Growing healthier futures

Annual Report 2023

T&G
A BayWa Company

Management commentary
(no financial statements)

About this report

This report is for the financial year of 1 January 2023 to 31 December 2023 and includes T&G Global Limited and its subsidiaries (together T&G). It is structured to provide our investors and wider stakeholders with the annual overview of our progress with our business and sustainability strategies.

It presents an integrated view of the business, including our economic, environmental, social and governance activities, and it is prepared with reference to the Global Reporting Initiative (GRI) Standards.

In addition to our own report on T&G's business, we also contribute annually to the Sustainability Report published by our ultimate parent company, BayWa AG.

This report should be read in conjunction with T&G's first Climate-related Disclosure (CRD) report for the financial year of 1 January to 31 December 2023, which includes T&G and our subsidiaries. Our 2023 CRD is available at www.tandg.global/investors/reporting. The scope of the reporting entity aligns with that used for T&G's consolidated financial statements. The disclosures in this CRD comply with the Aotearoa New Zealand Climate Standards (NZCS) and T&G has adopted all first-year reporting provisions provided and detailed under NZCS.

In our reports we use some words in te reo Māori, including Aotearoa (New Zealand's Māori name); whānau (a family group, extended family); tamariki (children); hapori (community); wāhine (female, women); mahi (to work, accomplish, make); kai (food, to eat); kaitiaki (a guardian, caregiver, custodian); manaakitanga (showing respect and care for others, kindness, hospitality, generosity); kaitiakitanga (guardianship, stewardship, trustee); rōpū (group); pōwhiri (to welcome); and iwi (tribe, extended kinship group).

References to 2021, 2022 and 2023 are for the financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 respectively, unless otherwise stated.

Management commentary
(no financial statements)

Contents

FSC
100% From well-managed forests
FSC® C157047

Our year

At a glance

Operating (loss)/profit
($45.6m)
2022: $20.4m

Revenue
$1.3b
2022: $1.3b

Net loss before tax
($64.2m)
2022: ($3.3m)

Net loss after tax
($46.6m)
2022: ($0.9m)

Apples revenue
$799.0m
2022: $774.6m

Apples operating profit
$10.6m
2022: $27.8m

T&G Fresh revenue
$434.5m
2022: $400.5m

T&G Fresh operating profit
$11.1m
2022: $17.8m

International Trading revenue
$91.8m
2022: $100.7m

International Trading operating loss
($5.1m)
2022: ($2.6m)

VentureFruit® revenue
$9.0m
2022: $29.1m

VentureFruit® operating (loss)/profit
($14.7m)
2022: $11.0m

AskYourTeam
A people score of 72%*

*A new employee engagement tool was introduced in 2023

Total recordable injuries
139
2022: 197**

**191 was recorded in the 2022 Annual Report, the additional six injuries are due to late reporting or upgraded injury classification post publication

Greenhouse gas emissions***
27,905.3 tCO_2e
2022: 27,502.5 tCO_2e

***Greenhouse gas emissions include scope 1 and 2 only, using a market-based approach

Management commentary
(no financial statements)

Chair and CEO review

Tēnā koutou

Cyclone Gabrielle in February 2023 was an undoubted physical and fiscal blow to T&G, however this single incident does not define our performance, our progress with our strategy or the effort of our people this year.

The cyclone completely disrupted our Apples operations in Hawke's Bay - with no power for five days, destroyed orchards on some 13% of our planted hectares and interrupted our supply chains for export and domestic crops. It will also add at least 18 months to our strategy's delivery. Its impact is covered in full on page 14 of this report.

But the cyclone did not destroy the strong foundations of our strategy. We were able to keep achieving several positive milestones, despite lower volumes, financial constraints and some challenging growing conditions. The cyclone was an exceptional event in an exceptional year for weather in Aotearoa New Zealand, with its five-year highs in rain fall and five-year lows in solar radiation.

For the year ending 31 December 2023, revenue for the year was $1.33 billion, up 2.3%, and our operating loss was $45.6 million, $66 million lower than the prior year's operating profit of $20.4 million.

A $24 million subordinated facility from our ultimate parent company, BayWa AG, supported cyclone recovery work and the impact of the cyclone on working capital through the year. We also appreciated the support provided by our banking partners who provided an additional $40 million facility, executed in December.

Apples

Apples revenue increased year-on-year by 3.2% to $799.0 million. Operating profit in Apples was $10.6 million compared to $27.8 million in 2022.

Lower Aotearoa New Zealand volumes, primarily due to the cyclone, and higher cyclone-related harvesting costs were factors in the reduced Apples profit, along with inflation-driven cost increases for insurance and fertiliser. These higher costs were offset by some softening in freight rates as post-pandemic shipping services improved.

However, some export volumes from Aotearoa New Zealand were also affected by short-term market access challenges given phytosanitary requirements in Asia, while in Europe, economic conditions affected prices.

Aotearoa New Zealand apple export volumes were 4 million tray carton equivalents (TCEs) of both T&G and independent growers' apples, down from 2022's 5.2 million TCEs. United States apple volumes for 2022/23 were 4.4 million TCEs compared to the prior year's 4.1 million TCEs.

The United States volumes reflect a stronger North American growing season, with increased fruit volumes and improved quality thanks to favourable weather during harvest.

Benedikt Mangold
Chair (left)

Gareth Edgecombe
Chief Executive Officer (right)

Management commentary (no financial statements)

In Aotearoa New Zealand, post-harvest operational efficiencies were delivered through our new Whakatu packhouse with its high levels of automation. This world-class facility was completed on budget and on time – an incredible feat given it was constructed during the constraints of COVID-19 and Cyclone Gabrielle. The new packhouse is pivotal to our Apples growth strategy. While throughput volumes were down this year because of the cyclone, it was encouraging that Envy™, with its higher commissions and returns, represented a higher proportion of the harvest.

Developments this year will further support our Apples growth strategy with both branded and non-Plant Variety Rights (PVR) protected varieties.

With non-PVR varieties such as Pacific Queen™ and Royal Gala, our strategy this year was to quickly supply key markets such as China and Vietnam to lift sales and returns. Our greater packhouse capacity supports this speed to market of high-quality fruit and we will continue with this sales strategy in selected markets.

Our fast start programme for our Aotearoa New Zealand-grown Envy™ crop saw us airfreight fruit into high value markets like China, Taiwan and Vietnam earlier than usual. The initiative was supported by sales and marketing investments to secure higher returns for growers.

A new JAZZ™ Collective Marketing Agreement is performing well and has developed new distribution channels in specific markets.

In 2024, we are forecasting 2.9 million TCEs of Envy™ to be exported from Aotearoa New Zealand, an increase from 2.2 million in 2023, as the first fruit comes off new plantings and Envy™ trees continue to mature.

T&G Fresh

T&G Fresh revenue was $434.5 million, an 8.5% increase on the prior year. Its operating profit was down 37.6% at $11.1 million compared to $17.8 million in 2022.

The business' results were influenced by lower volumes through markets, some due to weather-related shortages and some to consumers tightening budgets because of higher inflation. Operating costs were also inflation-impacted, particularly in respect of labour costs.

A significant improvement in the performance of covered crops helped offset lower volumes in our outdoor crops, with tomatoes achieving a good result across the year.

T&G Fresh was also impacted by February's cyclone, with growers' crops damaged and the transport fleet having to work around closures and repair work across our roading network.

However, the business also made considerable progress in strengthening its structure, including a new procurement function which has specialist produce category managers to support growth plans. This is working well with growers.

Customers also welcomed our move to a new fresh produce market on Carbine Road, Auckland. The large open market floor, expansive cool store spaces and purpose-built efficient truck delivery and collection area was designed to meet their needs. The consolidation of operations to this single site, completed in just one weekend, achieved operational efficiencies and will reduce property costs.

In Australia, the business has been reorganised around our strongest categories of citrus, blueberries, grapes and asparagus. This will enable us to put time and resources into growth areas. Australian exports performed well due to a strong citrus season.

Improved freight access and the return of tourism post-COVID-19 saw our Pacific Islands business enjoy strong trading, particularly in Fiji, our biggest market, which turned in a record result through a more diversified product range.

VentureFruit®

VentureFruit® revenue was $9.0 million compared to $29.1 million in 2022, and it reported an operating loss of $14.7 million, down from a profit of $11.0 million in 2022.

This performance was largely the result of fewer new Envy™ right-to-grow licences being taken up in Aotearoa New Zealand due to financial constraints on growers in a difficult year.

The maturing of the ramped-up Envy™ plantings, which were accelerated in 2020, also had an influence given the lag between plantings and production of royalty-producing crops in Aotearoa New Zealand.

In China, initial volumes of locally-grown Envy™ went on sale in November. This follows a licence being granted to Joy Wing Mau in 2018. China is a significant strategic market and granting a licence to grow and sell managed commercial volumes in-market is an important part of our domestic growth strategy, and our overarching dual-hemisphere, multi-sourcing strategy. In the West, the high-performing Envy™ encouraged 55 United States growers to extend their plantings following a season where Envy™ sales volumes rose 19% year-on-year.

As part of our continued efforts to strongly protect and defend our intellectual property (IP), this year we achieved a successful milestone with a PVR judgement under China's newly issued seed law. The Court ruled in favour of our IP protection case which covered propagation material, growing trees and the selling of unauthorised Scilate apples in China. This was a great outcome for T&G, Chinese consumers and retailers, and our legitimate partners, including Chinese wholesalers and growers.

VentureFruit® commercially launched Tutti™ in February, the world's first specifically bred hot climate tolerant apple variety – and the first to be released from the Hot Climate Partnership after twenty years of breeding and scientific development. Tutti™ provides growers with a sustainable variety able to withstand high temperatures and interest is positive. The Partnership has shortlisted two further varieties which they hope to progress to commercialisation in 2024/25.

Joli™, a new premium apple variety and brand, was also released following over ten years of innovation and six of evaluation. Joli™ is a high-yielding, large, full-flavoured bright red juicy apple which has ranked highly in sensory testing. It is a promising complement to our premium apples portfolio as it targets a different consumer demographic.

VentureFruit® licenced varieties of blueberries are also pivotal to our growth. They were a factor in the Board's decision to extend T&G Fresh's Queensland blueberry farm in Australia to 62 hectares. The business also appointed a berry commercialisation manager for Europe and the United Kingdom and has established a testing network in the Northern Hemisphere.

Blueberry consumption continues to increase globally and VentureFruit® is well placed to help meet growing demand through its breeding, research partnerships and licensing arrangements.

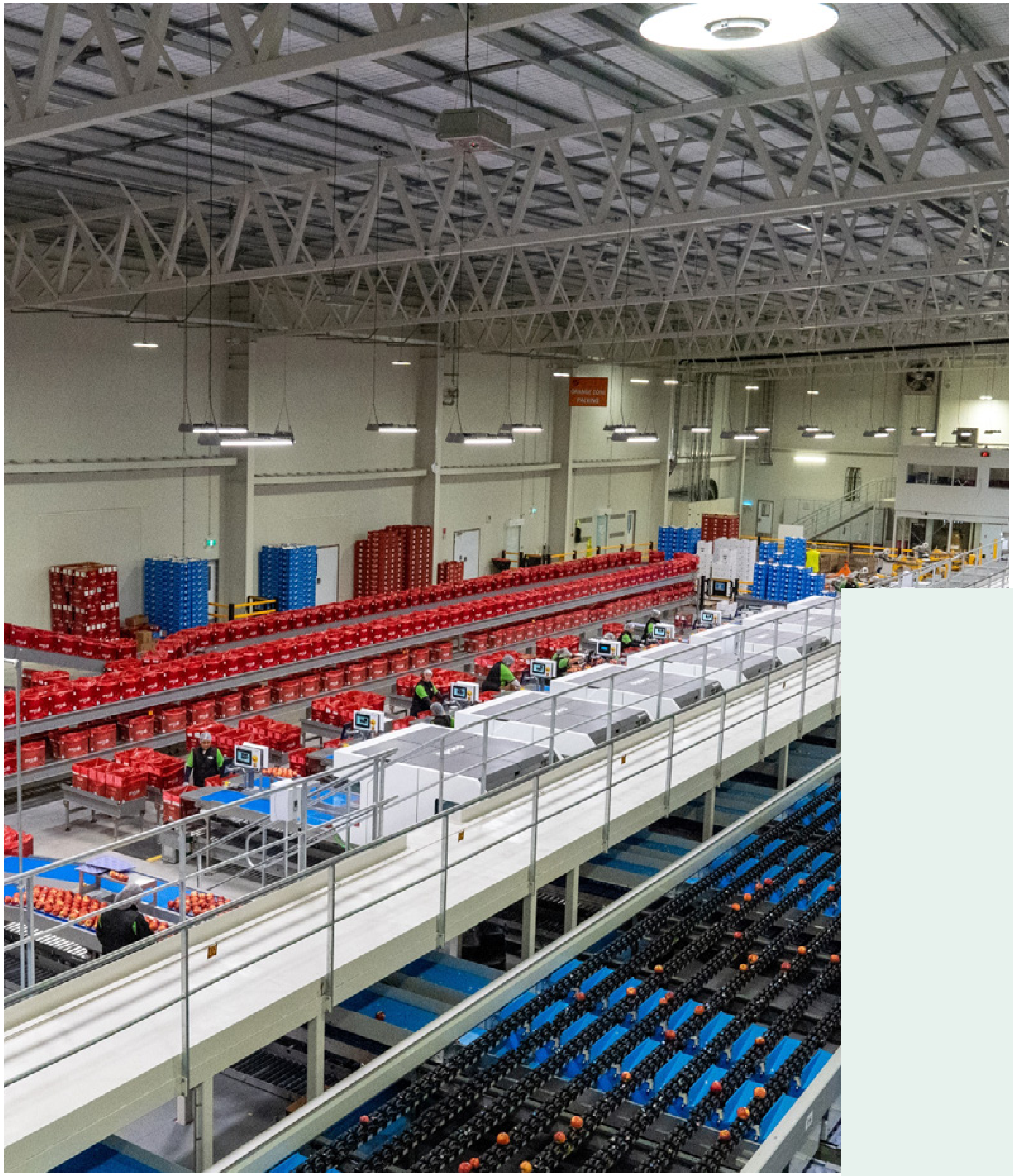
International Trading

International Trading revenue was $91.8 million compared to $100.7 million in 2022, with an operational loss of $5.1 million compared to $2.6 million in the prior year.

This reduction is largely due to the start-up costs and expected low initial yields for the Australian blueberry farm. The farm is expected to generate significant growth in an increasingly popular category.

Australian exports performed well thanks to a strong citrus season however asparagus production was affected by heavy rains. South American blueberry volumes from independent growers were also weather-affected.

Management commentary
(no financial statements)



Sustainability and governance

A review of our Kaitiakitanga framework this year confirmed that the three pillars of people, planet (previously named as 'place') and produce are enduring, but we have refined our focus areas to be: protect and grow, inclusion and diversity, climate action, low impact operations, responsible partnerships and healthy communities.

This year we undertook a detailed analysis of climate-related risks and opportunities, with our inaugural Climate-related Disclosure Report providing considerable detail.

We are now undertaking work to further strengthen our human rights practices and safeguard our team and the people within our global value chain, this includes developing a Human Rights Policy.

Oversight of our Kaitiakitanga framework and performance was further strengthened this year by the establishment of a new Sustainability Committee of the Board. It comprises three Directors, including one Independent Director.

We continued to make progress with our Health and Safety (H&S) strategy and our Inclusion and Diversity (I&D) framework. Recordable injuries reduced from 197 in 2022 to 139 in 2023. The introduction of a new employee survey provider, AskYourTeam, means we now have a single measure of culture. Our inaugural survey had a participation rate of 77.4% with an overall people score of 72% versus a private sector benchmark median of 68%.

On behalf of the Board and Executive team, we want to acknowledge and thank all of our people, including our valued Recognised Seasonal Employer (RSE) team members, for their incredible mahi, resilience, energy and support in what has been a very demanding year.

Our immediate post-cyclone recovery was executed thoroughly and safely in difficult circumstances, especially considering many workers faced their own concerns with damage to their homes and properties. We thought COVID-19 had tested us, but it appears to have been a dress rehearsal for 2023 and its many obstacles. Our thanks for your hardiness, stamina, spirit and care.

Outlook

Looking across the business, there is much to be encouraged about. In Apples, our Aotearoa New Zealand crop volumes are looking strong, with minimal evidence of any lasting cyclone impacts on production and quality. In the United States, we look set to build on the sales and volume growth achieved this year with our grower partners in Washington State.

We continue to make progress in expanding our key global markets in Asia and ensuring the best, most consistent eating experience for consumers to build demand and drive the best returns to growers.

We expect benefits to flow from progress with our supply chain strategy and by working with Kotahi to have a flexible and scalable ocean freight model. This is timely, for while freight costs have been softening, developments in the Red Sea and Panama Canal and their implications for shipping will require close monitoring and management. The supply chain strategy focuses on far more than freight management. Its goal is to optimise our logistics and give our growers a competitive supply chain which supports our growth.

Inflation, while showing signs of easing, will continue to influence costs. This will be partly offset by full-year operational efficiencies from our Whakatu packhouse, as well as our continuous improvement programme in Apples and our ongoing focus on improving operational efficiencies across the Group.

We are on a growth path with VentureFruit® licenced blueberry varieties in Australia and Aotearoa New Zealand, with additional opportunities being developed in the United States and Europe. The Joli™ apple, released this year, is expected to gain momentum and there is strong interest in our high-performing Envy™ apple brand. In our T&G Fresh operations, reduced property costs, higher efficiencies and improving consumer demand as inflation eases give us confidence, and we're also exploring other opportunities for growth.

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

Noho ora mai

Gareth Edgecombe
Chief Executive Officer

Benedikt Mangold
Chair

Management commentary
(no financial statements)

Year in review

January

Across Asia, Envy™ celebrated the Lunar New Year and the 'year of the rabbit', with over 75,000 gift boxes sold in China and 15,000 sold in Vietnam for TET.

February

Following 20 years of breeding and scientific development, Tutti™, the world's first specifically bred hot climate tolerant apple variety from the Hot Climate Partnership was launched by our VentureFruit® business.

Two weeks into February, Cyclone Gabrielle brought 250-400mm of rain to Tairāwhiti Gisborne and Hawke's Bay, causing devastating damage and severely impacting four T&G apple orchards, with additional planted hectares impacted to a varying extent.

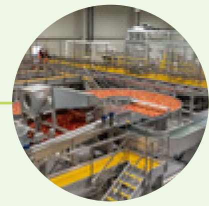
March

The soggy sandwich is no more. Our Beekist® The Sandwich Tomato launched in March, is a deep red, vine-ripened new tomato which maintains its shape when sliced and diced. It yields up to 40% more slices and has less water than standard round tomatoes.

We celebrated the first of our new season Poppi™ and Royal Gala apples exported to consumers and customers in Vietnam, Hong Kong, Malaysia, Taiwan, Indonesia and Thailand.

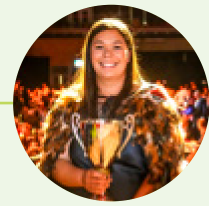
April

Our new Manaakitanga inclusion and diversity strategy was launched. Manaakitanga is a Māori concept which expresses kindness and respect for others, emphasising responsibility and reciprocity. Our strategy has four pillars: leadership, talent acquisition, culture and capability, and metrics.



May

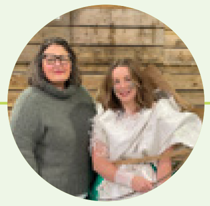
We commenced operating our world-class Whakatu apples packhouse in Hawke's Bay. Costing $85 million, it integrates leading automation and technology to manage increased volumes, lift productivity and maximise fruit quality.



June

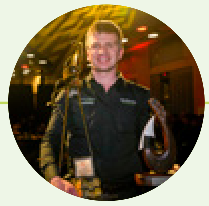
Grace Rehu, a leading hand in our Hawke's Bay apples business, won the 2023 Ahuwhenua Young Māori Grower Award. The Awards recognise and celebrate Māori excellence in Aotearoa New Zealand's agricultural sectors.

Following ten years of development, we launched Joli™, our newest premium global apple variety. It joins our established portfolio of Envy™ and JAZZ™ apple brands. The first trees were planted in September.



July

T&G celebrated Matariki with our Hawke's Bay sustainability wearable arts event. When the Matariki star cluster appears in the early morning sky, it marks the beginning of the new year. Ancestral knowledge and wisdom are at the heart of the celebrations. Team members created wearable art from materials sourced from within the business, including those which cannot yet be recycled.



August

Jan Buter won Hawke's Bay Young Fruit Grower of the Year, before going on to be awarded Young Fruit Grower of the Year and runner up in the national Young Grower of the Year competition in October.

Our new Whakatu apples packhouse was the joint-winner of the Hawke's Bay Export Awards 'Excellence in Innovation Award'.

September

We celebrated the opening of our new modern, fully insulated temperature-controlled T&G Fresh Auckland market. It provides a better experience for our customers and completes our exit from the former Monahan Road and Clemow Drive sites.

We appointed Kotahi to lead the procurement of all T&G ocean freight from 2023/24 onwards.

After a COVID-19 related pause in 2022, our Ka Awatea Māori and Pasifika leadership programme returned, with 18 Hawke's Bay team members commencing the five month personal development programme.

October

We began installing thermal screens at our Geraghty glasshouse in Tūākau, which is expected to reduce the site's carbon emissions by 29%.

Our visit to Papua New Guinea furthered our commitment to building stronger partnerships with RSE nations and workers. It followed visits to Samoa and the Solomon Islands. When it comes to our workforce, our RSE team are an integral part of T&G.

November

We celebrated ten years of encouraging young Kiwis to grow, cook and eat nutritious food. A decade of partnering with Garden to Table in Aotearoa New Zealand has seen its impact grow from 21 to 300 schools and more than 30,000 children involved.

December

In a very competitive United States market, the festive holidays saw outstanding growth for Envy™, with record breaking weekly sales and top 10 key retailers showing double-digit growth versus the year prior.

Management commentary
(no financial statements)

In the wake of Cyclone Gabrielle

From 12-14 February 2023, Aotearoa New Zealand experienced the most significant storm it has seen this century, triggering a national state of emergency – only the third such declaration in the country's history.

Cyclone Gabrielle dumped more than half a metre of rain across inland Tairāwhiti Gisborne and Hawke's Bay. It occurred just as our apple harvest was getting underway, leaving trees and new season apples submerged, and sticky, choking silt throughout orchards.

A year on from the cyclone, it's timely to review the overall impact and put it into perspective. It is also important to recognise the incredible care, mahi and sheer determination of our people. Given the devastation, we were relieved our people and our independent growers were physically unharmed, but we are acutely aware of the mental toll on them and the surrounding communities. That we were up and running just five days after the cyclone underlines their strength of spirit. That we can go into the new financial year with confidence is thanks to everyone across the business.

The cyclone was destructive, but it did not destroy confidence in our strategy. We have experienced setbacks because of COVID-19 and now Cyclone Gabrielle, but these have increased our determination to pick up the pace. The damage caused by the cyclone is considerable, but in the context of our global growth strategy it is not catastrophic.

This in no way underplays its seriousness. For the nation, the cyclone statistics are numerous – 11 lives lost, 2,000 people injured, 225,000 homes without power, many of them buried under sediment. More than 10,000 people were displaced. The cyclone caused an estimated $14 billion worth of damages nationally.

In Hawke's Bay, the entire district suffered through one of the worst weather events on record in the region. Local rivers were overwhelmed, stopbanks breached, bridges destroyed, extensive flooding trapped people on rooftops, and possessions, pets and livestock were swept away.

A group of our RSE workers were forced to the rooftop of their flooded accommodation. Their immediate willingness to pitch in and save others speaks volumes about their characters. They and our local team drew heavily on their physical and mental resources as we faced the seemingly impossible task of recovery and restoring some normality.

Hawke's Bay and Tairāwhiti Gisborne are particularly important for T&G. All of our own apple orchards are here, as are many of our licensed independent growers, and we have packhouses (including our new state-of-the-art automated packhouse which was due to commence operating one month after the cyclone), cool stores, and markets and distribution centres.

It took five days for power to be restored at our East-site. Our office and cool stores experienced minor flooding, however our West-site packhouse and T&G Fresh distribution centre were more heavily flooded. Thankfully, our new packhouse was unscathed.

Many of T&G's orchards survived the worst of the storm, however, four orchards were severely damaged. This included our fully mature eight-year-old 47-hectare 2D Ebbett orchard beside the Tutaekuri River. This was our first fully 2D orchard and provided the blueprint for all future developments. It is no exaggeration to say its loss was felt deeply by the team responsible for the orchard that they were so proud to showcase to colleagues and visitors.

We had to make the difficult decision to terminate the leases of some orchards given the impact on them. To put this into perspective, it took seven months to clear the silt from our continuing operations.

In total, approximately 13% of T&G's planted hectares in Hawke's Bay were impacted. We expect a further 22% of the planted hectares in the region will have reduced productive capacity for two-to-three years given damage to the trees. We will be closely monitoring the health of orchards over the coming season.

The cyclone had a long tail. It triggered an immediate need to reduce costs by pausing or stopping some work without putting our long-term strategy at risk. The resulting organisational restructure achieved material savings, following restructuring costs, which will further enhance operational efficiencies in 2024 and beyond.

Our T&G Fresh transport team met the extensive damage to the country's roading infrastructure head on with more than 30 sections of Aotearoa New Zealand's main highways severely damaged. Our team managed to work around road closures, destroyed bridges and flooding in the immediate aftermath to keep produce moving from our own sites and our independent growers.

This damage, which was off the back of the 2023 Auckland Anniversary weekend floods, included a significant proportion of the state highways serving Northland, Auckland, Coromandel, Manawatū, the Central Plateau, Tairāwhiti Gisborne and Hawke's Bay.

Post cyclone conditions put our harvest and quality teams and our health and safety leaders under considerable pressure given the simultaneous need to clean up our orchards and safely pick fruit, while maintaining strict food safety risk management protocols. While the cyclone wrought damage, it is important to remember many orchards came through unscathed. It is a credit to our growing, post-harvest and supply chain teams that important programmes, including the fast start to market, were successfully delivered.

The aftermath also confirmed the inherent value of our continuous improvement programme, with its framework of proven work standards, checklists and problem-solving ability. The disciplines inherent in it were certainly put to the test as our people completed the clean-up and recovery – building our orchards back better, as the photo to the right illustrates – and returning to the normal operational disciplines needed in our orchards. These tools and techniques helped our people to stay focused, methodical and safe, despite the very demanding conditions.

The cyclone was an exceptional event in what turned out to be an exceptional year for weather in Aotearoa New Zealand. It was the second-warmest year recorded since 1909 and rainfall was well above average in most of the country. In its 2023 wrap up, the National Institute of Water and Atmospheric Research (NIWA) reported it was also a cloudy year with solar radiation 97% of normal. For us, this meant a 5-year low in solar radiation and a 5-year high in rainfall.

Understanding the implications – both good and bad – of a changing climate enables us to assess, prepare and respond so we can mitigate the risks and make the most of opportunities. This year we tested our strategy and business model against three possible future climate scenarios and this work will guide our actions. It is reported separately in our 2023 Climate-related Disclosure.

About T&G

T&G brings the best produce from Aotearoa New Zealand and around the world to nourish people in over 60 countries.

Founded in 1897 by visionary immigrant Edward Turner, our business has evolved over more than 125 years. It began as a modest fruit and flower shop on Auckland's Karangahape Road, then grew to become Auckland's first produce market in 1918. The company led the export of locally-grown strawberries to the United Kingdom with the first long distance delivery of the fruit anywhere in the world, followed by pioneering the export of Chinese gooseberries under the name "kiwifruit" in the 1950s.

Today, guided by our purpose to grow healthier futures, our 1,600 team members work to satisfy demand from our consumers and customers for nutritious, sustainably grown fresh produce.

Our Aotearoa New Zealand operations include orchards and glasshouses producing apples, blueberries, citrus and tomatoes, independent grower partnerships, post-harvest facilities and distribution centres.

Our premium Envy™, JAZZ™ and Joli™ apple brands are grown under license in selected prime apple growing regions across the globe, including Aotearoa New Zealand, the Americas, United Kingdom, Europe and South Africa, and our team source, trade and import a variety of fresh fruit and vegetables.

The following 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 in all our markets and contributes always to growing healthier futures.

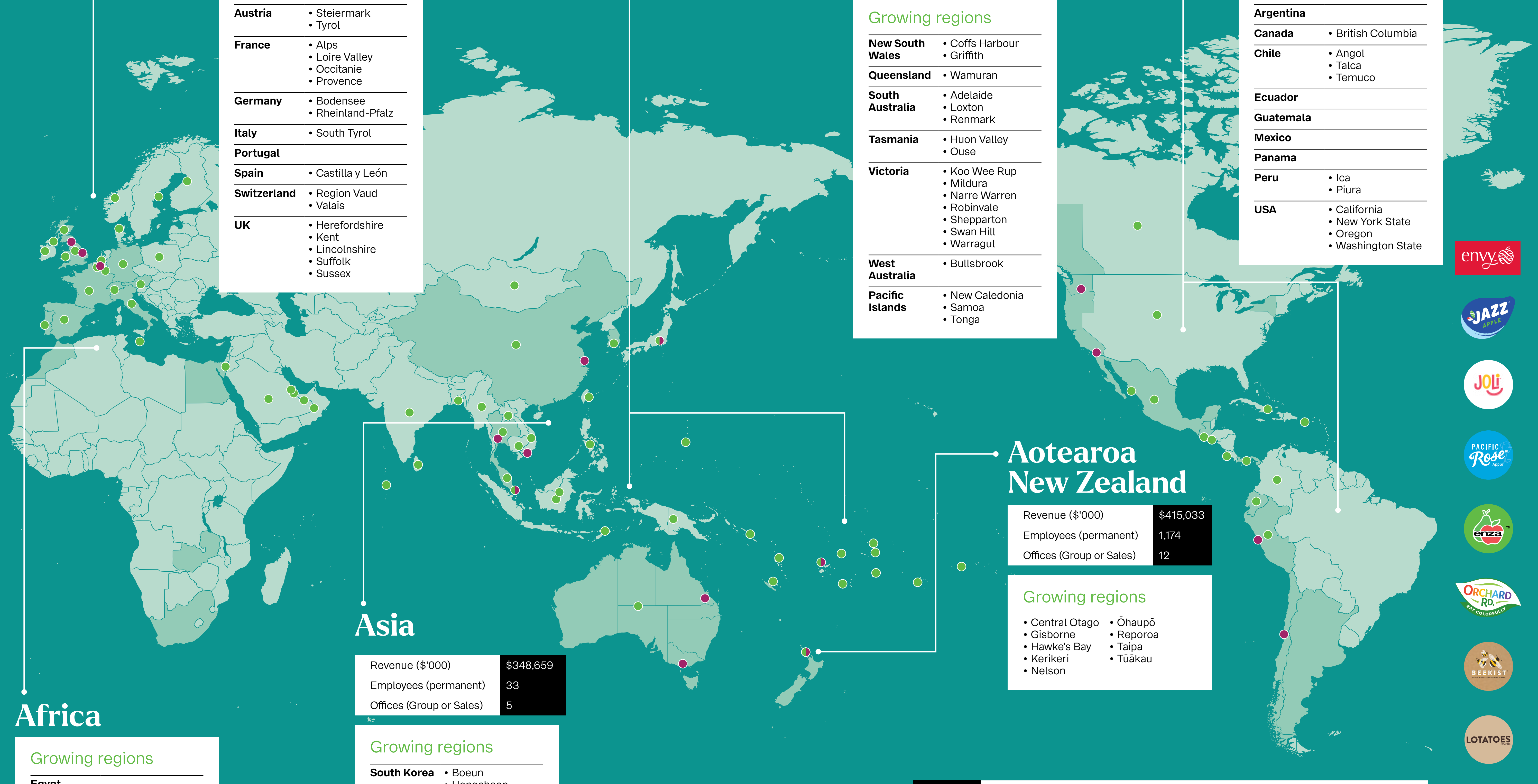
KEY

Sites
(Global Hub*, distribution centres)

Growing sites/regions
T&G apple, blueberry, tomato and citrus regions, and independent apple growers

Post-harvest and packing facilities
T&G facilities

Management commentary
(no financial statements)



UK & Europe

Revenue ($'000)	$370,938
Employees (permanent)	418
Offices (Group or Sales)	3

Growing regions

Austria	• Steiermark • Tyrol
France	• Alps • Loire Valley • Occitanie • Provence
Germany	• Bodensee • Rheinland-Pfalz
Italy	• South Tyrol
Portugal	
Spain	• Castilla y León
Switzerland	• Region Vaud • Valais
UK	• Herefordshire • Kent • Lincolnshire • Suffolk • Sussex

Australia & Pacific Islands

Revenue ($'000)	$108,938
Employees (permanent)	12
Offices (Group or Sales)	3

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)	$90,770
Employees (permanent)	40
Offices (Group or Sales)	4

Growing regions

Argentina	
Canada	• British Columbia
Chile	• Angol • Talca • Temuco
Ecuador	
Guatemala	
Mexico	
Panama	
Peru	• Ica • Piura
USA	• California • New York State • Oregon • Washington State

Africa

Growing regions

Egypt	
Morocco	
South Africa	• Eastern Cape • Western Cape
Zambia	

Asia

Revenue ($'000)	$348,659
Employees (permanent)	33
Offices (Group or Sales)	5

Growing regions

South Korea	• Boeun • Hongcheon • Geochang • Yesan
Thailand	
China	

Aotearoa New Zealand

Revenue ($'000)	$415,033
Employees (permanent)	1,174
Offices (Group or Sales)	12

Growing regions

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

KEY

Global markets we serve | **Offices** | **Growing regions** Own and independent

Management commentary
(no financial statements)

Our progress

Our strategy

T&G's vision is to be the world's leading premium fresh produce company. It is certainly ambitious, but it also goes hand-in-hand with our purpose of growing healthier futures.

