domestically, our labour force is coming up to strength and we have been able to secure our full complement of RSE workers.

Our orchard replanting and expansion programmes are well resourced. This is underpinning the growth in our brands and is well on track coming into 2023. Our continuous improvement programme is seeing quantifiable improvements in our operations and contributing to lower costs.

Our new packhouse will certainly increase our efficiency as well as our capacity. Shipping schedule reliability and capacity, while still a challenge, is slowly improving, while our supply chain strategy will focus on optimising our logistics and long-term resilience.

There is no doubt that consumers want and need fresh produce, both domestically and globally. Demand is positive at home and in our markets across Asia but remains muted in Europe and the United Kingdom. The reputation of our brands will continue to support our growth, as will the development of our in-market resources in high-growth opportunities such as Vietnam.

Into the new year, La Niña weather conditions remain with us, with extremely high rainfall across the North Island in January, followed by Cyclone Gabrielle in February. While it is too early to comment on the impact these conditions will have financially, apple growers in Gisborne and Hawke's Bay, and North Island producers of crops like onions, potatoes and seasonal greens have certainly endured a setback.

We have come into the new financial year confident in our strategy and determined to pick up the pace in our five-year business transformation. Three years of pandemic disruptions have been frustrating, but we're past the half-way mark and on the home straight. We will continue to keep costs closely controlled, while ensuring we make the investments needed to support our strategy.

Thank you to all of our people, our growers, customers and consumers for your work and support.

Noho ora mai

Gareth Edgecombe
Chief Executive Officer

Benedikt Mangold
Chair

Year in review

January

Rallied around our Tongan RSE team whose families and communities were impacted by the devastating underwater volcano and tsunami. Shipped essential supplies to their families in Tonga.

February

First new season Poppi™ apples picked and exported, followed over coming months by Royal Gala, JAZZ™ and Envy™. More than 6.5 million TCEs harvested in 2022.

March

New robotic palletiser in Hawke's Bay packhouse significantly reduces amount of manual heavy lifting and creates more efficient stacking and container loading.

April

In partnership with the Ministry of Social Development and Māori Wardens, He Huarahi Hou supports sole parents enter or return to the workforce.

Together with two of our long-term customers, launched Unearthed™, our end-to-end root vegetable growing, packing, marketing and distribution business.

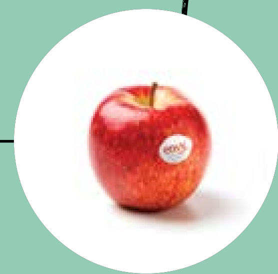
May

Continued our partnership with the First Foundation, awarding two four-year T&G scholarships. The Foundation provides targeted support for talented students from lower-income households, including financial support, mentoring and paid work experience.

June

Signed Aotearoa New Zealand's first Sustainability-Linked Loan in the horticulture sector. The three-year $180 million loan demonstrates our commitment to embracing sustainable practices, decarbonising our business, adapting to a changing climate, and building thriving local communities.

July



Sold our 40-hectare Steiner orchard in Hawke's Bay to the New Zealand Superannuation Fund's rural investment manager FarmRight. This was followed by the December sale of our 194-hectare Riwaka orcharding operation in Nelson to FarmRight.

August

Launched Northland-grown Afourer mandarins to help satisfy citrus demand from September to December and extend the variety of citrus on offer.

September

Invested in a new joint venture blueberry farm in Australia. Over the next three years, 40 hectares of premium new varieties will be planted.

Sold 165,000 Envy™ Mid-Autumn Festival gift boxes in China, including collaborative boxes with Spain's Thyssen-Bornemisza National Museum Madrid.

October

Together with our partner, Garden to Table, we developed a schools resource for 25,000 children answering students questions about T&G growers' jobs.

November

Regan Judd, one of our Orchard Sector Manager's in Hawke's Bay, is awarded the 2022 New Zealand Young Horticulturist of the Year.

New Supplier Code of Conduct sets out our key expectations of suppliers in areas including respecting workers' human rights, health and safety, environmental protection, and integrity, ethics and anti-corruption.

December

Celebrated our 125th anniversary and the generations of people who have helped create the business we have today. Launched the Edward Turner Horticulture Futures Grant, a new postgraduate tertiary grant in honour of our founder.

About T&G

From our place here in Aotearoa New Zealand, we've grown over our 125-year history from an Auckland-based auction house for fresh produce to a global presence, nourishing people in more than 60 countries.

Our team of 1,600 has a single uniting purpose – growing healthier futures. Together we grow apples, tomatoes, citrus and blueberries and partner with growers in Aotearoa New Zealand and around the world to see this purpose achieved.

Our strategy supports our purpose and is focused on three strategic pillars. With the health of the land and the environment critical to our success, we have embraced Kaitiakitanga – treating the land, people, produce, resources and communities with the greatest of respect and care. This sense of guardianship is central to who we are and what we do.

These pages show our footprint in Aotearoa New Zealand and across the world. As kaitiaki, or guardians, we aim to ensure it is a light footprint, wherever we and our partners may be.

UK & Europe

Revenue ($'000)	$374,598
Employees (permanent)	427
Offices (Group or Sales)	3

Growing regions

Austria
- Steiermark
- Tyrol
- Alps

France
- Loire Valley
- Occitanie
- Provence

Germany
- Bodensee
- Rheinland-Pfalz
- South Tyrol

Italy

Portugal

Spain
- Castilla y León

Switzerland
- Region Vaud
- Valais

UK
- Herefordshire
- Kent
- Lincolnshire
- Suffolk
- Sussex

Australia & Pacific Islands

Revenue ($'000)	$97,118
Employees (permanent)	16
Offices (Group or Sales)	4

Growing regions

New South Wales
- Coffs Harbour
- Griffith

Queensland
- Wamuran

South Australia
- Adelaide
- Loxton
- Renmark

Tasmania
- Huon Valley
- Ouse

Victoria
- Koo Wee Rup
- Mildura
- Narre Warren
- Robinvale
- Shepparton
- Swan Hill
- Warragul

West Australia
- Bullsbrook

Pacific Islands
- New Caledonia
- Samoa
- Tonga

Americas

Revenue ($'000)	$58,397
Employees (permanent)	38
Offices (Group or Sales)	4

Growing regions

Argentina

Canada
- British Columbia

Chile
- Angol • Talca
- Temuco

Ecuador

Guatemala

Mexico

Panama

Peru
- Ica
- Piura

USA
- California
- Oregon
- Washington State

Africa

Growing regions

Egypt

Morocco

South Africa
- Eastern Cape
- Western Cape

Zambia

Asia

Revenue ($'000)	$362,624
Employees (permanent)	26
Offices (Group or Sales)	5

Growing regions

South Korea
- Boeun
- Hongcheon
- Geochang
- Yesan

Thailand

Aotearoa New Zealand

Revenue ($'000)	$412,199
Employees (permanent)	1,211
Offices (Group or Sales)	12

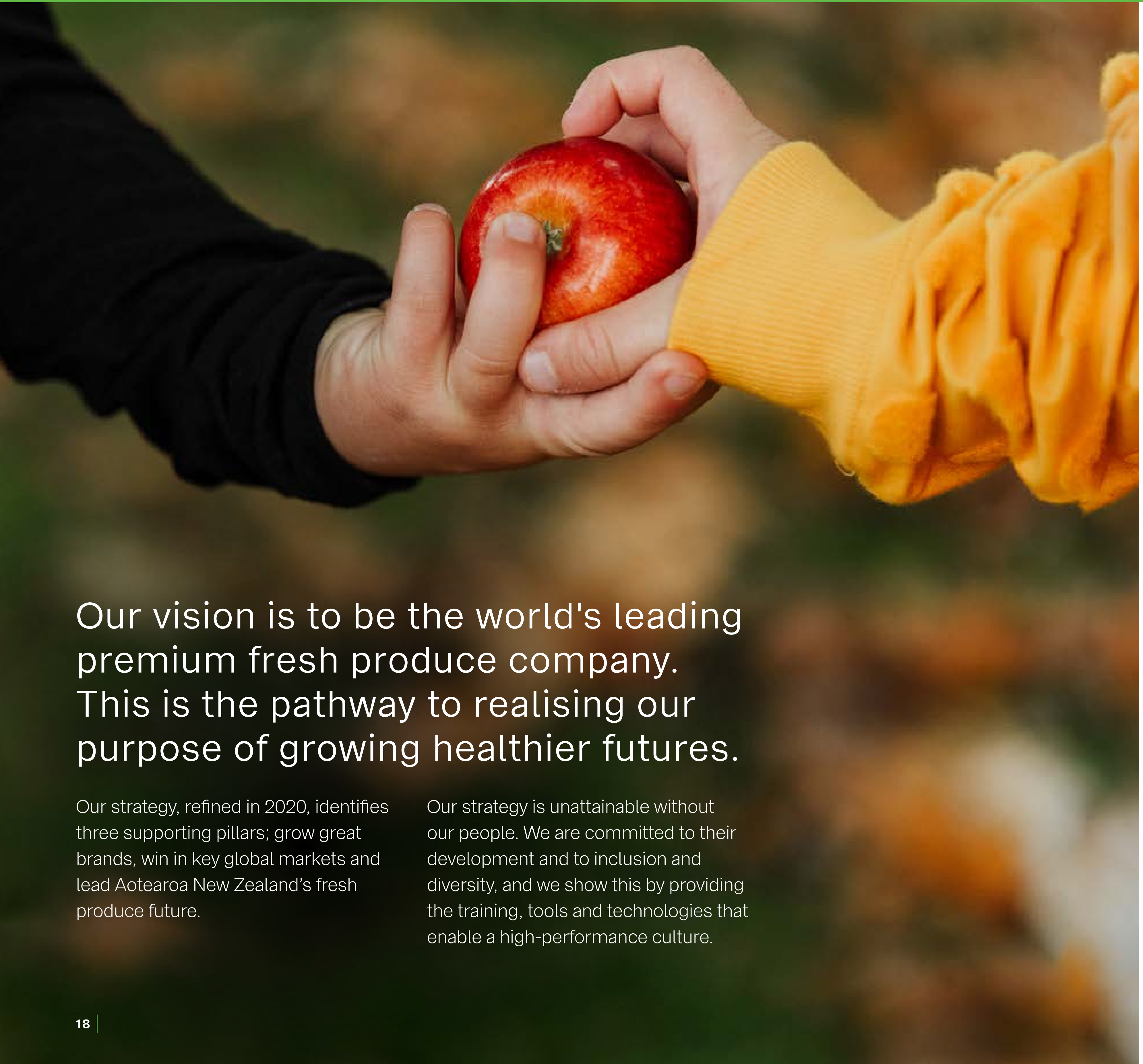
Growing regions

- Auckland
- Central Otago
- Gisborne
- Hawke's Bay
- Kerikeri
- Nelson
- Ōhaupō
- Reporoa
- Taipa
- Tūākau

Key

- GLOBAL MARKETS WE SERVE
- GROWING REGIONS Own and third party
- OFFICES

Our strategy



Our vision is to be the world's leading premium fresh produce company. This is the pathway to realising our purpose of growing healthier futures.

Our strategy, refined in 2020, identifies three supporting pillars; grow great brands, win in key global markets and lead Aotearoa New Zealand's fresh produce future.

Our strategy is unattainable without our people. We are committed to their development and to inclusion and diversity, and we show this by providing the training, tools and technologies that enable a high-performance culture.

Our purpose

Growing healthier futures

Our vision

The world's leading premium fresh produce company

Our measures

- Partner of choice
- Best place to work
- Financial returns
- Brand/category performance

Grow great brands

- Best genetics in apples and berries
- Unique varieties and brands loved by consumers
- World class in growing and post-harvest, with global partners maximising our intellectual property

Win in key global markets

- Unlock markets selected for premium and potential
- Close to customers with capability in-market
- Most efficient end-to-end supply chain

Lead Aotearoa New Zealand's fresh produce future

- Win in chosen categories
- Offer the best channels to market
- Build long-term relationships

Grow great brands

What's in a name? A great deal if the name is also a brand.

Straight away, consumers know what to expect and if the brand connects with their lifestyle and personal values, loyalty follows.

Growing great brands is a pillar of our strategy. By clearly differentiating our fruit from the rest, and being consistent in the quality behind the brand, we are building grower confidence and consumer and customer loyalty in our markets.

There's a lot more to growing great brands than a catchy name. We draw on the best genetics to create unique and delicious varieties, and we support them with the best growing and production systems, marketing and in-market partnerships to bring the best for consumers, every day of the year.

Most importantly, we continue to invest in the marketing and development of each brand, so they retain loyal consumers and win over new ones across our global markets.

Our premium apple brands are Envy™, launched 13 years ago and sold in more than 60 markets, and JAZZ™, loved by consumers in over 40 markets as a healthy snack for 25 years. Envy™ is on its way to become a billion-dollar global brand.

Our Orchard Rd® premium berries burst with natural energy and healthy nutrients, providing consumers with blueberries in Asia, as well as throughout the season in Australia.

VentureFruit™ fast forwards on strategy

VentureFruit™ is a key enabler of the grow great brands pillar of T&G's strategy, drawing together our expertise in genetics, our extensive network of research partners and plant breeders, and our growing knowledge and partnerships to develop high value fruit varieties for global growers and consumers.

These capabilities were initially developed from our apples business, with our premium brands including Envy™ and JAZZ™. VentureFruit™ will continue to support the growth of our apples category, while supporting the development of selected vertical categories, such as berries.

VentureFruit™ not only supports our own brand ambitions, but also works with third parties to develop new income streams from the commercialisation of new cultivars that are valued by global growers and marketers, but are not necessarily a fit with T&G's core brand categories.

In its first year of operation, VentureFruit™ achieved a credible collection of milestones, despite the ongoing disruptions of the pandemic. We invested in a new joint venture blueberry farm in Queensland, Australia, and we are moving new blueberries varieties to testing partners in Europe.

We see berries as a strong growth category and at the VentureFruit™ launch we signed a second co-investment partnership with Plant & Food Research in Aotearoa New Zealand for their rubus breeding programme (which encompasses berries such as raspberries and blackberries), a valuable complement to the partnership we established in 2019 for the blueberry breeding programme. Under these agreements, VentureFruit™ holds the commercialisation rights to the new varieties bred by these programmes.

While the domestic Aotearoa New Zealand market is self-sufficient for blueberries, they offer good growth prospects globally, including in Australia.

Blueberries are a premium product which aligns with the strong consumer trends for convenience and health. They also have growing and shelf-life characteristics which suit the international business of T&G.

We have supported the growth in this category by appointing a berry commercialisation manager responsible for Europe and the United Kingdom, who is initially establishing a network of eight commercial testing partners across six countries.

We are developing our short list of blueberry cultivars for release in 2024 alongside some from Plant & Food Research's work with rubus. Our co-investment in this research is supporting us to breed varieties to meet grower and consumer needs, in a global market which has doubled in the past 10 years and is expected to grow further, especially in Europe and North America.

VentureFruit™ will bring high performing cultivars with unique characteristics to the market, including the ability to extend the growing season and enable berries to be grown in different locations and soil types. We look forward to developing partnerships with potential growers in the coming year.

In the apples category, the Hot Climate Partnership is working on offsetting climate change risks with 18 varieties planted with 25 partners under test in Europe alone. We are now on the threshold of commercialising an initial release from this work. See separate story on page 52.

A tough year in apples

Climate and COVID-19 were the dominant influences on this year's apple season, affecting everything from fruit quality to worker shortages, supply chain bottlenecks and constrained market demand, especially in the United Kingdom and Europe.

It has been a frustrating year in our orchards and those of our partner growers with an unusually wet spring, very heavy rain in 2022 through February, March and April, as well as low sunshine days affecting harvesting timings as well as fruit quality. Another season of worker shortages, made worse by the rapid spread of the Omicron variant through our workforce, including our RSE workers, made harvesting difficult. To cap it off, supply chain bottlenecks caused by reduced shipping schedules, shortages of refrigerated containers and port delays affected deliveries to our key markets.

In Aotearoa New Zealand we picked 1 million tray carton equivalents (TCEs) from our own orchards – the equivalent of 18,300,000 kilograms of apples for export. Collectively with our third-party growers, we exported 5.2 million TCEs – a 3% increase on the year prior. In the United States, the crop was 4.0 million TCE in 2021/22, and is estimated to be 4.5 million TCE for the 2022/23 season.

As we could not control the pandemic or the weather, we focused on the areas we could control with positive results.

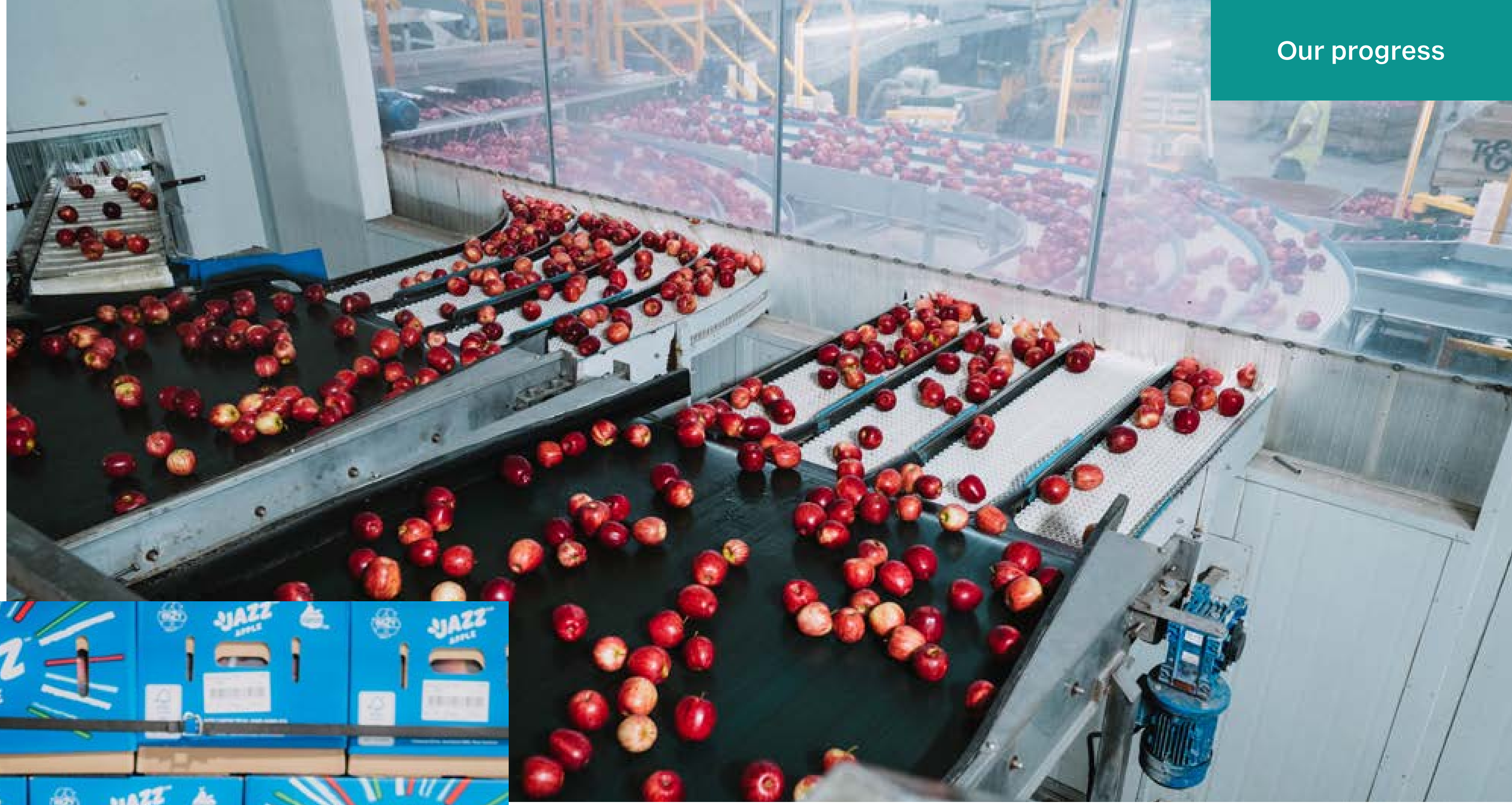
On the labour side, last year's decision to create 100 full time employment opportunities for our seasonal workers and the local community, certainly showed its value. We worked hard to recruit this team in 2022, and welcomed recruits from our new He Huarahi Hou programme which helps solo parents into work with family friendly hours and other support. Our returning RSE workers also brought their skills back into our operations, adding value through passing on their knowledge to inexperienced casual labour.

On the supply chain, shipping in March also got off to a well-planned start, with good container availability. However, schedules and reliability were continually changing making planning difficult. Our shipping costs increased by as much as 75%, with rates varying depending on the line and market. As the season progressed, the delays meant missed sales windows.

To mitigate further delays we partnered with Zespri and other industry partners to charter six vessels to North America, loading in both Nelson and Hawke's Bay. We also began developing a new supply chain strategy with the aim of developing a globally co-ordinated service, aligned to our sales and operational plans and designed to maximise value for our growers and our customers - see page 29.

We're on track to bring in our new state-of-the-art automated packhouse in Hawke's Bay in time for the 2023 season. See page 25. Our JAZZ™ crop will be one of the first through the packhouse. This brand will also benefit from a new strategy designed to increase grower returns by expanding our market network. JAZZ™ is an excellent brand with strong consumer support globally and our strategy has focused on bringing grower returns up to a level which reflects this.

We also continued with our 2D orchard conversion and development programme which is growing our operations and securing a sustainable future for them by adopting the best growing techniques – page 24. Three years of our continuous improvement programme in our growing operations have also locked in better techniques and systems, many conceived by our teams on the ground, and this work continues to produce incremental gains.



The quality of some of this year's premium Envy™ crop, together with the influences of climate and COVID, resulted in a very disappointing result for both our growers and ourselves. To protect the brand's premium reputation, we disposed of quality compromised fruit and initiated a full analysis of the crop to understand and implement learnings should similar conditions occur in the future. This plan is fully developed and will apply in the 2023 season – see page 55.

A significant effort was made to continue our sales programme while ensuring the remaining fruit in-market continued to meet quality specifications and customer expectations. This included our marketing activations in Asia to support the Mid-Autumn Festival, selling more online in China and extending our distribution channels in Vietnam. In other markets we also sold more through wholesale channels extending marketing investment and activations where required.

In the United Kingdom and Europe, our sales teams encountered apples from the previous Northern Hemisphere season remaining in the market longer than expected, as well as lower consumer confidence. Russia's invasion of Ukraine was a contributing factor impacting oil prices, global supply chains, access to seasonal labour and resulting in a surplus of commodity apples from around the world in Europe. In Europe for example, the selling window for JAZZ™ was affected by this overhang and our sales teams were also competing against an early locally-grown European crop. In the United Kingdom, JAZZ™ sold steadily, but was also later into the market due to the Northern Hemisphere overhang.

In our key Asian markets, we strengthened our e-commerce presence to widen our connection with consumers using in-market influencers, recipes and seasonal promotions to grow sales.

Our online reach now covers Singapore, Hong Kong, Taiwan, Thailand, Vietnam, China, the United States, Germany, the United Kingdom and some other selected partner markets. Our sales and supply chain teams have been equally agile, re-routing product between markets to secure sales and convert inventories into returns.

While this year did not achieve the results we wanted, we will go into the new season with confidence in our brands and in the future. This season has served up some tough challenges and we've turned them into proactive strategies to protect and strengthen our brands' reputation for quality, build on our brands' strengths and grower returns, and streamline our supply chain channels.

Envy™ in Monet's garden

What is a creative marketing response to closed borders and pandemic safeguards restricting movements in a valued market? A collaborative campaign between an apple and some of the grand art masters.

That's how we engaged with Chinese consumers this year in the lead-up to the annual Mid-Autumn Festival, second only to Lunar New Year in terms of its importance as an occasion to celebrate with family and friends.

Our Envy™ brand is the ultimate apple experience in terms of taste, crunch, aroma and appearance. It is a perfect and very popular addition to the menu when people are celebrating special occasions, especially in Asia and is also an appreciated gift. To make it even more special for Chinese consumers, we thought laterally, producing a collaboration with Spain's Thyssen-Bornemisza National Museum Madrid to link our iconic apple with four equally iconic masters, Vincent van Gogh, Claude Monet, Pierre-August Renoir and André Derain.

Their garden and rural landscapes featured on our limited-edition gift boxes, carry bags and in-store promotional displays, reinforcing the value of our Envy™ apples as a premium gift.

Throughout the Mid-Autumn Festival we sold 165,000 gift boxes (1.48 million total apples), including the collaborative boxes.

The collaboration, conceived in-house by our marketing team before development with agency partners, has done more than boost sales during an important festival. Its success means we have a compelling case study we are now using with other potential partners whose own brands sit in the premium categories, be it fashion, design, entertainment or cuisine.

The grand masters' promotion was not the only initiative to connect with Chinese consumers under the more restrictive pandemic conditions. With e-commerce well established in China, we set out to better our record-breaking sales from last year's T-Mall sales. We sold out of 25kg packs of Envy™ apples in under one minute with over 26 million views of our live-streamed promotion with Chinese celebrities.

Ancient technique – new technologies

It's a technique that dates back centuries, but for us espaliering apple trees in the 21st century is all about looking to the future – especially when it comes to orchard management.

We're progressively replacing old orchards with 2D structure plantings and all future developments will also adopt this structure. It is best suited to apple varieties which produce fruit on spurs right along the length of the branch, such as Envy™.

This year, a total of 119 hectares of T&G orchards in both Hawke's Bay and Nelson were replanted with Envy™ on future-proofed 2D structures. We own and lease 728 hectares of orchards in Aotearoa New Zealand, of which 249 hectares are now in 2D. We have plans to further redevelop more orchards over the next three years. As it takes up to nine years for an orchard to become fully mature and productive, we are in a phase of considerable capital investment for future growth and we are confident the structure adopted is the best choice, horticulturally and technically.

2D plantings, which look similar to vineyards in their layout, provide a better growing environment for apples, as they are more open, enabling more light into the canopy which helps the fruit colour and ripen more consistently.

Maintenance, such as pruning, is simpler with the branches trained away from the trunk along the structure framework and harvesting is also simplified, with higher yields.

Our preferred 2D structure allows for technologies such as the 17 picking platforms we currently have in use, as well as specialised equipment like our leaf defoliators. In addition, it also supports new in-development technologies, including unmanned automated sprayers, mowers and robotic harvesters. The technology in use today also provides a safer, more productive working environment for our orchard teams.

New packhouse ready for 2023 harvest

Announced in late 2021, the first phase of our new state-of-the-art automated packhouse in Hawke's Bay will be operational for the 2023 season, in time for our JAZZ™ and Envy™ harvest. The second phase will be completed in time for the 2024 season.

Located at our Whakatu East site, the packhouse will be one of the biggest in the Southern Hemisphere, with 1.7 hectares of roof space. It will deliver significant efficiencies while enabling us to manage our forecast growth as we respond to growing demand for our premium branded apples, especially Envy™.

It's a facility designed to enable us to achieve more with less, primarily through automation. For example, our two current Hawke's Bay packhouses process on average 45 bins per hour at each site – or 0.41 bins per person per hour. In the new facility, one line can run at 90-100 bins per hour, lifting the productivity rate to up to 1 bin per person per hour, with no increase in employee numbers.

Automation will reduce our reliance on casual seasonal workers. Having a more efficient packhouse also means we have been able to offer broader fulltime roles across our Hawke's Bay apple operations to some of our seasonal team members as well as job seekers in the community.

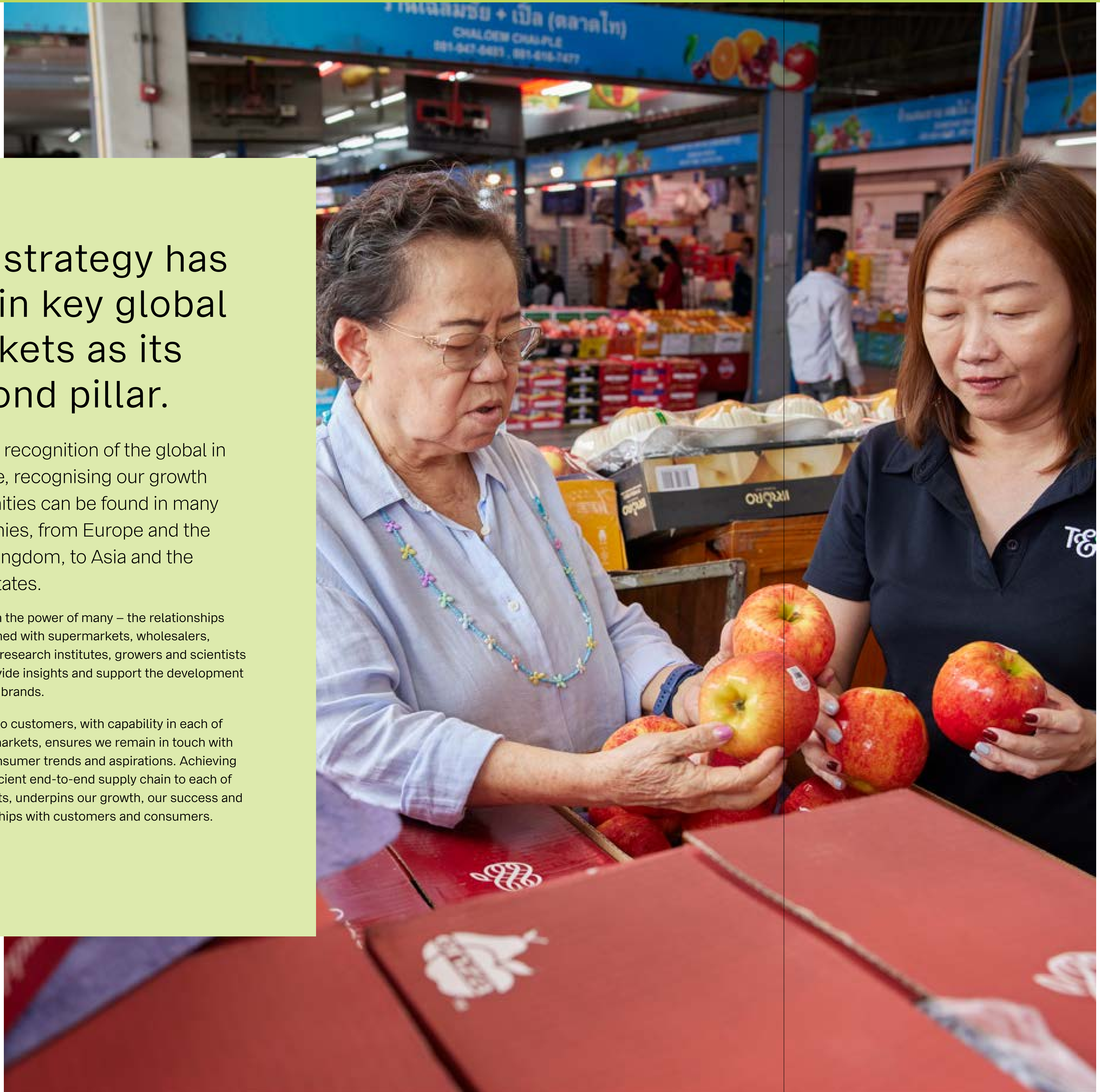
With the capacity to pack more than 125 million kilograms of apples per season, once all phases are fully complete, the new packhouse will effectively make the two existing facilities redundant when it is fully operational. With both original packhouses situated within non-operational cool stores, this space will be easily converted into cool stores in the future.

From the receiving area to the despatch bay, the packhouse will cover the full range of packing activities, from the wet infeed area and defect sorting to packaging, robotic palletising and strapping. The facility has inbuilt operational flexibility, allowing for a combination of fully automated, partly automated and standard packing lines.

The start-up phase in March 2023 has been subject to thorough planning and risk mitigation. The creation of new standard operating procedures has been completed and staff retraining will be undertaken so the team is fully familiar with the new equipment.

The packhouse also meets demanding sustainability standards. The filtration systems allow for a reduction in water use from our own bore, with any final discharges being drinking quality standard. Stormwater attenuation systems enable us to harvest rainwater for permissible uses. The wellbeing of our people is also provided for in an onsite gym, outdoor walking track and a wellness room.

Win in key global markets



Our strategy has win in key global markets as its second pillar.

It is clear recognition of the global in our name, recognising our growth opportunities can be found in many geographies, from Europe and the United Kingdom, to Asia and the United States.

We believe in the power of many – the relationships we have formed with supermarkets, wholesalers, foodservice, research institutes, growers and scientists - to help provide insights and support the development of our global brands.

Being close to customers, with capability in each of our unique markets, ensures we remain in touch with changing consumer trends and aspirations. Achieving the most efficient end-to-end supply chain to each of those markets, underpins our growth, our success and our relationships with customers and consumers.

Good morning Vietnam

The establishment and growth of our office in Vietnam is an effective illustration of our strategic pillar to win in key global markets.

Vietnam now joins China, Thailand, Japan and Singapore as a market where we have invested in establishing offices, building strong customer relationships, a deep knowledge of local commercial practices and a reputation for quality.

Our Vietnamese footprint has grown from a single person in 2018, to 13 in 2022 and the impact has been considerable with Vietnam outperforming its budget for both sales and operating results.