Our strategy defines the three supporting pillars to realising our vision and purpose. They are grow great brands, win in key global markets and lead Aotearoa New Zealand's fresh produce future.

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

Management commentary
(no financial statements)

Grow great brands

For us, 'grow great brands' means apples and berries that stand out in a crowd.

It takes considerable investment in research and development (R&D) to achieve these unique varieties, and we protect that investment through our trademarked brands. Our premium apples carry their own unique brand names - Envy™ and JAZZ™, which are our established performers.

Envy™, launched 14 years ago is now sold in 60 markets, while JAZZ™ has won consumers' hearts in 40 markets. This year, Joli™ joined them in our premium portfolio and has an equally bright future.

However, growing great brands starts well before our apple orchards or berry farms are established. VentureFruit®, our plant variety commercialisation and management business, has partnerships with research institutes, such as Plant & Food Research in Aotearoa New Zealand, where scientists and plant breeders patiently work to develop new cultivars capable of creating great premium brands.

Management commentary
(no financial statements)

Joli™, a decade in development

What does it take to create a new premium apple? Patience, investment, knowledge and teamwork.

The launch in June of our new premium apple variety, Joli™, is the result of over ten years of innovation and six of evaluation. Developed in Aotearoa New Zealand, Joli™ is a large full-flavoured apple which appeals to both consumers and growers, with trees producing high yielding, high colour fruit.

It was developed by Plant & Food Research and innovation company, Prevar, using natural breeding techniques and by working with JAZZ™, Pacific Beauty™, Royal Gala and Fiesta varieties to develop Joli's™ unique traits.

Joli™ joins our premium apple portfolio, alongside Envy™ and JAZZ™, and like them, it's all about appearance and taste. Joli™ is a bright shiny red apple, with a full-flavoured balanced sweetness, abundant juiciness and a generous share-worthy size.

In sensory testing in China, Vietnam, Thailand, Germany and the United States, consumers ranked it a close match to their idea of the ideal apple.

This positive performance at the consumer end is mirrored in its orcharding performance, with significant R&D investment going into its growing, harvesting and post-harvest performance.

The thoroughness of this work, carried out over years of trials and testing, meant Joli™ could be brought to market with proven credentials for high vigour, fast canopy establishment, high colour and gross yields on a par with Envy™. In addition, it grows well in different environments and copes with various climatic conditions. With a mid-to-late March harvest in Aotearoa New Zealand, it matures at a similar time to JAZZ™ and before Envy™, and complements them by appealing to a young, carefree adult demographic among global consumers.

Joli™ represents a significant milestone for us. It harnesses Aotearoa New Zealand's great intellectual property and its addition to our premium portfolio will help build a stronger horticulture sector. We are the global exclusive license holder for growing, marketing and selling the variety.

This year we planted the first commercial plantings of Joli™ — which is part of the planned 27 hectares we'll plant on our Hawke's Bay orchards over the next three years. A further 100 hectares will be grown under license by independent growers across Aotearoa New Zealand. Over the next five to six years, as additional trees become available, we'll extend the opportunity to growers in other countries.

Trying for perfect in an imperfect world

When it comes to growing great brands, Envy™ and JAZZ™ are established successes with demand growing around the world in more than 60 countries.

Our strategy is to realise the full potential of our premium brands by growing our foothold in our key global markets, and building and maintaining consumer loyalty through the brands' year-round presence.

Our integrated global Apples team are working hard to deliver our 2030 growth strategy, which will see us supply at least 18 million TCEs to the global market.

To further strengthen our global JAZZ™ programme, this year we established a Collaborative Marketing Agreement (CMA) in Aotearoa New Zealand. The CMA enables fellow exporters to sell JAZZ™ in specific markets to help grow and develop new distribution channels, support the continued development of the brand and help preserve grower returns.

Planning, logistics and especially quality will be critical to maintaining brand loyalty. It's not enough to have a consistent supply in-store. Every apple must deliver the best, consistent eating experience regardless of the time of year or point of origin. With the ever-increasing uncertainty of environmental and economic conditions, our challenge is to "deliver perfect in an imperfect world", a challenge we accept with enthusiasm and approach with an agile mindset.

We are working very closely with our growers in Aotearoa New Zealand to ensure our Envy™ quality specifications and incentives are better aligned to delivering consistent quality fruit for six months of the season. This enables Aotearoa New Zealand supply which is bound for global markets to dovetail with supply from other geographies to ensure demand is met year-round with a consistent quality Envy™ presence.

We have improved our approach to incentives, encouraging and enabling growers to harvest fruit which tastes great and performs better in post-harvest storage conditions. While previous incentives focused on premiums for colour, size and juiciness, we now also offer growers incentives to harvest fruit which responds more effectively to SmartFresh and controlled atmosphere storage, locking in quality and facilitating longer sales programmes.

Fruit which stores well for the right amount of time and maintains its quality credentials supports our in-market teams to hit the key sales windows at the end of the season which feed into grower returns.

In 2023 we experienced some market access challenges in codling moth-sensitive markets, such as China and Taiwan. This was a symptom of high pest levels caused by poor weather in a challenging growing season. While fruit that did not achieve market access requirements could be diverted for sale in other markets, in 2024 it's vital we return to normal sales volumes for these strategically significant markets.

As well as focusing on achieving best quality through our growing practices, we're also focused on improvements to our post-harvest processes. We've undertaken extensive work in our packhouse to ensure our management of pests is robust, including benchmarking ourselves against other packhouses, testing our equipment and working with Plant & Food Research on how we can further improve in 2024.

Despite a difficult year operationally for us and our growers, grower certifications were completed, enabling us to provide customers with due diligence from horticultural practices right through to post-harvest management. All growers supplying the United Kingdom completed their SEDEX assessments which cover ethical and responsible practices.

Fast start a proven success

When it comes to premium apples, getting quickly to market can lift returns. This year our fast start programme for our Aotearoa New Zealand grown Envy™ aimed to get the fruit off the trees and airfreighted into our high value markets like China, Taiwan and Vietnam with minimal delays.

The goal was to get fruit to selected markets as early as possible following the end-of-March harvest, with retail and wholesale promotional programmes designed to support fast sales and good returns to growers. While speed to market was critical to the programme's success, quality was equally important in meeting customer and consumer expectations.

With the growing season far from ideal with low sunshine hours and high rain volumes, brix (sugar) levels in apple crops were lower than usual. We worked closely with growers on specification adjustments which would allow fruit to be harvested with lower brix levels without compromising consumer experience. Our quality inspectors in-market, along with retailers, confirmed the fruit ate well, with acidity balanced and a great taste. While due to the cyclone we saw several unusual quality issues, the challenges were well managed between our Aotearoa New Zealand and in-market teams.

The fast start harvest was airfreighted to market, a much faster option than sea freight at three-to-five weeks. The apples arrival in-market was well supported by marketing investments to optimise pricing and returns.

Looking across our entire Aotearoa New Zealand apples business, for the 2023 season we exported 4 million TCEs of both T&G and independent growers' apples against an expectation of over 5 million TCEs, given the impact of the cyclone.

World-class packhouse demands world-class planning

Commencing operations in the first phase of our $85 million apple packhouse in Hawke's Bay in May was the final step in a very significant project to integrate leading automation and technology in one of the largest apples packhouses in the Southern Hemisphere.

In phase one of the two phase project, the packhouse building, with its 1.7 hectare roof was completed on budget and on time, and a 100-metre packing line successfully installed and operational. This is an incredible feat given the facility was constructed during the constraints of COVID-19 and following Cyclone Gabrielle.

With two shifts of 95 people, 6 days a week, we are able to process 3,000 apples per minute. Given the high levels of automation in the facility, about one third of the volume that currently goes through the packhouse is untouched by human hands. This helps maximise the high standards of food safety and quality throughout our supply chain.

The successful delivery of this impressive facility began even before a single sod was turned on site. To begin, we researched available leading-edge post-harvest technologies internationally.

For three years, we trialled both Aotearoa New Zealand and internationally designed and made robotic fruit packers, automated tray de-nesters, automated carton packers, and assessed the optimisation rates for each piece of equipment. This research included installing a $1.5 million robotic palletiser in our West packhouse so we could learn from its operation in the 2022 season and apply this knowledge to the new development. This extensive research made us confident our new packhouse had leading automation and technology, from the wet infeed area, artificial intelligence and defect sorting, through to soft fruit handling technology and robotic fruit packers and palletisers.

Ensuring the health and safety of our people shaped all decisions regarding our new facility. Throughout the design and build, our critical risk management disciplines were applied well in advance of any of the packing lines and equipment being installed to mitigate risks as thoroughly as possible.

The packhouse supports our ambitious apples growth strategy, complements our conversion to 2D orchards which allow for more maintenance and harvesting automation, and ensures we can continue to grow production despite growing labour constraints.

Winning in key markets with smart Envy™ promotions

Vincent van Gogh had a fondness for fruit, flowers and foliage, and this year a selection of his paintings featured on celebratory Envy™ packaging in China through the Mid-Autumn Festival.

It's one of many festivals across our important markets in Asia. With food so important in celebrations, each festival is a chance to remind consumers our Envy™ apple is the perfect festive gift. Whether it's Lunar New Year or the TET celebrations in Vietnam, store displays, gift boxes and beautiful carry bags play a large role in our Envy™ promotions and sales.

In the high-value China market, our partnership with the Van Gogh Heritage Foundation enabled Vincent's paintings to enhance our collectibles and sales rose by 70% this year. Live online influencer sales sessions reached over 1.7 million consumers, with allocated stocks of the van Gogh gift boxes selling out. Sales at high-end retailers rose 36%, reinforcing Envy™ as a premium apple.

In Vietnam, seasonal promotions played a big and effective role in building brand awareness. Consumer preference in Vietnam for Envy™ is at 80% — a very strong score, and brand awareness is up 20% year-on-year. The TET holiday, which is the Vietnamese New Year, is the leading celebratory occasion where families and friends share gifts of food.

This year, our team mounted a roadshow with branded vehicles and scooters carrying celebrity brand ambassadors in convoy across the major cities. Our ambassadors drew crowds to sampling occasions, with sampling turning into sales through supermarkets and fruit stores. They also starred in social media and live events.

With red the dominant colour of celebration in many cultures across Asia, our deep red Envy™ is naturally appealing, especially when shown at its best in gift boxes. In addition to Vietnam, festival promotions in Thailand, Hong Kong, Malaysia and Indonesia increased sales velocity during the Mid-Autumn Festival. Most markets sold out of Aotearoa New Zealand-grown Envy™ during the festival and were smoothly transitioned to supply from our North American growers.

In Hong Kong, sales grew 40-100% after sampling and branded bus promotions reached 1.5 million people a month. In Thailand, outdoor advertising, including 200 digital billboards in Bangkok, reached over 55 million people a month and supported double digit sales growth.

Management commentary
(no financial statements)

VentureFruit® gains momentum

VentureFruit® accelerated its momentum in 2023, supporting growth in our apples and berries categories and the commercialisation of new varietals developed with research partners.

The business celebrated the end of its first year as a standalone operation with the release in February of Tutti™. This is the world's first specifically bred hot climate tolerant apple variety, and the first apple brand to be commercially released from the Hot Climate Partnership. This involves the Spanish Institute of Agrifood Research and Technology (IRTA), New Zealand's Plant & Food Research, the Catalonian producer association Fruit Futur, and VentureFruit® as the commercialisation partner.

Tutti's™ commercial launch at Fruit Logistica in Berlin saw the culmination of five years of extensive research and production trials under the variety name HOT84A1. For growers, Tutti™ represents a sustainable future as a variety able to withstand high temperatures across all continents. For consumers, it delivers a great tasting apple with its light, crisp flavour and red skin.

Having been tested in different geographies including Italy, France, Germany, Switzerland and the United Kingdom, Tutti™ has now been licensed for more than 300 hectares of plantings in Europe. Test blocks are being established in other geographies including Australia, China and South America, with material exiting quarantine in Aotearoa New Zealand, the United States and South Africa.

In South America, we appointed ANA® Chile as the master licensee to develop hot climate varieties, with seven commercial test blocks operated by the continent's top producers of apples and pears. ANA® is a leader in the nursery industry and aims to provide growers with new alternatives that contribute to improving competitiveness. This includes development of their own varietals as well as representing companies such as ours. If our test blocks are successful, we would expect Tutti™ to be adopted by some of Chile's most successful growers.

Our Hot Climate Partnership has also shortlisted two further varieties which we are hopeful for progressing to commercialisation in 2024/25. One is an earlier variety than Tutti™ and one is later, extending the growing season and the potential for this climate tolerant programme.

In June, a second new apple variety release was celebrated with Joli™ joining Tutti™ in the VentureFruit® portfolio. See the story on page 26.

Tutti™ image courtesy of IRTA

Berries

Our confidence in berries as a growth category was confirmed this year with the Board's decision to double the footprint of T&G Fresh's Queensland blueberry farm in Australia to 62 hectares, which grows VentureFruit® licenced varieties. A further 62 hectares of blueberries will be planted in Tasmania to complement the Queensland growing season.

We've supported growth in the berries category with the appointment of a berry commercialisation manager responsible for Europe and the United Kingdom. The establishment of our Northern Hemisphere testing network for cultivars is complete and includes Morocco, Spain, the United Kingdom and Poland. VentureFruit® also assisted our majority shareholder BayWa Global Produce with identification, due diligence and ongoing support for its joint venture with Nufri S.A.T. (T&G's Spanish Envy™ apple partner). This is an exciting step to support the Group's European berry aspirations.

We have a well-established foothold in blueberries, thanks to a 2017 agreement with Plant & Food Research and Fall Creek Farm and Nursery, Inc from Oregon in the United States. From this came 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 global exclusive commercialisation partner. This includes their blueberry and rubus genetics.

Consumption of blueberries continues to increase globally as consumers recognise the benefits they deliver. In the United States alone, annual consumption is expected to surpass 1.5 kilograms per person over the next five years. While blueberries are widely grown, analysts are forecasting a shift to premiumisation, with an emphasis on better berry genetics. VentureFruit® has concluded its go-to-market approach for the Americas and you can expect to see us active in this market from 2024. The wider soft fruit category, including blackberries and raspberries, is starting to become of interest for blueberry growers.

VentureFruit® is well placed with our breeding, research partnerships and licensing arrangements to participate in this shift through developing cultivars which can be grown more efficiently, yield more, are suited to mechanical harvesting and can command premiums by virtue of their taste, shelf appeal and shelf life.

Growing Envy™ in China

With growing global consumer demand for our premium Envy™ brand, T&G is maximising its dual-hemisphere multi-sourcing strategy to ensure a year-round supply of consistent high-quality fruit.

China is a significant strategic market and growing a managed commercial volume in-market is an important part of our domestic growth strategy.

Doing this helps ensure the continual availability of Envy™ and that Chinese consumers and retailers have confidence in the legitimacy and quality of the fruit. Initially, we're working with Joy Wing Mau, who were granted a license in 2018 to grow and sell a managed commercial volume of Envy™ in China. Initial volumes went on sale in November 2023. Growing the brand's footprint requires us to ensure we have the right protections in place to vigorously protect and defend our intellectual property for the benefit of breeders, growers, retailers and T&G.

VentureFruit® leads and manages the licensing of all T&G's plant varieties and brands, as well as leading action against any unauthorised plantings, propagation, counterfeiting and trademark infringements.

Management commentary
(no financial statements)

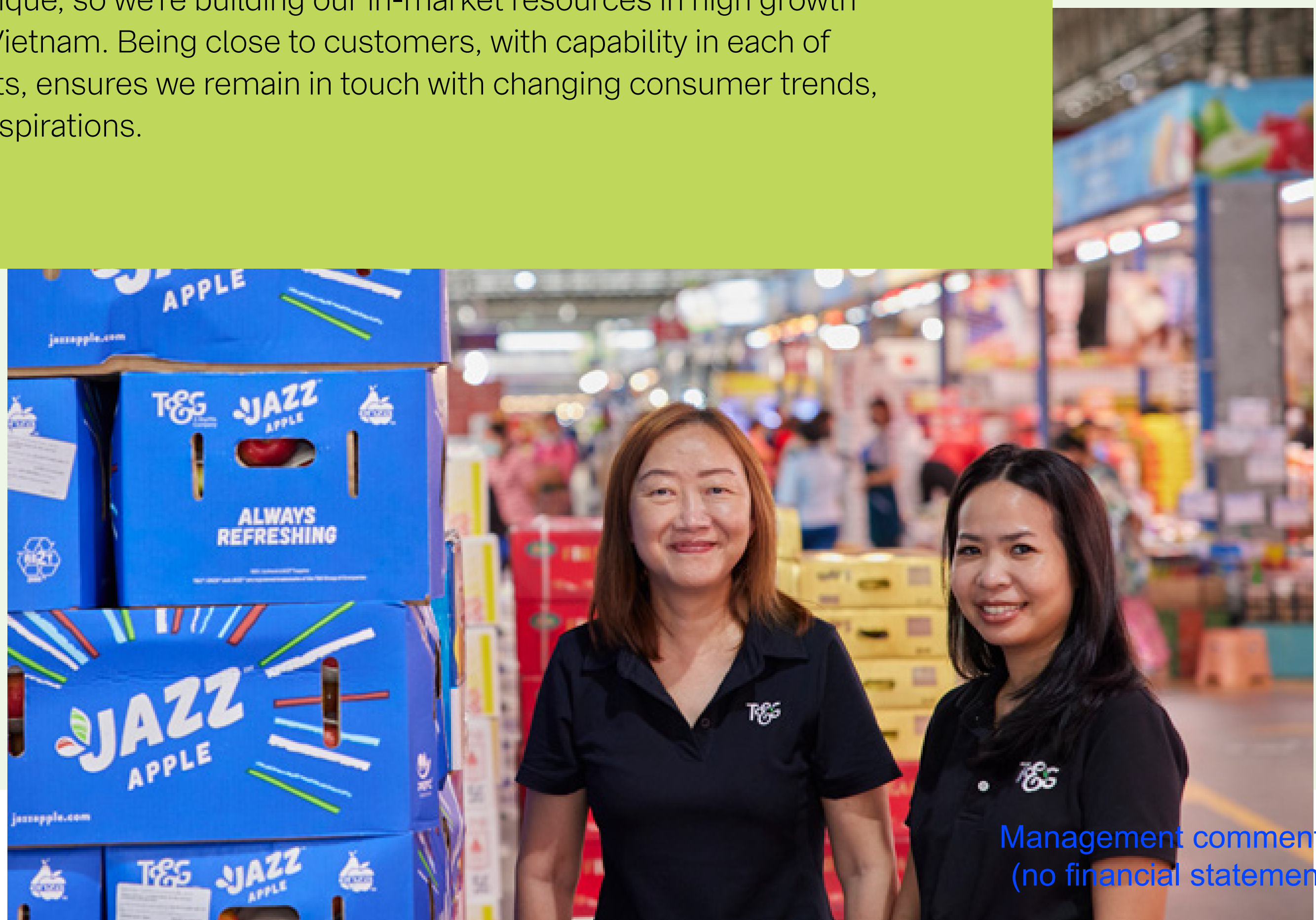
Win in key global markets

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

To achieve this, we're unlocking markets selected for their potential for growth and good returns for our growers. As we grow globally, we are also growing our volumes in key markets including Asia, the United States, Europe and the United Kingdom, supported by the most efficient end-to-end supply chain.

We're in a business where relationships matter. Food quality and food safety must go together to ensure consumers are well nourished and happy, and customers are satisfied.

Each market is unique, so we're building our in-market resources in high growth geographies like Vietnam. Being close to customers, with capability in each of our unique markets, ensures we remain in touch with changing consumer trends, preferences and aspirations.



Pace picks up in supply chain strategy

2023 was the year we strengthened our supply chain strategy. Our team laid the groundwork for a significant shift in how we manage sea freight, while also setting a record for our Aotearoa New Zealand air freight programme and juggling excess sea freight capacity after Cyclone Gabrielle.

The strategy was developed and approved last year after we looked at opportunities to optimise our logistics and provide growers with a competitive supply chain. With T&G's clear growth strategy, our global supply chain has been designed to ensure it has the capability, sophistication and co-ordination required to support that growth.

One priority for 2023 was to provide options to move Aotearoa New Zealand-grown apples into global markets earlier to enable and capture more value. This led to our fast start programme to get Envy™ into high value Asian markets as soon as possible following the March harvest. With 45,000 TCEs exported across five to six weeks, the programme set a record for T&G and was Aotearoa New Zealand's largest air freight programme in 2023.

The lessons learned from the programme's success will be used to inform our export strategy going forward to support our continued work to capture value in our key markets.

Our business-as-usual supply chain operations were tested when harvesting and exports out of Hawke's Bay and surrounding areas were disrupted by Cyclone Gabrielle. With vessel schedules into Napier compromised, we diverted sea freight capacity to Nelson and Otago until northern production came back online.

The appointment of Kotahi to lead the procurement of all T&G ocean freight from 2024 onwards, followed nine months of work evaluating options across all carriers.

Kotahi is Aotearoa New Zealand's largest supply chain collaboration. Established in 2011 by its two shareholders, Fonterra and Silver Fern Farms, Kotahi works with over 60 exporters to move almost one third of the country's containerised exports, making them the largest containerised and refrigerated exporter in Aotearoa New Zealand.

We selected Kotahi because of their ability to provide the flexibility, resilience and scale we need across our supply chain for the long-term.

With our volumes, we will be their most significant customer after Kotahi's two founding shareholders. This puts us in a good position to bring value back to our business and growers, one of the objectives of our supply chain strategy.

It also puts us in a stronger position with regional ports. With Kotahi's total export volumes across dairy, meat and produce, they'll be able to provide ports with total demand forecasts, sending consolidated demand signals to carriers to encourage reliable and aligned scheduling.

The priority will be the export of our Aotearoa New Zealand-grown apples as well as T&G Fresh produce for supply into the Pacific Islands, Australia and Japan. It will also include the export of North American fresh produce to Australia and Aotearoa New Zealand.

We have been working through our transition to Kotahi to ensure all the value levers will be working as anticipated. A major benefit is being able to have our requirements, including shipping dates and arrival windows, matched with the appropriate vessels and either a fast or standard transit, so we best match demand signals.

Our global supply chain strategy requires us to look across our end-to-end business to identify opportunities and ensure our supply chain provides a competitive platform for our growers. It also requires us to work with our ocean freight carriers to provide a scalable and reliable programme for our long-term growth.

We've made good progress in both areas this year. We have set the stage for more traction in 2024 as we work towards enabling a resilient and cost-effective global supply chain in the Northern and Southern Hemispheres which maximises value for our growers, customers and consumers.

Management commentary
(no financial statements)

US apples hit new milestone with Envy™

The United States is an important market – and one with a lot of competition – so our Washington State growers, packers and sales partners had something to celebrate this season when our Envy™ brand ceased to be just an "other" category.

That's the catch-all description among the list of 22 branded apple varieties which compete with one another for consumer loyalty in the United States. Sitting in the category rankings as "other" is by no means small, as it's ranked number four in the top 10 apples. However, when Envy™ broke free this year to be reported as a standalone brand – and at #7 for popularity – a milestone had been reached.

It capped off a good end to the year for our Washington growers who produced an exceptional 2023 crop, not only of Envy™ branded apples but also our popular JAZZ™ brand. The harvest was a standout for colour and quality, with Envy™ achieving expected sales volumes that were up 19% year-on-year at 3.68 million TCEs. This includes domestic sales as well as growing export volumes to markets across Asia including China, Vietnam, Hong Kong and Thailand. In addition, organic Envy™ volumes were up 117%, all largely sold domestically in the United States. The JAZZ™ crop, with its very good size and colour, is projected to deliver sales volumes of 700,000 TCEs, with strong export demand.

The successful harvest season was a real team effort, with excellent crop forecasting and a great harvest, supported by a strong sales plan and creative marketing initiatives to support the growth of Envy™ and JAZZ™. As a result, the value of our 2023 crop is estimated to be USD$185 million.

While Envy™ volumes represent around 3% of the total market, the brand is a strong performer in the premium apples segment and has achieved double-digit growth for the past three years. Despite market conditions being difficult for United States' orchardists, with rising labour and material costs squeezing margins, good returns are encouraging some of our 55 growers to extend their Envy™ plantings. Currently there are almost 2,428 hectares in production in Washington State.

After years of successful trials, we are establishing Envy™ plantings in upstate New York, with initial commercial volumes anticipated in the next two to three years to meet local east coast demand preference and reduce eastern geography shipping costs.

The United States is also a key market for our Aotearoa New Zealand apple exports, and in the coming season it is expected to import some 30% more volume.

Seeing Envy™ reported as a standalone brand and listed as a top seven branded variety is very encouraging. It indicates our sales and marketing efforts to raise consumer awareness is paying dividends.

Taste, texture and appearance are Envy™ strengths and our campaigns are focused on encouraging consumers to try then buy, converting them from other apple varieties and building frequency in-store (see story on page 35). By demonstrating key indicators to retailers, such as the basket size and spend per unit and per trip, we aim to secure additional shelf space for our brand. Organics is also a big part of our growth in the United States, targeting a strong and growing segment in the domestic market.

In this highly competitive market we also see potential to grow beyond the apples category through our VentureFruit® business, and it has concluded its go-to-market approach for berries in the Americas for the coming year. See page 31 for further information.

Performance to Envy™

What do you do when American NFL footballer J.J. Watt posts this to his 5.6 million followers on X?

"Have yet to find an apple that can knock off the Envy™ apple as the #1 rated apple to eat. So crisp, never mealy, always delicious."

You say "thanks!". It's the least we could say to the man considered to be one of the greatest defensive linemen of all time, especially given his shout-out was unsolicited.

In the United States, where consumers have more than 100 types of apples to choose from, unsolicited endorsements like J.J. Watt's are marketing gold. And just like gold, there's a significant effort behind bringing this level of admiration to the surface.

Envy™ was the result of R&D by T&G and Plant & Food Research. They developed the Scilate variety, which is branded as Envy™, with its sweet, crisp and crunchy taste and distinctive red skin. Our research shows that it provides the ultimate apple experience – taste, aroma, crunch and appearance – and when it's sampled, it is habitually rated as close to the ideal apple for consumers around the world.

Our in-market efforts focus on encouraging consumers to take that first bite of Envy™. We work with our leading United States supermarket stockists, building interest and awareness through eye-catching in-store sampling, promotions, attractive bright red pouch bags and impulse purchase opportunities located near checkouts.

We know the taste is a winner to building brand loyalty. Through promotions, influencers and social media, we consistently encourage consumers to connect the memorable Envy™ eating experience to the Envy™ branded apple in their local store so it's always their first-choice purchase.

This effort has seen Envy™ make its way into 70% of United States supermarkets, including the major national and regional chains of Walmart, Costco, Safeway, Kroger and Sam's Club. To capture online purchases, our United States team also works closely with each retailer's online platform, ensuring Envy™ is prioritised in apple searches, accurately barcoded and portrayed with authentic images.

Our team is also casting a wider net for creative sampling opportunities to drive more in-store sales. We have a strong brand relationship with the Hallmark Channel, the most-watched cable network in the United States. Across the North American apple season, from November to March, our team creates memorable sampling opportunities, including occasions with leading Hallmark actor, Andrew Walker (pictured below). The star of Christmas movie 'Three Wise Men and a Baby' approached us offering to be a brand ambassador after he discovered and fell in love with the taste of Envy™ apples.

Supporting our marketing strategy is our United States sales network of four independent companies licensed to sell Envy™ and JAZZ™. They include Delica North America, Oppy (Oppenheimer) and two vertically integrated grower/shippers, CMI Orchards and the Rainier Fruit Company. All four have extensive relationships in the mature United States market which they leverage on our behalf.

This year, our licensed Washington State growers produced 4.3 million TCEs of both conventional and organic Envy™, with 75% sold domestically – and this is supported by our growers in Aotearoa New Zealand and Chile, who satisfy demand when the United States apple season winds down.

The Americas is an important market for T&G. While it's a mature market, we believe it has considerable growth potential, not only for Envy™ but also for our new global premium Joli™ brand which was launched this year.

As profiled on page 26, Joli™ is a productive, large, full-flavoured bright red juicy apple which appeals to both consumers and growers, with trees producing high yielding, high colour fruit. Where Envy™ is positioned as the ultimate apple experience demanded by sophisticated luxury seekers, Joli™ is positioned as a sharing apple, playful and tasty, aimed at young, carefree adults. Its growing season complements that of Envy™.

Management commentary
(no financial statements)

Lead Aotearoa New Zealand's fresh produce future

T&G Fresh is the all-important link between growers and consumers, satisfying demand for fresh fruit and vegetables year-round.

We're a grower, producing citrus, tomatoes and berries, and we also work with more than 700 domestic and overseas independent growers. Together our T&G Fresh business keeps fresh produce moving from orchards and farms to our distribution centres and out to supermarkets, retailers and foodservice.

Our produce appears wherever consumers want something fresh, affordable and high quality, whether it's in the meal kits delivered to their doors, the shelves in their local supermarket or the wraps and salads in their favourite quick-service restaurant.

We also provide the link for global growers of produce such as tropical fruit and bananas to reach consumers by importing fresh produce which cannot be grown locally or to fill seasonal gaps. We export to the Pacific Islands, Australia, Asia, Europe and North America.

Management commentary
(no financial statements)

T&G Fresh - refreshed, refocused, reorganised

2023 has been the year where we refreshed, refocused and reorganised T&G Fresh, with new facilities to better service our customers, new appointments to strengthen our relationships with growers and a new structure in Australia so we can better play to our strengths.

All three were achieved during a year when weather, including a cyclone, worked against us and our growers, our transport team faced challenges with damaged roads and infrastructure, and inflation impacted costs. We also set ourselves up for more growth in berries in Queensland, Australia, and Northland, in Aotearoa New Zealand, while growing our Pacific Island exports as tourism flowed and their economies recovered.

In January, T&G Fresh established a new produce procurement function. The team includes specialist category managers to support our category development plans, while strengthening our overall relationships with growers. This move has been well received by growers, especially as they are working with people who understand their crops as well as customer and consumer expectations.

Also well received was our new fresh produce market on Carbine Road, Auckland. The modern temperature-controlled facility is fully insulated to provide an improved refrigerated supply chain, helping to retain the quality and freshness of the produce so it reaches customers and consumers at its best.

The produce we both grow and source from our independent growers is showcased on the market floor, along with imported produce. An on-site commercial kitchen enables us to cater for grower and customer events and allows us to produce seasonal offerings to educate and inspire.

The large open market floor, expansive cool store spaces and purpose-built efficient truck delivery and collection area was designed to meet the diverse needs of customers from Aotearoa New Zealand's largest supermarkets to artisan restaurants.

The shift from the old market site on Monahan Road was a master-class in logistics, enabling operations to move over a single weekend. Prior to the move, the team became familiar with operating systems designed to run the new site efficiently and cost effectively. After just one day with lower-than-normal DIFOT (delivered in full and on time) scores, the site hit its efficiency targets and now consistently achieves them, saving time and costs.

Our new Auckland market is part of our network of 11 sites selling fresh produce on behalf of our 700 independent growers. Our markets are located in Whangārei, Hamilton, Tauranga, Gisborne, Hastings, New Plymouth, Palmerston North, Wellington, Nelson and Christchurch. The consolidation of Auckland operations to fewer sites will deliver reduced property costs in the coming year.

During the year we extended our lower carbohydrate Lotatoes™ potato brand beyond Woolworths New Zealand to include New World, PAK'nSAVE, Farro and Fruit World. Consumers were also introduced to our Beekist® sandwich tomatoes, specially grown to reduce their juiciness and the risk of soggy bread (see story on page 41).

In Australia, our T&G Fresh operations have been refocused on our strongest categories - citrus, blueberries, grapes and asparagus. Reducing our produce portfolio has enabled us to put more time and resource into developing our winners, particularly the blueberry category. The first crops from our Queensland growing partnership came into the market this season and, as profiled on page 39, we're now investing to double its growing capacity. Our Delica business in Australia had a good year for exports, predominantly citrus.

Improved freight access and the return of tourism post-COVID-19 restrictions saw our Pacific Islands business enjoy strong trading, particularly in Fiji, our biggest market which turned in a very strong result. There, we run a wholesale operation and our investments last year in a warehouse and dispatch facility on Labasa was rewarded with good market growth.

A boost for blueberries and citrus

It's been a year for growth, both in the ground and on the ground for our diversified crops team, with new plantings building citrus volumes in Aotearoa New Zealand and a fast-track expansion of our Australian Queensland blueberry farm to bring more of our premium blueberries to market.

Our Afourer mandarin conversion of 20 Northland hectares will boost the T&G Fresh mandarin volumes available through August to November, complementing the Northland early Satsuma season which ends in July. Continuity of supply is valuable, especially given our lead category position within Aotearoa New Zealand. The expansion supports our strategy around full integration from planting to retail.

This season the sunny far north of Aotearoa New Zealand did not live up to its name, with lower sunshine hours and too much rain. With citrus being a bi-annual crop, we had lower than expected volumes across the total citrus category, but our well-established Taipa leased orchard still produced an outstanding crop of sweet Navel oranges. We are building strong relationships with Ngāti Kahu, a Māori iwi in the far north of the North Island who own the 36 hectares of land that the crop is grown on.