While we had some eating quality challenges with Envy™, the team was able to incentivise customers to clear unaffected inventory. This ensured the market was ready for the arrival of United States-grown Envy™, especially in the month-long build up to the Tet New Year festival celebrations when our large, premium apples form part of families' celebratory feasts.

Both our premium Envy™ and JAZZ™ apples are enjoying rapid sales growth alongside good demand for Pacific Queen, Royal Gala and Fuji, table grapes, blueberries, stone fruit and citrus.

In common with its Southeast Asian neighbours, Vietnam has a growing middle class. Currently at 13% of the population, this is expected to double by 2026.

Vietnam's free market reforms have enabled it to become one of the fastest growing economies in the region. Although T&G has exported to Vietnam for more than a decade, the freer market has seen the growth of different retail models, including Western-style supermarket chains catering to the rising middle classes. New distribution networks are also evolving to include more operators, including international chains.

Traditionally our exports have met market demand in the main cities of Hanoi, Ho Chi Minh City and Danang. However, our reach and growth potential is broadening to inland cities as retail chains expand and infrastructural investments are made in cool stores and distribution centres.

Our long-standing relationships, strengthened further with capable local talent has enabled us to connect with the new generation of retailers. By demonstrating our strengths in neighbouring markets in areas like marketing promotions and the supply chain management needed for our premium brands, we've been able to show new retail customers what a positive partnership can deliver for them and us.

It is a market where our purpose of growing healthier futures is embraced by consumers and our produce is a natural fit. Fruit is regularly consumed by families after meals as a dessert, and as a snack or for weight loss. With consumers typically buying 1-2kg of apples at a time, the apple sector holds considerable growth opportunities, especially for our premium brands.

Expanding digital influence

E-commerce as a percentage of global retail sales has risen through the pandemic as consumers replace shopping trolleys with keyboards.

While restrictions are easing in our key markets, the signs are that consumers habits are changing. While they are coming back to their trolleys, keyboards still play a role in their shopping habits so we're expanding our digital fingerprint to connect with them.

When it comes to our premium apple brands like Envy™ and JAZZ™ there is no real substitute for the in-store display and promotional sampling that introduces our global consumers to the distinct experience of these apples, with their appearance, crunch, aroma and flavour.

But we are also influencing the social media influencers – the foodie personalities in our key markets whose followers trust their recommendations, along with their recipes. In Japan, for example, where we have a four-month trading window before the domestic apple crop is harvested, consignments of our JAZZ™ apples sell out quickly at premium prices, encouraged by influencers who develop recipes and link to e-commerce sites to encourage purchases. We now have a network of reputable influencers keen to associate their personal brand with ours.

We have added Singapore, Hong Kong and Taiwan to our online presence this year, so our reach now covers Thailand, Vietnam, China, the United States, Germany, the United Kingdom and some other selected partner markets. This is an effective complement to our live in-store and promotional events, enabling us to work with key opinion leaders to reach our target audiences, influence shopping decisions and build brand awareness.

Combining in-store promotion with online engagement is especially effective for connecting with consumers in ways which are relevant to them, such as healthy snacks for children and adults, as well as special occasions like Mother's Day, Christmas, and Halloween where our apples are a fresh sweet treat. In the United States, for example, a Christmas collaboration with the Hallmark channel promoted Envy™ as "the ultimate holiday apple" through displays, recipes and social media.

The success of these partnerships was mirrored in a successful JAZZ™ collaboration with Warner Brothers' DC League of SuperPets across Europe, the United States, Canada and Aotearoa New Zealand, including scan and win promotions, point of sale themed packaging and promotions and a cobranded microsite with games and recipes.

Strengthening our supply chain

As a global exporter we're reliant on the efficient functioning of global freight networks to get our high-quality produce to markets, not only from Aotearoa New Zealand, but also from the United States, United Kingdom and Europe.

This year we continued to work with very restricted ocean freight capacity. Globally, shipping schedule reliability and available capacity remained restricted. Global schedule integrity remained under 40%, which removed 11% of available capacity, and as we moved into the apples season, delays in America, Asia and Australia services continued to drive missed connections and port omissions along the Aotearoa New Zealand coast.

In 2022, the pressures on freight networks were even higher than those we experienced in 2021 as changing supply and demand dynamics, coupled with significant port congestions in major international ports made some trade routes intensely profitable for ocean freight carriers and had major flow on effects for Aotearoa New Zealand exporters looking for ocean freight capacity and refrigerated shipping equipment.

Together, these caused considerable pain along the value chain, for our consumers, customers, growers and our teams at T&G.

For T&G, this meant our supply chain team worked very hard to navigate constrained access to shipping capacity, and the additional challenges of securing refrigerated containers in the right locations. Congestion at some Aotearoa New Zealand ports also created supply chain uncertainties with significant delays and flow on impacts.

While these constraints meant we faced additional pressure in moving product from our key ports of Napier and Nelson, our team's relationships with supply chain partners and ability to find innovative ways to manage these risks went a long way to minimising impacts to our customers.

An example of this was our collaboration with Zespri out of Nelson, sharing charter sailings to ensure our products maintained their presence in the United States.

During 2022, chartering was a useful tactical lever for us to pull to alleviate pressure in the supply chain, especially with our Envy™ crop.

Towards the end of the year, global shipping performance began to improve. Additionally, there have been strong signals of rates relief coming through, particularly for dry cargo, with refrigerated rates slowly moving down as ocean carriers navigate softening international markets and internal pressure to have blank sailings to balance supply and demand.

Our experiences in 2022 have been frustrating, but they have also shown that we have opportunities to optimise our logistics and give our growers a competitive supply chain. We are looking ahead to ensure that our global supply chain capability, sophistication and co-ordination requirements are fit for purpose to support our growth ambitions.

For 2023 we have three key areas of focus. First, we want to provide options to move product into the market earlier to enable and capture more value. Second, we are looking across our global end-to-end supply chain to identify opportunities and ensure our supply chain provides a competitive platform for our growers. And finally, we will be working with our ocean freight carriers to provide a scalable and reliable programme for our long-term growth.

We have developed our long term global supply chain strategy, and these three focus areas are central in enabling a resilient and cost effective global supply chain service. This will encompass both the northern and southern hemispheres and maximize value for our growers at one end and our customers and consumers at the other.

It builds on and recognises the exceptional efforts of our supply chain team in 2022. Difficult years are very testing, but 2022 also underlined the potential and experience in our people and encouraged us to be ambitious in our strategy. As we come into the new year we are cautiously optimistic about the prospects with freight rates easing along with port congestion and ocean freight carriers focused on improving their reliability and scheduling.

Lead Aotearoa New Zealand's fresh produce future

T&G Fresh plays a vital role in getting fresh fruit and vegetables to retailers, cafes, restaurants, institutions and homes around Aotearoa New Zealand, supporting healthy futures for each generation.

It starts with our own growing operation producing citrus, berries and tomatoes, and it encompasses the produce from more than 1,000 independent growers who sell to retailers and foodservice operators through our 11 regional trading floors.

We also have direct relationships with the major supermarket chains, quick service restaurants and in-home meal kit delivery providers, helping them meet their customers' expectations around fresh, healthy produce.

New Zealanders' tastes are as diverse as New Zealanders themselves and to satisfy demand we import what we cannot grow, and to cover seasonal gaps in local production. At the same time, T&G Fresh also exports fresh produce to markets including the Pacific Islands, Australia, Asia, Europe and North America.

Keeping the faith with fresh

T&G Fresh has a vision to be the biggest and best fresh produce company for Aotearoa New Zealand, supporting a vibrant horticulture industry. We're focused on three key areas - winning in chosen categories, offering the best channels to market and building long term relationships.

With Omicron making its unwelcome way through Aotearoa New Zealand in 2022, it was relationships and channels that took priority as our business overcame logistical bottlenecks to keep fresh produce flowing through our operations and from our growers to our customers and consumers.

Whether it was seeking volunteers from our office-based team to help in glasshouses, market floors and distribution centres, offering overtime hours or hiring in contractors, every effort was made to keep the supply chain running. At times, volunteers within the company made up more than 40% of a shift, requiring our front-line team to train, support and guide them on the job to be done.

But together we got through. The reward was positive customer feedback and consumers finding plenty of fresh choices at their local supermarket.

While we kept the faith of customers and consumers, the impact of Omicron costs in the business touched every corner of it. Delays in repairs to our transport fleet, for example, meant trucks were off the road longer, meaning higher levels of subcontractors. Continued shipping disruptions also affected our export freight costs. Labour costs also rose, influenced mainly by overtime and the use of temporary labour as well as labour shortages.

In the last 12 months our fertiliser costs have risen by 95% and fuel by 76%.

Offsetting these negatives were positives. In transport, despite the servicing problems, we achieved improvements in route management and logistics, maintaining consistent and reliable service levels which supported better recovery of costs.

Rising prices for fresh produce in the domestic market partly mitigated rising costs. A bumper mandarin season from our Northland operations helped make up for shortages of imported strawberries and melons. However, Cyclone Dovi severely hit the blueberry harvest in Northland.

Tomato supplies from our North Island operations were also affected by increased numbers of whitefly as well as the ongoing impacts of the pepino mosaic virus. The virus causes no food safety issues, but affects the quality, ripening and volumes of fruit.

In July and August we transitioned Countdown's distribution centres in Auckland and Palmerston North back to them. People who wished to continue with T&G all found jobs within our business.

In October, we closed our Dunedin markets business, with the region now being serviced from Christchurch whilst still achieving quality and service commitments.

RATS and an army get us through

With the Omicron variant of COVID-19 breaking through Aotearoa New Zealand's borders early in 2022, we faced our third and most difficult year for labour and logistics in our domestic operations.

Despite vaccination rates improving as the national rollout gathered pace, it was clear that Omicron was also spreading quickly in the first quarter, right at the time when demand for harvesting labour increases.

We undertook an extensive health and safety risk assessment, based on the different environments in which our teams work – such as in glasshouses, outdoors, packhouses, or in large or small teams. With keeping people safe the lead priority, a vaccination mandate proposal was developed and put out for consultation.

Held over two weeks and led by the Chief Executive, this was conducted online in sessions which included the unions and also allowed for confidential feedback to maintain individuals' privacy. A consultation survey went out to every employee and the level of engagement was very strong.

The feedback informed a final policy which strongly recommended vaccination but introduced intensive rapid antigen tests (RATs), for those who chose not to be vaccinated. Being flexible enabled us to retain as many workers as possible while maintaining trust that we would keep all workers safe. Testing was confidential and paid for by the company.

Our RAT regime for our front line essential workers saw the whole business pull together to support each other, including volunteers making dawn calls to sites to test workers at the start of shifts, before starting their own jobs.

Recruiting a volunteer army of more than 60 volunteers from our salaried workforce kept vital operations moving from picking to packing in our glasshouses, orchards, packhouses and distribution centres, across six sites. The volunteer army delivered more than 839 hours of labour in addition to their "day" jobs.

The same flexibility was demonstrated in our orchard operations with volunteers from the North Island happy to go to Nelson to support their colleagues keep their seasonal routines running.

Tourism revival builds Pacific Islands' demand

The revival of tourism across the Pacific Islands played a valuable role in doubling our export volumes to the region through 2022. By the end of the financial year, our volumes were close to those in pre-COVID times.

It has been pleasing to see the islands' recovery gain momentum, especially as the economies traditionally rely on tourism revenues as their main component of GDP.

Meeting the demand was challenging however, with shipping delays and reduced services made worse by worker shortages which affected vessel turnaround. Airfreight capacity has gradually improved as airlines reinstated schedules for tourism.

The opening of the borders also enabled us to physically get back into the market to reconnect with key customers and to understand influences on local demand.

Our Fijian domestic business, which came through a very difficult year in 2021, again showed its resilience this season. A milestone was the opening of our new distribution centre at Labasa, the largest town on Fiji's second biggest island of Vanua Levu. This created 20 local jobs and will service our retail and resort customers, as well as more modest outlets in the town and surrounding districts. It complements our operations in Suva, connecting grower partners with a broader customer base.

The eruption of Hunga-Tonga-Hunga-Ha'apai underwater volcano near Tonga in January and the subsequent tsunami impacted more than 80% of the population, devastating crops, homes and other infrastructure. We import coconuts and watermelons from Tonga and also employ seasonal workers under the RSE scheme. We donated supplies through the Red Cross to support the affected communities and also organised our own support, see page 57.

Tomatoes' tough season ends on high note

A tough season for our 24-hectare glasshouse tomato growing operation was offset by higher prices, leading to a solid full-year result.

Pests and diseases hampered volumes for both T&G and other growers, leading to reduced supplies of tomatoes. Inflationary pressure on input costs for fertiliser and freight were also pronounced.

By year-end, lower volumes and higher costs had been partially offset by higher-than-expected prices particularly during the last weeks of the year. Market supply in the build-up to Christmas was restricted due to the incidence of disease which did not affect our operations and crops, but impacted others. With volumes restricted and higher pre-Christmas demand, prices were well ahead of the norm for end of the year and maintained through to the New Year.

Pricing was a morale-booster for our team whose efforts – like those of home gardeners – were not helped by the dull, but warm weather in spring. Low light levels affect glasshouse crops, just as they do outdoor plantings, and this required careful management to ensure pollination and crop production.

The price lift for loose tomatoes also benefitted the price of our small and sweet Beekist Jellybean™ variety. Typically, when the price of loose tomatoes falls as supplies rise, the price differential between the two products can dampen demand for the premium packs. However, this Christmas the differential was not marked and demand was maintained, also helping our year-end result.

The highpoint of the year was the teamwork seen during the waves of COVID-19 which affected our tomatoes business first in March, and then again before Christmas. Our glasshouses team put significant extra effort in to fill in for their sick colleagues. This teamwork consistently shone through the difficult year. Local team members were supplemented by RSE workers and, if resources were stretched, we were able to bring in reinforcements from our apple growing operations. Volunteers from our office-based team also took up the challenge. While not always the most efficient, the combination was effective.

While worker shortages were a significant problem in horticulture, we were able to maintain operational stability for most of the year, thanks to our strong team culture.

The business is proud to have ended the year with a full staffing complement of 250 glasshouse workers, particularly given the competition for labour. This stability helped ensure glasshouse growing routines were maintained – an important factor given delayed works can create time-consuming problems.

New JV with long-term customers

Bhana Family Farms and Masters and Sons are synonymous with root crops in the Pukekohe region of Auckland. We have established a new joint venture (JV) with these long-term, highly-regarded growers, which is focused entirely on root vegetables.

The new venture, branded Unearthed™, is a vertically integrated business which grows, packs, markets and distributes roots crops, such as potatoes, onions and carrots from across Aotearoa New Zealand. T&G Fresh holds a 51% shareholding.

Unearthed™ will ensure we continue to have access to high quality root crops across our diverse supply base, which is now underpinned by the new shareholding arrangement, and it will provide our customers and consumers with greater continuity of supply.

It's an operating model which has potential for other crops and areas, including in other markets where we have growing partnerships and operations.

Mmmm mandarins

If Aotearoa New Zealand's mandarin season seemed better than ever this year, it was.

After an exceptional Satsuma season, which closed in July, we brought a new and local crop to the market to satisfy citrus demand from September through to December.

The Northland-grown Afourer mandarin enables us to not only offer mandarins right up until summer, but also to extend demand with a different tasting citrus. The Afourer has a richer orange colour, is seedless and has a slightly sweeter taste than the Satsuma. Its easy peel, easy size appeals to all ages, but especially to children.

T&G Fresh invested in Afourer mandarin production in 2018 in Kerikeri. Production is expected to increase from around 150 tonnes in 2022 to 500 tonnes by 2025. Afourer are also less of a biannual crop than other varieties, so we expect consistent fruiting every year.

From our Northland orchards we grow a variety of citrus including Satsuma and Afourer mandarins, Yenben lemons and Navel oranges, across six orchards based in Kerikeri and Taipa. We employ 29 permanent team members, and 20-150 seasonal workers each year, depending on the time of the year.

High-performance

He aha te mea nui o te ao?

He tangata.
He tangata.
He tangata.

What is the most important thing? It is people, it is people, it is people.

Building a high-performance culture

In every link of our supply chain, it is people and their skills, experience, drive and sense of purpose and accomplishment that carry us forward. This was recognised when we embarked on our transformation programme to lift the business' performance and included in it the goal to move to a high-performance culture.

To ensure we worked from solid foundations, we took the time to research global high-performance systems and identify the elements that would be crucial to our success. These include a sense of purpose that we are doing something that matters, a clear strategy and a clear plan so we are all aligned on what needs to be delivered and who is accountable.

Our framework encompasses our purpose, strategy and plan and it explains what we mean by a high-performance culture and what this looks like in terms of attitudes and behaviour. It is clear on the skills and leadership capabilities we want to develop among our people and the mindset we wish them to bring to work each day.

A high-performance framework provides the environment for all our people to reach their full potential, supported by a culture which embraces diversity, our mindsets, accountability, capability and commercial acumen. Above all, we want to create an environment where people feel valued and truly enjoy their work. While we have faced some external challenges over the last few years, we are happy with the progress we are making in building a high-performance culture.

The way we think

Shared mindsets are the glue that holds a high-performance culture together.

The more our people understand the values we see as important to the way we work, the easier it is to do what's expected when it comes to behaviour and attitudes.

Our four mindsets, which were developed in 2021, are:

- **Be bold.** Lead. Push boundaries. Create the future.
- **Do the mahi.** Own it. Improve it. Set high standards.
- **One team.** Work together. Strong partnerships. Have fun.
- **Take good care.** Listen. Support. Make a difference.

This year we continued the progressive rollout of our mindsets across the business. Through workshops, we are inviting our people to explore what each mindset means in practice, how they might apply them in their own roles and how they relate to their own personal values. As in the initial workshops held in late 2021, the response from our people has been impressive.

Understanding the way we work is influencing how we work for the better, with positive attitudes, a real sense of ownership and accountability, and teamwork which is caring and supportive, as well as productive. We will complete the rollout workshops in 2023.

Inspirational winners

Just as apples need the right care and conditions, our growth plans also rely on more than ambition. Talent is important, and in a very tight labour market, inspiring new and young workers to see horticulture as a career is a positive strategy.

Real people with great stories make the best examples and we're proud to have the pick of the crop when it comes to encouraging young people to see themselves thriving in our operations.

Regan Judd, one of our Orchard Sector Managers in Hawke's Bay, is the 2022 New Zealand Young Horticulturalist of the Year, a title awarded in November by the Royal NZ Institute of Horticulture Education Trust. Regan also won the T&G Practical Components Award and the Bayer Best Practice Award, for his focus on crop management and sustainability practices. Maatu Akonga, Assistant Orchard Manager in our Twyford sector, in the Hawke's Bay, won the 2022 Hawke's Bay Young Fruit Grower of the Year competition. He then went on to compete in the New Zealand Young Grower of the Year Awards, where he won the Best Speech Award.

Maatu followed in Regan's shoes as winner of the 2021 Hawke's Bay young grower title. He is also an experienced competitor, winning the inaugural Ahuwhenua Young Māori Grower Award in 2020.

Industry competitions foster and celebrate the next generation of our industry leaders and we're proud of Regan and Maatu. They're the people we can point to when we tell future workers about the opportunities to grow with us.

Growing our own leaders

With our strategy set to transform our business, it was clear that investing in our people was just as important as investments in technology, orchards or the science behind our great brands.

It's our people who will enable us to innovate, adapt and succeed in a rapidly changing market and it's their skills, attitudes and leadership which will see our vision of being the world's leading premium fresh produce company realised.

Our Emerging Leaders Programme, launched in 2020, is growing great leaders. It is instilling in them the skills we need at a leadership level, including effective communication, a drive for continuous improvement, a commitment to health, safety and wellbeing, and a genuine passion for developing those around them.

In its first two years, 161 participants have gone through our Emerging Leaders Programme and are now growing in confidence and capability, bringing to life our T&G mindsets.

Despite the constant disruptions of the pandemic, our People & Culture team adapted the programme's delivery, making the most of online delivery. We had eight cohorts and 88 participants successfully complete the 14-week programme this year, including nine of our team from China, Thailand and Vietnam.

While our Emerging Leaders Programme grows great leaders, our Leaders in Action programme ensures that personal growth continues for our mid-level leaders.

This year four cohorts comprising 32 leaders from all functions participated. Leaders in Action supports career progression in our business and is designed around our high-performance framework with eight modules. These include design thinking, continuous improvement, performance transparency and leading change.

Reflecting our belief that learning should be continuous, 74 of our senior leaders participated in our Coaching for Capability Building programme, while another 17 participated in our ongoing Leadership Thinking Styles 360 programme. The latter enables leaders to identify and develop their own leadership styles and strengths through constructive coaching.

Winning the talent quest

Low unemployment, reduced immigration and the rush of young New Zealanders taking their delayed OE (overseas experience) is affecting the pool of available talent for our operations.

With inflation also increasing the pressure on wage rates, creative solutions are needed to win the talent quest. Our newly created Operations Squad is just one example. This turned on its head the notion that seasonal workers could not be permanent team members.

By looking at our workforce differently, we created 100 new permanent roles across our Hawke's Bay apple operations in 2022.

Where previously casual or contracted seasonal team members would work only in our orchards or our packhouse, our Operations Squad is permanently employed and works across both. This enables the development of new skills in growing and orchard development, as well as post-harvest roles. Not only does this help to address the experience and productivity gaps associated with a seasonal workforce, it also reduces recruitment costs. Importantly, it provides our people with a gateway to personal goals, such as home ownership where funding has been traditionally difficult to achieve for seasonal workers.

In our Apple orchard operations, we have developed a Growing Skills Matrix. This provides our team with clarity on the skills, qualifications and experience required for each role, and the associated wage ranges. This makes permanent roles more attractive, not only to experienced seasonal workers, but also to potential new joiners considering a horticulture career.

The skills matrix is also important in winning the talent quest as it clearly shows everyone a pathway to gain the right skills and progress their careers and wage growth with us.

We have also introduced He Huarahi Hou, a programme for sole parents in Hawke's Bay, run in partnership with the Ministry of Social Development and Māori Wardens. He Huarahi Hou translates to a 'new pathway' and has been set up to help support sole parents as they enter or return to the workforce. The programme provides participants with holistic support, transport options and flexible work hours to support their transition into employment.

Well connected

From leaving office desks to work in packhouses and glasshouses, through to locking down sales in volatile markets, our people drained their energy tanks in 2022. Staff shortages at every level and the sweep of Omicron across Aotearoa New Zealand put us to the test even more than 2021.

But despite the tough year, our Connection Meter survey showed just how resilient our people are. The Meter measures how our people feel, their sense of connection and collaboration, and the 76% year-end result outperformed our 2021 total by 2%.

With 1,055 employees completing the survey, we were particularly pleased to see our overall leadership score at 84% and collaboration at 81%.

These surveys are run three times a year and the results at a team level help our leaders to work with their teams to create a positive work environment, informed through an action planning process.

In 2023 we will begin using a new provider, taking the opportunity to introduce more customised surveys which will increase their value further.

Always welcome, always valued

When it comes to our workforce, our RSE team members are critical and valued, bringing their fitness, motivation and their increasing experience to our Aotearoa New Zealand operations, including orchards and covered crops.

We pride ourselves on the high standards of care we provide to our RSE team, many of whom have worked with us for over 11 seasons, and we have a dedicated team of 6 pastoral carers who ensure we provide the best experience for them.

In 2022, we gained Government authority to recruit 859 RSE workers and we also secured authority for 861 in 2023. An increase in the cap, announced in September 2022 means we will be allocated another 47, bringing our RSE total to 908. In Hawke's Bay, 494 will work through until the end of our Envy™ harvest, with the remainder joining our teams in our Nelson orchards, Auckland tomato operations and Northland citrus and berry farms.

The number of RSE workers we recruit has increased five-fold in line with our own growth. In 2008, we employed just 160. While they are "temporary" workers, they are highly valued team members, with experience and knowledge built up over successive seasons and a reputation for productivity, skill and motivation.

Research studies, outlined in The Productivity Commission's "Immigration – Fit for the Future" final report released in April 2022, support this. Studies in 2011 found seasonal RSE workers were more uniformly productive than other workers in the group who comprised locals and casual workers, including backpackers.

Our own research, commissioned from NZIER over three seasons to 2021 and using our data for 970 workers, also found they had higher productivity than other workers. It also notes that having reliable, skilled RSE workers available has given us the certainty and scale to invest in new technologies and business processes.

The New Zealand Government remains committed to the RSE scheme, and is currently conducting a review to ensure policy settings are still appropriate and it delivers value to the Pacific, RSE employees and Aotearoa New Zealand. It is expected that by mid 2023 the policy development and consultation will be completed.

We too are committed to the scheme and to continually improving and strengthening it. For the Pacific, RSE workers' earnings and their skills and knowledge are reinvested back into their homeland communities. For T&G, our RSE team, along with our local workforce, play a vital role in our ability to expand our operations, our economic contribution to local communities and nation, and our growing presence in global markets for high-value branded produce. Our RSE workers are deeply valued.

Kaitiakitanga

Kaitiakitanga reflects the Māori world view that people, the land and nature are intrinsically connected.

It is a concept that is central to who we are and what we do as a business. Our future relies on our enduring commitment to our responsibility to respect, guard and nurture our human and natural resources.

Our Kaitiakitanga ESG framework, with its three pillars of people, place and produce, sets out how we will do this. It includes our aspirations and targets, including contributing towards nine of the 17 United Nations Sustainable Development Goals.

We undertake regular ESG materiality assessments with our people and stakeholders to ensure our aims and efforts cover what matters most to them.

In late 2022, we conducted a new materiality assessment through detailed discussions with our people and stakeholders. It identified that sustainable financial performance, product quality, resilient and ethical supply chains, customer and consumer needs, and climate change and resilience, are the most material topics to our stakeholders and our business. See page 149 for our materiality assessment and matrix.

With our updated materiality assessment, in early 2023 we will review our Kaitiakitanga framework through the lens of the United Nations Sustainable Development Goals to ensure it addresses the most material topics and that we have supporting KPIs, metrics and targets for all of our Kaitiakitanga aspirations. While our three pillars of people, place and produce are enduring, our aspirations will evolve over time to ensure we are responsive to the environment we operate in, and the needs of our stakeholders and business.

It is for this reason that we have not published in this report the targets which were set in 2019/20 for our aspirations, given some are no longer aligned with our materiality assessment. We will refine and set new KPIs, metrics and targets in early 2023, and communicate these in next year's report.

Governance and management

Our Kaitiakitanga framework underpins our business strategy and is embedded throughout our daily operations. It is overseen at the highest levels of our business, at two Board sub-committees, with the membership of each noted in the Governance section of this Report.

The Board's Human Resources Committee (HRC) oversees and monitors the people and culture framework, including health, safety and wellbeing, and inclusion and diversity. It meets at least four times a year.

The Board's Finance, Risk and Investment Committee (FRIC) oversees sustainability-related risks, as well as the company's climate strategy and progress, including forthcoming compliance with Aotearoa New Zealand's climate-related disclosures. It meets at least three times a year. FRIC reviews and endorses our Supplier Code of Conduct which sets out our standards and expectations of all suppliers in our supply chain and reviews and approves ESG disclosures as published in our Annual Report.

As part of our commitment to good governance and sustainable business practices, this year FRIC engaged EY to complete an ESG internal audit to further improve and strengthen our practices and approach. FRIC will regularly review progress of the associated roadmap.

The Executive team helps shape, and ultimately approves, our Kaitiakitanga framework and reviews progress on key priority areas every two months. It drives progress of targets, oversees sustainability-related (including climate) risks and opportunities, ESG compliance and performance, sustainability-linked loans and ESG reporting.

Our Corporate Affairs team works with the business to design and refresh, when required, the Kaitiakitanga framework and associated aspirations and targets, in line with our materiality assessment, and leads ESG reporting. The team also plays an important role monitoring the external landscape, identifying opportunities and risks, and sharing knowledge. Within this team, the Sustainability Manager has oversight of progress against our framework, KPIs, metrics and targets, and supports the business with delivery of key outcomes.

T&G takes a holistic approach to sustainability, with it informed by, and integrated with, our core business activities. Related programmes of work are developed, owned and executed at a business unit/functional level.

Our Kaitiakitanga framework

Our people	Our place	Our produce
We're growing a safe, healthy and passionate team, where everyone is empowered to be their best and thrive.	As kaitiaki, we're creating a healthier planet by protecting and nurturing our natural environment and using resources responsibly.	Our safe and sustainable produce value chain provides nutrition to our customers and consumers, and enhances livelihoods.
Aspirations	**Aspirations**	**Aspirations**
▪ Protect and grow	▪ Climate action	▪ Safe food
▪ Fairness in our workplace	▪ Closing the loop	▪ Responsible partnerships
	▪ Lower impact, smarter growing	▪ Healthy communities

Our people

Protect and grow

At T&G, the health, safety and wellbeing of our people is paramount.

We have a health, safety and wellbeing policy, which is approved by the Chief Executive. Led centrally by the Head of Health and Safety, and supported by dedicated business partners, we have a robust strategy to move T&G from a SafePlus grading of 'developing' to a business which is 'leading'. Health, safety and wellbeing, including progress against annually-set Total Recordable Injury targets for each part of the business, is reported each month to the Executive team and quarterly to the Board's HRC. Given limitations with T&G's current systems in regards to accessing global workforce data, the health, safety and wellbeing strategy and metrics reported are for Aotearoa New Zealand only, which is the location of the majority of the company's operational workforce.

Recordable injuries

This year, we saw an increase in our Total Recordable Injuries from 167 in 2021 to 191 in 2022. There was one notifiable injury reported to WorkSafe during the year. The worker involved has returned to work after a full recovery and no action was taken by WorkSafe.

The increase in recordable injuries is a setback compared to the reduction of the previous year. However, we are pleased that there have been significant improvements in injury severity.

It is difficult to statistically pinpoint the cause of the increase in recordable injuries, but anecdotally we know fatigue was a lingering after-effect of the high number of COVID-19 infections which affected our people this year and may have played a part.

We are also encouraged by our Connection Meter results where consistently throughout the year 80% of respondents believe T&G is committed to the health and safety of everyone. It is important to us that our people recognise that commitment because this creates an environment where people feel confident about reporting near misses, reminding colleagues to wear their personal protective equipment (PPE), or suggesting safety improvements.

This commitment to health and safety was reinforced by the rollout of our new ecoPortal event reporting system, Haumaru. This provides all our people with full access via their computer or mobile to an app for reporting events, near misses, risk control reviews and reporting care conversations.

Protect and Grow

Our Protect and Grow leadership training programme is designed for site and operational people leaders and Health and Safety representatives. The programme has four modules CARE, RISK, ENGAGE and LEARN.

In 2022 we completed the roll out of the final module LEARN to coincide with the introduction of Haumaru. LEARN covers reporting, injury management and investigation, and supports our continual learning and improvement programme. In 2022, 215 people completed the module.

Simple safety reporting goes live

Our people are in the front line when it comes to creating a safe working environment. They are often the first to spot a hazard, witness a near miss or give a gentle caution to a team member putting themselves at risk.

We've now made it easier for them to report risks or incidents with the launch of Haumaru, our paperless reporting system available to anyone in the business with an email address. Available on desktops, as well as on mobiles, it's a user-friendly reporting tool which went live in December in Aotearoa New Zealand.

Haumaru means "safe" in Māori and was piloted for two months prior to launch. The rollout timing was deliberate, allowing our people to get familiar with the simple system before the pressures of seasonal harvesting begin to build. User feedback has been positive. This gives us confidence the system will encourage a higher level of reporting and safety awareness – both of which help us in creating safer working environments.

Through the technology, anyone with access can report a hazard, a near miss, an incident or a conversation which reinforces safety protocols, such as wearing correct PPE gear, or following the safest procedures for tasks such as lifting or pruning. The system includes voice to text capability on the mobile application and allows for documents and pictures to be uploaded.

The report goes immediately to the appropriate supervisor or manager who can escalate it to our health and safety leadership team if required.

Site specific risk registers have been developed as part of the rollout and will be live from January 1, 2023. These will include all our risk control reviews relating to the site and the work done there.

With phase one completed, we're now working through phase two, including the potential to have modules for the permits to work required for higher risk tasks such as working at heights, in confined spaces or with hot tools, such as welders available electronically rather than in the current paper format.

Safety first in packhouse project

When you are constructing one of the largest packhouse's in the Southern Hemisphere, you also want it to be one of the safest.

That's why our critical risk management disciplines were applied well in advance of any of the packing lines and associated equipment being installed. Machinery is one of our nine critical risks and the Hawke's Bay packhouse is designed for a combination of fully automated, partly automated and standard packing lines, as well as technology like robotic palletising. Our aim was to mitigate risks as thoroughly as possible.

An externally certified machine safety expert worked with our engineering, operational and health and safety teams to undertake full risk assessments of all machinery destined for the packhouse. With COVID-19 travel restrictions still in play, the assessment first covered specifications and documentation from international suppliers. Where there were risk concerns, we negotiated modifications with suppliers, ensuring that the fabricated end product would meet AS/NZS 4024 Safety of machinery series.

This enabled the equipment to be installed and commissioned with the confidence that risks had been mitigated as far as possible and training for our people could be run on plant not subject to further modifications.

Our critical risk management programme extends well beyond fixed plant such as our new packhouse and packing lines. T&G have defined a critical hazard as "one that has the potential to cause one or more fatalities (acute harm) or in the situation of cumulative exposure, may have the potential to cause significantly life changing harm or death (chronic harm)".

While attention to safety has always been an important part of the way we work, our critical risk management programme has introduced new disciplines to develop critical risk standards and critical control plans.

The nine critical risk areas identified include motor vehicles, fixed machinery, hazardous substances, mobile plant including forklifts, hydraulic ladders and picking platforms, trenching and excavation, working at heights, working in confined spaces, falling objects such as tree limbs, and hot work like welding within an EPS (expanded polystyrene sheeting) environment.

With these critical risks identified, we are continuing to build our critical control plans using a technique known as bow ties to zero in on how to prevent incidents from occurring, or to minimise the consequences if they do.

Three critical risks have control plans approved and another one has plans approved in principle. Progress has been impeded by the additional health and safety measures required to keep our people operating safely through COVID-19.

Critical risk management disciplines will support us to achieve our goal of everyone home safe every day and in meeting the regulatory requirements to ensure risks are as low as reasonably practical.

Fairness in our workplace

Developing a culture of acceptance, respect and opportunity

We have over 1,600 people working in T&G. Each one of them is as unique as their fingerprints. Our ambition is to make our company a place where every one feels a strong sense of belonging so they can bring the best of themselves to their work.

This year, we have made good progress in the development of our Manaakitanga: Inclusion and Diversity (I&D) vision and strategic framework.

Our vision is to live our purpose of growing healthier futures for our T&G whānau by accepting, respecting and celebrating our similarities and differences.

For us, diversity refers to our individual differences and to how these provide a unique mixture of knowledge, skills and perspectives. It includes, but is not limited to, characteristics such as cultural background and ethnicity, age, gender, gender identity, differences in physical and cognitive abilities, sexual orientation, religious beliefs, immigration status, language and education.

By inclusion we mean a culture where every member of our organisation feels valued and respected and can fully contribute to our goals. It is about removing barriers to make sure everyone can fully participate in the workplace.

It's important work and it is equally important we get it right. When you build a strategy like this, it's a clean slate and we are being very deliberate and intentional in our approach.

We have partnered with Diversity Works NZ, drawing on their guidance, resources and expertise as we develop our framework and its four pillars of: leadership, talent acquisition, culture and capability, and metrics. Right now, we're at the starting gate with a range of initiatives ready to be rolled out in the first half of 2023 and progressed in the second half. This phase focuses on understanding our current state of play, so we can identify the gaps and hot spots, begin the development of plans to address them and develop metrics to track progress.

In the first quarter of 2023 we will be presenting the Manaakitanga vision and strategy to our senior leadership group. Both have been approved by the T&G Executive team and the Board's HRC, so we are now ready for socialising the approach with this broader group.

This work will also broaden accountability, with senior leaders playing an important role in supporting our Executive sponsors and champions.

By the second quarter, we will be engaging with our people across the business, explaining the vision and framework and discussing opportunities for them to be involved. We see this groundwork as essential. Two priorities are the establishment of an I&D Committee, including representation across the workforce, and agreeing this committee's key accountabilities.

In an important pilot, we will also survey a sample group across the business to get a better understanding of employee demographics and perceptions around our current levels of I&D, and to identify where we do well and where we must do better. This will follow with further demographic data collection throughout the year.

Further ahead, we will focus on capability development to close gaps and introduce I&D concepts. There will also be work to establish internal cultural, identity, learning or professional networks with real relevance and value to our people.

Our goal is to progress from today's starting gate through to an advanced state by 2030 in Diversity Works' Aotearoa Inclusivity Matrix, supported by clear metrics showing the results of our effort.

Our place

Climate action

Transitioning to a low carbon future

As the impacts of climate change become increasingly tangible to our growing operation, we are even more acutely aware of the need to both mitigate our greenhouse gas (GHG) emissions, and adapt and transition to a changing climate which is directly affecting horticultural businesses in Aotearoa New Zealand and globally. Climate change has the potential to not only impact businesses like ours, but also rural communities and the availability and security of fresh produce for customers and consumers.

Noting the severity of this challenge, as a business we have made tackling climate change a high priority. In line with the climate strategy of our ultimate parent company, BayWa AG, T&G's current target is to reduce our scope 1 and 2 GHG emissions by 22% by 2025, against our 2017* baseline. And then longer term, achieve carbon neutral operations by 2030.

Since 2020, we have sourced 100% renewable electricity at all of our Aotearoa New Zealand and international sites. This was achieved by a combination of self-generation, the purchase of renewable energy certificates (RECs) from Meridian Energy in Aotearoa New Zealand and the purchase of RECs internationally through BayWa AG using a broker agency. These RECs will be purchased by the end of February 2023 to cover T&G's international electricity consumption for the period from 1 January 2022 to 31 December 2022, and all certificates purchased will be retired. This results in zero emissions being reported from our scope 2 activities, applying a market-based approach.

In doing so, T&G, as part of BayWa AG, is guided by the criteria of the global RE100 initiative, which BayWa AG joined in 2019. RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.

This year we reduced our combined scope 1 and 2 GHG emissions by 15% from 32,520 tCO_2e in 2021, to 27,502 tCO_2e. This was achieved in part through a combination of reduced refrigerant consumption, reduced natural gas usage following the closure of one of our glasshouses in 2021, and reduced heating oil requirements in one of our glasshouses given the winter of 2022 was warmer than the year prior. At the same time, we acknowledge we have challenges abating our remaining scope 1 emissions (derived from diesel and petrol for freight movements, and natural gas for glasshouses), given currently available solutions.

During 2022, we identified that T&G's 2017 base year for scope 2 market-based GHG emissions had been incorrectly accounted for and reported in our 2020 and 2021 Annual Reports. In error, in the 2017 base year, scope 2 market-based GHG emissions for T&G Global Limited was recorded as zero (correct value: 5,108 tCO_2e) and for Worldwide Fruit Limited as 1,925 tCO_2e (correct value: 3,374 tCO_2e). All other scope 2 emissions which were accounted for in the 2017 base year are correct. Therefore, the correct total scope 2 market-based emissions for T&G Group in the 2017 base year is 9,107 tCO_2e.

With our majority shareholder BayWa Global Produce, we have committed to setting a verified Science Based Target from a 2021 baseline. This will provide us with a clear path to reduce our GHG emissions in line with the Paris Agreement to limit warming to 1.5 degrees. It will also include a target for the indirect scope 3 emissions across our value chain, based on a completed scope 3 screening for the 2021 baseline.

In 2022, the commitment letter was submitted to the Science Based Target initiative (SBTi), and by year end all data compiled. In 2023, we will develop emissions reduction targets and pathways.

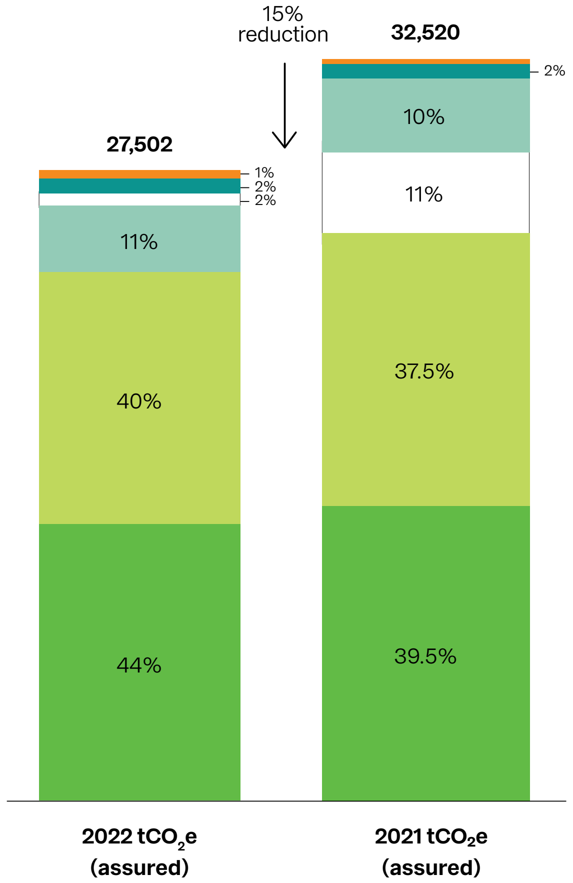
As part of the SBTi process, T&G engaged Toitū Envirocare to develop the first calculation, using a hybrid approach (combination of average data based, distance based and spend based methods), of our scope 3 footprint across our full value chain emissions, and set a 2021 baseline. Over time our scope 3 screening will be refined as carbon accounting becomes more prevalent in our supply chain.

Our scope 3 emissions (un-assured) for our 2021 baseline year is 519,282 tCO_2, with scope 3 accounting for 94% of our carbon footprint, largely as a result of the purchase of goods and services, and transportation and distribution. This is to be expected given T&G's vast global supply chain and logistics.

Together with BayWa Global Produce and Worldwide Fruit, in 2022 work continued on the pilot life cycle assessment of JAZZ™ apples. This is mapping the baseline and carbon emissions of JAZZ™ apples grown in Aotearoa New Zealand and sold in the United Kingdom, as well as those grown in the United Kingdom and sold locally in market. With the data collection now complete, the project will be completed in early 2023.

*T&G Global is updating its GHG baseline to be 2021 figures however our targets which are set in-line with our ultimate parent company, BayWa AG, still reference the original 2017 base year.

CO2 emissions – scope 1 and 2*



*Figures stated in charts may not add up due to rounding of decimals

Scope	Resource type	FY22 tCO_2e assured	FY21 tCO_2e assured
	Refrigerants	517.94	2,967.73
	Heating oil	2,896.94	3,462.53
	Natural gas	11,000.56	12,165.50
	Diesel	12,052.58	12,878.42
	Petrol	649.36	717.99
	LPG	385.07	328.57
Scope 1	**Subtotal Scope 1**	**27,502.45**	**32,520.75**
Scope 2	**Electricity consumption (location-based)**	**6,748.70**	**6,032.70**
Scope 2	**Electricity consumption (market-based)**	**0**	**0**
Scope 1 & 2	**Subtotal Scope 1 &2**	**27,502.45**	**32,520.75**

Resource type (tCO_2e)

Diesel
Refrigerants
LPG
Natural gas
Heating oil
Petrol

Smart decarbonisation funding

As part of our efforts to constantly push to achieve efficiencies and adopt technologies to support emissions reductions, our ultimate parent company, BayWa AG, has introduced an innovative internal carbon price which will be introduced in 2023 to help fund decarbonisation initiatives. By having the fund, it not only helps direct spending into positive action, but also creates greater awareness among our team.

The internal price will see T&G pay €50 (around $85) per metric tonne of CO_2e for scope 1 and 2 emissions. Across BayWa AG, €6.8 million will be freed up for GHG reduction measures, of which BayWa Global Produce – the subsidiary T&G is part of, will have a total budget of up to €1.6 million in 2023.

Sustainability-Linked Loan

As we invest to support growth in our Aotearoa New Zealand operations, we are also breaking ground with the country's first Sustainability-Linked Loan in the horticulture sector.

The three-year $180 million loan, secured in June 2022, commits T&G to setting a science-based GHG emissions reduction target that aligns with limiting the global average temperature increase to 1.5°C above pre-industrial levels.

Under the terms, we will pay lower loan costs if we achieve sustainability targets set out in the agreement. If not, penalties will be paid. In Q1 2023, the first assurance of our performance against the loan targets will be undertaken.

These sustainability targets cover three areas with related performance indicators.

In the first, we are required to undertake a detailed climate risk assessment, aligned to the climate change risk disclosures developed by New Zealand's External Reporting Board, and undertake climate risk-related scenario analyses. We will also complete detailed climate risk adaptation plans, created in consultation with our post-harvest and growing teams and independent growers.

The second target relates to climate change mitigation and a minimum annual 2.5% decrease in our scope 1 and 2 GHG emissions. As these emissions from freight movements and natural gas for our glasshouses are the hardest for us to abate, a threshold has been set to allow for offsetting through carbon credits to contribute towards reduction targets.

Our third target relates to the creation of permanent employment opportunities and career pathways in our apples operations.

Taking up the Loan and its ambitious targets demonstrates our commitment to embracing sustainable practices and meeting global consumer needs.

Energy transition supports reduced emissions

In 2022, we identified further opportunities to reduce emissions from our glasshouse operations. Working with Beca and the New Zealand Government's Energy Efficiency and Conservation Authority (EECA) in an Energy Transition Accelerator Study, we worked through available options including the use of thermal screens to retain heat during colder periods.

This solution improves the insulation of the glasshouse by trapping a layer of air between the glass and the thermal screen while minimising the amount of warm air that escapes, reducing overall energy consumption.

We now have an agreement with EECA which is part-funding the installation of thermal screens at our Geraghty site in Tūākau next year. With current carbon emissions over 5,000tCO_2e/year, the thermal screens are expected to reduce carbon emissions by 29% from this site. This reduction equates to 18% of T&G's total 2022 carbon footprint of 27,502 tCO_2e.

Understanding our climate risks and opportunities

The impacts of climate change are becoming more apparent in Aotearoa New Zealand and internationally, and in our ongoing work to future-proof ourselves, this year we identified our global climate-related risks and opportunities.

Supported by two independent consultancies, we undertook a full assessment to establish a complete list of climate-related risks and opportunities. This identified the top five physical and transitional risks (as noted below), and associated risk rating which classified them on a scale from no impact through to low, medium and high.

In 2023 these risks will be woven into our risk register. We will also undertake analysis across different degrees of warming and future time horizons of 10 years, 20 years and 50 years.

Beyond this, we will calculate the financial impacts of the scenarios, and develop transition and adaptation plans.

Top 5 physical risks

	Headline risk statement	Hazard	2022 risk rating (observed data)
1	Increased crop damage from extreme acute weather events	Acute weather events	High
2	Inability for existing practices to maintain the required crop yields and quality	Chronic warming	High
3	Reduced resilience of T&G's growing strategies	Chronic & acute weather events	High
4	Increased water stress and lack of water security for operations	Water stress, water security	High
5	Growing regions become increasingly unsuitable due to sea level rise	Sea level rise, salt intrusion, inundation	No impact

Top 5 transitional risks

	Headline risk statement	Hazard	2022 risk rating (observed data)
1	Increased cost of carbon for T&G and independent growers	Cost of carbon	High
2	Increased financial viability strain on operations and assets/investments	Cost of transition	Medium
3	An increase in the administrative responsibilities of T&G and associated costs of compliance	Policy and regulation	Medium
4	Loss of competitive advantage	Technology	Low
5	Increase in carbon taxes and/or reduced capacity of the current methods of transport	Less efficient transport options	No impact

Sunshine savings

As growers we love the sun. It ripens our crops and it's now also working overtime, powering the Spalding cool store and distribution facilities of our United Kingdom subsidiary, Worldwide Fruit.

The facility's roof now holds a 935 solar photovoltaic (PV) panel system generating 246,000kWh. As part of our RE100 commitment, Worldwide Fruit operates on 100% renewable electricity, with 14% coming from its PV installation.

In its first partial year of operation, the solar array has lowered its electricity costs by £58,897 and saved 111 tCO_2e. In 2023, Worldwide Fruit will scope further solar PV opportunities.

Strong sustainability ratings

T&G's sustainability performance and activities have contributed to the strong results BayWa AG received in 2022 in multiple ESG corporate ratings.

MSCI ESG Ratings	AA (2021: AA)
ISS ESG Corporate Rating (Institutional Shareholder Services)	Prime C+ (2021: C)
CDP (climate) (Carbon Disclosure Project)	B (2021: B)

Closing the loop

Reducing waste to landfill

Waste is an issue we take seriously. Our approach to managing it is focused on finding ways to design waste out of our supply chain. We divert edible produce to alternative uses, including our Fairgrow charity. We actively explore and implement packaging options which can be readily recycled and meet consumer and customer expectations, and through our continuous improvement programmes, we seek to minimise and eliminate operational waste.

To better inform our efforts and track our progress going forward, we are working to strengthen our collection of waste data to ensure we have a robust and accurate view of our waste volumes.

Turning food waste into bioenergy

Most of the time, the last thing you want is a load of rubbish next door. But when it is an Organics Processing Facility, with renewable energy as one of its products, a welcome mat is appropriate.

Ecogas' new Reporoa plant, officially opened in October 2022, is adjacent to our Reporoa tomato glasshouse and built on land owned by T&G.

It is Aotearoa New Zealand's first large-scale food waste-to-bioenergy facility, capable of turning 75,000 tonnes of inedible food waste, collected throughout the North Island, into renewable energy, biofertilizer and renewable carbon dioxide.

The facility uses anaerobic digestion and once fully in production, the plant will produce hot water and carbon dioxide that T&G will use in the glasshouse, while the biomethane produced will provide extra energy to top up the glasshouse temperature during colder winter months. It is an important step in decarbonising our heating sources. For our customers and consumers, this means a quality crop, produced more sustainably.

Diverting edible food from waste

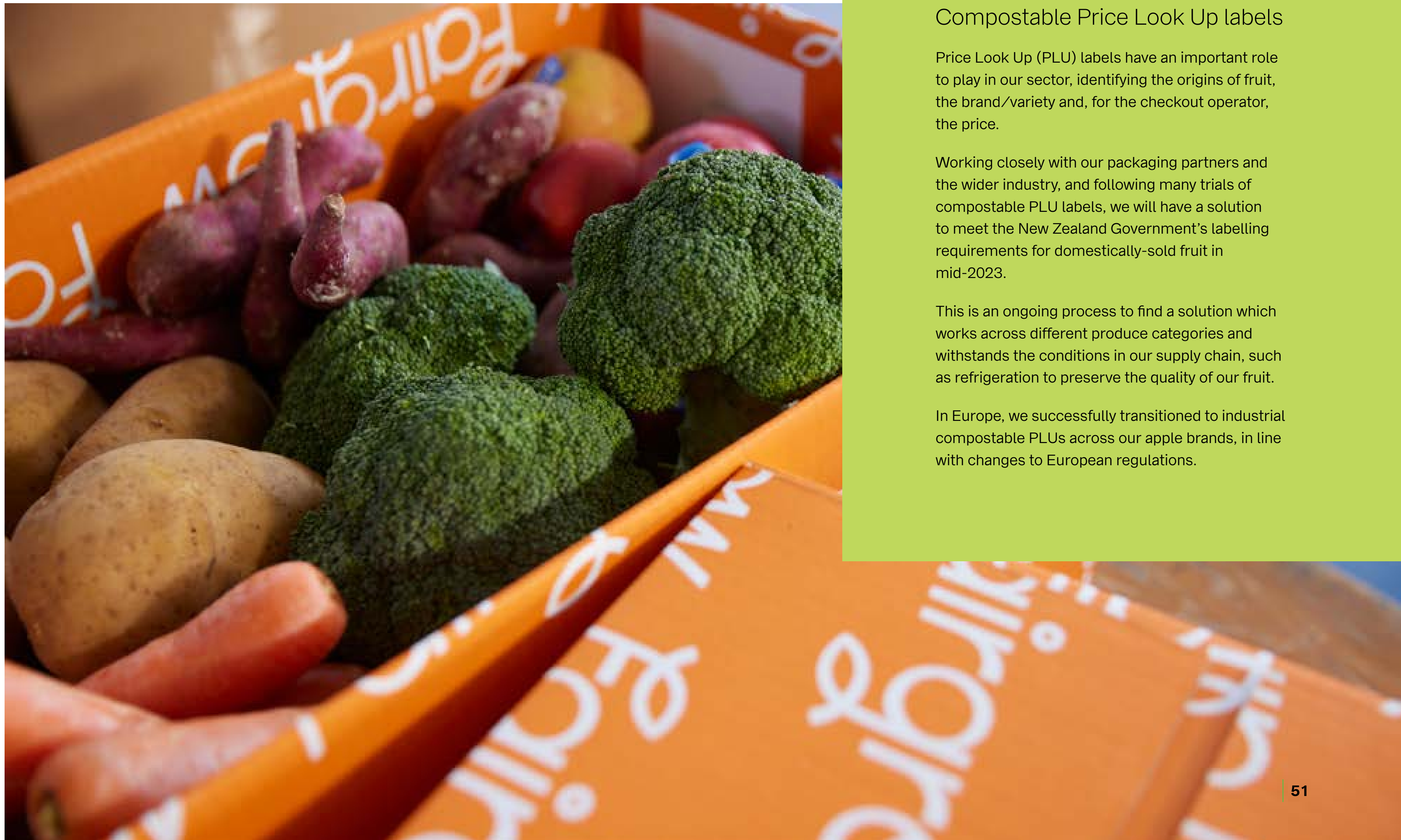
With rising food, energy and mortgage costs, food banks came under increasing pressure in 2022 to meet demand, not only from their traditionally vulnerable customers, but also those in work and struggling to make ends meet.

Our Fairgrow charity has continued to receive generous and regular fresh produce donations from some of our independent growers and in-home meal kit partners, as well as from within T&G's own growing, markets and imports businesses. This ensures that edible food is directed to where it's most needed and diverts it from going to waste and landfill.

In 2022, Fairgrow donated 978,654 kilograms of produce to the New Zealand Food Network (NZFN), which equates to 6.5 million servings (based on a calculation of 150 grams of fresh produce per meal). In 2021, Fairgrow donated one million kilograms. T&G aggregates and sends donations to the nearest NZFN hub in either Auckland, Hawke's Bay or Christchurch and we provide our Hastings market floor to NZFN for use after hours as their Hawke's Bay depot. Team members also use their annual volunteer day working at NZFN to help pack food deliveries for food hubs across the country.

During the year, one of our North Island growers donated 42,000kg of carrots, which were distributed to vulnerable communities across the country, including being made into pickle for food parcels in Gisborne.

In addition to donating surplus produce from within our own business, T&G purchased an additional $63,000 worth of fresh produce to donate to NZFN when donated volumes were low – this included $33,000 in the lead up to Christmas 2022 to help meet increased demand for the festive season. This produce was greatly received by food hubs across the country.



Compostable Price Look Up labels

Price Look Up (PLU) labels have an important role to play in our sector, identifying the origins of fruit, the brand/variety and, for the checkout operator, the price.

Working closely with our packaging partners and the wider industry, and following many trials of compostable PLU labels, we will have a solution to meet the New Zealand Government's labelling requirements for domestically-sold fruit in mid-2023.

This is an ongoing process to find a solution which works across different produce categories and withstands the conditions in our supply chain, such as refrigeration to preserve the quality of our fruit.

In Europe, we successfully transitioned to industrial compostable PLUs across our apple brands, in line with changes to European regulations.

Low impact

Climate capable apple and pear cultivars

Connecting with our other climate efforts around mitigation, carbon reductions and risk management, we are also adapting to our changing environment. As part of this, VentureFruit™ is moving at pace to commercialise new apple and pear varieties for the increasingly hotter climates and warmer growing regions.

The Hot Climate Partnership is an international breeding programme focused on the long-term sustainability of apple and pear production given changes caused by global warming and the continued and growing demand for high quality, healthy food choices. VentureFruit™ joined as the strategic commercialisation partner in February 2019.

Current work builds on the 2020 release of the variety 'HOT84A1', which we've successfully trialled in Spain, where temperatures reach more than 40.C. This apple is sunburn resistant and able to colour fully, while retaining excellent eating qualities.

Innovative varieties like these enable food producers to continue to grow high quality apples and pears in changing climatic conditions and regions previously not suited for production.

This year's testing included planting of blocks involving 25 partners evaluating 18 cultivar varieties in six geographic locations – France, Italy, Germany, Switzerland, Spain and the United Kingdom. World interest in the Hot Climate Partnership increases as the impacts of climate change become more evident. This year, 40 companies were represented at the VentureFruit™ hosted open days in Lleida, Spain. We now have two more apple cultivars shortlisted for further development in 2023/24.

Photo credit: IRTA

Supporting research into regenerative growing

While regenerative farming and horticultural practices are attracting plenty of attention, science trumps sentiment when it comes to making and funding significant changes to farms, orchards and arable properties.

Announced in late 2021, we are partnering with Zespri and Plant & Food Research, with the support of the New Zealand Government's Sustainable Food and Fibre Futures Fund, to define, develop and implement evidence-based regenerative horticultural practices in Aotearoa New Zealand's apple and kiwifruit sectors.

The programme has four stages over a number of years: opportunity discovery, extensive benchmarking, future growing piloting, and industry adoption.

As part of the initial stages, in 2022 we defined the sustainability priorities to pursue, considered orchard practices that are beneficial environmentally and economically, and identified tools to validate any claims. We also looked at the value of regenerative practices in the eyes of consumers and markets.

This involved the assessment of existing regenerative and sustainability-focused practices, including the benchmarking of outputs, and defined performance indicators against agreed baseline controls.

In early 2023, we will work with our partners to review and agree the priorities and timings of forthcoming stages.

The regenerative growing system research programme is in line with our 10-year world class orcharding strategy which aims for more consistency, predictability, quality, and labour efficiency across our operations. It will provide evidence for regenerative practices, and together with our orcharding strategy, consider technical tools including data, analytics, machine learning and artificial intelligence to efficiently grow better crops more sustainably.

Beneficial bugs in sustainable pilot

How do we meet growing consumer demand for safe, sustainably produced food without the use of agrichemicals? That's the $1,528.8 million question that A Lighter Touch is trying to answer.

It's a seven-year, $27 million research programme jointly funded by the New Zealand Government's Ministry for Primary Industries and the horticulture, arable and wine industries to understand biological control agents and biopesticides and how these can be sustainably integrated into crop production.

$1,528.8 million is NZIER's highest estimate of the benefits research will bring – and we are proud to be involved.

The programme sees us piloting the the use of beneficial insects as a form of crop protection in our Reporoa tomato glasshouse and comparing the results achieved with market-accepted chemical controls. The focus is sourcing, breeding and using insects native to Aotearoa New Zealand. Early results in the crop have been encouraging, but our insect breeders have been challenged with some supplies needed to come from as far as Russia. There is now a need to scale up, breeding the high volumes needed of the promising performers.

With the programme scheduled to run through to 2027, we remain optimistic that A Lighter Touch will develop the biological tools and techniques for successful integration into crop growing and protection. It's important work, with consumers increasingly looking for sustainably produced foods and is very much in line with our own commitment to kaitiakitanga.

Sharing water stewardship techniques in Spain

Southern Spain is one of the top ten most at-risk areas in the world in terms of water risk according to the Waste and Resources Action Programme (WRAP), with more than half of the surface and groundwater bodies in targeted areas not meeting 'good' status. This is concerning given agriculture is the most important and critical economic driver for the region.

To achieve sustainable water management, collaboration is needed on areas including minimising pollution from agrochemicals and unsustainable water extraction - and we can help.

For our United Kingdom subsidiary, Worldwide Fruit, Spain is a key sourcing region for stone fruit and avocados, with growers producing produce in water vulnerable regions across the country.

Given Worldwide Fruit's well established, successful water stewardship programme and partnership in South Africa with WWF South Africa and WRAP, the decision for them to expand its water stewardship activities into Spain was a natural progression.

This year, Worldwide Fruit conducted catchment studies and surveys with its Spanish suppliers and growers. This identified that good water management practices are in place on-farm, including regular water risk assessments and efficiency measures. It also identified opportunities to further improve practices on a wider community basis, such as understanding the negative impact some activities can have at a catchment level.

In 2023, Worldwide Fruit will share anonymised findings with participants and discuss how some of the identified challenges can be overcome at a catchment level. It will also encourage suppliers to conduct annual catchment water risk assessments in the areas where they procure and these findings will be shared with WWF Spain and WRAP.

In recognition of its water stewardship efforts in South Africa, Worldwide Fruit received the 2022 Fresh Produce Consortium (FPC) Climate Award for its innovative efforts in long term water management.

The FPC is the United Kingdom's fresh produce trade association, and the Award is presented to a business that is driven to preserve, protect and enhance our living environment.

Each year, Worldwide Fruit's South African participation in 'The Water Ambition project' replenishes approximately 220 million cubic metres of water back to nature due to invasive species clearance, as confirmed by WWF South Africa.

Our produce

Safe food

Always vigilant about food safety and quality

Our customers and consumers understandably want to be reassured that the produce we supply comes through a supply chain which puts their safety first at every step and has been produced with strong environmental and social practices.

Across T&G, we meet rigorous food safety, product and quality standards. This is guided by our quality and food safety mission statement. Internally, it's supported by our documented procedures, standards, food safety information handbook and training programmes. Externally, with our growers and packing partners, it's supported by specifications and standards, field days, visits and audits. We have a dedicated quality and food safety team within T&G Fresh, and a quality, market access and compliance team within our apples business.

In apples, we and our independent growers are certified under the New Zealand Food Safety Act as well as with GLOBALG.A.P. and GRASP. GLOBALG.A.P is an internationally recognised standard for Good Agricultural Practices, while GRASP is a farm level risk assessment of social practices to address important issues such as the health, safety and welfare of workers.

We also meet market access, agrichemical and customer certification requirements. This extends to all T&G and third-party apple packhouses being New Zealand Food Safety Act, BRC (or Global Food Safety Initiative approved equivalent) and SEDEX certified. SEDEX provides organisations a globally recognised way to access responsible supply chains which adhere to requirements around labour rights, health, safety, environment and business ethics.

In our T&G Fresh growing operations, covered crops, citrus and blueberries are GLOBALG.A.P. and GRASP certified, with citrus and blueberries also SEDEX certified.

Our new Unearthed™ joint venture has a NZ Good Agricultural Practices (NZGAP) sourcing certificate and its Social Practice add-on. The NZGAP Social Practice add-on has been developed to include all relevant Aotearoa New Zealand regulatory requirements. Our T&G Fresh Market sites also hold this certification, as well as operating with Food Control Plans and meeting Woolworths Vendor Quality Assurance Programme requirements.

All third-party growers trading through T&G Fresh have recognised food safety certifications and meet relevant customer requirements.

With the increasing risk of food fraud, we continually ensure our protections and defences are strong. This includes participating in AsureQuality's food defence training initiative and conducting site security audits.

To further strengthen our compliance and safety promise, in 2022 we increased our T&G Fresh grower visits, educating suppliers and conducting spot audits as part of our maximum residue level assurance programme.

In the year ahead, we will ensure our new Whakatu packhouse meets all local, market and customer regulatory requirements and standards. We will also be visiting every Envy™ packhouse partner to assess performance and determine progress to achieving the 2024 Envy™ Packing Standard requirements.

Responsible sourcing will be a key area to further educate our suppliers on. We will start implementing new customer sustainability requirements in our orchards and packhouses, primarily relating to the United Kingdom and maintain full and valid evidence to satisfy all customer requirements.

Protection the priority

Envy™ represents a 14-year investment into perfecting a balanced premium apple that consumers have come to know and trust, and which has consistently delivered favourable returns to growers. It is grown under licence in 13 countries and sold to consumers in over 60, and the brand is an important part of our growth strategy.

This season a combination of factors, starting in Aotearoa New Zealand and extending across the supply chain to Asia, meant the crop's eating quality was inconsistent. Unusually heavy rains prior to and during the 2022 harvest and the late arrival of the apples into market after supply chain disruptions were contributing factors, affecting fruit quality and shortening their shelf life.

While we moved quickly to address the problem, analysing the fruit in-market to ensure the best remained available to consumers, we also made the difficult decision to dispose of some apples. The focus in 2022 – and continuing into 2023 – was on working hard to restore consumer confidence and protect the brand's reputation.

Together with Plant & Food Research and AgFirst, we undertook extensive analysis to understand the contributing factors to this year's quality failure and how we can prevent a recurrence. This work has been completed and is being shared with our growers. It covers three main areas – timing, technology and technique.

With timing, we will be sending significantly higher volumes into the market earlier. We are effectively shortening the season for Envy™, ensuring that our crop will be in the peak condition consumers expect. While supply chain problems are likely to remain in the new season, we will do all we can to offset these. A new supply chain strategy, which will come into effect in 2023, will support this. See page 29.

We will also continue to maximise the use of technology, including SmartFresh™, as well as the latest scientific knowledge, to maximise eating quality and the storage of Envy™, recognising the added risk that changing climatic conditions pose.

When it comes to technique, our review of our 2022 quality performance has indicated there are opportunities in orchard management to improve dry matter, colour and maturity before harvest. We will be working with our own operations team and our independent growers to look at other techniques, including nutrition, irrigation and the management of weather risks to achieve the best possible Envy™ crop each season.

Responsible partnerships

Supplier Code of Conduct launched

T&G works closely with a lot of businesses, from growers and packhouses to suppliers of packaging and contractors for cleaning or transport.

It's important to us that they share our values, especially kaitiakitanga and its emphasis on treating the land, people, produce, resources and community with respect and care. This year we implemented a Supplier Code of Conduct (Code) which aligns with promoting those values.

Launched in 2022 and distributed to all suppliers, our Code applies to transactions with suppliers of goods and/or services to T&G and any of our subsidiaries and now forms part of our terms and conditions of trade for purchases of goods and/ or services. It is designed to positively influence the behaviour of suppliers within the supply chains that support our business.

It sets out key expectations that we have in the areas of respecting workers' human rights, health and safety, environmental protection, and integrity, ethics and anti-corruption. We see this as important, especially given the expectations of our customers and consumers that the products and/or services that we supply are produced and supplied meeting high ethical and environmental standards.