On a much smaller but more premium scale, our initial Northland planting of Australian native finger limes, with pulp resembling citrus caviar, showed a promising start. The variety looks set to become popular with chefs and consumers as we build volumes in 2024. The fruit is difficult to grow and expensive to harvest, but it commands premium prices because of its flavour, appearance and versatility.

It was a challenging year for our outdoor blueberry crop in Northland, but blueberries grown under tunnels performed well. We have a further 2.5 hectares under tunnels of premium berries from our VentureFruit® portfolio. We see blueberries as a growth opportunity and this is supported thanks to our 2017 agreements with Plant & Food Research and the Fall Creek Farm and Nursery, Inc in the United States, which gave us exclusive rights to grow 16 varieties in Australia. VentureFruit® also has a 2021 co-investment with Plant & Food Research in a range of new and unique berries, which it's also the exclusive global commercialisation partner for.

The performance of our Queensland berry farm gave the Board confidence to approve the investment to double its size. By 2025, we will be a significant presence in the Australian market, supplying premium and exclusive blueberries at a time when commodity blueberries have yet to be harvested.

We have a major push in Queensland to develop 24 hectares of tunnel plantings and 10 hectares of netted plantings in just nine months, commencing in February 2024. This will beat the initial development's project timing by over a year with the goal of having the first fruit from this new block in market by April 2025. The blueberry varieties planted on the property are licensed to T&G Fresh by VentureFruit®, making us even more confident of market prospects given the variety is an outstanding performer in terms of size, flavour, colour and shelf life. The development is a positive example of our R&D and growing expertise being brought together to create new revenue streams.

Management commentary
(no financial statements)

Strong result in challenging conditions

While 2023 was the year of the rabbit in our Asian export markets, for T&G Fresh it was the year of the tomato.

The crop's performance in a challenging year for growing produce contributed to T&G Fresh's ability to meet our forecast budget at year end. Total T&G Fresh revenue was up 8.5% to $434.5 million for the year. However, with inflation forcing up operating costs, our operating profit was down 37.6% at $11.1 million.

Tomatoes achieved very strong pricing across the first seven months of the year as consumer demand could not be met by supply shortages caused by growing difficulties and poor weather throughout most of the year.

While our tomato crops are covered, sunlight is still important in the colour and ripening of the fruit and persistent overcast days did have an impact on production and volumes were down. Delivery to market was also affected by the February cyclone's damage to roading infrastructure.

Onions and potatoes also made a valuable contribution to the year-end result, despite difficult growing conditions which also affected supply. Root crops, particularly kūmara, were in short supply for much of the year, with yields and quality affected by the weather.

The weather-related impact was not limited to domestic crops, with the volume and quality of imported fruit, including bananas and grapes, also affected.

With produce availability constrained and prices high, demand was softer through the year with consumers also having to adapt to higher overall living costs.

Our transport team did an exceptional job to keep produce moving from our own sites and those of independent growers to market, especially in the weeks immediately after the cyclone with flooding cutting off roads, destroying bridges and affecting inter-island ferry schedules.

The bad weather compounded difficulties for the team who had both labour and capacity shortages – both overhanging impacts from COVID-19. While there were lower volumes to be shifted, produce had to be moved further and more slowly with workarounds – especially in badly hit areas like Hastings and Tairāwhiti Gisborne.

Goodbye to soggy sandwiches

We know from research with Kiwi consumers that the sandwich is their leading tomato-eating occasion. But when juicy perfection meets a soft slice of bread, the outcome is inevitably soggy. We went in search of the perfect tomato, and this year Beekist® The Sandwich Tomato was served up to consumers. It's goodbye to soggy sandwiches, year-round.

As an exclusive IP to T&G Fresh, we hold the Aotearoa New Zealand licence to grow and market this variety – the Intense tomato variety. Developed over 10 years of R&D, this award-winning variety looks a little like a Roma tomato on the outside but, when cut, it reveals a much meatier centre with a darker, intense red colour, less juice and plenty of flavour.

Vine-ripened and flavoursome, with up to 40% more slices and less water, they're perfect for sandwiches, burgers, wraps and chunky salsas.

Beekist® The Sandwich Tomato has been quickly adopted by consumers and is also in demand in the foodservice and quick service restaurant (QSR) sectors, given its consistent flavour, appearance and yield. Like all tomatoes, it's best kept out of the fridge.

For consumers, the tomato comes in a branded four-pack, while loose tomatoes are supplied to foodservice and the QSR sector.

Management commentary
(no financial statements)

High-performance

Growing a high-performance culture

Our five-year cultural transformation programme, initiated in 2018, has made significant progress and now no longer requires a programmatic approach, as the high-performance disciplines are embedded in the business.

We knew these disciplines were crucial to delivering the three pillars of our strategy: grow great brands, win in key global markets and lead Aotearoa New Zealand's fresh produce future, and ultimately lifting our performance.

The focus is now on execution and ensuring the disciplines of the high-performance system are strong, as they are the foundation of our culture. The system balances performance accountability with ensuring our people are invested in, cared for, and have a strong sense of purpose built around our mindsets and purpose.

Developing our leaders

Leadership capability is key to driving both organisational performance and employee experience. Our training programmes focus on developing leadership skills and capability across all leadership groups.

Our front-line leadership programme is the Emerging Leaders Programme (ELP). It develops the practical and personal skills needed in our operational leaders. This year we were honoured to win the Our People – Our Success award at the German-New Zealand Chamber of Commerce business awards held in Auckland.

The award recognised our ELP, which was developed in 2020 with support from the New Zealand Government's Provincial Growth Fund. The ELP runs over a 14-week period, equipping front-line and future leaders with skills including: effective communication, continuous improvement, developing people, and leading safety and wellbeing.

The programme has achieved remarkable results, with participants growing in confidence and capability whilst supporting their peers to grow and learn. Since its launch, over 200 of our talented front-line leaders have completed it. Developed in-house by our People & Culture team, the ELP has been instrumental in building capable, confident leaders across the business, whilst fuelling their career development.

In 2023 we continued with our Ka Awatea programme, delivered by Indigenous Growth Limited. The programme is for our Māori and Pasifika leaders and future leaders, providing the opportunity to build leadership skills and connect with their cultural heritage to find their unique and authentic leadership voice. Achievement of our I&D goals will rely on our ability to better integrate cultural awareness and understanding within our business.

Our Ka Awatea programme contributes by nurturing strong Māori and Pasifika leaders through an intensive five-month programme. This enables these leaders to better connect with their culture, understand what leadership means to them and develop their personal skills and abilities. To help progress our efforts towards better cultural awareness and understanding, the programme has participants working in rōpū and presenting business cases to the Executive team for initiatives developed during the programme.

Asking our team

Previously, we had two surveys as measures of culture — our Connection Meter and HPES (High Performance Environmental System). In 2023, we moved to a new single measure, the AskYourTeam survey. Our inaugural survey was completed in July.

The survey covers eleven key areas: business processes, leadership, organisational culture, organisational learning, performance development, strategy, customer focus, information, internal communications, people experience and psychological wellbeing.

With a participation rate of 77.4%, we had 998 respondents. AskYourTeam enables us to review results down to team sizes of 5 or more, accessed through an intuitive dashboard which is accessible to each manager to review their results with their teams.

We were pleased with our first-year overall people score of 72%, versus the private sector benchmark median of 68% - with the categories that contribute to an overall people score being: leadership, organisational culture, performance development, people experience and psychological wellbeing.

Great leaders, great growers

We do more than grow great fruit and vegetables at T&G. Growing great leaders is also an enduring aim and this year, we had an especially talented crop.

Grace Rehu, a leading hand in our Hawke's Bay operations and Hastings-based Jan Buter, a supply and continuous improvement technician, were both recognised for their skills and attitude in industry awards. Grace took home the 2023 Ahuwhenua Young Māori Grower Award, while Jan was crowned Hawke's Bay Young Fruit Grower of the Year and was runner-up in the national Young Grower of the Year.

The Ahuwhenua Young Māori Farmer and Grower award celebrates Māori excellence in Aotearoa New Zealand's agricultural sectors, alternating each year between dairy, sheep and beef, and horticulture.

Grace was selected as a finalist in February, competing against two strong wāhine through a number of fieldays and events. It was the first time all finalists were wāhine.

Grace, who says she has always loved being outside on the land, took advantage of the Ahuwhenua competition to challenge herself, learn new skills and create friendships and strong bonds. She also wants to help other young wāhine follow in her footsteps, exploring a career in horticulture. We see Grace as a great leader, a great grower and an excellent role model, with a passion for the land and fresh produce – exactly what we need in our people. Grace is also participating in our Ka Awatea programme.

Jan Buter beat a talented field of seven finalists to take his Hawke's Bay Young Fruit Grower of the year title. Run by the Hawke's Bay Fruitgrowers' Association, the competition tested his knowledge and expertise in areas such as tree and bud identification, tree health and water irrigation, with the final component being a speech at the Awards gala dinner.

Throughout the competition, Jan won four of the eight module stations, as well as the Speech Award. In addition to winning the Young Fruit Grower of the Year title, Jan was also presented with the Kaimahi Award, gifted by Ngāi Tukairangi Trust to the participant who consistently acted with integrity, respect and displayed true leadership qualities. Jan went on to represent Hawke's Bay in the Young Grower of the Year competition in November, where he was runner up.

We're proud of Jan's achievements and the well-deserved recognition from the awards. Like Grace, he has a fantastic work ethic, and a commitment to keep developing his practical and people skills, showing strong leadership potential. As part of our continuous improvement team, he's definitely an inspiration. In 2024 Jan will be based in Europe on a secondment with T&G.

Management commentary
(no financial statements)

Kaitiakitanga

Generations of growing and harvesting have shown us that when we take care of the land, it takes care of us.

This understanding is expressed in the Māori world view as kaitiakitanga, which not only recognises that people, land and nature are interlinked, but that those who live on and use the land have an obligation to be its guardians, preserving its benefits for future generations.

We embrace the principles of kaitiakitanga in our business because experience has taught us that our success and our sustainability rely on how well we respect, guard and nurture our human and natural resources.

Our Kaitiakitanga environmental, social and governance (ESG) framework has three pillars – people, planet and produce – and for each we have focus areas and goals.

Our people pillar speaks to our ambition to grow a safe, healthy and passionate team, where everyone is empowered to be their best and thrive. Our planet pillar recognises our role as kaitiaki, or guardians, creating a healthier planet by protecting and nurturing our natural environment and using resources responsibly. Our produce pillar relates to our sustainable produce value chain which provides nutrition to our customers and consumers and enhances livelihoods. Progress towards our goals under each of these pillars is discussed in this report.

Refreshing our framework

Our Kaitiakitanga framework is guided by the views of our stakeholders. In late 2022, we undertook a detailed materiality assessment with stakeholders (see Appendix 3). This identified sustainable financial performance, product quality, resilient and ethical supply chains, customer and consumer needs, and climate change and resilience as the most material topics.

As a result, this year we reviewed and refreshed our Kaitiakitanga framework (see page 46). While our three pillars are enduring, we have clarified and renamed our second pillar 'place' as 'planet'. Our focus areas and goals will evolve over time to ensure we are responsive to the environment we operate in, and the needs of our stakeholders and business.

To reflect the most important material topics, our wider business strategy incorporates management of topics including sustainable financial performance, product quality, and customer and consumer needs. The remaining material topics informed the refresh of our framework.

In 2023, oversight of the framework and these topics has been further strengthened by the establishment of a specific Sustainability Committee of the Board (see Governance and management on page 47).

Our updated Kaitiakitanga framework

	Focus area	Goals	Activity
Our people	**Protect and grow**	• Our leaders visibly show their commitment to health and safety through their actions and are continually looking for opportunities to improve • Workers and their representatives are involved in decisions impacting on their health and safety • We have effective processes to protect our workers from short-term and long-term harm	• 2023-2025 Health, Safety & Wellbeing strategy and action plan
	Inclusion and diversity	• Accept, respect and celebrate our similarities and differences	• 2023-2025 Manaakitanga (Inclusion and Diversity) strategy
Our planet	**Climate action**	• Thrive in a changing climate while reducing emissions across our value chain	• Climate action framework • 2023-2030 carbon budget and decarbonisation pathway
	Low impact operations	• Protect and enhance our natural resources • Reduce waste	• Regenerative horticulture partnership with Zespri and Plant & Food Research • Assess water and waste to better understand and act
Our produce	**Responsible partnerships**	• Ethical and mutually beneficial partnerships through our global value chain	• 2024-2025 human rights roadmap
	Healthy communities	• Help reduce food insecurity	• Food waste assessment across T&G growing, wholesale and post-harvest facilities • Strengthen partnerships

Governance and management

Our Kaitiakitanga framework underpins our business strategy and is embedded throughout our daily operations. It is overseen by the Board as a whole and through Board sub-committees, including the newly established Sustainability Committee (SC).

The SC comprises three Directors, including one Independent Director, and is responsible for reviewing and overseeing our sustainability framework and strategy, including the key focus areas of climate action, low impact operations, responsible partnerships and healthy communities. It reviews related goals and monitors performance against them.

As noted in our 2023 Climate-related Disclosure, which is available at www.tandg.global/investors/reporting, this committee reviews climate scenarios and related insights, as well as procedures for identifying, escalating and the management of climate-related risks and opportunities.

The Human Resources Committee (HRC) oversees and monitors the people and culture framework, including health, safety and wellbeing, and inclusion and diversity, while the Finance, Risk and Investment Committee (FRIC) oversees sustainability-related risks, compliance with Aotearoa New Zealand's Climate-related Disclosures, and approves ESG-related disclosures as published in our Annual Report.

The Executive team is responsible for our Kaitiakitanga framework and reviews progress on key priority areas every two months. During the year it receives updates on areas including risks and opportunities, ESG compliance and performance, the sustainability-linked loan and ESG reporting.

Our Corporate Affairs team is the guardian of our Kaitiakitanga framework, it monitors and measures progress, leads ESG reporting and plays an important role monitoring the external landscape, identifying opportunities and risks, building capability and sharing knowledge. Within this team, the Sustainability Manager has oversight of progress against our framework, goals and targets, and supports the business with delivery of key outcomes. T&G takes a holistic and fully-integrated approach to sustainability, with activities developed, owned and executed by our business units and functions.

Emerging strategic areas

We are proactive in ensuring our Kaitiakitanga framework reflects shifts in interest and concerns among our stakeholders. While we're confident it covers the crucial areas including our climate change response and natural capital, we continue to monitor trends and shifts in consumer and regulatory expectations, concerns around modern slavery and global unease in areas such as food security. Our relationships in research and development keep us closely connected to evolving technologies as well as the development of crops suited to the changing climate.

This year, for example, we have begun developing our approach to establishing and implementing strategies and policies around modern slavery and its attendant risks. See page 60.

Management commentary
(no financial statements)

Our people

Protect and grow

Keeping our people safe, well, included and respected

We employ some 1,600 people and our promise to them is that we will do all we can to keep them safe at work, whatever their job - as it's all about everyone going home safe, every day.

Our health and safety ambition is to achieve a WorkSafe New Zealand SafePlus grading of "leading". SafePlus includes 10 performance requirements for achieving good health and safety performance. Our health, safety and wellbeing policy reflects these performance requirements which include leadership, worker engagement and risk management. It includes key performance indicators, including reductions in Total Recordable Injuries, for each part of the business.

Our efforts are led centrally by the Head of Health and Safety, with dedicated business partners across our operations. Initiatives such as critical risk reviews and the development of critical risk standards ensure continuous improvements to how we maintain safe and healthy working environments.

The team, which reports to the Director People & Culture, works with business leaders to build a culture where all our people are aware of the risks relevant to their work, understand the safe working practices which will protect them and also encourage their colleagues to work safely.

Documented on our intranet sharepoint site are our procedures and safe working protocols, and this is supported by Haumaru, our incident reporting system. It enables very simple reporting of incidents, accidents and near-misses. Our 'everyone home safe every day' culture is also supported through our Protect and Grow leadership programme.

Updates on the health, safety and wellbeing of our people are provided each month to the Executive team and at every Board meeting.

Recordable injuries down

Recordable injuries showed a definite improvement from 197 in 2022 to 139 in 2023. In our 2022 Annual Report we had reported 191 injuries however there were an additional six injuries due to late reporting or upgraded injury classification post publication, therefore in 2022 we had 197 recordable injuries.

The improvements were achieved across our large operational functions in Aotearoa New Zealand. Our Apples team reduced recordable injuries by 30% and our T&G Fresh team reduced recordable injuries by 28%.

We are also pleased to see that our AskYourTeam results have remained consistent with previous years, with 82% of respondents believing that T&G is committed to the health and safety of everyone. As noted on page 43, AskYourTeam replaced our previous Connection Meter survey.

These improvements were achieved despite one-off events, including Cyclone Gabrielle and the transfer of people, plant and operations in Auckland when we relocated our T&G Fresh produce market from Monahan Road to Carbine Road in a single weekend.

The cyclone and its aftermath, including continued wet weather, certainly provided a challenge. Immediate priorities included providing guidelines around infection control and instructions for working with silt. We closely monitored the health of our team, including testing for Hepatitis C given the contaminated flood waters. Checks were made to ensure all workers had appropriate personal protective equipment (PPE) including masks and gloves appropriate for the work being done.

While our team began the seven-month job of shifting silt with shovels, it was quickly clear that machinery could be more effective and safer. A team from our orchard development operations, who were familiar with machinery, were rapidly trained and licensed within days to operate the earth moving machines. This was a team effort by our local Health and Safety Manager, the trainers who stepped up to help and the team members who learnt quickly to earn their licenses.

Management commentary
(no financial statements)

Haumaru extended to strengthen H&S

With COVID-19 impacting our ability to progress strategic health and safety projects over the last few years — followed by Cyclone Gabrielle early this year — in 2023 we were able to get back on track with work to strengthen our health and safety framework.

Much of the work focused on extending Haumaru, our paperless reporting system. Available on desktops, as well as on mobiles, it's a user-friendly reporting tool for reporting incidents, near-misses and hazards, and for reinforcing safety awareness and protocols. The report goes immediately to the appropriate supervisor or manager who can escalate it to our health and safety leadership team if required.

Haumaru means "safe" in Māori and was rolled out last year after a two-month pilot. It has received very positive feedback from our people across our Aotearoa New Zealand operations because of its ease of use. It is far more than an incident reporting platform. Users can also log their safety conversations which reinforce safety protocols, such as wearing correct PPE gear or using the safest lifting techniques.

Because Haumaru includes voice to text capability on the mobile application, it encourages on-the-spot reporting as it's as simple as leaving a voicemail. Users can also upload pictures and documents. This year the phase one rollout was completed, with site specific risk registers going live on 1 January 2023.

Haumaru also has a critical risk review module. Our critical risk areas include motor vehicles, mobile plant, working at heights, working in confined spaces, fixed machinery – such as machines found in packing sheds, hazardous substances, excavation, hot work and falling objects.

Having identified our critical risks, we've conducted bow tie analysis and developed standards for each of the critical risk areas. After completing three for approval last year, this year we've accelerated progress and developed standards for all our critical risks and commenced our critical risk reviews across our Aotearoa New Zealand operational areas.

In addition to the critical risk reviews, we've also launched an electronic Take Five job safety analysis for dynamic work not covered under standard operating procedures. These can include one-off jobs not routinely undertaken and where risk can arise if workers are unfamiliar with the correct procedures for the task.

During the year we continued to enhance Haumaru. We are transferring our contractor management and permits-to-work processes from a paper-based system to online. Permits-to-work typically govern higher risk tasks such as working at heights, in confined space or hot work.

Having been successfully rolled out and expanded in Aotearoa New Zealand, Haumaru is also going global in our Fijian business and our international sales and marketing function.

Our Protect and Grow leadership training programme is now business as usual. It has four modules, CARE, RISK, ENGAGE and LEARN and is designed for all people leaders and health and safety representatives. This year 75 people completed CARE, 37 RISK, 32 ENGAGE and 39 LEARN.

Inclusion and diversity

Manaakitanga - caring for others through growing ourselves

Manaakitanga in the Māori world is the quality of quality of showing respect and care for others, kindness, hospitality and generosity.

It is the principle which guides our work in I&D. 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 mix of thinking styles, knowledge, skills and perspectives.

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.

Last year we prepared the ground for our I&D framework, partnering with Diversity Works New Zealand. We took a close look at ourselves and how we operated with the intention to identify any gaps and opportunities.

That initial work fed into the development of our framework and its four pillars of: metrics, leadership, talent acquisition, and culture and capability, with each pillar supported by a statement about what we want to achieve.

With metrics, we're committed to collecting data and tracking our performance against I&D measures. In leadership, we're committed to nurturing inclusive leaders who reflect our diverse communities. In talent acquisition, our goal is to attract and recruit diverse talent for the future. With culture and capability, we're committing to developing a workplace that is safe, respectful and inclusive, as well as nurturing.

We've made good progress. Under metrics, we partnered with Diversity Works New Zealand to launch the pilot of their Employee Perception survey, collecting data from a random sample of employees. We also collected voluntarily-provided employee demographic data from our people as part of our AskYourTeam survey. Baseline demographics are now established.

In leadership, we established our I&D Executive sponsors and established an I&D Committee of 12 people representing the diverse makeup of our workforce.

Since commencing our partnership with the First Foundation in 2021, we've now sponsored three Foundation students and identified a fourth who will be sponsored from 2024. This year, work experience was also provided for two Foundation students. The First Foundation provides a hand up to talented young people from diverse backgrounds, who may be prevented from achieving their full potential due to financial circumstances.

As scholarship partners, we provide financial support over three years for university costs and provide paid work experience each year to enable students to develop skills and personal networks. The Foundation provides each student with a mentor who helps them transition from school to university and into the professional world.

Our initial work under the culture and capability pillar saw our I&D committee lead educational and celebratory initiatives through the year including cultural events celebrating our diversity. Gender pronouns were launched through our IT systems and unconscious bias training was piloted with a leadership group in T&G Fresh. The third instalment of our Ka Awatea Māori and Pasifika leadership programme was held in Hawke's Bay with 14 participants.

In the year ahead, a strategic review of our I&D activities to-date will set the strategy and activities for 2024. The first step will be to analyse the demographic data we have collected to understand gaps, hot spots and areas for strategic focus. Priority initiatives will include reviewing the effectiveness of our unconscious bias training pilot to inform a roll out more widely across the organisation, and investigating gender pay gap reporting.

We want to grow into an organisation where our people have an advanced sense of belonging and inclusion. It will be one where there's an increase in the diversity of our people moving through our talent pipeline, and we will be a business with a heightened understanding of I&D, achieved through the continuation of our I&D programmes and initiatives.

RSE team members – from cropping to clean-ups

Our RSE team members are valued members of our seasonal workforce. In 2023 we recruited 734 people. Just over half were employed in Hawke's Bay, with the balance working across our Northland, Auckland, Waikāto and Nelson operations.

We do not see them as "temporary" workers. They are highly valued team members whose skills, motivation, productivity, personalities and cultures helps strengthen our business. We know from our own research that having reliable, skilled RSE team members available has given us the certainty and scale to invest in the growth of our business and implement new technologies and business processes.

We further demonstrated our respect and appreciation for our Hawke's Bay RSE team through a pōwhiri at Waipatu Marae at the end of 2022, in preparation for the 2023 apples season. One of the participants in our Ka Awatea programme, which as detailed on page 42 encourages personal growth through connecting our people with their culture, identified for their rōpū project the importance of connecting our business with local iwi. Through this came the opportunity to introduce our RSE team to local iwi, with over 300 team members attending our pōwhiri in late 2022. A pōwhiri is now part of our RSE workers' seasonal start-up and provides a chance to renew and strengthen connections.

With floodwaters from the cyclone levelling orchards in Hawke's Bay, destroying buildings and smothering the land in thick silt, some of our RSE team were forced to the rooftop of their seasonal accommodation as it became flooded. With no mobile phone coverage after the cyclone, rescue co-ordination with Civil Defence was particularly difficult and we were all very relieved to see them on safe ground again.

Despite many losing their seasonal accommodation and their personal possessions and clothing, our Hawke's Bay RSE team helped with the clean-up of our operations as well as volunteering in the wider community. Our People & Culture team took care of their rehousing and pastoral care, with T&G team members across the country donating clothing, personal effects, food and home baking for both our RSEs and all of our impacted Hawke's Bay team members – with our T&G Fresh transport fleet making regular deliveries to the region.

Our Hawke's Bay RSE team made a significant contribution to our post-cyclone clean-up and recovery, and they and their Pasifika colleagues located in Northland, Auckland, Waikāto and Nelson are pivotal to our successful growing and harvesting operations.

Management commentary
(no financial statements)

Our planet

Climate action

Climate action – a need not a want

With global temperatures hitting record highs and extreme weather events affecting people around the globe, climate action cannot wait.

The science is clear that to avert the worst impacts of climate change, global temperature increases need to be limited to 1.5°C above pre-industrial levels. To achieve this, according to the United Nations' Intergovernmental Panel on Climate Change, emissions need to be reduced by 45% by 2030 and reach net zero by 2050.

As a business relying very much on the natural environment and climate, we've been focused on climate action for many years. Climate-related influences have routinely been considered when reviewing and updating our long-term strategy and capital spend.

These considerations have influenced investments in areas such as emissions reduction technologies and partnering in the Hot Climate Partnership to commercialise new apple and pear varieties specially created for hot and warming climates (see page 30).

To further strengthen our understanding of climate change, this year we undertook detailed analysis of potential climate scenarios, conducted a robust climate-related risk and opportunity assessment, and prepared our inaugural Climate-related Disclosure which is available at www.tandg.global/investors/reporting. This is an important step in being able to manage these risks and pursue opportunities.

Image courtesy of Ecogas

Committed to reducing emissions

T&G is firmly committed to reducing our greenhouse gas (GHG) emissions. Our targets, which are detailed in our 2023 Climate-related Disclosure (available at www.tandg.global/investors/reporting) are aligned to our ultimate parent company BayWa AG's targets, which were set in 2018. Since setting these targets, we have reduced our absolute scope 1 and 2 emissions by 34.1% (using the market-based approach), against a 2017 base year of 42,336.9 tCO_2e.

Unfortunately, in 2023 our scope 1 and 2 emissions increased slightly from 27,502.5 tCO_2e in 2022 to 27,905.3 tCO_2e. This was primarily due to refrigerant leaks recorded during T&G Fresh's move to its new Carbine Road site and the related relocation and refurbishment of chillers. In addition, we identified an LPG source which had previously not been captured in our GHG Inventory Report. Our 2023 Climate-related Disclosure provides further detail on our footprint.

As part of our commitment to mitigating our GHG emissions, we are working to set new scope 1 and 2 targets, as well as establish scope 3 targets, aligned to 1.5°C. These targets will be against a base year of 2021, as noted in last year's Annual Report. We expect this target setting process to be concluded in the first half of 2024.

To support the achievement of our forthcoming new targets, we are developing emissions reduction plans with each of our business units, with the view to also sharing our knowledge and experience to help our suppliers reduce their emissions.

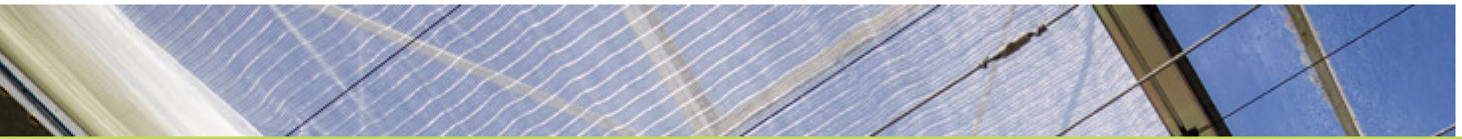
We have a pipeline of potential reduction projects, including: piloting electric vehicles in our fleet and the use of electric farm equipment in our orchards, installing glasshouse thermal screens (see story on page 56), reducing the use of natural gas in our Reporoa glasshouse by converting to biogas supplied from the adjacent food waste-to-bioenergy facility, and the continued roll-out of more fuel-efficient trucks.

In 2022, hot water was connected to our Reporoa tomato glasshouse from Ecogas' adjacent organics processing facility, and in 2024 the intention is to have biogas and CO_2 connected as well. The biogas will reduce our natural gas requirements and the CO_2 will be used for photosynthesis and enhancing the growth of our tomatoes.

While there were several reported incidents of refrigerant leaks in 2023, steps were taken this year to mitigate the risks associated with refrigerants, many of which are greenhouse gases. These interventions included switching to lower GHG refrigerants when upgrading equipment, maintenance regimes aimed at lowering the risk of leaks and installing systems for early leak detection. Upgrades to lower GHG refrigerants at Hamilton and our new Carbine Road market site reduced by 355 tCO_2e and 210 tCO_2e respectively. Exiting our Monahan Road site also contributed to a 2,600 tCO_2e reduction.

In 2024, we will capture and assure our material scope 3 emissions.

Management commentary (no financial statements)



Geraghty glasshouse screens targeting 29% GHG reduction

A 29% reduction in GHG emissions is being targeted at our Geraghty glasshouses in Tūākau, in the Waikato, through the installation of retractable thermal screens.

This installation, which will be completed in early 2024, is an important step in decarbonising our North Island tomato growing operations. If the installation performs as expected, the annual emissions reductions will equate to a 29% decrease in the site's emissions and an overall 5% reduction in the company's emissions, based on T&G's 2023 carbon footprint of 27,905.3 tCO_2e.

Our investment follows a collaboration with engineering consultancy Beca and the New Zealand Government's Energy Efficiency and Conservation Authority (EECA) to determine how we could best meet our emissions reduction goals. In an Energy Transition Accelerator Study, the use of thermal screens to retain heat during colder periods was identified as an option that would provide the most savings in the least time.

The investment was supported by funding from EECA's Government Investment in Decarbonising Industry Fund which supported industries to switch from fossil fuels to cleaner renewable energy sources.

The retractable screens, made from woven transparent polyester with a fire-retardant coating, sit under the glass panels at the top of the glasshouses, supported by a system of wires. They are controlled by the glasshouse's climate computer and measuring equipment, which can open and close each compartment independently in response to variables including inside temperature, outside temperature, humidity, wind speed and sunlight.

Thermal screens trap a layer of air between themselves and the glasshouse walls, minimising the amount of warm air that escapes and reducing overall energy consumption. In summer we also hope to be able to use them to retain humidity within the glasshouses.

The Tūākau installation will be our guide to considering future investments in similar systems across our other glasshouses. We grow over eight million kilograms of specialty and large loose tomatoes, marketed under our Beekist® and Classic tomato brands. Glasshouses provide the ideal growing conditions to enable us to satisfy customer and consumer demand year-round.

Low impact operations

Making every drop count

According to NIWA, drought is a common feature of Aotearoa New Zealand's climate. On average, every year or two a region in the country experiences one.

In other years – like 2023 – there's too much water. A year's worth of rain was recorded in the first six months in the northern and eastern parts of the North Island.

Whether it's droughts or downpours, too little or too much, we see water as a precious resource to be used efficiently and effectively. Every drop counts, so initiatives across our operations are ensuring each one is used wisely.

Our new Whakatu packhouse, which commenced operations this season, is a case in point. Water is essential for cleaning the apples before being processed and packed, and our systems allow us to reuse and recycle as much as we can. As fruit moves through the process, each body of water has a different level of cleanliness during production. Across the week we recycle it, to prolong its use. The packhouse's filtration system allows for reduced water use from the consented on-site bore, with final discharges into the wastewater system meeting drinking quality standards.

The building's vast roof makes an ideal catchment for rainwater to fill the 1,200,000 litre water tanks. In the first six months of 2023 the Napier area received 984mm – over a year's worth. The vast tanks are designed to prevent these high volumes from going directly into the public stormwater system. Instead, it's used for watering on-site vegetation or for firefighting, should the need arise, and otherwise it controls its slow release into the stormwater system.

In our apple growing operations, water is both a precious commodity and something requiring careful management to preserve tree and crop health. In wet seasons (such as in 2023), much of the irrigation water comes directly from rainfall. In dry seasons however, where needed, irrigation water comes from consented bore sources with telemetry units measuring consumption against our allocations within the consent.

As part of our commitment to preserving water use, T&G has undertaken several leading-edge technological initiatives in the field.

We monitor local growing conditions via Fruition Horticulture, including parameters like soil moisture, fruit growth, crop load and maturity, as well as pest and disease monitoring. With this awareness of growing conditions, we then only irrigate when target soil moisture levels drop below ideal parameters.

Irrigation is carried out by precision drip irrigation located near the root zone of plants. This delivers a measured amount of water appropriate for each soil type's absorption rate. In addition to saving water and not stressing the plant, this ensures any farm nutrients are retained in the soil, avoiding leaching into neighbouring waterways.

Further bolstering our intelligence in the field, and in anticipation of drier conditions with the arrival of El Niño in 2024, this year we began commercial trials of a network of Croptide sensors. Attached to the plant's trunks, the sensors monitor growing information via the cloud. This enables a better understanding of stem water potential and linkages of water with fruit development and quality management.

As growing conditions change, we can use this type of sensor network to build precision in optimal crop management, and aim to improve fruit quality and yield with less water, fertiliser, carbon emissions, labour and other inputs.

Management commentary (no financial statements)

Water stewardship – assessing and managing risks

The availability and sustainable management of water is increasingly critical, given the Food and Agriculture Organization of the United Nations forecasts that global demand will double by 2030 and they're predicting a shortfall of 40%.

T&G's United Kingdom subsidiary, Worldwide Fruit, is proactive in this important area. In 2019, it became a signatory to the Courtauld Commitment 2030, a voluntary agreement to reduce emissions and water stress stemming from the food and drink sector. Through the Waste and Resources Action Programme (WRAP) Water Roadmap, the Courtauld Commitment seeks to have 50% of fresh food sourced from areas with sustainable water management by 2030.

As part of this, Worldwide Fruit this year conducted water-related risk assessments in catchments in southern Spain, Chile and Peru. These followed earlier risk assessments across water catchments in its most important fruit-growing regions in South Africa.

Informed by the World Wildlife Fund (WWF) Water Risk Filter assessment as well as WWF in-country representatives, and following the WWF's five-step water stewardship journey, Worldwide Fruit has documented its assessments and action plans in publicly-available grower case studies (www.worldwidefruit.co.uk/sustainability). This has seen Worldwide Fruit continue its engagement with South American suppliers in 2023 by creating greater awareness of the water challenges faced, lessons learned and showcasing examples of actions growers are taking to use water more sustainably.

In 2024, Worldwide Fruit will participate in WRAP's three-year long collective action project in Peru, joining forces with existing activities already underway in priority areas to efficiently pool resources and avoid duplication of effort.

Regenerative agriculture

Since 2022, T&G has been working with Zespri and Plant & Food Research, with partial funding from the New Zealand Government's Ministry for Primary Industries, on a regenerative horticulture project. Regenerative horticulture and farming have attracted a lot of interest, but it's important to understand and define what regenerative practices are and their effectiveness in an Aotearoa New Zealand context. The research, over four stages, will help us better understand regenerative farming practices and opportunities to further refine our sustainable growing practices.

As part of this project, on a trial block, this year we planted a regenerative seed mix aiming to benefit soil quality, retain soil carbon and reduce mowing along with related emissions.

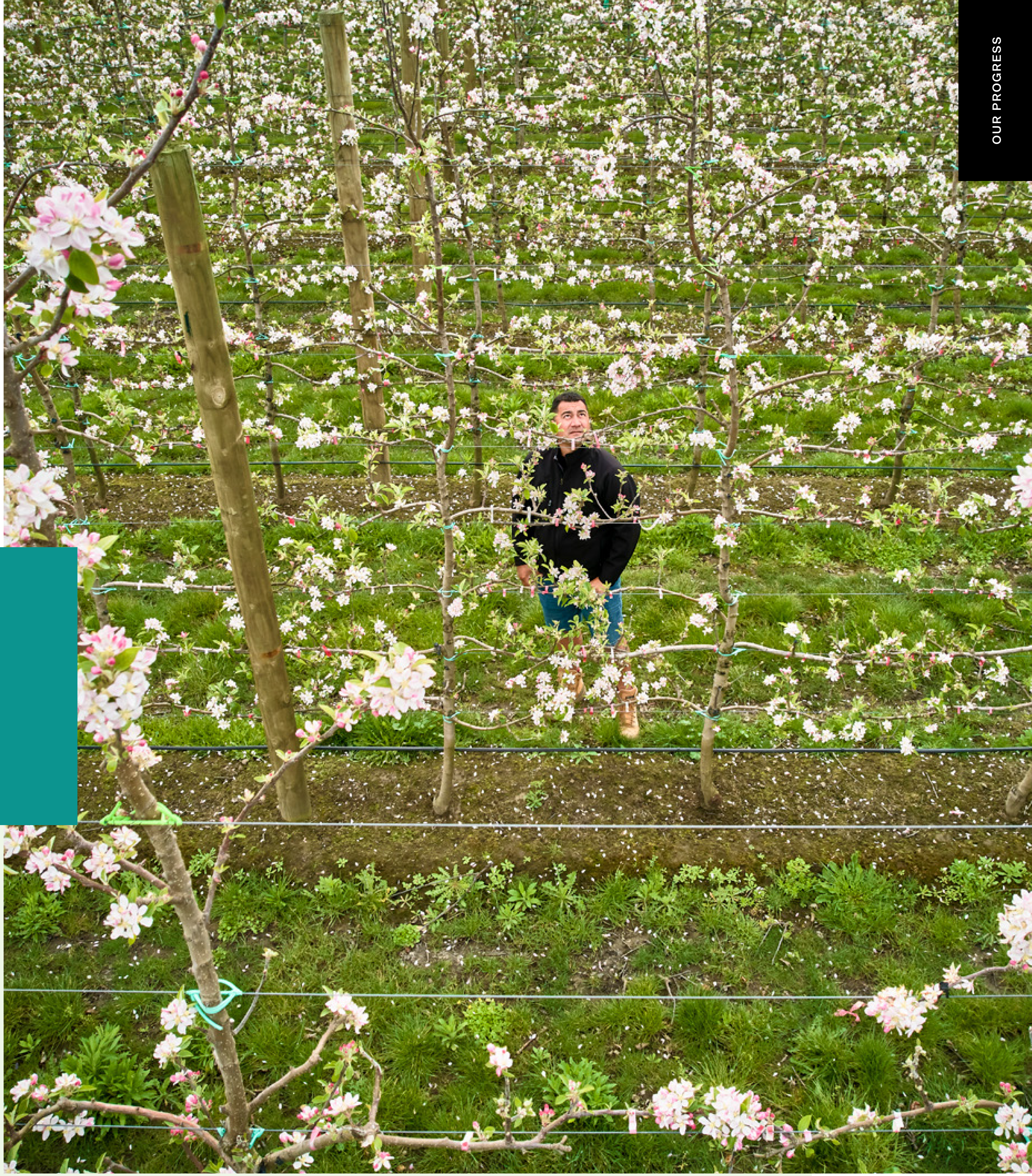
Adopting compostable labels

They are bright, colourful and provide a wealth of information about the variety, brand, origin and price of fruit and vegetables, but it's fair to say Price Look Up Labels (PLUs) also pose a tricky challenge.

Their specifications are demanding. They must adhere to freshly picked produce, survive in cold store conditions and stay in place when individual pieces of fruit pass through a checkout scanner. Finally, they need to break down when they meet the right combination of moisture, heat and time.

This final requirement is difficult, and while we successfully transitioned to industrial compostable PLUs for apples in Europe last year, testing home compostable options remains a work in progress.

The sticking point is not the label, but the adhesive, with global manufacturers continuing to develop a sustainable option suited to home composting situations. We are working with our label manufacturers and the wider industry to test global options. In 2023, our Aotearoa New Zealand domestically sold produce began a transition programme to home compostable labels, in line with local regulations. The aim is to be using fully certified home compostable PLUs by July 2025.



Management commentary
(no financial statements)

Our produce

Responsible partnerships

Modern slavery

Worker exploitation and modern slavery can take many forms, ranging from breaches of minimum employment standards to more controlling and coercive behaviour. While we are confident that the risk is very low in our Aotearoa New Zealand operations, we also recognise modern slavery exists in the world and cannot be ignored.

The issue is complex, because we have operations, including partnerships, in multiple geographies.

This year, guided by the United Nations Guiding Principles on Business and Human Rights and continuing our work with a specialist human rights consultancy, we conducted due diligence across our global value chain to identify and assess where potential risks could be. We also completed a gap analysis across our approach to human rights management. From this, we've developed a roadmap for the next two years which will further strengthen our response and engagement with suppliers.

Our intention is to establish a working group in 2024 to carry this work forward, including the development of a Human Rights Policy. At the same time, we will continue to closely monitor whether the New Zealand Government progresses with proposed Modern Slavery and Worker Exploitation Supply Chain Legislation.

Regardless of any legislation, it's important we undertake this work to safeguard our team and the people within our global value chain, and to meet the expectations of our customers and consumers globally.

Healthy communities

Fresh produce in schools earns big tick

Fruit & Vegetables in Schools provides daily fresh produce to children in schools in low socio-economic areas across Aotearoa New Zealand. After a successful pilot in 2004, it has grown to cover 566 schools in 21 regions, bringing over 27 million servings of fresh fruit and vegetables to over 120,000 children and school staff.

T&G Fresh provides fresh produce for 285 schools in the programme, which is funded by Te Whatu Ora and organised by United Fresh New Zealand Incorporated.

Fresh fruit and vegetables are our entire business, so we're naturally believers in a programme which encourages children and their families to eat more in the interests of good health. This year an independent evaluation of the initiative has fully confirmed its effectiveness.

The clear message from principals was Fruit & Vegetables in Schools remains the most effective initiative at supporting a healthy school environment. It is highly regarded by students and teachers, integrates well into the school day and supports healthy behaviours.

The evaluation also confirmed that it meant a lot to families, given the rising cost of living. Comments included "it relieves stress knowing children get fruit every day at school" and "if Fruit & Vegetables in Schools ended it would be absolutely disastrous for our kids".

Ninety-five percent of principals said the quality of the produce from Fruit & Vegetables in Schools was good or great, and the evaluation found schools went to considerable lengths to ensure the fruit and vegetables were not wasted, including teaching children preserving and stewing produce.

Te Horo School

Management commentary
(no financial statements)

Growing great gardeners (and eaters)

With our purpose of growing healthier futures, there was no hesitation a decade ago when we thought about supporting the Garden to Table Trust.

Its values are closely aligned to our own and we have been proud to be part of its hands-on learning in around 300 primary schools across the country, with over 30,000 children growing and cooking over a million meals a year.

We're confident that we've grown a crop of great gardeners over the past 10 years, as well as enthusiastic cooks and consumers knowledgeable about turning their produce into tasty, nutritious meals.

Since 2013, the number of schools involved has increased from 21 to 300 and demand continues to grow. The Trust's ambition is growing as big as its impact in schools, and it is now sowing the seeds of growing and eating fresh produce in the preschool generation.

Its new initiative into early childhood education (ECE) will see tamariki between the ages of two and five learn to grow, harvest and cook fruit and vegetables in a tailored programme that links to the ECE curriculum.

As the Trust sees it, getting young children gardening and cooking is an investment in their future and it will bring diverse dividends. These include helping to achieve longer term health, social, economic and environmental benefits for tamariki, whānau and hapori.

To mark the expansion of Garden to Table's programme, a team of T&G volunteers joined the charity at Colwill Kindergarten in Auckland to build their first garden beds and plant seedlings along with the kids.

JAZZ™ Apple Foundation

An apple a day keeps the doctor away, and at T&G's United Kingdom subsidiary, Worldwide Fruit, the importance of a healthy balanced diet and lifestyle is the purpose behind its JAZZ™ Apple Foundation.

Established in 2014, the Foundation is one of the ways it supports young people in the community by providing financial support to sports teams, aspiring athletes, mental health charities and youth groups.

The Foundation has awarded 176 grants, worth a total of £23,000, which has benefited over 50,000 people.

In 2023, over 19 applicants successfully secured funds to help with their school football kits, sports equipment, and entry and travel costs. This included Tottenham Kickboxing Association Juniors, in London, who received money to help buy new boxing gloves and pads.

Growing our supply to those in need in the UK

Worldwide Fruit's highly valued partnership with the United Kingdom's The Bread-and-Butter Thing (TBBT) charity continues to grow in strength and scale, with 349,338 kilograms of surplus edible fresh produce redistributed through TBBT in 2023.

Since the partnership was established in 2021, Worldwide Fruit has supplied over 886 tonnes of produce to TBBT, who operate a network of 111 food hubs across the country, delivering nutritious food to low-income families, as well as school lunches and community groups.

This season, some of Worldwide Fruit's fruit partners including Chandler & Dunn, Figgis Farms, CE Murch and AJ Bray, supplied over 230,000 kilograms of apples to TBBT and an additional charity, FareShare. The partnership follows a pilot in 2021 where Chandler & Dunn successfully harvested 160,000 surplus apples by doing a final pick from its orchards for the sole purpose of redistribution. Worldwide Fruit and its partner growers have now embedded this into standard operating procedures meaning the charities can expect to receive the final crop each season.

Fresh produce fast for food hubs

It's an old proverb, but "waste not, want not" is the driving philosophy of the New Zealand Food Network (NZFN). Since their formation in 2020, the network has distributed 23,037,680 kilograms of food, or 61,164,050 meal equivalents and supported 65 food hubs. They've also prevented 37,815,978 kilograms of CO_2 equivalent emissions.

T&G Fresh is a founding member of NZFN which receives and manages bulk surplus food and redistributes it to charities, foodbanks and iwi to help vulnerable communities. In 2023, NZFN ensured 9,486 tonnes of food (equivalent to 25,669,462 meals) reached people in need. It is all good quality kai, where something such as labelling, packaging, surplus production, a cancelled export order or reduced shelf life means it cannot be sold.

This year, we channelled some 876 tonnes of edible fresh fruit and vegetables which did not have a commercial home to NZFN. This included edible green tomatoes, which food hubs made into chutneys and sauces.

In addition to donating surplus produce to the network, this year T&G purchased more than $120,000 worth of fresh produce to supplement our in-kind donations. This included support in the aftermath of the Auckland Anniversary weekend floods and Cyclone Gabrielle, where NZFN played an essential role in getting crucial support to those most impacted.

In 2023, we made the decision to wind up T&G's Fairgrow charity. Established in 2020, Fairgrow was aggregating surplus and donated fruit and vegetables from across our business, as well as some of our independent growers, for donation to NZFN. The decision to wind the charity up has no impact on our partnership with NZFN or our commitment to donate all surplus fresh produce without a commercial home; all it does is simplify our internal processes and systems.

Management commentary
(no financial statements)

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, Mr Mangold 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 Mr Mangold as Chair. He is also a Director of Profruit Investments (Pty) Ltd - Tzaneen and Chair and Director of BayWa Obst GmbH & Co. KG - Kressbronn.

Board committee:
Chair of the Sustainability Committee.

Carol Campbell
Independent Director

Carol Campbell 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.

Mrs Campbell 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. Mrs Campbell is also a Director of a number of other private companies.

She has a Bachelor of Commerce from Auckland University, is a Fellow of the Chartered Accountants Australia and New Zealand, a Chartered Fellow of the Institute of Directors and a member of the Disciplinary Tribunal of New Zealand Institute of Chartered Accountants.

Board committees:
Chair of the Finance, Risk and Investment Committee, Member of the Human Resources Committee and the Sustainability 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 Fern Farms Co-operative Ltd, Farmlands Co-operative Trading Society Ltd, Hilton Haulage Ltd, Pioneer Energy Ltd, Woolscour Holdings Ltd, Fern Energy Ltd and Hewett Farm Ltd.

He is a Director of Pulse Energy Ltd and Cross Docks Australia Pty Ltd. Mr Hewett is a member of the Ministry for Primary Industries think tank Te Puna Whakaaronui.

He 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. Mr Hewett won the 2019 Outstanding Contribution to New Zealand Co-operatives award and the 2023 Chairperson of the Year at the Deloitte Top 200 awards.

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

Marcus Pöllinger
Non-Independent Director

Marcus Pöllinger joined the BayWa Group in 2008 and was appointed CEO of BayWa AG on 1 April 2023. Mr Pöllinger has held various management positions at the Group including head of BayWa AG's Building Materials business division since 2015, Senior Executive Vice President of BayWa AG from 2017 – 2018 and has been a member of BayWa's Board of Management since 1 November 2018.

Mr Pöllinger is a graduate in business administration, having completed his professional training in Munich, London and Sophia Antipolis (France). 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 the supervisory boards of BayWa r.e. AG – Munich and 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 Agrar Beteiligungs GmbH – Munich and Cefetra Group B.V. – Rotterdam and also Company Secretary of BayWa Global Produce GmbH – Munich, and BayWa Canada Ltd - Vancouver.

Board committees:
Member of the Human Resources Committee and the Sustainability 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

Shane Kingston
Director International Sales & Marketing

Monique Mallon
Director IT

Adrienne Sharp
Head of Corporate Affairs

See full bios

Corporate governance

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

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. The Board believes that it is important to have a Board consisting of members with diverse backgrounds, experience and skills. Mrs C.A. Campbell and Mr R.J. Hewett are Independent Directors for the purposes of the NZX Listing Rules.

Each year the Board considers the independent status of the Independent Directors and has determined that Mrs C.A. Campbell and Mr R.J. Hewett continue to be independent. The Board has also considered the tenure of Mrs C.A. Campbell and agreed that this does not affect her independent judgement on any issues before the Board or in her ability to act in the best interests of the Company and represent the best interests of all shareholders.

The table below summarises the current key skills and experience of the Board.

Board skills and experience	Benedikt Mangold	Marcus Pöllinger	Andreas Helber	Tobias Priske	Carol Campbell	Rob Hewett
Strategy and leadership	High	High	High	Medium	High	High
Accounting and audit	Medium	High	High	Medium	High	Medium
Market and industry	High	Medium	Medium	High	Medium	High
Governance and risk management	Medium	High	High	High	High	High
Health and safety	High	Medium	Medium	High	Medium	Medium
Climate change and sustainability	High	Medium	Medium	High	High	Medium
Stakeholder relations	Medium	High	High	Medium	Medium	High

KEY
Medium capability
High capability

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.

Management commentary
(no financial statements)

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 three constituted Committees, the Finance, Risk and Investment Committee (FRIC), the Human Resources Committee (HRC) and the Sustainability Committee (SC), all of them operating under Board approved charters.

The FRIC meets four 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.

Established in 2023, the SC oversees T&G's sustainability framework and climate strategy, targets, scenarios, climate-related risks and opportunities, as well as the Company's sustainability and Climate-related Disclosures. The Committee meets at least three times per year, and comprises Mr B.J. Mangold (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, T&G Fresh, International Trading, VentureFruit® 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 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's reputation.
- Ensuring tax positions are at least more likely than not to be correct and are supported by well-reasoned and documented conclusions. External advice and/or certainty on tax positions is sought 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.

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.

Management commentary
(no financial statements)

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 2023.

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. Directors are not entitled to receive payment in the form of share options.

12 months to 31 December 2023

Directors of T&G Global Limited	Director Fees in $'000	Committee Work in $'000
B.J. Mangold	49	5
C.A. Campbell	100	32.5
A. Helber	39	10
R.J. Hewett	100	30
R.T. Priske	39	12.5

As Chair of the Board of T&G Insurance Limited, Mrs C.A. Campbell received additional Director remuneration of $20,000 in 2023.
Mr. M.A. Pöellinger did not receive any Director's remuneration in 2023, in line with BayWa's Subsidiary Board Directorship Policy.
There have been no changes to the Director fee pool of $500,000 set in July 2004.

Directors and officers composition
At 31 December 2023 the gender composition of T&G's Directors and officers was as follows:

Gender	Male	Female
Directors	5	1
Officers	40	29

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

12 months to 31 December 2023

$'000 NZD equivalent	2023	2022
100-110	42	43
110-120	30	31
120-130	42	38
130-140	29	31
140-150	35	25
150-160	17	25
160-170	15	15
170-180	15	12
180-190	7	11
190-200	6	12
200-210	7	10
210-220	8	5
220-230	8	8
230-240	9	1
240-250	6	7
250-260	3	1
260-270	2	2
270-280	1	4
280-290	6	3
290-300	2	1
300-310	2	2
310-320	4	1
320-330	3	3
330-340	1	-
340-350	1	1
350-360	1	-
360-370	1	-
390-400	1	1
400-410	-	1
420-430	1	-
430-440	-	1
440-450	-	2
460-470	1	1
470-480	1	3
490-500	1	-
530-540	2	-
540-550	1	-
560-570	1	-
620-630	-	1
770-780	1	-
1,130-1,140	1	-
1,180-1,190	-	1
Total	**314**	**303**

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 $1,130,447 during the 2023 Financial Year. This amount includes employer KiwiSaver contributions, a vehicle allowance and a long-term incentive payment. His base salary for 2023 was $1,008,000.

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.

Since 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 2023, no current Directors or parties associated with current Directors held ordinary shares (2022: nil). There were no share transactions during the year ended 31 December 2023 in which Directors held 'relevant interests'. There is no requirement for Directors to hold shares in the Company.

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.

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 2023 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 2023 was 122,543,204.

Management commentary
(no financial statements)

20 largest shareholders

as at 31 December 2023

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%
Citibank Nominees (New Zealand) Limited	903,590	0.74%
HSBC Nominees (New Zealand) Limited	392,736	0.32%
New Zealand Depository Nominee Limited	292,210	0.24%
Tribal Nominees Limited	219,661	0.18%
R.J. Turner, C.E. Turner, Redoubt Trustees Limited & Evans Pennell Trustees Limited	202,689	0.17%
S.A. McCabe	131,181	0.11%
J. Backhouse	128,051	0.10%
Tribal New Zealand Traders Limited	108,374	0.09%
L.R. Hotham	101,482	0.08%
M.F. Waite	100,802	0.08%
S.J. Turner, C.M. Turner & D.H. Turner	100,000	0.08%
P.J.S. Rowland	93,507	0.08%
Aotearoa Rental Enterprises Limited	88,026	0.07%
M.C. Goodson, D.D. Perron, Goodson & Perron Independent Trustee Limited	79,339	0.06%
FNZ Custodians Limited	67,555	0.06%
R.M. Scott	63,494	0.05%
Accident Compensation Corporation	58,933	0.05%
Total	**119,618,376**	**97.62%**

Spread of security holders

as at 31 December 2023

Range	Total holders	% of total holders	Units	% of issued capital
1 to 499	81	13.97%	18,373	0.01%
500–999	83	14.31%	60,668	0.05%
1,000–1,999	123	21.21%	167,063	0.14%
2,000–4,999	116	20.00%	351,485	0.29%
5,000–9,999	69	11.90%	470,250	0.38%
10,000–49,999	85	14.65%	1,694,095	1.38%
50,000–99,999	9	1.55%	613,748	0.50%
100,000–499,999	10	1.72%	1,777,186	1.45%
500,000–999,999	1	0.17%	903,590	0.74%
1,000,000 and above	3	0.52%	116,486,746	95.06%
Total	**580**	**100%**	**122,543,204**	**100%**

Domicile of shareholders

as at 31 December 2023

Location	Total holders	% of total holders	Units
New Zealand	554	95.54%	6,337,701
Australia	17	2.93%	950,674
Hong Kong	2	0.34%	24,497,644
Germany	2	0.34%	90,703,154
Singapore	2	0.34%	40,432
Malaysia	1	0.17%	11,716
Canada	1	0.17%	1,000
United States of America	1	0.17%	883
Total	**580**	**100.00%**	**122,543,204**

Management commentary
(no financial statements)

Climate-related Disclosure

For the year ended 31 December 2023

About this report

Reporting entity
This is T&G Global's first Climate-related Disclosure (CRD) report for the period of 1 January 2023 to 31 December 2023 and includes T&G Global Limited and its subsidiaries (together T&G). It accompanies T&G's 2023 Annual Report for the same period which contains detailed information on business and financial performance and can be found here: www.tandg.global/investors/reporting

Basis of preparation
The disclosures in this report comply with the Aotearoa New Zealand Climate Standards (NZCS) and T&G has adopted all first-year reporting provisions provided and detailed under NZCS.

Date published
This report was published on 29 February 2024.

Reasonable care and forward-looking statements
While there are forward-looking statements made in this report, the climate-related statements and metrics contained here should not be considered any sort of prediction or forecast of performance outcomes, financial or otherwise. These statements are subject to both known and unknown risks, uncertainties and other factors, many of which lie outside T&G's control. T&G has prepared this information with due care and attention, and this report is based on assumptions about T&G's current business and our future strategies, as well as the environment our business operates in, both now and in the future. The identified climate-related risks and opportunities may not eventuate, and if they do, the actual impacts may differ materially from what is provided in this report.

Cover image: Tutti™, courtesy of the Institute of Agrifood Research and Technology (IRTA)

Contents

Producing healthy fresh produce for consumers around the world is our core business and has been for generations. How well we succeed depends on how well we work with the natural resources available to us.

Understanding this reality has enabled and also inspired us. From the way we plant and nurture crops to the development of new varieties and crop types, we aim to work in partnership with the natural world to ensure that the produce our consumers buy and eat is in peak condition, physically and nutritionally.

Our purpose is simple—grow healthier futures. Achieving this is less simple. The climate is changing and being close to the land and the seasons, we're acutely aware of this change and its implications. No one could witness the devastation caused by extreme weather and deny this reality. That's why, for many years, we have been taking steps to build a resilient, sustainable and financially strong business, not only for today but for the benefit of future generations.

Understanding the implications of a changing climate is enabling us to assess, prepare and respond so that we can mitigate the risks and make the most of the opportunities. This year we tested our strategy and business model against three possible future climate scenarios. This work will not only guide our actions, but also assist our stakeholders to make informed decisions.

While we are new to climate-related reporting, we are not new to climate understanding or action. Guided by our materiality assessment and risks and opportunities, our Kaitiakitanga sustainability framework has climate action as a key focus area, centered on emissions reduction, adaptation and building capability.

Emissions reductions

T&G's greenhouse gas (GHG) emissions reduction targets are aligned to our ultimate parent company BayWa AG's targets, which were set in 2018.

Since setting these targets, we have reduced our absolute scope 1 and 2 emissions by 34.1% (using the market-based approach), against a 2017 base year.

As part of our commitment to mitigating our GHG emissions, together with our majority shareholder BayWa Global Produce, we are working to set new scope 1 and 2 targets, as well as establish scope 3 targets, aligned to 1.5°C. These targets will be against a base year of 2021, as noted in last year's Annual Report. We expect this target setting process to be concluded in 2024.

We are now co-developing emissions reduction plans with each of our business units, including the 2023 introduction of an internal carbon price which has helped fund the installation of thermal screens in our glasshouses in Tūākau, Auckland, as profiled on page 56 in our 2023 Annual Report. In the future, we will use our knowledge and experience to help support growers and suppliers to reduce their emissions.

Adaptation

Horticulture involves nature, nurture and knowledge. Science, experience and decades of understanding of everything from soil types to plant genetics have always enabled our business to evolve and it's this continuous process of adopting and adapting that we're now applying to managing climate-related risks and opportunities.

One example is the release of the new heat-tolerant apple variety, which is branded as Tutti™, through our collaboration with the Hot Climate Partnership.

Our VentureFruit® business is the strategic commercialisation partner for the Hot Climate Programme. VentureFruit® brings together our global expertise in genetics, cultivar development, commercialisation and extensive networks to develop high value apple, pear, berry and grape cultivars, including those which can be grown in different geographies and climates.

Another adaptation example is the adoption of the 2D planting model for our apple orchard redevelopments and new plantings, which includes hail protection on some orchards. The 2D structure allows for a safer working environment by utilising technologies such as picking platforms, automated sprayers and mowers, and specialised defoliators. It also allows for future adaptation such as driverless electric tractors and robotic harvesters.

This year's extensive climate scenario analysis work will inform future adaptation plans to capitalise on the opportunities and prevent or reduce the impacts of identified risks.

Building capability

Across T&G, we are also developing a deeper understanding of climate change and the risks and opportunities it presents, with the priority this year being our leadership, growing and finance teams. With this knowledge, our people are better equipped and empowered to plan for the future, make informed decisions and identify opportunities to continually improve our operations and processes in support of mitigation and adaptation. Enhancements have also been made to our data collection and reporting capabilities to ensure we accurately track our progress.

This Climate-related Disclosure under the new Aotearoa New Zealand Climate Standard outlines how we are improving our governance processes, transitioning our business strategy, expanding our risk management practices, and tracking key metrics related to our climate change response.

Gareth Edgecombe
Chief Executive Officer
29 February 2024

Carol Campbell
Independent Director; Chair of the Finance, Risk and Investment Committee
29 February 2024

Benedikt Mangold
Chair T&G Global; Chair of the Sustainability Committee
29 February 2024

About T&G

Our purpose

Growing healthier futures

Our vision

The world's leading premium fresh produce company

T&G's story began over 125 years ago as Turners and Growers, and today we help grow healthier futures for people around the world. As a part of the BayWa Global Produce family, we are located in 13 countries and our team of 1,600 people grow fresh produce, partner with over 800 growers, and market and sell fruit and vegetables to customers and consumers in over 60 countries.

We do this guided by kaitiakitanga – treating the land, people, produce, resources and community with the greatest of respect and care.

Our business model

T&G is a vertically integrated fresh produce business. Our operations include:

Apples

Born from over a century of knowledge, partnerships and hard mahi, our vertically integrated apples business spans each step of the value chain from genetics, growing, post-harvest, through to in-market marketing and sales.

Our efficient end-to-end supply chain ensures consumers and customers around the world can access our high quality, premium apples 365 days of the year. Our apples portfolio consists of three premium intellectual property-protected brands, Envy™, JAZZ™ and Joli™, and these are grown under license by specially selected growers in both hemispheres. This is complemented by a wide portfolio of other varieties and brands including Royal Gala, Pacific Queen™ and Pacific Rose™.

In Aotearoa New Zealand, T&G has extensive own growing and post-harvest operations in Hawke's Bay, and partners with over 100 independent growers in Hawke's Bay, Tairāwhiti Gisborne, Nelson and Otago.

T&G Fresh

T&G Fresh is one of Aotearoa New Zealand's most-established growers. It grows berries, citrus and tomatoes, and partners with over 700 growers to provide kiwis with delicious, healthy fresh fruit and vegetables. T&G Fresh works closely with retailers, in-home meal kit providers and foodservice providers, and operates a network of 11 market and distribution centres. To supplement local supply, T&G Fresh imports fresh produce which can't be grown locally or to cover seasonal gaps in local production. It also manages our Australian and Pacific Islands operations.

VentureFruit® Global Limited

VentureFruit® is T&G's global genetics and variety management business which collaborates with breeders, research partners, growers, and sales and marketing organisations around the world to bring new, high value and superior quality fruit to markets and consumers globally.

The expertise and success of VentureFruit® in cultivar development and commercialisation services has been honed over the last 25 years and is demonstrated through strong consumer orientated brands, including the Envy™, JAZZ™, Pacific Rose™ and Pacific Queen™ apple brands.

International Trading

Beyond T&G's apples and T&G Fresh business, we also have an International Trading business where our team source fresh produce, including cherries, avocados and stone fruit from the Americas and Europe for sale in Asia, Australia and the Americas.

T&G is listed on the New Zealand Stock Exchange and our majority shareholder is BayWa Global Produce, with 73.99% of shares. Further information about T&G, including our Aotearoa New Zealand and global footprint, can be found in our 2023 Annual Report and on our website www.tandg.global/investors/reporting.

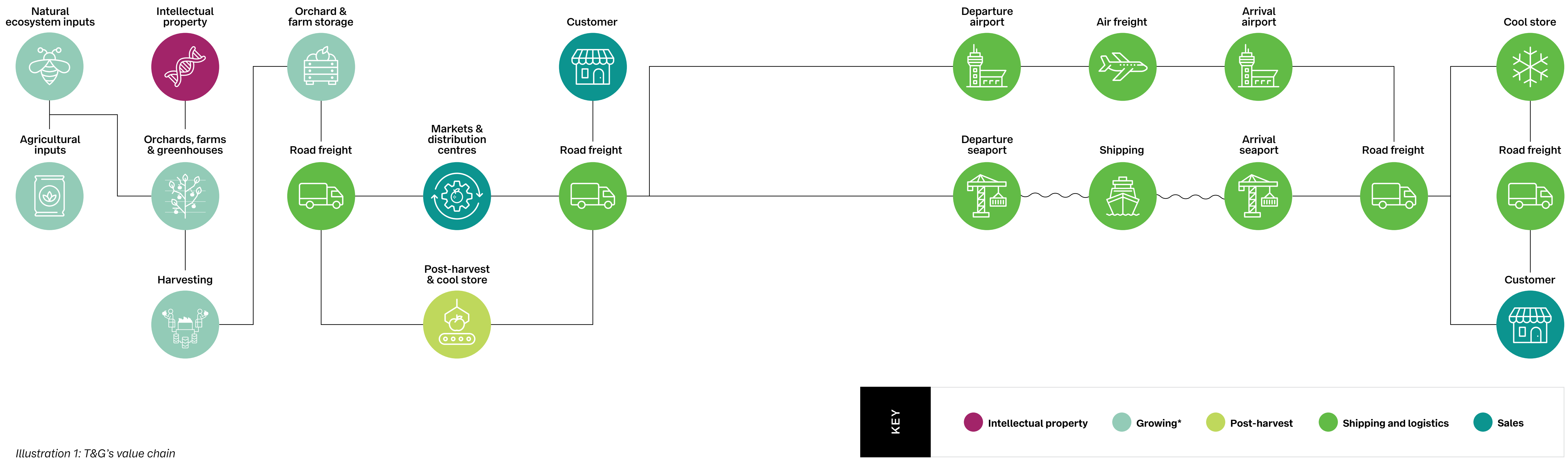


Illustration 1: T&G's value chain

*Includes supply and procurement of produce; there are no exclusions from the value chain.

Our strategy

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

Illustration 2: T&G's strategy

Governance

TCFD

Our approach to climate governance

T&G recognises that strong corporate governance is essential in protecting and strengthening the interests of the Company, its shareholders and stakeholders, and in creating long-term sustainable value.