By establishing a Code and requiring suppliers to meet it, together we believe that we can all make a positive impact through our business practices, benefiting society and the environment, The Code will be regularly reviewed, along with our supporting responsible sourcing systems and processes.

In support of our work to strengthen sustainability within our global supply chain, we've also expanded and enhanced our online Speak Up system, previously available only to our own employees. Now anyone involved with suppliers, or from the public, can also report concerns confidentially, and if desired, anonymously, to us. Our Speak Up system is available 24/7 and can be accessed at www. speakup-tandg.com.

This year, we, along with our ultimate parent company BayWa AG, have begun to use IntegrityNext, a digital sustainability and risk management supply chain platform, to help us meet global regulatory requirements and standards. In late 2022, over 3,000 of our global suppliers were screened in IntegrityNext. In 2023, we will review the findings, and as required, ask some suppliers to conduct self-assessments.

To support the roll out of our Code, in 2022 we ran human rights training for employees, including those who are involved in the procurement of goods and services. This covered the importance of human rights to us, our sector and society, why action needs to be taken to respect them, and what actions we and our stakeholders expect. We also covered the potential human rights risks in the food and agriculture sector and how we manage these risks within T&G and as part of the wider BayWa Group.

In 2023, human rights training will form part of our annual employee compliance training programme. We will also develop a training module for our suppliers.

We are working with a specialist human rights consultancy to refine our approach to human rights, including assessing our global supply chain for potential modern slavery and worker exploitation risks, reviewing our internal systems and processes to identify any gaps, and as required, developing an action plan. This work will be completed in 2023.

Healthy communities

Locking in the 5+ habit

With growing healthier futures as our purpose, we take every chance to sow the seeds of the '5+ servings of fruit and vegetables a day' habit with tamariki.

We're a proud partner in Garden to Table and will celebrate 10 years of involvement in 2023. The programme introduces 7-10 year olds to growing fresh produce at their primary school. After growing their own seasonal fruit and vegetables – and learning skills like weeding, watering, feeding and composting – the children use their produce to prepare a shared meal in the school kitchen.

There are wide-ranging benefits, from learning where food comes from to using maths and science to perfect recipes or improve plant health. There are take-home benefits from the skills acquired and the programme encourages children to eat and enjoy a wide variety of produce.

By the end of 2022, Garden to Table had more than 250 schools signed up to the programme, meaning 25,000 children each year are learning essential life, gardening and cooking skills while developing a taste for fresh produce, prepared well.

Garden to Table is a great programme, but we know there are more ways to grow healthy Kiwi kids. We also work with United Fresh which manages the New Zealand Government's Ministry of Health funded Fruit and Vegetables in Schools initiative.

It provides daily fresh fruit and vegetables to children in low-decile schools. First piloted in 2004 in 25 schools, it now reaches 566 schools (around 25% of Aotearoa New Zealand primary schools), across 21 regions. This means it reaches over 120,000 children and staff every school day. That's over 27 million servings of fresh fruit and vegetables every year. Of this, T&G provides the fresh produce for 308 schools nationwide.

Like Garden to Table, Fruit and Vegetables in Schools is enabling children to enjoy fresh seasonal produce, setting in place what we hope will be lifelong healthy eating habits, ensuring healthier futures.

Helping Tonga out

The January eruption of the underwater Hunga Tonga-Hunga Ha'apai volcano near Tonga triggered tsunami waves of up to 15 metres which struck the west coast of Tongatapu, 'Eua and Ha'apai.

Ashfall covered an area of at least five square kilometres.

It was shocking news in Aotearoa New Zealand, not only for our large Tongan community, but also many of our RSE workers who were in Aotearoa New Zealand for the harvest and deeply concerned about their families back home.

We swung into immediate action. Essential food, water and tents were donated by T&G and packed by our employees into 40-litre drums and shipped to Tonga for the families of most of our RSE team members.

An employee Give a Little page was also set up. T&G donated $10,000, and employees contributed a further $2,400. This money helped fund a container to be shipped to Tonga filled with essential supplies and durable household goods, collected by RSE team members and supplemented with a collection of canned food organised by students from Motueka High School.

T&G also facilitated the donation of two forklifts from its forklift provider, as well as supplying and transporting 40-litre drums for the benefit of the wider Tongan community to use in packing goods for their family members, which further benefited the Aotearoa Tonga Relief Fund.

Winning work from Worldwide Fruit

T&G's United Kingdom subsidiary Worldwide Fruit (WFL) won the Waste Not Want Not Award at the 2022 Grocer Gold Awards for their partnership with The Bread and Butter Thing (TBBT).

This partnership, which sees WFL donate its surplus produce to TBBT's 56 United Kingdom hubs, gives low-income households access to nutritious food. WFL had previously struggled to redistribute its surplus produce at scale due to the logistical complexities of pallets, punnets and trays. Through this partnership WFL has been able to develop a business to consumer model that distributes surplus food directly to those who need it.

In 2022, WFL donated 1,333 tonnes of fresh fruit to TBBT - enough fruit for 886,096 meals (based on the common United Kingdom standard of 427 grams per serving).

Board of Directors

Benedikt Mangold
Chair and Non-Independent Director

Benedikt Mangold joined the BayWa Group in 2011 and is CEO of BayWa Global Produce GmbH - Munich, which is the majority shareholder of T&G Global Ltd. Prior to this position, Benedikt spent three years in New Zealand working for T&G as an export trader before moving into the role of Head of Strategic Planning and Transformation at T&G's International Business Unit.

In June 2021, the T&G Board of Directors appointed Benedikt as Chair. He is also a Director of Profruit Investments (Pty) Ltd - Tzaneen and Chair and Director of BayWa Obst GmbH & Co. KG - Kressbronn.

Carol Campbell
Independent Director

Carol has extensive finance experience and a sound understanding of effective Board Governance. She was a partner at Ernst & Young for over 25 years and has been a professional Director for over 10 years.

Carol is Chair and Director of NZ Post Ltd. She is also a Director and Chair of the Audit and Risk Committees of NZME Ltd, Asset Plus Ltd and Chubb Insurance New Zealand Ltd. Carol is also a Director of Kiwibank Ltd and a number of other private companies.

Carol has a Bachelor of Commerce from Auckland University and is a Fellow of the Chartered Accountants Australia and New Zealand and a Chartered Fellow of the Institute of Directors.

Board committees:
Chair of the Finance, Risk and Investment Committee, Member of the Human Resources Committee.

Andreas Helber
Non-Independent Director

Andreas Helber has been BayWa's Chief Financial Officer since 2010. Mr Helber began his career at KPMG in Munich where he qualified as a tax consultant and auditor.

Mr Helber is a member of the supervisory boards of a number of private and listed companies including R+V Allgemeine Versicherung AG - Wiesbaden, BayWa Global Produce GmbH and BayWa r.e. AG in Munich, RWA Raiffeisen Ware Austria AG - Vienna, and Cefetra Group B.V. – Rotterdam.

Board committee:
Member of the Finance, Risk and Investment Committee

Rob Hewett
Independent Director

Rob Hewett is Chair and Director of Silver Fern Farms Ltd, Silver Farm Farms Co-operative Ltd, Farmlands Co-operative Trading Society Ltd, Hilton Haulage Ltd, Pioneer Energy Ltd and Woolscour Holdings Ltd. He is a Director of Pulse Energy Ltd and Cross Docks Australia Pty Ltd. Rob is a member of the Ministry for Primary Industries think tank Te Puna Whakaaronui.

Rob holds a Master's Degree in Commerce and Marketing (Hons), a BCom (Ag) Economics and is a Chartered Fellow of the New Zealand Institute of Directors. He won the 2019 Outstanding Contribution to New Zealand Co-operatives award.

Board committees:
Chair of the Human Resources Committee, Member of the Finance, Risk and Investment Committee

Marcus Pöllinger
Non-Independent Director

Marcus Pöllinger has been a member of BayWa's Board of Management since 1 November 2018. He is responsible for Corporate IT, Agri Trade & Service business unit, Building Materials Segment, Digital Farming, the Energy business unit and the Agricultural Equipment business unit. He will become BayWa AG's CEO on 1 April 2023.

Mr Pöllinger is a graduate in business administration, having completed his professional training in Munich, London and Sophia Antipolis (France). He joined BayWa in 2008. After occupying various management positions at the Group, in 2015 he became head of BayWa AG's Building Materials business division. From 2017 to 2018, he was also Senior Executive Vice President of BayWa AG. Mr Pöllinger is the Chair of the supervisory boards of BayWa Global Produce GmbH - Munich, and Cefetra Group B.V. - Rotterdam and a member of a number of private companies including RWA Raiffeisen Ware Austria AG - Vienna.

Ralf Tobias Priske
Non-Independent Director

Tobias Priske started working for BayWa in 1998 as a member of the legal department providing advice to the various branches of the company and had a leading role in the acquisition of the majority of the shares of T&G by BayWa in 2012. From 2013 to 2015 he worked for the renewable energy sector of the BayWa Group as Deputy Legal Counsel focusing on establishing the renewable energy business in the US. In July 2015 Mr Priske was appointed as BayWa AG's Company Secretary. Mr Priske is a Director of BayWa Global Produce GmbH and BayWa Agrar Beteiligungs GmbH – Munich and also Company Secretary of BayWa Canada Ltd - Vancouver.

Board committee:
Member of the Human Resources Committee.

Executive team

Gareth Edgecombe
Chief Executive Officer

Doug Bygrave
Chief Financial Officer

Craig Betty
Director Operations

Rod Gibson
Managing Director T&G Fresh

Heather Kean
Director People & Culture

Monique Mallon
Director IT

Adrienne Sharp
Head of Corporate Affairs

Rachel Stotter
Director International Sales and Marketing

See full bios

Corporate governance

The Board is the governing body of T&G Global Limited (the Company) and its subsidiary companies (T&G).

Role of the Board

The Board is responsible to shareholders for the performance of T&G, which includes setting the objectives and the strategies for achieving those objectives, identifying significant areas of business risk and implementing policies to deal with those risks, setting the overall policy framework and monitoring the continuing performance of T&G and its management. The Board also ensures that procedures are in place to provide effective internal financial control.

Responsibility for the day-to-day management of T&G is delegated by the Board to the Chief Executive Officer (CEO). The Board is committed to act with integrity and expects high standards of behaviour and accountability from all staff members.

Board membership

There are no executive Directors across the Board but a broad mix of skills and industry experience relevant to the guidance of T&G's businesses. Mrs C.A. Campbell and Mr R.J. Hewett are independent Directors for the purposes of the NZX Listing Rules.

Conduct of the Board

The Board has adopted a formal Code of Ethics which sets out the expected standards of professional conduct of its members.

The Board meets at regular intervals and conducts its affairs to ensure matters can be discussed openly, frankly and confidentially. Any potential conflicts of interest relating to Directors are identified and disclosed. Affected Directors are usually not permitted to vote on any related matter where a conflict exists.

The Board operates a code of conduct that forbids Directors and other affected parties to deal in the Company's shares at any time when they are in possession of insider information and during periods which are deemed by the Board to be 'closed' periods. These closed periods customarily include the end of the six and 12 month reporting cycles, and until such time as profit announcements have been publicly disclosed. Closed periods include any additional period when the Board is engaged in matters that are likely to have an impact on the market value of the shares.

Board access to advice

The Board has established a procedure whereby Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, with the prior approval of the Chair.

Independent professional advice includes professional legal and financial advice, but excludes any advice on the personal interests of a Director. The Board regularly invites key managers and Executives to attend and present at Board meetings, and interaction with Directors is routinely encouraged.

Board Committees

The Board has two constituted Committees, the Finance, Risk and Investment Committee (FRIC) and the Human Resources Committee (HRC), both of which operate under Board approved charters.

The FRIC meets at least three times per year and is responsible for all matters related to the financial accounting and reporting of the Company, risk management and the monitoring and appraisal of investment activities.

It ensures that effective systems of accounting and internal control are established and maintained, overseeing internal and external audit, and liaising with T&G's independent auditors.

This Committee is chaired by Mrs C.A. Campbell, and comprises Mr R.J. Hewett and Mr A. Helber. The FRIC members also meet separately with the auditors as required.

The HRC is responsible for reviewing, approving and monitoring T&G's Health and Safety Policy, Strategy, Annual Plan and programme of work. This ensures the health and safety of all those who work for or come into contact with T&G. Additional responsibilities include ensuring that the remuneration strategy, policies and practices reward fairly and responsibly with a clear link to T&G's strategic objectives and corporate and individual performance; and assisting the Board in succession planning for the CEO and senior management positions which identifies and targets individuals for development. This Committee meets at least four times per year and comprises Mr R.J. Hewett (chair), Mrs C.A. Campbell and Mr R.T. Priske.

The Board has not at this stage established a Nominations Committee owing to a belief that Director appointments are of such significance that they should be a direct responsibility of the full Board. This matter is kept under review.

Interests register

The Company and each subsidiary of the Company are required to maintain an interests register in which particulars of certain transactions and matters involving the Directors must be recorded. The interests registers for the Company and its subsidiaries are available for inspection at its registered office. Details of all matters that have been entered in the interests register of the Company by individual Directors during the year are outlined in the statutory information section of these accounts, and should be read in conjunction with the individual Directors' profiles.

T&G management structure

T&G's organisational structure is focused on its five business divisions being Apples, International Trading, VentureFruit™, T&G Fresh and Other Business. These operations are managed separately with direct reporting to the CEO and to the Board which exercises overall control.

Risk identification and management

T&G has adopted a system of internal control, based on written procedures, policies and guidelines. To reinforce this, an internal audit function exists that reports to the Board through the FRIC.

The Board acknowledges that it is responsible for the overall internal control framework. In discharging this responsibility the Board has in place a number of strategies designed to safeguard T&G's assets and interests and to ensure the integrity of reporting.

Procedures are in place to identify areas of significant business risk and to remediate and effectively manage those risks. As required, the Board obtains advice from external advisors.

While the Board acknowledges that it is responsible for the overall control framework of T&G, it recognises that no cost effective internal control system will preclude all errors and irregularities.

Directors' and officers' insurance

T&G has arranged directors' and officers' liability insurance covering Directors acting on behalf of T&G. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for T&G.

The types of acts that are not covered are dishonest, fraudulent and malicious acts or omissions; wilful breach of statute, regulations or duty to the Company; improper use of information to the detriment of T&G; and breach of professional duty.

Tax strategy and governance

T&G's tax strategy has been developed in line with its commitment to operate in a manner that is fair, honest, ethical and legal, and the acknowledgment that collecting and paying tax is an important contribution to society.

In line with this, T&G's tax strategy encompasses the following principles:

Risk and reputation
Effectively managing tax risks and opportunities by operating within a framework of prudent and proactive tax risk management and high-quality tax governance procedures, giving consideration to T&G and BayWa's reputation

Ensuring tax positions are at least more likely than not to be correct, are supported by well-reasoned and documented conclusions. Seek external advice and/or obtain certainty on tax positions from tax authorities where appropriate.

Business partnering
Partnering with the business to facilitate growth and development of the Group's business activities.

The tax team works with the business on all significant business decisions to ensure these align with T&G's tax principles and any tax positions are underpinned by a genuine commercial rationale

Positive tax authority relationship
Developing a positive working relationship with tax authorities by having an open, honest and proactive approach and making voluntary disclosures where incorrect tax positions are unintentionally taken. Should any dispute arise regarding the interpretation and application of tax law, T&G is committed to addressing the matter promptly with the tax authority and resolving it in an open and constructive manner.

Participating in the development of tax policy where appropriate.

People
Developing and enhancing our people professionally and personally as part of a world-class tax team operating under the principles of integrity and transparency.

Compliance
Meeting all relevant statutory tax obligations, ensuring integrity in the reported tax disclosures, and making tax payments accurately and on time, in each jurisdiction in which T&G operates.

T&G implements this strategy through T&G's Tax Risk Management Policy and T&G's Tax Operating Model Guideline, together the Tax Control Framework, which have been designed to provide a framework for tax risk management and control processes. All T&G employees must adhere to the Tax Strategy Policy and the Tax Control Framework.

Statutory information

Auditors

Deloitte Limited has continued to act as the principal auditor of T&G and has undertaken the audit of the financial statements for the year ended 31 December 2022.

Directors' loans

No Director is in receipt of any loans from T&G.

Directors' remuneration

The following persons held office as Director during the year. Remuneration paid or accrued included incentive payments, vehicles, superannuation and other benefits, where applicable. On top of fees, Directors also receive an annual travel allowance of $1,000.

12 months to 31 December 2022

Directors of T&G Global Limited	Director Fees in $'000	Committee Work in $'000
B.J. Mangold	47	-
C.A. Campbell	96.5	22.5
A. Helber	37.5	5
R.J. Hewett	96.5	22.5
R.T. Priske	37.5	5

Mr. M.A. Poellinger did not receive any Director's remuneration in 2022, in line with BayWa's Subsidiary Board Directorship Policy.

Directors and officers composition

At 31 December 2022 the gender composition of T&G's Directors and officers was as follows:

	Male	Female
Directors	5	1
Officers	33	30

Employee remuneration

T&G paid remuneration including benefits in excess of $100,000 to employees (other than Directors) during the 12 months.

The salary banding for the employees is disclosed in the following table:

12 months to 31 December 2022

$'000 NZD equivalent	2022	2021
100-110	43	41
110-120	31	33
120-130	38	44
130-140	31	14
140-150	25	17
150-160	25	25
160-170	15	17
170-180	12	8
180-190	11	9
190-200	12	8
200-210	10	10
210-220	5	4
220-230	8	7
230-240	1	3
240-250	7	6
250-260	1	3
260-270	2	3
270-280	4	0
280-290	3	1
290-300	1	2
300-310	2	3
310-320	1	-
320-330	3	1
340-350	1	1
360-370	-	3
390-400	1	-
400-410	1	-
430-440	1	-
440-450	2	1
460-470	1	-
470-480	3	-
490-500	-	1
530-540	-	2
540-550	-	3
560-570	-	2
620-630	1	-
980-990	-	1
1,180-1,190	1	-
1,330-1,340	-	1
Total	**303**	**274**

The current year total remuneration spread takes into account the impact of exchange rate movements on employees paid in foreign currencies.

CEO remuneration

The CEO remuneration consists of fixed remuneration, short-term incentive and long-term incentive.

Fixed remuneration

Mr Edgecombe received remuneration of $1,182,322 during the 2022 Financial Year. This amount includes employer KiwiSaver contributions, a vehicle allowance and a long term incentive payment. His base salary for 2022 was $973,567.

Short term incentive

Subject to the achievement of profitability targets set by the Board at the start of each year, Mr Edgecombe will be entitled an annual bonus of up to 40% of base salary. This bonus can be over and underachieved with a maximum payment of 150%.

Long term incentive (LTI)

Mr Edgecombe is entitled to participate in a LTI scheme set by the Board, based on an earnings before interest and tax growth plan. The fulfilment of 100% of the goals under the scheme will entitle Mr Edgecombe to a LTI payment of 50% of his base salary.

From 2020, the LTI payment partially vests in year three (50%) and closes out in year five (50%). No bonus will be paid if the achievement rate is less than 50% and the maximum amount is capped at 150%

Directors shareholdings

As at 31 December 2022, no current Directors or parties associated with current Directors held ordinary shares (2021: nil). There were no share transactions during the year ended 31 December 2022 in which Directors held 'relevant interests'.

Indemnification and insurance of Directors and officers

The Company indemnifies all Directors named in this report, and current and former executive officers of T&G against all liabilities (other than to the Company or members of T&G) which arise out of the performance of their normal duties as Director or executive officer, unless the liability relates to conduct involving lack of good faith. To manage this risk, T&G has indemnity insurance. The total cost of this insurance including Directors and officers of offshore subsidiaries during the 12 months was $40,765 (2021: $40,765).

Information used by Directors

No member of the Board of the Company, or any subsidiary, issued a notice requesting to use information received in their capacity as Director which would not otherwise have been available to them.

Interested transactions

No Directors disclosed the existence of any transactions with T&G during the 12 months in which they held an interest.

Substantial shareholders

The following information is given pursuant to Section 26 of the Security Markets Act 1988. The following parties are recorded by the Company as at 31 December 2022 as substantial security holders in the Company, and have declared the following relevant interest in voting securities under the Securities Markets Act 1988:

BayWa Aktiengesellschaft	90,671,206
Wo Yang Limited	24,496,386

The total number of voting securities issued by the Company as at 31 December 2022 was 122,543,204.

20 largest shareholders

as at 31 December 2022

Name	Units	% of issued capital
BayWa Global Produce GmbH	90,671,206	73.99%
Wo Yang Limited	24,496,386	19.99%
Bartel Holdings Limited	1,319,154	1.08%
National Nominees Limited	902,640	0.74%
HSBC Nominees (New Zealand) Limited	407,493	0.33%
Tribal Nominees Limited	205,661	0.17%
R.J. Turner, C.E. Turner, Redoubt Trustees Limited & Evans Pennell Trustees Limited	202,689	0.16%
New Zealand Depository Nominee Limited	197,739	0.16%
S.A. McCabe	131,181	0.11%
J. Backhouse	118,051	0.10%
Tribal New Zealand Traders Limited	108,374	0.09%
S.J. Turner, C.M. Turner & D.H. Turner	105,000	0.09%
L.R. Hotham	101,482	0.08%
A.E. Waite	100,802	0.08%
P.J.S. Rowland	93,507	0.08%
M.C. Goodson, D.D. Perron, Goodson & Perron Independent Trustee Limited	79,339	0.06%
FNZ Custodians Limited	76,960	0.06%
BNP Paribas Nominees (NZ) Limited	72,055	0.06%
Aotearoa Rental Enterprises Limited	68,276	0.05%
R.M. Scott	63,494	0.05%
Total	**119,521,489**	**97.53%**

Spread of security holders

as at 31 December 2022

Range	Total holders	% of total holders	Units	% of issued capital
1 to 499	85	14.41%	19,485	0.01%
500 - 999	85	14.41%	61,877	0.05%
1,000 - 1,999	122	20.68%	167,305	0.14%
2,000 - 4,999	114	19.32%	341,888	0.28%
5,000 - 9,999	77	13.05%	514,683	0.42%
10,000 - 49,999	83	14.07%	1,694,650	1.38%
50,000 - 99,999	10	1.69%	675,458	0.55%
100,000 - 499,999	10	1.69%	1,678,472	1.37%
500,000 - 999,999	1	0.17%	902,640	0.74%
1,000,000 and above	3	0.51%	116,486,746	95.06%
Total	**590**	**100%**	**122,543,204**	**100%**

Domicile of shareholders

as at 31 December 2022

Location	Total holders	% Of total holders	Units
New Zealand	565	95.76%	7,160,665
Australia	17	2.88%	127,843
Hong Kong	2	0.34%	24,497,644
Germany	2	0.34%	90,703,154
Singapore	2	0.34%	39,432
Malaysia	1	0.17%	11,716
United States of America	1	0.17%	2,750
Total	**590**	**100.00%**	**122,543,204**

Deloitte.

Independent Auditor's Report

To the Shareholders of T&G Global Limited

Opinion

We have audited the consolidated financial statements of T&G Global Limited and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 72 to 142, present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other than in our capacity as auditor including the provision of audit related services and non-assurance services provided to the Corporate Taxpayers Group of which the Group is a member, we have no relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor of the Company and Group.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $8.0 million.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Biological asset valuations (Note 8) The Group's biological assets of $27.6 million (2021: $25.1 million) predominantly represent produce such as apples, grapes, blueberries, citrus fruits and tomatoes, growing on bearer plants (e.g. trees and vines) at balance date. Biological assets are measured at fair value less estimated point-of-sale costs. This is calculated by the Group using discounted cash flow models. The valuation of biological assets is a key audit matter due to the subjective judgements and assumptions in the valuation models, many of which are specific to the location of the asset and therefore unobservable in the market. These unobservable inputs and assumptions include the forecast production yield per hectare per annum by weight, annual gate prices expected to be received, costs expected to be incurred and a discount rate reflecting the risks inherent in the crops. The discount rate takes into account the risk of unknown adverse events including natural events, the possible impact of diseases and other adverse factors that may impact on the quality, yield or price.	We held discussions with management to understand if there were changes in market or environmental conditions, or other risks inherent in the current crop valuations. Our audit procedures were focused on the higher value biological assets, or where in our professional judgement there is a greater level of uncertainty associated with the cash flow forecasts. We engaged our internal valuation specialist to consider whether the valuation methods applied were reasonable. We compared the forecast production per hectare, forecast prices, and forecast costs to the approved budgets for the relevant fruit growing activities, and assessed the historical accuracy of the Group's forecasts. With input from our internal valuation specialist we assessed the discount rates assumed in the model and evaluated changes from the prior year. We also performed a sensitivity analysis to assess the impact that a change in the discount rate would have on the valuation of the biological assets. We checked the mechanical accuracy of the discounted cash flow models.
Property, plant & equipment valuations (Note 10) Commercial and orchard land, improvements and buildings ('land and buildings') of the Group amounting to $186.6 million (2021: $240.9 million) are measured at fair value less accumulated depreciation and impairment losses at balance date. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value. As disclosed in Note 10, land and buildings were valued using a combination of market comparison, income capitalisation and depreciated replacement cost methodologies. The valuation of land and buildings is a key audit matter because changes to key assumptions used in the valuation methods could have a material impact on the carrying amount of land and buildings, with changes recognised in either other comprehensive income or profit or loss, as appropriate.	Our procedures have focused on the appropriateness of the valuation methodologies and the reasonableness of the underlying inputs and assumptions. We obtained an understanding of the Group's process for valuing the land and buildings as at 31 December 2022. We evaluated the independence and competence of the Group's external valuers engaged to perform the valuation of land and buildings. On a sample basis: ▪ We considered whether the underlying assumptions used by the external valuers were consistent with our knowledge of the properties in their specific locations; ▪ We assessed comparable sales data used in the valuations to independent sources; and ▪ We compared capitalisation rates used, as applicable, to market reports to check that those rates reflected market trends. We also performed sensitivity analysis to assess the robustness of the methods used by the Group's external valuers on valuation of the land and buildings.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters 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's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Hamish Anton

Partner
for Deloitte Limited
Wellington, New Zealand
28 February 2023

Financials

Income statement

For the year ended 31 December 2022

	NOTES	2022 $'000	2021 $'000
Revenue from contracts with customers	4	**1,304,936**	1,365,413
Other operating income	5	**13,013**	10,861
Purchases, raw materials and consumables used		**(969,319)**	(1,007,737)
Employee benefits expenses	6	**(177,955)**	(175,775)
Depreciation and amortisation expenses	6	**(57,643)**	(52,645)
Other operating expenses	6	**(92,623)**	(123,230)
Operating profit		**20,409**	16,887
Financing income	14	**2,383**	1,234
Financing expenses	14	**(18,705)**	(16,866)
Share of loss from joint ventures	23	**(87)**	(114)
Share of profit from associates	24	**1,963**	2,139
Other income	5	**-**	7,384
Other expenses	6	**(9,304)**	(866)
(Loss) / profit before income tax		**(3,341)**	9,798
Income tax credit	7	**2,480**	3,754
(Loss) / profit after income tax		**(861)**	13,552
Attributable to:			
Equity holders of the Parent		**(5,471)**	8,876
Non-controlling interests		**4,610**	4,676
(Loss) / profit for the year		**(861)**	13,552
Earnings per share (in cents)			
Basic and diluted earnings	16	**(4.4)**	7.2

Statement of comprehensive income

For the year ended 31 December 2022

	NOTES	2022 $'000	2021 $'000
(Loss) / profit for the year		**(861)**	13,552
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(Loss) / gain on revaluation of property, plant and equipment:			
Held by subsidiaries of the Group	15	**(895)**	67,658
Deferred tax effect on revaluation of property, plant and equipment	15	**139**	(12,961)
Deferred tax effect on sale of property, plant and equipment	15	**(1,782)**	5,977
		(2,538)	60,674
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**3,321**	2,672
Cash flow hedges:			
Fair value gain / (loss), net of tax		**7,740**	(13,448)
Reclassification of net change in fair value to profit or loss		**216**	2,602
		11,277	(8,174)
Other comprehensive income for the year		**8,739**	52,500
Total comprehensive income for the year		**7,878**	66,052
Total comprehensive income for the year is attributable to:			
Equity holders of the Parent		**3,175**	60,822
Non-controlling interests		**4,703**	5,230
		7,878	66,052

Statement of changes in equity

For the year ended 31 December 2022

2022

	NOTES	Share capital $'000	Revaluation and other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2022		176,357	113,112	270,607	560,076	13,528	573,604
(Loss) / profit for the year		-	-	(5,471)	(5,471)	4,610	(861)
Other comprehensive income / (expense)							
Revaluation of property, plant and equipment	15	-	(895)	-	(895)	-	(895)
Deferred tax effect on revaluation of property, plant and equipment	15	-	139	-	139	-	139
Deferred tax effect on sale of property, plant and equipment	15	-	(1,782)	-	(1,782)	-	(1,782)
Exchange differences on translation of foreign operations	15	-	3,224	-	3,224	97	3,321
Movement in cash flow hedge reserve	15	-	7,960	-	7,960	(4)	7,956
Total other comprehensive income		-	8,646	-	8,646	93	8,739
Transactions with owners							
Dividends	17	-	-	-	-	(4,991)	(4,991)
Movement in equity from sale of shares in subsidiary		-	-	-	-	3,342	3,342
Investment from non-controlling interest		-	-	-	-	335	335
Total transactions with owners		-	-	-	-	(1,314)	(1,314)
Transfer from asset revaluation reserve due to asset disposal	15	-	(6,537)	6,537	-	-	-
Balance at 31 December 2022		176,357	115,221	271,673	563,251	16,917	580,168

2021

	NOTES	Share capital $'000	Revaluation and other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2021		176,357	113,289	216,961	506,607	13,147	519,754
Profit for the year		-	-	8,876	8,876	4,676	13,552
Other comprehensive income / (expense)							
Revaluation of property, plant and equipment	15	-	67,658	-	67,658	-	67,658
Deferred tax effect on revaluation of property, plant and equipment	15	-	(12,961)	-	(12,961)	-	(12,961)
Deferred tax effect on sale of property, plant and equipment	15	-	5,977	-	5,977	-	5,977
Exchange differences on translation of foreign operations	15	-	2,114	-	2,114	558	2,672
Movement in cash flow hedge reserve	15	-	(10,842)	-	(10,842)	(4)	(10,846)
Total other comprehensive income		-	51,946	-	51,946	554	52,500
Transactions with owners							
Dividends	17	-	-	(7,353)	(7,353)	(4,849)	(12,202)
Total transactions with owners	17	-	-	(7,353)	(7,353)	(4,849)	(12,202)
Transfer from asset revaluation reserve due to asset disposal	15	-	(52,123)	52,123	-	-	-
Balance at 31 December 2021		176,357	113,112	270,607	560,076	13,528	573,604

Balance sheet

As at 31 December 2022

	NOTES	2022 $'000	2021 $'000
Current assets			
Cash and cash equivalents		**58,519**	59,005
Trade and other receivables	19	**168,692**	147,550
Inventories	20	**53,930**	45,560
Taxation receivable		**7,556**	12,334
Derivative financial instruments	27	**4,044**	3,630
Biological assets	8	**27,602**	25,129
Non-current assets held for sale	9	**27,150**	-
Total current assets		**347,493**	293,208
Non-current assets			
Trade and other receivables	19	**71,830**	39,360
Derivative financial instruments	27	**14,570**	1,311
Deferred tax assets	7	**2,027**	1,320
Investments in unlisted entities		**86**	86
Property, plant and equipment	10	**401,077**	399,806
Right-of-use assets	12	**136,342**	139,461
Intangible assets	11	**76,738**	75,853
Investments in joint ventures	23	**3,142**	3,238
Investments in associates	24	**30,048**	30,637
Total non-current assets		**735,860**	691,072
Total assets		**1,083,353**	984,280
Current liabilities			
Trade and other payables	21	**161,175**	162,693
Loans and borrowings	13	**26,090**	10,879
Lease liabilities	12	**22,694**	21,330
Taxation payable		**1,329**	11,717
Derivative financial instruments	27	**7,218**	3,397
Total current liabilities		**218,506**	210,016

Table continues next page

	NOTES	2022 $'000	2021 $'000
Non-current liabilities			
Trade and other payables	21	**279**	592
Loans and borrowings	13	**121,388**	32,345
Lease liabilities	12	**135,246**	134,745
Derivative financial instruments	27	**658**	3,158
Deferred tax liabilities	7	**27,108**	29,820
Total non-current liabilities		**284,679**	200,660
Total liabilities		**503,185**	410,676
Equity			
Share capital	15	**176,357**	176,357
Revaluation and other reserves	15	**115,221**	113,112
Retained earnings		**271,673**	270,607
Total equity attributable to equity holders of the Parent		**563,251**	560,076
Non-controlling interests		**16,917**	13,528
Total equity		**580,168**	573,604
Total liabilities and equity		**1,083,353**	984,280

Approved for and on behalf of the Board

B.J. Mangold
Director (Chair)
28 February 2023

C.A. Campbell
Director (Chair of Finance, Risk and Investment Committee)
28 February 2023

Statement of cash flows

For the year ended 31 December 2022

	NOTES	2022 $'000	2021 $'000
Cash flows from operating activities			
Cash was provided from:			
Cash receipts from customers		**1,291,732**	1,400,352
Other		**1,198**	683
Cash was disbursed to:			
Payments to suppliers and employees		**(1,284,298)**	(1,336,693)
Interest paid		**(6,100)**	(6,582)
Income taxes paid		**(3,000)**	(2,400)
Net cash (outflow) / inflow from operating activities		**(468)**	55,360
Cash flows from investing activities			
Cash was provided from:			
Dividends received from joint ventures and associates		**2,190**	2,854
External loan repayments from suppliers, customers, associates and joint ventures		**3,189**	2,024
Sale of investment property		**-**	15,500
Sale of shares in subsidiary to non-controlling interest		**3,678**	-
Sale of other property, plant and equipment		**2,892**	4,194
Sale of apple orchards		**-**	13,279
Sale of Riwaka apple orchard		**19,793**	-
Sale of Steiner apple orchard		**13,000**	-
Sale of Whakatū Road site		**-**	79,545

Table continues next page

	NOTES	2022 $'000	2021 $'000
Cash was disbursed to:			
Purchase of property, plant and equipment	10	**(99,951)**	(49,093)
Purchase of intangible assets	11	**(6,722)**	(4,107)
Loans to suppliers, customers, associates and joint ventures		**(2,717)**	(3,407)
Net cash (outflow) / inflow from investing activities		**(64,648)**	60,789
Cash flows from financing activities			
Cash was provided from:			
Net proceeds from short-term borrowings		**13,900**	-
Proceeds from long-term borrowings		**91,638**	70,325
Cash was disbursed to:			
Dividends paid to non-controlling interests	17	**(4,991)**	(4,849)
Dividends paid to Parent's shareholders	17	**-**	(7,353)
Repayment of long-term borrowings		**(1,155)**	(115,421)
Net repayment of short-term borrowings		**-**	(13,000)
Repayment of lease liabilities		**(33,455)**	(30,413)
Bank facility fees and transaction fees		**(3,563)**	(3,083)
Seasonal advances to growers		**(750)**	-
Net cash inflow / (outflow) from financing activities	18	**61,624**	(103,794)
Net (decrease) / increase in cash and cash equivalents		**(3,492)**	12,355
Foreign currency translation adjustment		**3,006**	1,986
Cash and cash equivalents at the beginning of the year		**59,005**	44,664
Cash and cash equivalents at the end of the year		**58,519**	59,005

Statement of cash flows (continued)

Reconciliation of (loss) / profit after income tax to net cash flow from operating activities

	NOTES	2022 $'000	2021 $'000
(Loss) / profit for the year		**(861)**	13,552
Adjusted for non-cash items:			
Amortisation expense	6	**5,666**	4,359
Depreciation expense	6	**51,977**	48,286
Movement in deferred tax	7	**(6,362)**	(20,392)
Movement in expected credit loss allowance	19	**(92)**	(125)
Revenue from sale of licences		**(18,452)**	(14,308)
Share of loss of joint ventures	23	**87**	114
Share of profit of associates	24	**(1,963)**	(2,139)
Other movements		**(6,131)**	(5,764)
		24,730	10,031
Adjusted for investing and financing activities:			
Bank facility and line fees		**3,563**	3,083
Fair value adjustment of investment property		**-**	(2,000)
Gain on sale and leaseback of Whakatū Road site	5	**-**	(7,384)
Impairment of assets	6	**-**	4,821
Impairment of intangible assets	11	**-**	1,437
Loss on sale of apple orchards	6	**6,066**	438
(Gain) / loss on disposal of other property, plant and equipment	5,6	**(6)**	7,486
Net gain from reversal of previous impairment losses through profit and loss	5	**-**	(1,870)
Net loss / (gain) from reversal of previous property, plant and equipment revaluation changes through profit and loss		**138**	(946)
Write down of grape orchard	6	**3,238**	-
Write down of investment in associate	6	**-**	428
		12,999	5,493
Impact of changes in working capital items net of effects of non-cash items, and investing and financing activities:			
(Increase) / decrease in debtors and prepayments		**(30,838)**	33,170
Increase in biological assets		**(2,473)**	(1,680)
Increase / (decrease) in creditors and provisions		**9,955**	(6,776)
Increase in inventories		**(8,370)**	(5,894)
(Increase) / decrease in net taxation receivable		**(5,610)**	7,464
Total		**(37,336)**	26,284
Net cash (outflow) / inflow from operating activities		**(468)**	55,360

Notes to the financial statements

General information
This section describes the principles and general accounting policies used in the preparation of the financial statements. Accounting policies that relate to specific line items on the income statement and balance sheet are described in their respective notes.

1. Basis of preparation

Reporting entity and statutory base

T&G Global Limited (the Parent) and its subsidiary companies (the Group), are recognised as one of Aotearoa New Zealand's leading growers, distributors, marketers and exporters of premium fresh produce. Key categories for the Group include apples, berries, citrus (lemons, mandarins and navel oranges) and tomatoes.

These consolidated financial statements presented are for the Group which comprises the Parent and its subsidiaries, joint ventures and associates as at 31 December 2022.

The Parent is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Market Conducts Act 2013, and the Financial Reporting Act 2013.

The Parent is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange. The address of its registered office is Level 1, Building 1, Central Park, 660 Great South Road, Ellerslie, Auckland 1051.

BayWa Global Produce GmbH (the Immediate Parent) and BayWa Aktiengesellschaft (the Ultimate Parent) are the parents of the Group and are based in Munich, Germany.

Statement of compliance

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable New Zealand Financial Reporting Standards as appropriate for profit-oriented entities, and International Financial Reporting Standards (IFRS). These consolidated financial statements are prepared in accordance with the requirements of the Financial Markets Conduct Act 2013.

These consolidated financial statements are expressed in New Zealand dollars which is the presentation currency of the Group. All financial information has been rounded to the nearest thousand ($'000) unless otherwise stated.

Measurement basis

The measurement basis adopted in the preparation of these consolidated financial statements is historical cost except for certain assets and liabilities, identified in specific accounting policies, which are stated at fair value.

Basis of consolidation

In preparing these consolidated financial statements, subsidiaries are fully consolidated from the date on which the Group gains control until the date on which control ceases. All intercompany transactions, balances, income and expenses between the Group's companies are eliminated.

Accounting policies of subsidiaries, joint ventures and associates have been aligned where necessary to ensure consistency with policies adopted by the Group.

Notes to the financial statements (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable assets.

Acquisition related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is initially remeasured at fair value at the acquisition date through profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest and fair value of the Group's previously held interest (if any) over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Basis of accounting

Significant accounting policies are set out within the notes to which those policies are applicable and are designated with a symbol. All other significant accounting policies are set out on the following page. There have been no significant changes made to accounting policies during the year. Refer Note 2 for discussion on interpretations approved and effective in the current year, and other standards approved but not yet effective for the Group in the current year.

Foreign currency translation

The assets and liabilities of the Group's subsidiaries that do not have New Zealand dollars as their functional currency are translated to New Zealand dollars at foreign exchange rates ruling at balance sheet date. The revenues and expenses of these foreign operations are translated to New Zealand dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from the translation of foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to New Zealand dollars at the foreign exchange rate on the dates that the fair value was determined.

Fair value estimation

The Group uses various valuation methods to determine the fair value of certain assets and liabilities. The inputs to the valuation methods used to measure fair value are categorised into three levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Goods and services tax (GST)

The income statement, statement of comprehensive income and statement of cash flows have been presented with all items exclusive of GST. All items in the balance sheet are stated net of GST, except for receivables and payables, which include GST invoiced.

Critical accounting estimates and judgements

The Group makes estimates and judgements concerning the future. The resulting accounting estimates may, by definition, not equal the related actual results. The estimates and judgements that have a potential risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed within the notes to which those judgements are applicable and are designated with a symbol.

Area of estimate and judgement	NOTES	
Sale of licences	4	Revenue from contracts with customers
Fair value of biological assets	8	Biological assets
Valuation of property, plant and equipment	10	Property, plant and equipment
Carrying value of intangible assets	11	Intangible assets
Calculation of lease liabilities	12	Leases

2. New accounting standards, amendments and interpretations

Standards on issue not yet effective

NZ IFRS 17 *Insurance Contracts* (NZ IFRS 17)

NZ IFRS 17 *Insurance Contracts* (NZ IFRS 17) has not been adopted early. This standard provides consistent principles for all aspects of accounting for insurance contracts. This standard becomes effective for annual periods commencing on or after 1 January 2023. No material impact to the Group's financial statements is expected.

There are other standards, amendments and interpretations which have been approved but are not yet effective. The Group expects to adopt other standards when they become mandatory. None are expected to materially impact the Group's financial statements.

Financial performance
This section explains the performance of the Group and details the contributions made by the Group's operating segments. It also describes how the Group earns its revenue and addresses other areas that impact on profitability such as other income, other expenses, and taxation.

3. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Chief Executive Officer, the Chief Financial Officer and the Business Leads of the Group.

The chief operating decision-makers assess the performance of the operating segments based on operating profit, which reflects earnings before financing income and expenses, share of profit from joint ventures and associates, other income, other expenses and income tax expense. Inter-segment pricing is determined on an arm's length basis and segment results include items directly attributable to a segment.

No single external customer's revenue accounts for 10% or more of the Group's revenue.

Notes to the financial statements (continued)

Operating segments

The Group comprises the following main operating segments:

Operating segment	Significant operations
Apples	Growing, packing, cool storing, sales and marketing of apples worldwide.
International Trading	International trading activities other than apples. Major markets are Asia, Australia and the Americas. Product is sourced from New Zealand, Australia, North America, South America and Europe.
T&G Fresh	Growing, trading and transport activities within New Zealand and exports to the Pacific Islands. This incorporates the New Zealand wholesale markets and the tomato and citrus growing operations.
VentureFruit™	VentureFruit™ is the Group's global genetics and variety management business. Through its range of services, VentureFruit™ identifies, acquires, develops, builds and protects new varieties of fruit. Revenue from the sale of right-to-grow licences is also included in this business division.
Other	Includes property and corporate costs.

Segment information provided to the chief operating decision-makers for the reportable segments is shown in the following tables:

	Apples $'000	International Trading $'000	T&G Fresh $'000	VentureFruit™ $'000	Other $'000	Total $'000
2022						
Total segment revenue	**900,445**	**158,338**	**416,087**	**58,398**	**76**	**1,533,344**
Inter-segment revenue	**(125,798)**	**(57,676)**	**(15,608)**	**(29,326)**	**-**	**(228,408)**
Revenue from external customers	**774,647**	**100,662**	**400,479**	**29,072**	**76**	**1,304,936**
Purchases, raw materials and consumables used	**(597,039)**	**(100,204)**	**(262,160)**	**(9,909)**	**(7)**	**(969,319)**
Depreciation and amortisation expenses	**(27,792)**	**(1,451)**	**(25,233)**	**(315)**	**(2,852)**	**(57,643)**
Net other operating expenses	**(121,983)**	**(1,575)**	**(95,332)**	**(7,833)**	**(30,842)**	**(257,565)**
Segment operating profit / (loss)	**27,833**	**(2,568)**	**17,754**	**11,015**	**(33,625)**	**20,409**
Financing income						**2,383**
Financing expense						**(18,705)**
Share of loss from joint ventures						**(87)**
Share of profit from associates						**1,963**
Net other expenses						**(9,304)**
Loss before income tax						**(3,341)**

	Apples $'000	International Trading $'000	T&G Fresh $'000	VentureFruit™ $'000	Other $'000	Total $'000
2021						
Total segment revenue	957,673	147,394	378,594	46,014	255	1,529,930
Inter-segment revenue	(106,233)	(18,150)	(13,070)	(27,064)	-	(164,517)
Revenue from external customers	851,440	129,244	365,524	18,950	255	1,365,413
Purchases, raw materials and consumables used	(647,150)	(126,946)	(222,661)	(10,967)	(13)	(1,007,737)
Depreciation and amortisation expenses	(24,694)	(639)	(24,820)	(109)	(2,383)	(52,645)
Net other operating expenses	(139,038)	(14,074)	(100,025)	(5,560)	(29,447)	(288,144)
Segment operating profit / (loss)	40,558	(12,415)	18,018	2,314	(31,588)	16,887
Financing income						1,234
Financing expense						(16,866)
Share of loss from joint ventures						(114)
Share of profit from associates						2,139
Net other income						6,518
Profit before income tax						9,798

The Group is domiciled in New Zealand. The total revenues from external customers in New Zealand and other regions is:

	2022 $'000	2021 $'000
New Zealand	**412,199**	411,717
Australia and Pacific Islands	**97,118**	87,760
Asia	**362,624**	284,291
Americas	**58,397**	75,479
Europe	**374,598**	506,166
Total	**1,304,936**	1,365,413

The total non-current assets other than trade and other receivables, derivative financial instruments, deferred tax assets and investment in unlisted entities located in New Zealand and other countries is:

	2022 $'000	2021 $'000
New Zealand	**606,636**	601,212
Other	**40,711**	47,783
Total	**647,347**	648,995

Notes to the financial statements (continued)

4. Revenue from contracts with customers

The Group records revenue from the following sources:

Sale of produce
Revenue from the sale of produce is recognised either on dispatch or when the produce has reached its destination, depending on the terms and agreements with customers and when there is supporting evidence that control and ownership of the produce has transferred to the customer.

Commissions
The Group acts as an agent in certain revenue generating transactions where it facilitates the sale of produce into markets and customers. Commission revenue is recognised in these instances when there is supporting evidence that control and ownership of goods have transferred to the end-customer.

Services
The Group derives the majority of its service revenue through the provision of cool storage and packing services during the growing and selling seasons. Revenue from the provision of services is recognised simultaneously as the services are being performed over the length of the contract or at a point in time depending on the specifics of the contract.

Royalties
The Group recognises revenue from royalties from sales of the Group's licenced apple varieties. Royalties are recognised at the point in time the sale of licenced apple varieties occurs.

Sale of licences
The Group has developed a revenue stream from the sale of right-to-grow licences for its premium apple variety Envy™. A right-to-grow licence transfers a right to grow Envy™ over an approved number of hectares, and the right to gain access to varietal plant material to growers who enter into an agreement with the Group. Revenue from the sale of licences is recognised at the point-in-time control of the licence transfers to a grower, which has been determined as when a grower enters into a right-to-grow agreement with the Group. As the right-to-grow the variety and access to varietal plant material are conferred to the grower at the point-in-time the right-to-grow agreement is signed, revenue is recognised at this point-in-time.

Principal and agency arrangements
The Group holds arrangements in which it acts as the principal and other arrangements in which it acts as the agent. The following factors have been used by the Group in distinguishing whether it acts as the principal or the agent in specific arrangements:

- Primary responsibility for fulfilling the promise to provide the goods or services to the end-customer.
- Inventory risk before goods are transferred to the end-customer.
- The discretion to establish the price of goods and services above.

The key accounting judgment applied by the Group is around the determination of the performance obligations in the right-to-grow licence agreements, when these obligations are satisfied, and when revenue is recognised. The Group identified two distinct performance obligations in its sale of right-to-grow licences,

- Transferring a right to obtain plant material
- Transferring a right to use the Envy™ brand

The right to obtain plant material is separately identifiable from other goods and services contained in the right-to-grow and growing agreements with growers. A grower can benefit from obtaining the plant material as once the grower is in possession of plant material, they can plant the variety and grow fruit to generate future economic benefits. These rights are conferred to the grower on signing of the right-to-grow agreement and growing agreement. It is at this point in time that the Group considers its performance obligation satisfied, and revenue is recognised at this point in time.

When a grower enters into the agreements, the Group also transfers the right to use the Envy™ brand when selling the variety of apples. The right to use the Envy™ brand is separately identifiable from other goods and services contained in the agreements, and a grower can benefit from using the brand as selling the variety as Envy™ leads to economic benefits for the grower. Access to the Envy™ brand is an obligation that is satisfied at a point in time and revenue is recognised as royalties at the time Envy™ licenced apple variety sales occur.

Notes to the financial statements (continued)

	Apples $'000	International Trading $'000	T&G Fresh $'000	VentureFruit™ $'000	Other $'000	Total $'000
2022						
Nature of revenue						
Sale of produce	**698,269**	**100,043**	**316,302**	**-**	**-**	**1,114,614**
Sale of licences	**-**	**-**	**-**	**25,052**	**-**	**25,052**
Commissions	**33,169**	**412**	**25,000**	**1,344**	**-**	**59,925**
Services	**35,010**	**207**	**59,161**	**196**	**76**	**94,650**
Royalties	**8,199**	**-**	**16**	**2,480**	**-**	**10,695**
Revenue from external customers	**774,647**	**100,662**	**400,479**	**29,072**	**76**	**1,304,936**
Timing of revenue recognition						
At a point in time						
Sale of produce	**698,269**	**100,043**	**316,302**	**-**	**-**	**1,114,614**
Sale of licences	**-**	**-**	**-**	**25,052**	**-**	**25,052**
Commissions	**33,169**	**412**	**25,000**	**1,344**	**-**	**59,925**
Services	**27,040**	**207**	**59,161**	**196**	**76**	**86,680**
Royalties	**8,199**	**-**	**16**	**2,480**	**-**	**10,695**
	766,677	**100,662**	**400,479**	**29,072**	**76**	**1,296,966**
Over time						
Services	**7,970**	**-**	**-**	**-**	**-**	**7,970**
	7,970	**-**	**-**	**-**	**-**	**7,970**
Revenue from external customers	**774,647**	**100,662**	**400,479**	**29,072**	**76**	**1,304,936**

	Apples $'000	International Trading $'000	T&G Fresh $'000	VentureFruit™ $'000	Other $'000	Total $'000
2021						
Nature of revenue						
Sale of produce	805,213	122,552	283,929	-	-	1,211,694
Sale of licences	-	-	-	16,381	-	16,381
Commissions	12,687	5,406	24,224	967	-	43,284
Services	26,786	1,286	57,371	184	255	85,882
Royalties	6,754	-	-	1,418	-	8,172
Revenue from external customers	851,440	129,244	365,524	18,950	255	1,365,413
Timing of revenue recognition						
At a point in time						
Sale of produce	805,213	122,552	283,929	-	-	1,211,694
Sale of licences	-	-	-	16,381	-	16,381
Commissions	12,687	5,406	24,224	967	-	43,284
Services	19,847	1,286	57,361	184	255	78,933
Royalties	6,754	-	-	1,418	-	8,172
	844,501	129,244	365,514	18,950	255	1,358,464
Over time						
Services	6,939	-	10	-	-	6,949
	6,939	-	10	-	-	6,949
Revenue from external customers	851,440	129,244	365,524	18,950	255	1,365,413

Notes to the financial statements (continued)

5. Other income

The Group recognised income from other operating and non-operating activities during the year.

Other operating income consists of the following:

	NOTES	2022 $'000	2021 $'000
Net gain from changes in fair value of biological assets	8	**8,738**	2,174
Net gain from change in fair value of investment property		**-**	2,000
Net gain from disposal of property, plant and equipment		**6**	-
Net gain from reversal of previous property, plant and equipment revaluation changes through profit and loss		**-**	946
Net gain from reversal of previous impairment losses through profit and loss	11	**-**	1,870
Rent - others		**2,878**	1,957
Rent from subleases		**972**	1,452
Other		**419**	462
Total		**13,013**	10,861

Other income consists of the following non-operating activities:

	2022 $'000	2021 $'000
Gain on sale and leaseback of Whakatū Road site	**-**	7,384
Total	**-**	7,384

6. Other expenses

Depreciation and amortisation

	NOTES	2022 $'000	2021 $'000
Depreciation of property, plant and equipment	10	**24,512**	22,410
Depreciation of right-of-use assets	12	**27,465**	25,876
Amortisation of intangible assets	11	**5,666**	4,359
Total		**57,643**	52,645

Other operating expenses

Other operating expenses includes the following:

	NOTES	2022 $'000	2021 $'000
Directors' remuneration	25	**370**	355
Fleet costs		**13,873**	11,099
Impairment of assets	10	**-**	4,821
Insurance		**8,673**	8,455
Net exchange losses		**9,864**	14,036
Net loss on disposal of property, plant and equipment		**-**	7,486
Professional fees		**14,306**	15,536
Promotion costs		**5,433**	9,460
Rental and property related costs		**19,755**	18,051
Repairs and maintenance		**10,503**	10,220
Research and development		**986**	750
Travel and accommodation		**3,615**	1,477

Net exchange losses do not include a net realised foreign exchange gain of $13.6 million (2021: $14.2 million) recognised as part of revenue and purchases, raw materials and consumables used. The total impact of exchange differences in the current financial year was a net gain of $3.8 million (2021: $0.1 million).

Notes to the financial statements (continued)

Employee benefits expenses

Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Short-term employee benefits
Employee entitlements to salaries and wages and annual leave, to be settled within twelve months of the reporting date, represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on remuneration rates that the Group expects to pay.

During the year, contributions of $4.17 million were made by the Group towards employees' superannuation schemes (2021: $4.3 million).

Audit fees

Audit fees of the Group and related services from the Group's auditors consist of the following:

	2022 $'000	2021 $'000
Deloitte Limited and affiliated firms[1]		
Audit of the financial statements	**696**	601
Audit related services	**100**	7
Other services	**20**	20
Other auditors		
Audit services provided	**481**	501
Other services[2]	**438**	178

[1] Services performed by Deloitte Limited in 2022 comprise the following:

- Audit of statutory financial statements for the Group and individual subsidiary companies, including offshore subsidiaries with local statutory audit requirements where Deloitte Limited, or a member of its network, is the auditor.
- Assurance related to the solvency return for a captive insurance subsidiary, assurance over the Group's Greenhouse Gas emissions and assurance over the covenants for the Group's Sustainability Linked Loan.
- Other services including $0.02 million (2021: $0.02 million) paid to Deloitte Limited for administrative services to the Corporate Taxpayers Group (CTG) of which the Group alongside a number of other organisations are a member.
- In the prior year, other services included agreed upon procedures relating to packhouse settlement.

[2] Other services relates to internal audit services performed by Ernst & Young Global Limited and tax services provided by Moss Adams LLP.

During the year, subsidiaries of the Group engaged other auditors to perform audit services and the fees paid were as follows:

	2022 $'000	2021 $'000
BDO for Delica (Shanghai) Fruit Trading Company Limited	**35**	27
Burgess Hodgson LLP for Worldwide Fruit Limited	**108**	99
HLB Mann Judd for Delica Australia Pty Limited, Delica Domestic Pty Limited, T&G Vizzarri Farms Pty Limited	**77**	103
Hutchinson and Bloodgood LLP for Delica North America, Inc.	**79**	86
Moss Adams LLP for ENZAFRUIT Products Inc.	**90**	92
JPAC for T&G South East Asia Limited	**92**	94
Total	**481**	501

Other expenses

Other expenses consists of the following non-operating activities:

	NOTES	2022 $'000	2021 $'000
Loss on sale of apple orchards		**6,066**	438
Write down of investment in associate		**-**	428
Write down of grape orchard	10,11	**3,238**	-
Total		**9,304**	866

Notes to the financial statements (continued)

7. Taxation

Income tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant taxation authorities based on the current period's taxable income and any adjustments in respect of previous years.

Deferred tax
Deferred tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Income tax is recognised in the income statement apart from when it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

(A) Taxation on profit before income tax

	2022 $'000	2021 $'000
Current tax expense	**(3,882)**	(16,638)
Deferred tax credit	**6,362**	20,392
Total	**2,480**	3,754

In addition to the Group tax credit, tax of $6.3 million is charged (2021: $3.3 million credited) directly to other comprehensive income.

(B) Reconciliation of prima facie taxation and tax expense

The taxation expense that would arise at the standard rate of corporation tax in New Zealand is reconciled to the tax expense as follows:

	2022 $'000	2021 $'000
(Loss) / profit before income tax	**(3,341)**	9,798
Prima facie taxation at 28% (2021: 28%)	**935**	(2,743)
(Add) / deduct tax effect of:		
Non-deductible items	**(1,939)**	(2,608)
Effect of tax rates in non-NZ jurisdictions	**1,468**	1,631
Tax on share of joint ventures and associates profits	**335**	393
Deferred tax assets not recognised	**-**	(5,375)
Adjustments in respect of prior periods	**(2,249)**	(279)
Unutilised foreign tax credits not available for future periods	**(58)**	(298)
Non-taxable capital gain on sale	**2,953**	6,859
Deferred tax liability unwind due to sale of Whakatū Road site	**-**	5,439
Non-taxable items	**912**	1,136
Change in tax rate in non-New Zealand jurisdiction	**(93)**	(422)
Other	**216**	21
Total	**2,480**	3,754

The tax credit for the year of $2.5 million (2021: $3.8 million tax credit), equates to an effective tax rate of 74.23% (2021: negative 38.32%). This represents a tax credit on a loss before tax. The Group's effective tax rate is higher than the New Zealand statutory corporate tax rate of 28% due principally to non-taxable income arising from disposals and acquisitions and the different corporate tax rates applicable for the Group's subsidiaries operating in foreign jurisdictions. In 2021, the rate of negative 38.32% (tax credit on a profit) was due to the significant non-taxable capital gains on disposals and the sale of 22 Whakatu Road which released a $5m credit to deferred tax expense. Excluding these items, the Group's effective tax rate was higher than the New Zealand statutory corporate tax rate of 28% due principally to the non-recognition of deferred tax assets on losses in Peru.

(C) Deferred taxation

Balance of temporary differences

	Property, plant and equipment $'000	Intangible assets $'000	Biological assets $'000	Provisions and accruals $'000	Unrelieved trading losses $'000	Other $'000	Total $'000
2021							
Balance as at 1 January	(39,836)	(3,760)	(7,049)	4,594	602	(56)	(45,505)
Recognised in income statement prior year	(82)	(188)	-	(573)	(962)	395	(1,410)
Recognised in income statement	11,708	1,330	(367)	269	8,412	450	21,802
Recognised in equity	(6,984)	-	-	-	4,152	(516)	(3,348)
Foreign exchange movements	(51)	(9)	-	(9)	32	(2)	(39)
Balance as at 31 December	(35,245)	(2,627)	(7,416)	4,281	12,236	271	(28,500)
2022							
Balance as at 1 January	**(35,245)**	**(2,627)**	**(7,416)**	**4,281**	**12,236**	**271**	**(28,500)**
Recognised in income statement prior year	**(1,973)**	**-**	**-**	**(777)**	**(5,297)**	**72**	**(7,975)**
Recognised in income statement	**4,981**	**825**	**(571)**	**62**	**7,936**	**1,104**	**14,337**
Recognised in equity	**(1,643)**	**-**	**-**	**-**	**-**	**(1,447)**	**(3,090)**
Foreign exchange movements	**62**	**17**	**-**	**68**	**2**	**(2)**	**147**
Balance as at 31 December	**(33,818)**	**(1,785)**	**(7,987)**	**3,634**	**14,877**	**(2)**	**(25,081)**

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis. Net deferred tax balance of $25.1 million (2021: $28.5 million) is represented by deferred tax assets of $2.0 million (2021: $1.3 million) and deferred tax liabilities of $27.1 million (2021: $29.8 million).

Notes to the financial statements (continued)

Expected settlement

	2022 $'000	2021 $'000
Deferred tax assets expected to be settled within 12 months	**10,524**	9,101
Deferred tax liabilities expected to be settled in more than 12 months	**(35,605)**	(37,601)
Total	**(25,081)**	(28,500)

(D) Imputation credits

The Group had a positive imputation credit account balance of $0.6 million as at 31 December 2022 (2021: $2.7 million negative balance).

(E) Additional tax disclosures

At the reporting date, the Group had unrecognised tax losses from its Peru operations that arose between 2019 and 2022 of approximately $0.7 million (2021: $25 million) which are available for offset against future Peru profits. The losses will all expire within the next four years, with the first expiry in 2025.

Operating assets
This section describes the assets used to operate the business and generate revenue for the Group. Operating assets include biological assets, property, plant and equipment, and intangible assets.

8. Biological assets

Biological assets consists of unharvested fruit growing on bearer plants, and are stated at fair value based on their present location and condition less estimated point-of-sale costs. Any gain or loss from changes in the fair value of biological assets is recognised in the income statement.

Point-of-sale costs include all other costs that would be necessary to sell the assets.

The fair value of the Group's apples, grapes, berries, citrus fruit and tomatoes are determined by management using a discounted cash flow approach.

Costs are based on current average costs and referenced back to industry standard costs. The costs are variable depending on the location, planting and the variety of the biological asset. A suitable discount rate has been determined in order to calculate the present value of those cash flows. The fair value of biological assets at or before the point of harvest is based on the value of the estimated market price of the estimated volumes produced, net of harvesting and growing costs. Changes in the estimates and assumptions supporting the valuations could have a material impact on the carrying value of biological assets and reported profit.

The following significant assumptions and considerations have been taken into account in determining the fair value of the Group's biological assets:

- Forecasts for the following year based on management's view of projected cash flows, including sales and margins, adjusted for inflation, location and variety of crops.
- The Group has unhedged projected cash flows from sales in foreign currencies. These have been translated to the Group's functional currency at average exchange rates sourced from financial institutions based on forecasted sales profiles.
- Discount rates to adjust for risks inherent to the crop, including natural events, disease or any other adverse factors that may impact the quality, yield or price.
- Any significant changes to management of the crop in the current and following year.

Valuation process
Within the Group's finance team are individuals who work closely with the Group's key biological asset categories during the year. These finance team members are also responsible for performing valuations of the Group's biological assets for financial reporting purposes.

Discussions of valuation processes and results are held between the Chief Financial Officer and the finance team at least once every six-months in line with the Group's reporting requirements.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Production yields, including tray carton equivalents per hectare and tonnes per hectare, are determined based on historical production trends for each orchard and forecasted expected yields based on the underlying age and health of the orchards.
- Annual gate prices represent management's assessment of expected future returns for the biological assets based on historical trends, current market pricing, and known market factors at balance date.
- Discount rates are determined by reference to historical trends and loss events, and an assessment of the time value of money and any risks specific for the current crop being valued.
- The fair value of biological assets and the level 3 inputs to the fair value model are analysed at the end of each reporting period.

As part of the analysis the level 3 inputs are reviewed and assessed for reasonableness with reference to current market conditions. The calculated fair value of biological assets is also reviewed to determine if it is a fair reflection of management's expected returns for each crop type.

The cash outflows used in the fair value calculation include notional cash flows for land and bearer plants owned by the Group. They are based on market rent payable for orchards of similar size.

	Apples $'000	Tomatoes $'000	Citrus $'000	Grapes $'000	Blueberries $'000	Total $'000
2021						
Balance at 1 January	19,844	1,473	1,734	-	398	23,449
Capitalised costs	34,374	-	5,957	8,262	1,490	50,083
Change in fair value less costs to sell	(2,600)	3,739	1,389	-	(354)	2,174
Decrease due to harvest	(32,704)	(1,578)	(6,564)	(8,262)	(1,469)	(50,577)
Balance at 31 December	18,914	3,634	2,516	-	65	25,129
2022						
Balance at 1 January	**18,914**	**3,634**	**2,516**	**-**	**65**	**25,129**
Capitalised costs	**38,549**	**-**	**6,211**	**-**	**1,439**	**46,199**
Change in fair value less costs to sell	**768**	**6,484**	**1,961**	**-**	**(475)**	**8,738**
Decrease due to harvest	**(36,776)**	**(6,614)**	**(8,747)**	**-**	**(327)**	**(52,464)**
Balance at 31 December	**21,455**	**3,504**	**1,941**	**-**	**702**	**27,602**

Notes to the financial statements (continued)

Fair value measurement

Techniques applied by the Group which are used to value biological assets are considered to be **level 3** in the fair value hierarchy. Inputs are not based on observable market data (that is, unobservable inputs). There have been no transfers between levels during the year.

The unobservable inputs used by the Group to fair value its biological assets are detailed below:

Produce	Unobservable inputs	Range of unobservable inputs 2022	2021
Apples	Tray carton equivalent (TCE) per hectare per annum	**162 to 4,416**	270 to 4,996
	Weighted average TCE per hectare per annum	**1,915**	1,931
	Export prices per export TCE	**$31 to $58**	$10 to $73
	Weighted average export prices per export TCE per annum	**$44.85**	$32.34
	Risk-adjusted discount rate	**25%**	25%
Tomatoes	Tonnes per hectare per annum	**148 to 512**	48 to 541
	Weighted average tonnes per hectare per annum	**349**	359
	Annual price per kilogram (kg) per season	**$1.65 to $25.73**	$1.46 to $18.97
	Weighted average price per kg per season	**$4.34**	$3.97
	Risk-adjusted discount rate	**25%**	25%
Citrus	Tonnes per hectare per annum	**37**	35
	Weighted average tonnes per hectare per annum	**37**	35
	Annual gate price per tonne per season	**$739 to $4,260**	$792 to $2,569
	Weighted average gate price per tonne per season	**$3,269**	$2,154
	Risk-adjusted discount rate	**14%**	14%
Blueberries	Tonnes per hectare per annum	**3.4**	6.9
	Weighted average tonnes per hectare per annum	**3.4**	6.9
	Annual gate price per kg per season	**$8.26 to $19.29**	$8.14 to $17.95
	Weighted average gate price per kg per season	**$19.15**	$17.47
	Risk-adjusted discount rate	**18%**	18%

As the yield per hectare and gate price or export price per TCE increases, the fair value of biological assets increases. As the discount rate used increases, the fair value of biological assets decreases.