T&G's climate-related risk and opportunity management model

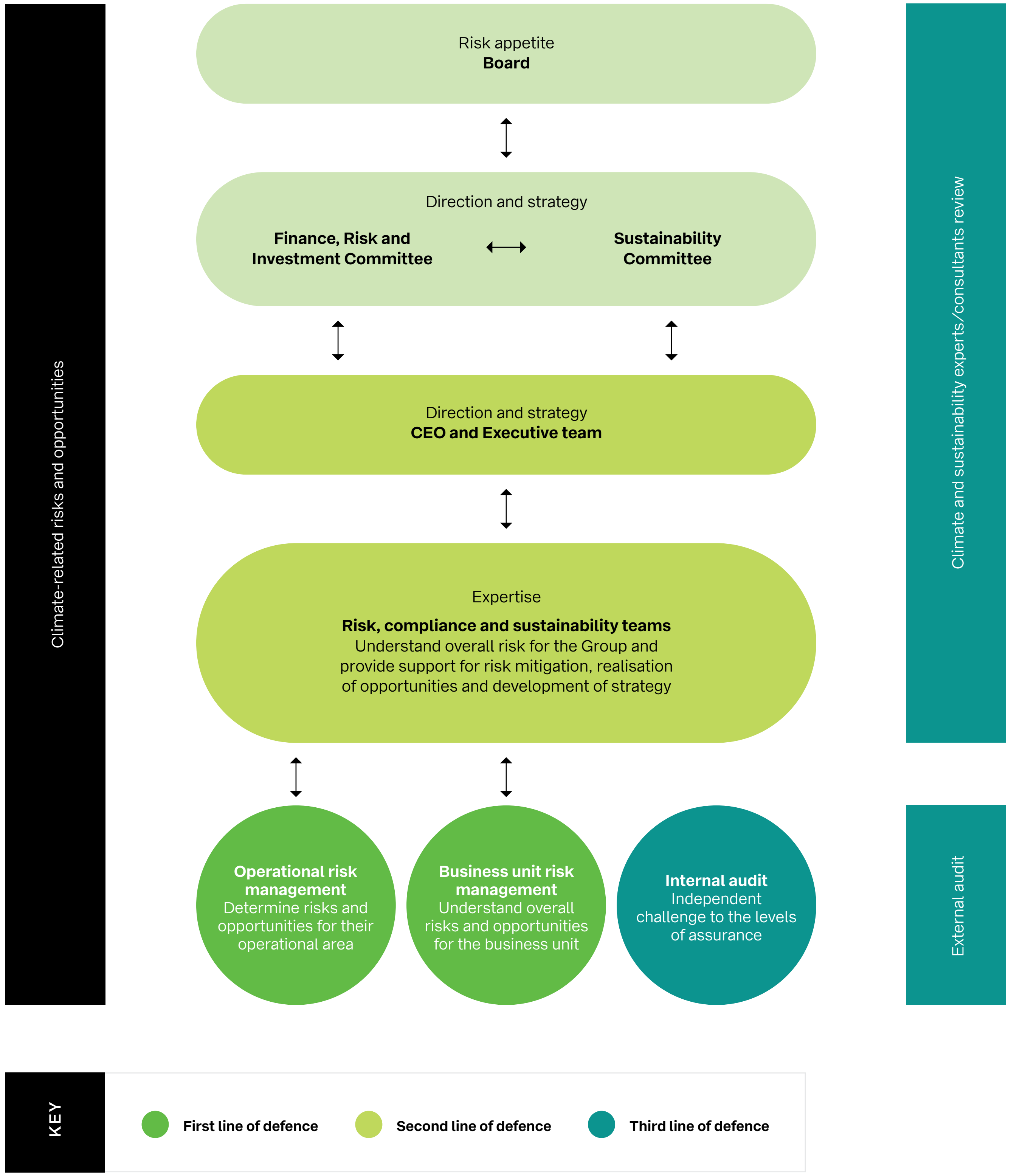


Illustration 3: T&G's climate-related risk and opportunity management model

The role of the Board

T&G's Board sets the Company's purpose and overall strategic direction, and has oversight of our risk management strategy, framework, policies and risk appetite, including those related to climate change. The members of the Board are detailed on pages 66–67 of the 2023 Annual Report and on our website www.tandg.global/our-story/our-team. Accountability for ensuring that T&G's climate-related matters are recognised, assessed and monitored, sits with the Board. Two Board-level committees support the Board with this responsibility, the Sustainability Committee (SC) and the Finance, Risk and Investment Committee (FRIC), and both operate under a Board approved charter[1].

Sustainability Committee (SC)	Established in 2023, the SC comprises three Directors, including one Independent Director. It oversees T&G's sustainability framework and climate strategy, targets, scenarios and the annual allocation of internal carbon price funds, before recommending them to the Board for approval. Once approved, it monitors performance against them. The SC oversees climate-related risks and opportunities, as well as the Company's sustainability and Climate-related Disclosures, before recommending them to FRIC for review and tabling with the Board for approval.
Finance, Risk and Investment Committee (FRIC)	The FRIC comprises three Directors, including two Independent Directors. It ensures that management has established procedures and processes to identify, escalate, manage and monitor primary business and climate-related risks and opportunities according to its Risk Management Policy. It also reviews T&G's annual corporate disclosures, including its Annual Report and Climate-related Disclosure, before recommending them to the Board for approval.

Table 1: Board sub-Committee responsibilities

The SC and FRIC draw upon climate-related expertise from the Executive team, internal subject matter experts and external advisors to provide specialist advice regarding changing regulatory requirements and to provide appropriate oversight of climate-related risks and opportunities.

Both Committees meet at least three times a year to review management's progress against goals and targets for addressing climate-related risks and opportunities. Proceedings are reported to the Board. Additional reporting to the Committees and Board is undertaken as required, such as updates on strategic climate-related initiatives.

From a remuneration perspective, whilst our incentive plans are linked to both company and individual performance, we do not explicitly link them to climate-related outcomes.

1. For more detail on our Board and Committee charters, please see the Corporate Governance section on our website: www.tandg.global/investors/corporate-governance

Directors' climate capabilities and understanding

T&G's Board is actively expanding its climate-related knowledge through information, capability and skills-building sessions. The Board accesses expertise from both within T&G and from external industry experts. In addition, some of the Directors are members of Chapter Zero, a global network of directors committed to taking action on climate change. A skills and experience matrix for Directors is on page 71 of the 2023 Annual Report.

The role of the Executive Team

The Board assigns the day-to-day management of climate-related risks and opportunities to the Executive team.

T&G's Executive team has oversight of the Company's Kaitiakitanga sustainability framework, including our climate action strategy and related targets, climate-related reporting and regulatory compliance.

They are responsible for ensuring the Company is identifying, assessing, monitoring and managing climate-related risks and opportunities. From this, the Executive team ensures this is embedded into business strategy and implementation, risk management, financial planning and capital allocation processes.

Each SC meeting is attended by the Chief Executive Officer, Chief Financial Officer, Head of Corporate Affairs and Director People and Culture, and the Committee is provided an update on the Company's Kaitiakitanga framework, including its climate action plan and progress against climate targets.

All FRIC meetings are attended by the Chief Executive Officer and Chief Financial Officer, with other Executive members attending as required. The Committee is provided with annual updates of climate-related risks and opportunities.

T&G's Chief Executive Officer updates the Board at each Board Meeting on key aspects of the Company's strategy.

The members of the Executive team are outlined on our website www.tandg.global/our-story/our-team and in our 2023 Annual Report.

An outline of T&G's climate-related risk and opportunity management model, including key climate-related responsibilities, is provided in Illustration 3.

Strategy

Strategy

Everything T&G does is guided by its purpose to grow healthier futures – healthier futures for our stakeholders, as well as the land and the world's natural resources. Building a strong and thriving climate-resilient business through decarbonisation and adaptation is inherently part of this.

T&G's strategy, as detailed in the About T&G section, is structured to create short, medium and long-term value through the commercialisation of premium plant genetics, the growing, licensing and sourcing of fresh produce, and the marketing, sale and distribution of it.

Climate scenario analysis process

In 2023, T&G, supported by Aurecon Limited, an Asia Pacific design, engineering and advisory company, conducted robust qualitative analysis to develop its climate scenarios and help identify climate-related risks and opportunities over the short, medium and long-term.

The outcomes of this process are being used to help inform the long-term direction and continual evolution of the Company's strategy, as well as test its resilience. At a high level, the process T&G followed is:

01 A governance group was established, including five Executive members and guided by Aurecon.

02 Over 30 T&G team members from across our global value chain, together with a representative from The New Zealand Institute for Plant & Food Research, were brought together to form a working group.

03 Using The Aotearoa Circle's Agriculture Sector Climate Change Scenarios[2] as a basis, a series of workshops were held with the working group to:

- Agree upon T&G's value chain and key value drivers.
- Define and develop T&G's three scenarios and supporting narratives for plausible socio-economic, technological, environmental and political futures.
- Discuss and identify the potential physical and transitional risks and opportunities, under each of the three scenarios.

04 This was done by exploring:

- What physical and transitional risks and opportunities would be plausible for T&G's business model?
- When would they materialise, where in the value chain might they occur, and how specifically in T&G's industry context might they take place?

05 Three scenarios were developed for temperature increases of 1.5°C, 2.9°C and 4.8°C.

06 The scenarios and respective risks and opportunities were reviewed and refined by the Executive team and the SC, with the latter recommending them to the Board for review and approval.

2. The Aotearoa Circle is a voluntary initiative which brings together leaders from the public and private sectors to commit to priority actions that will restore Aotearoa's natural capital for future generations. In 2022 and 2023 it developed the Agriculture Sector Climate Change Scenarios, which can be found at www.theaotearoacircle.nz/s/April-2023_Aotearoa-Circle-Agri-Adaptation-Climate-Scenarios.pdf

T&G's climate scenarios

	Scenario 1 **Orderly decarbonisation**	Scenario 2 **Regional rivalry**	Scenario 3 **Hothouse**
SSP/RCP combination used	SSP1 RCP1.9 & 2.6	SSP3 RCP4.5	SSP5 RCP8.5
Warming level	1.5°C[3] warming by 2100[4]	2.9°C warming by 2100[4]	4.8°C warming by 2100[4]
Description	Smooth, globally coordinated transition to a net zero emissions economy	Resurgent nationalism, deglobalisation and trade barriers alongside weak climate action until 2030, followed by a rapid, disrupted transition to a low-emissions world	A future with a lack of climate policies and a focus on adaptation instead of mitigation. There are significant physical climate change impacts and warming
Plausibility for T&G	Chosen to reflect a plausible future in which T&G has to rapidly decarbonise and transition its operations	Selected as it poses high levels of disruption to international trade that would affect T&G's business model	Elected due to the high level of physical impact that would manifest in T&G's growing operations

Table 2: T&G's climate scenarios

Rationale for these scenarios

In selecting its three scenarios, T&G has been guided by the requirements of the NZCS and The Aotearoa Circle's Agriculture Sector Climate Change Scenarios.

In developing its sector scenarios, The Aotearoa Circle brought together the diversity of the agriculture sector to collaborate, share knowledge, science and insights, and inform the outcome. T&G participated as a member of the Technical Expert Group.

T&G's first scenario, orderly decarbonisation (1.5°C), and third scenario, hothouse (4.8°C), align with both the mandated NZCS scenarios as well as The Aotearoa Circle sector scenarios.

Our second scenario, regional rivalry (2.9°C), differs from the sector scenarios. It was selected as we consider regional rivalry (SSP3, RCP4.5) to be the more comprehensive challenge for our business, given the aspects of deglobalisation, increased national food security and the subsequent effects on consumer preferences and market size. We selected RCP4.5 because:

- Of the availability of RCP4.5 data relative to RCP6.0 data (currently, there is very little data for RCP6.0 downscaled to regions in Aotearoa New Zealand).
- It is commonly adopted by other reporting entities, allowing for easier comparison of Climate-related Disclosures.
- It was used in The Aotearoa Circle's sector scenarios, allowing consistency in the translation of sector-to-company specific scenarios.

No further scenarios have been undertaken.

3. Average global temperature rise for RCP1.9, in alignment with NZCS
4. Rise in average global temperatures in the 2081-2100 period relative to the preindustrial baseline (1850-1900)

T&G's scenario narratives

Scenario 1: Orderly decarbonisation

In the near-term, the world shifts purposefully toward valuing planetary health, biodiversity and human wellbeing, with governments and institutions collaborating effectively at all levels in pursuit of these goals and net zero emissions.

Environmentally friendly technologies are developed, and uptake of renewable energy increases. There is rapid decarbonisation of the transport network. However, this results in increases to import/export costs and increases in time to market, for example due to slower moving ships. Globally, sustainable purchasing and consumption habits are enhanced, resulting in increased amounts of produce sourced regionally and scrutiny in overseas markets of food shipped over great distances from places like Aotearoa New Zealand. The effects of climate change are increasingly evident in the second half of the century, with significant impacts to the horticulture sector, especially in terms of wind and flood damage to horticulture infrastructure. This creates difficulty accessing climate-related insurance products for growers. In tandem, the use of new horticultural technologies, advancements in sustainable fertilisers and regenerative horticulture techniques rapidly emerge, and forests and native plantings are also enhanced. At a wider level, the agriculture sector meets 2050 net zero goals through activities such as these, driven by the recognition that decarbonisation impacts its social license to operate.

Tutti™ apples, image courtesy of IRTA

T&G's scenario narratives

Scenario 2: Regional rivalry

Off the back of COVID-19 and regional conflicts, there is a resurgence of nationalism in the near future. This leads to trade barriers, rivalry and nation-serving behaviours.

Globalism deteriorates, and there are increased constraints on international trade and technology transfer, resulting in nations prioritising food and resource security. Food stockpiling means consumer preferences shift to less perishable and preserved produce options. Governments increase attention and scrutiny for the local food sector, with an emphasis on maximising yields, whatever it takes. These shifts have multiple knock-on effects. Exporters face reputational risks and consumers increasingly support domestic, Aotearoa New Zealand-made. Also, sustainability and biodiversity outcomes are de-prioritised, with net zero commitments deferred until 2035, when policies are enacted with costly transition implications. With the focus on growing food, there are increases in deforestation, biodiversity loss, and negative impacts on ecosystem services, for example pollinators. Climate-related chronic impacts and extreme events accelerate beyond 2050, with increases in issues of water scarcity and water rights conflicts internationally, further exacerbating food security issues. Increases in drought and severity, fire and severe weather, have adverse impacts on growers. This creates increased challenges for accessing insurance and finance, and the failure of smaller grower businesses who are unable to adapt and transition their businesses. With an increasing need to shore up food security, there is widespread international social acceptance of genetic technologies, such as new breeding techniques and genetic modification.

T&G's scenario narratives

Scenario 3: Hothouse

The world continues with business as usual for the coming decades. Globally, an economic and social development focus built on fossil-fuel intensive growth yields little climate regulation.

However, companies with tangata whenua owners or business partners remain committed to demonstrating sustainability. Climate change impacts intensify and increases, especially after 2050. There is extreme heat which causes blackouts, fatalities, worker heat stress and food supply shortages. As a result, produce demand increases, with a two-tier market emerging: high-priced sustainable options and low-priced conventional choices for the mass market. The severity and frequency of ex-tropical cyclones, flooding, drought and fire increases in Aotearoa New Zealand, which creates catastrophic growing damage, significant losses and supply chain disruptions. The horticulture industry shifts to indoor growing, cultivating new regions with intensifying land competition, and increased acceptance and use of genetic technologies to evolve plants with climate-resistant properties. In this context, grower climate adaptation difficulties result in stranded assets, increased market concentration, costly and challenging technological innovation, and the need for increased government support. Obtaining insurance is increasingly difficult, and growers face financial liabilities and the need to self-insure. Globally, water stress and competition, and energy and food instability cause poverty and political instability. To counteract this, global markets are increasingly integrated, trade policy supported and international shipping and logistics diversified to thwart weather disruptions. There is a post-climate disaster focus on adaptation, technology, infrastructure and systems change.

Limitations of scenarios

Climate scenarios give a useful glimpse at what the impacts might be. They are created with assumptions and projections based on the best information available at the time they are produced. However, climate and many other assumptions inherent to these scenarios may not ultimately reflect the complex evolution and interaction of global systems and factors. They are inherently uncertain and not meant to provide a complete or certain view of the future. These limitations should be noted when reading this report.

Building increased resilience into the business model, strategy and capital deployment

As a horticultural business, T&G is heavily reliant on natural capital and the climate to grow and source fresh fruit and vegetables.

While our sector is at the forefront of the impacts of a changing climate – as experienced this year with heavy rains, flooding and Cyclone Gabrielle (please see pages 14–17 of the 2023 Annual Report for a case study on the impact of the cyclone and T&G's response) – T&G is positioned well to realise future opportunities that a changing climate presents. This is illustrated through the likes of our dual hemisphere, multi-country sourcing strategy, and our new plant variety commercialisation activities and partnerships, such as the Hot Climate Partnership which is commercialising new apple and pear varieties specifically created for hot and warming climates.

Annually, the Board reviews its three-year business and financial plan and targets, taking into consideration internal and external factors. This process informs the strategic initiatives the Company pursues each year.

As part of this process, climate-related risks and opportunities have influenced and shaped our long-term direction, strategy and capital spend. In 2023, as part of the maturing of our climate change knowledge and expertise, we undertook a strengthened and extensive process to update our climate-related risks and opportunities and enhance our risk and opportunities register. Our financial processes will continue to be expanded to proactively and explicitly ensure that climate is considered in, amongst other areas, capital allocation and leases.

Management's current planned actions to maximise resilience in our strategy and business model for our material risks and opportunities are detailed in Tables 4–5, and in the year ahead we will continue to adapt our strategy and set key metrics and targets to manage climate-related risks and opportunities.

Protecting Te Taiao is central to what we do and our purpose. We will continue to build increased resilience into our business by adapting and responding to the physical and transitional risks and opportunities a changing climate presents, while reducing our impact on our natural resources. This will help ensure we are well positioned to thrive in a low carbon future for the benefit of future generations.

Risk management

Integration of climate-related risks with overall risk management

T&G manages risks with the Three Lines of Defence Model (see Illustration 3), which highlights the importance of segregation of roles and responsibilities across governance, management and day-to-day operations, while also highlighting relationships between the different areas.

The Board sets and monitors T&G's Risk Appetite captured in the Risk Appetite Statement, which expresses T&G's position to pursue, retain or take on risks. The Risk Appetite is reflected in business policies which are regularly reviewed and approved by the Board.

T&G's Risk Management Policy is available on the Company's website www.tandg.global/investors/corporate-governance, and together with T&G's Risk and Compliance Framework, provides an overarching framework for assessing, monitoring and managing risks, including climate-related risks. The T&G Risk Management Framework assists in the identification of strategic, project, climate-related and operational risks, and supports the delivery of T&G's business objectives and strategy within T&G's Risk Appetite. It comprises the following:

- Risk assessment through identification, analysis and evaluation by using the T&G Risk Matrix (see Appendix 3) defining T&G's risk tolerance from low to extreme.
- Residual risk analysis and treatment with an assessment to be made to either accept, reduce, transfer or eliminate the risk.
- Monitoring and review of risks, mitigation and controls to determine the ongoing validity of the assumptions made.
- Communication and consultation with internal and external stakeholders, including regular reporting to the Executive team, the Finance, Risk and Investment Committee, the Sustainability Committee and the Board.
- Escalation of risks to the Executive team, Board sub-Committees and the Board via T&G's risk escalation process outlined in Appendix 2.

Climate-related risks are integrated into the T&G risk management process through the Three Lines of Defence Model, Risk Appetite Statement and T&G Risk Matrix .

Scenarios and time horizons for risk and opportunity assessment

In 2023, T&G conducted its first climate scenario analysis to develop three plausible scenarios which describe how the future may develop, each supported by a set of assumptions. These scenarios are not predictions of the future, they are hypothetical outcomes which challenge our understanding and help us build further resilience into our strategy and business model. This analysis looked at the next 50 years (2073) which aligns with the lifetime of T&G's assets and Aotearoa New Zealand's regulatory aspirations for net zero by 2050.

The wider scenarios examined however extend to 2100 (see Strategy section for further discussion).

T&G defines the time horizons to assess climate-related risks and opportunities in accordance with the United Nations' Intergovernmental Panel on Climate Change (IPCC), National Institute of Water and Atmospheric Research (NIWA), External Reporting Board (XRB) and ISO14091 (ISO 202). These are outlined in Table 3.

Time horizons

Short-term	**Medium-term**	**Long-term**
1–3 years (this aligns to business planning and capital allocation processes)	3–10 years (this aligns to internal business planning as well as global climate change ambitions under the Paris Agreement 2030)	10–50 years (this aligns to apple orchard growing cycles of 25 years, the life span of major assets and mid/end century time horizons used by both IPCC and NIWA).

Table 3: T&G's time horizons, used to identify and assess climate-related risks and opportunities

Identifying and assessing climate-related risks and opportunities

T&G's climate-related risks and opportunities are grouped by value drivers aligned with T&G's business model and value chain. No part of T&G's value chain has been excluded from the analysis. T&G's value drivers are:

- **Intellectual property**
- **Growing** – T&G owned or leased orchards
- **Supply and category procurement** – Independent growers and sourced produce
- **Post-harvest**
- **Shipping and logistics**
- **Sales**

T&G's process to assess climate-related risks and opportunities

To identify and assess climate-related risks, T&G follows this five-stage process. Opportunities are assessed through the same process where appropriate.

Stage 1: Identification

Identification of new and review of existing climate-related transitional and physical risks and opportunities through annual workshops which include:

- Participants and subject matter experts from across the business, representing each of the T&G value drivers.
- Risk and climate change experts where needed.
- The capture of the impacts and hazards of risks, as well as opportunities, to value drivers.

Stage 2: Analysis

Risks are analysed against climate change scenarios and time horizons using the T&G Risk Matrix (see Appendix 3), and our climate-related risk screening tool. Opportunities are analysed for each value driver and scenario to determine the benefit for the business.

Stage 3: Evaluation

For each risk, the effectiveness of existing controls is determined, as well as the need for any changes. Opportunities are ranked to determine the priority for the creation of action plans by the business.

Evaluation is supplemented with climate-related events which have had or could have an impact on T&G's assets and potential strategy.

Stage 4: Residual risk analysis and treatment

Assessment of the controls and treatment. The residual risk is based on the controls put in place for managing risks. For each residual risk, an assessment is made to either:

- Accept the risk and make a conscious decision to not take any action.
- Accept the risk but take some actions to lessen or minimise its likelihood or impact.
- Transfer the risk (in whole or in part) to another individual or organisation (e.g., through insurance) where possible.
- Eliminate the risk by ceasing to perform the activity causing it.

Stage 5: Escalation

Risk escalation is dependent on the residual risk rating (refer Appendix 2 for details of the escalation). Opportunities are escalated depending on their prioritisation.

Priority opportunities are advised by the business to the Executive team to agree, determine funding and support the development of action plans for implementation. These are then escalated to the Finance, Risk and Investment Committee, Sustainability Committee and Board for approval.

Illustration 4: T&G's process to assess climate-related risks and opportunities

Monitoring and review

Regular monitoring and review of risks and opportunities, mitigations and controls is undertaken to detect changes and determine the ongoing validity of assumptions made, including:

- Climate-related events and actual or potential impact on T&G
- Climate change scenario modelling
- Monitoring and analysis of available climate-related reporting
- Monitoring of key risk indicators
- Monitoring of opportunity action plans and realisation
- Internal audits
- External audits

Climate-related risks and opportunities, controls, action plans and owners are documented and monitored in T&G's risk management system. All climate-related risks and opportunities are reviewed at least annually by stakeholders within T&G, with support from consultants and industry experts as required.

Climate-related reporting requirements, supporting documentation and any changes to regulations are captured in T&G's risk management system and monitored on an ongoing basis.

Climate-related risks and opportunities are managed, reported and escalated separately to other risks and are captured in a specific climate-change risk and opportunity register in T&G's Risk Management system.

Material climate-related risks and opportunities

In defining physical and transitional risks and opportunities, T&G has used the Aotearoa New Zealand Climate Standard 1 Climate-related Disclosures (NZ CS 1) definition, which is:

Physical risks:

Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise.

Transitional risks:

Risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.

Opportunities:

The potentially positive climate-related outcomes for an entity. Efforts to mitigate and adapt to climate change can produce opportunities for entities, such as through resource efficiency and cost savings, the adoption and utilisation of low-emissions energy sources, the development of new products and services, and building resilience along the value chain.

T&G's identified material climate-related risks and opportunities, including time horizons and management actions, are detailed in Tables 4–5.

T&G's material climate-related risks

Risk	Type	Value driver	Current impacts	Current strategies	Current regions affected	Anticipated impacts	Future regions (Based on projected 2°C of global warming)	Future strategies	Rating over time for each scenario	1	2	3
Damage to T&G operations due to increasing intensity and frequency of severe weather events	Physical	• Growing • Post-harvest	• Orchards are vulnerable to hail • Timely harvesting of fruit and fruit quality is impacted by heavy rain • Localised impact to Hawke's Bay due to Cyclone Gabrielle[5]. Impact on growing operations and assets associated with these operations	• Protection structures e.g. hail nets, covered cropping, tunnels, fertigation • Optimised drainage and irrigation systems • Ensuring the optimal insurance programme is in place • Diversification of growing regions across Aotearoa New Zealand • Maintaining partnerships with industry post-harvest operators to ensure business continuity	Aotearoa New Zealand	Potential for impact on growing operations and associated assets in all growing regions	Aotearoa New Zealand and Australia	• Explore further diversification of growing regions based on quantitative data • Optimise stop bank protections • Further investment, where practical, in hail nets, tunnels and optimised irrigation systems • Explore further insurance coverage options	**Short**	Low risk	Low risk	Low risk
									Medium	Low risk	Low risk	Medium risk
									Long	Medium risk	Medium risk	High risk
Decline in land suitability for growing existing crop categories due to increasing average temperatures leading to changes in produce supply	Physical	• Growing • Supply and category procurement	• Increased pests and diseases restricting market access • Reduced apple yield due to sunburn	• T&G's VentureFruit® business is working with Plant & Food Research, IRTA and Fruit Futur as the commercialisation partner of the Hot Climate Partnership to develop and commercialise a new category of fruit which thrives in hot climates. Tutti™, the world's first specifically bred hot climate tolerant apple variety was launched in February 2023, and more are in the pipeline • Targeted programme for pests and diseases, including collaboration with industry bodies to enable optimal pest and disease strategies • Diversification of growing regions for T&G and independent supply	Aotearoa New Zealand	Growing regions are potentially less suitable for optimal production and/or crop categories	Global	• Explore further diversification of growing regions for T&G and independent supply • Continue to form and/or strengthen partnerships to identify and commercialise varieties which are bred for hot and warming climates	**Short**	Low risk	Low risk	Medium risk
									Medium	Low risk	Low risk	Medium risk
									Long	Low risk	Low risk	High risk
Significant increases in the cost of doing business due to the convergence of climate-related cost increases in glasshouse growing, transport and financial services procurement	Physical and transitional	• Growing • Post-harvest • Shipping and logistics • Sales	• Reduction in procurement volumes of fresh produce • Increased investment in procurement of financial services • Financial investment in asset enhancement and energy efficient alternatives • Increased due diligence in the selection of long-term assets	• Harness unique plant varieties, build strong consumer brands and high-quality markets • Closely monitor cost drivers and explore options to further optimise T&G's cost structure • Long-term partnerships to support T&G's business model and strategy to ensure cost efficiencies and supply certainty • Collaboration with industry bodies to enable optimal pest and disease strategies • Investment in energy saving initiatives • Investigation of low-emission transport options	Aotearoa New Zealand	Challenges to the financial performance of existing business models	Global	• Maintain and further develop long-term partnerships to support T&G's strategy to ensure cost efficiencies and supply certainty • Further explore opportunities for automation of processes across the organisation • Develop less capital-intensive business models • Continued investment in energy saving and low emission solutions	**Short**	Medium risk	Medium risk	Medium risk
									Medium	High risk	High risk	High risk
									Long	High risk	High risk	High risk

Table 4: T&G's material climate-related risks

KEY: Low risk | Medium risk | High risk

5. Based on T&G's analysis to-date, Cyclone Gabrielle was a 1-in-70 year event

T&G’s material climate-related opportunities

The below opportunities manifest globally and are not restricted to one geographic region.

Opportunity	Type	Value driver	Future strategies	Rating over time for each scenario	1	2	3
New growing areas will become available, both locally and in-market	Physical	• Growing • Supply and category procurement	• Explore the diversification of growing regions for T&G and independent supply	**Short**	Low	Low	Low
				Medium	High	High	High
				Long	High	High	High
More growers and entities will seek climate-tolerant, pest resilient and storage-compatible varieties	Physical and transitional	• Intellectual property • Growing	• Further invest in partnerships, research and the commercialisation of new plant varieties which are highly resilient to a changing climate	**Short**	Low	Low	Low
				Medium	Low	Low	High
				Long	Low	Low	High

Table 5: T&G’s material climate-related opportunities

KEY			
	Low opportunity	**Medium opportunity**	**High opportunity**

As T&G is adopting the first time provisions it has not established metrics for climate-related risks and opportunities nor determined the financial impact. Therefore, the amount or percentage of assets or business activities vulnerable to climate-related risks and opportunities can not be quantified. The methodology and metrics for quantifying T&G's exposure to climate-related risks and opportunities is currently under development. This disclosure will be made in our 2024 Climate-related Disclosure.

Metrics and targets

Greenhouse gas reporting standards and methods

T&G is committed to using internationally accepted and practised standards when accounting for its GHG emissions. The Company prepares an annual GHG Inventory Report for its scope 1 and 2 emissions. It follows best practice protocols and standards in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

The emissions metric tracked is tonnes of CO_2 equivalent (tCO_2e). There are currently no other industry-based metrics relevant for T&G's industry but the Company is engaging with relevant industry bodies and monitoring peers.

Emissions data is calculated annually, in line with T&G's financial year (1 January – 31 December). It is collated and tracked throughout the period by the Company's sustainability team, including information from third-party suppliers and internal records. See Appendix 1 for more information on GHG inventory methods, operational boundaries and exclusions.

All emissions calculations are managed and completed within BraveGen, T&G's carbon management software system.

As part of the BayWa Group, T&G prepares its emissions information using the internationally accepted Greenhouse Gas Protocol. Emission factors are sourced based on geographic regions from the following sources:

- The New Zealand Government's Ministry for the Environment
- The United Kingdom's Department for Environment, Food & Rural Affairs (DEFRA)
- United States Environmental Protection Agency
- Singapore's Energy Market Authority
- Australia's Department of Climate Change, Energy, the Environment and Water
- The German Association of the Automotive Industry (VDA)
- The IPCC's fifth assessment report (AR5) provides global warming potentials (GWP)

Emission factors were not located for the following countries: Belgium, Chile, China, Fiji, France, Japan, Peru, Thailand and Vietnam. Therefore, to align with our ultimate parent company BayWa AG's approach, a combination of DEFRA and VDA emission factors were used for entities with operations in these geographical locations. Likewise, this approach was also applied when relevant emission factors cannot be sourced from the above bullet pointed list.

The Group has obtained limited assurance over its scope 1 and 2 GHG emissions as reported in the Group's GHG Inventory Report for 2021, 2022 and 2023. Assurance was provided by Deloitte Limited in accordance with International Standard on Assurance Engagement (New Zealand) 3410 (Revised): Assurance Engagements on Greenhouse Gas Statements ('ISAE (NZ) 3410') issued by the New Zealand Auditing and Assurance Standards Board ('NZAuASB'). Assurance has not been provided over information contained in this Climate-related Disclosure report.

Organisational boundaries and exclusions

Organisational boundaries determine the parameters for GHG reporting and ensure consistency when determining which factors to include. Aligned with our ultimate parent company, BayWa AG, we apply the financial control consolidation approach which ensures we focus on emissions that are within our financial control and influence.

A table outlining the entities in our consolidated group and those excluded from our organisational boundary due to limited visibility as joint-venture operations is detailed in Appendix 1.

Scope 1: Direct GHG emissions	Scope 1 includes GHG emissions from sources that are owned or controlled by T&G. This includes fuel combusted in vehicles owned or leased by T&G, stationary combustion of fuel for heating, and any fugitive emissions of refrigerants. Excluded are emissions from use of backup diesel generators in Aotearoa New Zealand, refrigerant leaks from our heavy truck fleet, and fertiliser use in T&G owned growing operations. These categories have been excluded due to difficulties obtaining reliable data for the reporting period and are estimated to make up < 1% of T&G's scope 1 inventory.
Scope 2: Indirect GHG emissions	Scope 2 includes indirect emissions from the generation of electricity purchased by T&G. Purchased electricity is measured by the installation control point (ICP), with some sites having multiple ICPs. Excluded is electricity from sites where the electricity is included within rent payments, which is estimated to make up < 1% of T&G's scope 2 inventory.
Scope 2: Renewable electricity certificates	Together with our ultimate parent company BayWa AG, in 2020 we achieved our first climate objective of sourcing 100% of electricity from renewable energies. In 2023, we've continued to deliver on this. For our Aotearoa New Zealand sites, we've purchased renewable energy certificates (RECs) from Meridian Energy, under its certified renewable electricity scheme. For our international sites, we will purchase RECs through our ultimate parent company, BayWa AG, using a broker agency. These RECs will be purchased to cover T&G's international electricity consumption for the period from 1 January 2023 to 31 December 2023, with redemption of certificates subsequently taking place. This has resulted in zero emissions being reported from our scope 2 activities, using the market-based approach.

Table 6: Scope 1 and 2 emission sources

Targets and emissions reductions

T&G recognises the importance of mitigating our GHG emissions and adapting and transitioning to a changing climate.

As part of this, we are working to set new emissions reduction targets that limit warming to 1.5°C, in line with the Paris Agreement.

Throughout 2023, we, together with our majority shareholder, BayWa Global Produce, have been working through this process and we expect to have new climate targets for scopes 1, 2 and 3 approved and in place in the first half of 2024. Our new climate targets will have a 2021 base year.

Until then, our existing climate targets are detailed below. These targets are aligned to our ultimate parent company BayWa AG's targets, which were set in 2018. Results for 2023 are reported against a 2017 historic base year (unassured).