For the Group's apples crop, an increase or decrease of 5% in the discount rate would result in a fair value change of $0.5 million (2021: $0.4 million).

For the Group's tomatoes, citrus, and blueberry crops, an increase or decrease of 5% in the discount rate would not have a material impact on the fair value of the crop.

For the Group's apples and tomatoes crop, an increase or decrease of 5% in volumes would result in a fair value change of $1.9 million and $0.5 million respectively.

For the citrus and blueberry crops, an increase or decrease of 5% in volumes would not have a material impact on the fair value of the crop.

Risk

Being involved in agricultural activity, the Group is exposed to financial risks arising from adverse climatic or natural events. Financial risk also arises through adverse changes in market prices or volumes harvested, and adverse movements in foreign exchange rates.

Price risk is minimised by close monitoring of commodity prices and factors that influence those commodity prices. The Group also takes reasonable measures within its control to ensure that harvests are not affected by climatic and natural events, disease, or any other factors that may negatively impact on the quality and yield of crop. Foreign currency risk is mitigated by using derivative instruments such as foreign currency hedging contracts to hedge foreign currency exposure.

Activity on productive owned and leased land

The productive owned and leased land growing different types of biological assets and by agricultural product types are detailed in the table below:

	Hectares 2022	Hectares 2021	Production units 2022	Production units 2021	Unit measure
Apples	**578**	661	**1,156,124**	1,270,035	TCE
Tomatoes	**24**	28	**8,478,183**	10,205,439	kg
Citrus	**90**	90	**3,465,186**	3,150,426	kg
Grapes	**-**	59	**-**	202,326	kg
Blueberries	**11**	11	**37,138**	71,332	kg

9. Non-current assets held for sale

Non-current assets held for sale are measured at the lower of the asset's previous carrying amount and its fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

	NOTES	2022 $'000	2021 $'000
Commercial land and improvements		**24,000**	-
Orchard land and improvements		**3,150**	-
Total	10	**27,150**	-

20 Mihaere Drive, Roslyn, Palmerston North, New Zealand
In December 2022, the Group's management committed to sell the commercial land and building at 20 Mihaere Drive, Roslyn, Palmerston North, currently owned by Turners & Growers Fresh Limited. No impairment loss was recognised on reclassification of the commercial land and building as held for sale at 31 December 2022.

A conditional agreement has been reached for the sale of the property, and settlement is expected in 2023.

29 Stuart Road, Pukekohe, Auckland, New Zealand
In December 2022, the Group's management committed to the sale of the commercial land and building at 29 Stuart Road, Pukekohe, Auckland, currently owned by Turners & Growers Fresh Limited. No impairment loss was recognised on reclassification of the commercial land and building as held for sale at 31 December 2022.

The sale of the property is expected to occur during the 2023 financial year.

KM1045, Tambo Grande District, Sullana Province and Piura Department, Peru
In November 2022, the Group's management committed to sell the orchard land and building at KM1045, Tambo Grande District, Sullana Province and Piura Department, currently owned by ENZAFRUIT Peru S.A.C., at $3.15 million. On reclassification of the property as a non-current asset held for sale, the net book value of the property was reduced to market value less costs to sell, with $3.94 million being adjusted through asset revaluation reserves, and $3.24 million recognised as an impairment in the income statement.

The sale of the property settled on 13 January 2023.

Notes to the financial statements (continued)

10. Property plant and equipment

Commercial land and improvements, orchard land and improvements, and buildings are stated at their fair value less accumulated depreciation and impairment losses. All other items of property, plant and equipment are stated at their cost less accumulated depreciation and impairment losses.

Revaluations

The Group's policy is to revalue commercial land and improvements, orchard land and improvements, and buildings every three years with valuations being performed by independent registered valuers based on the price that would be received to sell the asset in an orderly transaction between market participants under current market conditions. Valuation assessments are performed earlier than every three years if market evidence suggests that property values have moved materially since the time of the last valuation assessment.

All property valuers used are members of the New Zealand Institute of Valuers, with the exception of the valuers appointed in Belgium, Peru and the United Kingdom who have the appropriate expertise as required in those jurisdictions.

The revaluations are conducted on a systematic basis across the Group so that the asset revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at balance date. Where valuations are not obtained for land and improvements, and buildings, the carrying values of these assets are reassessed for any material change.

Any increase in value that offsets a previous decrease in value of the same asset is charged to the income statement. Any other increase is recognised directly in other comprehensive income and accumulated in the asset revaluation reserve. Any decrease in value that offsets a previous increase in value of the same asset is charged against the revaluation reserve. Any other decrease in value is charged to the income statement.

Depreciation

Depreciation of property, plant and equipment, other than commercial and orchard land which is not depreciated, is calculated on a straight-line basis so as to expense the cost of the assets, or the revalued amounts, to their expected residual values over their useful lives as follows:

- Commercial land improvements — 15 to 50 years
- Orchard land improvements — 15 to 50 years
- Buildings — 15 to 50 years
- Bearer plants — 7 to 40 years
- Glasshouses — 33 years
- Motor vehicles — 5 to 7 years
- Plant and equipment and hire containers — 3 to 15 years

Impairment

Items of property, plant and equipment are assessed for indicators of impairment at each reporting date. Impairment losses are recognised in profit or loss in the period in which they arise.

	Commercial land and improvements $'000	Orchard land and improvements $'000	Buildings $'000	Bearer plants $'000	Glass-houses $'000	Motor vehicles $'000	Plant and equipment and hire containers $'000	Work in progress $'000	Total $'000
At 1 January 2021									
Cost or valuation	43,876	81,828	125,248	49,275	27,960	7,552	151,195	44,137	531,071
Accumulated depreciation and impairment	(367)	(1,931)	(4,734)	(10,293)	(13,855)	(4,251)	(102,940)	-	(138,371)
Net carrying amounts	43,509	79,897	120,514	38,982	14,105	3,301	48,255	44,137	392,700
Year ended 31 December 2021									
Opening net carrying amounts	43,509	79,897	120,514	38,982	14,105	3,301	48,255	44,137	392,700
Additions	78	118	1,395	1,629	388	267	5,265	39,953	49,093
Reclassifications	1,131	-	520	11,726	-	-	3,247	(16,624)	-
Depreciation	(1,160)	(733)	(6,486)	(2,347)	(970)	(874)	(9,840)	-	(22,410)
Disposals	(12,880)	(7,748)	(47,215)	(7,396)	(17)	(22)	(1,706)	(7,437)	(84,421)
Impairment through profit and loss	-	-	-	(4,710)	-	-	(111)	-	(4,821)
Revaluations	8,904	14,989	38,780	-	-	-	-	(639)	62,034
Depreciation write back on revaluations	966	1,367	4,287	-	-	-	-	-	6,620
Foreign exchange movements	95	228	338	(335)	-	11	480	194	1,011
Closing net carrying amounts	40,643	88,118	112,133	37,549	13,506	2,683	45,590	59,584	399,806
At 31 December 2021									
Cost or valuation	41,189	89,400	115,983	46,513	28,323	7,347	139,030	59,584	527,369
Accumulated depreciation and impairment	(546)	(1,282)	(3,850)	(8,964)	(14,817)	(4,664)	(93,440)	-	(127,563)
Net carrying amounts	40,643	88,118	112,133	37,549	13,506	2,683	45,590	59,584	399,806
Year ended 31 December 2022									
Opening net carrying amounts	**40,643**	**88,118**	**112,133**	**37,549**	**13,506**	**2,683**	**45,590**	**59,584**	**399,806**
Additions	**127**	**182**	**1,503**	**294**	**688**	**308**	**7,093**	**89,756**	**99,951**
Reclassifications	**589**	**360**	**6,612**	**8,085**	**-**	**-**	**8,480**	**(24,126)**	**-**
Depreciation	**(1,262)**	**(862)**	**(7,028)**	**(3,045)**	**(1,020)**	**(760)**	**(10,535)**	**-**	**(24,512)**
Disposals	**(172)**	**(21,314)**	**(1,395)**	**(7,351)**	**-**	**(82)**	**(967)**	**(11,653)**	**(42,934)**
Impairment through profit and loss	**-**	**(1,383)**	**(1,714)**	**-**	**-**	**-**	**-**	**-**	**(3,097)**
Revaluations	**3,774**	**(3,680)**	**(10,654)**	**(77)**	**-**	**-**	**-**	**482**	**(10,155)**
Depreciation write back on revaluations	**1,159**	**713**	**7,388**	**-**	**-**	**-**	**-**	**-**	**9,260**
Transfer to asset held for sale	**(8,965)**	**(2,363)**	**(15,822)**	**-**	**-**	**-**	**-**	**-**	**(27,150)**
Foreign exchange movements	**(97)**	**310**	**(301)**	**-**	**-**	**7**	**(5)**	**(6)**	**(92)**
Closing net carrying amounts	**35,796**	**60,081**	**90,722**	**35,455**	**13,174**	**2,156**	**49,656**	**114,037**	**401,077**
At 31 December 2022									
Cost or valuation	**36,422**	**61,043**	**93,180**	**44,441**	**29,012**	**6,862**	**152,843**	**114,037**	**537,840**
Accumulated depreciation and impairment	**(626)**	**(962)**	**(2,458)**	**(8,986)**	**(15,838)**	**(4,706)**	**(103,187)**	**-**	**(136,763)**
Net carrying amounts	**35,796**	**60,081**	**90,722**	**35,455**	**13,174**	**2,156**	**49,656**	**114,037**	**401,077**

Notes to the financial statements (continued)

Revaluations

The methods and valuation techniques used for assessing the current market value of commercial land and improvements, orchard land and improvements, and buildings by external valuers are disclosed on the following page. Changes in the estimates and assumptions underlying the valuation approaches could have a material effect on the carrying amounts of the properties, with changes in value reflected either in other comprehensive income or through the income statement as appropriate in accordance with the Group's accounting policy.

The following table presents the valuers and valuation techniques of the most recent valuation of the Group's commercial land and improvements, and buildings, carried out between October to December 2022. Overall uplift from the revaluation of property amounted to $1.7 million.

Property	Valuer
Depreciation replacement cost / discounted cash flow / income capitalisation approach	
5125 Roxburgh-Ettrick Road, Ettrick, Roxburgh	Telfer Young
Depreciation replacement cost / market comparison approach	
153 Harrisville Road, Tūākau, Waikato	Telfer Young
292 Harrisville Road, Tūākau, Waikato	Telfer Young
133 Lynd Road, Ōhaupō, Waipa	Logan Stone
3057 Broadlands Road, Broadlands, Rotorua	Telfer Young
Depreciation replacement cost / market comparison approach/ income capitalisation approach	
2 Anderson Road, Whakatū, Hastings	Logan Stone
Market comparison approach	
3800 Sint-Truiden, Belgium	Vangronsveld & Vranken
Apple Way, Pinchbeck, Spalding, United Kingdom	Jones Lang LaSalle

The following table presents the valuers and valuation techniques of the most recent valuation of the Group's orchard land and improvements, carried out between October and December 2022. Overall decrease from the revaluation of orchards amounted to $3.0 million.

Property	Valuer
Depreciation replacement cost / market comparison approach	
Kerikeri orchards, Kerikeri	Logan Stone
Apollo orchards, Heretaunga Plains, Hawke's Bay	Logan Stone
2 Anderson Road, Whakatū	Logan Stone
Ormond Road, Twyford, Hastings	Logan Stone
Raupare Road, Twyford, Hastings	Logan Stone

The principal valuation approaches used by the valuers during their valuations of commercial land and improvements, orchard land and improvements, and buildings, and the impact of a change in a significant unobservable valuation input are described below.

Principal valuation approach and description of approach	Relationships of unobservable inputs to fair value
Depreciation replacement cost approach Under this approach, a cost to replace improvements with modern equivalents is established. From this, an allowance is deducted to allow for market based depreciation, encompassing physical deterioration, functional obsolescence and economic obsolescence. To the value of improvements, an estimate of market value of land is added.	The higher the replacement cost after adjustments, the higher the fair value.
Discounted cash flow approach This approach is based on the future projection of rental income cash flows discounted back to their present value, with inputs which include:	
▪ Discount rates at 9.3% (2021: 8.3% to 9.4%)	The higher the discount rate, the lower the fair value.
▪ Terminal yield rate at 10.5% (2021: 7.0% to 10.0%)	The higher the terminal yield rate, the lower the fair value.
▪ Investment horizon of 10 years (2021: 10 years)	The longer the investment horizon, the higher the fair value.
▪ Rental growth estimated at between 0% to 7.09% per annum (2021: 0% to 5.9% per annum).	The higher the rental growth rate, the higher the fair value.
Income capitalisation approach This approach capitalises the actual contract and / or potential income at an appropriate market derived rate of return. Capitalisation rates applied range from 6.5% to 9.75%. (2021: 6.0% to 9.1%).	The higher the capitalisation rate, the lower the fair value.
Market comparison approach This approach considers the sales of properties. These sales are analysed on the basis of land value per square meter after allowing for any improvements. Comparison against the subject property includes making adjustments where necessary for differences in: - Availability of services and access - Planning considerations - Size, shape and contour - Location	The higher the sale price per square metre after adjustments, the higher the fair value.

Notes to the financial statements (continued)

Land and buildings at historical cost

If land and buildings were carried under the cost model, their carrying amounts would be as follows:

	2022 $'000	2021 $'000
Commercial land and improvements		
Cost	**15,733**	14,967
Accumulated depreciation and impairment	**(7,898)**	(6,691)
Net carrying amount	**7,835**	8,276
Orchard land and improvements		
Cost	**40,644**	59,710
Accumulated depreciation and impairment	**(20,079)**	(21,140)
Net carrying amount	**20,565**	38,570
Buildings		
Cost	**75,513**	67,967
Accumulated depreciation and impairment	**(38,940)**	(33,741)
Net carrying amount	**36,573**	34,226

Fair value measurement

Techniques applied by the Group which are used to value certain classes of property, plant and equipment are considered to be **level 3** in the fair value hierarchy. Inputs are not based on observable market data (that is, unobservable inputs). There have been no transfers between levels during the year.

The following values represent fair value at the time of valuation, plus additions and less disposals and accumulated depreciation, since the date of valuations. Management have assessed that these values represent fair value.

	2022 $'000	2021 $'000
Commercial land and improvements	**35,796**	40,643
Orchard land and improvements	**60,081**	88,118
Buildings	**90,722**	112,133
Total	**186,599**	240,894

11. Intangible assets

Intangible assets, except for goodwill acquired by the Group, are stated at cost less accumulated amortisation and impairment losses.

Software, licences and capitalised costs of developing systems are recorded as intangible assets, unless they are directly related to a specific item of hardware and recorded as property, plant and equipment, and are amortised over a period of 3 to 8 years.

Acquired brands are amortised over their anticipated useful lives of 10 to 25 years where they have a finite life.

Goodwill is recorded at cost less any accumulated impairment losses. Goodwill and any other intangible assets with indefinite useful lives are tested for impairment at each balance date.

	Goodwill $'000	Software $'000	Plant variety rights $'000	Other intangibles $'000	Total $'000
At 1 January 2021					
Cost	50,972	29,852	1,609	22,787	105,220
Accumulated amortisation	-	(18,560)	(177)	(8,641)	(27,378)
Net carrying amounts	50,972	11,292	1,432	14,146	77,842
Year ended 31 December 2021					
Opening carrying amounts	50,972	11,292	1,432	14,146	77,842
Additions	-	1,169	81	2,857	4,107
Reclassifications	-	1,520	-	(1,520)	-
Amortisation	-	(1,774)	(87)	(2,498)	(4,359)
Impairment through profit or loss	-	-	(147)	(1,290)	(1,437)
Reversal of impairment through profit or loss	-	-	1,870	-	1,870
Disposals	-	(48)	(1,924)	(140)	(2,112)
Foreign exchange movements	(33)	(47)	8	14	(58)
Net carrying amounts	50,939	12,112	1,233	11,569	75,853
At 31 December 2021					
Cost	50,939	32,306	1,389	22,334	106,968
Accumulated amortisation	-	(20,194)	(156)	(10,765)	(31,115)
Net carrying amounts	50,939	12,112	1,233	11,569	75,853
Year ended 31 December 2022					
Opening carrying amounts	**50,939**	**12,112**	**1,233**	**11,569**	**75,853**
Additions	**-**	**5,239**	**56**	**1,427**	**6,722**
Amortisation	**-**	**(2,249)**	**(87)**	**(3,330)**	**(5,666)**
Impairment through profit or loss	**-**	**-**	**-**	**(141)**	**(141)**
Disposals	**-**	**-**	**(45)**	**(199)**	**(244)**
Foreign exchange movements	**43**	**206**	**(1)**	**(34)**	**214**
Net carrying amounts	**50,982**	**15,308**	**1,156**	**9,292**	**76,738**
At 31 December 2022					
Cost	**50,982**	**37,712**	**1,400**	**23,306**	**113,400**
Accumulated amortisation	**-**	**(22,404)**	**(244)**	**(14,014)**	**(36,662)**
Net carrying amounts	**50,982**	**15,308**	**1,156**	**9,292**	**76,738**

Notes to the financial statements (continued)

Impairment tests for goodwill

The discount rate used for the purposes of goodwill impairment testing is based on a calculated weighted average cost of capital adjusted for risks specific to the cash-generating units. The weighted average cost of capital is based on the cost of debt and cost of equity weighted accordingly between the relative percentages of debt and equity. The cost of debt is the actual cost of debt and the cost of equity is calculated using the capital asset pricing model.

Goodwill held by the Group relates to acquisitions of Status Produce Limited, the Delica Group (including cash-generating units of Delica Limited, Delica Australia Pty Limited and T&G Vizzarri Farms Pty Limited), Worldwide Fruit Limited and Freshmax New Zealand Limited.

Goodwill

	2022 $'000	2021 $'000
ENZAFruit New Zealand Limited	**1,395**	1,395
Delica Australia Pty Limited	**3,319**	3,290
T&G Fresh - Covered Crops	**8,699**	8,699
T&G Fresh - Markets	**30,057**	30,057
T&G Vizzarri Farms Pty Limited	**1,623**	1,609
Worldwide Fruit Limited	**5,889**	5,889
Total	**50,982**	50,939

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as to future profitability of the relevant cash-generating units to which goodwill has been allocated and the choice of a suitable discount rate in order to calculate the present value of those cash flows.

The key assumptions used for the value-in-use calculations are as follows:

	EBIT growth rate		Discount rate		Terminal growth rate	
	2022	2021	2022	2021	2022	2021
Cash-generating units						
ENZAFruit New Zealand Limited	**2.00%**	1.50%	**10.90%**	9.50%	**2.00%**	1.50%
Delica Australia Pty Limited	**1.50%**	1.50%	**10.90%**	9.50%	**1.50%**	1.50%
T&G Fresh - Covered Crops	**2.00%**	1.50%	**10.90%**	9.50%	**2.00%**	1.50%
T&G Fresh - Markets	**2.00%**	1.50%	**10.90%**	9.50%	**2.00%**	1.50%
T&G Vizzarri Farms Pty Limited	**1.50%**	1.50%	**10.90%**	9.50%	**1.50%**	1.50%
Worldwide Fruit Limited	**1.50%**	1.50%	**11.80%**	10.30%	**1.50%**	1.50%

The calculations support the carrying amount of recorded goodwill. Management believes that any reasonable change in the key assumptions used in the calculations would not cause the carrying amount to exceed its recoverable amount.

Notes to the financial statements (continued)

Funding
This section focuses on how the Group funds its operations and manages its capital structure.

12. Leases

The Group as a lessee
The Group leases certain property, plant and equipment. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets where the Group recognises the lease payments as an other operating expense on a straight-line basis over the term of the lease.

Right-of-use (ROU) assets
ROU assets comprise of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Wherever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related ROU asset, unless those costs are incurred to produce inventories.

ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as similar owned assets within property, plant and equipment. Depreciation starts at the commencement date of the lease.

The Group applies NZ IAS 36 *Impairment of Assets* to determine whether a ROU asset is impaired and accounts for any identified loss under the same policy adopted for property, plant and equipment.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in other operating expenses in the income statement.

Lease liabilities
Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate (IBR).

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease liabilities are presented as a separate line in the balance sheet and are subsequently measured by increasing the carrying amount to reflect interest on the lease (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability if:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- Lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Key judgement areas include:

- The discount rates applied; and
- The assessment of whether options to extend or terminate a lease will be exercised.

Discount rates used include the Group's incremental borrowing rates (IBR). The Group's IBR is the average of the borrowing rates obtained from financial institutions as if the Group had purchased the leased asset, with the term of the borrowing similar to the lease term. The weighted average rate applied for each leased asset class are:

Asset	2022	2021
Orchard land	7.04%	5.22%
Property	7.04%	5.22%
Glasshouses	7.04%	5.22%
Motor vehicles	3.81%	4.96%
Plant and equipment	5.48%	5.15%

The assessment of whether a lease contract will be extended or terminated at the end of the lease contract is dependent on the asset class and type. For property leases, this will be determined by the Group's intention to exercise a contractual right of renewal at the end of the initial lease term. For motor vehicles, an extension of two months has been applied to all vehicles expiring in the current financial year as this is the average time taken to either return the vehicle to the lessor, or to extend the lease contract.

The Group has applied the following practical expedients when entering into a new lease:

- The use of a single discount rate to a portfolio of leases with similar characteristics;
- Not recognising ROU assets and liabilities for leases with a term of less than 12 months;
- Not recognising ROU assets and liabilities if the underlying leased asset is considered a low-value asset; and
- For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by NZ IFRS 16. This expense is presented within other operating expenses in the income statement.

Right-of-use assets

	Orchard land $'000	Property $'000	Glasshouses $'000	Motor vehicles $'000	Plant and equipment $'000	Total $'000
2021						
As at 1 January 2021	18,871	73,396	2,613	20,803	3,515	119,198
Additions	1,636	40,090	-	4,073	3,075	48,874
Terminations (net)	(325)	-	(1,460)	(493)	(497)	(2,775)
Depreciation expense	(1,785)	(14,191)	(600)	(7,843)	(1,457)	(25,876)
Foreign exchange movements	-	3	-	33	4	40
As at 31 December 2021	18,397	99,298	553	16,573	4,640	139,461
2022						
As at 1 January 2022	**18,397**	**99,298**	**553**	**16,573**	**4,640**	**139,461**
Additions	**7,600**	**14,373**	**-**	**3,364**	**3,160**	**28,497**
Terminations (net)	**-**	**(2,974)**	**-**	**(1,170)**	**-**	**(4,144)**
Depreciation expense	**(1,728)**	**(16,686)**	**(371)**	**(6,847)**	**(1,833)**	**(27,465)**
Foreign exchange movements	**-**	**1**	**-**	**(1)**	**(7)**	**(7)**
As at 31 December 2022	**24,269**	**94,012**	**182**	**11,919**	**5,960**	**136,342**

Notes to the financial statements (continued)

Lease liabilities - maturity analysis

	2022 $'000	2021 $'000
Lease liabilities		
Less than one year	**22,694**	21,330
Between one and two years	**16,360**	15,468
Between two and three years	**12,394**	13,928
Between three and four years	**11,026**	11,262
Between four and five years	**10,628**	9,985
More than five years	**84,838**	84,102
Total lease payable	**157,940**	156,075
Current	**22,694**	21,330
Non-current	**135,246**	134,745

The Group leases various items of property, plant and equipment under non-cancellable operating leases expiring within 3 months to 23 years. The leases have varying terms and with no renewal option to purchase in respect of the leased operating plant and equipment in the financial year ended 31 December 2022.

Amounts recognised in the income statement

	NOTES	2022 $'000	2021 $'000
Expenses			
Depreciation of right-of-use assets	6	**27,465**	25,876
Interest expense on lease liabilities	14	**9,304**	7,498
Short-term leases		**4,818**	3,152
Leases of low-value assets		**467**	465

The total cash outflow for leases in 2022 was $33.5 million (2021: $30.4 million).

13. Loans and borrowings

Borrowings are recognised initially at fair value less directly attributable transaction costs.
Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method.

	2022 $'000	2021 $'000
Current		
Secured borrowings	**26,090**	10,879
Total	**26,090**	10,879
Non-current		
Secured borrowings	**121,388**	32,345
Total	**121,388**	32,345

Interest rates

As at 31 December 2022 the weighted average interest rate on the secured and unsecured borrowings is 5.85% (2021: 2.3%), fixed for periods up to 3 months (2021: 3 months).

	2022 $'000	2021 $'000
Secured and unsecured borrowings repayment schedule		
Within one year	**26,090**	10,879
Between one and two years	**121,388**	32,345
Total	**147,478**	43,224

Notes to the financial statements (continued)

Security and bank facilities

The banking facilities for the 2023 year are as follows:

	Amount $'000	Expiry date
Banking facilities in New Zealand		
Term debt facility - A1	**70,000**	27 Jun 2025
Term debt facility - A2	**70,000**	27 Jun 2026
Seasonal facility	**90,000**	31 Dec 2023
Money market facility	**40,000**	27 Jun 2025
Overdraft facility	**3,000**	Uncommitted
Banking facilities in the United Kingdom		
Term debt facility	**2,217**	31 Jul 2025
Term debt facility	**1,638**	28 Feb 2023

As at 31 December 2022 the Group had a term debt facility from the Bank of New Zealand, HSBC, Rabobank and Westpac amounting to $140 million (2021: $140.0 million). The seasonal facility is renewed annually and is not drawn as at 31 December 2022. $23.6 million of the money market facility was drawn as at 31 December 2022. These facilities are secured by a guarantee from the Ultimate Parent for no consideration. Refer to Note 26 for the key covenants and performance indicators relating to the term debt facility.

14. Net financing expenses

	2022 $'000	2021 $'000
Finance income		
Interest income	**2,383**	1,234
Total	**2,383**	1,234
Finance expenses		
Interest expense on borrowings	**(10,307)**	(8,910)
Effective interest on long-term receivables	**(55)**	(212)
Interest expense on lease liabilities	**(9,304)**	(7,498)
Capitalised interest	**1,249**	115
Bank fees	**(288)**	(361)
Total	**(18,705)**	(16,866)
Net financing expenses	**(16,322)**	(15,632)

During the year the Group capitalised $1.25m of borrowing costs related to the construction of its new packhouse facility in Hastings, New Zealand (2021: $Nil). The weighted average capitalisation rate used to determine the borrowing costs eligible for capitalisation was 5.85%.

Notes to the financial statements (continued)

15. Capital and reserves

Share capital

	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Balance at 31 December	**122,543,204**	122,543,204	**176,357**	176,357

All ordinary shares on issue are fully paid and have no par value. All ordinary shares rank equally with one vote attached to each fully paid ordinary share. There are no other classes of shares issued and no ordinary shares were issued during the year.

Revaluation and other reserves

	2022 $'000	2021 $'000
Asset revaluation reserve		
Balance at 1 January	**118,774**	110,223
(Loss) / gain on revaluation of property, plant and equipment	**(895)**	67,658
Deferred tax effect on revaluation of property, plant and equipment	**139**	(12,961)
Transfer to retained earnings due to sale of property, plant and equipment	**(6,537)**	(52,123)
Deferred tax effect on sale of property, plant and equipment	**(1,782)**	5,977
Balance at 31 December	**109,699**	118,774
Foreign currency translation reserve		
Balance at 1 January	**(5,292)**	(7,406)
Exchange differences on translation of foreign operations	**3,224**	2,114
Balance at 31 December	**(2,068)**	(5,292)
Cash flow hedge reserve		
Balance at 1 January	**(370)**	10,472
Movements in fair value	**12,367**	(17,085)
Reclassification of net change in fair value	**220**	2,606
Taxation on reserve movements	**(4,627)**	3,637
Balance at 31 December	**7,590**	(370)
Total	**115,221**	113,112

Revaluation and other reserves consists of the following:

Reserve	Particulars of reserve
Asset revaluation reserve	The revaluation reserve relates to commercial land and improvements, orchard land and improvements, and buildings.
Foreign currency translation reserve	The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations into New Zealand dollars.
Cash flow hedge reserve	The cash flow hedge reserve accounts for the fair value movements of hedging instruments designated as cash flow hedges.

16. Earnings per share

The earnings used to calculate basic and diluted earnings per share is net loss after tax attributable to equity holders of the Parent of $5.5 million (2021: profit of $8.9 million).

The weighted average number of shares used to calculate basic and diluted (loss)/earnings per share is 122,543,204 shares (2021: 122,543,204 shares).

The basic and diluted loss per share is 4.4 cents (2021: earnings per share of 7.2 cents).

17. Dividends

	2022 $'000	2021 $'000	2022 Cents per share	2021 Cents per share
Ordinary shares				
Final dividend	**-**	7,353	**-**	6
Dividends to non-controlling interests in Group subsidiaries	**4,991**	4,849	**-**	-
Total	**4,991**	12,202		

Notes to the financial statements (continued)

18. Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows from financing activities.

	NOTES	Balance at 1 January 2021 $'000	Non-cash changes (1) $'000	Financing cash flows (2) $'000	Balance at 31 December 2021 $'000
Borrowings					
Secured borrowings	13	101,129	191	(58,096)	43,224
Lease liabilities	12	123,739	62,749	(30,413)	156,075
Total		224,868	62,940	(88,509)	199,299
Other current liabilities					
Deferred payments	21	202	(66)	-	136
Deferred payments to related parties	21	2,199	(1,584)	-	615
Total		2,401	(1,650)	-	751
Total liabilities arising from financing activities		227,269	61,290	(88,509)	200,050

	NOTES	Balance at 1 January 2022 $'000	Non-cash changes (1) $'000	Financing cash flows (2) $'000	Balance at 31 December 2022 $'000
Borrowings					
Secured borrowings	13	**43,224**	**(129)**	**104,383**	**147,478**
Lease liabilities	12	**156,075**	**35,320**	**(33,455)**	**157,940**
Total		**199,299**	**35,191**	**70,928**	**305,418**
Other current liabilities					
Deferred payments	21	**136**	**(68)**	**-**	**68**
Deferred payments to related parties	21	**615**	**(379)**	**-**	**236**
Total		**751**	**(447)**	**-**	**304**
Total liabilities arising from financing activities		**200,050**	**34,744**	**70,928**	**305,722**

(1) Non-cash changes within lease liabilities relate to new leases entered into in the financial year, interest, lease modifications and reassessments of lease terms.

(2) Financing cash flows are made up of the net cash inflow / (outflow) from financing activities in the statement of cash flows with the exception of dividends paid, seasonal advances to growers and bank facility fees and transaction fees, which do not result in liabilities on the balance sheet.

Working capital
This section reviews the level of working capital the Group generates through its operating activities. The working capital items described below include trade and other receivables, inventories, and trade and other payables.

19. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit loss allowance.

The following categories of trade and other receivables are subject to the expected credit loss model:

- Trade receivables
- Loan receivables
- Related party receivables
- Receivables from joint ventures and associates
- Receivables from the Ultimate Parent and associates of the Ultimate Parent

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all the above receivables as they all display the same risk profile. Related party receivables are mainly trade in nature and are on terms consistent with external customers.

The measurement of expected credit losses is a function of the probability of default, loss given default and the estimated exposure at default. The Group considers an event of default as occurring when information obtained (internally and externally) indicates a debtor (this includes trade receivables, loan receivables, and receivables from related parties) is unlikely to pay its creditors including the Group. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information relating to the debtor and general economic conditions of the debtors. As for the estimated exposure at default, this is represented by the assets' gross carrying amount at the reporting date.

Notes to the financial statements (continued)

	NOTES	2022 $'000	2021 $'000
Current			
Gross trade receivables		**138,780**	125,475
Prepayments		**19,335**	13,624
GST and other taxes		**9,294**	8,831
Receivables from joint ventures	23	**873**	312
Receivables from Ultimate Parent	25	**114**	-
Receivables from related parties	25	**1,046**	129
Receivables from Ultimate Parent's subsidiaries and associate	25	**134**	5
Other receivables		**302**	468
Expected credit loss allowance		**(1,186)**	(1,294)
Total		**168,692**	147,550
Non-current			
Trade receivables		**51,299**	23,404
Prepayments		**750**	-
Other receivables		**19,781**	15,956
Total		**71,830**	39,360
Total trade and other receivables		**240,522**	186,910

Included in 'Other receivables' is a loan receivable from a growing partner of $11.5 million (2021: $11.9 million) and interest charged of $0.8 million (2021: $0.6 million) for the year. The loan is expected to fund joint activities in new growing ventures between the Group and the growing partner, and repayment of the loan is expected within 2 years (2021: 3 years).

Analysis of receivables

	Gross receivables		Impaired receivables	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Not past due	**226,516**	164,027	**-**	-
Past due 1-30 days	**6,486**	17,365	**-**	-
Past due 31-60 days	**1,152**	2,881	**-**	-
Past due 61-90 days	**120**	1,983	**1**	20
Past due over 90 days	**7,434**	1,948	**1,185**	1,274
Total	**241,708**	188,204	**1,186**	1,294

Although the Group has a number of receivables aged more than 30 days past due, the risk of financial loss is mitigated as the Group has a policy of only dealing with creditworthy customers. Credit worthiness and customer limits are determined by reference to credit ratings and country ratings provided by the Group's credit insurer. The Group's exposure and the credit ratings of its customers are continuously monitored.