For clarity and completeness, comparative emissions data is set out on page 35 to enable trend analysis against both 2017 and 2021.

Target	Base year	Metric	Timeframe	Performance	Commentary
By 2020, procure certified renewable electricity at 100% of T&G sites	2017	RECs	By 2020	Delivered in 2020	T&G delivered this target in 2020 through the purchase of RECs, and has continued to purchase RECs through to 2023.
By 2025, reduce scope 1 and 2 GHG emissions by 22%, against a 2017 base year	2017	tCO_2e	By 2025	34.1% reduction from 2017	T&G has reduced its absolute scope 1 and 2 emissions by 34.1% to 27,905.3 tCO_2e in 2023, against its 2017 base year of 42,336.9 tCO_2e (applying a market-based approach).

Table 7: T&G's climate targets and progress

Offsets

T&G's focus is on directly reducing our GHG emissions from within our value chain before considering the potential use of third-party offsets.

Given currently available national solutions, we do have some challenges abating our remaining scope 1 emissions (derived from diesel and petrol for freight movements, and natural gas for glasshouses), and as such, a provision is provided in our Sustainability Linked Loan to permit an agreed percentage of offsets, if required. Should third-party offsets be purchased, we will do this in line with our ultimate parent company, BayWa AG's guidelines.

No offsets have been used by T&G in this reporting period.

Our GHG emissions and performance against targets

Emissions category	2017 unassured	2021 assured	2022 assured	2023 assured	% change 2023 vs. 2017
Scope 1	**33,229.53**	**32,520.75**	**27,502.45**	**27,905.25**	**-16.02%**
Diesel	14,159.57	12,878.42	12,052.58	11,385.70	-19.59%
Heating oil	2,852.35*	3,462.53	2,896.94	2,896.84	1.56%
LPG	709.91	328.57	385.07	536.46	-24.43%
Natural gas	13,507.50	12,165.50	11,000.56	10,573.79	-21.72%
Petrol	845.02	717.99	649.36	658.97	-22.02%
Propane	-	-	-	5.40	0.00%
Refrigerant leakage	1,155.18	2,967.73	517.94	1,848.09	59.98%
Scope 2 (market-based)	**9,107.36****	**-**	**-**	**-**	**-100.00%**
Electricity consumption (location-based)	9,107.36**	6,032.70	6,748.70	4,182.49	-54.08%
Electricity consumption (market-based)	9,107.36**	-	-	-	-100.00%
Total scope 1 and 2 (market-based)	**42,336.89****	**32,520.75**	**27,502.45**	**27,905.25**	**-34.09%**

Figures stated in table may not add up due to rounding of decimals. All figures are CO_2e.

Table 8: T&G's 2023 GHG emissions inventory and performance

Notes on data:

*In T&G's 2021 Annual Report there was an error in the 2017 heating oil figure, with it incorrectly stated as 2,582.35 tCO_2e.

**In T&G's 2021 Annual Report, our 2017 scope 2 figures were inaccurately reported. This was restated in our 2022 Annual Report.

GHG intensity metric

T&G does not use a GHG intensity metric in its management of GHGs throughout the business.

T&G exposure to climate-related risks and opportunities and our performance indicators and targets

As T&G is adopting the first time provisions it has not established metrics for climate-related risks and opportunities nor determined the financial impact. Therefore, the amount or percentage of assets or business activities vulnerable to climate-related risks and opportunities can not be quantified. The methodology and metrics for quantifying T&G's exposure to climate-related risks and opportunities is currently under development. This disclosure will be made in our 2024 Climate-related Disclosure.

The outcomes from the climate-related risks and opportunities assessment completed in 2023 will inform T&G's work in undertaking related target development in 2024, and the creation of key performance indicators to track progress against the targets that are set.

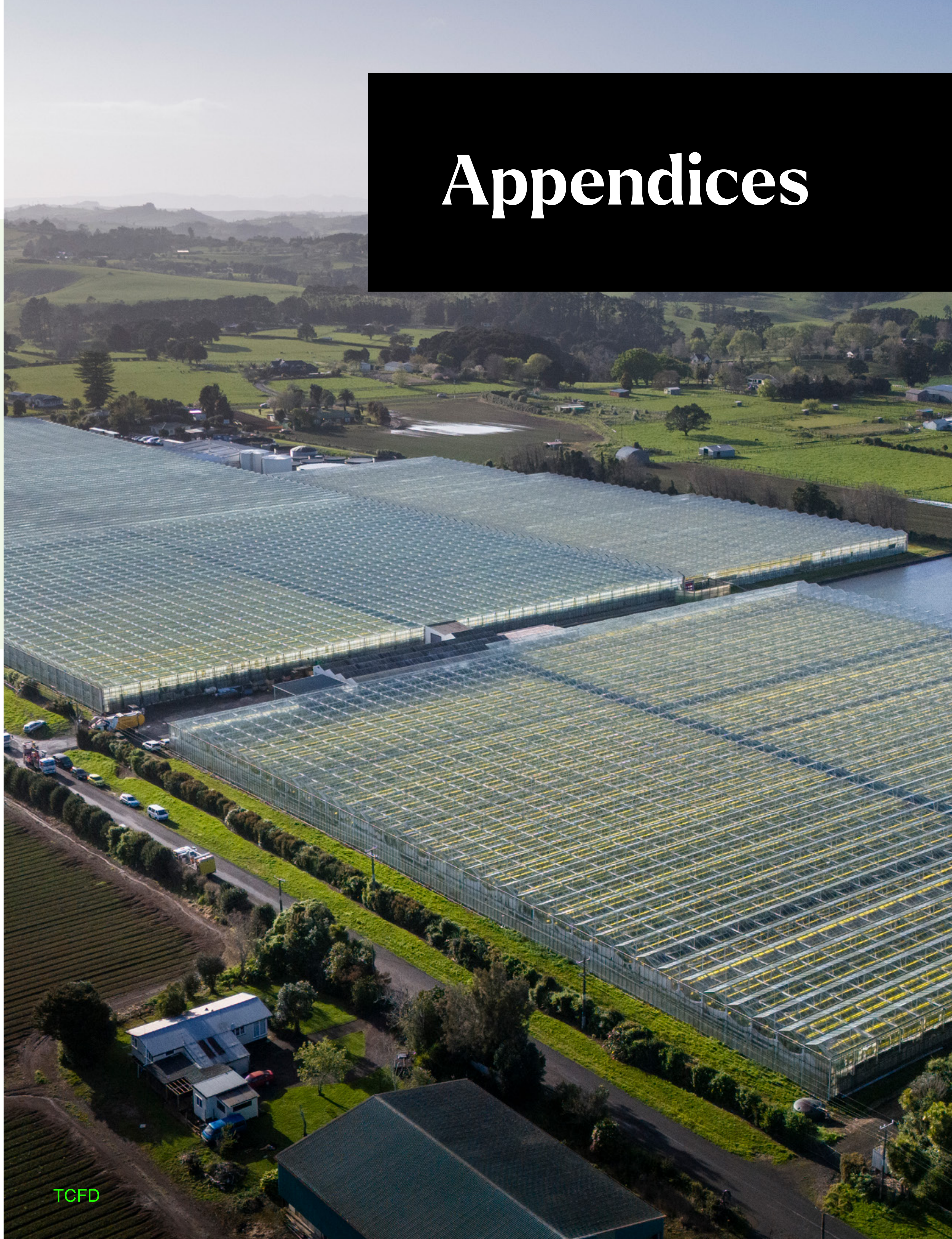
Capital deployment and internal carbon price

Across the BayWa Group, an internal carbon price has been set which applies a cost to each tonne of CO_2e emitted. This price helps inform operating plans, investment spend and the direction of funds into decarbonisation solutions and avoidance measures. The price is set by our ultimate parent company, BayWa AG, at €50/tCO_2e (~NZ$88/$tCO_2e$). Each BayWa entity is required to have the financial means to fund its internal carbon price through its capital expenditure.

In 2023, with the support of the New Zealand Government's Investment in Decarbonising Industry Fund (GIDI), T&G used its internal carbon price funds to invest in thermal screens for our glasshouses in Tūākau, Auckland. Once operational, we expect to see an approximate 29% reduction in annual emissions from this site. This equates to a 5% reduction in T&G's 2023 carbon footprint of 27,905 tCO_2e. Further financial details of this cannot be disclosed due to commercial sensitivities.

Given the internal carbon price is a new mechanism and the first recipient initiatives have not yet been fully installed and commissioned, there is no comparative information available for this disclosure period.

Appendices



Appendix 1: GHG inventory methods, operational boundaries and exclusions

Table 9: Organisational boundaries and exclusions (reviewed annually)

Companies	Country	Legal structure and partners	Economic interest held by T&G Global	Financial control	Emissions included within inventory	Comment
Allen Blair Properties Limited	New Zealand	Associated/affiliated company	33%	No	No	Excluded from inventory under the financial control approach.
David Oppenheimer & Company	United States	Associated/ affiliated company	39.4%	No	No	Subsidiary of Grandview Brokerage. Excluded from inventory under the financial control approach.
David Oppenheimer Transport Inc.	United States	Associated/ affiliated company	5.9%	No	No	Subsidiary of Grandview Brokerage. Excluded from inventory under the financial control approach.
Delica (Shanghai) Fruit Trading Company Ltd	China	Group companies/ subsidiaries	100%	Yes	Yes	-
Delica Australia Pty Limited	Australia	Group companies/ subsidiaries	100%	Yes	Yes	-
Delica Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Holding entity.
Delica North America Inc	United States	Group companies/ subsidiaries	50%	Yes	Yes	-
ENZAFRUIT New Zealand (Continent) NV	Belgium	Group companies/ subsidiaries	100%	Yes	Yes	-
ENZAFRUIT New Zealand International Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	Yes	-
ENZAFRUIT Peru	Peru	Group companies/ subsidiaries	100%	Yes	Yes	-
ENZAFRUIT Products Inc	United States	Group companies/ subsidiaries	100%	Yes	Yes	Included in 2023, due to an increase in headcount. Electricity emissions estimated using BayWa AG methodology.
ENZASunrising (Holdings) Limited	China	Group companies/ subsidiaries	67%	Yes	N/A	Holding entity.
Fairgrow Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Inactive.
Freshmax NZ Ltd	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Emissions managed and captured through Turners & Growers Fresh Limited.
Fruit Distributors Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Inactive.
Fruitmark Pty Limited	Australia	Group companies/ subsidiaries	100%	Yes	N/A	Company is managed and emissions captured through Delica Australia Pty Limited.
Grandview Brokerage	United States	Associated/ affiliated company	39.4%	No	N/A	Excluded from inventory under the financial control approach.
Kerifresh Growers Trust 2018	New Zealand	Group companies/ subsidiaries	69%	Yes	N/A	Inactive.
T&G Apples Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Inactive. To become operational in 2024.
T&G Berries Australia Pty Ltd	Australia	Group companies/ subsidiaries	85%	Yes	Yes	Included for the first time in 2023, new entity.
T&G CarSol Asia PTE. Ltd.	Singapore	Group companies/ subsidiaries	50%	Yes	N/A	Company is managed through Turners & Growers New Zealand Limited and ENZAFRUIT Peru and emissions captured under these locations.
T&G Chile SpA	Chile	Group companies/ subsidiaries	100%	Yes	Yes	-
T&G Europe SAS	France	Group companies/ subsidiaries	100%	Yes	Yes	Only electricity emissions, estimated using BayWa AG methodology.
T&G Fresh Produce PTE. Ltd.	Singapore	Group companies/ subsidiaries	100%	Yes	Yes	-
T&G Fruitmark HK Limited	China	Group companies/ subsidiaries	100%	Yes	N/A	Inactive.
T&G Global Limited	New Zealand	Parent company	100%	Yes	Yes	
T&G Global Vietnam Company Limited	Vietnam	Group companies/ subsidiaries	100%	Yes	Yes	Included in 2023, due to an increase in headcount. Only electricity emissions.
T&G Insurance Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Company is managed and emissions captured through Turners & Growers New Zealand Limited.
T&G Japan Limited	Japan	Group companies/ subsidiaries	100%	Yes	Yes	Only electricity emissions, estimated using BayWa AG methodology.
T&G Kiwifruit Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Inactive.
T&G Orchard Services Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Company is managed and emissions captured through ENZAFRUIT New Zealand International Limited.
T&G Processed Foods Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Inactive.
T&G South East Asia Ltd	Thailand	Group companies/ subsidiaries	100%	Yes	Yes	-
T&G Vizzarri Farms Pty Ltd	Australia	Group companies/ subsidiaries	50%	Yes	Yes	Joint venture operation with limited visibility of emissions data. Only electricity emissions, estimated using BayWa AG methodology.
Taipa Water Supply Limited	New Zealand	Group companies/ subsidiaries	65%	Yes	Yes	Included in 2023, water rights entity. Only electricity emissions from the pump-shed.
Turners & Growers (Fiji) Limited	Fiji	Group companies/ subsidiaries	70%	Yes	Yes	-
Turners & Growers Fresh Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	Yes	-
Turners & Growers New Zealand Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	Yes	Included in 2023, emissions previously accounted for under T&G Global.
Unearthed Produce Limited	New Zealand	Group companies/ subsidiaries	51%	Yes	Yes	Included in 2023, emissions previously accounted for under Turners & Growers Fresh Limited.
Venturefruit Australia PTY Limited	Australia	Group companies/ subsidiaries	100%	Yes	N/A	Company is managed and emissions captured through Turners & Growers New Zealand Limited.
Venturefruit Global Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	Yes	Included in 2023, emissions previously accounted for under Turners & Growers New Zealand Limited.
Venturefruit International Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Company is managed and emissions captured through Turners & Growers New Zealand Limited.
Venturefruit NZ Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Company is managed and emissions captured through Turners & Growers New Zealand Limited.
Venturefruit SA Limited	New Zealand	Group companies/ subsidiaries	100%	Yes	N/A	Company is managed and emissions captured through Turners & Growers New Zealand Limited.
Venturefruit USA Inc.	United States	Group companies/ subsidiaries	100%	Yes	N/A	Company is managed and emissions captured through Turners & Growers New Zealand Limited.
Wawata General Partner	New Zealand	Non-incorporated joint venture	50%	Yes	No	Joint venture operation with limited visibility of emissions data. No data collected for 2023 and likely minor contribution to overall emissions.
Worldwide Fruit Limited	Great Britain	Group companies/ subsidiaries	50%	Yes	Yes	-

Appendix 1: GHG inventory methods, operational boundaries and exclusions (continued)

Table 10: Summary of emissions source inclusions

	Category	GHG emissions source	Data source	Methods
Scope 1	**Diesel**	Trucks, passenger cars, forklifts, tractors, farm equipment and a boiler	Supplier, international sites	Aotearoa New Zealand data is obtained from monthly fuel card records, invoices, statements and reports. International data is obtained from fuel card records, invoices and fuel tank meter readings. Where volume data has not been recorded, emissions are either calculated using mileage data, or volume is estimated from credit card records and the local average fuel price.
	Petrol	Passenger cars, trucks and farm/orchard equipment	Supplier, international sites	Aotearoa New Zealand data is obtained from monthly fuel card records, invoices, statements and reports. International data is obtained from fuel card records or invoices. Where volume data has not been recorded, emissions are either calculated using mileage data, or volume is estimated from credit card records and the local average fuel price.
	Heating oil	Used for heating in glasshouses and offices	Supplier, international sites	Aotearoa New Zealand data is obtained from supplier invoices from a single supplier. Data for the Belgium office is obtained from meter readings and supplied in a report.
	LPG	Forklifts, glasshouse, and heating and cooking in RSE accommodation	Supplier	Monthly statement/report from supplier.
	Propane	Glasshouse (used interchangeably with LPG)	Supplier	Monthly statement/report from supplier.
	Natural gas	Glasshouses and office buildings	Supplier, international sites	Aotearoa New Zealand data is a monthly statement/report from supplier. United Kingdom data is from monthly supplier invoices.
	Fugitive emissions	Refrigerant top ups/leakage for chillers and cool stores and in owned and leased buildings	Supplier, international sites	Data is obtained from suppliers and verified through invoices/job sheets.
Scope 2	**Electricity**	Electricity consumed at owned or leased sites	Supplier, international sites	Most Aotearoa New Zealand data is obtained from a monthly statement/report from our key supplier. Where an alternative supplier is used at a site, data has been obtained from monthly invoices. International entities either obtain actual data from invoices, or where applicable, estimate the kWh consumed based on BayWa AG methodology. Therein, where an entity consists of only office locations and should electricity consumption be difficult to obtain, if the headcount in the office is less than six employees, the electricity consumption is estimated at a rate of 1,480kWh per annum, per FTE. This is a change in methodology, where previously T&G has excluded entities with headcounts of less than 10 employees from the GHG inventory.

Appendix 2: Risk escalation process

Residual risk rating	Escalation	Reporting and monitoring
Extreme risk	• Escalation to the Board with an immediate action plan required • Chief Executive manages risk, with consideration to be given to include independent advice to provide assurance that the steps taken are necessary and sufficient	• Direct monitoring by the Board • Monthly reports to the Board
High risk	• Escalation to the relevant sub-Committee (FRIC or SC) • Chief Executive manages risk with an action plan required, and additional controls to be implemented	• Reporting to the relevant sub-Committee at each meeting • Reporting to the Board twice a year
Medium risk	• Risk acceptable within existing control environment • Risk is managed by management, and reviewed annually	• Annual Risk Register Review by the Executive team
Low risk	• Risk acceptable within existing control environment • Risk is managed by management, and reviewed annually	• Annual Risk Register Review by the Executive team

Appendix 3: Risk Matrix

Likelihood	Consequence				
	Insignificant	**Minor**	**Moderate**	**Major**	**Catastrophic**
Almost certain	Low risk	Medium risk	High risk	Extreme risk	Extreme risk
Likely	Low risk	Medium risk	High risk	Extreme risk	Extreme risk
Possible	Low risk	Low risk	Medium risk	High risk	High risk
Unlikely	Low risk	Low risk	Medium risk	Medium risk	High risk
Rare	Low risk	Low risk	Low risk	Medium risk	High risk

KEY: **Low risk** **Medium risk** **High risk** **Extreme risk**

Appendix 4: Glossary

Aotearoa	New Zealand's Māori name.
IPCC	The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body responsible for advancing scientific knowledge about climate change.
Kaitiakitanga	Means guardianship, stewardship, trustee. It is also the concept T&G uses for the name of our sustainability framework.
Mahi	Means to work, accomplish, make.
RCP	Adopted by the IPCC, Representation Concentration Pathways (RCP) are models which illustrate future possible greenhouse gas emission scenarios/trajectories.
SSP	Adopted by the IPCC, Shared Socio-economic Pathways (SSPs) are projections which describe alternative futures of socio-economic development in the absence of climate policy intervention. They include a wide range of drivers, including gross domestic product, population size, urbanisation and human and technological development. There are five SSPs. When SSP and RCP-based climate projections are combined, it provides a useful integrated picture of potential climate impact.
Tangata whenua	Describes Māori people of a particular area, people born of the whenua (land).
Te Taiao	Is the natural environment that contains and surrounds us. It includes the soil and land (whenua), water (wai), climate (āhuarangi) and all living beings (koiora). It refers to the interconnectedness of people and nature.

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A BayWa Company

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 2023, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 82 to 156, present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, 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, and other assurance services provided relating to solvency return for the captive insurer, limited assurance over the Group's scope 1 and 2 greenhouse gas emissions, a gap analysis for Climate-related Disclosures and, the provision of non-assurance services 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 $28.3 million (2022: $27.6 million) predominantly represent produce such as apples, tomatoes, citrus fruits and blueberries, 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 per hectare per annum by weight, prices expected to be received, costs expected to be incurred and a discount rate reflecting the risks inherent in the crops. Cyclone Gabrielle resulted in damage to apple orchards primarily in the Hawkes Bay region of New Zealand during 2023 which also impacts the forecast production per hectare assumption for apples. 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. We checked that impacts of Cyclone Gabrielle on the forecast production have been taken into account in the valuation of apples. 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 $223.2 million (2022: $186.6 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. Due to the impacts of Cyclone Gabrielle during the year, orchard land and improvements were valued at 30 June 2023. A desktop valuation was prepared to 31 December 2023 indicating that the 30 June 2023 fair values remained appropriate. Commercial land and improvements and buildings were valued at 31 December 2023. 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. 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, and impacts of Cyclone Gabrielle. • We compared 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. We challenged whether any assumptions in the 31 December 2023 desktop valuation for orchard land and improvements should change from the 30 June 2023 external valuation.

Other information

The directors are responsible on behalf of the Group for the other information. The other information includes the Climate-related Disclosure and 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:

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

This description forms part of our auditor's report.

Restrictions 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
29 February 2024

Financials

Income statement

For the year ended 31 December 2023

	NOTES	2023 $'000	2022 $'000
Revenue from contracts with customers	4	**1,334,338**	1,304,936
Other operating income	5	**13,749**	13,013
Purchases, raw materials and consumables used		**(1,007,373)**	(969,319)
Employee benefits expenses	6	**(182,974)**	(177,955)
Depreciation and amortisation expenses	6	**(58,629)**	(57,643)
Other operating expenses	6	**(144,690)**	(92,623)
Operating (loss) / profit		**(45,579)**	20,409
Financing income	14	**4,090**	2,383
Financing expenses	14	**(28,924)**	(18,705)
Share of loss from joint ventures	23	**(39)**	(87)
Share of profit from associates	24	**1,206**	1,963
Other income	5	**17,359**	-
Other expenses	6	**(12,362)**	(9,304)
Loss before income tax		**(64,249)**	(3,341)
Income tax credit	7	**17,654**	2,480
Loss after income tax		**(46,595)**	(861)
Attributable to:			
Equity holders of the Parent		**(51,155)**	(5,471)
Non-controlling interests		**4,560**	4,610
Loss for the year		**(46,595)**	(861)
Earnings per share (in cents)			
Basic and diluted loss	16	**(41.7)**	(4.4)

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income

For the year ended 31 December 2023

	NOTES	2023 $'000	2022 $'000
Loss for the year		**(46,595)**	(861)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Loss on revaluation of property, plant and equipment:			
Held by subsidiaries of the Group	15	**(21,128)**	(895)
Deferred tax effect on revaluation of property, plant and equipment	15	**3,824**	139
Deferred tax effect on sale of property, plant and equipment	15	**(201)**	(1,782)
		(17,505)	(2,538)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**5,834**	3,321
Cash flow hedges:			
Fair value gain net of tax		**3,823**	7,740
Reclassification of net change in fair value to profit or loss		**673**	216
		10,330	11,277
Other comprehensive (loss) / income for the year		**(7,175)**	8,739
Total comprehensive (loss) / income for the year		**(53,770)**	7,878
Total comprehensive (loss) / income for the year is attributable to:			
Equity holders of the Parent		**(56,945)**	3,175
Non-controlling interests		**3,175**	4,703
		(53,770)	7,878

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2023

2023

	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 2023		**176,357**	**115,221**	**271,673**	**563,251**	**16,917**	**580,168**
(Loss) / profit for the year		**-**	**-**	**(51,155)**	**(51,155)**	**4,560**	**(46,595)**
Other comprehensive income / (expense)							
Revaluation of property, plant and equipment	15	**-**	**(21,128)**	**-**	**(21,128)**	**-**	**(21,128)**
Deferred tax effect on revaluation of property, plant and equipment	15	**-**	**3,824**	**-**	**3,824**	**-**	**3,824**
Deferred tax effect on sale of property, plant and equipment	15	**-**	**(201)**	**-**	**(201)**	**-**	**(201)**
Exchange differences on translation of foreign operations	15	**-**	**5,333**	**-**	**5,333**	**501**	**5,834**
Movement in cash flow hedge reserve	15	**-**	**4,493**	**-**	**4,493**	**3**	**4,496**
Total other comprehensive (loss) / income		**-**	**(7,679)**	**-**	**(7,679)**	**504**	**(7,175)**
Transactions with owners							
Dividends	17	**-**	**-**	**-**	**-**	**(5,668)**	**(5,668)**
Investment from non-controlling interest		**-**	**-**	**-**	**-**	**1,158**	**1,158**
Total transactions with owners		**-**	**-**	**-**	**-**	**(4,510)**	**(4,510)**
Transfer from asset revaluation reserve due to asset disposal	15	**-**	**(7,246)**	**7,246**	**-**	**-**	**-**
Balance at 31 December 2023		**176,357**	**100,296**	**227,764**	**504,417**	**17,471**	**521,888**

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2023

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

The accompanying notes form an integral part of these financial statements.

Balance sheet

As at 31 December 2023

	NOTES	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents		**30,508**	57,409
Term deposits		**2,277**	1,110
Trade and other receivables	19	**196,810**	168,692
Inventories	20	**67,640**	53,930
Taxation receivable		**9,737**	7,556
Derivative financial instruments	27	**7,110**	4,044
Biological assets	8	**28,249**	27,602
Non-current assets held for sale	9	**11,100**	27,150
Total current assets		**353,431**	347,493
Non-current assets			
Trade and other receivables	19	**44,610**	71,830
Derivative financial instruments	27	**13,268**	14,570
Deferred tax assets	7	**2,574**	2,027
Investments in unlisted entities		**92**	86
Property, plant and equipment	10	**401,007**	401,077
Right-of-use assets	12	**148,592**	136,342
Intangible assets	11	**79,692**	76,738
Investments in joint ventures	23	**2,927**	3,142
Investments in associates	24	**29,019**	30,048
Total non-current assets		**721,781**	735,860
Total assets		**1,075,212**	1,083,353
Current liabilities			
Trade and other payables	21	**171,644**	161,175
Loans and borrowings	13	**34,294**	26,090
Lease liabilities	12	**22,051**	22,694
Taxation payable		**3,161**	1,329
Derivative financial instruments	27	**955**	7,218
Total current liabilities		**232,105**	218,506

Table continues next page

	NOTES	2023 $'000	2022 $'000
Non-current liabilities			
Trade and other payables	21	**43**	279
Loans and borrowings	13	**163,144**	121,388
Lease liabilities	12	**151,816**	135,246
Derivative financial instruments	27	**234**	658
Deferred tax liabilities	7	**5,982**	27,108
Total non-current liabilities		**321,219**	284,679
Total liabilities		**553,324**	503,185
Equity			
Share capital	15	**176,357**	176,357
Revaluation and other reserves	15	**100,296**	115,221
Retained earnings		**227,764**	271,673
Total equity attributable to equity holders of the Parent		**504,417**	563,251
Non-controlling interests	22	**17,471**	16,917
Total equity		**521,888**	580,168
Total liabilities and equity		**1,075,212**	1,083,353

Approved for and on behalf of the Board

B.J. Mangold
Director (Chair)
29 February 2024

C.A. Campbell
Director (Chair of Finance, Risk and Investment Committee)
29 February 2024

Statement of cash flows

For the year ended 31 December 2023

	NOTES	2023 $'000	2022 $'000
Cash flows from operating activities			
Cash was provided from:			
Cash receipts from customers		**1,348,709**	1,291,732
Cash receipts from insurance proceeds		**4,060**	-
Other		**2,320**	1,198
Cash was disbursed to:			
Payments to suppliers and employees		**(1,317,715)**	(1,284,298)
Interest paid		**(11,751)**	(6,100)
Income taxes paid		**(60)**	(3,000)
Net cash inflow / (outflow) from operating activities		**25,563**	(468)
Cash flows from investing activities			
Cash was provided from:			
Cash receipts from insurance proceeds		**1,355**	-
Current term deposits		**-**	590
Dividends received from joint ventures and associates	24	**2,235**	2,190
External loan repayments from suppliers, customers, associates and joint ventures		**481**	3,189
Investment from non-controlling interest		**1,158**	3,678
Sale of other property, plant and equipment		**767**	2,892
Sale of Palmerston North property		**12,000**	-
Sale of Riwaka apple orchard		**-**	19,793
Sale of Steiner apple orchard		**-**	13,000

Table continues next page

The accompanying notes form an integral part of these financial statements.

	NOTES	2023 $'000	2022 $'000
Cash was disbursed to:			
Purchase of property, plant and equipment	10	**(68,510)**	(99,951)
Purchase of intangible assets	11	**(7,560)**	(6,722)
Loans to suppliers, customers, associates and joint ventures		**(302)**	(2,717)
Current term deposits		**(1,167)**	-
Net cash outflow from investing activities		**(59,543)**	(64,058)
Cash flows from financing activities			
Cash was provided from:			
Net proceeds from short-term borrowings		**9,400**	13,900
Proceeds from long-term borrowings		**30,000**	91,638
Proceeds from Ultimate Parent borrowings		**11,000**	-
Cash was disbursed to:			
Dividends paid to non-controlling interests	17	**(5,668)**	(4,991)
Repayment of long-term borrowings		**(1,018)**	(1,155)
Repayment of lease liabilities	12	**(37,383)**	(33,455)
Bank facility fees and transaction fees		**(4,348)**	(3,563)
Seasonal advances to growers		**-**	(750)
Net cash inflow from financing activities	18	**1,983**	61,624
Net decrease in cash and cash equivalents		**(31,997)**	(2,902)
Foreign currency translation adjustment		**5,096**	3,006
Cash and cash equivalents at the beginning of the year		**57,409**	57,305
Cash and cash equivalents at the end of the year		**30,508**	57,409

The accompanying notes form an integral part of these financial statements.

Statement of cash flows (continued)

Reconciliation of loss after income tax to net cash flow from operating activities

	NOTES	2023 $'000	2022 $'000
Loss for the year		**(46,595)**	(861)
Adjusted for non-cash items:			
Amortisation expense	6	**4,736**	5,666
Depreciation expense	6	**53,893**	51,977
Movement in deferred tax	7	**(19,413)**	(6,362)
Movement in expected credit loss allowance	19	**16,142**	(92)
Revenue from sale of licences		**(493)**	(18,452)
Share of loss of joint ventures	23	**39**	87
Share of profit of associates	24	**(1,206)**	(1,963)
Other movements		**(9,795)**	(6,131)
		43,903	24,730
Adjusted for investing and financing activities:			
Bank facility and line fees		**4,349**	3,563
Gain on disposal of other property, plant and equipment		**(238)**	(6)
Loss on assets damaged from Cyclone Gabrielle	6	**12,362**	-
Net loss from reversal of previous property, plant and equipment revaluation changes through profit and loss		**253**	138
Fair value adjustment of asset held for sale	9	**870**	-
Insurance proceeds		**(1,355)**	-
Impairment of loan		**5,205**	-
Loss on sale of apple orchards	6	**-**	6,066
Write down of grape orchard	6	**-**	3,238
		21,445	12,999
Impact of changes in working capital items net of effects of non-cash items, and investing and financing activities:			
Increase in debtors and prepayments		**(15,875)**	(30,838)
Increase in biological assets		**(646)**	(2,473)
Increase in creditors and provisions		**37,388**	9,955
Increase in inventories		**(13,709)**	(8,370)
Increase in net taxation receivable		**(349)**	(5,610)
Total		**6,809**	(37,336)
Net cash inflow / (outflow) from operating activities		**25,563**	(468)

The accompanying notes form an integral part of these financial statements.

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 2023.

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 Aotearoa New Zealand and is listed on the New Zealand Stock Exchange. The address of its registered office is Building 1, Level 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.

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.

Notes to the financial statements (continued)

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

Material accounting policy information is set out within the notes to which those policies are applicable and are designated with a symbol. All other material accounting policy information is set out on the following page. There have been no significant changes made to accounting policy information 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

Where fair value measurement has been applied, a symbol designates the paragraph describing the valuation method used.

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
Insurance proceeds	5	Other income
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

Cyclone Gabrielle

The Group's result was impacted by Cyclone Gabrielle, which caused widespread damage across New Zealand in February 2023. T&G's operations in Hawke's Bay and Auckland were particularly affected, with:

- Damage to the Group's own orchards, with associated loss of crop for the 2023 season.
- Destruction of trees and orchard structures resulting in lost forecast production for 2024 and beyond.
- Loss of production by third party growers, resulting in reduced supply to the Group and reduced volume through the Group's post-harvest facilities.
- Cleanup costs, particularly silt removal and repairs and maintenance.
- Termination of orchard operations on some leased properties.
- Losses and associated write downs of orchard structures, bins and plant and equipment.
- Market access constraints in some markets due to impact on quality of some fruit.
- Working capital pressure due to reduced revenues and increased costs.
- Partner grower's capital impacted by reduced production and increased costs.
- Damage to domestic transport routes, resulting in increased logistics costs.

The impact of the cyclone on the balance sheet was assessed with focus on these areas in particular:

- Trade and other receivables (Note 19)
- Long-term receivables (Note 19)
- Commercial land and buildings, and orchard land and improvements (Note 10)
- Biological assets (Note 8)

In addition to motor vehicle and marine insurance, an insurance claim has been filed under the Group's material damage and business interruption (MDBI) policy, for which progress payments of $5.4 million had been received as at 31 December 2023. A further $11.8 million has been recorded as a receivable as at 31 December 2023. The balance of the claim is expected to be resolved in 2024.

Notes to the financial statements (continued)

2. New accounting standards, amendments and interpretations

New standards, amendments and interpretations adopted in the current year

Amendments to NZ IAS 1 *Presentation of Financial Statements* (NZ IAS 1)

The Group has adopted the amendments to NZ IAS 1 for the first time in the current year. The amendments change the requirements in NZ IAS 1 with regard to disclosure of accounting policies. The amendments shifts the focus from 'significant accounting policies' to 'material accounting policy information'. This change has been reflected in the Group's financial statements.