All trade and other receivables are individually reviewed regularly for impairment as part of normal operating procedures and provided for where appropriate.

	2022 $'000	2021 $'000
Analysis of movements in the expected credit loss allowance		
Balance at 1 January	**1,294**	1,439
Net remeasurement of expected credit loss allowance	**427**	(125)
Change in expected credit loss allowance due to new trade and other receivables	**(519)**	-
Amount written off during the year	**(16)**	(20)
Balance at 31 December	**1,186**	1,294

The Group has numerous credit terms for various customers. These credit terms vary depending on the services provided and the customer relationship. A receivable is considered impaired if there has been any indications of significant financial difficulties for the customer or default or late payments more than 90 days overdue unless there are prior arrangements.

The Group makes advances to customers, suppliers, joint ventures and associates. All advances are within the agreed credit periods. The Group's policy requires security to be taken for advances to third parties. This security ranges from charges over property and assets to personal guarantees. The Group does not hold any collateral over these balances.

Included in the provision for expected credit loss allowance are individually impaired receivables amounting to $0.6 million (2021: $1.0 million) for certain balances being past due. The remaining loss allowance balance represents the expected amount of default from customers as well as advances made to customers, suppliers, joint ventures and associates over their lifetime based on historical trends of defaults from customers.

The following table details the risk profile of amounts due from customers based on the Group's provision matrix. As the Group's historical credit loss experience does not shows significantly different loss patterns for different customer segments, the provision for expected credit loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade receivables - days past due					
	Not past due $'000	Past due 1-30 days $'000	Past due 31-60 days $'000	Past due 61-90 days $'000	Past due over 90 days $'000	Total $'000
At 31 December 2022						
Expected credit loss rate	**0.00%**	**0.00%**	**0.02%**	**1.55%**	**13.05%**	**2.92%**
Loss given default rate	**60%**	**60%**	**60%**	**60%**	**60%**	**60%**
Estimated total gross carrying amount at default	**226,515**	**6,486**	**1,152**	**120**	**7,434**	**241,708**
Lifetime ECL	**-**	**-**	**-**	**1**	**582**	**583**
At 31 December 2021						
Expected credit loss rate	0.00%	0.00%	0.02%	1.65%	23.61%	5.06%
Loss given default rate	60%	60%	60%	60%	60%	60%
Estimated total gross carrying amount at default	164,027	17,365	2,881	1,983	1,948	188,204
Lifetime ECL	-	-	-	20	276	296

Notes to the financial statements (continued)

20. Inventories

Inventories are stated at the lower of cost (first in, first out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

	2022 $'000	2021 $'000
Finished and semi-finished goods	**45,330**	38,143
Consumables (including packaging)	**8,600**	7,417
Balance at 31 December	**53,930**	45,560

The cost of inventories recognised as an expense and included in 'Purchases, raw materials and consumables used' in the income statement for the year ended 31 December 2022 amounted to $866.8 million (2021: $923.9 million).

21. Trade and other payables

Trade and other payables are initially recognised at fair value and then subsequently measured at amortised cost.

	NOTES	2022 $'000	2021 $'000
Current			
Trade payables		**82,933**	91,750
Employee entitlements		**10,814**	14,087
Accrued expenses		**46,000**	42,939
Payables to associates	24	**1,825**	1,353
Payables to related party	25	**18,986**	11,675
Payables to Immediate Parent	25	**540**	600
Payables to Ultimate Parent's subsidiaries and associate	25	**9**	87
Deferred payments		**68**	68
Deferred payments to related parties	25	**-**	134
Total		**161,175**	162,693
Non-current			
Employee entitlements		**43**	43
Deferred payments		**-**	68
Deferred payments to related parties	25	**236**	481
Total		**279**	592

Group structure
This section provides information on the Group's structure and the subsidiaries, joint ventures, and associates included in the consolidated financial statements.

22. Investments in subsidiaries

Significant subsidiaries of the Group are listed below:

Name of entity	Place of business and country of incorporation	Ownership interest (%) 2022	Ownership interest (%) 2021	Principal activity
Delica Limited	New Zealand	**100**	100	Investment company
Delica Australia Pty Limited	Australia	**100**	100	Fruit exporter
Delica Domestic Pty Limited	Australia	**100**	100	Fruit and produce wholesale distributor
Delica North America, Inc.	United States of America	**50**	50	Fruit exporter
Delica (Shanghai) Fruit Trading Company Limited	China	**100**	100	In-market services and fruit importer
ENZAFRUIT New Zealand (CONTINENT)	Belgium	**100**	100	Apple marketing
ENZAFRUIT New Zealand International Limited	New Zealand	**100**	100	Apple sales and marketing
ENZAFRUIT Peru S.A.C	Peru	**100**	100	Horticulture operations
ENZAFRUIT Products Inc.	United States of America	**100**	100	Fruit variety development and propagation
Fairgrow Limited	New Zealand	**100**	100	Facilitate donation of fresh produce items
Freshmax New Zealand Limited	New Zealand	**100**	100	Fresh produce wholesale distributor
Fruit Distributors Limited	New Zealand	**100**	100	Investment company
Fruitmark Pty Limited	Australia	**100**	100	Processed foods broking
Fruitmark USA Inc.	United States of America	**100**	100	Processed foods broking
T&G Berries Australia Pty Ltd (1)	Australia	**85**	-	Fresh produce wholesale distributor and horticulture operations
T&G CarSol Asia PTE. Limited	Singapore	**50**	50	In-market services and fruit importer
T&G Chile SpA	Chile	**100**	100	In-market services and fruit importer

Table continues next page

Notes to the financial statements (continued)

Name of entity	Place of business and country of incorporation	Ownership interest (%)		Principal activity
		2022	2021	
T&G Europe [2]	France	**100**	-	In-market services and fruit importer
T&G Fresh Produce PTE Limited	Singapore	**100**	100	In-market services and fruit importer
T&G Fruitmark HK Limited	Hong Kong	**100**	100	Processed foods broking
T&G Global Vietnam Company Limited	Vietnam	**100**	100	In-market services and fruit importer
T&G Insurance Limited	New Zealand	**100**	100	Captive insurance provider
T&G Japan Limited	Japan	**100**	100	In-market services and fruit importer
T&G Orchard Services Limited	New Zealand	**100**	100	Horticulture operations
T&G Processed Foods Limited	New Zealand	**100**	100	Processed foods sales and marketing
T&G South East Asia Limited	Thailand	**100**	100	In-market services and fruit importer
T&G Vizzarri Farms Pty Limited	Australia	**50**	50	Fruit and produce wholesale distributor
Taipa Water Supply Limited	New Zealand	**65**	65	Water supply
Turners & Growers (Fiji) Limited	Fiji	**70**	70	Fresh produce importer
Turners & Growers Fresh Limited	New Zealand	**100**	100	Fresh produce wholesale distributor and horticulture operations
Turners & Growers New Zealand Limited	New Zealand	**100**	100	Shared services provider
Unearthed Produce Limited [3]	New Zealand	**51**	-	Fresh produce wholesale distributor and horticulture operations
VentureFruit Australia Pty Limited	Australia	**100**	100	Variety management services
VentureFruit Global Limited	New Zealand	**100**	100	Investment company
VentureFruit International Limited	New Zealand	**100**	100	Investment company
VentureFruit NZ Limited	New Zealand	**100**	100	Variety management services
VentureFruit USA Inc.	United States of America	**100**	100	Variety management services
Worldwide Fruit Limited	United Kingdom	**50**	50	Apple importer and packing services

The balance date of all subsidiaries is 31 December.

[1] On 27 January 2022, T&G Berries Australia Pty Ltd was incorporated. Operating activity commenced in September 2022. The entity is located in Victoria, Australia.

[2] On 23 June 2022, T&G Europe was incorporated. Operating activity commended in June 2022. The entity is located in Lafrançaise, France.

[3] On 11 November 2021, Unearthed Produce Limited was incorporated. Operating activities only commenced in March 2022. The entity is located in Auckland.

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of entity	Place of business and country of incorporation	Ownership interest held by non-controlling interests	
		2022	2021
Delica North America, Inc.	United States of America	**50%**	50%
Worldwide Fruit Limited	United Kingdom	**50%**	50%

Name of entity	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Delica North America, Inc.	**673**	289	**3,669**	2,982
Worldwide Fruit Limited	**1,858**	2,719	**5,716**	7,270
Individually immaterial subsidiaries with non-controlling interests	**2,079**	1,668	**7,532**	3,276
Total	**4,610**	4,676	**16,917**	13,528

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out on the next page. The summarised financial information represents amounts before intragroup eliminations.

Notes to the financial statements (continued)

Delica North America, Inc.

The terms of the shareholders' agreement of Delica North America, Inc. specify that the Group has the right to appoint 3 of the entity's 5 directors. The Group therefore has the ability to approve the annual business plan and annual budget, as well as dictate the direction of other fundamental business matters of the entity.

This satisfies the criteria set out in NZ IFRS 10 *Consolidated Financial Statements* around achieving control over an entity and consequently, Delica North America, Inc. is accounted for as a subsidiary by the Group.

	2022 $'000	2021 $'000
Balance sheet		
Current assets	**41,124**	33,100
Non-current assets	**215**	72
Current liabilities	**(35,064)**	(27,763)
Non-current liabilities	**(218)**	(52)
Equity attributable to owners of the Company	**(2,388)**	(2,375)
Non-controlling interests	**(3,669)**	(2,982)
Income statement		
Revenue	**104,510**	76,256
Expenses	**(103,164)**	(75,678)
Profit for the year	**1,346**	578
Profit attributable to owners of the Company	**673**	289
Profit attributable to non-controlling interests	**673**	289
Profit for the year	**1,346**	578
Dividends paid to non-controlling interests	**326**	1,111
Cashflows		
Net cash inflow from operating activities	**1,783**	2,652
Net cash outflow from investing activities	**(305)**	(2,018)
Net cash outflow from financing activities	**(212)**	(183)
Total net cash inflow	**1,266**	451

Worldwide Fruit Limited

The shareholders' agreement specifies that the Group has the right to approve Worldwide Fruit Limited's annual business plan and annual budget and the right to approve the appointment of the Chief Executive Officer.

This satisfies the criteria set out in NZ IFRS 10 *Consolidated Financial Statements* around achieving control over an entity and consequently, Worldwide Fruit Limited is accounted for as a subsidiary by the Group.

	2022 $'000	2021 $'000
Balance sheet		
Current assets	**32,983**	42,229
Non-current assets	**20,069**	19,609
Current liabilities	**(33,529)**	(39,998)
Non-current liabilities	**(3,904)**	(3,775)
Equity attributable to owners of the Company	**(9,903)**	(10,795)
Non-controlling interests	**(5,716)**	(7,270)
Income statement		
Revenue	**303,472**	398,206
Expenses	**(299,756)**	(392,768)
Profit for the year	**3,716**	5,438
Profit attributable to owners of the Company	**1,858**	2,719
Profit attributable to non-controlling interests	**1,858**	2,719
Profit for the year	**3,716**	5,438
Dividends paid to non-controlling interests	**3,153**	2,177
Cashflows		
Net cash inflow from operating activities	**1,447**	6,636
Net cash outflow from investing activities	**(9,208)**	(3,711)
Net cash inflow / (outflow) from financing activities	**129**	(2,511)
Total net cash (outflow) / inflow	**(7,632)**	414

Notes to the financial statements (continued)

23. Investments in joint ventures

Under the equity method, an investment in a joint venture is initially recognised in the balance sheet at cost. The investment is adjusted for the Group's share of the profit or loss and other comprehensive income of the joint venture which is recognised from the date that joint control begins, until the date that joint control ceases.

Investments in joint ventures are assessed for indicators of impairment at each reporting date.

Set out below are the joint ventures of the Group as at 31 December 2022. The joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group.

The Group's investments in joint ventures in 2022 and 2021 are:

Name of entity	Place of business and country of incorporation	Ownership interest (%)		Principal activity
		2022	2021	
Growers Direct Limited	United Kingdom	**50**	50	Apples importer
Wawata General Partner Limited	New Zealand	**50**	50	Horticulture operations

The balance date of all joint ventures is 31 December.

For the purposes of applying the equity method of accounting, management accounts of the companies for the year ended 31 December 2022 have been used. Differences in accounting policies between the Group and the joint ventures have been adjusted for.

None of the Group's joint ventures as at 31 December 2022 are considered to be material to the Group during the period.

The Group's share of profit and the carrying amounts of the Group's interest in all joint ventures are presented below:

	2022 $'000	2021 $'000
Group's share of loss and comprehensive income of joint ventures	**(87)**	(114)
Carrying amount of the Group's interest in joint ventures	**3,142**	3,238

Transactions with joint ventures of the group

The Group has entered into the following transactions with its joint ventures during the year:

	2022 $'000	2021 $'000
Sale of produce to joint ventures	**3,526**	2,172
Purchase of produce from joint ventures	**(1,246)**	(1,137)
Loans provided to joint ventures	**400**	300
Interest on loan charged to joint ventures	**17**	1
Services provided to joint ventures	**632**	58
Current receivables owing from joint ventures	**873**	312

Loans provided to joint ventures relates to a loan provided to Wawata General Partner Limited who can repay all or any portion of the amount outstanding at any time. The weighted average interest rate charged on the loan is 5.5% (2021: 3.7%).

24. Investments in associates

Under the equity method, an investment in an associate is initially recognised in the balance sheet at cost. The investment is adjusted for the Group's share of the profit or loss and other comprehensive income of the associate which is recognised from the date that significant influence begins, until the date that significant influence ceases.

Investments in associates are assessed for indicators of impairment at each reporting date.

Set out on the following pages are the associates of the Group as at 31 December 2022. The associates have share capital consisting solely of ordinary shares, which are held directly by the Group.

The Group's investments in associates in 2022 and 2021 are:

Name of entity	Place of business and country of incorporation	Ownership interest (%)		Principal activity
		2022	2021	
Grandview Brokerage LLC	United States of America	**39**	39	Investment company
Intelligent Fruit Vision Limited [1]	United Kingdom	-	24	Orchard technology development
The Fruit Firm Limited [1]	United Kingdom	-	20	Stonefruit importer and packing services

[1] The Group disposed of shares in Intelligent Fruit Vision Limited and The Fruit Firm Limited in February 2022.

For the purposes of applying the equity method of accounting, management accounts of the companies for the period ended 31 December 2022 have been used. Differences in accounting policies between the Group and the associate have been adjusted for.

Notes to the financial statements (continued)

Summarised financial information for material associate

Set out below is the summarised financial information for Grandview Brokerage LLC, the associate considered to be material to the Group for the period.

Grandview Brokerage LLC

	2022 $'000	2021 $'000
Balance sheet		
Current assets	**203,238**	167,530
Non-current assets	**40,354**	36,209
Current liabilities	**(210,422)**	(173,409)
Non-current liabilities	**(8,520)**	(6,969)
The above amounts of assets includes the following:		
Cash and cash equivalents	**4,124**	14,820
Income statement		
Revenue	**1,107,818**	1,070,785
Depreciation and amortisation expenses	**(1,563)**	(1,674)
Interest expense	**(1,958)**	(1,358)
Income tax expense	**(1,760)**	(3,132)
Profit after tax and total comprehensive income	**6,100**	8,105
Group's share of carrying amount		
Carrying amount from Group's share in associate	**9,710**	9,202
Goodwill on acquisition	**28,323**	26,348
Other adjustments	**(7,985)**	(5,253)
Group's adjusted share of carrying amount in associate	**30,048**	30,297
Group's share of profit from continuing operations		
Gain from Group's share in associate	**2,403**	3,193
Other adjustments	**(462)**	(1,100)
Group's adjusted share of profit from continuing operations in associate	**1,941**	2,093
Dividend received from associate	**2,190**	2,564

The Group's share of profit and the carrying amounts of the Group's interest in all associates are presented below:

	2022 $'000	2021 $'000
Group's share of profit and comprehensive income of associates		
Grandview Brokerage LLC	**1,941**	2,093
Other	**22**	46
Total	**1,963**	2,139
Carrying amount of the Group's interest in associates		
Grandview Brokerage LLC	**30,048**	30,297
Other	**-**	340
Total	**30,048**	30,637

Transactions with associates of the group

The Group has entered into the following transactions with its associates during the year:

	2022 $'000	2021 $'000
Sale of produce to associates	**26,510**	26,597
Services received from associates	**(4,571)**	(4,620)
Current payables owing to associates	**(1,825)**	(1,353)
Dividends received from associates	**2,190**	2,564

Other disclosures
This section presents disclosures required to provide readers with an understanding of the Group's activities during the financial year.

25. Related party transactions

Transactions with the Group's related parties comprise of sales and purchases of produce and services provided and received.

Transactions with joint ventures and associates

The Group has related party transactions with its joint ventures and associates. The details of the transactions are contained in Notes 23 and 24 respectively.

Notes to the financial statements (continued)

Transactions with the Ultimate Parent

The Group has related party transactions with the Ultimate Parent as follows:

	2022 $'000	2021 $'000
Services received from the Ultimate Parent	**(1,401)**	(724)
Current receivables owing from the Ultimate Parent	**114**	-

Transactions with the Immediate Parent

The Group has related party transactions with the Immediate Parent as follows:

	2022 $'000	2021 $'000
Services received from the Immediate Parent	**(634)**	(600)
Current payables owing to the Immediate Parent	**(540)**	(600)

Transactions with the Ultimate Parent's subsidiaries and associates

The Group has related party transactions with BayWa IT GmbH, BayWa Obst GmbH & Co. KG and BayWa r.e. Bioenergy GmbH, three wholly-owned subsidiaries of the Ultimate Parent, and the transactions with these subsidiaries are detailed as follows:

	2022 $'000	2021 $'000
Sale of produce to the Ultimate Parent's subsidiaries	**229**	157
Purchase of produce from the Ultimate Parent's subsidiaries	**(245)**	(476)
Services provided to the Ultimate Parent's subsidiaries	**3**	30
Services received from the Ultimate Parent's subsidiaries	**(280)**	(1,867)
Current receivables owing from the Ultimate Parent's subsidiaries	**134**	5
Current payables owing to the Ultimate Parent's subsidiaries	**(9)**	(87)

Transactions with related parties

The Group has related party transactions with M&G Vizzarri Farms and David Oppenheimer & Company I, L.L.C and the transactions with the related parties are detailed as follows:

	2022 $'000	2021 $'000
Sale of produce to related parties	**1,283**	1,166
Purchase of produce from related parties	**(30,119)**	(16,508)
Services received from related parties	**(23)**	-
Current receivables owing from related parties	**1,046**	129
Current payables owing to related parties	**(18,986)**	(11,675)

All related party amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for expected credit losses in respect of the amounts owed by related parties.

Key management personnel compensation

	2022 $'000	2021 $'000
Short-term employee benefits	**4,489**	5,445
Long-term employee benefits	**-**	88
Termination benefits	**-**	170
Directors' remuneration	**370**	355
Total	**4,859**	6,058

At 31 December 2022, the Group had outstanding deferred payments to key management personnel of $0.2 million relating to short-term and long-term incentives (2021: $0.6 million). Refer to Note 21.

Notes to the financial statements (continued)

26. Financial risk management

The Group is subject to a number of financial risks which arise as a result of its activities, including importing, exporting and domestic trading. Treasury activities are performed by a central treasury function and the use of derivative financial instruments is governed by the Group's policies approved by the Board. The Group does not engage in speculative transactions.

Market risk

(i) Foreign exchange risk

The Group operates internationally and has exposure to foreign currency risk as a result of transactions denominated in foreign currencies from normal trading activities. Major trading currencies include the Australian Dollar, United States Dollar, Euro, Japanese Yen and British Pounds.

The Group's foreign currency risk management policies are designed to protect the Group from exchange rate volatilities as they relate to future foreign currency payments or foreign currency receipts, and the protection of profit margins at the time foreign currency exposures are created or recognised.

To manage foreign currency risk, the Group utilises hedging instruments in the form of spot foreign exchange contracts, forward foreign exchange contracts, and currency options. Any other financial instrument must be specifically approved by the Finance, Risk, and Investment Committee on a case-by-case basis. Contracts are entered into within parameters determined by the Group's Treasury Policy and contracts generally do not exceed 2 years.

For hedges of highly probable forecast sales and purchases, as the critical terms of the hedge contracts and the corresponding hedged items are the same the Group performs a qualitative assessment of hedge effectiveness. It is expected that the value of the contract and the value of the corresponding hedged item will change in opposite directions in response to movements in underlying exchange rates.

The main source of hedge ineffectiveness in the Group's hedging relationships are in the timing of cashflows, and differences in the timing of implementation of hedge contracts.

The Group uses forward foreign exchange contracts and currency options to manage these exposures with the main exposure relating to its Apples export business. As at 31 December 2022, the Group held foreign exchange contracts and currency options with a contract value of $474 million (2021: $322 million).

The below tables highlight the foreign exchange cover in place, average exchange rates, notional foreign currency and New Zealand dollar value of the contracts as at 31 December:

	% of forecast exposure			
	2023		2024	
	Actual	Policy	Actual	Policy
USD	75.30%	31%-75%	48.60%	25%-50%
GBP	58.70%	31%-75%	26.60%	25%-50%
EUR	72.20%	31%-75%	26.60%	25%-50%
JPY	56.50%	31%-75%	32.10%	25%-50%

	Average exchange rates		Notional value: Foreign currency		Notional value: Local currency	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
USD	**0.62**	0.68	**256,591**	174,898	**415,867**	256,329
GBP	**0.50**	0.51	**10,000**	11,300	**19,880**	22,291
EUR	**0.57**	0.57	**16,882**	17,215	**29,439**	30,203
JPY	**77.17**	74.56	**687,667**	881,475	**8,911**	11,823

Exchange rate sensitivity

Reasonable fluctuations in foreign exchange rates were determined based on a review of the last two years' historical movements. A movement of plus or minus 10% has therefore been applied to the exchange rates to demonstrate the sensitivity to foreign currency risk of the Group.

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date. The impact of a plus or minus 10% foreign exchange movement on New Zealand dollars against all trading currencies, with all other variables held constant, is illustrated below:

	-10%		+10%	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Pre-tax (profit) / loss	**(926)**	(1,142)	**758**	934
Equity	**(42,822)**	(33,639)	**35,045**	27,535

(ii) Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

Interest rate risk is identified by forecasting cash flow requirements, short-term through to long-term. Short-term seasonal funding is provided by a syndicate of four banks. These funding arrangements are negotiated at the start of each season, on behalf of apple growers who bear the interest cost.

The Group has floating rate borrowings used to fund ongoing activities which are repriced on roll-over dates.

As at 31 December 2022, $120 million of interest bearing loans are subject to interest rate repricing within the next 14 months (2021: $30 million).

The table below highlights the weighted average interest rate and the currency profile of interest bearing loans and borrowings:

	2022		2021	
	Weighted average interest rate	Loans and borrowings	Weighted average interest rate	Loans and borrowings
British Pounds	**2%**	**3,855**	2%	3,524
New Zealand Dollars	**6%**	**143,600**	2%	39,700
United States Dollars	**1.9%**	**23**	-	-
Total		**147,478**		43,224

Notes to the financial statements (continued)

Interest rate derivatives

The Group's treasury policy allows up to 100% (2021: 100%) of forecasted core debt to be fixed via interest rate derivatives to protect the Group from exposure to fluctuations in interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Swaps currently in place cover approximately 83% (2021: 100%) of the forecasted core debt. The fixed interest rates average 3.2% (2021: 3.4%). The variable rates are set at the bank bill rate 90 day settlement rate, which at balance date was 4.3% (2021 0.96%). The contracts require settlement of net interest receivable or payable each 90 days as appropriate, and are settled on a net basis. As at 31 December 2022, the Group held swaps with a contract value of $100 million (2021: $80 million).

Hedge effectiveness is tested by matching critical terms for prospective testing and cumulative dollar offset for retrospective tests. The potential sources of hedge ineffectiveness are timing of cashflows, and differences in timing of implementation of the hedge contract.

Interest rate sensitivity

At 31 December 2022, $120 million (2021: $30.0 million) of loans are at fixed rates for defined periods of up to 3 months, after which interest rates will be reset. Additionally, the Group has overnight deposits that are subject to fluctuations of interest rates. If the Group's loan and deposit balances at 31 December had remained the same throughout the year and interest rates moved by 1% then the impact would be a $2.18 million gain or loss on pre-tax profits (2021: $0.28 million).

A 1% (2021: 1.5%) sensitivity has been used as this is what management estimates is a likely range within which interest rates will move for the year.

(iii) Price / commodity risk

The Group does not trade in commodity instruments and therefore is not exposed to commodity price risk.

Credit risk

In the normal course of business, the Group is exposed to counterparty credit risks. The maximum exposure to credit risk at 31 December 2022 is equal to the carrying value for cash and cash equivalents, trade and other receivables, derivative financial instruments and a guarantee claimable of $27.4 million (2021:$25.5 million) in the event the guarantee in Note 28 is called. Credit risk is managed by restricting the amount of cash and derivative financial instruments which can be placed with any one institution and these institutions are all New Zealand registered banks with at least a Standard & Poor's rating of A. The financial condition and credit evaluation of trade and loan receivables, receivables from joint ventures, associates and related parties are continuously considered.

Due to the nature and dispersion of the Group's customers and growers, the Group's concentration of credit risk is not considered significant.

Liquidity risk

The Group manages liquidity risk by continuously monitoring cash flows and forecasts and matching maturity profiles of financial assets and liabilities. The Group also maintains adequate headroom on its loan facilities.

Policies are established to ensure all obligations are met within a timely and cost effective manner.

The following table analyses the Group's financial liabilities into relevant contractual maturity groupings based on the remaining period at the balance date to the contractual maturity date. For the purpose of this table, it is assumed that year end interest rates applicable to the term loan will apply through to expiry of the term loan facility, even though the Group has the option to repay the loan prior to its expiry date. For cash flow hedges, the impact on the profit and loss is expected to occur at the same time as the cash flows occur.

The amounts disclosed for financial guarantees are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee.

The amounts disclosed below are contractual undiscounted cash flows at balance date:

	Carrying amount $'000	Less than six months $'000	Between six months and one year $'000	Between one and two years $'000	Between two and five years $'000	Over five years $'000	Total $'000
2022							
Borrowings	**147,478**	**27,090**	**3,470**	**151,496**	**-**	**-**	**182,056**
Trade and other payables (excluding employee entitlements)	**150,597**	**150,361**	**-**	**236**	**-**	**-**	**150,597**
Derivative financial instruments - cash flow hedges:	**7,596**	**-**	**-**	**-**	**-**	**-**	**-**
Inflows		**(32,809)**	**(71,481)**	**(42,440)**	**-**	**-**	**(146,730)**
Outflows		**36,409**	**76,410**	**44,665**	**1,419**	**-**	**158,903**
Derivative financial instruments - fair value through profit or loss:	**280**	**-**	**-**	**-**	**-**	**-**	**-**
Inflows		**(2,784)**	**(2,897)**	**-**	**-**	**-**	**(5,681)**
Outflows		**2,835**	**3,142**	**-**	**-**	**-**	**5,977**
Lease liabilities	**157,940**	**16,868**	**14,537**	**23,612**	**48,423**	**92,788**	**196,228**
Financial guarantees	**27,376**	**27,376**	**-**	**-**	**-**	**-**	**27,376**
Total	**491,267**	**225,346**	**23,181**	**177,569**	**49,842**	**92,788**	**568,726**

	Carrying amount $'000	Less than six months $'000	Between six months and one year $'000	Between one and two years $'000	Between two and five years $'000	Over five years $'000	Total $'000
2021							
Borrowings	43,224	10,077	370	36,299	-	-	46,746
Trade and other payables (excluding employee entitlements)	149,155	148,606	-	549	-	-	149,155
Derivative financial instruments - cash flow hedges:	6,453	-	-	-	-	-	-
Inflows	-	(15,642)	(83,006)	(81,115)	-	-	(179,763)
Outflows	-	16,823	86,930	84,732	1,774	-	190,259
Derivative financial instruments - fair value through profit or loss:	102	-	-	-	-	-	-
Inflows	-	(716)	-	(2,897)	-	-	(3,613)
Outflows	-	730	-	2,985	-	-	3,715
Lease liabilities	156,075	16,172	13,774	22,653	52,688	109,207	214,494
Financial guarantees	25,472	25,472	-	-	-	-	25,472
Total	380,481	201,522	18,068	63,206	54,462	109,207	446,465

Notes to the financial statements (continued)

Capital risk management

The main objective of capital risk management is to ensure the Group operates as a going concern, meeting debts as they fall due, maintaining the best possible capital structure and reducing the cost of capital. Group capital consists of share capital, other reserves and retained earnings. To maintain or alter the capital structure the Group has the ability to review the size of dividends paid to shareholders, return capital or issue new shares, reduce or increase debt, or sell assets.

There are a number of externally imposed bank financial covenants required as part of seasonal and term debt facilities. These covenants are calculated monthly and reported to the banks on a monthly and quarterly basis.

The key covenants are as follows:

Financial covenants	Requirement imposed
Contingent liabilities	Contingent liabilities of the Group shall not at any time exceed 6% (2021: 6%) of total tangible assets of the Group.
Debt to debt and equity	The debt to debt and equity percentage shall not exceed the specified percentage as at the end of each month. This percentage ranges from 45% to 55% (2021: 45% to 55%).
Tangible net worth	The tangible net worth of the Group shall not be less than $270.0 million (2021: $270.0 million).
Seasonal facility stock and debtors	Seasonal facility stock and debtors of the Group shall at all times be equal to or exceed the specified ratio as at the end of each month. This ratio ranges from 1.1:1 to 1.25:1 (2021: 1.1:1 to 1.25:1).
Total net worth of Ultimate Parent	The total net worth of the Ultimate Parent shall not at any time be less than EUR 800 million (2021: EUR 800 million).

In addition, the Group also makes the following undertakings:

- At all times, the tangible assets of the Group entities that form part of the guaranteeing group shall not be less than 90% (2021: 90%) of the total tangible assets of the whole Group.
- The total earnings before interest and tax (EBIT as defined within the banking agreement) of the Group entities that form part of the guaranteeing group shall not be less than 75% for the period between January to March 2022 (2021: not less than 75% for the year) of the total EBIT of the Group.

For the period between 1 April 2022 and 31 December 2022, the Group received a waiver from its banks from having to meet the EBIT covenant as described above. The Group complied with all other financial covenants during the year.

In June 2022 the Group entered into a sustainability linked loan, borrowing $180 million for a period of three years. Under the terms of the loan, the Group achieves discounts on borrowing costs if Sustainability Performance Targets (SPT) are met. Penalties, in the form of increases in borrowing costs, are incurred should SPT not be met. The Group committed to the following three SPT on entering the loan:

Key performance indicator	Sustainability performance target
Climate change adaptation	Complete climate risk assessment, scope, boundary, time horizons, risk identification and data gap analysis.
Climate change mitigation	Scope 1 and 2 greenhouse gas emissions will be reduced by 2.5% each year against a baseline greenhouse gas performance.
Create permanent employment opportunities and career pathways	Creation of new permanent roles as well as opportunities to further develop and grow career pathways through secondments and promotions in the Apples segment.

Seasonality

Due to the seasonal nature of the business the risk profile at 31 December is not representative of all risks faced during the year. Seasonality causes large fluctuations in the size of borrowings and debtors.

Financial instruments by category

The classification of the Group's financial assets and liabilities depends on the purpose for which the assets were acquired or liabilities were incurred. Management determines the classification of its financial assets and liabilities at initial recognition and re-evaluates this designation at every balance date.

Financial assets and financial liabilities classed as measured at amortised cost are carried at amortised cost less any impairment. Financial assets measured at amortised costs includes cash and cash equivalents which comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included in current liabilities in the balance sheet and as a financial liability measured at amortised cost, unless there is a right of offset, and included as a component of cash and cash equivalents in the statement of cash flows.

Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value. Realised and unrealised gains arising from changes in fair value are included in the income statement.

Financial assets and financial liabilities classed as derivatives for hedging are recognised at fair value. The Group recognises the effective portion of changes in the fair value of derivative financial instruments that qualify as cash flow hedges in other comprehensive income. Gains or losses relating to the ineffective portion of a cash flow hedge are recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement.

Investments in unlisted entities are carried at fair value and classified as fair value through other comprehensive income as they are not held for trading. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income, except for dividends from those investments which are recognised in profit or loss. When investments in unlisted entities are sold, the accumulated fair value adjustments are recycled directly through retained earnings.