Amendments to NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (NZ IAS 8)

The Group has adopted the amendments to NZ IAS 8 for the first time in the current year. The amendments replace the definition of change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". This has been assessed by the Group and has no material impact on the Group's financial statements.

Amendments to NZ IAS 12 *Income Taxes* (NZ IAS 12) - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to NZ IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to NZ IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in NZ IAS 12. This has been assessed by the Group and has no material impact on the Group's financial statements.

Amendments to NZ IAS 12 *Income Taxes* (NZ IAS 12) - International Tax Reform - Pillar Two Model Rules

The Group has adopted the amendments to NZ IAS 12 for the first time in the current year. The amendment clarifies that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The Group is currently in the process of analysing the impact of the legislation, in particular with regard to the utilisation of the safe harbour regulations. In making this assessment, the Ultimate Parent has applied the Pillar Two rules to the 2022 and 2023 results to provide an indication of possible future impacts. These calculations demonstrated the impact on current taxes and tax payments is likely to be immaterial for the Group. Specifically, a safe harbour is likely to be satisfied for most jurisdictions, meaning that no taxes would have arisen in these jurisdictions had the Pillar Two rules applied for those years. Due to the complexity of the rules, the concrete quantitative impact on the future current taxes and tax payments cannot yet be assessed.

The Group is making use of the temporary exemption resulting from the implementation of the Pillar Two regulations, which was included in the amendment of NZ IAS 12 published in May 2023, under which it does not have to recognise deferred taxes in relation to Pillar Two.

Standards, amendments and interpretations on issue not yet effective

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 Executive team 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 Australia, and exports to the Pacific Islands, Australia and Asia. This incorporates the New Zealand wholesale markets and the tomato, citrus and berry growing operations.
VentureFruit®	Variety management including identification, acquisition, development and protection of new varieties of fruit. Revenue from the sale of right-to-grow licences is 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
2023						
Total segment revenue	938,135	168,119	451,305	41,376	83	1,599,018
Inter-segment revenue	(139,174)	(76,325)	(16,809)	(32,372)	-	(264,680)
Revenue from external customers	798,961	91,794	434,496	9,004	83	1,334,338
Purchases, raw materials and consumables used	(615,191)	(87,311)	(293,337)	(11,526)	(8)	(1,007,373)
Depreciation and amortisation expenses	(29,809)	(2,791)	(23,199)	(140)	(2,690)	(58,629)
Net other operating expenses	(143,337)	(6,840)	(106,860)	(12,007)	(44,871)	(313,915)
Segment operating profit / (loss)	10,624	(5,148)	11,100	(14,669)	(47,486)	(45,579)
Financing income						4,090
Financing expense						(28,924)
Share of loss from joint ventures						(39)
Share of profit from associates						1,206
Net other income and expenses						4,997
Loss before income tax						(64,249)

	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)

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

	2023 $'000	2022 $'000
New Zealand	415,033	412,199
Australia and Pacific Islands	108,938	97,118
Asia	348,659	362,624
Americas	90,770	58,397
Europe	370,938	374,598
Total	1,334,338	1,304,936

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 are:

	2023 $'000	2022 $'000
New Zealand	623,482	606,636
Other	56,288	40,711
Total	679,770	647,347

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 recognises revenue 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 the 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 judgement 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
2023						
Nature of revenue						
Sale of produce	721,567	91,794	364,397	-	-	1,177,758
Sale of licences	-	-	-	2,765	-	2,765
Commissions	17,434	-	26,064	1,828	-	45,326
Services	51,171	-	44,028	1,464	83	96,746
Royalties	8,789	-	7	2,947	-	11,743
Revenue from external customers	798,961	91,794	434,496	9,004	83	1,334,338
Timing of revenue recognition						
At a point in time						
Sale of produce	721,567	91,794	364,397	-	-	1,177,758
Sale of licences	-	-	-	2,765	-	2,765
Commissions	17,434	-	26,064	1,828	-	45,326
Services	43,561	-	44,028	1,464	83	89,136
Royalties	8,789	-	7	2,947	-	11,743
	791,351	91,794	434,496	9,004	83	1,326,728
Over time						
Services	7,610	-	-	-	-	7,610
	7,610	-	-	-	-	7,610
Revenue from external customers	798,961	91,794	434,496	9,004	83	1,334,338

	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

Notes to the financial statements (continued)

5. Other income

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

Insurance proceeds includes $5.4m of progress payments received relating to the Group's Cyclone Gabrielle material damage and business interruption (MDBI) claim. The judgement applied by the Group relates to the determination of which aspects of the MDBI claim the Group has virtual certainty of coverage, in line with the requirements of NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (NZ IAS 37), and therefore the ability to recognise a receivable at balance date.

For the aspects of the claim where the Group can demonstrate virtual certainty of coverage, a reasonable estimate of insurance proceeds was made amounting to $17.2m of which $11.8m is recorded as a receivable as at 31 December 2023. The residual MDBI claim is recognised as a contingent asset at 31 December as the Group resolves the claim with its insurers.

Other operating income consists of the following:

	NOTES	2023 $'000	2022 $'000
Net gain from changes in fair value of biological assets	8	**6,301**	8,738
Net gain from disposal of property, plant and equipment		**72**	6
Rent - others		**2,534**	2,878
Rent from subleases		**1,964**	972
Other		**2,878**	419
Total		**13,749**	13,013

Other income consists of the following non-operating activities:

	2023 $'000	2022 $'000
Gain on sale of plant and machinery on orchard	**166**	-
Insurance proceeds	**17,193**	-
Total	**17,359**	-

6. Other expenses

Depreciation and amortisation

	NOTES	2023 $'000	2022 $'000
Depreciation of property, plant and equipment	10	**24,139**	24,512
Depreciation of right-of-use assets	12	**29,754**	27,465
Amortisation of intangible assets	11	**4,736**	5,666
Total		**58,629**	57,643

Other operating expenses

Other operating expenses includes the following:

	NOTES	2023 $'000	2022 $'000
Directors' remuneration	25	**437**	370
Fleet costs		**13,481**	13,873
Insurance		**10,616**	8,673
Impairment on receivables		**12,943**	733
Net exchange losses		**16,902**	9,864
Professional fees		**16,682**	14,306
Promotion costs		**19,579**	5,433
Rental and property related costs		**18,944**	19,755
Repairs and maintenance		**18,809**	10,503
Research and development		**1,173**	986
Travel and accommodation		**4,684**	3,615

Impairment on receivables includes amounts related to writing off long-term receivables due from Cyclone Gabrielle impacted growing partners, and a provision for a long-term receivable from an overseas growing partner.

Net exchange losses do not include a net realised foreign exchange gain of $14.0 million (2022: $13.6 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 $2.9 million (2022: $3.8 million).

Repairs and maintenance includes a provision of $2 million for capital work committed to as part of the Group's sale of its property in Palmerston North (refer Note 9).

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 $4.19 million were made by the Group towards employees' superannuation schemes (2022: $4.17 million).

Audit fees

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

	2023 $'000	2022 $'000
Deloitte Limited and affiliated firms[1]		
Audit of the financial statements	**755**	696
Audit related services	**104**	100
Other services	**14**	20
Other auditors		
Audit services provided	**758**	481
Other services[2]	**358**	438

[1] Services performed by Deloitte Limited in 2023 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, limited assurance over the Group's Scope 1 and 2 Greenhouse Gas Emissions, and gap analysis for climate-related disclosures.
- Other services including $0.01 million (2022: $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.

[2] Other services relate to internal audit services performed by Ernst & Young 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:

	2023 $'000	2022 $'000
BDO for Delica (Shanghai) Fruit Trading Company Limited	**15**	35
Burgess Hodgson LLP for Worldwide Fruit Limited	**107**	108
HLB Mann Judd for Delica Australia Pty Limited, T&G Vizzarri Farms Pty Limited, T&G Berries Australia Pty Limited	**120**	77
Hutchinson and Bloodgood LLP for Delica North America, Inc.	**190**	79
Moss Adams LLP for ENZAFRUIT Products Inc.	**224**	90
JPAC for T&G South East Asia Limited	**102**	92
Total	**758**	481

Other expenses

Other expenses consists of the following non-operating activities:

	2023 $'000	2022 $'000
Loss on assets damaged from cyclone	**12,362**	-
Loss on sale of apple orchards	**-**	6,066
Write down of grape orchard to fair value	**-**	3,238
Total	**12,362**	9,304

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

	2023 $'000	2022 $'000
Current tax expense	**(1,759)**	(3,882)
Deferred tax credit	**19,413**	6,362
Total	**17,654**	2,480

In addition to the Group tax credit/(charge), tax of $0.1 million is charged (2022: $6.3 million credited) directly to other comprehensive income.

(B) Reconciliation of prima facie taxation and tax credit

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

	2023 $'000	2022 $'000
Loss before income tax	**(64,249)**	(3,341)
Prima facie taxation at 28% (2022: 28%)	**17,990**	935
(Add) / deduct tax effect of:		
Non-deductible items	**(2,869)**	(1,939)
Effect of tax rates in non-New Zealand jurisdictions	**2,750**	1,468
Tax on share of joint ventures' and associates' profits	**(70)**	335
Deferred tax assets not recognised	**(223)**	-
Adjustments in respect of prior periods	**(678)**	(2,249)
Unutilised foreign tax credits not available for future periods	**393**	(58)
Non-taxable capital gain on sale	**(149)**	2,953
Non-taxable items	**74**	912
Change in tax rate in non-New Zealand jurisdiction	**(2)**	(93)
Other	**438**	216
Total	**17,654**	2,480

Table continues next page

The tax credit for the year of $17.7 million (2022: $2.5 million tax credit), equates to an effective tax rate of 27% (2022: 74.23%). This represents a tax credit on a loss before tax. T&G's effective tax rate is lower than the New Zealand statutory corporate tax rate of 28% due principally to not recognising deferred tax on the losses in Fruitmark Pty Limited business or Enzafruit Peru Limited and expenses of a capital nature in New Zealand, the impact of these items is partially offset by the different corporate tax rates applicable for T&G's subsidiaries operating in foreign jurisdictions. In 2022, the rate of 74.23% was due principally to non taxable income arising from disposals and acquisitions and the different corporate tax rates applicable for T&G's subsidiaries operating in foreign jurisdictions.

(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
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)
2023							
Balance as at 1 January	**(33,818)**	**(1,785)**	**(7,987)**	**3,634**	**14,877**	**(2)**	**(25,081)**
Recognised in income statement prior year	**(791)**	**-**	**(139)**	**531**	**(2,059)**	**(66)**	**(2,524)**
Recognised in income statement	**4,270**	**411**	**188**	**2,579**	**16,105**	**(1,615)**	**21,938**
Recognised in equity	**3,623**	**-**	**-**	**-**	**-**	**(1,213)**	**2,410**
Foreign exchange movements	**(118)**	**(40)**	**-**	**6**	**3**	**(2)**	**(151)**
Balance as at 31 December	**(26,834)**	**(1,414)**	**(7,938)**	**6,750**	**28,926**	**(2,898)**	**(3,408)**

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 $3.4 million (2022: $25.1 million) is represented by deferred tax assets of $2.6 million (2022: $2.0 million) and deferred tax liabilities of $6.0 million (2022: $27.1 million).

Notes to the financial statements (continued)

Expected settlement

	2023 $'000	2022 $'000
Deferred tax assets expected to be settled within 12 months	**27,737**	10,524
Deferred tax liabilities expected to be settled in more than 12 months	**(31,145)**	(35,605)
Total	**(3,408)**	(25,081)

(D) Imputation credits

The Group had a positive imputation credit account balance of $0.4 million as at 31 December 2023 (2022: $0.6 million positive balance).

(E) Additional tax disclosures

At the reporting date, the Group had unrecognised tax losses from its operations in Peru that arose between 2020 and 2022 of approximately $4.3m (2022: $0.7m) which are available for offset against future Peru profits. The losses will all expire in 2025. The Group also has unrecognised losses from its Fruitmark Australia business which ceased trading in 2023 of approximately $0.6m which are available indefinitely for offset against future profits in this business.

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, 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	Blueberries $'000	Total $'000
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
2023					
Balance at 1 January	**21,455**	**3,504**	**1,941**	**702**	**27,602**
Capitalised costs	**20,248**	**-**	**5,378**	**1,800**	**27,426**
Change in fair value less costs to sell	**(1,238)**	**4,522**	**2,004**	**1,013**	**6,301**
Decrease due to harvest	**(20,476)**	**(4,223)**	**(6,987)**	**(1,394)**	**(33,080)**
Balance at 31 December	**19,989**	**3,803**	**2,336**	**2,121**	**28,249**

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	
		2023	**2022**
Apples	Tray carton equivalent (TCE) per hectare per annum	**81 to 3,380**	162 to 4,416
	Weighted average TCE per hectare per annum	**1,264**	1,915
	Export prices per export TCE	**$26 to $64**	$31 to $58
	Weighted average export prices per export TCE per annum	**$33.74**	$44.85
	Risk-adjusted discount rate	**31%**	25%
Tomatoes	Tonnes per hectare per annum	**129 to 480**	148 to 512
	Weighted average tonnes per hectare per annum	**329**	349
	Annual price per kilogram (kg) per season	**$1.57 to $25.77**	$1.65 to $25.73
	Weighted average price per kg per season	**$6.01**	$4.34
	Risk-adjusted discount rate	**27%**	25%
Citrus	Tonnes per hectare per annum	**31**	37
	Weighted average tonnes per hectare per annum	**31**	37
	Annual gate price per tonne per season	**$553 to $3,314**	$739 to $4,260
	Weighted average gate price per tonne per season	**$1,958**	$3,269
	Risk-adjusted discount rate	**25%**	14%
Blueberries	Tonnes per hectare per annum	**2.9 to 6.5**	3.4
	Weighted average tonnes per hectare per annum	**4.9**	3.4
	Annual gate price per kg per season	**$8.00 to $30.80**	$8.26 to $19.29
	Weighted average gate price per kg per season	**$21.76**	$19.15
	Risk-adjusted discount rate	**22%**	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 10% in the discount rate would result in a fair value change of $1.0 million and $1.1 million respectively (2022: 5% change in discount rate would result in fair value change of $0.5 million).

For the Group's tomatoes, citrus, and blueberry crops, an increase or decrease of 10% in the discount rate would not have a material impact on the fair value of the crop.

For the Group's apples crop, an increase or decrease of 10% in volumes would result in a fair value change of $3.3 million. For the Group's tomatoes crop, an increase or decrease of 10% in volume would result in a fair value change of $2.2 million and $2.1 million respectively (2022: 5% increase or decrease 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 10% 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 that could impact on the Group's biological assets through damage to crop caused by severe weather events. In the current year, the Group has assessed that the expectation of severe weather events is higher than previously assumed. As such, the Group has increased its discount rates this year when calculating the fair value of its biological assets. The TCE per hectare per annum assumption used in the biological assets calculation for Apples has been reduced to reflect the impact on Cyclone Gabrielle. In its sensitivity analyses of the impact of changes in volumes and discount rates to the fair value of crop, the Group has also increased the sensitivity of these calculations from 5% to 10%.

The Group continues to work with research partners to develop and commercialise new categories of fruit that can thrive in a warming climate, for example Tutti™ the world's first specifically bred hot climate tolerant apple variety.

Financial risk 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 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.

Notes to the financial statements (continued)

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		Production units		
	2023	**2022**	**2023**	**2022**	**Unit measure**
Apples	**444**	578	**573,336**	1,156,124	TCE
Tomatoes	**24**	24	**8,463,825**	8,478,183	kg
Citrus	**90**	90	**2,778,756**	3,465,186	kg
Blueberries	**19**	11	**94,888**	37,138	kg

9. Non-current assets classified as 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.

	2023 $'000	**2022 $'000**
Commercial land and improvements	**11,100**	24,000
Orchard land and improvements	**-**	3,150
Total	**11,100**	27,150

29 Stuart Road, Pukekohe, Auckland, New Zealand

The sale of the commercial land and buildings was agreed on 13 October 2023 through a signed sale and purchase agreement with the purchaser. Settlement is expected to occur in May 2024. In the current year, there was a $0.9 million write down in fair value for this property.

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. 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 was settled on 5 April 2023.

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 for $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 was settled on 13 January 2023.

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 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 revaluation increase arising on the revaluation of such land and buildings is credited to the property's revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of that asset.

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:

Asset	**Time**
• 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. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Notes to the financial statements (continued)

	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 2022									
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)	(7,428)	-	(82)	(967)	(11,171)	(42,529)
Impairment through profit and loss	-	(1,383)	(1,714)	-	-	-	-	-	(3,097)
Revaluations	3,774	(3,680)	(10,654)	-	-	-	-	-	(10,560)
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
Year ended 31 December 2023									
Opening net carrying amounts	**35,796**	**60,081**	**90,722**	**35,455**	**13,174**	**2,156**	**49,656**	**114,037**	**401,077**
Additions	**237**	**182**	**3,602**	**223**	**432**	**798**	**4,066**	**58,970**	**68,510**
Reclassifications	**10,995**	**(4,205)**	**56,914**	**10,018**	**-**	**-**	**34,710**	**(108,432)**	**-**
Depreciation	**(1,186)**	**(795)**	**(7,124)**	**(2,390)**	**(1,021)**	**(722)**	**(10,901)**	**-**	**(24,139)**
Disposals	**(134)**	**(879)**	**(723)**	**(9,023)**	**(8)**	**(122)**	**(2,362)**	**(11,109)**	**(24,360)**
Revaluations	**39**	**(4,502)**	**(24,457)**	**-**	**-**	**-**	**-**	**-**	**(28,920)**
Depreciation write back on revaluations	**1,009**	**298**	**6,549**	**-**	**-**	**-**	**-**	**-**	**7,856**
Foreign exchange movements	**205**	**-**	**526**	**-**	**-**	**(66)**	**309**	**9**	**983**
Closing net carrying amounts	**46,961**	**50,180**	**126,009**	**34,283**	**12,577**	**2,044**	**75,478**	**53,475**	**401,007**

Table continues next page

	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 31 December 2023									
Cost or valuation	**47,776**	**51,426**	**128,820**	**44,100**	**27,600**	**6,971**	**185,049**	**53,475**	**545,217**
Accumulated depreciation and impairment	**(815)**	**(1,246)**	**(2,811)**	**(9,817)**	**(15,023)**	**(4,927)**	**(109,571)**	**-**	**(144,210)**
Net carrying amounts	**46,961**	**50,180**	**126,009**	**34,283**	**12,577**	**2,044**	**75,478**	**53,475**	**401,007**

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 2023. Overall uplift from the revaluation of property in 2023 amounts to $16.9 million (2022: uplift of $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
655 Main Road, Riwaka, Motueka	Telfer Young
Depreciation replacement cost / market comparison approach/ income capitalisation approach	
2 Anderson Road, Whakatu, Hastings	Logan Stone
Market comparison approach	
3800 Sint-Truiden, Belgium	Vangronsveld & Vranken
Apple Way, Pinchbeck, Spalding, United Kingdom	Jones Lang LaSalle

Notes to the financial statements (continued)

The following table presents the valuers and valuation techniques of the most recent valuation of the Group's orchard land and improvements, carried out in June 2023. Overall decrease from the revaluation of orchards amounts to $4.2 million (2022: decrease of $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, Whakatu	Logan Stone
Ormond Road, Twyford, Hastings	Logan Stone
Raupare Road, Twyford, Hastings	Logan Stone
101 Motueka River West Bank Road, Brooklyn, Motueka	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 ecoonomic 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% (2022: 9.3%)	The higher the discount rate, the lower the fair value.
• Terminal yield rate at 10.5% (2022: 10.5%)	The higher the terminal yield rate, the lower the fair value.
• Investment horizon of 10 years (2022: 10 years)	The longer the investment horizon, the higher the fair value.
• Rental growth estimated at between 0% to 6.7% per annum (2022: 0% to 7.09% 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 6.7% to 8.8%. (2022: 6.5% to 9.75%).	The higher the capitalisation rate, the lower the fair value.
Market comparison approach This approach considers the sales of comparable 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.

Land and buildings at historical cost

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

	2023 $'000	2022 $'000
Commercial land and improvements		
Cost	**21,129**	15,733
Accumulated depreciation and impairment	**(8,946)**	(7,898)
Net carrying amount	**12,183**	7,835
Orchard land and improvements		
Cost	**40,514**	40,644
Accumulated depreciation and impairment	**(20,650)**	(20,079)
Net carrying amount	**19,864**	20,565
Buildings		
Cost	**130,577**	75,513
Accumulated depreciation and impairment	**(42,961)**	(38,940)
Net carrying amount	**87,616**	36,573

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.

	2023 $'000	2022 $'000
Commercial land and improvements	**46,961**	35,796
Orchard land and improvements	**50,180**	60,081
Buildings	**126,009**	90,722
Total	**223,150**	186,599

Notes to the financial statements (continued)

Climate considerations

The Group has identified climate-related risks that could impact on the Group's property, plant, and equipment through damage to commercial and orchard land and buildings due to severe weather events, or decline in the value of the Group's bearer plants as exisiting crop could be grown in areas with declining land suitablity for horticultural activity.

During the year the Group wrote off assets damaged as a result of Cyclone Gabrielle and also incurred higher insurance costs to ensure it has optimal insurance programmes in place. The Group continually assesses its risk in this area and looks for opportunities to diversify growing regions or invest in new crop varieties that will thrive in hot climates. Continued investment in protection structures, such as hail netting, also mitigates the risk of damage through severe weather events.

The Group has also identified a risk around the increasing cost of doing business due to the convergence of climate-related cost increases in glasshouse growing. One of the Group's strategies to mitigate this risk in the current year is the investment in new thermal screens at the Group's glasshouse growing operations.

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. Costs relating to Software-as-a-Service arrangements that only provide the Group the right to access the suppliers software are expensed as incurred.

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 2022					
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
Year ended 31 December 2023					
Opening carrying amounts	**50,982**	**15,308**	**1,156**	**9,292**	**76,738**
Additions	**-**	**5,203**	**255**	**2,102**	**7,560**
Reclassifications	**-**	**183**	**-**	**(183)**	**-**
Amortisation	**-**	**(2,435)**	**(91)**	**(2,210)**	**(4,736)**
Disposals	**-**	**-**	**-**	**(92)**	**(92)**
Foreign exchange movements	**18**	**44**	**-**	**160**	**222**
Net carrying amounts	**51,000**	**18,303**	**1,320**	**9,069**	**79,692**
At 31 December 2023					
Cost	**51,000**	**43,246**	**1,654**	**25,369**	**121,269**
Accumulated amortisation	**-**	**(24,943)**	**(334)**	**(16,300)**	**(41,577)**
Net carrying amounts	**51,000**	**18,303**	**1,320**	**9,069**	**79,692**

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

	2023 $'000	2022 $'000
ENZAFruit New Zealand Limited	**1,395**	1,395
Delica Australia Pty Limited	**3,331**	3,319
T&G Fresh - Covered Crops	**8,699**	8,699
T&G Fresh - Markets	**30,057**	30,057
T&G Vizzarri Farms Pty Limited	**1,629**	1,623
Worldwide Fruit Limited	**5,889**	5,889
Total	**51,000**	50,982

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, based on the last approved budget projected for a further three years plus a terminal value at the end of the fourth year.

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

	EBIT growth rate		Discount rate		Terminal growth rate	
	2023	2022	2023	2022	2023	2022
Cash-generating units						
ENZAFruit New Zealand Limited	**33.00%**	2.00%	**9.00%**	10.90%	**2.50%**	2.00%
Delica Australia Pty Limited	**3.00%**	1.50%	**9.00%**	10.90%	**3.00%**	1.50%
T&G Fresh - Covered Crops	**4.00%**	2.00%	**9.00%**	10.90%	**4.00%**	2.00%
T&G Fresh - Markets	**4.00%**	2.00%	**9.00%**	10.90%	**4.00%**	2.00%
T&G Vizzarri Farms Pty Limited	**3.00%**	1.50%	**9.00%**	10.90%	**3.00%**	1.50%
Worldwide Fruit Limited	**2.00%**	1.50%	**11.50%**	11.80%	**2.00%**	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.

Climate considerations

The Group has identified climate-related risks that could impact on the Group's intangible assets through impairment of goodwill and plant variety rights if the Group's current key crop varieties reduce in viability due to the warming climate. The Group's operations were impacted by Cyclone Gabrielle in the 2023 financial year though this did not lead to any impairment of the Group's intangible assets in the current year.

The Group is the strategic commercialisation partner of the Hot Climate Partnership, and in 2023 commercially launched the world's first specifically bred hot climate tolerant apple. It will continue looking for opportunities to harness unique plant varieties to mitigate against the risk of crop variety obsolescence due to the impact of climate-related risk.

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 Asset*. 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	2023	2022
Orchard land	8.57%	7.04%
Property	8.57%	7.04%
Glasshouses	8.57%	7.04%
Motor vehicles	4.73%	3.81%
Plant and equipment	6.70%	5.48%

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.

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.

Notes to the financial statements (continued)

Right-of-use assets

	Orchard land $'000	Property $'000	Glasshouses $'000	Motor vehicles $'000	Plant and equipment $'000	Total $'000
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
2023						
As at 1 January 2023	**24,269**	**94,012**	**182**	**11,919**	**5,960**	**136,342**
Additions	**14,341**	**21,308**	**1,489**	**7,928**	**4,662**	**49,728**
Terminations (net)	**(2,958)**	**(3,333)**	**-**	**(475)**	**(1,032)**	**(7,798)**
Depreciation expense	**(2,699)**	**(16,821)**	**(444)**	**(7,336)**	**(2,454)**	**(29,754)**
Foreign exchange movements	**(36)**	**30**	**-**	**87**	**(7)**	**74**
As at 31 December 2023	**32,917**	**95,196**	**1,227**	**12,123**	**7,129**	**148,592**

Climate considerations

The Group has identified climate-related risks that could impact on the carrying value of the Group's right-of-use assets through either damage to growing operations as a result of severe weather events, or decline in land suitability for growing exisiting crop categories due to adverse temperature changes.

In the current year, the Group had early terminations of leased orchards and other assets due to substantial damage caused by Cyclone Gabrielle.

The Group continues to explore diversification of growing regions to mitigate the impact of decline in land suitability and damage as a result of severe weather events.

Lease liabilities - maturity analysis

	2023 $'000	2022 $'000
Lease liabilities		
Less than one year	**22,051**	22,694
Between one and two years	**18,430**	16,360
Between two and three years	**15,607**	12,394
Between three and four years	**15,113**	11,026
Between four and five years	**14,633**	10,628
More than five years	**88,033**	84,838
Total lease liability	**173,867**	157,940
Current	**22,051**	22,694
Non-current	**151,816**	135,246

The Group leases various items of property, plant and equipment under non-cancellable operating leases expiring within a month to 21 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 2023.

Amounts recognised in the income statement

	NOTES	2023 $'000	2022 $'000
Expenses			
Depreciation of right-of-use assets	6	**29,754**	27,465
Interest expense on lease liabilities	14	**10,773**	9,304
Short-term leases		**3,515**	4,818
Leases of low-value assets		**451**	467

The total cash outflow for leases in 2023 was $37.4 million (2022: $33.5 million).

Notes to the financial statements (continued)

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.

	2023 $'000	2022 $'000
Current		
Secured borrowings	**34,294**	26,090
Total	**34,294**	26,090
Non-current		
Secured borrowings	**151,814**	121,388
Borrowings from Ultimate Parent	**11,330**	-
Total	**163,144**	121,388

Borrowings from the Ultimate Parent relate to a $24 million subordinated facility with an expiry date of 3 August 2026. Interest on these borrowings is charged at a rate of 10% per annum.

Interest rates

As at 31 December 2023 the weighted average interest rate on the secured and unsecured borrowings is 7.33% (2022: 5.85%), fixed for periods up to 3 months (2022: 3 months).

	2023 $'000	2022 $'000
Secured and unsecured borrowings repayment schedule		
Within one year	**34,294**	26,090
Between one and two years	**163,144**	121,388
Total	**197,438**	147,478

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	**78,000**	27 Jun 2025
Term debt facility - A2	**102,000**	27 Jun 2026
Seasonal facility	**55,000**	29 Feb 2024
Money market facility	**40,000**	27 Jun 2025
Overdraft facility	**3,000**	Uncommitted
Banking facilities in the United Kingdom		
Term debt facility	**1,457**	31 Jul 2025
Term debt facility	**1,655**	31 May 2026

As at 31 December 2023 the Group had a term debt facility from the Bank of New Zealand, HSBC, Rabobank and Westpac amounting to $180 million (2022: $140 million) of which $30 million (2022: $20 million) was undrawn. The seasonal facility is renewed annually and is not drawn as at 31 December 2023. $33 million of the money market facility was drawn as at 31 December 2023 (2022: $23.6 million). These facilities are secured by a guarantee from the Ultimate Parent for no consideration.

14. Net financing expenses

	2023 $'000	2022 $'000
Finance income		
Interest income	**4,090**	2,383
Total	**4,090**	2,383
Finance expenses		
Interest expense on borrowings	**(17,577)**	(10,307)
Effective interest on long-term receivables	**(1,321)**	(55)
Interest expense on lease liabilities	**(10,773)**	(9,304)
Capitalised interest	**1,018**	1,249
Bank fees	**(271)**	(288)
Total	**(28,924)**	(18,705)
Net financing expenses	**(24,834)**	(16,322)

During the year the Group capitalised $1.0 million of borrowing costs related to the construction of its new packhouse facility in Hastings, New Zealand (2022 $1.25 million). The weighted average capitalisation rate used to determine the borrowing costs eligible for capitalisation was 7.33%.

Notes to the financial statements (continued)

15. Capital and reserves

Share capital

	2023 Shares	2022 Shares	2023 $'000	2022 $'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

	2023 $'000	2022 $'000
Asset revaluation reserve		
Balance at 1 January	**109,699**	118,774
Loss on revaluation of property, plant and equipment	**(21,128)**	(895)
Deferred tax effect on revaluation of property, plant and equipment	**3,824**	139
Transfer to retained earnings due to sale of property, plant and equipment	**(7,246)**	(6,537)
Deferred tax effect on sale of property, plant and equipment	**(201)**	(1,782)
Balance at 31 December	**84,948**	109,699
Foreign currency translation reserve		
Balance at 1 January	**(2,068)**	(5,292)
Exchange differences on translation of foreign operations	**5,333**	3,224
Balance at 31 December	**3,265**	(2,068)
Cash flow hedge reserve		
Balance at 1 January	**7,590**	(370)
Movements in fair value	**7,770**	12,367
Reclassification of net change in fair value	**670**	220
Taxation on reserve movements	**(3,947)**	(4,627)
Balance at 31 December	**12,083**	7,590
Total	**100,296**	115,221

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 $51.2 million (2022: loss of $5.5 million).

The weighted average number of shares used to calculate basic and diluted loss per share is 122,543,204 shares (2022: 122,543,204 shares).

The basic and diluted loss per share is 41.7 cents (2022: earnings per share 4.4 cents).

17. Dividends

	2023 $'000	2022 $'000	2023 Cents per share	2022 Cents per share
Ordinary shares				
Dividends to non-controlling interests in Group subsidiaries	**5,668**	4,991	-	-
Total	**5,668**	4,991		

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 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

	NOTES	Balance at 1 January 2023 $'000	Non-cash changes [1] $'000	Financing cash flows [2] $'000	Balance at 31 December 2023 $'000
Borrowings					
Secured borrowings	13	**147,478**	**248**	**38,382**	**186,108**
Loans from Ultimate Parent	13	**-**	**330**	**11,000**	**11,330**
Lease liabilities	12	**157,940**	**53,310**	**(37,383)**	**173,867**
Total		**305,418**	**53,888**	**11,999**	**371,305**
Other current liabilities					
Deferred payments	21	**68**	**37**	**-**	**105**
Deferred payments to related parties	21	**236**	**-**	**-**	**236**
Total		**304**	**37**	**-**	**341**
Total liabilities arising from financing activities		**305,722**	**53,925**	**11,999**	**371,646**

[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 including receivables from Ultimate Parent and associates of the Ultimate Parent
- Receivables from joint ventures and associates

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for trade receivables, related party receivables and receivables from joint ventures and associates 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 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	2023 $'000	2022 $'000
Current			
Gross trade receivables		**167,370**	138,780
Insurance receivables		**11,778**	-
Prepayments		**16,479**	19,335
GST and other taxes		**7,809**	9,294
Receivables from joint ventures	23	**1,059**	873
Receivables from Ultimate Parent	25	**2**	114
Receivables from related parties	25	**1,408**	1,046
Receivables from Ultimate Parent's subsidiaries and associate	25	**3**	134
Other receivables		**327**	302
Expected credit loss allowance		**(9,425)**	(1,186)
Total		**196,810**	168,692
Non-current			
Trade receivables		**25,232**	51,299
Prepayments		**-**	750
Other receivables		**19,378**	19,781
Total		**44,610**	71,830
Total trade and other receivables		**241,420**	240,522

Analysis of receivables

	Gross receivables		Expected credit loss	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Not past due	**231,466**	226,516	**8,036**	-
Past due 1-30 days	**10,134**	6,486	**-**	-
Past due 31-60 days	**682**	1,152	**-**	-
Past due 61-90 days	**1,378**	120	**20**	1
Past due over 90 days	**7,185**	7,434	**1,369**	1,185
Total	**250,845**	241,708	**9,425**	1,186

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 and requires security to be taken for advances to third parties. 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.