Notes to the financial statements (continued)

Financial assets

	Measured at amortised cost $'000	Fair value through profit or loss (mandatory) $'000	Derivatives for hedging $'000	Equity instrument designated at fair value through OCI $'000	Total $'000
2022					
Cash and cash equivalents	**58,519**	**-**	**-**	**-**	**58,519**
Trade and other receivables (excluding prepayments and taxes)	**211,143**	**-**	**-**	**-**	**211,143**
Investment in unlisted entities	**-**	**-**	**-**	**86**	**86**
Derivative financial instruments	**-**	**-**	**18,614**	**-**	**18,614**
Total	**269,662**	**-**	**18,614**	**86**	**288,362**
2021					
Cash and cash equivalents	59,005	-	-	-	59,005
Trade and other receivables (excluding prepayments and taxes)	164,455	-	-	-	164,455
Investment in unlisted entities	-	-	-	86	86
Derivative financial instruments	-	476	4,465	-	4,941
Total	223,460	476	4,465	86	228,487

Financial liabilities

	Measured at amortised cost $'000	Fair value through profit or loss (held for trading) $'000	Derivatives for hedging $'000	Total $'000
2022				
Loans and borrowings	**147,478**	**-**	**-**	**147,478**
Trade and other payables (excluding employee entitlements)	**150,597**	**-**	**-**	**150,597**
Lease liabilities	**157,940**	**-**	**-**	**157,940**
Derivative financial instruments	**-**	**280**	**7,596**	**7,876**
Total	**456,015**	**280**	**7,596**	**463,891**
2021				
Loans and borrowings	43,224	-	-	43,224
Trade and other payables (excluding employee entitlements)	149,155	-	-	149,155
Lease liabilities	156,075	-	-	156,075
Derivative financial instruments	-	102	6,453	6,555
Total	348,454	102	6,453	355,009

Fair value measurement

Techniques applied by the Group which use methods and assumptions to estimate the fair value of financial assets and liabilities are considered to be **level 2** in the fair value hierarchy.

The fair value of derivative instruments designated in a hedging relationship is determined using the following valuation techniques:

- Foreign currency forward exchange contracts have been fair valued using quoted forward exchange rates and discounted using yield curves from quoted interest rates that match the maturity dates of the contracts.
- Foreign currency option contracts have been fair valued using observable option volatilities, and quoted forward exchange and interest rates that match the maturity dates of the contracts.

Interest rate swaps are fair valued by discounting the future interest and principal cash flows using current market interest rates that match the maturity dates of the contracts. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates.

Inputs other than quoted prices included within level 1 of the fair value hierarchy are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). There have been no transfers between levels during the year.

The estimated fair values of all of the Group's other financial assets and liabilities approximate their carrying values.

27. Derivative financial instruments

Derivative financial instruments are used to hedge exchange rate and interest rate risks. The Group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised at fair value. Any resulting gains or losses are recognised in the income statement unless the derivative financial instrument has been designated into a hedge relationship that qualifies for hedge accounting.

Cash flow hedges
Cash flow hedges are currently applied to forecast transactions that are subject to foreign currency fluctuations and future interest cash flow on loans. The Group recognises the effective portion of changes in the fair value of derivative financial instruments that qualify as cash flow hedges in other comprehensive income. These accumulate as a separate component of equity in the cash flow hedge reserve.

Gains or losses relating to the ineffective portion of a cash flow hedge are recognised in the income statement in other operating expenses. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement in revenue and cost of goods sold.

Notes to the financial statements (continued)

	2022 $'000	2021 $'000
Current assets		
Cash flow hedges		
Forward foreign exchange contracts	**3,574**	3,103
Foreign currency options	**286**	51
Interest rate swaps	**184**	-
Fair value through profit or loss (held for trading)		
Forward foreign exchange contracts	**-**	476
Total	**4,044**	3,630
Non-current assets		
Cash flow hedges		
Forward foreign exchange contracts	**8,775**	302
Foreign currency options	**1,416**	-
Interest rate swaps	**4,379**	1,009
Total	**14,570**	1,311
Current liabilities		
Cash flow hedges		
Forward foreign exchange contracts	**6,613**	3,076
Foreign currency options	**325**	219
Fair value through profit or loss (held for trading)		
Forward foreign exchange contracts	**280**	102
Total	**7,218**	3,397
Non-current liabilities		
Cash flow hedges		
Forward foreign exchange contracts	**634**	1,915
Interest rate swaps	**24**	1,243
Total	**658**	3,158

28. Contingencies

The Group has the following guarantees:

	2022 $'000	2021 $'000
Bonds and sundry facilities	**75**	75
Guarantees of bank facilities for associated companies	**27,301**	25,397
Total	**27,376**	25,472

29. Commitments

Capital commitments

As at 31 December, the Group is committed to the following capital expenditure:

	2022 $'000	2021 $'000
Property, plant and equipment	**3,563**	21,983
Intangible assets	**88**	217
Total	**3,651**	22,200

Non-cancellable operating leases receivables

The Group as a lessor
Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the term of the relevant lease. All properties leased to third parties under operating leases are included in the 'Buildings' category within 'Property, plant and equipment' on the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Notes to the financial statements (continued)

Operating leases receivables

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2022 $'000	2021 $'000
Within one year	**1,555**	1,537
One to two years	**1,062**	874
Two to five years	**1,289**	1,802
Later than five years	**354**	300
Total	**4,260**	4,513

30. Events occurring after the balance date

As disclosed in Note 9, the sale of the Group's grape orchard was settled on 13 January 2023.

On the 13th and 14th of February 2023, New Zealand suffered from a severe weather event in the form of Cyclone Gabrielle. This impacted the Group's operations in the Hawke's Bay where the Group has offices, packhouses, coolstores, a distribution centre, and orchards.

There was minor flooding of the Group's office facilities and the Group's existing packhouses and coolstores and distribution centre, which have now partially resumed operations. The Group's new packhouse facility being constructed in the Hawke's Bay was not impacted and remains on track to be operational as planned for the 2023 NZ apples season.

The Group experienced flooding in some of its forty-eight Hawke's Bay apple orchards with initial assessments showing that thirty-seven of these will be harvested for the 2023 season (twenty-two of which were totally unaffected by the cyclone). Harvesting has already commenced on these orchards. Of the remaining eleven orchards, ten will not be harvested for 2023 and one additional orchard was severely impacted and will require longer-term remediation. Approximately 40% of the Group's New Zealand grown apples come from orchards outside of these regions and have been unaffected.

The Group is working with its insurers to assess potential recovery in respect of each of the affected locations.

In relation to funding, a renewed $90m Seasonal Facility was executed on 28 February 2023. Under this facility, the EBIT covenant waiver referred to in Note 26 has been extended to 31 December 2023.

The impact on unharvested biological assets, land and buildings, bearer plants, or other assets is not able to be accurately quantified at the time the financial statements were approved by the Board.

The Group considers this to be a non-adjusting post balance sheet event and accordingly the financial effects of Cyclone Gabrielle have not been reflected in the Group's financial statements at 31 December 2022.

Five year financial review

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Revenue					
Continuing activities	**1,304,936**	1,365,413	1,412,590	1,216,409	1,188,203
Profit					
Pre-tax (loss) / profit	**(3,341)**	9,798	22,024	10,311	13,242
Net (loss) / profit after tax	**(861)**	13,552	16,590	6,611	10,394
Funds employed					
Paid up capital	**176,357**	176,357	176,357	176,357	176,357
Retained earnings and reserves	**386,894**	383,719	330,250	284,349	223,942
Non-controlling interests	**16,917**	13,528	13,147	13,697	13,321
Non-current liabilities	**284,679**	200,660	232,471	181,276	192,854
Current liabilities	**218,506**	210,016	228,517	198,553	147,207
Total	**1,083,353**	**984,280**	**980,742**	**854,232**	**753,681**
Assets					
Property, plant and equipment	**401,077**	399,806	392,700	386,079	396,546
Other non-current assets	**334,783**	291,266	270,542	176,651	103,503
Current assets	**347,493**	293,208	317,500	291,502	253,632
Total	**1,083,353**	**984,280**	**980,742**	**854,232**	**753,681**

	2022	2021	2020	2019	2018
Statistics					
Number of ordinary shares on issue	**122,543,204**	122,543,204	122,543,204	122,543,204	122,543,204
Earnings per share - cents	**(4.4)**	7.2	9.0	0.7	4.6
Net tangible assets per security	**$4.11**	$4.06	$3.61	$3.56	$3.08
Percentage of equity holders funds to total assets	**54%**	58%	53%	56%	55%
Ratio of current assets to current liabilities	**1.59**	1.39	1.39	1.47	1.74
Ratio of debt to equity [1]	**0.87**	0.72	0.89	0.80	0.81
Dividends					
Cents per share on paid up capital	-	6	6	-	12 [2]
Total dividend paid	-	$7,352,592	$7,352,592	$0	$14,707,592

[1] Debt includes trade payables.

[2] An interim dividend and final dividend were paid out at 6 cents each in 2018.

Appendices

Appendix 1
How we create value

We grow, partner, source and supply high quality fresh produce which is desired by consumers and customers around the world.

Inputs

Social capital

T&G relies on strong and trusted relationships with growers, distributors, customers and external stakeholders around the world to enable year-round supply of key varieties into global markets.

Intellectual capital

Intellectual property, including premium brands and in-market expertise are key to our competitive advantage and future growth.

Financial capital

We invest financial capital across our operations (including land, glasshouses, orchards and post-harvest infrastructure), support growers and invest in genetics and facilities.

Physical capital

Tangible assets including land, packhouses, cool stores, trucks, post-harvest facilities, 11 market locations, vehicles, equipment and our in-market facilities, enable us to supply key global markets.

Human capital

A diverse, talented, global workforce, with the best knowledge and insights, ensures we have the skills to develop, grow, pick, sell and deliver our produce to the world's consumers.

Natural capital

Natural resources are fundamental to our business and future prosperity. Soil, water, atmosphere, energy and sunshine, and our precious pollinators, are utilised to grow healthy and nutritious produce.

Outcomes

Leadership

Creating a sustainable business model creates prosperity for our growers, employment in our communities and year-round supply of fresh produce for our customers and consumers.

Loyalty

Meeting consumer and customer needs through high quality premium produce and brands, and the rights to unique Plant Variety Rights (PVRs), drives loyalty from our customers and consumers and enhanced returns for our growers.

Fuel for growth

Recycling capital is future-proofing our business for a more sustainable future, including improved efficiencies, stronger yields, enhanced returns and fit-for-purpose assets.

Global reach

Our infrastructure gives us the scope to drive sustainable performance across our supply chain, and provide a secure global network for year-round supply of healthy produce and our premium brands.

Great workplace

Creating a high performing, exciting, global workplace that attracts the best talent armed with the best global knowledge, invests in its people, has efficient processes and is a safe place to work.

Guardianship

Land that is healthy and continues to support fresh produce production. A strong focus on conserving water, reducing our greenhouse gas emissions and reusing resources, while providing healthy and nutritious produce to the world.

Appendix 2
Stakeholder engagement

T&G engages with a wide range of stakeholders, as noted in the below table. As per our 2022 materiality assessment, we follow the methodology outlined in AccountAbility's AA1000 Stakeholder Engagement Standard 2015 to define our stakeholders.

Stakeholder group	How we engage
Employees	▪ Employee communications and engagement activities led by our Executive team, senior leadership teams and people leaders, including monthly leadership calls, team roadshows, Hui's, briefings, workshops, daily operational Tier meetings, and online channels ▪ Connection Meter surveys
Growers	▪ Comprehensive programme of engagement, including monthly apple grower calls, Core News digital update, orchard field days for technical and quality services support, roadshows, ongoing conversations and updates ▪ Grower surveys
Shareholders and advisors	▪ Annual Meeting which provides an opportunity for shareholders to meet and ask questions of the Board and management ▪ Six-monthly financial reporting
Financial institutions	▪ Regular engagement through strategy briefings and updates
Customers and consumers	▪ Regular customer engagement led by our International Sales and T&G Fresh account management teams, including ongoing conversations (both formal and informal), meetings, retail store visits, and orchard and packhouse visits and audits ▪ Customer value management surveys and consumer research ▪ Digital engagement, including social media channels
Government	▪ Engagement with central and regional Governments on topics relating to business and the horticulture sector, including innovation, employment, social development and sustainability
Suppliers	▪ Ongoing conversations and engagement with our suppliers
Community and industry groups	▪ Engagement with a number of organisations representing horticulture and the consumer good sectors, iwi, community groups and the business community
Media	▪ Programme of proactive engagement and responding to media enquiries

Appendix 3
Defining what matters

Our materiality assessment

Materiality assessments are widely used in business to inform strategic sustainability priorities and are a prerequisite for sustainability reporting following the GRI Standards and <IR> framework.

They are the foundation of ESG strategy development, ensuring the strategy meets the needs of its stakeholders and the topics and issues which matter most to them.

Reassessing what matters

T&G commissioned our first assessment in 2019, involving 17 internal and external stakeholders, including the Executive team. This ranked our six most material issues as climate change adaptation, water availability and quality, robust supply chain, food safety, land use access and opportunity, and financial management and performance. These priorities were considered in our strategic and operational planning.

In 2022, to further strengthen our Kaitiakitanga ESG framework, we commissioned a new materiality assessment. We saw the need for a broader assessment to establish a robust materiality matrix to inform and strengthen our strategy, KPIs, metrics, targets and future reporting. A broader assessment is also important when weighing up our areas of focus, resources and capital.

This Report explores these thematic areas, and in early 2023 we will use the assessment to refine our Kaitiakitanga ESG framework and supporting measures.

Stakeholder engagement & materiality methodology

We partnered with an independent sustainability consultancy in a process which referenced and aligned to international stakeholder engagement and reporting standards, including GRI and AccountAbility's AA1000 Stakeholder Engagement Standard 2015.

In the first of a five-step process, a wide cross-section of internal and external stakeholders were identified to be part of the process, with the aim of capturing a diverse range of views and responses. This included representatives from our employees, Board, shareholders, growers, customers, iwi, industry and research organisations, the Government, suppliers, community partners and financial institutions. Participants were based in Aotearoa New Zealand and in our international markets. For future materiality assessments, we will continue to expand the scope to ensure we're always engaging with a wide-ranging representative group, both internally and externally.

From this, 14 stakeholders were interviewed, with recurring themes identified and grouped. From this, 25 topics were identified. To ensure completeness, the topics were cross-checked against other material topics and sustainability frameworks and indices, such as the United Nations Sustainable Development Goals, GRI and Dow Jones Sustainability Indices. No topics material to T&G Global were missing, so the list was finalised.

The third step was a business impact ranking workshop with T&G's Executive team to assess each topic for its potential impact on T&G in terms of profitability, reputation, urgency, and providing value to society and the environment. From this, the topics were ranked.

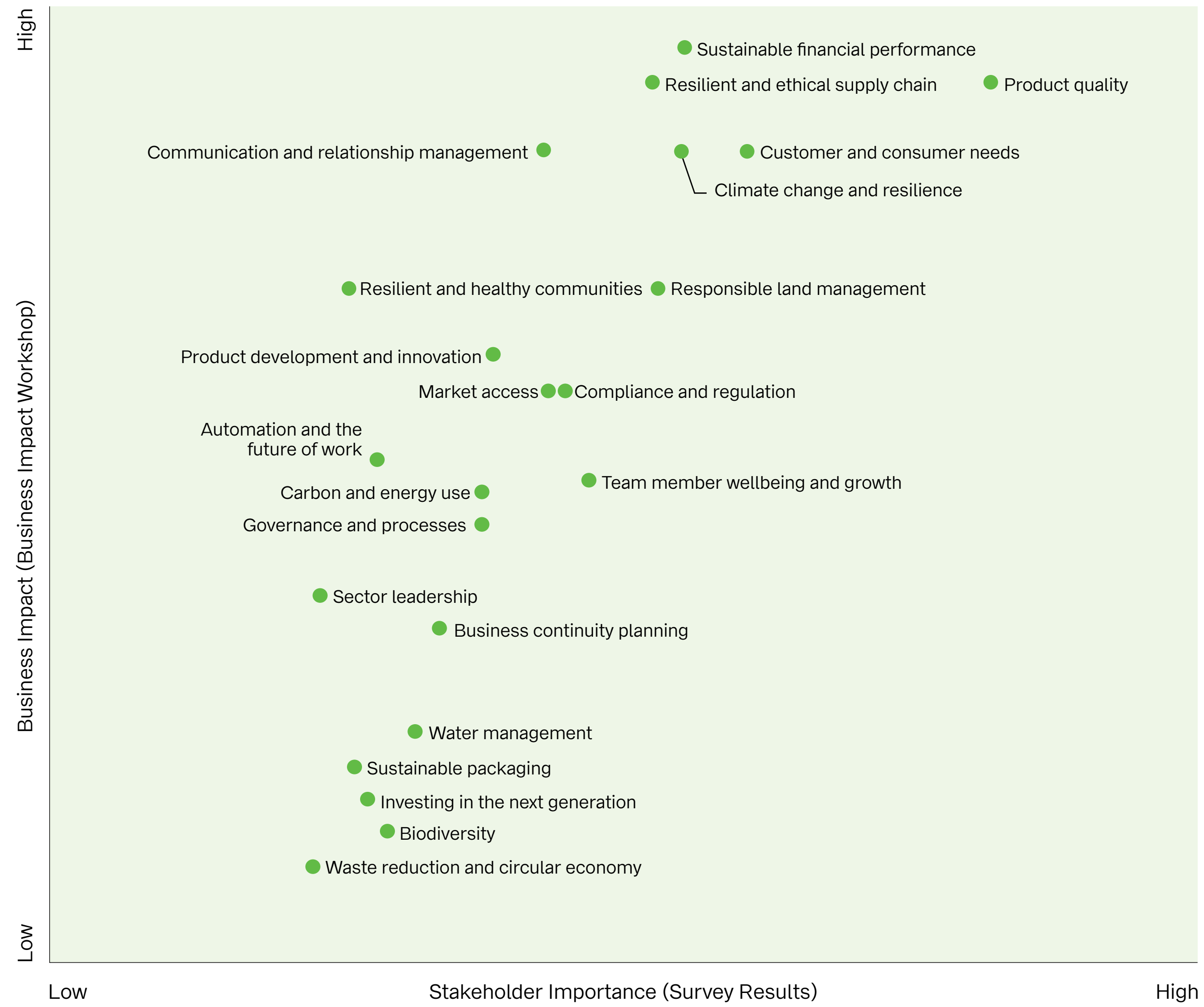
Using the material topics from the stakeholder interviews, the fourth step involved an online survey being sent to 150 internal and external stakeholders, of which 53 people responded – 34 internal and 19 external stakeholders. On a scale of 1 to 10, survey participants ranked the importance of each topic from their perspective. The ranking does not make any topic unimportant; it simply provides a hierarchy.

The final step saw the rankings from both the business impact workshop with the Executive team, and the stakeholder importance ranking from the online survey, mapped on a matrix. From this we can see there is considerable alignment between internal and external stakeholders.

While initially 25 material topics were identified, the list was revised to 22 material topics by grouping or combining topics which align with T&G's understanding and business language, for example 'responsible and ethical employment', 'diversity and inclusion' and 'employee attraction, development and retention' were grouped under a new topic descriptor of 'team member wellbeing and growth' – as we firmly believe these three topics are intrinsically interlinked. The scores of these three topics were averaged.

Our 22 material areas are mapped on the following materiality matrix. Topics toward the top right will form the basis for identifying KPIs, measurements and reporting. We can also focus on any of the other topics, especially if these relate to potential business impacts and/or support our existing sustainability initiatives.

T&G Global materiality matrix 2022



Our top five topics

While all 22 material topics are important to T&G, the top five material topics identified are:

Sustainable financial performance	Ensuring sustainable financial growth and performance, made up of the three pillars: economic, environmental and social. Returning fair value to growers.
Product quality	Delivering a high quality, premium product to customers and consumers.
Resilient and ethical supply chains	Supply chain management, including mitigating supply chain risk (e.g., modern slavery).
Customer and consumer needs	Meeting customer requirements. Consumer preference and brand awareness. Impacts from a changing customer or consumer needs, impact from unstable economic environment.
Climate change and resilience	Understanding and adapting to the impacts on the business directly, or indirectly, from a changing climate, such as increased temperatures, extreme weather events and increased biosecurity risks.

With our detailed materiality study undertaken this financial year and the final report received after balance date, we are not in a position to provide detailed reporting and supporting metrics around the priority topics identified. This will begin in the 2023 financial year when we will refine our Kaitiakitanga ESG framework to reflect these updated materiality findings and their alignment with the United Nations Sustainable Development Goals. From this, new KPIs, metrics and targets will be set to track performance, and our management approach will be further expanded and detailed. We will report annual outcomes against them.

Appendix 4
GRI index

Statement of use	**T&G Global Limited has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022, with reference to the GRI Standards.**
GRI 1 used	GRI 1: Foundation 2021

Ref	Disclosure	Page #/reference
2-1	Organisational details	T&G Global Limited New Zealand limited liability company Listed on the New Zealand Stock Exchange Headquarters: Auckland, Aotearoa New Zealand Page 14-17
2-2	Entities included in the organisation's sustainability reporting	Page 2
2-3	Reporting period, frequency and contact point	1 January 2022 to 31 December 2022 Annual Page 158
2-4	Restatements of information	Page 46
2-5	External assurance	Page 64, 68-70, 152, 158
2-6	Activities, value chain and other business relationships	Page 14-39
2-7	Employees	Page 16, 153-155
2-8	Workers who are not employees	Page 153-155
2-9	Governance structure and composition	Page 41, 58-59, 62-65
2-10	Nomination and selection of the highest governance body	Page 62-63
2-12	Role of the highest governance body in overseeing the management of impacts	Page 41, 62-63
2-13	Delegation of responsibility for managing impacts	Page 41, 62-63
2-14	Role of the highest governance body in sustainability reporting	Page 41, 62-63
2-28	Membership associations	Page 156-157
2-29	Approach to stakeholder engagement	Page 148
2-30	Collective bargaining agreements	4.50% of T&G Global employees in FY22
3-1	Process to determine material topics	Page 149-150
3-2	List of material topics	Page 150
3-3	Management of material topics	Page 41, 149-150

Material topic standard disclosures		
Sustainable financial performance		
3-3	Management of material topics	Page 6-11, 18-33, 40-57, 62-63
201-1	Direct economic value generated and distributed	Page 4-5, 6-11
Resilient and ethical supply chains		
3-3	Management of material topics	Page 39, 41, 56
414-1	New suppliers that were screened using social criteria	Page 56
Climate change and resilience		
3-3	Management of material topics	Page 41, 46-47, 152
302-1	Energy consumption within the organisation	Page 46-47
305-1	Direct (Scope 1) emissions	Page 46-47
305-2	Energy indirect (Scope 2) emissions	Page 46-47
305-3	Other indirect (Scope 3) emissions	Page 46
305-5	Reduction of GHG emissions	Page 46-47

GRI scope, methodologies and limitations

Scope

T&G Global has reported management approaches for key material topics: sustainable financial performance, resilient and ethical supply chains, product quality, communication and relationship management, customer and consumer needs and climate change and resilience.

Energy and GHG emissions methodologies and baseline

Baseline

In line with what T&G publicly disclosed in 2019, the company has climate targets as part of the BayWa Group, with a 2017 baseline.

With T&G and its majority shareholder, BayWa Global Produce, currently in the process of refreshing their climate strategy and setting targets validated by the SBTi, T&G will set a new baseline year of 2021.

As members of BayWa AG, we will continue to contribute to BayWa AG's reporting of progress against their 2017 baseline.

T&G has obtained limited assurance over the Scope 1 and 2 emissions figures for the period 1 January 2022 to 31 December 2022 by Deloitte Limited.

Boundaries and exclusions

We use the financial control approach to GHG emission reporting as per the GHG protocol. T&G accounts for 100% of emissions from our operations under Scope 1 and Scope 2 if we have 50% ownership of the operation. 2EPI Delaware, Enzafruit Products Seattle, Fruit Distributors Ltd, T&G Berries Australia PTY Ltd, T&G Fruitmark HK Limited, T&G Kiwifruit, Kerifresh Growers Trust 2018, and T&G Processed Foods Ltd, are inactive, therefore no data is recorded for these entities. Wawata General Partner and T&G Vizzari Farm are also excluded due to limited visibility as joint-venture operations. In addition, Taipa Water Supply is excluded as it is a water rights entity. Smaller offices, including T&G Fresh Product PTE Ltd, T&G Global Vietnam Company Ltd. and T&G Japan are also excluded due to minimal employee headcount in these locations.

Methodologies

Data is captured in BraveGen Sustainability Reporting software. The data is sourced from suppliers, invoices and calculated estimates from operations (when accurate/actual usage data is not available). Relevant emissions factors are captured within BraveGen which automatically calculates the CO_2 emissions based on usage.

We receive energy data in different measures and convert all reported measures to kWh using the following conversion rates as supplied and used by our ultimate parent company BayWa AG.

Resource	Original data metric	Conversion rate to kWh
Diesel	Litres	9.917
Petrol	Litres	8.428
Heating Oil	Litres	10
LPG	Kilograms	12.78

Emissions factors

Emissions factors were sourced based on geographic regions from multiple sources listed below:

- https://www.mfe.govt.nz/publications/climate-change/measuring-emissions-2020-quick-guide
- GWP source is United Nations Intergovernmental Panel on Climate Change (IPCC) IPCC AR5
- Greenhouse gas reporting: conversion factors 2020 - GOV.UK (www.gov.uk)

Where relevant emissions factors cannot be sourced from the above, the BayWa Corporate Sustainability team has provided the relevant details from VDA (German Association of the Automotive Industry: https://www.vda.de/en).

Energy data from some international offices is not included as usage is minimal due to the type and scale of the operations.

As part of the BayWa Group, T&G follows the GHG Protocol's Market-based approach to emissions reporting.

For our 2022 electricity consumption, in line with BayWa policy, for our Aotearoa New Zealand sites, we've purchased renewable energy certificates from Meridian Energy, under its certified renewable electricity scheme. For our international sites, we will be achieving this by purchasing renewable electricity certificates through BayWa AG using a broker agency. These renewable electricity certificates will be purchased by the end of February 2023 and will all be retired to cover T&G Global's international electricity consumption for the period from 1 January 2022 to 31 December 2022. This has resulted in zero emissions being reported from our Scope 2 activities.

Appendix 5
Employee and workforce data

The following tables provide additional information, context and detail to the main body of the 2022 Annual Report as required by the GRI Standards. Employee and workforce information has been calculated using data averaged over the required reporting period shown in each table. The data has been rounded.

Total Aotearoa New Zealand employees by employment contract (permanent and temporary)

	12 months average		
	Permanent	Temporary	Grand total
Male	716	632	1,348
Female	494	249	743
Grand total	**1,211**	**881**	**2,092**

Total number of Aotearoa New Zealand employees by employment contract

	12 months average		
	Permanent	Temporary	Grand total
Auckland	505	135	640
Christchurch	90	13	103
Dunedin	15	6	21
Gisborne	1	2	3
Hamilton	36	13	49
Hastings	343	446	789
Kerikeri	22	77	99
Nelson	56	117	173
New Plymouth	10		10
Palmerston North	48	19	67
Taupō	38	51	89
Tauranga	25	2	27
Wellington	19	1	20
Whangārei	3		3
Grand total	**1,211**	**881**	**2,092**

Total number of Aotearoa New Zealand employees by employment type

	12 months average		
	Full-time	Part-time	Grand total
Male	720	20	740
Female	468	45	513
Grand total	**1,188**	**65**	**1,253**

Average seasonal employee monthly headcount movement, by Aotearoa New Zealand region

Auckland

	Male	Female	Grand total
January	48	21	69
February	44	26	70
March	58	24	82
April	39	21	60
May	45	25	70
June	51	27	78
July	48	24	72
August	37	16	53
September	38	27	65
October	54	23	77
November	63	21	84
December	76	38	114
Auckland	**50**	**25**	**75**

Hamilton

	Male	Female	Grand total
January	3	2	5
February	2	2	4
March	6	4	10
April	5	2	7
May	5	1	6
June	5	1	6
July	5	1	6
August	5	1	6
September	3	1	4
October	3	0	3
November	15	0	15
December	15	0	15
Hamilton	**6**	**1**	**7**

Dunedin

	Male	Female	Grand total
January	0	0	0
February	6	3	9
March	11	3	14
April	10	3	13
May	10	3	13
June	8	6	14
July	4	2	6
August	2	1	3
September	1	1	2
October	1	0	1
November	1	0	1
December	0	0	0
Dunedin	**5**	**2**	**7**

Hastings

	Male	Female	Grand total
January	308	78	386
February	438	121	559
March	622	215	837
April	616	207	823
May	519	193	712
June	370	173	543
July	189	107	296
August	112	37	149
September	103	34	137
October	95	30	125
November	212	34	246
December	315	40	355
Hastings	**325**	**106**	**431**

Kerikeri

	Male	Female	Grand total
January	62	25	87
February	55	60	115
March	39	67	106
April	68	21	89
May	89	13	102
June	88	3	91
July	73	1	74
August	71	1	72
September	34	1	35
October	33	1	34
November	40	7	47
December	41	8	49
Kerikeri	**58**	**17**	**75**

Palmerston North

	Male	Female	Grand total
January	5	3	8
February	3	2	5
March	3	2	5
April	3	1	4
May	3	1	4
June	3	1	4
July	3	0	3
August	2	0	2
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Palmerston North	**2**	**1**	**3**

Nelson

	Male	Female	Grand total
January	62	6	68
February	73	12	85
March	143	61	204
April	155	61	216
May	136	55	191
June	107	53	160
July	86	52	138
August	62	35	97
September	38	21	59
October	38	15	53
November	48	18	66
December	50	8	58
Nelson	**83**	**33**	**116**

Taupō

	Male	Female	Grand total
January	16	11	27
February	13	9	22
March	3	2	5
April	4	2	6
May	14	2	16
June	13	2	15
July	13	2	15
August	13	4	17
September	5	5	10
October	4	5	9
November	7	12	19
December	8	20	28
Taupō	**9**	**6**	**16**

Employment data is reported on full-time equivalent (FTE). The data is sourced from the SAP HCM system and is limited to Aotearoa New Zealand based employees. Union information was sourced from DataPay. Due to data limitations, T&G Global is unable to publish detailed employee and workforce data for our international sites. The data has been complied based on the actual employee headcount data.

Appendix 6
Associations and memberships

Aotearoa New Zealand associations and memberships

Organisation	Function	Our role
Business Leaders' Health & Safety Forum	Coalition of business and government leaders, improving performance of workplace health and safety in Aotearoa New Zealand	Member
Citrus New Zealand	Incorporated society representing Aotearoa New Zealand citrus growers	Board member
Diversity Works New Zealand	Professional body providing guidance for workplace diversity and inclusion	Member
Governance New Zealand	Professional body, providing leadership in governance, compliance and risk management	Member
Horticulture New Zealand	Industry peak body advocating and representing the interest of New Zealand's vegetable growers	Member
Human Resources Institute of New Zealand	Professional body providing services and support for people who work in HR in New Zealand	Member
Institute of Directors New Zealand	Professional body providing guidance to New Zealand directors	Member
New Zealand Apples & Pears Inc.	Representative organisation for New Zealand's pipfruit industry	Board member
New Zealand Avocado	Industry peak body representing New Zealand's avocado growers	Member
The New Zealand Council of Cargo Owners	Professional body representing the shipping supply chain interests of New Zealand's largest exporters and importers	Exec Team
New Zealand Fruit Tree Importers Group	Represents key stakeholders in the development and commercialisation of new and improved proprietary fruit tree genetics.	Member
New Zealand Horticulture Export Authority	A statutory authority working to promote the effective export marketing of horticultural products	Committee member
New Zealand Institute of Safety Management	Professional association for New Zealand health and safety practitioners	Member
Onions New Zealand	Industry peak body representing growers and exporters of onions in New Zealand	Member
Plant Germplasm Import Council	Coalition of plant germplasm import industry groups and the Ministry of Primary Industries, focused on improving New Zealand's germplasm import programme	Member
Potatoes New Zealand	Industry peak body representing interests of New Zealand's potato industry	Member
Strawberry Growers of New Zealand	Industry peak body representing the interest of New Zealand's strawberry growers	Member
Tomatoes New Zealand	Industry peak body representing New Zealand's tomato growers	Board member
United Fresh New Zealand Incorporated	Professional body providing services and representation to the fresh produce industry	Board member
Vegetables New Zealand Inc.	Represents the interests of growers of all fresh vegetable crops	Member

International associations and memberships

Organisation	Function	Our role
Freshfel Europe	Forum for the European fresh fruit and vegetable chain, representing its members at EU and international level to ensure a diverse, sustainable, and robust EU fruit and vegetable sector	Member
Fresh Trade Belgium	Association representing importers, exporters and wholesalers, fresh cut companies and logistic service providers active in the fruit and vegetable business in Belgium	Member
International Fresh Produce Association	Global fresh produce trade association	Member
United Nations (UN) Global Compact	A voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals	Member (via our ultimate parent company, BayWa AG)
Washington Apple Education Foundation	Charitable organisation with a desire to advance Washington's tree fruit industry's charitable work	Member
Washington State Tree Fruit Association	Professional body providing advocacy and support to the Washington State tree fruit industry	Member

Directory

Directors

B.J. Mangold
Chair and Non-independent Director

C.A. Campbell
Independent Director

A. Helber
Non-independent Director

R.J. Hewett
Independent Director

M. Pöllinger
Non-independent Director

R.T. Priske
Non-independent Director

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Principal bankers

Bank of New Zealand

HSBC

Rabobank

Westpac New Zealand

Principal solicitors

Russell McVeagh

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Share registry contact details

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