	2023 $'000	2022 $'000
Analysis of movements in the expected credit loss allowance		
Balance at 1 January	**1,186**	1,294
Net remeasurement of expected credit loss allowance	**(42)**	427
Change in expected credit loss allowance due to new trade and other receivables	**16,184**	(519)
Amount written off during the year	**(7,903)**	(16)
Balance at 31 December	**9,425**	1,186

Impairment on receivables includes amounts related to writing off long-term receivables due from Cyclone Gabrielle impacted growing partners, and a provision for a long-term receivable from an overseas growing partner.

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 $9.0 million (2022: $0.6 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 and forward looking information.

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 2023						
Expected credit loss rate	**0.00%**	**0.00%**	**0.06%**	**2.44%**	**8.48%**	**2.20%**
Loss given default rate	**60.00%**	**60.00%**	**60.00%**	**60.00%**	**60.00%**	**60%**
Estimated total gross carrying amount at default	**231,466**	**10,134**	**682**	**1,378**	**7,185**	**250,845**
Lifetime ECL	**-**	**-**	**-**	**20**	**365**	**385**
At 31 December 2022						
Expected credit loss rate	0.00%	0.00%	0.02%	1.55%	13.05%	2.92%
Loss given default rate	60.00%	60.00%	60.00%	60.00%	60.00%	60%
Estimated total gross carrying amount at default	226,515	6,486	1,152	120	7,434	241,708
Lifetime ECL	-	-	-	1	582	583

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.

	2023 $'000	2022 $'000
Finished and semi-finished goods	**60,086**	45,330
Consumables (including packaging)	**7,554**	8,600
Balance at 31 December	**67,640**	53,930

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 2023 amounted to $917.9 million (2022: $866.8 million). Cost of inventories recognised as an expense also includes $0.8 million of cyclone damaged packaging that was written off during the year (2022: $nil).

21. Trade and other payables

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

	NOTES	2023 $'000	2022 $'000
Current			
Trade payables		**78,473**	82,933
Employee entitlements		**12,254**	10,814
Accrued expenses		**38,602**	46,000
Payables to associates	24	**2,024**	1,825
Payables to related party	25	**39,472**	18,986
Payables to Ultimate and Immediate Parents	25	**343**	540
Payables to Ultimate Parent's subsidiaries and associate	25	**135**	9
Deferred payments		**105**	68
Deferred payments to related parties	25	**236**	-
Total		**171,644**	161,175
Non-current			
Employee entitlements		**43**	43
Deferred payments to related parties	25	**-**	236
Total		**43**	279

Notes to the financial statements (continued)

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 (%) 2023	2022	Principal activity
Delica Limited	New Zealand	**100**	100	Investment company
Delica Australia Pty Limited	Australia	**100**	100	Fruit exporter
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 Products Inc.	United States of America	**100**	100	Fruit variety development and propagation
Fairgrow Limited[1]	New Zealand	**100**	100	Facilitate donation of fresh produce items
Fruit Distributors Limited	New Zealand	**100**	100	Investment company
Fruitmark Pty Limited	Australia	**100**	100	Processed foods broking
T&G Berries Australia Pty Ltd	Australia	**85**	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
T&G Europe	France	**100**	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	New Zealand	**51**	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

[1] Fairgrow Limited was deregistered on 30 November 2023.

Table continues next page

The balance date of all subsidiaries is 31 December.

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 2023	2022
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 2023 $'000	2022 $'000	Accumulated non-controlling interests 2023 $'000	2022 $'000
Delica North America, Inc.	**969**	673	**3,755**	3,669
Worldwide Fruit Limited	**1,704**	1,858	**5,781**	5,716
Individually immaterial subsidiaries with non-controlling interests	**1,887**	2,079	**7,935**	7,532
Total	**4,560**	4,610	**17,471**	16,917

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. 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.

	2023 $'000	2022 $'000
Balance sheet		
Current assets	**55,578**	41,124
Non-current assets	**226**	215
Current liabilities	**(49,622)**	(35,064)
Non-current liabilities	**(96)**	(218)
Equity attributable to owners of the Company	**(2,332)**	(2,388)
Non-controlling interests	**(3,755)**	(3,669)
Income statement		
Revenue	**119,712**	104,510
Expenses	**(117,774)**	(103,164)
Profit for the year	**1,938**	1,346
Profit attributable to owners of the Company	**969**	673
Profit attributable to non-controlling interests	**969**	673
Profit for the year	**1,938**	1,346
Dividends paid to non-controlling interests	**953**	326
Cashflows		
Net cash (outflow) / inflow from operating activities	**(527)**	1,783
Net cash outflow from investing activities	**(785)**	(305)
Net cash inflow / (outflow) from financing activities	**320**	(212)
Total net cash (outflow) / inflow	**(992)**	1,266

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.

	2023 $'000	2022 $'000
Balance sheet		
Current assets	**35,403**	32,983
Non-current assets	**20,757**	20,069
Current liabilities	**(38,137)**	(33,529)
Non-current liabilities	**(2,256)**	(3,904)
Equity attributable to owners of the Company	**(9,986)**	(9,903)
Non-controlling interests	**(5,781)**	(5,716)
Income statement		
Revenue	**305,426**	303,472
Expenses	**(302,018)**	(299,756)
Profit for the year	**3,408**	3,716
Profit attributable to owners of the Company	**1,704**	1,858
Profit attributable to non-controlling interests	**1,704**	1,858
Profit for the year	**3,408**	3,716
Dividends paid to non-controlling interests	**2,016**	3,153
Cashflows		
Net cash inflow from operating activities	**3,838**	1,447
Net cash outflow from investing activities	**(4,421)**	(9,208)
Net cash (outflow) / inflow from financing activities	**(1,635)**	129
Total net cash outflow	**(2,218)**	(7,632)

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 2023. 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 2023 and 2022 are:

Name of entity	Place of business and country of incorporation	Ownership interest (%)		Principal activity
		2023	2022	
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 2023 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 2023 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:

	2023 $'000	2022 $'000
Group's share of loss and comprehensive income of joint ventures	**(39)**	(87)
Carrying amount of the Group's interest in joint ventures	**2,927**	3,142

Transactions with joint ventures of the group

The Group has entered into the following transactions with its joint ventures during the year:

	2023 $'000	2022 $'000
Sale of produce to joint ventures	**2,819**	3,526
Purchase of produce from joint ventures	**(48)**	(1,246)
Loans provided to joint ventures	**200**	400
Interest on loan charged to joint ventures	**46**	17
Services provided to joint ventures	**1,224**	632
Current receivables owing from joint ventures	**1,059**	873

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 anytime. The average weighted interest rate charged on the loan is 8.3% (2022: 5.5%).

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 2023. The associates have share capital consisting solely of ordinary shares, which are held directly by the Group.

The Group's investments in associates in 2023 and 2022 are:

Name of entity	Place of business and country of incorporation	Ownership interest (%)		Principal activity
		2023	2022	
Grandview Brokerage LLC	United States of America	39	39	Investment company

For the purposes of applying the equity method of accounting, management accounts of the companies for the period ended 31 December 2023 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

	2023 $'000	2022 $'000
Balance sheet		
Current assets	**213,731**	203,238
Non-current assets	**39,432**	40,354
Current liabilities	**(224,539)**	(210,422)
Non-current liabilities	**(9,410)**	(8,520)
The above amounts of assets includes the following:		
Cash and cash equivalents	**1,304**	4,124
Income statement		
Revenue	**1,081,052**	1,107,818
Depreciation and amortisation expenses	**(1,939)**	(1,563)
Interest expense	**(3,702)**	(1,958)
Income tax expense	**(1,391)**	(1,760)
Profit after tax and total comprehensive income	**2,922**	6,100
Group's share of carrying amount		
Carrying amount from Group's share in associate	**7,568**	9,710
Goodwill on acquisition	**28,435**	28,323
Other adjustments	**(6,984)**	(7,985)
Group's adjusted share of carrying amount in associate	**29,019**	30,048
Group's share of profit from continuing operations		
Gain from Group's share in associate	**1,151**	2,403
Other adjustments	**55**	(462)
Group's adjusted share of profit from continuing operations in associate	**1,206**	1,941
Dividend received from associate	**2,235**	2,190

The Group's share of profit and the carrying amounts of the Group's interest in all associates are presented below:

	2023 $'000	2022 $'000
Group's share of profit and comprehensive income of associates		
Grandview Brokerage LLC	**1,206**	1,941
Other	**-**	22
Total	**1,206**	1,963
Carrying amount of the Group's interest in associates		
Grandview Brokerage LLC	**29,019**	30,048
Total	**29,019**	30,048

Transactions with associates of the Group

The Group has entered into the following transactions with its associates during the year:

	2023 $'000	2022 $'000
Sale of produce to associates	**21,060**	26,510
Services received from associates	**(3,754)**	(4,571)
Current payables owing to associates	**(2,024)**	(1,825)
Dividends received from associates	**2,235**	2,190

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:

	2023 $'000	2022 $'000
Services received from the Ultimate Parent	**(1,574)**	(1,401)
Interest on loan charged by the Ultimate Parent	**367**	-
Current receivables owing from the Ultimate Parent	**2**	114
Term debt facility from the Ultimate Parent	**(11,300)**	-

Transactions with the Immediate Parent

The Group has related party transactions with the Immediate Parent as follows:

	2023 $'000	2022 $'000
Services received from the Immediate Parent	**(684)**	(634)
Current payables owing to the Immediate Parent	**(343)**	(540)

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:

	2023 $'000	2022 $'000
Sale of produce to the Ultimate Parent's subsidiaries	**56**	229
Purchase of produce from the Ultimate Parent's subsidiaries	**-**	(245)
Services provided to the Ultimate Parent's subsidiaries	**-**	3
Services received from the Ultimate Parent's subsidiaries	**(433)**	(280)
Current receivables owing from the Ultimate Parent's subsidiaries	**3**	134
Current payables owing to the Ultimate Parent's subsidiaries	**(135)**	(9)

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:

	2023 $'000	2022 $'000
Sale of produce to related parties	**184**	1,283
Purchase of produce from related parties	**(49,778)**	(30,119)
Services received from related parties	**(188)**	(23)
Current receivables owing from related parties	**1,408**	1,046
Current payables owing to related parties	**(39,472)**	(18,986)

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

	2023 $'000	2022 $'000
Short-term employee benefits	**4,639**	4,489
Directors' remuneration	**437**	370
Total	**5,076**	4,859

At 31 December 2023, the Group has outstanding deferred payments to key management personnel of $0.2 million relating to short-term and long-term incentives (2022: $0.2 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 2023, the Group held foreign exchange contracts and currency options with a contract value of $433 million (2022: $474 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			
	2024		2025	
	Actual	Policy	Actual	Policy
USD	66.39%	40%-70%	22.28%	10%-50%
GBP	59.10%	40%-70%	24.59%	10%-50%
EUR	40.16%	40%-70%	27.09%	10%-50%
JPY	62.54%	40%-70%	42.24%	10%-50%

	Average exchange rates		Notional value: Foreign currency		Notional value: Local currency	
	2023	2022	2023 $'000	2022 $'000	2023 $'000	2022 $'000
USD	**0.59**	0.62	**232,917**	256,591	**393,214**	415,867
GBP	**0.50**	0.50	**6,200**	10,000	**12,402**	19,880
EUR	**0.56**	0.57	**10,774**	16,882	**19,286**	29,439
JPY	**82.16**	77.17	**624,662**	687,667	**7,603**	8,911

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%	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Pre-tax (profit) / loss	**(588)**	(926)	**481**	758
Equity	**(34,183)**	(42,822)	**28,448**	35,045

(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 2023, $150 million of interest bearing loans are subject to interest rate repricing within the next 14 months (2022: $120 million).

The table below highlights the weighted average interest rate and the currency profile of interest bearing loans and borrowings:

	2023		2022	
	Weighted average interest rate	Loans and borrowings $'000	Weighted average interest rate	Loans and borrowings $'000
British Pounds	**5%**	**3,102**	2%	3,855
New Zealand Dollars	**7%**	**194,336**	6%	143,600
United States Dollars	**-**	**-**	1.9%	23
Total		**197,438**		147,478

Notes to the financial statements (continued)

Interest rate derivatives

The Group's treasury policy allows up to 100% (2022: 100%) of forecasted term facility 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% (2022: 83%) of the forecasted term facility debt. The fixed interest rates average 3.2% (2022: 3.2%). The variable rates are set at the bank bill rate 90 day settlement rate, which at balance date was 5.6% (2022 4.3%). 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 2023, the Group held swaps with a contract value of $125 million (2022: $100 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 2023, $150 million (2022: $120 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 $1.5 million gain or loss on pre-tax profits (2022: $1.2 million).

A 1% (2022: 1%) 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 2023 is equal to the carrying value for cash and cash equivalents, trade and other receivables, derivative financial instruments and a guarantee claimable of $27.5 million (2022: $27.4 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
2023							
Loans and borrowings	**197,438**	**5,492**	**38,492**	**195,386**	**-**	**-**	**239,370**
Trade and other payables (excluding employee entitlements)	**159,390**	**159,390**	**-**	**-**	**-**	**-**	**159,390**
Derivative financial instruments - cash flow hedges:	**1,140**	**-**	**-**	**-**	**-**	**-**	**-**
Inflows		**(32,774)**	**(17,521)**	**-**	**-**	**-**	**(50,295)**
Outflows		**34,438**	**19,198**	**2,390**	**41**	**-**	**56,067**
Derivative financial instruments - fair value through profit or loss:	**49**	**-**	**-**	**-**	**-**	**-**	**-**
Inflows		**(2,810)**	**-**	**-**	**-**	**-**	**(2,810)**
Outflows		**2,903**	**-**	**-**	**-**	**-**	**2,903**
Lease liabilities	**173,867**	**17,453**	**15,344**	**27,145**	**83,287**	**93,888**	**237,117**
Financial guarantees	**27,484**	**27,484**	**-**	**-**	**-**	**-**	**27,484**
Total	**559,368**	**211,576**	**55,513**	**224,921**	**83,328**	**93,888**	**669,226**

	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							
Loans and 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

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% (2022: 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% (2022: 45% to 55%).
Tangible net worth	The tangible net worth of the Group shall not be less than $270.0 million (2022 $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 (2022: 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 (2022: 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% (2022: 90%) of the total tangible assets of the whole Group.
- During the financial year, the Group received a waiver from its banks from having to meet any earnings before interest and tax (EBIT as defined within the banking agreeement) covenant ratios for the 2023 financial year. This covenant is no longer in place as at 31 December 2023. (2022: Group entitties that form part of the guaranteeing group shall not be less than 75% between January to March 2022, a covenant waiver was received for the period April to December 2022.)

The Group complied with all other financial covenants during the year.

In 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 Scenario Analysis for the material risks identified through the Group's Climate Risk Assessment.
Climate change mitigation	Achieve a reduction of at least 5% in Scope 1 and Scope 2 Greenhouse Gas Emissions (GHG) versus Baseline GHG Performance, and receive validation of the Group's Science Based Targets by the Science Based Targets Initiative.
Create permanent employment opportunities and career pathways	Identify and support talent in the Group's permanent Apples workforce with opportunities to further develop and grow their career pathway through internal career moves, via 30 or more new secondments or promotions.

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
2023					
Cash and cash equivalents	**30,508**	**-**	**-**	**-**	**30,508**
Term deposits	**2,277**	**-**	**-**	**-**	**2,277**
Trade and other receivables (excluding prepayments and taxes)	**217,132**	**-**	**-**	**-**	**217,132**
Investment in unlisted entities	**-**	**-**	**-**	**92**	**92**
Derivative financial instruments	**-**	**-**	**20,378**	**-**	**20,378**
Total	**249,917**	**-**	**20,378**	**92**	**270,387**
2022					
Cash and cash equivalents	57,409	-	-	-	57,409
Term deposits	1,110	-	-	-	1,110
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

Financial liabilities

	Measured at amortised cost $'000	Fair value through profit or loss (held for trading) $'000	Derivatives for hedging $'000	Total $'000
2023				
Loans and borrowings	**197,438**	**-**	**-**	**197,438**
Trade and other payables (excluding employee entitlements)	**159,390**	**-**	**-**	**159,390**
Lease liabilities	**173,867**	**-**	**-**	**173,867**
Derivative financial instruments	**-**	**49**	**1,140**	**1,189**
Total	**530,695**	**49**	**1,140**	**531,884**
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

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)

	2023 $'000	2022 $'000
Current assets		
Cash flow hedges		
Forward foreign exchange contracts	**4,818**	3,574
Foreign currency options	**1,428**	286
Interest rate swaps	**864**	184
Total	**7,110**	4,044
Non-current assets		
Cash flow hedges		
Forward foreign exchange contracts	**9,644**	8,775
Foreign currency options	**1,544**	1,416
Interest rate swaps	**2,080**	4,379
Total	**13,268**	14,570
Current liabilities		
Cash flow hedges		
Forward foreign exchange contracts	**855**	6,613
Foreign currency options	**51**	325
Fair value through profit or loss (held for trading)		
Forward foreign exchange contracts	**49**	280
Total	**955**	7,218
Non-current liabilities		
Cash flow hedges		
Forward foreign exchange contracts	**-**	634
Interest rate swaps	**234**	24
Total	**234**	658

28. Contingencies

The Group has the following guarantees:

	2023 $'000	2022 $'000
Bonds and sundry facilities	**75**	75
Guarantees of bank facilities for associated companies	**27,409**	27,301
Total	**27,484**	27,376

Contingent assets

The Group submitted an insurance claim from the damage caused by Cyclone Gabrielle to its insurers before the end of the financial year. Due to the complexity of the insurance claim, this has caused delays in finalising the value of the insurance claim receivable at balance date. Refer Notes 1 and 5.

29. Commitments

Capital commitments

As at 31 December, the Group is committed to the following capital expenditure:

	2023 $'000	2022 $'000
Property, plant and equipment	**1,222**	3,563
Intangible assets	**-**	88
Total	**1,222**	3,651

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:

	2023 $'000	2022 $'000
Within one year	**1,831**	1,555
One to two years	**1,296**	1,062
Two to five years	**395**	1,289
Later than five years	**749**	354
Total	**4,271**	4,260

30. Events occurring after the balance date

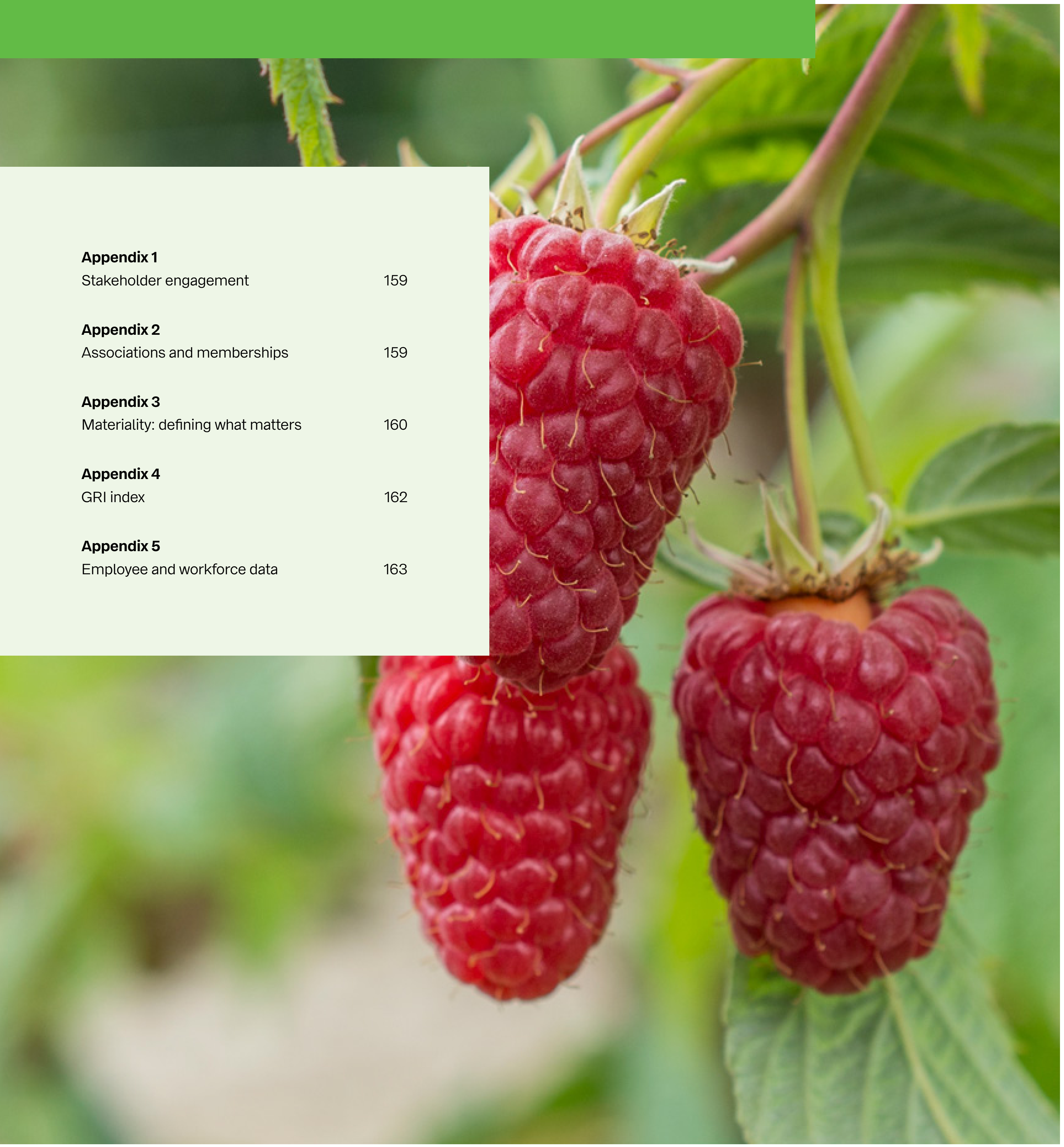
A renewed $100 million Seasonal Facility was executed on 28 February 2024. There are no other material events that occurred after the balance date that would require adjustment or disclosure in these accounts.

Five year financial review

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Revenue					
Continuing activities	**1,334,338**	1,304,936	1,365,413	1,412,590	1,216,409
Profit					
Pre-tax (loss) / profit	**(64,249)**	(3,341)	9,798	22,024	10,311
Net (loss) / profit after tax	**(46,595)**	(861)	13,552	16,590	6,611
Funds employed					
Paid up capital	**176,357**	176,357	176,357	176,357	176,357
Retained earnings and reserves	**328,060**	386,894	383,719	330,250	284,349
Non-controlling interests	**17,471**	16,917	13,528	13,147	13,697
Non-current liabilities	**321,219**	284,679	200,660	232,471	181,276
Current liabilities	**232,105**	218,506	210,016	228,517	198,553
Total	**1,075,212**	**1,083,353**	**984,280**	**980,742**	**854,232**
Assets					
Property, plant and equipment	**401,007**	401,077	399,806	392,700	386,079
Other non-current assets	**320,774**	334,783	291,266	270,542	176,651
Current assets	**353,431**	347,493	293,208	317,500	291,502
Total	**1,075,212**	**1,083,353**	**984,280**	**980,742**	**854,232**
	2023	**2022**	**2021**	**2021**	**2020**
Statistics					
Number of ordinary shares on issue	**122,543,204**	122,543,204	122,543,204	122,543,204	122,543,204
(Loss) / earnings per share - cents	**(41.7)**	(4.4)	7.2	9.0	0.7
Net tangible assets per security	**$3.61**	$4.11	$4.06	$3.61	$3.56
Percentage of equity holders funds to total assets	**49%**	54%	58%	53%	56%
Ratio of current assets to current liabilities	**1.52**	1.59	1.40	1.39	1.47
Ratio of debt to equity [1]	**1.06**	0.87	0.72	0.89	0.80
Dividends					
Cents per share on paid up capital	**-**	-	6	6	-
Total dividend paid	**-**	-	$7,352,592	$7,352,592	-

[1] Debt includes trade payables.

Appendices



Appendix 1: Stakeholder engagement

T&G engages with a wide range of stakeholders, as noted in the below table. As per our materiality assessment conducted in 2022, 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 and senior leadership teams and people leaders, including regular leadership calls, roadshows, hui, briefings, workshops, daily operational Tier meetings, and online channels • AskYourTeam survey
Growers	• Comprehensive programme of engagement, including monthly apple grower calls, Core News digital update, grower portal, orchard field days for technical and quality services support, roadshows, end-of-season meetings, 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 briefings and updates
Customers and consumers	• Regular customer engagement led by our international sales and marketing team and our T&G Fresh sales and marketing team, including ongoing conversations (both formal and informal), meetings, 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 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 2: Associations and memberships

T&G is a member of the following organisations:

- Business Leaders' Health & Safety Forum
- Citrus New Zealand
- Diversity Works New Zealand
- Freshfel Europe
- Fresh Trade Belgium
- Governance New Zealand
- Horticulture New Zealand
- Human Resources Institute of New Zealand
- Institute of Directors New Zealand
- International Fresh Produce Association
- New Zealand Apples & Pears Inc.
- New Zealand Avocados
- The New Zealand Council of Cargo Owners
- New Zealand Fruit Tree Importers Group
- New Zealand Horticulture Export Authority
- New Zealand Institute of Safety Management
- Onions New Zealand
- Plant Germplasm Import Council
- Potatoes New Zealand
- Strawberry Growers of New Zealand
- The Aotearoa Circle
- Tomatoes New Zealand
- United Fresh New Zealand Incorporated
- Vegetables New Zealand Inc.
- Washington Apple Education Foundation
- Washington State Tree Fruit Association

Management commentary
(no financial statements)

Appendix 3: Materiality: defining what matters

Our materiality assesment

Materiality assessments are widely used in business to inform strategic sustainability priorities and are a prerequisite for sustainability reporting following the GRI Standards. 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.

Determining what's important

Following our 2019 inaugural materiality assessment, in 2022 we commissioned a new assessment. Conducted by an indepdendent sustainability consultancy, it referenced and aligned to international stakeholder engagement and reporting standards, including GRI and AccountAbility's AA1000 Stakeholder Engagement Standard 2015.

To establish the importance of topics to our stakeholders, a robust five-step process was undertaken with 14 stakeholders interviewed and 150 internal and external stakeholders engaged via a survey. For a detailed overview of the process followed, please see our 2022 Annual Report.

The assessment identified 25 material topics, which were revised to 22 by grouping or combining topics which align with T&G's understanding and business language. These 22 material areas are mapped on the following materiality matrix, with the five most material areas grouped in the top right.

T&G Global materiality matrix

The top five material topics 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 chain	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 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.

As noted on pages 45-46, in 2023, and informed by our materiality assessment, we refreshed our Kaitiakitanga framework. This saw resilient and ethical supply chains and climate change and resilience strongly woven into our framework, with our wider business strategy focusing on the management of sustainable financial performance, product quality, and customer and consumer needs. In refreshing our Kaitiakitanga framework, we refined our focus areas in line with the materiality assessment, established goals and targets, and set activity plans.

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 2023 to 31 December 2023, 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 18-21
2-2	Entities included in the organisation's sustainability reporting	Page 2
2-3	Reporting period, frequency and contact point	1 January 2023 - 31 December 2023 Annual Page 166
2-4	Restatements of information	Page 49
2-5	External assurance	Page 74, 78-80; see T&G's 2023 Climate-related Disclosure www.tandg.global/investors/reporting/
2-6	Activities, value chain and other business relationships	Page 18-43
2-7	Employees	See Appendix 5
2-8	Workers who are not employees	N/A
2-9	Governance structure and composition	Page 47, 66-67, 70-73
2-10	Nomination and selection of the highest governance body	Page 70-73
2-12	Role of the highest governance body in overseeing the management of impacts	Page 47, 70-73
2-13	Delegation of responsibility for managing impacts	Page 47, 70-73
2-14	Role of the highest governance body in sustainability reporting	Page 47
2-28	Membership associations	See Appendix 2
2-29	Approach to stakeholder engagement	See Appendix 1
2-30	Collective bargaining agreements	5.5% of T&G employees in FY23 (this includes permanent and seasonal employees)
3-1	Process to determine material topics	See Appendix 3
3-2	List of material topics	See Appendix 3
3-3	Management of material topics	See Appendix 3

Material topic standard disclosures

Sustainable financial performance		
3-3	Management of material topics	Page 4-11, 22-41, 82-156
201-1	Direct economic value generated and distributed	Page 4-11
Resilient and ethical supply chains		
3-3	Management of material topics	Page 52, 60
414-1	New suppliers that were screened using social criteria	All suppliers were screened using IntegrityNext
Climate change and resilience		
3-3	Management of material topics	Page 54-56; see T&G's 2023 Climate-related Disclosure www.tandg.global/investors/reporting/
302-1	Energy consumption within the organisation	T&G does not report energy consumption
305-1	Direct (Scope 1) emissions	See page 35 in T&G's 2023 Climate-related Disclosure www.tandg.global/investors/reporting/
305-2	Energy indirect (Scope 2) emissions	See page 35 in T&G's 2023 Climate-related Disclosure www.tandg.global/investors/reporting/
305-3	Other indirect (Scope 3) emissions	T&G will commence reporting of scope 3 emissions in 2024
305-5	Reduction of GHG emissions	See page 35 in T&G's 2023 Climate-related Disclosure www.tandg.global/investors/reporting/

Appendix 5: Employee and workforce data

The following tables provide additional information, context and detail to the main body of the 2023 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 (FTE) by gender (excluding seasonal team members)

	12 months average		
	Full-time	Part-time	Total
Male	697	12	709
Female	441	24	465
Grand total	**1,138**	**36**	**1,174**

Total Aotearoa New Zealand employees (FTE) by employment contract type (permanent and temporary, including seasonal team members)

	12 months average		
	Permanent	Temporary	Total
Male	717	344	1,061
Female	474	194	668
Grand total	**1,191**	**538**	**1,729**

Total Aotearoa New Zealand employees (FTE) by region (including seasonal team members)

	12 months average		
Location	**Permanent**	**Temporary**	**Total**
Auckland	501	106	607
Christchurch	90	10	100
Dunedin	10	7	17
Gisborne	1	2	3
Hamilton	41	16	57
Hastings	336	244	580
Kerikeri	25	53	78
Nelson	50	56	106
New Plymouth	8	1	9
Palmerston North	50	2	52
Taupō	29	40	69
Tauranga	28	-	28
Wellington	20	-	20
Whangārei	3	-	3
Grand total	**1,192**	**537**	**1,729**

Management commentary
(no financial statements)

Average seasonal employee monthly FTE movement, by Aotearoa New Zealand region

Auckland

Month	Male	Female	Grand total
January	52	28	80
February	64	29	92
March	67	37	103
April	29	22	51
May	51	35	86
June	35	32	67
July	29	16	45
August	30	30	60
September	26	31	56
October	45	27	71
November	40	25	65
December	52	28	80
Auckland	**43**	**28**	**71**

Data is average FTE numbers, therefore each table does not necessarily add up.

Dunedin

Month	Male	Female	Grand total
January	3	1	4
February	8	3	11
March	9	3	12
April	8	3	11
May	7	3	10
June	3	2	5
July	2	-	2
August	2	-	2
September	2	-	2
October	2	-	2
November	1	-	1
December	2	-	2
Dunedin	**4**	**1**	**5**

Data is average FTE numbers, therefore each table does not necessarily add up.

Kerikeri

Month	Male	Female	Grand total
January	49	49	98
February	50	80	130
March	49	78	127
April	55	6	60
May	52	-	52
June	52	-	52
July	34	-	34
August	33	-	33
September	8	-	8
October	-	8	8
November	8	8	15
December	1	8	8
Kerikeri	**32**	**20**	**52**

Data is average FTE numbers, therefore each table does not necessarily add up.

Nelson

Month	Male	Female	Grand total
January	47	10	57
February	58	22	80
March	61	34	95
April	85	53	138
May	57	53	110
June	43	50	93
July	9	19	28
August	7	8	15
September	17	13	30
October	9	6	15
November	6	3	9
December	-	2	2
Nelson	**33**	**23**	**56**

Data is average FTE numbers, therefore each table does not necessarily add up.

Hamilton

Month	Male	Female	Total
January	12	-	12
February	21	2	23
March	18	4	22
April	18	5	23
May	7	4	11
June	3	3	6
July	3	2	5
August	2	2	4
September	2	2	4
October	3	2	5
November	6	2	8
December	6	-	6
Hamilton	**8**	**2**	**11**

Data is average FTE numbers, therefore each table does not necessarily add up.

Hastings

Month	Male	Female	Grand total
January	241	40	282
February	336	100	436
March	243	92	335
April	203	78	281
May	101	100	200
June	146	126	272
July	142	112	255
August	101	48	149
September	76	43	119
October	15	15	29
November	244	29	273
December	238	24	261
Hastings	**174**	**67**	**241**

Data is average FTE numbers, therefore each table does not necessarily add up.

Taupō

Month	Male	Female	Grand total
January	9	9	18
February	9	11	20
March	9	10	19
April	7	7	14
May	2	3	5
June	2	4	6
July	4	6	10
August	4	7	11
September	4	7	11
October	6	9	15
November	5	11	16
December	5	10	15
Taupō	**6**	**8**	**13**

Data is average FTE numbers, therefore each table does not necessarily add up.

Management commentary
(no financial statements)

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

Registered office

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Website: www.tandg.global
Email: info@tandg.global

Auditors

Deloitte Limited

Principal bankers

Bank of New Zealand

HSBC

Rabobank

Westpac New Zealand

Principal solicitors

Russell McVeagh

Share registry

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Aotearoa New Zealand

Share registry contact details

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Management commentary
(no financial statements)

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A BayWa Company

Management commentary
(no financial statements)